Consolidated Condensed Interim Financial Statements
(In millions of Canadian dollars)

CCL INDUSTRIES INC.

Interim periods ended March 31, 2022 and 2021
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In millions of Canadian dollars

	As at March 31 2022	As at December 31 2021
Assets		
Current assets		
Cash and cash equivalents	$ 616.9	$ 602.1
Trade and other receivables	1,131.2	1,083.8
Inventories	734.5	677.3
Prepaid expenses	42.4	46.5
Income taxes recoverable	18.8	37.9
Derivative instruments	0.2	-
Total current assets	2,544.0	2,447.6
Non-current assets		
Property, plant and equipment	1,941.1	1,910.3
Right-of-use assets	152.8	145.5
Goodwill	2,014.0	1,975.1
Intangible assets	971.6	991.1
Deferred tax assets	49.7	47.7
Equity-accounted investments	65.7	68.4
Other assets	25.0	25.8
Derivative instruments	16.5	16.3
Total non-current assets	5,236.4	5,180.2
Total assets	**$ 7,780.4**	**$ 7,627.8**
Liabilities		
Current liabilities		
Trade and other payables	$ 1,290.4	$ 1,321.5
Current portion of long-term debt (note 8)	15.7	15.3
Lease liabilities	33.2	32.7
Income taxes payable	53.2	48.5
Total current liabilities	1,392.5	1,418.0
Non-current liabilities		
Long-term debt (note 8)	1,914.4	1,691.4
Lease liabilities	116.6	111.9
Deferred tax liabilities	295.1	286.6
Employee benefits	271.5	315.5
Provisions and other long-term liabilities	14.1	15.2
Derivative instruments	22.8	42.2
Total non-current liabilities	2,634.5	2,462.8
Total liabilities	4,027.0	3,880.8
Equity		
Share capital	466.2	462.1
Contributed surplus	107.3	103.6
Retained earnings	3,463.0	3,422.7
Accumulated other comprehensive loss (note 5)	(283.1)	(241.4)
Total equity attributable to shareholders of the Company	3,753.4	3,747.0
Acquisitions (note 3)		
Subsequent events (note 10)		
Total liabilities and equity	**$ 7,780.4**	**$ 7,627.8**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim income statements

Unaudited

In millions of Canadian dollars, except per share information

	Three Months Ended March 31	
	2022	**2021**
Sales	$ 1,521.7	$ 1,349.5
Cost of sales	1,108.8	962.4
Gross profit	412.9	387.1
Selling, general and administrative expenses	201.9	179.9
Restructuring and other items (note 6)	1.8	-
Earnings in equity-accounted investments	(3.2)	(1.9)
	212.4	**209.1**
Finance cost	14.1	14.0
Finance income	(0.7)	(0.7)
Interest on lease liabilities	1.3	1.4
Net finance cost	14.7	14.7
Earnings before income tax	**197.7**	**194.4**
Income tax expense	47.5	46.6
Net earnings for the period	**$ 150.2**	**$ 147.8**
Basic earnings per Class B share	**$ 0.84**	**$ 0.82**
Diluted earnings per Class B share	**$ 0.83**	**$ 0.81**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of comprehensive income

Unaudited

In millions of Canadian dollars

	Three Months Ended March 31	
	2022	**2021**
Net earnings	**$ 150.2**	**$ 147.8**
Other comprehensive income (loss), net of tax:		
Items that may subsequently be reclassified to income:		
Foreign currency translation adjustment for foreign operations, net of tax recovery of $4.5 for the three-month period ended March 31, 2022 (2021 – tax recovery of $3.5)	(72.9)	(134.0)
Net gains on hedges of net investment in foreign operations, net of tax expense of $4.7 for the three-month period ended March 31, 2022 (2021 – tax expense of $5.3)	31.0	35.7
Effective portion of changes in fair value of cash flow hedges, net of tax expense of $0.2 for the three-month period ended March 31, 2022 (2021 – tax expense of $0.2)	0.5	0.4
Net change in fair value of cash flow hedges transferred to the income statement, net of tax expense of $0.1 for the three-month period ended March 31, 2022 (2021 – tax expense of $0.1)	(0.3)	(0.3)
Actuarial gains on defined benefit post-employment plans, net of tax expense of $10.0 for the three-month period ended March 31, 2022 (2021 – tax expense of $10.9)	28.3	40.5
Other comprehensive losses, net of tax	**$ (13.4)**	**$ (57.7)**
Total comprehensive income	**$ 136.8**	**$ 90.1**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of changes in equity

Unaudited

In millions of Canadian dollars

	Class A shares	Class B shares	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total equity
Balances, January 1, 2021	$ 4.5	$ 392.3	$ 396.8	$ 90.1	$ 2,937.5	$ (142.2)	$ 3,282.2
Net earnings	-	-	-	-	147.8	-	147.8
Dividends declared							
Class A	-	-	-	-	(2.5)	-	(2.5)
Class B	-	-	-	-	(35.2)	-	(35.2)
Defined benefit plan actuarial gain net of tax	-	-	-	-	40.5	-	40.5
Stock-based compensation plan	-	3.0	3.0	3.1	-	-	6.1
Stock options expense	-	-	-	0.7	-	-	0.7
Stock options exercised	-	15.7	15.7	(2.9)	-	-	12.8
Income tax effect related to stock options	-	-	-	0.1	-	-	0.1
Other comprehensive loss	-	-	-	-	-	(98.2)	(98.2)
Balances, March 31, 2021	**$ 4.5**	**$ 411.0**	**$ 415.5**	**$ 91.1**	**$ 3,088.1**	**$ (240.4)**	**$ 3,354.3**

	Class A shares	Class B shares	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total equity
Balances, January 1, 2022	$ 4.5	$ 457.6	$ 462.1	$ 103.6	$ 3,422.7	$ (241.4)	$ 3,747.0
Net earnings	-	-	-	-	150.2	-	150.2
Dividends declared							
Class A	-	-	-	-	(2.8)	-	(2.8)
Class B	-	-	-	-	(40.1)	-	(40.1)
Defined benefit plan actuarial gain, net of tax	-	-	-	-	28.3	-	28.3
Stock-based compensation plan	-	5.2	5.2	4.0	-	-	9.2
Stock options expense	-	-	-	0.2	-	-	0.2
Stock options exercised	-	3.6	3.6	(0.7)	-	-	2.9
Income tax effect related to stock options	-	-	-	0.2	-	-	0.2
Repurchase of shares (note 9)	-	(4.7)	(4.7)	-	(95.3)	-	(100.0)
Other comprehensive loss	-	-	-	-	-	(41.7)	(41.7)
Balances, March 31, 2022	**$ 4.5**	**$ 461.7**	**$ 466.2**	**$ 107.3**	**$ 3,463.0**	**$ (283.1)**	**$ 3,753.4**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of cash flows

Unaudited

In millions of Canadian dollars

	Three Months Ended March 31 2022	2021
Cash provided by (used for)		
Operating activities		
Net earnings	$ 150.2	$ 147.8
Adjustments for:		
Property, plant and equipment depreciation	64.3	62.2
Right-of-use assets depreciation	9.9	9.9
Intangibles amortization	16.3	14.6
Earnings in equity-accounted investments, net of dividends received	(3.2)	(1.9)
Net finance costs	14.7	14.7
Current income tax expense	51.0	52.5
Deferred income tax recovery	(3.5)	(5.9)
Equity-settled share-based payment transactions	9.6	6.9
Gain on sale of property, plant and equipment	(0.5)	(1.7)
	308.8	299.1
Change in inventories	(50.2)	(17.3)
Change in trade and other receivables	(32.7)	(52.5)
Change in prepaid expenses	4.1	(2.0)
Change in trade and other payables	(58.1)	(36.2)
Change in income taxes receivable and payable	3.0	(1.7)
Change in employee benefits	(5.7)	(13.6)
Change in other assets and liabilities	(5.3)	1.5
	163.9	177.3
Net interest paid	(2.3)	(2.1)
Income taxes paid	(27.3)	(34.8)
Cash provided by operating activities	**134.3**	**140.4**
Financing activities		
Proceeds on issuance of long-term debt	234.1	1.4
Repayment of long-term debt	(4.3)	(74.1)
Repayment of lease liabilities	(9.7)	(9.0)
Proceeds from issuance of shares	2.9	12.8
Repurchase of shares (note 9)	(100.0)	-
Dividends paid	(42.9)	(37.7)
Cash provided by (used for) financing activities	**80.1**	**(106.6)**
Investing activities		
Additions to property, plant and equipment	(96.9)	(57.2)
Proceeds on disposal of property, plant and equipment	0.7	4.4
Business acquisitions (note 3)	(94.3)	-
Cash used for investing activities	**(190.5)**	**(52.8)**
Net increase (decrease) in cash and cash equivalents	23.9	(19.0)
Cash and cash equivalents at beginning of period	602.1	703.7
Translation adjustments on cash and cash equivalents	(9.1)	(22.0)
Cash and cash equivalents at end of period	**$ 616.9**	**$ 662.7**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

1. Reporting entity

CCL Industries Inc. (the "Company") is a public company, listed on the Toronto Stock Exchange, and is incorporated and domiciled in Canada. These consolidated condensed interim financial statements of the Company as at and for the interim periods ended March 31, 2022 and 2021, comprise the results of the Company, its subsidiaries and its interests in joint ventures and associates. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels, consumer printable media products, technology-driven label solutions, polymer banknote substrates and specialty films.

2. Basis of preparation and presentation

(a) Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

These consolidated condensed interim financial statements should be read in conjunction with the Company's 2021 annual consolidated financial statements.

The accounting policies and methods of computation followed in the preparation of these consolidated condensed interim financial statements are consistent with those used in the preparation of the most recent annual report unless otherwise noted.

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on May 11, 2022.

(b) Basis of measurement

These consolidated condensed interim financial statements have been prepared on the historical cost basis except for the following items in the consolidated condensed interim statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- assets related to the defined benefit plans are measured at fair value and liabilities related to the defined benefit plans are calculated by qualified actuaries using the projected unit credit method.

(c) Presentation currency

These consolidated condensed interim financial statements are presented in Canadian dollars, which is the Company's presentation currency. All financial information, except per share information, is presented in millions of Canadian dollars, unless otherwise noted.

3. Acquisitions

(a) Acquisitions in 2022

In January 2022, the company acquired privately owned McGavigan Holdings Ltd. ("McGavigan"), headquartered in Glasgow, Scotland and with significant manufacturing operations in China, for $103.6 million net of cash acquired and debt assumed. McGavigan is a leading supplier of "in mould" decorated components for automotive interiors and will form an integral part of CCL Design.

The following table summarizes the allocation of the consideration to the fair value of the assets acquired and liabilities assumed for the McGavigan acquisition:

Cash consideration, net of cash acquired	$	94.3
Assumed debt		9.3
	$	103.6
Trade and other receivables	$	14.6
Inventories		7.0
Property, plant and equipment		24.4
Right-of-use assets		9.0
Goodwill		51.4
Intangible assets		17.5
Deferred tax assets		3.7
Trade and other payables		(11.4)
Income taxes payable		(0.3)
Lease liabilities		(7.4)
Deferred tax liabilities		(4.9)
Net assets acquired	$	103.6

As a result of the inherent complexity associated with the valuation of net assets acquired, the determination of the fair value of assets and liabilities acquired for McGavigan is based upon preliminary estimates and assumptions. The Company will continue to review information prior to finalizing the fair value of the assets acquired and liabilities assumed. The actual fair value of the assets acquired and liabilities assumed may differ from the amounts noted above.

Goodwill is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Factors that make up the amount of goodwill recognized include expected synergies and employee knowledge of operations. The total amount of goodwill and intangible assets for McGavigan is $68.9 million, which is not deductible for tax purposes.

The following table summarizes the combined sales and net earnings that the newly acquired McGavigan has contributed to the Company for the current reporting period.

		Three Months Ended March 31
Sales	$	12.1
Net earnings	$	0.1

In millions of Canadian dollars, unless otherwise noted

3. Acquisitions (continued)

(b) Pro Forma Information

The pro forma consolidated financial information below has been prepared following the accounting policies of the Company as if the acquisitions took place January 1, 2022.

The pro forma consolidated financial information has been presented for illustrative purposes only and is not necessarily indicative of results of operations and financial position that would have been achieved had the pro forma events taken place on the dates indicated, or the future consolidated results of operations or financial position of the consolidated company. Future results may vary significantly from the pro forma results presented.

The historical consolidated financial information has been adjusted in preparing the pro forma consolidated financial information to give effect to events that are: (i) directly attributable to the acquisitions; (ii) factually supportable; and (iii) with respect to sales and net earnings, expected to have a continuing impact on the results of CCL Industries Inc. As such, the impact from acquisition-related expenses is not included in the accompanying pro forma consolidated financial information. The pro forma consolidated financial information does not reflect any cost savings (or associated costs to achieve such savings) from operating efficiencies, synergies or other restructuring that could result from the acquisitions.

The following table summarizes the sales and net earnings of the Company combined with McGavigan as though the acquisition took place on January 1, 2022:

		Three Months Ended March 31
Sales	$	1,522.5
Net earnings	$	150.3

(c) Acquisitions in 2021

In April 2021, the Company acquired the assets of Europack Packaging and Fluid Management GmbH (“Europack”) for approximately $0.9 million. Europack was added to the CCL Segment.

In May 2021, the Company acquired privately held Lux Global Label Asia Pte. Ltd. (“LUX”), based in Singapore for approximately $9.4 million, net of cash. LUX produces decorative labels for global consumer product customers in the ASEAN region. LUX now trades as “CCL Label Singapore.”

In July 2021, the Company acquired privately owned Plum Paper LLC (“Plum”), based in California, U.S. for approximately $26.3 million, net of cash acquired. Plum is a leading supplier of personalized planners and is part of Avery’s growing direct-to-consumer business.

In July 2021, the Company acquired the Uniter Group of companies (“Uniter”), based in A Coruña, Spain, with operations in Europe, Asia and North Africa for approximately $50.4 million, including debt assumed and net of cash acquired. Uniter’s five factories are part of the Checkpoint Apparel Labeling Solutions business.

In December 2021, the Company acquired Desarrollo e Investigación S.A. de C.V. and Fuzetouch PTE LTD (Singapore) (collectively “D&F”) headquartered in San Luis Potosi, Mexico, for approximately $51.3 million net of cash acquired. D&F is a leading supplier of graphic interface control panels and assemblies and now trades as “CCL Design”.

In December 2021, the Company acquired Forever Blue Investimentos e Participacoes S. A. (d.b.a. “Tecnoblu”), headquartered in Blumenau, Brazil for $17.7 million net of cash and debt. Tecnoblu is now a part of the Checkpoint Apparel Labeling Solutions business.

In December 2021, the Company acquired the pharmaceutical leaflet printing operations from the Laramara Foundation (“Laramara”) in São Paulo, Brazil for $0.8 million. These assets were added to the CCL Segment.

In December 2021, the Company acquired Lodging Access Systems, LLC, (“LAS”), based in Florida, U.S. for $26.4 million, net of cash acquired. LAS is a leading supplier of digitally printed and encoded RFID key cards, wrist bands and key fobs for access controls. LAS further expands Avery’s direct-to-consumer business.

In December 2021, the Company acquired International Master Products Corporation ("IMP"), based in Michigan, U.S., for $70.8 million net of cash acquired. IMP is a leading provider of labels and tags for the U.S. horticulture industry through digitally enabled design software, expanding Avery’s direct-to-consumer business.

The following table summarizes the allocation of the consideration to the fair value of the assets acquired and liabilities assumed for the Europack, LUX, Plum, Uniter, D&F, Tecnoblu, Laramara, LAS and IMP acquisitions:

Cash consideration, net of cash acquired	$	243.8
Assumed debt		10.2
	$	254.0
Trade and other receivables	$	31.5
Inventories		17.9
Prepaid expenses		2.2
Property, plant and equipment		32.4
Right-of-use assets		4.6
Goodwill		128.8
Intangible assets		67.0
Deferred tax assets		0.5
Trade and other payables		(16.0)
Income taxes payable		(4.3)
Lease liabilities		(4.5)
Deferred tax liabilities		(5.1)
Provisions and other long-term liabilities		(1.0)
Net assets acquired	$	254.0

In millions of Canadian dollars, unless otherwise noted

3. Acquisitions (continued)

(c) Acquisitions in 2021 (continued)

Goodwill is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Factors that make up the amount of goodwill recognized include expected synergies and employee knowledge of operations. The total amount of goodwill and intangible assets for Europack, LUX, Plum, Uniter, D&F, Tecnoblu, Laramara, LAS and IMP is $195.8 million, $148.1 million of which is deductible for tax purposes.

4. Segment reporting and disaggregation of revenue

The Company has four reportable segments, as described below, which are the Company's main business units. The business units offer different products and services, and are managed separately as they require different technology and marketing strategies. For each of the business units, the Company's CEO, the chief operating decision maker, reviews internal management reports regularly.

The Company's reportable segments:

- CCL is a converter of pressure sensitive and specialty extruded film materials for a wide range of decorative, instructional, functional and security applications for government institutions and large global customers in the consumer packaging, healthcare & chemicals, consumer electronic device and automotive markets. Extruded & laminated plastic tubes, aluminum aerosols & specialty bottles, folded instructional leaflets, precision decorated & die cut components, electronic displays, polymer banknote substrate and other complementary products and services are sold in parallel to specific end-use markets.

- Avery is a supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary office products sold through distributors and mass market retailers. The products are split into three primary lines: (1) Printable Media, including address labels, shipping labels, marketing and product identification labels, business cards, and name badges supported by customized software solutions; (2) Organizational Products Group, including binders, sheet protectors, indexes & dividers and writing instruments; (3) Direct-to-Consumer digitally imaged media including labels, business cards, name badges, event badges, wristbands and family-oriented identification labels supported by unique web-enabled e-commerce URLs.

- Checkpoint is a manufacturer of technology-driven loss-prevention, inventory-management and labeling solutions, including radio frequency and radio frequency identification ("RFID") solutions, to the retail and apparel industry. The Segment has three primary product lines: Merchandise Availability Solutions ("MAS"), Apparel Labeling Solutions ("ALS") and "Meto". The MAS line focuses on electronic-article-surveillance ("EAS") systems; hardware, software, labels and tags for loss prevention and inventory control systems including RFID solutions. ALS products are apparel labels and tags, some of which are RFID capable. Meto supplies hand-held pricing tools and labels and promotional in-store displays.

- Innovia supplies specialty, high-performance, multi-layer, surface engineered BOPP films from facilities in Australia, Belgium, Mexico, Poland and the United Kingdom to customers in the pressure sensitive label materials, flexible packaging and consumer packaged goods industries worldwide. Additionally a small percentage of the total volume is sold internally to CCL Secure while two smaller non-BOPP facilities, in Germany and U.S., produce almost their entire output for CCL Label.

	Three Months Ended March 31			
	Sales		Operating income	
	2022	2021	2022	2021
CCL	$ 942.0	$ 876.7	$ 152.8	$ 157.2
Avery	180.3	140.4	33.9	21.0
Checkpoint	203.0	168.7	26.6	25.4
Innovia	196.4	163.7	15.3	19.5
Total operations	$ 1,521.7	$ 1,349.5	$ 228.6	$ 223.1
Corporate expense			(17.6)	(15.9)
Restructuring and other items			(1.8)	-
Earnings in equity-accounted investments			3.2	1.9
Finance cost			(14.1)	(14.0)
Finance income			0.7	0.7
Interest on lease liabilities			(1.3)	(1.4)
Income tax expense			(47.5)	(46.6)
Net earnings			$ 150.2	$ 147.8

	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	March 31	December 31	March 31	December 31	Three Months Ended March 31		Three Months Ended March 31	
	2022	2021	2022	2021	2022	2021	2022	2021
CCL	$ 4,070.4	$ 3,919.6	$ 1,069.2	$ 1,088.9	$ 59.4	$ 58.1	$ 69.6	$ 43.5
Avery	834.8	827.1	270.7	266.7	8.2	6.6	3.7	1.6
Checkpoint	1,085.4	1,101.8	498.7	538.4	10.4	9.4	8.0	5.1
Innovia	1,156.5	1,167.0	312.6	300.7	12.1	12.2	15.6	7.0
Equity-accounted investments	65.7	68.4	-	-	-	-	-	-
Corporate	567.6	543.9	1,875.8	1,686.1	0.4	0.4	-	-
Total	$ 7,780.4	$ 7,627.8	$ 4,027.0	$ 3,880.8	$ 90.5	$ 86.7	$ 96.9	$ 57.2

The quarterly financial results above are affected by the seasonality of the business Segments. The first and second quarters of a year are traditionally higher sales periods for the CCL and Innovia Segments as a result of the greater number of work days than the third and fourth quarters plus the seasonality of certain end markets. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America. For the Checkpoint Segment, in its recurring revenue streams, the second half of the calendar year is healthier as the business substantially follows the retail cycle of its customers, which traditionally experiences more consumer activity from September through the end of the year and prepares for the same in its supply chain from mid-year on. As a result of the impact of COVID-19 on the economy and the Company's businesses, historical seasonality trends could be adversely affected or temporarily improved.

All revenues are from products and services transferred at a point in time, except $17.4 million (March 31, 2021 - $18.5 million), which are for installation and maintenance service arrangements within the Checkpoint Segment.

In millions of Canadian dollars, unless otherwise noted

5. Accumulated other comprehensive loss

	March 31 2022	December 31 2021
Unrealized foreign currency translation losses, net of tax expense of $2.0 (2021 – tax expense of $1.8)	$ (283.4)	$ (241.5)
Gains on derivatives designated as cash flow hedges, net of tax expense of $0.1 (2021 – tax expense of nil)	0.3	0.1
	$ (283.1)	$ (241.4)

6. Restructuring and other items

	Three Months Ended March 31 2022	2021
Restructuring costs	$ 1.2	$ -
Acquisition costs	0.6	-
Total restructuring and other items	$ 1.8	$ -

For the three months ended March 31, 2022, the Company recorded $1.8 million ($1.5 million, net of tax) for restructuring and other items principally related to severance costs associated with the CCL Segment and other acquisition transaction costs.

7. Financial instruments

(a) Fair value hierarchy

The table below summarizes level of hierarchy for financial assets and liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

March 31, 2022	Level 1	Level 2	Level 3	Total
Other assets	$ 21.0	$ -	$ -	$ 21.0
Derivative financial assets	-	16.7	-	16.7
Long-term debt	-	(1,874.0)	-	(1,874.0)
Derivative financial liabilities	-	(22.8)	-	(22.8)
	$ 21.0	$ (1,880.1)	$ -	$ (1,859.1)
December 31, 2021				
Other assets	$ 19.7	$ -	$ -	$ 19.7
Derivative financial assets	-	16.3	-	16.3
Long-term debt	-	(1,795.4)	-	(1,795.4)
Derivative financial liabilities	-	(42.2)	-	(42.2)
	$ 19.7	$ (1,821.3)	$ -	$ (1,801.6)

The methods and assumptions used to measure the fair value are as follows:

The fair value of derivative financial instruments generally reflects the estimated amounts that the Company would receive to sell favourable contracts, or pay to transfer unfavourable contracts, at the reporting date. The Company uses discounted cash flow analysis and market data such as interest rates, credit spreads and foreign exchange spot rates to estimate the fair value of forward agreements and interest-rate derivatives.

The fair value of long-term debt is estimated using public quotations, when available, or discounted cash flow analysis based on the current corresponding borrowing rate for similar types of borrowing arrangements.

(b) Fair values versus carrying amounts

The carrying values of cash and cash equivalents, trade and other receivables, and trade and other payables approximate fair values due to the short-term maturities of these financial instruments.

The fair value of financial liabilities together with carrying amounts shown in the consolidated condensed interim statement of financial position, are as follows:

	March 31, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 1,930.1	$ 1,874.0	$ 1,706.7	$ 1,795.4

The interest rates used to discount estimated cash flows for the long-term debt are based on the government yield curve at the reporting date plus an adequate credit spread.

Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instruments. The estimates are subjective in nature and involve uncertainties and matters of judgement.

8. Long-term debt

During the first quarter of 2022, drawdowns on company credit facilities totaling $234.1 million were primarily used to fund business acquisitions and the Company's normal course issuer bid.

The Company's debt structure at March 31, 2022, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($742.8 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($621.0 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $242.3 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $3.4 million; accordingly, there was approximately US$1.0 billion of unused availability on the revolving credit facility at March 31, 2022.

The Company's debt structure at December 31, 2021, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($750.5 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($627.4 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $9.5 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $3.5 million; accordingly, there was approximately US$1.19 billion of unused availability on the revolving credit facility at December 31, 2021.

9. Repurchase of shares

In May 2021, the Company announced a share repurchase program under a normal course issuer bid to purchase up to 8.0 million Class B non-voting shares, approximately 4.8% of the of the outstanding Class B non-voting shares of the Company. During the first quarter of 2022, the Company spent $100.0 million for the purchase of 1,733,419 Class B shares for cancellation. The excess of the purchase price over the paid-up capital was charged to retained earnings.

10. Subsequent event

The Board of Directors has declared a dividend of $0.24 per Class B non-voting share and $0.2375 per Class A voting share, which will be payable to shareholders of record at the close of business on June 16, 2022, to be paid on June 30, 2022.

In April 2022, the Company acquired privately owned Adelbras Indústria e Comércio de Adesivos Ltda. and Amazon Tape Indústria e Comércio de Fitas Adesivas Ltda. (collectively "Adelbras"), headquartered in Vinhedo, Brazil, for $155.4 million, net of cash and debt. Adelbras is a leading producer of adhesive tapes sold through retailers and distributors to consumers and small businesses with a smaller portion sold directly for industrial applications in the durable sector.

MANAGEMENT'S DISCUSSION AND ANALYSIS
First Quarters Ended March 31, 2022 and 2021

This Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") of CCL Industries Inc. (the "Company") relates to the first quarters ended March 31, 2022 and 2021. The information in this interim MD&A is current to May 11, 2022, and should be read in conjunction with the Company's May 11, 2022, unaudited first quarter consolidated condensed interim financial statements ("interim financial statements") released on May 11, 2022, and the 2021 Annual MD&A and consolidated financial statements ("annual financial statements"), which form part of CCL Industries Inc.'s 2021 Annual Report, dated February 24, 2022.

Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com or on the Company's website www.cclind.com.

Basis of Presentation

The interim and annual financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and International Financial Reporting Standards ("IFRS"), respectively, and unless otherwise noted, both the interim and annual financial statements and this interim MD&A are expressed in Canadian dollars as the presentation currency. The primary measurement currencies of the Company's operations are the Canadian dollar, U.S. dollar, euro, Argentine peso, Australian dollar, Bangladeshi taka, Brazilian real, Chilean peso, Chinese renminbi, Danish krone, Hong Kong dollar, Hungarian forint, Indian rupee, Israeli shekel, Japanese yen, Malaysian ringgit, Mexican peso, Moroccan dirham, New Zealand dollar, Philippine peso, Polish zloty, Russian ruble, Singaporean dollar, South African rand, South Korean won, Swiss franc, Thai baht, Turkish lira, U.K. pound sterling and Vietnamese dong. All per Class B non-voting share ("Class B share") amounts in this document are expressed on an undiluted basis, unless otherwise indicated. The Company's Audit Committee and its Board of Directors have reviewed this interim MD&A to ensure consistency with the approved strategy and the financial results of the Company.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains forward-looking information and forward-looking statements, as defined under applicable securities laws, (hereinafter collectively referred to as "forward-looking statements") that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words "believes," "expects," "anticipates," "estimates," "intends," "plans" or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements.

Specifically, this MD&A contains forward-looking statements regarding the anticipated sales, income and profitability of the Company's segments; the Company's capital spending levels and planned capital expenditures in 2022; the adequacy of the Company's financial liquidity including the availability of sufficient cash from operations and available credit capacity to fund the Company's future financial obligations for the next few years; the Company's effective tax rate; the Company's ongoing business strategy; the Company's planned restructuring expenditures; the Company's expectations regarding general business and economic conditions; the impact of the COVID-19 ("CV19") global pandemic and the war in Ukraine on the Company's overall operations, customers, strategy and financial results and on the respective Segments of the Company, including in respect of the second quarter of 2022 and beyond; and the ability of management to align cost structures with changing demand levels in order to improve profitability.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the continuing adverse impact of the CV19 pandemic and the war in Ukraine on the Company, its employees, customers, suppliers, the global economy and financial markets; the impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; technological changes; changes in government regulations;

risks associated with operating and product hazards; and the Company's ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company's actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: consumer spending; customer demand for the Company's products; market growth in specific sectors and entering into new markets; the Company's ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company's focused strategies and operational approach; the achievement of the Company's plans for improved efficiency and lower costs, including stable aluminum and resin costs; the expectation that demand for the CCL and Checkpoint Segments is expected to be strong and supply chain challenges will ease as the year progresses subject to the impact of COVID restrictions in China being temporary; the expectation that the CCL and Checkpoint Segments will effectively raise sales prices to offset inflationary stresses; the Company's expectation that the Avery Segment's direct-to-consumer event and name badging operations will continue to experience a turnaround as CV19 restrictions abate; the Company's expectation that Avery's back-to-school will experience a more normalized business pattern; the Company's expectation that Avery's international orders will remain steady; and the Company's expectation that the Innovia Segment will effectively manage input cost volatility, enhance productivity, pass on further price adjustments to offset inflationary costs and that the new "Ecofloat" shrink film line will commence commercial operations by the end the 2022 second quarter and improve results for Innovia. Should one or more risks come to fruition or should any assumption prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2021 Annual MD&A.

Except as otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on the Company's business. Such statements do not, unless otherwise specified by the Company, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts.

The forward-looking statements are provided as of the date of this MD&A and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

1. Overview

The first quarter of 2022 saw continued global supply chain challenges, including new Coronavirus-related lockdowns in China and the onset of the conflict between Russia and Ukraine, all driving further inflationary cost pressures magnified by energy related pressures in Europe. The Company increased prices and improved operational efficiencies where possible resulting in consolidated organic sales growth of 10.8% and a 5.1% increase in operating income (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) excluding the impact of foreign currency translation. Avery and Checkpoint posted strong first quarters with the former dramatically improving profitability as end demand returned to almost pre-pandemic levels. Excluding the impact of foreign currency translation, CCL profitability was almost flat compared to a 2021 quarter that included very strong results for CCL Secure. Innovia successfully passed on resin cost increases and implemented programs late in the quarter that is expected to recover energy and freight cost surges, especially in Europe, that decreased operating income in the 2022 first quarter. All-in, the Company posted solid first quarter basic and adjusted basic earnings (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) per class B share of $0.84 and $0.85, respectively, compared to basic and adjusted basic earnings per Class B share of $0.82, for the 2021 first quarter.

2. Review of Consolidated Financial Results

The following acquisitions affected the financial comparisons to 2021 including those completed through to the end of the first quarter of 2022:

- In January 2022, the company acquired privately owned McGavigan Holdings Ltd. ("McGavigan"), headquarted in Glasgow, Scotland and with significant manufacturing operations in China, for $103.6 million net of cash acquired and debt assumed. McGavigan is a leading supplier of "in mould" decorated components for automotive interiors and will form an integral part of CCL Design.

- In December 2021, the Company acquired International Master Products Corporation ("IMP"), based in Michigan, U.S., for $70.8 million net of cash acquired. IMP is a leading provider of labels and tags for the U.S. horticulture industry through digitally enabled design software, expanding Avery's direct-to-consumer business.

- In December 2021, the Company acquired Lodging Access Systems, LLC ("LAS"), based in Florida, U.S., for $26.4 million, net of cash acquired. LAS is a leading supplier of digitally printed and encoded RFID key cards, wristbands and key fobs for access controls. LAS further expands Avery's direct-to-consumer business.

- In December 2021, the Company acquired the pharmaceutical leaflet printing press and customer list from the Laramara Foundation in Sao Paulo, Brazil, for $0.8 million. These assets were added to the CCL Segment.

- In December 2021, the Company acquired Forever Blue Investimentos e Participacoes S.A. (d.b.a. "Tecnoblu"), headquartered in Blumenau, Brazil, for $17.7 million, net of cash and debt. Tecnoblu is now a part of the Checkpoint Apparel Labeling Solutions business ("ALS").

- In December 2021, the company acquired Desarrollo e Investigación S.A. de C.V. and Fuzetouch PTE LTD (Singapore) (collectively "D&F"), headquartered in San Luis Potosi, Mexico, for approximately $51.3 million, net of cash acquired. D&F is a leading supplier of graphic interface control panels and assemblies and now trades as "CCL Design."

- In July 2021, the Company acquired the Uniter Group of companies ("Uniter"), based in A Coruña, Spain, with operations in Europe, Asia and North Africa, for approximately $50.4 million, including debt assumed and net of cash acquired. Uniter's five factories are part of the Checkpoint ALS business.

- In July 2021, the Company acquired privately owned Plum Paper LLC (“Plum”), based in California, U.S., for approximately $26.3 million, net of cash acquired. Plum is a leading supplier of personalized planners and is part of Avery’s growing direct-to-consumer business.

- In May 2021, the Company acquired privately held Lux Global Label Asia Pte. Ltd. (“LUX”), based in Singapore, for approximately $9.4 million, net of cash. LUX produces decorative labels for global consumer product customers in the ASEAN region. LUX now trades as “CCL Label Singapore.”

- In April 2021, the Company acquired the assets of Europack Packaging and Fluid Management GmbH (“Europack”) for approximately $0.9 million. Europack was added to the CCL Segment.

Sales for the first quarter of 2022 were $1,521.7 million, an increase of 12.8% compared to $1,349.5 million recorded in the first quarter of 2021. Sales increased due to an organic growth rate of 10.8%, acquisition-related growth of 4.5% partially offset by 2.5% negative impact from foreign currency translation.

Selling, general and administrative expenses (“SG&A”) were $201.9 million for the first quarter of 2022 compared to $179.9 million for first quarter of 2021. The increase in SG&A for the comparative quarters is due to inflation, an increase in discretionary expenses throughout the Company and an increase in corporate costs associated with long-term variable compensation expense.

The Company recorded an expense $1.8 million ($1.5 million after tax) for restructuring and other items in the first quarter of 2022 compared to an expense of nil for the first quarter of 2021. Restructuring and other items for the 2022 first quarter were mainly comprised of severance costs associated with the CCL Segment and other acquisition transaction costs.

Operating income (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) for the first quarter of 2022 improved 2.5% to $228.6 million, compared to $223.1 million for the first quarter of 2021. The Avery and Checkpoint operating segments posted improved results, more than offsetting lower results for the CCL and Innovia operating segments. Operating income improved 5.1%, excluding the negative impact of foreign currency translation.

Earnings before net finance cost, taxes, earnings in equity accounted investments, depreciation and amortization, restructuring and other items (“Adjusted EBITDA”, a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) improved 2.6% to $301.5 million for the first quarter of 2022, compared to $293.9 million for the first quarter of 2021. Excluding the negative impact of foreign currency translation, Adjusted EBITDA increased 5.3%.

Net finance cost was $14.7 million for the first quarter of 2022, compared to $14.7 million for the 2021 first quarter. For the first quarter of 2022, the slight increase in finance costs was offset by reduced interest on lease liabilities.

The overall effective income tax rate was 24.4% for the three-month period ended March 31, 2022, compared to 24.2% for the same period in the prior year. The slight increase in the effective tax rate is attributable to a portion of taxable income earned in higher tax jurisdictions compared to the same period in 2021. The effective tax rate may increase in future periods if a higher portion of the Company's taxable income is earned in higher tax jurisdictions.

Net earnings for the first quarter of 2022 increased 1.6% to $150.2 million compared to $147.8 million for the first quarter of 2021. This resulted in basic and diluted earnings of $0.84 and $0.83 per Class B share, respectively, for the 2022 first quarter compared to basic and diluted earnings of $0.82 and $0.81 per Class B share, respectively, for the prior year first quarter. The weighted average number of shares (comprised of Class A voting shares and Class B non-voting shares) for the 2022 first quarter were 179.9 million basic and 181.1 million diluted shares compared to 179.3 million basic and 180.5 million diluted shares for the comparable period of 2021. Diluted shares include weighted average in-the-money equity compensation arrangements totaling 1.2 million shares (2021 – 1.2 million shares).

Adjusted basic earnings per Class B share were $0.85 for the first quarter of 2022, compared to $0.82 for the first quarter of 2021. Changes in foreign exchange rates reduced earnings by $0.02 per Class B share compared to the first quarter of 2021.

The following table is presented to provide context to the comparative change in the adjusted basic earnings per share.

(In Canadian dollars)	**First Quarter**	
Adjusted Basic Earnings per Class B Share	**2022**	**2021**
Basic earnings per Class B share	$ 0.84	$ 0.82
Restructuring and other items	0.01	-
Adjusted basic earnings [1] per Class B share	$ 0.85	$ 0.82

(1) Adjusted Basic Earnings per Class B Share is a non-IFRS financial measure. Refer to definition in Section 14 of this MD&A.

The following is selected financial information for the nine most recently completed quarters:

(In millions of Canadian dollars, except per share amounts)

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Sales					
2022	$ 1,521.7	$ -	$ -	$ -	$ 1,521.7
2021	1,349.5	1,406.3	1,488.2	1,488.8	5,732.8
2020	1,296.5	1,221.8	1,373.4	1,350.6	5,242.3
Net earnings					
2022	150.2	-	-	-	150.2
2021	147.8	153.0	153.2	145.1	599.1
2020	126.6	103.9	153.3	145.9	529.7
Net earnings per Class B share					
Basic					
2022	0.84	-	-	-	0.84
2021	0.82	0.86	0.85	0.80	3.33
2020	0.71	0.58	0.86	0.81	2.96
Net earnings per Class B share					
Adjusted basic					
2022	0.85	-	-	-	0.85
2021	0.82	0.89	0.85	0.81	3.37
2020	0.72	0.59	0.93	0.84	3.08
Net earnings per Class B share					
Diluted					
2022	0.83	-	-	-	0.83
2021	0.81	0.86	0.84	0.80	3.31
2020	0.70	0.58	0.86	0.80	2.94

The quarterly financial results above are affected by the seasonality of the business Segments. The first and second quarters of a year are traditionally higher sales periods for the CCL and Innovia Segments as a result of the greater number of workdays than the third and fourth quarters plus the seasonality of certain end markets. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America. For the Checkpoint Segment, in its recurring revenue streams, the second half of the calendar year is healthier as the business substantially follows the retail cycle of its customers, which traditionally experiences more consumer activity from March through the end of the year and prepares for the same in its supply chain from mid-year on.

As a result of the impact of CV19 on the economy and the Company's businesses, historical seasonality trends could either be adversely affected or temporarily improved as described within this MD&A.

3. Business Segment Review

CCL Segment ("CCL")

($ millions)		First Quarter 2022		2021	+/-
Sales	$	942.0	$	876.7	7.4%
Operating Income [(1)]	$	152.8	$	157.2	(2.8%)
Return on Sales [(1)]		16.2%		17.9%	
Capital Spending	$	69.6	$	43.5	60.0%
Depreciation and Amortization [(2)]	$	53.9	$	52.6	2.5%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.

(2) Depreciation and Amortization expense excludes depreciation of $5.5 million for right-of-use assets in the three-month period ended March 31, 2022 (2021 - $5.5 million).

The CCL Segment has five customer sectors. The Company trades in three of them as CCL Label (and CCL Container or CCL Tube to recognize product differentiation where relevant) and one each as CCL Design and CCL Secure. The differentiated CCL sub-branding points to the nature of the application for the final product. The sectors have many common or overlapping customers, process technologies, information technology systems, raw material suppliers and operational infrastructures. CCL Label supplies innovative labels, aluminum aerosols and tube solutions to Home & Personal Care customers; decorative and functional labels for Food & Beverage companies to premiumize brands; and regulated, complex multi-layer labels for major pharmaceutical, consumer medicine, medical instrument and industrial or consumer chemical customers referred to as the Healthcare & Specialty business. CCL Design supplies long-life, high performance labels and other products to automotive, electronics and durable goods OEMs. CCL Secure supplies polymer banknote substrate, pressure sensitive stamps, passport components and other security products to government institutions and to corporations for brand protection.

Sales for CCL were $942.0 million for the first quarter of 2022 compared to $876.7 million for the same quarter last year. The components of the 7.4% increase in sales are a 7.3% organic growth rate and 2.5% acquisition-related growth partially offset by a 2.4% negative impact from foreign currency translation.

North American sales were up high-single digit for the first quarter of 2022, entirely related to organic growth with foreign currency translation nominal. Home & Personal Care results improved markedly with increased demand for labels, tubes and aerosol containers, as end markets were strong and customers built inventories to offset supply chain risk. Healthcare & Specialty results were mixed with gains in pharmaceutical markets more than offset by reduced demand in AgChem compared to a strong pandemic-related tailwind in the prior year period. Food & Beverage sales decreased, principally driven by lower sales of home delivery labels for fast food chains. CCL Design North America sales and profitability declined on semiconductor and other supply chain challenges curtailing production demand for both automotive and electronics. CCL Secure sales and profitability improved on strong sales mix and productivity gains. Overall, operating income increased and return on sales fell marginally, for the current quarter in North America compared to the first quarter of 2021.

Sales in **Europe** were up mid-single digit for the first quarter of 2022, excluding currency translation, compared to the first quarter of 2021. Home & Personal Care results declined due to slower end markets and inflation in Germany and the U.K., offsetting solid results in Poland. Healthcare & Specialty sales and profitability increased, despite start-up costs of a new folding box operation in France, due to improved operations in Germany. Food & Beverage sales and profitability declined as price increases lagged raw material and energy cost inflation. CCL Design, excluding the newly acquired McGavigan business, improved sales and profitability on comparatively stronger electronics markets offsetting reduced profitability in automotive markets. CCL Secure posted reduced results compared to an exceptional prior year period. Overall profitability and return on sales in Europe declined, largely attributable to CCL Secure and losses at the UK operations of the McGavigan business.

For the first quarter of 2022, **Latin America** posted very strong organic sales growth, with limited impact from foreign currency exchange compared to the first quarter of 2021. Exceptional sales and profitability improvement in Mexico, Argentina and Brazil were partially offset by a modest decline in Chile. The newly acquired D&F business recorded solid results for the first quarter of 2022. Excluding the impact of currency translation, underlying operating income and return on sales improved.

Asia Pacific sales for the 2022 first quarter, excluding currency translation and acquisitions, increased modestly compared to the corresponding quarter in 2021. Results in China were up but mixed; solid end market demand for Beverage and Healthcare customers, offset declines for Home & Personal Care, while CCL Design was flat, all compared to the prior year first quarter. Results in ASEAN countries were also mixed but improved modestly overall in local currencies. In Australia, profitability declined despite improved results for Healthcare and Wine label operations as CCL Secure had an exceptional prior year first quarter. The Johannesburg Beverage plant posted strong profits for the first quarter of 2022 compared to a small loss in the 2021. For the Asia Pacific region, operating income decreased and return on sales declined compared to the first quarter of 2021, due primarily to the results at CCL Secure.

Operating income for the first quarter of 2022 was $152.8 million, compared to $157.2 million for the first quarter of 2021. Return on sales was 16.2% compared to the 17.9% recorded for the same period in 2021.

Sales backlogs for the label business rarely exceed one month of sales, making forecasts one quarter ahead difficult. Management continues to watch the global economic situation closely along with associated volatility in foreign exchange rates.

CCL invested $69.6 million in capital spending for the first quarter of 2022, compared to $43.5 million in the same period in 2021. The investments for the first quarter of 2022 were primarily related to capacity additions to support the Home & Personal Care and Food & Beverage businesses globally as well as CCL Design electronics in Asia. Investments will continue in order to add capacity, broaden capabilities, expand geographically, and replace or upgrade existing plants and equipment. Depreciation and amortization was $53.9 million for the first quarter of 2022 compared to $52.6 million for the same quarter of 2021.

Avery Segment ("Avery")

	First Quarter		
($ millions)	2022	2021	+/-
Sales	$ 180.3	$ 140.4	28.4%
Operating Income [1]	$ 33.9	$ 21.0	61.4%
Return on Sales [1]	18.8%	15.0%	
Capital Spending	$ 3.7	$ 1.6	131.3%
Depreciation and Amortization [2]	$ 6.4	$ 5.0	28.0%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.
(2) Depreciation and Amortization expense excludes depreciation of $1.8 million for right-of-use assets in the three-month period ended March 31, 2022 (2021 - $1.6 million).

Avery is the world's largest supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary office products sold through distributors and mass-market retailers. The products are split into three primary lines: (1) Printable Media Group ("PMG"), including address labels, shipping labels, marketing and product identification labels, business cards, and name badges supported by customized software solutions; (2) Organizational Products Group ("OPG"), including binders, sheet protectors, indexes, dividers and writing instruments; and (3) Direct-to-Consumer digitally imaged media including labels, business cards, name badges, event badges, wristbands and family oriented identification labels supported by unique web-enabled e-commerce URLs.

Avery sales were $180.3 million for the first quarter of 2022, compared to $140.4 million for the same quarter last year. The 28.4% increase in sales is attributed to 13.7% organic sales growth and 16.8% acquisition-related sales growth partially offset by 2.1% negative impact from foreign currency translation.

Sales in **North America** for the first quarter of 2022 improved significantly, excluding currency translation and acquisitions, compared to the first quarter of 2021. Sales and profitability for PMG and OPG improved as CV19 limitations on distribution channels and end market demand reduced significantly. Sales and profitability for Direct-to-Consumer name badge, event badge and wristband categories improved dramatically compared to the first quarter of 2021, as sports and leisure events, conventions, meetings and conference activities all increased. The newly acquired IMP and LAS direct-to-consumer businesses performed ahead of expectations.

International sales represented approximately 26% of Avery sales for the first quarter. Excluding currency translation and acquisitions, organic sales declined slightly, principally driven by legacy product lines, partially offset by gains in the Direct-to-Consumer businesses compared to the first quarter of 2021.

Operating income for the first quarter of 2022 increased to $33.9 million compared to $21.0 million for the first quarter of 2021. Return on sales was 18.8% for the 2022 first quarter compared to 15.0% recorded for the same quarter in 2021.

Avery invested $3.7 million in capital spending in the first quarter of 2022 compared to $1.6 million in the same period a year ago. Depreciation and amortization was $6.4 million for this year's first quarter compared to $5.0 million for the 2021 first quarter.

Checkpoint Segment ("Checkpoint")

	First Quarter		
($ millions)	2022	2021	+/-
Sales	$ 203.0	$ 168.7	20.3%
Operating Income [(1)]	$ 26.6	$ 25.4	4.7%
Return on Sales [(1)]	13.1%	15.1%	
Capital Spending	$ 8.0	$ 5.1	56.9%
Depreciation and Amortization [(2)]	$ 8.3	$ 7.4	12.2%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.

(2) Depreciation and Amortization expense excludes depreciation of $2.1 million for right-of-use assets in the three-month period ended March 31, 2022 (2021 - $2.0 million).

Checkpoint is a leading manufacturer of technology-driven loss-prevention, inventory-management and labeling solutions, including radio frequency and radio frequency identification ("RFID") solutions, to the retail and apparel industry. The Segment has three primary product lines: Merchandise Availability Solutions ("MAS"), Apparel Labeling Solutions ("ALS") and "Meto." The MAS line focuses on electronic-article-surveillance ("EAS") systems; hardware, software, labels and tags for loss prevention and inventory control systems including RFID solutions. ALS products are apparel labels and tags, some of which are RFID capable. Meto supplies hand-held pricing tools and labels and promotional in-store displays.

Checkpoint sales were $203.0 million for the first quarter of 2022, an increase of 20.3% compared to $168.7 million for the first quarter of 2021 driven by 15.5% organic sales growth and 9.0% acquisition-related sales growth partially offset by 4.2% negative impact from foreign currency translation. MAS sales improved largely on price increases compared to a strong first quarter of 2021 but profitability declined as raw material and transportation cost inflation significantly outpaced. ALS sales and profitability increased very significantly compared to a strong comparative quarter in 2021. Good demand in the apparel supply chain and very strong growth in RFID products, aided by productivity initiatives, and solid contributions from recent acquisitions drove a dramatic increase in profitability. Meto operations posted reduced sales and profitability for the 2022 first quarter compared to the same period a year ago.

Overall, operating income increased 4.7% to $26.6 million for the first quarter of 2022 compared to $25.4 million for the first quarter of 2021; return on sales was 13.1% compared to 15.1% for the 2021 first quarter.

Checkpoint invested $8.0 million in capital spending for the first quarter of 2022 compared to $5.1 million for the same period of 2021. The majority of the expenditures were in the ALS manufacturing facilities. Depreciation and amortization was $8.3 million for the first quarter of 2022, compared to $7.4 million for the first quarter of 2021.

Innovia Segment ("Innovia")

	First Quarter				
($ millions)		2022		2021	+/-
Sales	$	196.4	$	163.7	20.0%
Operating Income [(1)]	$	15.3	$	19.5	(21.5%)
Return on Sales [(1)]		7.8%		11.9%	
Capital Spending	$	15.6	$	7.0	122.9%
Depreciation and Amortization [(2)]	$	11.7	$	11.5	1.7%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.
(2) Depreciation and Amortization expense excludes depreciation of $0.4 million for right-of-use assets in the three-month period ended March 31, 2022 (2021 - $0.7 million).

Innovia supplies specialty, high-performance, multi-layer, surface engineered BOPP films from facilities in Australia, Belgium, Mexico, Poland and the U.K to customers in the pressure sensitive label materials, flexible packaging and consumer packaged goods industries worldwide. Additionally, a small percentage of the total volume is sold internally to the CCL Segment and more so to CCL Secure. Two smaller non-BOPP facilities, in Germany and the U.S., produce almost their entire output for CCL Label.

Sales for Innovia were $196.4 million for the first quarter of 2022 compared to $163.7 million for the first quarter of 2021. The components of the 20.0% increase in sales were 22.3% organic growth, generated entirely by price increases, partially offset by 2.3% negative impact from currency translation. On a consolidated basis, the volume of film sold to external customers decreased modestly, primarily driven by the decommissioning an old film line in Poland to make way for the new "EcoFloat" investment. Resin costs increased in Europe, but were largely passed on to customers under contractual indexing mechanisms. In the Americas, sequential decline in resin cost squeezed margins on higher cost inventory still in the system. Profitability was significantly impacted by unprecedented increases in energy costs in Europe and freight costs globally. Further sales price increases to offset these inflationary costs were implemented late in the quarter, with the benefit likely to be realized across the remainder of this year.

Operating income declined 21.5% to $15.3 million for the first quarter of 2022 compared to operating income of $19.5 million in the 2021 first quarter.

Innovia invested $15.6 million in capital spending for the first quarter of 2022 compared to $7.0 million for the 2021 first quarter. The majority of the investment was for the completion expenditures on the new "Ecofloat" line in Poland, which is scheduled to commence commercial operations by the end of the second quarter of 2022.

Depreciation and amortization was $11.7 million for the first quarter of 2022 compared to $11.5 million for the same period of 2021.

Joint Ventures

	First Quarter				
($ millions)		2022		2021	+/-
Sales (at 100%)					
CCL joint ventures	$	35.9	$	33.6	6.8%
Earnings in equity accounted investments					
CCL joint ventures	$	3.2	$	1.9	68.4%

Results from the joint ventures in CCL-Kontur, Russia and Pacman-CCL, are not proportionately consolidated into a Segment but instead are accounted for as equity investments. The Company's share of the joint ventures' net earnings is disclosed in "Earnings in Equity-Accounted Investments" in the consolidated condensed interim income statements. Excluding currency translation for the Russian and Middle Eastern operations, sales increased and earnings improved for both. Earnings in equity accounted investments amounted to $3.2 million for the first quarter of 2022 compared to $1.9 million for the first quarter of 2021.

4. Currency Transaction Hedging and Currency Translation

Approximately 98% of sales made in the first quarter of 2022 to end-use customers were denominated in foreign currencies leaving the Company exposed to potentially significant translation variances when reporting results publicly in Canadian dollars. The Company does not hedge or manage such translation movements but does actively manage transaction exposures. Where possible, the Company contracts its business in local currencies with both customers and suppliers of raw materials.

The results of the first quarter of 2022 were negatively impacted by the appreciation of the Canadian dollar against the Australian dollar, euro, Mexican peso, Thai baht and U.K pound by 6.2%, 6.9%, 0.8%, 8.3% and 2.7%, respectively, compared to the rates in the same period in 2021. This negative impact was partially offset by the depreciation of the Canadian dollar relative to the Brazilian real and Chinese renminbi of 5.1% and 2.1%, respectively, when comparing the rates in the first quarters of 2022 and 2021. For the first quarter of 2022, currency translation had a $0.02 negative impact on earnings per Class B share compared to last year's first quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

($ Millions)

		March 31, 2022		December 31, 2021
Current portion of long-term debt	$	15.7	$	15.3
Current lease liabilities		33.2		32.7
Long-term debt		1,914.4		1,691.4
Long-term lease liabilities		116.6		111.9
Total debt		2,079.9		1,851.3
Cash and cash equivalents		(616.9)		(602.1)
Net debt [(1)]	$	1,463.0	$	1,249.2
Adjusted EBITDA[(1)(2)]	$	1,180.7	$	1,173.1
Net debt to Adjusted EBITDA [(1)]		1.24		1.06

(1) Net debt, Adjusted EBITDA and net debt to Adjusted EBITDA are non-IFRS financial measures. Refer to definitions in Section 14 of this MD&A.

(2) Adjusted EBITDA is calculated on a trailing twelve-month basis. Refer to definitions in Section 14 of this MD&A.

During the first quarter of 2022, drawdowns on company credit facilities totaling $234.1 million were primarily used to fund business acquisitions and the Company's normal course issuer bid.

The Company's debt structure at March 31, 2022, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($742.8 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($621.0 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $242.3 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $3.4 million; accordingly, there was approximately US$1.0 billion of unused availability on the revolving credit facility at March 31, 2022.

The Company's debt structure at December 31, 2021, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($750.5 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($627.4 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $9.5 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $3.5 million; accordingly, there was approximately US$1.19 billion of unused availability on the revolving credit facility at December 31, 2021.

Net debt was $1,463.0 million at March 31, 2022, $213.8 million higher than the net debt of $1,249.2 million at December 31, 2021. The increase in net debt is principally a result of drawdowns on the Company's syndicated revolving credit facility partially offset by an increase in cash-on-hand at March 31, 2022, compared to December 31, 2021.

Net debt to Adjusted EBITDA at March 31, 2022, increased to 1.24 times, compared to 1.06 times at December 31, 2021, reflecting the aforementioned increase in net debt.

The Company's overall average finance rate, excluding lease liabilities, was 2.3% as at March 31, 2022, compared to 2.4% at December 31, 2021. The decline in the overall average finance rate can be attributed to a higher proportion of lower cost variable rate debt outstanding as of March 31, 2022, compared to December 31, 2021.

The Company's leverage remains low and its liquidity very strong. The Company is in compliance with all its debt covenants and believes that it has sufficient cash on hand, unused credit lines and the ability to generate cash flow from operations to fund its expected financial obligations for the foreseeable future.

6. Cash Flow

(In millions of Canadian dollars)	First Quarter			
Summary of Cash Flows		**2022**		**2021**
Cash provided by operating activities	$	134.3	$	140.4
Cash provide (used) for financing activities		80.1		(106.6)
Cash used for investing activities		(190.5)		(52.8)
Translation adjustments on cash and cash equivalents		(9.1)		(22.0)
Increase (decrease) in cash and cash equivalents	$	14.8	$	(41.0)
Cash and cash equivalents – end of period	$	616.9	$	662.7
Free cash flow from operations (1)	$	38.1	$	87.6

(1) Free cash flow from operations is non-IFRS financial measure. Refer to definition in Section 14.

During the first quarters of 2022 and 2021, the Company generated cash from operating activities of $134.3 million and $140.4 million, respectively. Free cash flow from operations was an inflow of $38.1 million in the 2022 first quarter compared to an inflow of $87.6 million in the prior year first quarter. An increase in working capital coupled with increased net capital expenditures were the primary drivers of the reduced free cash flow from operations for the first quarter of 2022 compared to the first quarter of 2021.

Capital spending in the first quarter of 2022 amounted to $96.9 million compared to $57.2 million in the 2021 first quarter. Total depreciation and amortization for the first quarter of 2022 was $90.5 million compared to $86.7 million for the first quarter of 2021. Expected net capital spending for 2022 is estimated to be approximately $380.0 million. The Company is continuing to seek investment opportunities to expand its business geographically, add capacity in its facilities and improve its competitiveness.

Dividends paid in the first quarters of 2022 and 2021 were $42.9 million and $37.7 million, respectively. The total number of shares issued and outstanding as at March 31, 2022 and 2021, were 178.6 million and 179.5 million, respectively. The Board of Directors has approved a dividend of $0.2375 per Class A voting share and $0.24 per Class B non-voting share to shareholders of record as of June 16, 2022, and payable June 30, 2022. The annualized dividend rate is $0.95 per Class A share and $0.96 per Class B share.

In May of 2021, the Company announced a share repurchase program under a normal course issuer bid to purchase up to 8.0 million Class B non-voting shares, approximately 4.8% of the of the outstanding Class B non-voting shares of the Company. During the first quarter of 2022, the Company spent $100.0 million for the purchase of 1,733,419 Class B shares for cancellation. The excess of the purchase price over the paid-up capital was charged to retained earnings.

7. Interest rate and Foreign Exchange Management

The Company is a global business with a significant asset base in the U.S. and Europe; consequently, a majority of the Company's debt is drawn in U.S. dollars. The Company continues to evaluate the appropriate levels of fixed versus floating interest rate debt and underlying currency of its drawn debt.

As at March 31, 2022, the US$74.7 million drawn on its syndicated bank revolving credit facility is hedging a portion of its US$-based investments and cash flows.

As at March 31, 2022, the Company utilized cross-currency interest rate swap agreements ("CCIRSAS") to hedge its euro-based assets and cash flows, effectively converting notional US$264.7 million 3.25% fixed rate debt into 1.23% fixed rate euro debt, US$111.5 million 3.25% fixed rate debt into 1.16% fixed rate euro debt, US$204.6 million 3.05% fixed rate debt into 2.06% fixed rate euro debt and US$203.9 million 3.05% fixed rate debt into 2.0% fixed rate euro debt. The effect of the CCIRSAS has been to reduce finance cost by $3.8 million for the three months ended March 31, 2022.

8. Subsequent Events

In April 2022, the Company acquired privately owned Adelbras Indústria e Comércio de Adesivos Ltda. and Amazon Tape Indústria e Comércio de Fitas Adesivas Ltda. (collectively "Adelbras"), headquartered in Vinhedo, Brazil, for $155.4 million, net of cash and debt. Adelbras is a leading producer of adhesive tapes sold through retailers and distributors to consumers and small businesses with a smaller portion sold directly for industrial applications in the durable sector.

9. Accounting Policies

A) Critical Accounting Estimates

The preparation of the Company's consolidated condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities at the date of the consolidated condensed interim financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company evaluates these estimates and assumptions on a regular basis, based upon historical experience and other relevant factors. Actual results could differ materially from these estimates and assumptions. The critical accounting policies are impacted by judgments, assumptions and estimates used in the preparation of the consolidated condensed interim financial statements. The material impact on reported results and the potential impact and any associated risk related to these estimates are discussed throughout this MD&A and in the notes to the consolidated condensed interim financial statements.

The 2021 annual audited consolidated financial statements and notes thereto, as well as the 2021 annual MD&A, have identified the accounting policies and estimates that are critical to the understanding of the Company's business operations and results of operations. For the three months ended March 31, 2022, there are no changes to the critical accounting policies and estimates from those described in the 2021 annual MD&A.

B) Inter-Company and Related Party Transactions

A summary of the Company's related party transactions are set out in note 27 of the annual consolidated financial statements for the year ended December 31, 2021. There have been no changes to the nature of, or parties to, the transactions for the three months ended March 31, 2022.

10. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations, surety bonds and loan guarantees. The nature of these commitments are described in note 26 and note 27 of the annual consolidated financial statements for the year ended December 31, 2021. There are no defined benefit plans funded with CCL Industries Inc. stock.

11. Controls and Procedures

In accordance with the provisions of National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, management, including the CEO and CFO, have limited the scope of their design of the Company's disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of McGavigan, IMP, LAS, Laramara, Tecnoblu, and D&F Treofan. These companies were acquired in December 2021 and January 2022, for approximately $270.6 million.

The scope of the limitation is primarily based on the time required to assess the acquired businesses disclosure controls and procedures and internal control over financial reporting in a manner consistent with the Company's other operations. Further details related to the summary financial information of these acquisition's is disclosed in Note 3(a) and 3(c) of the Company's unaudited interim financial statements for the period ended March 31, 2022.

Except for the preceding changes, there were no other material changes in internal control over financial reporting in the three-month period ended March 31, 2022.

12. Risks and Strategies

The 2021 MD&A in the annual report detailed risks to the Company's business and the strategies planned for 2022 and beyond. There have been no material changes to those risks and strategies during the first three months of 2022, except as hereafter set out.

The first quarter of 2022 saw significant, new macroeconomic uncertainty brought about by the conflict in Ukraine and the start of China-centric COVID-related lockdowns, creating the potential for temporary curtailment of certain manufacturing facilities on top of supply chain challenges, inflationary cost pressures for raw materials and energy which could have a negative impact on the sales outlook, financial condition and results of the Company.

For the year ended December 31, 2021, a de minimis percentage of the Company's sales were derived from customers based in Russia, and Ukraine. However, the Company has a 50% equity interest in a U.K. holding company that owns 100% of CCL-Kontur which operates five label plants, headquartered in Podolsk, Russia. The Company's 50% equity partner in this joint venture has management control of the Russian operations. The Company suspended all future financial support to this joint venture while complying with all government-imposed trade sanctions. The Company's financial exposure in this joint venture is approximately $57.0 million as at March 31, 2022. It is not possible at this time to predict the ultimate consequences of the conflict in Ukraine and the impact on the carrying value of the Company's investment in this joint venture. The Company will monitor the factors influencing the carrying value of its investment, and, if appropriate, may incur impairment charges.

The conflict in the Ukraine may escalate and/or expand in scope with the broader consequences, which have included, and/or may in the future include further sanctions, embargoes, regional instability, cyber events and geopolitical shifts; potential retaliatory action by the Russian government against the Company and the Company's joint venture or its customers, such as nationalization of foreign businesses in Russia; and increased tensions between the western world and countries in which the Company operates, none of which can be predicted. The Company also cannot predict the conflict's impact on the global economy and on its business and financial statements.

13. Outlook

The 2022 first quarter will forever be marked in history by the Russian invasion of Ukraine, displacing millions of people, intensifying global supply chain issues, heightening geopolitical tensions, amplifying inflationary pressures. As the second quarter began, the specter of CV19 lockdowns in China further heightened supply chain concerns. In the midst of this unsettling backdrop, the Company posted a strong $0.85 adjusted basic earnings per share, 3.7% ahead of a robust 2021 first quarter. Price increases were implemented across all the Company's segments to offset inflationary tensions in almost all expense categories, with further increases to come.

For the CCL Segment and Checkpoint demand is expected to be strong and supply chain challenges are expected to ease as the year progresses, subject to the impact of COVID restrictions in China being temporary. Raising sales prices to offset inflationary stresses, effectively managing the supply chain and productivity enhancement initiatives will be key for the remainder of 2022.

Avery's Direct-to-Consumer event and name badging operations experienced a rebound quarter as pandemic-related restrictions affecting large scale events largely ceased, driving comparative quarterly profits; increased activity is still needed to get these businesses back to pre-pandemic levels. Early indications suggest the North American back-to-school season will follow a more normalized pattern as in 2019. International orders remain steady for the start of the second quarter. Overall results for Avery are expected to improve on prior year levels for the balance of 2022.

Polypropylene resin cost increases experienced in the first quarter of 2022 were successfully passed on to customers. Effectively managing energy, freight and other inflationary cost increases through further sales price adjustments as well as commencing commercial operations of the new “Ecofloat” shrink film line are important to improving results.

The Company finished the first quarter with $616.9 million cash-on-hand and additional unused capacity of US$1.0 billion within its syndicated revolving credit facility. Net debt to Adjusted EBITDA was 1.24 turns. The Company's liquidity position remains robust and positioned for incremental acquisition growth and further repurchases of its Class B non-voting shares. The Company expects net capital expenditures for 2022 to be approximately $380.0 million, supporting organic growth and new greenfield opportunities globally. Second-quarter orders have been inline with expectations given the macroeconomic environment so far compared to a strong prior year second quarter. Geopolitical uncertainties and the impact on consumers, pandemic lockdowns, inflationary cost pressure and supply chain stress are at the forefront of management concerns.

Foreign currency translation would be a modest headwind at current exchange rates for the second quarter of 2022 compared to the same quarter in 2021.

14. Key Performance Indicators and Non-IFRS Financial Measures

The Company measures the success of the business using a number of key performance indicators, many of which are in accordance with IFRS as described throughout this report. The following performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to or replacement of net earnings or any other measure of performance under IFRS. These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other issuers. These additional measures are used to provide added insight into the Company's results and are concepts often seen in external analysts' research reports, financial covenants in banking agreements and note agreements, purchase and sales contracts on acquisitions and divestitures of the business, and in discussions and reports to and from the Company's shareholders and the investment community. These non-IFRS measures will be found throughout this report and are referenced alphabetically in the definition section below.

Adjusted Basic Earnings per Class B Share – An important non-IFRS measure to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for basic net earnings per Class B share, but it does provide additional insight into the ongoing financial results of the Company. This non-IFRS measure is defined as basic net earnings per Class B share excluding gains on business dispositions, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, restructuring and other items and tax adjustments.

Adjusted EBITDA - A critical financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. It is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS measure is defined as earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, earnings in equity-accounted investments, and restructuring and other items. The Company believes that Adjusted EBITDA is an important measure as it allows the assessment of the ongoing business without the impact of net finance cost, depreciation and amortization and income tax expenses, as well as non-operating factors and one-time items. As a proxy for cash flow, it is intended to indicate the Company's ability to incur or service debt and to invest in property, plant and equipment, and it allows comparison of the business to that of its peers and competitors who may have different capital or organizational structures. Adjusted EBITDA is a measure tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. Adjusted EBITDA is considered an important measure by lenders to the Company and is included in the financial covenants for the Company's bank lines of credit.

The following table reconciles Adjusted EBITDA measures to IFRS financial measures reported in the consolidated condensed interim income statements for the periods ended as indicated.

(In millions of Canadian dollars)	First Quarter	
Adjusted EBITDA	**2022**	**2021**
Net earnings	$ 150.2	$ 147.8
Corporate expense	17.6	15.9
Earnings in equity accounted investments	(3.2)	(1.9)
Net finance cost	14.7	14.7
Restructuring and other items	1.8	-
Income taxes	47.5	46.6
Operating income (a non-IFRS measure)	$ 228.6	$ 223.1
Less: Corporate expense	(17.6)	(15.9)
Add: Depreciation and amortization	90.5	86.7
Adjusted EBITDA (a non-IFRS measure)	$ 301.5	$ 293.9

Adjusted EBITDA for 12 months ended December 31, 2021 and 2020, respectively	1,173.1	1,123.2
less: Adjusted EBITDA for three months ended March 31, 2021 and 2020, respectively	(293.9)	(275.3)
add: Adjusted EBITDA for three months ended March 31, 2022 and 2021, respectively	301.5	293.9
Adjusted EBITDA for 12 months ended March 31	1,180.7	1,141.8

Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the period and available to fund dividends, debt repayments and acquisitions. It is calculated as cash flow from operations less capital expenditures, net of proceeds from the sale of property, plant and equipment.

The following table reconciles the free cash flow from operations measure to IFRS measures reported in the consolidated condensed interim statements of cash flows for the periods ended as indicated.

(In millions of Canadian dollars)		
Free Cash Flow from Operations	First Quarter	
	2022	**2021**
Cash provided by operating activities	$ 134.3	$ 140.4
Less: Additions to property, plant and equipment	(96.9)	(57.2)
Add: Proceeds on disposal of property, plant and equipment	0.7	4.4
Free Cash Flow from Operations	$ 38.1	$ 87.6

Net Debt – A measure indicating the financial indebtedness of the Company assuming that all cash on hand is used to repay a portion of the outstanding debt. It is defined as current debt, which includes bank advances, plus long-term debt and lease liabilities, less cash and cash equivalents.

Net Debt to Adjusted EBITDA (or leverage ratio) – A measure that indicates the Company's ability to service its existing debt. Net Debt to Adjusted EBITDA is calculated as net debt divided by Adjusted EBITDA.

Operating Income – A measure indicating the profitability of the Company's business units defined as income before corporate expenses, net finance cost, goodwill impairment loss, earnings in equity-accounted investments, restructuring and other items and tax.

See Adjusted EBITDA definition above for a reconciliation of Operating Income measures to IFRS financial measures reported in the consolidated condensed interim income statements for the periods ended as indicated.

Restructuring and Other Items per share – A measure of significant non-recurring items that are included in net earnings. The impact of restructuring and other items on a per share basis is measured by dividing the after-tax effect of the restructuring and other items by the weighted average number of shares outstanding in the relevant period. Management will continue to disclose the impact of these items on the Company's results because the timing and extent of such items do not reflect or relate to the Company's ongoing operating performance. Management evaluates the operating income of its segments before the effect of these items.

Return on Sales – A measure indicating relative profitability of sales to customers. It is defined as Operating Income (see definition above) divided by sales, expressed as a percentage.

The following table reconciles the Return on Sales measure to IFRS financial measures reported in the consolidated condensed interim income statements in the industry segment information as per note 4 of the Company's consolidated condensed interim financial statements for the periods ended as indicated.

(In millions of Canadian dollars)

Return on Sales

	Sales First Quarter		**Operating Income First Quarter**		**Return on Sales First Quarter**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
CCL	$ 942.0	$ 876.7	$ 152.8	$ 157.2	16.2%	17.9%
Avery	180.3	140.4	33.9	21.0	18.8%	15.0%
Checkpoint	203.0	168.7	26.6	25.4	13.1%	15.1%
Innovia	196.4	163.7	15.3	19.5	7.8%	11.9%
Total Operations	$ 1,521.7	$ 1,349.5	$ 228.6	$ 223.1	15.0%	16.5%

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

	Organic Growth	Acquisition Growth	FX Translation	Total
CCL	7.3%	2.5%	(2.4%)	7.4%
Avery	13.7%	16.8%	(2.1%)	28.4%
Checkpoint	15.5%	9.0%	(4.2%)	20.3%
Innovia	22.3%	-	(2.3%)	20.0%
Total	10.8%	4.5%	(2.5%)	12.8%

15. Outstanding Share Data

As at May 11, 2022, there were 11,822,137 Class A voting shares and 166,778,976 Class B non-voting shares ("Class B Shares") outstanding. In addition, there were stock options outstanding to purchase 1,403,500 Class B non-voting shares, 242,473 deferred share units, 259,676 restricted stock units under the 2017-2025 Long Term Retention Plan, 129,338 restricted stock units under the 2019 Long Term Retention Plan, 1,237,934 performance stock units under the Performance Stock Unit Plan (1,114,725 performance based PSUs and 123,209 time-based PSUs) and 448,850 restricted stock units under the Restricted Stock Unit Plan.