

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

The Company's results determined in accordance with U.S. generally accepted accounting principles ("GAAP") are referred to as "as reported" or "GAAP" results. The Company uses certain financial performance measures, both internally and externally, that are not in conformity with GAAP ("non-GAAP financial measures") to assess and communicate the financial performance of the Company. These non-GAAP financial measures, which are identified using the term "adjusted" (for example, "adjusted operating profit", "adjusted net income attributable to Sonoco", and "adjusted diluted EPS"), reflect adjustments 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 above-listed items improves the period-to-period comparability and analysis of the underlying financial performance of the business.

In addition to the "adjusted" results described above, the Company also uses Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt, and Net Leverage. 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. Net Debt is defined as the total of the Company's short and long-term debt less cash and cash equivalents. Net Leverage is defined as Net Debt divided by Adjusted EBITDA.

Adjusted EBITDA by segment is reconciled to the closest GAAP measure of segment profitability, segment operating profit as the Company does not calculate net income by segment. Segment operating profit is the measure of segment profit or loss reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance in accordance with Accounting Standards Codification 280 - "Segment Reporting," as prescribed by the Financial Accounting Standards Board.

Segment results, which are reviewed by the Company's management to evaluate segment performance, do not include the following: restructuring/asset impairment charges; amortization of acquisition intangibles; acquisition, integration and divestiture-related costs; changes in LIFO inventory reserves; gains/losses from the sale of businesses or other assets; gains/losses from derivatives; or certain other items, if any, the exclusion of which the Company believes improves the comparability and analysis of the ongoing operating performance of the business. Accordingly, the term "segment operating profit" is defined as the segment's portion of "operating profit" excluding those items. All other general corporate expenses have been allocated as operating costs to each of the Company's reportable segments and the All Other group of businesses, except for costs related to discontinued operations.

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 the three-month periods ended March 30, 2025 and March 31, 2024.

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")

| <i>Dollars in thousands, except per share data</i> | For the three-month period ended March 30, 2025 | | | | |
|---|---|----------------------------|----------------------------|-----------------------------------|-------------|
| | Operating Profit | Income Before Income Taxes | Provision for Income Taxes | Net Income Attributable to Sonoco | Diluted EPS |
| As Reported (GAAP) ¹ | \$ 126,860 | \$ 68,543 | \$ 21,147 | \$ 54,429 | \$ 0.55 |
| Acquisition, integration and divestiture-related costs ² | 27,266 | 27,266 | 6,637 | 30,295 | 0.30 |
| Changes in LIFO inventory reserves | 562 | 562 | 142 | 420 | — |
| Amortization of acquisition intangibles | 41,961 | 41,961 | 9,604 | 32,144 | 0.32 |
| Restructuring/Asset impairment charges | 13,581 | 13,581 | 3,200 | 10,715 | 0.11 |
| Loss on divestiture of business and other assets | 4,183 | 4,183 | 372 | 3,811 | 0.04 |
| Non-operating pension costs | — | 3,121 | 798 | 2,323 | 0.02 |
| Net gains from derivatives | (2,949) | (2,949) | (744) | (2,205) | (0.02) |
| Other adjustments ³ | 1,259 | 1,259 | (603) | 4,908 | 0.06 |
| Total adjustments ⁴ | 85,863 | 88,984 | 19,406 | 82,411 | 0.83 |
| Adjusted | \$ 212,723 | \$ 157,527 | \$ 40,553 | \$ 136,840 | \$ 1.38 |

Due to rounding, individual items may not sum appropriately.

¹Operating profit, income before income taxes, and provision for income taxes exclude results related to discontinued operations of \$37,791, \$12,979 and \$7,807, respectively.

²Acquisition, integration and divestiture-related costs relate mostly to the company's December 2024 acquisition of Eviosys and the divestiture of their TFP business on April 1, 2025.

³Other adjustments include discrete tax items primarily related to a \$3,500 tax expense due to the reduction of the deferred tax asset on the outside basis of certain held-for-sale entities.

⁴The difference between GAAP Gross Profit of \$353,687 and Adjusted Gross Profit of \$372,340 is attributable to amortization of the fair value step-up of finished goods inventory at Eviosys of \$17,949, "Changes in LIFO inventory reserves" shown above of \$562, and other items totaling \$142. The financial measure titled "SG&A Expenses" on the schedule "P&L Summary (Adjusted) First Quarter: 2025 Vs. 2024" 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," \$226,827, adjusted for the remaining items above, for an Adjusted total of \$159,617.

For the three-month period ended March 31, 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) ¹ | \$ 72,572 | \$ 42,246 | \$ 7,871 | \$ 65,177 | \$ 0.66 |
| Acquisition, integration and divestiture-related costs | 5,504 | 5,504 | 1,408 | 4,209 | 0.04 |
| Changes in LIFO inventory reserves | 431 | 431 | 108 | 323 | — |
| Amortization of acquisition intangibles | 17,894 | 17,894 | 4,368 | 17,366 | 0.18 |
| Restructuring/Asset impairment charges | 31,010 | 31,010 | 6,980 | 24,584 | 0.25 |
| Non-operating pension costs | — | 3,295 | 823 | 2,472 | 0.02 |
| Net gains from derivatives | (286) | (286) | (72) | (214) | — |
| Other adjustments | 3,323 | 3,323 | 5,653 | (2,425) | (0.03) |
| Total adjustments ² | 57,876 | 61,171 | 19,268 | 46,315 | 0.46 |
| Adjusted | \$ 130,448 | \$ 103,417 | \$ 27,139 | \$ 111,492 | \$ 1.12 |

Due to rounding, individual items may not sum appropriately.

¹ Operating profit, income before income taxes, and provision for income taxes exclude results related to discontinued operations of \$39,881, \$39,250 and \$9,489, respectively.

² The difference between GAAP Gross Profit of \$271,165 and Adjusted Gross Profit of \$271,596 is attributable to the “Changes in LIFO inventory reserves” shown above. The financial measure titled “SG&A Expenses” on the schedule “P&L Summary (Adjusted) First Quarter: 2025 Vs. 2024” 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,” \$198,593, adjusted for the remaining items above, for an Adjusted total of \$141,148.

Adjusted EBITDA

| <i>Dollars in thousands</i> | Three Months Ended | |
|--|---------------------------|-----------------------|
| | March 30, 2025 | March 31, 2024 |
| Net income attributable to Sonoco | \$ 54,429 | \$ 65,177 |
| Adjustments | | |
| Interest expense | 80,938 | 31,220 |
| Interest income | (7,629) | (3,558) |
| Provision for income taxes | 28,954 | 17,360 |
| Depreciation, depletion, and amortization | 121,492 | 90,559 |
| Non-operating pension costs | 3,121 | 3,295 |
| Net (income)/loss attributable to noncontrolling interests | 60 | 96 |
| Restructuring/Asset impairment charges | 14,007 | 31,618 |
| Changes in LIFO inventory reserves | 562 | 431 |
| Gain on divestiture of business and other assets | 4,183 | — |
| Acquisition, integration and divestiture-related costs | 39,942 | 5,661 |
| Net gains from derivatives | (2,949) | (286) |
| Other non-GAAP adjustments | 646 | 3,180 |
| Adjusted EBITDA¹ | \$ 337,756 | \$ 244,753 |

¹ Adjusted EBITDA is calculated on a total Company basis, including both continuing and discontinued operations.

**Segment Adjusted EBITDA and All Other Adjusted EBITDA, Adjusted EBITDA Margin Reconciliation
For the Three Months Ended March 30, 2025**

Excludes results of discontinued operations

| <i>Dollars in thousands</i> | Consumer segment | Industrial segment | All Other | Corporate | Total |
|---|-----------------------------|-------------------------------|------------------|--------------------|-------------------|
| Segment and Total Operating Profit | \$ 140,771 | \$ 71,124 | \$ 11,926 | \$ (96,961) | \$ 126,860 |
| Adjustments: | | | | | |
| Depreciation, depletion and amortization ¹ | 48,955 | 28,333 | 2,554 | 41,961 | 121,803 |
| Other (expenses)/income ² | — | — | — | (6,517) | (6,517) |
| Equity in (loss)/earnings of affiliates, net of tax | (51) | 1,972 | — | — | 1,921 |
| Restructuring/Asset impairment charges ³ | — | — | — | 13,581 | 13,581 |
| Changes in LIFO inventory reserves ⁴ | — | — | — | 562 | 562 |
| Acquisition, integration and divestiture-related costs ⁵ | — | — | — | 27,266 | 27,266 |
| Gain on divestiture of business and other assets ⁶ | — | — | — | 4,183 | 4,183 |
| Net gains from derivatives ⁷ | — | — | — | (2,949) | (2,949) |
| Other non-GAAP adjustments | — | — | — | 1,259 | 1,259 |
| Segment Adjusted EBITDA | \$ 189,675 | \$ 101,429 | \$ 14,480 | \$ (17,615) | \$ 287,969 |
| Net Sales | \$1,066,593 | \$ 557,709 | \$ 84,926 | | |
| Segment Operating Profit Margin | 13.2 % | 12.8 % | 14.0 % | | |
| Segment Adjusted EBITDA Margin | 17.8 % | 18.2 % | 17.1 % | | |

¹ Included in Corporate is the amortization of acquisition intangibles associated with the Consumer segment of \$36,502, the Industrial segment of \$5,265, and the All Other group of businesses of \$194.

² These expenses relate to charges from third-party financial institutions related to our centralized treasury program under which the Company sells certain trade accounts receivables from customers in order to accelerate its cash collection cycle primarily within the Consumer Packaging segment.

³ Included in Corporate are restructuring/asset impairment charges associated with the Consumer segment of \$1,220, the Industrial segment of \$12,401, and a gain in the All Other group of businesses of \$40.

⁴ Included in Corporate are changes in LIFO inventory reserves associated with the Consumer segment of \$562.

⁵ Included in Corporate are acquisition, integration and divestiture-related costs associated with the Consumer segment of \$20,072 and the Industrial segment of \$218.

⁶ Included in Corporate are losses on the divestiture of business associated with the Industrial segment of \$4,183 related to the sale of production facility in France and the entirety of our business in Venezuela.

⁷ Included in Corporate are net gains from derivatives associated with the Consumer segment of \$(284), the Industrial segment of \$(2,552), and the All Other group of businesses of \$(113).

**Segment Adjusted EBITDA and All Other Adjusted EBITDA, Adjusted EBITDA Margin Reconciliation
For the Three Months Ended March 31, 2024**

Excludes results of discontinued operations

| <i>Dollars in thousands</i> | Consumer segment | Industrial Paper Packaging segment | All Other | Corporate | Total |
|---|-----------------------------|---|------------------|--------------------|-------------------|
| Segment and Total Operating Profit | \$ 58,567 | \$ 65,844 | \$ 17,125 | \$ (68,964) | \$ 72,572 |
| Adjustments: | | | | | |
| Depreciation, depletion and amortization ¹ | 24,897 | 28,503 | 3,652 | 17,894 | 74,946 |
| Equity in earnings of affiliates, net of tax | 13 | 1,124 | — | — | 1,137 |
| Restructuring/Asset impairment charges ² | — | — | — | 31,010 | 31,010 |
| Changes in LIFO inventory reserves ³ | — | — | — | 431 | 431 |
| Acquisition, integration and divestiture-related costs ⁴ | — | — | — | 5,504 | 5,504 |
| Net gains from derivatives ⁵ | — | — | — | (286) | (286) |
| Other non-GAAP adjustments | — | — | — | 3,323 | 3,323 |
| Segment Adjusted EBITDA | \$ 83,477 | \$ 95,471 | \$ 20,777 | \$ (11,088) | \$ 188,637 |
| Net Sales | \$ 581,670 | \$ 593,060 | \$ 133,906 | | |
| Segment Operating Profit Margin | 10.1 % | 11.1 % | 12.8 % | | |
| Segment Adjusted EBITDA Margin | 14.4 % | 16.1 % | 15.5 % | | |

¹ Included in Corporate is the amortization of acquisition intangibles associated with the Consumer segment of \$11,057, the Industrial segment of \$6,631, and the All Other group of businesses of \$206.

² Included in Corporate are restructuring/asset impairment charges associated with the Consumer segment of \$4,317, the Industrial segment of \$22,603, and the All Other group of businesses of \$1,148.

³ Included in Corporate are changes in LIFO inventory reserves associated with the Consumer segment of \$92 and the Industrial segment of \$339.

⁴ Included in Corporate are acquisition, integration and divestiture-related costs associated with the Consumer segment of \$(280) and the Industrial segment of \$655.

⁵ Included in Corporate are net gains from derivatives associated with the Consumer segment of \$(43), the Industrial segment of \$(190), and the All Other group of businesses of \$(53).