CCL Industries Inc.
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News Release

For Immediate Release, Tuesday, May 8, 2018
Stock Symbol: TSX – CCL.A and CCL.B

CCL Industries Announces First Quarter Results

First Quarter Highlights

- **Adjusted basic earnings per Class B share(3) of $0.69 up 21.1%; basic earnings per Class B share of $0.67 up 34%; currency translation positive $0.02 per share**
- **CCL Segment sales increased 11.9%, 3.8% organic sales growth**
- **Checkpoint sales up 18.8% and operating income up 49%**
- **Avery results declined in North America**
- **Innovia performance improved sequentially; $7.5 million operating income(1)**
- **Treofan Americas acquisition expected to close by June upon receipt of regulatory approvals**

Toronto, May 8, 2018 - 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 2018 first quarter results.

Sales for the first quarter of 2018 increased 15.6% to $1,227.1 million, compared to $1,061.5 million for the first quarter of 2017, with 3.4% organic growth and 11.2% acquisition-related growth, primarily driven by the Innovia Group of Companies ("Innovia") acquired on February 28, 2017, and a positive 1.0% impact from foreign currency translation.

Operating income(1) for the first quarter of 2018 was $200.6 million, an increase of 26.2% compared to $158.9 million for the comparable quarter of 2017. Excluding an $8.8 million non-cash accounting adjustment primarily related to the acquired finished goods inventory of the Innovia acquisition in 2017, operating income increased 19.6%.

Restructuring and other items of $3.3 million were reported for the first quarter of 2018 primarily related to reorganization costs associated with the 2016 acquisition of Checkpoint Systems Inc. and other acquisition related transaction costs. There was a net expense for restructuring and other items of $7.4 million in the 2017 first quarter.

Tax expense for the first quarter of 2018 was $41.4 million compared to $36.2 million in the prior year period. The effective tax rates for these two periods were 26.0% and 29.3%, respectively. The decrease in the effective tax rate compared to the prior year first quarter was driven by the impact of U.S. Tax Cuts and Jobs Act, which reduced the overall consolidated effective tax rate for the 2018 quarter by approximately 3.0%.

Net earnings were $118.7 million for the 2018 first quarter compared to $87.8 million for the 2017 first quarter. Basic and adjusted basic earnings per Class B share[3] were $0.67 and $0.69, respectively, compared to basic and adjusted basic earnings per Class B share[3] of $0.50 and $0.57, respectively, in the prior year first quarter.

Geoffrey T. Martin, President and Chief Executive Officer, commented, “Our newly defined CCL Segment delivered strong results for the quarter with 3.8% organic sales growth; somewhat impacted comparatively by the timing of Easter. Emerging Markets outpaced North America and Europe in line with results at many customers. Home & Personal Care and Food & Beverage both outperformed while our Healthcare & Specialty and CCL Design sectors faced slower end markets. CCL Secure results were much stronger than expected, but in the coming quarter face tough comparisons as the prior year period included large launch volume for an important customer, which will not repeat in 2018. Checkpoint significantly exceeded expectations on chain wide technology roll outs for two important retailers on top of solid performance in the base business. Innovia results improved sequentially but were below planned levels on higher resin costs, a weaker U.S. dollar and a supply interruption at our large U.K. plant. Avery results declined as certain North American customers advanced first quarter purchases to late 2017 ahead of a January 1, 2018, price increase, aggravating soft conditions in traditional office supply channels in Avery’s seasonally slowest quarter. Modest mass market sales gains, improved international profitability and strong direct-to-consumer growth partly offset. All-in, adjusted basic earnings were $0.69 per Class B share, up 21% aided by the impact of lower U.S. tax rates.”

Mr. Martin continued, “Foreign currency translation had a positive impact of $0.02 on earnings per Class B share for the first quarter of 2018 although this was at least offset by transaction impacts from the lower U.S. dollar at locations doing business in the currency in foreign jurisdictions. At today’s Canadian dollar exchange rates, currency translation would be a modest tailwind, if sustained, for the second quarter of 2018.”

Mr. Martin concluded, “We finished the first quarter of 2018, with a solid balance sheet. The Company’s net leverage ratio[4] was 1.86 times EBITDA[2] with $517 million cash-on-hand, US$383 million undrawn capacity on our syndicated revolving credit facility and an additional US$100 million bilateral credit commitment strengthening liquidity positions. The Company hopes to announce the closing of the Treofan Americas acquisition on final regulatory approval, expected by June. Given the Company’s outlook and strong free cash flow expectation for 2018, the Board of Directors declared a dividend of $0.13 per Class B non-voting share and a dividend of $0.1275 per Class A voting share, payable to shareholders of record at the close of business on June 15, 2018, to be paid on June 29, 2018.”

Subsequent Events

In April 2018, the Company completed its initial Canadian private bond offering $300.0 million aggregate principal amount of 3.864% notes due April 2028. The notes are unsecured senior obligations. The proceeds of the offering were used to repay drawn debt within the Company’s revolving credit facility.

2018 Reporting Changes

Effective January 1, 2018, the Company changed its reportable segments to incorporate all entities previously reported within the Container Segment in the CCL Segment, to more closely align with the current management structure and reporting. Comparative segment information has been restated to conform to current year presentation.

2018 First Quarter Highlights

CCL

- Sales increased 11.9% to $807.7 million, with 3.8% organic growth, 6.9% acquisition contribution and 1.2% positive currency translation
- Regional organic sales growth: North America and Europe up low-single digit, Asia Pacific up mid-single digit and Latin America up double digit
- 18.1% operating margin(1) boosted by a strong quarter for CCL Secure
- CCL joint ventures added $0.01 earnings per Class B share

Avery

- Sales of $146.3 million, down 9%, with 2.5% acquisition contribution offset by 10.1% organic decline and 1.4% negative currency translation
- Operating income(1) $24 million; 16.4% operating margin(1)
- Closed Imprint Plus acquisition April 2018, direct-to-consumer custom badge systems; annual revenues of approximately $16 million

Checkpoint

- Sales increased 18.8% to $177.4 million, with 16.8% organic growth and 2% positive currency translation
- Operating income(1) of $22.8 million; 12.9% operating margin(1)
- Additional restructuring costs recorded for the quarter; total spending now $37.4 million since acquisition, expect to conclude the programme second quarter 2018

Innovia

- Sales of $95.7 million
- Operating income(1) of $7.5 million; 7.8% operating margin(1)
- Sequential quarterly improvement

CCL will hold a conference call at 7:30 a.m. EDT on May 8, 2018, to discuss these results. The analyst presentation will be posted on the Company's website.

To access this call, please dial:

1 (844) 347-1036 - Toll Free
1 (209) 905-5911 - International Dial-In Number
1477805: Optional Conference Passcode

Audio replay service will be available from May 8, 2018, at 10:30 a.m. EDT until May 26, 2018, at 10:30 a.m. EDT.

To access Conference Replay, please dial:
1 (855) 859-2056 Toll Free
1 (404) 537-3406 International Dial-In Number
1477805: Conference Passcode

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

Sean Washchuk	Senior Vice President and Chief Financial Officer	416-756-8526

Forward-looking Statements

This press release contains forward-looking information and forward-looking statements, as defined under applicable securities laws, (hereinafter collectively referred to as “forward-looking statements”) that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans” or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Specifically, this MD&A contains forward-looking statements regarding the anticipated growth in sales, income and profitability of the Company’s segments; the Company’s anticipated improvement in market share; the Company’s capital spending levels and planned capital expenditures in 2018; the adequacy of the Company’s financial liquidity; earnings per share and EBITDA growth rates; the Company’s effective tax rate; the Company’s ongoing business strategy; the Company’s planned restructuring expenditures; the Company’s expectations regarding general business and economic conditions; the Company’s outlook for strong cash flows in 2018 will be sufficient to fund its expected quarterly dividends; the Company’s expectation that available credit capacity will be sufficient to close the Treofan acquisition and that the Treofan acquisition will receive all required regulatory approvals and close by June 2018; the Company’s expectation that the Rheinfelden joint venture will be profitable in 2019; the Company’s expectation that long term organic growth rate for the CCL Segment will be between 3% to 5%; the Company’s expectation that emerging market growth rates will outpace mature markets; the Company’s expectation that the Avery Segment will benefit from the acquisition of Imprint Plus; the Company’s expectation that 2018 back-to-school demand will be below 2017 levels; the Company’s expectation the Checkpoint restructuring initiative will complete in the second quarter of 2018 and achieve annual cost savings of $40 million; and, the Company’s expectation that resin costs will remain high and Innovia will be able to raise prices to its customers.

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 uncertainty of the recovery from the global financial crisis and its impact on the world economy and capital markets; 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; improved customer demand for the Company’s products; continued historical growth trends, market growth in specific sectors and entering into new markets; the Company’s ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company’s focused strategies and operational approach; the achievement of the Company’s plans for improved efficiency and lower costs, including stable aluminum and resin costs; the availability of cash and credit; fluctuations of currency exchange rates; the Company’s continued relations with its customers; consumer digital e-commerce opportunities and cross selling programs with recent acquisitions will provide incremental growth opportunities. Should one or more risks materialize or should any assumption 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 2017 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 CCL’s business. Such statements do not, unless otherwise specified by the Company, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts. The forward-looking statements are provided as of the date of this press release and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

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

Financial Information

CCL Industries Inc.

Consolidated condensed interim statements of financial position
Unaudited

In millions of Canadian dollars		As at March 31, 2018		As at December 31, 2017
Assets				
Current assets				
Cash and cash equivalents	$	516.5	$	557.5
Trade and other receivables		894.3		821.3
Inventories		482.8		425.1
Prepaid expenses		34.0		33.6
Income taxes recoverable		7.4		13.1
Derivative instruments		0.8		1.0
Total current assets		1,935.8		1,851.6
Non-current assets				
Property, plant and equipment		1,636.5		1,514.7
Goodwill		1,646.5		1,580.7
Intangible assets		1,114.8		1,082.7
Deferred tax assets		33.7		28.8
Equity accounted investments		60.4		54.0
Other assets		30.8		31.5
Total non-current assets		4,522.7		4,292.4
Total assets	**$**	**6,458.5**	**$**	**6,144.0**
Liabilities				
Current liabilities				
Trade and other payables	$	1,011.5	$	1,018.4
Current portion of long-term debt		230.6		230.6
Income taxes payable		57.3		50.7
Total current liabilities		1,299.4		1,299.7
Non-current liabilities				
Long-term debt		2,142.2		2,100.8
Deferred tax liabilities		186.3		183.5
Employee benefits		335.5		333.6
Provisions and other long-term liabilities		19.9		17.8
Derivative instruments		69.5		50.7
Total non-current liabilities		2,753.4		2,686.4
Total liabilities		4,052.8		3,986.1
Equity				
Share capital		299.4		279.4
Contributed surplus		78.1		78.0
Retained earnings		1,949.1		1,853.4
Accumulated other comprehensive income (loss)		79.1		(52.9)
Total equity attributable to shareholders of the Company		2,405.7		2,157.9
Total liabilities and equity	$	**6,458.5**	**$**	**6,144.0**

CCL Industries Inc.
Consolidated condensed interim income statements
Unaudited

In millions of Canadian dollars, except per share information		Three Months Ended March 31		
		2018		**2017**
Sales	$	1,227.1	$	1,061.5
Cost of sales		849.9		750.0
Gross profit		377.2		311.5
Selling, general and administrative expenses		195.7		166.1
Restructuring and other items		3.3		7.4
Earnings in equity accounted investments		(0.9)		(0.6)
		179.1		**138.6**
Finance cost		19.9		16.6
Finance income		(0.9)		(2.0)
Net finance cost		19.0		14.6
Earnings before income tax		**160.1**		**124.0**
Income tax expense		41.4		36.2
Net earnings attributable to shareholders of the company	**$**	**118.7**	**$**	**87.8**
Earnings per share				
Basic earnings per Class B share	**$**	**0.67**	**$**	**0.50**
Diluted earnings per Class B share	**$**	**0.66**	**$**	**0.49**

CCL Industries Inc.

Consolidated condensed interim statements of cash flows
Unaudited

In millions of Canadian dollars	Three Months Ended March 31 2018	2017
Cash provided by (used for)		
Operating activities		
Net earnings	$ 118.7	$ 87.8
Adjustments for:		
Depreciation and amortization	67.9	57.4
Earnings from equity accounted investments, net of dividends received	(0.9)	(0.6)
Net finance costs	19.0	14.6
Current income tax expense	40.0	31.1
Deferred taxes	1.4	5.1
Equity-settled share-based payment transactions	7.1	7.9
Gain on sale of property, plant and equipment	(1.1)	(2.5)
	252.1	200.8
Change in inventories	(57.2)	(12.1)
Change in trade and other receivables	(71.7)	(31.5)
Change in prepaid expenses	(0.4)	(7.9)
Change in trade and other payables	(14.3)	(84.5)
Change in income taxes receivable and payable	3.1	15.8
Change in employee benefits	1.9	11.6
Change in other assets and liabilities	4.0	6.0
	117.5	98.2
Net interest paid	(17.3)	(11.6)
Income taxes paid	(25.9)	(32.6)
Cash provided by operating activities	**74.3**	**54.0**
Financing activities		
Proceeds on issuance of long-term debt	41.2	1,185.9
Repayment of debt	(57.5)	(38.1)
Proceeds from issuance of shares	13.1	9.9
Dividends paid	(23.0)	(20.3)
Cash provided by (used for) financing activities	**(26.2)**	**1,137.4**
Investing activities		
Additions to property, plant and equipment	(109.1)	(111.8)
Proceeds on disposal of property, plant and equipment	3.8	3.1
Business acquisitions and other long-term investments	(8.0)	(1,153.1)
Cash used for investing activities	**(113.3)**	**(1,261.8)**
Net decrease in cash and cash equivalents	(65.2)	(70.4)
Cash and cash equivalents at beginning of period	557.5	585.1
Translation adjustments on cash and cash equivalents	24.2	4.3
Cash and cash equivalents at end of the period	**$ 516.5**	**$ 519.0**

CCL Industries Inc.
Segment Information
Unaudited

In millions of Canadian dollars

	Three Months Ended March 31			
	Sales		Operating Income (loss)	
	2018	2017	2018	2017
CCL	$ 807.7	$ 721.6	$ 146.3	$ 116.4
Avery	146.3	160.8	24.0	28.5
Checkpoint	177.4	149.3	22.8	15.3
Innovia	95.7	29.8	7.5	(1.3)
Total Operations	$ 1,227.1	$ 1,061.5	200.6	158.9
Corporate expense			(19.1)	(13.5)
Restructuring and other items			(3.3)	(7.4)
Earnings in equity accounted investments			0.9	0.6
Finance cost			(19.9)	(16.6)
Finance income			0.9	2.0
Income tax expense			(41.4)	(36.2)
Net earnings			$ 118.7	$ 87.8

	Total assets		Total liabilities		Depreciation and amortization		Capital expenditures	
	March 31 2018	December 31 2017	March 31 2018	December 31 2017	Three Months Ended March 31 2018	2017	Three Months Ended March 31 2018	2017
CCL	$ 3,537.7	$ 3,313.0	$ 819.8	$ 821.6	$ 48.3	$ 43.2	$ 89.1	$ 100.9
Avery	619.2	593.4	176.3	197.1	3.9	3.9	2.6	7.2
Checkpoint	987.6	941.0	423.3	417.4	7.5	7.4	11.6	2.9
Innovia	794.5	751.5	164.5	160.5	7.9	2.7	4.7	0.8
Equity accounted investments	60.4	54.0	-	-	-	-	-	-
Corporate	459.1	491.1	2,468.9	2,389.5	0.3	0.2	1.1	-
Total	$ 6,458.5	$ 6,144.0	$ 4,052.8	$ 3,986.1	$ 67.9	$ 57.4	$ 109.1	$ 111.8

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, and taxes. Operating income margin is defined as operating income over sales.

(2) 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. 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 finished goods inventory, earnings in equity accounted investments and restructuring and other items. Calculations are provided below to reconcile operating income to 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. EBITDA is tracked by financial analysts and investors to evaluate financial performance and is a key metric in business valuations. EBITDA 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 EBITDA

Unaudited

(In millions of Canadian dollars)

	Three months ended March 31 2018	2017
Sales		
CCL	$ 807.7	$ 721.6
Avery	146.3	160.8
Checkpoint	177.4	149.3
Innovia	95.7	29.8
Total sales	$ 1,227.1	$ 1,061.5
Operating income (loss)		
CCL	$ 146.3	$ 116.4
Avery	24.0	28.5
Checkpoint	22.8	15.3
Innovia	7.5	(1.3)
Total operating income	$ 200.6	$ 158.9
Less: Corporate expenses	(19.1)	(13.5)
Add: Depreciation & amortization	67.9	57.4
Add: Non-cash acquisition accounting adjustment to finished goods inventory	-	8.8
EBITDA	**$ 249.4**	**$ 211.6**

(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 finished goods inventory, restructuring and other items, and tax adjustments.

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

Unaudited

	Three months ended March 31	
	2018	**2017**
Basic earnings per class B Share	$ 0.67	$ 0.50
Net loss from restructuring and other items	0.02	0.03
Non-cash acquisition accounting adjustment related to finished goods inventory	-	0.04
Adjusted Basic Earnings per Class B Share	$ 0.69	$ 0.57

(4) 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 EBITDA.

Unaudited (In millions of Canadian dollars)	**March 31, 2018**
Current debt	$ 230.6
Long-term debt	2,142.2
Total debt	$ 2,372.8
Cash and cash equivalents	(516.5)
Net debt	$ 1,856.3
EBITDA for 12 months ending March 31, 2018 (see below)	997.0
Leverage Ratio	1.86

EBITDA for 12 months ended December 31, 2017	$ 959.2
less: EBITDA for three months ended March 31, 2017	(211.6)
add: EBITDA for three months ended March 31, 2018	249.4
EBITDA for 12 months ended March 31, 2018	$ 997.0

Supplemental Financial Information

Sales Change Analysis
Revenue Growth Rates (%)

	Three Months Ended March 31, 2018			
	Organic Growth	Acquisition Growth	FX Translation	Total
CCL	3.8%	6.9%	1.2%	11.9%
Avery	(10.1%)	2.5%	(1.4%)	(9.0%)
Checkpoint	16.8%	-	2.0%	18.8%
Innovia	1.0%	216.1%	4.0%	221.1%
Total	3.4%	11.2%	1.0%	15.6%

Business Description

CCL Industries Inc. employs approximately 20,000 people operating 167 production facilities in 39 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 bank note substrate and other complementary products and services are sold in parallel to specific end-use markets. **Avery** is the world's largest supplier of labels, specialty converted media and software solutions for short-run digital printing applications for businesses and consumers available alongside complementary products sold through distributors, mass market stores and e-commerce retailers. **Checkpoint** is a leading developer of RF and RFID based technology systems for loss prevention and inventory management applications, including labeling and tagging solutions, for the retail and apparel industries worldwide. **Innovia** is a leading global producer of specialty, high performance, multi-layer, surface engineered films for label, packaging and security applications. The **Company** is partly backward integrated into materials science with capabilities in polymer extrusion, adhesive development, coating & lamination, surface engineering and metallurgy; deployed as needed across the four business segments.