CCL Industries Inc.
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News Release

For Immediate Release, Wednesday, February 21, 2024
Stock Symbols: TSX – CCL.A and CCL.B

CCL Industries Announces Strong Fourth Quarter and 2023 Results

Fourth Quarter Highlights

- **Per Class B share(3): $0.97 adjusted basic earnings up 16.9%; $0.22 basic earnings down 73.2%, currency translation positive $0.01**
- **Innovia goodwill impairment loss and restructuring charges reduced basic earnings by $0.75 per share**
- **Sales increased 4.7% on 3.0% acquisition growth and 2.2% positive currency translation partially offset by 0.5% organic decline**
- **Operating income(1) increased 20.6%, with a 15.3% operating margin(1) up 200 bps**

2023 Highlights

- **Per Class B share(3): $3.76 adjusted basic earnings up 5.3%; $2.99 basic earnings down 14.6% including $0.77 of restructuring and goodwill impairment loss; currency translation positive $0.16**
- **Sales increased 4.2% on 2.4% acquisition growth and 4.3% positive currency translation partially offset by 2.5% organic decline**
- **Operating income(1) increased 8.2%, with a 15.2% operating margin(1) up 60 bps**
- **Annual dividend increased 9.4% effective March 15, 2024**

Toronto, February 21, 2024 - 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 fourth quarter and annual financial results for 2023.

Sales for the fourth quarter of 2023 increased 4.7% to $1,662.5 million, compared to $1,587.2 million for the fourth quarter of 2022, due to acquisition-related growth of 3.0% and 2.2% positive impact from foreign currency translation partially offset by 0.5% organic decline.

Operating income(1) for the fourth quarter of 2023 increased by 20.6% to $254.8 million compared to $211.2 million for the comparable quarter of 2022. Excluding the impact of foreign currency translation, operating income(1) increased 18.2% compared to the 2022 fourth quarter.

Restructuring and other items were $37.2 million for the fourth quarter of 2023 principally for the previously announced reorganization and severance costs associated with closure of the

Innovia Belgium facility. For the fourth quarter of 2022, restructuring and other items was $3.4 million primarily for severance at CCL Design and Checkpoint.

A non-cash goodwill impairment loss of $95.0 million, with no associated tax benefit, was recorded in the fourth quarter of 2023 at Innovia due to the closure of the Belgium manufacturing facility and the continuing demand challenges in the label materials industry.

Tax expense for the fourth quarter of 2023 was $45.4 million compared to $36.5 million in the prior year period. The effective tax rate for the 2023 fourth quarter was 57.0% resulting in an annual effective tax rate of 28.2% compared to 21.2% for the 2022 fourth quarter and 23.3% for the year 2022. The increase in the aforementioned 2023 fourth quarter and annual effective tax rates can be attributed to there being no associated tax benefit from the goodwill impairment loss and restructuring charges recorded at Innovia in the fourth quarter of 2023.

For the fourth quarter of 2023, net earnings were $38.8 million compared to $145.2 million for the 2022 fourth quarter, basic and adjusted basic earnings per Class B share(3) were $0.22 and $0.97, respectively, compared to basic and adjusted basic earnings per Class B share(3) of $0.82 and $0.83, respectively, in the prior year fourth quarter. Fourth quarter 2023 basic earnings included $0.75 per share impact from the aforementioned goodwill impairment loss and restructuring charges.

For the 2023 year, sales, operating income(1) and adjusted net earnings(6) improved 4.2%, 8.2% and 4.9% to $6,649.6 million, $1,010.6 million and $666.4 million, respectively, compared to December 31, 2022. The year ending December 31, 2023 included results from eleven acquisitions completed since January 1, 2022, delivering acquisition related sales growth for the year of 2.4%, coupled with organic sales decline of 2.5% and 4.3% positive impact from foreign currency translation. Foreign currency translation had a positive impact of $0.16 per share for the year ended December 31, 2023, basic and adjusted basic earnings per Class B share(3) were $2.99 and $3.76, respectively, compared to basic and adjusted basic earnings per Class B share(3) of $3.50 and $3.57, respectively, in the prior year.

Geoffrey T. Martin, President and Chief Executive Officer, commented, "I'd like to start by thanking our people around the world for delivering another year of record adjusted annual results in 2023. This included better than expected fourth quarter performance with adjusted basic earnings per Class B share up 16.7% compared to the prior year period, momentum which has continued so far in 2024."

Mr. Martin continued, "The CCL Segment posted 1.8% fourth quarter organic growth with Food & Beverage recording the most compelling sales and profitability gains, particularly in sleeves and closure labels. Home & Personal posted strong results for aluminum aerosols and bottles plus labels in Latin America and Europe, offset by slower results for tubes and labels in North America and Asia. Healthcare & Specialty sales and profitability softened in many markets, partially offset by strong results for the newly acquired Faubel clinical trials business and recovering lawn and garden chemical markets in the United States. Results at CCL Design electronics showed signs of bottoming out after a challenging year as cost reduction initiatives improved profitability and order intake pointed to strengthening end demand in electronics; automotive markets remained solid. CCL Secure performance improved but compared to a poor prior year period. Avery posted strong fourth quarter gains in direct-to-consumer categories, while progress in the horticultural businesses offset declines in the smaller Canadian and Australian markets. Checkpoint MAS delivered solid sales and profitability gains compared to a strong prior year fourth quarter while ALS sales increased 20% organically on RFID growth, driving robust profit improvement. Despite a much improved fourth quarter result, lower volumes still impacted Innovia's annual profits requiring us to record a goodwill impairment loss of $95 million this period. In December, we also announced the closure of the Belgian plant, consolidating production into our U.K. and Australian operations, expecting to deliver $17 million to $20 million of incremental annualized operating income, once completed by mid-year. In the early weeks of 2024 order intake improved markedly in the label materials industry, which had seen a huge inventory build in the covid years subsequently corrected by five quarters of unparalleled destocking related demand decline, including the entirety of 2023."

Mr. Martin noted, "Foreign currency translation continued to be a tailwind for the fourth quarter with a $0.01 positive impact on basic earnings per Class B share and $0.16 for 2023. However, if today's Canadian dollar exchange rates are sustained, currency translation would become a modest headwind for the first quarter 2024."

Mr. Martin concluded, "The Company finished the year with a strong balance sheet and excellent liquidity, despite investing $345.8 million on eight acquisitions, returning $188.2 million in annualized dividends and $5.1 million of capital stock buybacks to shareholders, while investing $443.7 million in capital expenditures, net of disposals. The Company's consolidated leverage ratio(5) ended 2023 at 1.13 times Adjusted EBITDA(2) down 0.11 turns, with $774.2 million cash-on-hand and approximately US$966.1 million undrawn capacity on our syndicated revolving credit facility; with strong free cash flows expected in 2024, this leaves the Company well placed to fund its global ambitions. Total capital expenditures for 2024 are expected to be approximately $455.0 million, including greenfield projects in Germany for the new thin-gauge sustainable film plant; in Raleigh, NC, for a new Healthcare operation heavily focused on GLP-1 customers; and in Mexico for the Company's new RFID inlay facility and significantly expanded capacity for aluminum containers. Given the stronger outlook, the Board of Directors declared a 9.4% increase in the quarterly dividend to $0.29 per Class B non-voting share and $0.2875 per Class A voting share, payable to shareholders of record at the close of business on March 15, 2024, to be paid on March 28, 2024."

2023 Fourth Quarter Highlights

CCL Segment

- Sales increased 8.9% to $1,031.5 million on 1.8% organic growth, 4.6% acquisition contribution and 2.5% positive impact from currency translation
- Regional organic sales growth: high teens gains in Latin America, flat in Asia Pacific and low single digit declines in North America and Europe
- Operating income(1) $154.4 million, up 17.1%, 15.0% operating margin(1) up 110 bps
- Label joint ventures added $0.03 earnings per Class B share

Avery

- Sales increased 1.0% to $242.1 million on 1.9% acquisition contribution and 1.9% positive impact from currency translation partially offset by an organic decline of 2.8%
- Operating income(1) $47.9 million, up 13.8%, 19.8% operating margin(1), up 220 bps

Checkpoint

- Sales increased 9.7% to $244.2 million on 8.9% organic growth, and 0.8% positive impact from foreign currency translation
- Operating income(1) $44.3 million, up 28.0%, 18.1% operating margin(1), up 260 bps

Innovia

- Sales decreased 18.6% to $144.7 million with 21.1% organic decline partially offset by 2.5% positive impact from foreign currency translation
- Operating income(1) $8.2 million, up 215.4%, 5.7% operating margin(1), up 420 bps

CCL will host a webcast at 7:30 a.m. ET on February 22, 2024, to discuss these results.

The quarterly results review presentation, including outlook commentary, are 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/2807/49763

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): 832360

Replay of the webcast will be available Thursday, February 22, 2024 until
Sunday, March 24, 2024.

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 adequacy of the Company's financial liquidity; the impact of foreign currency exchange rates in 2024; the expectation that the Company has earnings momentum into 2024; the expectation that the lawn and garden chemical market is recovering in the United States; the expectation that the closure of the Innovia Belgium facility and volume consolidation in the U.K. and Australian facilities will deliver $17 million to $20 million in incremental annual profitability once completed in 2024; the expectation that within Innovia the label materials industry order intake levels will continue to markedly improve; the expectations regarding total capital expenditures of approximately $455 million and its inclusion of new greenfield projects; 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 2023 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 on SEDAR+ at 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.

Financial Information

CCL Industries Inc.

Consolidated statements of financial position
Unaudited

In millions of Canadian dollars

	As at December 31, 2023		As at December 31, 2022	
Assets				
Current assets				
Cash and cash equivalents	$	774.2	$	839.5
Trade and other receivables		1,089.3		1,100.5
Inventories		732.3		785.1
Prepaid expenses		50.6		50.0
Income taxes recoverable		38.8		44.6
Derivative instruments		0.1		-
Total current assets		2,685.3		2,819.7
Non-current assets				
Property, plant and equipment		2,466.4		2,212.3
Right-of-use assets		213.7		180.2
Goodwill		2,293.6		2,193.5
Intangible assets		1,032.0		1,018.3
Deferred tax assets		105.0		71.5
Equity-accounted investments		85.0		79.5
Other assets		25.2		23.9
Derivative instruments		18.0		65.5
Total non-current assets		6,238.9		5,844.7
Total assets	**$**	**8,924.2**	**$**	**8,664.4**
Liabilities				
Current liabilities				
Trade and other payables	$	1,329.5	$	1,394.4
Current portion of long-term debt		6.9		6.6
Lease liabilities		45.0		40.0
Income taxes payable		35.5		60.3
Derivative instruments		-		0.1
Total current liabilities		1,416.9		1,501.4
Non-current liabilities				
Long-term debt		2,067.8		2,175.6
Lease liabilities		162.7		139.6
Deferred tax liabilities		346.2		311.7
Employee benefits		282.5		256.9
Provisions and other long-term liabilities		13.9		14.0
Derivative instruments		11.0		-
Total non-current liabilities		2,884.1		2,897.8
Total liabilities		4,301.0		4,399.2
Equity				
Share capital		520.5		468.4
Contributed surplus		157.9		132.0
Retained earnings		4,056.2		3,730.2
Accumulated other comprehensive loss		(111.4)		(65.4)
Total equity attributable to shareholders of the Company		4,623.2		4,265.2
Total liabilities and equity	**$**	**8,924.2**	**$**	**8,664.4**

CCL Industries Inc.

Consolidated income statements
Unaudited

In millions of Canadian dollars, except per share information	Three Months Ended December 31 2023	Three Months Ended December 31 2022	Twelve Months Ended December 31 2023	Twelve Months Ended December 31 2022
Sales	$ 1,662.5	$ 1,587.2	$ 6,649.6	$ 6,382.2
Cost of sales	1,178.5	1,167.3	4,735.2	4,667.0
Gross profit	484.0	419.9	1,914.4	1,715.2
Selling, general and administrative expenses	253.1	226.2	985.6	852.6
Restructuring and other items	37.2	3.4	42.8	11.7
Goodwill impairment loss	95.0	-	95.0	-
Earnings in equity-accounted investments	(4.6)	(9.0)	(17.9)	(19.9)
	103.3	**199.3**	**808.9**	**870.8**
Finance cost	31.5	25.4	94.2	72.2
Finance income	(14.4)	(9.3)	(23.6)	(12.9)
Interest on lease liabilities	2.0	1.5	7.4	5.5
Net finance cost	19.1	17.6	78.0	64.8
Earnings before income tax	**84.2**	**181.7**	**730.9**	**806.0**
Income tax expense	45.4	36.5	200.7	183.3
Net earnings	**$ 38.8**	**$ 145.2**	**$ 530.2**	**$ 622.7**
Earnings per share				
Basic earnings per Class B share	**$ 0.22**	**$ 0.82**	**$ 2.99**	**$ 3.50**
Diluted earnings per Class B share	**$ 0.20**	**$ 0.82**	**$ 2.95**	**$ 3.48**

CCL Industries Inc.

Consolidated statements of cash flows
Unaudited

In millions of Canadian dollars	Three Months Ended December 31 2023	Three Months Ended December 31 2022	Twelve Months Ended December 31 2023	Twelve Months Ended December 31 2022
Cash provided by (used for)				
Operating activities				
Net earnings	$ 38.8	$ 145.2	$ 530.2	$ 622.7
Adjustments for:				
Property, plant and equipment depreciation	75.5	66.3	283.8	257.1
Right-of-use assets depreciation	13.0	11.6	50.7	42.1
Intangible amortization	17.3	17.4	68.8	66.1
Earnings in equity-accounted investments, net of dividends received	(4.6)	(9.0)	(10.5)	(13.5)
Net finance costs	19.1	17.6	78.0	64.8
Current income tax expense	47.8	38.8	220.8	210.9
Deferred income tax recovery	(2.4)	(2.3)	(20.1)	(27.6)
Equity-settled share-based payment transactions	19.8	9.5	49.7	38.6
Goodwill impairment loss	95.0	-	95.0	-
Loss (gain) on sale of property, plant and equipment	(4.0)	0.2	(9.0)	(13.8)
	315.3	295.3	1,337.4	1,247.4
Change in inventories	17.2	36.1	77.4	(69.6)
Change in trade and other receivables	85.6	133.0	39.2	23.6
Change in prepaid expenses	10.6	7.6	(0.4)	(0.6)
Change in trade and other payables	31.8	26.4	(120.7)	41.9
Change in income taxes recoverable and payable	2.8	(2.5)	(0.8)	(4.0)
Change in employee benefits	(1.2)	(16.0)	5.6	(12.7)
Change in other assets and liabilities	(4.7)	12.1	(26.6)	30.4
	457.4	492.0	1,311.1	1,256.4
Net interest paid	(26.9)	(25.5)	(61.4)	(56.7)
Income taxes paid	(74.7)	(63.3)	(246.4)	(206.9)
Cash provided by operating activities	**355.8**	**403.2**	**1,003.3**	**992.8**
Financing activities				
Proceeds on issuance of long-term debt	0.1	1.2	330.9	1,010.7
Repayment of long-term debt	(217.7)	(98.9)	(414.6)	(676.6)
Repayment of lease liabilities	(11.8)	(11.4)	(46.8)	(41.8)
Proceeds from issuance of shares	8.6	-	28.6	5.4
Repurchase of shares	(5.1)	-	(5.1)	(200.0)
Dividends paid	(47.1)	(42.4)	(188.2)	(170.3)
Cash used for financing activities	**(273.0)**	**(151.5)**	**(295.2)**	**(72.6)**
Investing activities				
Additions to property, plant and equipment	(88.0)	(133.1)	(461.6)	(447.2)
Proceeds on disposal of property, plant and equipment	6.0	1.5	17.9	27.8
Business acquisitions	(0.6)	0.4	(324.3)	(287.2)
Cash used for investing activities	**(82.6)**	**(131.2)**	**(768.0)**	**(706.6)**
Net increase (decrease) in cash and cash equivalents	0.2	120.5	(59.9)	213.6
Cash and cash equivalents at beginning of year	773.1	700.8	839.5	602.1
Translation adjustments on cash and cash equivalents	0.9	18.2	(5.4)	23.8
Cash and cash equivalents at end of the year	**$ 774.2**	**$ 839.5**	**$ 774.2**	**$ 839.5**

CCL Industries Inc.

Segment Information
Unaudited

In millions of Canadian dollars

	Three Months Ended December 31				Twelve Months Ended December 31			
	Sales		Operating income		Sales		Operating income	
	2023	2022	2023	2022	2023	2022	2023	2022
CCL	$ 1,031.5	$ 947.1	$ 154.4	$ 131.9	$ 4,104.7	$ 3,855.1	$ 633.5	$ 599.8
Avery	242.1	239.8	47.9	42.1	1,039.9	913.6	199.5	167.6
Checkpoint	244.2	222.6	44.3	34.6	875.2	818.7	132.0	118.9
Innovia	144.7	177.7	8.2	2.6	629.8	794.8	45.6	48.1
Total operations	$ 1,662.5	$ 1,587.2	$ 254.8	$ 211.2	$ 6,649.6	$ 6,382.2	$ 1,010.6	$ 934.4
Corporate expense			(23.9)	(17.5)			(81.8)	(71.8)
Goodwill impairment loss			(95.0)	-			(95.0)	-
Restructuring and other items			(37.2)	(3.4)			(42.8)	(11.7)
Earnings in equity-accounted investments			4.6	9.0			17.9	19.9
Finance cost			(31.5)	(25.4)			(94.2)	(72.2)
Finance income			14.4	9.3			23.6	12.9
Interest on lease liabilities			(2.0)	(1.5)			(7.4)	(5.5)
Income tax expense			(45.4)	(36.5)			(200.7)	(183.3)
Net earnings			$ 38.8	$ 145.2			$ 530.2	$ 622.7

	As at December 31				Year Ended December 31			
	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	2023	2022	2023	2022	2023	2022	2023	2022
CCL	$ 4,753.9	$ 4,290.6	$ 1,182.1	$ 1,178.6	$ 262.7	$ 234.5	$ 324.7	$ 322.9
Avery	1,081.8	1,102.7	303.5	293.8	42.4	37.2	13.1	38.0
Checkpoint	1,106.7	1,117.7	426.4	445.0	47.4	43.0	43.3	50.8
Innovia	1,071.0	1,157.2	309.7	304.5	49.3	49.0	80.5	35.4
Equity-accounted investments	85.0	79.5	-	-	-	-	-	-
Corporate	825.8	916.7	2,079.3	2,177.3	1.5	1.6	-	0.1
Total	$ 8,924.2	$ 8,664.4	$ 4,301.0	$ 4,399.2	$ 403.3	$ 365.3	$ 461.6	$ 447.2

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 who 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 December 31		Twelve months ended December 31	
Sales	2023	2022	2023	2022
CCL	$ 1,031.5	$ 947.1	$ 4,104.7	$ 3,855.1
Avery	242.1	239.8	1,039.9	913.6
Checkpoint	244.2	222.6	875.2	818.7
Innovia	144.7	177.7	629.8	794.8
Total sales	$ 1,662.5	$ 1,587.2	$ 6,649.6	$ 6,382.2
Operating income				
CCL	$ 154.4	$ 131.9	$ 633.5	$ 599.8
Avery	47.9	42.1	199.5	167.6
Checkpoint	44.3	34.6	132.0	118.9
Innovia	8.2	2.6	45.6	48.1
Total operating income (non-IFRS measure)	254.8	211.2	1,010.6	934.4
Less: Corporate expenses	(23.9)	(17.5)	(81.8)	(71.8)
Add: Depreciation & amortization	105.8	95.3	403.3	365.3
Add: Non-cash acquisition accounting adjustment related to inventory	-	-	-	3.5
Adjusted EBITDA (non-IFRS measure)	**$ 336.7**	**$ 289.0**	**$ 1,332.1**	**$ 1,231.4**

(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 December 31		Twelve months ended December 31	
	2023	2022	2023	2022
Basic earnings per Class B Share	$ 0.22	$ 0.82	$ 2.99	$ 3.50
Net loss from restructuring and other items	0.21	0.01	0.23	0.05
Goodwill impairment loss	0.54	-	0.54	-
Non-cash acquisition accounting adjustment related to inventory	-	-	-	0.02
Adjusted Basic Earnings per Class B Share	$ 0.97	$ 0.83	$ 3.76	$ 3.57

[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 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)	**December 31,** **2023**	**2022**
Cash provided by operating activities	$ 1,003.3	$ 992.8
Less: Additions to property, plant and equipment	(461.6)	(447.2)
Add: Proceeds on disposal of property, plant and equipment	17.9	27.8
Free cash flow from operations	$ 559.6	$ 573.4

[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)	December 31, 2023
Current portion of long-term debt	$ 6.9
Current lease liabilities	45.0
Long-term debt	2,067.8
Long-term lease liabilities	162.7
Total debt	2,282.4
Cash and cash equivalents	(774.2)
Net debt	$ 1,508.2
Adjusted EBITDA for 12 months ending December 31, 2023	$ 1,332.1
Leverage Ratio	1.13

(6) Adjusted net earnings 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 net earnings but it does provide additional insight into the ongoing financial results of the Company. This non-IFRS financial measure is defined net earnings excluding gains on business dispositions, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, restructuring and other items, and tax adjustments.

Adjusted net earnings	Twelve months ended December 31			
		2023		2022
Net earnings	**$**	**530.2**	$	622.7
Restructuring and other items (net of tax)		**41.2**		9.7
Goodwill impairment loss		**95.0**		-
Non-cash acquisition accounting adjustment related to inventory		**-**		2.6
Adjusted net earnings	**$**	**666.4**	$	635.0

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

	Three Months Ended December 31, 2023				**Twelve Months Ended December 31, 2023**			
	Organic Growth	**Acquisition Growth**	**FX Translation**	**Total**	**Organic Growth**	**Acquisition Growth**	**FX Translation**	**Total**
CCL	1.8%	4.6%	2.5%	8.9%	(0.6%)	2.2%	4.9%	6.5%
Avery	(2.8%)	1.9%	1.9%	1.0%	2.6%	7.2%	4.0%	13.8%
Checkpoint	8.9%	-	0.8%	9.7%	4.6%	-	2.3%	6.9%
Innovia	(21.1%)	-	2.5%	(18.6%)	(25.1%)	-	4.3%	(20.8%)
Total	(0.5%)	3.0%	2.2%	4.7%	(2.5%)	2.4%	4.3%	4.2%

Business Description

CCL Industries Inc. employs approximately 25,700 people operating 213 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.