



**20/20
VISION**

New York Analysts Meeting

Sonoco Products Company

December 1, 2017

Executive Leadership Team



STRATEGIC REVIEW AGENDA



JACK SANDERS, PRESIDENT AND CEO

2017 Scorecard

Update to Our Grow & Optimize Strategy

Our 20/20 Vision Focus

ROB TIEDE, EXECUTIVE VICE PRESIDENT AND CEO-ELECT

20/20 Vision: Targets and Key Growth Drivers

VICKI ARTHUR, SVP, POLYMER AND PROTECTIVE

- Growing around the Perimeter of the Store
 - Peninsula and Clear Lam Offerings
 - SonocoFRESH at Clemson University

- Growing Consumer Packaging
 - Flexible and Thermoforming Opportunities

HOWARD COKER, SVP, RIGID PAPER AND INTERNATIONAL INDUSTRIAL PRODUCTS

- Emerging Market Opportunities
- Growing Protective Solutions

Holistic Approach to Optimization and Margin Improvement

- Commercial Excellence

- Operating Excellence

RODGER FULLER, SVP, PAPER/INDUSTRIAL CONVERTING; DISPLAY & PACKAGING

- Industrial Optimization Opportunities

- Structural Optimization

BARRY SAUNDERS, SENIOR VICE PRESIDENT AND CFO

Financial Review and Outlook

2017 Outlook

2018 Outlook

Capital Structure

Free Cash Flow Outlook

Capital Deployment

JACK SANDERS, PRESIDENT AND CEO

20/20 Vision Outlook

Fireside Chat



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.

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.

The logo features the text "20/20 VISION" in a bold, dark blue font. To the right of the text is a stylized upward-pointing arrow, also in dark blue, which is integrated with the letter "U" of the word "VISION". The entire logo is centered within a white circular graphic that has a subtle drop shadow, giving it a three-dimensional appearance. The background of the slide consists of a light gray gradient with a vertical blue stripe passing through the center of the white circle.

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Jack Sanders

President and CEO

Better
Packaging.
Better
Life.™

Re-envisioning Sonoco

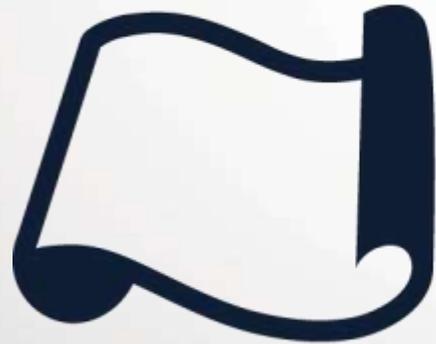
NEW PRODUCTS

NEW MARKETS

NEW CUSTOMERS

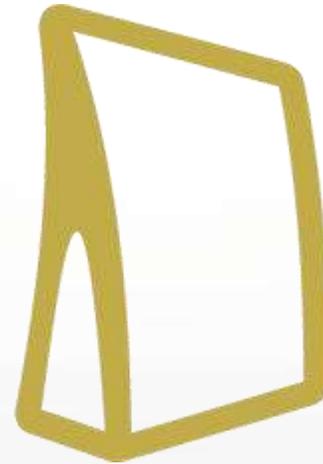
NEW THINKING

Grow & *Optimize*



Paper

+



Polymer

+

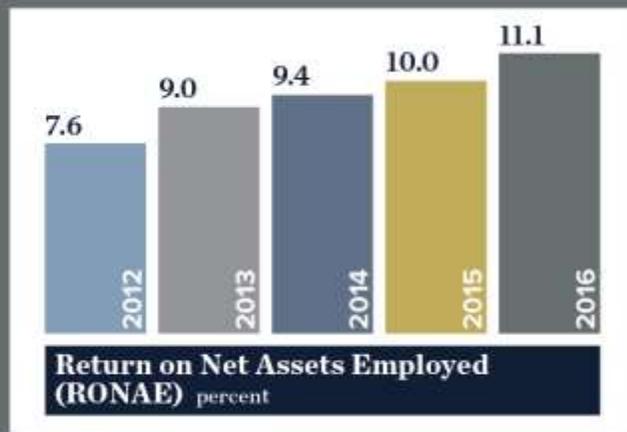


Protective

Five-Year Results

46%

GAAP EPS Up



\$925MM

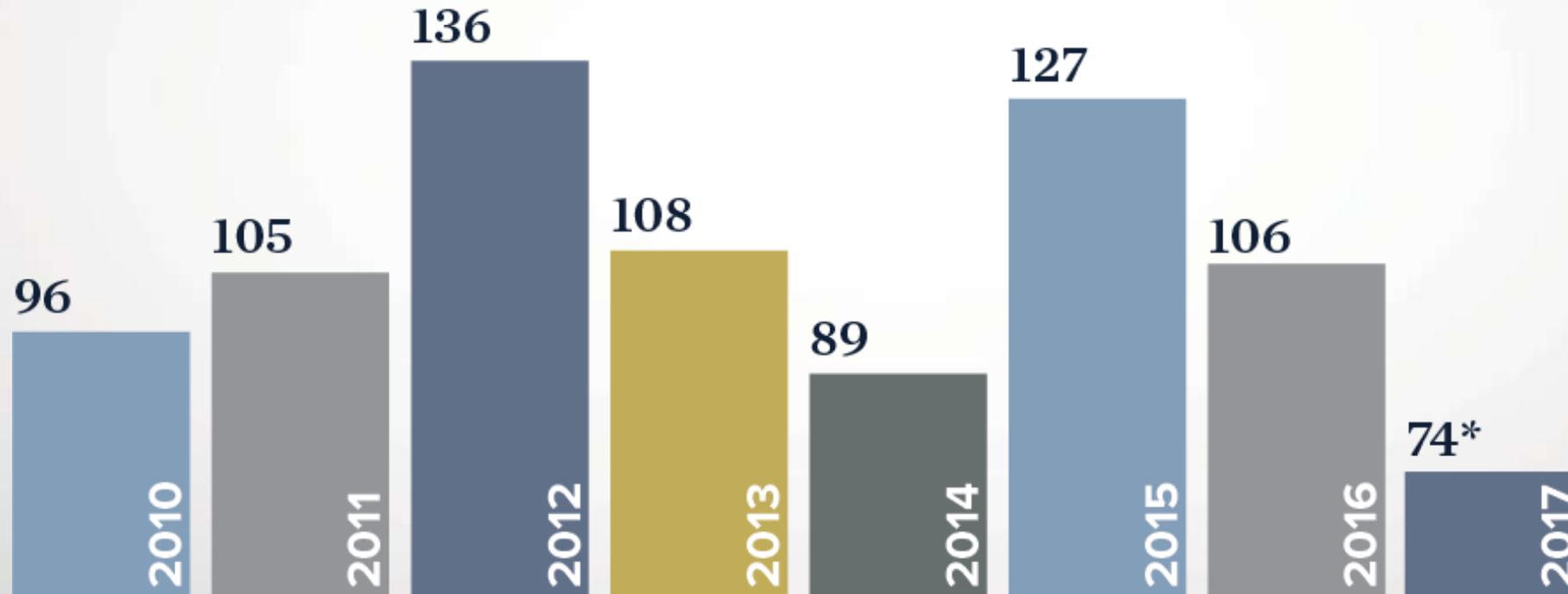
Returned to Shareholders

140

Basis Point EBITDA Margin Improvement

SON = 104.6%

Total Return to Shareholders
(12/31/2012 – 11/27/2017)



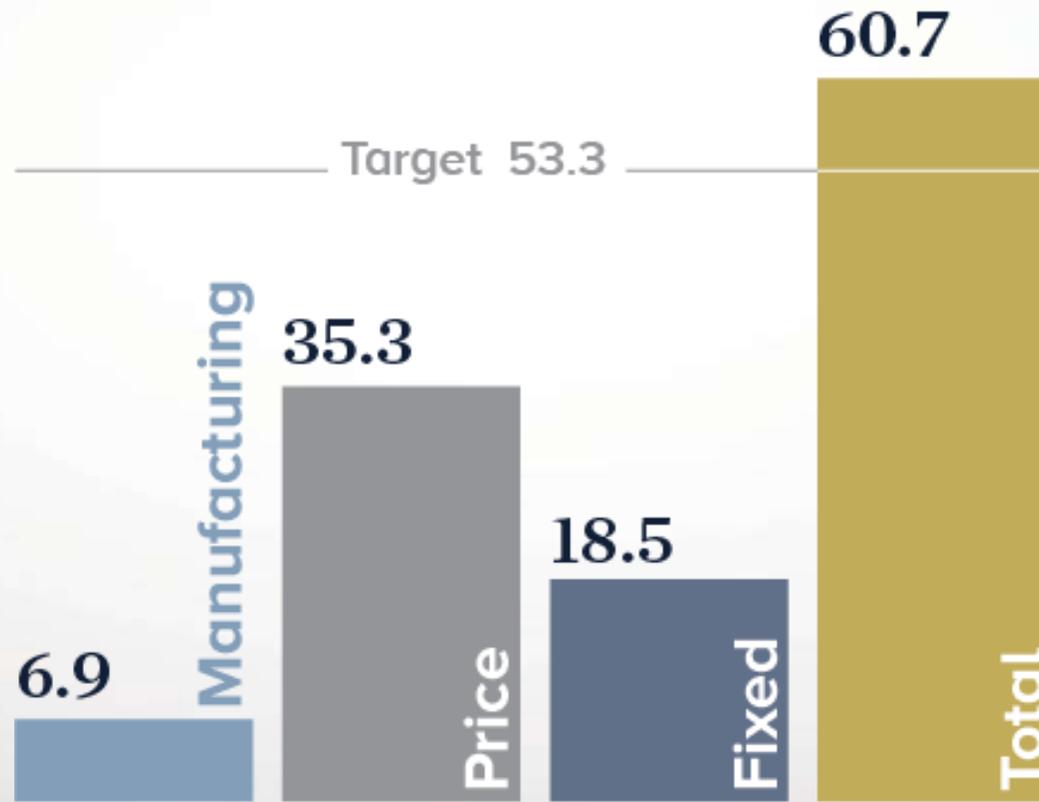
Total Injuries to Date

recordable injuries

*YTD

Net Working Capital Days





Total Productivity

YTD Actual (\$MM)

State of Sonoco is Strong

(\$million)



Consumer Packaging

	2016	2015
Sales	\$2,043	\$2,123
Base EBIT	\$240.9	\$231.6

	3Q 2017	YTD 2017
Sales	\$566	\$1,569
Base EBIT	\$67.9	\$185



Display and Packaging

	2016	2015
Sales	\$520	\$606
Base EBIT	\$14.8	\$10.9

	3Q 2017	YTD 2017
Sales	\$136	\$366
Base EBIT	\$2.0	\$6.6



Paper and Industrial Converted

	2016	2015
Sales	\$1,694	\$1,730
Base EBIT	\$129.7	\$124.1

	3Q 2017	YTD 2017
Sales	\$483	\$1,395
Base EBIT	\$42.2	\$110



Protective Solutions

	2016	2015
Sales	\$526	\$506
Base EBIT	\$51.5	\$46.0

	3Q 2017	YTD 2017
Sales	\$140	\$408
Base EBIT	\$11.3	\$33

Mission: Become the acknowledged leader in high-quality, innovative, value-creating packaging solutions that “Satisfy the Customer”

Guiding Principle

Be a GREAT company for our stakeholders through an unwavering belief that “People Build Businesses” by doing the right thing

Differentiating Capabilities

- › **Innovation**
 - Capture consumer and market insights to drive creativity
 - Leverage i6™ and “Commercial Excellence” to create growth and capture value
 - Embrace our material diversity to create the best solutions
- › **Operational Excellence**
 - Utilize SPS to optimize efficiency, productivity and quality
 - Leverage automation and robotics to reduce unit cost to produce
 - Create the optimal structure to serve the correct customers

Business Priorities

- › Maximize sustainable cash flow from operations
- › Grow our consumer packaging and protective solutions businesses and our industrial businesses in emerging markets
- › Optimize the portfolio

Financial Priorities

- › Target average annual double-digit total return to shareholders
- › Sales of \$6 to \$8 billion – Organic volume growth above packaging industry average
- › Base EBITDA margin to 16%
- › Return on invested capital in top quartile of packaging industry – RONAE = 11% to 12%
- › Maintain investment grade credit rating

Key Focus Areas

Better
Packaging.
Better
Life.™



Safety

Create a zero-injury environment



Customer Satisfaction

- › Value-creating solutions
- › On time and to specification
- › Voice of Customer



Grow and Optimize

- › Insights
- › Innovation
- › Share/Profit optimization



Operational Excellence

- › Productivity
- › Reduce unit cost to produce (Sonoco Performance System)
- › Optimal supply chain



Maximize Cash Flow and Deployment

- › Working capital management
- › Optimize capital investments
- › Grow dividends
- › Acquisitions
- › Share repurchase



People

- › Talented
- › Engaged
- › Aligned

Better
Packaging.
Better
Life.™

Video

DIFFERENTIATING CAPABILITIES

Innovation

Capture consumer and market insights to drive creativity

Leverage i6™ and “Commercial Excellence” to create growth and capture value

Embrace our material diversity to create the best solutions

Operational Excellence

Utilize SPS to optimize efficiency, productivity and quality

Leverage automation and robotics to reduce unit cost to produce

Create the optimal structure to serve the correct customers

FINANCIAL PRIORITIES

Target average annual double-digit total return to shareholders

Sales of \$6 to \$8 billion
– Organic volume growth above packaging industry average

Base EBITDA margin to 16%

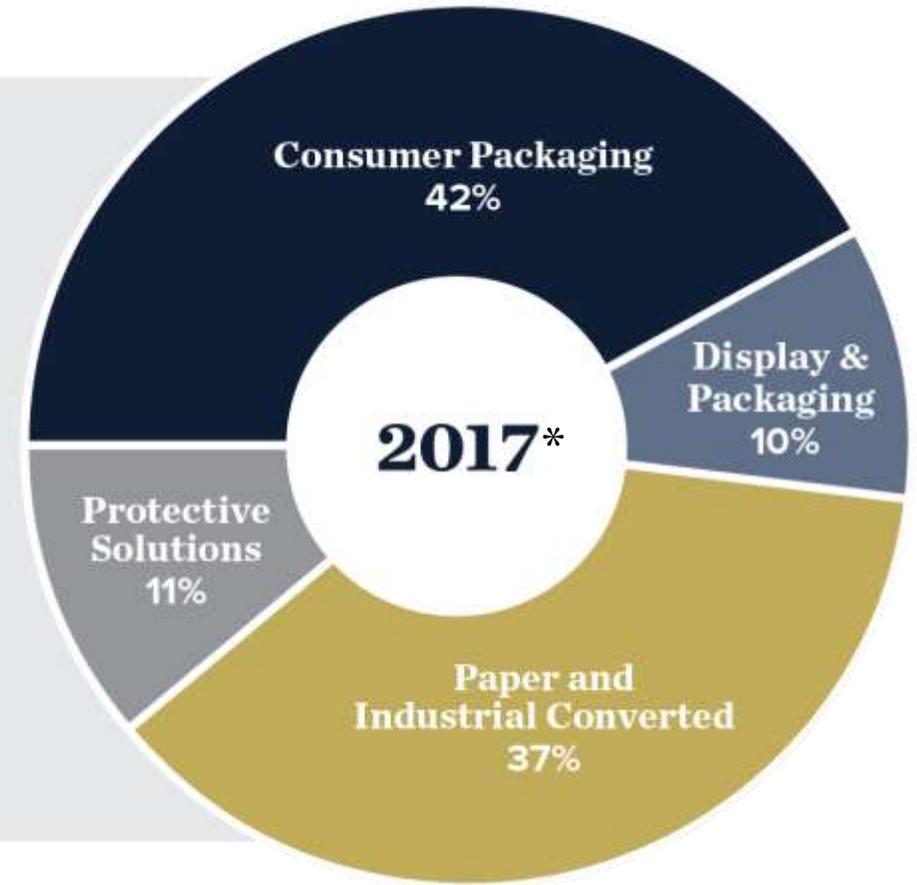
Return on invested capital in top quartile of packaging industry –
RONAE = 11% to 12%

Maintain investment grade credit rating

Portfolio Optimization



Sonoco 2017 Projected Segment Sales Analysis



*Projected 2017 sales of approximately \$5.0 billion

20/20 ASCENT

\$6B + 16%

VISION  \$6B + 16%

PORTFOLIO OPTIMIZATION

GROW

- Organic growth
- Acquisitions
 - Flexibles
 - Thermoforming
 - Protective Solutions
- Consolidating Paper/
Tube & Core



OPTIMIZE

- Operating Excellence
- Commercial Excellence
- Tube & Core Optimization
- Paper Asset Management
- Structural Optimization

Leadership to 2020 and Beyond



Major James Lide Coker
1899-1918



Charles Westfield Coker
1918-1931



James Lide Coker III
1931-1961



C. W. Coker
1961-1976



Charlie Coker
1976-1998



Peter Browning
1998-2000



Harris E. DeLoach
2000-2013



M. Jack Sanders
2013-2018



Robert C. Tiede
2018-



O Canada, Eh

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Rob Tiede

**Executive Vice President,
COO and CEO Elect**

“You miss
100% of the
shots you
never take.”

—WAYNE GRETZKY

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Big Shifts Shaping Strategy



Fresh & Natural



Millennials & Aging Populations



Digital Disruption

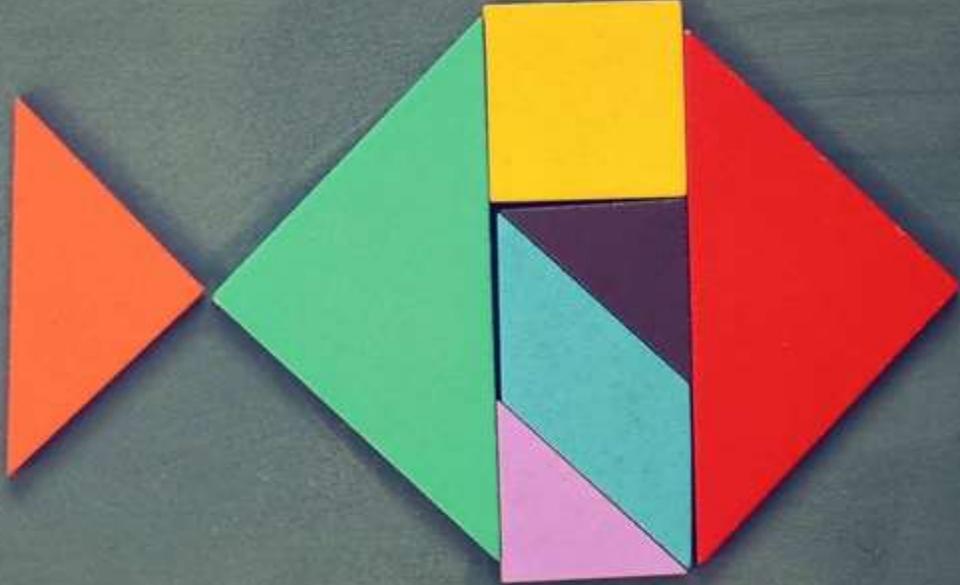


Emerging Market Growth

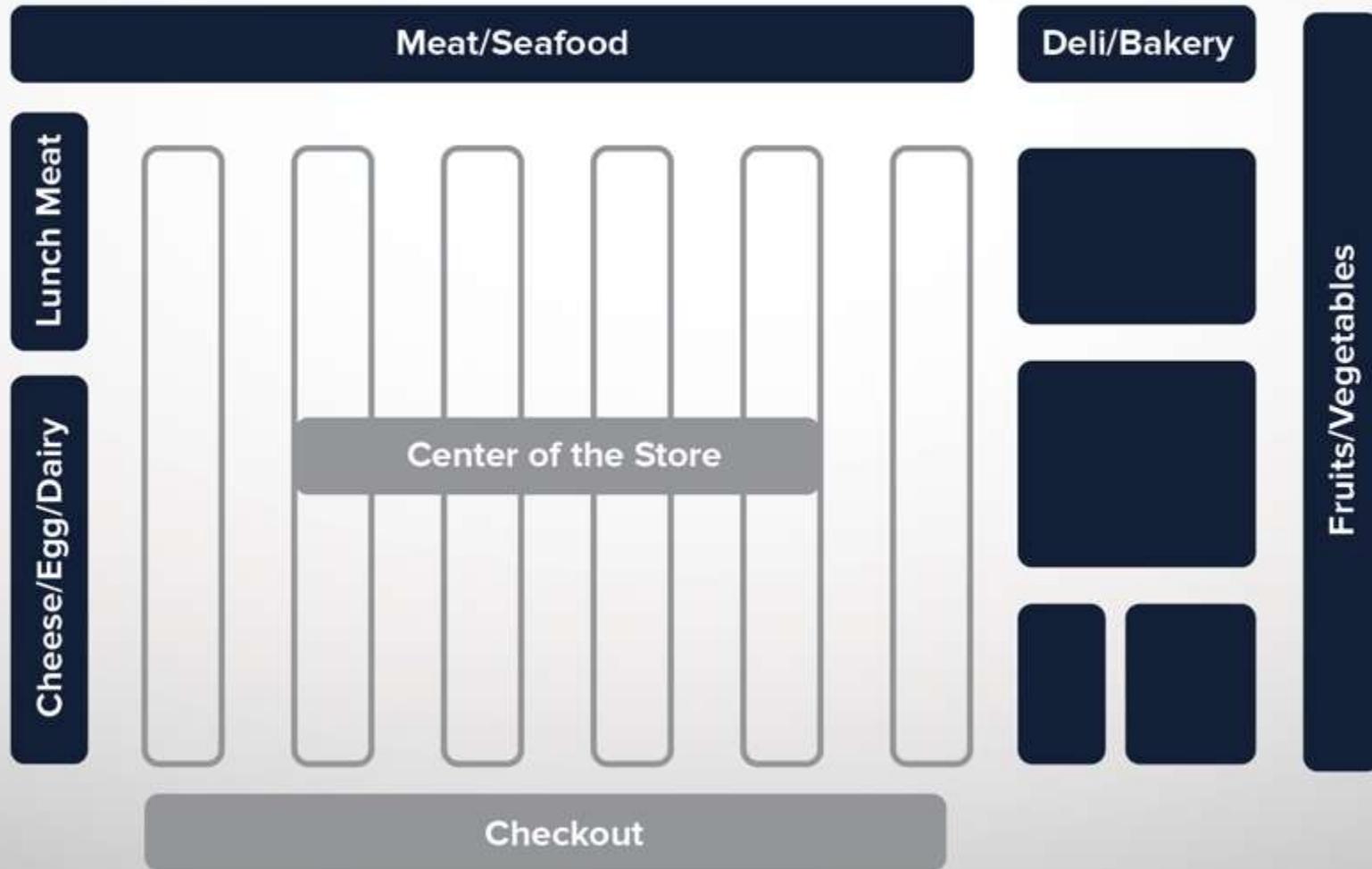
Stability, not change,

is the state that is most dangerous in highly competitive environments, because it allows for inertia and power to build up along the lines of an existing business model





Thinking
differently
can make
all the
difference



Video



Growing Around the Perimeter of the Store

Peninsula Packaging Offerings



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STRAWBERRIES
FRAISES

POIDS NET TOTAL 12 OZ (340g)

GO BERRIES!™

3 GO PACKS!™

PRODUCE OF USA
PRODUIT DES É.-U.

© 2017. PREPARED FOR / PRÉPARÉ POUR DOLE FRESH
VEGETABLES, INC. MONTEREY, CA 93940



Growing Around the Perimeter of the Store

Clear Lam Offerings

PRIMAPAK

Single Serve Cereal & Granola



Pre-wrapped Multi-Serve



Pet Food & Snacks



Refrigerated & Frozen Foods



Candy



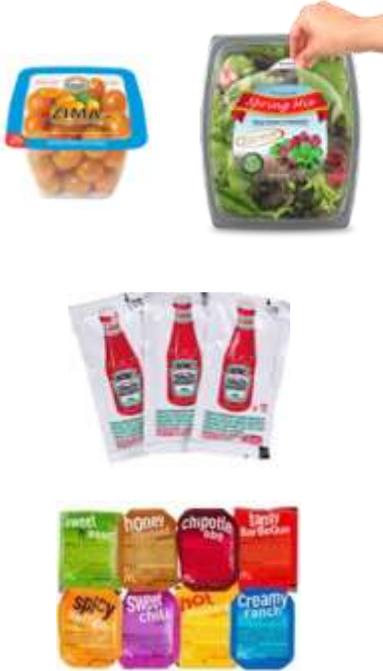
Market Adoption of Flexible Packaging

ASIA
\$50
BILLION

US
\$30
BILLION



Leverage Acquisition Capabilities

Flexibles	Short Run Capability	Forming Films	Blown Films	Hybrid Flexible
				
				



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Vicki Arthur

Senior Vice President,
Polymer and Protective Solutions

The Perimeter Powerhouse

2X

Greater Growth in the Perimeter than Other Areas of the Grocery Store.



Sales Growth in Total Fruits and Vegetables up more than

9%

15%

Reduction In U.S. Food Waste Could Feed

25

Million People

Sales Growth in Fresh Cut Fruits and Salads – Sales are Growing by

13%







Video

Fresh Thinking, Fresh Opportunities

Sonoco and Clemson Rethinking Innovations in Fresh Packaging



5-Year

Partnership with Clemson to Optimize the Fresh Food Lifecycle

Objectives

1

\$1.725MM Sonoco Foundation Gift:
Establish a multi-disciplinary hub for innovation, education and outreach

2

\$1.0MM Business-Driven Research Projects:
Target exclusive growth opportunities for Sonoco



Situation: \$15.6 Billion in spoilage at retail. **Opportunity:** Shelf life improvement \$1.8 Billion

Making the Center of the Store the Center of Attention



PrimaPak Creates the Ultimate in Convenience

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ClearGuard® Packaging Creates Clear Opportunities

20/20 VISION



Thermoforming Growth Opportunities

\$15-20 Million

Investment in New Assets



\$28 MILLION

in New Sales



TruVue: Clearly Appealing. Clearly Ready to Grow.



TruVue Growing with Fruits and Store Brands



Emerging Market Opportunities



Asia Emerging as Fertile Frontier for Growth

Size of Global Middle-class Projected to Increase from

1.8 Billion to 3.2 Billion by 2020
and 4.9 Billion by 2030

Bulk of this Growth will Most Likely Come from

ASIA

66% of Global Middle-class represented by Asia by 2030

&

59% of Middle-class Consumption

525 Million

People Count Themselves as Middle-class in Asia



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Howard Coker

Senior Vice President, Rigid Paper
and International Industrial Products

Composite Can Growth in Europe is Strong

2 new can lines 400 Million units in Kutno Poland



Snack
Units up

90%



Southeast Asia: Expanding Exponentially

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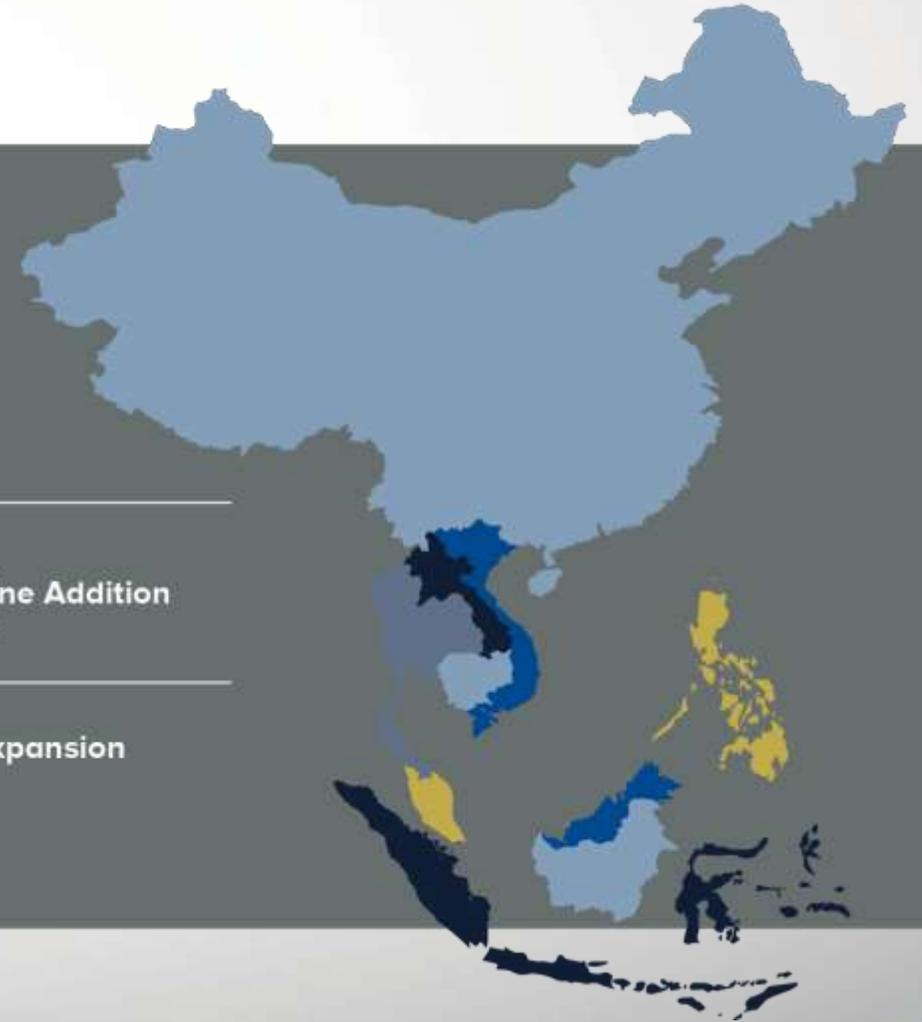


3 plants in Malaysia



Expected Line Addition
in Thailand

Potential Expansion
in China



Brazil

Build dedicated snack can plant later in 2018, operational in 2019; expandable through 2020

THAILAND

Projecting to build dedicated snack can line by 2020

SOUTH AFRICA

Expect to build dedicated snack can line in 2019

Middle East

Projecting to build dedicated snack can line by 2020

Grow Integrated International Industrial Products

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Growth Potential in Protective Solutions

Temperature Assured Packaging. Protective Packaging. Industrial Packaging.

\$1 Billion
in Sales



HVAC Packaging



Pharmaceutical Packaging



Electronics Packaging



Appliance Packaging

10%
EBIT Margin

MORE ONLINE PURCHASING DEMANDS MORE INNOVATIVE PACKAGING

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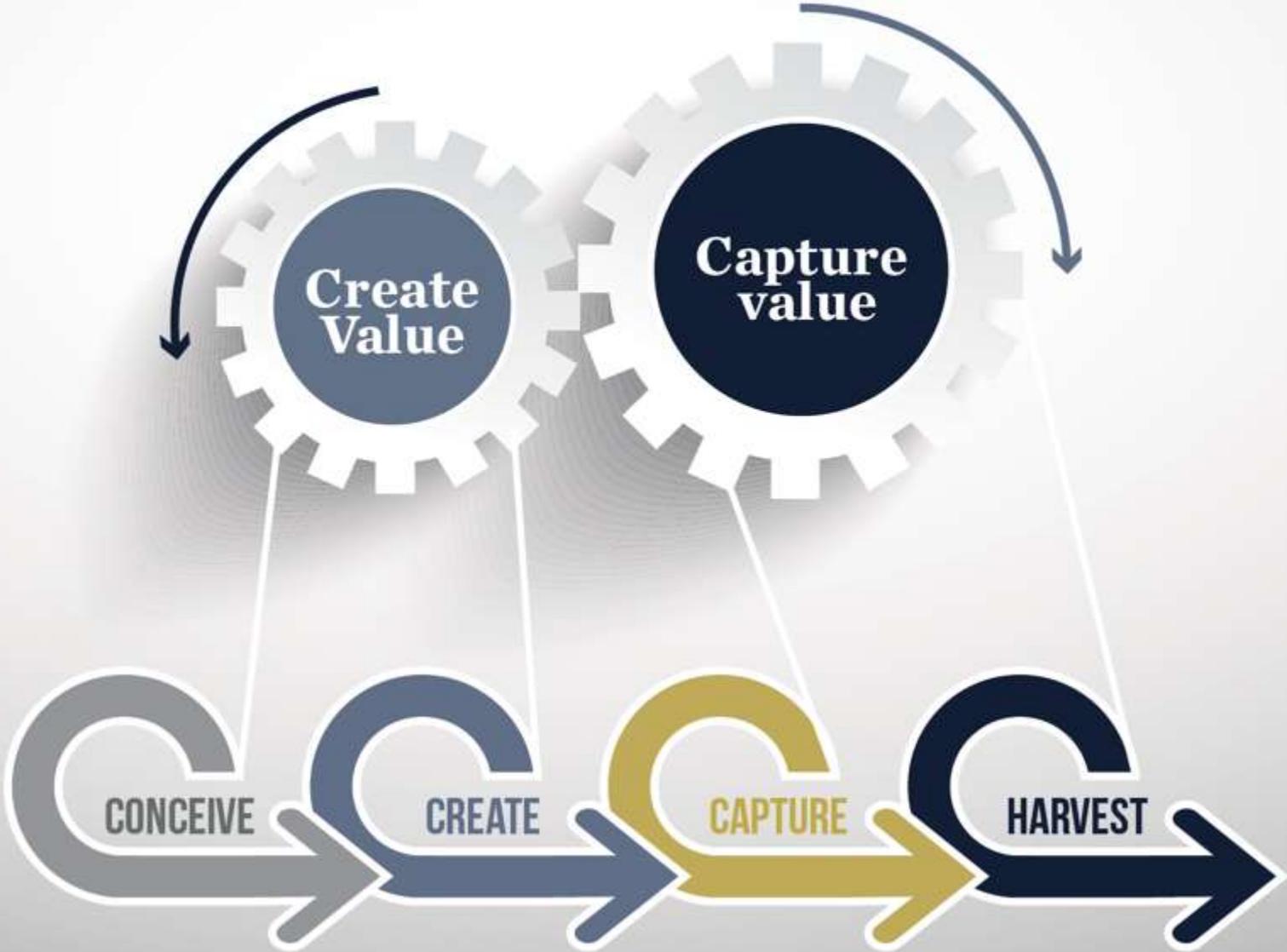
Expansion in eCommerce Packaging



The New Moment Of Truth



Capturing Margin by Creating Value





The Right
Customers



The Right
Products



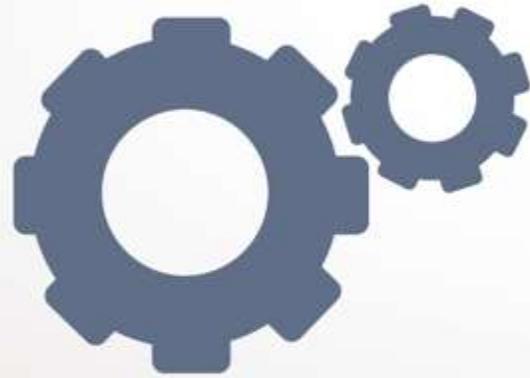
The Right
Value



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Rodger Fuller

Senior Vice President,
Paper and Industrial Converting,
U.S./Canada; Display & Packaging



**Process
Management**



**Resource
Management**

Using Data To Drive Decision Making



CORE TO FINDING THE RIGHT BALANCE



**Right
Customers**



**Right
Products**



**Right
Services**



**Right
Geography**



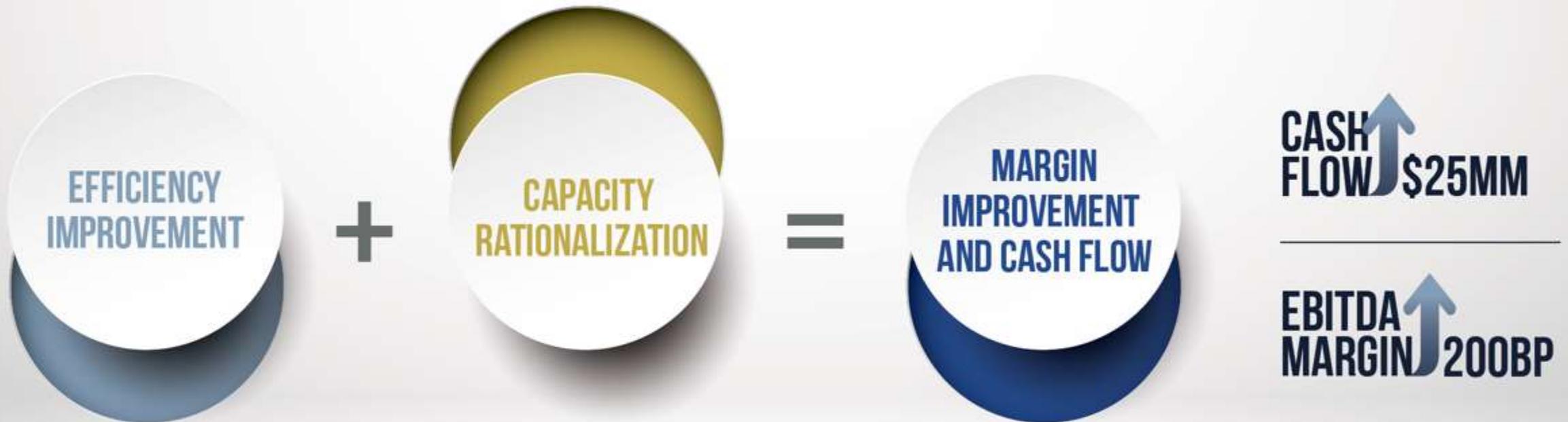
**Right
Assets**

SKU'S ↓ **35%**

WINDERS: 85 ↓
60

Investing in Optimization

\$60 to \$70 million investment over 3 years





Changing the Game by Changing Your Point of View

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MONEYBALL





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Financial Review and Outlook

Barry Saunders,
Senior Vice President and CFO

YTD 3Q 2017 Financial Performance



(\$ Millions except Base EPS)

	YTD 2017	YTD 2016	\$	Better/(Worse)
				%
Net Sales	3,737.6	3,640.7	96.9	2.7
EBIT, Base	335.0	342.4	(7.4)	(2.2)
Net Income, Base Attributable to Sonoco	208.3	214.7	(6.4)	(3.0)
EPS, Base - Diluted	2.07	2.11	(0.04)	(1.9)

Full-Year 2016 Base EPS	\$2.72
YTD 3Q 2017 Base EPS Results	\$2.07
4Q 2017 Base EPS Guidance	\$0.68 to \$0.74
Full-Year 2017 Base EPS Guidance	\$2.75 to \$2.81

Company maintains 4Q and 2017 Base EPS guidance

2018 KEY BASE EARNINGS ASSUMPTIONS



Volume/mix growth projected around 2%

Material cost changes

- OCC projected to average \$155/ton as China returns to the marketplace
 - Tan Bending Chip paperboard assumed to return to prior level of \$670/ton versus most recent publication
-

Resin prices expected to decline by 2.5% on average

Manufacturing productivity to more than offset other inflationary costs (wages, benefits, etc.)

Increased depreciation due to continued investment in Consumer businesses

- 2018 Depreciation and Amortization expected to be \$239 million

Pension expense projected to decrease by approximately \$8 million year over year, or \$0.05 per share

- Based on interest rates and asset values as of mid-November 2017
 - Strong performance of plan assets during 2017 more than offsets the negative impact of lower discount rates
 - Reflects positive impact from expected returns on the voluntary \$50 million contribution made to the U.S. qualified pension plan in October 2017
-

Slightly higher interest expense due to an increase in average total debt

Most major currencies (GBP, EUR, PLZ, CAD) projected to strengthen in 2018 against 2017 average rates

Base effective tax rate under current law assumed flat at 31.6%

- Tax Reform, if enacted, should result in a reduced effective rate (to as low as 25% but too much uncertainty to predict)

Pension Assumptions

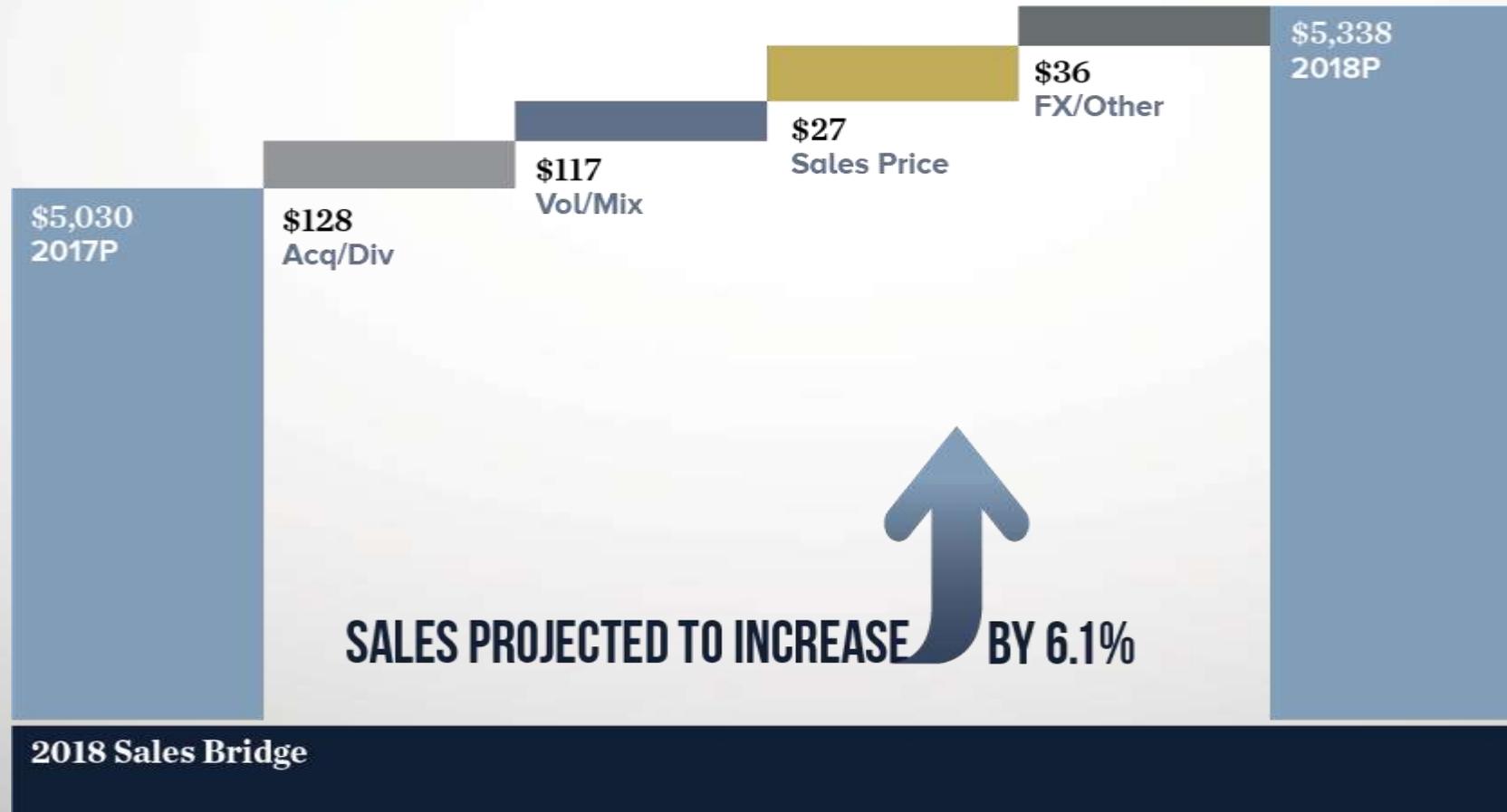
(\$ Millions)

	2017P	2018P
U.S. Qualified Pension Plans		
Assumed Rate of Return	6.86%	6.87%
Discount Rate	4.14%	3.77%
Pension Benefit Obligation		
Pension Benefit Obligation	(1,304.2)	(1,296.6)
Pension Assets	1,004.7	1101.2
Funded Status	(299.5)	(195.4)
Funded Status %	77.0%	84.9%
Global Pension & Postretirement Plans		
Cash Contributions	107.4 *	34.2
Net Periodic Benefit Cost - GAAP	78.7	37.7
Net Periodic Benefit Cost - Base	45.7 **	37.7
Change in Presentation of Pension Costs		
Non-Service Cost Components of Net Periodic Pension Expense	12.4	0.3

* Includes voluntary contribution of \$50MM made to the U.S. qualified plan in October 2017

** Excludes settlement charges totaling \$33MM

2018 Net Sales Bridge



2018 Base EPS Bridge

Company Guideline for 2018 Base EPS: \$3.00 to \$3.10



2018 Base EPS Bridge

Estimated Key Components of Projected Cash Flow

(\$ Millions)

	2017P	2018P
Operating Cash Flow	415	532
Capital Expenditures, net of Dispositions	(190)	(220)
Dividends	(155)	(162)
Free Cash Flow	70	150

Capital Structure

(\$ Millions)

	2016	Q3-2017
Total Debt	\$1,053	\$1,426
Cash	\$ 257	\$ 248
Net Debt	\$ 796	\$1,178
Net Debt to EBITDA	1.1	2.0
Net Debt to Total Cap	34%	40%

	Q3-2017
Commercial Paper	\$ 98
Term Loan due 2022	\$ 250
1.0% Euro Debt due 2021	\$ 174
9.2% Bonds due 2021	\$ 4
4.375% Bonds due 2021	\$ 249
5.75% Bonds due 2040	\$ 604
Other Debt	\$ 47
Total Debt	\$1,426

MOODY'S - Baa2

STANDARD & POOR'S - BBB+

Target capital spending
on profitable growth
\$220 Million
projected in 2018



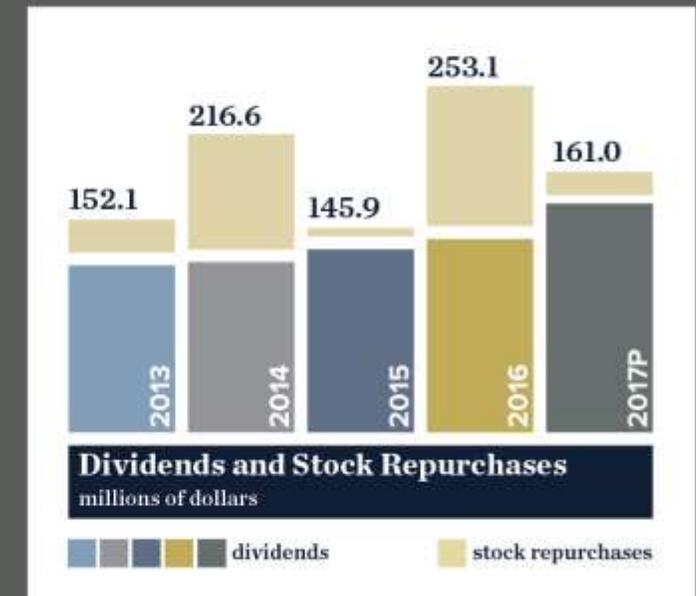
Pursue accretive
acquisitions in
targeted growth
areas

93 years

returning cash to shareholders

\$925 Million

returned to shareholders over the past 5 years
(dividends and stock repurchases)



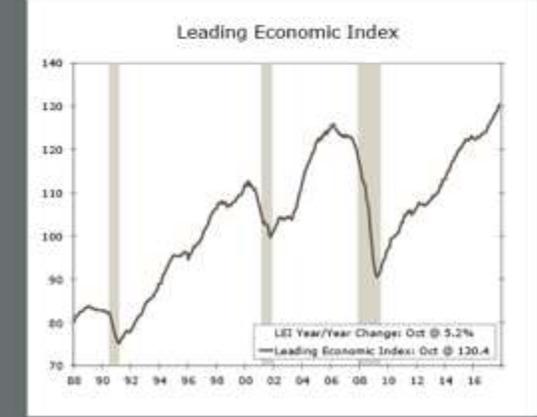
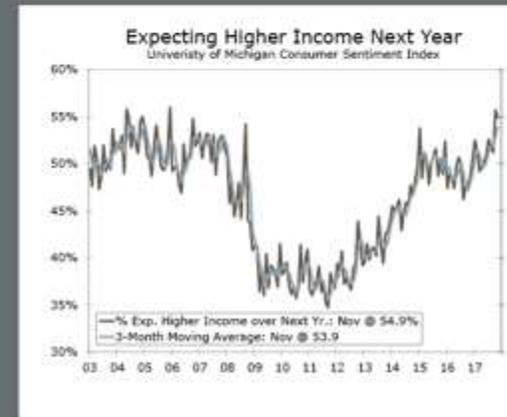
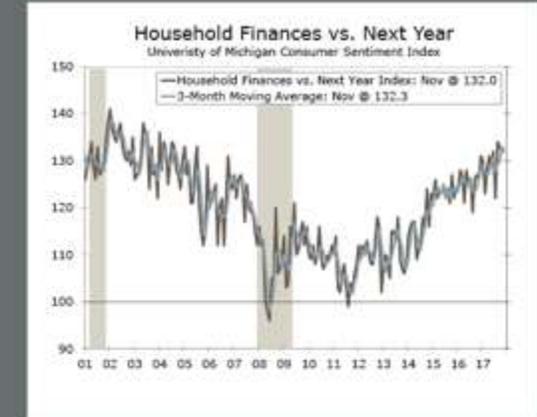
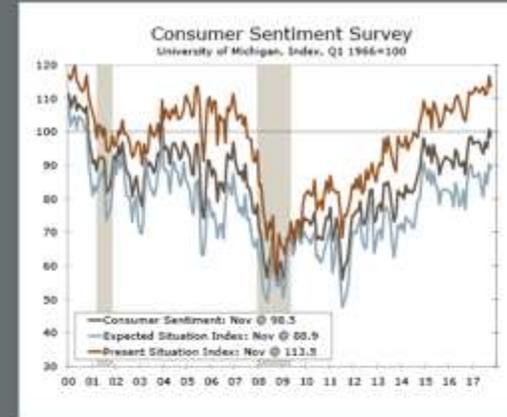
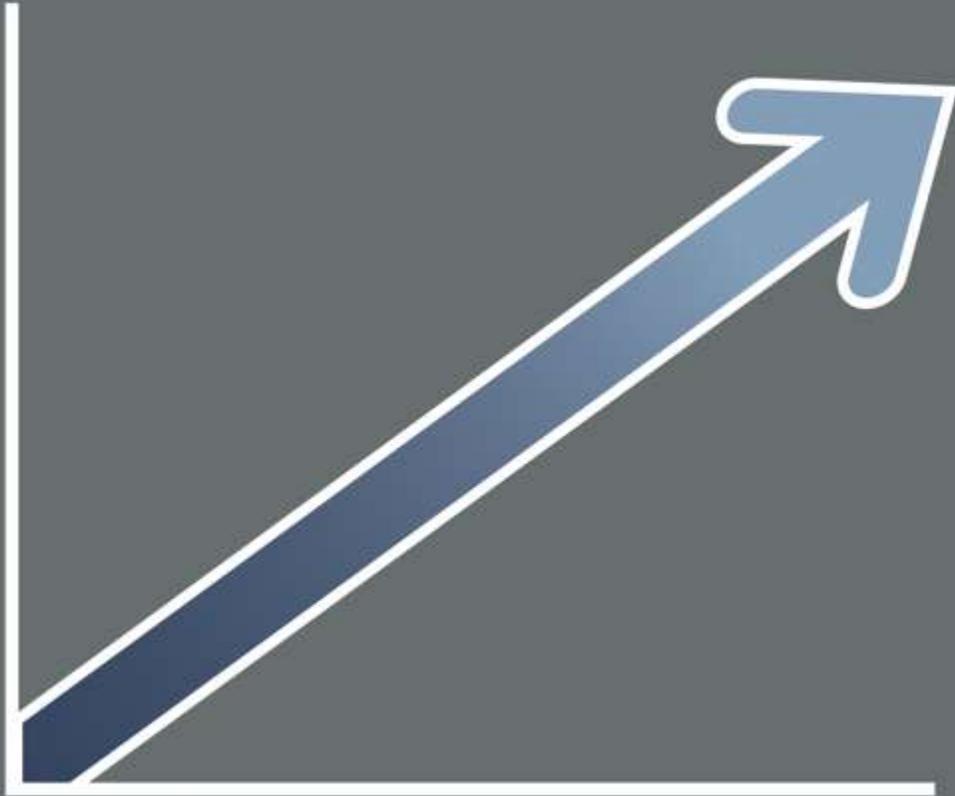


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CEO Key Takeaways

Jack Sanders
President and CEO

US Economic Outlook is Looking Up



Source: Wells Fargo



10%

Base Earning Growth in 2018

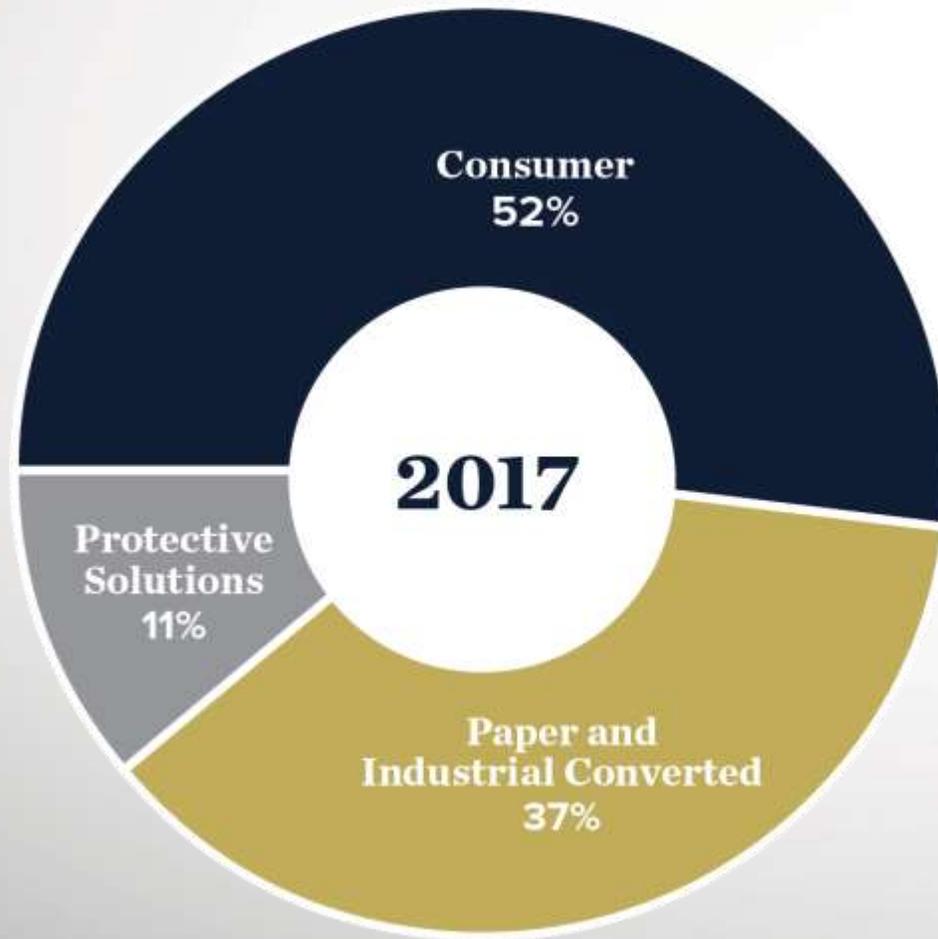
FIFTH

Consecutive Record Year
of EPS Growth

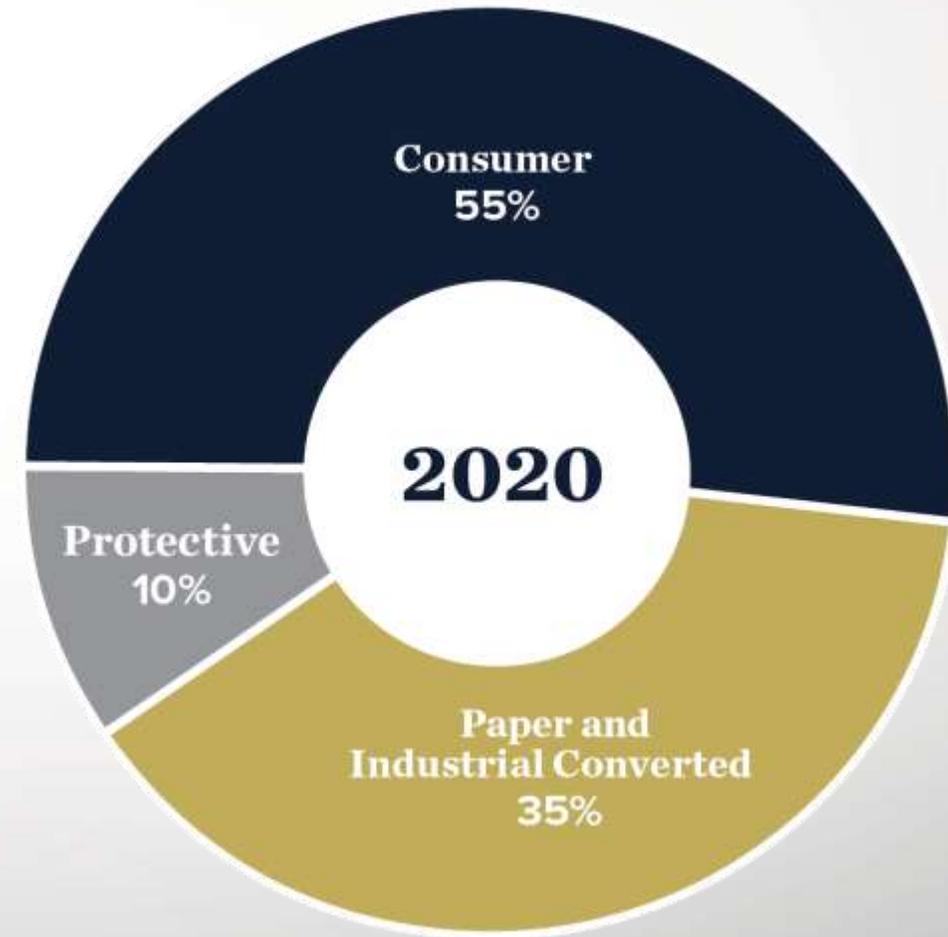
STRONGEST

FCF Generation Since 2013

20/20 Vision: Ascent to \$6 Billion



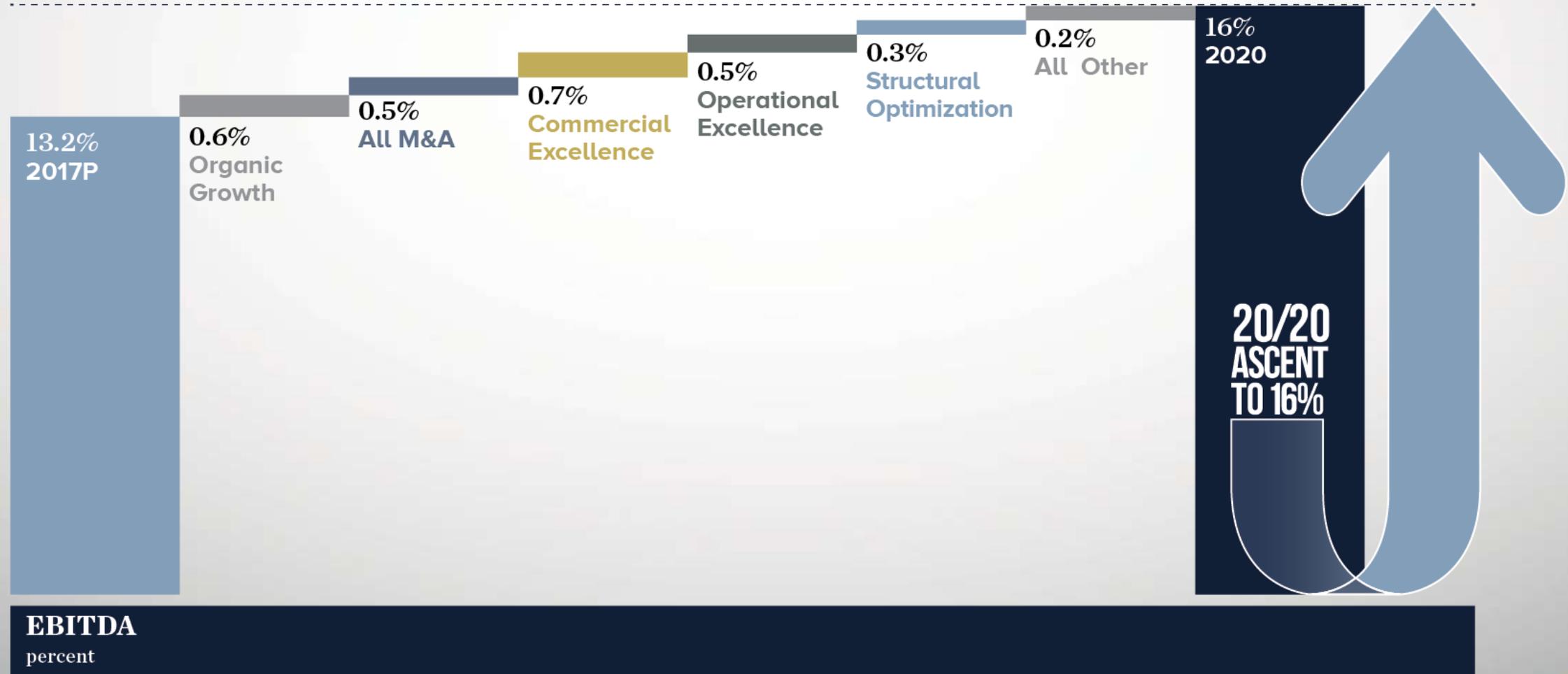
Total Projected Sales = \$5 Billion



Total Projected Sales = \$6.3 Billion

20/20 Vision: Ascent to 16%

EBITDA Margin Improvement Expectations



EBITDA
percent

Why Invest in Sonoco?

20/20  VISION



Strong
Business Mix



Solid Balance Sheet

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\$6B + 16%

30%

Dividend Yield



Fireside Chat