

Sonoco Completes Acquisition of Clear Lam Packaging, Inc.

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HARTSVILLE, S.C., July 24, 2017 (GLOBE NEWSWIRE) -- Sonoco (NYSE:SON), one of the largest diversified global packaging companies, today announced it has completed the acquisition of Clear Lam Packaging, Inc., a family-held developer and manufacturer of flexible and forming plastic packaging films, for approximately \$170 million in cash.

Founded in 1969, the Elk Grove Village, Ill.-based company is projecting 2017 sales of approximately \$140 million and operates state-of-the-art manufacturing facilities in Elk Grove Village and Nanjing, China, with nearly 400 total employees. Clear Lam is a technology leader in the development, production and conversion of high barrier flexible and forming films used to package a variety of products for consumer packaged goods companies and retailers, with a focus on structures used for perishable foods. Clear Lam President and CEO James Sanfilippo and other key members of its management team are expected to remain with the company. Clear Lam's financial results will be added to Sonoco's Consumer Packaging segment.

"One of the main attractions for us was the opportunity to leverage Clear Lam's expertise in modified atmosphere packaging, which comes from a strong base of material science knowledge when it comes to films, additives and adhesives," said Rob Tiede, Sonoco executive vice president and chief operations officer. "Clear Lam has also developed new portion-control condiment packaging, peel-reseal films for fresh fruits and vegetables, forming films for healthy yogurts, lidding films for fresh guacamole and several new packaging films that expand shelf life. The addition of their portfolio and technical capabilities for producing multi-layer film structures enhances and expands our ability to serve the rapidly growing perimeter of supermarkets in fresh food products, while driving synergies through the internalization of materials for Sonoco's existing flexible and thermoforming customers."

To finance the transaction, Sonoco is utilizing available credit facilities, including a new \$750 million bank credit facility. Included in the facility is a new \$500 million, five-year revolving credit facility, which increases an existing \$350 million facility under substantially the same terms and bank group. The new revolver continues to support the Company's existing \$350 million commercial paper program. Also included in the credit facility is a new \$250 million five-year term loan which was used to repay an existing \$150 million loan and provides \$100 million to partially fund the Clear Lam acquisition. The new term-loan has consistent terms and bank group with the revolver.

About Sonoco

Founded in 1899, Hartsville, S.C.-based Sonoco is a global provider of a variety of consumer packaging, industrial products, protective packaging, and displays and packaging supply chain services. With annualized net sales of \$4.8 billion, the Company has 20,000 employees working in more than 300 operations in 33 countries, serving some of the world's best known brands in some 85 nations. For more information on the Company, visit our website at www.sonoco.com.

About Clear Lam Packaging, Inc.

Clear Lam is a leading developer, manufacturer and converter of innovative flexible and forming film packaging materials used with fresh and processed foods, personal health care products, electronics, household products and industrial products. The company has manufacturing facilities in Elk Grove Village, Ill., and Nanjing, China, and has approximately 400 associates. Clear Lam produces a variety of innovative, multi-layer printed films and rigid roll-stock products for consumer packaged goods companies, retailers and other industrial manufacturers, while developing technologies and structures that minimize impact on the environment. For more information on the company, visit www.clearlam.com.

Forward-looking Statements

Statements included herein that are not historical in nature, are intended to be, and are hereby identified as "forward-looking statements" for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. In addition, the Company and its representatives may from time to time make other oral or written statements

that are also “forward-looking statements.” Words such as “estimate,” “project,” “intend,” “expect,” “believe,” “consider,” “plan,” “strategy,” “opportunity,” “commitment,” “target,” “anticipate,” “objective,” “goal,” “guidance,” “outlook,” “forecast,” “future,” “re-envision,” “assume,” “will,” “would,” “can,” “could,” “may,” “might,” “aspires,” “potential,” or the negative thereof, and similar expressions identify forward-looking statements.

Forward-looking statements include, but are not limited to, statements regarding: availability and supply of raw materials, and offsetting high raw material costs; improved productivity and cost containment; improving margins and leveraging strong cash flow and financial position; effects of acquisitions and dispositions; realization of synergies resulting from acquisitions; costs, timing and effects of restructuring activities; adequacy and anticipated amounts and uses of cash flows; expected amounts of capital spending; refinancing and repayment of debt; financial strategies and the results expected of them; financial results for future periods; producing improvements in earnings; profitable sales growth and rates of growth; market leadership; research and development spending; extent of, and adequacy of provisions for, environmental liabilities; adequacy of income tax provisions, realization of deferred tax assets, outcomes of uncertain tax issues and tax rates; goodwill impairment charges and fair values of reporting units; future asset impairment charges and fair values of assets; anticipated contributions to pension and postretirement benefit plans, fair values of plan assets, long-term rates of return on plan assets, and projected benefit obligations and payments; creation of long-term value and returns for shareholders; continued payment of dividends; and planned stock repurchases.

Such forward-looking statements are based on current expectations, estimates and projections about our 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 our 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. The risks, uncertainties and assumptions include, without limitation:

- availability and pricing of raw materials, energy and transportation, and the Company's ability to pass raw material, energy and transportation price increases and surcharges through to customers or otherwise manage these commodity pricing risks;
- costs of labor;
- work stoppages due to labor disputes;
- success of new product development, introduction and sales;
- consumer demand for products and changing consumer preferences;
- ability to be the low-cost global leader in customer-preferred packaging solutions within targeted segments;
- competitive pressures, including new product development, industry overcapacity, and changes in competitors' pricing for products;
- ability to maintain or increase productivity levels, contain or reduce costs, and maintain positive price/cost relationships;
- ability to negotiate or retain contracts with customers, including in segments with concentration of sales volume;
- ability to improve margins and leverage cash flows and financial position;
- continued strength of our paperboard-based tubes and cores and composite can operations;
- ability to manage the mix of business to take advantage of growing markets while reducing cyclical effects of some of the Company's existing businesses on operating results;
- ability to maintain innovative technological market leadership and a reputation for quality;
- ability to profitably maintain and grow existing domestic and international business and market share;
- ability to expand geographically and win profitable new business;
- ability to identify and successfully close suitable acquisitions at the levels needed to meet growth targets, and successfully integrate newly acquired businesses into the Company's operations;
- the costs, timing and results of restructuring activities;
- availability of credit to us, our customers and suppliers in needed amounts and on reasonable terms;

- effects of our indebtedness on our cash flow and business activities;
- fluctuations in obligations and earnings of pension and postretirement benefit plans;
- accuracy of assumptions underlying projections of benefit plan obligations and payments, valuation of plan assets, and projections of long-term rates of return;
- cost of employee and retiree medical, health and life insurance benefits;
- resolution of income tax contingencies;
- foreign currency exchange rate fluctuations, interest rate and commodity price risk and the effectiveness of related hedges;
- changes in U.S. and foreign tax rates, and tax laws, regulations and interpretations thereof;
- accuracy in valuation of deferred tax assets;
- accuracy of assumptions underlying projections related to goodwill impairment testing, and accuracy of management's assessment of goodwill impairment;
- accuracy of assumptions underlying fair value measurements, accuracy of management's assessments of fair value and fluctuations in fair value;
- liability for and anticipated costs of environmental remediation actions;
- effects of environmental laws and regulations;
- operational disruptions at our major facilities;
- failure or disruptions in our information technologies;
- loss of consumer or investor confidence;
- ability to protect our intellectual property rights;
- actions of domestic or foreign government agencies and changes in laws and regulations affecting the Company;
- international, national and local economic and market conditions and levels of unemployment; and
- economic disruptions resulting from terrorist activities and natural disasters.

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.

Additional information concerning some of the factors that could cause materially different results is included in the Company's reports on forms 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission. Such reports are available from the Securities and Exchange Commission's public reference facilities and its website, www.sec.gov, and from the Company's investor relations department and the Company's website, www.sonoco.com.

References to our Website Address

References to our website address and domain names throughout this release are for informational purposes only, or to fulfill specific disclosure requirements of the Securities and Exchange Commission's rules or the New York Stock Exchange Listing Standards. These references are not intended to, and do not, incorporate the contents of our website by reference into this release.

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Sonoco Products Company