



# Investor Update

2<sup>nd</sup> Quarter 2022

(Unaudited)

August 11, 2022

# Disclaimer

This presentation 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 presentation 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 on the Company’s overall operations, customers, strategy and financial results and on the respective Segments of the Company, including in respect of the third quarter of 2022 and beyond; and the ability of management to align cost structures with changing demand levels and 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 conflict between Russia and 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 Company’s expectation that relaxation of government CV19-related restrictions will continue to relax and modest impact from CV19 variants will lead to improved economic activity and improved results for the Company; the Company’s expectation that demand will remain solid for the CCL and Checkpoint Segments will persist through the second half of 2022; the Company’s expectation that the Avery Segment’s direct-to-consumer event and name badging operations will continue to improve; the Company’s expectation that the strength of the North American back-to-school season will be contingent on strong attendance for in-class learning in the back half of the year and overcoming supply chain obstacles; the Company’s expectation that Avery’s results will improve over 2021 results; and the Company’s expectation that the Innovia Segment will effectively manage input cost volatility, energy and freight inflation and will efficiently fill capacity of its new “Ecofloat” shrink film line. 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 presentation 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.

Additional information relating to the Company, including the Company’s Annual Information Form, is available on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company’s website [www.cclind.com](http://www.cclind.com).

# Summary

Periods Ended June 30<sup>th</sup>  
(millions of CDN \$)

	Three Months Ended			Six Months Ended		
	2022	2021	Change (ex. FX)	2022	2021	Change (ex. FX)
Sales	\$1,615.2	\$1,406.3	 +16%	\$3,136.9	\$2,755.8	 +16%
Operating Income <sup>(1)</sup>	\$ 247.8	\$ 235.5	 +6%	\$ 476.4	\$ 458.6	 +5%
Net Finance Costs	\$ (15.4)	\$ (14.1)		\$ (30.1)	\$ (28.8)	
Corporate Expenses	\$ (17.8)	\$ (16.2)		\$ (35.4)	\$ (32.1)	
Net Earnings	\$ 163.4	\$ 153.0	 +8%	\$ 313.6	\$ 300.8	 +6%
EBITDA <sup>(1)</sup>	\$ 322.9	\$ 302.5	 +7%	\$ 624.4	\$ 596.4	 +6%
Effective Tax Rate	24.4%	25.5%		24.4%	24.9%	

# Earnings Per Share

Periods Ended June 30<sup>th</sup>  
(Per Class B share)

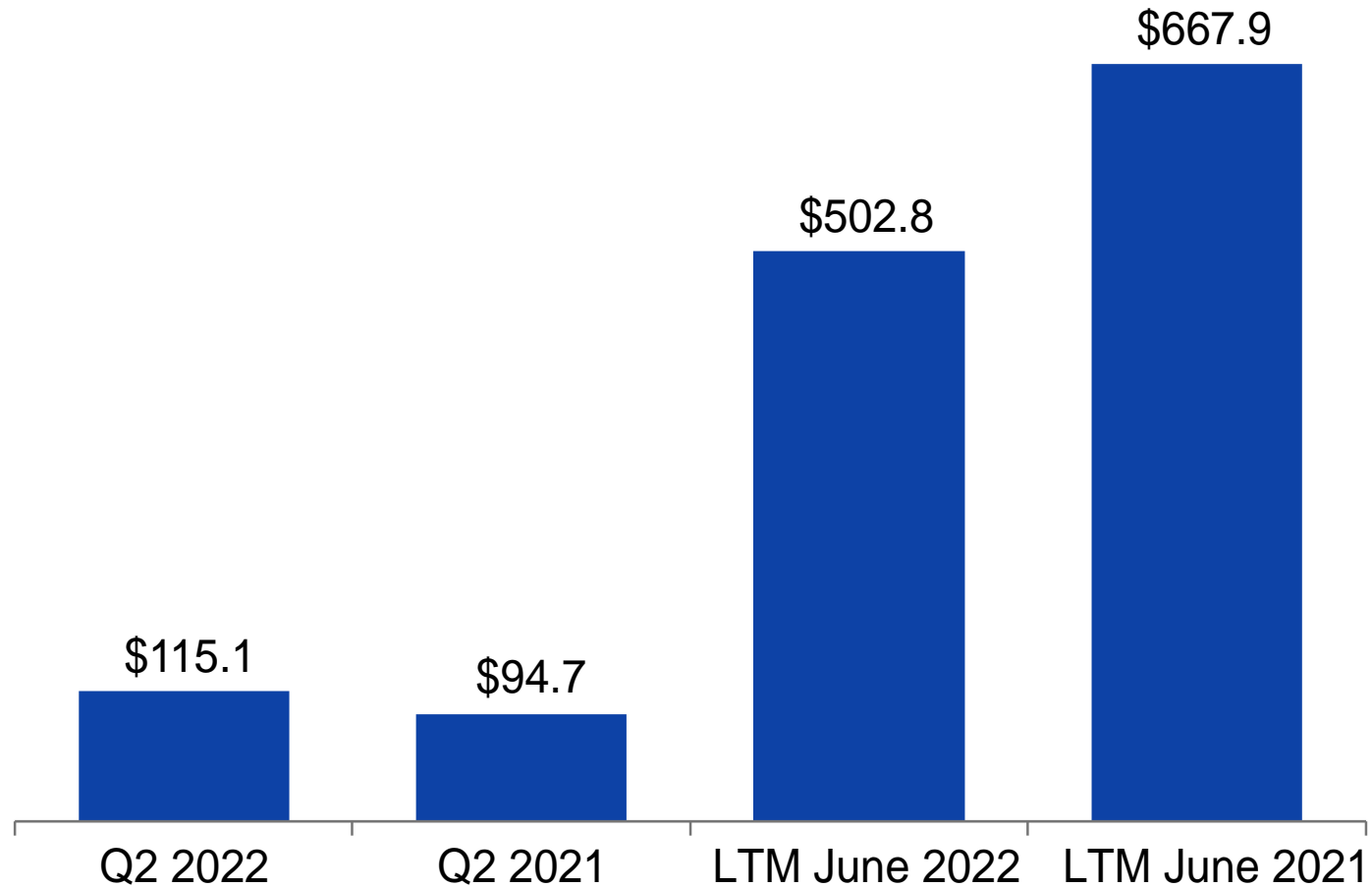
	Three Months Ended		Six Months Ended	
	2022	2021	2022	2021
Net earnings - basic	↑ \$0.91	\$0.86	↑ \$1.75	\$1.68
Net loss from restructuring and other items	\$0.01	\$0.01	\$0.02	\$0.01
New UK tax legislation	-	\$0.02	-	\$0.02
Non-cash acquisition accounting adjustment related to inventory	<u>\$0.02</u>	<u>-</u>	<u>\$0.02</u>	<u>-</u>
Adjusted basic earnings <sup>(1)</sup>	↑ <u>\$0.94</u>	<u>\$0.89</u>	↑ <u>\$1.79</u>	<u>\$1.71</u>
Adjusted basic earnings variance (after tax) due to:				

Operating Income	+\$0.08
JV	+\$0.01
FX	-\$0.02
Interest	-\$0.01
Tax Rate	-\$0.01

Operating Income	+\$0.13
JV	+\$0.02
FX	-\$0.04
Interest	-\$0.01
Tax Rate	-\$0.01
Corporate	-\$0.01

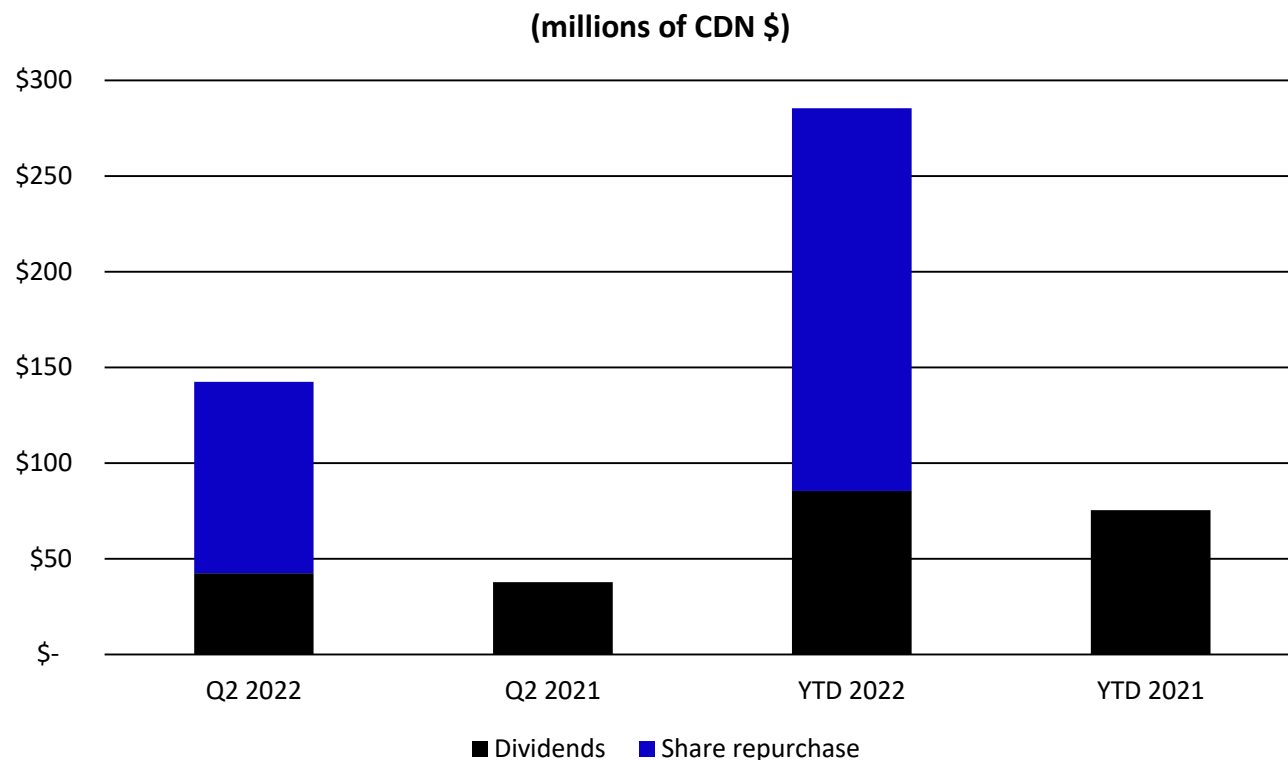
# Free Cash Flow From Operations<sup>(2)</sup>

Periods Ended June 30<sup>th</sup>  
(millions of CDN \$)




# Returned to Shareholders

Six Months Ended June 30<sup>th</sup> 2022



\$200 million share buyback  
\$85.4 million dividends paid  
\$285.4 million returned to shareholders



**+280%**  
up \$210MM

- 3,392,680 Class B shares purchased for cancellation
- \$58.95 average buyback price per Class B share
- 26.7% dividend payout ratio

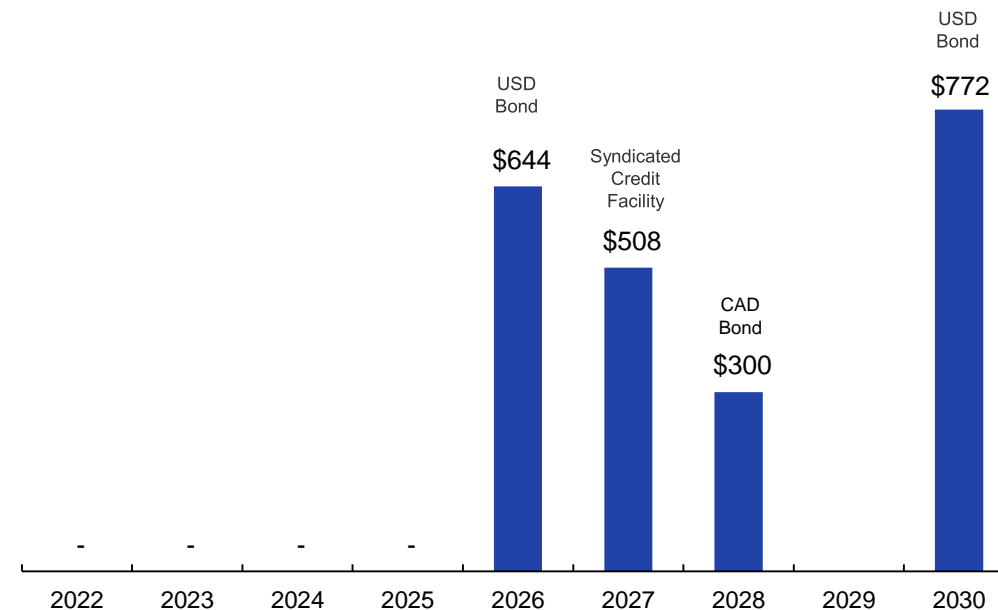
# Cash & Debt Summary

(millions of CDN \$)

	June 2022	December 2021
Bonds (US\$600.0MM, US\$500.0MM, C\$300.0MM)	\$ 1,716.0	\$ 1,690.1
Syndicated credit facility (US\$153.0MM, €46.0MM, C\$248.7MM)	507.7	11.0
Lease liabilities	160.1	144.6
Debt - all other, net of issuance costs	14.8	5.6
<b>Total debt</b>	<b>\$ 2,398.6</b>	<b>\$ 1,851.3</b>
Less: Cash and cash equivalents	(634.3)	(602.1)
<b>Net debt</b>	<b>\$ 1,764.3</b>	<b>\$ 1,249.2</b>

## Debt Maturity

(millions of CDN \$)

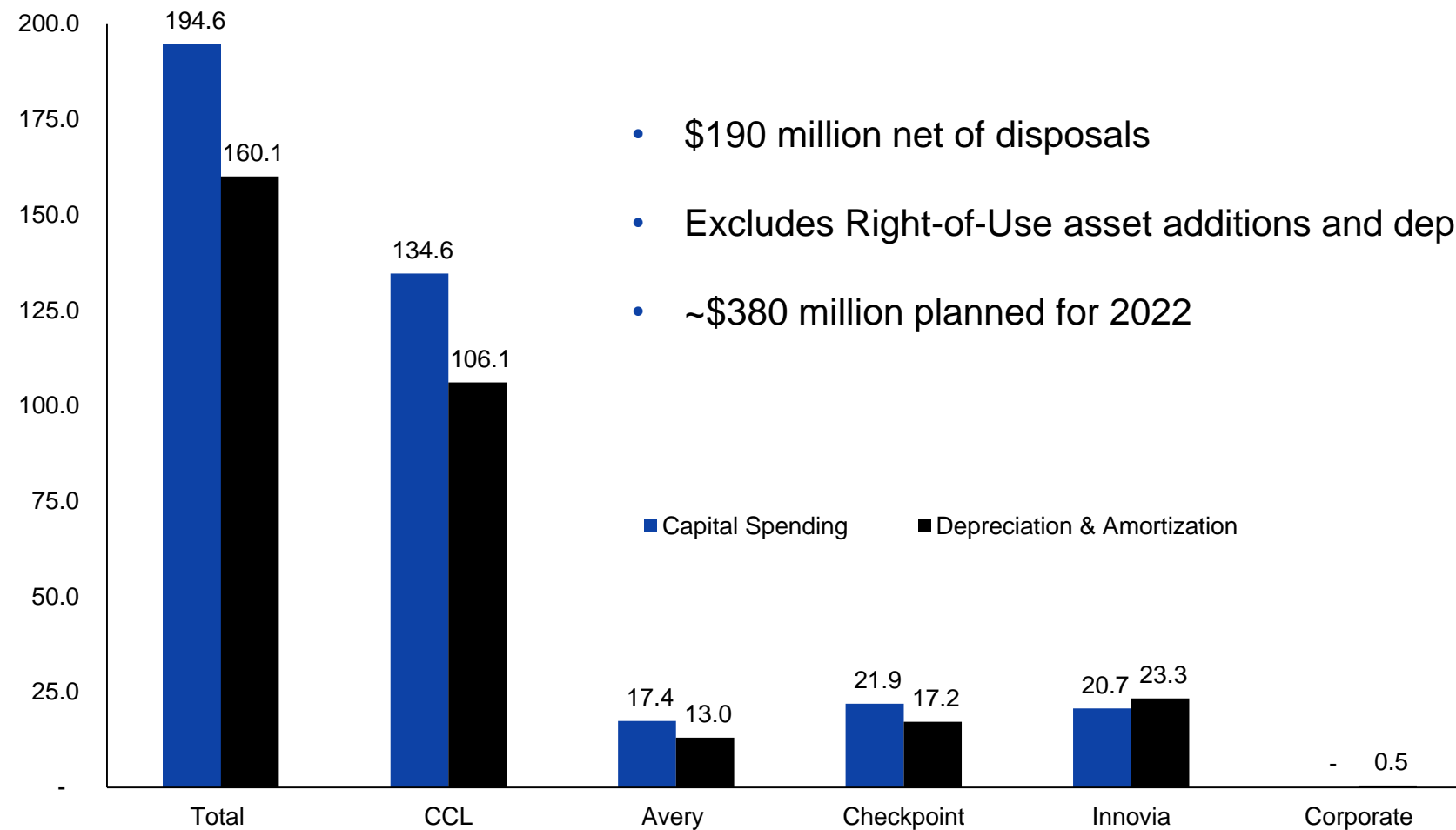


- Leverage ratio<sup>(1)</sup> of 1.47x EBITDA
- Available capacity within the syndicated revolving facility is US\$0.8 billion
- Strong liquidity position

# Capital Spending

Six Months Ended June 30<sup>th</sup> 2022

(millions of CDN \$)



- \$190 million net of disposals
- Excludes Right-of-Use asset additions and depreciation (IFRS 16 – Leases)
- ~\$380 million planned for 2022

■ Capital Spending    ■ Depreciation & Amortization



# CCL

Periods Ended June 30<sup>th</sup>  
(millions of CDN \$)

Three Months Ended

Six Months Ended

2022

2021

Change (ex. FX)

2022

2021

Change (ex. FX)

Sales

\$965.2

\$856.3

↑ +13%

\$1,907.2

\$1,733.0

↑ +12%

Operating Income<sup>(1)</sup>

% Sales

\$154.9

16.0%

\$139.5

16.3%

↑ +11%

\$307.7

16.1%

\$296.7

17.1%

↑ +5%

EBITDA<sup>(1)</sup>

% Sales

\$212.6

22.0%

\$194.9

22.8%

↑ +9%

\$424.8

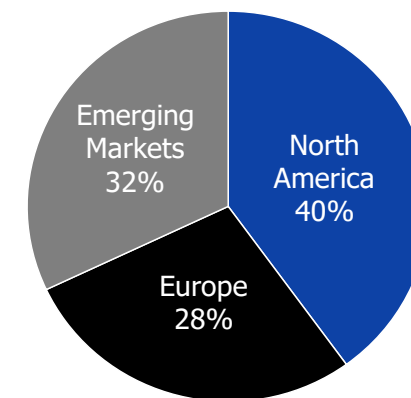
22.3%

\$410.2

23.7%

↑ +5%

- 10.9% organic sales growth, largely price led: North America high single digit, Europe double digit, Asia Pacific mid single digit and Latin America up >30%
- Very strong quarter in HPC and H&S >offset tough comps at CCL Secure
- CCL Design sales up but profits impacted by China lock downs and soft demand. Sales up at Food & Beverage, profitability gains held by inflation



CCL Sales by Geography

# Joint Ventures

Periods Ended June 30<sup>th</sup>

Results at 100%  
(millions of CDN \$)

	Three Months Ended		Six Months Ended	
	2022	2021	2022	2021
<b>Sales</b>	\$46.0	\$33.6	\$81.9	\$67.2
<b>Net Income</b>	 \$7.4	\$4.1	 \$13.7	\$7.9
<b>EBITDA<sup>(1)</sup></b>	\$11.8	\$7.5	\$21.9	\$14.9
<b>% Sales</b>	25.7%	22.3%	26.7%	22.2%
<b>Label ventures equity share*</b>	\$3.7	\$2.1	\$6.9	\$4.0

# Avery

Periods Ended June 30<sup>th</sup>  
(millions of CDN \$)

Three Months Ended

Six Months Ended

2022

2021

Change (ex. FX)

2022

2021

Change (ex. FX)

Sales

\$236.5

\$178.9

↑ +32%

\$416.8

\$319.3

↑ +31%

Operating Income<sup>(1)</sup>

% Sales

\$46.9

19.8%

\$38.2

21.4%

↑ +22%

\$80.8

19.4%

\$59.2

18.5%

↑ +37%

EBITDA<sup>(1)</sup>

% Sales

\$58.9

24.9%

\$44.3

24.8%

↑ +32%

\$101.0

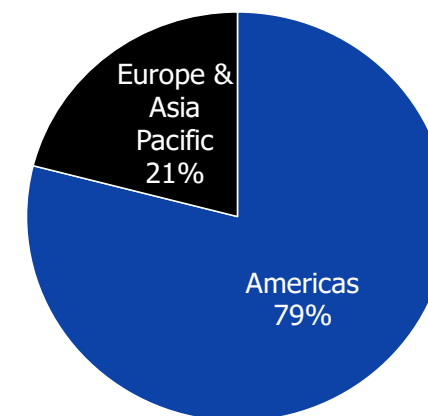
24.2%

\$71.9

22.5%

↑ +41%

- Strong trajectory continues, especially in North America, big recovery in name badges
- Non cash acquisition accounting for Adelbras inventory reduced profit by \$3.5 million
- Raw materials inflation plus elevated freight/component cost from China price pass through successfully implemented, supply availability still challenging



Avery Sales by Geography

# Checkpoint

Periods Ended June 30<sup>th</sup>  
(millions of CDN \$)

Three Months Ended

Six Months Ended

2022

2021

Change (ex. FX)

2022

2021

Change (ex. FX)

Sales

\$197.1

\$187.7

↑ +8%

\$400.1

\$356.4

↑ +16%

Operating Income<sup>(1)</sup>

% Sales

\$22.6

11.5%

\$29.1

15.5%

↓ (19%)

\$49.2

12.3%

\$54.5

15.3%

↓ (6%)

EBITDA<sup>(1)</sup>

% Sales

\$33.5

17.0%

\$38.3

20.4%

↓ (10%)

\$70.5

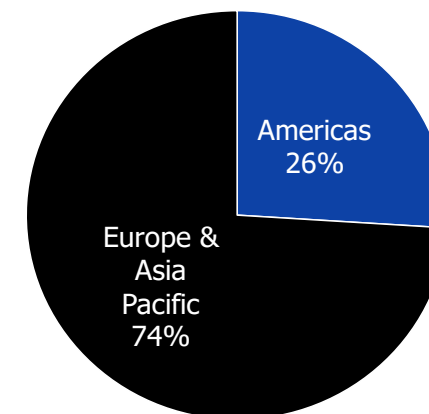
17.6%

\$73.1

20.5%

↓ -

- Merchandise Availability (“MAS”) declined in all regions except Latam vs very strong PY; profitability also impacted by China freight & component inflation plus lock downs
- Apparel Label (“ALS”) results again exceeded expectations on >25% organic growth driven by RFID, augmented by the Uniter & Tecnoblu acquisitions



# Innovia

Periods Ended June 30<sup>th</sup>  
(millions of CDN \$)

Three Months Ended

Six Months Ended

2022

2021

Change (ex. FX)

2022

2021

Change (ex. FX)

Sales

\$216.4

\$183.4

↑ +20%

\$412.8

\$347.1

↑ +21%

Operating Income<sup>(1)</sup>

% Sales

\$23.4

10.8%

\$28.7

15.6%

↓ (16%)

\$38.7

9.4%

\$48.2

13.9%

↓ (17%)

EBITDA<sup>(1)</sup>

% Sales

\$35.3

16.3%

\$40.8

22.2%

↓ (11%)

\$62.7

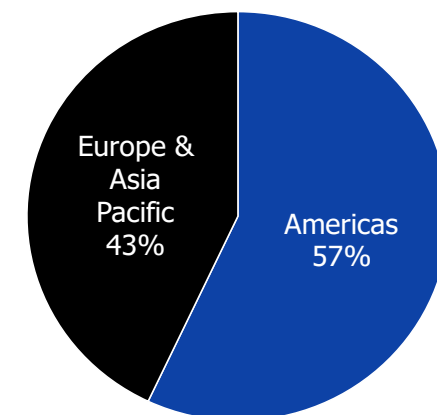
15.2%

\$72.5

20.9%

↓ (11%)

- Volume up in Americas but down in Europe, sales gain largely price pass through of inflation
- Higher than expected energy & freight inflation in Europe plus start up cost for the new line in Poland impacted profitability
- Profitability increased in Americas but held by revaluation of inventories as resin declined and higher freight cost



Innovia Sales by Geography

# Outlook Commentary

- Final price pass through initiatives implemented to benefit core CCL Label businesses for H222, orders picture still solid
- CCL Design outlook dependent on chip availability recovery and consumer demand holding up, recent acquisitions additive
- Comps at CCL Secure ease significantly for H222
- Avery volume should continue to improve, augmented by recent acquisitions
- Checkpoint RFID growth at ALS might struggle to offset softer MAS picture in broad retail
- Innovia sales likely to decline on lower resins at today's purchase prices, must balance freight & energy inflation to match H221 profitability
- China operations back to near normal but demand soft

# Questions



# Appendix: Definitions

(1) Non-IFRS measure; see MD&A dated June 30, 2022 for definition.

(2) Free Cash Flow from Operations (non-IFRS measure) = cash from operating activities less capital expenditures, net of proceeds from sale of property, plant and equipment.



# Appendix: Segment Reporting

**CCL Segment (“CCL”)** 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 Segment (“Avery”)** 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 Segment (“Checkpoint”)** 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 Segment (“Innovia”)** Innovia supplies specialty, high-performance, multi-layer, surface engineered biaxially oriented polypropylene (“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.