



Better  
Than Ever

## Ball Metalpack Acquisition

December 20, 2021



# Forward Looking Statements/Non-GAAP Financial Measures

This presentation and related news release include forward-looking statements. Such forward-looking statements are based on current expectations, estimates and projections about Sonoco and Ball Metalpack, the industry 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 Sonoco's and Ball Metalpack's 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, including the ability of the parties to complete the transaction on the anticipated timetable, the parties' ability to satisfy the closing conditions to the transaction and the ability of Sonoco to realize the anticipated benefits and synergies from the transaction. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements.

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, [sec.gov](http://sec.gov), and from the Company's investor relations department and the Company's website, [www.sonoco.com](http://www.sonoco.com).



# Sonoco is a Global Leader in Packaging

*We are a global packaging solutions leader, committed to improving the lives of our teammates, our customers and our communities*

\$5,555MM<sup>1</sup>  
2021E Sales

\$762MM<sup>1</sup>  
2021E Base EBITDA

19,000+  
Employees

300+  
Manufacturing Facilities

## Consumer Packaging



## Industrial Paper Packaging



## All Other



<sup>1</sup> FY'21 guidance

# Key Takeaways From our Analysts' Meeting

## 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
- 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 for “fit” around **fewer, bigger businesses**
- We will use **acquisitions** to improve the portfolio and complement our strategy



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# Overview of Ball Metalpack

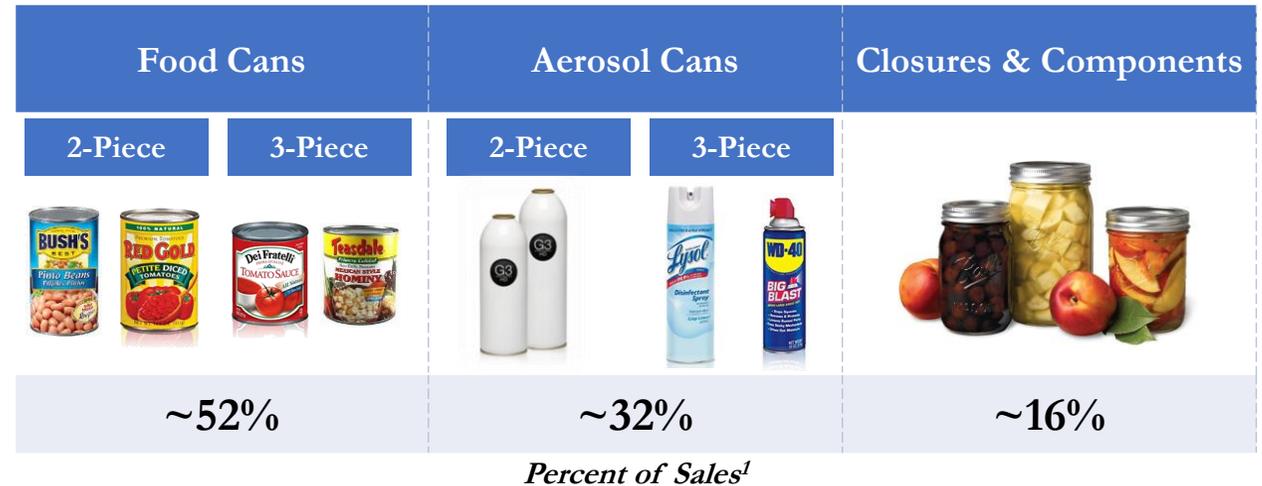
## Company Overview

- Ball Metalpack (“BMP”) is a leading US manufacturer of tinplate food cans, aerosol cans, closures and components
- Why BMP is winning in the food can market:
  - Industry leading customer portfolio
  - Tenured leadership and strong people culture
  - Manufacturing assets located at/near key customers
  - Long-term contracts with pass through mechanism
  - Strong commitment to sustainability
  - Over a century of manufacturing expertise
  - Deep, multi-decade relationships with blue-chip brands



<sup>1</sup> FY'21 basis

## Key Markets Served



## Leading Metal Cans Franchise

**120+**  
*Year History*

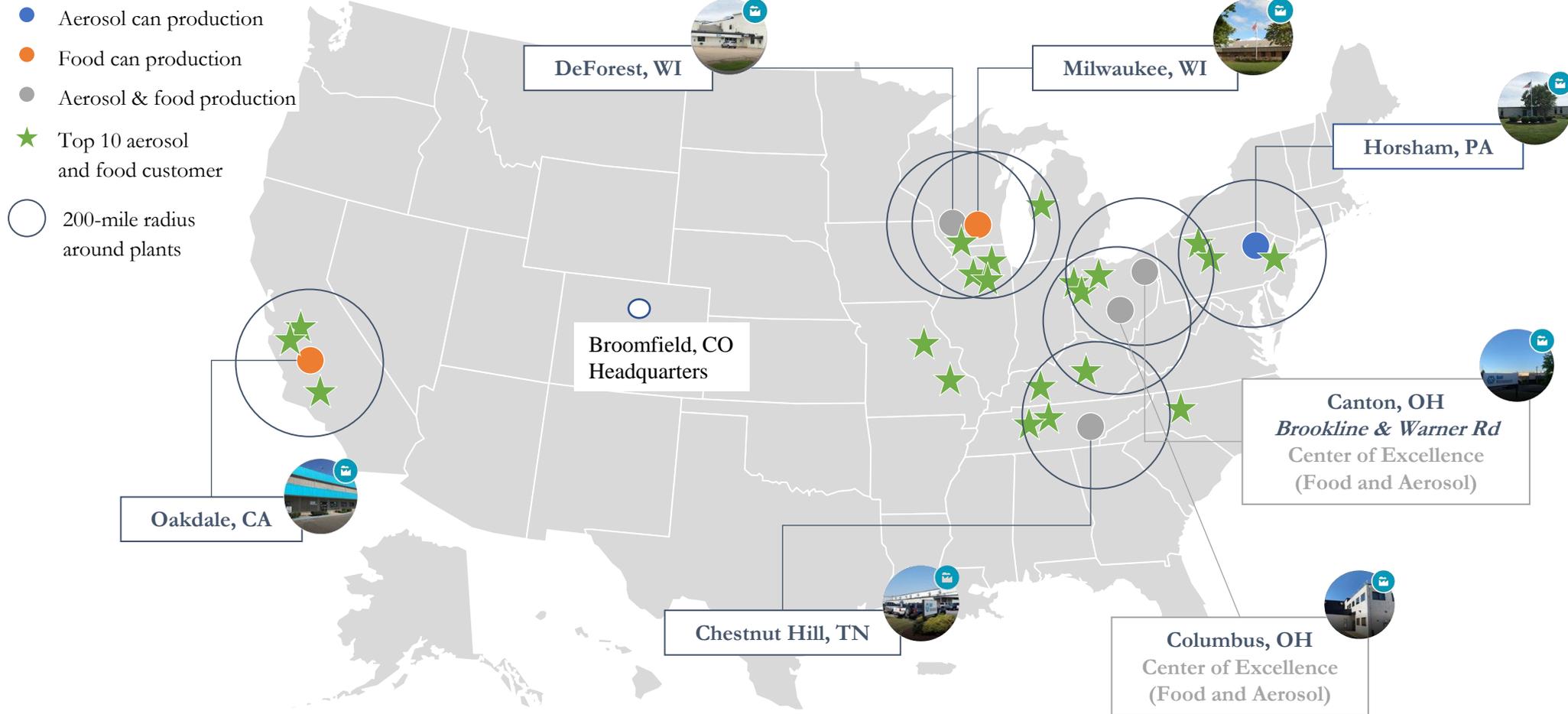
**~\$850MM**  
*2021E Revenue*

**~\$111MM**  
*2021E Adjusted EBITDA*

**8**  
*Manufacturing Facilities*

# Well-Invested Asset Base with National Reach

*Truly nationwide manufacturing network situated in close proximity to core customers*



# Compelling Strategic Rationale for Sonoco

## Activate Our “Better Than Ever” Strategy

- Underpins Sonoco’s enterprise strategy as a stable, defensive, high cash flow generating business
- Complements Sonoco’s largest Consumer Packaging franchise – iconic paper cans and closures
- Uniquely positioned to advance our sustainability strategy
- Complementary technology and operations to reinforce our value proposition to customers

## Fewer, Bigger Businesses

- Supports our growth in consumer packaging end-markets
- Expands our commitment to can-making, adding technology and production capacity
- Increases economies of scale and substantiates Sonoco’s position in the can-making market

## Do More of What We Do Well

- Sonoco has identified many value enhancing synergies and optimization opportunities
- Annualized synergies of \$20MM+
- Synergies primarily realized through procurement optimization and SG&A efficiencies
- Sonoco and BMP have strong cultural alignment around our core people values and processes

## Capital Allocation at the Forefront of Our Strategy

- Sonoco expects to maintain its investment grade rating and continue to return significant capital to shareholders through dividends
- Improves free cash flow generation
- Committed to de-leveraging within 24 months

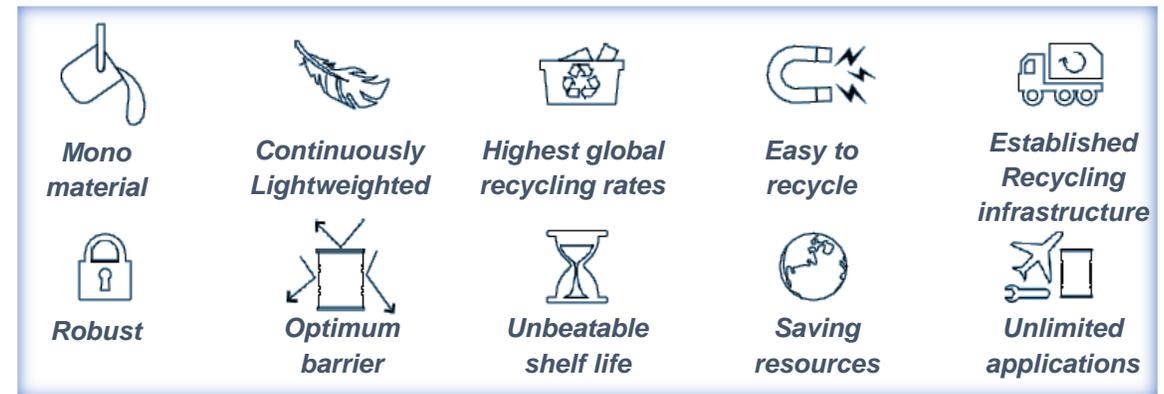
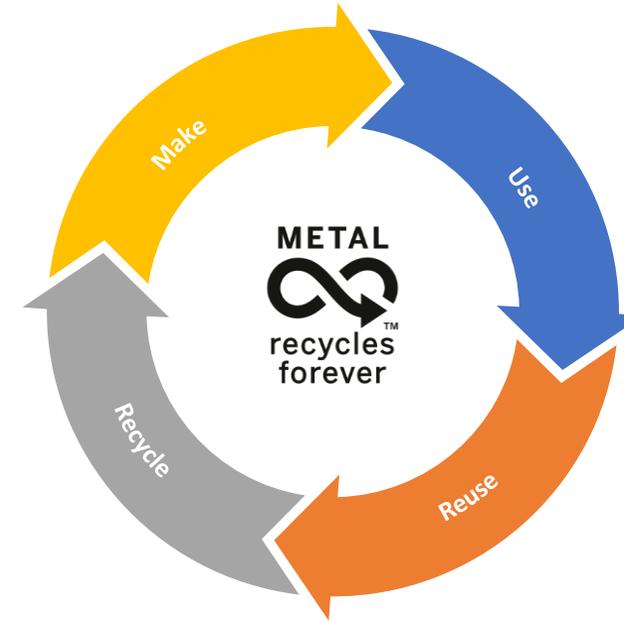
# Reinforces Our Commitment to Can-Making

	Paper (Composite)	Metal	Pro Forma
Sales	\$1.3bn	\$0.8bn	\$2bn+
Capabilities	 <p>~7.2bn cans per annum 43 manufacturing plants</p>	 <p>~6bn cans and components per annum 8 manufacturing plants</p>	<ul style="list-style-type: none"> <li>✓ Expansion into a new, sustainable material</li> <li>✓ Significant expansion of domestic manufacturing footprint</li> </ul>
Market Position	<ul style="list-style-type: none"> <li>✓ Unique brand recognition in market</li> <li>✓ Sustainability-first approach</li> <li>✓ Top 5 producer</li> </ul>	<ul style="list-style-type: none"> <li>✓ Unparalleled reputation in industry</li> <li>✓ 120+ year operating history</li> <li>✓ Top 4 producer</li> </ul>	<ul style="list-style-type: none"> <li>✓ Leader in can production with &gt;\$2bn sales annually</li> <li>✓ Opportunities for technology and knowledge sharing</li> <li>✓ Large synergy potential during integration</li> </ul>
Growth Strategy	<ul style="list-style-type: none"> <li>✓ M&amp;A opportunities – acquired Can Packaging in 2020</li> <li>✓ Investing \$50MM+ in organic growth and sustainability opportunities through 2023</li> </ul>	<ul style="list-style-type: none"> <li>✓ Huge demand tailwinds supporting recent capacity adds</li> <li>✓ Metal outpacing alternative materials</li> </ul>	<ul style="list-style-type: none"> <li>✓ Multiple organic growth levers as a combined platform</li> <li>✓ Significant M&amp;A roadmap to further enhance leadership</li> </ul>

# Reaffirms Our Commitment to Sustainability

## Metal packaging leads the way in sustainability

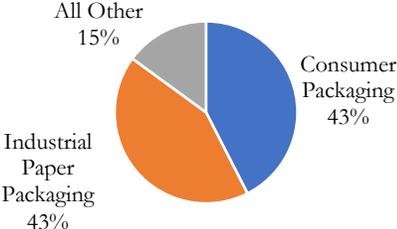
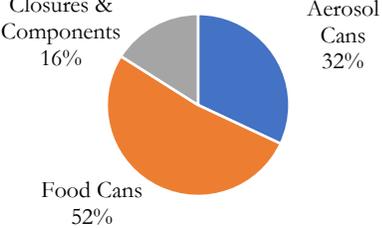
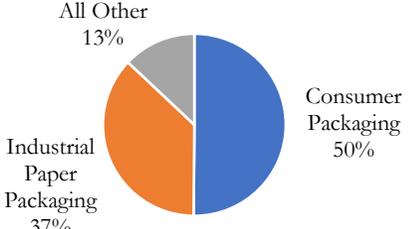
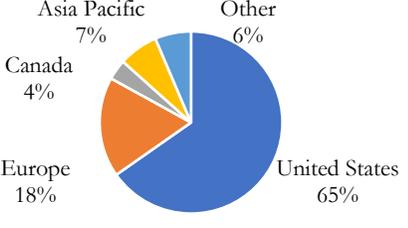
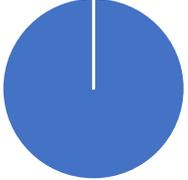
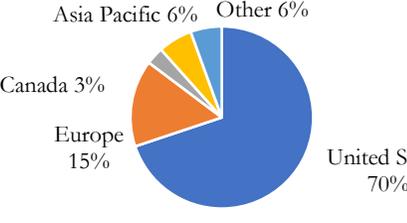
- **62% recycling rate of metal cans; #1 most recycled packaging substrate**
- Metal is a permanent material – its properties never degrade during use or repeat recycling
- Compliant with sustainability goals and initiatives of major companies and brands
- 80-90% of all metals produced are still available
- Recycling saves up to 75% of the energy required to produce virgin steel
- Metal has superior barrier properties to other substrates with respect to oxygen and light – making it ideal for food preservation
- Provides 100% contamination protection, reducing the prevalence of food borne illnesses



# Acquisition Overview

Purchase Price	<ul style="list-style-type: none"><li>• Consideration of \$1,350MM</li><li>• Estimated net present value of tax benefits of \$180MM</li><li>• <b>Estimated net transaction value of \$1,170MM</b></li><li>• Additional cash benefits expected from reductions to working capital</li></ul>
Transaction Multiples	<ul style="list-style-type: none"><li>• Estimated 2021 adjusted EBITDA is \$111MM</li><li>• Anticipate \$20 million in synergies by year three</li><li>• <b>Net transaction value is 8.9X estimated synergy adjusted 2021 EBITDA</b></li></ul>
Financial Impact	<ul style="list-style-type: none"><li>• <b>Expected to be immediately accretive to earnings per share in 2022</b></li><li>• Additional accretion in 2023 from synergies, new business and productivity</li></ul>
Consideration and Financing	<ul style="list-style-type: none"><li>• All cash consideration</li><li>• Committed debt financing in place</li><li>• Permanent financing to be completed before closing</li><li>• Remain committed to maintaining investment grade credit rating</li><li>• <b>Estimated net leverage at closing is ~3.0x Base EBITDA</b></li></ul>
Closing	<ul style="list-style-type: none"><li>• <b>Closing expected in Q1 2022</b></li><li>• Subject to customary regulatory approvals</li></ul>

# Expands Sonoco's Scale, Stability and Cash Flow Profile

	 <b>FY2021E <sup>(1)</sup></b>	 <b>FY2021E</b>	 +  <b>FY2021E</b>
<b>Revenue (\$Bn)</b>	<b>5.6</b>	<b>0.8</b>	<b>6.4</b>
<b>Adj. EBITDA (\$MM)</b>	<b>762</b>	<b>111</b>	<b>873</b>
<b>% Margin</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>
<b>Business Segments <sup>(1)</sup></b>			
<b>Geographic Segments <sup>(1)</sup></b>			

*Improved scale, stability and free cash flow profile*



<sup>1</sup> Sonoco business and geographic segment ratios as of LTM 10/3/2021; BMP business and geographic segments per 2021E financials

# Key Takeaways



Significant expansion of our core can-making franchise



Advances our sustainability strategy and commitment to ESG initiatives



Attractive valuation, with significant tax and net working capital benefits available to Sonoco



Meaningful increase in scale and expansion of our product offering



Significant synergy potential and opportunities to share technology and expertise



Underpins our commitment to grow scale while maintaining our Investment Grade rating



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Appendix



# EBITDA Reconciliation

\$MM	2020A	TTM Aug21	
<b>Reported Net income</b>	<b>(33.9)</b>	<b>(7.2)</b>	
Depreciation & Amortization	56.6	51.2	
Interest	45.9	38.8	
Tax	0.3	0.2	
Sub-Total	<b>102.8</b>	<b>90.2</b>	
<b>Reported EBITDA</b>	<b>68.9</b>	<b>83.0</b>	
<i>Adjustments</i>			
Line start-up costs	7.6	12.4	
Non-recurring and out-of-period items	14.3	15.1	
Transaction-related expense	0.5	(0.0)	
Normalization and other items	(3.4)	(1.8)	
Sub-Total	<b>19.0</b>	<b>25.8</b>	
<b>Adjusted EBITDA</b>	<b>88.0</b>	<b>108.8</b>	<b>2021E</b> <b>110.5</b>

