

Sonoco Protective Solutions Announces Price Increases to Keep Pace with Rising Raw Material Costs

February 13, 2017 8:01 AM ET

Impacts Expanded Polystyrene (EPS) and Sonopost Products

HARTSVILLE, S.C., Feb. 13, 2017 (GLOBE NEWSWIRE) -- Sonoco (NYSE:SON) today announced a 10-percent price increase on all EPS parts and components and a 7-percent increase on all Sonopost® products. The increases will be effective on all shipments after March 1, 2017.

These increases are in response to a confluence of macroeconomic factors creating an inflationary environment for multiple raw materials used by the Protective Solutions business of Sonoco, which serves markets ranging from automotive and consumer durables, to pharmaceuticals and biologics.

Styrene monomer prices have increased rapidly since October 2016 and have had a significant impact on the cost of polystyrene, which is the key raw material in all expanded polystyrene (EPS) products produced by Sonoco. “Styrene production outages continue to impact prices,” said Russell Grissett, vice president and general manager, Sonoco ThermoSafe. “This is an unprecedented situation, and it is creating a high level of uncertainty as to where pricing could be headed in the coming weeks.”

Sonoco’s Sonopost® product offerings employ a high-strength paperboard containing predominantly Southeast OCC (old corrugated containers) raw material feedstock. “The price of OCC has increased each of the past five months due to high export demand, strong demand from U.S. mills which use recycled paper and slow collections of OCC,” said Greg Powell, vice president and general manager, Sonoco Protective Solutions.

These external factors are beyond Sonoco’s control, leaving the company with no choice but to increase prices on its temperature assurance and protective packaging product lines. Market indicators point to continued upward pricing pressure on these raw materials, which could lead to additional price increases in the future.

Sonoco is a leading temperature assurance and protective packaging solutions provider, with 28 manufacturing and fabrication facilities located throughout the U.S. and Mexico. Sonoco Protective Solutions, which includes Sonoco ThermoSafe, supplies packaging to customers in the automotive, appliance, biologics, pharmaceuticals, technology, HVAC, kitchen and bath and furniture industries.

For more information about Sonoco Protective Solutions’ products or to learn more about current pricing, please visit www.sonocoprotectivesolutions.com or www.thermosafe.com or contact Sonoco Protective Solutions at +800-289-9966.

About Sonoco

Founded in 1899, Sonoco is a global provider of a variety of consumer packaging, industrial products, protective packaging, and displays and packaging supply chain services. With annualized net sales of approximately \$4.8 billion, the Company has 20,000 employees working in more than 300 operations in 35 countries, serving some of the world’s best known brands in some 85 nations. For more information on the Company, visit our website at www.sonoco.com.

Contact:

Roger Schrum

+843-339-6018

roger.schrum@sonoco.com



Sonoco Products Company