



Grow & Optimize



Jefferies Industrials Conference

New York
August 2016



Forward-looking Statements

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.

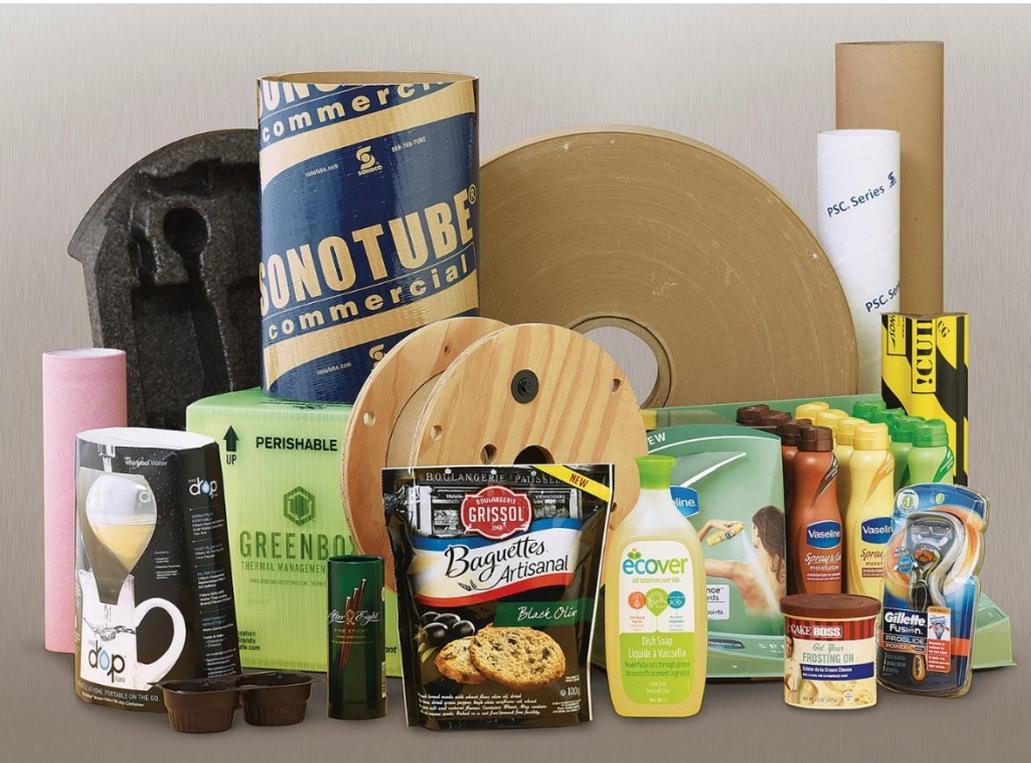
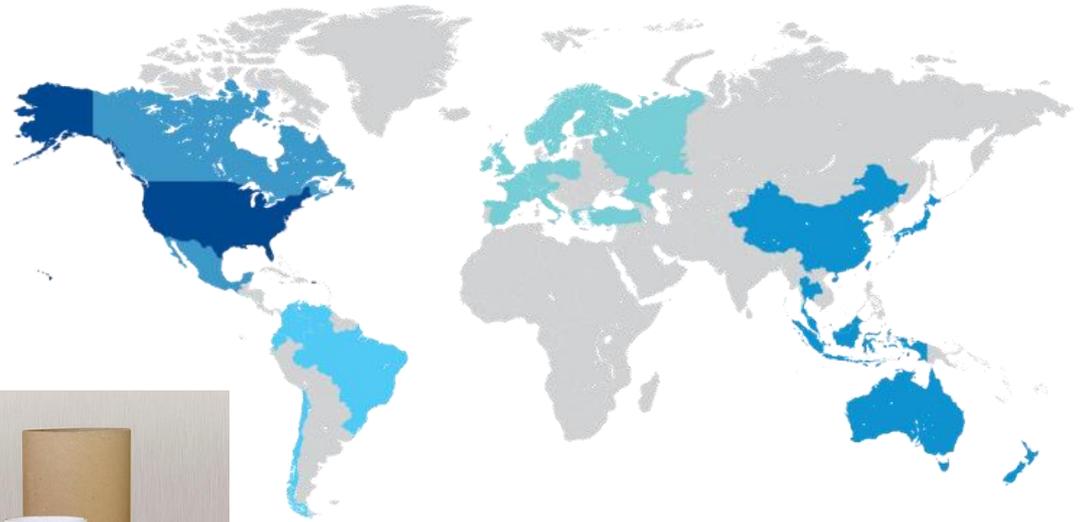
Information about the Company's use of non-GAAP financial measures, why management believes presentation of non-GAAP financial measures provides useful information to investors about the Company's financial condition and results of operations, and the purposes for which management uses non-GAAP financial 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 Q2 2016 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 Today

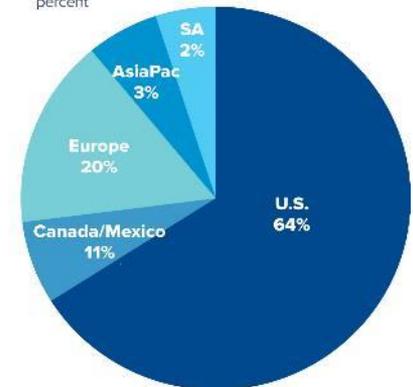
re-envisioning
SONOCO



SALES BY OPERATING SEGMENT
percent of sales



2015 SALES BY GEOGRAPHY
percent



Grow and Optimize in a Slow Growth Global Economy

Results by Segment

Consumer Packaging



(\$million)	<u>2016</u> YTD	<u>2015</u>	<u>2014*</u>
Sales	\$1,038	\$2,122	\$1,963
Base EBIT	\$122.4	\$231.6	\$200.6

Display & Packaging



	<u>2016</u> YTD	<u>2015</u>	<u>2014*</u>
Sales	\$275	\$606	\$667
Base EBIT	\$8.3	\$10.9	\$10.7

Paper & Industrial Converted



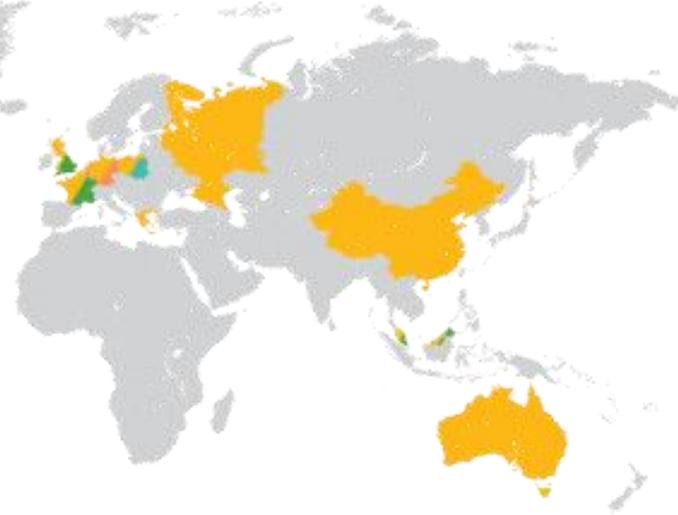
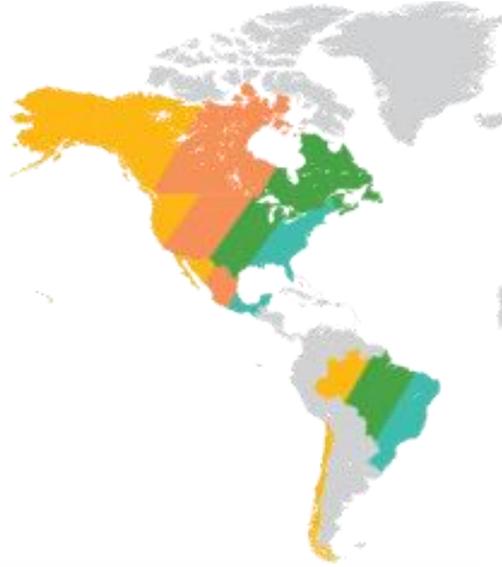
	<u>2016</u> YTD	<u>2015</u>	<u>2014*</u>
Sales	\$856	\$1,730	\$1,902
Base EBIT	\$70.8	\$124.1	\$162.2

Protective Solutions



	<u>2016</u> YTD	<u>2015</u>	<u>2014*</u>
Sales	\$262	506	\$485
Base EBIT	\$26.3	\$46.0	\$34.0

Global Consumer Packaging and Services Strategy



**GLOBAL CONSUMER
PACKAGING 2015 SALES**
\$2,728 MM





Innovation Process



SONOCO

IPS
STUDIO

Expand the Can

Integrated Sonoco/Weidenhammer Brand



Expand the Can

Southeast Asia Growth



Flexible Packaging Growth



Rigid Plastic Growth



Thermoforming



Injection Molding/ Extrusion



Blowmolding



TruVue™

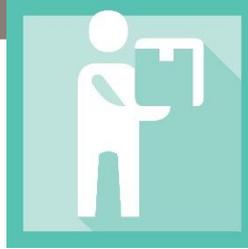
The New TruVue™ Can from Sonoco

Clearly, Uncanny.

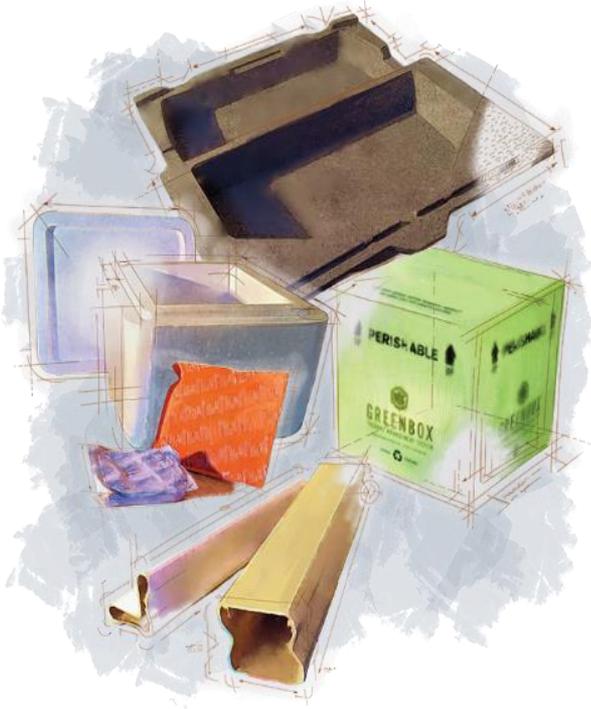


Display and Packaging

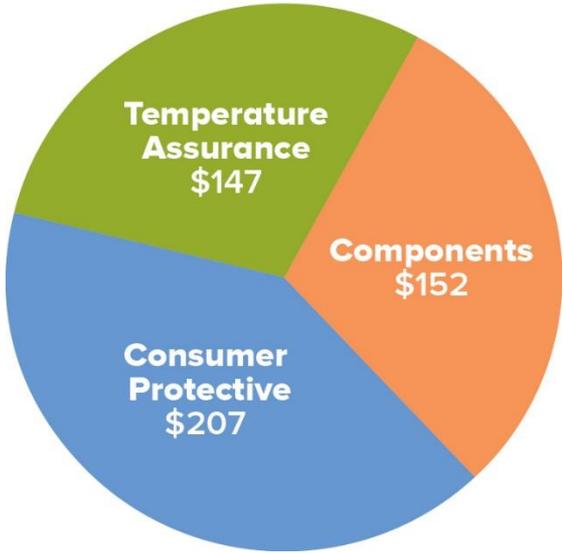
Growth Initiatives



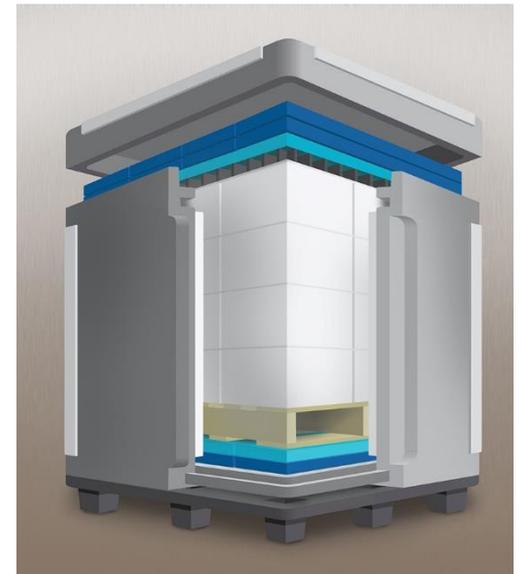
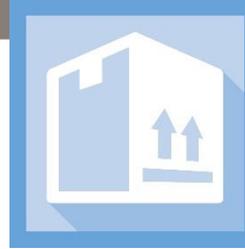
Protective Solutions Strategy



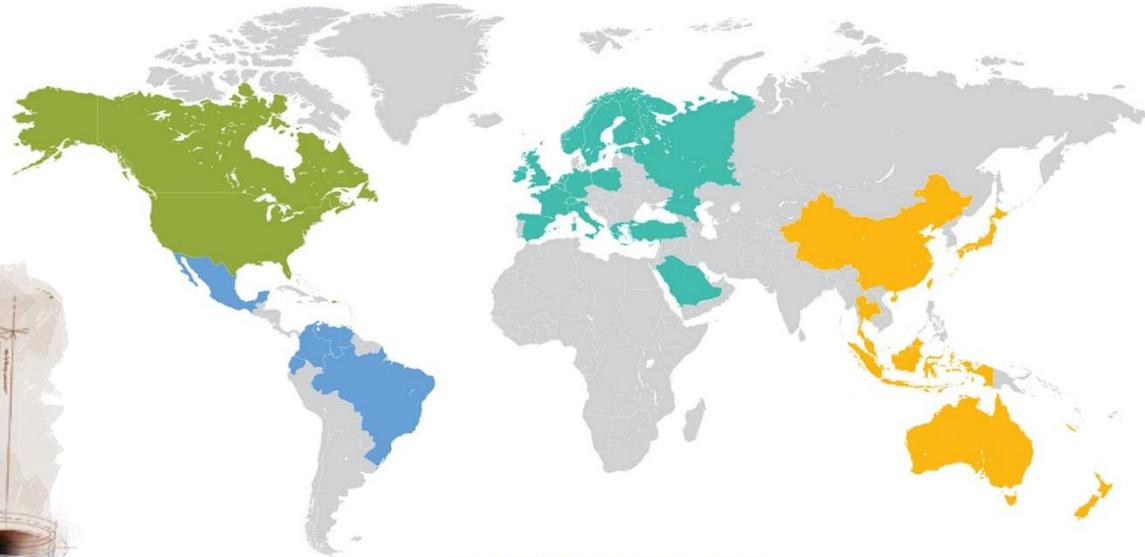
**PROTECTIVE SOLUTIONS
2015 SALES**
\$506 MM



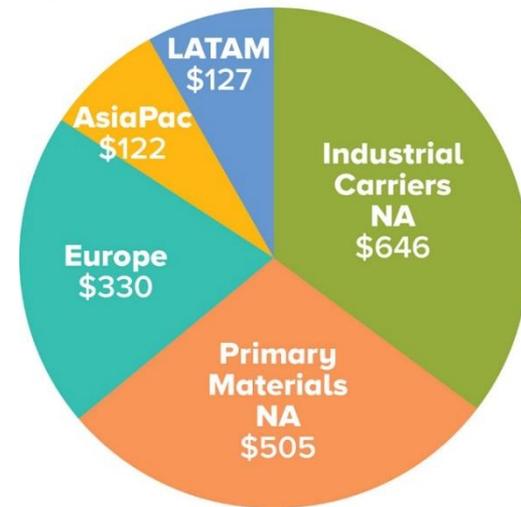
Grow – Sonoco ThermoSafe



Global Paper and Industrial Converted Products



GLOBAL PAPER AND INDUSTRIAL 2015 SALES
\$1,730 MM



Global Paper

Optimization Strategy



Sonoco
is the #1
player in
URB production
in North America.



Tubes and Cores Optimization Strategy



550
In North America and Europe combined, our team of tube and core scientists and engineers boasts a collective 550 years of industry experience.



Sonotube® construction forms celebrated 70 years of Standing Strong in 2015.

48%

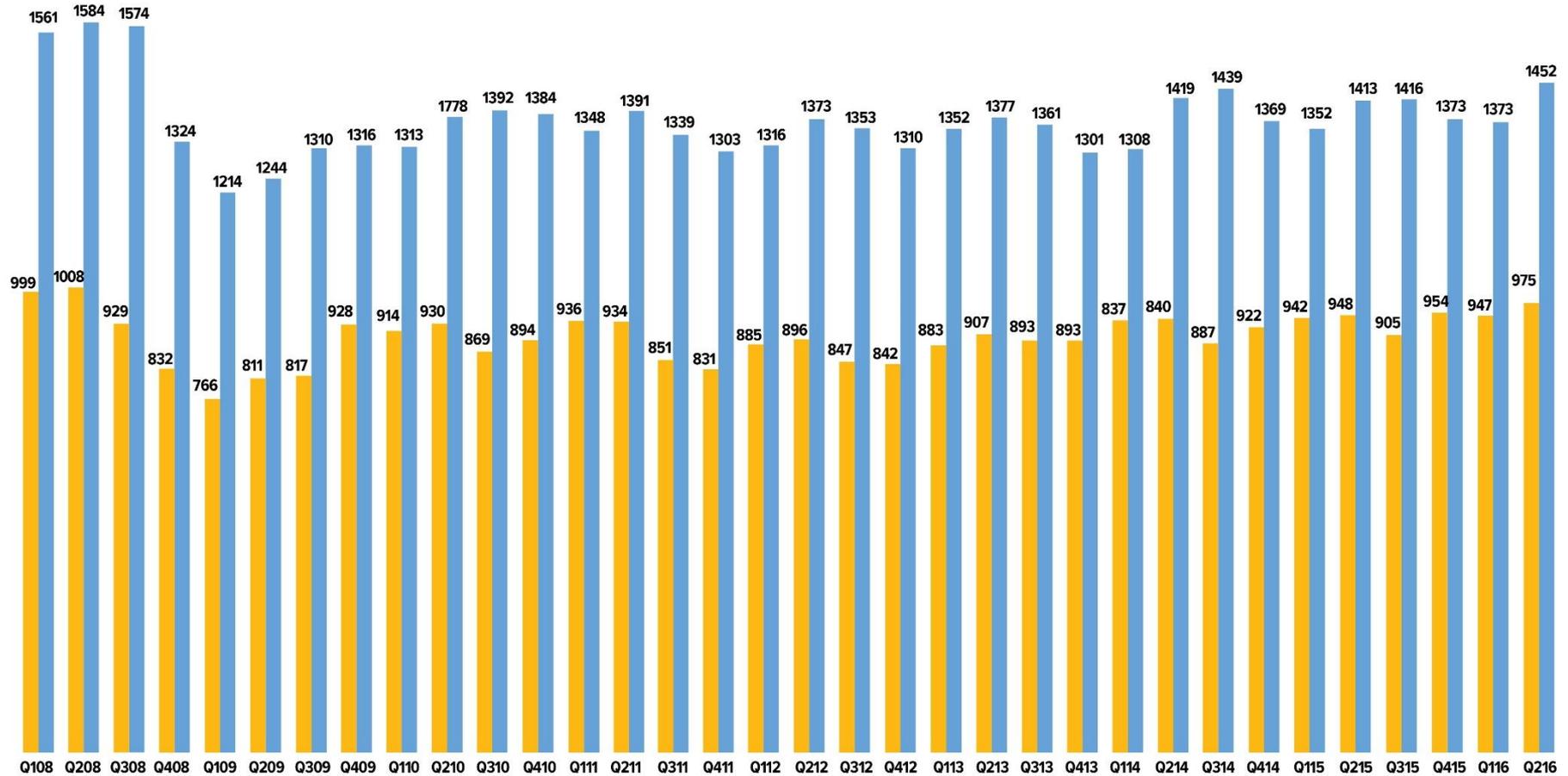
Sonoco is a leader in the North American tube and core industry, with a market share of approximately 48%.



Tubes and Cores



Optimization Strategy – Tubes and Cores



■ North America
■ Europe





Grow & Optimize



Financial Review



EPS Summary

2nd Quarter: 2016 vs. 2015

	2nd Quarter		Year To Date	
	2016	2015	2016	2015
Actual EPS	\$0.55	\$0.63	\$1.14	\$1.47
Addback for:				
Restructuring & Asset Impair, Net	0.17	0.07	0.24	0.10
Canton Disposition	-	-	-	(0.16)
Spanish Tax Reserve Adjustments	-	(0.03)	-	(0.03)
Reversal of Fox River Reserve	-	(0.01)	-	(0.20)
Acquisition / Divestiture Costs / Other	0.01	0.02	0.01	0.04
Base EPS	<u>\$0.73</u>	<u>\$0.68</u>	<u>\$1.38</u>	<u>\$1.22</u>

Sales Bridge

2nd Quarter: 2016 Vs. 2015
(Dollars in millions)

	<u>Q2-2016</u>	<u>YTD 2016</u>
2015 Sales	\$1,249	\$2,455
Volume / Mix	9	82
Price	(11)	(28)
Acq / Div	1	5
Exchange / Other	<u>(42)</u>	<u>(82)</u>
2016 Sales	<u>\$1,206</u>	<u>\$2,432</u>

Base EBIT Bridge

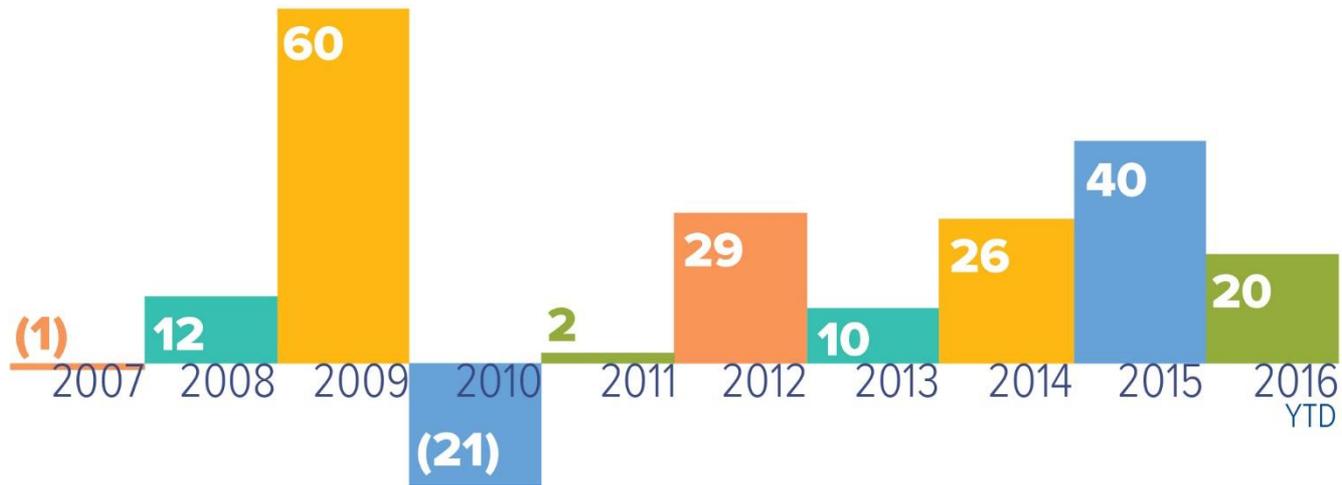
2nd Quarter: 2016 Vs. 2015
(Dollars in millions)

	<u>Q2-2016</u>	<u>YTD 2016</u>
2015 Base EBIT	\$111	\$203
Volume / Mix	(2)	16
Price / Mat'l, Energy, Frt Costs	6	19
Acq / Div	0	2
Productivity	0	8
Other	(2)	(26)
Pension	<u>3</u>	<u>6</u>
2016 Base EBIT	<u>\$116</u>	<u>\$228</u>

Price/Cost Impact on EBIT

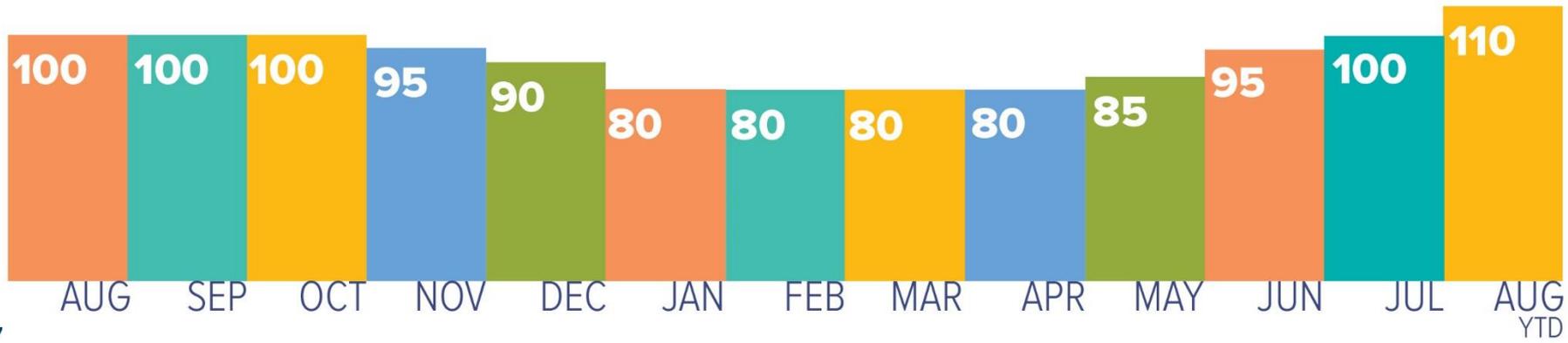
PRICE/COST IMPACT TO EBIT

millions of dollars



2015-2016 OCC PRICING

dollars per ton



Earnings Guidance

	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Full Year
2015 Base EPS*	\$0.54	\$0.68	\$0.65	\$0.64	\$2.51
2016 Base EPS	\$0.65	\$0.73			
2016 Guidance	\$0.65	\$0.73	\$0.65 - \$0.70		\$2.68 - \$2.74
2016 First Call Consensus	\$0.65	\$0.73	\$0.685	\$0.65	\$2.72

Cash Flow

2nd Quarter: 2016 vs. 2015

(Dollars in thousands)

	2nd Quarter		Year To Date	
	2016	2015	2016	2015
Cash from operations (See Note A)	\$ 119,662	\$ 112,752	\$ 186,049	\$ 173,082
Purchase of property, plant and equipment	(43,089)	(45,759)	(98,774)	(86,713)
Proceeds from dispositions, net	(7,434)	298	(4,842)	31,006
Cash Dividends	(37,283)	(35,116)	(72,679)	(67,379)
"Free Cash Flow"	<u>\$ 31,856</u>	<u>\$ 32,175</u>	<u>\$ 9,754</u>	<u>\$ 49,996</u>
Shares acquired under announced buyback	(22,613)	-	(37,931)	-
 Note A: Cash from operations includes pension and post retirement plan contributions of:	 \$ (3,605)	 \$ (8,101)	 \$ (35,647)	 \$ (25,118)

Our Priorities for 2016



Grow

- Market Focused
- Achieve higher than market average growth



Margin Improvement

- Grow operating margins to 9% to 10%



Maximize Free Cash Flow Generation and Target Capital Deployment

- Grow core businesses while returning cash to shareholders



Optimize the Portfolio

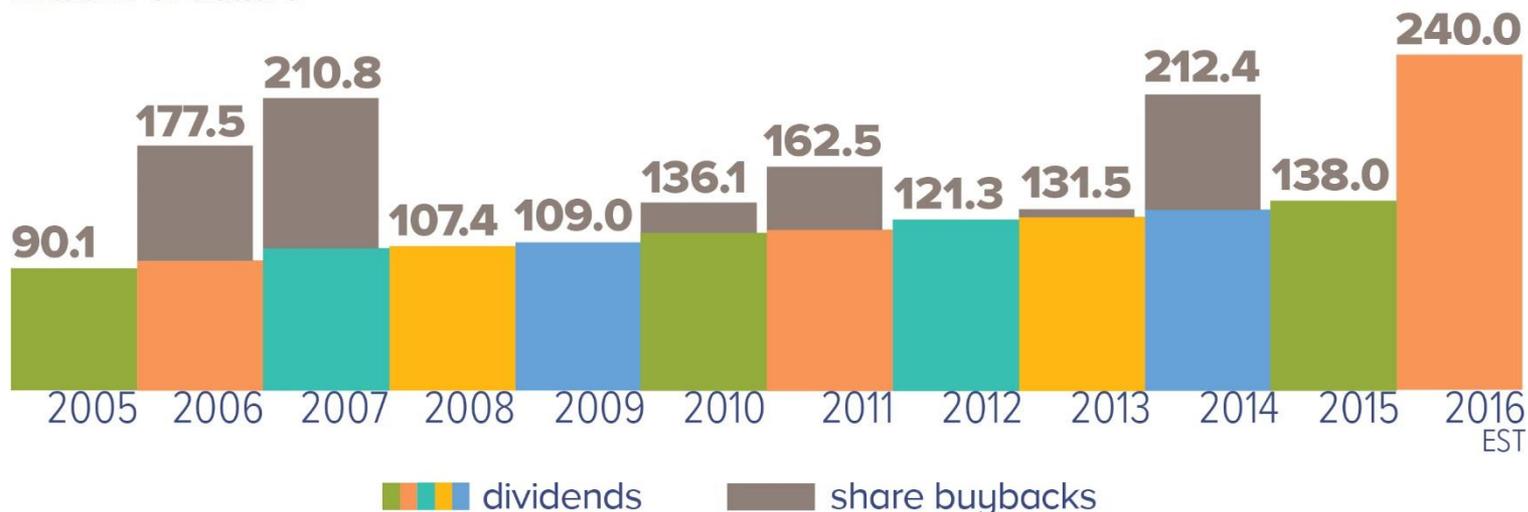
- Grow targeted Consumer Packaging/Protective Solutions businesses
- Further shift the mix of businesses to Consumer

Capital Deployment Strategy

- Target capital spending on profitable growth (\$200 million projected in 2016)
- Pursue accretive acquisitions in targeted growth areas – Flexible Packaging and Protective Solutions
- Returning up to \$240 million in free cash flow in 2016 to shareholders
 - Increased dividends
 - Share repurchases at \$100 million

DIVIDENDS AND STOCK REPURCHASES

millions of dollars



Cash Dividend Increase

Board Authorizes Increased Dividend



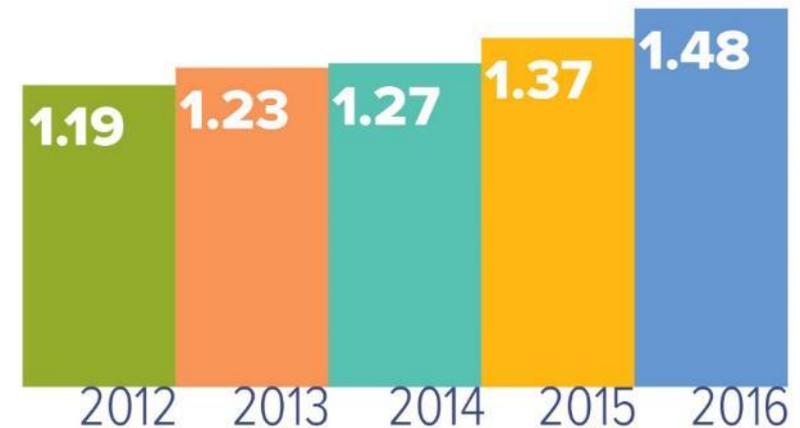
\$1.48 per year = < 6% increase

364th consecutive quarterly dividend paid

34 consecutive years of increase

CASH DIVIDEND PAID

dollars per share





Grow & Optimize



Appendix



P&L Summary (Base)

Year to date: 2016 Vs. 2015

(Dollars in thousands)

	2016	2015	Better / (Worse)	
			\$	%
Net sales	\$ 2,431,956	\$ 2,454,642	\$ (22,686)	-0.9%
Cost of sales	(1,944,690)	(1,993,936)	49,246	2.5%
Gross profit	487,266	460,706	26,560	5.8%
Selling, general and administrative expenses	(259,556)	(257,226)	(2,330)	-0.9%
Income before interest and taxes (EBIT)	227,710	203,480	24,230	11.9%
Net interest	(27,331)	(26,822)	(509)	-1.9%
Income before income taxes	200,379	176,658	23,721	13.4%
Provision for income taxes	(62,669)	(56,288)	(6,381)	-11.3%
Income before equity in earnings of affiliates	137,710	120,370	17,340	14.4%
Equity in earnings of affiliates, net of tax	4,267	4,315	(48)	-1.1%
Net income	141,977	124,685	17,292	13.9%
Noncontrolling interests	(787)	(228)	(559)	-100.0%
Net income attributable to Sonoco	\$ 141,190	\$ 124,457	\$ 16,733	13.4%
EPS diluted	\$ 1.38	\$ 1.22	\$ 0.16	13.1%
Effective tax rate	31.3%	31.9%		

Segment Analysis

2nd Quarter: 2016 Vs. 2015

(Dollars in thousands)

	NET SALES			SEGMENT OPERATING PROFIT		
	<u>2016</u>	<u>2015</u>	<u>% Chg</u>	<u>2016</u>	<u>2015</u>	<u>% Chg</u>
Consumer Packaging	\$ 511,007	\$ 531,114	-3.8%	\$ 59,509	\$ 57,530	3.4%
Display & Packaging	130,874	141,604	-7.6%	5,030	1,035	100.0%
Paper & Ind Conv Prods	433,342	448,876	-3.5%	37,480	38,963	-3.8%
Protective Solutions	130,457	126,996	2.7%	14,220	13,604	4.5%
	<u>\$ 1,205,680</u>	<u>\$ 1,248,590</u>	<u>-3.4%</u>	<u>\$ 116,239</u>	<u>\$ 111,132</u>	<u>4.6%</u>

	SEGMENT OPERATING PROFIT AS % OF SALES		MARGIN CHANGE
Consumer Packaging	11.6%	10.8%	0.8%
Display & Packaging	3.8%	0.7%	3.1%
Paper & Ind Conv Prods	8.6%	8.7%	-0.1%
Protective Solutions	10.9%	10.7%	0.2%
	<u>9.6%</u>	<u>8.9%</u>	<u>0.7%</u>

Balance Sheet

(Dollars in thousands)

	<u>7/3/2016</u>	<u>4/3/2016</u>	<u>Change \$</u>
Cash and cash equivalents	\$107,748	\$152,338	(\$44,590)
Trade accounts receivable, net of allowances	\$669,085	\$679,528	(10,443)
Other receivables	\$46,427	\$38,049	8,378
Inventories	\$397,580	\$402,533	(4,953)
Prepaid expenses and deferred income taxes	50,913	48,037	2,876
Current Assets	\$1,271,753	\$1,320,485	(48,732)
Property, plant and equipment, net	1,109,013	1,121,818	(12,805)
Goodwill	1,151,556	1,154,955	(3,399)
Other intangible assets, net	229,702	239,897	(10,195)
Other assets	202,852	210,850	(7,998)
Total Assets	<u>\$ 3,964,876</u>	<u>\$ 4,048,005</u>	<u>\$ (83,129)</u>
Payable to suppliers and others	\$767,623	\$776,721	\$ (9,098)
Income taxes payable	5,344	22,413	(17,069)
Total debt	1,081,662	1,132,938	(51,276)
Pension and other postretirement benefits	412,572	412,968	(396)
Deferred income taxes and other	121,959	117,623	4,336
Total equity	<u>1,575,716</u>	<u>1,585,342</u>	<u>(9,626)</u>
Total Liabilities and Shareholders' Equity	<u>\$ 3,964,876</u>	<u>\$ 4,048,005</u>	<u>\$ (83,129)</u>
Net debt / Total capital	38.2%	38.2%	

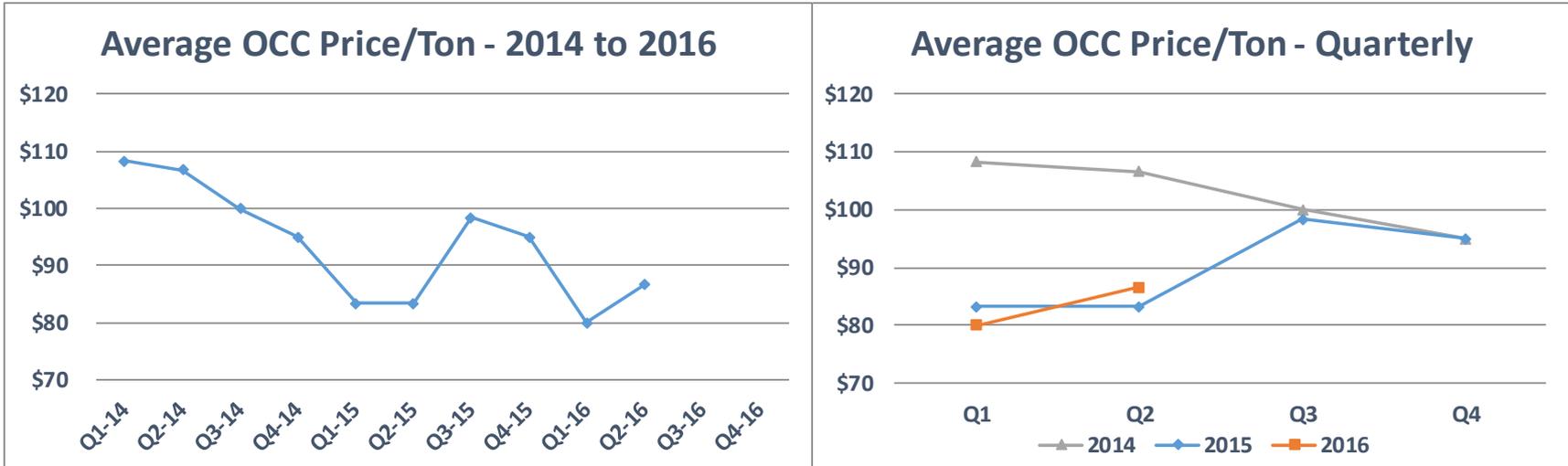
Net debt = Total debt minus cash and cash equivalents

Total capital = Net debt plus total equity

OCC: Official Board Market

2016 Vs. 2015 Vs. 2014

(Price / Ton)

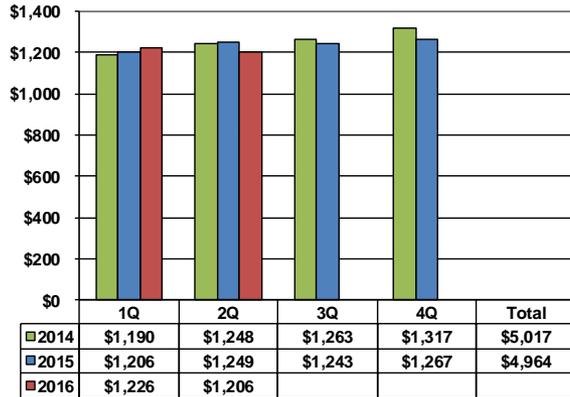


	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter			
	J	F	M	Avg	A	M	J	Avg	J	A	S	Avg	O	N	D	Avg
2014	100	100	125	108	110	105	105	107	105	100	95	100	95	95	95	95
2015	90	80	80	83	80	80	90	83	95	100	100	98	100	95	90	95
2016	80	80	80	80	80	85	95	87	100							

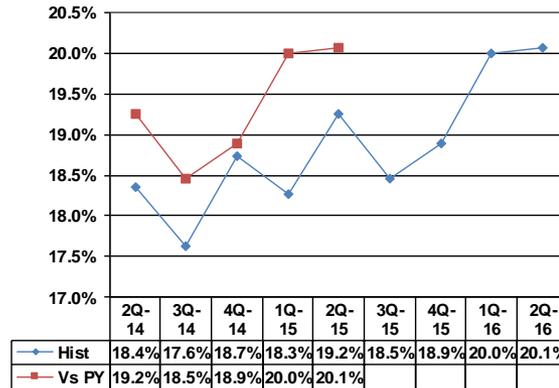
Base Results

2nd Quarter: 2016 Vs. 2015 Vs. 2014

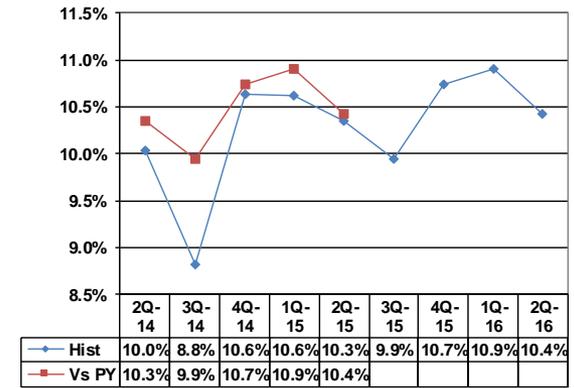
Net Sales \$MM



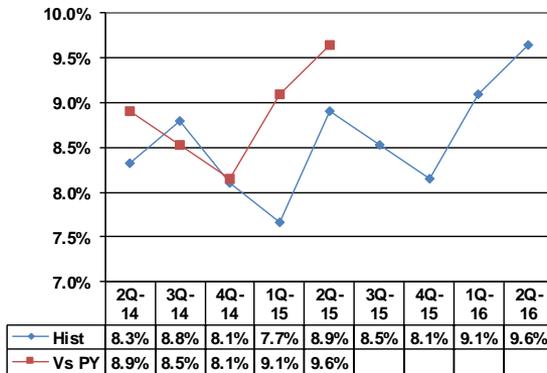
Gross Profit %



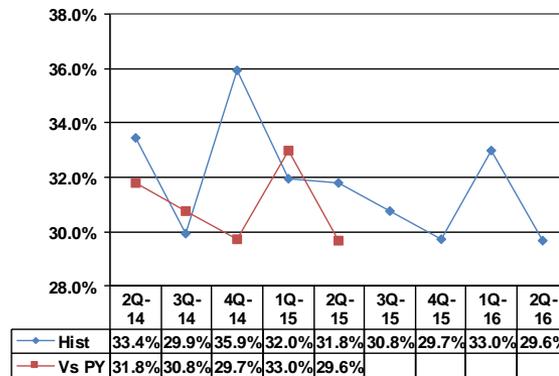
S&A/OIC %



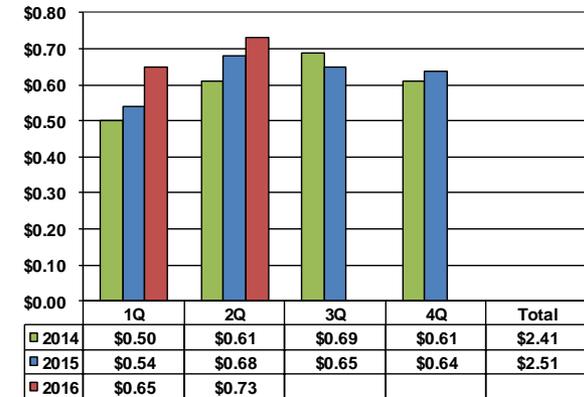
Base EBIT %



Tax Rate %



Base EPS \$



Contacts

Howard Coker

Group Vice President

howard.coker@sonoco.com

843-383-7000

Roger Schrum

Vice President Investor Relations

roger.schrum@sonoco.com

843-339-6018

Barry Saunders

CFO and Senior Vice President

barry.saunders@sonoco.com

843-383-7000