

# UBS SUSTAINABLE PACKAGING MATERIALS ESG VIRTUAL CONFERENCE

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# Better Than Ever.



# 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](http://sonoco.com) under Investor Relations, and Webcasts & Presentations, Non-GAAP Reconciliations in the Q1 22 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](http://sonoco.com).

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

# SONOCO IS A GLOBAL PACKAGING SOLUTIONS LEADER

COMMITTED TO IMPROVING THE LIVES OF OUR TEAMMATES, OUR CUSTOMERS AND OUR COMMUNITIES

<b>2021:</b>	<b>SALES</b> \$5.59 billion	<b>BASE EBITDA</b> \$757 million	<b>Employees</b> 20,500+	<b>Manufacturing facilities</b> 300+
<b>2022:</b> PROJECTED	<b>SALES</b> \$7.25-\$7.5 billion	<b>BASE EBITDA</b> \$995-\$1,045 million	<b>Employees</b> 22,000	<b>Integrated and diversified businesses</b>



CONSUMER PACKAGING

52%\*



INDUSTRIAL PAPER PACKAGING

38%



ALL OTHER

10%

\*2022 Projected Revenue Mix

# OUR STRATEGY



OUR VALUE-CREATION STRATEGY is focused on being the  
**BENCHMARK YIELD AND STABILITY PACKAGING COMPANY**



WE ARE targeting  
**\$1 BILLION IN ANNUAL EBITDA**  
by **2026** without acquisitions



WE WILL invest in our core  
businesses to augment growth  
and generate strong returns –  
**INVESTING IN OURSELVES**



WE WILL execute an operating  
strategy implementing self-help actions  
to generate **~\$180 million**  
**IN ANNUAL EBITDA BY 2026**



WE WILL  
**SIMPLIFY OUR STRUCTURE**  
to build a more efficient and  
effective organization



WE WILL manage our  
portfolio to “fit” around  
**FEWER, BIGGER BUSINESSES**



WE WILL use  
**ACQUISITIONS** to improve the  
portfolio and complement strategy

# SONOCO'S OPERATING STRATEGY AS A VALUE CREATION MODEL

**VIRTUOUS CYCLE THAT CAN BE  
LEVERAGED TO AN INCREASING  
OPPORTUNITY SET**

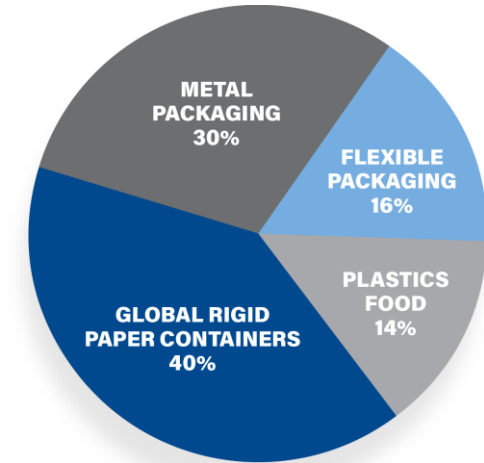
Targeting  
~\$180 million  
in annual EBITDA  
by 2026





# CONSUMER PACKAGING PERFORMANCE

DOLLARS IN MILLIONS



2022 PROJECTED SALES MIX

	FY 2021	1Q 2022
Net Sales	\$2,368	\$868
Base Operating Profit*	\$275	\$174



\*Excludes amortization expense associated with acquisition intangibles

# CONSUMER PACKAGING PORTFOLIO

## GLOBAL RIGID PAPER CONTAINERS



Global leader in  
advanced paper cans  
and technology

2022 Sales Mix  
Projections

40%

## METAL PACKAGING



Leading U.S. manufacturer  
of tinplate food and  
aerosol cans

30%

## FLEXIBLE PACKAGING



Provider of advanced  
flexible packaging to niche  
markets

16%

## FOOD THERMOFORMING

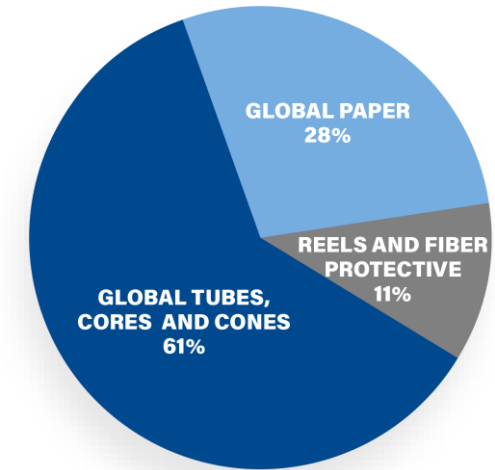


Leading provider of rigid  
plastic packaging

14%

# INDUSTRIAL PAPER PACKAGING PERFORMANCE

DOLLARS IN MILLIONS



2022 PROJECTED

	FY 2021	1Q 2022
Net Sales	\$2,464	\$699
Base Operating Profit*	\$227	\$73



\*Excludes amortization expense associated with acquisition intangibles



# INDUSTRIAL PAPER PACKAGING PORTFOLIO

## GLOBAL TUBES AND CORES



Global leader in  
manufactured paperboard  
tubes, cores and cones

2022 Sales Mix  
Projections

61%

## GLOBAL PAPER



Global leader in the  
production of uncoated  
recycled paperboard (URB)

28%

## REELS AND FIBER PROTECTIVE

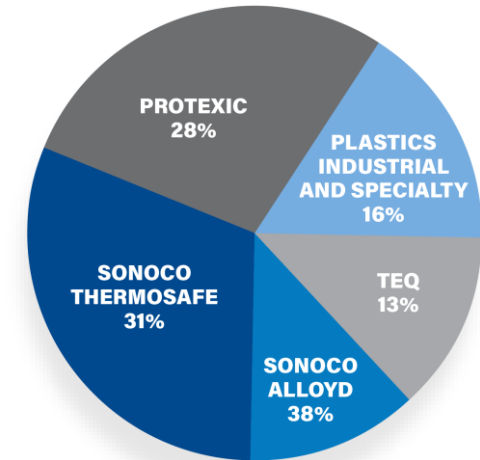


Sustainability-focused  
manufacturer of multi-substrate  
reels and protective packaging

11%

# ALL OTHER PERFORMANCE

DOLLARS IN MILLIONS



2022 PROJECTED

	FY 2021	1Q 2022
Net Sales	\$758	\$204
Base Operating Profit*	\$63	\$15



\*Excludes amortization expense associated with acquisition intangibles

# 2021-2023 CAPITAL PLANS – INVESTING IN OURSELVES

~\$125 MILLION



**PROJECT  
HORIZON**

~\$60 MILLION



**FLEXIBLE  
PACKAGING**

~\$60 MILLION



**PAPER  
CANS**

~\$10 MILLION



**FOOD  
THERMOFORMING**

**2022 Capital budget of ~\$325 million with the majority funding high-ROIC organic growth initiatives**



# UBS SUSTAINABLE PACKAGING MATERIALS ESG VIRTUAL CONFERENCE



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Elizabeth Rhue  
Sonoco Staff Vice President, Global Sustainability





# OVERVIEW OF SONOCO'S SUSTAINABILITY COMMITMENTS



## TO OUR CUSTOMERS

Define brands, create unique consumer interactions and improve quality



## TO OUR PLANET

Reduce energy consumption, greenhouse gases and water usage at our plants



## TO OUR PEOPLE

Inspire teammates to create a better package that may create a better life for someone



## TO OUR COMMUNITIES

Partner with our communities through education, health and welfare, arts and culture and the environment



## TO OUR SHAREHOLDERS

Invest to drive profitable growth and sustainability

# OVERSIGHT AND ACCOUNTABILITY

## HOW DO WE DRIVE BUSINESS-LEVEL COMMITMENT FOR CORPORATE 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.

# SONOCO SUSTAINABILITY OVERVIEW

## PRODUCT SUSTAINABILITY

Customer Compliance  
Product Lifecycle Impact  
Product Design  
Roadmaps



## ENVIRONMENTAL SUSTAINABILITY

Environmental Compliance  
Air and Water Permitting  
Energy and Emissions  
Reduction  
Waste



## Global Environmental and Sustainability

Business Strategy  
and Incentives  
Training and  
Education  
Carbon Footprint  
Reporting

# COMMITMENT TO OUR CUSTOMERS

## SUSTAINABLE PRODUCT STEWARDSHIP



Natrellis™



EnviroCan™ PB



NIR Sortable PP Trays



EnviroFlex™ PE



Next Gen Portion Control



# COMMITMENT TO OUR PLANET: 2030 CORPORATE GHG GOALS

COMMITTED TO VALIDATED, SCIENCE-BASED TARGETS ALIGNED  
WITH KEEPING GLOBAL WARMING TO WELL BELOW 2°C

Sonoco will reduce our  
absolute Scope 1 and 2  
emissions at least

**25%<sup>0</sup>X**  
**2030**

Sonoco, in cooperation with  
our suppliers and customers,  
will also reduce our Scope 3  
emissions in line with the 2°C  
Absolute Contraction Approach  
resulting in at least

**13.5%**

absolute Scope 3 emissions  
reductions by 2030

Sonoco is studying necessary  
operational changes,

technology developments and  
market changes that would be  
required to achieve

**Net-zero** emissions  
by 2050

# COMMITMENT TO OUR PLANET: FOCUSED REDUCTIONS

## Energy:

**We will continue energy efficiency improvements**

in our manufacturing plants to reduce normalized energy use by at least

**8%** by 2030

## Water:

**By 2024, we will conduct water risk studies at our manufacturing facilities, which account for at least**

**90%** of our water usage using WRI Aqueduct, WWF Water Rich Filter or similar tools.

**By 2025, we will implement Operation Clean Sweep** to prevent discharges at all facilities using plastic resin pellets

## Waste:

Recycle or cause to recycle

**85%** equivalent by weight, of products we put into the marketplace

# COMMITTED TO OUR PURPOSE, OUR PEOPLE AND OUR PLANET

## Environmental Impact

Since 2009

**25%**  
reduction  
of greenhouse  
gas emissions

**25%**  
reduction  
of water usage

Today

**86%**  
volume of  
packaging  
produced by  
Sonoco that is  
recycled

**100%**  
uncoated recycled  
paperboard  
with **85%** post-  
consumer fiber



**Sustainable Packaging Solutions**

## Leading Responsibly

**Board Diversity and Independence**

**42%** diversity rate

**33%** women

**84%** independent based criteria

**Director Elections**

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

**Say on Pay**

**>98%** 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

**Improving diversity representation**

Female representation to **35%**

Minority representation to **17%**

**Improve diversity talent acquisition**

**41.6%** female hires vs. target of **28.5%**

**32%** minority hires vs. target of **15.5%**

Added Black Employees@Sonoco  
Business Resource  
Group



Black Employees@Sonoco



CEO now  
chairs the  
D&I Council

# UBS SUSTAINABLE PACKAGING MATERIALS ESG VIRTUAL CONFERENCE

**Howard Coker**  
**Sonoco President and CEO**



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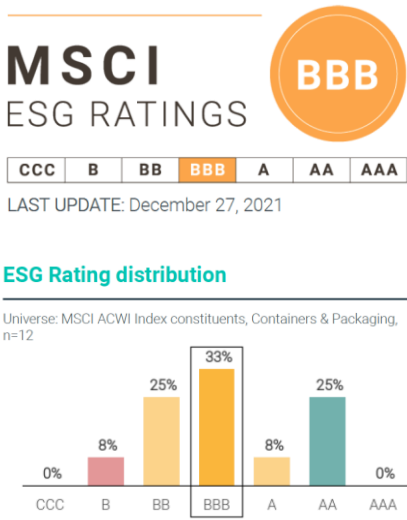
# RECOGNITION OF OUR PROGRESS TO DATE



Ranked **292**  
among America's  
Most Responsible  
Companies  
FOR 2022 BY  
**Newsweek**

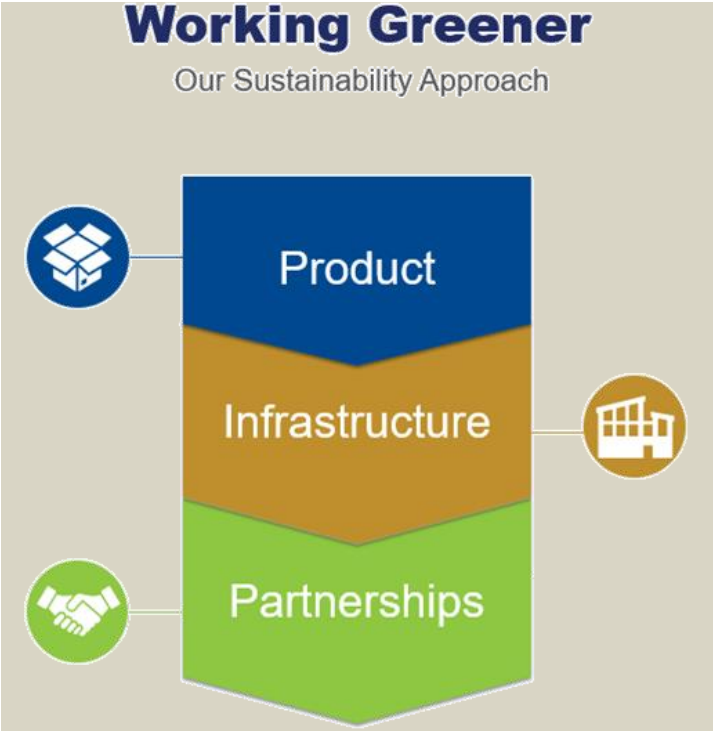
Ranked **312**  
among America's  
Most Just  
Companies  
FOR 2022 BY  
**JUST capital**

Named one of  
America's Most  
Transparent  
Companies  
in the World  
**for 2022**



# SONOCO ISSUES INAUGURAL GREEN BONDS (JANUARY 2022)

**\$1.2 BILLION PRINCIPAL ONE OF THE LARGEST IN PACKAGING INDUSTRY HISTORY**



**LINKED TO SONOCO STRATEGY**



**ALIGNED WITH ICMA GREEN BOND PRINCIPLES**



**ISS EVALUATION AGAINST UN SDG and ISS KPIs**

# 2022 CAPITAL DEPLOYMENT STRATEGY

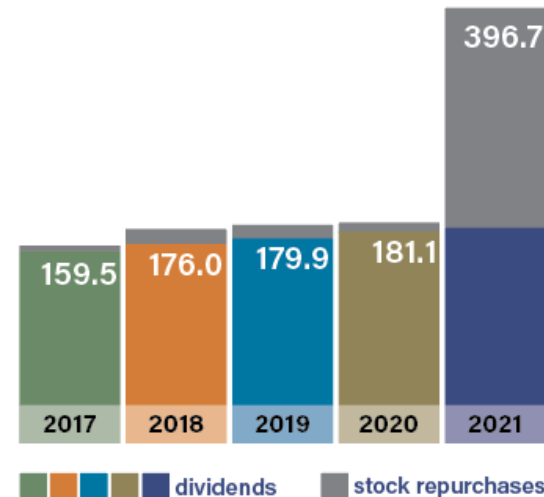
## INVEST IN OURSELVES

**TOTAL  
CAPITAL  
EXPENDITURES  
IN 2022**

**\$325  
million**

## RETURN CASH TO SHAREHOLDERS

**DIVIDENDS AND STOCK  
REPURCHASES** millions of dollars



**\$1.3  
BILLION**

Cash returned to  
shareholders since 2016

**Dividend yield  
~3.0%**

## Q2 AND FULL-YEAR GUIDANCE

	February 2022 Guidance	April 2022 Guidance	Change
<b>2022 Base EPS <u>Updated</u> Guidance</b> <small>Excludes Amortization of Acquisition Intangibles</small>	\$4.60 – \$4.80	\$5.25 – \$5.45	~14%
<b>2022 Base EBITDA <u>Updated</u> Guidance</b> <small>(\$ millions)</small>	\$910 – \$960	\$995 – \$1,045	~9%
<b>2022 Operating Cash Flow Guidance</b> <small>(\$ millions)</small>	\$690 – \$740	\$690 – \$740	—
<b>2022 Free Cash Flow Guidance</b> <small>(\$ millions)</small>	\$365 – \$415	\$365 – \$415	—

**Q2 Base EPS Guidance = \$1.20 – \$1.30**



## WHY INVEST IN SONOCO?

- A balanced but targeted portfolio to provide stability and yield
- Proven ability to execute with expected ~35% improvement in base earnings in 2022, fueled by high-return capital investments and acquisitions
- Sustainability Excellence at the core of our operating strategy to yield EBITDA margin upside
- The commitment and continuation of capital returns to shareholders

# FINANCIAL UPDATE



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# EPS SUMMARY 1st Quarter: 2022 vs. 2021

	1st Quarter	
	2022	2021
Actual EPS	\$ 1.17	\$ 0.71
Addback for:		
Acquisition related costs, net	0.37	0.08
Acquisition Intangibles Amortization expense	0.14	0.09
LIFO Reserve change	0.14	—
Restructuring and Asset Impairments, net	0.11	0.05
Other Items	(0.08)	0.06
Base EPS	\$ 1.85	\$ 1.00

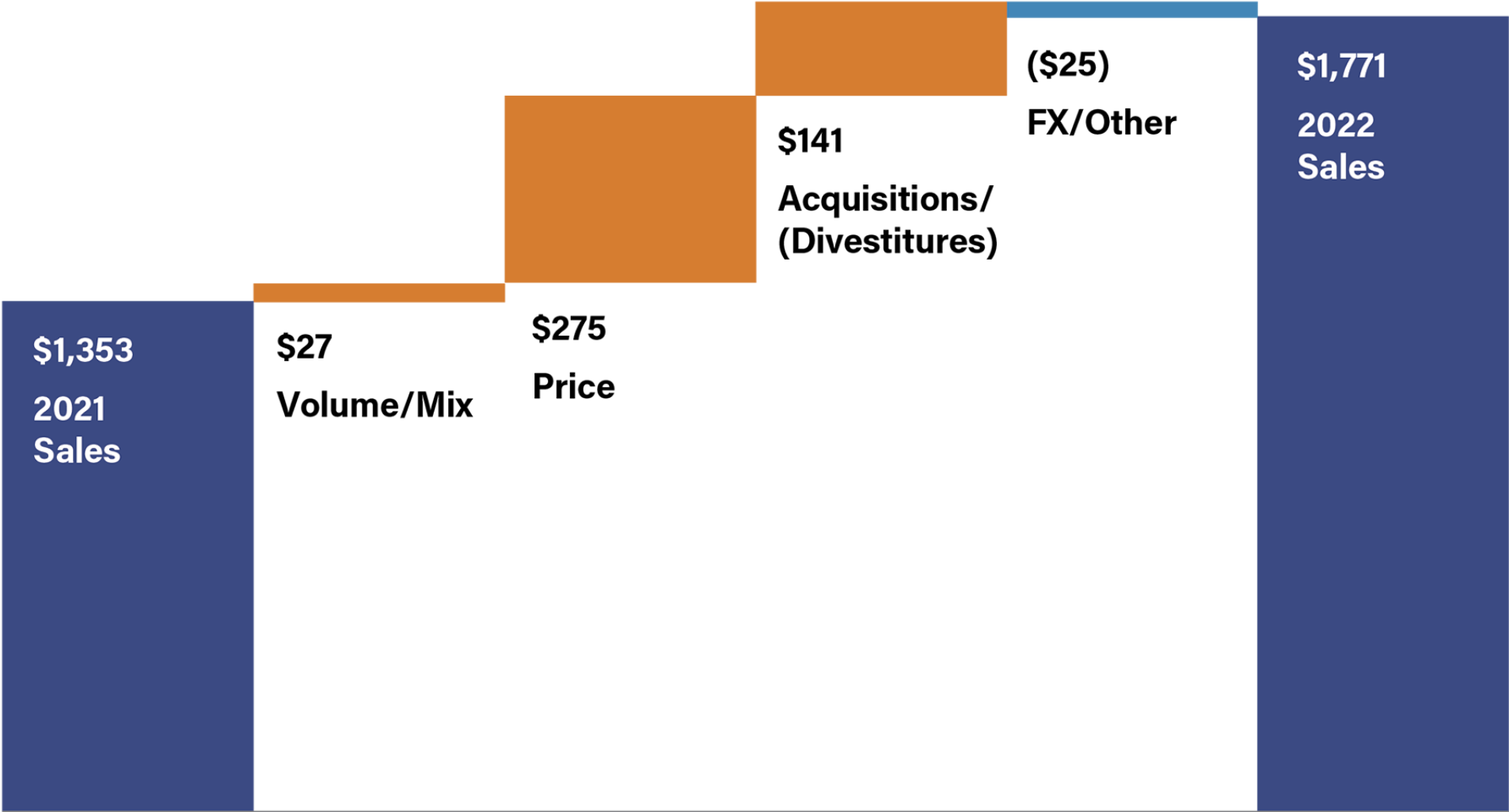
Sonoco Guidance \$ 1.70 – 1.80

**NOTE: Due to rounding, individual items may not sum down.**



# SALES BRIDGE    1st Quarter and YTD: 2022 vs. 2021

(DOLLARS IN MILLIONS)



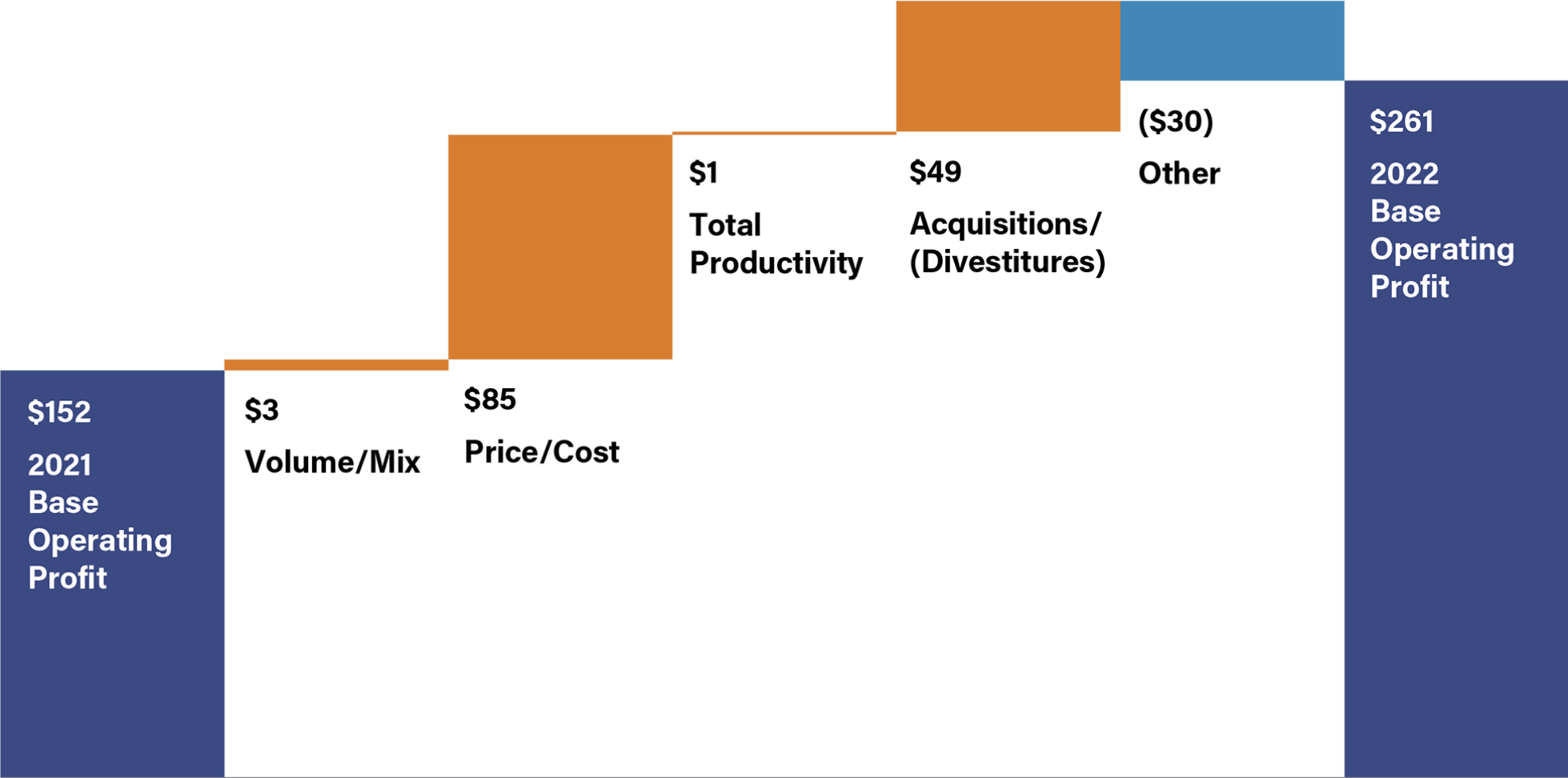
**NOTE:** Due to rounding, individual items may not sum down.  
Volume/Mix growth rates are calculated excluding divested prior years sales





# BASE OPERATING PROFIT BRIDGE 1st Quarter and YTD: 2022 vs. 2021

(DOLLARS IN MILLIONS)



NOTE: Due to rounding, individual items may not sum down.



# CASH FLOW YTD: 2022 vs. 2021

(DOLLARS IN MILLIONS)

	Year To Date		Year Over Year	
	2022	2021	Change	
Net income	\$ 116	\$ 72	\$ 44	
Asset impairment charges / Losses on disposition of assets	6	8	(2)	
Depreciation and amortization expenses	71	62	9	
Pension and postretirement plan contributions, net of expenses	(26)	(12)	(14)	
Changes in working capital	(185)	(30)	(156)	
Changes in tax accounts	18	13	5	
Other operating activity	2	26	(23)	
<b>Operating cash flow</b>	<b>\$ 1</b>	<b>\$ 139</b>	<b>\$ (138)</b>	
Capital expenditures, net of dispositions	(67)	(39)	(28)	
<b>Free cash flow</b>	<b>\$ (66)</b>	<b>\$ 99</b>	<b>\$ (166)</b>	
<b>Cash dividends</b>	<b>\$ (44)</b>	<b>\$ (45)</b>	<b>\$ 1</b>	

**NOTE: Due to rounding, individual items may not sum down.**



# SEGMENT ANALYSIS 1st Quarter: 2022 vs. 2021

(DOLLARS IN MILLIONS)

	Net sales			Base Operating Profit		
	2022	2021	% Chg	2022	2021	% Chg
Consumer Packaging	\$ 868	\$ 583	49.0%	\$ 174	\$ 81	113.4%
Industrial Paper Packaging	\$ 699	\$ 565	23.7%	\$ 73	\$ 52	38.9%
All Other	\$ 204	\$ 205	(0.7)%	\$ 15	\$ 19	(22.6)%
Total Sonoco	\$ 1,771	\$ 1,353	30.9%	\$ 261	\$ 152	71.1%

	Operating Profit As % Of Sales		Margin Change
Consumer Packaging	20.0%	14.0%	6.0%
Industrial Paper Packaging	10.4%	9.2%	1.2%
All Other	7.1%	9.1%	(2.0)%
Total Sonoco	14.7%	11.2%	3.5 %

NOTE: Due to rounding, individual items may not sum down.



# BALANCE SHEET

(DOLLARS IN MILLIONS)

	4/3/2022	12/31/2021	Change \$
Cash and cash equivalents	\$ 152	\$ 171	\$ (19)
Trade accounts receivable, net of allowances	1,000	756	245
Other receivables	111	96	15
Inventories	868	562	306
Prepaid expenses	120	74	46
<b>Current Assets</b>	<b>\$ 2,251</b>	<b>\$ 1,659</b>	<b>\$ 592</b>
Property, plant and equipment, net	1,641	1,298	343
Right of Use Asset - Operating leases	316	268	47
Goodwill	1,688	1,325	363
Other intangible assets, net	757	278	479
Other assets	304	246	58
<b>Total Assets</b>	<b>\$ 6,956</b>	<b>\$ 5,073</b>	<b>\$ 1,883</b>
Payable to suppliers and others	1,256	1,103	153
Income taxes payable	18	12	7
<b>Total debt</b>	<b>3,171</b>	<b>1,611</b>	<b>1,560</b>
Noncurrent operating lease liabilities	272	234	38
Pension and other postretirement benefits	154	158	(4)
Deferred income taxes and other	166	106	60
<b>Total equity</b>	<b>1,919</b>	<b>1,850</b>	<b>69</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 6,956</b>	<b>\$ 5,073</b>	<b>\$ 1,883</b>
<b>Net debt / Total capital</b>	<b>61.1 %</b>	<b>43.8 %</b>	

**NOTE: Due to rounding, individual items may not sum down.**

**Includes preliminary purchase price accounting estimates related to Ball Metalpack acquisition that are subject to change**

**Net debt = Total debt minus cash and cash equivalents.**

**Total capital = Net debt plus total equity.**





# OCC: OFFICIAL BOARD MARKET 1st Quarter: 2022 vs. 2021 vs. 2020

(PRICE/TON)

