CCL Industries Inc.
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News Release

For Immediate Release, Wednesday, August 9, 2023
Stock Symbols: TSX – CCL.A and CCL.B

CCL Industries Announces 2023 Second Quarter Results

Second Quarter Highlights

- **Per Class B share(3): $0.90 adjusted basic earnings down 4.3%; $0.88 basic earnings down 3.3%; currency translation positive $0.05 per share**
- **Sales increased 1.8% on 1.0% acquisition growth, 5.3% positive currency translation partially offset by 4.5% organic decline**
- **Avery and Checkpoint posted organic sales growth of 2.6% and 3.3%, respectively**
- **Operating income(1) declined 2.3%, with a 14.7% operating margin(1) down 60 bps**

Six-Month Highlights

- **Per Class B share(3): $1.84 adjusted basic earnings up 2.8%; $1.82 basic earnings up 4.0%; currency translation positive $0.10 per share**
- **Sales increased 5.1% on 1.9% acquisition growth, 4.9% positive currency translation partially offset by 1.7% organic decline**
- **Operating income(1) improved 4.9%, with a 15.2% operating margin(1)**

Toronto, August 9, 2023 - CCL Industries Inc. ("the Company"), a world leader in specialty label, security and packaging solutions for global corporations, government institutions, small businesses and consumers, today reported 2023 second quarter results.

Sales for the second quarter of 2023 increased 1.8% to $1,644.5 million, compared to $1,615.2 million for the second quarter of 2022, with an organic decline of 4.5% offset by acquisition-related growth of 1.0% and a 5.3% positive impact from foreign currency translation.

Operating income(1) for the second quarter of 2023 was $242.0 million compared to $247.8 million for the comparable quarter of 2022. Operating income for the 2022 second quarter included a $3.5 million non-cash acquisition accounting adjustment related to the acquired inventory from the Adelbras acquisition that was expensed in the Company's cost of sales in the period. Foreign currency translation had a 5.8% positive impact on operating income for the comparable quarters.

The Company recorded an expense for restructuring and other items of $2.9 million, primarily attributable to reorganization charges at CCL Design and transaction costs associated with acquisitions completed in the current year compared to $3.2 million for reorganization costs in the 2022 second quarter.

Tax expense for the second quarter of 2023 was $47.7 million compared to $51.7 million in the prior year period. The effective tax rate for the 2023 second quarter was 24.0%, lower than the 24.4% for the 2022 second quarter due to a higher portion of the Company's taxable income earned in lower tax jurisdictions.

Net earnings decreased 4.6% to $155.9 million for the 2023 second quarter compared to $163.4 million for the 2022 second quarter. Basic and adjusted basic earnings per Class B share(3) for the 2023 second quarter were $0.88 and $0.90, respectively, compared to basic and adjusted basic earnings per Class B share(3) of $0.91 and $0.94, respectively, in the prior year second quarter. Foreign currency translation had a positive $0.05 per share impact on earnings.

For the six-month period ended June 30, 2023, sales, operating income(1) and net earnings improved 5.1%, 4.9% and 2.8% to $3.3 billion, $499.7 million and $322.3 million, respectively, compared to the same six-month period in 2022. Results for the 2022 six-month period included a $3.5 million non-cash acquisition accounting adjustment to the acquired finished goods inventory from the Adelbras acquisition expensed through cost of sales in the period. The 2023 six-month period included results from six acquisitions completed since January 1, 2022, delivering acquisition-related sales growth of 1.9%. Foreign currency translation had a positive 4.9% impact, partially offset by an organic sales decline of 1.7%. For the six-month period ended June 30, 2023, basic and adjusted basic earnings per Class B share(3) were $1.82 and $1.84, respectively, compared to basic and adjusted basic earnings per Class B share(3) of $1.75 and $1.79, respectively, in the prior year six-month period. Foreign currency translation had a positive $0.10 per share impact on earnings.

Geoffrey T. Martin, President and Chief Executive Officer, commented, "Solid second quarter results were held by slowing demand in parts of the economy as higher interest rates took hold impacting consumer spending patterns. Avery and Checkpoint both continued to post organic growth, but more than offset by a modest decline in the CCL Segment and the pass through of energy, freight and raw materials deflation at Innovia. All-in, the Company posted $0.90 adjusted basic earnings per Class B share(3) compared to $0.94 in the 2022 second quarter."

Mr. Martin continued, "Sales declined 3.0% organically in the CCL Segment as certain end markets softened compared to the exceptional double digit growth recorded in the second quarter of 2022. Home and Personal Care results were stable as strong markets in Latin America and robust performance at CCL Container offset significantly lower demand for labels and tubes in North America, while profitability declined in Asia and Europe. Healthcare & Specialty profitability declined on soft results in AgChem markets globally and start-up costs for new plants across the sector, partly offset by sales growth in Healthcare. Food & Beverage profitability was flat as moving costs to a major new sleeve facility in Austria offset foreign exchange gains. Weak global electronics markets eclipsed solid automotive performance, especially internationally, at CCL Design. High levels of banknote inventory built during the pandemic impacted reorder timing at CCL Secure only partly offset by strength in passport components boosted by robust travel demand. Avery delivered solid organic growth, as normalization of back-to-school shipments to the third quarter of 2023 did not occur as expected while direct-to-consumer channels delivered solid sales and profitability gains. Checkpoint MAS results improved in all regions compared to a soft prior year, while apparel label sales moderated as retailers managed inventories, although profitability improved on strong RFID demand and foreign exchange gains. Lower resin, freight and energy costs drove solid sequential profit gains at Innovia with comparative progress held by the impact of continued weak volume conditions in the pressure sensitive label materials industry in North America and Europe. The new EcoFloat facility in Poland reached breakeven for the quarter as these films gained sustainability traction with customers."

Mr. Martin added, "Foreign currency translation had a positive $0.05 impact on earnings per Class B share for the second quarter of 2023. At today's Canadian dollar exchange rates, currency translation would be a tailwind, if sustained, for the third quarter of 2023."

Mr. Martin concluded, "The Company finished the quarter with a strong balance sheet and robust liquidity. The Company's consolidated leverage ratio(5) of 1.24 times Adjusted EBITDA(2), $737.8 million of cash-on-hand and US$0.9 billion undrawn capacity on its syndicated revolving credit facility leave us well placed to fund global expansion initiatives. The Board of Directors declared the quarterly dividend at $0.2650 per Class B non-voting share and $0.2625 per Class A voting share, payable to shareholders of record at the close of business on September 15, 2023, to be paid on September 29, 2023."

2023 Second Quarter Highlights

CCL

- Sales increased 3.1% to $995.5 million on 3.0% organic decline, offset by 0.3% acquisition contribution and 5.8% positive impact from foreign currency translation
- Regional organic sales growth: low single digit in Europe and Latin America; North America and Asia Pacific declined low single digit and double digit, respectively
- Operating income(1) $144.0 million, down 7.0%, 14.5% operating margin(1) down 150 bps
- Label joint ventures added $0.03 earnings per Class B share

Avery

- Sales increased 13.3% to $268.0 million on 2.6% organic growth, 5.6% acquisition contribution and 5.1% positive impact from foreign currency translation
- Operating income(1) $50.3 million, up 7.2%, 18.8% operating margin(1), down 100 bps

Checkpoint

- Sales increased 6.8% to $210.5 million on organic growth of 3.3% and 3.5% positive impact from foreign currency translation
- Operating income(1) $28.1 million, up 24.3%, 13.3% operating margin(1), up 180 bps

Innovia

- Sales decreased 21.2% to $170.5 million with 26.6% organic decline partially offset by 5.4% postive impact from foreign currency translation
- Operating income(1) $19.6 million, down 16.2%, 11.5% operating margin(1), up 70 bps

The Company will hold a live webcast call at 7:30 a.m. ET on August 10, 2023, to discuss these results.

The quarterly results review presentation, including outlook commentary, is posted on the Company's website at https://www.cclind.com/investors/investor-presentations/

To access the webcast or webcast replay, please use the following webcast link: https://www.webcaster4.com/Webcast/Page/2807/48687

To access the audio/listen only live webcast, please use the following numbers:

Toll Free: 1-877-545-0320
International: 1-973-528-0002
Conference Entry Code (CEC): 520072

Replay for the webcast will be available Thursday, August 10, 2023, until Sunday, September 10, 2023.

For more information on CCL, visit our website - www.cclind.com or contact:

Sean Washchuk	Senior Vice President and Chief Financial Officer	416-756-8526

Forward-looking Statements

This press release 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 press release contains forward-looking statements regarding the impact of foreign currency exchange rates on the 2023 third quarter; income and profitability of the Company's segments; and the Company's expectations regarding inflation, supply chain challenges, 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." CCL Industries Inc.'s annual and quarterly reports can be found online at www.cclind.com and www.sedar.com or are available upon request.

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 press release 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.

The financial information presented herein has been prepared on the basis of IFRS for financial statements and is expressed in Canadian dollars unless otherwise stated.

Financial Information

CCL Industries Inc.

Consolidated condensed interim statements of financial position
Unaudited

In millions of Canadian dollars

	As at June 30, 2023	As at December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 737.8	$ 839.5
Trade and other receivables	1,133.5	1,100.5
Inventories	767.3	785.1
Prepaid expenses	52.4	50.0
Income taxes recoverable	16.4	44.6
Total current assets	2,707.4	2,819.7
Non-current assets		
Property, plant and equipment	2,322.5	2,212.3
Right-of-use assets	187.0	180.2
Goodwill	2,215.7	2,193.5
Intangible assets	984.4	1,018.3
Deferred tax assets	78.4	71.5
Equity-accounted investments	74.2	79.5
Other assets	27.3	23.9
Derivative instruments	38.3	65.5
Total non-current assets	5,927.8	5,844.7
Total assets	**$ 8,635.2**	**$ 8,664.4**
Liabilities		
Current liabilities		
Trade and other payables	$ 1,227.7	$ 1,394.4
Current portion of long-term debt	4.2	6.6
Lease liabilities	41.6	40.0
Income taxes payable	47.6	60.3
Derivative instruments	0.4	0.1
Total current liabilities	1,321.5	1,501.4
Non-current liabilities		
Long-term debt	2,106.6	2,175.6
Lease liabilities	146.3	139.6
Deferred tax liabilities	309.3	311.7
Employee benefits	256.6	256.9
Provisions and other long-term liabilities	20.4	14.0
Derivative instruments	1.5	-
Total non-current liabilities	2,840.7	2,897.8
Total liabilities	4,162.2	4,399.2
Equity		
Share capital	506.8	468.4
Contributed surplus	134.8	132.0
Retained earnings	3,962.0	3,730.2
Accumulated other comprehensive loss	(130.6)	(65.4)
Total equity attributable to shareholders of the Company	4,473.0	4,265.2
Total liabilities and equity	**$ 8,635.2**	**$ 8,664.4**

CCL Industries Inc.

Consolidated condensed interim income statements
Unaudited

In millions of Canadian dollars, except per share information	Three Months Ended June 30		Six Months Ended June 30	
	2023	**2022**	**2023**	**2022**
Sales	$ 1,644.5	$ 1,615.2	$ 3,296.6	$ 3,136.9
Cost of sales	1,176.4	1,170.4	2,355.3	2,279.2
Gross profit	468.1	444.8	941.3	857.7
Selling, general and administrative expenses	247.4	214.8	482.8	416.7
Restructuring and other items	2.9	3.2	3.7	5.0
Earnings in equity-accounted investments	(5.0)	(3.7)	(8.1)	(6.9)
	222.8	**230.5**	**462.9**	**442.9**
Finance cost	20.2	15.5	40.2	29.6
Finance income	(2.8)	(1.3)	(5.1)	(2.0)
Interest on lease liabilities	1.8	1.2	3.5	2.5
Net finance cost	19.2	15.4	38.6	30.1
Earnings before income tax	**203.6**	**215.1**	**424.3**	**412.8**
Income tax expense	47.7	51.7	102.0	99.2
Net earnings for the period	**$ 155.9**	**$ 163.4**	**$ 322.3**	**$ 313.6**
Earnings per share				
Basic earnings per Class B share	**$ 0.88**	**$ 0.91**	**$ 1.82**	**$ 1.75**
Diluted earnings per Class B share	**$ 0.88**	**$ 0.91**	**$ 1.81**	**$ 1.74**

CCL Industries Inc.

Consolidated condensed interim statements of cash flows
Unaudited

In millions of Canadian dollars	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Cash provided by (used for)				
Operating activities				
Net earnings	$ 155.9	$ 163.4	$ 322.3	$ 313.6
Adjustments for:				
Property, plant and equipment depreciation	68.9	63.6	136.4	127.9
Right-of-use assets depreciation	12.5	9.9	24.4	19.8
Intangibles amortization	17.2	15.9	34.4	32.2
Earnings in equity-accounted investments, net of dividends received	(5.0)	(3.7)	(0.7)	(6.9)
Net finance costs	19.2	15.4	38.6	30.1
Current income tax expense	61.3	64.2	116.5	115.2
Deferred income tax recovery	(13.6)	(12.5)	(14.5)	(16.0)
Equity-settled share-based payment transactions	10.9	10.0	21.2	19.6
Gain on sale of property, plant and equipment	(2.2)	(0.4)	(3.3)	(0.9)
	325.1	325.8	675.3	634.6
Change in inventories	36.4	(43.3)	21.3	(93.5)
Change in trade and other receivables	54.4	(12.6)	(30.6)	(45.3)
Change in prepaid expenses	(7.5)	(5.6)	(2.2)	(1.5)
Change in trade and other payables	(51.9)	28.4	(178.0)	(29.7)
Change in income taxes receivable and payable	(1.9)	(3.1)	0.4	(0.1)
Change in employee benefits	(1.5)	(0.3)	4.3	(6.0)
Change in other assets and liabilities	(11.6)	(2.5)	(3.9)	(7.8)
	341.5	286.8	486.6	450.7
Net interest paid	(25.8)	(23.7)	(31.1)	(26.0)
Income taxes paid	(66.7)	(54.0)	(100.4)	(81.3)
Cash provided by operating activities	**249.0**	**209.1**	**355.1**	**343.4**
Financing activities				
Proceeds on issuance of long-term debt	12.2	769.4	21.5	1,003.5
Repayment of long-term debt	(53.6)	(514.0)	(57.7)	(518.3)
Repayment of lease liabilities	(11.2)	(9.9)	(22.6)	(19.6)
Proceeds from issuance of shares	10.5	0.2	20.0	3.1
Repurchase of shares	-	(100.0)	-	(200.0)
Dividends paid	(47.0)	(42.5)	(94.0)	(85.4)
Cash provided by (used for) financing activities	**(89.1)**	**103.2**	**(132.8)**	**183.3**
Investing activities				
Additions to property, plant and equipment	(137.7)	(97.7)	(261.6)	(194.6)
Proceeds on disposal of property, plant and equipment	8.8	3.7	10.1	4.4
Business acquisitions	(65.6)	(193.0)	(65.6)	(287.3)
Cash used for investing activities	**(194.5)**	**(287.0)**	**(317.1)**	**(477.5)**
Net increase (decrease) in cash and cash equivalents	(34.6)	25.3	(94.8)	49.2
Cash and cash equivalents at beginning of period	787.1	616.9	839.5	602.1
Translation adjustments on cash and cash equivalents	(14.7)	(7.9)	(6.9)	(17.0)
Cash and cash equivalents at end of period	**$ 737.8**	**$ 634.3**	**$ 737.8**	**$ 634.3**

CCL Industries Inc.

Segment Information
Unaudited

In millions of Canadian dollars

	Three Months Ended June 30				Six Months Ended June 30			
	Sales		Operating income		Sales		Operating income	
	2023	2022	2023	2022	2023	2022	2023	2022
CCL	$ 995.5	$ 965.2	$ 144.0	$ 154.9	$ 2,008.6	$ 1,907.2	$ 309.4	$ 307.7
Avery	268.0	236.5	50.3	46.9	528.3	416.8	100.9	80.8
Checkpoint	210.5	197.1	28.1	22.6	420.9	400.1	58.9	49.2
Innovia	170.5	216.4	19.6	23.4	338.8	412.8	30.5	38.7
Total operations	$ 1,644.5	$ 1,615.2	$ 242.0	$ 247.8	$ 3,296.6	$ 3,136.9	$ 499.7	$ 476.4
Corporate expense			(21.3)	(17.8)			(41.2)	(35.4)
Restructuring and other items			(2.9)	(3.2)			(3.7)	(5.0)
Earnings in equity-accounted investments			5.0	3.7			8.1	6.9
Finance cost			(20.2)	(15.5)			(40.2)	(29.6)
Finance income			2.8	1.3			5.1	2.0
Interest on lease liabilities			(1.8)	(1.2)			(3.5)	(2.5)
Income tax expense			(47.7)	(51.7)			(102.0)	(99.2)
Net earnings			$ 155.9	$ 163.4			$ 322.3	$ 313.6

	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	June 30	December 31	June 30	December 31	Six Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022	2023	2022	2023	2022
CCL	$ 4,360.0	$ 4,290.6	$ 1,067.5	$ 1,178.6	$ 125.0	$ 117.1	$ 188.9	$ 134.6
Avery	1,156.3	1,102.7	298.7	293.8	21.3	16.7	6.9	17.4
Checkpoint	1,085.4	1,117.7	416.1	445.0	23.5	21.3	28.5	21.9
Innovia	1,149.4	1,157.2	256.9	304.5	24.5	24.0	37.3	20.7
Equity-accounted investments	74.2	79.5	-	-	-	-	-	-
Corporate	809.9	916.7	2,123.0	2,177.3	0.9	0.8	-	-
Total	$ 8,635.2	$ 8,664.4	$ 4,162.2	$ 4,399.2	$ 195.2	$ 179.9	$ 261.6	$ 194.6

Non-IFRS Measures

(1) Operating income and operating income margin are key non-IFRS financial measures used to assist in understanding the profitability of the Company's business units. Operating income is defined as earnings before corporate expenses, net finance cost, goodwill impairment loss, earnings in equity accounted investments, restructuring and other items, and taxes. Operating income margin, also known as return on sales, is defined as operating income over sales.

(2) Adjusted EBITDA is a critical non-IFRS financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. Adjusted EBITDA is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS financial 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. Calculations are provided below to reconcile operating income to Adjusted EBITDA. The Company believes that this is an important measure as it allows management to assess 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 management to compare the business to those of the Company's peers and competitors that may have different capital or organizational structures. Adjusted EBITDA is tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. It is considered an important measure by lenders to the Company and is included in the financial covenants included in the senior notes and bank lines of credit.

Reconciliation of operating income to Adjusted EBITDA

Unaudited

(In millions of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
Sales	**2023**	**2022**	**2023**	**2022**
CCL	$ 995.5	$ 965.2	$ 2,008.6	$ 1,907.2
Avery	268.0	236.5	528.3	416.8
Checkpoint	210.5	197.1	420.9	400.1
Innovia	170.5	216.4	338.8	412.8
Total sales	$ 1,644.5	$ 1,615.2	$ 3,296.6	$ 3,136.9
Operating income				
CCL	$ 144.0	$ 154.9	$ 309.4	$ 307.7
Avery	50.3	46.9	100.9	80.8
Checkpoint	28.1	22.6	58.9	49.2
Innovia	19.6	23.4	30.5	38.7
Total operating income (non-IFRS measure)	242.0	247.8	499.7	476.4
Less: Corporate expenses	(21.3)	(17.8)	(41.2)	(35.4)
Add: Depreciation & amortization	98.6	89.4	195.2	179.9
Add: Non-cash acquisition accounting adjustment related to inventory	-	3.5	-	3.5
Adjusted EBITDA (non-IFRS measure)	**$ 319.3**	**$ 322.9**	**$ 653.7**	**$ 624.4**

[3] Adjusted basic earnings per Class B share is 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 financial 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.

Reconciliation of Basic Earnings per Class B Share to Adjusted Basic Earnings per Class B Share

Unaudited

	Three months ended June 30		Six months ended June 30	
	2023	**2022**	**2023**	**2022**
Basic earnings per Class B Share	$ 0.88	$ 0.91	$ 1.82	$ 1.75
Restructuring and other items	0.02	0.01	0.02	0.02
Non-cash acquisition accounting adjustment related to inventory	-	0.02	-	0.02
Adjusted Basic Earnings per Class B Share	**$ 0.90**	**$ 0.94**	**$ 1.84**	**$ 1.79**

[4] Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the year and available to fund dividends, debt repayments, share buy-backs 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 measure of free cash flow from operations to IFRS measures reported in the consolidated statements of cash flows for the periods ended as indicated.

Free Cash Flow from Operations

Unaudited (In millions of Canadian dollars)	**Six Months Ended June 30, 2023**
Cash provided by operating activities	$ 355.1
Less: Additions to property, plant and equipment	(261.6)
Add: Proceeds on disposal of property, plant and equipment	10.1
Free cash flow from operations	**$ 103.6**

(5) Leverage ratio is a measure that indicates the Company's ability to service its existing debt. Leverage ratio is calculated as net debt divided by Adjusted EBITDA.

Unaudited (In millions of Canadian dollars)		June 30, 2023
Current portion of long-term debt	$	4.2
Current lease liabilities		41.6
Long-term debt		2,106.6
Long-term lease liabilities		146.3
Total debt		2,298.7
Cash and cash equivalents		(737.8)
Net debt	$	1,560.9
Adjusted EBITDA for 12 months ending June 30, 2023 (see below)	$	1,260.7
Leverage Ratio		**1.24**
Adjusted EBITDA for 12 months ended December 31, 2022	$	1,231.4
less: Adjusted EBITDA for six months ended June 30, 2022		(624.4)
add: Adjusted EBITDA for six months ended June 30, 2023		653.7
Adjusted EBITDA for 12 months ended June 30, 2023	$	**1,260.7**

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

	Three Months Ended June 30, 2023				**Six Months Ended June 30, 2023**			
	Organic Growth	**Acquisition Growth**	**FX Translation**	**Total**	**Organic Growth**	**Acquisition Growth**	**FX Translation**	**Total**
CCL	(3.0%)	0.3%	5.8%	3.1%	(0.1%)	0.2%	5.2%	5.3%
Avery	2.6%	5.6%	5.1%	13.3%	7.7%	13.9%	5.2%	26.8%
Checkpoint	3.3%	-	3.5%	6.8%	2.4%	-	2.8%	5.2%
Innovia	(26.6%)	-	5.4%	(21.2)%	(22.3%)	-	4.4%	(17.9%)
Total	(4.5%)	1.0%	5.3%	1.8%	(1.7%)	1.9%	4.9%	5.1%

Business Description

CCL Industries Inc. employs approximately 25,300 people operating 205 production facilities in 43 countries with corporate offices in Toronto, Canada, and Framingham, Massachusetts. CCL is the world's largest 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 the world's largest supplier of labels, specialty converted media and software solutions for short-run digital printing applications for businesses and consumers available alongside complementary products sold through distributors, mass market stores and e-commerce retailers. Checkpoint is a leading developer of RF and RFID based technology systems for loss prevention and inventory management applications, including labeling and tagging solutions, for the retail and apparel industries worldwide. Innovia is a leading global producer of specialty, high performance, multi-layer, surface engineered films for label, packaging and security applications. The Company is partly backward integrated into materials science with capabilities in polymer extrusion, adhesive development, coating & lamination, surface engineering and metallurgy; deployed as needed across the four business segments.