

MANAGEMENT'S DISCUSSION AND ANALYSIS

Third Quarters Ended September 30, 2025 and 2024

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 third quarters ended September 30, 2025 and 2024. The information in this interim MD&A is current to November 11, 2025, and should be read in conjunction with the Company's November 11, 2025, unaudited third quarter consolidated condensed interim financial statements ("interim financial statements") released on November 11, 2025, and the 2024 Annual MD&A and consolidated financial statements ("annual financial statements"), which form part of CCL Industries Inc.'s 2024 Annual Report, dated February 20, 2025.

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, Swiss franc, Thai baht, Turkish lira, United Arab Emirates 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 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 sales, income and profitability of the Company's segments; the Company's capital spending levels and planned capital expenditures in 2025; the adequacy of the Company's financial liquidity including the availability of sufficient cash from operations and available credit capacity to fund the Company's future financial obligations for the next few years; the Company's effective tax rate; future growth in RFID; softening demand in parts of the consumer staples business and its impact on results of the CCL Segment; improved sales volume anticipated for CCL Secure due to new business wins; improved results expected for the CCL Segment for 2025 compared to prior years; growth in Avery's direct-to-consumer businesses outpacing legacy operations; trade tariff impact on Checkpoint's MAS product line and beneficial mitigating actions; trade tariff impact on other parts of the business; strong demand for Checkpoint's MAS-related products; incremental sales volume for Innovia's proprietary EcoFloat line in Poland throughout 2025; start-up costs for the balance of 2025 at Innovia's new manufacturing line in Germany; 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 impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; technological changes; changes in government regulations; risks associated with operating and product hazards; and the Company's ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company's actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: consumer spending; customer demand for the Company's products; market growth in specific sectors and 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 expectation RFID growth will strengthen for Checkpoint when retailers have confidence in trade policies; the outlook that results in the Middle East will be strong and continue to meet management expectations; the expectation that new plant start-up costs will negatively impact the CCL Segment results; the expectation that the Avery Segment will be negatively impacted by trade tariffs; the expectation that Avery's Horticultural business will post improved profitability compared to prior year periods; the expectation that MAS related products will have strong demand for Checkpoint; the expectation that Checkpoint's ALS retail and apparel product categories will see a rebound in demand in the fall and holiday season of 2025; the expectation that Innovia's films produced in Mexico and shipped to the United States will remain USMCA compliant and tariff free; and the conflicts in the Ukraine and the Middle East on the Company's overall operations, customers, strategy and financial results and on the respective Segments of the Company, including in respect of the fourth quarter of 2025 and beyond. Further details on key risks can be found throughout this report and particularly in Section 4: "Risks and Uncertainties" of the 2024 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 Company's business. Such statements do not, unless otherwise specified by the Company, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depend on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts.

The forward-looking statements are provided as of the date of this 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 third quarter of 2025 was another strong period for the Company with adjusted earnings per Class B share improving 11.0% compared to the third quarter of 2024. Consolidated sales grew 6.3%, supported by solid organic growth of 3.7% for the Company. Operating income (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) improvement of 11.4% for the third quarter of 2025 was principally driven by robust gains for the CCL Segment coupled with advances at Checkpoint offsetting reduced results for Innovia due to start-up losses at the new German plant and the expected impact of tariff challenges on the back-to-school sales season for Avery in the United States, compared to the third quarter of 2024. All-in, the Company posted quarterly basic and adjusted basic earnings per class B share (a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) of \$1.21, compared to basic and adjusted basic earnings per Class B share of \$1.08 and \$1.09, respectively, for the 2024 third quarter.

2. Review of Consolidated Financial Results

The following acquisitions affected the financial comparisons to 2024 including those announced through to the end of the third quarter of 2025:

- 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.
- In June 2024, the Company acquired the remaining 50% interest in its Middle East label joint venture, Pacman-CCL (“Pacman”), for approximately \$142.9 million, net of cash acquired. The business commenced trading as CCL Label, with its results fully consolidated subsequent to the acquisition.

Sales for the third quarter of 2025 were \$1,965.9 million, a 6.3% increase compared to \$1,849.7 million recorded in the third quarter of 2024. Sales increased on organic growth of 3.7%, acquisition-related growth of 0.1% and 2.5% positive impact from foreign currency translation. For the nine-month period ended September 30, 2025, sales were \$5,787.6 million, a 6.5% increase compared to \$5,432.5 million for the same nine-month period a year ago. This increase in sales can be attributed to 3.1% organic growth, 0.8% acquisition-related growth and 2.6% positive impact from foreign currency translation.

Selling, general and administrative expenses (“SG&A”) were \$294.6 million and \$860.5 million for the three-month and nine-month periods ended September 30, 2025, compared to \$279.4 million and \$803.2 million for same periods in the prior year, respectively. The increase in SG&A for the comparative three-month and nine-month periods is due to an increase in variable compensation expenses, general increases throughout the Company and the additional SG&A expenses associated with recent acquisitions.

The Company recorded an expense for restructuring and other items of \$1.6 million (\$1.3 million after tax) and \$3.1 million (\$2.5 million after tax) for the three-month and nine-month periods ended September 30, 2025, compared to \$2.2 million (\$1.7 million after tax) and \$4.3 million (\$3.8 million after tax), for same periods in the prior year, respectively. For the three-month and nine-month periods of 2025, restructuring and other items largely relates to severance costs at CCL Design and Checkpoint.

In the second quarter of 2024, the Company recorded a revaluation gain of \$78.1 million in conjunction with the acquisition of the final 50% equity interest in Pacman in early June 2024. In accordance with IFRS 3 – Business Combinations, the Company was required to re-measure to fair value its previously held 50% interest in Pacman at the acquisition date resulting in the recognition of the aforementioned revaluation gain through net earnings. No such item has been recorded for 2025.

Operating income for the third quarter of 2025 was \$321.8 million, an 11.4% increase compared to \$288.9 million for the third quarter of 2024. The CCL and Checkpoint Segments posted improved results, partially offset by reduced results for Avery and

Innovia. For the nine months ended September 30, 2025, operating income increased 9.9% compared to the same period in 2024. The nine-month increase in operating income was due to the improvement at the CCL, Checkpoint and Innovia Segments. Foreign currency translation had a positive impact of 2.2% and 2.0% on operating income for the comparable three-month and nine-month periods, respectively.

Earnings before net finance cost, taxes, depreciation and amortization, goodwill impairment loss, non-cash acquisition accounting adjustments to inventory, earnings in equity-accounted investments, revaluation gains, and restructuring and other items (“Adjusted EBITDA”, a non-IFRS financial measure; refer to definition in Section 14 of this MD&A) increased 9.3% to \$416.1 million for the third quarter of 2025, compared to \$380.7 million for the third quarter of 2024. Excluding the impact of foreign currency translation, adjusted EBITDA increased 7.1%. For the nine months ended September 30, 2025, adjusted EBITDA was \$1,238.9 million, an increase of 9.1% compared to \$1,135.5 million in the comparable 2024 nine-month period. Foreign currency translation had a positive impact of 2.2% on adjusted EBITDA for the comparable nine-month periods.

Net finance cost was \$18.2 million and \$54.0 million for the three-month and nine-month periods ended September 30, 2025, compared to \$19.3 million and \$55.9 million for the same periods in 2024. The decrease in net finance cost for the three-month and nine-month periods ended September 30, 2025, was principally attributable to an increase of finance income as the Company benefited from interest earned on its higher cash balances.

The overall effective income tax rate was 25.5% for the 2025 third quarter compared to 24.5% for the prior year third quarter. For the nine-month period ended September 30, 2025, the effective tax rate was 25.2%, compared to 24.6%, revaluation gain adjusted, for the same nine-month period in 2024. The increase in the comparable nine-month effective tax rate was attributable to a higher portion of taxable income earned in higher tax rate 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 third quarter of 2025 were \$210.8 million compared to \$191.7 million for the third quarter of 2024. This resulted in basic and diluted earnings of \$1.21 and \$1.20 per Class B share, respectively, for the 2025 third quarter compared to basic and diluted earnings of \$1.08 and \$1.07 per Class B share, respectively, for the prior year third quarter. Changes in foreign exchange had a positive impact on adjusted earnings of \$0.02 per Class B share compared to the third quarter of 2024.

Net earnings for the nine-month period of 2025 were \$631.3 million compared to \$663.3 million for the same period a year ago but included the previously mentioned \$78.1 million revaluation gain. This resulted in basic and diluted earnings of \$3.60 and \$3.58 per Class B share, respectively, for the 2025 nine-month period compared to basic and diluted earnings of \$3.72 and \$3.69 per Class B share, respectively, for the prior year nine-month period. The weighted average number of shares (comprised of Class A voting shares and Class B non-voting shares) for the 2025 nine-month period were 175.3 million basic and 176.3 million diluted shares compared to 178.6 million basic and 179.9 million diluted shares for the comparable period of 2024. Diluted shares include weighted average in-

the-money equity compensation arrangements totaling 1.0 million shares (2024 – 1.4 million shares).

Adjusted basic earnings per Class B share were \$1.21 and \$3.61 for the three-month and nine-month periods of 2025, respectively, compared to \$1.09 and \$3.30 for the same periods of 2024.

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

(in Canadian dollars)	<u>Third Quarter</u>		<u>Year-To-Date</u>	
Adjusted Basic Earnings per Class B Share	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Basic earnings per Class B share	\$ 1.21	\$ 1.08	\$ 3.60	\$ 3.72
Restructuring and other items	-	0.01	0.01	0.02
Revaluation gain	-	-	-	(0.44)
Adjusted basic earnings⁽¹⁾ per Class B share	\$ 1.21	\$ 1.09	\$ 3.61	\$ 3.30

⁽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 eleven most recently completed quarters:

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

	<u>Qtr 1</u>	<u>Qtr 2</u>	<u>Qtr 3</u>	<u>Qtr 4</u>	<u>Total</u>
Sales					
2025	\$ 1,887.1	\$ 1,934.6	\$ 1,965.9	\$ -	\$ 5,787.6
2024	1,737.2	1,845.6	1,849.7	1,812.5	7,245.0
2023	1,652.1	1,644.5	1,690.5	1,662.5	6,649.6
Net earnings					
2025	207.4	213.1	210.8	-	631.3
2024	192.1	279.5	191.7	179.8	843.1
2023	166.4	155.9	169.1	38.8	530.2
Net earnings per Class B share					
Basic					
2025	1.18	1.21	1.21	-	3.60
2024	1.08	1.56	1.08	1.01	4.73
2023	0.94	0.88	0.95	0.22	2.99
Net earnings per Class B share					
Adjusted basic					
2025	1.18	1.22	1.21	-	3.61
2024	1.08	1.13	1.09	1.02	4.32
2023	0.94	0.90	0.95	0.97	3.76
Net earnings per Class B share					
Diluted					
2025	1.17	1.21	1.20	-	3.58
2024	1.07	1.55	1.07	1.01	4.70
2023	0.93	0.88	0.94	0.20	2.95

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”)

(\$ millions)	<u>Third Quarter</u>			<u>Year-To-Date</u>		
	<u>2025</u>	<u>2024</u>	<u>+/-</u>	<u>2025</u>	<u>2024</u>	<u>+/-</u>
Sales	\$ 1,260.6	\$ 1,152.5	9.4%	\$ 3,690.6	\$ 3,386.4	9.0%
Operating Income ⁽¹⁾	\$ 216.3	\$ 179.2	20.7%	\$ 620.9	\$ 547.6	13.4%
Return on Sales ⁽¹⁾	17.2%	15.5%		16.8%	16.2%	
Capital Spending	\$ 89.6	\$ 58.3	53.7%	\$ 230.6	\$ 281.9	(18.2%)
Depreciation and Amortization ⁽²⁾	\$ 71.5	\$ 66.5	7.5%	\$ 212.5	\$ 195.2	8.9%

(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 \$7.5 million and \$22.1 million, respectively, for right-of-use assets in the three-month and nine-month periods ended September 30, 2025 (2024 - \$7.1 million and \$20.8 million, respectively).

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 \$1,260.6 million for the third quarter of 2025 compared to \$1,152.5 million for the same quarter last year. The components of the 9.4% increase in sales were 6.6% organic growth and 2.8% positive impact from foreign currency translation.

North American sales increased mid-single digit for the third quarter of 2025, excluding currency translation, compared to the third quarter of 2024. Home & Personal Care sales increased, due to continued strength in aluminum aerosols and bottles, with profitability improvements across all product lines including labels and tubes. Healthcare & Specialty results were solid overall, with gains in Ag-Chem markets, especially in the consumer lawn and garden space, and high demand for pharmaceutical inserts, offset by slower label demand in Canada as global customers curtailed exports to the U.S. due to tariffs. Food & Beverage results were mixed with significantly improved in-mould label performance, more than offset by reduced profitability in sleeves and pressure sensitive labels compared to a strong prior year quarter. CCL Design North America results

improved on stronger demand alongside cost savings in automotive and industrial markets. CCL Secure sales and profitability increased dramatically on robust demand for passport components. Overall operating income and return on sales improved significantly for the current quarter in North America, compared to the third quarter of 2024.

Sales in **Europe** were up mid-single digit for the third quarter of 2025, excluding currency translation, compared to the third quarter of 2024. Home & Personal Care sales and profitability improved on foreign currency translation but underlying profitability increased compared to the prior year period as well. Healthcare & Specialty results increased overall as strength in the German clinical trials business and solid demand for pharmaceuticals more than offset lower profitability in slow AgChem markets. Food & Beverage results declined on slower demand, pricing pressures in a challenged consumer economy and new plant start-up costs in Italy and Spain. CCL Design results improved in both automotive and electronics markets. Strong quarter at CCL Secure. Overall European profitability and return on sales improved compared to the prior year period.

Sales in **Latin America**, excluding currency translation, improved high-single digit compared to a strong third quarter of 2024 principally driven by Mexico and Brazil. However, devaluation of all currencies over the past year in the region continued to inflate the cost of imported raw materials resulting in a decline in operating income and return on sales compared to the prior year period.

Asia Pacific sales for the 2025 third quarter, excluding currency translation, increased high-single digit compared to the corresponding quarter in 2024. China sales increased modestly but with outsized profitability gains due to improved product mix, cost savings and productivity initiatives especially at CCL Design. Sales and profitability improved significantly in ASEAN countries on solid demand and new business wins compared to a strong prior year period. In particular, the new CCL Design plant in India continued to outperform plus outstanding results overall in Thailand. Results in the Middle East also improved significantly compared to a strong prior year period. In Australia, profitability declined, largely driven by losses at CCL Secure, while South Africa posted sales and profitability gains. For the Asia Pacific region, operating income increased and return on sales improved compared to the third quarter of 2024.

Operating income for the third quarter of 2025 increased 20.7% to \$216.3 million, compared to \$179.2 million for the third quarter of 2024. Return on sales improved to 17.2% for the current quarter compared to 15.5% recorded for the same period in 2024.

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 \$230.6 million in capital spending for the first nine months of 2025, compared to \$281.9 million in the same period in 2024. Investments for the nine-month period of 2025 primarily related to capacity additions to support the Home & Personal Care, Healthcare & Specialty and Food & Beverage businesses globally. Investments will continue to add capacity, broaden capabilities, expand geographically, and replace or upgrade existing plants and equipment. Depreciation and amortization expense was

\$212.5 million for the nine months ended September 30, 2025, compared to \$195.2 million for the same period of 2024.

Avery Segment (“Avery”)

(\$ millions)	<u>Third Quarter</u>			<u>Year-To-Date</u>		
	<u>2025</u>	<u>2024</u>	<u>+/-</u>	<u>2025</u>	<u>2024</u>	<u>+/-</u>
Sales	\$ 279.3	\$ 279.7	(0.1%)	\$ 804.2	\$ 809.4	(0.6%)
Operating Income ⁽¹⁾	\$ 53.1	\$ 55.2	(3.8%)	\$ 155.9	\$ 166.9	(6.6%)
Return on Sales ⁽¹⁾	19.0%	19.7%		19.4%	20.6%	
Capital Spending	\$ 8.5	\$ 7.5	13.3%	\$ 18.8	\$ 16.5	13.9%
Depreciation and Amortization ⁽²⁾	\$ 7.4	\$ 7.5	(1.3%)	\$ 22.1	\$ 22.7	(2.6%)

(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 \$2.7 million and \$8.2 million, respectively, for right-of-use assets in the three-month and nine-month periods ended September 30, 2025 (2024 - \$2.7 million and \$7.8 million, respectively).

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: 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 \$279.3 million for the third quarter of 2025, a decrease of 0.1% compared to \$279.7 million for the same quarter last year. This decrease in sales is attributed to 2.8% organic decline partly offset by 0.4% acquisition-related growth and 2.3% positive impact from foreign currency translation.

Sales in **North America** for the third quarter of 2025 were down mid-single digit compared to a strong third quarter of 2024. As expected, unplanned tariff costs and lower shipments for legacy back-to-school organization products impeded profitability sharply, compared to a very strong prior year period. Profitability for labels and other printable media products sold through distribution channels declined modestly. Results in Direct-to-Consumer channels improved, especially in the label, RFID wristband and access card categories.

International represented approximately 38% of Avery sales for the third quarter of 2025. Excluding currency translation and acquisitions, organic sales growth was up low-single digit. Profitability declined principally driven by Latin American operations affected by currency devaluations and European legacy product lines. European direct-to-consumer

operations had a strong quarter, improving sales and profitability including a full quarter contribution from the WPL acquisition. Results in Australia improved compared to the 2024 third quarter.

The **Horticultural** business is in its loss-making off-season with expectations for profitability improvements in the coming quarters.

Operating income for the third quarter of 2025 decreased 3.8% to \$53.1 million compared to \$55.2 million for the third quarter of 2024. Return on sales was 19.0% for the 2025 third quarter compared to 19.7% recorded for the same quarter in 2024.

Avery invested \$18.8 million in capital spending in the first nine months of 2025 compared to \$16.5 million in the same period a year ago. Most of the expenditures were to enhance the Direct-to-Consumer and horticultural businesses in North America. Depreciation and amortization expense was \$22.1 million for the 2025 nine-month period compared to \$22.7 million for the 2024 nine-month period.

Checkpoint Segment (“Checkpoint”)

(\$ millions)	<u>Third Quarter</u>			<u>Year-To-Date</u>		
	<u>2025</u>	<u>2024</u>	<u>+/-</u>	<u>2025</u>	<u>2024</u>	<u>+/-</u>
Sales	\$ 255.3	\$ 240.5	6.2%	\$ 751.9	\$ 709.5	6.0%
Operating Income ⁽¹⁾	\$ 38.8	\$ 36.7	5.7%	\$ 119.6	\$ 110.4	8.3%
Return on Sales ⁽¹⁾	15.2%	15.3%		15.9%	15.6%	
Capital Spending	\$ 10.1	\$ 18.9	(46.6%)	\$ 43.0	\$ 54.3	(20.8%)
Depreciation and Amortization ⁽²⁾	\$ 10.7	\$ 9.8	9.2%	\$ 31.5	\$ 28.5	10.5%

(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 and \$10.2 million, respectively, for right-of-use assets in the three-month and nine-month periods ended September 30, 2025 (2024 - \$3.2 million and \$9.5 million, respectively).

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 \$255.3 million for the third quarter of 2025, an improvement of 6.2% compared to \$240.5 million for the third quarter of 2024 driven by 4.4% organic sales growth and 1.8% positive impact from foreign currency translation. MAS posted strong sales and profitability gains principally derived from new business wins in Europe, solid gains in the Asia Pacific, partly offset by a profit decline in the Americas due to tariff and foreign exchange rates on intercompany imports from China supply plants. ALS

sales improved and profitability declined modestly as apparel retailers reconsider supply chains in the light of tariffs and compared to an exceptionally strong third quarter in 2024. RFID growth continued but at a sharply moderated pace. As retailer confidence in trade policies returns and new end markets develop, the Company expects strong RFID growth to return. Meto posted an improvement in sales and profitability compared to the prior year third quarter.

Overall operating income improved 5.7% to \$38.8 million for the third quarter of 2025 compared to \$36.7 million for the third quarter of 2024. Return on sales was 15.2% compared to 15.3% for the comparable quarter in 2024.

Checkpoint invested \$43.0 million in capital spending for the first nine months of 2025 compared to \$54.3 million for the same period of 2024, principally RFID additions in Mexico and China. Depreciation and amortization expense was \$31.5 million for the nine-month period of 2025, compared to \$28.5 million for the nine-month period of 2024.

Innovia Segment (“Innovia”)

(\$ millions)	<u>Third Quarter</u>			<u>Year-To-Date</u>		
	<u>2025</u>	<u>2024</u>	<u>+/-</u>	<u>2025</u>	<u>2024</u>	<u>+/-</u>
Sales	\$ 170.7	\$ 177.0	(3.6%)	\$ 540.9	\$ 527.2	2.6%
Operating Income ⁽¹⁾	\$ 13.6	\$ 17.8	(23.6%)	\$ 64.4	\$ 49.5	30.1%
Return on Sales ⁽¹⁾	8.0%	10.1%		11.9%	9.4%	
Capital Spending	\$ 13.9	\$ 22.1	(37.1%)	\$ 42.6	\$ 60.0	(29.0%)
Depreciation and Amortization ⁽²⁾	\$ 11.8	\$ 11.3	4.4%	\$ 35.2	\$ 33.6	4.8%

⁽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 and \$1.1 million, respectively, for right-of-use assets in the three-month and nine-month periods ended September 30, 2025 (2024 - \$0.4 million and \$1.6 million, respectively).

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 \$170.7 million for the third quarter of 2025 compared to \$177.0 million for the third quarter of 2024. The 3.6% decrease in sales was attributable to an organic decline of 6.0% driven by lower resin index cost pass through and soft label materials volume principally in North America, partially offset by 2.4% positive impact from foreign currency translation. Strong results in the U.K. benefited from modest volume

gains attributable to the consolidation of the Belgium operation with significant productivity improvements offsetting lower results in the Americas on slow demand in label and packaging markets. “EcoFloat” and pressure sensitive label films drove solid growth in Poland with modest profitability. Start-up losses for the new thin gauge pressure sensitive label film line in Germany drove all the operating income decline to \$13.6 million for the third quarter of 2025 compared to \$17.8 million in the prior year quarter. Return on sales was 8.0% compared to 10.1% for the same quarter a year ago.

Innovia invested \$42.6 million in capital spending for the first nine months of 2025 compared to \$60.0 million for the 2024 nine-month period, mainly for the final phase of the new facility in Germany and top coating capabilities in Mexico. Depreciation and amortization expense was \$35.2 million for the nine-month period of 2025 compared to \$33.6 million for the same period of 2024.

Joint Ventures

(\$ millions)	Third Quarter			Year-To-Date		
	<u>2025</u>	<u>2024</u>	<u>+/-</u>	<u>2025</u>	<u>2024</u>	<u>+/-</u>
Sales (at 100%)						
CCL joint ventures	\$ 24.0	\$ 25.6	(6.3%)	\$ 67.5	\$ 119.0	(43.3%)
Earnings in equity accounted investments						
CCL joint ventures	\$ 1.8	\$ 2.7	(33.3%)	\$ 4.5	\$ 16.0	(71.9%)

Results from the joint ventures including CCL-Kontur, Russia and up until the date of its acquisition of the remaining 50% interest by the Company in June 2024, Pacman-CCL, Middle East, 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. Excluding currency translation, earnings decreased compared to the prior year third quarter. Earnings from the label joint ventures declined significantly due to the acquisition of Pacman-CCL in June of 2024. Earnings in equity accounted investments amounted to \$4.5 million for the nine months ended September 2025 compared to \$16.0 million for the same period in 2024.

4. Currency Transaction Hedging and Currency Translation

Approximately 98% of sales made in the third quarter of 2025 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 third quarter of 2025 were negatively impacted by the appreciation of the Canadian dollar against the Australian dollar, 1.4% compared to the rates in the same period in 2024. This negative impact was offset by the depreciation of the Canadian dollar

relative to the U.S. dollar, euro, U.K. pound, Brazilian real, Mexican peso, Chinese renminbi, and Thai baht of 0.9%, 7.4%, 4.7%, 2.8%, 2.5%, 1.1% and 8.7%, respectively, when comparing the rates in the third quarters of 2025 and 2024. For the third quarter of 2025, currency translation had a positive impact of \$0.02 on adjusted earnings per Class B share compared to last year's third quarter.

5. Liquidity and Capital Resources

The Company's capital structure is as follows:

(in millions of Canadian dollars)

	September 30, 2025	December 31, 2024
Current portion of long-term debt	\$ 0.3	\$ 4.2
Current lease liabilities	49.4	47.2
Long-term debt	2,420.0	2,232.5
Long-term lease liabilities	155.0	163.7
Total debt	2,624.7	2,447.6
Cash and cash equivalents	(1,136.9)	(828.7)
Net debt ⁽¹⁾	\$ 1,487.8	\$ 1,618.9
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 1,600.5	\$ 1,497.1
Net debt to Adjusted EBITDA ⁽¹⁾	0.93	1.08

⁽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 nine months of 2025, net debt drawdowns on the Company's credit facilities totaled \$202.6 million to help fund the share repurchase programs, dividends, business acquisition and capital expenditures.

The Company's debt structure at September 30, 2025, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US\$600.0 million (\$830.9 million), 144A 3.25% private notes due October 2026 in the principal amount of US\$500.0 million (\$695.1 million), \$300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of \$584.9 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled \$1.1 million; accordingly, there was approximately US\$778.6 million of unused availability on the revolving credit facility at September 30, 2025.

The Company's debt structure at December 31, 2024, was primarily comprised of the 144A 3.05% private notes due June 2030 in the principal amount of US\$600.0 million (\$858.1 million), 144A 3.25% private notes due October 2026 in the principal amount of US\$500.0 million (\$717.6 million), the \$300.0 million principal amount 3.864% Series 1 Notes due April 2028, and borrowings of \$347.8 million on the Company's syndicated revolving credit facility. Outstanding contingent letters of credit totaled \$1.1 million; accordingly, there was approximately US\$956.7 million of unused availability on the revolving credit facility at December 31, 2024.

Net debt was \$1,487.8 million at September 30, 2025, \$131.1 million less than the net debt of \$1,618.9 million at December 31, 2024. The decrease in net debt is principally a result of an increase in total debt outstanding more than offset by the increase in cash and cash equivalents at September 30, 2025, compared to December 31, 2024.

Net debt to Adjusted EBITDA at September 30, 2025, was 0.93 times compared to 1.08 times at December 31, 2024, reflecting an increase in Adjusted EBITDA coupled with a reduction in net debt.

The Company's overall average finance rate, excluding lease liabilities, was 2.6% as at September 30, 2025, and at December 31, 2024.

The Company's leverage remains low and its liquidity very strong. The Company is in compliance with all its debt covenants at September 30, 2025, 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)	Third Quarter		Year-To-Date	
Summary of Cash Flows	2025	2024	2025	2024
Cash provided by operating activities	\$ 433.2	\$ 337.7	\$ 909.5	\$ 753.5
Cash used for financing activities	(183.5)	(145.2)	(305.7)	(220.3)
Cash used for investing activities	(99.8)	(104.7)	(316.5)	(551.6)
Translation adjustments on cash and cash equivalents	24.5	5.9	20.9	3.8
Increase (decrease) in cash and cash equivalents	\$ 174.4	\$ 93.7	\$ 308.2	\$ (14.6)
Cash and cash equivalents – end of period	\$ 1,136.9	\$ 759.6	\$ 1,136.9	\$ 759.6
Free cash flow from operations ⁽¹⁾	\$ 333.4	\$ 233.0	\$ 598.5	\$ 344.8

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

During the third quarters of 2025 and 2024, the Company generated cash from operating activities of \$433.2 million and \$337.7 million, respectively. Free cash flow from operations was an inflow of \$333.4 million in the 2025 third quarter compared to an inflow of \$233.0 million in the prior year third quarter. Improved earnings and working capital resulted in improved free cash flow from operations for the third quarter of 2025 compared to the third quarter of 2024.

Capital spending in the third quarter of 2025 amounted to \$122.1 million compared to \$106.8 million in the 2024 third quarter. Total depreciation and amortization expense for the third quarter of 2025 was \$115.7 million, compared to \$108.8 million for the third quarter of 2024. Expected net capital spending for 2025 is estimated to be approximately \$450.0 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 third quarters of 2025 and 2024 were \$55.8 million and \$51.5 million, respectively. The total number of shares issued and outstanding as at September 30,

2025 and 2024 were 173.2 million and 177.6 million, respectively. The Board of Directors has approved a dividend of \$0.3175 per Class A voting share and \$0.32 per Class B non-voting share to shareholders of record as of December 16, 2025, and payable December 30, 2025. The annualized dividend rate is \$1.27 per Class A share and \$1.28 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. During the first nine months of 2025, the Company spent \$300.0 million for the purchase of 3,907,184 Class B shares for cancellation. The excess of the purchase price over the paid-up capital was charged to retained earnings.

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 September 30, 2025, the Company had approximately US\$1.1 billion and €207.3 million drawn under the 144A private bonds and syndicated revolving credit facility, 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 September 30, 2025, 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 \$12.5 million for the nine months ended September 30, 2025.

8. Subsequent Event

The Board of Directors has declared a dividend of \$0.3175 per Class A voting share and \$0.32 per Class B non-voting share, which will be payable to shareholders of record at the close of business on December 16, 2025, to be paid on December 30, 2025.

In October 2025, the Company announced that it has acquired IDESCO Holding Corporation and IDSecurityonline.com, LLC, (collectively "IDESCO") based in Manhattan, New York for approximately \$19.0 million, net of cash acquired. IDESCO's product suite will be integrated into the Avery Segment's growing portfolio of access control, badging and credential technologies.

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 2024 annual audited consolidated financial statements and notes thereto, as well as the 2024 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 nine months ended September 30, 2025, there are no changes to the critical accounting policies and estimates from those described in the 2024 annual MD&A.

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, 2024. There have been no changes to the nature of, or parties to, the transactions for the nine months ended September 30, 2025, other than the transaction disclosed in note 10 of the consolidated condensed interim financial statements for the period ending September 30, 2025.

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.

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, 2024. 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 nine-month period ended September 30, 2025.

12. Risks and Strategies

The 2024 Annual MD&A detailed risks to the Company’s business and the strategies planned for 2025 and beyond. There have been no material changes to those risks and strategies during the first nine months of 2025.

13. Outlook

The third quarter of 2025 was marked by ongoing conflicts in the Middle East and Ukraine, as well as intensified trade protectionism, which created a challenging and unsettled global economic environment. Regardless, the Company posted strong quarterly adjusted earnings of \$1.21 per Class B share, 11.0% better than the third quarter of 2024. Results were driven by a robust quarter for the CCL Segment, augmented by improvements for Checkpoint offsetting expected lower profitability for Avery and Innovia respectively somewhat impacted by tariffs and new plant start-up losses. Despite strong results for the third quarter of 2025, global geopolitical and economic uncertainty point to continuing slow demand for the fourth quarter of this year.

For the 2025 third quarter, the CCL Segment delivered robust organic sales growth and profitability improvement while continuing to invest in new technologies and facilities. The core CCL business lines combined posted strong results, although demand remains soft for consumer staples, compounded by the uncertainty of tariffs. For CCL Secure, new business wins for polymer banknote substrate and passport components should drive improved sales volume. CCL Design faces tougher comparative results for the final quarter of the year. Nonetheless, the CCL Segment is still expected to post improved results for the 2025 year.

For Avery, Direct-to-Consumer businesses are still expected to outpace growth in legacy categories for the 2025 fourth quarter and beyond; tuck-in acquisitions remain a priority in the space. Horticultural businesses are heading into their high production season over the next two quarters with results expected to exceed prior year periods.

Checkpoint’s core MAS product line has a significant portion of its U.S. product line produced in China but mitigating actions are underway to address the current supply chain model in addition to tariff related pricing surcharges to customers. European

demand for MAS is expected to remain solid for the balance of the year. Apparel labeling demand will be contingent on the strength of the consumer for the busy fall and holiday season. We continue to believe in the potential for further RFID growth.

Innovia results improved significantly for the first nine months of 2025 despite new plant start-up costs in Germany. Currently, films produced in Mexico and sold in the U.S. are tariff free as they are USMCA compliant, however, North American pressure sensitive materials customers all note flat to down market demand. The large U.K. operations are strengthened by productivity initiatives and higher sales volume to markets previously supplied by the former Belgian plant. The new proprietary “EcoFloat” shrink film line in Poland is expected to continue to add volume. Start-up costs for the new thin-gauge film line in Germany are expected to persist at least through mid-2026.

The Company finished the third quarter with \$1,136.9 million cash-on-hand and additional unused capacity of US\$0.8 billion within its syndicated revolving credit facility. Net debt to Adjusted EBITDA is at 0.93 turns after investing \$335.0 million in capital expenditures and returning \$167.9 million and \$300.0 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 2025 to be approximately \$450.0 million, supporting organic growth and new greenfield opportunities globally.

Fourth quarter orders so far are stable but prior year comparisons are tougher. Foreign currency translation is expected to be a modest tailwind at current exchange rates for the fourth quarter of 2025 compared to the same quarter in 2024.

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, revaluation gains, 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, revaluation gains, 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)	Third Quarter		Year-To-Date	
Adjusted EBITDA	2025	2024	2025	2024
Net earnings	\$ 210.8	\$ 191.7	\$ 631.3	\$ 663.3
Corporate expense	21.4	17.0	65.9	59.6
Earnings in equity accounted investments	(1.8)	(2.7)	(4.5)	(16.0)
Net finance cost	18.2	19.3	54.0	55.9
Restructuring and other items	1.6	2.2	3.1	4.3
Revaluation gain	-	-	-	(78.1)
Income taxes	71.6	61.4	211.0	185.4
Operating income (a non-IFRS measure)	\$ 321.8	\$ 288.9	\$ 960.8	\$ 874.4
Less: Corporate expense	(21.4)	(17.0)	(65.9)	(59.6)
Add: Depreciation and amortization	115.7	108.8	344.0	320.7
Adjusted EBITDA (a non-IFRS measure)	\$ 416.1	\$ 380.7	\$ 1,238.9	\$ 1,135.5
Adjusted EBITDA for 12 months ended December 31, 2024 and 2023, respectively			\$ 1,497.1	\$ 1,332.1
less: Adjusted EBITDA for nine months ended September 30, 2024 and 2023, respectively			(1,135.5)	(995.4)
add: Adjusted EBITDA for nine months ended September 30, 2025 and 2024, respectively			1,238.9	1,135.5
Adjusted EBITDA for 12 months ended September 30, 2025 and 2024, respectively			\$ 1,600.5	\$ 1,472.2

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)	Third Quarter		Year-To-Date	
Free Cash Flow from Operations	2025	2024	2025	2024
Cash provided by operating activities	\$ 433.2	\$ 337.7	\$ 909.5	\$ 753.5
Less: Additions to property, plant and equipment	(122.1)	(106.8)	(335.0)	(412.7)
Add: Proceeds on disposal of property, plant and equipment	22.3	2.1	24.0	4.0
Free Cash Flow from Operations	\$ 333.4	\$ 233.0	\$ 598.5	\$ 344.8

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, revaluation gains, 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 4 of the Company’s consolidated condensed interim financial statements for the periods ended as indicated.

(in millions of Canadian dollars)

Return on Sales

	Sales Third Quarter		Operating Income Third Quarter		Return on Sales Third Quarter	
	2025	2024	2025	2024	2025	2024
CCL	\$ 1,260.6	\$ 1,152.5	\$ 216.3	\$ 179.2	17.2%	15.5%
Avery	279.3	279.7	53.1	55.2	19.0%	19.7%
Checkpoint	255.3	240.5	38.8	36.7	15.2%	15.3%
Innovia	170.7	177.0	13.6	17.8	8.0%	10.1%
Total Operations	\$ 1,965.9	\$ 1,849.7	\$ 321.8	\$ 288.9	16.4%	15.6%

Supplemental Financial Information

Sales Change Analysis (%)

	Three Months Ended September 30, 2025				Nine Months Ended September 30, 2025			
	Organic Growth	Acquisition Growth	FX Translation	Total	Organic Growth	Acquisition Growth	FX Translation	Total
CCL	6.6%	-	2.8%	9.4%	5.3%	1.2%	2.5%	9.0%
Avery	(2.8%)	0.4%	2.3%	(0.1%)	(3.5%)	0.2%	2.7%	(0.6%)
Checkpoint	4.4%	-	1.8%	6.2%	3.8%	-	2.2%	6.0%
Innovia	(6.0%)	-	2.4%	(3.6%)	(1.2%)	-	3.8%	2.6%
Total	3.7%	0.1%	2.5%	6.3%	3.1%	0.8%	2.6%	6.5%

15. Outstanding Share Data

As of November 11, 2025, the Company had 11,743,323 Class A voting shares and 161,490,764 Class B non-voting shares (“Class B Shares”) outstanding. In addition, there were 509,673 restricted stock units to issue 509,673 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 260,882 deferred share units (“DSU”) to issue 260,882 Class B Shares. Lastly, the Company has a performance stock unit (“PSU”) plan with 1.6 million Class B Shares available for future issuance.