# Investor Update

1st Quarter 2017

May 9, 2017

# Disclaimer

This presentation 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 presentation 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 2017; 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; and the Company’s expectations regarding general business and economic conditions.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the 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 CCLInd’s ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company’s actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: global economic recovery and higher consumer spending; improved customer demand for the Company’s products; continued historical growth trends, market growth in specific sectors and entering into new 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 costs; the availability of cash and credit; fluctuations of currency exchange rates; the Company’s continued relations with its customers; the Company’s ability to realize targeted operational synergies and cash flows from restructuring the Canadian Container operation; the Company’s expectation that the closure of the Canadian Container operation will be complete at the end of 2017; the Company’s expectation that the Avery Segment’s new product innovations, consumer digital e-commerce opportunities and cross selling programs with recent acquisitions will provide incremental growth opportunities; the Company’s expectation that its new operations in Argentina, Philippines, Thailand and Turkey, will post profitable returns in 2017 or 2018; the Company’s expectation that recent acquisitions will provide future opportunities for margin expansion; the Company’s recent acquisitions will continue to meet management expectations and will provide incremental growth opportunities; the Company’s expectation that continued capital investment in Rheinfelden will result in full production capability and a qualified alternate supply of aluminum slugs in North America; the Company’s expectation that the North American in-mould label joint venture will commence trading in 2017; the Company’s expectation that there will be more restructuring within CCL Design that will lead to optimal financial returns; the Company’s expectation that $30 million in restructuring initiatives at the Checkpoint Segment will lead to $40 million in annual savings; the Company’s expectation that $5 million in restructuring initiatives within the new Innovia acquisition will lead to $5 million in annual savings; the Company’s expectation that the Avery Segment is poised for stronger financial results in the second half of 2017; the Company’s expectation that leverage will be reduced in future from principal debt repayments; the Company’s expectation that operations will stabilize in the second half of 2017 in the Container Segment and results will be more aligned to the comparative periods; the Company’s expected order intake levels; and general business and economic conditions. 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 2016 Annual MD&A. CCLInd’s annual and quarterly reports can be found online at www.cclind.com and www.sedar.com or are available upon request.

Except as otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on CCLInd’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 presentation 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.

Subsequent to the acquisition of Innovia on February 28, 2017, CCLInd modified its Segment reporting disclosure. The Label Segment, or CCL Label, was renamed the CCL Segment or CCL, and now includes the results of the former Innovia security (now CCL Secure) operations. The new Innovia Segment includes the results of the Innovia films operations as well as the legacy films businesses, which were previously included in the CCL Segment.

# Statement of Earnings

## Periods Ended March 31st

| (millions of CDN $) | Three months 2017 | Three months 2016 | Change Reported | Change Ex FX |
|---|---|---|---|---|
| Sales | $ 1,061.5 | $ 866.8 | +22% | +27% |
| Operating income[1] | 158.9 | 149.9 | +6% | +11% |
| Corporate expense | 13.5 | 10.8 | | |
| | 145.4 | 139.1 | | |
| Finance cost, net | 14.6 | 7.9 | | |
| | 130.8 | 131.2 | | |
| Restructuring and other items | 7.4 | 3.0 | | |
| Earnings in equity accounted investments | 0.6 | 0.8 | | |
| Earnings before income taxes | 124.0 | 129.0 | | |
| Income taxes | 36.2 | 39.3 | | |
| Net earnings | $ 87.8 | $ 89.7 | (2%) | +2% |
| *Effective tax rate* | *29.3%* | *30.6%* | | |
| *EBITDA* [1] | $ 211.6 | $ 185.9 | +14% | +18% |

# Earnings per Class B Share

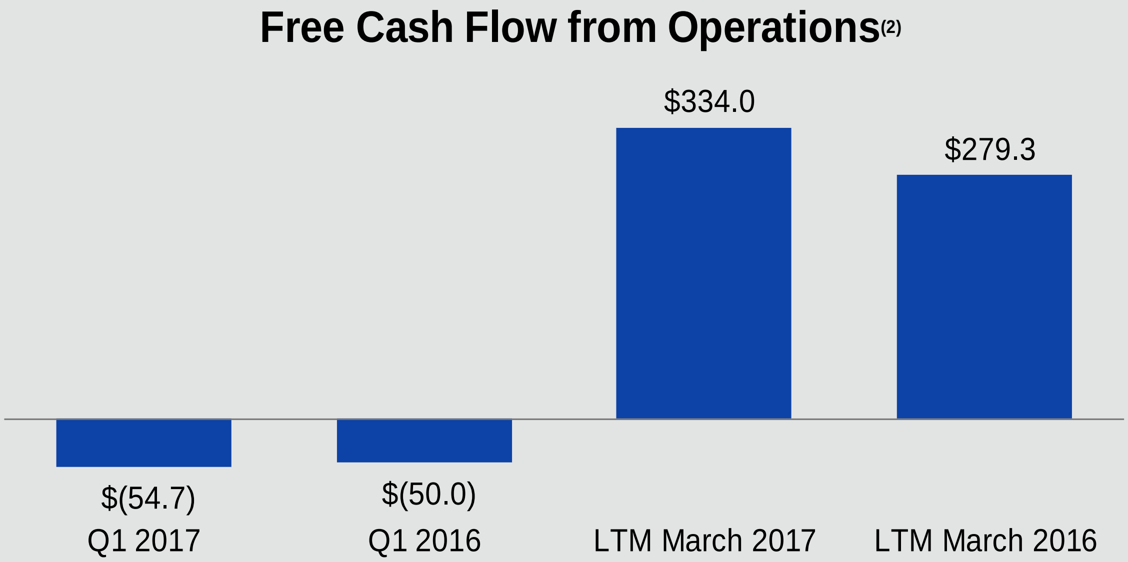
## Periods Ended March 31st

| Per Class B Share | Three months 2017 | Three months 2016 | Change |
|---|---|---|---|
| **Net earnings - basic** | **$ 2.50** | **$ 2.57** | **(3%)** |
| Net loss from restructuring and other items | 0.17 | 0.08 | |
| Non-cash acquistion accounting adjustment related to finished goods inventory | 0.18 | - | |
| **Adjusted basic earnings[1]** | **$ 2.85** | **$ 2.65** | **+8%** |
| Adjusted basic earnings variance (after tax) due to | | | |
| Operating income | $ 0.48 | | |
| Corporate expenses | (0.06) | | |
| Interest expenses | (0.14) | | |
| Change in effective tax rate | 0.05 | | |
| FX translation impact | (0.13) | | |
| | $ 0.20 | | |

# Cash Flow

## Periods Ended March 31st

(millions of CDN $)



# Cash & Debt Summary

| (millions of CDN $) | March 2017 | December 2016 |
|---|---|---|
| Revolving LTD (US$385.6MM, €245.2MM, £70.0MM and C$337.0MM) | $ 1,315.4 | $ 756.6 |
| Bond (US$500.0MM) due 2026 | 665.9 | 671.4 |
| Two-year Term Facility (US$450.0MM) | 599.3 | - |
| Senior Notes LTD (US$129.0MM) due 2018 | 171.8 | 173.2 |
| Debt - all other | 1.7 | 0.1 |
| Total debt | 2,754.1 | 1,601.3 |
| Less: Cash and cash equivalents | (519.0) | (585.1) |
| Net debt | $ 2,235.1 | $ 1,016.2 |

- Net debt increased due to nine business acquisitions since March 31, 2016
- 145 bps interest margin on the revolving credit and term credit facilities
- Available capacity within the revolving credit facility is US$213 million
- Swapped US$265 million of 3.25% bond to euro equivalent at 1.23%



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# Capital Spending

**Three Months Ended March 31st**

| Divisions | Capital Spending | Depreciation & Amortization | Difference |
|---|---|---|---|
| CCL | $ 93.7 | $ 39.5 | $ 54.2 |
| Avery | 7.2 | 3.9 | 3.3 |
| Checkpoint | 2.9 | 7.4 | (4.5) |
| Innovia | 0.8 | 2.7 | (1.9) |
| Container | 7.2 | 3.7 | 3.5 |
| Corporate | - | 0.2 | (0.2) |
| | $ 111.8 | $ 57.4 | $ 54.4 |

- Part offset by $3.0 million disposals
- $260 million capex for 2017, excluding Innovia
- 2017 depreciation & amortization estimated at $233 million, excluding Innovia

# 2017 Segment Reporting

- No change at **Avery**, **Checkpoint** & **Container**

- New segment: **Innovia**: Films operations only, includes two legacy CCL operations (see below for Innovia Security)

- CCL Label segment is renamed: **CCL** and includes…

    1. CCL Label: Home & Personal Care
    2. CCL Label: Healthcare & Specialty
    3. CCL Label: Food & Beverage
    4. CCL Design
    5. <u>CCL Secure</u>

- <u>CCL Secure</u> = Innovia Security operations and the 2015 CCL acquisition of Sennett/Banknote Corp of America…<u>rebranded</u>



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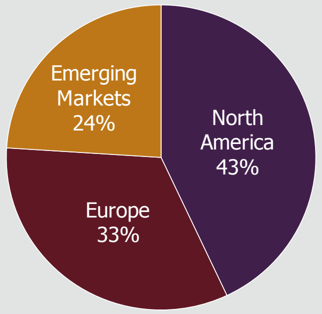
# CCL

## Periods Ended March 31st

| (millions of CDN $) | Three months 2017 | Three months 2016 | Change Reported | Change Ex FX |
|---|---|---|---|---|
| Sales | $ 673.1 | $ 622.3 | +8% | +13% |
| Adj. operating income(*) | $ 114.4 | $ 103.9 | +10% | +15% |
| Return on Sales | 17.0% | 16.7% | | |
| EBITDA(1) | $ 153.9 | $ 142.6 | +8% | +13% |
| % of Sales | 22.9% | 22.9% | | |

*For the three-month periods ending March 31, 2017, operating income(1) excludes a $4.1 non-cash acquisition accounting adjustment to CCL Secure's opening inventory

- 6.8% organic growth rate ….
- …. by region: low single digit in North America, mid single digit in Latin America and double digit in Europe & Asia Pacific. Easter timing a factor in Europe & Latin America
- Broad based results progress by end market, CCL Design and Food & Beverage especially strong




Label Sales by Geography



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# CCL

## Periods ended March 31st

### CCL Label

- **Home & Personal Care** label sales up slightly in the U.S., stronger in Europe & Emerging Markets (except Brazil) in line with customers
- Share gains in Tubes in the U.S.
- Modest growth in **Healthcare & Specialty** globally, stronger Pharmaceutical sales part offset by softer AgChem/Specialty
- **Food & Beverage** remains strong, especially Sleeves (notably in Europe), Beverage labels and Wine & Spirits (share gain).
- Closure labels up nominally

### CCL Design

- Robust **Automotive** growth, especially in Germany….
- …but early signs of flattening U.S. demand
- Better **Electronics** demand vs soft prior year
- Strong improvement at recent acquisitions

### CCL Secure

- Good quarter in the U.S.
- One month's contribution from former **Innovia Security**

# CCL Joint Ventures

## Periods Ended March 31st

| Results at 100% (millions of CDN $) | Three months 2017 | 2016 |
|---|---|---|
| Sales | $ 30.5 | $ 27.4 |
| Net income | $ 2.2 | $ 2.3 |
| EBITDA | $ 5.0 | $ 4.7 |
| % of Sales | 16.4% | 17.2% |
| **CCL equity share(*)** | **$ 1.1** | **$ 1.2** |

(*) share of earnings consolidated using equity accounting principles.

- Russia negatively affected by rise in the ruble
- Continuing strength in the Middle East
- Good start in Chile
- CCL-Korsini IML plant in Memphis due to start up H217



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# Avery

## Periods Ended March 31st

| (millions of CDN $) | Three months 2017 | Three months 2016 | Change Reported | Change Ex FX |
|---|---|---|---|---|
| Sales | $ 160.8 | $ 179.6 | (11%) | (6%) |
| Operating income[1] | $ 28.5 | $ 35.4 | (20%) | (16%) |
| Return on Sales | 17.7% | 19.7% | | |
| EBITDA[1] | $ 32.4 | $ 39.4 | (18%) | (14%) |
| % of Sales | 20.1% | 21.9% | | |

- Organic decline all in the U.S.: superstore closures, B2B office supply channel soft & binder share loss exceeding e-commerce channel & direct-to-consumer strength
- Back to school prospects better than recent years
- Business outside the U.S. slightly up



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# Checkpoint

## Periods Ended March 31st

| (millions of CDN $) | Three months 2017 | Three months 2016 | Change Reported | Change Ex FX |
|---|---|---|---|---|
| Sales | $ 149.3 | $ - | n.m. | n.m. |
| Operating income | $ 15.3 | $ - | n.m. | n.m. |
| Return on Sales | 10.2% | - | | |
| EBITDA[(1)] | $ 22.7 | $ - | n.m. | n.m. |
| % of Sales | 15.2% | - | | |

- Profitability improvement exceeded expectations
- $24.2 million restructuring expense so far, plan concluding this summer
- Seasonal strength starts in May through the balance of the year

# Innovia

## Periods Ended March 31st

| (millions of CDN $) | One month 2017 | 2016 | Change Reported | Ex FX |
|---|---|---|---|---|
| Sales | $ 29.8 | $ - | n.m. | n.m. |
| Adj. operating income(*) | $ 3.4 | $ - | n.m. | n.m. |
| Return on Sales | 11.4% | - | | |
| EBITDA[1] | $ 6.1 | $ - | n.m. | n.m. |
| % of Sales | 20.5% | - | | |

*For the one-month period ending March 31, 2017, operating income[1] excludes a $4.7 non-cash acquisition accounting adjustment to Innovia's opening inventory

- Results met expectations
- Top line excludes intercompany sales to CCL segment, inflates margins
- Price increases implemented April 1 due to moderate resin inflation



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# Container

## Periods Ended March 31st

| (millions of CDN $) | Three months 2017 | Three months 2016 | Change Reported | Change Ex FX |
|---|---|---|---|---|
| Sales | $ 48.5 | $ 64.9 | (25%) | (20%) |
| Operating income[1] | $ 6.1 | $ 10.6 | (43%) | (37%) |
| Return on Sales | 12.6% | 16.3% | | |
| EBITDA[1] | $ 9.8 | $ 14.4 | (32%) | (26%) |
| % of Sales | 20.2% | 22.2% | | |
| **Rheinfelden** | | | | |
| CCL equity share | $ (0.5) | $ (0.4) | | |

- Tough comps plus expected loss of Homecare application to PET
- FX loss from sequentially weaker US$ in Mexico plus ‘lag’ on higher aluminum pass through combined to $1.9 million negative impact
- Expect to complete Canadian plant closure this summer



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# Summary

## Periods Ended March 31st

| (millions of CDN $) | Three months 2017 | Three months 2016 | Change Reported | Change Ex FX |
|---|---|---|---|---|
| CCL ** | $ 114.4 | $ 103.9 | +10% | +15% |
| Avery | 28.5 | 35.4 | (19%) | (16%) |
| Checkpoint | 15.3 | - | n.m. | n.m. |
| Innovia *** | 3.4 | - | n.m. | n.m. |
| Container | 6.1 | 10.6 | (42%) | (37%) |
| Operating Income[(1)*] | $ 167.7 | $ 149.9 | +12% | +16% |
| Sales | $ 1,061.5 | $ 866.8 | +22% | +27% |
| Return on Sales | 15.8% | 17.3% | | |
| EBITDA[(1)] | $ 211.6 | $ 185.9 | +14% | +18% |
| % of Sales | 19.9% | 21.4% | | |
| EBITDA less capex as % of sales | 9.4% | 13.3% | | |

* For the three-month periods ending March 31, 2017, operating income[(1)] excludes a $8.8 non-cash acquisition accounting inventory for:

** CCL: $4.1 for the three-month periods ending March 31, 2017.

*** Innovia: $4.7 for the one-month period ending March 31, 2017.

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# Outlook

- Consumer packaged goods industry soft in the U.S., International markets stronger, except Brazil
- Challenging comps affected by Easter timing, 10.4% CCL organic growth rate for Q216
- Back-to-school shipment timing could shift to Q317, but season's prospects improved
- FX headwind remains but moderating, 4c tailwind for Q216
- Container transition should complete this summer
- Checkpoint had a part quarter in Q216, deal closed mid May. Q217 first full Innovia quarter


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# Questions



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# Definitions Appendix

[1] Non-IFRS measure; see MD&A dated March 31, 2017 for definition

[2] Free Cash Flow from Operations (non-IFRS measure) = cash from operating activities less capital expenditures, net of proceeds from sale of property, plant and equipment



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