



Better
Packaging.
Better
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Jefferies Virtual Industrials Conference

August 3, 2021 | Sonoco Investor Update





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 Q2 2021 and Q3 and Full-Year 2021 Outlook.

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 by the Numbers

\$5.2 BILLION
2020 Net Sales

\$781 million
2020 Base OPBDA

\$3.41 EPS
2020 Per Base Diluted Share

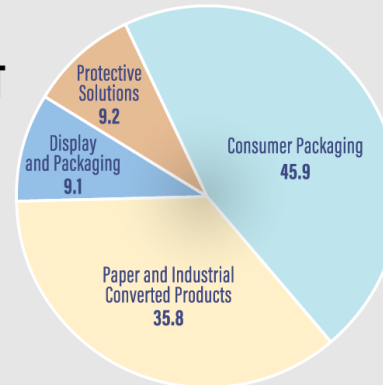
320 GLOBAL
LOCATIONS

34 Countries
Global Operations

20,000
Global Employees

TOP 100
BARRON'S
Most Sustainable
Companies
2021

**2020 SALES
BY SEGMENT**
percent of sales



FORTUNE
WORLD'S MOST
ADMIRABLE
COMPANIES®
2020

Sonoco is a Global Essential Services Provider

- We are the global leader in paper food cans and provide flexible and rigid plastic food packaging
 - 80% of Sonoco's Consumer Packaging products are for food
- We are the global leader in the production of uncoated recycled paperboard, tubes, cores and cones
- We are a provider of healthcare, protective and retail packaging





Second Quarter 2021

Key Financial Results

<i>In millions (\$), except EPS</i>	Q2 2021	Q2 2020	Comments
Net Sales	\$1,383	\$1,245	<ul style="list-style-type: none">• Volume / Mix +\$95mm or 8.2% vs Q2-20 ex D&P• Price +\$89mm• Acquisition/Divestiture net impact: (\$80) million
Gross Profit	\$263 19.0%	\$248 20.5%	<ul style="list-style-type: none">• Strong demand and productivity• Significant inflation and supply chain challenges
SG&A Expense, Net of Other Income	\$(134)	\$(121)	<ul style="list-style-type: none">• Higher expenses for group medical, incentives, strategic IT spend and property insurance
Operating Profit	\$129 9.3%	\$127 10.2%	
EPS (Base)	\$0.84	\$0.79	<ul style="list-style-type: none">• Delivered at just below mid-range of guidance range
Free Cash Flow (YTD)	\$9	\$210	<ul style="list-style-type: none">• Strong Working Capital management• Current year includes \$133 million contribution to settle pension liabilities• Cap ex spend up \$21 million driven by Project Horizon



Consumer Packaging

Global Rigid Paper Containers

- North America
- Europe
- Asia
- South America

Plastics – Food

- Prepared and Specialty Foods
- Perimeter of Store (PrOS)

Flexible Packaging

- Trident

(\$ Millions)	2Q 2021	2Q 2020
Net Sales	\$598	\$573
Base Operating Profit	\$60	\$84
(\$ Millions)	YTD 2021	YTD 2020
Net Sales	\$1,181	\$1,114
Base Operating Profit	\$135	\$148

Sonoco Acquires Can Packaging

- Adds advanced innovation and production of sustainable paper packaging in Europe
- Featured product: Greencan[®] recyclable paperboard package (92% to 98% paperboard)
- Proprietary manufacturing equipment, suitable for global growth markets



Sonoco Divests Europe and U.S. Display & Packaging

- Sold Europe operation to Prairie Industries Holdings (backed by The Halifax Group) for \$120 million
- Sold U.S. operations to Hood Container for \$80 million
- Divestiture aligns with the Company's effort to focus on Consumer and Industrial businesses





Industrial Paper Packaging

Global Paper

- U.S. & Canada
- Latin America
- Europe
- Recycling
- Adhesives

Global Tubes & Cores

- North America
- Europe
- Latin America/Brazil
- Asia

Other

- Conitex (Cones)
- Reels
- Protective Fiber

(\$ Millions)	2Q 2021	2Q 2020
Net Sales	\$609	\$455
Base Operating Profit	\$58	\$33
(\$ Millions)	YTD 2021	YTD 2020
Net Sales	\$1,174	\$958
Base Operating Profit	\$108	\$93



Project Horizon Update

Inbound Raw Material Yard Project

- Purpose: To provide more efficient movement of raw material (recovered paper) to new stock prep system/mill
- Demolition, yard, temporary roads and four new receiving docks (completed)
- 6 additional receiving docks and access ramp (under construction)
- Permanent roadwork (under construction)
- Targeted completion end of September 2021





Project Horizon Update

New Stock Preparations and #14 Pulper System

- Purpose: Provide 650/tpd of processed recycled pulp to rebuilt #10 paper machine/#2 mill
- Announced shutdown of Pulpers 5,6,7 and 8
- Planned closure of chemical recovery, wood yard and pulp plant
- Targeted start up October 2021 (training begins in September)



Project Horizon Update

Offline Winding Department and Finished Goods Warehouse

- Purpose: More efficient finishing of most paper grades (#10 PM and #2 mill)
 - **Adding 16 positions** – winder operators and helpers
 - Operator selection in September and installed by December 2021
- Finished Goods Warehouse to be completed by Q1 2022





All Other

Healthcare (TEQ)
ThermoSafe
Protective Solutions (Protexic)
Alloyd

Industrial and Specialty Plastics
Paperboard Specialties

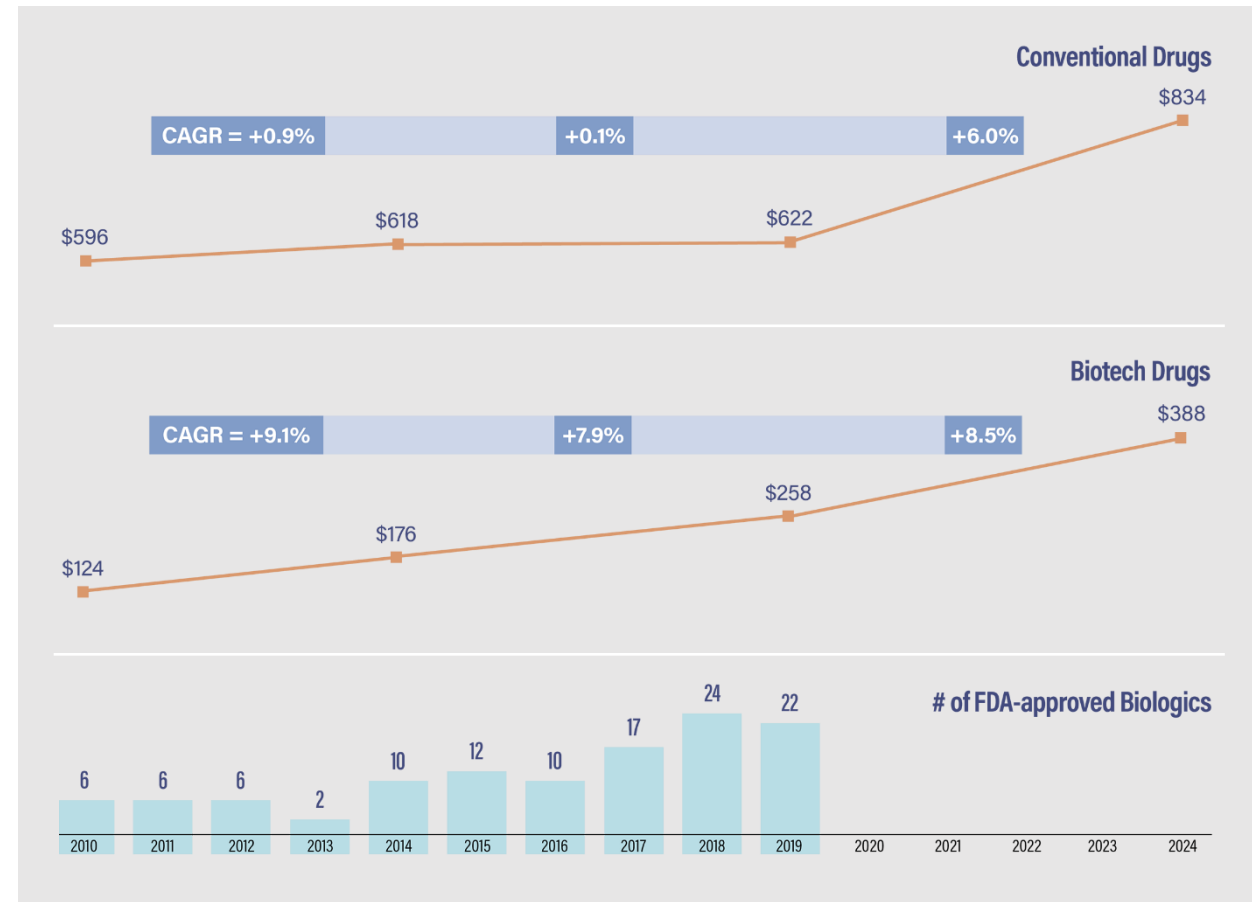
(\$ Millions)	2Q 2021	2Q 2020
Net Sales	\$176	\$217
Base Operating Profit	\$11	\$9
(\$ Millions)	YTD 2021	YTD 2020
Net Sales	\$382	\$478
Base Operating Profit	\$25	\$29

Sonoco ThermoSafe Growth

- ThermoSafe business highly correlated to growth of biotech drugs
 - Biotech drugs need temperature control
 - Cold chain = speed-to-market



Global Biopharma Sales Trend 2018–2024 (\$billions)



Committed to Our Purpose, Our People and Our Planet

Environmental Impact

Since 2009	Today
25% reduction of greenhouse gas emissions	86% volume of packaging produced by Sonoco that is recycled
42% reduction of water usage	100% uncoated recycled paperboard with 85% post- consumer fiber



Sustainable Packaging Solutions

Leading Responsibly

Board Diversity and Independence

43% diversity rate

29% women

86% independent based criteria

Director Elections

All Directors elected annually—
at an average majority of **98.6%**

Say on Pay

>96% of shareholders voted in favor
of Sonoco's "Say on Pay" proposal
on executive compensations

ISS Governance Quality Score: 2

Commitment to Diversity and Inclusion

2020	2023
20% women in senior leadership	25% women in senior leadership
12% minorities in senior leadership	15% minorities in senior leadership
9% or total annual salaried turnover is female talent	6% or total annual salaried turnover is female talent
Representation of diverse employees in successor pools across business units and functions	Identification of a diverse candidate as successor for Head of Manufacturing

ESG Actions – 2030 Commitments

SBTi Greenhouse Gas Emission Targets



- Setting Ambitious GHG Reductions
 - Sonoco has committed to Science Based Targets aligned with keeping global warming to well below 2-degree C
 - Sonoco will reduce absolute Scope 1 (direct) and Scope 2 (indirect) GHG emissions at least 25% by 2030
 - We reduced GHG emissions by 25% over the past decade
 - Setting 8% energy reduction by 2030
 - In cooperation with our suppliers and customers we will reduce Scope 3 GHG emissions by at least 13.5% by 2030
 - SBTi has reviewed and formally approved our targets
- Water
 - By 2024, we will conduct water risk studies at our manufacturing facilities which account for at least 90% of water usage
 - Fully implement Operation Clean Sweep at all facilities that use plastic pellets to prevent discharges into water
- Waste
 - Recycle or cause to recycle 85% of the products we put into the marketplace

EnviroSense® Packaging





EPS and Cash Flow Guidance

	1 st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
2019 Base EPS	\$0.85	\$0.95	\$0.97	\$0.75	\$3.53
2020 Base EPS	\$0.94	\$0.79	\$0.86	\$0.82	\$3.41
2021 Actual Q1 & Guidance	\$0.90	\$0.84	\$0.87 - \$0.93		\$3.50 - \$3.60

(\$ millions)	December 31, 2021			
	Est. Low End		Est. High End	
Full Year Cash Flow Guidance				
Operating Cash Flow	\$	570	\$	600
Free Cash Flow	\$	270	\$	300

* 2021 Cash flow guidance excludes an estimated pension contribution related to the U.S. pension plan termination. Projected contribution is estimated to be \$150 million.

Capital Deployment Strategy

Total capital expenditures in 2021

\$300 Million

Return Cash to Shareholders

Current Annual Dividend Payout

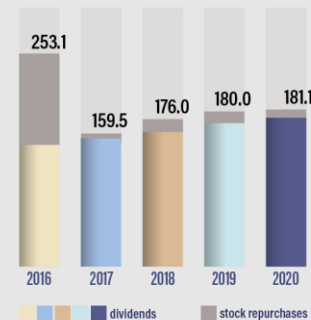
\$1.80
per share

\$950 million
Cash returned to shareholders over the past five years

\$350 million
Board authorization for share repurchases

Pursue accretive acquisitions in our core Consumer and Industrial markets

DIVIDENDS AND STOCK REPURCHASES



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Appendix





Howard Coker
President and CEO of Sonoco

R. Howard Coker, 59, is President and CEO of Sonoco. In this role, Coker has global leadership, sales and operating responsibility for all of the Company's diversified consumer, industrial and protective packaging businesses. He previously served as Senior Vice President, Global Paper/Industrial Converted Products.

Coker also served as Senior Vice President, Rigid Paper Containers and Paper/Engineered Carriers International, where he had responsibility for the Company's global composite can operations in North America, South America, Europe and Asia, as well as paper, tube and core operations in Europe, Latin America and Australasia.

Prior to that, Coker served as Vice President, Rigid Paper and Closures, North America. In this role, he had responsibility for Sonoco's 21 rigid paper container and seven metal and peelable membrane closure operations in the United States, Canada and Mexico. He was also elected a Corporate Officer in February 2009.

He also served as Group Vice President and held several leadership positions running global consumer-related and industrial businesses.

Coker joined Sonoco in 1985.

He is a 1985 graduate of Wofford College with a B.A. in Business Administration, and he received an MBA from Wake Forest University in 1990.

He is married, has three children and lives in Hartsville, SC.



EPS Summary

2nd Quarter: 2021 Vs. 2020

	2 nd Quarter			
	2021		2020	
GAAP EPS	\$	(3.34)	\$	0.55
Addback for:				
US Inactive Pension Plan Settlement	\$	4.04	\$	—
Loss on Early Extinguishment of Debt	\$	0.15	\$	—
Non-Operating Pension Costs	\$	0.06	\$	0.05
Restructuring & Asset Impairment, Net	\$	(0.02)	\$	0.16
All Other	\$	(0.05)	\$	0.03
Base EPS*	\$	0.84	\$	0.79
Sonoco Guidance	\$	0.82 to 0.88	\$	

*Due to rounding individual items may not sum down



P&L Summary (Base)

2nd Quarter: 2021 Vs. 2020

Dollars in millions

	2021	2020	Better / (Worse)	
			Vs Prior Year	%
Net sales	\$ 1,383	\$ 1,245	\$ 138	11.0%
Gross profit	263	248	15	5.9%
SG&A expenses, net of Other Income	(134)	(121)	(13)	(10.4)%
Operating profit	\$ 129	\$ 127	\$ 2	1.6%
Net interest	(17)	(19)	2	9.2%
Provision for income taxes	\$ (30)	\$ (29)	\$ (1)	(2.7)%
Net income, after tax	\$ 82	\$ 79	\$ 3	3.8%
Equity in affiliates and Minority interest	2	1	1	100%
Net income attributable to Sonoco	\$ 85	\$ 80	\$ 5	5.6%
EBITDA	\$ 190	\$ 188	\$ 2	1%
Gross profit %	19.0%	19.9 %		
SG&A %	9.7%	9.7 %		
Operating profit %	9.3%	10.2 %		
EBITDA%	13.7%	15.1 %		
Effective tax rate	26.4%	26.6 %		

NOTE: Totals and percentages are based on unrounded amounts



Sales Bridge

2nd Quarter: 2021 Vs. 2020

(Dollars in millions)

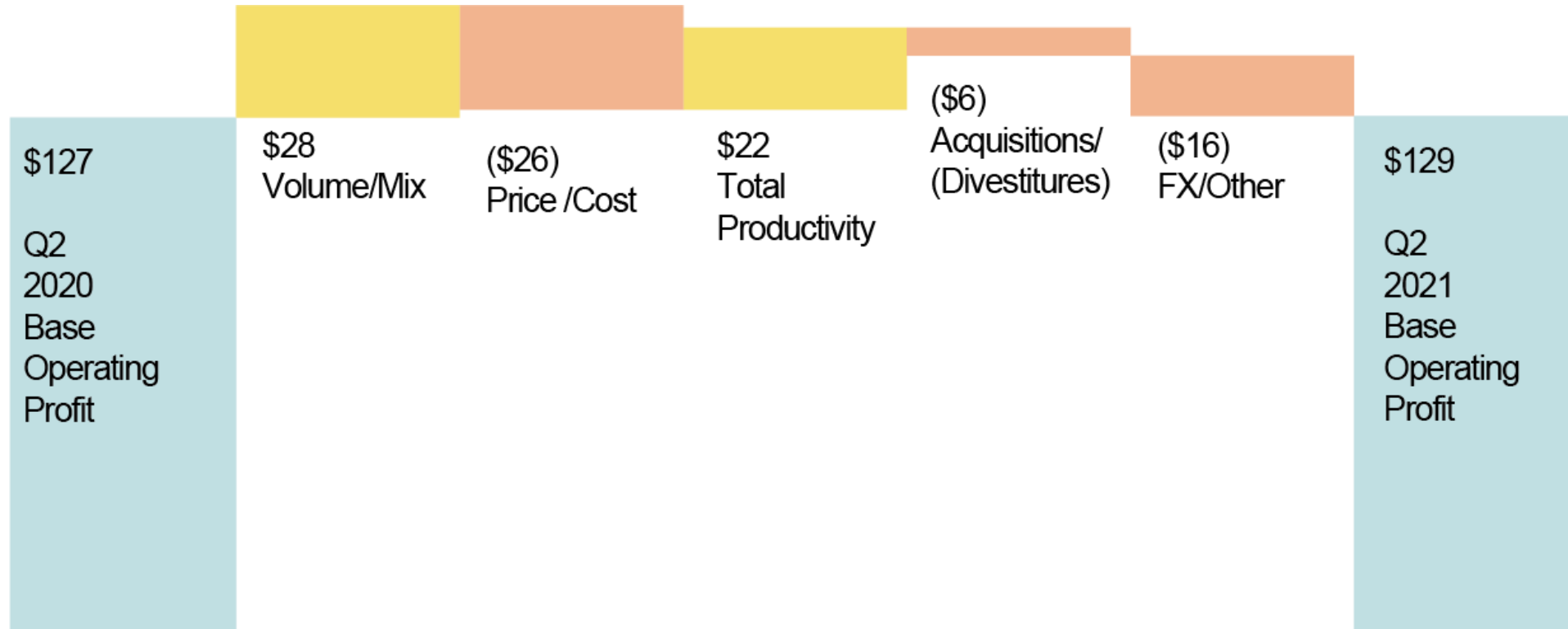




Base Operating Profit

2nd Quarter: 2021 Vs. 2020

Dollars in millions





Segment Analysis

2nd Quarter: 2021 Vs. 2020

Dollars in millions

	NET SALES			BASE OPERATING PROFIT		
	2021	2020	% Chg	2021	2020	% Chg
Consumer Packaging	\$ 598	\$ 573	4.3 %	\$ 60	\$ 84	(29.2)%
Industrial Paper Packaging	609	455	33.7 %	58	33	74.2 %
All Other	176	217	(18.8)%	11	9	23.0 %
	<u>\$ 1,383</u>	<u>\$ 1,245</u>	<u>11.0 %</u>	<u>\$ 129</u>	<u>\$ 127</u>	<u>1.6 %</u>

	OPERATING PROFIT AS % OF SALES		MARGIN CHANGE
Consumer Packaging	10.0 %	14.7 %	(4.7)%
Industrial Paper Packaging	9.5 %	7.3 %	2.2 %
All Other	6.2 %	4.1 %	2.1 %
Total Sonoco	9.3 %	10.2 %	(0.9)%

NOTE: Totals and percentages are based on unrounded amounts



Cash Flow

Year to date: 2021 Vs. 2020

Dollars in millions

	Year To Date		Change
	Q2 2021	Q2 2020	
Net income	\$ (262)	\$ 135	\$ (397)
Asset impairment charges, net / Loss on divestiture	9	6	3
Depreciation and amortization expense	122	123	(1)
Pension and postretirement plan expenses, net of contributions	414	(2)	416
Changes in working capital	(47)	(28)	(19)
Changes in tax accounts	(146)	28	(174)
Other operating activity	13	18	(5)
Operating cash flow	\$ 102	\$ 282	\$ (180)
Capital expenditures, net	(93)	(72)	(21)
Free cash flow	\$ 9	\$ 210	\$ (201)
Cash dividends paid	\$ (90)	\$ (86)	\$ (4)

NOTE: Totals are based on unrounded amounts



Balance Sheet

Dollars in millions

	<u>7/4/2021</u>	<u>12/31/2020</u>	<u>Change \$</u>
Cash and cash equivalents	\$ 264	\$ 565	\$ (301)
Trade accounts receivable, net	728	659	69
Other receivables	100	104	(4)
Inventories	504	451	53
Prepaid expenses	51	53	(2)
Current Assets	\$ 1,647	\$ 1,831	\$ (184)
Property, plant and equipment, net	1,233	1,244	(11)
Goodwill	1,333	1,389	(56)
Other intangible assets, net	295	322	(27)
Right of use asset - Operating leases	271	296	(25)
Other assets	214	195	19
Total Assets	\$ 4,994	\$ 5,277	\$ (283)
Payable to suppliers and others	992	1,048	(56)
Income taxes payable	9	7	2
Total debt	1,598	1,700	(102)
Pension and other postretirement benefits	166	172	(6)
Noncurrent operating lease liabilities	237	262	(25)
Deferred income taxes and other	169	177	(8)
Total equity	1,822	1,911	(89)
Total Liabilities and Shareholders' Equity	\$ 4,994	\$ 5,277	\$ (283)

Net debt / Total capital

42.3 %

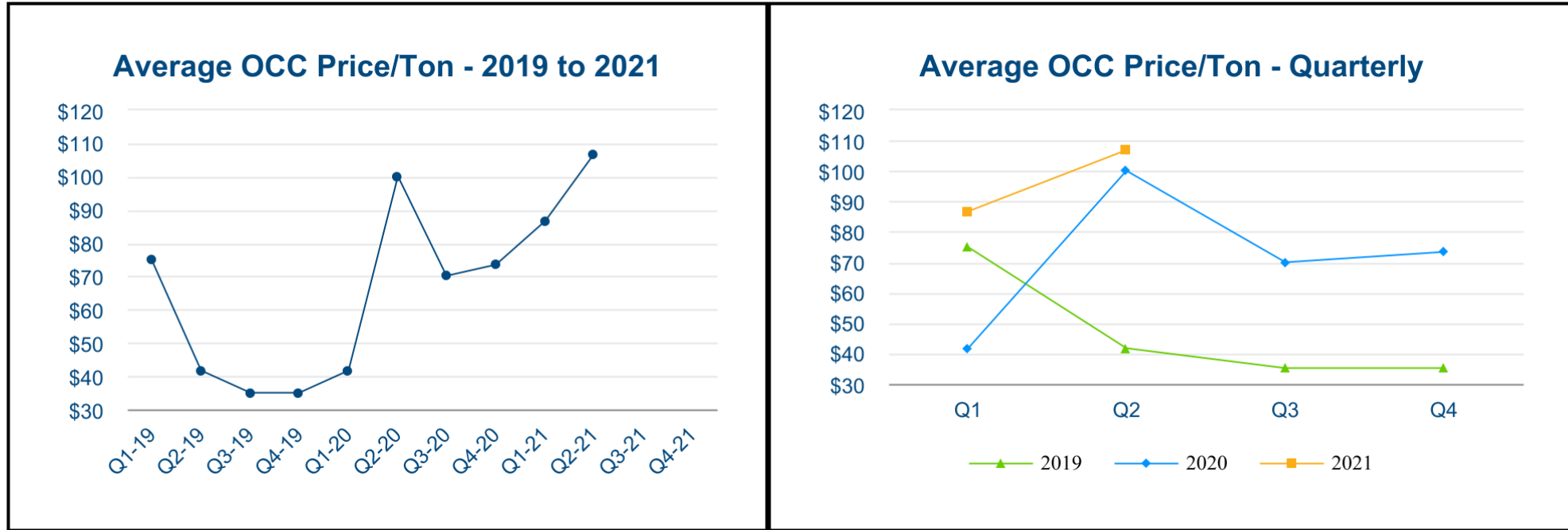
37.3 %



OCC Official Board Market

2nd Quarter: 2021 Vs. 2020 Vs. 2019

(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
2019	85	75	65	75	50	40	35	42	35	35	35	35	35	35	35	35
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								