



Sonoco Announces Review of Strategic Alternatives for the Thermoformed & Flexibles Packaging Business as Part of Further Portfolio Simplification

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HARTSVILLE, S.C., Sept. 04, 2024 (GLOBE NEWSWIRE) -- Sonoco Products Company ("Sonoco" or the "Company") (NYSE: SON), a global leader in high-value sustainable packaging, today announced that it has initiated a review of strategic alternatives for the Company's Thermoformed & Flexible Packaging ("TFP") business, a part of the Company's Consumer Packaging segment. Exploring alternatives for the TFP business is expected to accelerate Sonoco's portfolio simplification strategy, improve pro forma leverage and further increase shareholder value.

Sonoco's TFP is a market leading thermoformed and flexible packaging business serving a wide range of customers in food, retail and medical markets. TFP provides a variety of complex packaging to value-added categories including snacks, condiments, healthcare, prepared meals, fresh products and coffee and pet. On a pro forma standalone basis, TFP had revenue of \$1.3 billion in 2023.

"We continue our strategy of focusing on fewer bigger businesses and investing to deploy our differentiated operating model. We expect that this next step will accelerate our strategy and further drive improved results," said Howard Coker, President, and Chief Executive Officer of Sonoco. "We are excited about the opportunities we have to invest in and improve our industrial paper products, rigid paper containers, and metal packaging businesses. These businesses have improved meaningfully since we initiated this strategy, and we believe we will achieve even greater returns with this more focused portfolio."

As a result of the expanded divestiture plans, Sonoco has modified its financing plans for its pending acquisition of Eviosys. The Company now intends to finance the Eviosys acquisition through a combination of prepayable debt, longer-term bond financing and/or cash on hand. With increased debt reduction from divestitures and cash from operations, Sonoco expects to further reduce net leverage from previous estimates within 24 months of the Eviosys acquisition. As a result, Sonoco no longer anticipates issuing equity to fund the Eviosys acquisition.

The strategic review process of TFP is underway and Sonoco expects to complete it in the fourth quarter of 2024.

About Sonoco:

With net sales of approximately \$6.8 billion in 2023, Sonoco has approximately 22,000 employees working in more than 300 operations around the world, serving some of the world's best-known brands. With our corporate purpose of Better Packaging. Better Life., Sonoco is committed to creating sustainable products and a better world for our customers, employees, and communities. Sonoco was named one of America's Most Responsible Companies by Newsweek. For more information on the Company, visit our website at www.sonoco.com.

Forward-Looking Statements

Certain statements made in this communication are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "assume", "believe", "committed", "continue", "could", "estimate", "expect", "focused", "future", "guidance", "likely", "may", "ongoing", "outlook", "potential", "seek", "strategy", "will", or the negative thereof, and similar expressions identify forward-looking statements.

Forward-looking statements in this communication include, but are not limited to, the Company's review of strategic alternatives for its TFP business and the anticipated effects thereof, including with respect to the Company's strategy, pro forma leverage, results and shareholder value; anticipated investment in the Company's remaining businesses; the timing of such strategic review; the Company's pending acquisition of Eviosys and the anticipated effects and timing thereof; the Company's financing plans with respect to the Eviosys acquisition; the Company's expected use of proceeds of its planned divestitures, including the timing thereof; and the Company's targeted net leverage.

These forward-looking statements are made based on current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management. Such information includes, without limitation, discussions as to guidance and other estimates, perceived opportunities, expectations, beliefs, plans, strategies, goals and objectives concerning the Company's future financial and operating performance. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict.

Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. Risks and uncertainties include, among other things, risks related to the Company's planned divestitures, including that such divestitures will not be completed on the timing or terms the Company anticipates, or at all; risks related to the Eviosys acquisition, including that the Eviosys acquisition will not be consummated; conditions in the credit markets and the ability to obtain financing for the Eviosys acquisition on the timing or terms the Company anticipates; the ability to receive regulatory approvals for the Eviosys acquisition in a timely manner, on acceptable terms or at all, or to satisfy the other closing conditions to the Eviosys acquisition; the ability to retain key employees and successfully integrate Eviosys; the Company's ability to realize estimated cost savings, synergies or other anticipated benefits of the Eviosys acquisition, or that such benefits may take longer to realize than expected; diversion of management's attention; the potential impact of the announcement or consummation of the Eviosys acquisition on relationships with clients and other third parties; the Company's ability to execute on its strategy, including with respect to portfolio simplification, cost management, productivity improvements, restructuring and capital expenditures, and achieve the benefits it expects therefrom; the operation of new manufacturing capabilities; the availability, transportation and pricing of raw materials, energy and transportation, including the impact of potential changes in tariffs or sanctions and escalating trade wars, and the impact of war, general regional instability and other geopolitical tensions (such as the ongoing conflict between Russia and Ukraine as well as the economic sanctions related thereto, and the ongoing conflict in Israel and Gaza), and the Company's ability to pass

raw material, energy and transportation price increases and surcharges through to customers or otherwise manage these commodity pricing risks; the costs of labor; the effects of inflation, fluctuations in consumer demand, volume softness, and other macroeconomic factors on the Company and the industries in which it operates and that it serves; the Company's ability to meet its environmental and sustainability goals, including with respect to greenhouse gas emissions; and to meet other social and governance goals, including challenges in implementation thereof; and the other risks, uncertainties and assumptions discussed in the Company's filings with the Securities and Exchange Commission, including its most recent reports on Forms 10-K and 10-Q, particularly under the heading "Risk Factors". Except as required by applicable law, the Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur.

No Offer or Solicitation

This press release is not an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer or sale of securities in any jurisdiction where such offer or sale is not permitted. No offer of securities shall be made in the United States absent registration under the Securities Act of 1933, as amended, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements.

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