

**CCL Industries Inc.**

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## News Release

*For Immediate Release, Wednesday, February 25, 2026*

Stock Symbols: TSX – CCL.A and CCL.B

# CCL Industries Announces 2025 Fourth Quarter and Record Annual Results

### Fourth Quarter Highlights

- Per Class B share<sup>(3)</sup>: **\$1.03 adjusted basic earnings up 1.0%**; **\$0.99 basic earnings down 2.0%**; **currency translation positive \$0.04 per share**
- **Sales increased 3.5% on 0.6% organic growth, 0.2% acquisition growth and 2.7% positive currency translation**
- **CCL Segment and Avery posted organic sales growth of 3.6% and 3.8%, respectively, partly offset by organic declines for Checkpoint and Innovia of 8.1% and 9.1%, respectively**
- **Operating income<sup>(1)</sup> improved 4.8%, with a 15.0% operating margin<sup>(1)</sup> up 20 bps**

### 2025 Highlights

- Per Class B share<sup>(3)</sup>: **\$4.64 adjusted basic earnings up 7.4%**; **\$4.59 basic earnings down 3.0%**; **\$0.44 revaluation gain included in 2024 basic earnings; currency translation positive \$0.10 per share on an adjusted basis**
- **Sales increased 5.8% on 2.5% organic growth, 0.7% acquisition growth and 2.6% positive currency translation**
- **Operating income<sup>(1)</sup> improved 8.7%, with a 16.2% operating margin<sup>(1)</sup> up 40 bps**
- **Returned \$523.7 million to shareholders: \$223.7 million in dividends and repurchased 3.9 million Class B shares for \$300.0 million.**

**Toronto, February 25, 2026** - 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 2025.

Sales for the fourth quarter of 2025 increased 3.5% to \$1,876.2 million compared to \$1,812.5 million for the fourth quarter of 2024, with an organic growth rate of 0.6%, acquisition-related growth of 0.2% and a 2.7% positive impact from foreign currency translation.

Operating income<sup>(1)</sup> for the fourth quarter of 2025 improved 4.8% to \$280.7 million compared to \$267.9 million for the comparable quarter of 2024. Foreign currency translation had a 3.0% positive impact on operating income<sup>(1)</sup> for the comparable quarter.

The Company recorded expenses for restructuring and other items of \$7.4 million, primarily due to severance charges for operational restructuring at Avery.

Tax expense for the fourth quarter of 2025 was \$67.8 million compared to \$52.7 million in the prior year period. The effective tax rate for the 2025 fourth quarter was 28.5% resulting in an annual effective tax rate of 25.9% compared to 22.9% for the 2024 fourth quarter and 22.4% for the year 2024. The increase in the fourth quarter tax rate had a negative impact of \$0.08 on adjusted earnings per Class B share<sup>(3)</sup>. This change in the 2025 effective tax rates can be attributed to an increase in dividend withholding taxes in 2025, particularly in the fourth quarter of this year and the non-taxable revaluation gain recorded in the 2024 second quarter lowering the 2024 annualized effective tax rate.

For the fourth quarter of 2025, net earnings were \$171.1 million compared to \$179.8 million for the 2024 fourth quarter. Basic and adjusted basic earnings per Class B share<sup>(3)</sup> were \$0.99 and \$1.03 respectively, compared to basic and adjusted basic earnings per Class B share<sup>(3)</sup> of \$1.01 and \$1.02, respectively, in the prior year fourth quarter. Foreign currency translation had a positive impact of \$0.04 on adjusted basic earnings per Class B share<sup>(3)</sup>.

For 2025, sales, operating income<sup>(1)</sup> and adjusted net earnings<sup>(6)</sup> improved 5.8%, 8.7% and 5.3% to \$7,663.8 million, \$1,241.5 million and \$810.4 million, respectively, compared to December 31, 2024. The year ending December 31, 2025, included results from three acquisitions completed since January 1, 2024, delivering acquisition-related sales growth for the year of 0.7%, coupled with organic sales growth of 2.5% and 2.6% positive impact from foreign currency translation. For the year ended December 31, 2025, basic and adjusted basic earnings per Class B share<sup>(3)</sup> were \$4.59 and \$4.64, respectively, compared to basic and adjusted basic earnings per Class B share<sup>(3)</sup> of \$4.73 and \$4.32, respectively, in the prior year. Foreign currency translation had a positive impact of \$0.10 on adjusted basic earnings per Class B share<sup>(3)</sup>.

Geoffrey T. Martin, President and Chief Executive Officer, commented, "Fourth quarter results were solid, given soft consumer end markets especially when compared to a very strong prior year period; \$1.03 adjusted earnings per Class B share moderated by a notably higher tax rate, partly offset by a foreign currency translation tailwind, contributed to a record \$4.64 for 2025, up 7.4% compared to 2024."

Mr. Martin stated, "The CCL Segment posted 3.6% fourth quarter organic sales growth. Home & Personal Care delivered solid results in labels globally and tubes in the United States, offsetting lower profitability for aluminum aerosols and bottles. CCL Design recorded exceptional profitability in electronics markets driven by double digit organic growth over very strong gains in the prior year period, alongside solid progress in automotive. Healthcare & Specialty performance improved as strong results internationally more than compensated for a decline in North America. Food & Beverage performance was mixed with strong profitability improvement for Closures offset by slow end markets and new plant start-up costs in other product lines. CCL Secure profitability declined compared to a good prior year period."

Mr. Martin continued, "Avery posted solid organic sales growth and strong profitability improvement driven by strength in direct-to-consumer channels in North America plus good results from international markets and horticulture. Checkpoint delivered improved profitability driven by cost savings and RFID gains in apparel markets despite lower sales, while MAS results were strong in Europe and Asia but offset by weakness in North America, in part due to tariffs. Innovia results for legacy operations in Europe and Australia were solid including good progress for EcoFloat and in mould label films, more than offset by lower volumes and reduced profitability in North America compared to a very strong prior year period. Start-up cost at the new plant in Germany was approximately \$4.0 million for the quarter."

Mr. Martin added, "Foreign currency translation had a positive \$0.04 impact on earnings per Class B share for the fourth quarter of 2025 and a modest tailwind is expected to continue for the first quarter of 2026 at current exchange rates. Orders are steady so far but the external environment remains full of uncertainties in which we must find opportunity to grow."

Mr. Martin concluded, "The Company delivered outstanding \$891.3<sup>(4)</sup> million free cash flow from operations in 2025, a record by a significant margin in absolute terms and approximately 110%

of net earnings. Despite returning \$223.7 million in annualized dividends and \$300.0 million of stock buybacks to shareholders, the Company's consolidated leverage ratio<sup>(5)</sup> ended 2025 at 0.78 times Adjusted EBITDA<sup>(2)</sup> after financing \$441.2 million of new capital spending. The balance sheet at year end included almost \$1 billion cash-on-hand and with approximately US\$1.0 billion undrawn capacity on our syndicated revolving credit the Company is well placed to fund its global ambitions. Total capital expenditures for 2026 are budgeted at \$470 million, for the completion of greenfield initiatives, as well as technology and capacity additions across our global footprint. Given the strong 2025 earnings, balance sheet capacity and anticipated free cash flow in 2026, the Board of Directors declared a 12.5% increase in the quarterly dividend to \$0.36 per Class B non-voting share and \$0.3575 per Class A voting share, payable to shareholders of record at the close of business on March 17, 2026, to be paid on March 31, 2026."

## **2025 Fourth Quarter Highlights**

### **CCL Segment**

- Sales increased 6.8% to \$1,192.1 million on 3.6% organic growth and 3.2% positive impact from currency translation
- Regional organic sales growth: double digit in Asia Pacific and Middle East, mid-single digit in Europe, low single digit in North America and mid-single digit decline in Latin America
- Operating income<sup>(1)</sup> \$173.2 million, up 4.3%, 14.5% operating margin<sup>(1)</sup> down 40 bps
- Label joint ventures added \$0.01 earnings per Class B share

### **Avery**

- Sales increased 7.6% to \$258.0 million on 3.8% organic growth, 1.8% contribution from acquisitions and a 2.0% positive impact from currency translation
- Operating income<sup>(1)</sup> \$54.7 million, up 22.6%, 21.2% operating margin<sup>(1)</sup>, up 260 bps

### **Checkpoint**

- Sales decreased 6.2% to \$260.2 million on 8.1% organic decline and 1.9% positive impact from foreign currency translation
- Operating income<sup>(1)</sup> \$42.9 million, up 5.9%, 16.5% operating margin<sup>(1)</sup>, up 190 bps

### **Innovia**

- Sales decreased 7.4% to \$165.9 million with 9.1% organic decline and 1.7% positive impact from foreign currency translation
- Operating income<sup>(1)</sup> \$9.9 million, down 40.7%, 6.0% operating margin<sup>(1)</sup>, down 330 bps

The Company will host a live webcast at 7:30 a.m. ET on February 26, 2026, 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.webcaster5.com/Webcast/Page/2807/53514>

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

Toll Free: 1-877-545-0320

International: 1-973-528-0002

Conference Entry Code (CEC): 948821

Replay for the webcast will be available Thursday, February 26, 2026, until Sunday, March 29, 2026.

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

Sean Washchuk

Senior Vice President  
and Chief Financial Officer

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### ***Forward-looking Statements***

This press release 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 press release contains forward-looking statements regarding the Company’s planned capital expenditures of \$470.0 million for 2026; 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; 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 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 entrance 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 availability of cash and credit; fluctuations of currency exchange rates; 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 2025 and 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](http://www.cclind.com) and [www.sedarplus.ca](http://www.sedarplus.ca) or are available upon request.

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

The financial information presented herein has been prepared on the basis of IFRS for financial statements and is expressed in Canadian dollars unless otherwise stated.

## Financial Information

# CCL Industries Inc.

## Consolidated statements of financial position Unaudited

In millions of Canadian dollars

	<u>As at December 31, 2025</u>	<u>As at December 31, 2024</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 998.2	\$ 828.7
Trade and other receivables	1,293.4	1,251.4
Inventories	805.0	819.9
Prepaid expenses	61.0	62.1
Assets held for sale	-	23.5
Income taxes recoverable	67.6	51.8
Derivative instruments	8.7	0.1
<b>Total current assets</b>	<b>3,233.9</b>	<b>3,037.5</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,844.3	2,698.1
Right-of-use assets	206.3	215.4
Goodwill	2,591.4	2,554.1
Intangible assets	1,045.7	1,109.7
Deferred tax assets	78.9	94.7
Equity-accounted investments	72.8	60.9
Other assets	28.2	31.7
Derivative instruments	-	57.0
<b>Total non-current assets</b>	<b>6,867.6</b>	<b>6,821.6</b>
<b>Total assets</b>	<b>\$ 10,101.5</b>	<b>\$ 9,859.1</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	\$ 1,467.2	\$ 1,416.9
Current portion of long-term debt	687.0	4.2
Lease liabilities	49.6	47.2
Income taxes payable	34.7	42.2
Derivative instruments	38.1	-
<b>Total current liabilities</b>	<b>2,276.6</b>	<b>1,510.5</b>
<b>Non-current liabilities</b>		
Long-term debt	1,370.8	2,232.5
Lease liabilities	152.8	163.7
Deferred tax liabilities	329.3	347.3
Employee benefits	293.0	307.7
Provisions and other long-term liabilities	16.1	16.7
Derivative instruments	22.5	-
<b>Total non-current liabilities</b>	<b>2,184.5</b>	<b>3,067.9</b>
<b>Total liabilities</b>	<b>4,461.1</b>	<b>4,578.4</b>
<b>Equity</b>		
Share capital	613.5	607.8
Contributed surplus	121.7	101.1
Retained earnings	4,795.0	4,492.3
Accumulated other comprehensive income	110.2	79.5
<b>Total equity attributable to shareholders of the Company</b>	<b>5,640.4</b>	<b>5,280.7</b>
<b>Total liabilities and equity</b>	<b>\$ 10,101.5</b>	<b>\$ 9,859.1</b>

# 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>	
<i>In millions of Canadian dollars, except per share information</i>	2025	2024	2025	2024
Sales	\$ 1,876.2	\$ 1,812.5	\$ 7,663.8	\$ 7,245.0
Cost of sales	1,335.4	1,292.8	5,367.6	5,107.3
Gross profit	540.8	519.7	2,296.2	2,137.7
Selling, general and administrative expenses	278.4	269.8	1,138.9	1,073.0
Restructuring and other items	7.4	1.2	10.5	5.5
Revaluation gain	-	-	-	(78.1)
Earnings in equity-accounted investments	(1.1)	(2.9)	(5.6)	(18.9)
	<b>256.1</b>	<b>251.6</b>	<b>1,152.4</b>	<b>1,156.2</b>
Finance cost	31.6	29.8	91.9	89.8
Finance income	(16.7)	(12.9)	(29.8)	(23.5)
Interest on lease liabilities	2.3	2.2	9.1	8.7
Net finance cost	17.2	19.1	71.2	75.0
<b>Earnings before income tax</b>	<b>238.9</b>	<b>232.5</b>	<b>1,081.2</b>	<b>1,081.2</b>
Income tax expense	67.8	52.7	278.8	238.1
<b>Net earnings for the period</b>	<b>\$ 171.1</b>	<b>\$ 179.8</b>	<b>\$ 802.4</b>	<b>\$ 843.1</b>
<b>Earnings per share</b>				
Basic earnings per Class B share	\$ 0.99	\$ 1.01	\$ 4.59	\$ 4.73
Diluted earnings per Class B share	\$ 0.99	\$ 1.01	\$ 4.57	\$ 4.70

# 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>	
	2025	2024	2025	2024
<b>Cash provided by (used for)</b>				
<b>Operating activities</b>				
Net earnings	\$ 171.1	\$ 179.8	\$ 802.4	\$ 843.1
Adjustments for:				
Property, plant and equipment depreciation	87.8	79.5	332.7	305.5
Right-of-use assets depreciation	14.4	13.5	56.6	53.8
Intangibles amortization	19.0	18.7	75.9	73.1
Earnings in equity-accounted investments, net of dividends received	(1.1)	(2.9)	1.0	(18.9)
Net finance cost	17.2	19.1	71.2	75.0
Current income tax expense	64.7	48.0	281.2	249.9
Deferred income tax expense (recovery)	3.1	4.7	(2.4)	(11.8)
Equity-settled share-based payment transactions	10.2	8.8	40.7	33.7
Revaluation gain	-	-	-	(78.1)
Gain on sale of property, plant and equipment	(0.1)	-	(0.6)	(3.0)
	386.3	369.2	1,658.7	1,522.3
Change in inventories	50.1	18.8	16.3	(77.5)
Change in trade and other receivables	150.8	61.4	(40.1)	(142.0)
Change in prepaid expenses	6.2	10.4	1.3	(10.8)
Change in trade and other payables	(57.7)	(50.7)	20.9	70.7
Change in income taxes recoverable and payable	1.0	(0.1)	(0.1)	(8.9)
Change in employee benefits	(14.7)	0.2	4.5	15.3
Change in other assets and liabilities	(7.4)	2.9	(3.5)	9.7
	514.6	412.1	1,658.0	1,378.8
Net interest paid	(23.5)	(25.3)	(53.4)	(57.4)
Income taxes paid	(96.2)	(76.4)	(300.2)	(257.5)
<b>Cash provided by operating activities</b>	<b>394.9</b>	<b>310.4</b>	<b>1,304.4</b>	<b>1,063.9</b>
<b>Financing activities</b>				
Proceeds on issuance of long-term debt	-	27.0	355.9	236.8
Repayment of long-term debt	(334.2)	(106.9)	(487.5)	(210.0)
Repayment of lease liabilities	(13.8)	(12.8)	(54.2)	(50.4)
Proceeds from issuance of shares	-	-	-	6.3
Repurchase of shares	-	(60.0)	(300.0)	(200.6)
Dividends paid	(55.8)	(51.3)	(223.7)	(206.4)
<b>Cash used for financing activities</b>	<b>(403.8)</b>	<b>(204.0)</b>	<b>(709.5)</b>	<b>(424.3)</b>
<b>Investing activities</b>				
Additions to property, plant and equipment	(106.2)	(49.3)	(441.2)	(462.0)
Proceeds on disposal of property, plant and equipment	4.1	0.6	28.1	4.6
Business acquisitions	(19.1)	-	(24.6)	(142.9)
<b>Cash used for investing activities</b>	<b>(121.2)</b>	<b>(48.7)</b>	<b>(437.7)</b>	<b>(600.3)</b>
Net increase (decrease) in cash and cash equivalents	(130.1)	57.7	157.2	39.3
Cash and cash equivalents at beginning of the period	1,136.9	759.6	828.7	774.2
Translation adjustments on cash and cash equivalents	(8.6)	11.4	12.3	15.2
<b>Cash and cash equivalents at end of period</b>	<b>\$ 998.2</b>	<b>\$ 828.7</b>	<b>\$ 998.2</b>	<b>\$ 828.7</b>

# 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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
CCL	\$ 1,192.1	\$ 1,116.2	\$ 173.2	\$ 166.1	\$ 4,882.7	\$ 4,502.6	\$ 794.1	\$ 713.7
Avery	258.0	239.7	54.7	44.6	1,062.2	1,049.1	210.6	211.5
Checkpoint	260.2	277.4	42.9	40.5	1,012.1	986.9	162.5	150.9
Innovia	165.9	179.2	9.9	16.7	706.8	706.4	74.3	66.2
Total operations	<u>\$ 1,876.2</u>	<u>\$ 1,812.5</u>	<u>\$ 280.7</u>	<u>\$ 267.9</u>	<u>\$ 7,663.8</u>	<u>\$ 7,245.0</u>	<u>\$ 1,241.5</u>	<u>\$ 1,142.3</u>
Corporate expense			(18.3)	(18.0)			(84.2)	(77.6)
Restructuring and other items			(7.4)	(1.2)			(10.5)	(5.5)
Revaluation gain			-	-			-	78.1
Earnings in equity-accounted investments			1.1	2.9			5.6	18.9
Finance cost			(31.6)	(29.8)			(91.9)	(89.8)
Finance income			16.7	12.9			29.8	23.5
Interest on lease liabilities			(2.3)	(2.2)			(9.1)	(8.7)
Income tax expense			<u>(67.8)</u>	<u>(52.7)</u>			<u>(278.8)</u>	<u>(238.1)</u>
Net earnings			<u>\$ 171.1</u>	<u>\$ 179.8</u>			<u>\$ 802.4</u>	<u>\$ 843.1</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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
CCL	\$ 5,525.9	\$ 5,374.5	\$ 1,339.8	\$ 1,297.7	\$ 316.7	\$ 292.4	\$ 307.8	\$ 323.7
Avery	1,136.3	1,110.0	303.5	307.5	40.9	40.4	30.8	25.5
Checkpoint	1,216.9	1,249.5	439.2	457.0	56.2	51.5	51.1	64.6
Innovia	1,147.1	1,160.3	309.0	292.5	50.0	46.8	51.5	48.2
Equity-accounted investments	72.8	60.9	-	-	-	-	-	-
Corporate	1,002.5	903.9	2,069.6	2,223.7	1.4	1.3	-	-
Total	<u>\$ 10,101.5</u>	<u>\$ 9,859.1</u>	<u>\$ 4,461.1</u>	<u>\$ 4,578.4</u>	<u>\$ 465.2</u>	<u>\$ 432.4</u>	<u>\$ 441.2</u>	<u>\$ 462.0</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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Sales</u>				
CCL	\$ 1,192.1	\$ 1,116.2	\$ 4,882.7	\$ 4,502.6
Avery	258.0	239.7	1,062.2	1,049.1
Checkpoint	260.2	277.4	1,012.1	986.9
Innovia	165.9	179.2	706.8	706.4
<b>Total sales</b>	<b>\$ 1,876.2</b>	<b>\$ 1,812.5</b>	<b>\$ 7,663.8</b>	<b>\$ 7,245.0</b>
<u>Operating income</u>				
CCL	\$ 173.2	\$ 166.1	\$ 794.1	\$ 713.7
Avery	54.7	44.6	210.6	211.5
Checkpoint	42.9	40.5	162.5	150.9
Innovia	9.9	16.7	74.3	66.2
Total operating income (non-IFRS measure)	280.7	267.9	1,241.5	1,142.3
Less: Corporate expenses	(18.3)	(18.0)	(84.2)	(77.6)
Add: Depreciation & amortization	121.2	111.7	465.2	432.4
<b>Adjusted EBITDA (non-IFRS measure)</b>	<b>\$ 383.6</b>	<b>\$ 361.6</b>	<b>\$ 1,622.5</b>	<b>\$ 1,497.1</b>

(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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Basic earnings per Class B Share	\$ 0.99	\$ 1.01	\$ 4.59	\$ 4.73
Restructuring and other items	0.04	0.01	0.05	0.03
Revaluation gain	-	-	-	(0.44)
<b>Adjusted Basic Earnings per Class B Share</b>	<b>\$ 1.03</b>	<b>\$ 1.02</b>	<b>\$ 4.64</b>	<b>\$ 4.32</b>

(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 buybacks 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,	
	2025	2024
Cash provided by operating activities	\$ 1,304.4	\$ 1,063.9
Less: Additions to property, plant and equipment	(441.2)	(462.0)
Add: Proceeds on disposal of property, plant and equipment	28.1	4.6
<b>Free cash flow from operations</b>	<b>\$ 891.3</b>	<b>\$ 606.5</b>

(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, 2025</u>
Current portion of long-term debt	\$ 687.0
Current lease liabilities	49.6
Long-term debt	1,370.8
Long-term lease liabilities	152.8
Total debt	2,260.2
Cash and cash equivalents	(998.2)
Net debt	\$ 1,262.0
Adjusted EBITDA for 12 months ending December 31, 2025	\$ 1,622.5
<b>Leverage Ratio</b>	<b>0.78</b>

(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	<b>Twelve months ended December 31</b>			
	<b>2025</b>		<b>2024</b>	
Net earnings	\$	<b>802.4</b>	\$	843.1
Restructuring and other items (net of tax)		<b>8.0</b>		4.8
Revaluation gain		-		(78.1)
Adjusted net earnings	\$	<b>810.4</b>	\$	769.8

### **Supplemental Financial Information**

#### **Sales Change Analysis (%)**

	<b>Three Months Ended December 31, 2025</b>				<b>Twelve Months Ended December 31, 2025</b>			
	<b>Organic</b>	<b>Acquisition</b>	<b>FX</b>		<b>Organic</b>	<b>Acquisition</b>	<b>FX</b>	
	<b>Growth</b>	<b>Growth</b>	<b>Translation</b>	<b>Total</b>	<b>Growth</b>	<b>Growth</b>	<b>Translation</b>	<b>Total</b>
CCL	3.6%	-	3.2%	6.8%	4.9%	0.9%	2.6%	8.4%
Avery	3.8%	1.8%	2.0%	7.6%	(1.8%)	0.6%	2.4%	1.2%
Checkpoint	(8.1%)	-	1.9%	(6.2%)	0.4%	-	2.2%	2.6%
Innovia	(9.1%)	-	1.7%	(7.4%)	(3.2%)	-	3.3%	0.1%
Total	0.6%	0.2%	2.7%	3.5%	2.5%	0.7%	2.6%	5.8%

### **Business Description**

CCL Industries Inc. employs approximately 26,000 people operating 214 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 enterprise wide inventory accuracy, reliability and security, including labeling and tagging solutions, for the broad retail, apparel, consumer products and technology 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.