

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. Net Debt is defined as the total of the Company's short and long-term debt less cash and cash equivalents.

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 September 27, 2026					
<i>Dollars in thousands, except per share data</i>	Operating (Loss)/ Profit	Income from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net (Loss)/ Income Attributable to Sonoco	Diluted EPS
As Reported (GAAP)	\$ (637,956)	\$ (690,418)	\$ 44,138	\$ (732,102)	\$ (7.36)
Acquisition, integration and divestiture-related costs ¹	2,161	2,161	318	1,843	0.01
Amortization of acquisition intangibles	45,633	45,633	9,938	35,695	0.36
Restructuring/Asset impairment charges, net ²	856,435	856,435	6,839	849,694	8.54
Non-operating pension costs	—	2,749	712	2,037	0.02
Net gains from derivatives	(106)	(106)	(26)	(80)	—
Other adjustments ³	1,874	1,874	(8,237)	10,111	0.10
Total adjustments ⁴	905,997	908,746	9,544	899,300	9.03
Adjusted	\$ 268,041	\$ 218,328	\$ 53,682	\$ 167,198	\$ 1.67

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 Restructuring/Asset impairment charges, net, primarily reflect total goodwill impairment charges of \$828,875 recognized during the third quarter of 2026, including \$802,000 and \$26,875 for the Consumer Packaging EMEA/APAC and Global Paper Products APAC reporting units, respectively.

³ Other adjustments include discrete tax items primarily related to provision-to-return adjustments for the TFP and ThermoSafe divestitures and a retroactive U.S. tax election.

⁴ The difference between GAAP Gross Profit of \$405,320 and Adjusted Gross Profit of \$405,258 is attributable to other items totaling \$(62). The financial measure titled "SG&A Expenses, Net of Other Income" on the schedule "P&L Summary Third Quarter: 2026 vs. 2025" is the sum of the GAAP measures of "Selling, general and administrative expenses" and "Restructuring/Asset impairment charges, net", \$1,043,276, adjusted for the remaining items above, for an Adjusted total of \$137,217.

For the three-month period ended September 28, 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)	\$ 194,966	\$ 127,762	\$ 7,717	\$ 122,918	\$ 1.23
Acquisition, integration and divestiture-related costs ¹	9,318	9,318	2,377	6,941	0.07
Amortization of acquisition intangibles	49,034	49,034	10,581	38,453	0.39
Restructuring/Asset impairment charges, net	48,388	48,388	11,117	37,221	0.37
Loss/(Gain) on divestiture of business ²	3,031	3,031	27,569	(24,538)	(0.25)
Non-operating pension costs	—	3,054	631	2,423	0.02
Net losses from derivatives	2,035	2,035	502	1,533	0.02
Other adjustments ³	1,568	1,568	(4,652)	6,220	0.07
Total adjustments ⁴	113,374	116,428	48,125	68,253	0.69
Adjusted	\$ 308,340	\$ 244,190	\$ 55,842	\$ 191,171	\$ 1.92

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 April 2025 divestiture of TFP.

² Loss/(Gain) on divestiture of business includes the recognition of a deferred tax benefit on the outside basis difference related to the ThermoSafe business being classified as held for sale.

³ Other adjustments include an adjustment to deferred taxes from the post-acquisition restructuring of the partitions business, provision-to-return adjustments related to the divested TFP business, and an increase in the valuation allowance on foreign tax credits.

⁴ The difference between GAAP Gross Profit of \$467,351 and Adjusted Gross Profit of \$467,511 is attributable to amortization of the fair value step-up of finished goods inventory at Eviosys of \$12 and other items totaling \$148. The financial measure titled "SG&A Expenses, Net of Other Income" on the schedule "P&L Summary Third 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", \$272,385, adjusted for the remaining items above, for an Adjusted total of \$159,171.

Adjusted EBITDA¹

<i>Dollars in thousands</i>	Three Months Ended	
	September 27, 2026	September 28, 2025
Net (loss)/income attributable to Sonoco	\$ (732,102)	\$ 122,918
Adjustments:		
Interest expense	46,665	61,243
Interest income	(5,223)	(4,634)
Provision for income taxes	44,138	7,717
Depreciation and amortization	134,857	131,656
Non-operating pension costs	2,749	3,054
Net income attributable to noncontrolling interests	235	147
Restructuring/Asset impairment charges, net	856,435	48,388
Loss on divestiture of business	—	3,031
Acquisition, integration and divestiture-related costs	2,161	9,318
Net (gain)/loss from derivatives	(106)	2,035
Other non-GAAP adjustments	1,874	1,568
Adjusted EBITDA	\$ 351,683	\$ 386,441

¹ For the period ended September 28, 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 September 27, 2026

<i>Dollars in thousands</i>	Consumer Packaging segment	Industrial Paper Packaging segment	Corporate	Total
Segment and Total Operating Profit/(Loss)¹	\$ 178,563	\$ 87,973	\$ (904,492)	\$ (637,956)
Adjustments:				
Depreciation and amortization ²	58,048	31,176	45,633	134,857
Other expense, net ³	—	—	(8,271)	(8,271)
Equity in earnings of affiliates, net of tax	217	2,472	—	2,689
Restructuring/Asset impairment charges, net ⁴	—	—	856,435	856,435
Acquisition, integration and divestiture-related costs ⁵	—	—	2,161	2,161
Net gain from derivatives ⁶	—	—	(106)	(106)
Other non-GAAP adjustments	—	—	1,874	1,874
Segment Adjusted EBITDA	\$ 236,828	\$ 121,621	\$ (6,766)	\$ 351,683
Net Sales	\$1,396,012	\$ 645,563		
Segment Operating Profit Margin	12.8 %	13.6 %		
Segment Adjusted EBITDA Margin	17.0 %	18.8 %		

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 \$40,576 and the Industrial segment of \$5,057.

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 \$835,670 and the Industrial segment of \$20,196.

⁵Included in Corporate are acquisition, integration and divestiture-related costs associated with the Consumer segment of \$433 and the Industrial segment of \$7.

⁶Included in Corporate are net gains from derivatives associated with the Consumer segment of \$3 and the Industrial segment of \$(109).

Segment and All Other Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

For the Three Months Ended September 28, 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	\$ 208,985	\$ 93,773	\$ 14,386	\$ (122,178)	\$ 194,966
Adjustments:					
Depreciation and amortization ¹	50,419	30,896	1,307	49,034	131,656
Other expense, net ²	—	—	—	(7,541)	(7,541)
Equity in earnings of affiliates, net of tax	190	2,830	—	—	3,020
Restructuring/Asset impairment charges, net ³	—	—	—	48,388	48,388
Acquisition, integration and divestiture-related costs ⁴	—	—	—	9,318	9,318
Loss on divestiture of business ⁵	—	—	—	3,031	3,031
Net loss from derivatives ⁶	—	—	—	2,035	2,035
Other non-GAAP adjustments	—	—	—	1,568	1,568
Segment Adjusted EBITDA	\$ 259,594	\$ 127,499	\$ 15,693	\$ (16,345)	\$ 386,441
Net Sales	\$1,438,246	\$ 613,611	\$ 79,251		
Segment Operating Profit Margin	14.5 %	15.3 %	18.2 %		
Segment Adjusted EBITDA Margin	18.0 %	20.8 %	19.8 %		

¹Included in Corporate is the amortization of acquisition intangibles associated with the Consumer segment of \$43,397, the Industrial segment of \$5,485, and the All Other group of businesses of \$152.

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 \$35,027 and the Industrial segment of \$11,181.

⁴Included in Corporate are acquisition, integration and divestiture-related costs associated with the Consumer segment of \$1,293 and the Industrial segment of \$97.

⁵Included in Corporate is a loss on divestiture of business of \$31 associated with the Industrial segment related to the sale of a recycling operation in Asheville, North Carolina, and a \$3,000 charge related to the divestiture of ThermoSafe, previously part of the All Other group of businesses.

⁶Included in Corporate are net losses from derivatives associated with the Consumer segment of \$196, the Industrial segment of \$1,760, and the All Other group of businesses of \$79.

For the nine-month period ended September 27, 2026					
<i>Dollars in thousands, except per share data</i>	Operating (Loss)/ Profit	Income from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net (Loss)/ Income Attributable to Sonoco	Diluted EPS
As Reported (GAAP)	\$ (318,027)	\$ (471,661)	\$ 93,199	\$ (559,607)	\$ (5.63)
Acquisition, integration and divestiture-related costs ¹	10,582	10,582	1,665	8,917	0.09
Changes in LIFO inventory reserves	5,521	5,521	1,367	4,154	0.04
Amortization of acquisition intangibles	135,523	135,523	29,738	105,785	1.06
Restructuring/Asset impairment charges, net ²	873,501	873,501	10,344	863,267	8.68
Gain on divestiture of business, net ³	(775)	(775)	(188)	(587)	(0.01)
Other expense, net ⁴	—	6,592	—	6,592	0.07
Non-operating pension costs	—	8,165	2,106	6,059	0.06
Net losses from derivatives	61	61	15	46	—
Other adjustments	4,901	4,901	2,450	2,451	0.02
Total adjustments	1,029,314	1,044,071	47,497	996,684	10.01
Adjusted	\$ 711,287	\$ 572,410	\$ 140,696	\$ 437,077	\$ 4.38

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 Restructuring/Asset impairment charges, net, primarily reflect total goodwill impairment charges of \$828,875 recognized during the third quarter of 2026, including \$802,000 and \$26,875 for the Consumer Packaging EMEA/APAC and Global Paper Products APAC reporting units, respectively.

³ Gain on divestiture of business, net reflects the gain of \$2,640 from the sale of a recycling operation 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.

⁴ Amount relates to certain pre-acquisition liabilities relevant to the SMP EMEA business.

For the nine-month period ended September 28, 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	\$ 497,493	\$ 302,186	\$ 68,364	\$ 670,770	\$ 6.74
Acquisition, integration and divestiture-related costs ²	47,745	47,745	11,134	46,277	0.47
Changes in LIFO inventory reserves	1,755	1,755	433	1,322	0.01
Amortization of acquisition intangibles	135,188	135,188	29,586	105,389	1.06
Restructuring/Asset impairment charges, net	71,721	71,721	16,514	55,109	0.55
Loss/(Gain) on divestiture of business ³	9,297	9,297	28,455	(443,706)	(4.46)
Non-operating pension costs	—	9,157	2,190	6,967	0.07
Net losses from derivatives	1,240	1,240	306	934	0.01
Other adjustments ⁴	3,562	3,562	(14,456)	21,064	0.21
Total adjustments	270,508	279,665	74,162	(206,644)	(2.08)
Adjusted	\$ 768,001	\$ 581,851	\$ 142,526	\$ 464,126	\$ 4.66

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 primarily 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 TFP, included in "Net income from discontinued operations" in the Company's Condensed Consolidated Statements of Income, and the recognition of a deferred tax benefit on the outside basis difference related to the ThermoSafe business being classified as held for sale.

⁴ Other adjustments include discrete tax items primarily related to tax rate changes, an adjustment to deferred taxes from the post-acquisition restructuring of the partitions business, provision-to-return adjustments related to the divested TFP business, and an increase in the valuation allowance on foreign tax credits.

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		
	March 29, 2026	June 28, 2026	September 27, 2026
Net cash (used)/provided by operating activities	\$ (367,928)	\$ 300,620	\$ 284,856
Purchases of property, plant, and equipment	(62,079)	(63,677)	(62,908)
Proceeds from the sale of assets, net	1,719	164	11,876
Net capital expenditures	(60,360)	(63,513)	(51,032)
Free cash flow	\$ (428,288)	\$ 237,107	\$ 233,824

	Three Months Ended		
	March 30, 2025	June 29, 2025	September 28, 2025
Net cash (used)/provided by operating activities	\$ (208,094)	\$ 193,441	\$ 291,549
Purchases of property, plant, and equipment	(92,657)	(94,826)	(65,928)
Proceeds from the sale of assets, net	474	616	4,070
Net capital expenditures	(92,183)	(94,210)	(61,858)
Free cash flow	\$ (300,277)	\$ 99,231	\$ 229,691

	Three Months Ended		
	March 31, 2024	June 30, 2024	September 29, 2024
Net cash provided by operating activities	\$ 166,235	\$ 109,254	\$ 162,149
Purchases of property, plant, and equipment	(86,458)	(93,236)	(91,638)
Proceeds from the sale of assets, net	101	232	4,182
Net capital expenditures	(86,357)	(93,004)	(87,456)
Free cash flow	\$ 79,878	\$ 16,250	\$ 74,693

	Three Months Ended		
	April 2, 2023	July 2, 2023	October 1, 2023
Net cash provided by operating activities	\$ 98,002	\$ 250,581	\$ 268,294
Purchases of property, plant, and equipment	(83,401)	(78,289)	(93,184)
Proceeds from the sale of assets, net	71,405	448	884
Net capital expenditures	(11,996)	(77,841)	(92,300)
Free cash flow	\$ 86,006	\$ 172,740	\$ 175,994

Net Debt

The reconciliation of the GAAP measure “Total Debt” to the non-GAAP measure of “Net Debt” is set forth in the table below:

	June 28, 2026	September 27, 2026
Total Debt	\$ 4,453,216	\$ 4,291,666
Less: Cash and cash equivalents	168,648	183,101
Net Debt	\$ 4,284,568	\$ 4,108,565