



Fourth Quarter and Full-Year 2020 Results; 2021 Outlook



Investor Presentation
February 11, 2021

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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 and full-year 2020 Earnings Presentation and 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.

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





EPS Summary

4th Quarter: 2020 Vs. 2019

	4th Quarter		Year To Date	
	2020	2019	2020	2019
Actual EPS	\$(0.12)	\$0.44	\$2.05	\$2.88
Addback for:				
Asset Impairments	0.56	0.13	0.76	0.18
(Gain)/Loss on D&P Europe Disposition	0.17	—	(0.03)	—
Restructuring Charges	0.11	0.08	0.35	0.26
Non-Operating Pension Costs	0.05	0.04	0.22	0.18
M&A Costs, Other Items	0.05	0.06	0.06	0.03
Base EPS	\$0.82	\$0.75	\$ 3.41	\$ 3.53
Sonoco Guidance	\$0.70 to \$0.80		\$3.29 to \$3.39	

NOTE: Due to rounding individual items may not sum down

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P&L Summary (Base)

4th Quarter: 2020 Vs. 2019

(Dollars in millions)

			Better / (Worse)	
	2020	2019	\$	%
Net sales	\$ 1,376	\$ 1,309	\$ 67	\$ 5.2 %
Gross profit	275	247	28	11.3 %
SG&A expenses, net of Other Income	(149)	(133)	(16)	(12.0) %
Operating profit	126	114	12	10.5 %
Net interest	(19)	(16)	(3)	(20.9) %
Provision for income taxes	(25)	(23)	(2)	(10.6) %
Net Income, after tax	82	76	6	8.3 %
Equity in Affiliates and Minority Interest	1	1	—	— %
Net income attributable to Sonoco	\$ 83	\$ 76	\$ 7	\$ 8.7 %
Operating profit before D&A	\$ 193	\$ 176	\$ 17	\$ 9.7 %

Gross profit %	20.0 %	18.9 %
SG&A %	10.8 %	10.2 %
Operating profit %	9.2 %	8.7 %
Operating profit before D&A %	14.0 %	13.4 %
Effective tax rate	23.5 %	23.2 %

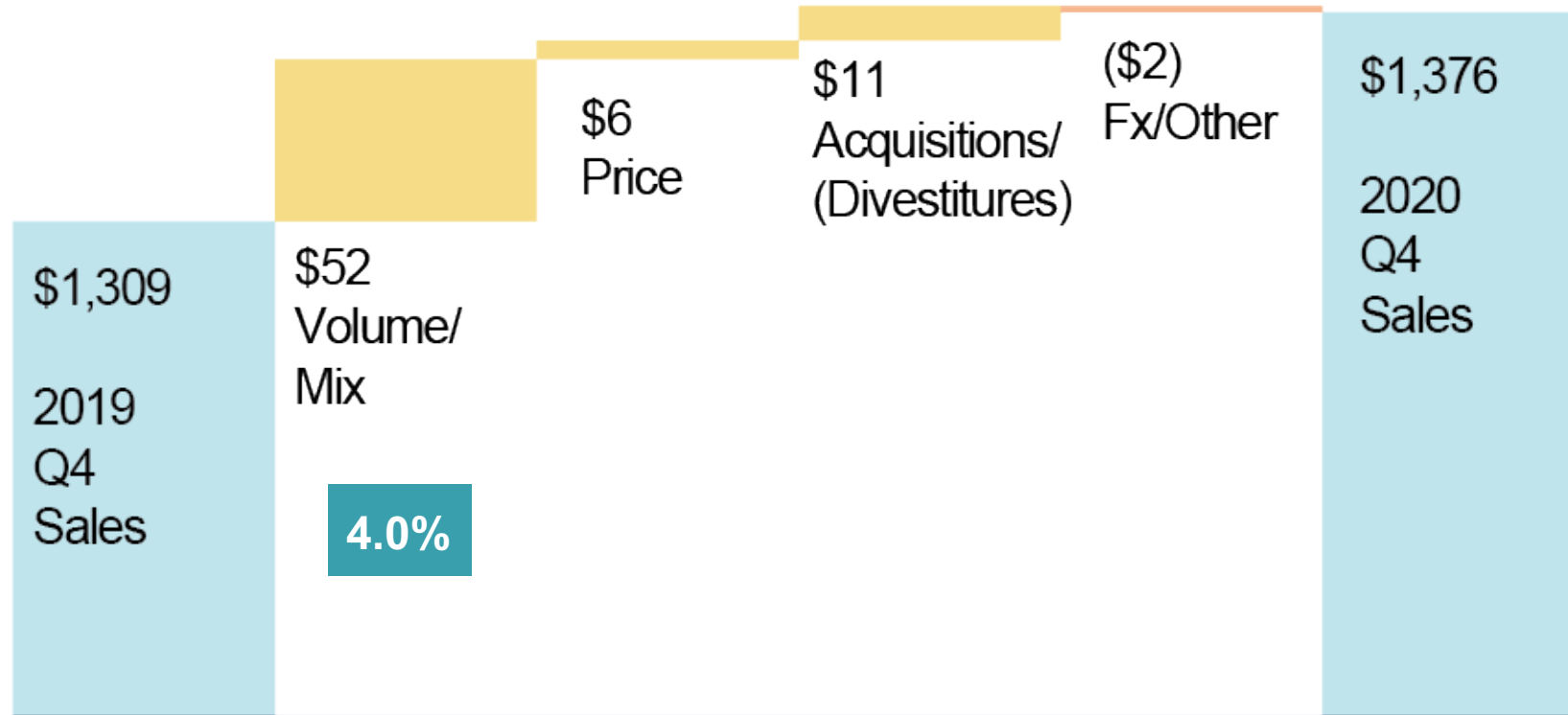
NOTE: Totals and Percentages are based on unrounded amounts

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Sales Bridge

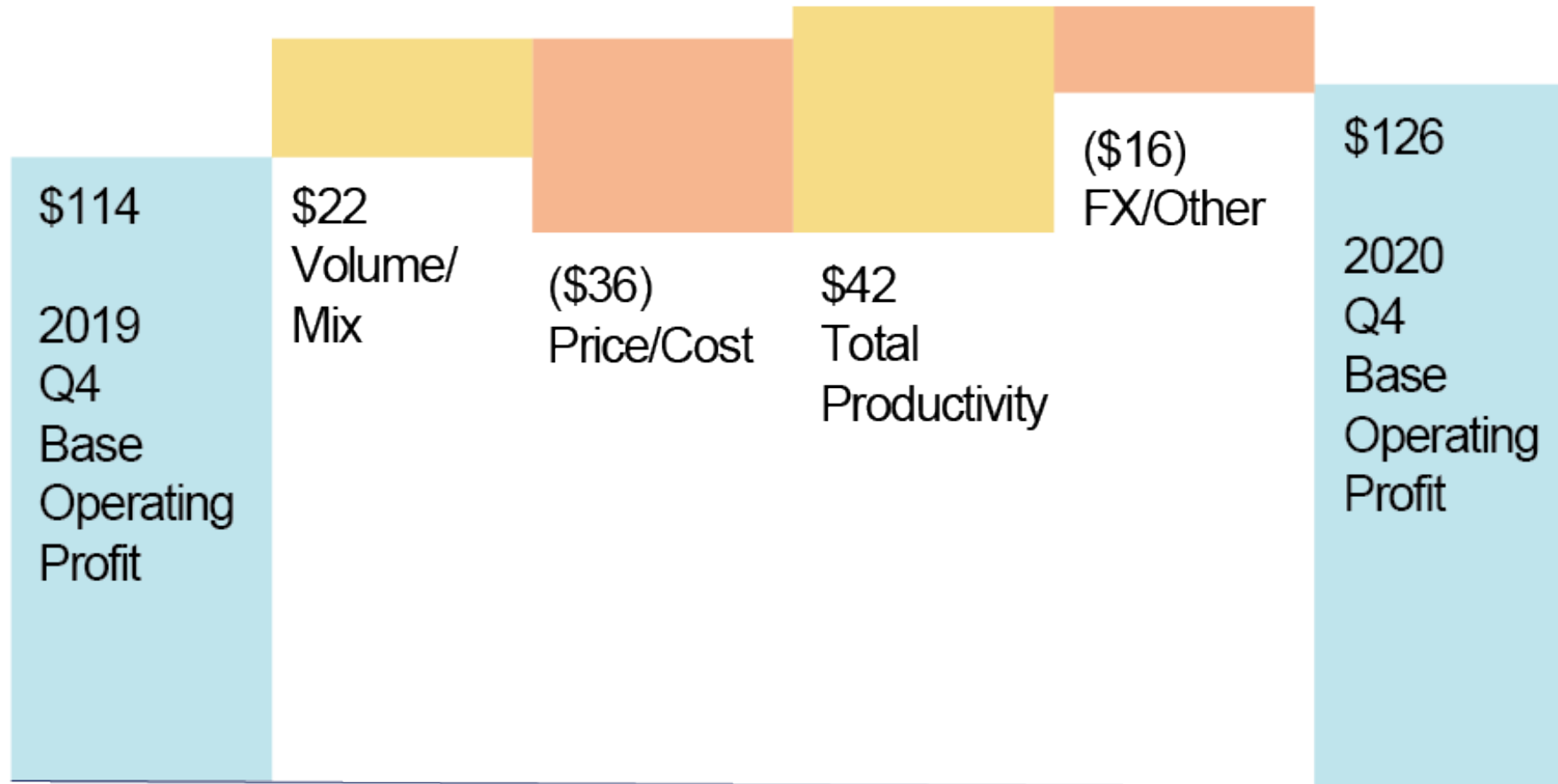
4th Quarter: 2020 Vs. 2019
(Dollars in millions)





Base Operating Profit Bridge

4th Quarter: 2020 Vs. 2019
(Dollars in millions)





Segment Analysis

4th Quarter: 2020 Vs. 2019

(Dollars in millions)

	Net Sales			Base Operating Profit		
	2020	2019	% Chg	2020	2019	% Chg
Consumer Packaging	\$ 616	\$ 560	10.1 %	\$ 69	\$ 47	47.3 %
Display & Packaging	109	137	(20.0) %	6	7	(11.0) %
Paper & Ind Conv Prods	509	492	3.6 %	36	50	(28.0) %
Protective Solutions	142	121	17.1 %	16	11	42.5 %
	\$ 1,376	\$ 1,309	5.2 %	\$ 126	\$ 114	10.5 %

	Operating Profit as % of Sales		Margin Change
	2020	2019	% Chg
Consumer Packaging	11.1 %	8.3 %	2.8 %
Display & Packaging	5.3 %	4.7 %	0.5 %
Paper & Ind Conv Prods	7.1 %	10.2 %	(3.1) %
Protective Solutions	11.0 %	9.0 %	2.0 %
	9.2 %	8.7 %	0.4 %

NOTE: Totals and Percentages are based on unrounded amounts

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Cash Flow

Full-Year: 2020 Vs. 2019
(Dollars in millions)

	Full-Year		Year Over Year Change
	12/31/2020	12/31/2019	
Net income	\$ 207	\$ 293	\$ (86)
Asset impairment charges and (gain)/loss on disposition of assets	100	25	75
Depreciation and amortization expenses	255	239	16
Pension and post retirement plan contributions, net of expenses	18	(178)	196
Changes in working capital	51	37	15
Other operating activity	75	10	65
Operating cash flow	\$ 706	\$ 426	\$ 280
Capital expenditures net of dispositions	(184)	(181)	(2)
Cash dividends	(173)	(170)	(2)
Free cash flow	\$ 349	\$ 74	\$ 275

NOTE: Totals and differences are calculated using unrounded amounts.

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Balance Sheet

(Dollars in millions)

	12/31/2020	12/31/2019	\$ Change
Cash and cash equivalents	\$ 565	\$ 145	\$ 420
Trade accounts receivable, net of allowances	659	698	(39)
Other receivables	104	114	(10)
Inventories	451	504	(53)
Prepaid expenses	53	60	(7)
Current Assets	\$ 1,831	\$ 1,521	\$ 310
Property, plant and equipment, net	1,244	1,287	(43)
Goodwill	1,389	1,429	(40)
Other intangible assets, net	322	388	(66)
Right of use asset - Operating leases	296	298	(2)
Other assets	195	202	(7)
Total Assets	\$ 5,277	\$ 5,126	\$ 151
Payable to suppliers and others	1,056	916	140
Total debt	1,700	1,681	19
Pension and other postretirement benefits	172	305	(133)
Noncurrent operating lease liabilities	262	254	8
Deferred income taxes and other	176	154	22
Total equity	1,911	1,816	95
Total Liabilities and Shareholders' Equity	\$ 5,277	\$ 5,126	\$ 151
Net debt / Total capital	37.0%	45.8 %	

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.

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Segment Analysis

Full-year: 2020 Vs. 2019
(Dollars in millions)

	Net Sales			Base Operating Profit		
	2020	2019	% Chg	2020	2019	% Chg
Consumer Packaging	\$ 2,403	\$ 2,333	3.0 %	\$ 290	\$ 228	27.2 %
Display & Packaging	476	554	(14.2) %	31	28	10.4 %
Paper & Ind Conv Prods	1,878	1,975	(4.9) %	154	219	(29.5) %
Protective Solutions	481	512	(6.0) %	52	50	2.7 %
	\$ 5,237	\$ 5,374	(2.5) %	\$ 527	\$ 525	0.3 %

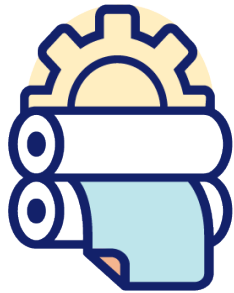
	Operating Profit as % of Sales		Margin Change
	2020	2019	% Chg
Consumer Packaging	12.1 %	9.8 %	2.3 %
Display & Packaging	6.4 %	5.0 %	1.4 %
Paper & Ind Conv Prods	8.2 %	11.1 %	(2.9) %
Protective Solutions	10.7 %	9.8 %	0.9 %
	10.1 %	9.8 %	0.3 %

NOTE: Totals and Percentages are based on unrounded amounts

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Our 2021 Focus—Investing in Ourselves



Project Horizon

Creating A Brighter Future For Our URB System

Inbound Raw Material Optimization

New Stock Prep System

Finished Goods Warehouse

#10 Conversion



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Sonoco's New Segment Structure

Industrial Paper Packaging



Consumer Packaging



All Other [Healthcare and Protective Packaging]





2021 Outlook

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2021 Key Base Earnings Assumptions

Business activities return to pre-COVID levels around mid-2021

Sales Volumes/Mix growth at 2%

Full-year impact of Can Packaging acquisition and Europe contract packaging divestiture

Key price/cost index changes

- OCC projected at \$90/ton
 - Composite resin index increasing ~10% over 2020
-

Inflation headwinds including freight and insurance

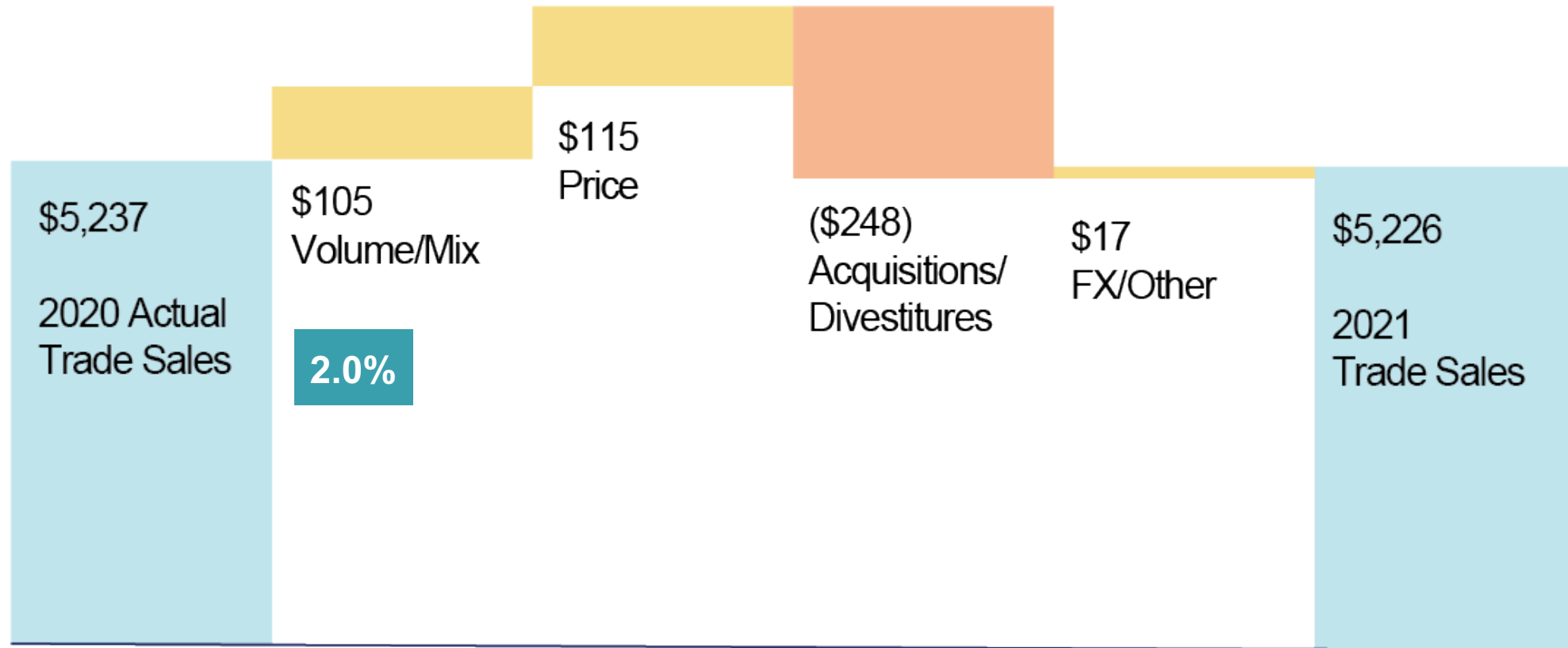
Interest expense lower by \$12 million due to debt repayment and refinancing actions

Base effective tax rate is 25.4%, which is flat to 2020



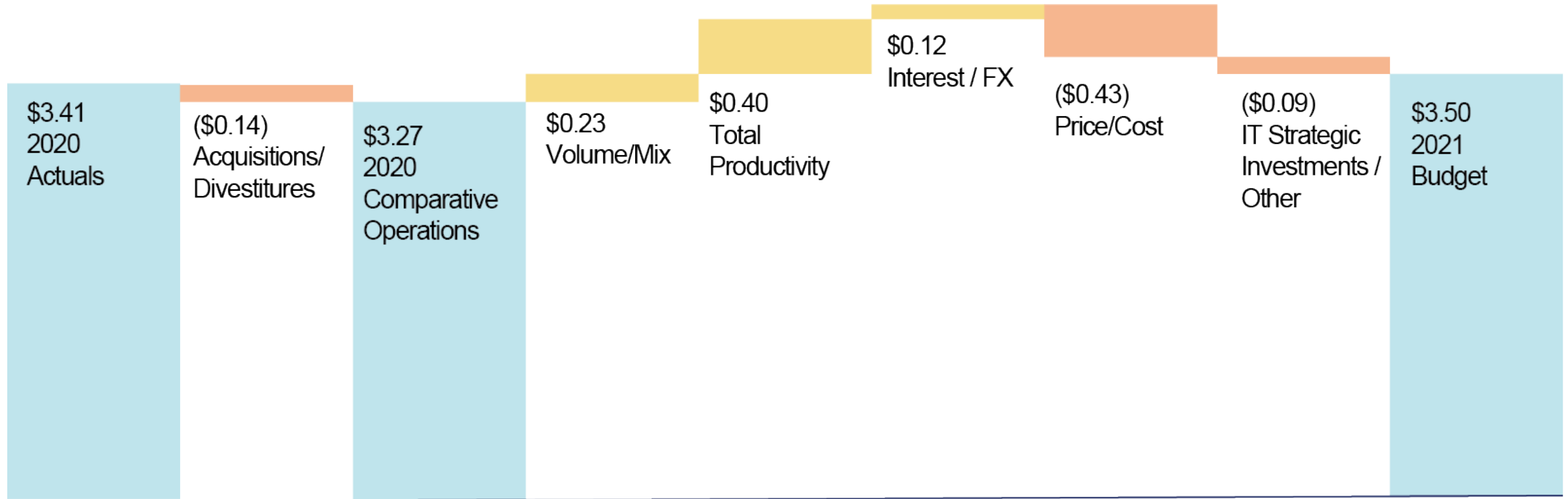
2021 Sales Bridge

(Dollars in Millions)





2021 EPS Bridge





Free Cash Flow

(Dollars in millions)

	2020 Actual		2021 Outlook		Change
Operating Cash Flow	\$	706	\$	585*	(121)
Capital Expenditures, Net		(184)		(300)	(116)
Free Cash Flow (before Dividends)	\$	522	\$	285	(237)
Dividends		(173)		(180)**	(7)
Free Cash Flow (after Dividends)	\$	349	\$	105	(244)

* 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.

**2021 Dividend subject to Board approval

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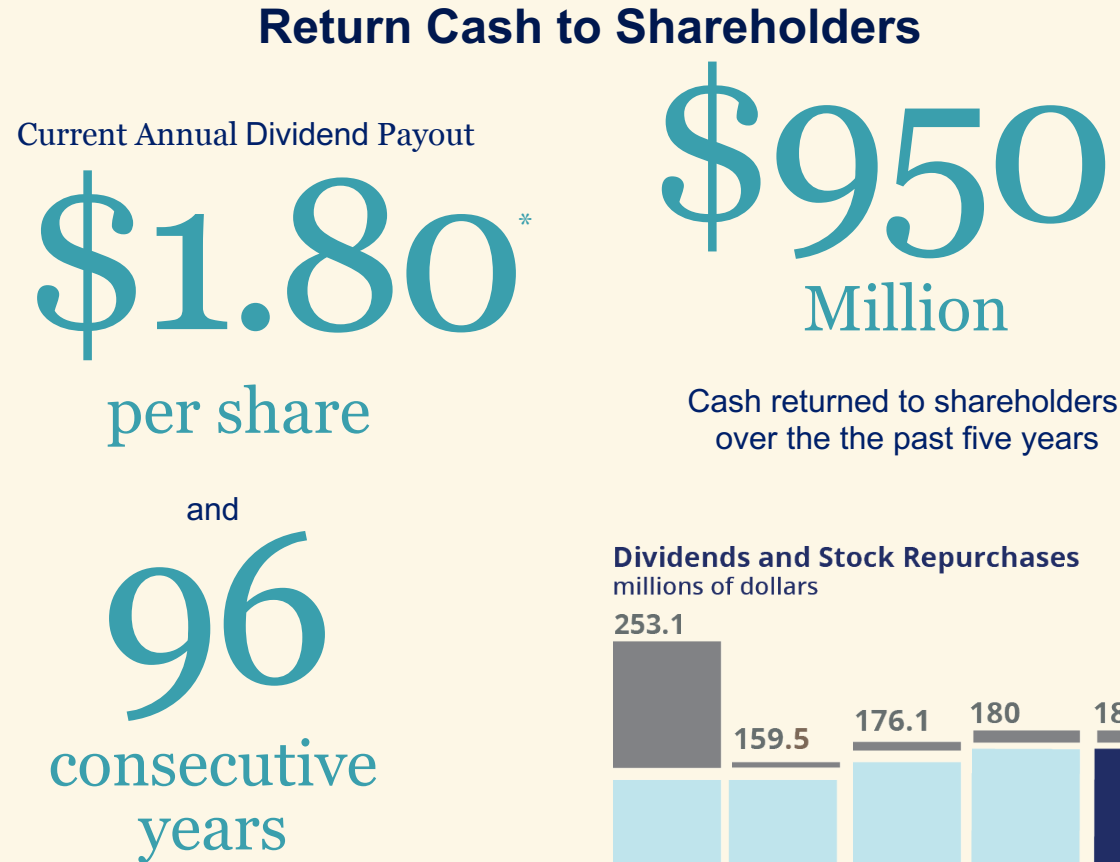
Earnings Guidance

	1 st 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 Guidance	\$.80 - \$.90				\$3.40 - \$3.60



Capital Deployment Strategy

Total Capital
Expenditures
in 2021
\$300
Million



^{*} Announced February 10th

Pursue accretive
acquisitions in our
core Consumer and
Industrial markets

Share
Repurchases

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Appendix



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P&L Summary (Base)

Full-year: 2020 Vs. 2019
(Dollars in millions)

			Better / (Worse)	
	2020	2019	\$	%
Net sales	\$ 5,237	\$ 5,374	\$ (137)	\$ (2.5)%
Gross profit	1,046	1,058	(11)	(1.1)%
SG&A expenses, net of Other Income	(519)	(532)	13	2.5%
Operating profit	527	525	2	0.3%
Net interest	(72)	(62)	(10)	(17.0)%
Provision for income taxes	(114)	(111)	(3)	(3.0)%
Net Income, after tax	341	353	(12)	(3.5)%
Equity in Affiliates and Minority Interest	5	4	1	25.0%
Net income attributable to Sonoco	\$ 346	\$ 357	\$ (12)	\$ (3.3)%
Operating profit before D&A	\$ 781	\$ 764	\$ 17	\$ 2.3%
Gross profit %	20.0 %	19.7 %		
SG&A %	9.9 %	9.9 %		
Operating profit %	10.1 %	9.8 %		
Operating profit before D&A%	14.9 %	14.2 %		
Effective tax rate	25.1 %	23.9 %		

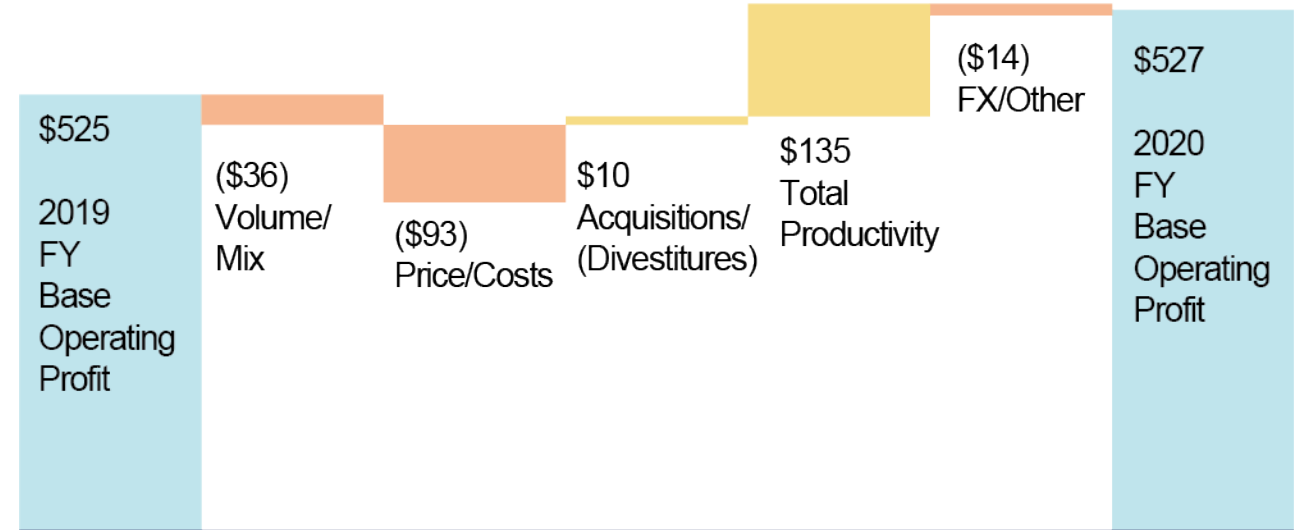
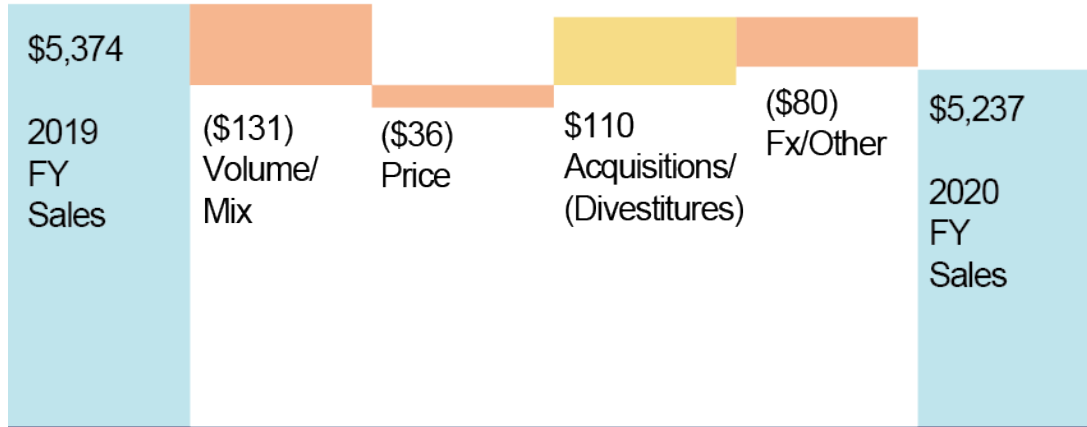
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2020 Sales & Base Operating Profit Bridges

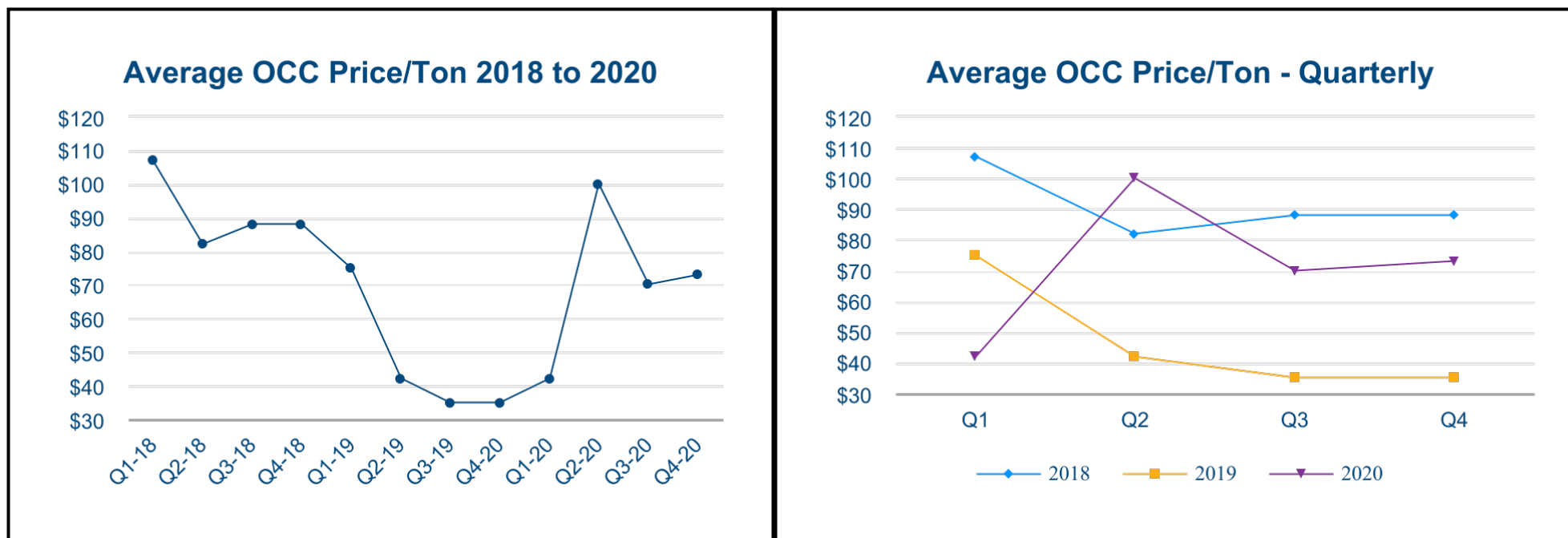
(Dollars in millions)





OCC: Official Board Market

4th Quarter: 2020 Vs. 2019 Vs. 2018
(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
2018	115	110	95	107	85	80	80	82	85	90	90	88	90	90	85	88
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

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