



A New Vision Leads to Fresh Thinking

2018 Annual Meeting of Shareholders

April 18, 2018 | Hartsville, South Carolina



Board of Directors



Harry A. Cockrell



Dr. Pamela L. Davies



Philippe Guillemot



John R. Haley

Board of Directors



Richard G. Kyle



Blythe J. McGarvie



James M. Micali



Sundaram Nagarajan



Board of Directors



Marc D. Oken



Robert C. Tiede



Thomas E. Whiddon



2018 Annual Meeting Agenda

- **Proposal 1:** Election of Four Directors
- **Proposal 2:** Ratification of Independent Registered Public Accounting Firm
- **Proposal 3:** Advisory Resolution to Approve Executive Compensation



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State of Sonoco

Rob Tiede, President and CEO



Forward- looking Statements/ Non-GAAP Financial Measures

- Today's presentation contains a number of forward-looking statements based on current expectations, estimates and projections. These statements are not guarantees of future performance and are subject to certain risks and uncertainties. Therefore, actual results may differ materially.
- Information about the Company's use of non-GAAP financial measures, why management believes presentation of non-GAAP financial measures provides useful information to investors about the Company's financial condition and results of operations, and the purposes for which management uses non-GAAP financial measures is included in the Company's Annual Report and on the Company's website at www.sonoco.com under Investor Relations, Webcasts & Presentations, Non-GAAP Reconciliations for Q4 2017 Earnings Presentation.
- Pursuant to the requirements of Regulation G, the Company has provided definitions of the non-GAAP measures discussed during this presentation as well as reconciliations of those measures to the most closely related GAAP measure on its website at sonoco.com.
- This presentation does not constitute the solicitation of the purchase or sale of any securities.

Better
Packaging.
Better
Life.™

Re-envisioning Sonoco

NEW PRODUCTS

NEW CUSTOMERS

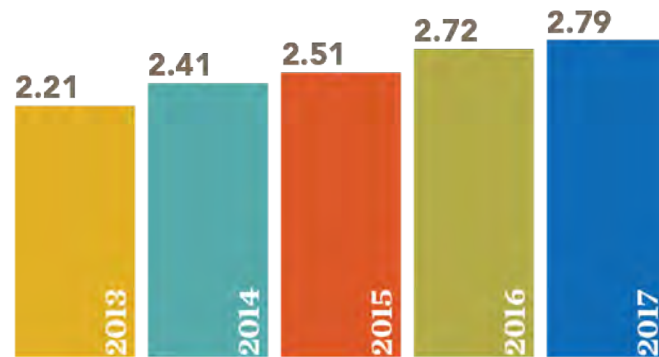
NEW MARKETS

NEW THINKING

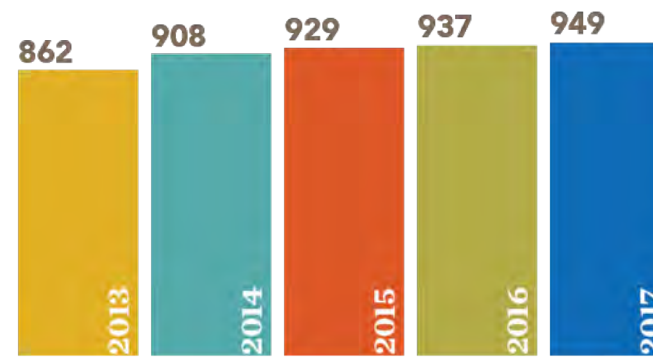
Grow & Optimize

State of Sonoco is Strong

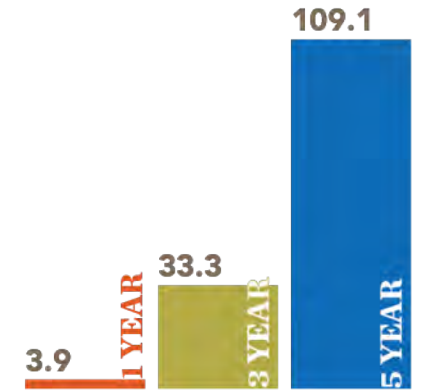
Base Earnings per Diluted Share
dollars



Gross Profit
millions of dollars



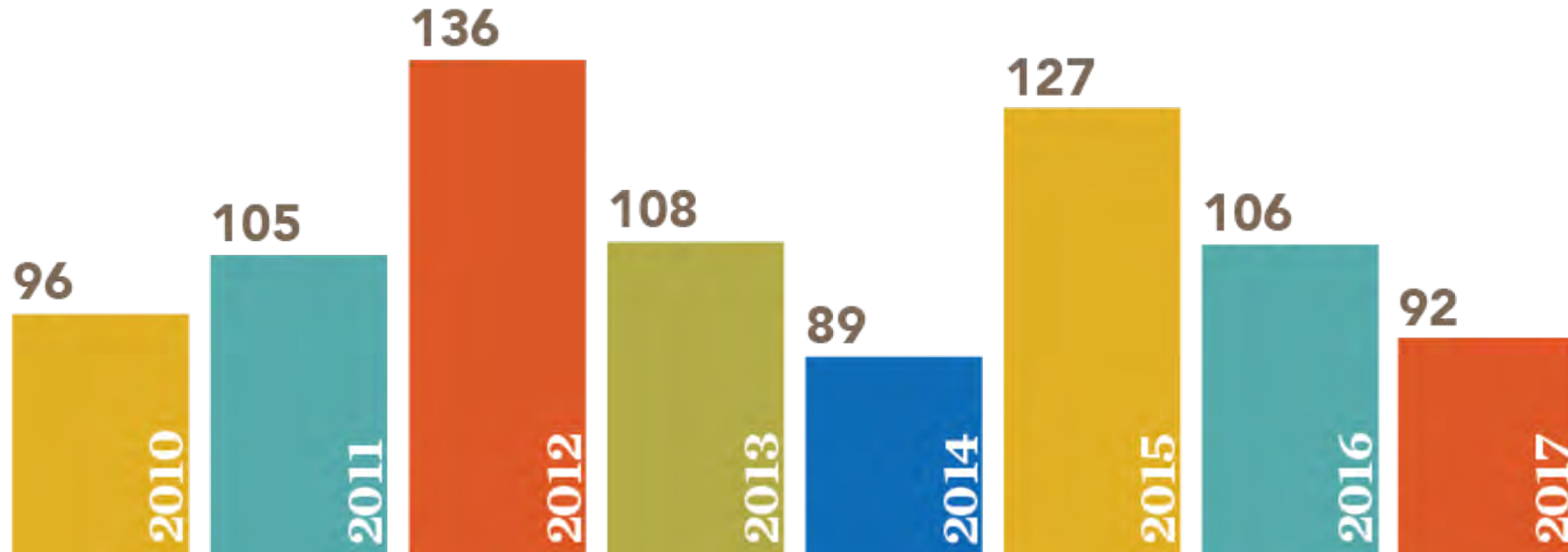
Total Shareholder Return
percent



Safety Performance

Total Injuries to Date

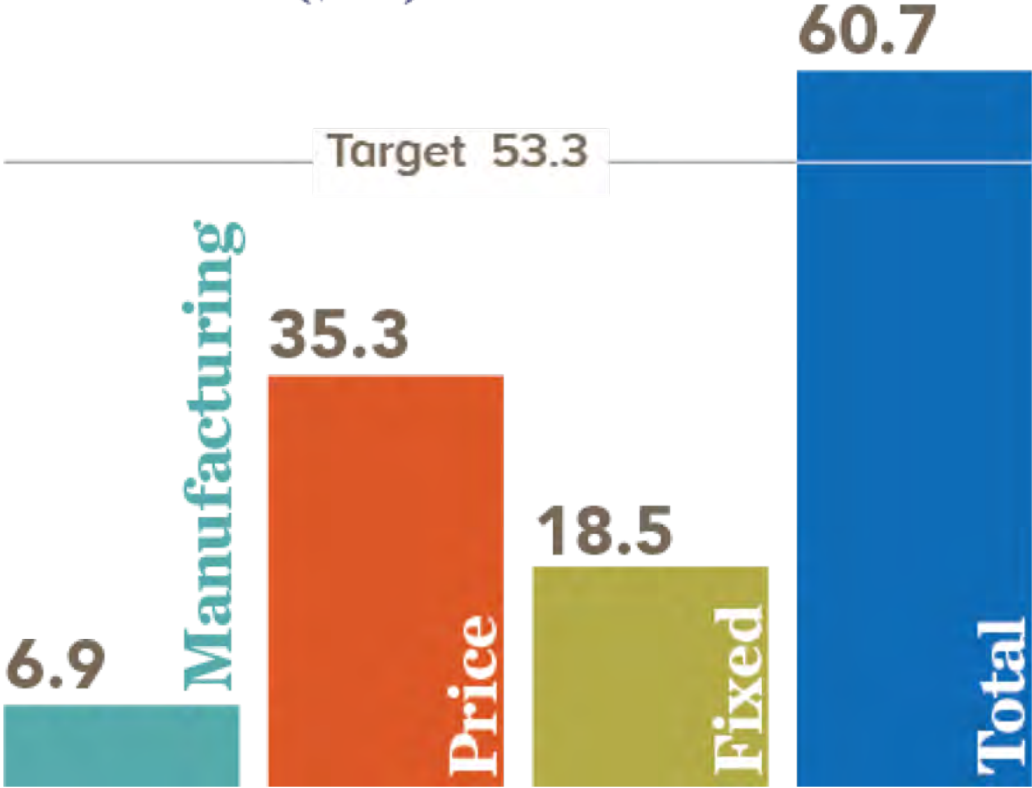
recordable injuries



Total Productivity

Total Productivity

YTD Actual (\$MM)



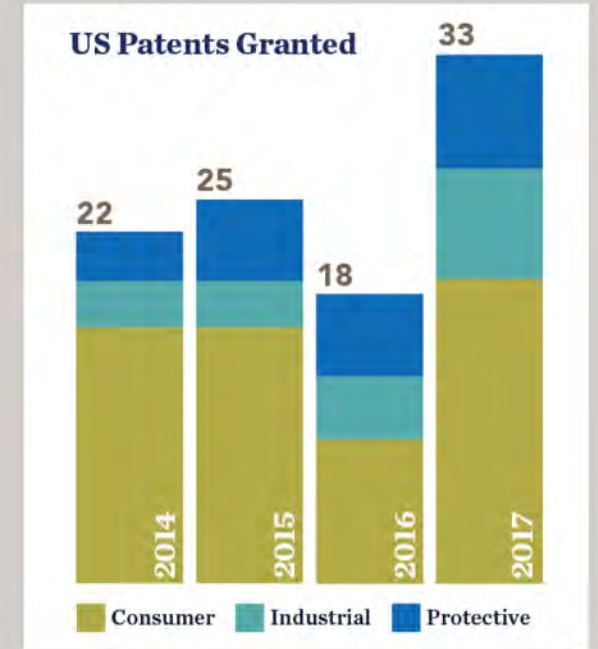
Ingenuity Drives Growth

\$44 MILLION

New product sales in 2017

\$65 Million

Projected new product sales in 2018



State of Sonoco is Strong

(\$million)



Consumer Packaging



Display and Packaging



Paper and Industrial
Converted Products



Protective Solutions

	2017	2016		2017	2016		2017	2016		2017	2016
Sales	\$2,123	\$2,043	Sales	\$508	\$520	Sales	\$1,866	\$1,693	Sales	\$539	\$526
Operating Profit	\$251	\$241	Operating Profit	\$3	\$15	Operating Profit	\$155	\$130	Operating Profit	\$42	\$52



Mission: Become the acknowledged leader in high-quality, innovative, value-creating packaging solutions that “Satisfy the Customer”



Guiding Principle

Be a GREAT company for our stakeholders through an unwavering belief that “People Build Businesses” by doing the right thing

Differentiating Capabilities

- Innovation
 - Capture consumer and market insights to drive creativity
 - Leverage i6® and “Commercial Excellence” to create growth and capture value
 - Embrace our material diversity to create the best solutions
- Operational Excellence
 - Utilize SPS to optimize efficiency, productivity and quality
 - Leverage automation and robotics to reduce unit cost to produce
 - Create the optimal structure to serve the correct customers

Business Priorities

- Maximize sustainable cash flow from operations
- Grow our consumer packaging and protective solutions businesses and our industrial businesses in emerging markets
- Optimize the portfolio

Financial Priorities

- Target average annual double-digit total return to shareholders
- Sales of \$6 to \$8 billion – Organic volume growth above packaging industry average
- Base EBITDA margin to 16%
- Return on invested capital in top quartile of packaging industry – RONAE = 11% to 12%
- Maintain investment grade credit rating

Key Focus Areas

Safety
Create a zero-injury environment



Customer Satisfaction

- Value-creating solutions
- On time and to specification
- Voice of Customer



Grow and Optimize

- Insights
- Innovation
- Share/Profit optimization



Operational Excellence

- Productivity
- Reduce unit cost to produce (Sonoco Performance System)
- Optimal supply chain



Maximize Cash Flow and Deployment

- Working capital management
- Optimize capital investments
- Grow dividends
- Acquisitions
- Share repurchases



People

- Talented
- Engaged
- Aligned



Guiding Principle

Be a GREAT company for our stakeholders through an unwavering belief that “People Build Businesses” by doing the right thing

Values

Integrity • Respect • Service • Teamwork • Accountability

Promises

Teamates

We will create caring, safe and fulfilling work environments

Customers

We will stand by our commitments and our products

Shareholders

We will protect their investment and provide for them a reasonable return

Suppliers

We will base our relationships on fairness and performance

Governments

We will observe all laws and regulations

Communities

We will be good neighbors

Principles

We are dedicated to building a resilient, adaptive, innovative company, which will serve generations to come

We will treat people the way we hope to be treated

We believe actions speak louder than words

We encourage intellectual curiosity as a catalyst for innovation and growth

We win by hard work, teamwork and persistence

We value individual perspectives

We recognize measured risk taking as part of ensuring our long term viability

We strive to continuously improve and grow



Video

Better
Packaging.
Better
Life.™

Sonoco Today



Paper and Industrial Converted Products

+



+



Protective Solutions



Consumer Packaging



The Perimeter Powerhouse

2X

Greater growth in the perimeter than other areas of the grocery store



Sales growth in total fruits and vegetables up more than

9%

15%

Reduction in U.S. food waste could feed

25

million people

13%

Sales growth in fresh-cut fruits and salads



Growing Around the Perimeter of the Store

Peninsula Packaging Offerings



Growing Around the Perimeter of the Store

Highland Packaging Solutions Offerings



Growing Around the Perimeter of the Store

Clear Lam Packaging Solutions Offerings



Leverage Acquisition Capabilities

Flexibles	Short Run Capability	Forming Films	Blown Films	Hybrid Flexible
				
				





Video



Fresh Thinking, Fresh Opportunities

Sonoco and Clemson Rethinking Innovations in Fresh Packaging

CLEMSON
UNIVERSITY

5-Year

Partnership with Clemson to optimize the fresh food lifecycle

Objectives

1

\$1.725 Million Sonoco Foundation gift: establish a multi-disciplinary hub for innovation, education and outreach

2

\$1.0 Million business-driven research projects: target exclusive growth opportunities for Sonoco



Situation: \$15.6 Billion in spoilage at retail **Opportunity:** Shelf life improvement \$1.8 Billion

Making the Center of the Store the Center of Attention



New Applications in Flexible Packaging



Thermoforming Growth Opportunities

\$15-20 Million

Investment in new assets



\$28 MILLION

In new sales

Emerging Market Opportunities



Composite Can Growth in Europe is Strong

2 new can lines 400 Million units in Kutno, Poland



Snack units up

9%



Southeast Asia: Expanding Exponentially

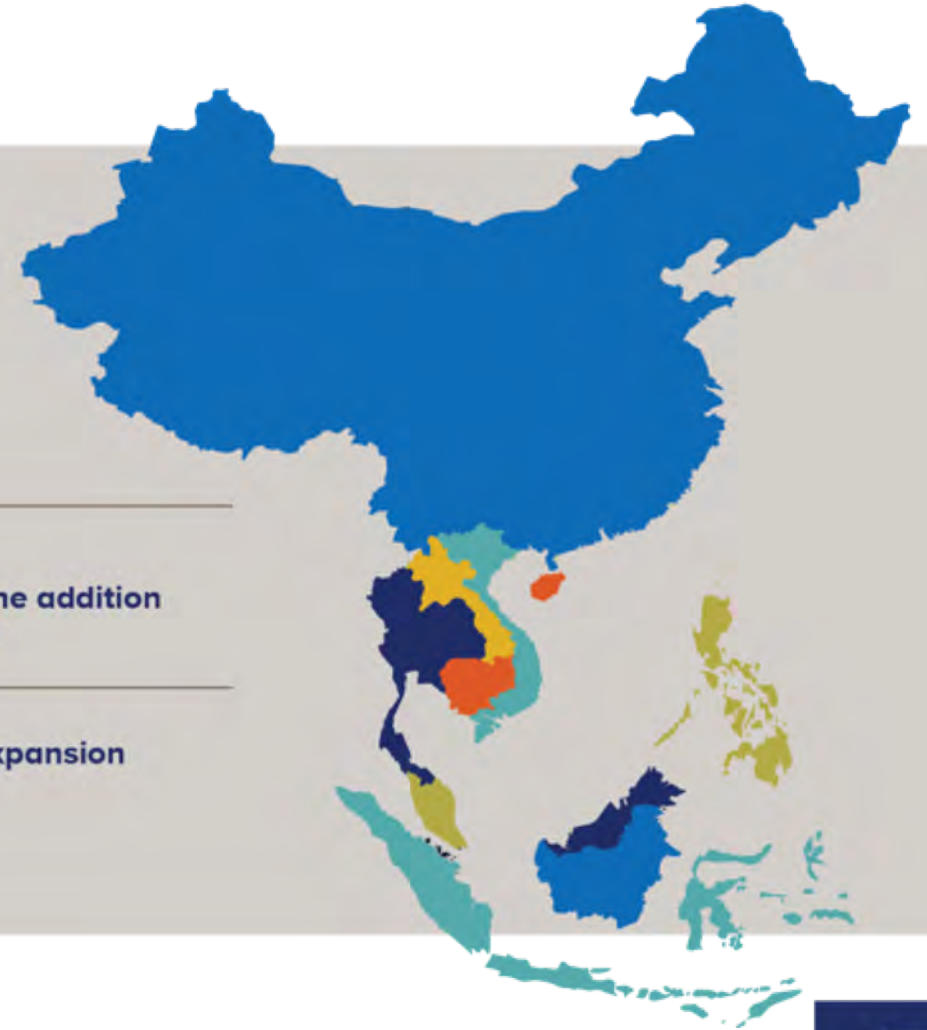


3 plants in Malaysia



Expected line addition
in Thailand

Potential expansion
in China



Opportunities for Composite Can Growth by 2020

Brazil

Build dedicated snack can plant later in 2018, operational in 2019; expandable through 2020

THAILAND

Projecting to build dedicated snack can line by 2020

SOUTH AFRICA

Expect to build dedicated snack can line in 2019

Middle East

Projecting to build dedicated snack can line by 2020

Grow Integrated International Industrial Products



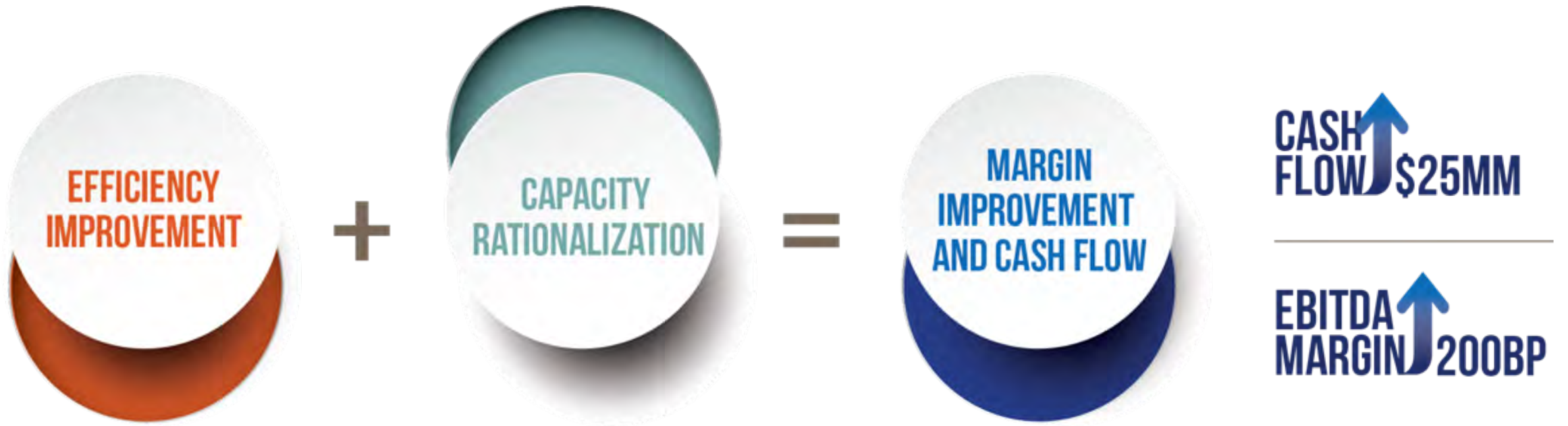
Core to Finding the Right Balance



SKU'S ↓ 35%

WINDERS: 85 ↓
60

Investing in NA Paper Optimization



Growth Potential in Protective Solutions

Temperature Assured Packaging. Protective Packaging. Industrial Packaging.

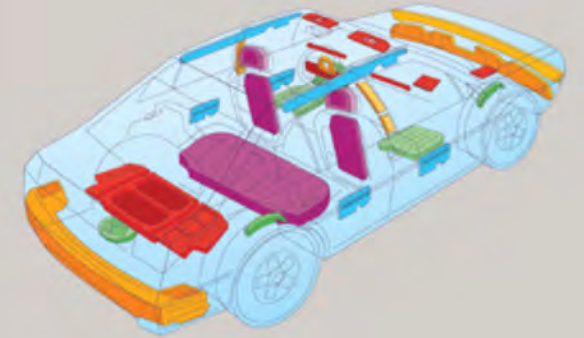
Temperature Assurance Packaging



Consumer Packaging



Industrial Packaging



20/20 VISION ASCENT

\$6B + 16%

VISION U ASCENT
\$6B + 16%

PORTFOLIO OPTIMIZATION

GROW

- Organic growth
- Acquisitions
 - Flexibles
 - Thermoforming
 - Protective Solutions
 - Consolidating Paper/
Tube & Core



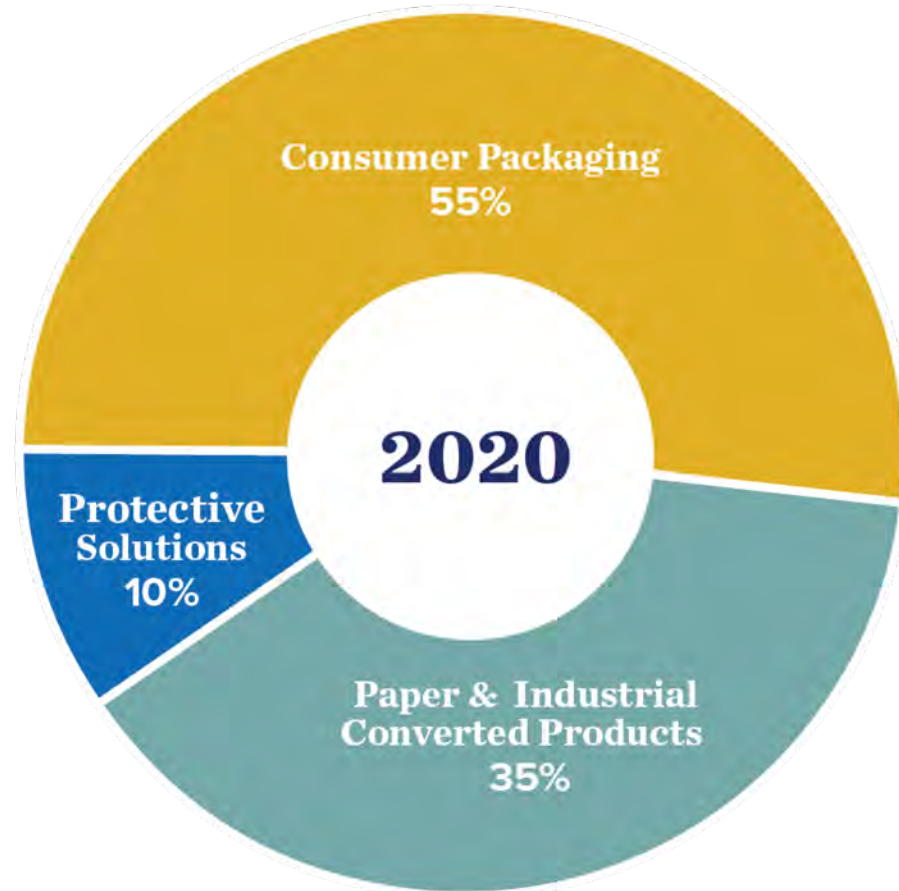
OPTIMIZE

- Operating Excellence
- Commercial Excellence
- Tube & Core Optimization
- Paper Asset Management
- Structural Optimization

20/20 Vision: Ascent to \$6 Billion



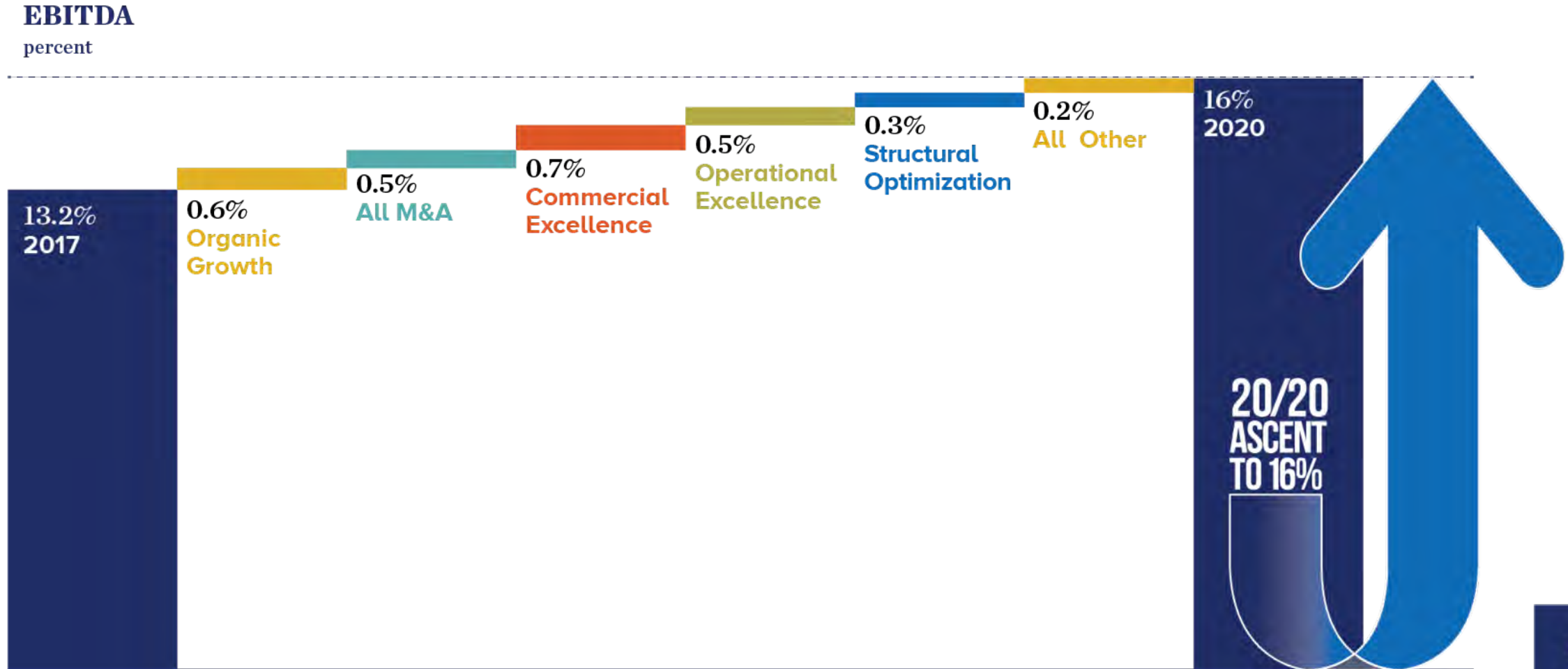
Total Projected Sales = \$5 Billion



Total Projected Sales = \$6.3 Billion

20/20 Vision: Ascent to 16%

EBITDA Margin Improvement Expectations



Capital Deployment Strategy

Target capital spending
on profitable growth
\$220 Million
projected in 2018



Pursue accretive
acquisitions in
targeted growth
areas

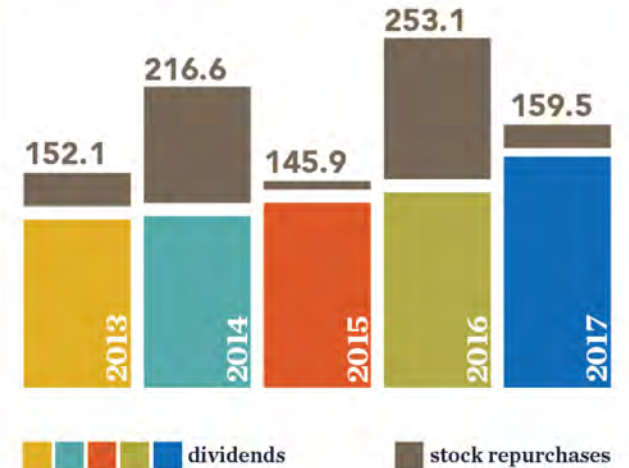
93 years

Returning cash to shareholders

\$927 Million

Returned to shareholders over the past 5 years
(dividends and stock repurchases)

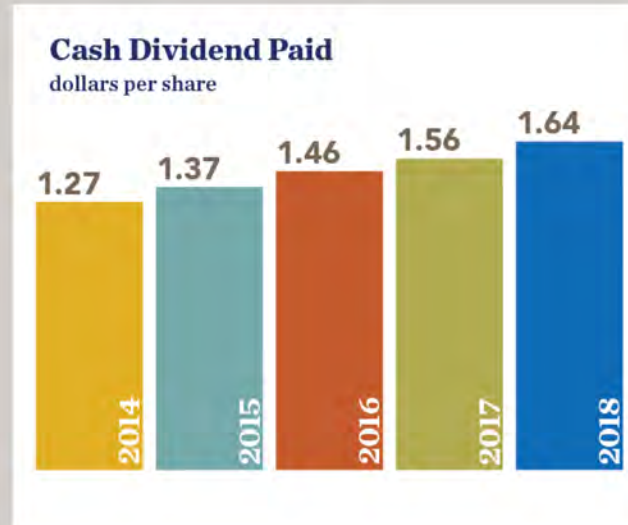
Dividends and Stock Repurchases
millions of dollars



Returning Value to Shareholders

372nd
Consecutive dividend paid

36
Consecutive years of increases



3.28%
Dividend yield

5.1%
Increase in cash dividend





Management is about doing things right. Leadership is about doing the right things.

M. Jack Sanders

President and Chief Executive Officer 2013 - 2018



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