

**CCL Industries Inc.**

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## News Release

*For Immediate Release, Monday, December 18, 2023*

Stock Symbols: TSX – CCL.A and CCL.B

# CCL Industries to Optimize Innovia Films' Global Capacity

**Toronto, December 18, 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, announced today that it intends to permanently close its Innovia operation in Merelbeke, Belgium over the course of the 2024 first quarter.

Innovia will consolidate all "bubble film" volume into its U.K. and Australian operations, targeting \$17 to \$20 million of incremental operating income annually once the closure is complete. In the fourth quarter of 2023, the Company expects to record a one-time pre-tax restructuring charge to include both the closure cash costs, largely employee severance accruals in the range of \$25 to \$30 million and an estimated non-cash, goodwill impairment expense of approximately \$120 million for Innovia.

Geoffrey T. Martin, President and Chief Executive Officer, commented, "Our operation in Belgium is a smaller two bubble line plant using older equipment with the highest cost to serve in our global network. Given the softer post-Covid demand environment, it is essential we optimize existing capacity for the future, while enhancing financial performance for 2024. Additionally, planned new technology investments in Germany and Mexico, plus the impact of building Ecofloat volume in Poland, should drive further gains in our operational effectiveness and profitability in 2025 and beyond."

Mr. Martin concluded, "We are very grateful for the many years of contribution from our people in Belgium and appreciate their understanding, professionalism and timely engagement as we collaborated on the final closure arrangement."

### ***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 statement regarding estimated incremental annual operating income of \$17 to \$20 million for 2024 and beyond; one-time restructuring charges, predominantly for severance expenses will be between \$25 to \$30 million; estimated goodwill impairment charges will be approximately \$120 million; and further developments in Germany and Mexico

as well as Ecofloat will lead to future profit improvements in 2025 and beyond

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; and the Company's continued relations with its customers; . 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](http://www.cclind.com) and [www.sedarplus.ca](http://www.sedarplus.ca) 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.

For more information on CCL, visit our website - [www.cclind.com](http://www.cclind.com) or contact:

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## **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.