



# Investor Update

1st Quarter 2023

(Unaudited)

May 11, 2023

# Disclaimer

This presentation contains forward-looking information and forward-looking statements (hereinafter collectively referred to as “forward-looking statements”), as defined under applicable securities laws, 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 growth in sales; the impact of foreign currency exchange rates on the 2023 second quarter; the Company’s expectation that Avery’s back-to-school season will not start until the 2023 third quarter; that apparel market conditions are unlikely to improve until the second half of 2023; the Company’s expectation of volume decline in the label materials industry will continue in the 2023 second quarter; income and profitability of the Company’s segments; and the Company’s expectations regarding general business and economic conditions.

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 impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; technological change; 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: global economic environment and higher consumer spending; improved customer demand for the Company’s products; continued historical growth trends, market growth in specific sectors and entering into new sectors; 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 costs; the availability of cash and credit; fluctuations of currency exchange rates; fluctuations in resin prices; the Company’s continued relations with its customers; and economic conditions. Should one or more risks materialize or should any assumptions 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 in the 2022 Annual Report, Management’s Discussion and Analysis, particularly under Section 4: “Risks and Uncertainties.”

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 March 31<sup>st</sup>  
(millions of CDN \$)

Three Months Ended

**2023**      **2022**

Change (ex. FX)

<b>Sales</b>	\$1,652.1	\$1,521.7	 +4%
<b>Operating Income<sup>(1)</sup></b>	\$ 257.7	\$ 228.6	 +8%
<b>Net Finance Costs</b>	\$ (19.4)	\$ (14.7)	
<b>Corporate Expenses</b>	\$ (19.9)	\$ (17.6)	
<b>Net Earnings</b>	\$ 166.4	\$ 150.2	 +5%
<b>EBITDA<sup>(1)</sup></b>	\$ 334.4	\$ 301.5	 +6%
<b>Effective Tax Rate</b>	24.9%	24.4%	

# Earnings Per Share

Periods Ended March 31<sup>st</sup>  
(Per Class B share)

Net earnings - basic

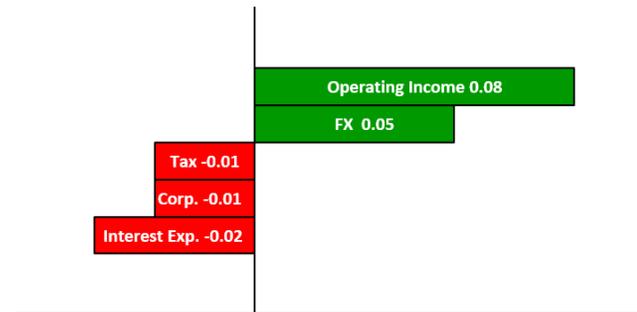
Net loss from restructuring  
and other items

Adjusted basic earnings<sup>(1)</sup>

Adjusted basic earnings variance  
(after tax) due to:

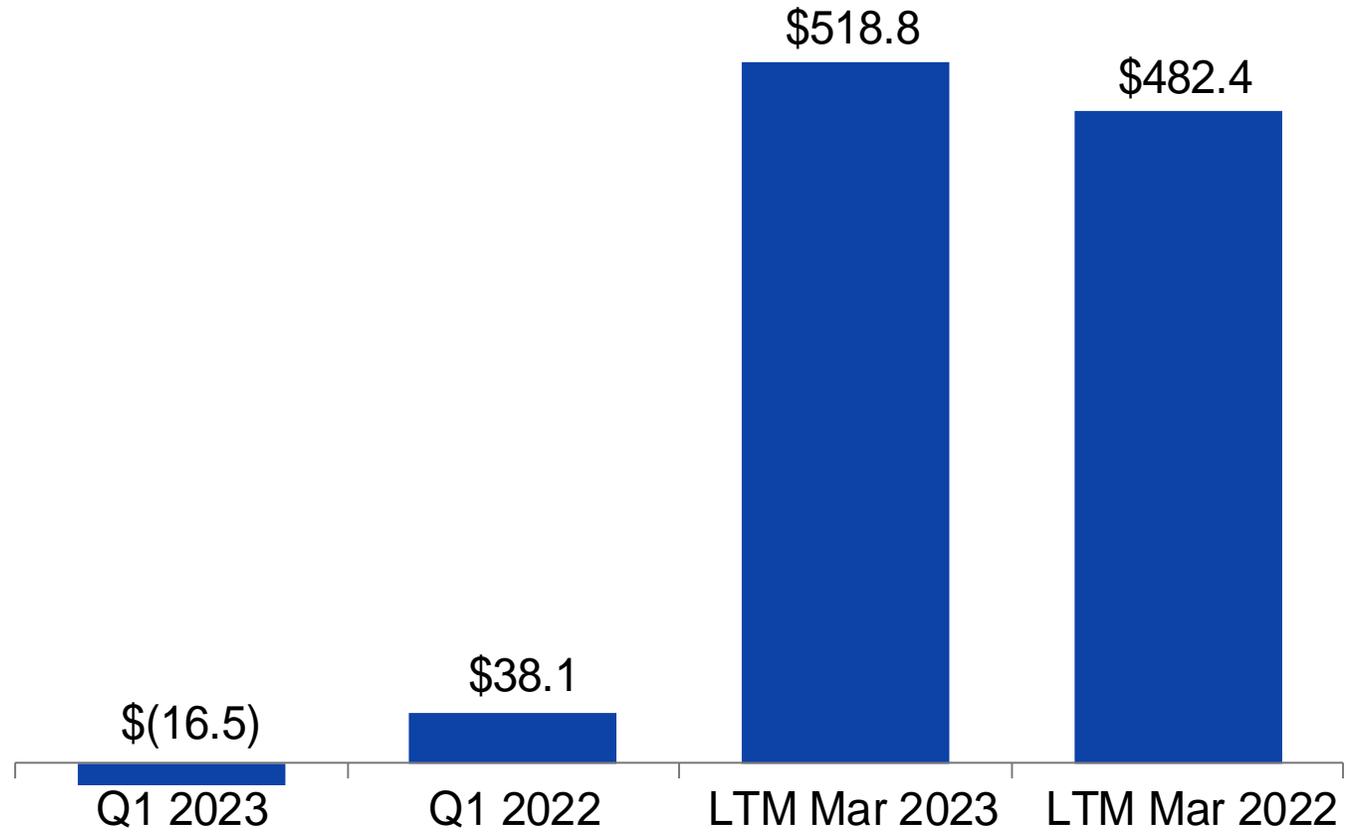
Three Months Ended

	2023	2022
	\$0.94	\$0.84
	-	<u>\$0.01</u>
	<u>\$0.94</u>	<u>\$0.85</u>



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

Periods Ended March 31<sup>st</sup>  
(millions of CDN \$)



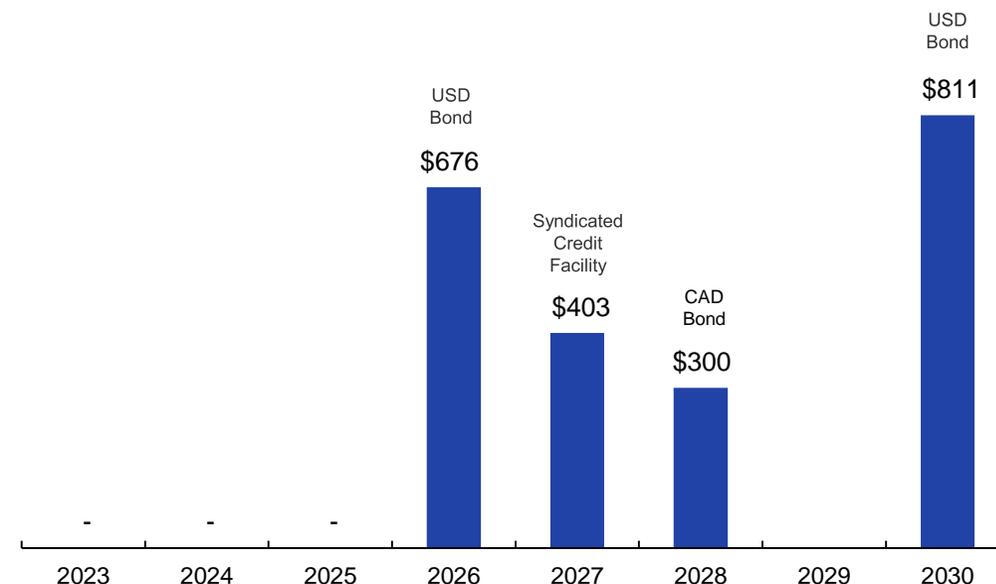
# Cash & Debt Summary

(millions of CDN \$)

	March 2023	December 2022
Bonds (US\$600.0MM, US\$500.0MM, C\$300.0MM)	\$ 1,786.8	\$ 1,790.9
Syndicated credit facility (US\$70.5MM, €46.0MM, C\$240.0MM)	402.7	396.2
Lease liabilities	187.9	179.6
Debt - all other, net of issuance costs	(5.1)	(4.9)
<b>Total debt</b>	<b>\$ 2,372.3</b>	<b>\$ 2,361.8</b>
Less: Cash and cash equivalents	(787.1)	(839.5)
<b>Net debt</b>	<b>\$ 1,585.2</b>	<b>\$ 1,522.3</b>

## Debt Maturity

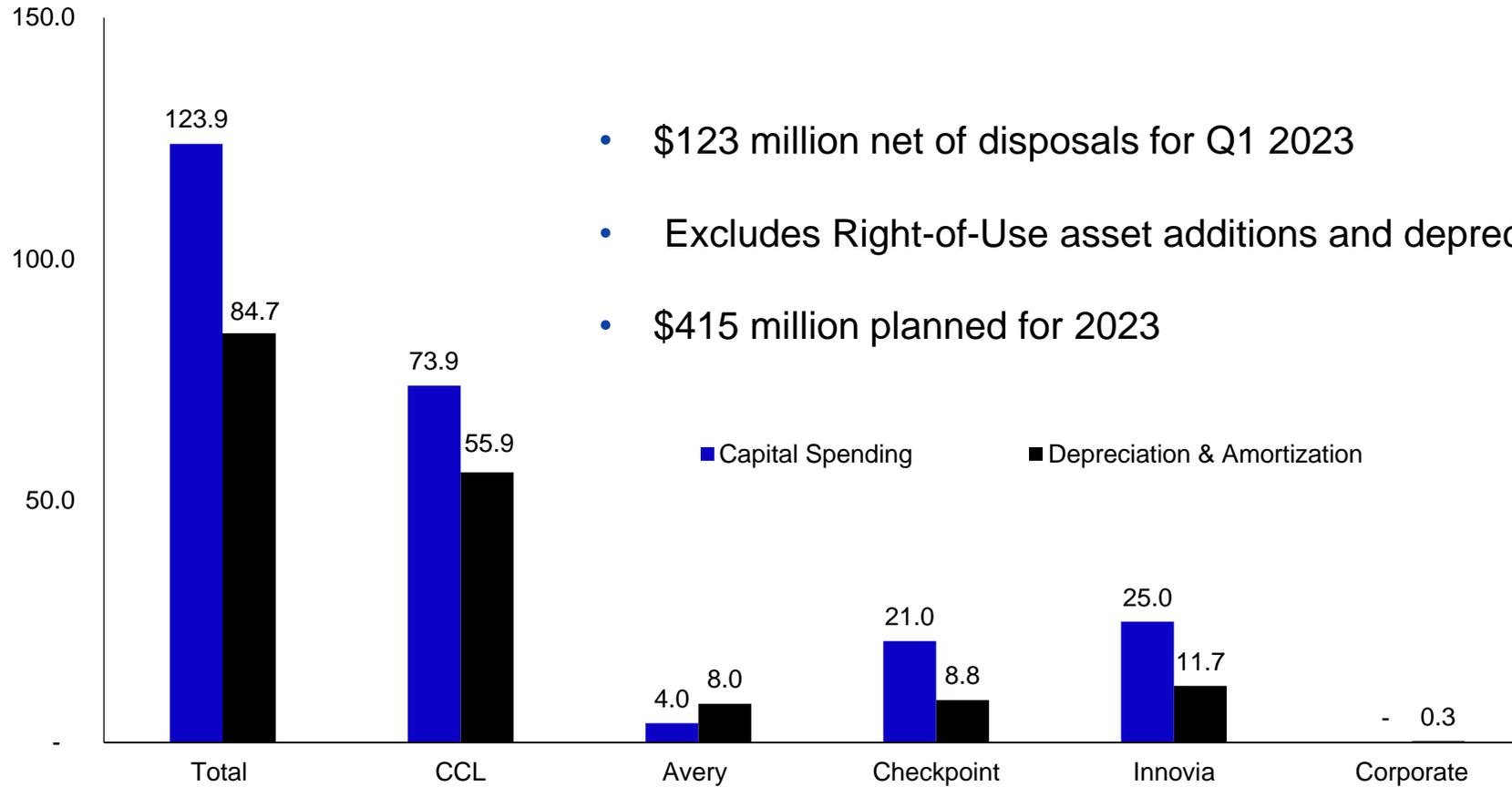
(millions of CDN \$)



- Leverage ratio<sup>(1)</sup> of 1.25x EBITDA
- Available capacity within the syndicated revolving facility is US\$0.9 billion
- Strong liquidity position

# Capital Spending

Periods Ended March 31<sup>st</sup>  
(millions of CDN \$)



- \$123 million net of disposals for Q1 2023
- Excludes Right-of-Use asset additions and depreciation (IFRS 16 – Leases)
- \$415 million planned for 2023

# CCL

Periods Ended March 31<sup>st</sup>  
(millions of CDN \$)

Three Months Ended

**2023**      **2022**

Change (ex. FX)

**Sales**

\$1,013.1      \$942.0

↑ +3%

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

\$165.4      \$152.8

↑ +3%

% Sales

16.3%      16.2%

**EBITDA<sup>(1)</sup>**

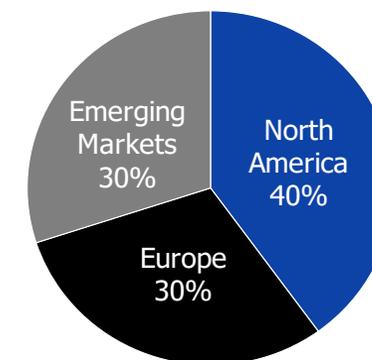
\$227.3      \$212.2

↑ +2%

% Sales

22.4%      22.5%

- Organic growth: double digit gains in Europe (soft prior year) and Latin America, modest decline in North America and double digit decline in Asia Pacific
- Strong results in H&S, CCL Secure, solid in HPC and F&B
- CCL Design gains in automotive more than offset by very weak markets in electronics, especially in China



CCL Sales by Geography

# Joint Ventures

Periods Ended March 31<sup>st</sup>

Results at 100%  
(millions of CDN \$)

	Three Months Ended	
	2023	2022
<b>Sales</b>	\$ 44.5	\$ 35.9
<b>Net Income</b>	\$ 6.2	\$ 6.3
<b>EBITDA<sup>(1)</sup></b>	\$ 10.3	\$ 10.1
<b>% Sales</b>	23.1%	28.1%
<b>Label ventures equity share*</b>	\$ 3.1	\$ 3.2



# Avery

Periods Ended March 31<sup>st</sup>  
(millions of CDN \$)

Three Months Ended

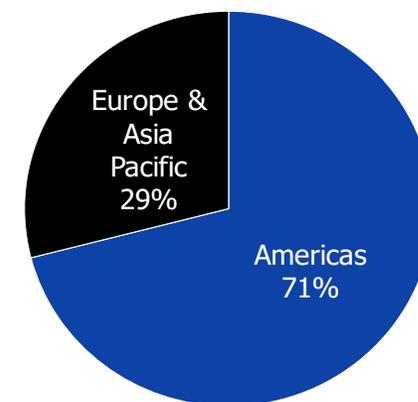
	2023	2022		Change (ex. FX)
<b>Sales</b>	\$260.3	\$180.3	↑	+39%
<b>Operating Income<sup>(1)</sup></b> % Sales	\$50.6 19.4%	\$33.9 18.8%	↑	+43%
<b>EBITDA<sup>(1)</sup></b> % Sales	\$61.1 23.5%	\$42.1 23.3%	↑	+39%

**Sales**

**Operating Income<sup>(1)</sup>**  
% Sales

**EBITDA<sup>(1)</sup>**  
% Sales

- Inventory rebuild in distribution channels in North America after destocking in H222, strong growth in direct-to-consumer channels
- Solid results internationally including solid acquisition contributions from Flora Media in Europe and Adelbras in Brazil



Avery Sales by Geography

# Checkpoint

Periods Ended March 31<sup>st</sup>  
(millions of CDN \$)

**Sales**

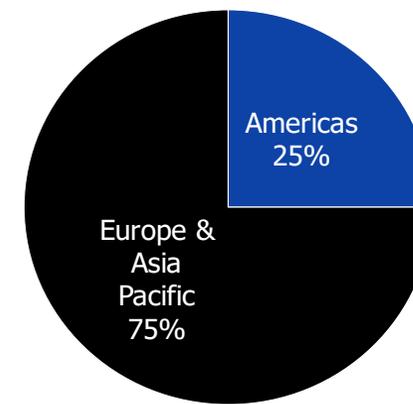
**Operating Income<sup>(1)</sup>**  
% Sales

**EBITDA<sup>(1)</sup>**  
% Sales

Three Months Ended

2023	2022		Change (ex. FX)
\$210.4	\$203.0	↑	+2%
\$30.8 14.6%	\$26.6 13.1%	↑	+14%
\$42.1 20.0%	\$37.0 18.2%	↑	+12%

- Merchandise Availability (“MAS”) results strong on new business wins, price increases and easing supply inflation & inter-modal freight cost from China
- Apparel Label (“ALS”) results declined as the retail supply chain focuses on managing excess inventory but RFID growth continues



# Innovia

Periods Ended March 31<sup>st</sup>  
(millions of CDN \$)

**Sales**

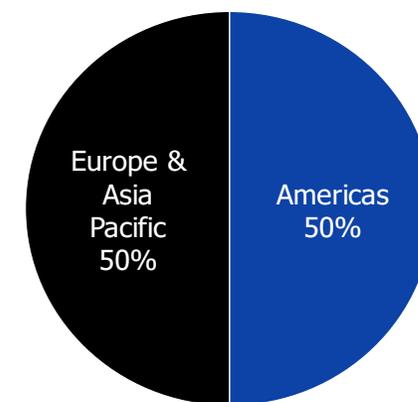
**Operating Income<sup>(1)</sup>**  
% Sales

**EBITDA<sup>(1)</sup>**  
% Sales

Three Months Ended

2023	2022	Change (ex. FX)	
\$168.3	\$196.4	↓	(18%)
\$10.9 6.5%	\$15.3 7.8%	↓	(33%)
\$23.3 13.8%	\$27.4 14.0%	↓	(18%)

- Volume declined on double digit drops in the label materials industry in Europe and North America which looks set to continue in Q2
- Profitability improved sequentially on easing inflation, good cost controls and working through higher cost resin inventory in the Americas



Innovia Sales by Geography

# Outlook Commentary

- Core CCL business units' outlook stable overall
- CCL Design: expect some recovery in Q2 as China has a full quarter
- CCL Secure will be below Q222
- A very back to school season started very early Q222, will not repeat in 2023.....so tough comps for Q2, easier for Q3
- Checkpoint: apparel market conditions unlikely to improve much until H223, MAS outlook stable with easier comps
- Innovia volume continues to be impacted by weak label materials industry demand, inflationary pressures and inventory cost squeeze both easing
- Modest FX tailwind

# Questions



# Appendix: Definitions

(1) Non-IFRS measure; see MD&A dated March 31, 2023 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.