



# 2023 ANNUAL MEETING OF SHAREHOLDERS

**John R. Haley | Chairman**

Welcome

Business Meeting

**R. Howard Coker | President and Chief Executive Officer**

State of Sonoco; Review and Outlook

Questions

**Adjourn**



# SONOCO

## 2023 ANNUAL MEETING OF SHAREHOLDERS

*Investing in Ourselves.*

April 19, 2023 | Hartsville, South Carolina



# Election of the Board of Directors



**STEVEN L. BOYD**



**R. HOWARD COKER**



**DR. PAMELA L. DAVIES**



**THERESA J. DREW**



**PHILIPPE GUILLEMOT**



**JOHN R. HALEY**

# Election of the Board of Directors



**ROBERT R. HILL JR**



**ELENI ISTAVRIDIS**



**RICHARD G. KYLE**



**BLYTHE J. MCGARVIE**



**THOMAS E. WHIDDON**

# 2023 Annual Meeting Agenda

## PROPOSAL 1

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Election of  
Directors

## PROPOSAL 2

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Ratification of Independent  
Registered Public  
Accounting Firm

## PROPOSAL 3

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Advisory (Non-binding)  
Vote to Approve Executive  
Compensation

## PROPOSAL 4

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Advisory (Non-binding) Vote on  
the Frequency of the Vote on  
Executive Compensation

## PROPOSAL 5

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Shareholder Proposal  
Regarding Special Shareholder  
Meeting Improvement



# State of Sonoco

**R. Howard Coker**

President & CEO

April 19, 2023 | Hartsville, South Carolina





# Forward-Looking Statements / Non-GAAP Financial Measures

Statements in this presentation and the accompanying oral commentary (the “presentation”) that are not historical in nature may constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Words such as “anticipate,” “assume,” “believe,” “committed,” “consider,” “could,” “estimate,” “expect,” “forecast,” “future,” “goal,” “guidance,” “intend,” “may,” “might,” “objective,” “opportunity,” “outlook,” “plan,” “potential,” “project,” “see,” “should,” “strategy,” “target,” “will,” “would,” or the negative thereof, and similar expressions identify forward-looking statements. Forward-looking statements in this presentation include but are not limited to statements regarding the Company’s future operating and financial performance, including full-year 2023 and first quarter 2023 outlook and the Company’s segment outlook; the Company’s ability to navigate volatility, expand profits, increase free cash flow, and efficiently deploy capital; the Company’s portfolio strategy and its ability to drive growth and profitability; the Company’s ability to create long-term value and returns for shareholders and to return cash to shareholders, including its focus on increasing its dividend; expected accretion and other benefits from acquisitions and the strategic advantages and synergies, technology and process opportunities related thereto; momentum from and the effects of the Company’s strategy and operating model, including portfolio management, sustainability-led and productivity management activities and efforts to simplify the Company’s structure; efforts to improve price/cost through strategic pricing; the effects of the macroeconomic environment, inflation and COVID-19 coronavirus on the Company; and outcomes of certain tax issues and tax rates. Such forward-looking statements are based on current expectations, estimates and projections about the Company’s industry, management’s beliefs and certain assumptions made by management. Such information includes, without limitation, discussions as to guidance and other estimates, perceived opportunities, expectations, beliefs, plans, strategies, goals and objectives concerning the Company’s future financial and operating performance. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. Such risks, uncertainties and assumptions include, without limitation, those related to the Company’s ability to achieve the benefits it expects from acquisitions; the Company’s ability to execute on its strategy, including with respect to acquisitions, cost management, restructuring and capital expenditures, and achieve the benefits it expects therefrom; the operation of new manufacturing capabilities; assumptions regarding and the Company’s ability to achieve anticipated cost and energy savings; the availability and pricing of raw materials, energy and transportation, including the impact of potential changes in tariffs and escalating trade wars, and the Company’s ability to pass raw material, energy and transportation price increases and surcharges through to customers or otherwise manage these pricing risks; the effects of the COVID-19 pandemic on the Company’s results of operations, financial condition, value of assets, liquidity, prospects and growth, and on the industries in which it operates and that it serves; the costs of labor; the effects of inflation, fluctuations in consumer demand and other macroeconomic factors on the Company and the industries in which it operates and that it serves; the Company’s ability to meet its goals relating to sustainability and reduction of greenhouse gas emissions; the Company’s ability to return cash to shareholders and create long-term value; and the other risks, uncertainties and assumptions discussed in the Company’s filings with the Securities and Exchange Commission, including its most recent reports on Forms 10-K and 10-Q, particularly under the heading “Risk Factors.” The Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur.

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 [investor.sonoco.com](http://investor.sonoco.com) under Webcasts & Presentations, [Non-GAAP Reconciliations for Q4 2022 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 [investor.sonoco.com](http://investor.sonoco.com).

This presentation does not constitute the solicitation of the purchase or sale of any securities.



**Sonoco is a global leader in higher-value, sustainable packaging**



**We are continuing to transform the company through portfolio management and M&A**

Moving towards higher margins, with less cyclicity and improving earnings



**We have increasing opportunity to leverage our operating model to expand margins**

Gaining momentum in our excellence programs (operations, commercial, supply chain, standardization)



**We remain disciplined in capital allocation and expect to further invest to grow**

Continuing emphasis on high return investments, an increasing dividend, and an investment grade balance sheet



**We are committed to improving the lives of our teams, customers, and communities**

Aligning a strong ESG and Sustainability program with the core values of the company

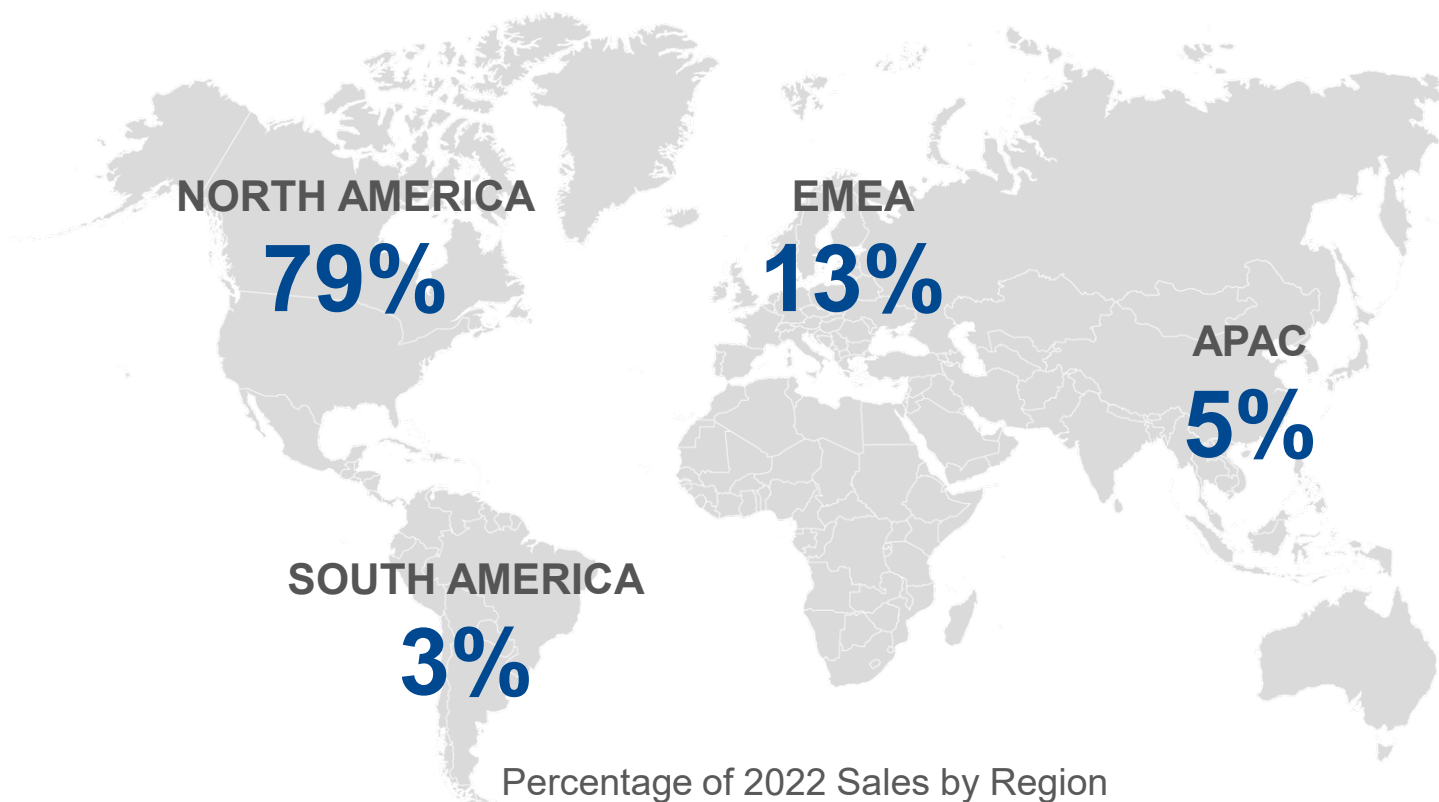
**Today's Key Messages**



# Sonoco Products Company Overview

*Sonoco is a global leader in higher-value, sustainable packaging*

\$7.25B in Revenue 2022



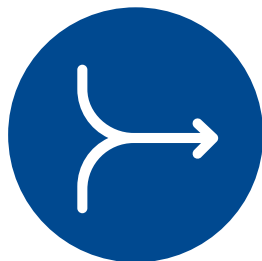
EST  
**1899**

**300+**  
FACILITIES

**22K+**  
EMPLOYEES

**32**  
COUNTRIES

# A Few Years Ago....We Set a New Course for the Business



1

## Focus the Portfolio

- Fewer, bigger businesses
- Footprint optimization
- Maximized logistics



2

## Align Structure and Talent

- Simplified organization
- Centers of excellence
- Inclusive and diverse workforce



3

## Invest to Grow our Core

- High return growth capital
- Operational efficiency
- Inorganic, core acquisitions

4



## Execute Sustainably

# ① We Are Further Focusing the Portfolio and ② Realigning our Structure

## CORE, INTEGRATED BUSINESSES

Larger divisions with more opportunity for vertical integration and synergies in how they are operated

### CONSUMER PACKAGING

# 52%

Rigid Paper Containers  
Metal Packaging  
Flexible Packaging



### INDUSTRIAL PAPER PACKAGING

# 37%

Global Paper  
Tubes and Cores  
Fiber Protective



## DIVERSIFIED

Smaller divisions run more autonomously

### ALL OTHER BUSINESSES

# 11%

Diversified Packaging Products





# 3 We Are Investing to Grow our Core Capabilities

~\$320M in 2022

~\$125 MILLION



PAPER - PROJECT HORIZON

~\$60 MILLION



FLEXIBLE PLASTIC PACKAGING

~\$60 MILLION



RIGID PAPER CONTAINERS

~\$25 MILLION



METAL CANS

Sonoco Operates 24 Recycling Centers and Invests in Knowledge to Improve Sustainable Packaging

# ③ We Are Investing to Grow our Core with Accretive Acquisitions

## Metal Packaging



**Closed Q1-22**

Expands sustainable consumer packaging portfolio by adding highly recycled metal substrates

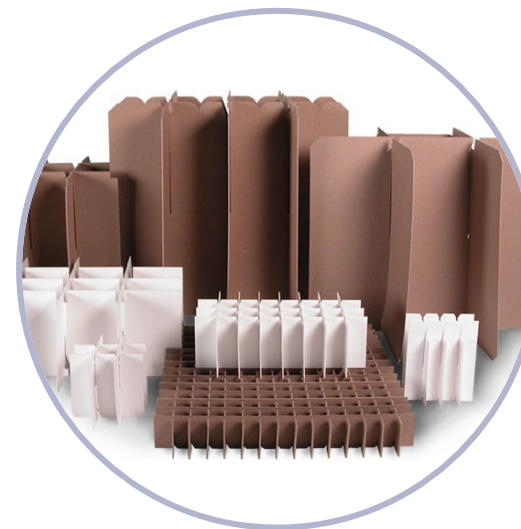
## Skjern Paper



**Closed Q4-22**

Aligns with our core businesses and the growing market for sustainable paper packaging products in Europe

## RTS Paper Packaging



**Expect to Close in 2H-23**

Supports core paper packaging business with exposure to growing food and beverage markets

# 3 We are Investing in Operational Excellence for Efficiency

## Strategic Productivity Investments/Operational Excellence

- Capital investments for growth and productivity
- Automation for increased throughput

## Commercial Excellence

- Standard processes and monitoring
- Value recognition for performance and complexity

## Supply Chain Excellence

- Inventory management programs
- Strategic sourcing optimization

## Structural Transformation

- Aligning infrastructure to fewer bigger businesses
- More efficient functional and business services at center

Sonoco's Value Creation Model



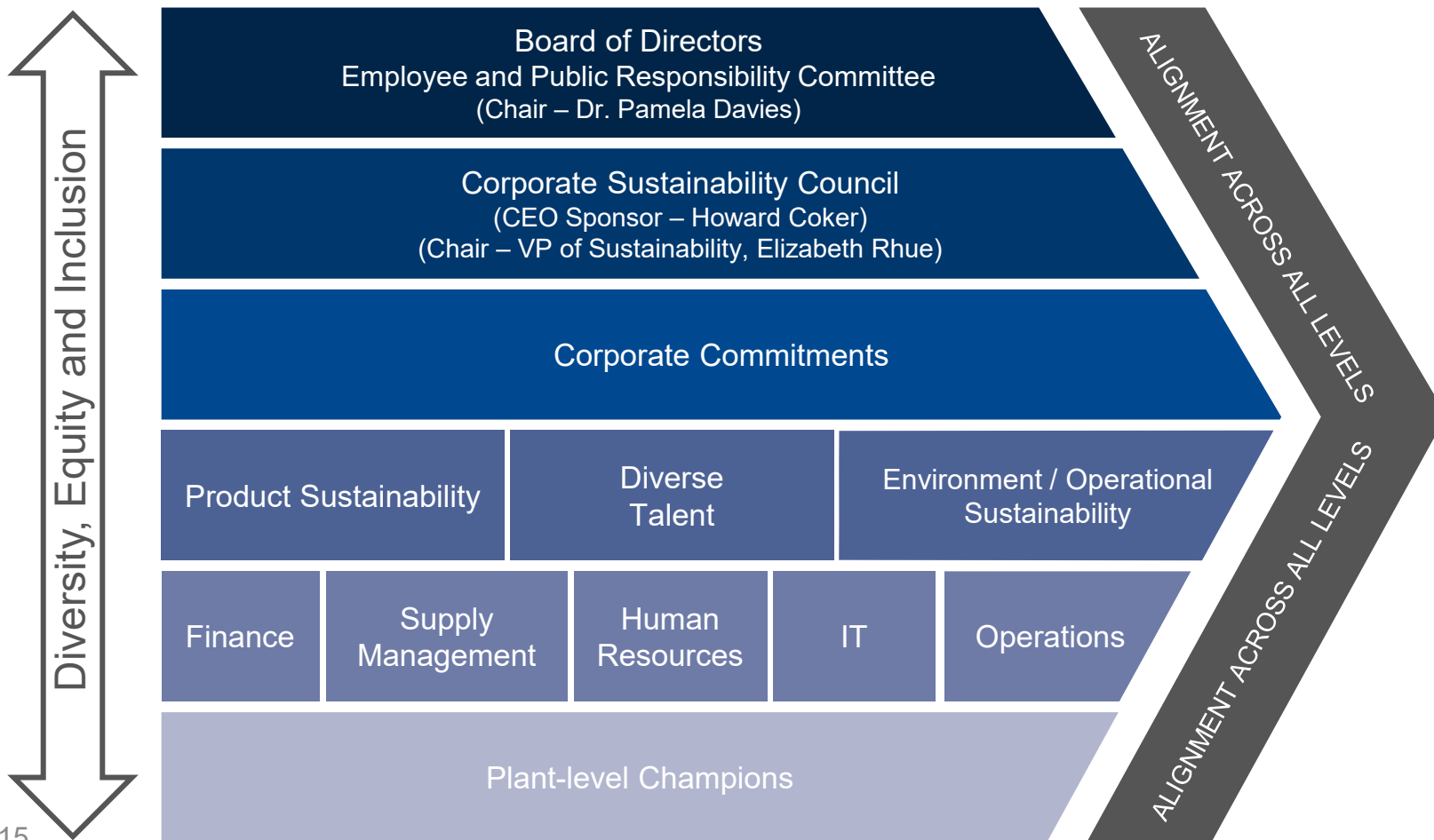
BASE EBITDA OPPORTUNITY BY 2026

**\$180M**



# 4 Board and Management Oversight of ESG/Sustainability Programs

How do we drive business-level commitment for corporate ESG goals?



As we work to meet our environmental and sustainability commitments, we recognize our goals must be truly corporate commitments within all levels of the organization.

# Progress on ESG Initiatives

## ENVIRONMENTAL

**3.2%** | YoY decrease in Energy usage

**>20%** | YoY decrease in GHG emissions intensity (CO2e / \$\$ revenue)

**13%** | YoY decrease in water usage

**8.6%** | YOY decrease in landfill usage

## SOCIAL

**26%** | Female Workforce Representation

**32%** | Female New Hires

**33%** | Racial or Ethnic Minorities

**96%** | Retention rate for exceptional and promotable employees

**8.2%** | of total spend in the US and Canada is with diverse suppliers

**~\$2M** | Sonoco Foundation Spend

## GOVERNANCE

**45 %** | Board Diversity Rate

**98.8%** | Average majority for director election

**99.7%** | Say on Pay

**1** | ISS Governance Quality Score

## RECOGNITIONS/RATINGS



B – Climate Change Score



BBB Rating for 2021 & 2022



Gold



BARRON'S  
Most Sustainable Companies

2020, 2021, 2022



## Highlights from 2022

Insert Video Here





# 2022 Financial Summary

## A Record Year in the History of Sonoco

REVENUE

**\$7.25B**

BASE OPERATING PROFIT

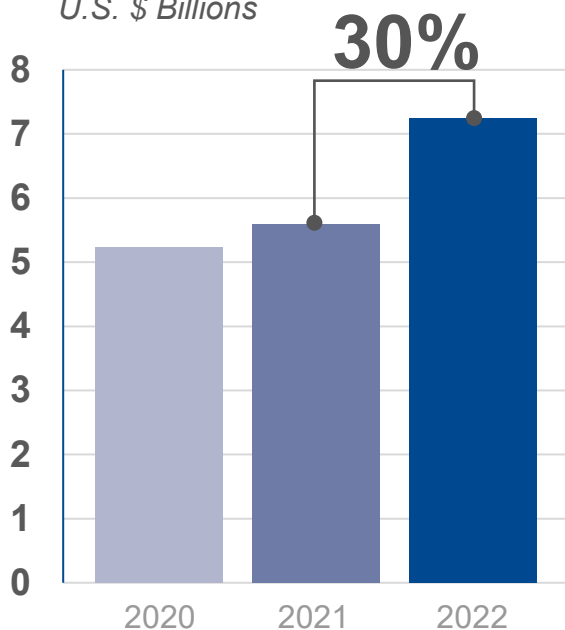
**\$920M**

BASE EPS

**\$6.48**

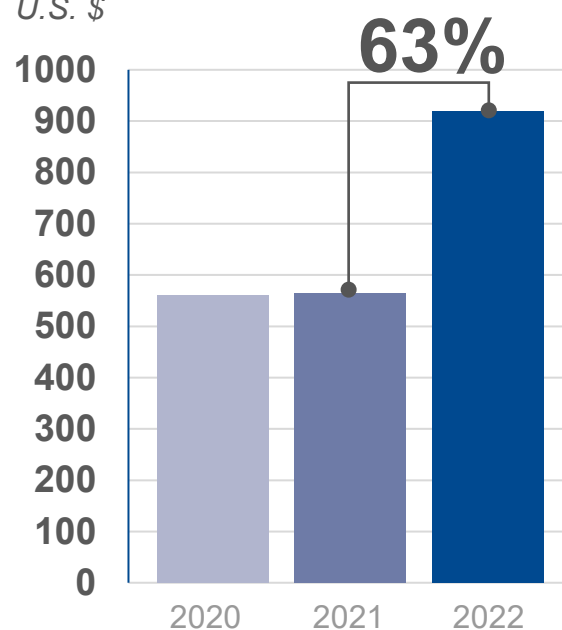
### NET SALES

*U.S. \$ Billions*



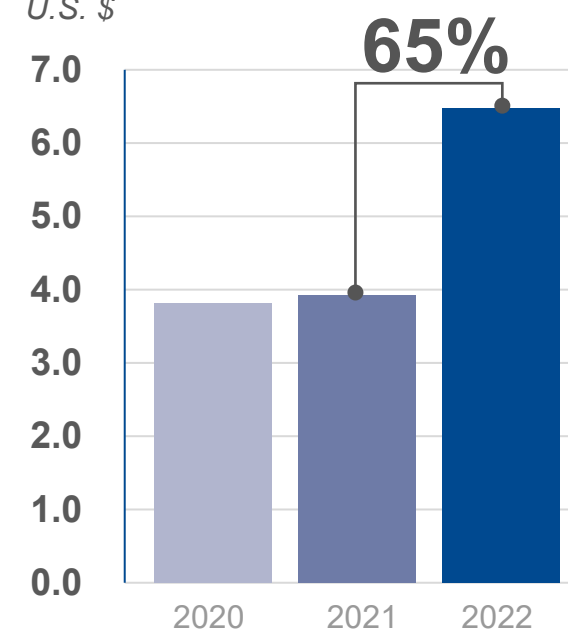
### BASE OP

*U.S. \$*



### BASE EPS

*U.S. \$*





# We Will Remain Disciplined in How We Allocate Capital

Priorities:

Reinvest in core businesses to drive organic growth and productivity

Investing \$350M in 2023

Return cash to shareholders with a growing dividend

Today announced a 4% dividend increase

Pursue strategic acquisitions with reasonable valuations and healthy returns

Focus in core businesses

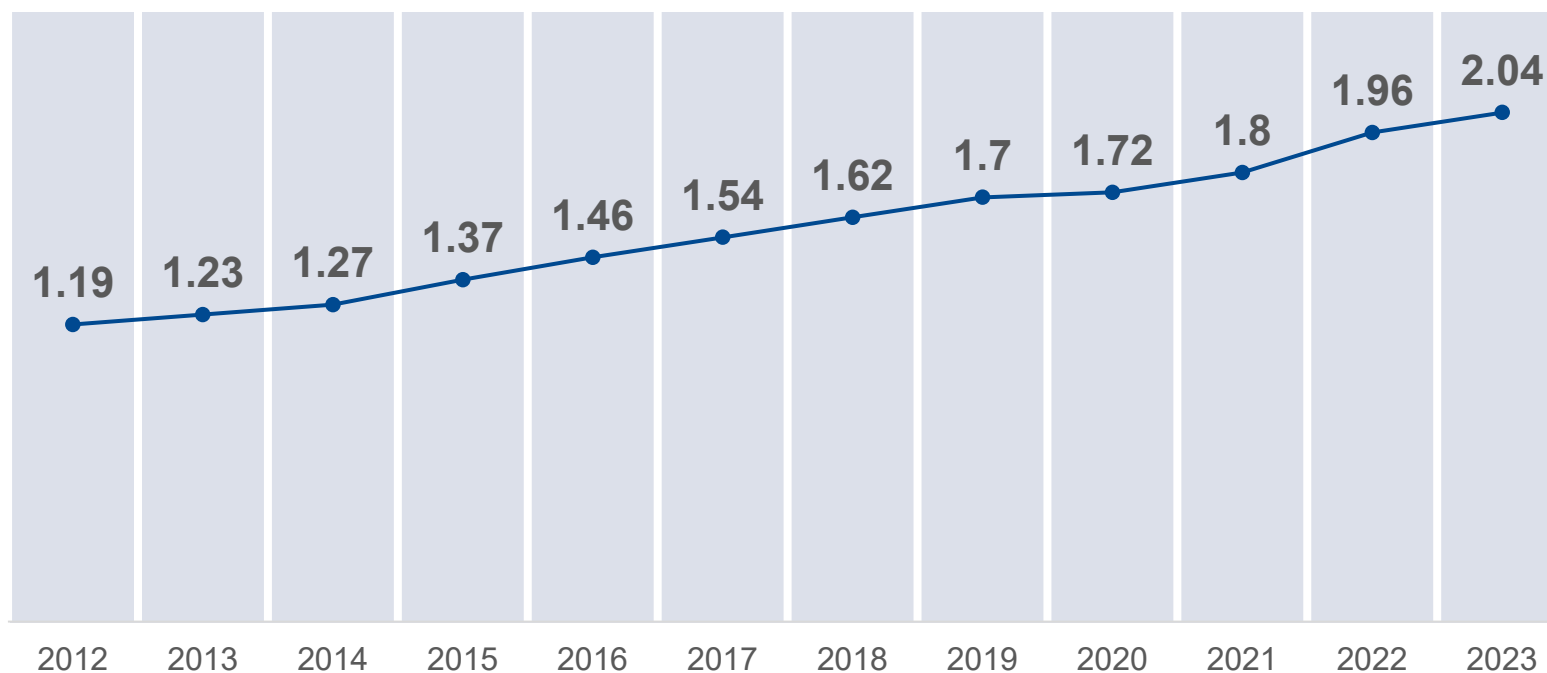
Maintain a conservative balance sheet and investment grade balance sheet

De-leverage as appropriate; maintain Baa2/BBB

## Dividend Increase Declared by the Board Today

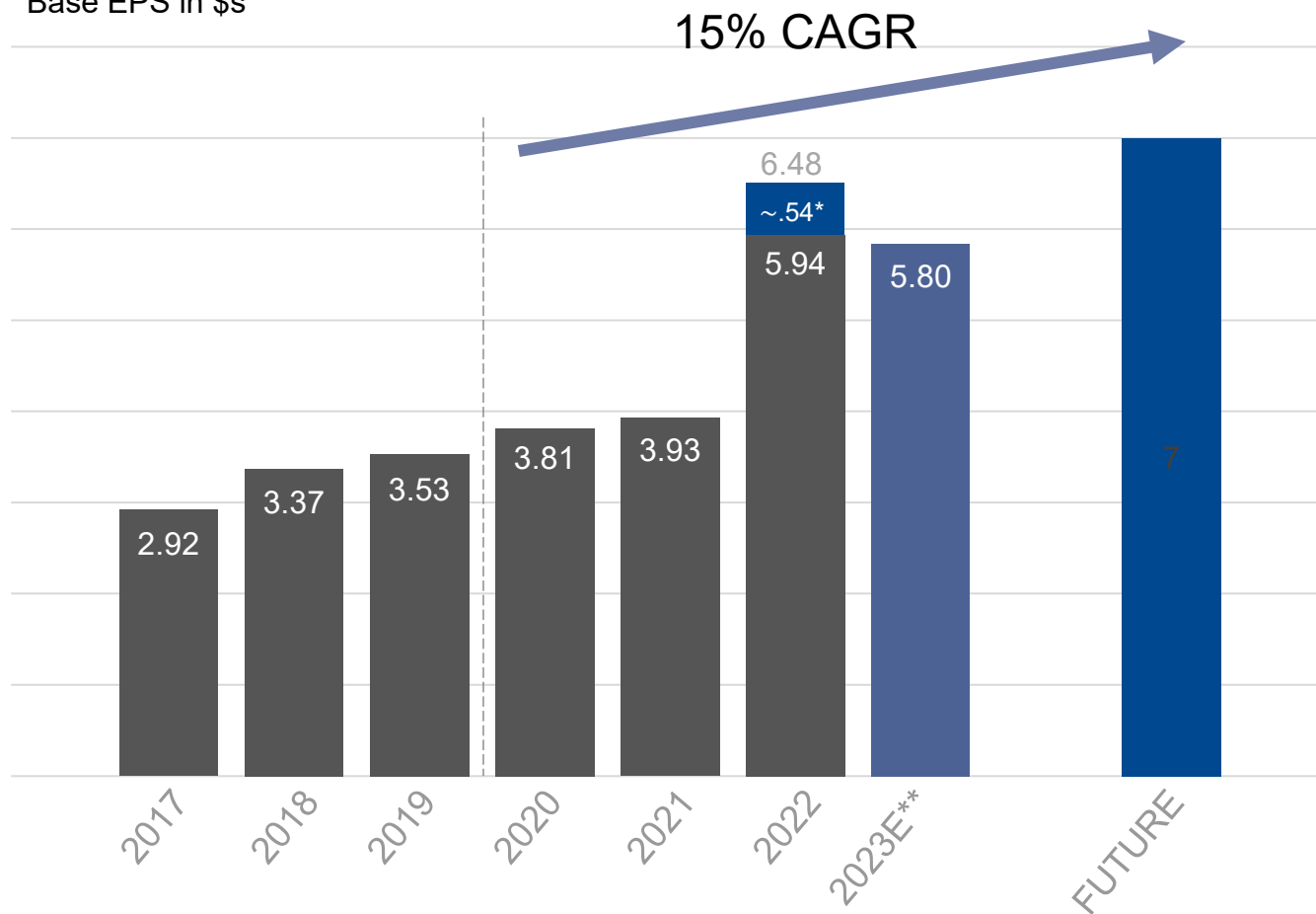
- Current annual dividend payout \$2.04 per share, up 4%
- 98 consecutive years paid
- 40 consecutive annual increases

Dividend in \$s



# 2022: A Year of Progress... More to Come

Base EPS in \$\$



- High return capital investments have driven a **step change** improvement in our earnings profile as we reshape the portfolio
- Based on 2023 guidance mid-point, expectation is **15% CAGR** in Base EPS from 2020
- Objective is to continue profit growth in the **future** through organic and inorganic investments

\* Full year Metal Price Overlap Benefit for all Sonoco

\*\* Mid-point of Company's EPS Guidance for 2023

Restated for Amortization of Intangibles from Acquisitions starting 2020  
See investor.sonoco.com for reconciliations of non-GAAP financial measures



# Looking Ahead: 2023 and Beyond



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# Q&A

Thank you for your continued support of Sonoco.

April 19, 2023 | Hartsville, South Carolina





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