

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 (referred to as "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 earnings per share ("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;
- 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 amounts related to 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, Segment Adjusted EBITDA, and Segment Adjusted EBITDA Margin. 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; 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. Segment Adjusted EBITDA is defined as segment operating profit plus depreciation and amortization expense and equity in earnings of affiliates, net of tax. Segment Adjusted EBITDA Margin is defined as Segment Adjusted EBITDA divided by segment net sales.

Segment Adjusted EBITDA 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; 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.

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 2026 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, 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 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 and consider 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 in the Company's Condensed Consolidated Statements of Income for each of the periods presented:

Adjusted Operating Profit, Adjusted Income from Continuing Operations Before Income Taxes, Adjusted Provision for Income Taxes, Adjusted Net Income Attributable to Sonoco, and Adjusted Diluted EPS

For the three-month period ended June 28, 2026					
<i>Dollars in thousands, except per share data</i>	Operating Profit	Income from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net Income Attributable to Sonoco	Diluted EPS
As Reported (GAAP)	\$ 192,837	\$ 142,312	\$ 39,551	\$ 104,894	\$ 1.05
Acquisition, integration and divestiture-related costs ¹	2,083	2,083	(199)	2,282	0.02
Changes in LIFO inventory reserves	1,154	1,154	285	869	0.01
Amortization of acquisition intangibles	45,570	45,570	10,038	35,532	0.36
Restructuring/Asset impairment charges, net	1,933	1,940	17	1,930	0.02
Gain on divestiture of business ²	(2,640)	(2,640)	(650)	(1,990)	(0.02)
Non-operating pension costs	—	2,920	749	2,171	0.02
Net losses from derivatives	254	254	63	191	—
Other adjustments	1,231	1,231	(3,417)	4,648	0.05
Total adjustments ³	49,585	52,512	6,886	45,633	0.46
Adjusted	\$ 242,422	\$ 194,824	\$ 46,437	\$ 150,527	\$ 1.51

Due to rounding, individual items may not sum appropriately.

¹ Acquisition, integration and divestiture-related costs relate primarily to the Company's December 2024 acquisition of Eviosys.

² Gain on divestiture of business reflects the gain of \$2,640 from the sale of a recycling facility in Savannah, Georgia.

³ The difference between GAAP Gross Profit of \$392,377 and Adjusted Gross Profit of \$393,311 is attributable to "Changes in LIFO inventory reserves" shown above of \$1,154, and other items totaling \$(220). The financial measure titled "SG&A Expenses, Net of Other Income" on the schedule "P&L Summary Second Quarter: 2026 vs. 2025" is the sum of the GAAP measures of "Selling, general and administrative expenses", "Restructuring/Asset impairment charges, net" and "Gain on divestiture of business", \$199,540, adjusted for the remaining items above, for an Adjusted total of \$150,889.

For the three-month period ended June 29, 2025

<i>Dollars in thousands, except per share data</i>	Operating Profit	Income from Continuing Operations 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, net	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 from continuing operations 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-US 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, Net of Other Income" on the schedule "P&L Summary Second Quarter: 2026 vs. 2025" is the sum of the GAAP measures of "Selling, general and administrative expenses", "Restructuring/Asset impairment charges, net" and "Loss on divestiture of business", \$230,610, adjusted for the remaining items above, for an Adjusted total of \$160,481.

Adjusted EBITDA¹

<i>Dollars in thousands</i>	Three Months Ended	
	June 28, 2026	June 29, 2025
Net income attributable to Sonoco	\$ 104,894	\$ 493,423
Adjustments:		
Interest expense	45,478	64,367
Interest income	(4,064)	(4,122)
Provision for income taxes	39,551	240,725
Depreciation and amortization	131,096	129,475
Non-operating pension costs	2,920	2,982
Net income/(loss) attributable to noncontrolling interests	130	(224)
Restructuring/Asset impairment charges, net	1,933	9,752
Changes in LIFO inventory reserves	1,154	1,193
Gain on divestiture of business	(2,640)	(623,690)
Acquisition, integration and divestiture-related costs	2,083	11,161
Net loss from derivatives	254	2,154
Other non-GAAP adjustments	1,231	735
Adjusted EBITDA	\$ 324,020	\$ 327,931

¹ For the period ended June 29, 2025, adjusted EBITDA is calculated on a total Company basis, including both continuing and discontinued operations.

Segment and All Other Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation
For the Three Months Ended June 28, 2026

<i>Dollars in thousands</i>	Consumer Packaging segment	Industrial Paper Packaging segment	Corporate	Total
Segment and Total Operating Profit¹	\$ 151,705	\$ 89,379	\$ (48,247)	\$ 192,837
Adjustments:				
Depreciation and amortization ²	54,675	30,851	45,570	131,096
Other expense, net ³	—	—	(6,191)	(6,191)
Equity in earnings of affiliates, net of tax	276	1,987	—	2,263
Restructuring/Asset impairment charges, net ⁴	—	—	1,933	1,933
Changes in LIFO inventory reserves ⁵	—	—	1,154	1,154
Acquisition, integration and divestiture-related costs ⁶	—	—	2,083	2,083
Gain on divestiture of business ⁷	—	—	(2,640)	(2,640)
Net loss from derivatives ⁸	—	—	254	254
Other non-GAAP adjustments	—	—	1,231	1,231
Segment Adjusted EBITDA	\$ 206,656	\$ 122,217	\$ (4,853)	\$ 324,020
Net Sales	\$1,241,839	\$ 643,646		
Segment Operating Profit Margin	12.2 %	13.9 %		
Segment Adjusted EBITDA Margin	16.6 %	19.0 %		

¹As previously announced, effective January 1, 2026, results for Industrial Plastics, previously included in the All Other group of businesses, are included in the Industrial segment. The Company no longer reports the results of any of its businesses in All Other.

²Included in Corporate is the amortization of acquisition intangibles associated with the Consumer segment of \$40,507 and the Industrial segment of \$5,063.

³These 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.

⁴Included in Corporate are restructuring/asset impairment charges associated with the Consumer segment of \$(170) and the Industrial segment of \$1,237.

⁵Included in Corporate are changes in LIFO inventory reserves associated with the Consumer segment of \$1,143 and the Industrial segment of \$11.

⁶Included in Corporate are acquisition, integration and divestiture-related costs associated with the Consumer segment of \$2,631 and the Industrial segment of \$152.

⁷Included in Corporate is a gain of \$2,640 from the sale of a recycling operation in Savannah, Georgia, part of the Industrial segment.

⁸Included in Corporate are net losses from derivatives associated with the Consumer segment of \$12 and the Industrial segment of \$242.

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	\$ 85,934	\$ 8,406	\$ (79,026)	\$ 175,667
Adjustments:					
Depreciation and amortization ¹	52,801	30,711	1,770	44,193	129,475
Other expense, net ²	—	—	—	(6,559)	(6,559)
Equity in earnings of affiliates, net of tax	170	2,100	—	—	2,270
Restructuring/Asset impairment charges, net 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	\$ 118,745	\$ 10,176	\$ (14,314)	\$ 327,931
Net Sales	\$1,227,033	\$ 617,661	\$ 65,747		
Segment Operating Profit Margin	13.1 %	13.9 %	12.8 %		
Segment Adjusted EBITDA Margin	17.4 %	19.2 %	15.5 %		

¹Included in Corporate is the amortization of acquisition intangibles associated with the Consumer segment of \$38,333, the Industrial 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 segment of \$1,479, the Industrial segment of \$8,228, and a gain in the All Other group of businesses of \$5.

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

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

⁶Included in Corporate are losses from the divestiture of businesses associated with the Industrial segment of \$2,083 related to the sale of a recycling operation in Asheville, North Carolina.

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

For the six-month period ended June 28, 2026

<i>Dollars in thousands, except per share data</i>	Operating Profit	Income from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net Income Attributable to Sonoco	Diluted EPS
As Reported (GAAP)	\$ 319,929	\$ 218,757	\$ 49,061	\$ 172,495	\$ 1.73
Acquisition, integration and divestiture-related costs ¹	8,421	8,421	1,347	7,074	0.07
Changes in LIFO inventory reserves	5,521	5,521	1,367	4,154	0.04
Amortization of acquisition intangibles	89,890	89,890	19,800	70,090	0.70
Restructuring/Asset impairment charges, net	17,066	17,066	3,505	13,573	0.14
Gain on divestiture of business, net ²	(775)	(775)	(188)	(587)	(0.01)
Other expense, net ³	—	6,592	—	6,592	0.07
Non-operating pension costs	—	5,416	1,394	4,022	0.04
Net loss from derivatives	167	167	41	126	—
Other adjustments ⁴	3,027	3,027	10,687	(7,660)	(0.07)
Total adjustments	123,317	135,325	37,953	97,384	0.98
Adjusted	\$ 443,246	\$ 354,082	\$ 87,014	\$ 269,879	\$ 2.71

Due to rounding, individual items may not sum appropriately.

¹ Acquisition, integration and divestiture-related costs relate primarily to the Company's December 2024 acquisition of Eviosys and the November 2025 divestiture of ThermoSafe.

² Gain on divestiture of business, net reflects the gain of \$2,640 from the sale of a recycling facility in Savannah, Georgia, partially offset by a charge of \$1,865 from the final net working capital settlement related to the November 2025 divestiture of ThermoSafe.

³ Amount relates to certain pre-acquisition liabilities relevant to the SMP EMEA business.

⁴ Other adjustments to the provision for income taxes include a benefit of \$14,232 related to a provision-to-return adjustment for a retroactive U.S. tax election.

For the six-month period ended June 29, 2025

<i>Dollars in thousands, except per share data</i>	Operating Profit	Income from Continuing Operations 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, net	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 from continuing operations 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 the 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.

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.

The reconciliation of the GAAP measure “Net cash (used)/provided by operating activities” to the non-GAAP measure “Free cash flow” is set forth in the table below:

	Three Months Ended			
	June 28, 2026	March 29, 2026	June 29, 2025	March 30, 2025
Net cash (used)/provided by operating activities	\$ 300,620	\$ (367,928)	\$ 193,441	\$ (208,094)
Purchases of property, plant, and equipment	(63,677)	(62,079)	(94,826)	(92,657)
Proceeds from the sale of assets, net	164	1,719	616	474
Net capital expenditures	(63,513)	(60,360)	(94,210)	(92,183)
Free Cash Flow	\$ 237,107	\$ (428,288)	\$ 99,231	\$ (300,277)

	Three Months Ended			
	June 30, 2024	March 31, 2024	July 2, 2023	April 2, 2023
Net cash (used)/provided by operating activities	\$ 109,254	\$ 166,235	\$ 250,581	\$ 98,002
Purchases of property, plant, and equipment	(93,236)	(86,458)	(78,289)	(83,401)
Proceeds from the sale of assets, net	232	101	448	71,405
Net capital expenditures	(93,004)	(86,357)	(77,841)	(11,996)
Free Cash Flow	\$ 16,250	\$ 79,878	\$ 172,740	\$ 86,006