

**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 (referred to as "Adjusted") reflect adjustments to the net income attributable to the Company ("GAAP results") to exclude amounts, including the associated tax effects, relating to:

- restructuring/asset impairment charges<sup>1</sup>;
- 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.

<sup>1</sup>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 previously identified by the term "Base" are now identified using the term "Adjusted," for example, "Adjusted Operating Profit," "Adjusted Net Income" (referred to as "Adjusted Earnings"), and Adjusted Diluted Earnings per Share (referred to as "Adjusted EPS").

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 attributable to noncontrolling interests; restructuring/asset impairment charges; changes in LIFO inventory reserves; gains/losses from the divestiture of businesses and other assets; other income; acquisition, integration and divestiture-related costs; 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.

Whenever Sonoco uses a non-GAAP financial measure it provides a reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure. Investors are encouraged to review and consider these reconciliations.

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 Earnings Attributable to Sonoco, and Adjusted EPS**

<i>Dollars in thousands, except per share data</i>	For the three-month period ended December 31, 2023				
	Operating Profit	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to Sonoco	Diluted EPS
As Reported (GAAP)	\$ 135,346	\$ 102,553	\$ 22,275	\$ 81,242	\$ 0.82
Acquisition, integration and divestiture-related costs	4,063	4,063	2,158	1,905	0.02
Changes in LIFO inventory reserves	(1,631)	(1,631)	(414)	(1,217)	(0.01)
Amortization of acquisition intangibles	24,182	24,182	6,207	17,975	0.18
Restructuring/Asset impairment charges	3,952	3,952	576	3,378	0.03
Loss from divestiture of business and other assets	(85)	(85)	(253)	168	—
Other income, net	—	(2,714)	(694)	(2,020)	(0.02)
Non-operating pension costs	—	3,888	958	2,930	0.03
Net gain from derivatives	(397)	(397)	(100)	(297)	—
Other adjustments	1,389	1,360	4,013	(2,653)	(0.03)
Total adjustments <sup>1</sup>	31,473	32,618	12,451	20,169	\$ 0.20
Adjusted	166,819	135,171	34,726	101,411	\$ 1.02

\*Due to rounding individual items may not sum across

<sup>1</sup>The difference between GAAP Gross Profit of \$339,652 and Adjusted Gross Profit of \$338,021 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) Fourth Quarter: 2023 Vs. 2022” 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,” \$204,306, adjusted for the remaining items above, for an Adjusted total of \$171,202.

For the three-month period ended October 1, 2023						
Dollars in thousands, except per share data	Operating Profit	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to Sonoco		Diluted EPS
As Reported	\$ 162,937	\$ 166,782	\$ 39,351	\$ 130,749	\$ 1.32	
Acquisition, integration and divestiture-related costs	12,472	12,472	1,979	10,493	0.10	
Changes in LIFO inventory reserves	(3,186)	(3,186)	(816)	(2,370)	(0.02)	
Amortization of acquisition intangibles	21,379	21,379	5,197	16,182	0.16	
Restructuring/Asset impairment charges	18,110	18,110	4,385	13,974	0.14	
Loss on divestiture of business and other assets	537	537	125	412	—	
Other income, net	—	(36,943)	(8,929)	(28,014)	(0.28)	
Non-operating pension costs	—	3,424	852	2,572	0.03	
Net gain from derivatives	(3,310)	(3,310)	(830)	(2,480)	(0.03)	
Other adjustments	3,607	3,607	252	3,355	0.04	
Total adjustments <sup>1</sup>	49,609	16,090	2,215	14,124	\$ 0.14	
Adjusted	<u>212,546</u>	<u>182,872</u>	<u>41,566</u>	<u>144,873</u>	<u>\$ 1.46</u>	

\*Due to rounding individual items may not sum across

For the three-month period ended December 31, 2022						
Dollars in thousands, except per share data	Operating Profit	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to Sonoco		Diluted EPS
As Reported (GAAP)	\$ 126,918	\$ 94,845	\$ 1,797	\$ 97,204	\$ 0.98	
Acquisition, integration and divestiture-related costs	7,555	7,555	2,110	5,445	0.06	
Changes in LIFO inventory reserves	3,357	3,357	687	2,670	0.03	
Amortization of acquisition intangibles	20,065	20,065	4,888	15,177	0.15	
Restructuring/Asset impairment charges	13,553	13,553	3,930	9,238	0.09	
Non-operating pension costs	—	2,822	823	1,999	0.02	
Net loss from derivatives	11,083	11,083	2,761	8,322	0.08	
Other adjustments	1,299	1,299	15,911	(14,614)	(0.14)	
Total adjustments <sup>1</sup>	56,912	59,734	31,110	28,237	\$ 0.29	
Adjusted	<u>183,830</u>	<u>154,579</u>	<u>32,907</u>	<u>125,441</u>	<u>\$ 1.27</u>	

\*Due to rounding individual items may not sum across

<sup>1</sup>The difference between GAAP Gross Profit of \$313,937 and Adjusted Gross Profit of \$317,294 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) Fourth Quarter: 2023 Vs. 2022” is the sum of the GAAP measures of “Selling, general and administrative expenses” and “Restructuring/Asset impairment charges,” \$187,019, adjusted for the remaining items above, for an Adjusted total of \$133,465.

**For the twelve-month period ended December 31, 2023**

<i>Dollars in thousands, except per share data</i>	<b>Operating Profit</b>	<b>Income Before Income Taxes</b>	<b>Provision for Income Taxes</b>	<b>Net Income Attributable to Sonoco</b>	<b>Diluted EPS</b>
As Reported (GAAP)	\$ 715,790	\$ 614,832	\$ 149,278	\$ 474,959	\$ 4.80
Acquisition, integration, and divestiture-related costs	26,254	26,254	6,407	19,847	0.20
Changes in LIFO inventory reserves	(11,817)	(11,817)	(2,977)	(8,840)	(0.09)
Amortization of acquisition intangibles	87,264	87,264	21,523	65,741	0.66
Restructuring/Asset impairment charges	56,933	56,933	12,920	44,036	0.44
Gain on divestiture of business and other assets	(78,929)	(78,929)	(19,076)	(59,853)	(0.60)
Other income, net	—	(39,657)	(9,624)	(30,033)	(0.30)
Non-operating pension costs	—	14,312	3,547	10,765	0.11
Net gain from derivatives	(1,912)	(1,912)	(482)	(1,430)	(0.01)
Other adjustments	10,142	10,113	5,433	4,680	0.05
Total adjustments	\$ 87,935	\$ 62,561	\$ 17,671	\$ 44,913	\$ 0.46
Adjusted	\$ 803,725	\$ 677,393	\$ 166,949	\$ 519,872	\$ 5.26

*Due to rounding, individual items may not sum appropriately.*

<sup>1</sup>The difference between GAAP Gross Profit of \$1,435,654 and Adjusted Gross Profit of \$1,423,837 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) Third Quarter: 2023 Vs. 2022” 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,” \$719,864, adjusted for the remaining items above, for an Adjusted total of \$620,112.

**For the twelve-month period ended December 31, 2022**

<i>Dollars in thousands, except per share data</i>	<b>Operating Profit</b>	<b>Income Before Income Taxes</b>	<b>Provision for Income Taxes</b>	<b>Net Income Attributable to Sonoco</b>	<b>Diluted EPS</b>
As Reported (GAAP)	\$ 675,396	\$ 571,282	\$ 118,509	\$ 466,437	\$ 4.72
Acquisition, integration, and divestiture-related costs	70,210	70,210	17,640	52,570	0.53
Changes in LIFO inventory reserves	28,445	28,445	7,083	21,362	0.22
Amortization of acquisition intangibles	80,427	80,427	19,554	60,873	0.62
Restructuring/Asset impairment charges	56,910	56,910	11,269	45,542	0.46
Non-operating pension costs	—	7,073	2,007	5,066	0.05
Net loss from derivatives	8,767	8,767	2,183	6,584	0.07
Other adjustments	(290)	(426)	18,515	(18,941)	(0.19)
Total adjustments	\$ 244,469	\$ 251,406	\$ 78,251	\$ 173,056	\$ 1.76
Adjusted	\$ 919,865	\$ 822,688	\$ 196,760	\$ 639,493	\$ 6.48

*Due to rounding, individual items may not sum appropriately.*

<sup>1</sup>The difference between GAAP Gross Profit of \$1,439,649 and Adjusted Gross Profit of \$1,501,249 is attributable to “Changes in LIFO inventory reserves” shown above and acquisition-related costs of \$33,155 related to the partial amortization of the fair value step-up of finished goods inventory for Metal Packaging during the twelve-month period ended December 31, 2022. The financial measure titled “SG&A Expenses, net of Other Income” on the schedule “P&L Summary (Adjusted) Fourth Quarter: 2023 Vs. 2022” is the sum of the GAAP measures of “Selling, general and administrative expenses” and “Restructuring/Asset impairment charges,” \$764,253, adjusted for the remaining items above, for an Adjusted total of \$581,384.

**For the twelve-month period ended December 31, 2021**

<i>Dollars in thousands, except per share data</i>	<b>Operating Profit</b>	<b>Income Before Income Taxes</b>	<b>Provision for Income Taxes</b>	<b>Net Income Attributable to Sonoco</b>	<b>Diluted EPS</b>
As Reported (GAAP)	\$ 486,853	\$ (160,982)	\$ (67,430)	\$ (85,477)	\$ (0.86)
Acquisition, integration, and divestiture-related costs	17,722	17,722	3,534	14,188	0.14
Changes in LIFO inventory reserves	2,529	2,529	632	1,897	0.02
Amortization of acquisition intangibles	49,419	49,419	12,241	37,178	0.37
Restructuring/Asset impairment charges	14,210	14,210	5,363	8,847	0.11
Loss on divestiture of business	2,667	2,667	1,509	1,158	0.01
Non-operating pension costs	—	568,416	144,868	423,548	4.23
Loss on early extinguishment of debt	—	20,184	5,195	14,989	0.15
Net gain from derivatives	(4,036)	(4,036)	(1,082)	(2,954)	(0.03)
Other adjustments	(4,580)	(6,745)	14,410	(20,497)	(0.21)
Total adjustments	\$ 77,931	\$ 664,366	\$ 186,670	\$ 478,354	\$ 4.79
Adjusted	\$ 564,784	\$ 503,384	\$ 119,240	\$ 392,877	\$ 3.93

*Due to rounding, individual items may not sum appropriately.*

## Adjusted EBITDA and Adjusted EBITDA Margin

### EBITDA Reconciliation

<i>Dollars in thousands</i>	Three Months Ended		
	December 31, 2023	October 1, 2023	December 31, 2022
<b>Net income attributable to Sonoco</b>	\$ 81,242	\$ 130,749	\$ 97,204
<b>Adjustments</b>			
Interest expense	35,323	32,847	30,420
Interest income	(3,704)	(3,173)	(1,170)
Provision for income taxes	22,275	39,351	1,797
Depreciation, depletion, and amortization	91,601	85,570	77,729
Non-operating pension costs	3,888	3,424	2,822
Net income attributable to noncontrolling interests	588	309	(99)
Restructuring/Asset impairment charges	3,952	18,110	13,553
Changes in LIFO inventory reserves	(1,631)	(3,186)	3,357
(Gain)/Loss from divestiture of business and other assets	(85)	537	—
Acquisition, integration and divestiture-related costs	4,063	12,472	7,555
Other income, net	(2,714)	(36,943)	—
Net (gain)/loss from derivatives	(397)	(3,310)	11,083
Other non-GAAP adjustments	1,389	3,607	1,298
<b>Adjusted EBITDA</b>	<b>\$ 235,790</b>	<b>\$ 280,364</b>	<b>\$ 245,549</b>
Net Sales	\$ 1,635,800	\$ 1,710,419	\$ 1,676,022
Net Income Margin	5.0 %	7.6 %	5.8 %
Adjusted EBITDA Margin	14.4 %	16.4 %	14.6 %

### Adjusted EBITDA and Adjusted EBITDA Margin

<i>Dollars in thousands</i>	For the Year Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
<b>Net income attributable to Sonoco</b>	\$ 474,959	\$ 466,437	\$ (85,477)
Adjustments			
Interest expense	136,686	101,662	63,991
Interest income	(10,383)	(4,621)	(4,756)
Provision for income taxes	149,278	118,509	(67,430)
Depreciation, depletion, and amortization	340,988	308,824	245,184
Non-operating pension costs	14,312	7,073	568,416
Net income attributable to noncontrolling interests	942	543	2,766
Restructuring/Asset impairment charges	56,933	56,910	14,210
Changes in LIFO inventory reserves	(11,817)	28,445	2,529
(Gain)/Loss from divestiture of business and other assets	(78,929)	—	2,667
Other income, net	(39,657)	—	—
Acquisition, integration and divestiture-related costs	26,254	70,210	17,722
Loss from early extinguishment of debt	—	—	20,184
Net (gain)/loss from derivatives	(1,912)	8,767	(4,036)
Other non-GAAP adjustments	10,142	(290)	(4,580)
<b>Adjusted EBITDA</b>	<b>\$ 1,067,796</b>	<b>\$ 1,162,469</b>	<b>\$ 771,390</b>
Net Sales	\$ 6,781,292	\$ 7,250,552	\$ 5,590,438
Net Income Margin	7.0 %	6.4 %	(1.5)%
Adjusted EBITDA Margin	15.7 %	16.0 %	13.8 %

## **Free Cash Flow**

The Company uses the non-GAAP financial measure of “Free Cash Flow,” which it defines as cash flow from operations minus net capital expenditures. Net capital expenditures are defined as capital expenditures minus proceeds from the disposition of capital assets. Free Cash Flow may not represent the amount of cash flow available for general discretionary use because it excludes non-discretionary expenditures, such as mandatory debt repayments and required settlements of recorded and/or contingent liabilities not reflected in cash flow from operations.

<b>FREE CASH FLOW</b>	<b>Three Months Ended</b>		
	December 31, 2023	December 31, 2022	December 31, 2021
Net cash provided by operating activities	\$ 266,041	\$ 186,994	\$ 78,594
Purchase of property, plant and equipment, net	(100,601)	(88,416)	(96,797)
<b>Free Cash Flow</b>	<b>\$ 165,440</b>	<b>\$ 98,578</b>	<b>\$ (18,203)</b>

<b>FREE CASH FLOW</b>	<b>Twelve Months Ended</b>	
	December 31, 2023	December 31, 2022
Net cash provided by operating activities	\$ 882,918	\$ 509,049
Purchase of property, plant and equipment, net	(282,738)	(319,148)
<b>Free Cash Flow</b>	<b>\$ 600,180</b>	<b>\$ 189,901</b>