

Quarterly Financial Review

Sonoco First Quarter 2022 Results

Investor Presentation | April 2022



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Forward-Looking Statements/Non-GAAP Financial Measures

Today's presentation contains a number of 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 Q1 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.

EPS Summary 1st Quarter: 2022 Vs. 2021

	1st Quarter	
	2022	2021
Actual EPS	\$ 1.17	\$ 0.71
Addback for:		
Acquisition related costs, net	0.37	0.08
Acquisition Intangibles Amortization expense	0.14	0.09
LIFO Reserve change	0.14	—
Restructuring and Asset Impairments, net	0.11	0.05
Other Items	(0.08)	0.06
Base EPS	\$ 1.85	\$ 1.00
 Sonoco Guidance	 \$ 1.70 – 1.80	

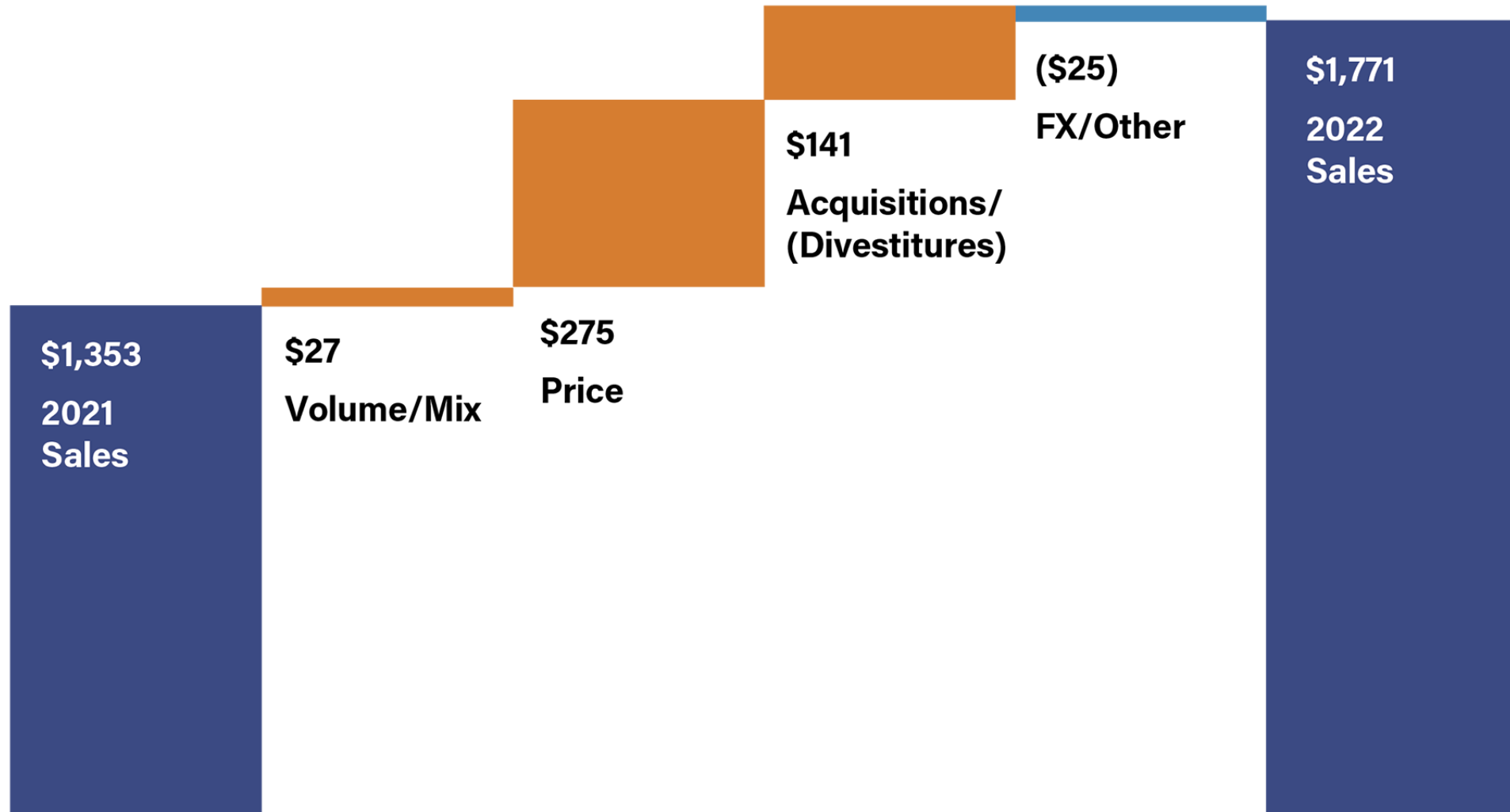
P&L Summary (Base) 1st Quarter: 2022 Vs. 2021

(Dollars in millions)

			Better/(Worse)	
	2022	2021	\$	%
Net sales	\$ 1,771	\$ 1,353	\$ 418	31%
Gross profit	416	278	138	50%
SG&A expenses, net of Other income	(155)	(125)	(30)	(24)%
Operating profit	\$ 261	\$ 152	\$ 109	72%
Net interest expense	(19)	(18)	(1)	(6)%
Provision for income taxes	\$ (61)	\$ (34)	\$ (27)	(79)%
Net Income, after tax	\$ 181	\$ 100	\$ 81	81%
Equity in Affiliates and Minority Interest	2	1	1	100%
Net income attributable to Sonoco	\$ 183	\$ 101	\$ 82	81%
EBITDA	\$ 312	\$ 201	\$ 111	55%
Gross profit %	23.5%	20.5%		
SG&A %	8.8%	9.6%		
Operating profit %	14.7%	11.3%		
EBITDA%	17.6%	14.9%		
Effective tax rate	25.3%	25.6%		

Sales Bridge 1st Quarter and YTD: 2022 Vs. 2021

(Dollars in millions)



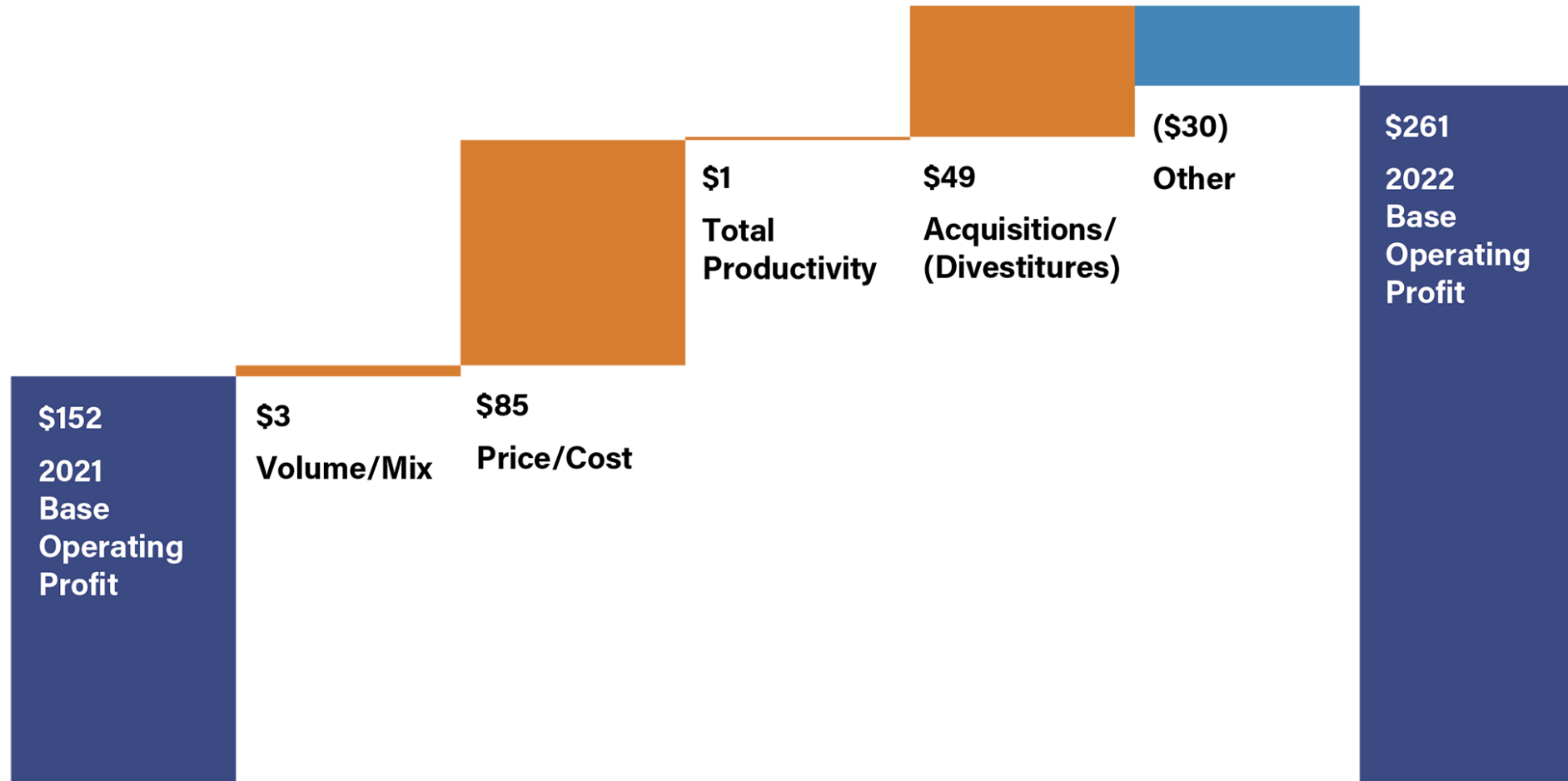
⁵ NOTE: Due to rounding individual items may not sum
 Volume/Mix growth rates are calculated excluding divested prior year sales



Base Operating Profit Bridge

1st Quarter and YTD: 2022 Vs. 2021

(Dollars in millions)



Segment Analysis

1st Quarter: 2022 Vs. 2021

(Dollars in millions)

	Net sales			Base Operating Profit		
	2022	2021	% Chg	2022	2021	% Chg
Consumer Packaging	\$ 868	\$ 583	49.0%	\$ 174	\$ 81	113.4%
Industrial Paper Packaging	\$ 699	\$ 565	23.7%	\$ 73	\$ 52	38.9%
All Other	\$ 204	\$ 205	(0.7)%	\$ 15	\$ 19	(22.6)%
Total Sonoco	\$ 1,771	\$ 1,353	30.9%	\$ 261	\$ 152	71.1%

	Operating Profit As % Of Sales		Margin Change
Consumer Packaging	20.0%	14.0%	6.0%
Industrial Paper Packaging	10.4%	9.2%	1.2%
All Other	7.1%	9.1%	(2.0)%
Total Sonoco	14.7%	11.2%	3.5 %

Cash Flow Year to date: 2022 Vs. 2021

(Dollars in millions)

	Year To Date		Year Over Year
	2022	2021	Change
Net income	\$ 116	\$ 72	\$ 44
Asset impairment charges / Losses on disposition of assets	6	8	(2)
Depreciation and amortization expenses	71	62	9
Pension and postretirement plan contributions, net of expenses	(26)	(12)	(14)
Changes in working capital	(185)	(30)	(156)
Changes in tax accounts	18	13	5
Other operating activity	2	26	(23)
Operating cash flow	\$ 1	\$ 139	\$ (138)
Capital expenditures, net of dispositions	(67)	(39)	(28)
Free cash flow	\$ (66)	\$ 99	\$ (166)
Cash dividends	\$ (44)	\$ (45)	\$ 1

Balance Sheet

(Dollars in millions)

	<u>4/3/2022</u>	<u>12/31/2021</u>	<u>Change \$</u>
Cash and cash equivalents	\$ 152	\$ 171	\$ (19)
Trade accounts receivable, net of allowances	1,000	756	245
Other receivables	111	96	15
Inventories	868	562	306
Prepaid expenses	120	74	46
Current Assets	\$ 2,251	\$ 1,659	\$ 592
Property, plant and equipment, net	1,641	1,298	343
Right of Use Asset - Operating leases	316	268	47
Goodwill	1,688	1,325	363
Other intangible assets, net	757	278	479
Other assets	304	246	58
Total Assets	\$ 6,956	\$ 5,073	\$ 1,883
Payable to suppliers and others	1,256	1,103	153
Income taxes payable	18	12	7
Total debt	3,171	1,611	1,560
Noncurrent operating lease liabilities	272	234	38
Pension and other postretirement benefits	154	158	(4)
Deferred income taxes and other	166	106	60
Total equity	1,919	1,850	69
Total Liabilities and Shareholders' Equity	\$ 6,956	\$ 5,073	\$ 1,883
Net debt / Total capital	61.1 %	43.8 %	

Net debt = Total debt minus cash and cash equivalents.

Total capital = Net debt plus total equity

9 NOTE: Due to rounding individual items may not sum down
Includes preliminary purchase price accounting estimates related to Ball Metalpack acquisition that are subject to change



Q2 and Full-year Guidance

	February 2022 Guidance	Updated Guidance	Change
2022 Base EPS <u>Updated</u> Guidance <small>Excludes Amortization of Acquisition Intangibles</small>	\$4.60 - \$4.80	\$5.25 - \$5.45	~14%
2022 Base EBITDA <u>Updated</u> Guidance <small>(\$ millions)</small>	\$910 - \$960	\$995 - \$1,045	~9%
2022 Operating Cash Flow Guidance <small>(\$ millions)</small>	\$690 - \$740	\$690 - \$740	--
2022 Free Cash Flow Guidance <small>(\$ millions)</small>	\$365 - \$415	\$365 - \$415	--

Q210 Base EPS Guidance = \$1.20 - \$1.30

Appendix

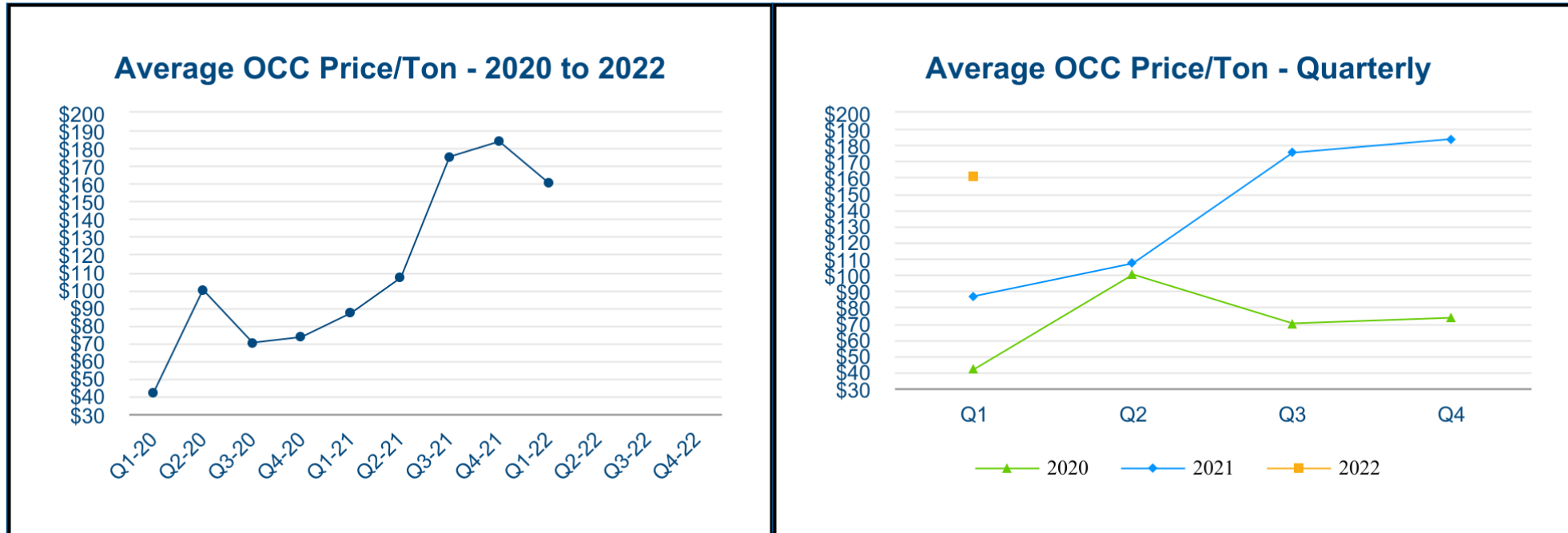
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OCC: Official Board Market 1st Quarter: 2022 Vs. 2021 Vs. 2020

(Price/Ton)



	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter			
	J	F	M	Avg	A	M	J	Avg	J	A	S	Avg	O	N	D	Avg
2020	35	40	50	42	85	125	90	100	70	70	70	70	70	70	80	73
2021	85	85	90	87	95	100	125	107	145	185	195	175	195	185	170	183
2022	165	160	155	160												

