



Better  
Packaging.  
*Better*  
Life.

# 2021 Wells Fargo Industrial Conference

May 5, 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](http://sonoco.com) under Investor Relations, Webcasts & Presentations, Non-GAAP Reconciliations for Q1 2021 and Q2 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](http://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

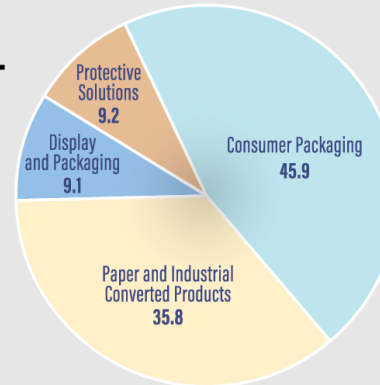
**20,000**

Global Employees



BARRON'S  
Most  
Sustainable  
Companies  
2021

**2020 SALES  
BY SEGMENT**  
percent of sales



**FORTUNE**  
WORLD'S MOST  
ADMIRABLE  
COMPANIES<sup>®</sup> 2020

- 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







# First Quarter 2021

## Key Financial Results

<i>In millions (\$), except EPS</i>	Q1 2021	Q1 2020	Comments
Net Sales	\$1,353	\$1,303	<ul style="list-style-type: none"><li>• Volume / Mix +\$46mm or 3.5% vs Q1-20</li><li>• Price +\$48mm</li><li>• Acquisition/Divestiture net impact: (\$60) million</li></ul>
Gross Profit	\$278 20.5%	\$267 20.5%	<ul style="list-style-type: none"><li>• Strong volume/mix and productivity; Inflation / weather / supply chain challenges</li></ul>
SG&A Expense, Net of Other Income	\$(138)	\$(123)	<ul style="list-style-type: none"><li>• Higher expenses for incentives, IT spend and property insurance (as expected)</li></ul>
Operating Profit	\$140 10.3%	\$144 11.0%	
EPS (Base)	\$0.90	\$0.94	<ul style="list-style-type: none"><li>• Delivered at high end of guidance range</li><li>• Solid operational results</li></ul>
Free Cash Flow (YTD)	\$99	\$57	<ul style="list-style-type: none"><li>• Good Working Capital management</li><li>• Cap ex spend \$39 million</li></ul>

# New Segment Structure

## Industrial Paper Packaging



## Consumer Packaging



## All Other [Healthcare and Protective Packaging]





## 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)	1Q 2021	1Q 2020
<b>Net Sales</b>	<b>\$583</b>	<b>\$541</b>
<b>Base Operating Profit</b>	<b>\$76</b>	<b>\$64</b>
(\$ Millions)	FY 2020	FY 2019
<b>Net Sales</b>	<b>\$2,230</b>	<b>\$2,211</b>
<b>Base Operating Profit</b>	<b>\$278</b>	<b>\$207</b>



# Sonoco Acquires Can Packaging

- Adds advanced innovation and production of sustainable paper packaging in Europe
- Featured product: Greencan<sup>®</sup> 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)	1Q 2021	1Q 2020
<b>Net Sales</b>	<b>\$565</b>	<b>\$502</b>
<b>Base Operating Profit</b>	<b>\$50</b>	<b>\$60</b>
(\$ Millions)	FY 2020	FY 2019
<b>Net Sales</b>	<b>\$1,991</b>	<b>\$2,037</b>
<b>Base Operating Profit</b>	<b>\$177</b>	<b>\$245</b>



# Our 2021 Focus – Project Horizon

- Inbound Raw Material Optimization
- New Stock Prep System
- Finished Goods Warehouse
- #10 Conversion





# Making a Step-change in Driving Integrated Automation and Robotics

Sonoco Partnering with Integrated Systems Inc.

- What is covered under the agreement?
  - ISI will dedicate engineers, programmers and project managers to our projects
  - Annually, we will dedicate up to \$10 million in automation projects
  - Will participate in R&D, prototyping, testing and project development





## All Other

Healthcare (TEQ)  
ThermoSafe  
Protective Solutions (Protexic)  
Alloyd

Industrial and Specialty Plastics  
Paperboard Specialties

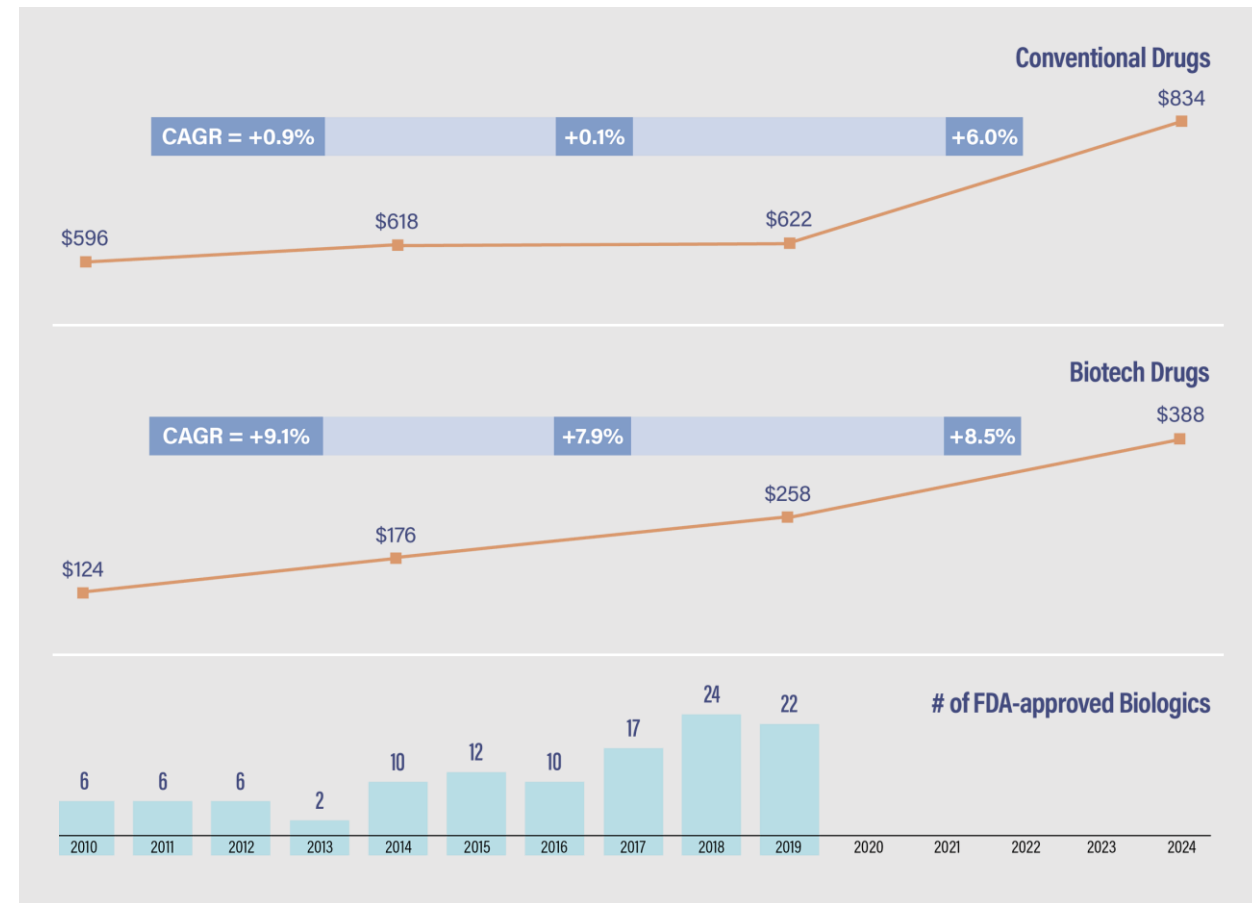
(\$ Millions)	1Q 2021	1Q 2020
<b>Net Sales</b>	<b>\$205</b>	<b>\$260</b>
<b>Base Operating Profit</b>	<b>\$50</b>	<b>\$60</b>
(\$ Millions)	FY 2020	FY 2019
<b>Net Sales</b>	<b>\$1,016</b>	<b>\$1,066</b>
<b>Base Operating Profit</b>	<b>\$72</b>	<b>\$73</b>

# 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

**25%**  
reduction  
of greenhouse  
gas emissions

**25%**  
reduction  
of water usage

Today

**83%**  
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

**43%** diversity rate

**21%** women

**79%** independent based criteria

### Director Elections

All Directors elected annually—  
at an average majority of **99%**

### 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

2020

**20%**  
women in senior  
leadership

**12%**  
minorities in  
senior leadership

**38%**  
of total annual  
salaried turnover  
is female talent

**Staff VP and GM**  
**12% F / 25% RM**

2023

**25%**  
women in senior  
leadership

**15%**  
minorities in  
senior leadership

**35%**  
of total annual  
salaried turnover  
is female talent

Identification of a  
diverse candidate  
as successor  
for Head of  
Manufacturing

# EnviroSense® Packaging





# EPS and Cash Flow Guidance

	1 <sup>st</sup> 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	\$0.82 - \$0.88			\$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

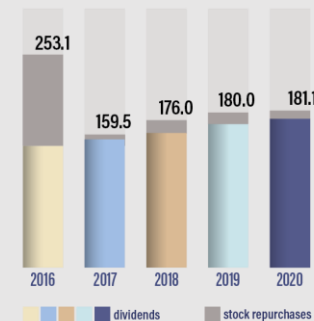
**\$1.80**  
per share

**\$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



Better  
Packaging.  
*Better*  
Life.



## 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

1<sup>st</sup> Quarter: 2021 Vs. 2020

	1st Quarter			
	2021		2020	
Actual EPS	\$	0.71	\$	0.80
Addback for:				
Restructuring & Asset Impairments		0.05		0.09
Non-Operating Pension Costs		0.05		0.06
Loss on Sale of Display & Packaging US		0.03		—
M&A Costs, Other Items		0.06		(0.01)
Base EPS*	\$	0.90	\$	0.94

Sonoco Guidance

\$0.80 to \$0.90

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



# P&L Summary (Base)

1<sup>st</sup> Quarter: 2021 Vs. 2020

(Dollars in millions)

			Better / (Worse)	
	2021	2020	\$	%
Net sales	\$ 1,353	\$ 1,303	\$ 50	3.8%
Gross profit	278	267	11	4.2%
SG&A expenses, net of Other Income	(138)	(123)	(15 )	(12.7)%
Operating profit	\$ 140	\$ 144	\$ (4 )	(2.9)%
Net interest	(18)	(16)	(2 )	(10.5)%
Provision for income taxes	(31)	(33)	2	6.0%
Net Income, after tax	\$ 91	\$ 95	\$ (4 )	(4.2)%
Equity in Affiliates and Minority Interest	1	1	—	0%
<b>Net income attributable to Sonoco</b>	<b>\$ 92</b>	<b>\$ 95</b>	<b>\$ (3 )</b>	<b>(3.8)%</b>
EBITDA	\$ 202	\$ 206	\$ (4 )	(2.0)%
Gross profit %	20.5 %	20.5 %		
SG&A %	10.2 %	9.4 %		
OP %	10.3 %	11.0 %		
EBITDA%	14.9 %	15.8 %		
Effective tax rate	25.7 %	26.0 %		

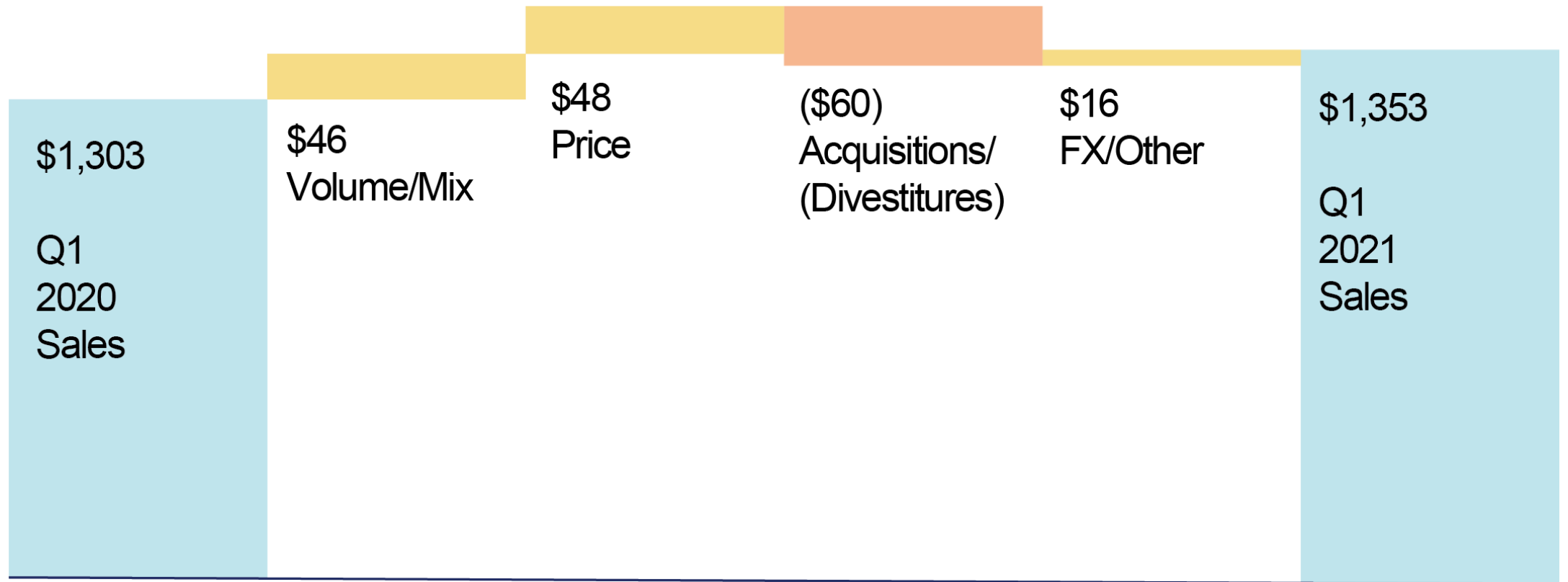
NOTE: Totals and percentages are based on unrounded amounts



# Sales Bridge

1<sup>st</sup> Quarter: 2021 Vs. 2020

(Dollars in millions)



NOTE: Totals and percentages are based on unrounded amounts

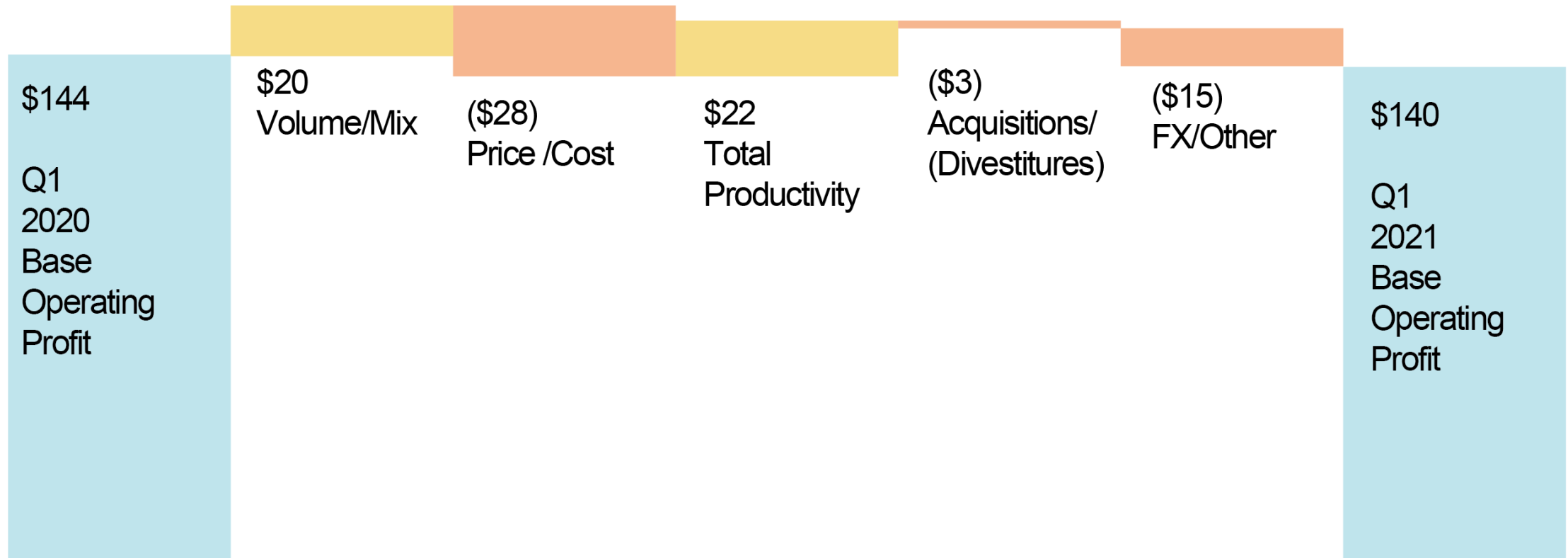




# Base Operating Profit Bridge

1<sup>st</sup> Quarter: 2021 Vs. 2020

(Dollars in millions)



NOTE: Totals and percentages are based on unrounded amounts



# Segment Analysis

1<sup>st</sup> Quarter: 2021 Vs. 2020

(Dollars in millions)

	NET SALES			BASE OPERATING PROFIT		
	2021	2020	% Chg	2021	2020	% Chg
Consumer Packaging	\$ 583	\$ 541	7.8%	\$ 76	\$ 64	18.6 %
Industrial Paper Packaging	565	502	12.5%	50	60	(15.8)%
All Other	205	260	(21.2)%	14	21	(32.5)%
Total Sonoco	\$ 1,353	\$ 1,303	3.8%	\$ 140	\$ 144	(2.9)%
				OPERATING PROFIT AS % OF SALES		MARGIN CHANGE
Consumer Packaging				13.0 %	11.8 %	1.2%
Industrial Paper Packaging				8.9 %	11.9 %	(3.0)%
All Other				6.8 %	7.9 %	(1.1)%
Total Sonoco				10.3 %	11.0 %	(0.7)%

NOTE: Totals and percentages are based on unrounded amounts



# Cash Flow

Year to date: 2021 Vs. 2020

(Dollars in millions)

	Year To Date		
	Q1 2021	Q1 2020	Change
<b>Net income</b>	<b>\$ 72</b>	<b>\$ 80</b>	<b>\$ (8)</b>
Asset impairment charges / Loss on divestiture	7	1	6
Depreciation and amortization expense	62	61	1
Pension and postretirement plan contributions, net of expenses	(12)	(10)	(2)
Changes in working capital	(29)	(70)	41
Changes in tax accounts and other operating activity	39	27	12
<b>Operating cash flow</b>	<b>\$ 139</b>	<b>\$ 88</b>	<b>\$ 51</b>
Capital expenditures, net	(39)	(31)	(8)
<b>Free cash flow</b>	<b>\$ 99</b>	<b>\$ 57</b>	<b>\$ 42</b>
 <b>Cash dividends paid</b>	 <b>\$ (45)</b>	 <b>\$ (43)</b>	 <b>\$ (2)</b>

NOTE: Totals are based on unrounded amounts





# Balance Sheet

(Dollars in millions)

	4/4/2021	12/31/2020	Change \$
Cash and cash equivalents	\$ 588	\$ 565	\$ 23
Trade accounts receivable, net of allowances	667	659	8
Other receivables	177	104	73
Inventories	474	451	23
Prepaid expenses	45	53	(8)
<b>Current Assets</b>	<b>\$ 1,951</b>	<b>\$ 1,831</b>	<b>\$ 120</b>
Property, plant and equipment, net	1,213	1,244	(31)
Goodwill	1,328	1,389	(61)
Other intangible assets, net	307	322	(15)
Right of Use Asset - Operating leases	279	296	(17)
Other assets	204	195	9
<b>Total Assets</b>	<b>\$ 5,281</b>	<b>\$ 5,277</b>	<b>\$ 4</b>
Payable to suppliers and others	1,067	1,048	18
Income taxes payable	20	7	13
Total debt	1,696	1,700	(4)
Pension and other postretirement benefits	170	172	(2)
Noncurrent operating lease liabilities	247	262	(15)
Deferred income taxes and other	169	177	(8)
Total equity	1,913	1,911	2
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 5,281</b>	<b>\$ 5,277</b>	<b>\$ 4</b>

Net debt / Total capital

36.7 %

37.3 %

Net debt = Total debt minus cash and cash equivalents

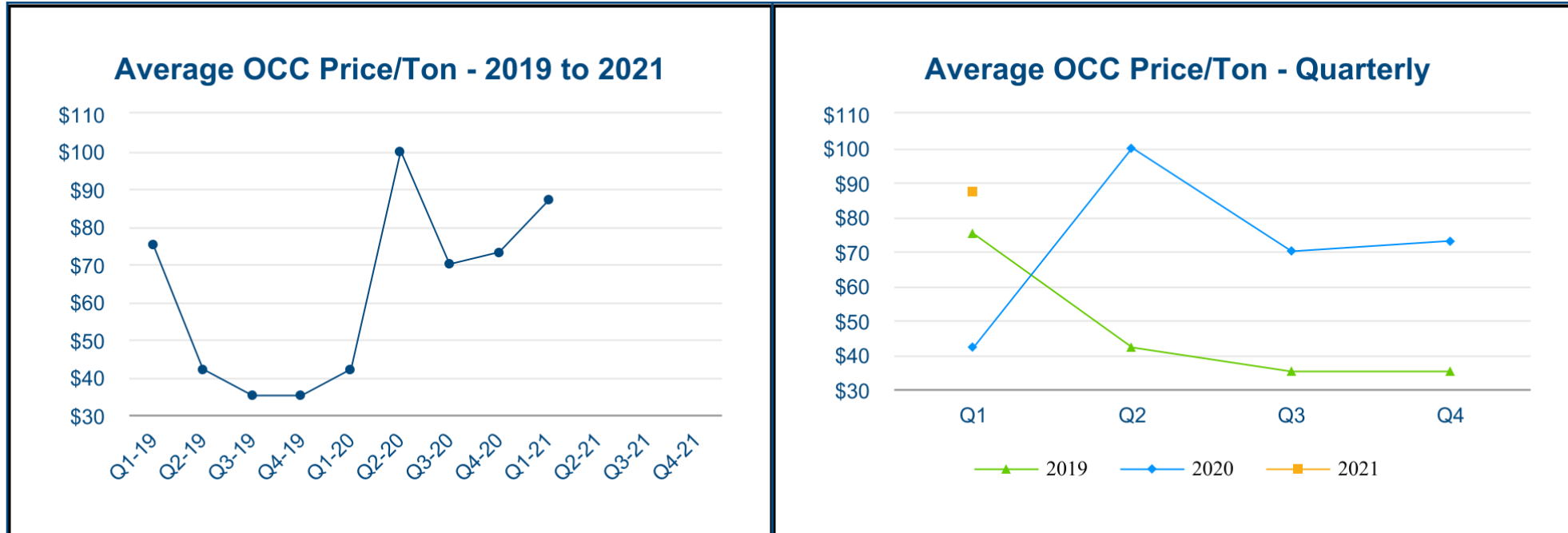
Total capital = Net debt plus total equity

NOTE: Totals and differences are calculated using unrounded amounts.



# OCC: Official Board Market

1<sup>st</sup> 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												