

Sonoco Products Company

Reconciliation of Non-GAAP Financial Measures

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 U.S. generally accepted accounting principles ("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

To assess and communicate the financial performance of the Company, Sonoco's management uses, both internally and externally, certain financial performance measures that are not in conformity with GAAP. These "non-GAAP" financial measures reflect adjustments to the net income attributable to the Company's GAAP operating results to exclude amounts, including the associated tax effects, relating to:

- restructuring/asset impairment charges¹;
- acquisition, integration, and divestiture-related costs;
- gains or losses from the divestiture of businesses and other assets;
- losses from the early extinguishment of debt;
- non-operating pension costs;
- amortization expense on acquisition intangibles;
- changes in last-in, first-out ("LIFO") inventory reserves;
- certain income tax events and adjustments;
- derivative gains/losses;
- other non-operating income and losses; and
- certain other items, if any.

¹ Restructuring and restructuring-related asset impairment charges are a recurring item as the Company'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.

The Company's management believes the exclusion of the amounts relating to the above-listed items improves the period-to-period comparability and analysis of the underlying financial performance of the business. Non-GAAP figures are identified using the term "Adjusted," for example, "Adjusted Operating Profit," "Adjusted Net Income Attributable to Sonoco" (referred to as "Adjusted Earnings") and "Adjusted Diluted Earnings Per Share."

In addition to the "Adjusted" results described above, the Company also uses Adjusted EBITDA and Adjusted EBITDA Margin. Adjusted EBITDA is defined as net income excluding the following: interest expense; interest income; provision for income taxes; depreciation, depletion and amortization expense; non-operating pension costs; net income/loss attributable to noncontrolling interests; restructuring/asset impairment charges; changes in LIFO inventory reserves; gains/losses from the divestiture of businesses and other assets; acquisition, integration and divestiture-related costs; other income; derivative gains/losses; and other non-GAAP adjustments, if any, that may arise from time to time. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net sales.

The Company's non-GAAP financial measures are not calculated in accordance with, nor are they an alternative for, measures conforming to GAAP, and they may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles.

The Company presents these non-GAAP financial measures to provide investors with information to evaluate Sonoco's operating results in a manner similar to how management evaluates business performance. The Company consistently applies its non-GAAP financial measures presented herein and uses them for internal planning and forecasting purposes, to evaluate its ongoing operations, and to evaluate the ultimate performance of

management and each business unit against plans/forecasts. In addition, these same non-GAAP financial measures are used in determining incentive compensation for the entire management team and in providing earnings guidance to the investing community.

Material limitations associated with the use of such measures include that they do not reflect all period costs included in operating expenses and may not be comparable with similarly named financial measures of other companies. Furthermore, the calculations of these non-GAAP financial 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 any limitations in such non-GAAP financial measures, management believes that it is useful in evaluating the Company's results to review both GAAP information, which includes all of the items impacting financial results, and the related non-GAAP financial measures that exclude certain elements, as described above. Further, Sonoco management does not, nor does it suggest that investors should, consider any non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Whenever reviewing a non-GAAP financial measure, investors are encouraged to review the related reconciliation to understand how it differs from the most directly comparable GAAP measure.

The following tables reconcile the Company's non-GAAP financial measures to their most directly comparable GAAP financial measures for each of the periods presented:

Adjusted Operating Profit, Adjusted Income Before Income Taxes, Adjusted Provision for Income Taxes, Adjusted Net Income Attributable to Sonoco, and Adjusted Diluted Earnings Per Share (“EPS”)

| | For the three-month period ended June 30, 2024 | | | | |
|--|---|-----------------------------------|-----------------------------------|--|--------------------|
| <i>Dollars in thousands, except per share data</i> | Operating Profit | Income Before Income Taxes | Provision for Income Taxes | Net Income Attributable to Sonoco | Diluted EPS |
| As Reported (GAAP) | \$ 140,372 | \$ 115,984 | \$ 27,307 | \$ 90,811 | \$ 0.92 |
| Acquisition, integration and divestiture-related costs | 22,269 | 22,269 | 5,706 | 16,563 | 0.17 |
| Changes in LIFO inventory reserves | (1,418) | (1,418) | (356) | (1,062) | (0.01) |
| Amortization of acquisition intangibles | 22,511 | 22,511 | 5,536 | 16,975 | 0.17 |
| Restructuring/Asset impairment charges | 19,250 | 19,250 | 3,190 | 16,116 | 0.16 |
| Gain on divestiture of business and other assets | (4,478) | (4,478) | 1,222 | (5,700) | (0.06) |
| Other income, net | — | (5,867) | — | (5,867) | (0.06) |
| Non-operating pension costs | — | 4,170 | 1,032 | 3,138 | 0.03 |
| Net gains from derivatives | (3,485) | (3,485) | (876) | (2,609) | (0.03) |
| Other adjustments | (2,056) | (1,634) | (26) | (1,608) | (0.02) |
| Total adjustments¹ | 52,593 | 51,318 | 15,428 | 35,946 | \$ 0.36 |
| Adjusted | 192,965 | 167,302 | 42,735 | 126,757 | \$ 1.28 |

*Due to rounding individual items may not sum across

¹The difference between GAAP Gross Profit of \$357,354 and Adjusted Gross Profit of \$355,936 is attributable to “Changes in LIFO inventory reserves” shown above. The financial measure titled “SG&A Expenses, net of Other Income” on the schedule “P&L Summary (Adjusted) Second Quarter: 2024 Vs. 2023” is the sum of the GAAP measures of “Selling, general and administrative expenses,” “Restructuring/Asset impairment charges,” and “Loss on divestiture of business and other assets,” \$216,982, adjusted for the remaining items above, for an Adjusted total of \$162,971.

For the three-month period ended July 2, 2023

| <i>Dollars in thousands, except per share data</i> | Operating Profit | Income Before Income Taxes | Provision for Income Taxes | Net Income Attributable to Sonoco | Diluted EPS |
|--|-------------------------|-----------------------------------|-----------------------------------|--|--------------------|
| As Reported (GAAP) | \$ 187,859 | \$ 152,177 | \$ 40,740 | \$ 114,649 | \$ 1.16 |
| Acquisition, integration and divestiture-related costs | 4,532 | 4,532 | 990 | 3,542 | 0.03 |
| Changes in LIFO inventory reserves | (1,575) | (1,575) | (395) | (1,180) | (0.01) |
| Amortization of acquisition intangibles | 20,539 | 20,539 | 4,992 | 15,547 | 0.16 |
| Restructuring/Asset impairment charges | 6,057 | 6,057 | 1,325 | 4,669 | 0.05 |
| Gain on divestiture of business and other assets | (7,371) | (7,371) | (1,825) | (5,546) | (0.06) |
| Non-operating pension costs | — | 3,342 | 828 | 2,514 | 0.03 |
| Net gains from derivatives | (4,288) | (4,288) | (1,070) | (3,219) | (0.04) |
| Other adjustments | 5,187 | 5,187 | 212 | 4,975 | 0.06 |
| Total adjustments ¹ | 23,081 | 26,423 | 5,057 | 21,302 | \$ 0.22 |
| Adjusted | 210,940 | 178,600 | 45,797 | 135,951 | \$ 1.38 |

*Due to rounding individual items may not sum across

¹The difference between GAAP Gross Profit of \$357,318 and Adjusted Gross Profit of \$355,742 is attributable to the “LIFO reserve change” shown above. The financial measure titled “SG&A Expenses, net of Other Income” on the schedule “P&L Summary (Adjusted) Second Quarter: 2024 Vs. 2023” is the sum of the GAAP measures of “Selling, general and administrative expenses,” “Restructuring/Asset impairment charges,” and “Loss on divestiture of business and other assets,” \$169,459, adjusted for the remaining items above, for an Adjusted total of \$144,805.

For the six-month period ended June 30, 2024

| <i>Dollars in thousands, except per share data</i> | Operating Profit | Income Before Income Taxes | Provision for Income Taxes | Net Income Attributable to Sonoco | Diluted EPS |
|--|-------------------------|-----------------------------------|-----------------------------------|--|--------------------|
| As Reported (GAAP) | \$ 252,825 | \$ 197,480 | \$ 44,667 | \$ 155,988 | \$ 1.57 |
| Acquisition, integration and divestiture-related costs | 27,930 | 27,930 | 7,158 | 20,772 | 0.21 |
| Changes in LIFO inventory reserves | (987) | (987) | (248) | (739) | (0.01) |
| Amortization of acquisition intangibles | 45,450 | 45,450 | 11,109 | 34,341 | 0.35 |
| Restructuring/Asset impairment charges | 50,868 | 50,868 | 10,256 | 40,702 | 0.41 |
| Gain on divestiture of business and other assets | (4,478) | (4,478) | 1,222 | (5,700) | (0.06) |
| Other income, net | — | (5,867) | — | (5,867) | (0.06) |
| Non-operating pension costs | — | 7,465 | 1,855 | 5,610 | 0.06 |
| Net gains from derivatives | (3,771) | (3,771) | (948) | (2,823) | (0.03) |
| Other adjustments | 1,124 | 1,546 | 5,580 | (4,034) | (0.04) |
| Total adjustments | \$ 116,136 | \$ 118,156 | \$ 35,984 | \$ 82,262 | \$ 0.83 |
| Adjusted | \$ 368,961 | \$ 315,636 | \$ 80,651 | \$ 238,250 | \$ 2.40 |

Due to rounding, individual items may not sum appropriately.

¹The difference between GAAP Gross Profit of \$694,907 and Adjusted Gross Profit of \$693,920 is attributable to “Changes in LIFO inventory reserves” shown above. The financial measure titled “SG&A Expenses, net of Other Income” on the schedule “P&L Summary (Adjusted) Second Quarter: 2024 Vs. 2023” is the sum of the GAAP measures of “Selling, general and administrative expenses,” “Restructuring/Asset impairment charges,” and “Gain on divestiture of business and other assets,” \$442,082, adjusted for the remaining items above, for an Adjusted total of \$324,959.

For the six-month period ended July 2, 2023

| <i>Dollars in thousands, except per share data</i> | Operating Profit | Income Before Income Taxes | Provision for Income Taxes | Net Income Attributable to Sonoco | Diluted EPS |
|--|-------------------------|-----------------------------------|-----------------------------------|--|--------------------|
| As Reported (GAAP) | \$ 417,507 | \$ 345,497 | \$ 87,652 | \$ 262,968 | \$ 2.66 |
| Acquisition, integration and divestiture-related costs | 9,720 | 9,720 | 2,270 | 7,450 | 0.08 |
| Changes in LIFO inventory reserves | (7,000) | (7,000) | (1,749) | (5,252) | (0.05) |
| Amortization of acquisition intangibles | 41,703 | 41,703 | 10,119 | 31,584 | 0.32 |
| Restructuring/Asset impairment charges | 34,871 | 34,871 | 7,959 | 26,683 | 0.27 |
| Gain on divestiture of business and other assets | (79,381) | (79,381) | (18,947) | (60,434) | (0.61) |
| Non-operating pension costs | — | 7,000 | 1,737 | 5,263 | 0.05 |
| Net losses from derivatives | 1,797 | 1,797 | 448 | 1,348 | 0.01 |
| Other adjustments | 5,144 | 5,144 | 1,167 | 3,979 | 0.04 |
| Total adjustments | \$ 6,854 | \$ 13,854 | \$ 3,004 | \$ 10,621 | \$ 0.11 |
| Adjusted | \$ 424,361 | \$ 359,351 | \$ 90,656 | \$ 273,589 | \$ 2.77 |

Due to rounding, individual items may not sum appropriately.

¹The difference between GAAP Gross Profit of \$731,746 and Adjusted Gross Profit of \$724,746 is attributable to “Changes in LIFO inventory reserves” shown above. The financial measure titled “SG&A Expenses, net of Other Income” on the schedule “P&L Summary (Adjusted) Second Quarter: 2024 Vs. 2023” is the sum of the GAAP measures of “Selling, general and administrative expenses” and “Restructuring/Asset impairment charges,” \$314,239, adjusted for the remaining items above, for an Adjusted total of \$300,387.

Adjusted EBITDA and Adjusted EBITDA Margin

| EBITDA Reconciliation | Three Months Ended | |
|--|---------------------------|---------------------|
| | June 30, 2024 | July 2, 2023 |
| <i>Dollars in thousands</i> | | |
| Net income attributable to Sonoco | \$ 90,811 | \$ 114,649 |
| Adjustments | | |
| Interest expense | 29,640 | 34,284 |
| Interest income | (3,555) | (1,944) |
| Provision for income taxes | 27,307 | 40,740 |
| Depreciation, depletion, and amortization | 89,486 | 81,679 |
| Non-operating pension costs | 4,170 | 3,342 |
| Net income attributable to noncontrolling interests | 140 | 100 |
| Restructuring/Asset impairment charges | 19,250 | 6,057 |
| Changes in LIFO inventory reserves | (1,418) | (1,575) |
| Gain from divestiture of business and other assets | (4,478) | (7,371) |
| Acquisition, integration and divestiture-related costs | 22,269 | 4,532 |
| Other income, net | (5,867) | — |
| Net gains from derivatives | (3,485) | (4,288) |
| Other adjustments | (2,056) | 5,187 |
| Adjusted EBITDA | \$ 262,214 | \$ 275,392 |
| Net Sales | \$ 1,623,479 | \$ 1,705,290 |
| Net Income Margin | 5.6 % | 6.7 % |
| Adjusted EBITDA Margin | 16.2 % | 16.1 % |

Segment Adjusted EBITDA and All Other Adjusted EBITDA Reconciliation

For the Three Months Ended June 30, 2024

| <i>Dollars in thousands</i> | Consumer Packaging segment | Industrial Paper Packaging segment | All Other | Corporate | Total |
|--|----------------------------|------------------------------------|------------------|--------------------|-------------------|
| Segment and Total Operating Profit | \$ 112,142 | \$ 66,958 | \$ 13,865 | \$ (52,593) | \$ 140,372 |
| Adjustments: | | | | | |
| Depreciation, depletion and amortization | 35,617 | 28,641 | 2,717 | 22,511 | 89,486 |
| Equity in earnings of affiliates, net of tax | 35 | 2,239 | — | — | 2,274 |
| Restructuring/Asset impairment charges | — | — | — | 19,250 | 19,250 |
| Changes in LIFO inventory reserves | — | — | — | (1,418) | (1,418) |
| Acquisition, integration and divestiture-related costs | — | — | — | 22,269 | 22,269 |
| Gains from divestiture of business | — | — | — | (4,478) | (4,478) |
| Net gains from derivatives | — | — | — | (3,485) | (3,485) |
| Other adjustments | — | — | — | (2,056) | (2,056) |
| Segment Adjusted EBITDA | \$ 147,794 | \$ 97,838 | \$ 16,582 | \$ — | \$ 262,214 |
| Net Sales | \$ 927,729 | \$ 600,770 | \$ 94,980 | | |
| Segment Operating Profit Margin | 12.1 % | 11.1 % | 14.6 % | | |
| Segment Adjusted EBITDA Margin | 15.9 % | 16.3 % | 17.5 % | | |

Segment Adjusted EBITDA and All Other Adjusted EBITDA Reconciliation

For the Three Months Ended July 2, 2023

| <i>Dollars in thousands</i> | Consumer Packaging segment | Industrial Paper Packaging segment | All Other | Corporate | Total |
|--|----------------------------|------------------------------------|------------------|--------------------|-------------------|
| Segment and Total Operating Profit | \$ 101,115 | \$ 87,040 | \$ 22,785 | \$ (23,081) | \$ 187,859 |
| Adjustments: | | | | | |
| Depreciation, depletion and amortization | 32,465 | 25,008 | 3,667 | 20,539 | 81,679 |
| Equity in earnings of affiliates, net of tax | 134 | 3,178 | — | — | 3,312 |
| Restructuring/Asset impairment charges | — | — | — | 6,057 | 6,057 |
| Changes in LIFO inventory reserves | — | — | — | (1,575) | (1,575) |
| Acquisition, integration and divestiture-related costs | — | — | — | 4,532 | 4,532 |
| Gain from divestiture of business and other assets | — | — | — | (7,371) | (7,371) |
| Net gains from derivatives | — | — | — | (4,288) | (4,288) |
| Other adjustments | — | — | — | 5,187 | 5,187 |
| Segment Adjusted EBITDA | \$ 133,714 | \$ 115,226 | \$ 26,452 | \$ — | \$ 275,392 |
| Net Sales | \$ 971,320 | \$ 585,143 | \$ 148,827 | | |
| Segment Operating Profit Margin | 10.4 % | 14.9 % | 15.3 % | | |
| Segment Adjusted EBITDA Margin | 13.8 % | 19.7 % | 17.8 % | | |

Net debt is a non-GAAP financial measure consisting of the total of the Company's short and long-term debt less cash and cash equivalents. The ratio of net debt to adjusted EBITDA is a measurement of leverage showing the number of years it would take for a company to repay its debt if net debt and adjusted EBITDA are held constant. The reconciliation below shows the calculation of net debt to adjusted EBITDA for the periods presented.

Net Debt to Adjusted EBITDA

| <i>Dollars in millions</i> | For the period ended | | | | | |
|---|----------------------|----------------------------|-------------------|------------------------------|-------------------|----------------------------|
| | December 31, 2021 | April 3, 2022 ¹ | December 31, 2022 | October 1, 2023 ¹ | December 31, 2023 | June 30, 2024 ¹ |
| Notes payable and current portion of long-term debt | \$ 412 | \$ 441 | \$ 502 | \$ 42 | \$ 47 | \$ 485 |
| Long-term debt | 1,199 | 2,730 | 2,720 | 3,212 | 3,036 | 2,542 |
| Total Debt | 1,611 | 3,171 | 3,222 | 3,255 | 3,083 | 3,027 |
| Less: Cash and cash equivalents | 171 | 152 | 227 | 258 | 152 | 140 |
| Net Debt | \$ 1,440 | \$ 3,019 | \$ 2,995 | \$ 2,997 | \$ 2,931 | \$ 2,887 |
| Adjusted EBITDA | \$ 771 | \$ 880 | \$ 1,162 | \$ 1,077 | \$ 1,067 | \$ 1,023 |
| Net Debt to Adjusted EBITDA | 1.87 | 3.43 | 2.58 | 2.78 | 2.75 | 2.82 |

¹Adjusted EBITDA for this interim period is for the trailing twelve months.

Adjusted EBITDA and Adjusted EBITDA Margin

| <i>Dollars in thousands</i> | Six Months Ended | |
|--|-------------------|-------------------|
| | June 30, 2024 | July 2, 2023 |
| Net income attributable to Sonoco | \$ 155,988 | \$ 262,968 |
| Adjustments | | |
| Interest expense | 60,860 | 68,516 |
| Interest income | (7,113) | (3,506) |
| Provision for income taxes | 44,667 | 87,652 |
| Depreciation, depletion and amortization | 180,045 | 163,817 |
| Non-operating pension costs | 7,465 | 7,000 |
| Net income attributable to noncontrolling interests | 236 | 45 |
| Restructuring/Asset impairment charges | 50,868 | 34,871 |
| Changes in LIFO inventory reserves | (987) | (7,000) |
| Gain from divestiture of business and other assets | (4,478) | (79,381) |
| Other income, net | (5,867) | — |
| Acquisition, integration and divestiture-related costs | 27,930 | 9,720 |
| Net (gains)/losses from derivatives | (3,771) | 1,796 |
| Other adjustments | 1,124 | 5,144 |
| Adjusted EBITDA | \$ 506,967 | \$ 551,642 |
| Net Sales | \$ 3,261,022 | \$ 3,435,073 |
| Net Income Margin | 4.8 % | 7.7 % |
| Adjusted EBITDA Margin | 15.5 % | 16.1 % |

Segment Adjusted EBITDA and All Other Adjusted EBITDA Reconciliation

For the Six Months Ended June 30, 2024

| <i>Dollars in thousands</i> | Consumer Packaging segment | Industrial Paper Packaging segment | All Other | Corporate | Total |
|--|----------------------------------|---|------------------|---------------------|-------------------|
| Segment and Total Operating Profit | \$ 205,169 | \$ 132,802 | \$ 30,990 | \$ (116,136) | \$ 252,825 |
| Adjustments: | | | | | |
| Depreciation, depletion and amortization | 71,082 | 57,144 | 6,369 | 45,450 | 180,045 |
| Equity in earnings of affiliates, net of tax | 47 | 3,364 | — | — | 3,411 |
| Restructuring/Asset impairment charges | — | — | — | 50,868 | 50,868 |
| Changes in LIFO inventory reserves | — | — | — | (987) | (987) |
| Acquisition, integration and divestiture-related costs | — | — | — | 27,930 | 27,930 |
| Gains from divestiture of business | — | — | — | (4,478) | (4,478) |
| Net gains from derivatives | — | — | — | (3,771) | (3,771) |
| Other adjustments | — | — | — | 1,124 | 1,124 |
| Segment Adjusted EBITDA | \$ 276,298 | \$ 193,310 | \$ 37,359 | \$ — | \$ 506,967 |
| Net Sales | \$1,838,306 | \$1,193,830 | \$ 228,886 | | |
| Segment Operating Profit Margin | 11.2 % | 11.1 % | 13.5 % | | |
| Segment Adjusted EBITDA Margin | 15.0 % | 16.2 % | 16.3 % | | |

Segment Adjusted EBITDA and All Other Adjusted EBITDA Reconciliation

For the Six Months Ended July 2, 2023

| <i>Dollars in thousands</i> | Consumer Packaging segment | Industrial Paper Packaging segment | All Other | Corporate | Total |
|--|----------------------------------|---|------------------|-------------------|-------------------|
| Segment and Total Operating Profit | \$ 197,608 | \$ 181,407 | \$ 45,345 | \$ (6,853) | \$ 417,507 |
| Adjustments: | | | | | |
| Depreciation, depletion, and amortization | 65,015 | 49,886 | 7,213 | 41,703 | 163,817 |
| Equity in earnings of affiliates, net of tax | 209 | 4,959 | — | — | 5,168 |
| Restructuring/Asset impairment charges | — | — | — | 34,871 | 34,871 |
| Changes in LIFO inventory reserves | — | — | — | (7,000) | (7,000) |
| Acquisition, integration and divestiture-related costs | — | — | — | 9,720 | 9,720 |
| Gains from divestiture of business and other assets | — | — | — | (79,381) | (79,381) |
| Net losses from derivatives | — | — | — | 1,796 | 1,796 |
| Other adjustments | — | — | — | 5,144 | 5,144 |
| Segment Adjusted EBITDA | \$ 262,832 | \$ 236,252 | \$ 52,558 | \$ — | \$ 551,642 |
| Net Sales | \$1,929,328 | \$1,200,998 | \$ 304,747 | | |
| Segment Operating Profit Margin | 10.2 % | 15.1 % | 14.9 % | | |
| Segment Adjusted EBITDA Margin | 13.6 % | 19.7 % | 17.2 % | | |