

Sonoco Investor Update

November 10, 2022

Better
Packaging.
Better
Life.™

Better
Than Ever.



Forward-Looking Statements / Non-GAAP Financial Measures

Today's presentation contains several forward-looking statements based on current expectations, estimates and projections. These statements are not guarantees of future performance and are subject to certain risks and uncertainties. Therefore, actual results may differ materially.

Information about the Company's use of non-GAAP financial measures, why management believes presentation of non-GAAP financial measures provides useful information to investors about the Company's financial condition and results of operations, and the purposes for which management uses non-GAAP financial measures is included in the Company's Annual Report and on the Company's website at sonoco.com under Investor Relations, Webcasts & Presentations, Non-GAAP Reconciliations for Q3 2022 Earnings Presentation.

Pursuant to the requirements of Regulation G, the Company has provided definitions of the non-GAAP measures discussed during this presentation as well as reconciliations of those measures to the most closely related GAAP measure on its website at sonoco.com.

This presentation does not constitute the solicitation of the purchase or sale of any securities.



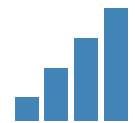
Sonoco is a Global Packaging Solutions Leader



Leader in **higher-value add** specialty packaging products serving consumer and industrial markets



A global company with a strong presence in **North America**



Attractive and growing **profits** from sustainability led-innovation and operational excellence



Investment grade **balance sheet** and strong **free cash flow**



Committed to improving the lives of our **teams, customers, and communities** built on a strong ESG foundation

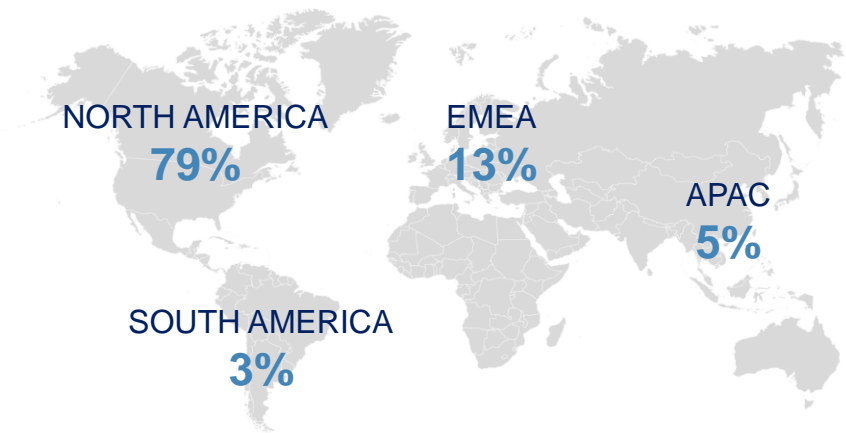
2022 Guidance

SALES
\$7.34 billion
+31% Y/Y

BASE EBITDA
\$ 1,150
+52% Y/Y

BASE EPS*
\$6.45
+64% Y/Y

Percentage of Sales by Region (Q3-22 YTD)



* See Appendix for base EPS to GAAP reconciliation.

A Year Ago....We Set a New Course for the Business

Priorities

Actions & Activities

1 Simplify the Portfolio

- Aligning to fewer, bigger businesses
- Manufacturing footprint optimization
- Focus on maximizing for operational and logistical efficiencies

2 Align Structure and Talent

- Simplifying infrastructure for cost savings and efficiency
- Enhancing focus on centers of excellence and shared services
- Building a talented, diverse and inclusive workforce through focused actions

3 Invest to Grow our Core

- Allocating strategic growth capital to high return opportunities
- Executing ongoing self-help activities
- Augmenting the core with inorganic investments where required

4 Execute Sustainability

- Sustainability is core to our mission
- Reducing environmental impacts (operational & product footprints)
- Partnership collaborations to drive circular economy solutions

We Are Simplifying the Portfolio

Focus on Fewer, Bigger Businesses

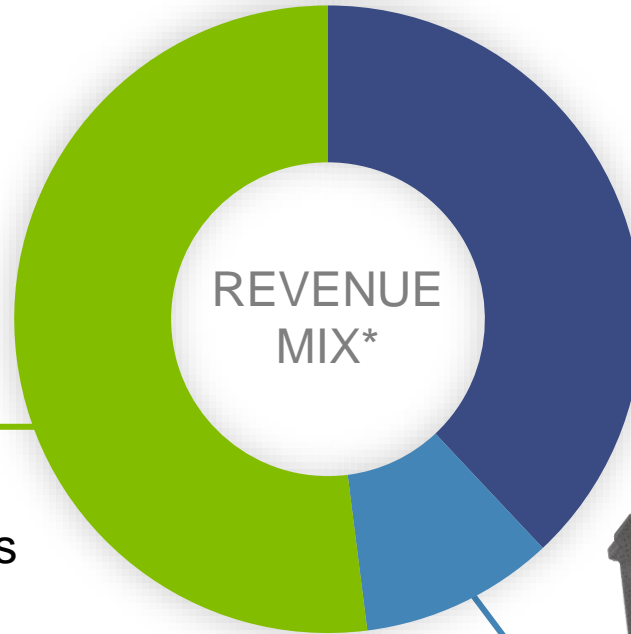
Core, Integrated Businesses are Consumer and Industrial Paper Packaging



CONSUMER PACKAGING

52%

Rigid Paper Containers
Metal Packaging
Flexible Packaging



INDUSTRIAL PAPER PACKAGING

38%

Global Paper
Tubes and Cores
Fiber Protective
Recycling



ALL OTHER

10%

Diversified Packaging Products

* Projected 2022 Revenue Mix



We Are Realigning our Structure and Talent

CORE, INTEGRATED BUSINESSES

Larger divisions with more opportunity for vertical integration and synergies in how they are operated

**CONSUMER
PACKAGING**

**INDUSTRIAL PAPER
PACKAGING**

Increased centralization and standardization

Leverages corporate services

Competitiveness through scale and standardization

DIVERSIFIED

Smaller divisions run more autonomously

**ALL OTHER
BUSINESSES**

Unique

Autonomous

Entrepreneurial

We are Investing Organically to Grow Our Core

~\$125 MILLION



**PROJECT
HORIZON**

~\$60 MILLION



**FLEXIBLE
PACKAGING**

~\$60 MILLION



**PAPER
CANS**

~\$25 MILLION



**METAL
CANS**

2022 Capital budget of ~\$325 million focused on funding high-ROIC organic growth and productivity initiatives

We are Investing Inorganically to Grow Our Core

Company Facts

Strategic Rationale

Transaction Details

(both immediately accretive to earnings & cash flow)

Timing

Skjern Paper

- One paper mill in Skjern, Denmark
- State-of-the-art ESG profile
- ~80 People
- \$50M Sales in 2022

- Ensures paper container board supply
- Consumer market focused
- Runway for new customers

- \$88M* cash transaction
- ~\$13.5M adjusted EBITDA
- ~\$2.1M synergies in 18 months
- 5.7x post-synergy multiple
- 6.5x pre-synergy multiple

* Pegged to FX rate as of Sept. 28, 2022

- Expected to Close Q4-22

RTS Packaging

- Sonoco 35% JV owner since 1997
- 14 converting operations in the Americas
- One paper mill in Chattanooga, TN
- ~1,100 people and \$270M Sales in 2022

- Expands paper capacity in Americas
- Consumer market focused
- High quality converting operations

- \$330M cash transaction
- ~\$50M adjusted EBITDA
- ~\$16M synergies in 24 months
- 5.0x post-synergy multiple
- 6.6x pre-synergy multiple
- Incremental \$40M in tax benefits

- Expected to Close 1H-23

We are Investing in Operational Excellence for Efficiency

Strategic Investment/Operational Excellence

- Capital investments for growth and productivity
- Automation for increased throughput

\$50M

Commercial Excellence

- Standard processes and monitoring
- Value recognition for performance and complexity

\$30M

Supply Chain Excellence

- Inventory management programs
- Strategic sourcing optimization

\$50M

Structural Transformation

- Aligning infrastructure to fewer bigger businesses
- More efficient functional and business services at center

\$50M

TOTAL BY 2026

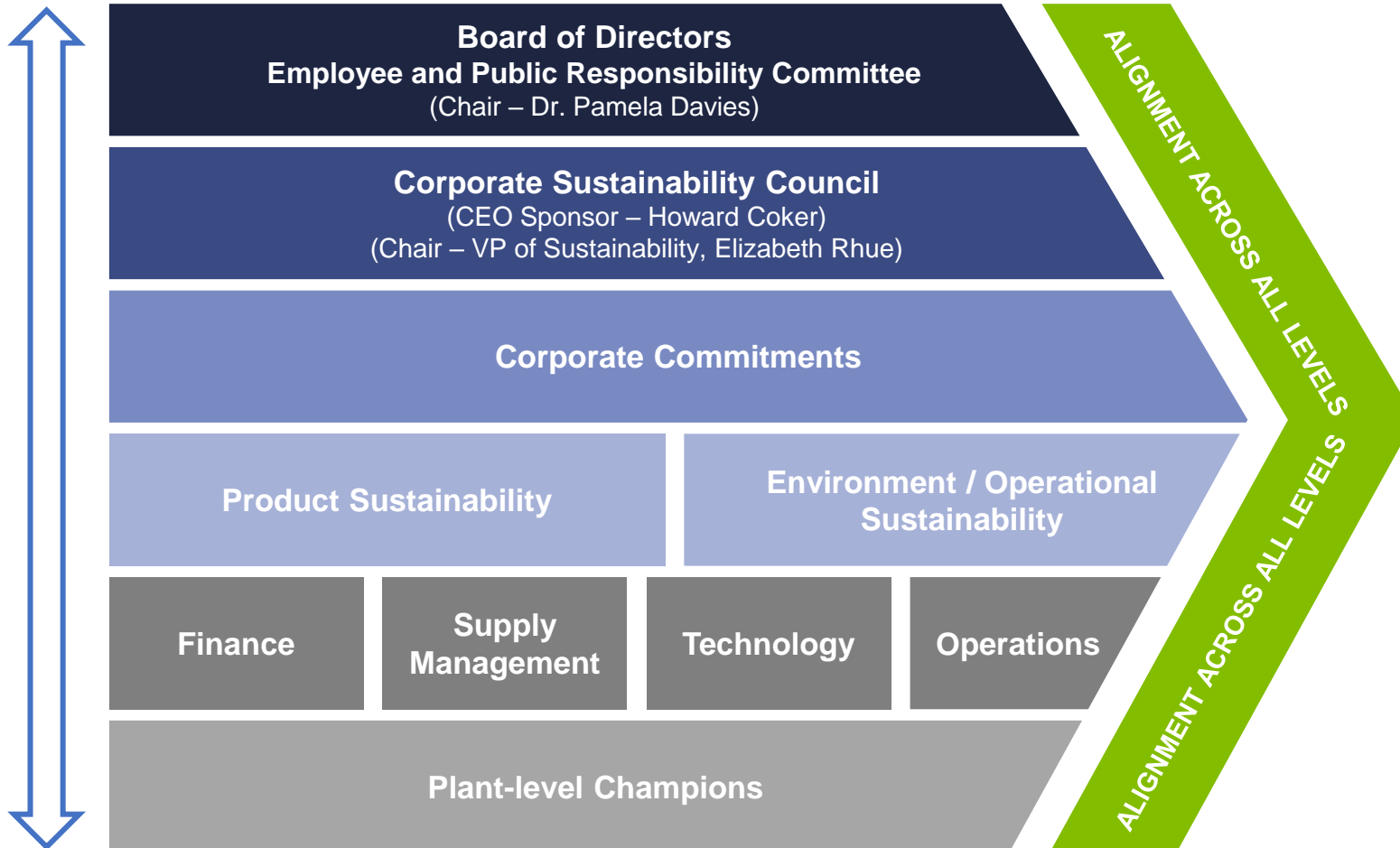
\$180M

Sonoco's Value Creation Model "Self Help"



ESG/Sustainability Oversight and Accountability

How do we drive business-level commitment for corporate ESG goals?



As we work to meet our environmental and sustainability commitments, we recognize our goals must be truly corporate commitments within all levels of the organization.

Management and Board Review ESG Progress Quarterly

ENVIRONMENTAL

- 2.2%** YoY decrease in Energy usage
- 1.4%** YoY decrease in water usage
- 50%** plants implemented Operation Clean Sweep
- 37** Projects in 2022 emissions reduction funnel

SOCIAL

- \$183M** in Diversity Spending with Suppliers
- \$1.85M** Sonoco Foundation Spend
- 25%** Female workforce representation
- 44%** Female new hires
- 33%** Racial or ethnic minority representation

GOVERNANCE

- 45 %** Board Diversity Rate
- 98.8%** Average majority for director election
- 99.7%** Say on Pay
- 1** ISS Governance Quality Score

RECOGNITIONS/RATINGS



B – Climate Change Score



BBB Rating for 2021



Gold



BARRON'S
Most Sustainable Companies

2020, 2021, 2022





Financial Update

Rob Dillard

Chief Financial Officer



Financial Overview



We are executing a significant portfolio transformation, improving our profitability and growth profile.



We delivered strong results in 2022, during a time of significant volatility and macro challenges.



The long-term trends in our end markets are favorable and our growth and productivity investments are gaining traction.



We expect to maintain a conservative balance sheet. Future significant free cash flow generation will provide optionality for accretive capital deployment.



We are committed to driving improved profitability and earnings.



Q3-22 Results Summary

FINANCIAL PERFORMANCE

REVENUE

\$1.9B

+34% y/y

BASE EBITDA

\$284M

+55% y/y

BASE NET INCOME

\$158M

+57% y/y

BASE EARNINGS PER SHARE*

\$1.60

+60% y/y

HIGHLIGHTS

- Strong quarterly results from strategic pricing and Metal Packaging performance
- Stable demand in consumer packaging; improving supply chain conditions
- Expanded base EBITDA margin to 15% from 13% in the third quarter of 2021
- Delivered base earnings per share of \$1.60, a 60% year-over-year increase
- Continued capital allocation for internal investments, inorganic portfolio improvement, and recurring dividends

* See Appendix for base EPS to GAAP reconciliation.



Current 2022 Guidance



BASE EBITDA

\$1,140 - \$1,160



BASE EPS

\$6.40 - \$6.50



OPERATING CASH FLOW

\$565 - \$615



FREE CASH FLOW

\$265 - \$315

- Raised full year base EPS guidance by \$0.20 at the midpoint to a range of \$6.40 - \$6.50 from prior guidance of \$6.20 - \$6.30 to reflect strong year-to-date performance
- Increased full year **EBITDA** guidance by \$12.5 million
- Reduced **Free Cash Flow** guidance by \$100 million at the midpoint from higher inventory levels driven by inflation and supply chain

Q4-22 Base EPS Guidance of \$1.20 to \$1.30

Financial Strength

Access to Liquidity

>\$600M

OPERATING CASH FLOW

~\$650M

COMMITTED LONG-TERM LIQUIDITY

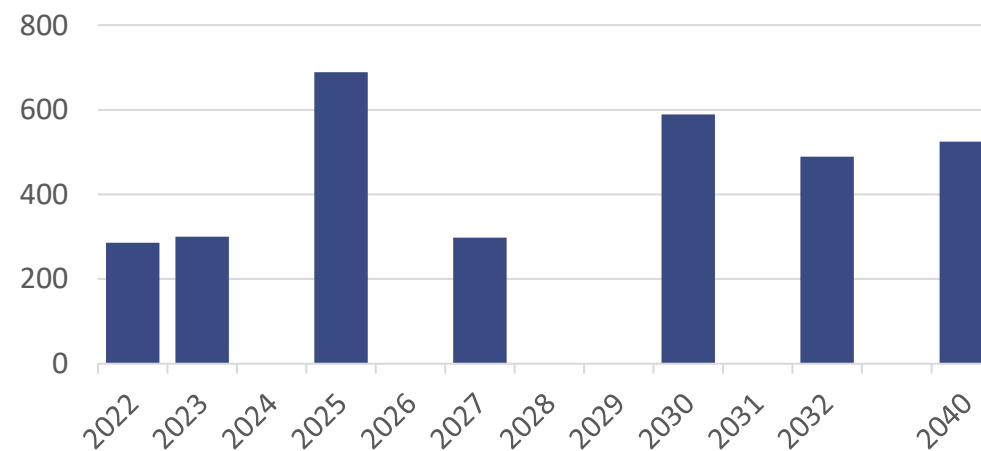
Investment Grade Profile



Attractive Maturity Schedule

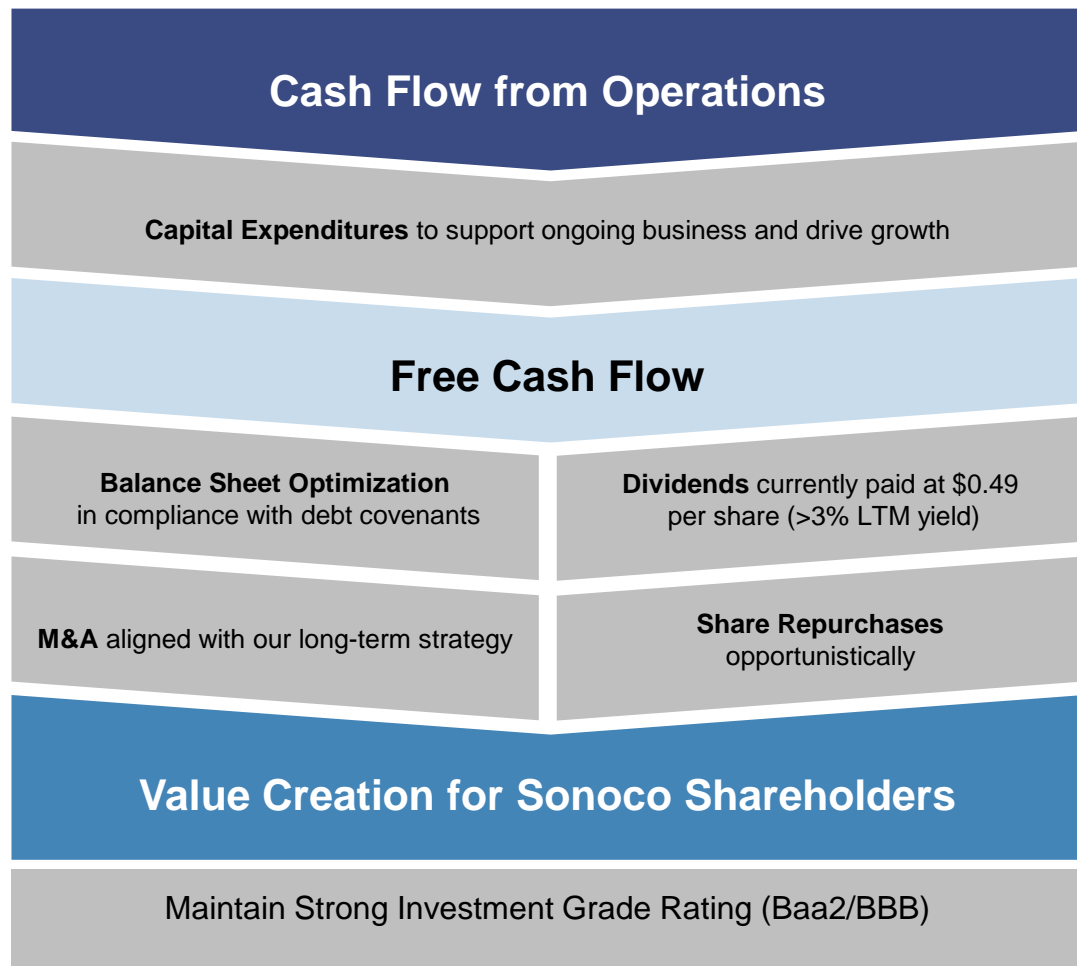
- Staggered maturity ladder
- Average coupon of 3.3% per year
- 77% fixed/23% floating

Debt Maturities (\$ Millions)



Disciplined Capital Allocation

Balanced and strategic capital deployment



Capital Expenditures

- Operational investments for productivity
- Strategic investments for growth

Balance Sheet Optimization

- Maintain a conservative balance sheet
- De-leverage as appropriate

Dividend Payments

- Increased 9% in April 2022
- Current quarterly payment at \$0.49 per share

Strategic M&A

- Pursuing deals in core markets
- Pay reasonable valuations with healthy returns

Share Repurchases

- Opportunistic repurchases
- \$138 million remaining on authorization



Why Invest in Sonoco?



A balanced and targeted portfolio with exposure to stable markets



Proven ability to execute with expected 64% improvement in base earnings per share in 2022, fueled by high-return capital investments and acquisitions



Operating strategy implementation to yield EBITDA margin upside



The commitment and continuation of capital returns to shareholders



Appendix



EPS Summary 2022 Vs. 2021

	3rd Quarter		Year to Date	
	2022	2021	2022	2021
GAAP EPS	\$ 1.24	\$ 1.12	\$ 3.74	\$ (1.51)
Addback for:				
Acquisition related costs, net	0.01	0.01	0.48	0.09
LIFO Reserve change	—	—	0.19	—
Acquisition Intangibles Amortization expense	0.16	0.09	0.46	0.28
Restructuring, net	0.16	0.03	0.37	0.06
Non-Operating Pension costs	0.01	—	0.03	4.16
Other Items	0.02	(0.25)	(0.06)	(0.15)
Base EPS	<u>\$ 1.60</u>	<u>\$ 1.00</u>	<u>\$ 5.21</u>	<u>\$ 2.93</u>

P&L Summary (Base) 3rd Quarter: 2022 Vs. 2021

(Dollars in millions)

			Better / (Worse)	
	2022	2021	\$	%
Net sales	\$ 1,890	\$ 1,415	\$ 475	33.6 %
Gross profit	367	258	109	42.3 %
SG&A Expenses, net of Other Income	142	123	19	(15.2)%
Operating profit	\$ 225	\$ 135	\$ 90	67.1 %
Net interest	(26)	(14)	(12)	(79.8)%
Income before income taxes	\$ 200	\$ 120	\$ 80	65.6 %
Provision for income taxes	46	23	23	(100.0)%
Net Income, after tax	\$ 153	\$ 98	\$ 55	56.8 %
Equity in Affiliates and Minority Interest	4	2	2	78.6 %
Net income attributable to Sonoco	\$ 158	\$ 100	\$ 58	57.9 %
EBITDA	\$ 284	\$ 184	100	54.3 %
Gross profit %	19.4 %	18.2 %		
SG&A, net of Other Income %	7.5 %	8.7 %		
Operating profit %	11.9 %	9.5 %		
Operating profit before D&A%	14.9 %	12.9 %		
Effective tax rate	23.1 %	18.8 %		

NOTE: Due to rounding individual items may not sum down



P&L Summary (Base) 3rd Quarter Year to date: 2022 Vs. 2021

(Dollars in millions)

			Better / (Worse)	
	2022	2021	\$	%
Net sales	\$ 5,575	\$ 4,151	\$ 1,424	34.3 %
Gross profit	1,184	798	386	48.4 %
SG&A Expenses, net of Other Income	(448)	(370)	(78)	21.1 %
Operating Profit	\$ 736	\$ 428	\$ 308	72.0 %
Net interest	(68)	(49)	(19)	(38.8)%
Income before income taxes	668	379	289	76.3 %
Provision for income taxes	164	90	(74)	(82.2)%
Net Income, after tax	\$ 504	\$ 289	\$ 215	74.4 %
Equity Affiliates and Minority Interest	10	5	5	100.0 %
Net income attributable to Sonoco	\$ 514	\$ 295	\$ 219	74.2 %
<hr/>				
EBITDA	\$ 907	\$ 577	\$ 330	57.2 %
<hr/>				
Gross Profit %	21.2 %	19.2 %		
SG&A %	8.0 %	8.9 %		
Operating profit %	13.2 %	10.3 %		
Operating profit before D&A %	16.3 %	13.9 %		
Effective tax rate	24.6 %	23.7 %		



NOTE: Due to rounding individual items may not sum down

Balance Sheet

(Dollars in millions)

	10/2/2022	12/31/2021	Change
Cash and cash equivalents	\$ 182	\$ 171	\$ 11
Trade accounts receivable, net of allowances	973	756	217
Other receivables	113	96	17
Inventories	1,016	562	454
Prepaid expenses	127	74	53
Assets held for sale	—	—	—
Current Assets	\$ 2,411	\$ 1,659	\$ 752
Property, plant and equipment, net	1,627	1,298	329
Goodwill	1,642	1,325	317
Other intangible assets, net	710	278	432
Right of Use Asset - Operating leases	297	268	29
Other assets	289	246	43
Total Assets	\$ 6,976	\$ 5,073	\$ 1,903
Payable to suppliers and others	1,302	1,103	199
Income taxes payable	37	12	25
Liabilities held for sale	—	—	—
Total debt	3,140	1,611	1,529
Pension and other postretirement benefits	152	158	(6)
Noncurrent operating lease liabilities	253	234	19
Deferred income taxes and other	156	106	50
Total equity	1,935	1,850	85
Total Liabilities and Shareholders' Equity	\$ 6,976	\$ 5,073	\$ 1,903
Net debt / Total capital	60.5 %	43.8 %	

Net debt = Total debt minus cash and cash equivalents. Total capital = Net debt plus total equity

NOTE: Due to rounding individual items may not sum down

