

CCL Industries Inc.

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News Release

For Immediate Release, Wednesday, November 9, 2022

Stock Symbols: TSX – CCL.A and CCL.B

CCL Industries Announces 2022 Third Quarter Results

Third Quarter Highlights

- **Per Class B share⁽³⁾: \$0.95 adjusted basic earnings up 11.8%; \$0.93 basic earnings up 9.4%; currency translation negative \$0.01 per share**
- **Sales increased 11.4% on 8.8% organic growth, 4.9% acquisition growth partially offset by 2.3% negative currency translation**
- **CCL, Avery, Checkpoint and Innovia posted organic sales growth of 13.2%, 0.8%, 5.0% and 1.5%, respectively**
- **Operating income⁽¹⁾ improved 11.6%, excluding negative currency translation of 1.4%, with a 14.9% operating margin⁽¹⁾**

Nine-Month Highlights

- **Per Class B share⁽³⁾: \$2.74 adjusted basic earnings up 7.0%; \$2.68 basic earnings up 5.9%; currency translation negative \$0.05 per share**
- **Sales increased 13.0% on 10.1% organic growth, 4.8% acquisition growth partially offset by 1.9% negative currency translation**
- **CCL, Avery, Checkpoint and Innovia posted organic sales growth of 10.5%, 8.6%, 6.4% and 13.6%, respectively**
- **Operating income⁽¹⁾ improved 7.4%, excluding negative currency translation of 1.4%, with a 15.1% operating margin⁽¹⁾**

Toronto, November 9, 2022 - 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 2022 third quarter results.

Sales for the third quarter of 2022 increased 11.4% to \$1,658.1 million compared to \$1,488.2 million for the third quarter of 2021, with organic growth of 8.8% and acquisition-related growth of 4.9%, partially offset by 2.3% negative impact from foreign currency translation.

Operating income⁽¹⁾ for the third quarter of 2022 improved 10.2% to \$246.8 million compared to \$223.9 million for the comparable quarter of 2021. Operating income⁽¹⁾ increased 11.6%, excluding currency translation.

The Company recorded an expense for restructuring and other items of \$3.3 million, primarily severance charges relating to plant consolidations at Checkpoint compared to \$0.7 million for reorganization costs in the 2021 third quarter.

Tax expense for the third quarter of 2022 was \$47.6 million compared to \$47.8 million in the prior year period. The effective tax rate for the 2022 third quarter was 22.9%, lower than the 24.1% for the 2021 third quarter due to a higher portion of the Company's taxable income earned in lower tax jurisdictions.

Net earnings increased 6.9% to \$163.9 million for the 2022 third quarter compared to \$153.3 million for the 2021 third quarter. Basic and adjusted basic earnings per Class B share⁽³⁾ were \$0.93 and \$0.95, respectively for the 2022 third quarter, compared to basic and adjusted basic earnings per Class B share⁽³⁾ of \$0.85, in the prior year third quarter.

Geoffrey T. Martin, President and Chief Executive Officer, commented, "In the context of extraordinary inflationary pressures in the developed world, including highly volatile energy markets, plus Covid restrictions in China, I am pleased to report strong third quarter results with a record \$0.95 adjusted basic earnings per class B share."

Mr. Martin continued, "The CCL Segment carried the quarter posting 13.2% organic sales growth driving over 25.5% improvement in operating income. Strong Home & Personal Care results derived from all product categories in the Americas; with improvement in European labels offset by softness in Asia. Healthcare & Specialty excelled globally on share gains with only consumer garden chemicals slow compared to a prior year boom. Food & Beverage improved sequentially on European price increases and comparatively on new business wins in Emerging Markets, with softer U.S. markets an offset. The global slowdown in the technology sector affected CCL Design, although new application wins in electronics more than compensated, alongside strong growth in automotive as OEM production volumes increased. CCL Secure posted good results compared to a very modest 2021 third quarter. Our label joint ventures posted strong earnings growth. As we surmised, Avery's back-to-school season ended early this quarter, just as it started earlier than usual in the second quarter, as retailer inventory caution prevailed. Direct-to-consumer results were good except at the two acquisitions in the horticultural space where demand was soft. The Adelbras tapes acquisition in Brazil continued to perform well. Checkpoint delivered double digit organic sales growth in ALS on RFID driven gains, but solid MAS sales progress in the Americas could not offset profitability declines in soft European and Asian markets. Results for Checkpoint included an \$11.9 million gain on disposition of excess real estate in China. Unprecedented energy inflation in Europe, increased transportation rates, start-up costs for the new "Ecofloat" line in Poland and the impact of lower prices from falling resin indices squeezing margins short term from higher cost inventories combined to significantly reduce Innovia profitability."

Mr. Martin added, "Our fourth quarter outlook is somewhat clouded by the impact of inflation; although the summer speculative European energy hikes subsided and many other commodities moved off highs by some distance, potential for event driven volatility remains. The demand picture is stable but less certain, with ongoing strength in some businesses now offset by slower conditions in others. The economic forecast for 2023 suggests a deterioration of some note over 2022 conditions, but as always, we focus on making progress in both good and challenging times. At today's Canadian dollar exchange rates, currency translation would be a modest headwind, if sustained, for the fourth quarter of 2022; as weaker European and Asia Pacific currencies more than offset stronger ones in the U.S. and Latin America."

Mr. Martin concluded, "The Company finished the quarter with a strong balance sheet and robust liquidity. The Company's consolidated leverage ratio⁽⁵⁾ at 1.46 times Adjusted EBITDA⁽²⁾ with \$700.8 million of cash-on-hand and US\$0.8 billion undrawn capacity on its syndicated revolving credit facility, leaves us well placed to fund global expansion initiatives. The Board of Directors declared the quarterly dividend at \$0.24 per Class B non-voting share and \$0.2375 per Class A voting share, payable to shareholders of record at the close of business on December 15, 2022, to be paid on December 29, 2022."

2022 Third Quarter Highlights

CCL

- Sales increased 13.5% to \$1 billion, on 13.2% organic growth, 2.2% acquisition contribution partially offset by 1.9% negative impact from foreign currency translation
- Regional organic sales growth: high single digit in North America and Asia Pacific, double digit in Europe and over 40% in Latin America
- Operating income⁽¹⁾ \$160.2 million, increased 25.5%, 16.0% operating margin⁽¹⁾ up 150 bps
- Label joint ventures added \$0.02 earnings per Class B share⁽³⁾

Avery

- Sales increased 22.6% to \$257 million, on 0.8% organic growth, 22.2% acquisition contribution partially offset by 0.4% negative impact from foreign currency translation
- Operating income⁽¹⁾ \$44.7 million, down 12.7%, 17.4% operating margin⁽¹⁾, down 700 bps

Checkpoint

- Sales increased 3.5% to \$196 million, on organic growth of 5.0%, 4.2% acquisition contribution partially offset by 5.7% negative impact from foreign currency translation
- Operating income⁽¹⁾ of \$35.1 million, up 42.7%, 17.9% operating margin⁽¹⁾, up 490 bps

Innovia

- Sales declined 1.4% to \$204 million with 1.5% organic growth offset by 2.9% negative impact from foreign currency translation
- Operating income⁽¹⁾ \$6.8 million, down 66.8%, 3.3% operating margin⁽¹⁾, down 660 bps

The company will host a live webcast at 8:30 a.m. ET on November 10, 2022, to discuss these results.

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

To access the webcast or webcast replay, please use the following webcast link:
<https://www.webcaster4.com/Webcast/Page/2807/46900>

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

Toll Free: 877-545-0320
International: 973-528-0002
Conference Entry Code (CEC): 454833

Replay for the webcast will be available Thursday, November 10, 2022, at 11:30 a.m. ET until Sunday, December 11, 2022.

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

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Forward-looking Statements

This press release contains forward-looking information and forward-looking statements (hereinafter collectively referred to as “forward-looking statements”), as defined under applicable securities laws, that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by the words “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans” or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Specifically, this press release contains forward-looking statements regarding the challenge of matching fourth quarter 2021 earnings for the coming period; the impact of foreign currency exchange rates on the 2022 fourth quarter; the expectation that the demand forecast for 2023 suggests a deterioration compared to 2022; the income and profitability of the Company’s segments; and the Company’s expectations regarding inflation, general business and economic conditions.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; technological change; changes in government regulations; risks associated with operating and product hazards; and the Company’s ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company’s actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: global economic environment and higher consumer spending; improved customer demand for the Company’s products; continued historical growth trends, market growth in specific sectors and entering into new sectors; the Company’s ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company’s focused strategies and operational approach; the achievement of the Company’s plans for improved efficiency and lower costs, including stable aluminum costs; the availability of cash and credit; fluctuations of currency exchange rates; fluctuations in resin prices; the Company’s continued relations with its customers; and economic conditions. Should one or more risks materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found in the 2021 Annual Report, Management’s Discussion and Analysis, particularly under Section 4: “Risks and Uncertainties.” CCL Industries Inc.’s annual and quarterly reports can be found online at www.cclind.com and www.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 the Company’s business. Such statements do not, unless otherwise specified by the Company, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts. The forward-looking statements are provided as of the date of this press release and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

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

Financial Information

CCL Industries Inc.

Consolidated condensed interim statements of financial position Unaudited

In millions of Canadian dollars

	<u>As at September 30, 2022</u>	<u>As at December 31, 2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 700.8	\$ 602.1
Trade and other receivables	1,233.7	1,083.8
Inventories	821.1	677.3
Prepaid expenses	57.6	46.5
Income taxes recoverable	25.7	37.9
Total current assets	2,838.9	2,447.6
Non-current assets		
Property, plant and equipment	2,090.3	1,910.3
Right-of-use assets	176.2	145.5
Goodwill	2,171.7	1,975.1
Intangible assets	1,012.1	991.1
Deferred tax assets	59.7	47.7
Equity-accounted investments	76.3	68.4
Other assets	27.3	25.8
Derivative instruments	137.8	16.3
Total non-current assets	5,751.4	5,180.2
Total assets	\$ 8,590.3	\$ 7,627.8
Liabilities		
Current liabilities		
Trade and other payables	\$ 1,377.3	\$ 1,321.5
Current portion of long-term debt	8.7	15.3
Lease liabilities	38.3	32.7
Income taxes payable	68.6	48.5
Derivative instruments	0.9	-
Total current liabilities	1,493.8	1,418.0
Non-current liabilities		
Long-term debt	2,296.5	1,691.4
Lease liabilities	135.5	111.9
Deferred tax liabilities	340.7	286.6
Employee benefits	105.6	315.5
Provisions and other long-term liabilities	15.2	15.2
Derivative instruments	-	42.2
Total non-current liabilities	2,893.5	2,462.8
Total liabilities	4,387.3	3,880.8
Equity		
Share capital	468.4	462.1
Contributed surplus	122.5	103.6
Retained earnings	3,739.8	3,422.7
Accumulated other comprehensive loss	(127.7)	(241.4)
Total equity attributable to shareholders of the Company	4,203.0	3,747.0
Total liabilities and equity	\$ 8,590.3	\$ 7,627.8

CCL Industries Inc.

Consolidated condensed interim income statements Unaudited

	Three Months Ended September 30		Nine Months Ended September 30	
<i>In millions of Canadian dollars, except per share information</i>	2022	2021	2022	2021
Sales	\$ 1,658.1	\$ 1,488.2	\$ 4,795.0	\$ 4,244.0
Cost of sales	1,220.5	1,083.9	3,499.7	3,042.3
Gross profit	437.6	404.3	1,295.3	1,201.7
Selling, general and administrative expenses	209.7	190.7	626.4	561.6
Restructuring and other items	3.3	0.7	8.3	3.3
Earnings in equity-accounted investments	(4.0)	(2.4)	(10.9)	(6.4)
	228.6	215.3	671.5	643.2
Finance cost	17.2	13.5	46.8	41.0
Finance income	(1.6)	(0.6)	(3.6)	(2.0)
Interest on lease liabilities	1.5	1.3	4.0	4.0
Net finance cost	17.1	14.2	47.2	43.0
Earnings before income tax	211.5	201.1	624.3	600.2
Income tax expense	47.6	47.8	146.8	146.2
Net earnings for the period	\$ 163.9	\$ 153.3	\$ 477.5	\$ 454.0
Earnings per share				
Basic earnings per Class B share	\$ 0.93	\$ 0.85	\$ 2.68	\$ 2.53
Diluted earnings per Class B share	\$ 0.92	\$ 0.84	\$ 2.66	\$ 2.51

CCL Industries Inc.

Consolidated condensed interim statements of cash flows Unaudited

<i>In millions of Canadian dollars</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	2022	2021
Cash provided by (used for)				
Operating activities				
Net earnings	\$ 163.9	\$ 153.3	\$ 477.5	\$ 454.0
Adjustments for:				
Property, plant and equipment depreciation	62.9	61.7	190.8	183.6
Right-of-use assets depreciation	10.7	9.7	30.5	29.2
Intangible amortization	16.5	14.5	48.7	43.0
Earnings from equity-accounted investments, net of dividends received	2.4	(2.4)	(4.5)	(0.2)
Net finance costs	17.1	14.2	47.2	43.0
Current income tax expense	56.9	50.3	172.1	157.6
Deferred income tax recovery	(9.3)	(2.4)	(25.3)	(11.4)
Equity-settled share-based payment transactions	9.5	4.4	29.1	18.6
Gain on sale of property, plant and equipment	(13.1)	(0.6)	(14.0)	(2.7)
	317.5	302.7	952.1	914.7
Change in inventories	(12.2)	(60.2)	(105.7)	(132.0)
Change in trade and other receivables	(64.1)	(48.4)	(109.4)	(182.7)
Change in prepaid expenses	(6.7)	1.9	(8.2)	(14.0)
Change in trade and other payables	45.2	79.3	15.5	134.5
Change in income taxes receivable and payable	(1.4)	0.1	(1.5)	(0.6)
Change in employee benefits	9.3	(0.7)	3.3	(15.9)
Change in other assets and liabilities	26.1	6.9	18.3	7.4
	313.7	281.6	764.4	711.4
Net interest paid	(5.2)	(1.9)	(31.2)	(26.0)
Income taxes paid	(62.3)	(55.8)	(143.6)	(153.6)
Cash provided by operating activities	246.2	223.9	589.6	531.8
Financing activities				
Proceeds on issuance of long-term debt	6.0	4.1	1,009.5	6.0
Repayment of long-term debt	(59.4)	(134.1)	(577.7)	(226.3)
Repayment of lease liabilities	(10.8)	(9.4)	(30.4)	(27.1)
Proceeds from issuance of shares	2.3	22.5	5.4	49.3
Repurchase of shares	-	-	(200.0)	-
Dividends paid	(42.5)	(37.8)	(127.9)	(113.2)
Cash provided by (used for) financing activities	(104.4)	(154.7)	78.9	(311.3)
Investing activities				
Additions to property, plant and equipment	(119.5)	(74.1)	(314.1)	(206.2)
Proceeds on disposal of property, plant and equipment	22.0	2.6	26.4	9.0
Business acquisitions	(0.3)	(72.4)	(287.6)	(82.7)
Cash used for investing activities	(97.8)	(143.9)	(575.3)	(279.9)
Net increase (decrease) in cash and cash equivalents	44.0	(74.7)	93.2	(59.4)
Cash and cash equivalents at beginning of the period	634.3	693.3	602.1	703.7
Translation adjustments on cash and cash equivalents	22.5	3.9	5.5	(21.8)
Cash and cash equivalents at end of the period	\$ 700.8	\$ 622.5	\$ 700.8	\$ 622.5

CCL Industries Inc.

Segment Information Unaudited

In millions of Canadian dollars

	<u>Three Months Ended September 30</u>				<u>Nine Months Ended September 30</u>			
	<u>Sales</u>		<u>Operating Income</u>		<u>Sales</u>		<u>Operating Income</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
CCL	\$ 1,000.8	\$ 882.0	\$ 160.2	\$ 127.6	\$ 2,908.0	\$ 2,615.0	\$ 467.9	\$ 424.3
Avery	257.0	209.7	44.7	51.2	673.8	529.0	125.5	110.4
Checkpoint	196.0	189.3	35.1	24.6	596.1	545.7	84.3	79.1
Innovia	204.3	207.2	6.8	20.5	617.1	554.3	45.5	68.7
Total operations	<u>\$ 1,658.1</u>	<u>\$ 1,488.2</u>	<u>\$ 246.8</u>	<u>\$ 223.9</u>	<u>\$ 4,795.0</u>	<u>\$ 4,244.0</u>	<u>\$ 723.2</u>	<u>\$ 682.5</u>
Corporate expense			(18.9)	(10.3)			(54.3)	(42.4)
Restructuring and other items			(3.3)	(0.7)			(8.3)	(3.3)
Earnings in equity-accounted investments			4.0	2.4			10.9	6.4
Finance cost			(17.2)	(13.5)			(46.8)	(41.0)
Finance income			1.6	0.6			3.6	2.0
Interest on lease liabilities			(1.5)	(1.3)			(4.0)	(4.0)
Income tax expense			(47.6)	(47.8)			(146.8)	(146.2)
Net earnings			<u>\$ 163.9</u>	<u>\$ 153.3</u>			<u>\$ 477.5</u>	<u>\$ 454.0</u>

	<u>Total Assets</u>		<u>Total Liabilities</u>		<u>Depreciation and Amortization</u>		<u>Capital Expenditures</u>	
	<u>September 30</u>	<u>December 31</u>	<u>September 30</u>	<u>December 31</u>	<u>Nine Months Ended September 30</u>		<u>Nine Months Ended September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
CCL	\$ 4,245.4	\$ 3,919.6	\$ 1,157.2	\$ 1,088.9	\$ 174.5	\$ 170.0	\$ 214.7	\$ 151.7
Avery	1,146.7	827.1	319.0	266.7	25.9	18.9	27.1	6.1
Checkpoint	1,147.1	1,101.8	499.3	538.4	32.1	29.1	40.1	19.1
Innovia	1,182.5	1,167.0	305.0	300.7	36.3	36.6	32.2	29.3
Equity-accounted investments	76.3	68.4	-	-	-	-	-	-
Corporate	792.3	543.9	2,106.8	1,686.1	1.2	1.2	-	-
Total	<u>\$ 8,590.3</u>	<u>\$ 7,627.8</u>	<u>\$ 4,387.3</u>	<u>\$ 3,880.8</u>	<u>\$ 270.0</u>	<u>\$ 255.8</u>	<u>\$ 314.1</u>	<u>\$ 206.2</u>

Non-IFRS Measures

(1) Operating income and operating income margin are key non-IFRS financial measures used to assist in understanding the profitability of the Company's business units. Operating income is defined as earnings before corporate expenses, net finance cost, goodwill impairment loss, earnings in equity accounted investments, restructuring and other items, and taxes. Operating income margin, also known as return on sales, is defined as operating income over sales.

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

Reconciliation of operating income to Adjusted EBITDA

Unaudited

(In millions of Canadian dollars)

	Three months ended		Nine months ended	
	September 30		September 30	
<u>Sales</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
CCL	\$ 1,000.8	\$ 882.0	\$ 2,908.0	\$ 2,615.0
Avery	257.0	209.7	673.8	529.0
Checkpoint	196.0	189.3	596.1	545.7
Innovia	204.3	207.2	617.1	554.3
Total sales	\$ 1,658.1	\$ 1,488.2	\$ 4,795.0	\$ 4,244.0
<u>Operating income</u>				
CCL	\$ 160.2	\$ 127.6	\$ 467.9	\$ 424.3
Avery	44.7	51.2	125.5	110.4
Checkpoint	35.1	24.6	84.3	79.1
Innovia	6.8	20.5	45.5	68.7
Total operating income (non-IFRS measure)	246.8	223.9	723.2	682.5
Less: Corporate expenses	(18.9)	(10.3)	(54.3)	(42.4)
Add: Depreciation & amortization	90.1	85.9	270.0	255.8
Add: Non-cash acquisition accounting adjustment related to inventory	-	-	3.5	-
Adjusted EBITDA (non-IFRS measure)	\$ 318.0	\$ 299.5	\$ 942.4	\$ 895.9

(3) Adjusted basic earnings per Class B share is an important non-IFRS measure to assist in understanding the ongoing earnings performance of the Company excluding items of a one-time or non-recurring nature. It is not considered a substitute for basic net earnings per Class B share but it does provide additional insight into the ongoing financial results of the Company. This non-IFRS financial measure is defined as basic net earnings per Class B share excluding gains on business

dispositions, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, restructuring and other items, and tax adjustments.

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

Unaudited

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Basic earnings per Class B Share	\$ 0.93	\$ 0.85	\$ 2.68	\$ 2.53
Restructuring and other items	0.02	-	0.04	0.01
New UK Tax Legislation	-	-	-	0.02
Non-cash acquisition accounting adjustment related to inventory	-	-	0.02	-
Adjusted Basic Earnings per Class B Share	\$ 0.95	\$ 0.85	\$ 2.74	\$ 2.56

⁽⁴⁾ Free Cash Flow from Operations – A measure indicating the relative amount of cash generated by the Company during the year and available to fund dividends, debt repayments and acquisitions. It is calculated as cash flow from operations less capital expenditures, net of proceeds from the sale of property, plant and equipment.

The following table reconciles the measure of free cash flow from operations to IFRS measures reported in the consolidated statements of cash flows for the periods ended as indicated.

Free Cash Flow from Operations

Unaudited (In millions of Canadian dollars)	September 30, 2022
Cash provided by operating activities	\$ 589.6
Less: Additions to property, plant and equipment	(314.1)
Add: Proceeds on disposal of property, plant and equipment	26.4
Free cash flow from operations	\$ 301.9

⁽⁵⁾ Leverage ratio is a measure that indicates the Company's ability to service its existing debt. Leverage ratio is calculated as net debt divided by Adjusted EBITDA.

Unaudited (In millions of Canadian dollars)	September 30, 2022
Current portion of long-term debt	\$ 8.7
Current lease liabilities	38.3
Long-term debt	2,296.5
Long-term lease liabilities	135.5
Total debt	2,479.0
Cash and cash equivalents	(700.8)
Net debt	\$ 1,778.2
Adjusted EBITDA for 12 months ending September 30, 2022 (see below)	\$ 1,219.6
Leverage Ratio	1.46

Adjusted EBITDA for 12 months ended December 31, 2021	\$ 1,173.1
less: Adjusted EBITDA for nine months ended September 30, 2021	(895.9)

Adjusted EBITDA for 12 months ended September 30, 2022**\$ 1,219.6****Supplemental Financial Information****Sales Change Analysis
Revenue Growth Rates (%)**

	Three Months Ended September 30, 2022				Nine Months Ended September 30, 2022			
	Organic	Acquisition	FX	Total	Organic	Acquisition	FX	Total
	Growth	Growth	Translation		Growth	Growth	Translation	
CCL	13.2%	2.2%	(1.9%)	13.5%	10.5%	2.3%	(1.6%)	11.2%
Avery	0.8%	22.2%	(0.4%)	22.6%	8.6%	19.3%	(0.5%)	27.4%
Checkpoint	5.0%	4.2%	(5.7%)	3.5%	6.4%	7.1%	(4.3%)	9.2%
Innovia	1.5%	-	(2.9%)	(1.4%)	13.6%	-	(2.3%)	11.3%
Total	8.8%	4.9%	(2.3%)	11.4%	10.1%	4.8%	(1.9%)	13.0%

Business Description

CCL Industries Inc. employs approximately 25,100 people operating 204 production facilities in 43 countries with corporate offices in Toronto, Canada, and Framingham, Massachusetts. CCL is the world's largest converter of pressure sensitive and specialty extruded film materials for a wide range of decorative, instructional, functional and security applications for government institutions and large global customers in the consumer packaging, healthcare & chemicals, consumer electronic device and automotive markets. Extruded & laminated plastic tubes, aluminum aerosols & specialty bottles, folded instructional leaflets, precision decorated & die cut components, electronic displays, polymer banknote substrate and other complementary products and services are sold in parallel to specific end-use markets. Avery is the world's largest supplier of labels, specialty converted media and software solutions for short-run digital printing applications for businesses and consumers available alongside complementary products sold through distributors, mass market stores and e-commerce retailers. Checkpoint is a leading developer of RF and RFID based technology systems for loss prevention and inventory management applications, including labeling and tagging solutions, for the retail and apparel industries worldwide. Innovia is a leading global producer of specialty, high performance, multi-layer, surface engineered films for label, packaging and security applications. The Company is partly backward integrated into materials science with capabilities in polymer extrusion, adhesive development, coating & lamination, surface engineering and metallurgy; deployed as needed across the four business segments.