Consolidated Condensed Interim Financial Statements
(In millions of Canadian dollars)

CCL INDUSTRIES INC.

Interim periods ended June 30, 2024 and 2023
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In millions of Canadian dollars

		As at June 30 **2024**		As at December 31 **2023**
Assets				
Current assets				
Cash and cash equivalents	$	665.9	$	774.2
Trade and other receivables		1,309.9		1,089.3
Inventories		798.6		732.3
Prepaid expenses		61.4		50.6
Assets held for sale (note 10)		23.3		-
Income taxes recoverable		55.6		38.8
Derivative instruments		-		0.1
Total current assets		2,914.7		2,685.3
Non-current assets				
Property, plant and equipment		2,628.5		2,466.4
Right-of-use assets		217.5		213.7
Goodwill		2,479.8		2,293.6
Intangible assets		1,099.5		1,032.0
Deferred tax assets		102.2		105.0
Equity-accounted investments		60.5		85.0
Other assets		30.6		25.2
Derivative instruments		39.2		18.0
Total non-current assets		6,657.8		6,238.9
Total assets	**$**	**9,572.5**	**$**	**8,924.2**
Liabilities				
Current liabilities				
Trade and other payables	$	1,388.0	$	1,329.5
Current portion of long-term debt (note 8)		6.3		6.9
Lease liabilities		44.7		45.0
Income taxes payable		51.0		35.5
Total current liabilities		1,490.0		1,416.9
Non-current liabilities				
Long-term debt (note 8)		2,206.5		2,067.8
Lease liabilities		168.2		162.7
Deferred tax liabilities		366.5		346.2
Employee benefits		274.3		282.5
Provisions and other long-term liabilities		20.8		13.9
Derivative instruments		1.1		11.0
Total non-current liabilities		3,037.4		2,884.1
Total liabilities		4,527.4		4,301.0
Equity				
Share capital		611.5		520.5
Contributed surplus		90.2		157.9
Retained earnings		4,399.6		4,056.2
Accumulated other comprehensive loss (note 5)		(56.2)		(111.4)
Total equity attributable to shareholders of the Company		5,045.1		4,623.2
Acquisitions (note 3)				
Subsequent event (note 11)				
Total liabilities and equity	**$**	**9,572.5**	**$**	**8,924.2**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

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	
	2024	**2023**	**2024**	**2023**
Sales	$ 1,845.6	$ 1,644.5	$ 3,582.8	$ 3,296.6
Cost of sales	1,294.1	1,176.4	2,516.1	2,355.3
Gross profit	551.5	468.1	1,066.7	941.3
Selling, general and administrative expenses	270.8	247.4	523.8	482.8
Restructuring and other items (note 6)	2.1	2.9	2.1	3.7
Revaluation gain (note 3)	(78.1)	-	(78.1)	-
Earnings in equity-accounted investments	(5.0)	(5.0)	(13.3)	(8.1)
	361.7	**222.8**	**632.2**	**462.9**
Finance cost	20.1	20.2	39.4	40.2
Finance income	(3.5)	(2.8)	(7.1)	(5.1)
Interest on lease liabilities	2.0	1.8	4.3	3.5
Net finance cost	18.6	19.2	36.6	38.6
Earnings before income tax	**343.1**	**203.6**	**595.6**	**424.3**
Income tax expense	63.6	47.7	124.0	102.0
Net earnings for the period	**$ 279.5**	**$ 155.9**	**$ 471.6**	**$ 322.3**
Basic earnings per Class B share	**$ 1.56**	**$ 0.88**	**$ 2.64**	**$ 1.82**
Diluted earnings per Class B share	**$ 1.55**	**$ 0.88**	**$ 2.62**	**$ 1.81**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of comprehensive income

Unaudited

In millions of Canadian dollars

	Three Months Ended June 30		Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Net earnings	**$ 279.5**	**$ 155.9**	**$ 471.6**	**$ 322.3**
Other comprehensive income (loss), net of tax:				
Items that may subsequently be reclassified to income:				
Foreign currency translation adjustment for foreign operations, net of tax expense of nil and $0.8 for the three-month and six-month periods ending June 30, 2024 (2023 – tax expense of $0.2 and $2.4)	3.8	(100.1)	69.9	(71.4)
Net gains (losses) on hedges of net investment in foreign operations, net of tax recovery of $0.2 and $2.2 for the three-month and six-month periods ending June 30, 2024 (2023 – tax expense of $1.5 and $1.0)	(1.0)	9.6	(14.6)	6.4
Effective portion of changes in fair value of cash flow hedges, net of tax expense of $0.1 and nil for the three-month and six-month periods ending June 30, 2024 (2023 – tax recovery of $0.2 and $0.1)	0.2	(0.4)	0.1	(0.3)
Net change in fair value of cash flow hedges transferred to the income statement, net of tax expense of $0.1 and nil for the three-month and six-month periods ending June 30, 2024 (2023 – tax recovery of nil and nil)	(0.2)	0.1	(0.2)	0.1
Actuarial gains on defined benefit post-employment plans, net of tax expense of $3.8 and $4.4 for the three-month and six-month periods ending June 30, 2024 (2023 – tax expense of $0.3 and $1.1)	11.0	0.8	14.0	3.5
Other comprehensive income (loss), net of tax	**$ 13.8**	**$ (90.0)**	**$ 69.2**	**$ (61.7)**
Total comprehensive income	**$ 293.3**	**$ 65.9**	**$ 540.8**	**$ 260.6**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of changes in equity

Unaudited

In millions of Canadian dollars

	Class A shares	Class B shares	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total equity
Balances, January 1, 2023	$ 4.5	$ 463.9	$ 468.4	$ 132.0	$ 3,730.2	$ (65.4)	$ 4,265.2
Net earnings	-	-	-	-	322.3	-	322.3
Dividends declared							
Class A	-	-	-	-	(6.2)	-	(6.2)
Class B	-	-	-	-	(87.8)	-	(87.8)
Defined benefit plan actuarial gain, net of tax	-	-	-	-	3.5	-	3.5
Stock-based compensation plan	-	14.3	14.3	6.3	-	-	20.6
Stock options exercised	-	24.1	24.1	(4.1)	-	-	20.0
Income tax effect related to stock-based compensation	-	-	-	0.6	-	-	0.6
Other comprehensive loss	-	-	-	-	-	(65.2)	(65.2)
Balances, June 30, 2023	$ 4.5	$ 502.3	$ 506.8	$ 134.8	$ 3,962.0	$ (130.6)	$ 4,473.0

	Class A shares	Class B shares	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive gain (loss)	Total equity
Balances, January 1, 2024	$ 4.5	$ 516.0	$ 520.5	$ 157.9	$ 4,056.2	$ (111.4)	$ 4,623.2
Net earnings	-	-	-	-	471.6	-	471.6
Dividends declared							
Class A	-	-	-	-	(6.8)	-	(6.8)
Class B	-	-	-	-	(96.8)	-	(96.8)
Defined benefit plan actuarial gain, net of tax	-	-	-	-	14.0	-	14.0
Stock-based compensation plan	-	85.4	85.4	(66.4)	-	-	19.0
Stock options exercised	-	7.6	7.6	(1.3)	-	-	6.3
Repurchase of shares (note 9)	-	(2.0)	(2.0)	-	(38.6)	-	(40.6)
Other comprehensive gain	-	-	-	-	-	55.2	55.2
Balances, June 30, 2024	$ 4.5	$ 607.0	$ 611.5	$ 90.2	$ 4,399.6	$ (56.2)	$ 5,045.1

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

CCL Industries Inc.

Consolidated condensed interim statements of cash flows

Unaudited

In millions of Canadian dollars

	Three Months Ended June 30		Six Months Ended June 30	
	2024	**2023**	**2024**	**2023**
Cash provided by (used for)				
Operating activities				
Net earnings	$ 279.5	$ 155.9	$ 471.6	$ 322.3
Adjustments for:				
Property, plant and equipment depreciation	75.1	68.9	150.0	136.4
Right-of-use assets depreciation	13.4	12.5	26.7	24.4
Intangibles amortization	17.5	17.2	35.2	34.4
Earnings in equity-accounted investments, net of dividends received	(5.0)	(5.0)	(13.3)	(0.7)
Net finance costs	18.6	19.2	36.6	38.6
Current income tax expense	61.7	61.3	121.6	116.5
Deferred income tax expense (recovery)	1.9	(13.6)	2.4	(14.5)
Equity-settled share-based payment transactions	9.2	10.9	19.0	21.2
Revaluation gain (note 3)	(78.1)	-	(78.1)	-
Gain on sale of property, plant and equipment	(0.8)	(2.2)	(1.3)	(3.3)
	393.0	325.1	770.4	675.3
Change in inventories	(31.8)	36.4	(56.2)	21.3
Change in trade and other receivables	(44.9)	54.4	(200.7)	(30.6)
Change in prepaid expenses	4.0	(7.5)	(10.2)	(2.2)
Change in trade and other payables	37.3	(51.9)	45.1	(178.0)
Change in income taxes recoverable and payable	(4.5)	(1.9)	(3.3)	0.4
Change in employee benefits	4.6	(1.5)	10.2	4.3
Change in other assets and liabilities	1.6	(11.6)	11.1	(3.9)
	359.3	341.5	566.4	486.6
Net interest paid	(24.3)	(25.8)	(27.5)	(31.1)
Income taxes paid	(90.4)	(66.7)	(123.1)	(100.4)
Cash provided by operating activities	**244.6**	**249.0**	**415.8**	**355.1**
Financing activities				
Proceeds on issuance of long-term debt	60.4	12.2	112.0	21.5
Repayment of long-term debt	(8.3)	(53.6)	(24.4)	(57.7)
Repayment of lease liabilities	(12.4)	(11.2)	(24.8)	(22.6)
Proceeds from issuance of shares	-	10.5	6.3	20.0
Repurchase of shares (note 9)	(40.6)	-	(40.6)	-
Dividends paid	(52.0)	(47.0)	(103.6)	(94.0)
Cash used for financing activities	**(52.9)**	**(89.1)**	**(75.1)**	**(132.8)**
Investing activities				
Additions to property, plant and equipment	(126.9)	(137.7)	(305.9)	(261.6)
Proceeds on disposal of property, plant and equipment	1.1	8.8	1.9	10.1
Business acquisitions (note 3)	(142.9)	(65.6)	(142.9)	(65.6)
Cash used for investing activities	**(268.7)**	**(194.5)**	**(446.9)**	**(317.1)**
Net decrease in cash and cash equivalents	(77.0)	(34.6)	(106.2)	(94.8)
Cash and cash equivalents at beginning of period	747.7	787.1	774.2	839.5
Translation adjustments on cash and cash equivalents	(4.8)	(14.7)	(2.1)	(6.9)
Cash and cash equivalents at end of period	**$ 665.9**	**$ 737.8**	**$ 665.9**	**$ 737.8**

See accompanying selected explanatory notes to the consolidated condensed interim financial statements.

1. Reporting entity

CCL Industries Inc. (the "Company") is a public company, listed on the Toronto Stock Exchange, and is incorporated and domiciled in Canada. These consolidated condensed interim financial statements of the Company as at and for the interim periods ended June 30, 2024 and 2023, comprise the results of the Company, its subsidiaries and its interests in joint ventures and associates. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels, consumer printable media products, technology-driven label solutions, polymer banknote substrates and specialty films.

2. Basis of preparation and presentation

(a) Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

These consolidated condensed interim financial statements should be read in conjunction with the Company's 2023 annual consolidated financial statements.

The accounting policies and methods of computation followed in the preparation of these consolidated condensed interim financial statements are consistent with those used in the preparation of the most recent annual report unless otherwise noted.

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on August 8, 2024.

(b) Basis of measurement

These consolidated condensed interim financial statements have been prepared on the historical cost basis except for the following items in the consolidated condensed interim statement of financial position:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- assets related to the defined benefit plans are measured at fair value and liabilities related to the defined benefit plans are calculated by qualified actuaries using the projected unit credit method.

(c) Presentation currency

These consolidated condensed interim financial statements are presented in Canadian dollars, which is the Company's presentation currency. All financial information, except per share information, is presented in millions of Canadian dollars, unless otherwise noted.

(d) Recently issued new accounting standards, not yet effective

In April 2024, IFRS 18, Presentation and Disclosure in Financial Statements, was issued by the IASB introducing new requirements to help achieve comparability of the financial performance of similar entities. IFRS 18 focuses on the income statement requiring new subtotals and the classification of income and expenses into operating, investing and financing categories as well as disclosure of management performance measures and guidance on grouping information in the financial statements. IFRS 18 will replace IAS 1, Presentation of Financial Statements, retaining many of the general requirements of IAS 1. The new standard is effective for reporting periods beginning on January 1, 2027, applied retrospectively. The Company is currently assessing the impact of IFRS 18 on its consolidated financial statements.

3. Acquisitions

(a) Acquisitions in 2024

In June 2024, the Company completed the acquisition of the remaining 50% interest in its Pacman-CCL (“Pacman”) joint venture for cash consideration of approximately $142.9 million, net of cash acquired. Pacman, headquartered at its Dubai manufacturing facility in the United Arab Emirates, also operates label production facilities in Oman, Egypt, Saudi Arabia and Pakistan and has been added to the CCL Segment.

Applying the requirements under IFRS 3 – Business Combinations, the Company re-measured its previously held interest in Pacman to its fair value. The acquisition date fair value of the previously held interest was determined to be $111.1 million, net of cash acquired, resulting in a gain of $78.1 million reclassified to net earnings. The fair value of $111.1 million forms part of the total purchase consideration as reflected in the table below.

Cash consideration, net of cash acquired	$ 142.9
Fair value of previously held 50% interest	111.1
	$ 254.0
Trade and other receivables	$ 19.9
Inventories	10.1
Prepaid expenses	0.6
Property, plant and equipment	12.0
Right-of-use assets	1.4
Goodwill	152.2
Intangible assets	84.0
Deferred tax assets	0.8
Trade and other payables	(6.3)
Current lease liabilities	(0.3)
Income taxes payable	(1.5)
Long-term lease liabilities	(1.5)
Deferred tax liabilities	(12.7)
Provisions and other long-term liabilities	(4.7)
Net assets acquired	$ 254.0

In millions of Canadian dollars, unless otherwise noted

3. Acquisitions (continued)

(a) Acquisitions in 2024 (continued)

As a result of the inherent complexity associated with the valuation of net assets acquired, the determination of the fair value of assets and liabilities acquired for Pacman are based upon preliminary estimates and assumptions. The Company will continue to review information prior to finalizing the fair value of the assets acquired and liabilities assumed. The actual fair value of the assets acquired and liabilities assumed may differ from the amounts noted above.

Goodwill is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Factors that make up the amount of goodwill recognized include expected synergies, employee knowledge of operations and unrestricted access to the Middle East, India and Africa markets. The total amount of goodwill for Pacman is $152.2 million, which is not deductible for tax purposes.

The following table summarizes the combined sales and net earnings that the newly acquired Pacman has contributed to the Company since the date of acquisition.

		Six Months Ended June 30
Sales	$	7.7
Net earnings	$	2.0

(b) Pro forma information

The pro forma consolidated financial information below has been prepared following the accounting policies of the Company as if the acquisition took place January 1, 2024.

The pro forma consolidated financial information has been presented for illustrative purposes only and is not necessarily indicative of results of operations and financial position that would have been achieved had the pro forma events taken place on the dates indicated, or the future consolidated results of operations or consolidated financial position of the Company. The pro forma consolidated financial information does not reflect any cost savings (or associated costs to achieve such savings) from operating efficiencies, synergies or other restructuring that could result from the acquisitions. Future results may vary significantly from the pro forma results presented.

The following table summarizes the sales and net earnings of the Company combined with Pacman as though the acquisition took place on January 1, 2024:

		Six Months Ended June 30
Sales	$	3,623.9
Net earnings	$	478.5

(c) Acquisitions in 2023

In April 2023, the Company acquired privately owned eAgile Inc. (“eAgile”), based in Grand Rapids, Michigan, for approximately $52.2 million, net of cash acquired. eAgile is a start-up technology company with proprietary, patented hardware and software solutions for the healthcare industry alongside RFID inlays embedded into labels. This business is being integrated into the CCL Segment.

In April 2023, the Company acquired the intellectual property of Alert Systems ApS (“Alert”), based in Hoersholm, Denmark, for approximately $3.2 million. Alert’s patent protected anti-theft solutions were added to the Checkpoint Segment.

In April 2023, the Company acquired privately owned Data Management, Inc. (“DMI”), based in Farmington, Connecticut, for approximately $10.2 million, net of cash acquired. DMI’s tracking and identification badges business has been added to the Avery Segment.

In July 2023, the Company acquired privately owned Oomph Made Limited (“Oomph”), based in Liphook, United Kingdom, for approximately $6.6 million, net of cash acquired. Oomph is a designer and supplier of Radio Frequency Identification and Near-Field Communication access cards and wristbands and has been added to the Avery Segment.

In July 2023, the Company acquired Pouch Partners S.r.l., Italy (“Pouch”), a subsidiary of Swiss headquartered Capri-Sun Group, based in Milan, Italy, for approximately $39.6 million, net of cash acquired. This business is trading as CCL Specialty Pouches and has become an integral new product offering within the CCL Segment.

In July 2023, the Company acquired privately owned Creaprint S.L. (“Creaprint”), based in Alicante, Spain, for approximately $37.7 million, net of cash and debt acquired. Creaprint is a specialized producer of inmould labels and has been added to the CCL Segment.

In August 2023, the Company acquired all the intellectual property of Imprint Energy Inc. ("IEI”), based in Alameda, California, for $26.6 million. IEI is a start-up proprietary technology company with the know-how for ultrathin, non-hazardous and non-toxic printed batteries for devices, sensors and wearables. This product line has become part of the CCL Segment.

In millions of Canadian dollars, unless otherwise noted

3. Acquisitions (continued)

(c) Acquisitions in 2023 (continued)

The following table summarizes the allocation of the consideration to the fair value of the assets acquired and liabilities assumed for the eAgile, Alert, DMI, Oomph, Pouch, Creaprint and IEI acquisitions:

Cash consideration, net of cash acquired	$	154.6
Deferred consideration		12.8
Assumed debt		8.7
	$	176.1
Trade and other receivables	$	17.9
Inventories		18.1
Prepaid expenses		0.2
Property, plant and equipment		34.6
Right-of-use assets		6.9
Goodwill		123.4
Intangible assets		13.6
Deferred tax assets		3.9
Trade and other payables		(31.0)
Current lease liabilities		(1.3)
Income taxes payable		(0.2)
Long-term lease liabilities		(5.5)
Deferred tax liabilities		(3.3)
Employee benefits		(1.0)
Provisions and other long-term liabilities		(0.2)
Net assets acquired	$	176.1

Goodwill is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Factors that make up the amount of goodwill recognized include expected synergies and employee knowledge of operations. The total amount of goodwill for eAgile, Alert, DMI, Oomph, Pouch, Creaprint and IEI is $123.4 million, of which $33.7 million is deductible for tax purposes.

In July 2023, the Company acquired privately owned Faubel & Co. Nachfolger GmbH ("Faubel"), headquartered in Melsungen, Germany, for approximately $169.7 million, net of cash acquired. Faubel is a specialist in labels for pharmaceutical clinical trials globally and is being reported within the CCL Segment.

The following table summarizes the allocation of the consideration to the fair value of the assets acquired and liabilities assumed for the Faubel acquisition:

Cash consideration, net of cash acquired	$	169.7
Trade and other receivables	$	10.2
Inventories		6.3
Prepaid expenses		0.1
Property, plant and equipment		39.3
Right-of-use assets		0.4
Goodwill		86.5
Intangible assets		66.8
Deferred tax assets		0.8
Trade and other payables		(6.4)
Current lease liabilities		(0.2)
Income taxes payable		(8.8)
Long-term lease liabilities		(0.3)
Deferred tax liabilities		(20.6)
Employee benefits		(0.4)
Provisions and other long-term liabilities		(4.0)
Net assets acquired	$	169.7

Goodwill is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Factors that make up the amount of goodwill recognized include expected synergies and employee knowledge of operations. The total amount of goodwill for Faubel is $86.5 million, which is not deductible for tax purposes.

In millions of Canadian dollars, unless otherwise noted

4. Segment reporting and disaggregation of revenue

The Company has four reportable segments, as described below, which are the Company's main business units. The business units offer different products and services, and are managed separately as they require different technology and marketing strategies. For each of the business units, the Company's CEO, the chief operating decision maker, reviews internal management reports regularly.

The Company's reportable segments are the following:

- CCL is a converter of pressure sensitive and extruded film materials for a wide range of decorative, instructional, security and functional applications for government institutions and large global customers in the consumer packaging, healthcare, chemicals, consumer durables, electronic device and automotive markets. Extruded and labeled plastic tubes, aluminum aerosols and specialty bottles, folded instructional leaflets, specialty folded cartons, precision engineered and 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 a supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary products sold through distributors and mass market retailers and pressure sensitive tapes in Brazil. The products are split into five primary lines: (1) Printable Media: including address labels, product identification labels and name badges/cards supported by customized software solutions where applicable; (2) Organization Products: including binders, indexes, sheet protectors and writing instruments; (3) Direct-to-Consumer: digitally imaged labels, name and event badges, RFID enabled key cards and wristbands, planners and kids-oriented identification labels supported by unique web-enabled e-commerce URLs; (4) Pressure Sensitive Tapes; and (5) Horticultural labels & tags.
- 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 supplies specialty, high-performance, multi-layer, surface engineered biaxially oriented polypropylene ("BOPP") films from facilities in Australia, 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 the CCL Segment and more so to CCL Secure. Two smaller non-BOPP facilities, in Germany and U.S., produce almost their entire output for CCL Label.

	Three Months Ended June 30				Six Months Ended June 30			
	Sales		Operating income		Sales		Operating income	
	2024	2023	2024	2023	2024	2023	2024	2023
CCL	$ 1,139.8	$ 995.5	$ 190.8	$ 144.0	$ 2,233.9	$ 2,008.6	$ 368.4	$ 309.4
Avery	276.9	268.0	60.7	50.3	529.7	528.3	111.7	100.9
Checkpoint	244.3	210.5	36.7	28.1	469.0	420.9	73.7	58.9
Innovia	184.6	170.5	15.3	19.6	350.2	338.8	31.7	30.5
Total operations	$ 1,845.6	$ 1,644.5	$ 303.5	$ 242.0	$ 3,582.8	$ 3,296.6	$ 585.5	$ 499.7
Corporate expenses			(22.8)	(21.3)			(42.6)	(41.2)
Restructuring and other items			(2.1)	(2.9)			(2.1)	(3.7)
Revaluation gain			78.1	-			78.1	-
Earnings in equity-accounted investments			5.0	5.0			13.3	8.1
Finance cost			(20.1)	(20.2)			(39.4)	(40.2)
Finance income			3.5	2.8			7.1	5.1
Interest on lease liabilities			(2.0)	(1.8)			(4.3)	(3.5)
Income tax expense			(63.6)	(47.7)			(124.0)	(102.0)
Net earnings			$ 279.5	$ 155.9			$ 471.6	$ 322.3

	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	
	2024	2023	2024	2023	2024	2023	2024	2023
CCL	$ 5,330.5	$ 4,753.9	$ 1,277.3	$ 1,182.1	$ 142.4	$ 125.0	$ 223.6	$ 188.9
Avery	1,148.2	1,081.8	320.2	303.5	20.3	21.3	9.0	6.9
Checkpoint	1,173.6	1,106.7	437.3	426.4	25.0	23.5	35.4	28.5
Innovia	1,119.6	1,071.0	304.0	309.7	23.5	24.5	37.9	37.3
Equity-accounted investments	60.5	85.0	-	-	-	-	-	-
Corporate	740.1	825.8	2,188.6	2,079.3	0.7	0.9	-	-
Total	$ 9,572.5	$ 8,924.2	$ 4,527.4	$ 4,301.0	$ 211.9	$ 195.2	$ 305.9	$ 261.6

The quarterly financial results above are affected by the seasonality of the business Segments. The first and second quarters of a year are traditionally higher sales periods for the CCL and Innovia Segments as a result of the greater number of work days than the third and fourth quarters plus the seasonality of certain end markets. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America. For the Checkpoint Segment, in its recurring revenue streams, the second half of the calendar year is healthier as the business substantially follows the retail cycle of its customers, which traditionally experiences more consumer activity from September through the end of the year and prepares for the same in its supply chain from mid-year on.

All revenues are from products and services transferred at a point in time, except $19.8 million and $38.8 million for the three-month and six-month periods ending June 30, 2024, respectively (June 30, 2023 - $19.7 million and $38.6 million), which are for installation and maintenance service arrangements within the Checkpoint Segment.

In millions of Canadian dollars, unless otherwise noted

5. Accumulated other comprehensive loss

	June 30 2024	December 31 2023
Unrealized foreign currency translation losses, net of tax recovery of $3.9 (2023 – tax recovery of $2.5)	$ (56.3)	$ (111.6)
Gains on derivatives designated as cash flow hedges, net of tax expense of nil (2023 – tax expense of nil)	0.1	0.2
	$ (56.2)	$ (111.4)

6. Restructuring and other items

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Restructuring costs	$ 0.2	$ 2.6	$ 0.2	$ 3.4
Acquisition costs	1.9	0.3	1.9	0.3
Total restructuring and other items	$ 2.1	$ 2.9	$ 2.1	$ 3.7

For the six months ended June 30, 2024, the Company recorded $2.1 million ($2.1 million, net of tax) for restructuring and other items principally related to transaction costs associated with the Pacman acquisition.

For the six months ended June 30, 2023, the Company recorded $3.7 million ($3.1 million, net of tax) for restructuring and other items principally related to severance costs associated with the CCL Segment and acquisition costs for the transactions completed during the year.

7. Financial instruments

(a) Fair value hierarchy

The table below summarizes level of hierarchy for financial assets and liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

June 30, 2024	Level 1	Level 2	Level 3	Total
Other assets	$ 20.1	$ -	$ -	$ 20.1
Derivative financial assets	-	39.2	-	39.2
Long-term debt	-	(2,063.0)	-	(2,063.0)
Derivative financial liabilities	-	(1.1)	-	(1.1)
	$ 20.1	$ (2,024.9)	$ -	$ (2,004.8)
December 31, 2023				
Other assets	$ 21.9	$ -	$ -	$ 21.9
Derivative financial assets	-	18.1	-	18.1
Long-term debt	-	(1,938.8)	-	(1,938.8)
Derivative financial liabilities	-	(11.0)	-	(11.0)
	$ 21.9	$ (1,931.7)	$ -	$ (1,909.8)

The methods and assumptions used to measure the fair value are as follows:

The fair value of derivative financial instruments generally reflects the estimated amounts that the Company would receive to sell favourable contracts, or pay to transfer unfavourable contracts, at the reporting date. The Company uses discounted cash flow analysis and market data such as interest rates, credit spreads and foreign exchange spot rates to estimate the fair value of forward agreements and interest-rate derivatives.

The fair value of long-term debt is estimated using public quotations, when available, or discounted cash flow analysis based on the current corresponding borrowing rate for similar types of borrowing arrangements.

(b) Fair values versus carrying amounts

The carrying values of cash and cash equivalents, trade and other receivables, and trade and other payables approximate fair values due to the short-term maturities of these financial instruments.

The fair value of financial liabilities together with carrying amounts shown in the consolidated condensed interim statements of financial position, are as follows:

	June 30, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 2,212.8	$ 2,063.0	$ 2,074.7	$ 1,938.8

The interest rates used to discount estimated cash flows for the long-term debt are based on the government yield curve at the reporting date plus an adequate credit spread.

Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instruments. The estimates are subjective in nature and involve uncertainties and matters of judgement.

8. Long-term debt

The Company's debt structure at June 30, 2024, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($815.3 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($681.8 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $398.2 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $1.1 million; accordingly, there was approximately US$0.9 billion of unused availability on the revolving credit facility at June 30, 2024.

The Company's debt structure at December 31, 2023, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($788.7 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($659.6 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $307.0 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $1.1 million; accordingly, there was approximately US$1.0 billion of unused availability on the revolving credit facility at December 31, 2023.

9. Repurchase of shares

In May 2024, the Company renewed its share repurchase program under a normal course issuer bid to purchase up to 14.75 million Class B non-voting shares, approximately 9.93% of the public float of the Class B non-voting shares of the Company. During the first six months of 2024, the Company spent $40.6 million for the purchase of 565,620 Class B non-voting shares for cancellation. The excess of the purchase price over the paid-up capital was charged to retained earnings.

10. Assets held for sale

Management has committed to a plan to sell its Belgian manufacturing facility and other plant assets within the Innovia Segment. As such, the assets being disposed of are presented as assets held for sale on the consolidated condensed interim statements of financial position. Efforts to sell the assets have started and a sale is expected by December 2024.

11. Subsequent event

The Board of Directors has declared a dividend of $0.290 per Class B non-voting share and $0.2875 per Class A voting share, which will be payable to shareholders of record at the close of business on September 13, 2024, to be paid on September 27, 2024.

MANAGEMENT’S DISCUSSION AND ANALYSIS
Second Quarters Ended June 30, 2024 and 2023

This Management’s Discussion and Analysis of the financial condition and results of operations (“MD&A”) of CCL Industries Inc. (“the Company”) relates to the second quarters ended June 30, 2024 and 2023. The information in this interim MD&A is current to August 8, 2024, and should be read in conjunction with the Company’s August 8, 2024, unaudited second quarter consolidated condensed interim financial statements (“interim financial statements”) released on August 8, 2024, and the 2023 Annual MD&A and consolidated financial statements (“annual financial statements”), which form part of CCL Industries Inc.’s 2023 Annual Report, dated February 21, 2024.

Additional information relating to the Company, including the Company’s Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on the Company’s website www.cclind.com.

Basis of Presentation

The interim and annual financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), respectively, and unless otherwise noted, both the interim and annual financial statements and this interim MD&A are expressed in Canadian dollars as the presentation currency. The primary measurement currencies of the Company’s operations are the Canadian dollar, U.S. dollar, euro, Argentine peso, Australian dollar, Bangladeshi taka, Brazilian real, Chilean peso, Chinese renminbi, Danish krone, Egyptian pound, Hong Kong dollar, Hungarian forint, Indian rupee, Israeli shekel, Japanese yen, Malaysian ringgit, Mexican peso, Moroccan dirham, New Zealand dollar, Omani rial, Philippine peso, Polish zloty, Russian ruble, Saudi riyal, Singaporean dollar, South African rand, South Korean won, Swiss franc, Thai baht, Turkish lira, U.K. pound sterling, United Arab Emirates dirham and Vietnamese dong. All per Class B non-voting share (“Class B share”) amounts in this document are expressed on an undiluted basis, unless otherwise indicated. The Company's Audit Committee and its Board of Directors have reviewed this interim MD&A to ensure consistency with the approved strategy and the financial results of the Company.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A 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 MD&A 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 2024; 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 conflicts in the Ukraine and the Middle East 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 2024 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 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 expectations that demand will remain strong for Radio Frequency Identification ("RFID") related products at Checkpoint; the assumption that regional organic sales and profitability growth will remain strong; the outlook that results in the Middle East will be strong and continue to meet management expectations; the expectation that Innovia will benefit from significantly improved demand in the materials industry; the expectation that Innovia will benefit from the closure of the Belgium operations and commence yielding an additional $17 million to $20 million of additional profitability; the expectation the CCL Segment will continue to demonstrate progress in the back-half of 2024 due to improved activity in consumer electronics and consumer packaged goods; the assumption that Avery will face a more challenging back-to-school season; the expectation that Avery's direct-to-consumer businesses will outpace legacy operations; the assumption that Checkpoint will profitably fill the capacity of its new Mexico-based RFID facility; the expectation that Checkpoint will complete the construction of its new facilities in Vietnam and Turkey on time; the expectation that Innovia will add incremental sales volume throughout 2024 at its proprietary EcoFloat line in Poland and that Innovia will complete construction of its new German thin-gauge film facility. Further details on key risks can be found throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2023 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 depend 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 MD&A 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.

1. Overview

The second quarter of 2024 was an extremely strong quarter, albeit compared to a slow prior year period, with the Company's consolidated sales growing 12.2%, supported by robust organic growth rates for the CCL and Checkpoint Segments of 9.0% and 17.5%, respectively. Results for the CCL, Avery and Checkpoint Segments exceeded expectations with operating income (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A), improving 32.5%, 20.7% and 30.6%, respectively. Innovia's results, although down for the second quarter, remain ahead for the first six months of 2024 compared to the first half of 2023. The previously announced $17.0 million to $20.0 million in additional annual operating income should commence in the back half of 2024 as savings from the closure of its Belgium operation are realized. All-in, the Company posted record quarterly basic and adjusted basic earnings per class B share (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) of $1.56 and $1.13, respectively, compared to basic and adjusted basic earnings per Class B share of $0.88 and $0.90, respectively, for the 2023 second quarter.

2. Review of Consolidated Financial Results

The following acquisitions affected the financial comparisons to 2023 including those announced through to the end of the second quarter of 2024:

- In June 2024, the Company acquired the remaining 50% interest in its Middle East label joint venture, Pacman-CCL ("Pacman"), for approximately $142.9 million, net of cash acquired. The business commenced trading as CCL Label, with its results fully consolidated subsequent to the acquisition.

- In August 2023, the Company acquired all the intellectual property of Imprint Energy Inc. ("IEI"), based in Alameda, California, for $26.6 million. IEI is a start-up proprietary technology company with the know-how for ultrathin, non-hazardous and non-toxic printed batteries for devices, sensors and wearables. This product line has become part of CCL Design.

- In July 2023, the Company acquired privately owned Faubel & Co. Nachfolger GmbH ("Faubel"), headquartered in Melsungen, Germany, for approximately $169.7 million, net of cash acquired. Faubel is a specialist in labels for pharmaceutical clinical trials globally and is reported within CCL Label's Healthcare and Specialty business.

- In July 2023, the Company acquired privately owned Creaprint S.L. ("Creaprint") based in Alicante, Spain, for approximately $37.7 million, net of cash and debt acquired. Creaprint is a specialized producer of in-mould labels and has been added to CCL Label's Food & Beverage business.

- In July 2023, the Company acquired Pouch Partners S.r.l. ("Pouch"), a subsidiary of Swiss headquartered Capri-Sun Group, based in Milan, Italy, for approximately $39.6 million, net of cash acquired. This business trades as CCL Specialty Pouches and has become an integral new product offering within CCL Label's Food & Beverage.

- In July 2023, the Company acquired privately owned Oomph Made Limited ("Oomph"), based in Liphook, United Kingdom, for approximately $6.6 million, net of cash acquired. Oomph is a designer and supplier of RFID and Near-Field Communication ("NFC") access cards and wristbands and has been added to the Company's Avery Segment.

- In April 2023, the Company acquired privately owned eAgile Inc. ("eAgile"), based in Grand Rapids, Michigan, for approximately $52.2 million, net of cash acquired. eAgile is a start-up technology company with proprietary, patented hardware and software solutions for the healthcare industry alongside RFID inlays embedded into labels. This business is being integrated into CCL Label's Healthcare & Specialty business.

- In April 2023, the Company acquired the intellectual property of Alert Systems ApS ("Alert"), based in Hoersholm, Denmark, for $3.2 million.

Alert's patent protected anti-theft solutions are sold alongside Checkpoint's Merchandise Availability Solutions ("MAS") product lines.

- In April 2023, the Company acquired privately owned Data Management, Inc. ("DMI"), based in Farmington, Connecticut, for approximately $10.2 million, net of cash acquired. DMI's tracking and identification badges business has been added to the Avery Segment.

Sales for the second quarter of 2024 were $1,845.6 million, a 12.2% increase compared to $1,644.5 million recorded in the second quarter of 2023. Sales increased on organic growth of 8.5%, acquisition-related growth of 3.0% and 0.7% positive impact from foreign currency translation. For the six-month period ended June 30, 2024, sales were $3,582.8 million, an 8.7% increase compared to $3,296.6 million for the same six-month period a year ago. This increase in sales can be attributed to 5.3% organic growth, 3.0% acquisition-related growth and 0.4% positive impact from foreign currency translation.

Selling, general and administrative expenses ("SG&A") were $270.8 million and $523.8 million for the three-month and six-month periods ended June 30, 2024, compared to $247.4 million and $482.8 million for same periods in the prior year, respectively. The increase in SG&A for the comparative three-month and six-month periods is due to an increase in short-term variable compensation expenses across the Company and the additional SG&A expenses associated with recent acquisitions.

The Company recorded an expense for restructuring and other items of $2.1 million ($2.1 million after tax) for the three-month and six-month periods ended June 30, 2024 principally related to transaction costs associated with the Pacman acquisition. Restructuring and other items of $2.9 million ($2.4 million after tax) and $3.7 million ($3.1 million after tax) were recorded for the three-month and six-month periods ended June 30, 2023 largely related to severance costs at CCL Design and acquisition costs for the three transactions which closed in the second quarter of that year.

The Company recorded a revaluation gain of $78.1 million in conjunction with the acquisition of the final 50% equity interest in Pacman in early June 2024. In accordance with IFRS 3 – Business Combinations, the Company was required to re-measure to fair value its previously held 50% interest in Pacman at the acquisition date resulting in the recognition of the aforementioned revaluation gain through net earnings.

Operating income (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) for the second quarter of 2024 was $303.5 million, a 25.4% increase compared to $242.0 million for the second quarter of 2023. The CCL, Avery and Checkpoint Segments posted improved results partially offset by reduced results for Innovia. For the six months ended June 30, 2024, operating income increased 17.2%. The six-month increase in operating income was due to the improvement at all four Segments of the Company compared to the same six-month period in 2023. Foreign currency translation had a positive impact of 0.4% on operating income for the comparable three-month and six-month periods.

Earnings before net finance cost, taxes, earnings in equity accounted investments, depreciation and amortization, non-cash acquisition accounting adjustments, revaluation gain and restructuring and other items ("Adjusted EBITDA", a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) increased 21.1% to $386.7 million for the second quarter of 2024, compared to $319.3 million for the second quarter of 2023. Excluding the impact of foreign currency translation, Adjusted EBITDA increased 20.5%. For the six months ended June 30, 2024, adjusted EBITDA was $754.8 million, an increase of 15.5% compared to $653.7 million in the comparable 2023 six-month period. Foreign currency translation had a positive impact of 0.4% on adjusted EBITDA for the comparable six-month periods.

Net finance cost was $18.6 million and $36.6 million for the three-month and six-month periods ended June 30, 2024, compared to $19.2 million and $38.6 million for the same periods in 2023. The decrease in net finance cost for the three-month and six-month periods ended June 30, 2024, was principally attributable to an increase of finance income as the Company benefited from higher deposit rates on its cash balances.

The overall effective income tax rate was 18.8% and 21.3% for the three-month and six-month periods ended June 30, 2024, respectively, compared to 24.0% for the three-month and 24.5% for the six-month periods of the prior year. Excluding the impact of the revaluation gain recorded in the second quarter of 2024, the effective tax rates were 24.5% and 24.6% for the three-month and six-month periods ended June 30, 2024, reflecting a higher portion of the taxable income earned in higher tax jurisdictions compared to the same periods in 2023. The effective tax rate may increase in future periods if a higher portion of the Company's taxable income is earned in higher tax jurisdictions.

Net earnings for the second quarter of 2024 was $279.5 million compared to $155.9 million for the second quarter of 2023. This resulted in basic and diluted earnings of $1.56 and $1.55 per Class B share, respectively, for the 2024 second quarter compared to basic and diluted earnings of $0.88 per Class B share for the prior year second quarter. Changes in foreign exchange had no impact on earnings per Class B share compared to the second quarter of 2023.

Net earnings for the six-month period of 2024 was $471.6 million, an increase of 46.3% compared to $322.3 million for the same period a year ago, but included the previously mentioned $78.1 million revaluation gain. This resulted in basic and diluted earnings of $2.64 and $2.62 per Class B share, respectively, for the 2024 six-month period compared to basic and diluted earnings of $1.82 and $1.81 per Class B share, respectively, for the prior year six-month period. The weighted average number of shares (comprised of Class A voting shares and Class B non-voting shares) for the 2024 six-month period were 178.7 million basic and 180.2 million diluted shares compared to 177.4 million basic and 178.5 million diluted shares for the comparable period of 2023. Diluted shares include weighted average in-the-money equity compensation arrangements totaling 1.6 million shares (2023 – 1.1 million shares).

Adjusted basic earnings per Class B share were a record $1.13 and $2.21 for the three-month and six-month periods of 2024, respectively, compared to $0.90 and $1.84 for the same periods of 2023.

The following table is presented to provide context to the comparative change in the adjusted basic earnings per share.

(in Canadian dollars)	**Second Quarter**		**Year-To-Date**	
Adjusted Basic Earnings per Class B Share	**2024**	**2023**	**2024**	**2023**
Basic earnings per Class B share	$ 1.56	$ 0.88	$ 2.64	$ 1.82
Restructuring and other items	0.01	0.02	0.01	0.02
Revaluation gain	(0.44)	-	(0.44)	-
Adjusted basic earnings [1] per Class B share	$ 1.13	$ 0.90	$ 2.21	$ 1.84

(1) Adjusted Basic Earnings per Class B Share is a non-IFRS financial measure. Refer to definition in Section 14 of this MD&A.

The following is selected financial information for the ten most recently completed quarters:

(In millions of Canadian dollars, except per share amounts)

	Qtr 1	**Qtr 2**	**Qtr 3**	**Qtr 4**	**Total**
Sales					
2024	$ 1,737.2	$ 1,845.6	$ -	$ -	$ 3,582.8
2023	1,652.1	1,644.5	1,690.5	1,662.5	6,649.6
2022	1,521.7	1,615.2	1,658.1	1,587.2	6,382.2
Net earnings					
2024	192.1	279.5	-	-	471.6
2023	166.4	155.9	169.1	38.8	530.2
2022	150.2	163.4	163.9	145.2	622.7
Net earnings per Class B share					
Basic					
2024	1.08	1.56	-	-	2.64
2023	0.94	0.88	0.95	0.22	2.99
2022	0.84	0.91	0.93	0.82	3.50
Net earnings per Class B share					
Adjusted basic					
2024	1.08	1.13	-	-	2.21
2023	0.94	0.90	0.95	0.97	3.76
2022	0.85	0.94	0.95	0.83	3.57
Net earnings per Class B share					
Diluted					
2024	1.07	1.55	-	-	2.62
2023	0.93	0.88	0.94	0.20	2.95
2022	0.83	0.91	0.92	0.82	3.48

The quarterly financial results above are affected by the seasonality of the business Segments. The first and second quarters of a year are traditionally higher sales periods for the CCL and Innovia Segments as a result of the greater number of workdays than the third and fourth quarters plus the seasonality of certain end markets. For Avery, the third quarter has historically been its strongest, as it benefits from the increased demand related to back-to-school activities in North America. For the Checkpoint Segment, in its recurring revenue streams, the second half of the calendar year is healthier as the business substantially follows the retail cycle of its customers, which traditionally experiences more consumer activity from March through the end of the year and prepares for the same in its supply chain from mid-year on.

3. Business Segment Review

CCL Segment ("CCL")

	Second Quarter			Year-To-Date		
($ millions)	2024	2023	+/-	2024	2023	+/-
Sales	$ 1,139.8	$ 995.5	14.5%	$ 2,233.9	$ 2,008.6	11.2%
Operating Income (1)	$ 190.8	$ 144.0	32.5%	$ 368.4	$ 309.4	19.1%
Return on Sales (1)	16.7%	14.5%		16.5%	15.4%	
Capital Spending	$ 92.1	$ 115.0	(19.9%)	$ 223.6	$ 188.9	18.4%
Depreciation and Amortization (2)	$ 64.6	$ 56.6	14.1%	$ 128.7	$ 112.5	14.4%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.

(2) Depreciation and Amortization expense excludes depreciation of $6.9 million and $13.7 million, respectively, for right-of-use assets in the three-month and six-month periods ended June 30, 2024 (2023 - $6.5 million and $12.5 million, respectively).

The CCL Segment has five customer sectors. The Company trades in three of them as CCL Label (and CCL Container or CCL Tube to recognize product differentiation where relevant) and one each as CCL Design and CCL Secure. The differentiated CCL sub-branding points to the nature of the application for the final product. The sectors have many common or overlapping customers, process technologies, information technology systems, raw material suppliers and operational infrastructures. CCL Label supplies innovative labels, aluminum aerosols and tube solutions to Home & Personal Care customers; decorative and functional labels for Food & Beverage companies to premiumize brands; and regulated, complex multi-layer labels for major pharmaceutical, consumer medicine, medical instrument and industrial or consumer chemical customers referred to as the Healthcare & Specialty business. CCL Design supplies long-life, high performance labels and other products to automotive, electronics and durable goods OEMs. CCL Secure supplies polymer banknote substrate, pressure sensitive stamps, passport components and other security products to government institutions and to corporations for brand protection.

Sales for CCL were $1,139.8 million for the second quarter of 2024 compared to $995.5 million for the same quarter last year. The components of the 14.5% increase in sales were 9.0% organic growth, 4.6% acquisition-related growth and 0.9% positive impact from foreign currency translation.

North American sales were up mid-single digit for the second quarter of 2024, excluding currency translation and acquisitions, compared to the second quarter of 2023. Home & Personal Care sales and profitability increased on improved demand for labels, with productivity gains for aluminum aerosols and bottles offsetting reduced profitability for tubes. Healthcare & Specialty results were mixed, with improved Ag-

Chem results especially in the consumer lawn and garden space, partly offset by slower demand in Healthcare. Food & Beverage sales and profitability improved in all categories driven by share gains and new business wins. CCL Design North America sales and profitability improved on gains in automotive markets offsetting slower electronics sales. CCL Secure sales and profitability increased dramatically on robust demand for passport components. Overall operating income, and return on sales, for the current quarter in North America improved compared to the second quarter of 2023.

Sales in **Europe** were up mid-single digit for the second quarter of 2024, excluding currency translation and acquisitions compared to the second quarter of 2023. Home & Personal Care sales and profitability increased on improved demand, strong mix and productivity gains compared to a weak prior period. Healthcare & Specialty sales and profitability gains were mainly attributable to the acquisition of Faubel in the third quarter of 2023 and significantly improved results for Ag-Chem operations. Food & Beverage sales improved on strong performance in all product categories with profitability gains in pressure sensitive operations were partly offset by reduced results in sleeve applications. CCL Design declined on reduced profitability in automotive markets offsetting improvements in European electronics demand. European profitability and return on sales improved compared to the second quarter 2023.

For the second quarter of 2024, sales in **Latin America** were up double digits compared to the second quarter of 2023. Sales and profitability improvements were driven by significant gains in Brazil and Mexico in all categories. Operating income and return on sales improved compared to the second quarter of 2023.

Asia Pacific sales for the 2024 second quarter, excluding currency translation, increased double-digit compared to the corresponding quarter in 2023. Results in China were driven by significant sales and profitability gains at CCL Design Electronics and improvements at CCL Label more than offsetting soft automotive results. Results in ASEAN countries were also strong overall with especially robust profitability gains in Thailand and Singapore compared to the prior year second quarter. In Australia, sales and profitability improved on solid demand for labels and improvements at CCL Secure. South Africa posted significant gains compared to a solid prior year period. For the Asia Pacific region, operating income increased and return on sales improved compared to the second quarter of 2023.

Sales and profitability met expectations for the **Middle East** but included only one month of operations subsequent to the acquisition and consolidation of Pacman in early June 2024.

Operating income for the second quarter of 2024 increased 32.5% to $190.8 million, compared to $144.0 million for the second quarter of 2023. Return on sales improved to 16.7% compared to the 14.5% recorded for the same period in 2023.

Sales backlogs for much of the CCL Segment rarely exceed one month of sales, making forecasts one quarter ahead difficult. Management continues to watch the global economic situation closely along with associated volatility in foreign exchange rates.

CCL invested $223.6 million in capital spending for the first six months of 2024, compared to $188.9 million in the same period in 2023. Investments for the first half of 2024 primarily related to capacity additions to support the Home & Personal Care, Healthcare & Specialty and Food & Beverage businesses globally. Investments will continue in order to add capacity, broaden capabilities, expand geographically, and replace or upgrade existing plants and equipment. Depreciation and amortization expense was $128.7 million for the six months ended June 30, 2024, compared to $112.5 million for the same period of 2023.

Avery Segment ("Avery")

	Second Quarter			Year-To-Date		
($ millions)	2024	2023	+/-	2024	2023	+/-
Sales	$ 276.9	$ 268.0	3.3%	$ 529.7	$ 528.3	0.3%
Operating Income (1)	$ 60.7	$ 50.3	20.7%	$ 111.7	$ 100.9	10.7%
Return on Sales (1)	21.9%	18.8%		21.1%	19.1%	
Capital Spending	$ 4.4	$ 2.9	51.7%	$ 9.0	$ 6.9	30.4%
Depreciation and Amortization (2)	$ 7.5	$ 8.3	(9.6%)	$ 15.2	$ 16.3	(6.7%)

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.

(2) Depreciation and Amortization expense excludes depreciation of $2.6 million and $5.1 million, respectively, for right-of-use assets in the three-month and six-month periods ended June 30, 2024 (2023 - $2.5 million and $5.0 million, respectively).

Avery is one of the world's largest suppliers of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary products sold through distributors and mass-market retailers and pressure sensitive tapes in Brazil. The products are split into five primary lines: (1) Printable Media ("PMG"): including address labels, product identification labels and name badges/cards supported by customized software solutions where applicable; (2) Organization Products ("OPG"): including binders, indexes, sheet protectors and writing instruments; (3) Direct-to-Consumer: digitally imaged labels, name and event badges, RFID enabled key cards and wristbands, planners and kids-oriented identification labels supported by unique web-enabled e-commerce URLs; (4) Pressure Sensitive Tapes; and (5) Horticultural labels & tags.

Avery sales were $276.9 million for the second quarter of 2024, an increase of 3.3% compared to $268.0 million for the same quarter last year. This increase in sales is attributed to 1.1% organic growth, 1.3% acquisition-related growth and 0.9% positive impact from foreign currency translation.

Sales in **North America** for the second quarter of 2024 were almost flat compared to a strong second quarter of 2023. Sales and profitability for Direct-to-Consumer channels improved, principally on solid demand for name badge, event badge and RFID wristband and access card categories. The back-to-school season started early driving strong profitability gains in OPG products lines while PMG sales declined modestly but profitability was almost flat.

International sales represented approximately 32% of Avery sales for the second quarter of 2024. Excluding currency translation and acquisitions, organic sales growth was low-single digit. Profitability improved in all categories in all regions except Australia where Kids Labels underperformed. In Brazil, the Adelbras tapes business had a good quarter improving sales and profitability.

The **Horticultural** business moved into its off-season but posted improved results globally largely on gains in Europe.

Operating income for the second quarter of 2024 increased 20.7% to $60.7 million compared to $50.3 million for the second quarter of 2023. Return on sales improved to 21.9% for the 2024 second quarter compared to 18.8% recorded for the same quarter in 2023.

Avery invested $9.0 million in capital spending in the first six months of 2024 compared to $6.9 million in the same period a year ago. The majority of the expenditures were to enhance the Direct-to-Consumer business in North America. Depreciation and amortization expense was $15.2 million for the 2024 six-month period compared to $16.3 million for the 2023 six-month period.

Checkpoint Segment ("Checkpoint")

	Second Quarter			Year-To-Date		
($ millions)	2024	2023	+/-	2024	2023	+/-
Sales	$ 244.3	$ 210.5	16.1%	$ 469.0	$ 420.9	11.4%
Operating Income (1)	$ 36.7	$ 28.1	30.6%	$ 73.7	$ 58.9	25.1%
Return on Sales (1)	15.0%	13.3%		15.7%	14.0%	
Capital Spending	$ 18.9	$ 7.5	152.0%	$ 35.4	$ 28.5	24.2%
Depreciation and Amortization (2)	$ 9.5	$ 9.5	-	$ 18.7	$ 18.3	2.2%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.

(2) Depreciation and Amortization expense excludes depreciation of $3.2 million and $6.3 million, respectively, for right-of-use assets in the three-month and six-month periods ended June 30, 2024 (2023 - $2.7 million and $5.2 million, respectively).

Checkpoint is a leading 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: 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.

Checkpoint sales were $244.3 million for the second quarter of 2024, an improvement of 16.1% compared to $210.5 million for the second quarter of 2023 driven by 17.5% organic sales growth partially offset by 1.4% negative impact from foreign currency translation. MAS sales growth was principally achieved in the Americas with Asia modestly up and Europe slightly down but profitability improved in all regions. ALS sales and profitability increased significantly on market share gains in traditional product categories along with continued high demand for RFID-related products compared to a solid second quarter in 2023. ALS organic growth reached 40% as retailers continue to rebuild inventory and manage supply chain challenges through the Red Sea. Meto posted a decline in sales and profitability compared to the prior year second quarter.

Overall operating income improved 30.6% to $36.7 million for the second quarter of 2024 compared to $28.1 million for the second quarter of 2023. Return on sales improved to 15.0% from 13.3% for the comparable quarter in 2023.

Checkpoint invested $35.4 million in capital spending for the first six months of 2024 compared to $28.5 million for the same period of 2023. The majority of the expenditures were for RFID inlay capacity in Mexico and China and plant expansions in Turkey, Bangladesh and Vietnam. Depreciation and amortization expense was $18.7 million for the six-month period of 2024, compared to $18.3 million for the six-month period of 2023.

Innovia Segment ("Innovia")

	Second Quarter			Year-To-Date		
($ millions)	2024	2023	+/-	2024	2023	+/-
Sales	$ 184.6	$ 170.5	8.3%	$ 350.2	$ 338.8	3.4%
Operating Income [(1)]	$ 15.3	$ 19.6	(21.9%)	$ 31.7	$ 30.5	3.9%
Return on Sales [(1)]	8.3%	11.5%		9.1%	9.0%	
Capital Spending	$ 11.5	$ 12.3	(6.5%)	$ 37.9	$ 37.3	1.6%
Depreciation and Amortization [(2)]	$ 10.9	$ 11.5	(5.2%)	$ 22.3	$ 23.2	(3.9%)

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.
(2) Depreciation and Amortization expense excludes depreciation of $0.5 million and $1.2 million, respectively, for right-of-use assets in the three-month and six-month periods ended June 30, 2024 (2023 - $0.6 million and $1.3 million, respectively).

Innovia supplies specialty, high-performance, multi-layer, surface engineered Biaxially Oriented Polypropylene ("BOPP") films from facilities in Australia, Mexico, Poland and the U.K 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 the CCL Segment and more so to CCL Secure. Two smaller non-BOPP facilities, in Germany and the U.S., produce almost their entire output for CCL Label. In 2022, Innovia announced a significant investment in new films manufacturing capacity in Germany. This new multi-layer co-extrusion film line will produce highly engineered thin gauge pressure sensitive label film to support growing sustainability-driven lower resin content materials. Construction of this new facility started in 2023, completion remains on track for the end of the 2025 second quarter.

Sales for Innovia were $184.6 million for the second quarter of 2024 compared to $170.5 million for the second quarter of 2023. The 8.3% increase in sales was attributable to organic growth of 6.2% and 2.1% positive impact from foreign currency translation. The sales gain was primarily driven by demand recovery in the label materials industry globally, however, the associated profitability improvement was offset by lower volume relating to the closure of the Belgium facility and reduced demand for packaging films in Eastern Europe. Sales volume for the new "EcoFloat" film, manufactured at the Poland facility, continues to grow and posted profitability improvement compared to the second quarter of 2023. Overall operating income declined 21.9% to $15.3 million for the second quarter of 2024 compared to operating income of $19.6 million in the 2023 second quarter, however, it is still the expectation that the previously announced $17 million to $20 million of incremental annual operating income will begin to be realized in the second half of 2024. Return on sales was 8.3% compared to 11.5% for the same quarter a year ago.

Innovia invested $37.9 million in capital spending for the first six months of 2024 compared to $37.3 million for the 2023 six-month period. The majority of the investment was for the new lower gauge, environmentally friendly label films facility in Germany. Depreciation and amortization expense was $22.3 million for the six-month period of 2024 compared to $23.2 million for the same period of 2023.

Joint Ventures

	Second Quarter			Year-To-Date		
($ millions)	**2024**	**2023**	**+/-**	**2024**	**2023**	**+/-**
Sales (at 100%)						
CCL joint ventures	$ 42.0	$ 48.5	(13.4%)	$ 93.3	$ 93.0	0.3%
Earnings in equity accounted investments						
CCL joint ventures	$ 5.0	$ 5.0	-	$ 13.3	$ 8.1	64.2%

Results from the joint ventures in CCL-Kontur, Russia and Pacman-CCL, Middle East, are not proportionately consolidated into a Segment but instead are accounted for as equity investments. The Company's share of the joint ventures' net earnings is disclosed in "Earnings in Equity-Accounted Investments" in the consolidated condensed interim income statements. Excluding currency translation earnings increased modestly compared to the prior year second quarter. Earnings in equity accounted investments amounted to $5.0 million for the second quarter of 2024 compared to $5.0 million for the second quarter of 2023. In June 2024, the Company acquired the final 50% equity interest in Pacman-CCL, therefore, CCL joint venture Sales and Earnings in Equity Accounted Investments do not include Pacman-CCL results for the one-month ended June 30, 2024.

4. Currency Transaction Hedging and Currency Translation

Approximately 98% of sales made in the second quarter of 2024 to end-use customers were denominated in foreign currencies, leaving the Company exposed to potentially significant translation variances when reporting results publicly in Canadian dollars. The Company does not hedge or manage such translation movements but does actively manage transaction exposures. Where possible, the Company contracts its business in local currencies with both customers and suppliers of raw materials.

The results of the second quarter of 2024 were negatively impacted by the appreciation of the Canadian dollar against the Brazilian real, Chinese renminbi and Thai baht by 3.3%, 1.3% and 4.3%, respectively, compared to the rates in the same period in 2023. This negative impact was offset by the depreciation of the Canadian dollar relative to the U.S. dollar, euro, U.K. pound, Australian dollar, and Mexican peso of 1.9%, 0.7%, 2.7%, 0.5%, and 4.6%, respectively, when comparing the rates in the second quarters of 2024 and 2023. For the second quarter of 2024, currency translation had no impact on earnings per Class B share compared to last year's second quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

($ millions)

		June 30, 2024		December 31, 2023
Current portion of long-term debt	$	6.3	$	6.9
Current lease liabilities		44.7		45.0
Long-term debt		2,206.5		2,067.8
Long-term lease liabilities		168.2		162.7
Total debt		2,425.7		2,282.4
Cash and cash equivalents		(665.9)		(774.2)
Net debt (1)	$	1,759.8	$	1,508.2
Adjusted EBITDA(1)(2)	$	1,433.2	$	1,332.1
Net debt to Adjusted EBITDA (1)		1.23		1.13

(1) Net debt, Adjusted EBITDA and net debt to Adjusted EBITDA are non-IFRS financial measures. Refer to definitions in Section 14 of this MD&A.
(2) Adjusted EBITDA is calculated on a trailing twelve-month basis. Refer to definitions in Section 14 of this MD&A.

During the first six months of 2024, net debt drawdowns on the Company's credit facilities totaled $87.6 million to help fund share repurchase programs, dividends, business acquisition and capital expenditures.

The Company's debt structure at June 30, 2024, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($815.3 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($681.8 million), $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $398.2 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $1.1 million;

accordingly, there was approximately US$907.1 million of unused availability on the revolving credit facility at June 30, 2024.

The Company's debt structure as at December 31, 2023, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($788.7 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($659.6 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $307.0 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $1.1 million; accordingly, there was approximately US$966.1 million of unused availability on the revolving credit facility at December 31, 2023.

Net debt was $1,759.8 million at June 30, 2024, $251.6 million more than the net debt of $1,508.2 million at December 31, 2023. The increase in net debt is principally a result of a decrease in cash-on-hand at June 30, 2024, compared to December 31, 2023, and an increase in drawdowns on the Company's syndicated revolving credit facility.

Net debt to Adjusted EBITDA at June 30, 2024, was 1.23 times compared to 1.13 times at December 31, 2023, reflecting an increase in net debt outpacing the increase in Adjusted EBITDA.

The Company's overall average finance rate, excluding lease liabilities, was 2.8% as at June 30, 2024, and 2.8% as at December 31, 2023.

The Company's leverage remains low and its liquidity very strong. The Company is in compliance with all its debt covenants and believes that it has sufficient cash on hand, unused credit lines and the ability to generate cash flow from operations to fund its expected financial obligations for the foreseeable future.

6. Cash Flow

(in millions of Canadian dollars)	Second Quarter		Year-To-Date	
Summary of Cash Flows	**2024**	**2023**	**2024**	**2023**
Cash provided by operating activities	$ 244.6	$ 249.0	$ 415.8	$ 355.1
Cash used for financing activities	(52.9)	(89.1)	(75.1)	(132.8)
Cash used for investing activities	(268.7)	(194.5)	(446.9)	(317.1)
Translation adjustments on cash and cash equivalents	(4.8)	(14.7)	(2.1)	(6.9)
Decrease in cash and cash equivalents	$ (81.8)	$ (49.3)	$ (108.3)	$ (101.7)
Cash and cash equivalents – end of period	$ 665.9	$ 737.8	$ 665.9	$ 737.8
Free cash flow from operations (1)	$ 118.8	$ 120.1	$ 111.8	$ 103.6

(1) Free cash flow from operations is non-IFRS financial measure. Refer to definition in Section 14.

During the second quarters of 2024 and 2023, the Company generated cash from operating activities of $244.6 million and $249.0 million, respectively. Free cash flow from operations was an inflow of $118.8 million in the 2024 second quarter compared to an inflow of $120.1 million in the prior year second quarter. Improved earnings more than offset by increased working capital and income taxes paid resulted in slightly decreased free cash flow from operations for the second quarter of 2024 compared to the second quarter of 2023.

Capital spending in the second quarter of 2024 amounted to $126.9 million compared to $137.7 million in the 2023 second quarter. Total depreciation and amortization expense for the second quarter of 2024 was $106.0 million, compared to $98.6 million for the second quarter of 2023. Expected net capital spending for 2024 is estimated to be approximately $450.0 million. The Company is continuing to seek investment opportunities to expand its business geographically, add capacity in its facilities and improve its competitiveness.

Dividends paid in the second quarters of 2024 and 2023 were $52.0 million and $47.0 million, respectively. The total number of shares issued and outstanding as at June 30, 2024 and 2023 were 178.8 million and 177.7 million, respectively. The Board of Directors has approved a dividend of $0.2875 per Class A voting share and $0.29 per Class B non-voting share to shareholders of record as of September 13, 2024, and payable September 27, 2024. The annualized dividend rate is $1.15 per Class A share and $1.16 per Class B share.

In May of 2024, the Company renewed its share repurchase program under a normal course issuer bid to purchase up to 14.75 million Class B non-voting shares, approximately 9.93% of the public float of the Class B non-voting shares of the Company. During the first six months of 2024, the Company spent $40.6 million for the purchase of 565,620 Class B shares for cancellation. The excess of the purchase price over the paid-up capital was charged to retained earnings.

7. Interest rate and Foreign Exchange Management

The Company is a global business with a significant asset base in the U.S. and Europe; consequently, a majority of the Company's debt is drawn in U.S. dollars. The Company continues to evaluate the appropriate levels of fixed versus floating interest rate debt and underlying currency of its drawn debt.

As at June 30, 2024, the Company had approximately US$1.1 billion and €216.0 million drawn under the 144A private bonds and syndicated revolving credit facility, which are hedging a portion of its U.S. dollar-based and euro-based investments and cash flows, inclusive of U.S. dollar debt swapped to euros.

As at June 30, 2024, the Company utilized cross-currency interest rate swap agreements ("CCIRSAS") to hedge its euro-based assets and cash flows, effectively converting notional US$264.7 million 3.25% fixed rate debt into 1.23% fixed rate euro debt, US$111.5 million 3.25% fixed rate debt into 1.16% fixed rate euro debt, US$204.6 million 3.05% fixed rate debt into 2.06% fixed rate euro debt and US$203.9 million 3.05% fixed rate debt into 2.0% fixed rate euro debt. The effect of the CCIRSAS has been to reduce finance cost by $8.4 million for the six months ended June 30, 2024.

8. Subsequent Event

The Board of Directors has declared a dividend of $0.2875 per Class A voting share and $0.29 per Class B non-voting share, which will be payable to shareholders of record at the close of business on September 13, 2024, to be paid on September 27, 2024.

9. Accounting Policies

A) Critical Accounting Estimates

The preparation of the Company's consolidated condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities at the date of the consolidated condensed interim financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company evaluates these estimates and assumptions on a regular basis based upon historical experience and other relevant factors. Actual results could differ materially from these estimates and assumptions. The critical accounting policies are impacted by judgments, assumptions and estimates used in the preparation of the consolidated condensed interim financial statements. The material impact on reported results and the potential impact and any associated risk related to these estimates are discussed throughout this MD&A and in the notes to the consolidated condensed interim financial statements.

The 2023 annual audited consolidated financial statements and notes thereto, as well as the 2023 annual MD&A, have identified the accounting policies and estimates that are critical to the understanding of the Company's business operations and results of operations. For the six months ended June 30, 2024, there are no changes to the critical accounting policies and estimates from those described in the 2023 annual MD&A.

B) Inter-Company and Related Party Transactions

A summary of the Company's related party transactions is set out in note 27 to the annual consolidated financial statements for the year ended December 31, 2023. There have been no changes to the nature of, or parties to, the transactions for the six months ended June 30, 2024.

C) Recently Issued New Accounting Standards, Not Yet Effective

In April 2024, IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), was issued by the IASB introducing new requirements to help achieve comparability of the financial performance of similar entities. IFRS 18 focuses on the income statement requiring new subtotals and the classification of income and expenses into operating, investing and financing categories as well as disclosure of management performance measures and guidance on grouping information in the financial statements. IFRS 18 will replace IAS 1, *Presentation of Financial Statements* ("IAS 1"), retaining many of the general requirements of IAS 1. The new standard is effective for reporting periods beginning on January 1, 2027, applied retrospectively. The Company is currently assessing the impact of IFRS 18 on its consolidated financial statements.

10. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations, surety bonds and loan guarantees. The nature of the Company's commitments are described in note 26 and note 27 to the annual consolidated financial statements for the year ended December 31, 2023. There are no defined benefit plans funded with CCL Industries Inc. stock.

11. Controls and Procedures

In accordance with the provisions of National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, management, including the CEO and CFO, have limited the scope of their design of the Company's disclosure controls and procedures and internal control over financial reporting to exclude controls, policies and procedures of Oomph, Pouch, Creaprint, IEI, Faubel and Pacman. These companies were acquired between July 1, 2023 and June 30, 2024, for total purchase consideration of approximately $423.1 million.

The scope of the limitation is primarily based on the time required to assess the acquired businesses disclosure controls and procedures and internal control over financial reporting in a manner consistent with the Company's other operations. Further details related to the summary financial information of these acquisitions is disclosed in note 3 of the Company's consolidated condensed interim financial statements for the periods ended June 30, 2024 and 2023.

Except for the preceding changes, there were no other material changes in internal control over financial reporting in the six-month period ended June 30, 2024.

12. Risks and Strategies

The 2023 Annual MD&A detailed risks to the Company's business and the strategies planned for 2024 and beyond. There have been no material changes to those risks and strategies during the first six months of 2024.

13. Outlook

The second quarter of 2024 was a robust quarter, albeit compared to a slow prior year period, with the Company posting record quarterly adjusted earnings of $1.13 per Class B share fueled by significant profitability gains for the CCL, Avery and Checkpoint Segments. Regionally, organic sales and profitability gains in Latin America and Asia Pacific outpaced improvements in North America and Europe. In addition, strong first month results for the now fully consolidated operations in the Middle East were in line with expectations. With this momentum, management remains optimistic about economic activity across its business for the back half of this year, however, comparative increases to 2023 will become more challenging, except for Innovia which should benefit from significantly improved demand in the materials industry and a new more efficient operating model subsequent to the closure of the Belgium operations. Geopolitical uncertainty, U.S. election results, inflationary cost pressures and dull

Chinese consumer demand will be closely watched for their impact to economic activity and results.

For the 2024 second quarter the CCL Segment recorded 32.5% operating income improvement driven primarily by 9.0% organic sales growth. Significant investments continue with construction of new facilities well underway in Raleigh, North Carolina; Turin, Italy; and Guanajuato, Mexico for Healthcare, Food & Beverage and CCL Container, respectively. To support growth and technological advancement the Company has also invested in an additional facility in Montreal for Healthcare and new capabilities in solvent adhesive and top coating for CCL Design in China. Management expects this Segment to continue recording progress over the second half as activity in consumer electronics rebounds and consumer packaged goods customers focus on volume as a means to grow their business; however, comparatives in most end markets are more challenging for the balance of 2024 with the notable exception of CCL Design.

For the 2024 year, Avery also faces more challenging comparisons especially in back-to-school categories this summer. Growth in direct-to-consumer businesses is expected to outpace legacy operations along with progress in horticultural markets.

Checkpoint completed the construction of its Mexico-based RFID inlay facility mid-second quarter 2024, focus will now be given to filling this incremental capacity predominantly with non-apparel RFID opportunities. Construction of Checkpoint's new ALS facility in Vietnam is expected to be completed by the end of 2024. In Turkey, land was purchased in 2023 with permitting underway and construction expected to start in 2025 in a campus to be shared with CCL Label. The core MAS and ALS retail and apparel product categories are expected to grow and improve profitability, fueled by strength in RFID.

Although Innovia's results for the second quarter of 2024 were short of the prior year second quarter, six-month results are ahead of the same period in 2023 and management remains optimistic that operations can yield the estimated $17 million to $20 million of annual profitability gains, due to the closure of the Belgium plant, starting in the back half of this year. Sales volumes to the core materials sector customers are expected to significantly improve compared to the back of half of 2023. Innovia is also expecting to add incremental sales volume throughout 2024 to its proprietary new "EcoFloat" shrink film line in Poland. Finally, construction completion of the new thin-gauge film line in Germany remains on track for the end of the 2025 second quarter.

The Company finished the second quarter with $665.9 million cash-on-hand and additional unused capacity of US$0.9 billion within its syndicated revolving credit facility; Net debt to Adjusted EBITDA is at 1.23 turns. The Company's liquidity position remains robust and positioned for incremental acquisition growth and further repurchases of its Class B non-voting shares. The Company expects net capital expenditures for 2024 to be approximately $450.0 million, supporting organic growth and new greenfield opportunities globally. Third quarter orders so far have been in-line with second quarter consumer activity albeit comparisons to the 2023 third quarter are tighter.

The impact of foreign currency translation is expected to be benign at current exchange rates for the third quarter of 2024 compared to the same quarter in 2023.

14. Key Performance Indicators and Non-IFRS Financial Measures

The Company measures the success of the business using a number of key performance indicators, many of which are in accordance with IFRS as described throughout this report. The following performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to or replacement of net earnings or any other measure of performance under IFRS. These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other issuers. These additional measures are used to provide added insight into the Company's results and are concepts often seen in external analysts' research reports, financial covenants in banking agreements and note agreements, purchase and sales contracts on acquisitions and divestitures of the business, and in discussions and reports to and from the Company's shareholders and the investment community. These non-IFRS measures will be found throughout this report and are referenced alphabetically in the definition section below.

Adjusted Basic Earnings per Class B Share – 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 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, revaluation gains, restructuring and other items and tax adjustments.

Adjusted EBITDA - A critical financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. It is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS 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, revaluations gains and restructuring and other items. The Company believes that Adjusted EBITDA is an important measure as it allows the assessment of 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 comparison of the business to that of its peers and competitors who may have different capital or organizational structures. Adjusted EBITDA is a measure tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. Adjusted EBITDA is considered an important measure by lenders to the Company and is included in the financial covenants for the Company's bank lines of credit.

The following table reconciles Adjusted EBITDA measures to IFRS financial measures reported in the consolidated condensed interim income statements for the periods ended as indicated.

(in millions of Canadian dollars)	Second Quarter		Year-To-Date	
Adjusted EBITDA	**2024**	**2023**	**2024**	**2023**
Net earnings	$ 279.5	$ 155.9	$ 471.6	$ 322.3
Corporate expense	22.8	21.3	42.6	41.2
Earnings in equity accounted investments	(5.0)	(5.0)	(13.3)	(8.1)
Net finance cost	18.6	19.2	36.6	38.6
Restructuring and other items	2.1	2.9	2.1	3.7
Revaluation gain	(78.1)	-	(78.1)	-
Income taxes	63.6	47.7	124.0	102.0
Operating income (a non-IFRS measure)	$ 303.5	$ 242.0	$ 585.5	$ 499.7
Less: Corporate expense	(22.8)	(21.3)	(42.6)	(41.2)
Add: Depreciation and amortization	106.0	98.6	211.9	195.2
Adjusted EBITDA (a non-IFRS measure)	$ 386.7	$ 319.3	$ 754.8	$ 653.7
Adjusted EBITDA for 12 months ended December 31, 2023 and 2022, respectively			$ 1,332.1	$ 1,231.4
less: Adjusted EBITDA for six months ended June 30, 2023 and 2022, respectively			(653.7)	(624.4)
add: Adjusted EBITDA for six months ended June 30, 2024 and 2023, respectively			754.8	653.7
Adjusted EBITDA for 12 months ended June 30, 2024 and 2023, respectively			$ 1,433.2	$ 1,260.7

Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the period 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 free cash flow from operations measure to IFRS measures reported in the consolidated condensed interim statements of cash flows for the periods ended as indicated.

(in millions of Canadian dollars)	Second Quarter		Year-To-Date	
Free Cash Flow from Operations	**2024**	**2023**	**2024**	**2023**
Cash provided by operating activities	$ 244.6	$ 249.0	$ 415.8	$ 355.1
Less: Additions to property, plant and equipment	(126.9)	(137.7)	(305.9)	(261.6)
Add: Proceeds on disposal of property, plant and equipment	1.1	8.8	1.9	10.1
Free Cash Flow from Operations	$ 118.8	$ 120.1	$ 111.8	$ 103.6

Net Debt – A measure indicating the financial indebtedness of the Company assuming that all cash on hand is used to repay a portion of the outstanding debt. It is defined as current debt, which includes bank advances, plus long-term debt and lease liabilities, less cash and cash equivalents.

Net Debt to Adjusted EBITDA (or leverage ratio) – A measure that indicates the Company's ability to service its existing debt. Net Debt to Adjusted EBITDA is calculated as net debt divided by Adjusted EBITDA.

Operating Income – A measure indicating the profitability of the Company's business units defined as income before corporate expenses, net finance cost, goodwill impairment loss, earnings in equity-accounted investments, revaluation gains, restructuring and other items and tax.

See Adjusted EBITDA definition above for a reconciliation of Operating Income measures to IFRS financial measures reported in the consolidated condensed interim income statements for the periods ended as indicated.

Restructuring and Other Items per share – A measure of significant non-recurring items that are included in net earnings. The impact of restructuring and other items on a per share basis is measured by dividing the after-tax effect of the restructuring and other items by the weighted average number of shares outstanding in the relevant period. Management will continue to disclose the impact of these items on the Company's results because the timing and extent of such items do not reflect or relate to the Company's ongoing operating performance. Management evaluates the operating income of its segments before the effect of these items.

Return on Sales – A measure indicating relative profitability of sales to customers. It is defined as Operating Income (see definition above) divided by sales, expressed as a percentage.

The following table reconciles the Return on Sales measure to IFRS financial measures reported in the consolidated condensed interim income statements in the industry segment information as per note 4 of the Company's consolidated condensed interim financial statements for the periods ended as indicated.

(in millions of Canadian dollars)

Return on Sales

	Sales Second Quarter		**Operating Income Second Quarter**		**Return on Sales Second Quarter**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
CCL	$ 1,139.8	$ 995.5	$ 190.8	$ 144.0	16.7%	14.5%
Avery	276.9	268.0	60.7	50.3	21.9%	18.8%
Checkpoint	244.3	210.5	36.7	28.1	15.0%	13.3%
Innovia	184.6	170.5	15.3	19.6	8.3%	11.5%
Total Operations	$ 1,845.6	$ 1,644.5	$ 303.5	$ 242.0	16.4%	14.7%

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

	Three Months Ended June 30, 2024				Six Months Ended June 30, 2024			
	Organic Growth	Acquisition Growth	FX Translation	Total	Organic Growth	Acquisition Growth	FX Translation	Total
CCL	9.0%	4.6%	0.9%	14.5%	6.0%	4.5%	0.7%	11.2%
Avery	1.1%	1.3%	0.9%	3.3%	(1.7%)	1.4%	0.6%	0.3%
Checkpoint	17.5%	-	(1.4%)	16.1%	13.4%	-	(2.0%)	11.4%
Innovia	6.2%	-	2.1%	8.3%	1.6%	-	1.8%	3.4%
Total	8.5%	3.0%	0.7%	12.2%	5.3%	3.0%	0.4%	8.7%

15. Outstanding Share Data

As of August 8, 2024, the Company had 11,748,723 Class A voting shares and 167,056,858 Class B non-voting shares ("Class B Shares") outstanding. In addition, there were 496,269 restricted stock units to issue 496,269 Class B Shares under the Restricted Stock Unit Plan; 129,844 restricted stock units to issue 129,844 Class B Shares under the 2017- 2025 Long Term Retention Plan; 97,005 restricted stock units to issue 97,005 Class B Shares under the 2019-2027 Long Term Retention Plan (collectively the "RSUs") and 279,603 deferred share units ("DSU") to issue 279,603 Class B Shares. Lastly, the Company has a performance stock unit ("PSU") plan with 15,312 Class B Shares available for future issuance.