

CCL Industries Inc.

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News Release

For Immediate Release, Wednesday, August 13, 2025

Stock Symbols: TSX – CCL.A and CCL.B

CCL Industries Announces Record Results for 2025 Second Quarter

Second Quarter Highlights

- Per Class B share⁽³⁾: **\$1.22 adjusted basic earnings up 8.0%**; **\$1.21 basic earnings down 22.4%**; **2024 included \$0.44 revaluation gain in basic earnings**
- **Sales increased 4.8% on 2.0% organic growth, 1.0% acquisition growth and 1.8% positive currency translation**
- **Operating income⁽¹⁾ improved 6.1%, with a 16.6% operating margin⁽¹⁾ up 20 bps**
- **Returned \$155.8 million to shareholders: \$55.8 million in dividends and repurchased 1.3 million Class B shares for \$100.0 million**

Six-Month Highlights

- Per Class B share⁽³⁾: **\$2.40 adjusted basic earnings up 8.6%**; **\$2.39 basic earnings down 9.5%**; **2024 included \$0.44 revaluation gain in basic earnings**
- **Sales increased 6.7% on 2.9% organic growth, 1.2% acquisition growth and 2.6% positive currency translation**
- **Operating income⁽¹⁾ improved 9.1%, with a 16.7% operating margin⁽¹⁾ up 40 bps**
- **Returned \$312.1 million to shareholders: \$112.1 million in dividends and repurchased 2.6 million Class B shares for \$200.0 million**

Toronto, August 13, 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 2025 second quarter results.

Sales for the second quarter of 2025 increased 4.8% to \$1,934.6 million, compared to \$1,845.6 million for the second quarter of 2024, with organic growth of 2.0%, acquisition-related growth of 1.0% and a 1.8% positive impact from foreign currency translation.

Operating income⁽¹⁾ for the second quarter of 2025 improved 6.1% to \$322.1 million compared to \$303.5 million for the comparable quarter of 2024. Foreign currency translation had a 1.1% positive impact on operating income for the comparable quarters.

The Company recorded an expense for restructuring and other items of \$0.7 million, primarily attributable to severance cost at Checkpoint, compared to \$2.1 million principally related to transaction costs for the acquisition of Pacman in the 2024 second quarter.

In the second quarter of 2024, the Company recorded a revaluation gain of \$78.1 million, in conjunction with the acquisition of the final 50% interest of Pacman-CCL in 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 revaluation gain through net earnings.

Tax expense for the second quarter of 2025 was \$71.4 million compared to \$63.6 million in the prior year period. The effective tax rate for the 2025 second quarter was 25.3%, higher than the revaluation gain adjusted 24.5% for the 2024 second quarter due to a higher portion of the Company's taxable income earned in higher tax jurisdictions.

Net earnings were \$213.1 million for the 2025 second quarter compared to \$279.5 million for the 2024 second quarter. Net earnings for the 2024 three-month period included the aforementioned \$78.1 million non-cash revaluation gain associated with the Pacman-CCL acquisition. Basic and adjusted basic earnings per Class B share⁽³⁾ for the 2025 second quarter were \$1.21 and \$1.22, respectively, compared to basic and adjusted basic earnings per Class B share⁽³⁾ of \$1.56 and \$1.13, respectively, in the prior year second quarter. Foreign currency translation had a positive impact of \$0.02 on adjusted basic earnings per Class B share.

For the six-month period ended June 30, 2025, sales and operating income⁽¹⁾ improved 6.7% and 9.1% to \$3.8 billion and \$639.0 million, respectively, compared to the same six-month period in 2024. Net earnings for the 2025 six-month period was \$420.5 million compared to \$471.6 million for the 2024 six-month period that included the aforementioned \$78.1 million non-cash revaluation gain. The 2025 six-month period included results from two acquisitions completed since January 1, 2024, delivering acquisition-related sales growth of 1.2%. Organic sales growth was 2.9% and foreign currency translation had a positive 2.6% impact. For the six-month period ended June 30, 2025, basic and adjusted basic earnings per Class B share⁽³⁾ were \$2.39 and \$2.40, respectively, compared to basic and adjusted basic earnings per Class B share⁽³⁾ of \$2.64 and \$2.21, respectively, in the prior year six-month period. Foreign currency translation had a positive impact of \$0.04 on adjusted basic earnings per Class B share.

Geoffrey T. Martin, President and Chief Executive Officer, commented, "Given the difficult external operating conditions, I'm very pleased our people delivered a second consecutive quarter of record adjusted earnings per share. Profitability improvement was driven by strong results from our CCL, Checkpoint and Innovia segments, inclusive of start-up cost for the new large film extrusion facility in Germany and, as expected, a challenging start to the back-to-school season at Avery due to the tariff environment in the United States. All-in, the Company posted a record \$1.22 adjusted basic earnings per Class B share⁽³⁾ for the quarter compared to \$1.13 in the prior year period."

Mr. Martin stated, "The CCL Segment delivered 4.7% organic sales growth with solid profitability gains. Home & Personal Care sales and profitability increased on continuing robust aluminum container demand in the Americas and the Pacman acquisition in the Middle East, which continues to exceed expectations; label results modestly declined in slow markets elsewhere. Profitability improved for foreign Healthcare markets, but Canadian demand slowed as customers' exports to the United States softened on tariff concerns; robust AgChem results in the United States offset. Food & Beverage profitability declined moderately across all regions due to slower end markets, pricing pressures and new plant start-up costs. Solid demand and new business wins in electronics markets, particularly across Asia, alongside improved profitability in automotive despite slowing demand, drove significant gains for CCL Design. CCL Secure results also improved."

Mr. Martin continued, "Although Avery delivered a 19% return on sales this quarter, profitability declined compared to the very strong 2024 second quarter. As expected, unplanned tariff costs announced earlier this year and lower shipments for back-to-school impacted results while the

direct-to-consumer channel continued to post gains in North America and Europe. Checkpoint's strong profit improvement derived entirely from MAS products driven by robust performance in Europe on new business wins and despite unrecovered tariff cost in the United States. Apparel labeling results declined compared to an exceptional prior year performance as customers rethink supply chains to mitigate tariffs and consequently take more caution building inventory. RFID growth moderated but continued. Results for Innovia improved dramatically on exceptional results in the Americas and benefits from the footprint consolidation in Europe, including growth in Poland for shrink sleeve, in-mould label and pressure sensitive films, more than offsetting start-up losses at our new facility in Germany that commenced early scale operations this quarter."

Mr. Martin added, "Foreign currency translation had a \$0.02 positive impact on adjusted earnings per Class B share for the second quarter of 2025. At today's Canadian dollar exchange rates, currency translation impact would be a modest tailwind to earnings, if sustained, for the third quarter of 2025."

Mr. Martin concluded, "The Company delivered particularly strong free cash flow this quarter, finishing the period with a consolidated leverage ratio⁽⁵⁾ of just 1.04 times Adjusted EBITDA⁽²⁾, despite returning \$312.1 million to shareholders in dividends and share repurchases under its Normal Course Issuer Bid in the first six months of 2025. With \$962.5 million cash-on-hand and US\$0.8 billion undrawn capacity on our syndicated revolving credit facility we are well placed to fund global expansion initiatives. The Board of Directors declared the quarterly dividend at \$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 September 15, 2025, to be paid on September 29, 2025."

2025 Second Quarter Highlights

CCL

- Sales increased 7.9% to \$1,229.7 million on 4.7% organic growth, 1.6% acquisition contribution and 1.6% positive impact from foreign currency translation
- Regional organic sales growth: low-single digit in Europe and North America, mid-single digit in Asia Pacific and low teens in Latin America
- Operating income⁽¹⁾ \$204.3 million, up 7.1%, 16.6% operating margin⁽¹⁾ down 10 bps
- Label joint ventures added \$0.01 earnings per Class B share

Avery

- Sales decreased 3.9% to \$266.1 million due to 5.9% organic decline partially offset by 0.1% acquisition contribution and 1.9% positive impact from foreign currency translation
- Operating income⁽¹⁾ \$50.6 million, down 16.6%, 19.0% operating margin⁽¹⁾, down 290 bps

Checkpoint

- Sales increased 4.6% to \$255.5 million on organic growth of 2.9% and 1.7% positive impact from foreign currency translation
- Operating income⁽¹⁾ \$43.5 million, up 18.5%, 17.0% operating margin⁽¹⁾, up 200 bps

Innovia

- Sales declined 0.7% to \$183.3 million due to 4.0% organic decline partly offset by 3.3% positive impact from foreign currency translation
- Operating income⁽¹⁾ \$23.7 million, up 54.9%, 12.9% operating margin⁽¹⁾, up 460 bps

The Company will hold a live webcast call at 7:30 a.m. ET on August 14, 2025, to discuss these results.

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

To access the webcast or webcast replay, please use the following webcast link:
<https://www.webcaster4.com/Webcast/Page/2807/52741>

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

Toll Free: 1-877-545-0320
International: International: 1-973-528-0002
Conference Entry Code (CEC): 397400

Replay for the webcast will be available Thursday, August 14, 2025, until Sunday, September 14, 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
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Forward-looking Statements

This press release contains forward-looking information and forward-looking statements (hereinafter collectively referred to as "forward-looking statements"), as defined under applicable securities laws, that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words "believes," "expects," "anticipates," "estimates," "intends," "plans" or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Specifically, this press release contains forward-looking statements regarding the impact of foreign currency exchange rates on the 2025 third quarter; income and profitability of the Company's segments; and the Company's expectations regarding inflation, supply chain challenges, impacts of tariffs, 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 for financial statements and is expressed in Canadian dollars unless otherwise stated.

Financial Information

CCL Industries Inc.

Consolidated condensed interim statements of financial position Unaudited

In millions of Canadian dollars

	<u>As at June 30, 2025</u>	<u>As at December 31, 2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 962.5	\$ 828.7
Trade and other receivables	1,401.5	1,251.4
Inventories	850.0	819.9
Prepaid expenses	62.7	62.1
Assets held for sale	24.5	23.5
Income taxes recoverable	37.8	51.8
Derivative instruments	-	0.1
Total current assets	3,339.0	3,037.5
Non-current assets		
Property, plant and equipment	2,759.8	2,698.1
Right-of-use assets	207.0	215.4
Goodwill	2,566.5	2,554.1
Intangible assets	1,069.6	1,109.7
Deferred tax assets	95.7	94.7
Equity-accounted investments	70.8	60.9
Other assets	34.0	31.7
Derivative instruments	7.9	57.0
Total non-current assets	6,811.3	6,821.6
Total assets	\$ 10,150.3	\$ 9,859.1
Liabilities		
Current liabilities		
Trade and other payables	\$ 1,406.6	\$ 1,416.9
Current portion of long-term debt	0.9	4.2
Lease liabilities	49.4	47.2
Income taxes payable	31.0	42.2
Total current liabilities	1,487.9	1,510.5
Non-current liabilities		
Long-term debt	2,391.7	2,232.5
Lease liabilities	154.2	163.7
Deferred tax liabilities	347.0	347.3
Employee benefits	303.2	307.7
Provisions and other long-term liabilities	17.9	16.7
Derivative instruments	69.3	-
Total non-current liabilities	3,283.3	3,067.9
Total liabilities	4,771.2	4,578.4
Equity		
Share capital	612.1	607.8
Contributed surplus	107.4	101.1
Retained earnings	4,619.0	4,492.3
Accumulated other comprehensive income	40.6	79.5
Total equity attributable to shareholders of the Company	5,379.1	5,280.7
Total liabilities and equity	\$ 10,150.3	\$ 9,859.1

CCL Industries Inc.

Consolidated condensed interim income statements

Unaudited

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
<i>In millions of Canadian dollars, except per share information</i>	2025	2024	2025	2024
Sales	\$ 1,934.6	\$ 1,845.6	\$ 3,821.7	\$ 3,582.8
Cost of sales	1,346.3	1,294.1	2,661.3	2,516.1
Gross profit	588.3	551.5	1,160.4	1,066.7
Selling, general and administrative expenses	288.0	270.8	565.9	523.8
Restructuring and other items	0.7	2.1	1.5	2.1
Revaluation gain	-	(78.1)	-	(78.1)
Earnings in equity-accounted investments	(2.2)	(5.0)	(2.7)	(13.3)
	301.8	361.7	595.7	632.2
Finance cost	20.3	20.1	39.2	39.4
Finance income	(5.2)	(3.5)	(7.9)	(7.1)
Interest on lease liabilities	2.2	2.0	4.5	4.3
Net finance cost	17.3	18.6	35.8	36.6
Earnings before income tax	284.5	343.1	559.9	595.6
Income tax expense	71.4	63.6	139.4	124.0
Net earnings for the period	\$ 213.1	\$ 279.5	\$ 420.5	\$ 471.6
Earnings per share				
Basic earnings per Class B share	\$ 1.21	\$ 1.56	\$ 2.39	\$ 2.64
Diluted earnings per Class B share	\$ 1.21	\$ 1.55	\$ 2.38	\$ 2.62

CCL Industries Inc.

Consolidated condensed interim statements of cash flows

Unaudited

<i>In millions of Canadian dollars</i>	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2025	2024	2025	2024
Cash provided by (used for)				
Operating activities				
Net earnings	\$ 213.1	\$ 279.5	\$ 420.5	\$ 471.6
Adjustments for:				
Property, plant and equipment depreciation	81.6	75.1	162.2	150.0
Right-of-use assets depreciation	14.0	13.4	28.1	26.7
Intangibles amortization	18.9	17.5	38.0	35.2
Earnings in equity-accounted investments, net of dividends received	(2.2)	(5.0)	3.9	(13.3)
Net finance cost	17.3	18.6	35.8	36.6
Current income tax expense	78.4	61.7	144.4	121.6
Deferred income tax expense (recovery)	(7.0)	1.9	(5.0)	2.4
Equity-settled share-based payment transactions	10.6	9.2	20.3	19.0
Revaluation gain	-	(78.1)	-	(78.1)
Gain on sale of property, plant and equipment	(0.6)	(0.8)	(1.1)	(1.3)
	424.1	393.0	847.1	770.4
Change in inventories	24.2	(31.8)	(29.8)	(56.2)
Change in trade and other receivables	31.6	(44.9)	(150.0)	(200.7)
Change in prepaid expenses	7.4	4.0	(0.5)	(10.2)
Change in trade and other payables	(26.1)	37.3	(29.5)	45.1
Change in income taxes recoverable and payable	2.5	(4.5)	4.1	(3.3)
Change in employee benefits	0.3	4.6	10.6	10.2
Change in other assets and liabilities	(21.4)	1.6	(10.2)	11.1
	442.6	359.3	641.8	566.4
Net interest paid	(23.5)	(24.3)	(27.0)	(27.5)
Income taxes paid	(95.5)	(90.4)	(138.5)	(123.1)
Cash provided by operating activities	323.6	244.6	476.3	415.8
Financing activities				
Proceeds on issuance of long-term debt	110.3	60.4	260.3	112.0
Repayment of long-term debt	(2.5)	(8.3)	(44.0)	(24.4)
Repayment of lease liabilities	(13.1)	(12.4)	(26.4)	(24.8)
Proceeds from issuance of shares	-	-	-	6.3
Repurchase of shares	(100.0)	(40.6)	(200.0)	(40.6)
Dividends paid	(55.8)	(52.0)	(112.1)	(103.6)
Cash used for financing activities	(61.1)	(52.9)	(122.2)	(75.1)
Investing activities				
Additions to property, plant and equipment	(98.6)	(126.9)	(212.9)	(305.9)
Proceeds on disposal of property, plant and equipment	1.0	1.1	1.7	1.9
Business acquisitions	(5.5)	(142.9)	(5.5)	(142.9)
Cash used for investing activities	(103.1)	(268.7)	(216.7)	(446.9)
Net increase (decrease) in cash and cash equivalents	159.4	(77.0)	137.4	(106.2)
Cash and cash equivalents at beginning of the period	821.0	747.7	828.7	774.2
Translation adjustments on cash and cash equivalents	(17.9)	(4.8)	(3.6)	(2.1)
Cash and cash equivalents at end of period	\$ 962.5	\$ 665.9	\$ 962.5	\$ 665.9

CCL Industries Inc.

Segment Information Unaudited

In millions of Canadian dollars

	<u>Three Months Ended June 30</u>				<u>Six Months Ended June 30</u>			
	<u>Sales</u>		<u>Operating income</u>		<u>Sales</u>		<u>Operating income</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
CCL	\$ 1,229.7	\$ 1,139.8	\$ 204.3	\$ 190.8	\$ 2,430.0	\$ 2,233.9	\$ 404.6	\$ 368.4
Avery	266.1	276.9	50.6	60.7	524.9	529.7	102.8	111.7
Checkpoint	255.5	244.3	43.5	36.7	496.6	469.0	80.8	73.7
Innovia	183.3	184.6	23.7	15.3	370.2	350.2	50.8	31.7
Total operations	<u>\$ 1,934.6</u>	<u>\$ 1,845.6</u>	<u>\$ 322.1</u>	<u>\$ 303.5</u>	<u>\$ 3,821.7</u>	<u>\$ 3,582.8</u>	<u>\$ 639.0</u>	<u>\$ 585.5</u>
Corporate expense			(21.8)	(22.8)			(44.5)	(42.6)
Restructuring and other items			(0.7)	(2.1)			(1.5)	(2.1)
Revaluation gain			-	78.1			-	78.1
Earnings in equity-accounted investments			2.2	5.0			2.7	13.3
Finance cost			(20.3)	(20.1)			(39.2)	(39.4)
Finance income			5.2	3.5			7.9	7.1
Interest on lease liabilities			(2.2)	(2.0)			(4.5)	(4.3)
Income tax expense			<u>(71.4)</u>	<u>(63.6)</u>			<u>(139.4)</u>	<u>(124.0)</u>
Net earnings			<u>\$ 213.1</u>	<u>\$ 279.5</u>			<u>\$ 420.5</u>	<u>\$ 471.6</u>

	<u>Total Assets</u>		<u>Total Liabilities</u>		<u>Depreciation and Amortization</u>		<u>Capital Expenditures</u>	
	<u>June 30</u>	<u>December 31</u>	<u>June 30</u>	<u>December 31</u>	<u>Six Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
CCL	\$ 5,487.9	\$ 5,374.5	\$ 1,268.4	\$ 1,297.7	\$ 155.6	\$ 142.4	\$ 141.0	\$ 223.6
Avery	1,158.8	1,110.0	299.0	307.5	20.2	20.3	10.3	9.0
Checkpoint	1,239.0	1,249.5	448.9	457.0	27.7	25.0	32.9	35.4
Innovia	1,200.3	1,160.3	317.6	292.5	24.1	23.5	28.7	37.9
Equity-accounted investments	70.8	60.9	-	-	-	-	-	-
Corporate	993.5	903.9	2,437.3	2,223.7	0.7	0.7	-	-
Total	<u>\$ 10,150.3</u>	<u>\$ 9,859.1</u>	<u>\$ 4,771.2</u>	<u>\$ 4,578.4</u>	<u>\$ 228.3</u>	<u>\$ 211.9</u>	<u>\$ 212.9</u>	<u>\$ 305.9</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 June 30		Six months ended June 30	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Sales</u>				
CCL	\$ 1,229.7	\$ 1,139.8	\$ 2,430.0	\$ 2,233.9
Avery	266.1	276.9	524.9	529.7
Checkpoint	255.5	244.3	496.6	469.0
Innovia	183.3	184.6	370.2	350.2
Total sales	\$ 1,934.6	\$ 1,845.6	\$ 3,821.7	\$ 3,582.8
<u>Operating income</u>				
CCL	\$ 204.3	\$ 190.8	\$ 404.6	\$ 368.4
Avery	50.6	60.7	102.8	111.7
Checkpoint	43.5	36.7	80.8	73.7
Innovia	23.7	15.3	50.8	31.7
Total operating income (non-IFRS measure)	322.1	303.5	639.0	585.5
Less: Corporate expenses	(21.8)	(22.8)	(44.5)	(42.6)
Add: Depreciation & amortization	114.5	106.0	228.3	211.9
Adjusted EBITDA (non-IFRS measure)	\$ 414.8	\$ 386.7	\$ 822.8	\$ 754.8

(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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Basic earnings per Class B Share	\$ 1.21	\$ 1.56	\$ 2.39	\$ 2.64
Restructuring and other items	0.01	0.01	0.01	0.01
Revaluation gain	-	(0.44)	-	(0.44)
Adjusted Basic Earnings per Class B Share	\$ 1.22	\$ 1.13	\$ 2.40	\$ 2.21

⁽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, repurchase of shares 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 condensed interim statements of cash flows for the periods ended as indicated.

Free Cash Flow from Operations

Unaudited <i>In millions of Canadian dollars</i>	<u>Six Months Ended June 30, 2025</u>
Cash provided by operating activities	\$ 476.3
Less: Additions to property, plant and equipment	(212.9)
Add: Proceeds on disposal of property, plant and equipment	1.7
Free cash flow from operations	\$ 265.1

⁽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>June 30, 2025</u>
Current portion of long-term debt	\$ 0.9
Current lease liabilities	49.4
Long-term debt	2,391.7
Long-term lease liabilities	154.2
Total debt	2,596.2
Cash and cash equivalents	(962.5)
Net debt	\$ 1,633.7
Adjusted EBITDA for 12 months ended June 30, 2025 (see below)	\$ 1,565.1
Leverage Ratio	1.04
Adjusted EBITDA for 12 months ended December 31, 2024	\$ 1,497.1
less: Adjusted EBITDA for six months ended June 30, 2024	(754.8)
add: Adjusted EBITDA for six months ended June 30, 2025	822.8
Adjusted EBITDA for 12 months ended June 30, 2025	\$ 1,565.1

Supplemental Financial Information

Sales Change Analysis (%)

	Three Months Ended June 30, 2025				Six Months Ended June 30, 2025			
	Organic	Acquisition	FX	Total	Organic	Acquisition	FX	Total
	Growth	Growth	Translation		Growth	Growth	Translation	
CCL	4.7%	1.6%	1.6%	7.9%	4.6%	1.9%	2.3%	8.8%
Avery	(5.9%)	0.1%	1.9%	(3.9%)	(3.9%)	0.1%	2.9%	(0.9%)
Checkpoint	2.9%	-	1.7%	4.6%	3.4%	-	2.5%	5.9%
Innovia	(4.0%)	-	3.3%	(0.7%)	1.3%	-	4.4%	5.7%
Total	2.0%	1.0%	1.8%	4.8%	2.9%	1.2%	2.6%	6.7%

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.