

CCL Industries Inc.

111 Gordon Baker Road, Suite 801, Toronto, ON M2H 3R1, Canada
Tel +1 (416) 756-8500 www.cclind.com



News Release

For Immediate Release, Wednesday, February 19, 2025

Stock Symbols: TSX – CCL.A and CCL.B

CCL Industries Announces 2024 Fourth Quarter and Record Annual Results

Fourth Quarter Highlights

- Per Class B share⁽³⁾: **\$1.02 adjusted basic earnings up 5.2%**; **\$1.01 basic earnings up 359.1%**; **\$0.54 goodwill impairment loss in 2023 basic earnings**; **currency translation negative \$0.01 per share**
- **Sales increased 9.0% on 6.8% organic growth, 1.4% acquisition growth and 0.8% positive currency translation**
- **CCL, Checkpoint and Innovia posted organic sales growth of 5.4%, 13.3%, and 20.2%, respectively, partly offset by an organic decline for Avery of 2.0%**
- **Operating income⁽¹⁾ improved 5.1%, with a 14.8% operating margin⁽¹⁾ down 50 bps**

2024 Highlights

- Per Class B share⁽³⁾: **\$4.32 adjusted basic earnings up 14.9%**; **\$4.73 basic earnings up 58.2%**; **\$0.44 revaluation gain included in 2024 basic earnings and \$0.54 goodwill impairment loss in 2023 basic earnings**; **currency translation negative \$0.02 per share**
- **Sales increased 9.0% on 6.1% organic growth, 2.3% acquisition growth and 0.6% positive currency translation**
- **Operating income⁽¹⁾ improved 13.0%, with a 15.8% operating margin⁽¹⁾ up 60 bps**

Toronto, February 19, 2025 - CCL Industries Inc. (“the Company”), a world leader in specialty label, security and packaging solutions for global corporations, government institutions, small businesses and consumers, today reported fourth quarter and annual financial results for 2024.

Sales for the fourth quarter of 2024 increased 9.0% to \$1,812.5 million compared to \$1,662.5 million for the fourth quarter of 2023, with an organic growth rate of 6.8%, acquisition-related growth of 1.4% and a 0.8% positive impact from foreign currency translation.

Operating income⁽¹⁾ for the fourth quarter of 2024 improved 5.1% to \$267.9 million compared to \$254.8 million for the comparable quarter of 2023. Foreign currency translation had a 0.3% negative impact on operating income for the comparable quarter.

The Company recorded expenses for restructuring and other items of \$1.2 million, primarily due to severance charges for operational restructuring in the CCL Segment.

Tax expense for the fourth quarter of 2024 was \$52.7 million compared to \$45.4 million in the prior year period. The effective tax rate for the 2024 fourth quarter was 22.9% resulting in an annual effective tax rate of 22.4% compared to 57.0% for the 2023 fourth quarter and 28.2% for the year 2023. The decrease in the aforementioned 2024 effective tax rates can be attributed to no associated tax benefit from the goodwill impairment loss and restructuring charges recorded at Innovia in the fourth quarter of 2023 and the non-taxable revaluation gain recorded in the 2024 second quarter effecting the 2024 annualized effective tax rate.

For the fourth quarter of 2024, net earnings were \$179.8 million compared to \$38.8 million for the 2023 fourth quarter. Basic and adjusted basic earnings per Class B share⁽³⁾ were \$1.01 and \$1.02, respectively, compared to basic and adjusted basic earnings per Class B share⁽³⁾ of \$0.22 and \$0.97, respectively, in the prior year fourth quarter. Fourth quarter 2023 basic earnings included \$0.75 per share impact from the aforementioned goodwill impairment loss and restructuring charges.

For 2024, sales, operating income⁽¹⁾ and adjusted net earnings⁽⁶⁾ improved 9.0%, 13.0% and 15.5% to \$7,245.0 million, \$1,142.3 million and \$769.8 million, respectively, compared to December 31, 2023. The year ending December 31, 2024, included results from nine acquisitions completed since January 1, 2023, delivering acquisition-related sales growth for the year of 2.3%, coupled with organic sales growth of 6.1% and 0.6% positive impact from foreign currency translation. Foreign currency translation had a negative impact of \$0.02 per share for the year ended December 31, 2024, basic and adjusted basic earnings per Class B share⁽³⁾ were \$4.73 and \$4.32, respectively, compared to basic and adjusted basic earnings per Class B share⁽³⁾ of \$2.99 and \$3.76, respectively, in the prior year.

Geoffrey T. Martin, President and Chief Executive Officer, commented, "Fourth quarter results faced a very strong prior year period and as expected, included new start up initiatives that have yet to deliver profitability. Nonetheless, 2024 fourth quarter adjusted earnings improved 5.2% to \$1.02 per class B share contributing to record annual adjusted earnings of \$4.32 per Class B share up 14.9% compared to 2023."

Mr. Martin stated, "The CCL Segment posted 5.4% fourth quarter organic sales growth. Home & Personal Care delivered solid results in labels, including better than expected contributions from the now fully consolidated operations in the Middle East, and robust performance in aluminum aerosols and bottles. CCL Design recorded exceptional profitability gains in electronics markets alongside modest progress in automotive. Healthcare & Specialty results were mixed with developed markets soft alongside new plant start-up costs, more than offsetting strong improvements in emerging markets. Food & Beverage sales were virtually flat, but profitability declined compared to a strong prior year period on sales mix and new plant start-up costs in Europe. CCL Secure delivered significantly improved sales and profitability compared to a weak prior year period driven by high demand for passport components in the United States and solid results in Mexico."

Mr. Martin continued, "Avery posted lower sales and profitability on softer results internationally more than offsetting gains in North America aided by foreign exchange benefits in Mexico. Checkpoint delivered solid sales and profitability gains in MAS despite start-up costs for the new RFID plant in Mexico and compared to a strong prior year period. ALS sales increased over 20% organically on market share gains and RFID growth, while fourth quarter profitability declined on less favorable sales mix, weak results in Latin America, and foreign exchange challenges in Turkey. Innovia performance improved dramatically on higher demand in the label materials industry, volume gains for the new EcoFloat product line and strong operating performance in the Americas."

Mr. Martin added, "Foreign currency translation had a negative \$0.01 impact on earnings per Class B share for the fourth quarter of 2024 but is expected to be a modest tailwind going into the first quarter of 2025, if sustained. So far into the first quarter of 2025, sales orders are stable but the external environment has been affected by uncertainty over the many geopolitical stress points."

Mr. Martin concluded, "The Company finished the year with a strong balance sheet and excellent liquidity, despite investing \$142.9 million to acquire Pacman outright, returning \$206.4 million in annualized dividends and \$200.6 million of capital stock buybacks to shareholders, while investing \$457.4 million in capital expenditures, net of disposals. The Company's consolidated leverage ratio⁽⁵⁾ ended 2024 at 1.08 times Adjusted EBITDA⁽²⁾ down 0.05 turns, with \$828.7 million cash-on-hand and approximately US\$956.7 million undrawn capacity on our syndicated revolving credit facility. With strong free cash flows expected in 2025, this leaves the Company well placed to fund its global ambitions. Total capital expenditures for 2025 are currently expected to be approximately \$485.0 million, for the completion of many greenfield initiatives, as well as technology and capacity additions throughout our global footprint. Given the strong 2024 earnings and balance sheet capacity, the Board of Directors declared a 10.3% increase in the quarterly dividend to \$0.32 per Class B non-voting share and \$0.3175 per Class A voting share, payable to shareholders of record at the close of business on March 17, 2025, to be paid on March 31, 2025."

2024 Fourth Quarter Highlights

CCL Segment

- Sales increased 8.2% to \$1,116.2 million on 5.4% organic growth, 2.2% acquisition contribution and 0.6% positive impact from currency translation
- Regional organic sales growth: double digit in Asia Pacific, high single digit in Latin America, low single digit in North America and a low single digit decline in Europe
- Operating income⁽¹⁾ \$166.1 million, up 7.6%, 14.9% operating margin⁽¹⁾ down 10 bps
- Label joint ventures added \$0.02 earnings per Class B share

Avery

- Sales decreased 1.0% to \$239.7 million on 2.0% organic decline part offset by 1.0% positive impact from currency translation
- Operating income⁽¹⁾ \$44.6 million, down 6.9%, 18.6% operating margin⁽¹⁾, down 120 bps

Checkpoint

- Sales increased 13.6% to \$277.4 million on 13.3% organic growth and 0.3% positive impact from foreign currency translation
- Operating income⁽¹⁾ \$40.5 million, down 8.6%, 14.6% operating margin⁽¹⁾, down 350 bps

Innovia

- Sales increased 23.8% to \$179.2 million with 20.2% organic growth and 3.6% positive impact from foreign currency translation
- Operating income⁽¹⁾ \$16.7 million, up 103.7%, 9.3% operating margin⁽¹⁾, up 360 bps

The Company will host a live webcast at 7:30 a.m. ET on February 20, 2025, to discuss these results.

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

To access the webcast or webcast replay, please use the following webcast link:

<https://www.webcaster4.com/Webcast/Page/2807/51913>

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

Toll Free: 877-545-0320

International: 973-528-0002

Conference Entry Code (CEC): 701047

Replay for the webcast will be available Thursday, February 20, 2025, until Sunday, March 23, 2025.

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

Sean Washchuk

Senior Vice President
and Chief Financial Officer

416-756-8526

Forward-looking Statements

This press release contains forward-looking information and forward-looking statements (hereinafter collectively referred to as “forward-looking statements”), as defined under applicable securities laws, that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans” or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Specifically, this press release contains forward-looking statements regarding the geopolitical uncertainties around the world; impact of foreign exchange rates on the 2025 year; income and profitability of the Company’s Segments; 2025 projected capital expenditures; and the Company’s expectations regarding general business and economic conditions.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; technological change; changes in government regulations; risks associated with operating and product hazards; and the Company’s ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company’s actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: global economic environment and higher consumer spending; improved customer demand for the Company’s products; continued historical growth trends, market growth in specific sectors and entering into new sectors; the Company’s ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company’s focused strategies and operational approach; the achievement of the Company’s plans for improved efficiency and lower costs, including stable aluminum costs; the availability of cash and credit; fluctuations of currency exchange rates; fluctuations in resin prices; the Company’s continued relations with its customers; and economic conditions. Should one or more risks materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found in the 2024 Annual Report, Management’s Discussion and Analysis, particularly under Section 4: “Risks and Uncertainties.” CCL Industries Inc.’s annual and quarterly reports can be found online at www.cclind.com and www.sedarplus.ca or are available upon request.

Except as otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on the Company’s business. Such statements do not, unless otherwise specified by the Company, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts. The forward-looking statements are provided as of the date of this press release and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

The financial information presented herein has been prepared on the basis of IFRS Accounting Standards (“IFRS”) and is expressed in Canadian dollars unless otherwise stated.

Financial Information

CCL Industries Inc.

Consolidated statements of financial position Unaudited

In millions of Canadian dollars

	<u>As at December 31, 2024</u>	<u>As at December 31, 2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 828.7	\$ 774.2
Trade and other receivables	1,251.4	1,089.3
Inventories	819.9	732.3
Prepaid expenses	62.1	50.6
Assets held for sale	23.5	-
Income taxes recoverable	51.8	38.8
Derivative instruments	0.1	0.1
Total current assets	3,037.5	2,685.3
Non-current assets		
Property, plant and equipment	2,698.1	2,466.4
Right-of-use assets	215.4	213.7
Goodwill	2,554.1	2,293.6
Intangible assets	1,109.7	1,032.0
Deferred tax assets	94.7	105.0
Equity-accounted investments	60.9	85.0
Other assets	31.7	25.2
Derivative instruments	57.0	18.0
Total non-current assets	6,821.6	6,238.9
Total assets	\$ 9,859.1	\$ 8,924.2
Liabilities		
Current liabilities		
Trade and other payables	\$ 1,416.9	\$ 1,329.5
Current portion of long-term debt	4.2	6.9
Lease liabilities	47.2	45.0
Income taxes payable	42.2	35.5
Total current liabilities	1,510.5	1,416.9
Non-current liabilities		
Long-term debt	2,232.5	2,067.8
Lease liabilities	163.7	162.7
Deferred tax liabilities	347.3	346.2
Employee benefits	307.7	282.5
Provisions and other long-term liabilities	16.7	13.9
Derivative instruments	-	11.0
Total non-current liabilities	3,067.9	2,884.1
Total liabilities	4,578.4	4,301.0
Equity		
Share capital	607.8	520.5
Contributed surplus	101.1	157.9
Retained earnings	4,492.3	4,056.2
Accumulated other comprehensive income (loss)	79.5	(111.4)
Total equity attributable to shareholders of the Company	5,280.7	4,623.2
Total liabilities and equity	\$ 9,859.1	\$ 8,924.2

CCL Industries Inc.

Consolidated income statements

Unaudited

	<u>Three Months Ended</u> <u>December 31</u>		<u>Twelve Months Ended</u> <u>December 31</u>	
	2024	2023	2024	2023
<i>In millions of Canadian dollars, except per share information</i>				
Sales	\$ 1,812.5	\$ 1,662.5	\$ 7,245.0	\$ 6,649.6
Cost of sales	1,292.8	1,178.5	5,107.3	4,735.2
Gross profit	519.7	484.0	2,137.7	1,914.4
Selling, general and administrative expenses	269.8	253.1	1,073.0	985.6
Restructuring and other items	1.2	37.2	5.5	42.8
Revaluation gain	-	-	(78.1)	-
Goodwill impairment loss	-	95.0	-	95.0
Earnings in equity-accounted investments	(2.9)	(4.6)	(18.9)	(17.9)
	251.6	103.3	1,156.2	808.9
Finance cost	29.8	31.5	89.8	94.2
Finance income	(12.9)	(14.4)	(23.5)	(23.6)
Interest on lease liabilities	2.2	2.0	8.7	7.4
Net finance cost	19.1	19.1	75.0	78.0
Earnings before income tax	232.5	84.2	1,081.2	730.9
Income tax expense	52.7	45.4	238.1	200.7
Net earnings for the period	\$ 179.8	\$ 38.8	\$ 843.1	\$ 530.2
Earnings per share				
Basic earnings per Class B share	\$ 1.01	\$ 0.22	\$ 4.73	\$ 2.99
Diluted earnings per Class B share	\$ 1.01	\$ 0.20	\$ 4.70	\$ 2.95

CCL Industries Inc.

Consolidated statements of cash flows

Unaudited

<i>In millions of Canadian dollars</i>	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31</u>		<u>December 31</u>	
	2024	2023	2024	2023
Cash provided by (used for)				
Operating activities				
Net earnings	\$ 179.8	\$ 38.8	\$ 843.1	\$ 530.2
Adjustments for:				
Property, plant and equipment depreciation	79.5	75.5	305.5	283.8
Right-of-use assets depreciation	13.5	13.0	53.8	50.7
Intangibles amortization	18.7	17.3	73.1	68.8
Earnings in equity-accounted investments, net of dividends received	(2.9)	(4.6)	(18.9)	(10.5)
Net finance costs	19.1	19.1	75.0	78.0
Current income tax expense	48.0	47.8	249.9	220.8
Deferred income tax expense (recovery)	4.7	(2.4)	(11.8)	(20.1)
Equity-settled share-based payment transactions	8.8	19.8	33.7	49.7
Goodwill impairment loss	-	95.0	-	95.0
Revaluation gain	-	-	(78.1)	-
Gain on sale of property, plant and equipment	-	(4.0)	(3.0)	(9.0)
	369.2	315.3	1,522.3	1,337.4
Change in inventories	18.8	17.2	(77.5)	77.4
Change in trade and other receivables	61.4	85.6	(142.0)	39.2
Change in prepaid expenses	10.4	10.6	(10.8)	(0.4)
Change in trade and other payables	(50.7)	31.8	70.7	(120.7)
Change in income taxes recoverable and payable	(0.1)	2.8	(8.9)	(0.8)
Change in employee benefits	0.2	(1.2)	15.3	5.6
Change in other assets and liabilities	2.9	(4.7)	9.7	(26.6)
	412.1	457.4	1,378.8	1,311.1
Net interest paid	(25.3)	(26.9)	(57.4)	(61.4)
Income taxes paid	(76.4)	(74.7)	(257.5)	(246.4)
Cash provided by operating activities	310.4	355.8	1,063.9	1,003.3
Financing activities				
Proceeds on issuance of long-term debt	27.0	0.1	236.8	330.9
Repayment of long-term debt	(106.9)	(217.7)	(210.0)	(414.6)
Repayment of lease liabilities	(12.8)	(11.8)	(50.4)	(46.8)
Proceeds from issuance of shares	-	8.6	6.3	28.6
Repurchase of shares	(60.0)	(5.1)	(200.6)	(5.1)
Dividends paid	(51.3)	(47.1)	(206.4)	(188.2)
Cash used for financing activities	(204.0)	(273.0)	(424.3)	(295.2)
Investing activities				
Additions to property, plant and equipment	(49.3)	(88.0)	(462.0)	(461.6)
Proceeds on disposal of property, plant and equipment	0.6	6.0	4.6	17.9
Business acquisitions	-	(0.6)	(142.9)	(324.3)
Cash used for investing activities	(48.7)	(82.6)	(600.3)	(768.0)
Net increase (decrease) in cash and cash equivalents	57.7	0.2	39.3	(59.9)
Cash and cash equivalents at beginning of period	759.6	773.1	774.2	839.5
Translation adjustments on cash and cash equivalents	11.4	0.9	15.2	(5.4)
Cash and cash equivalents at end of period	\$ 828.7	\$ 774.2	\$ 828.7	\$ 774.2

CCL Industries Inc.

Segment Information Unaudited

In millions of Canadian dollars

	<u>Three Months Ended December 31</u>				<u>Twelve Months Ended December 31</u>			
	<u>Sales</u>		<u>Operating income</u>		<u>Sales</u>		<u>Operating income</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
CCL	\$ 1,116.2	\$ 1,031.5	\$ 166.1	\$ 154.4	\$ 4,502.6	\$ 4,104.7	\$ 713.7	\$ 633.5
Avery	239.7	242.1	44.6	47.9	1,049.1	1,039.9	211.5	199.5
Checkpoint	277.4	244.2	40.5	44.3	986.9	875.2	150.9	132.0
Innovia	179.2	144.7	16.7	8.2	706.4	629.8	66.2	45.6
Total operations	<u>\$ 1,812.5</u>	<u>\$ 1,662.5</u>	<u>\$ 267.9</u>	<u>\$ 254.8</u>	<u>\$ 7,245.0</u>	<u>\$ 6,649.6</u>	<u>\$ 1,142.3</u>	<u>\$ 1,010.6</u>
Corporate expenses			(18.0)	(23.9)			(77.6)	(81.8)
Revaluation gain			-	-			78.1	-
Goodwill impairment loss			-	(95.0)			-	(95.0)
Restructuring and other items			(1.2)	(37.2)			(5.5)	(42.8)
Earnings in equity-accounted investments			2.9	4.6			18.9	17.9
Finance cost			(29.8)	(31.5)			(89.8)	(94.2)
Finance income			12.9	14.4			23.5	23.6
Interest on lease liabilities			(2.2)	(2.0)			(8.7)	(7.4)
Income tax expense			<u>(52.7)</u>	<u>(45.4)</u>			<u>(238.1)</u>	<u>(200.7)</u>
Net earnings			<u>\$ 179.8</u>	<u>\$ 38.8</u>			<u>\$ 843.1</u>	<u>\$ 530.2</u>

	<u>As at December 31</u>				<u>Year Ended December 31</u>			
	<u>Total Assets</u>		<u>Total Liabilities</u>		<u>Depreciation and Amortization</u>		<u>Capital Expenditures</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
CCL	\$ 5,374.5	\$ 4,753.9	\$ 1,297.7	\$ 1,182.1	\$ 292.4	\$ 262.7	\$ 323.7	\$ 324.7
Avery	1,110.0	1,081.8	307.5	303.5	40.4	42.4	25.5	13.1
Checkpoint	1,249.5	1,106.7	457.0	426.4	51.5	47.4	64.6	43.3
Innovia	1,160.3	1,071.0	292.5	309.7	46.8	49.3	48.2	80.5
Equity-accounted investments	60.9	85.0	-	-	-	-	-	-
Corporate	903.9	825.8	2,223.7	2,079.3	1.3	1.5	-	-
Total	<u>\$ 9,859.1</u>	<u>\$ 8,924.2</u>	<u>\$ 4,578.4</u>	<u>\$ 4,301.0</u>	<u>\$ 432.4</u>	<u>\$ 403.3</u>	<u>\$ 462.0</u>	<u>\$ 461.6</u>

Non-IFRS Measures

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

(2) Adjusted EBITDA is a critical non-IFRS financial measure used extensively in the packaging industry and other industries to assist in understanding and measuring operating results. Adjusted EBITDA is also considered as a proxy for cash flow and a facilitator for business valuations. This non-IFRS financial measure is defined as earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, earnings in equity accounted investments, revaluation gain and restructuring and other items. Calculations are provided below to reconcile operating income to Adjusted EBITDA. The Company believes that this is an important measure as it allows management to assess the ongoing business without the impact of net finance cost, depreciation and amortization and income tax expenses, as well as non-operating factors and one-time items. As a proxy for cash flow, it is intended to indicate the Company's ability to incur or service debt and to invest in property, plant and equipment, and it allows management to compare the business to those of the Company's peers and competitors who may have different capital or organizational structures. Adjusted EBITDA is tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. It is considered an important measure by lenders to the Company and is included in the financial covenants included in the senior notes and bank lines of credit.

Reconciliation of operating income to Adjusted EBITDA

Unaudited

In millions of Canadian dollars

	Three months ended December 31		Twelve months ended December 31	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Sales</u>				
CCL	\$ 1,116.2	\$ 1,031.5	\$ 4,502.6	\$ 4,104.7
Avery	239.7	242.1	1,049.1	1,039.9
Checkpoint	277.4	244.2	986.9	875.2
Innovia	179.2	144.7	706.4	629.8
Total sales	\$ 1,812.5	\$ 1,662.5	\$ 7,245.0	\$ 6,649.6
<u>Operating income</u>				
CCL	\$ 166.1	\$ 154.4	\$ 713.7	\$ 633.5
Avery	44.6	47.9	211.5	199.5
Checkpoint	40.5	44.3	150.9	132.0
Innovia	16.7	8.2	66.2	45.6
Total operating income (non-IFRS measure)	267.9	254.8	1,142.3	1,010.6
Less: Corporate expenses	(18.0)	(23.9)	(77.6)	(81.8)
Add: Depreciation & amortization	111.7	105.8	432.4	403.3
Adjusted EBITDA (non-IFRS measure)	\$ 361.6	\$ 336.7	\$ 1,497.1	\$ 1,332.1

(3) Adjusted basic earnings per Class B share is an important non-IFRS measure to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for basic net earnings per Class B share but it does provide additional insight into the ongoing financial results of the Company. This non-IFRS financial measure is defined as basic net earnings per Class B share excluding gains on business dispositions, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, restructuring and other items, revaluation gain, and tax adjustments.

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

Unaudited

	Three months ended December 31		Twelve months ended December 31	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Basic earnings per Class B Share	\$ 1.01	\$ 0.22	\$ 4.73	\$ 2.99
Restructuring and other items	0.01	0.21	0.03	0.23
Revaluation gain	-	-	(0.44)	-
Goodwill impairment loss	-	0.54	-	0.54
Adjusted Basic Earnings per Class B Share	\$ 1.02	\$ 0.97	\$ 4.32	\$ 3.76

⁽⁴⁾ Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the year and available to fund dividends, debt repayments, share buy-backs and acquisitions. It is calculated as cash flow from operations less capital expenditures, net of proceeds from the sale of property, plant and equipment.

The following table reconciles the measure of free cash flow from operations to IFRS measures reported in the consolidated statements of cash flows for the periods ended as indicated.

Free Cash Flow from Operations Unaudited <i>In millions of Canadian dollars</i>	December 31,	
	2024	2023
Cash provided by operating activities	\$ 1,063.9	\$ 1,003.3
Less: Additions to property, plant and equipment	(462.0)	(461.6)
Add: Proceeds on disposal of property, plant and equipment	4.6	17.9
Free cash flow from operations	\$ 606.5	\$ 559.6

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

Unaudited <i>In millions of Canadian dollars</i>	<u>December 31, 2024</u>
Current portion of long-term debt	\$ 4.2
Current lease liabilities	47.2
Long-term debt	2,232.5
Long-term lease liabilities	163.7
Total debt	2,447.6
Cash and cash equivalents	(828.7)
Net debt	\$ 1,618.9
Adjusted EBITDA for 12 months ending December 31, 2024	\$ 1,497.1
Leverage Ratio	1.08

⁽⁶⁾ Adjusted net earnings is an important non-IFRS measure to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for net earnings but it does provide additional insight into the ongoing financial results of the Company. This non-IFRS financial measure is defined as net earnings excluding gains on business dispositions, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, restructuring and other items, revaluation gain, and tax adjustments.

Adjusted net earnings	Twelve months ended December 31			
	2024		2023	
Net earnings	\$	843.1	\$	530.2
Restructuring and other items (net of tax)		4.8		41.2
Goodwill impairment loss		-		95.0
Revaluation gain		(78.1)		-
Adjusted net earnings	\$	769.8	\$	666.4

Supplemental Financial Information

Sales Change Analysis Revenue Growth Rates (%)

	Three Months Ended December 31, 2024				Twelve Months Ended December 31, 2024			
	Organic Growth	Acquisition Growth	FX Translation	Total	Organic Growth	Acquisition Growth	FX Translation	Total
CCL	5.4%	2.2%	0.6%	8.2%	5.6%	3.5%	0.6%	9.7%
Avery	(2.0%)	-	1.0%	(1.0%)	(0.6%)	0.7%	0.8%	0.9%
Checkpoint	13.3%	-	0.3%	13.6%	13.6%	-	(0.8%)	12.8%
Innovia	20.2%	-	3.6%	23.8%	9.7%	-	2.5%	12.2%
Total	6.8%	1.4%	0.8%	9.0%	6.1%	2.3%	0.6%	9.0%

Business Description

CCL Industries Inc. employs approximately 26,300 people operating 213 production facilities in 42 countries with corporate offices in Toronto, Canada, and Framingham, Massachusetts. CCL is the world's largest converter of pressure sensitive and specialty extruded film materials for a wide range of decorative, instructional, functional and security applications for government institutions and large global customers in the consumer packaging, healthcare & chemicals, consumer electronic device and automotive markets. Extruded & laminated plastic tubes, aluminum aerosols & specialty bottles, folded instructional leaflets, precision decorated & die cut components, electronic displays, polymer banknote substrate and other complementary products and services are sold in parallel to specific end-use markets. Avery is the world's largest supplier of labels, specialty converted media and software solutions for short-run digital printing applications for businesses and consumers available alongside complementary products sold through distributors, mass market stores and e-commerce retailers. Checkpoint is a leading developer of RF and RFID based technology systems for loss prevention and inventory management applications, including labeling and tagging solutions, for the retail and apparel industries worldwide. Innovia is a leading global producer of specialty, high performance, multi-layer, surface engineered films for label, packaging and security applications. The Company is partly backward integrated into materials science with capabilities in polymer extrusion, adhesive development, coating & lamination, surface engineering and metallurgy; deployed as needed across the four business segments.