



UBS Non-Deal Roadshow

Investor Presentation | March 2019





sonoco.com

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 Q4 2018 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.



\$5.4 BILLION
2018 Net Sales

\$725 million
2018 Base OPBDA

\$3.37 EPS
Per Base Diluted Share

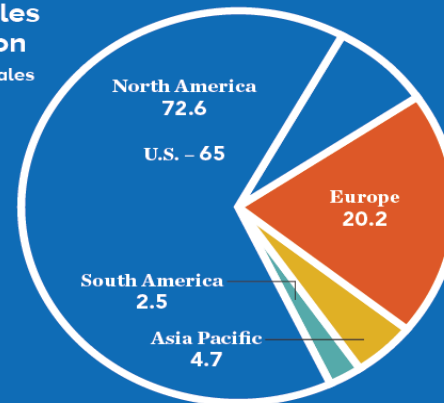
312 GLOBAL
LOCATIONS

36 Countries
Global Operations

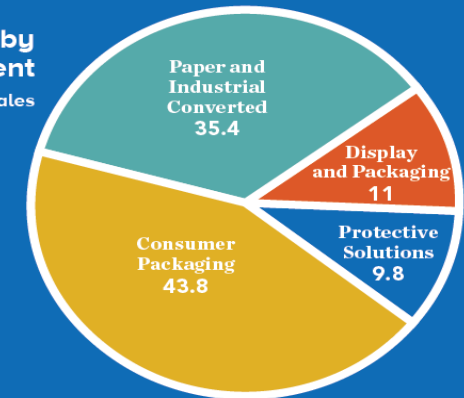
23,000
Global Employees



2018 Sales
by Region
percent of sales

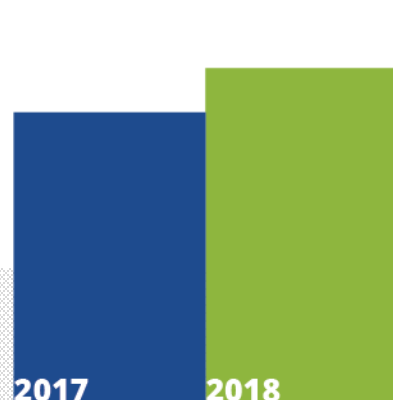


2018 Sales by
Operating Segment
percent of sales



Sonoco's 2018 Performance By the Numbers

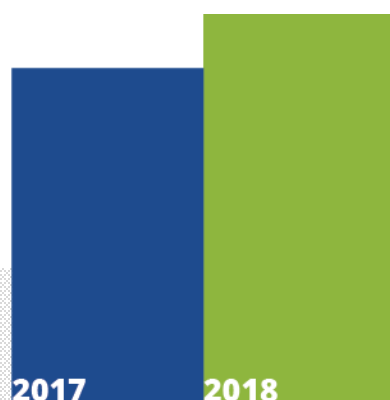
YTD as of End-of-Year



UP **7.0%**

Revenue

\$5.39 Billion for 2018 vs
\$5.04 billion for 2017



UP **6.4%**

Base Operating Profit

\$491.8 million for 2018 vs
\$462.3 million for 2017



UP **20.8%**

Base EPS

\$3.37 for 2018 vs
\$2.79 for 2017



UP **69.4%**

Cash Flow from Operations

\$589.9 million for 2018 vs
\$348.3 million for 2017

Free Cash Flow
\$260.2 million in 2018 vs
\$11.5 million 2017

State of Sonoco is Strong

(Dollars in Millions)



Consumer Packaging



Display & Packaging



Paper and Industrial Converted Products



Protective Solutions

	2018	2017
Net Sales	\$2,360	\$2,123
Base Operating Profit	\$225	\$256

	2018	2017
Net Sales	\$592	\$508
Base Operating Profit	\$13	\$3

	2018	2017
Net Sales	\$1,911	\$1,866
Base Operating Profit	\$211	\$161

	2018	2017
Net Sales	\$528	\$539
Base Operating Profit	\$43	\$42

Strategic Focus

Building for the Next 120 Years



Simplification

Structure

- Two Segments
 - Consumer
 - Industrial
 - Support organizations
 - Build around segments

Processes

- Talent Growth
- Realizing Our Value (ROV)
- Sonoco Performance System (SPS)
- Sustainable Innovation
- Capital Deployment
- Cost Vigilance

Portfolio

- Growth
 - Flexibles
 - Plastics
 - Paper

Measuring Success

Building for the Next 120 Years



Profitable Growth

1% to 2% Organic Growth
Drive synergy from acquisitions
Accretive acquisitions



Margin Improvement

Commercial Excellence
Operational Excellence (Productivity)
Organizational Efficiency
Reduce SG&A



Increase Free Cash Flow

10% Organic Growth
Targeted Capital Spending
Capital Allocation



People

Build and Develop
Our Bench
Diversity and Inclusion

Big Shifts Shaping Consumer Strategy



Health and Wellness



Demographics



Digital Disruption



Social Consciousness

Defining Our Consumer Strategy



Flexible Packaging

From see-through pouches, to new inverted pouches, to peel-reseal lidding options, flexible packaging continues to be a focus area for growth.



Rigid Plastics Packaging

Reimagined frozen foods, fresh fruits and vegetables, along with ready-to-eat prepared foods, rigid plastic trays and bowls are in demand on the perimeter and center-of-the-store.



Rigid Paper Containers

Producing more than 6 billion composite cans annually, rigid paper containers remain a viable packaging option for a wide range of products around the world.

Profitable Consumer Growth Opportunities

New Product Sales \$110 Million
2018-2019



Rigid Paper Containers

Stacked Chip Growth

- New Plants: Brazil, South America
- Continued Expansion
 - Poland(fifth and sixth lines)
 - U.S.
 - Continued double-digit growth in SE Asia (now 500 MM units)

Rigid Plastics

- Chilled Foods
- Dry Food
- Shelf-stable (Petfood)
- Next-Gen portion control

Flexibles

- Nuts growth
- Lidding stock for thermoforming (Perimeter of the Store)
- Lever capacity

Rigid Paper and Closures North America

Continuing to Innovate for Growth



**NEW SHAPED RIGID
PAPER CONTAINER**



**NEW ECOSEAL
PAPER BOTTOM CAN**



**NEW SOFTPEEL
(PAPER MEMBRANE
CLOSURE)**



**NEW PULL-TAB
OPENING FEATURE**

Rigid Paper Containers Growth in Emerging Markets

2019 Opportunities



Sonoco Flexibles – Growing Capabilities

Flexible Films	Short-Run Capability	Blown Films	Hybrid Flexibles
			
			

PrimaPak® – The Ultimate in Convenience



Growing Around the Perimeter of the Store



Prepared and Specialty Foods



CHILLED



FROZEN



PORTION CONTROL

Sustainability is Increasing Marketability

Creating Solutions for the Circular Economy



Sonoco Commitments

By 2025, Sonoco will increase, by weight, the amount we recycle, or cause to be recycled, from 75% to 85%, relative to the volume of product we put into the global market place.

Sonoco is committed to increasing the use of post-consumer recycled resins in its plastic packaging from 19% to 25% by 2025.

Sonoco will ensure that approximately 75% of its global rigid plastic packaging is capable of making the relevant on-package recyclable claim by 2025.

Sonoco will not utilize resin additives that purport to degrade in landfills or waterways by simply breaking up into smaller pieces.

Sonoco will ensure all of its production facilities utilizing plastic pellets have systems to prevent environmental discharge of these pellets.

Optimizing the US/Canada Integrated Industrial Business

Drive Significant Increase in Cash Generation in the Integrated Supply Chain



Recycling

- Adjust and adapt to China Impact
- Maximize internalization of OCC and Mixed Paper through automation



Primary Materials

- Continue CAPEX investment to optimize cash flow
- #10 corrugating machine take off



Tube & Core

- Continue customer segmentation approach
- Analyze impact of logistics on plant consolidation
- Control SG&A costs

Grow Paper/Engineered Carriers into Emerging Markets

Conitex Acquisition



Paper



Converting



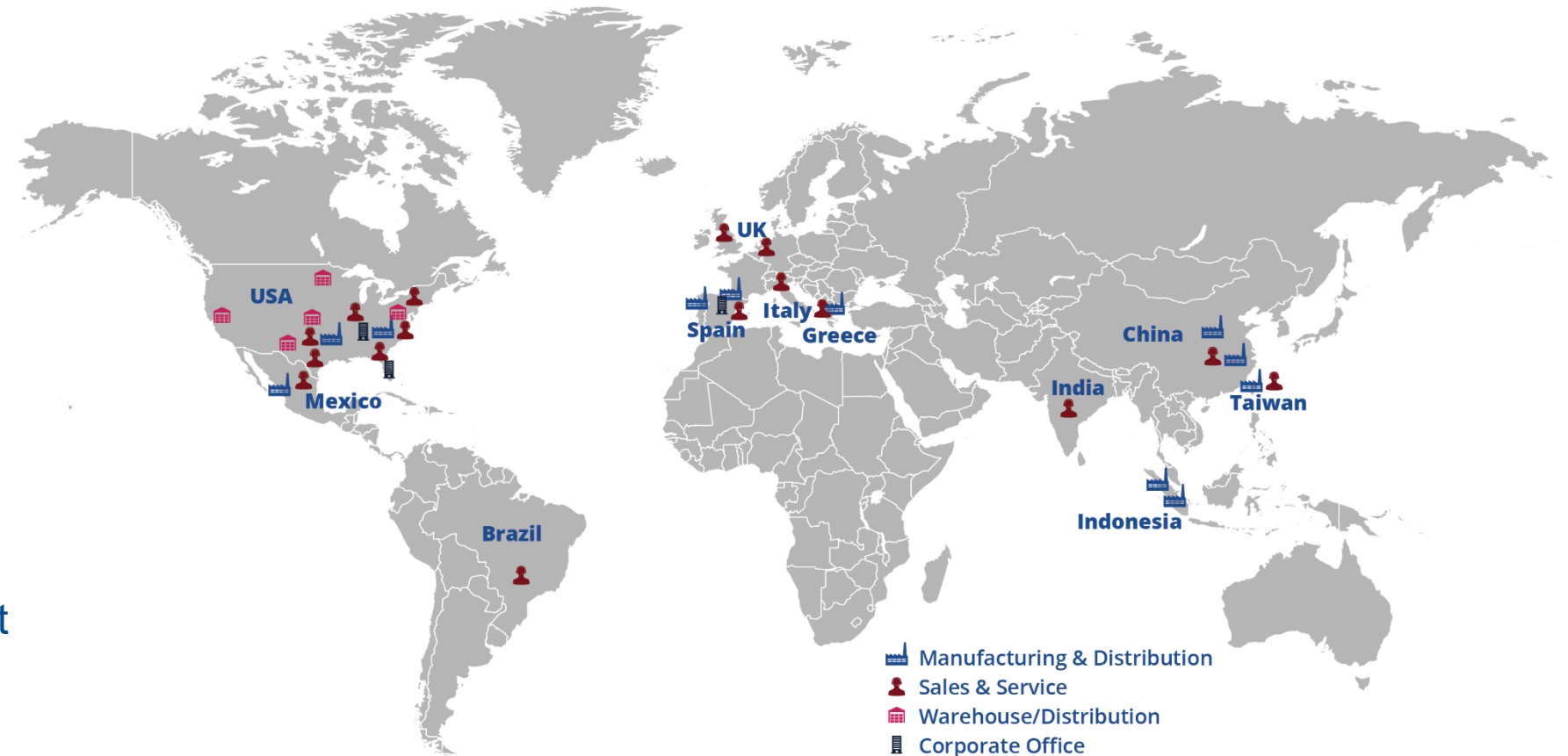
Flexibles



Adhesives

Conitex Growth Opportunities and Synergies

- Paper integration
- Industrial Asia critical mass with room for expansion
- Talented management with proven track record
- Organizational synergies
- Technological synergies (paper and converting)
- Introduction of Sonoco's vast product portfolio utilizing Conitex Sonoco's Asian infrastructure



Turning Around **Display** and **Packaging**

Converting, Primary and Secondary Packaging, Blistering, Wrapping, Shrinking, Bundling, Fulfillment



Fulfillment Centers (6)

- Social Circle, GA
- Palmyra, PA
- Allentown, PA
- Bolingbrook, IL
- Iowa City, IA
- Rural Hall, NC

Plant Locations (7)

- USA
 - Winston Salem, NC
 - York, PA
- Latin America
 - Sorocaba, Brazil
 - Itu, Brazil
- Europe
 - Strykow, Poland
 - Wroclaw, Poland
 - Lodz, Poland

Products and Services

- Temporary, semi-permanent and permanent custom merchandising displays
- Primary, secondary and promotional packaging
- Integrated merchandising supply chain management services
- POS merchandising accessories
- Creative graphics, design, engineering and prototyping services
- Pre-press and printing services

Protective Solutions

Consumer Foam, Automotive EPP, Temperature Assured Packaging (TAP)



Consumer Molding (17% of Sales)

Foam-based protective packaging applications for a wide range of consumer goods that travel through the distribution chain.



ThermoSafe® (31% of Sales)

Temperature-assurance packaging to protect the efficacy of pharmaceuticals and other bio-medical products during transport around the world.



Consumer Fiber (27% of Sales)

Fiber-based protective packaging for consumer durables such as washers, dryers, refrigerators and dishwashers, that ensure product integrity and allow for improved material handling and storage.



Transportation (25% of Sales)

Foam materials for use in the automotive industry to help light-weight vehicles for improved mileage, along with dunnage applications for parts storage and shipment.

Capital Deployment Strategy

Total Capital Expenditures
on profitable growth
projects in 2019

**\$205
Million**

Return cash to shareholders

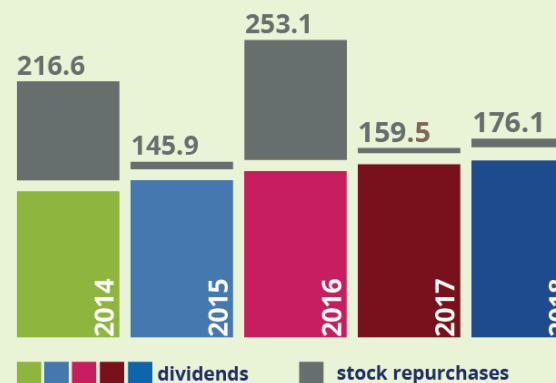
Current Annual Dividend Payout

\$1.64
per share

and

94
consecutive years

Dividends and Stock Repurchases
millions of dollars



\$951 Million

In cash returned to shareholders
over the past five years



Pursue accretive
acquisitions in
targeted Consumer
and Industrial
markets

De-risking
Balance Sheet



2018 Financial Review

EPS Summary

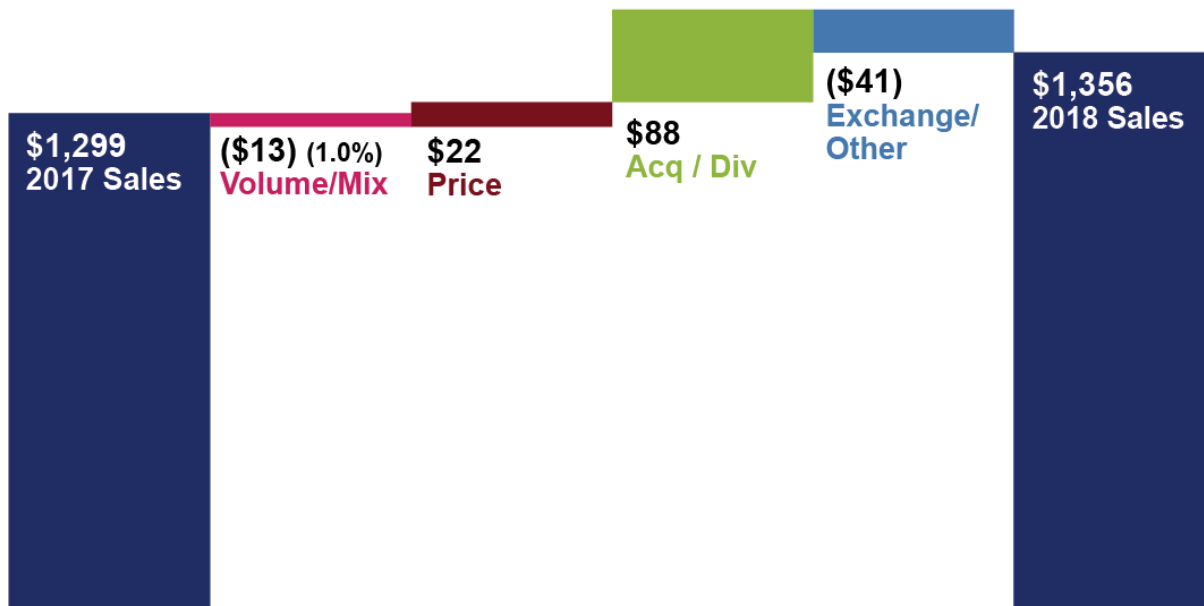
Fourth Quarter: 2018 Vs. 2017

	4th Quarter		Year To Date	
	2018	2017	2018	2017
Actual EPS	\$ 0.77	\$ 0.06	\$ 3.10	\$ 1.74
Addback for:				
Restructuring & Asset Impair, Net	0.08	0.17	0.30	0.25
Pension Settlement Expense	—	0.01	0.01	0.20
Acquisition / Divestiture Costs	0.10	0.01	0.14	0.10
Tax Reform on Deferred and AOCI	—	(0.25)	—	(0.25)
Tax Repatriation Toll Charge	0.04	0.76	0.04	0.76
Tax Rate Changes & Reserve Adjustments	(0.15)	(0.02)	(0.21)	—
Other	—	(0.02)	(0.01)	(0.01)
Base EPS*	\$ 0.84	\$ 0.72	\$ 3.37	\$ 2.79
*Due to rounding individual items may not sum down				
Sonoco Guidance	\$0.79 to \$0.85		\$3.32 to \$3.38	

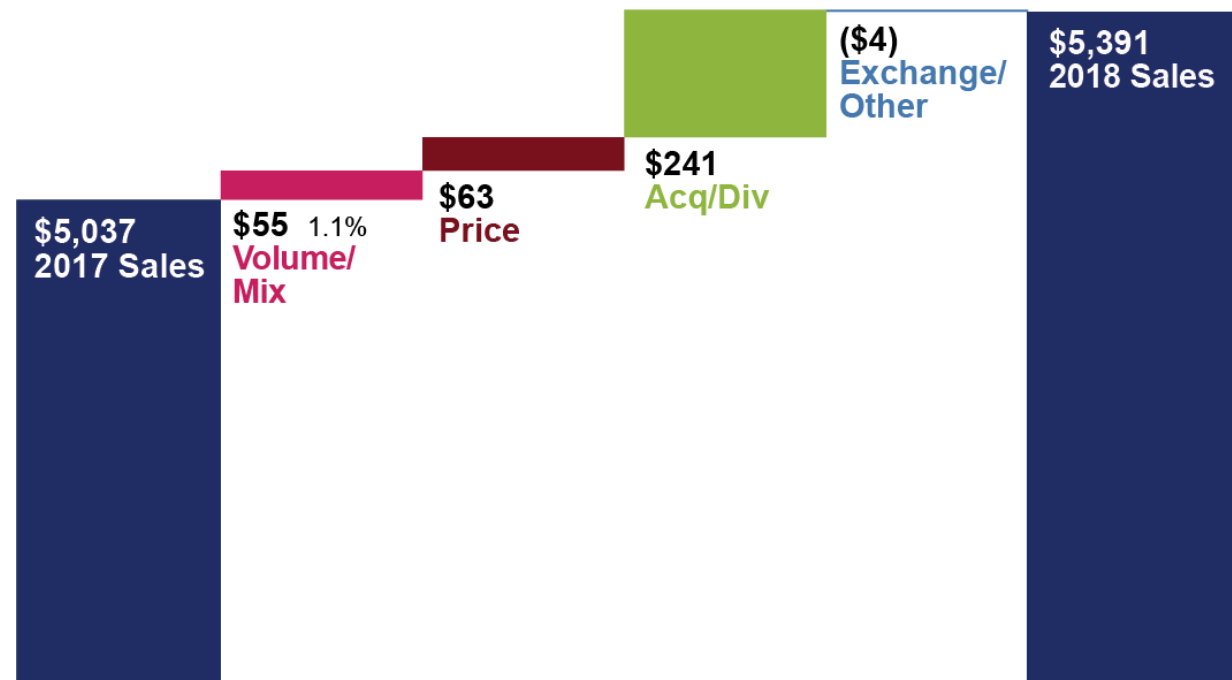
Sales Bridge

Fourth Quarter: 2018 Vs. 2017 (Dollars in millions)

Sales Bridge
4th Quarter: 2018 Vs. 2017
(Dollars in millions)



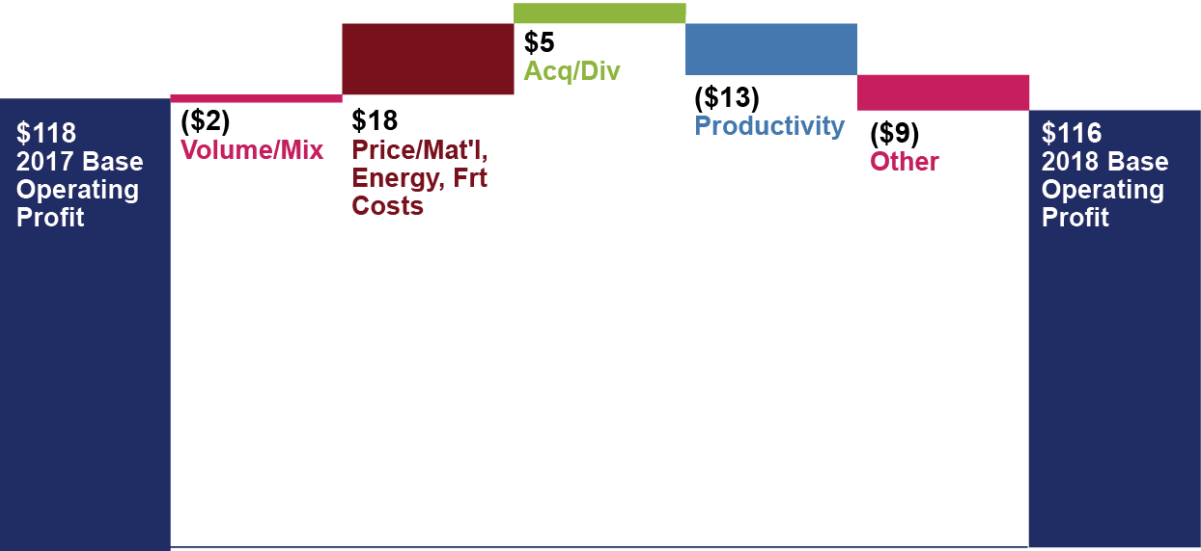
Sales Bridge
YTD: 2017 Vs. 2018
(Dollars in millions)



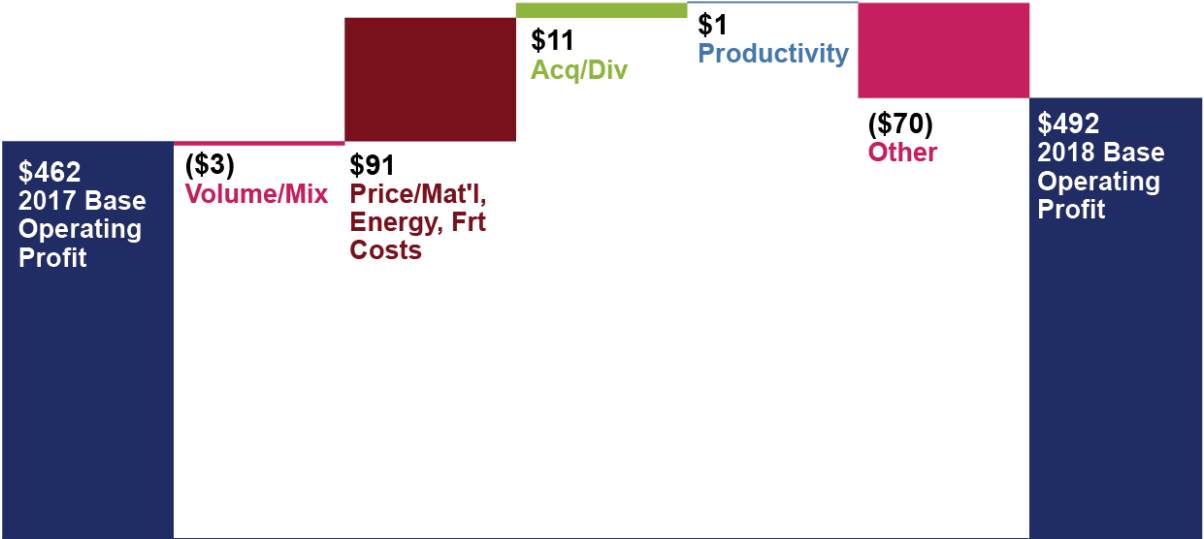
Base Operating Profit Bridge

Fourth Quarter: 2018 Vs. 2017 (Dollars in millions)

Base Operating Profit Bridge
4th Quarter: 2018 Vs. 2017
(Dollars in millions)



Base Operating Profit Bridge
YTD: 2017 Vs. 2018
(Dollars in millions)



Base Earnings Guidance

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
2017 Base EPS	\$0.59	\$0.71	\$0.76	\$0.72	\$2.79
2018 Base EPS	\$0.74	\$0.93	\$0.86	\$0.84	\$3.37
2019 Guidance	\$0.77 - \$0.83				\$3.47 - \$3.57

Operating Cash Flow

Year to date: 2018 Vs. 2017 (Dollars in thousands)

2019 Guidelines

Operating Cash Flow:
\$600 million to \$620 million

Free Cash Flow:
\$225 million to \$245 million

*Free Cash Flow is defined as cashflow from operations minus capital expenditures and cash dividends

	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Net Income	\$ 314,739	\$ 177,447
Depreciation, depletion and amortization	\$ 236,245	\$ 217,625
Changes in working capital	\$ 27,663	\$ (55,614)
Non-cash pension expense	\$ 34,885	\$ 78,506
Pension contributions	\$ (25,373)	\$ (108,579)
Other operating activity	\$ 1,739	\$ 38,869
Operating Cash Flow	\$ 589,898	\$ 348,254
Capital Expenditures, net of dispositions	\$ (168,286)	\$ (183,642)
Cash Dividends	\$ (161,434)	\$ (153,137)
Free Cash Flow	\$ 260,178	\$ 11,475
Cost of acquisitions, net of cash acquired	\$ (277,177)	\$ (383,725)
Net debt proceeds / (repayments)	\$ (58,377)	\$ 355,191

Balance Sheet

(Dollars in thousands)

	12/31/2018	12/31/2017	Change \$
Cash and cash equivalents	\$ 120,389	\$ 254,912	\$ (134,523)
Trade accounts receivable, net of allowances	737,420	725,251	12,169
Other receivables	111,915	64,561	47,354
Inventories	493,764	474,063	19,701
Prepaid expenses and deferred income taxes	55,784	44,849	10,935
Current Assets	\$ 1,519,272	\$ 1,563,636	\$ (44,364)
Property, plant and equipment, net	1,233,821	1,169,377	64,444
Goodwill	1,309,167	1,241,875	67,292
Other intangible assets, net	352,037	331,295	20,742
Other assets	169,168	251,538	(82,370)
Total Assets	\$ 4,583,465	\$ 4,557,721	\$ 25,744
Payable to suppliers and others	878,969	831,664	47,305
Income taxes payable	8,516	8,979	(463)
Total debt	1,385,162	1,447,329	(62,167)
Pension and other postretirement benefits	374,419	355,187	19,232
Deferred income taxes and other	164,121	184,502	(20,381)
Total equity	1,772,278	1,730,060	42,218
Total Liabilities and Shareholders' Equity	\$ 4,583,465	\$ 4,557,721	\$ 25,744
Net debt / Total capital	41.6%	40.8%	

Net debt = Total debt minus cash and cash equivalents

Total capital = Net debt plus total equity

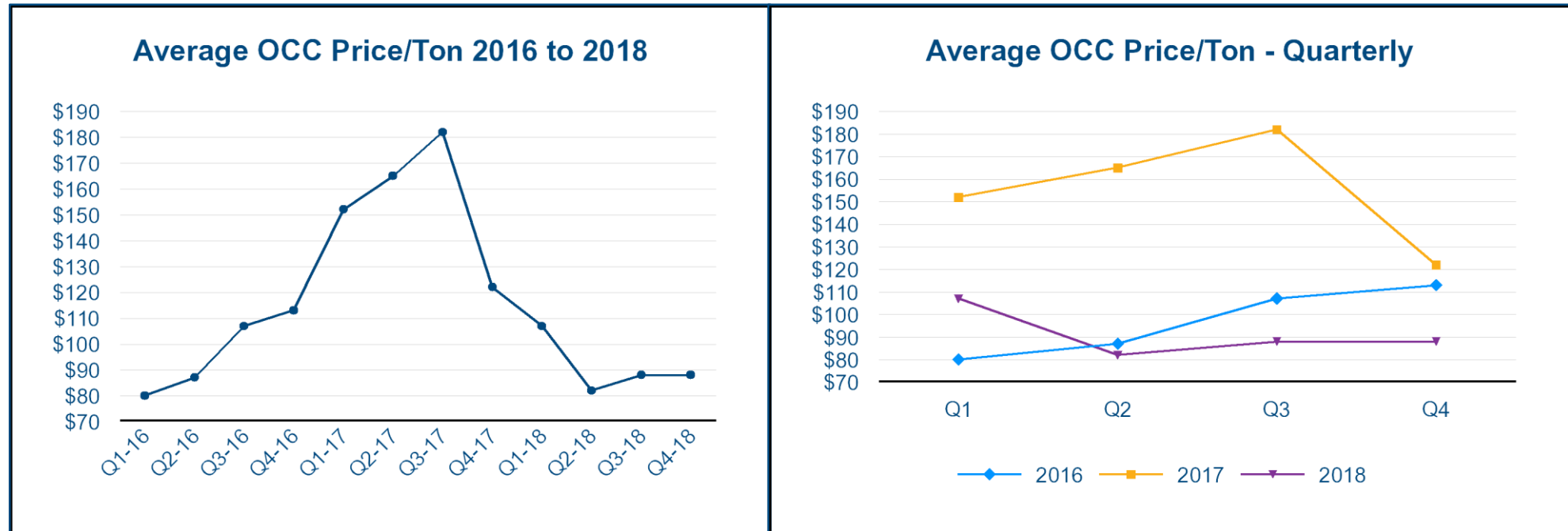
P&L Summary (Base)

Year to date: 2018 Vs. 2017 (Dollars in thousands)

	2018	2017	Better / (Worse)	
			\$	%
Net sales	\$ 5,390,938	\$ 5,036,650	\$ 354,288	7.0%
Cost of sales	(4,349,932)	(4,077,998)	(271,934)	(6.7)%
Gross profit	1,041,006	958,652	82,354	8.6%
Selling, general and administrative expenses	(549,186)	(496,313)	(52,873)	(10.7)%
Operating profit	491,820	462,339	29,481	6.4%
Non-operating pension costs (income)	199	12,349	(12,150)	98.4%
Net interest	(58,157)	(52,745)	(5,412)	(10.3)%
Income before income taxes	433,464	397,245	36,219	9.1%
Provision for income taxes	(102,700)	(123,371)	20,671	16.8%
Income before equity in earnings of affiliates	330,764	273,874	56,890	20.8%
Equity in earnings of affiliates, net of tax	11,216	10,063	1,153	11.5%
Net income	341,980	283,937	58,043	20.4%
Noncontrolling interests	(1,370)	(2,173)	803	37.0%
Net income attributable to Sonoco	\$ 340,610	\$ 281,764	\$ 58,846	20.9%
EPS diluted	\$ 3.37	\$ 2.79	\$ 0.58	20.8%
Gross profit %	19.3%	19.0%		
SG&A %	10.2%	9.9%		
OP %	9.1%	9.2%		
OPBDA %	13.5%	13.4%		
Effective tax rate	23.7%	31.1%		

OCC – Official Board Market

4th Quarter: 2018 Vs. 2017 Vs. 2016 (Price/Ton)

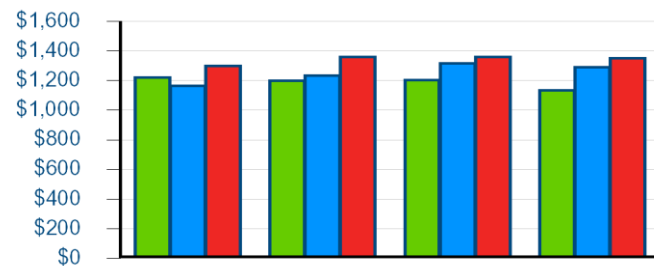


	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter			
	J	F	M	Avg	A	M	J	Avg	J	A	S	Avg	O	N	D	Avg
2016	80	80	80	80	80	85	95	87	100	110	110	107	110	110	120	113
2017	125	145	185	152	175	155	165	165	185	185	175	182	135	115	115	122
2018	115	110	95	107	85	80	80	82	85	90	90	88	90	90	85	88

Base Results

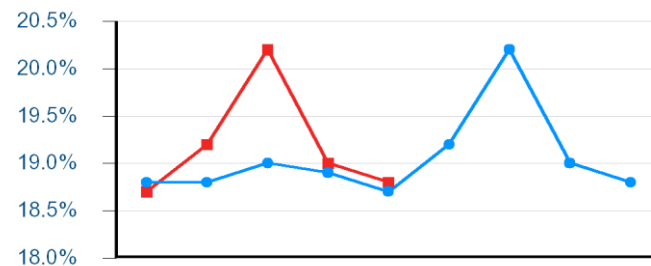
4th Quarter: 2018 Vs. 2017 Vs. 2016

Net Sales \$MM



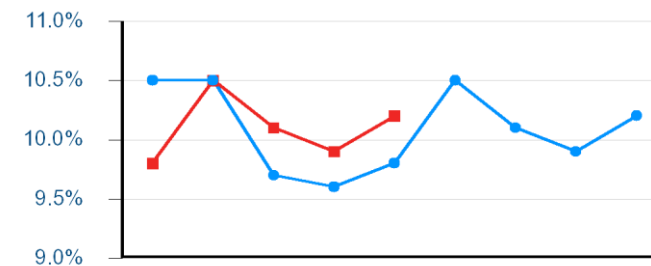
	1Q	2Q	3Q	4Q	Total
2016	\$1,226	\$1,206	\$1,209	\$1,142	\$4,783
2017	\$1,172	\$1,241	\$1,325	\$1,299	\$5,037
2018	\$1,304	\$1,366	\$1,365	\$1,356	\$5,391

Gross Profit %



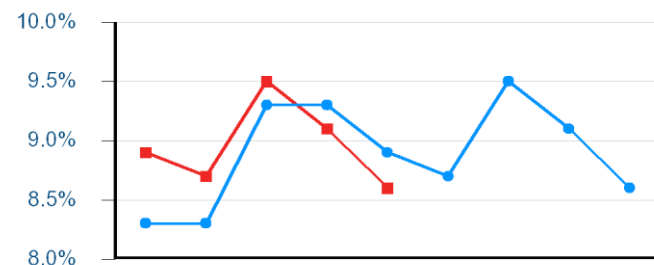
	4Q-16	1Q-17	2Q-17	3Q-17	4Q-17	1Q-18	2Q-18	3Q-18	4Q-18
Hist	18.8%	18.8%	19.0%	18.9%	18.7%	19.2%	20.2%	19.0%	18.8%
Vs PY	18.7%	19.2%	20.2%	19.0%	18.8%				

S&A/OIC %



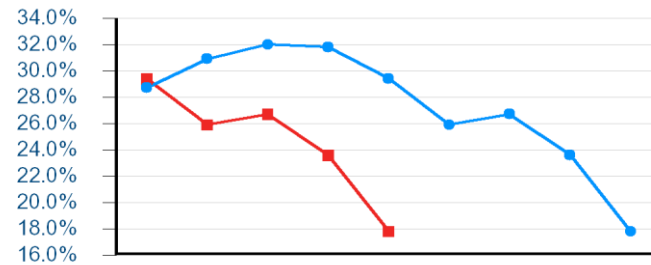
	4Q-16	1Q-17	2Q-17	3Q-17	4Q-17	1Q-18	2Q-18	3Q-18	4Q-18
Hist	10.5%	10.5%	9.7%	9.6%	9.8%	10.5%	10.1%	9.9%	10.2%
Vs PY	9.8%	10.5%	10.1%	9.9%	10.2%				

Base Operating Profit %



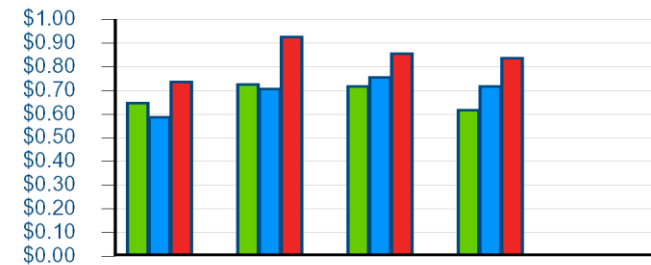
	4Q-16	1Q-17	2Q-17	3Q-17	4Q-17	1Q-18	2Q-18	3Q-18	4Q-18
Hist	8.3%	8.3%	9.3%	9.3%	8.9%	8.7%	9.5%	9.1%	8.6%
Vs PY	8.9%	8.7%	9.5%	9.1%	8.6%				

Tax Rate %



	4Q-16	1Q-17	2Q-17	3Q-17	4Q-17	1Q-18	2Q-18	3Q-18	4Q-18
Hist	28.7%	30.9%	32.0%	31.8%	29.4%	25.9%	26.7%	23.6%	17.8%
Vs PY	29.4%	25.9%	26.7%	23.6%	17.8%				

Base EPS \$



	1Q	2Q	3Q	4Q	Total
2016	\$0.65	\$0.73	\$0.72	\$0.62	\$2.72
2017	\$0.59	\$0.71	\$0.76	\$0.72	\$2.79
2018	\$0.74	\$0.93	\$0.86	\$0.84	\$3.37