

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, 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 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 at the midpoint of the 2025 Adjusted EBITDA guidance.

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.

The Company does not provide full year 2025 GAAP guidance due to the likely occurrence of one or more of the following, the timing and magnitude of which we are unable to reliably forecast without unreasonable efforts: restructuring costs and restructuring-related impairment charges, acquisition/divestiture-related costs, gains or losses from the sale of businesses or other assets, and the income tax effects of these items and/or other income tax-related events. These items could have a significant impact on the Company's future GAAP financial results. Accordingly, quantitative reconciliations of Adjusted EPS and Adjusted EBITDA guidance and Net Leverage to the nearest comparable GAAP measures have been omitted in reliance on the exception provided by Item 10 of Regulation S-K.

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")

<i>Dollars in thousands, except per share data</i>	For the three-month period ended June 29, 2025				
	Operating Profit	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to Sonoco	Diluted EPS
As Reported (GAAP) ¹	\$ 175,667	\$ 105,881	\$ 39,500	\$ 493,423	\$ 4.96
Acquisition, integration and divestiture-related costs ²	11,161	11,161	2,120	9,041	0.09
Changes in LIFO inventory reserves	1,193	1,193	291	902	0.01
Amortization of acquisition intangibles	44,193	44,193	9,401	34,792	0.35
Restructuring/Asset impairment charges	9,752	9,752	2,197	7,173	0.07
Loss/(Gain) on divestiture of business	2,083	2,083	514	(422,979)	(4.25)
Non-operating pension costs	—	2,982	761	2,221	0.02
Net losses from derivatives	2,154	2,154	548	1,606	0.02
Other adjustments ³	735	735	(9,201)	9,936	0.10
Total adjustments ⁴	71,271	74,253	6,631	(357,308)	(3.59)
Adjusted	\$ 246,938	\$ 180,134	\$ 46,131	\$ 136,115	\$ 1.37

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 \$625,773, \$625,773 and \$201,225, respectively.

² Acquisition, integration and divestiture-related costs relate mostly to the Company's December 2024 acquisition of Eviosys and the divestiture of TFP, which was completed on April 1, 2025.

³ Other adjustments include discrete tax items primarily related to tax rate changes on accumulated other comprehensive income ("AOCI") and rate differences between non-U.S. jurisdictions related to acquisitions/divestitures.

⁴ The difference between GAAP Gross Profit of \$406,277 and Adjusted Gross Profit of \$407,419 is attributable to amortization of the fair value step-up of finished goods inventory at Eviosys of (\$426), "Changes in LIFO inventory reserves" shown above of \$1,193, and other items totaling \$375. The financial measure titled "SG&A Expenses" on the schedule "P&L Summary (Adjusted) Second 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," \$230,610, adjusted for the remaining items above, for an Adjusted total of \$160,481.

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) ¹	\$ 95,811	\$ 71,893	\$ 16,756	\$ 90,811	\$ 0.92
Acquisition, integration and divestiture-related costs	22,092	22,092	5,656	16,563	0.17
Changes in LIFO inventory reserves	(1,418)	(1,418)	(356)	(1,062)	(0.01)
Amortization of acquisition intangibles	17,479	17,479	4,336	16,975	0.17
Restructuring/Asset impairment charges	17,963	17,963	2,862	16,116	0.16
Gain on divestiture of business	(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	(2,019)	(1,598)	(20)	(1,608)	(0.01)
Total adjustments ²	46,134	44,858	13,856	35,946	0.36
Adjusted	\$ 141,945	\$ 116,751	\$ 30,612	\$ 126,757	\$ 1.28

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 \$44,561, \$44,091 and \$10,551, respectively.

² The difference between GAAP Gross Profit of \$285,243 and Adjusted Gross Profit of \$283,825 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) Second Quarter: 2025 Vs. 2024” is the sum of the GAAP measures of “Selling, general and administrative expenses,” “Restructuring/Asset impairment charges,” and “Gain on divestiture of business” \$189,432, adjusted for the remaining items above, for an Adjusted total of \$141,881.

Adjusted EBITDA¹

Dollars in thousands	Three Months Ended	
	June 29, 2025	June 30, 2024
Net income attributable to Sonoco	\$ 493,423	\$ 90,811
Adjustments:		
Interest expense	64,367	29,640
Interest income	(4,122)	(3,555)
Provision for income taxes	240,725	27,307
Depreciation and amortization	129,475	89,486
Non-operating pension costs	2,982	4,170
Net (loss)/income attributable to noncontrolling interests	(224)	140
Restructuring/Asset impairment charges	9,752	19,250
Changes in LIFO inventory reserves	1,193	(1,418)
Gain on divestiture of business	(623,690)	(4,478)
Acquisition, integration and divestiture-related costs	11,161	22,269
Other income, net	—	(5,867)
Net losses/(gains) from derivatives	2,154	(3,485)
Other non-GAAP adjustments	735	(2,056)
Adjusted EBITDA	\$ 327,931	\$ 262,214

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

The Company does not calculate net income by segment; therefore, Adjusted EBITDA by segment is reconciled to the closest GAAP measure of segment profitability, segment operating profit. 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 All Other, except for costs related to discontinued operations. Total operating profit is composed of the sum of segment and All Other operating profit plus certain items that have been allocated to Corporate, including amortization of acquisition intangibles; restructuring/asset impairment charges; changes in LIFO inventory reserves; acquisition, integration and divestiture-related costs; gains/losses from the sale of businesses or other assets; gains/losses on derivatives; and certain other items that were excluded from segment and All Other operating profit.

Segment and All Other Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation
For the Three Months Ended June 29, 2025

Excludes results of discontinued operations

<i>Dollars in thousands</i>	Consumer Packaging segment	Industrial Paper Packaging segment	All Other	Corporate	Total
Segment and Total Operating Profit	\$ 160,353	\$ 81,231	\$ 13,109	\$ (79,026)	\$ 175,667
Adjustments:					
Depreciation and amortization ¹	52,801	29,838	2,643	44,193	129,475
Other expense ²	—	—	—	(6,559)	(6,559)
Equity in earnings of affiliates, net of tax	170	2,100	—	—	2,270
Restructuring/Asset impairment charges ³	—	—	—	9,752	9,752
Changes in LIFO inventory reserves ⁴	—	—	—	1,193	1,193
Acquisition, integration and divestiture-related costs ⁵	—	—	—	11,161	11,161
Loss on divestiture of business ⁶	—	—	—	2,083	2,083
Net loss from derivatives ⁷	—	—	—	2,154	2,154
Other non-GAAP adjustments	—	—	—	735	735
Segment Adjusted EBITDA	\$ 213,324	\$ 113,169	\$ 15,752	\$ (14,314)	\$ 327,931
Net Sales	\$1,227,033	\$ 588,239	\$ 95,169		
Segment Operating Profit Margin	13.1 %	13.8 %	13.8 %		
Segment Adjusted EBITDA Margin	17.4 %	19.2 %	16.6 %		

¹Included in Corporate is the amortization of acquisition intangibles associated with the Consumer Packaging segment of \$38,333, the Industrial Paper Packaging segment of \$5,655, and the All Other group of businesses of \$205.

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

³Included in Corporate are restructuring/asset impairment charges associated with the Consumer Packaging segment of \$1,479, the Industrial Paper Packaging segment of \$8,228, and the All Other group of businesses of \$5.

⁴Included in Corporate are changes in LIFO inventory reserves associated with the Consumer Packaging segment of \$1,193.

⁵Included in Corporate are acquisition, integration and divestiture-related costs associated with the Consumer Packaging segment of \$1,137 and the Industrial segment of \$213.

⁶Included in Corporate is a \$2,083 loss on the sale of a recycling facility in Asheville, North Carolina, associated with the Industrial Paper Packaging segment.

⁷Included in Corporate are net losses from derivatives associated with the Consumer Packaging segment of \$208, the Industrial Paper Packaging segment of \$1,864, and the All Other group of businesses of \$82.

Segment and All Other Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation
For the Three Months Ended June 30, 2024

Excludes results of discontinued operations

<i>Dollars in thousands</i>	Consumer Packaging segment	Industrial Paper Packaging segment	All Other	Corporate	Total
Segment and Total Operating Profit	\$ 73,756	\$ 66,958	\$ 13,865	\$ (58,768)	\$ 95,811
Adjustments:					
Depreciation and amortization ¹	25,232	28,641	2,717	17,479	74,069
Equity in earnings of affiliates, net of tax	35	2,239	—	—	2,274
Restructuring/Asset impairment charges ²	—	—	—	17,963	17,963
Changes in LIFO inventory reserves ³	—	—	—	(1,418)	(1,418)
Acquisition, integration and divestiture-related costs ⁴	—	—	—	22,092	22,092
Gain on divestiture of business ⁵	—	—	—	(4,478)	(4,478)
Net gains from derivatives ⁶	—	—	—	(3,485)	(3,485)
Other non-GAAP adjustments	—	—	—	(2,019)	(2,019)
Segment Adjusted EBITDA	\$ 99,023	\$ 97,838	\$ 16,582	\$ (12,634)	\$ 200,809
Net Sales	\$ 583,051	\$ 600,770	\$ 94,980		
Segment Operating Profit Margin	12.7 %	11.1 %	14.6 %		
Segment Adjusted EBITDA Margin	17.0 %	16.3 %	17.5 %		

¹ Included in Corporate is the amortization of acquisition intangibles associated with the Consumer Packaging segment of \$11,042, the Industrial Paper Packaging segment of \$6,231, and the All Other group of businesses of \$206.

² Included in Corporate are restructuring/asset impairment charges associated with the Consumer Packaging segment of \$9,876, the Industrial Paper Packaging segment of \$7,737, and the All Other group of businesses of \$214.

³ Included in Corporate are changes in LIFO inventory reserves associated with the Consumer Packaging segment of \$(462) and the Industrial Paper Packaging segment of \$(956).

⁴ Included in Corporate are acquisition, integration and divestiture-related costs associated with the Industrial Paper Packaging segment of \$215.

⁵ Included in Corporate are gains from the divestiture of businesses, including \$(1,250) from the sale of the S3 business, part of the Industrial Paper Packaging segment, and \$(3,228) from the sale of the Protective Solutions business ("Protexic"), part of the All Other group of businesses.

⁶ Included in Corporate are net gains from derivatives associated with the Consumer Packaging segment of \$(540), the Industrial Paper Packaging segment of \$(2,278), and the All Other group of businesses of \$(667).

For the six-month period ended June 29, 2025

<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	\$ 302,527	\$ 174,424	\$ 60,647	\$ 547,852	\$ 5.51
Acquisition, integration and divestiture-related costs ²	38,427	38,427	8,757	39,336	0.40
Changes in LIFO inventory reserves	1,755	1,755	433	1,322	0.01
Amortization of acquisition intangibles	86,154	86,154	19,005	66,936	0.67
Restructuring/Asset impairment charges	23,333	23,333	5,397	17,888	0.18
Loss/(Gain) on divestiture of business ³	6,266	6,266	886	(419,168)	(4.21)
Non-operating pension costs	—	6,103	1,559	4,544	0.05
Net gains from derivatives	(795)	(795)	(196)	(599)	(0.01)
Other adjustments ⁴	1,994	1,994	(9,804)	14,844	0.14
Total adjustments	157,134	163,237	26,037	(274,897)	(2.77)
Adjusted	\$ 459,661	\$ 337,661	\$ 86,684	\$ 272,955	\$ 2.74

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 \$663,564, \$638,752, and \$209,032, respectively.

² Acquisition, integration and divestiture related costs relate mostly to the Company's December 2024 acquisition of Eviosys and April 2025 divestiture of TFP.

³ Loss/(gain) on divestiture of business primarily consists of the gain on the sale of the Company's Thermoformed and Flexibles Packaging business, included in "Net income from discontinued operations" in the Company's Condensed Consolidated Statements of Income.

⁴ Other adjustments include discrete tax items primarily related to tax rate changes on AOCI and rate differences between non-U.S. jurisdictions related to acquisitions/divestitures.

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) ¹	\$ 168,383	\$ 114,139	\$ 24,627	\$ 155,988	\$ 1.57
Acquisition, integration and divestiture-related costs	27,596	27,596	7,064	20,772	0.21
Changes in LIFO inventory reserves	(987)	(987)	(248)	(739)	(0.01)
Amortization of acquisition intangibles	35,373	35,373	8,703	34,342	0.35
Restructuring/Asset impairment charges	48,973	48,973	9,841	40,702	0.41
Gain on divestiture of business	(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 ²	1,304	1,726	5,635	(4,035)	(0.04)
Total adjustments	104,010	106,030	33,124	82,262	0.83
Adjusted	\$ 272,393	\$ 220,169	\$ 57,751	\$ 238,250	\$ 2.40

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 \$84,442, \$83,341, and \$20,040, respectively.

² Other adjustments includes discrete tax items primarily related to a \$4,455 adjustment to deferred taxes from the post-acquisition restructuring of the partitions business.