Sonoco Products Company
Non-GAAP Reconciliations for the 2021 Analyst Meeting

In accordance with the SEC's Regulation G, the following provides definitions of the non-GAAP financial measures used by the company, together with the most directly comparable financial measures calculated in accordance with GAAP, and a reconciliation of the differences between the non-GAAP financial measures disclosed and the most directly comparable financial measures calculated in accordance with GAAP.

Definition and Reconciliation of Non-GAAP Financial Measures

The Company's results determined in accordance with U.S. generally accepted accounting principles (GAAP) are referred to as "as reported" or "GAAP" results. Some of the information presented in this press release reflects the Company's "as reported" or "GAAP" results adjusted to exclude amounts, including the associated tax effects, related relating to restructuring initiatives, asset impairment charges, non-operating pension costs or income, environmental reserve charges/releases, acquisition/divestiture-related costs, gains and or losses on dispositions of businesses, excess insurance recoveries, and certain income tax related events and other items, if any, including other income tax-related adjustments and/or events, the exclusion of which management believes improves comparability and analysis of the ongoing operating performance of the business. These adjustments, which are referred to as "non-base", result in the non-GAAP financial measures referred to in this press release as "Base Earnings" and "Base Earnings per Diluted Share."

These non-GAAP measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Sonoco continues to provide all information required by GAAP, but it believes that evaluating its ongoing operating results may not be as useful if an investor or other user is limited to reviewing only GAAP financial measures. Sonoco uses these non-GAAP financial measures for internal planning and forecasting purposes, to evaluate its ongoing operations, and to evaluate the ultimate performance of each business unit against budget plan/forecast all the way up through the evaluation of the Chief Executive Officer's performance by the Board of Directors. In addition, these same non-GAAP measures are used in determining incentive compensation for the entire management team and in providing earnings guidance to the investing community.

Sonoco management does not, nor does it suggest that investors should, consider these non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Sonoco presents these non-GAAP financial measures to provide users information to evaluate Sonoco's operating results in a manner similar to how management evaluates business performance. Material limitations associated with the use of such measures are that they do not reflect all period costs included in operating expenses and may not reflect financial results that are comparable to financial results of other companies that present similar costs differently. Furthermore, the calculations of these non-GAAP measures are based on subjective determinations of management regarding the nature and classification of events and circumstances that the investor may find material and view differently.

To compensate for these limitations, management believes that it is useful in understanding and analyzing the results of the business to review both GAAP information which includes all of the items impacting financial results and the non-GAAP measures that exclude certain elements, as described above. Whenever Sonoco uses a non-GAAP financial measure, except with respect to guidance, it provides a reconciliation of the non-GAAP financial measure to the most closely applicable directly comparable GAAP financial measure. Whenever reviewing a non-GAAP financial measure, investors are encouraged to fully review and consider the related reconciliation as detailed below. The Company has provided fourth-quarter and full-year 2021 GAAP guidance in this release. Typically, GAAP guidance is not provided due to the likely occurrence of one or more of the following, the timing and magnitude of which we are unable to reliably forecast: gains or losses on the sale of assets, restructuring costs, asset impairment charges, acquisition-related costs, pension settlement charges, and the income tax effects of these items and/or other income tax-related events. Accordingly, the Company's 4th quarter GAAP guidance could vary significantly from actual GAAP results.

Non-GAAP Adjustments	**For the nine months ended October 3, 2021**			
Dollars in thousands, except per share data	**GAAP**	**Restructuring/Asset Impairments(1)**	**Other Adjustments(2)**	**Base**
Operating profit	$ 382,112	$ 8,889	$ (294)	$ 390,707
Non-operating pension costs	562,818	—	(562,818)	—
Interest expense, net	46,744	—	2,165	48,909
Loss from the early extinguishment of debt	20,184	—	(20,184)	—
(Loss)/income before income taxes	$ (247,634)	$ 8,889	$ 580,543	$ 341,798
(Benefit from)/Provision for income taxes	(91,542)	2,653	169,255	80,366
(Loss)/income before equity in earnings of affiliates	$ (156,092)	$ 6,236	$ 411,288	$ 261,432
Equity in earnings of affiliates, net of tax	5,701			5,701
Net (loss)/income	$ (150,391)	$ 6,236	$ 411,288	$ 267,133
Net loss attributable to noncontrolling interests	(243)			(243)
Net (loss)/income attributable to Sonoco	$ (150,634)	$ 6,236	$ 411,288	$ 266,890
Diluted Weighted average common shares outstanding(3):	100,039		468	100,507
Per diluted common share*	$ (1.51)	$ 0.06	$ 4.09	$ 2.66

*Due to rounding individual items may not sum across

(1) Restructuring/Asset impairment charges are a recurring item as Sonoco's restructuring programs usually require several years to fully implement and the Company is continually seeking to take actions that could enhance its efficiency. Although recurring, these charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur. In the first nine months of 2021 restructuring and asset impairment charges, mostly related to asset write-offs and severance, totaled approximately $17,000. These were partially offset by gains totaling approximately $8,500 related to the sale of previously closed facilities in the Company's tubes and cores business.

(2) Other Adjustments to Operating Profit for the nine months then ended include non-operating pension costs, which include $547,000 of settlement charges, and a loss from the early extinguishment of debt. Additionally, includes acquisition/divestiture-related costs and a net loss on the divestitures businesses including the Company's U.S. display and packaging business. These net expenses were mostly offset by mark-to-market gains on certain derivatives, life insurance gains, and a foreign VAT refund. Interest related to this refund is also included in Other Adjustments. In addition to these pre-tax adjustments, the Company recognized a benefit of approximately $140,000 related to the pension settlement charges, and a $30,000 tax benefit related to its amended 2017 U. S. income tax return. Theses were partially offset by an approximately $6,500 increase in the valuation allowance on deferred tax assets related to the future use of foreign tax credits and $6,500 of Canadian withholding tax expense related to cash repatriation activities.

(3) Due to the magnitude of certain expenses considered by management to be non-base and included in Other Adjustments. the Company reported a year-to-date GAAP Net Loss Attributable to Sonoco. In instances where a company has a net loss, including potential common shares in the denominator of a diluted earnings per-share computation will have an antidilutive effect on the per-share loss. GAAP therefore requires the exclusion of any unexercised share awards or other

like instruments for purposes of calculating weighted average shares outstanding. Accordingly, the Company did not include any unexercised share awards or other like instruments in calculating weighted average shares outstanding for GAAP purposes in the table above, which resulted in Basic Weighted Average Common Shares Outstanding and Diluted Weighted Average Common Shares Outstanding being the same. However, the Company also presents Base Net Income Attributable to Sonoco, which excludes the net non-base items. In order to maintain consistency and comparability of Base Diluted EPS, dilutive unexercised share awards were included in the calculation to the same extent they would have been had GAAP Net Income Attributable to Sonoco been equal to Base Net Income Attributable to Sonoco.

Non-GAAP Adjustments

	For the nine months ended September 27, 2020			
Dollars in thousands, except per share data	**GAAP**	**Restructuring/Asset Impairments(1)**	**Other Adjustments(2)**	**Base**
Operating profit	$ 340,574	$ 59,633	$ 802	$ 401,009
Non-operating pension costs	22,632	—	(22,632)	—
Interest expense, net	53,311	—	—	53,311
Income before income taxes	$ 264,631	$ 59,633	$ 23,434	$ 347,698
Provision for income taxes	49,337	15,021	24,673	89,031
Income before equity in earnings of affiliates	$ 215,294	$ 44,612	$ (1,239)	$ 258,667
Equity in earnings of affiliates, net of tax	3,230	—	—	3,230
Net income	$ 218,524	$ 44,612	$ (1,239)	$ 261,897
Net loss attributable to noncontrolling interests	581	(26)	—	555
Net income attributable to Sonoco	$ 219,105	$ 44,586	$ (1,239)	$ 262,452
Per diluted common share*	$ 2.17	$ 0.44	$ (0.01)	$ 2.59

*Due to rounding individual items may not sum across

(1) Restructuring/Asset impairment charges are a recurring item as Sonoco's restructuring programs usually require several years to fully implement and the Company is continually seeking to take actions that could enhance its efficiency. Although recurring, these charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur.

(2) Consists mainly of non-operating pension costs, $20,355 gain related to the write-down of a deferred tax liability related to a business classified as held for sale, and costs related to actual and potential acquisitions and divestitures. Also includes the impact of settlement of a U.S. Tax Audit.

Non-GAAP Adjustments	GAAP	Restructuring / Asset Impairment Charges(1)	Acquisition Related Costs(2)	Other Adjustments(3)	Base
	Three Months Ended December 31, 2020				
Operating profit	$ 17,230	$ 85,947	$ 3,613	$ 19,190	$ 125,980
Non-operating pension costs	7,510	—	—	(7,510)	—
Interest expense, net	18,759	—	—	—	18,759
(Loss)/Income before income taxes	(9,039)	85,947	3,613	26,700	107,221
Provision for income taxes	3,693	17,847	901	2,788	25,229
(Loss)/Income before equity in earnings of affiliates	(12,732)	68,100	2,712	23,912	81,992
Equity in earnings of affiliates, net of taxes	1,449	—	—	—	1,449
Net (loss)/income	(11,283)	68,100	2,712	23,912	83,441
Net (income) attributable to noncontrolling interests	(359)	(34)	—	—	(393)
Net (loss)/income attributable to Sonoco	$ (11,642)	$ 68,066	$ 2,712	$ 23,912	$ 83,048
Per Diluted Share*	$ (0.12)	$ 0.67	$ 0.03	$ 0.24	$ 0.82

*Due to rounding individual items may not sum across

(1)Restructuring/Asset impairment charges are a recurring item as Sonoco’s restructuring actions usually require several years to fully implement and the Company is continually seeking to take actions that could enhance its efficiency. Although recurring, these charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur. Additionally, 2020 includes net asset impairment charges totaling $74,878 mostly related to the Company's perimeter-of-store thermoforming operation.

(2) Includes costs related to acquisitions and potential acquisitions.

(3) Includes the pre-tax loss on the divestiture of the Company's contract packaging business in Europe of $14,516 as well as non-operating pension expenses.

Non-GAAP Adjustments	GAAP	Restructuring / Asset Impairment Charges(1)	Acquisition Related Costs(2)	Other Adjustments(3)	Base
	Twelve Months Ended December 31, 2020				
Operating profit	357,804	145,580	4,671	18,934	526,989
Non-operating pension costs	30,142	—	—	(30,142)	—
Interest expense, net	72,070	—	—	—	72,070
Income before income taxes	255,592	145,580	4,671	49,076	454,919
Provision for income taxes	53,030	32,868	1,236	27,126	114,260
Income before equity in earnings of affiliates	202,562	112,712	3,435	21,950	340,659
Equity in earnings of affiliates, net of taxes	4,679	—	—	—	4,679
Net income	207,241	112,712	3,435	21,950	345,338
Net (income) attributable to noncontrolling interests	222	(60)	—	—	162
Net income attributable to Sonoco	$ 207,463	$ 112,652	$ 3,435	$ 21,950	$ 345,500
Per Diluted Share*	$ 2.05	$ 1.11	$ 0.03	$ 0.22	$ 3.41

*Due to rounding individual items may not sum across

(1) Restructuring/Asset impairment charges are a recurring item as Sonoco's restructuring actions usually require several years to fully implement and the Company is continually seeking to take actions that could enhance its efficiency. Although recurring, these charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur. Additionally, 2020 includes net asset impairment charges totaling $100,242 mostly related to the Company's perimeter-of-store thermoforming operations.

(2) Includes costs related to acquisitions and potential acquisitions.

(3) Includes the pre-tax loss on the divestiture of the Company's contract packaging business in Europe of $14,516 as well as non-operating pension expenses. The tax benefit of $27,126 was driven by the income tax benefit related to the divestiture loss, approximately $17,400.

	Estimated Fourth Quarter 2021			Estimated Full-Year 2021		
	Low	High		Low	High	
GAAP EPS	$0.54	$0.70		$(0.97)	$(0.81)	
GAAP to Base Adjustments:						
Restructuring/Asset Impairment Charges	0.05	0.02	(1)	0.11	0.08	(1)
Other Adjustments	0.25	0.18	(2)	4.34	4.27	(2)
Base EPS	$ 0.84	$0.90		$3.49	3.55	

(1) Restructuring/Asset impairment charges are a recurring item as Sonoco's restructuring programs usually require several years to fully implement and the Company is continually seeking to take actions that could enhance its efficiency. Although recurring, these charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur. Additionally, estimated full-year amounts include Restructuring and Asset Impairment Charges discussed above in the Non-GAAP Adjustments for the Nine Months Ended October 3, 2021

(2) Estimated Other Adjustments for the fourth quarter include anticipated Non-Operating Pension Charges, a one-time adjustment for changes to the Company's vacation policy, and other discreet items. The estimated full-year amounts also include the Other Adjustments discussed above in the Non-GAAP Adjustments for the Nine Months Ended October 3, 2021.

	Years Ended			
	Actual	Estimated Low End	Estimated High End	Estimated Mid-Point
FREE CASH FLOW*	December 31, 2020	December 31, 2021	December 31, 2021	December 31, 2022
Net Cash provided by operating activities	$ 705,621	$ 387,000	$ 417,000	$ 585,000
Add: Pension-settlement-related contribution	—	133,000	133,000	—
Net cash provided by operating activities excluding pension-settlement-related contribution	$ 705,621	$ 520,000	$ 550,000	$ 585,000
Purchase of property, plant and equipment, net	(181,161)	(250,000)	(250,000)	(300,000)
Free Cash Flow*	$ 524,460	$ 270,000	$ 300,000	$ 285,000

* Free Cash Flow is a non-GAAP measure that does not imply the amount of residual cash flow available for discretionary expenditures, as both it and net cash provided by operating activities do not include mandatory debt service requirements and other non-discretionary expenditures. Note that this is the Company's definition of this metric and may not be comparable to similarly named metrics of other organizations.