



Better
Than Ever

Sonoco Fourth Quarter and Full-Year 2021 Results

Investor Presentation

February 2022

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 2021 Earnings Presentation.

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: 2021 Vs. 2020

	4 th Quarter		Year To Date	
	2021	2020	2021	2020
Actual EPS	\$ 0.66	\$ (0.12)	\$ (0.86)	\$ 2.05
<u>Addback for:</u>				
Restructuring and Asset Impairments, net	0.03	0.67	0.09	1.11
M&A Costs	0.05	0.03	0.14	0.03
Pension Settlements; Non-Operating Pension Costs	0.04	0.05	4.23	0.22
2017 Amended Income Tax Return	—	—	(0.30)	—
Loss on Early Extinguishment of Debt	—	—	0.15	—
Display & Packaging Europe Divestiture	—	0.17	—	(0.03)
Other Items	0.12	0.02	0.10	0.03
Base EPS	\$ 0.90	\$ 0.82	\$ 3.55	\$ 3.41
Sonoco Guidance	\$ 0.84 - 0.90		\$ 3.49 - 3.55	



Note: Due to rounding, individual items may not sum down

P&L Summary (Base)

4th Quarter: 2021 Vs. 2020

Dollars in millions

	2021	2020	Better/Worse	
			\$	%
Net sales	\$ 1,439	\$ 1,376	\$ 63	4.6 %
Gross profit	264	275	(11)	(4.1)%
SG&A expenses, net of Other Income	(139)	(149)	10	(6.7) %
Operating profit	\$ 125	\$ 126	\$ (1)	(1.0)%
Net interest	(12)	(19)	6	33.4 %
Provision for income taxes	(27)	(25)	(2)	(8.0)%
Net Income, after tax	\$ 86	\$ 82	\$ 4	4.3 %
Equity in affiliates and Minority interest	3	1	2	200 %
Net income attributable to Sonoco	\$ 89	\$ 83	\$ 6	6.9 %
EBITDA	\$ 183	\$ 193	\$ (10)	(5.2)%
Gross profit %	18.3%	20.0%		
SG&A, net %	9.7%	10.8%		
Operating profit %	8.7%	9.2%		
EBITDA %	12.7%	14.0%		
Effective tax rate	23.7%	23.5%		

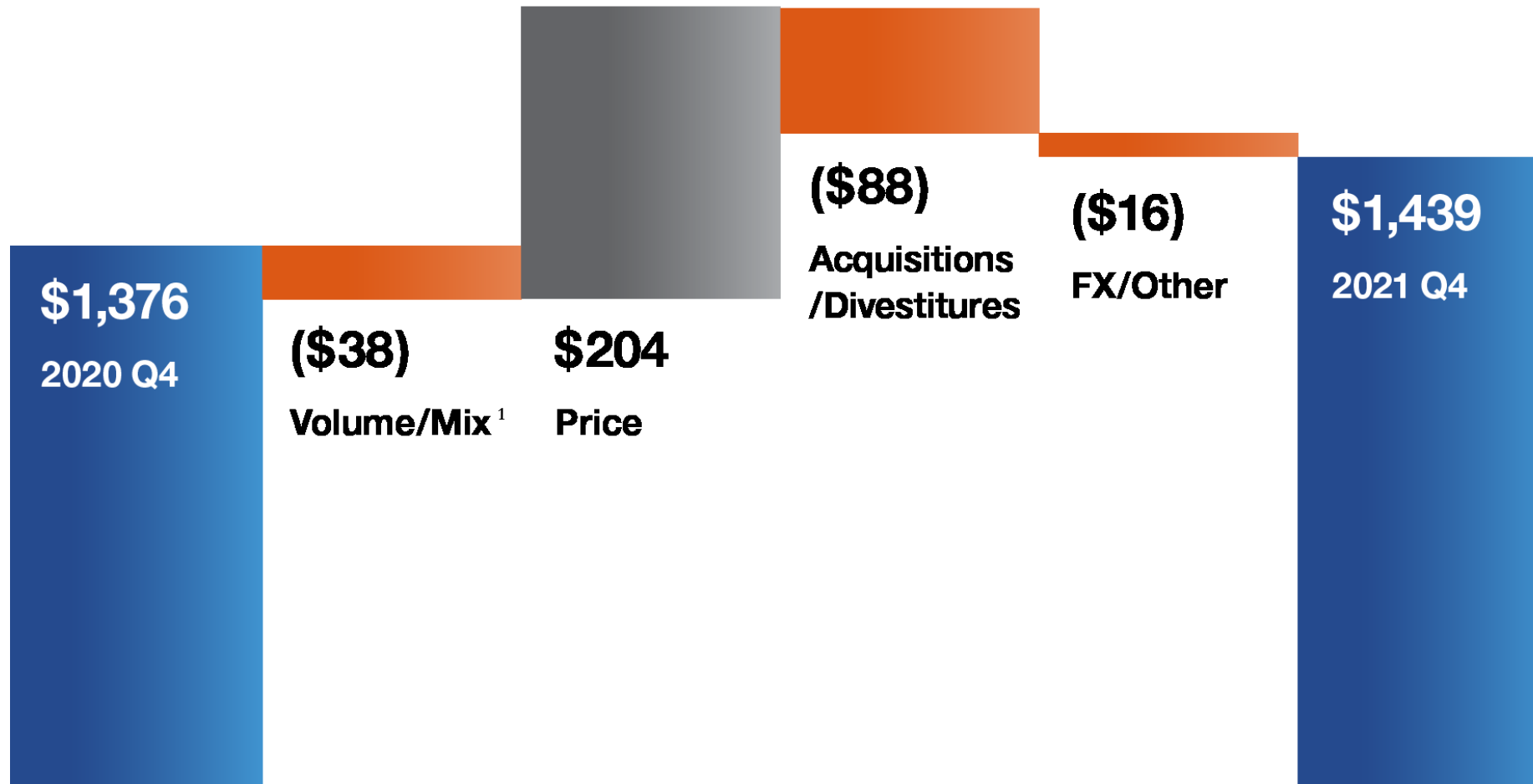


Note: Totals and Percentages are based on unrounded amounts

Sales Bridge

4th Quarter 2021 Vs. 2020

Dollars in millions

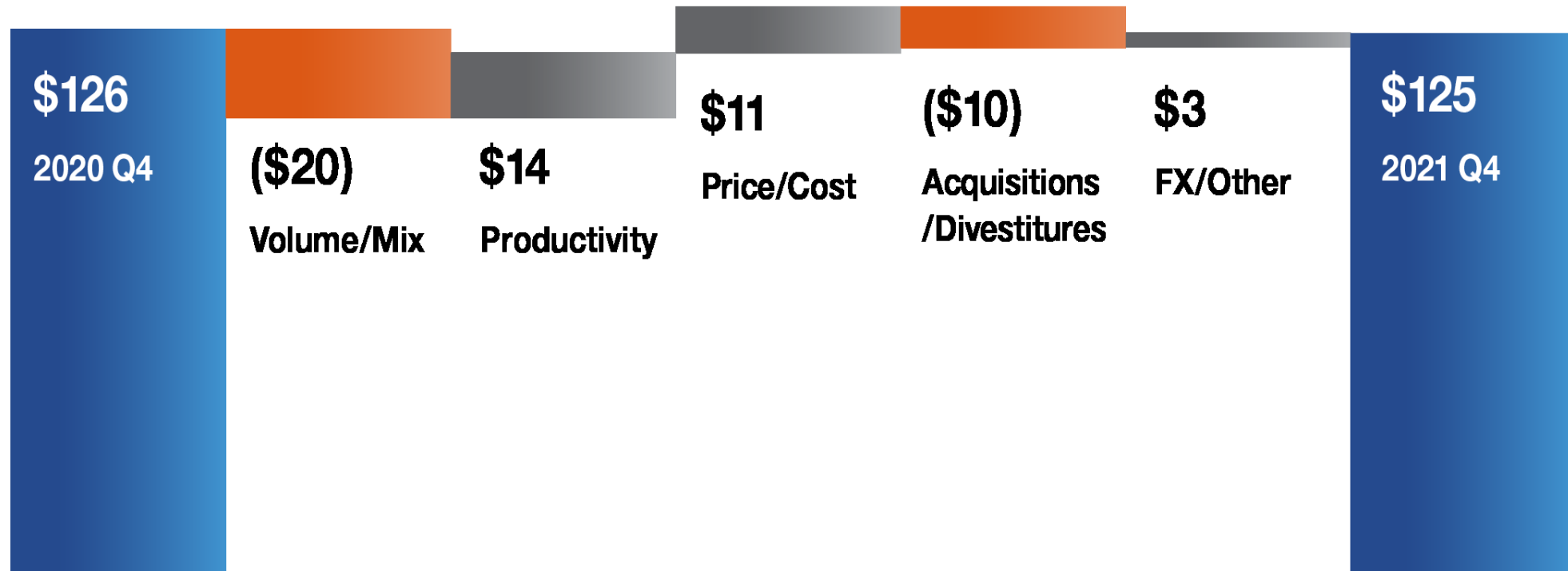


¹ Due to changes in the Company's fiscal calendar, Q4 2021 included 6% less days than Q4 2020. Decline in Sales activity related to the fewer days is reflected in volume/mix
Note: Totals are based on unrounded amounts

Base Operating Profit Bridge

4th Quarter 2021 Vs. 2020

Dollars in millions



Note: Totals are based on unrounded amounts

Segment Analysis

4th Quarter 2021 Vs. 2020

Dollars in millions

	Net Sales			Base Operating Profit		
	2021	2020	% Change	2021	2020	% Change
Consumer Packaging	\$ 589	\$ 570	3.3 %	\$ 56	\$ 66	(14.2)%
Industrial Paper Packaging	655	544	20.5 %	57	43	32.6 %
All Other	195	263	(25.7)%	11	17	(34.5)%
Total Sonoco	\$ 1,439	\$ 1,376	4.6 %	\$ 125	\$ 126	(1.0)%

	Operating Profit As % Of Sales		Margin Change
Consumer Packaging	9.6%	11.6%	(2.0)%
Industrial Paper Packaging	8.7%	7.9%	0.8 %
All Other	5.8%	6.5%	(0.7)%
Total Sonoco	8.7%	9.2%	(0.5)%



Note: Totals and Percentages are based on unrounded amounts

Cash Flow

4th Quarter Year to date: 2021 Vs. 2020

Dollars in millions

	<u>Year To Date</u>		<u>Year Over Year</u>
	2021	2020	Change
Net income	\$ (83)	\$ 207	\$ (290)
Asset impairment charges / Losses on disposition of assets	(4)	97	(101)
Depreciation and amortization	239	255	(16)
Net pension and postretirement plan expenses	432	18	414
Changes in working capital	(107)	51	(158)
Other operating activity	(178)	77	(255)
Operating cash flow	\$ 299	\$ 706	\$ (407)
Capital expenditures, net of dispositions	(243)	(181)	(62)
Free cash flow	\$ 56	\$ 525	\$ (469)
Cash dividends	\$ (179)	\$ (173)	\$ (6)

2021 Cash Flow includes one-time \$125 million pension contribution (related to termination process)



Note: Totals are based on unrounded amounts

Balance Sheet

Dollars in millions

	12/31/2021	12/31/2020	Change
Cash and cash equivalents	\$ 171	\$ 565	\$ (394)
Trade accounts receivable, net of allowances	756	659	97
Other receivables	96	104	(8)
Inventories	562	451	111
Prepaid expenses and deferred income taxes	74	53	21
Current Assets	\$ 1,659	\$ 1,831	\$ (172)
Property, plant and equipment, net	1,297	1,244	53
Goodwill	1,325	1,389	(64)
Other intangible assets, net	278	322	(44)
Other assets	514	491	35
Total Assets	\$ 5,073	\$ 5,277	\$ (192)
Payable to suppliers and others	1,103	1,048	55
Income taxes payable	12	7	5
Total debt	1,611	1,700	(89)
Pension and other postretirement benefits	158	172	(14)
Deferred income taxes and other	341	439	(87)
Total equity	1,850	1,911	(61)
Total Liabilities and Shareholders' Equity	\$ 5,073	\$ 5,277	\$ (192)
Net debt / Total capital*	43.8 %	37.3 %	



*Total debt minus cash and cash equivalents / Net debt plus total equity. Note: Totals are based on unrounded amounts

EPS and EBITDA 2022 Guidance

	1st Quarter	Full-Year
2021 Sonoco Base EPS As Reported	\$0.90	\$3.55
2021 Sonoco Base EPS – Restated Excludes Amortization of Acquisition Intangibles	\$1.00	\$3.93
2022 Base EPS Guidance Excludes Amortization of Acquisition Intangibles Includes the benefit of Sonoco Metal Packaging	\$1.25 - \$1.35	\$4.60 - \$4.80
2022 Base EBITDA Guidance (\$ millions)		\$910 - \$960

20% Increase in Base EPS driven by “Legacy” Sonoco growth and Sonoco Metal Packaging acquisition



Cash Flow 2022 Guidance

	Operating Cash Flow	Free Cash Flow
2021 As Reported	\$299	\$56
2022 Guidance Mid-Point (Includes Sonoco Metal Packaging)	\$715	\$390

Operating Cash Flow increases by ~140%

Free Cash Flow grows by 7x

Driven by addition of Sonoco Metal Packaging and
no material pension contributions

Sonoco Metal Packaging Overview

Business Overview

- Sonoco Metal Packaging is a leading U.S. manufacturer of tinplate food/ aerosol cans and closures/components
- #1 manufacturer of tinplate aerosol cans, closures and components for the packaging of food, paint, cleaning products and other household products
- #2 manufacturer of tinplate food cans, closures and components for the packaging of tomatoes, beans, private label soups, meat and vegetables
- Deep, multi-decade relationships with top customers
- Projected to sell ~1.0B aerosol cans and more than 5B food cans, closures and components in 2021
- ~\$200M invested in strategically located manufacturing assets
- Strong, stable cash flows supported by long-term contracts with metal and other inflationary cost pass-through provisions and limited maintenance capital needs

Aerosol Cans



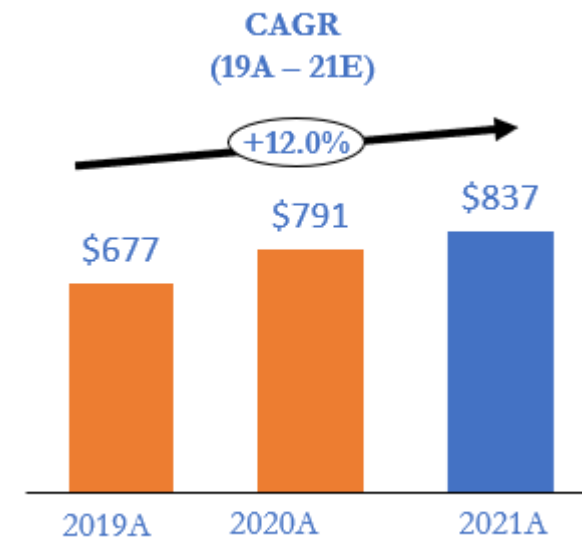
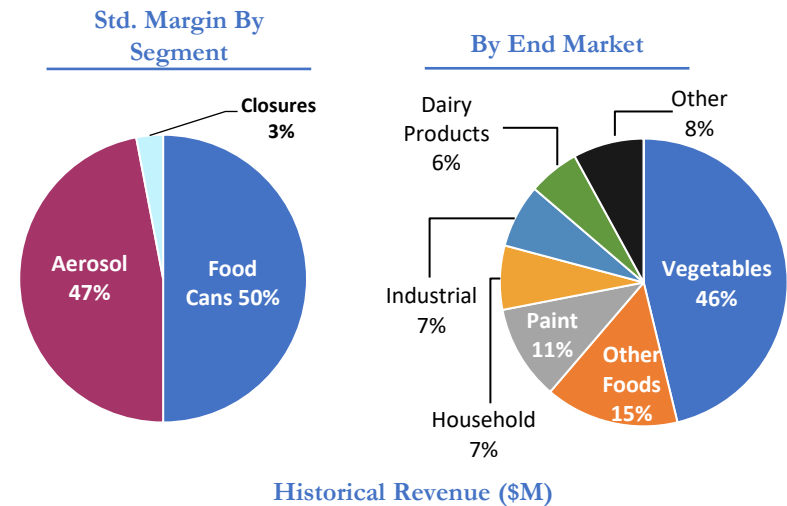
Foods Cans



Closures / Components



2021 Margin and End Market Breakdown



• ¹ Includes Meat and Poultry, Fruit, Fruit / Vegetable Juices, Seafoods, and Pet Foods for Food Cans, and Distributor, Consumer, and Chemical for Aerosol Cans

Exposure to Diversified, Predictable and Recession-Resilient End Markets

Tinplate cans are strong, cost-effective, brandable and easy-to-use, making it an attractive packaging form across a diverse array of end markets

Diversification

- **Paint:** spray paints allow for quick applications with limited clean-up and unintended mess
- **Household:** aerosol cans offer the most precise and convenient product application without the need for physical contact or concern of leakage or contamination
- **Food:** more durable and longer shelf life relative to other packaging substrates at an inexpensive price point

Recession Resilience

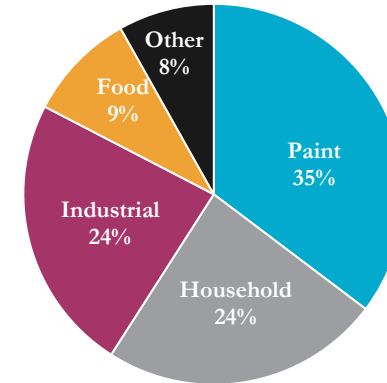
- **Low Price Point:** drives counter-cyclicality as demand for low-cost options increases during periods of economic downturn
 - Particularly relevant for Sonoco's private-label customers
- **Consumer Staples:** food / nutrition, health and hygiene see limited or very limited cutbacks regardless of financial situation
- **Low Substitution Risk:** Limited substrate substitution risk associated with existing customer base as ~90% of customers sell only canned goods



Source: Food can volumes per CMI, aerosol can volumes per HCPA

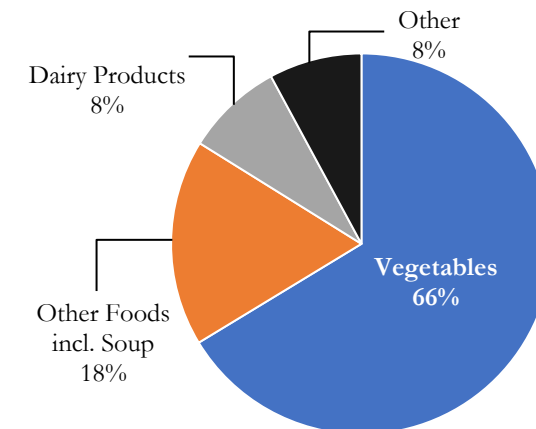
¹ Includes Distributor, Consumer, Chemical. ² Includes Seafoods, Pet Foods, Meat and Poultry, Fruit / Vegetable Juices, Fruit.

Sonoco Aerosol Can End Market Breakdown



2021 SMP Aerosol Can Shipments and Production: ~1.0B units

Sonoco Food Can End Market Breakdown



2021 SMP Food Can Shipments and Production: 2.5B units

Appendix



P&L Summary (Base)

Full Year 2021 Vs. 2020

Dollars in millions

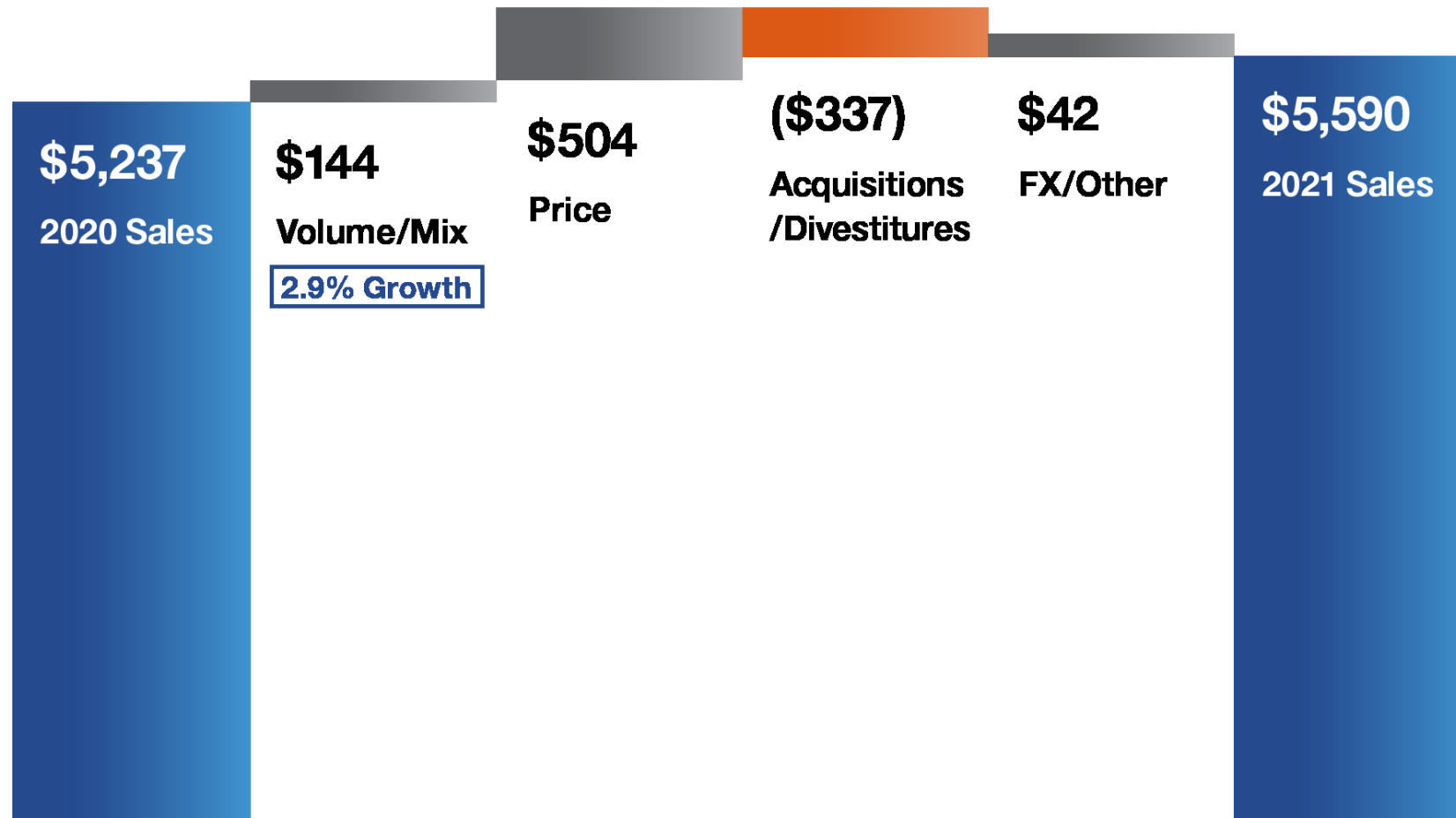
	2021	2020	Vs. Prior Year
Net sales	\$ 5,590	\$ 5,237	\$ 353
Gross profit	1,062	1,046	16
SG&A expenses, net of Other Income	(547)	(519)	(28)
Operating profit	\$ 515	\$ 527	\$ (12)
Net interest	(61)	(72)	11
Provision for income taxes	(107)	(114)	7
Net Income, after tax	\$ 347	\$ 341	\$ 6
Equity in affiliates and Minority interest	9	5	4
Net income attributable to Sonoco	\$ 356	\$ 346	\$ 10
EBITDA	\$ 757	\$ 781	\$ (24)
Gross profit %	19.0%	20.0%	
SG&A, net %	9.8%	9.9%	
Operating profit %	9.2%	10.1%	
EBITDA %	13.5%	14.9%	
Effective tax rate	23.6%	25.1%	



Note: Totals and Percentages are based on unrounded amounts

Sales Bridge

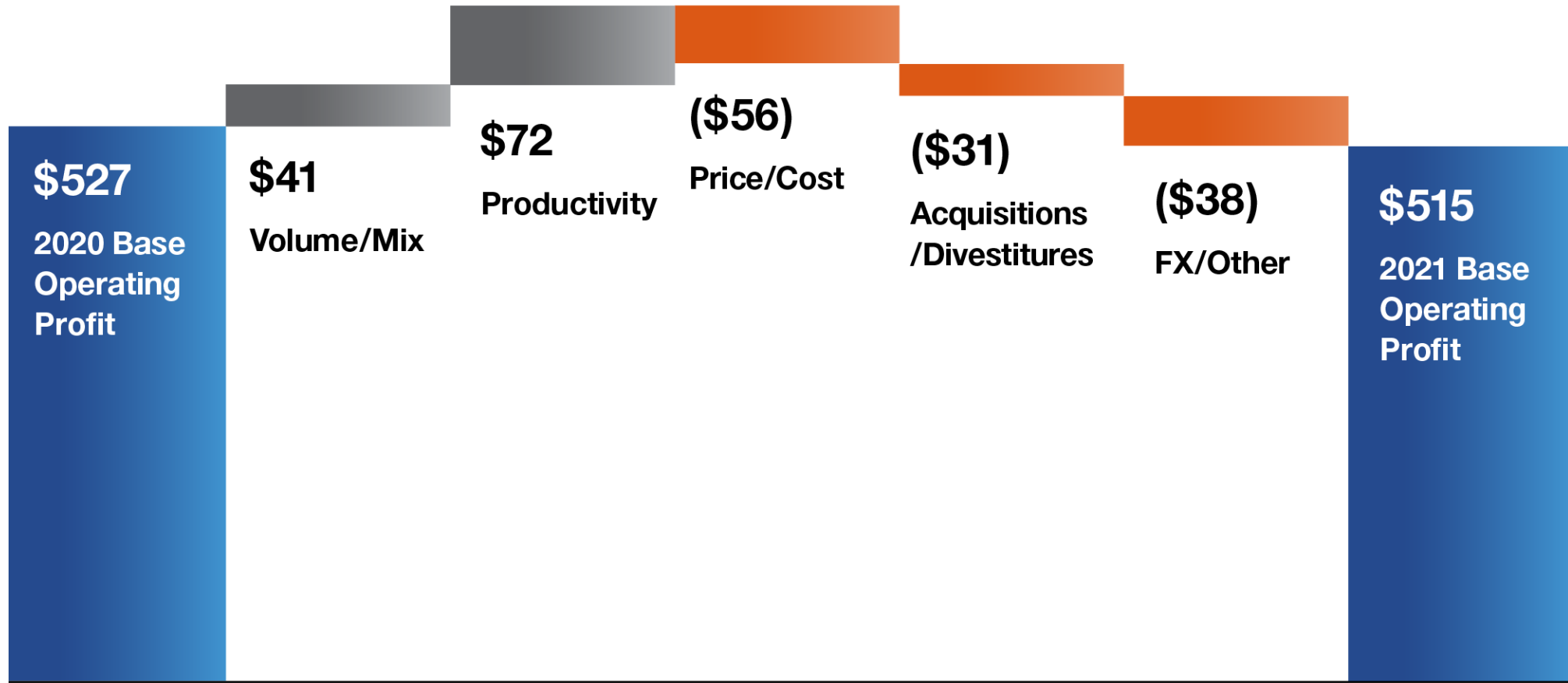
Full Year 2021 Vs. 2020
Dollars in millions



Base Operating Profit Bridge

Full Year 2021 Vs. 2020

Dollars in millions



Segment Analysis

Full Year 2021 Vs. 2020

Dollars in millions

	Net Sales			Base Operating Profit		
	2021	2020	% Change	2021	2020	% Change
Consumer Packaging	\$ 2,368	\$ 2,230	6.2 %	\$ 253	\$ 278	(9.2)%
Industrial Paper Packaging	2,464	1,991	23.7 %	218	177	23.5 %
All Other	758	1,016	(25.4)%	44	72	(38.4)%
Total Sonoco	\$ 5,590	\$ 5,237	6.7 %	\$ 515	\$ 527	(2.2)%

	Operating Profit As % Of Sales		Margin Change
Consumer Packaging	10.7 %	12.5 %	(1.8)%
Industrial Paper Packaging	8.9 %	8.9 %	— %
All Other	5.8 %	7.1 %	(1.3)%
Total Sonoco	9.2 %	10.1 %	(0.8)%

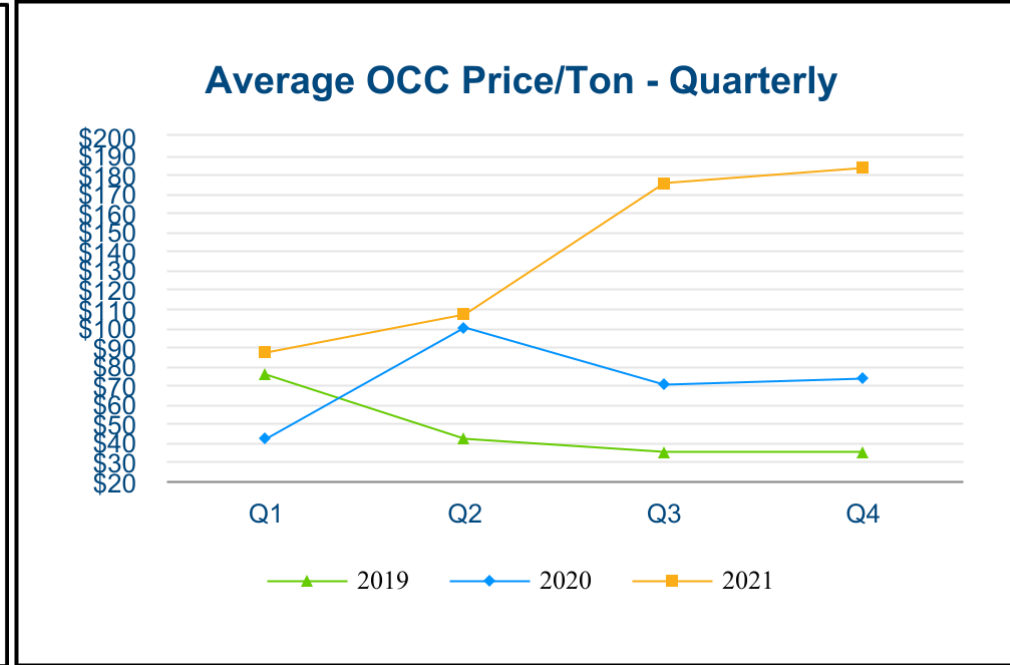
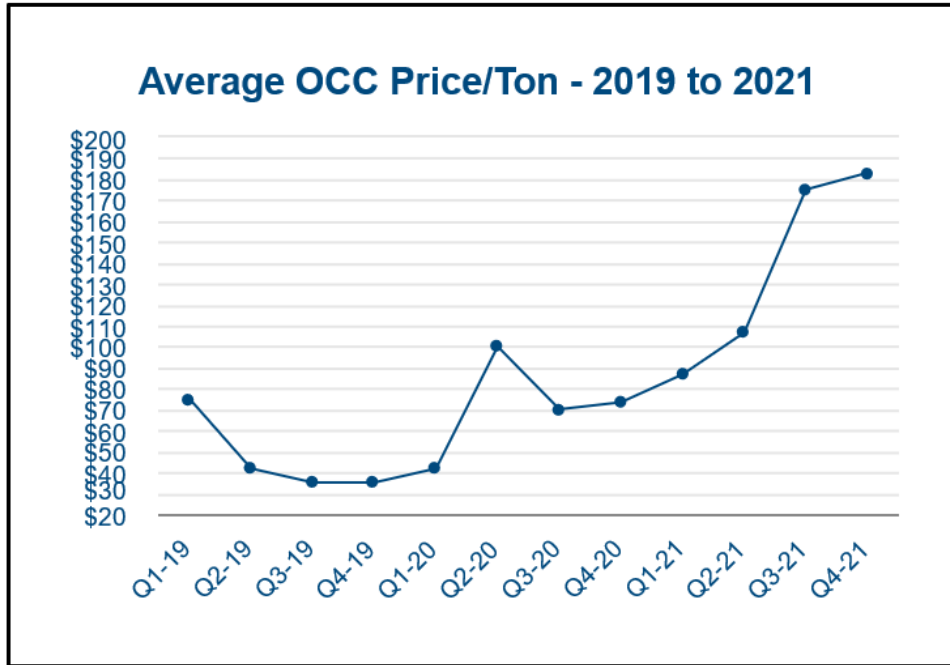


Note: Totals and Percentages are based on unrounded amounts

OCC: Official Board Market

4th Quarter: 2021 Vs. 2020

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	95	100	125	107	145	185	195	175	195	185	170	183

