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

CCL INDUSTRIES INC.

Interim periods ended March 31, 2026 and 2025
Unaudited

CCL Industries Inc.

Consolidated condensed interim statements of financial position

Unaudited

In millions of Canadian dollars

	As at March 31 **2026**	As at December 31 **2025**
Assets		
Current assets		
Cash and cash equivalents	$ 999.1	$ 998.2
Trade and other receivables	1,512.9	1,293.4
Inventories	849.5	805.0
Prepaid expenses	63.0	61.0
Income taxes recoverable	35.0	67.6
Derivative instruments	11.7	8.7
Total current assets	3,471.2	3,233.9
Non-current assets		
Property, plant and equipment	2,884.1	2,844.3
Right-of-use assets	201.6	206.3
Goodwill	2,623.3	2,591.4
Intangible assets	1,030.2	1,045.7
Deferred tax assets	88.3	78.9
Equity-accounted investments	72.3	72.8
Other assets	27.8	28.2
Total non-current assets	6,927.6	6,867.6
Total assets	**$ 10,398.8**	**$ 10,101.5**
Liabilities		
Current liabilities		
Trade and other payables	$ 1,678.8	$ 1,467.2
Current portion of long-term debt (note 7)	696.2	687.0
Lease liabilities	49.5	49.6
Income taxes payable	44.0	34.7
Derivative instruments	31.8	38.1
Total current liabilities	2,500.3	2,276.6
Non-current liabilities		
Long-term debt (note 7)	1,483.1	1,370.8
Lease liabilities	147.6	152.8
Deferred tax liabilities	342.8	329.3
Employee benefits	288.7	293.0
Provisions and other long-term liabilities	16.0	16.1
Derivative instruments	8.9	22.5
Total non-current liabilities	2,287.1	2,184.5
Total liabilities	4,787.4	4,461.1
Equity		
Share capital	623.5	613.5
Contributed surplus	118.6	121.7
Retained earnings	4,678.9	4,795.0
Accumulated other comprehensive income (note 4)	190.4	110.2
Total equity attributable to shareholders of the Company	5,611.4	5,640.4
Subsequent events (note 10)		
Total liabilities and equity	**$ 10,398.8**	**$ 10,101.5**

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

CCL Industries Inc.

Consolidated condensed interim income statements

Unaudited

In millions of Canadian dollars, except per share information

	Three Months Ended March 31			
		2026		**2025**
Sales	$	1,939.0	$	1,887.1
Cost of sales		1,353.7		1,315.0
Gross profit		585.3		572.1
Selling, general and administrative expenses		289.6		277.9
Restructuring and other items (note 5)		5.0		0.8
Earnings in equity-accounted investments		(0.6)		(0.5)
		291.3		**293.9**
Finance cost		18.0		18.9
Finance income		(3.4)		(2.7)
Interest on lease liabilities		2.1		2.3
Net finance cost		16.7		18.5
Earnings before income tax		**274.6**		**275.4**
Income tax expense		69.7		68.0
Net earnings for the period	**$**	**204.9**	**$**	**207.4**
Basic earnings per Class B share	**$**	**1.18**	**$**	**1.18**
Diluted earnings per Class B share	**$**	**1.17**	**$**	**1.17**

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

CCL Industries Inc.

Consolidated condensed interim statements of comprehensive income

Unaudited

In millions of Canadian dollars

	Three Months Ended March 31	
	2026	2025
Net earnings	**$ 204.9**	**$ 207.4**
Other comprehensive income (loss), net of tax:		
Items that may subsequently be reclassified to income:		
Foreign currency translation adjustment for foreign operations, net of tax expense of nil for the three-month period ended March 31, 2026 (2025 – tax expense of $5.8)	77.9	143.0
Net gains (losses) on hedges of net investment in foreign operations, net of tax expense of $0.3 for the three-month period ended March 31, 2026 (2025 – tax recovery of $5.6)	2.1	(38.5)
Effective portion of changes in fair value of cash flow hedges, net of tax expense of $0.1 for the three-month period ended March 31, 2026 (2025 – tax expense of nil)	0.3	-
Net change in fair value of cash flow hedges transferred to the income statement, net of tax expense of nil for the three-month period ended March 31, 2026 (2025 – tax expense of nil)	(0.1)	-
Actuarial gains on defined benefit post-employment plans, net of tax expense of $2.5 for the three-month period ended March 31, 2026 (2025 – tax expense of $3.9)	7.4	12.2
Other comprehensive income, net of tax	**$ 87.6**	**$ 116.7**
Total comprehensive income	**$ 292.5**	**$ 324.1**

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

CCL Industries Inc.

Consolidated condensed interim statements of changes in equity

Unaudited

In millions of Canadian dollars

	Class A shares	Class B shares	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity attributable to shareholders
Balances, January 1, 2025	$ 4.5	$ 603.3	$ 607.8	$ 101.1	$ 4,492.3	$ 79.5	$ 5,280.7
Net earnings	-	-	-	-	207.4	-	207.4
Dividends declared							
Class A	-	-	-	-	(3.7)	-	(3.7)
Class B	-	-	-	-	(52.6)	-	(52.6)
Defined benefit plan actuarial gain, net of tax	-	-	-	-	12.2	-	12.2
Stock-based compensation plan	-	12.0	12.0	(2.3)	-	-	9.7
Repurchase of shares (note 8)	-	(5.0)	(5.0)	-	(95.8)	-	(100.8)
Other comprehensive income	-	-	-	-	-	104.5	104.5
Balances, March 31, 2025	$ 4.5	$ 610.3	$ 614.8	$ 98.8	$ 4,559.8	$ 184.0	$ 5,457.4

	Class A shares	Class B shares	Total share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity attributable to shareholders
Balances, January 1, 2026	$ 4.5	$ 609.0	$ 613.5	$ 121.7	$ 4,795.0	$ 110.2	$ 5,640.4
Net earnings	-	-	-	-	204.9	-	204.9
Dividends declared							
Class A	-	-	-	-	(4.2)	-	(4.2)
Class B	-	-	-	-	(58.1)	-	(58.1)
Defined benefit plan actuarial gain, net of tax	-	-	-	-	7.4	-	7.4
Stock-based compensation plan	-	12.9	12.9	(3.1)	-	-	9.8
Repurchase of shares (note 8)	-	(2.9)	(2.9)	-	(65.6)	-	(68.5)
Recognition of obligation to repurchase shares (note 8)	-	-	-	-	(200.5)	-	(200.5)
Other comprehensive income	-	-	-	-	-	80.2	80.2
Balances, March 31, 2026	**$ 4.5**	**$ 619.0**	**$ 623.5**	**$ 118.6**	**$ 4,678.9**	**$ 190.4**	**$ 5,611.4**

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

CCL Industries Inc.

Consolidated condensed interim statements of cash flows

Unaudited

In millions of Canadian dollars

	Three Months Ended March 31 2026	2025
Cash provided by (used for)		
Operating activities		
Net earnings	$ 204.9	$ 207.4
Adjustments for:		
Property, plant and equipment depreciation	86.1	80.6
Right-of-use assets depreciation	14.1	14.1
Intangibles amortization	19.1	19.1
Earnings in equity-accounted investments, net of dividends received	(0.6)	6.1
Net finance cost	16.7	18.5
Current income tax expense	70.5	66.0
Deferred income tax expense (recovery)	(0.8)	2.0
Equity-settled share-based payment transactions	9.8	9.7
Loss (gain) on sale of property, plant and equipment	0.1	(0.5)
	419.9	423.0
Change in inventories	(44.5)	(54.0)
Change in trade and other receivables	(219.6)	(181.6)
Change in prepaid expenses	(2.0)	(7.9)
Change in trade and other payables	(9.4)	(3.4)
Change in income taxes recoverable and payable	3.0	1.6
Change in employee benefits	5.6	10.3
Change in other assets and liabilities	11.7	11.2
	164.7	199.2
Net interest paid	(1.0)	(3.5)
Income taxes paid	(27.7)	(43.0)
Cash provided by operating activities	**136.0**	**152.7**
Financing activities		
Proceeds on issuance of long-term debt	145.0	150.0
Repayment of long-term debt	(45.0)	(41.5)
Repayment of lease liabilities	(13.9)	(13.3)
Repurchase of shares (note 8)	(67.5)	(100.0)
Dividends paid	(62.3)	(56.3)
Cash used for financing activities	**(43.7)**	**(61.1)**
Investing activities		
Additions to property, plant and equipment	(99.3)	(114.3)
Proceeds on disposal of property, plant and equipment	0.6	0.7
Cash used for investing activities	**(98.7)**	**(113.6)**
Net decrease in cash and cash equivalents	(6.4)	(22.0)
Cash and cash equivalents at beginning of period	998.2	828.7
Translation adjustments on cash and cash equivalents	7.3	14.3
Cash and cash equivalents at end of period	**$ 999.1**	**$ 821.0**

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

1. Reporting entity

CCL Industries Inc. (the "Company") is a public company, listed on the Toronto Stock Exchange, and is incorporated and domiciled in Canada. These consolidated condensed interim financial statements of the Company as at and for the interim periods ended March 31, 2026 and 2025, comprise the results of the Company, its subsidiaries and its interests in joint ventures and associates. The Company has manufacturing facilities around the world and is primarily involved in the manufacture of labels, consumer printable media products, technology-driven label solutions, polymer banknote substrates and specialty films.

2. Basis of preparation and presentation

(a) Statement of compliance

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

These consolidated condensed interim financial statements should be read in conjunction with the Company's 2025 annual consolidated financial statements.

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

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on May 13, 2026.

(b) Basis of measurement

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

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

(c) Presentation currency

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

(d) New amendments effective in 2026

Amendments to IFRS 9 and IFRS 7 *Classification and Measurements of Financial Instruments*

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 that clarify derecognition timing of financial assets and liabilities, provide additional guidance on whether a financial asset qualifies as solely payments of principal and interest, and update certain disclosure requirements. The Company adopted these amendments for the annual period commencing January 1, 2026. The amendments did not have a material impact on the Company's consolidated condensed interim financial statements.

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

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

3. Segment reporting and disaggregation of revenue

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

The Company's reportable segments are the following:

- CCL is a converter of pressure sensitive and extruded film materials for a wide range of decorative, instructional, security and functional applications for government institutions and large global customers in the consumer packaging, healthcare, chemicals, consumer durables, electronic device and automotive markets. Extruded and labeled plastic tubes, aluminum aerosols and specialty bottles, folded instructional leaflets, specialty folded cartons, precision engineered and die cut components, electronic displays, polymer banknote substrate and other complementary products and services are sold in parallel to specific end-use markets.
- Avery is a supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary products sold through distributors and mass market retailers and pressure sensitive tapes in Brazil. The products are split into five primary lines: (1) Printable Media Group: including address labels, product identification labels and name badges/cards supported by customized software solutions where applicable; (2) Organization Products Group: including binders, indexes, sheet protectors and writing instruments; (3) Direct-to-Consumer: digitally imaged labels, name and event badges, radio frequency identification ("RFID") enabled key cards and wristbands, planners and kids-oriented identification labels supported by unique web-enabled e-commerce URLs; (4) Pressure Sensitive Tapes; and (5) Horticultural labels and tags.
- Checkpoint is a manufacturer of technology-driven loss-prevention, inventory-management and labeling solutions, including radio frequency and RFID solutions, to the broad retail and apparel industries globally. There are three primary product lines: Merchandise Availability Solutions ("MAS"), Apparel Labeling Solutions ("ALS") and Meto. The MAS line focuses on electronic-article-surveillance ("EAS") systems, including hardware, software, labels and tags for loss prevention and inventory control systems including RFID solutions. ALS products are apparel labels and tags, some of which are RFID capable. New RFID applications are also developing in the food, logistics, healthcare and many other markets interested in the technology. Meto is a small, separately branded Europe-centric product line, including hand-held pricing tools and labels and promotional in-store displays. All MAS and ALS products are sold under the Checkpoint brand.
- Innovia is a global producer of specialty high-performance, multi-layer, surface-engineered films. Innovia's international footprint includes major facilities located in each of Australia, Germany, Mexico, Poland and the United Kingdom. These films are sold to customers in the pressure sensitive materials, flexible packaging, consumer packaged goods and graphics materials industries worldwide, with a small percentage of the total volume consumed internally by CCL Secure and CCL Label within the CCL Segment. Innovia has a smaller legacy facility located in the United States, that produces almost its entire output for the CCL Segment.

In millions of Canadian dollars, unless otherwise noted

3. Segment reporting and disaggregation of revenue (continued)

	Three Months Ended March 31			
	Sales		Operating income	
	2026	2025	2026	2025
CCL	$ 1,251.8	$ 1,200.3	$ 210.8	$ 200.3
Avery	270.0	258.8	52.2	52.2
Checkpoint	240.5	241.1	31.7	37.3
Innovia	176.7	186.9	22.8	27.1
Total operations	$ 1,939.0	$ 1,887.1	$ 317.5	$ 316.9
Corporate expenses			(21.8)	(22.7)
Restructuring and other items			(5.0)	(0.8)
Earnings in equity-accounted investments			0.6	0.5
Finance cost			(18.0)	(18.9)
Finance income			3.4	2.7
Interest on lease liabilities			(2.1)	(2.3)
Income tax expense			(69.7)	(68.0)
Net earnings			$ 204.9	$ 207.4

	Total Assets		Total Liabilities		Depreciation and Amortization		Capital Expenditures	
	March 31	December 31	March 31	December 31	Three Months Ended March 31		Three Months Ended March 31	
	2026	2025	2026	2025	2026	2025	2026	2025
CCL	$ 5,654.4	$ 5,525.9	$ 1,329.7	$ 1,339.8	$ 80.3	$ 77.7	$ 78.7	$ 71.6
Avery	1,192.9	1,136.3	301.9	303.5	10.3	10.1	10.0	5.7
Checkpoint	1,298.5	1,216.9	446.0	439.2	14.6	13.9	8.1	17.8
Innovia	1,156.2	1,147.1	303.3	309.0	13.7	11.7	2.5	19.2
Equity-accounted investments	72.3	72.8	-	-	-	-	-	-
Corporate	1,024.5	1,002.5	2,406.5	2,069.6	0.4	0.4	-	-
Total	$ 10,398.8	$ 10,101.5	$ 4,787.4	$ 4,461.1	$ 119.3	$ 113.8	$ 99.3	$ 114.3

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

All revenues are from products and services transferred at a point in time, except $5.9 million for the three months ended March 31, 2026 (March 31, 2025 - $4.1 million), which are for maintenance service arrangements within the Checkpoint Segment.

4. Accumulated other comprehensive income

	March 31 2026	December 31 2025
Unrealized foreign currency translation gains, net of tax recovery of $8.5 (2025 – tax recovery of $8.8)	$ 189.9	$ 109.9
Gains on derivatives designated as cash flow hedges, net of tax expense of $0.2 (2025 – tax expense of $0.1)	0.5	0.3
	$ 190.4	$ 110.2

5. Restructuring and other items

	Three Months Ended March 31	
	2026	2025
Restructuring costs	$ 4.9	$ 0.8
Acquisition costs	0.1	-
Total restructuring and other items	$ 5.0	$ 0.8

For the three months ended March 31, 2026, the Company recorded $5.0 million ($4.1 million, net of tax) for restructuring and other items which comprised of severance costs at Checkpoint, Avery and CCL Label in Europe and transaction costs for recent acquisitions.

For the three months ended March 31, 2025, the Company recorded $0.8 million ($0.6 million, net of tax) for restructuring and other items which mainly comprised of severance costs associated with the Checkpoint Segment.

In millions of Canadian dollars, unless otherwise noted

6. Financial instruments

(a) Fair value hierarchy

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

The different levels have been defined as follows:

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

March 31, 2026	Level 1	Level 2	Level 3	Total
Other assets	$ 25.2	$ -	$ -	$ 25.2
Derivative financial assets	-	11.7	-	11.7
Long-term debt	-	(2,122.3)	-	(2,122.3)
Derivative financial liabilities	-	(40.7)	-	(40.7)
	$ 25.2	$ (2,151.3)	$ -	$ (2,126.1)
December 31, 2025				
Other assets	$ 24.8	$ -	$ -	$ 24.8
Derivative financial assets	-	8.7	-	8.7
Long-term debt	-	(2,012.6)	-	(2,012.6)
Derivative financial liabilities	-	(60.6)	-	(60.6)
	$ 24.8	$ (2,064.5)	$ -	$ (2,039.7)

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

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

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

(b) Fair values versus carrying amounts

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

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

	March 31, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 2,179.3	$ 2,122.3	$ 2,057.8	$ 2,012.6

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

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

7. Long-term debt

The Company's debt structure at March 31, 2026, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($831.1 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($695.4 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $344.3 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $1.0 million; accordingly, there was approximately US$949.5 million of unused availability on the revolving credit facility at March 31, 2026.

The Company's debt structure at December 31, 2025, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($819.4 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($685.5 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $243.9 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $1.0 million; accordingly, there was approximately US$1,018.9 million of unused availability on the revolving credit facility at December 31, 2025.

The Company intends to refinance its US$500.0 million unsecured note maturing on October 1, 2026.

In millions of Canadian dollars, unless otherwise noted

8. Repurchase of shares

In May 2025, the Company renewed its share repurchase program under a normal course issuer bid to purchase up to approximately 14.5 million Class B non-voting shares, approximately 9.95% of the public float of the Class B non-voting shares of the Company.

In February 2026, the Company entered into an automatic securities purchase plan ("ASPP") with a designated broker in order to facilitate purchases of the Company's Class B non-voting shares effective March 2, 2026. The ASPP allows the broker to purchase the Company's Class B non-voting shares on behalf of the Company during pre-determined times when the Company would ordinarily not be permitted to purchase shares due to customary blackout periods. Purchases under the ASPP are made by the Company's broker based upon parameters set by the Company.

During the first three months of 2026, the Company spent approximately $67.5 million (2025 - $100.0 million) for the purchase of 779,391 (2025 - 1,377,173) of its Class B non-voting shares for cancellation. The excess of the purchase price over the paid-up capital was charged to retained earnings.

Under the terms of the ASPP the Company is unconditionally obligated to fund all purchases executed by the broker within the pre-established parameters of the ASPP during the blackout period commencing April 1, 2026 to May 19, 2026, inclusive of the cancellation notice period. Accordingly, the Company has recorded an estimated current liability of $196.6 million ($200.5 million including tax) for this obligation with a corresponding charge to retained earnings. The liability has been measured based on the Company's maximum potential cash outflow under the ASPP during the blackout period using the pre-established purchase parameters. If the actual value of shares purchased during the blackout period differs from the amount accrued, the difference will be recorded as an adjustment to equity.

9. Related party

In May 2025, a $0.9 million one-year 4.0% interest-bearing unsecured promissory note was issued to a director of the Company. As at March 31, 2026, the outstanding balance, including principal and accrued interest, totaled $0.9 million (2025 – nil) and is classified within trade and other receivables on the consolidated condensed interim statements of financial position.

10. Subsequent events

The Board of Directors has declared a dividend of $0.36 per Class B non-voting share and $0.3575 per Class A voting share, which will be payable to shareholders of record at the close of business on June 16, 2026, to be paid on June 30, 2026.

In March 2026, the Company signed a binding option agreement for the acquisition of Sleever International Company SA, its subsidiaries and related companies ("Sleever") for approximately $151.0 million, net of cash and debt subject to customary closing adjustments. Sleever is a manufacturer of shrink sleeve labels and application equipment supplemented by decorating services for consumer packaged goods and healthcare customers globally. Headquartered near Paris, France, Sleever operates 11 manufacturing facilities globally. The acquisition is expected to close in the second quarter of 2026, subject to the fulfillment of all closing conditions.

In May of 2026, the Company closed the acquisition of Advanced Safety Technologies B.V. and its subsidiaries d.b.a. ALT Technologies ("ALT"), a label producer for automotive and industrial markets, for approximately $32.0 million on a debt free basis. The business has commenced trading as CCL Design. The fair value of the net assets acquired could not be determined due to the inherent complexity associated with the valuation of the assets acquired and liabilities assumed and the proximity of the acquisition date to the date the financial statements are authorized for issue.

Under the Company's normal course issuer bid and in accordance with the terms of its ASPP, between April 1, 2026 and May 13, 2026, the Company spent $119.5 million to purchase 1,387,194 of its Class B non-voting shares for cancellation. These purchases represent partial settlement of a financial liability existing at the reporting date and did not result in an adjustment to the consolidated condensed interim financial statements in respect of these transactions.

MANAGEMENT'S DISCUSSION AND ANALYSIS
First Quarters Ended March 31, 2026 and 2025

This Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") of CCL Industries Inc. ("the Company") relates to the first quarters ended March 31, 2026 and 2025. The information in this interim MD&A is current to May 13, 2026, and should be read in conjunction with the Company's May 13, 2026, unaudited first quarter consolidated condensed interim financial statements ("interim financial statements") released on May 13, 2026, and the 2025 Annual MD&A and consolidated financial statements ("annual financial statements"), which form part of CCL Industries Inc.'s 2025 Annual Report, dated February 25, 2026.

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

Basis of Presentation

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

Cautionary Statement Regarding Forward-Looking Statements

This MD&A contains forward-looking information and forward-looking statements, as defined under applicable securities laws (hereinafter collectively referred to as "forward-looking statements") that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by, but not limited to, the words "believes," "expects," "anticipates," "estimates," "intends," "plans" or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements.

Specifically, this MD&A contains forward-looking statements regarding the anticipated growth in sales, income and profitability of the Company's segments; the Company's improvement in market share; the Company's capital spending levels and planned capital expenditures in 2026; the adequacy of the Company's financial liquidity; the Company's effective tax rate; the Company's ongoing business strategy; general business and economic conditions; the Company's success in passing on foreign exchange movements and input cost changes, including inflationary costs to its customer base; the Company's U.S. aerosol can operation operating normally by the end of the second quarter of 2026; the loss of the thermal oxidizer at the U.S. can operation being an insurable event that will be resolved by the end of 2026; new business wins for CCL Secure's polymer banknote substrate and passport components that will drive improved sales volume for 2026; the Sleever acquisition being finalized by the end of the 2026 second quarter and then effectively integrated into CCL operations; Avery's direct-to-consumer businesses, plus horticultural operations, outpacing legacy product lines with additional "tuck-in" acquisitions being possible; Avery's 2026 back-to-school season being better than 2025;

Checkpoint's sales and profitability improving when retailers replenish apparel inventories; strong demand for Checkpoint's RFID-related products, including products beyond retail; the successful pass through of Innovia's inflationary cost pressures and continuity of raw material supply; Innovia profitably filling the capacity of its new thin-gauge film line in Germany and turning the operation profitable by the end of 2026; Innovia improving 2026 results compared to 2025; and the continuation of the Normal Course Issuer Bid.

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: higher consumer spending; increased customer demand for the Company's products; continued historical growth trends, market growth in specific segments and entering into new segments; 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 Company's ability to implement its acquisition strategy and successfully integrate acquired businesses; the achievement of the Company's plans for improved efficiency and lower costs, including the ability to pass on polypropylene resin, aluminum and other inflationary cost increases to its customers; the availability of cash and credit; fluctuations of currency exchange rates; the Company's continued relations with its customers; and general business 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 throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2025 Annual MD&A.

Except as otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on the 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; therefore, the financial impact cannot be described in a meaningful way in advance of knowing the specific facts.

The forward-looking statements are provided as of the date of this MD&A and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

1. Overview

The first quarter of 2026 was another solid period for the Company with adjusted earnings per Class B share improving 1.7% compared to the first quarter of 2025. Consolidated sales grew 2.8%, supported by solid organic growth of 1.9% for the Company. Operating income (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) improvement of 0.2% for the first quarter of 2026 was principally driven by solid improvement for the CCL Segment, a flat quarter for Avery, offsetting a decline in results for Checkpoint and Innovia compared to the first quarter of 2025. All-in, the Company posted first quarter basic and adjusted basic earnings (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) per class B share of $1.18 and $1.20, respectively, compared to basic and adjusted basic earnings per Class B share of $1.18, for the 2025 first quarter.

2. Review of Consolidated Financial Results

The following acquisitions affected the financial comparisons to 2025 including those announced through to the end of the first quarter of 2026:

- In October 2025, the Company acquired IDESCO Holding Corporation and IDSecurityonline.com, LLC, ("IDESCO") a provider of secure badging and identification solutions based in Manhattan, New York, for approximately $19.1 million, net of cash acquired. It has been integrated into the Avery Segment.

- In June 2025, the Company acquired Humphreys Holdings Limited, doing business as We Print Lanyards ("WPL"), based in Long Eaton, United Kingdom, for approximately $5.5 million, net of cash acquired. WPL's product suite has been integrated into the Avery Segment's growing portfolio of access control, badging and credential technologies.

Sales for the first quarter of 2026 were $1,939.0 million, an increase of 2.8% compared to $1,887.1 million recorded in the first quarter of 2025. Sales increased on organic growth of 1.9%, acquisition-related growth of 0.3% and 0.6% positive impact from foreign currency translation.

Selling, general and administrative expenses ("SG&A") were $289.6 million for the first quarter of 2026 compared to $277.9 million for first quarter of 2025. The increase in SG&A for the comparative quarters is due to the SG&A associated with the acquisitions of WPL and IDESCO, and general increases throughout the Company.

The Company recorded an expense of $5.0 million ($4.1 million after tax) for restructuring and other items in the first quarter of 2026 compared to a nominal amount recorded in the first quarter of 2025. Restructuring and other items for the 2026 first quarter comprised of severance costs at Checkpoint, Avery and CCL Label in Europe and transaction costs for recent acquisitions.

Operating income for the first quarter of 2026 improved 0.2% to $317.5 million, compared to $316.9 million for the first quarter of 2025. Operating income for the CCL Segment improved, Avery was even, while both Checkpoint and Innovia's operating income declined compared to the prior year first quarter. Operating income, excluding the impact of foreign currency translation declined 0.4%.

Earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, earnings in equity-accounted investments, and restructuring and other items ("Adjusted EBITDA", a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) improved 1.7% to $415.0 million for the first quarter of 2026, compared to $408.0 million for the first quarter of 2025. Excluding the impact of foreign currency translation, adjusted EBITDA increased 1.1%.

Net finance cost was $16.7 million for the first quarter of 2026, compared to $18.5 million for the 2025 first quarter. For the first quarter of 2026, net finance costs declined primarily due to an increase in finance income earned on the Company's cash-on-hand and a reduction in finance cost attributable a decline in bank debt compared to March 31, 2025.

The overall effective income tax rate was 25.4% for the three-month period ended March 31, 2026, compared to 24.7% for the prior year first quarter reflecting a higher portion of taxable income earned in higher taxed jurisdictions. The effective tax rate may increase in future periods if a higher portion of the Company's taxable income is earned in higher tax jurisdictions.

Net earnings for the first quarter of 2026 were $204.9 million compared to $207.4 million for the first quarter of 2025. This resulted in basic and diluted earnings of $1.18 and $1.17 per Class B share, respectively, for the 2026 first quarter compared to basic and diluted earnings of $1.18 and $1.17 per Class B share, respectively, for the prior year first quarter. The weighted average number of shares (comprised of Class A voting shares and Class B non-voting shares) for the 2026 first quarter were 173.1 million basic and 174.0 million diluted shares compared to 176.5 million basic and 177.3 million diluted shares for the comparable period of 2025. Diluted shares include weighted average in-the-money equity compensation arrangements totaling 0.9 million shares (2025 – 0.8 million shares).

Adjusted basic earnings per Class B share[(1)] were $1.20 for the first quarter of 2026, compared to $1.18 for the first quarter of 2025. Changes in foreign exchange rates had a negligible impact on earnings per Class B share compared to the first quarter of 2025.

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

(In Canadian dollars)	First Quarter	
Adjusted Basic Earnings per Class B Share	**2026**	**2025**
Basic earnings per Class B share	$ 1.18	$ 1.18
Restructuring and other items	0.02	-
Adjusted basic earnings [1] per Class B share	$ 1.20	$ 1.18

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

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

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

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Sales					
2026	$ 1,939.0	$ -	$ -	$ -	$ 1,939.0
2025	1,887.1	1,934.6	1,965.9	1,876.2	7,663.8
2024	1,737.2	1,845.6	1,849.7	1,812.5	7,245.0
Net earnings					
2026	204.9	-	-	-	204.9
2025	207.4	213.1	210.8	171.1	802.4
2024	192.1	279.5	191.7	179.8	843.1
Net earnings per Class B share					
Basic					
2026	1.18	-	-	-	1.18
2025	1.18	1.21	1.21	0.99	4.59
2024	1.08	1.56	1.08	1.01	4.73
Net earnings per Class B share					
Adjusted basic					
2026	1.20	-	-	-	1.20
2025	1.18	1.22	1.21	1.03	4.64
2024	1.08	1.13	1.09	1.02	4.32
Net earnings per Class B share					
Diluted					
2026	1.17	-	-	-	1.17
2025	1.17	1.21	1.20	0.99	4.57
2024	1.07	1.55	1.07	1.01	4.70

The quarterly financial results above are affected by the seasonality of the business Segments and the timing of acquisitions. For the CCL Segment and Innovia, the first and second quarters are generally the strongest due to the number of workdays and various customer-related activities. Also, there are many products that have a spring-summer bias in North America and Europe such as horticultural labels, agricultural chemicals and certain beverage products, which generate additional sales volumes for the Company in the first half of the year. The polymer banknote business within the CCL Segment experiences intra-quarter variations in sales influenced by Central Banks' reorder volatility. For Avery, the third quarter has historically been its strongest as it benefits from increased demand related to back-to-school activities in North America, although the impact is expected to diminish in future periods on secular declines in low-margin ring binder sales and the expansion of Avery's direct-to-consumer businesses that do not have this seasonal bias. For Checkpoint, the second half of the calendar year is healthier as the business substantially follows the retail cycle of its customers, which traditionally experiences more consumer activity from September through to the end of the year and prepares for the same in its supply chain from mid-year on. Checkpoint's year-over-year comparative quarterly results often include one-time large chain-wide customer-driven hardware installations that strengthen future reoccurring label revenues. Sales in the final quarter of the year are negatively affected in North America by Thanksgiving and globally by the Christmas and New Year holiday season shutdowns.

3. Business Segment Review

CCL Segment ("CCL")

	First Quarter		
($ millions)	2026	2025	+/-
Sales	$ 1,251.8	$ 1,200.3	4.3%
Operating Income[1]	$ 210.8	$ 200.3	5.2%
Return on Sales[1]	16.8%	16.7%	
Capital Spending	$ 78.7	$ 71.6	9.9%
Depreciation and Amortization[2]	$ 73.0	$ 70.4	3.7%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.
(2) Depreciation and Amortization expense excludes depreciation of $7.3 million for right-of-use assets in the three-month period ended March 31, 2026 (2025 - $7.3 million).

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

Sales for CCL were $1,251.8 million for the first quarter of 2026 compared to $1,200.3 million for the same quarter last year. The components of the 4.3% increase in sales were 3.1% organic growth and 1.2% positive impact from foreign currency translation.

North American sales declined low-single digit for the first quarter of 2026, excluding currency translation, compared to the first quarter of 2025. Home & Personal Care sales and profitability decreased compared to the prior year quarter, due to the loss of one of the thermal oxidizers that handles solvent emissions at the Company's U.S. aerosol can operation impeding capacity, especially in January and February. Consequently, some volume was diverted to the Company's Mexican operations resulting in increased costs and a temporary sales volume disruption. This is an insurable event that is expected to resolve financially later this year, but the Company expects Container operations to operate normally for the 2026 second quarter. U.S. demand in high end beauty markets slowed significantly in the quarter notably affecting sales of tubes and labels but demand for everyday mass market brands was solid. Healthcare & Specialty results were solid overall, with gains in pharmaceutical markets offsetting slowing Ag Chem markets. Food & Beverage results improved significantly with gains in all categories compared to the first quarter of 2025. CCL Design North America results declined on slowing demand in automotive and industrial markets. CCL Secure sales and profitability decreased compared to a robust prior year period largely on delayed orders for stamps. Overall operating income and return on sales declined for the current quarter in North America, compared to the first quarter of 2025.

Sales in **Europe** were up mid-single digit for the first quarter of 2026, excluding currency translation, compared to the first quarter of 2025. Home & Personal Care sales and profitability improved on share gains. Healthcare & Specialty results increased overall on strength in the German clinical trials business and solid demand for pharmaceuticals coupled with improved performance for AgChem operations. Food & Beverage results were mixed with improved results in pressure sensitive applications compared to a slow prior year offset by reduced profitability in Sleeve operations and continuing new plant start-up costs in Italy and Spain. CCL Design results improved in electronics markets part offset by reduced profitability in automotive markets. CCL Secure had a strong quarter. Overall European profitability and return on sales improved compared to the prior year period.

Sales in **Latin America**, excluding currency translation, improved mid-single digit compared to a strong first quarter of 2025 principally attributable to Brazil with Mexico up slightly. Underlying profitability improvements were almost entirely due to Brazil offsetting declines in Mexico and Argentina. For the region, operating income improved but return on sales declined compared to the prior year period.

Asia Pacific sales for the 2026 first quarter, excluding currency translation, increased mid teens compared to the corresponding quarter in 2025. Strong profitability gains in China outpaced sales increases in all product markets. Sales and profitability improved significantly in ASEAN countries on solid demand and new business wins compared to a strong prior year period; the new CCL Design plant in India continued to exceed expectations. In Australia, profitability improved, largely on better results for CCL Secure, while South Africa posted substantial sales and profitability gains. Consequently, Asia Pacific profitability and return on sales improved significantly compared to the prior year period.

Sales and profitability in the **Middle East**, excluding currency translation, were almost equal to the robust prior year period despite the geopolitical volatility in the region.

Operating income for the first quarter of 2026 was $210.8 million, compared to $200.3 million for the first quarter of 2025. Return on sales improved to 16.8%, driven by Asia Pacific operations, compared to the 16.7% recorded for the same period in 2025.

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

CCL invested $78.7 million in capital spending for the first quarter of 2026, compared to $71.6 million in the same period in 2025. The investments for the first quarter of 2026 were primarily related to capacity additions to support the Home & Personal Care (notably at CCL Container), Healthcare & Specialty and Food & Beverage businesses globally. Depreciation and amortization was $73.0 million for the first quarter of 2026 compared to $70.4 million for the same quarter of 2025.

Avery Segment ("Avery")

	First Quarter		
($ millions)	2026	2025	+/-
Sales	$ 270.0	$ 258.8	4.3%
Operating Income[1]	$ 52.2	$ 52.2	-
Return on Sales[1]	19.3%	20.2%	
Capital Spending	$ 10.0	$ 5.7	75.4%
Depreciation and Amortization[2]	$ 7.5	$ 7.4	1.4%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.
(2) Depreciation and Amortization expense excludes depreciation of $2.8 million for right-of-use assets in the three-month period ended March 31, 2026 (2025 - $2.7 million).

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

Avery sales were $270.0 million for the first quarter of 2026, compared to $258.8 million for the same quarter last year. The 4.3% increase in sales is attributed to 2.4% organic growth and 2.6% acquisition related growth partly offset by 0.7% negative impact from foreign currency translation.

Sales in **North America** for the first quarter of 2026 declined slightly excluding acquisitions and currency translation compared to the first quarter of 2025 largely on slower sales in legacy distribution product lines, especially for organization products. Results for Direct-to-Consumer ("DTC") increased organically and from the IDESCO acquisition compared to a strong prior year period with especially robust performance in RFID access cards and wristbands.

International represented approximately 29% of Avery sales for the first quarter of 2026. Excluding currency translation and acquisitions, organic sales growth was up double digit. Profitability improved driven by a strong quarter for European DTC operations and especially RFID access cards (plus a full quarter contribution from the WPL acquisition) more than offsetting declines in distribution product lines. Latin American operations reported robust sales growth in Brazil, but profitability continued to be impacted by the effects of currency volatility on imported materials. Results in Australia improved compared to the 2025 first quarter.

Profitability for the **Horticultural** businesses, in its seasonally peak period, improved particularly in North America and to a lesser extent in Europe compared to the first quarter of 2025.

Operating income for the first quarter of 2026 of $52.2 million was flat to the first quarter of 2025. Return on sales was 19.3% for the 2026 first quarter compared to 20.2% recorded for the same quarter in 2025.

Avery invested $10.0 million in capital spending in the first quarter of 2026 compared to $5.7 million in the same period a year ago. Most of the expenditures were to enhance the DTC operations globally and the horticultural businesses in North America. Depreciation and amortization was $7.5 million for the 2026 first quarter compared to $7.4 million for the 2025 first quarter.

Checkpoint Segment ("Checkpoint")

	First Quarter		
($ millions)	2026	2025	+/-
Sales	$ 240.5	$ 241.1	(0.2%)
Operating Income[1]	$ 31.7	$ 37.3	(15.0%)
Return on Sales[1]	13.2%	15.5%	
Capital Spending	$ 8.1	$ 17.8	(54.5%)
Depreciation and Amortization[2]	$ 11.3	$ 10.4	8.7%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.
(2) Depreciation and Amortization expense excludes depreciation of $3.3 million for right-of-use assets in the three-month period ended March 31, 2026 (2025 - $3.5 million).

Checkpoint is a leading manufacturer of technology-driven loss-prevention, inventory-management and labeling solutions, including RFID solutions, for the retail and apparel industry. The Segment has three primary product lines: Merchandise Availability Solutions ("MAS"), Apparel Labeling Solutions ("ALS") and "Meto." The MAS line focuses on electronic-article-surveillance ("EAS") systems; hardware, software, labels and tags for loss prevention and inventory control systems including RFID solutions. ALS products are apparel labels and tags, some of which are RFID capable. Meto supplies hand-held pricing tools and labels and promotional in-store displays.

Checkpoint sales were $240.5 million for the first quarter of 2026, a decrease of 0.2% compared to $241.1 million for the first quarter of 2025 driven by 0.6% organic sales growth offset by 0.8% negative impact from foreign currency translation. MAS sales were flat to the first quarter of 2025 with profitability improvement in Europe offset by lower performance in other regions.

ALS sales and profitability declined as apparel retailers continued to cautiously manage inventories and compared to an exceptionally strong first quarter in 2025. RFID growth continued but moderated significantly compared to a robust prior year period. As retailer confidence in trade policies returns and new end markets develop, the Company expects retailers to replenish apparel inventories. Meto posted a decline in sales and profitability compared to the prior year first quarter.

Overall, operating income decreased 15.0% to $31.7 million for the first quarter of 2026 compared to $37.3 million for the first quarter of 2025. Return on sales was 13.2% compared to 15.5% for the 2025 first quarter.

Checkpoint invested $8.1 million in capital spending for the first quarter of 2026 compared to $17.8 million for the same period of 2025. Most of the expenditures were for RFID operations in Mexico and ALS manufacturing facilities. Depreciation and amortization was $11.3 million for the first quarter of 2026, compared to $10.4 million for the first quarter of 2025.

Innovia Segment ("Innovia")

	First Quarter		
($ millions)	2026	2025	+/-
Sales	$ 176.7	$ 186.9	(5.5%)
Operating Income[(1)]	$ 22.8	$ 27.1	(15.9%)
Return on Sales[(1)]	12.9%	14.5%	
Capital Spending	$ 2.5	$ 19.2	(87.0%)
Depreciation and Amortization[(2)]	$ 13.3	$ 11.3	17.7%

(1) Operating Income and Return on Sales are non-IFRS financial measures. Refer to definitions in Section 14.
(2) Depreciation and Amortization expense excludes depreciation of $0.4 million for right-of-use assets in the three-month period ended March 31, 2026 (2025 - $0.4 million).

Innovia supplies specialty, high-performance, multi-layer, surface engineered Biaxially Oriented Polypropylene ("BOPP") films from facilities in Australia, Germany, Mexico, Poland and the U.K. to customers in the pressure sensitive label materials, flexible packaging and consumer packaged goods industries worldwide. Additionally, a small percentage of the total volume is sold internally to the CCL Segment and more so to CCL Secure. Two smaller non-BOPP facilities, in Germany and the U.S., produce almost their entire output for CCL Label. In 2022, Innovia announced a significant investment in new films manufacturing capacity in Germany. This new multi-layer co-extrusion film line commenced operations during the second quarter of 2025 producing highly engineered thin gauge pressure sensitive label film to support growing sustainability-driven lower resin content materials.

Sales for Innovia were $176.7 million for the first quarter of 2026 a decrease of 5.5% compared to the $186.9 million for the first quarter of 2025, attributable to an organic decline of 4.5% and a 1.0% negative impact from foreign currency translation. Resin index cost pass through increased in Europe even before the rapid rise following the Middle East events. However, soft volume demand at the U.K. operation across most product categories and reduced shipments to Middle East-based customers from Australia were partly offset by strong sales and profitability improvement in Poland, driven by the continued growth for in-mould label and “Ecofloat” films. Start-up losses for the new thin gauge pressure sensitive label film line in Germany declined compared to the fourth quarter of 2025. Volume in North America increased modestly compared to a strong prior year but resin index pass through fell prior to the conflict in the Persian Gulf; underlying profitability declined modestly. Operating income was $22.8 million for the first quarter of 2026 compared to $27.1 million in the prior year quarter. Return on sales was 12.9% compared to 14.5% for the first quarter of 2025.

Innovia invested $2.5 million in capital spending for the first quarter of 2026 to complete new top coating capability in the Mexican and UK operations compared to $19.2 million for the 2025 first quarter. Depreciation and amortization was $13.3 million for the first quarter of 2026 compared to $11.3 million for the same period of 2025.

Joint Venture

	First Quarter		
($ millions)	**2026**	**2025**	**+/-**
Sales (at 100%)			
CCL joint venture	$ 20.5	$ 19.7	4.1%
Earnings in equity accounted investments			
CCL joint venture	$ 0.6	$ 0.5	20.0%

Results from the joint venture, CCL-Kontur, Russia are not proportionately consolidated into a Segment but instead are accounted for as equity investments. The Company’s share of the joint ventures’ net earnings is disclosed in “Earnings in Equity-Accounted Investments” in the consolidated condensed interim income statements. Earning in equity accounted investments increased 20% to $0.6 million for the first quarter of 2026 compared to $0.5 million for the first quarter of 2025.

4. Currency Transaction Hedging and Currency Translation

Approximately 98% of sales made in the first quarter of 2026 to end-use customers were denominated in foreign currencies, leaving the Company exposed to potentially significant translation variances when reporting results publicly in Canadian dollars. The Company does not hedge or manage such translation movements but does actively manage transaction exposures. Where possible, the Company contracts its business in local currencies with both customers and suppliers of raw materials.

The results of the first quarter of 2026 were negatively impacted by the appreciation of the Canadian dollar against the U.S. dollar by 4.4% compared to the rates in the same period in 2025. This negative impact was offset by the depreciation of the Canadian dollar relative to the euro, U.K. pound, Australian dollar, Brazilian real, Mexican peso, Chinese renminbi, and Thai baht of 6.3%, 2.3%, 5.9%, 6.4%, 11.1%, 0.4% and 2.7%, respectively, when comparing the rates in the first quarters of 2026 and 2025. For the first quarter of 2026, currency translation had a negligible impact on earnings per Class B share compared to last year's first quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

(in millions of Canadian dollars)

	March 31, 2026	December 31, 2025
Current portion of long-term debt	$ 696.2	$ 687.0
Current lease liabilities	49.5	49.6
Long-term debt	1,483.1	1,370.8
Long-term lease liabilities	147.6	152.8
Total debt	2,376.4	2,260.2
Cash and cash equivalents	(999.1)	(998.2)
Net debt [(1)]	$ 1,377.3	$ 1,262.0
Adjusted EBITDA[(1)(2)]	$ 1,629.5	$ 1,622.5
Net debt to Adjusted EBITDA [(1)]	0.85	0.78

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

During the first three months of 2026, net debt drawdowns on the Company's credit facilities totaled $100.0 million to help fund the share repurchase programs, dividends and capital expenditures.

The Company's debt structure at March 31, 2026, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($831.1 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($695.4 million), $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $344.3 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $1.0 million; accordingly, there was approximately US$949.5 million of unused availability on the revolving credit facility at March 31, 2026. The Company intends to refinance its US$500.0 million unsecured note maturing on October 1, 2026.

The Company's debt structure at December 31, 2025, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US$600.0 million ($819.4 million), 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million ($685.5 million), the $300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of $243.9 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled $1.0 million; accordingly, there was approximately US$1,018.9 million of unused availability on the revolving credit facility at December 31, 2025.

Net debt was $1,377.3 million at March 31, 2026, $115.3 million higher than the net debt of $1,262.0 million at December 31, 2025. The increase in net debt is principally attributable to drawdowns on the Company's syndicated revolving credit facility at March 31, 2026, compared to December 31, 2025.

Net debt to Adjusted EBITDA at March 31, 2026, increased to 0.85 times, compared to 0.78 times at December 31, 2025, reflecting the aforementioned increase in net debt.

The Company's overall average finance rate, excluding lease liabilities, was 2.5% as at March 31, 2026, and December 31, 2025.

The Company's leverage remains low and its liquidity very strong. The Company is in compliance with all its debt covenants at March 31, 2026, and believes that it has sufficient cash on hand, unused credit lines and the ability to generate cash flow from operations to fund its expected financial obligations for the foreseeable future.

6. Cash Flow

(In millions of Canadian dollars)	First Quarter	
Summary of Cash Flows	**2026**	**2025**
Cash provided by operating activities	$ 136.0	$ 152.7
Cash used for financing activities	(43.7)	(61.1)
Cash used for investing activities	(98.7)	(113.6)
Translation adjustments on cash and cash equivalents	7.3	14.3
Increase (decrease) in cash and cash equivalents	$ 0.9	$ (7.7)
Cash and cash equivalents – end of period	$ 999.1	$ 821.0
Free cash flow from operations [(1)]	$ 37.3	$ 39.1

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

During the first quarters of 2026 and 2025, the Company generated cash from operating activities of $136.0 million and $152.7 million, respectively. Free cash flow from operations [(1)] was an inflow of $37.3 million in the 2026 first quarter compared to an inflow of $39.1 million in the prior year first quarter. An increase in working capital offset by a decrease in income taxes paid and a decrease in net capital expenditures decreased free cash flow from operations for the first quarter of 2026 compared to the first quarter of 2025.

Capital spending in the first quarter of 2026 amounted to $99.3 million compared to $114.3 million in the 2025 first quarter. Total depreciation and amortization for the first quarter of 2026 was $119.3 million compared to $113.8 million for the first quarter of 2025. Expected net capital spending for 2026 is estimated to be approximately $470.0 million. The Company is continuing to seek investment opportunities to expand its business geographically, add capacity in its facilities and improve its competitiveness.

Dividends paid in the first quarters of 2026 and 2025 were $62.3 million and $56.3 million, respectively. The total number of shares issued and outstanding as at March 31, 2026, and 2025, were 172.7 million and 175.6 million, respectively. The Board of Directors has approved a dividend of $0.3575 per Class A voting share and $0.36 per Class B non-voting share to shareholders of record as of June 16, 2026, and payable June 30, 2026. The annualized dividend rate is $1.43 per Class A share and $1.44 per Class B share.

In May of 2025, the Company renewed its share repurchase program under a normal course issuer bid to purchase up to approximately 14.5 million Class B non-voting shares, approximately 9.95% of the public float of the Class B non-voting shares of the Company. On March 2, 2026, the Company changed the terms of its share repurchase program from a discretionary buyback to an automatic share purchase plan (“ASPP”). In so doing for the first quarter of 2026, the Company spent $67.5 million for the purchase of 779,391 Class B shares for cancellation. The excess of the purchase price over the paid-up capital was charged to retained earnings. Furthermore, under the terms of the ASPP, the Company is unconditionally obligated to fund all purchases executed by its broker with the pre-established parameters of the ASPP during the blackout period commencing April 1, 2026, to May 19, 2026 inclusive of the cancellation notice period. Accordingly, the Company has recorded an estimated current liability of $196.6 million for this obligation with a corresponding charge to retained earnings. This obligation terminates May 19, 2026.

7. Interest Rate and Foreign Exchange Management

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

As at March 31, 2026, the Company had approximately US$1.1 billion and €126.1 million drawn under the 144A private bonds and syndicated revolving credit facility, respectively, which are hedging a portion of its U.S. dollar-based and euro-based investments and cash flows, inclusive of U.S. dollar debt swapped to euros.

As at March 31, 2026, the Company utilized cross-currency interest rate swap agreements (“CCIRSAS”) to hedge its euro-based assets and cash flows, effectively converting notional US$264.7 million 3.25% fixed rate debt into 1.23% fixed rate euro debt, US$111.5 million 3.25% fixed rate debt into 1.16% fixed rate euro debt, US$204.6 million 3.05% fixed rate debt into 2.06% fixed rate euro debt and US$203.9 million 3.05% fixed rate debt into 2.00% fixed rate euro debt. The effect of the CCIRSAS has been to reduce finance cost by $3.9 million for the three months ended March 31, 2026.

8. Subsequent Events

The Board of Directors has declared a dividend of $0.3575 per Class A voting share and $0.36 per Class B non-voting share, which will be payable to shareholders of record at the close of business on June 16, 2026, to be paid on June 30, 2026.

Under the Company's normal course issuer bid and in accordance with the terms of its ASPP, between April 1, 2026 and May 13, 2026, the Company spent $119.5 million to purchase 1,387,194 of its Class B non-voting shares for cancellation. These purchases represent partial settlement of a financial liability existing at the reporting date and did not result in an adjustment to the consolidated condensed interim financial statements in respect of these transactions.

In March 2026, the Company announced that it had signed a binding Option Agreement for the strategic acquisition of Sleever International Company SA, its subsidiaries and related companies ("Sleever") for approximately $151.0 million, net of cash and debt subject to customary closing adjustments. Sleever is a manufacturer of shrink sleeve labels and application equipment supplemented by decorating services for consumer packaged goods and healthcare customers globally. Headquartered near Paris, France, Sleever operates 11 manufacturing facilities globally. The transaction should complete by the end of the 2026 second quarter.

In May of 2026, the Company closed the acquisition of Advanced Safety Technologies B.V. and its subsidiaries d.b.a. ALT Technologies ("ALT"), a label producer for automotive and industrial markets, for approximately $32.0 million on a debt free basis. The business has commenced trading as CCL Design.

9. Accounting Policies

A) Critical Accounting Estimates

The preparation of the Company's consolidated condensed interim financial statements in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities at the date of the consolidated condensed interim financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company evaluates these estimates and assumptions on a regular basis based upon historical experience and other relevant factors. Actual results could differ materially from these estimates and assumptions. The critical accounting policies are impacted by judgments, assumptions and estimates used in the preparation of the consolidated condensed interim financial statements. The material impact on reported results and the potential impact and any associated risk related to these estimates are discussed throughout this MD&A and in the notes to the consolidated condensed interim financial statements.

The 2025 annual audited consolidated financial statements and notes thereto, as well as the 2025 annual MD&A, have identified the accounting policies and estimates that are critical to the understanding of the Company's business operations and results of operations. For the three months ended March 31, 2026, there are no changes to the critical accounting policies and estimates from those described in the 2025 annual MD&A and annual audited consolidated financial statements.

B) Inter-Company and Related Party Transactions

A summary of the Company's related party transactions is set out in note 27 to the annual consolidated financial statements for the year ended December 31, 2025. There have been no changes to the nature of, or parties to, the transactions for the three months ended March 31, 2026.

C) Recently Issued New Accounting Standards, Not Yet Effective

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

D) Amendments to Accounting Standards, Effective 2026

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Classification and Measurements of Financial Instruments, that clarify derecognition timing of financial assets and liabilities, provide additional guidance on whether a financial asset qualifies as solely payments of principal and interest, and update certain disclosure requirements. The Company adopted these amendments for the annual period commencing January 1, 2026. The amendments did not have a material impact on the Company's consolidated condensed interim financial statements.

10. Commitments and Contingencies

The Company has no material "off-balance sheet" financing obligations, surety bonds and loan guarantees. The nature of these commitments is described in note 26 of the annual financial statements for the year ended December 31, 2025. There are no defined benefit plans funded with CCL Industries Inc. stock.

11. Controls and Procedures

There have been no changes in the Company's internal controls during the quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. There were no material changes in disclosure controls and procedures in the three-month period ended March 31, 2026.

12. Risks and Strategies

The 2025 Annual MD&A detailed risks to the Company's business and the strategies planned for 2026 and beyond. There have been no material changes to those risks and strategies during the first three months of 2026, except as hereafter set out.

Late in February 2026, the Middle East saw a significant escalation in conflict, with the United States and Israel becoming engaged in a military operation with Iran and Hezbollah in Lebanon. To the extent it continues or escalates, it may impact other risks disclosed in this document and further impact the Company's financial results.

It is not possible at this time to predict the ultimate consequences of this conflict in the Middle East which may escalate and/or expand in scope with broader consequences, sanctions, embargoes, regional instability, cyber events, energy and commodity price shocks, supply chain challenges and geopolitical shifts; and increased tensions between the western world and countries in which the Company operates, none of which can be predicted. The Company has taken measures to safeguard its employees when necessary, but business interruptions in the Middle East have been minimal to this point in time. More broadly the Company is working on passing along any increased commodity and energy prices attributable to this event. The Company also cannot predict the conflict's impact on the global economy and on its business and financial statements.

13. Outlook

The first quarter of 2026 was highlighted by the Middle East conflict, effectively closing the Strait of Hormuz, the uncertainty of a prolonged energy predicament, the impact on global supply chains and ultimately worries of consumer inflation resurfacing. Notwithstanding, the Company posted strong quarterly adjusted earnings of $1.20 per Class B share, ahead of the $1.18 per Class B share recorded for the first quarter of 2025. Results were driven by a strong quarter for the CCL Segment, offsetting lower profitability at Checkpoint and new plant start-up losses for Innovia. Avery's results were equal to a strong first quarter in 2025.

For the 2026 first quarter, the CCL Segment delivered solid organic sales growth and profitability improvement despite the business interruption event at the beginning of the first quarter at the U.S. container facility that impeded capacity for several weeks. Operating challenges were well contained with only minor impact expected in the second quarter of this year. Ultimately, the Company expects to receive insurance proceeds, net of a self-insured deductible, of approximately US$5.0 million to cover new equipment, ancillary expenses and lost profit. The core CCL business lines combined are expected to improve through the balance of the year with comparatives easing in the second half except for CCL Design. New business wins for polymer banknote substrate and passport components should drive improved sales volume for CCL Secure compared to 2025. This expectation assumes geopolitical disruptions in the Middle East and Europe do not broaden into catastrophic global challenges. Additionally, the acquisition of Sleever should finalise by the end of the 2026 second quarter at which time management will commence its integration and profitability improvement plans.

For Avery, the back-to-school season is expected to be better than 2025 while DTC businesses are still expected to outpace growth in legacy categories for the 2026 second quarter and beyond; tuck-in acquisitions remain a priority in the space.

Checkpoint’s core MAS product line financial results are expected to improve in North America as this year progresses and European demand is expected to remain solid. Apparel labeling demand will be contingent upon retailers replenishing depleted inventories and the strength of the consumer for the busy fall and holiday season. We continue to believe in the potential for further RFID growth in apparel and non-apparel categories.

In the coming quarter Innovia will be laser focused on passing through inflationary cost pressures resulting from the current geopolitical environment and securing continuity of its raw material supply. Filling the capacity of the new thin-gauge film line in Germany, reducing start-up losses and turning profitable by the end of this year remains a top priority for management.

The Company finished the first quarter with almost $1.0 billion of cash-on-hand and additional unused capacity of US$949.5 million within its syndicated revolving credit facility. Net debt to Adjusted EBITDA is at 0.85 turns after investing $98.7 million in capital expenditures, net of disposals, and returning $62.3 million and $67.5 million to shareholders in dividends and buyback of Class B shares, respectively. The Company’s liquidity position remains robust and positioned for incremental acquisition growth and further repurchases of its Class B non-voting shares. The Company expects net capital expenditures for 2026 to be approximately $470.0 million, supporting organic growth and new greenfield opportunities globally.

Finally, second quarter orders so far are stable but comparative results for the quarter are challenging. Foreign currency translation is expected to have minimal impact at current exchange rates for the second quarter of 2026 compared to the same quarter in 2025.

14. Key Performance Indicators and Non-IFRS Financial Measures

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

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

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

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

(In millions of Canadian dollars)	First Quarter	
Adjusted EBITDA	**2026**	**2025**
Net earnings	$ 204.9	$ 207.4
Corporate expense	21.8	22.7
Earnings in equity accounted investments	(0.6)	(0.5)
Net finance cost	16.7	18.5
Restructuring and other items	5.0	0.8
Income taxes	69.7	68.0
Operating income (a non-IFRS measure)	$ 317.5	$ 316.9
Less: Corporate expense	(21.8)	(22.7)
Add: Depreciation and amortization	119.3	113.8
Adjusted EBITDA (a non-IFRS measure)	$ 415.0	$ 408.0
Adjusted EBITDA for 12 months ended December 31, 2025 and 2024, respectively	$ 1,622.5	$ 1,497.1
less: Adjusted EBITDA for three months ended March 31, 2025 and 2024, respectively	(408.0)	(368.1)
add: Adjusted EBITDA for three months ended March 31, 2026 and 2025, respectively	415.0	408.0
Adjusted EBITDA for 12 months ended March 31	$ 1,629.5	$ 1,537.0

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

(In millions of Canadian dollars)	First Quarter	
Free Cash Flow from Operations	**2026**	**2025**
Cash provided by operating activities	$ 136.0	$ 152.7
Less: Additions to property, plant and equipment	(99.3)	(114.3)
Add: Proceeds on disposal of property, plant and equipment	0.6	0.7
Free Cash Flow from Operations	$ 37.3	$ 39.1

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

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

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

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

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

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

The following table reconciles the Return on Sales measure to IFRS financial measures reported in the consolidated condensed interim income statements in the industry segment information as per note 3 of the Company's consolidated condensed interim financial statements for the periods ended as indicated.

(In millions of Canadian dollars)

Return on Sales

	Sales First Quarter		Operating Income First Quarter		Return on Sales First Quarter	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
CCL	$ 1,251.8	$ 1,200.3	$ 210.8	$ 200.3	16.8%	16.7%
Avery	270.0	258.8	52.2	52.2	19.3%	20.2%
Checkpoint	240.5	241.1	31.7	37.3	13.2%	15.5%
Innovia	176.7	186.9	22.8	27.1	12.9%	14.5%
Total Operations	$ 1,939.0	$ 1,887.1	$ 317.5	$ 316.9	16.4%	16.8%

Supplemental Financial Information

Sales Change Analysis (%)

	Three Months Ended March 31, 2026			
	Organic Growth	**Acquisition Growth**	**FX Translation**	**Total**
CCL	3.1%	-	1.2%	4.3%
Avery	2.4%	2.6%	(0.7%)	4.3%
Checkpoint	0.6%	-	(0.8%)	(0.2%)
Innovia	(4.5%)	-	(1.0%)	(5.5%)
Total	1.9%	0.3%	0.6%	2.8%

15. Outstanding Share Data

As of May 13, 2026, the Company had 11,743,323 Class A voting shares and 160,112,031 Class B non-voting shares ("Class B Shares") outstanding. In addition, there were 470,479 restricted stock units to issue 470,479 Class B Shares under the Restricted Stock Unit Plan; 126,669 restricted stock units to issue 126,669 Class B Shares under the 2019-2027 Long-Term Retention Plan (collectively the "RSUs") and 255,170 deferred share units ("DSU") to issue 255,170 Class B Shares. Lastly, the Company has a performance stock unit ("PSU") plan with 1.6 million Class B Shares available for future issuance.