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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2021  
or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-07349

**BALL CORPORATION**

**State of Indiana**  
(State or other jurisdiction of incorporation or  
organization)

**35-0160610**  
(I.R.S. Employer Identification No.)

**9200 West 108th Circle**  
**Westminster, CO**  
(Address of registrant's principal executive office)

**80021**  
(Zip Code)

Registrant's telephone number, including area code: **303/469-3131**

Securities registered pursuant to section 12(b) of the Act:

Class	Trading Symbol	Name of Exchange	Outstanding at April 30, 2021
Common Stock, without par value	BLL	NYSE	328,254,521 shares

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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**Ball Corporation**  
**QUARTERLY REPORT ON FORM 10-Q**  
**For the period ended March 31, 2021**

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**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS****BALL CORPORATION  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

(\$ in millions, except per share amounts)	Three Months Ended March 31,	
	2021	2020
<b>Net sales</b>	<b>\$ 3,125</b>	<b>\$ 2,785</b>
<b>Costs and expenses</b>		
Cost of sales (excluding depreciation and amortization)	(2,493)	(2,215)
Depreciation and amortization	(168)	(169)
Selling, general and administrative	(157)	(131)
Business consolidation and other activities	(7)	(115)
	<u>(2,825)</u>	<u>(2,630)</u>
<b>Earnings before interest and taxes</b>	<b>300</b>	<b>155</b>
Interest expense	(67)	(71)
Debt refinancing and other costs	—	(40)
Total interest expense	<u>(67)</u>	<u>(111)</u>
Earnings before taxes	233	44
Tax (provision) benefit	(32)	4
Equity in results of affiliates, net of tax	(1)	(25)
Net earnings	<u>200</u>	<u>23</u>
Net (earnings) loss attributable to noncontrolling interests	—	—
Net earnings attributable to Ball Corporation	<u>\$ 200</u>	<u>\$ 23</u>
<b>Earnings per share:</b>		
Basic	\$ 0.61	\$ 0.07
Diluted	\$ 0.60	\$ 0.07
<b>Weighted average shares outstanding: (000s)</b>		
Basic	327,811	325,346
Diluted	333,673	332,326

See accompanying notes to the unaudited condensed consolidated financial statements.

**BALL CORPORATION**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)**

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Net earnings	\$ 200	\$ 23
Other comprehensive earnings (loss):		
Foreign currency translation adjustment	(12)	(224)
Pension and other postretirement benefits	41	(8)
Derivatives designated as hedges	46	8
Total other comprehensive earnings (loss)	75	(224)
Income tax (provision) benefit	(18)	(5)
Total other comprehensive earnings (loss), net of tax	57	(229)
Total comprehensive earnings (loss)	257	(206)
Comprehensive (earnings) loss attributable to noncontrolling interests	—	—
Comprehensive earnings (loss) attributable to Ball Corporation	\$ 257	\$ (206)

See accompanying notes to the unaudited condensed consolidated financial statements.

**BALL CORPORATION**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(\$ in millions)	March 31, 2021	December 31, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 461	\$ 1,366
Receivables, net	2,115	1,738
Inventories, net	1,399	1,353
Other current assets	262	218
Total current assets	<u>4,237</u>	<u>4,675</u>
Noncurrent assets		
Property, plant and equipment, net	5,570	5,351
Goodwill	4,416	4,484
Intangible assets, net	1,813	1,883
Other assets	1,943	1,859
Total assets	<u>\$ 17,979</u>	<u>\$ 18,252</u>
<b>Liabilities and Equity</b>		
Current liabilities		
Short-term debt and current portion of long-term debt	\$ 766	\$ 17
Accounts payable	3,355	3,430
Accrued employee costs	277	347
Other current liabilities	586	650
Total current liabilities	<u>4,984</u>	<u>4,444</u>
Noncurrent liabilities		
Long-term debt	6,941	7,783
Employee benefit obligations	1,395	1,613
Deferred taxes	616	634
Other liabilities	489	441
Total liabilities	<u>14,425</u>	<u>14,915</u>
Equity		
Common stock (680,013,693 shares issued - 2021; 679,524,325 shares issued - 2020)	1,171	1,167
Retained earnings	6,342	6,192
Accumulated other comprehensive earnings (loss)	(897)	(954)
Treasury stock, at cost (351,899,273 shares - 2021; 351,938,709 shares - 2020)	(3,124)	(3,130)
Total Ball Corporation shareholders' equity	<u>3,492</u>	<u>3,275</u>
Noncontrolling interests	62	62
Total equity	<u>3,554</u>	<u>3,337</u>
Total liabilities and equity	<u>\$ 17,979</u>	<u>\$ 18,252</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

**BALL CORPORATION**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
<b>Cash Flows from Operating Activities</b>		
Net earnings	\$ 200	\$ 23
Adjustments to reconcile net earnings to cash provided by (used in) operating activities:		
Depreciation and amortization	168	169
Business consolidation and other activities	7	115
Deferred tax provision (benefit)	(2)	(36)
Other, net	(147)	58
Changes in working capital components, net of dispositions	(703)	(1,037)
Cash provided by (used in) operating activities	(477)	(708)
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(363)	(213)
Business dispositions, net of cash sold	1	(17)
Other, net	14	(4)
Cash provided by (used in) investing activities	(348)	(234)
<b>Cash Flows from Financing Activities</b>		
Long-term borrowings	—	1,252
Repayments of long-term borrowings	(6)	(1,547)
Net change in short-term borrowings	7	493
Proceeds (payments) from issuances of common stock, net of shares used for taxes	5	(31)
Acquisitions of treasury stock	(10)	(57)
Common stock dividends	(50)	(51)
Other, net	—	(34)
Cash provided by (used in) financing activities	(54)	25
Effect of exchange rate changes on cash	(31)	(78)
Change in cash, cash equivalents and restricted cash	(910)	(995)
Cash, cash equivalents and restricted cash - beginning of period	1,381	1,806
Cash, cash equivalents and restricted cash - end of period	\$ 471	\$ 811

See accompanying notes to the unaudited condensed consolidated financial statements.

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**1. Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements include the accounts of Ball Corporation and its controlled affiliates, including its consolidated variable interest entities (collectively Ball, the company, we or our), and have been prepared by the company. Certain information and footnote disclosures, including critical and significant accounting policies normally included in financial statements prepared in accordance with generally accepted accounting principles, have been condensed or omitted for this quarterly presentation.

Results of operations for the periods shown are not necessarily indicative of results for the year, particularly in view of the seasonality in the packaging segments and the variability of contract sales in the company's aerospace segment. These unaudited condensed consolidated financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and the notes thereto included in the company's 2020 Annual Report on Form 10-K filed on February 17, 2021, pursuant to the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2020 (annual report).

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires Ball's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of sales and expenses during the reporting periods. These estimates are based on historical experience and various assumptions believed to be reasonable under the circumstances. Ball's management evaluates these estimates on an ongoing basis and adjusts or revises the estimates as circumstances change. As future events and their impacts cannot be determined with precision, actual results may differ from these estimates. In the opinion of management, the financial statements reflect all adjustments that are of a normal recurring nature and are necessary to fairly state the results of the periods presented.

Certain prior year amounts have been reclassified in order to conform to the current year presentation.

*Risks and Uncertainties – Novel Coronavirus (COVID-19)*

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting periods. These estimates represent management's judgement about the outcome of future events. The current global business environment is being impacted directly and indirectly by the effects of the novel coronavirus (COVID-19), and it is not possible to accurately estimate the impacts of COVID-19. However, Ball management has reviewed the estimates used in preparing the company's consolidated financial statements and the following have a reasonably possible likelihood of being affected, to a material extent, by the direct and indirect impacts of COVID-19 in the near term.

- Estimates regarding the future financial performance of the business used in the company's impairment tests for goodwill, long-lived assets, equity method investments, recoverability of deferred tax assets and estimates regarding cash needs and associated indefinite reinvestment assertions;
- Estimates of recoverability for customer receivables;
- Estimates of net realizable value for inventory;
- Estimates regarding the likelihood of forecasted transactions associated with hedge accounting positions at March 31, 2021, which could impact the company's ability to satisfy hedge accounting requirements and result in the recognition of income and/or expenses.

In addition to the above potential impacts on the estimates used in preparing financial statements, COVID-19 has the potential to increase Ball's vulnerabilities to near-term severe impacts related to certain concentrations in its business. In line with other companies in the packaging and aerospace industries, Ball makes the majority of its sales and significant purchases to or from a relatively small number of global, or large regional, customers and suppliers. Furthermore, Ball makes the majority of its sales from a small number of product lines. The potential of COVID-19 to affect a significant customer or supplier, or to affect demand for certain products to a significant degree, heightens the vulnerability of Ball to these concentrations.

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**2. Accounting Pronouncements**

*Recently Adopted Accounting Standards*

**Income Tax Simplification**

In December 2019, new guidance was issued to simplify the accounting for income taxes. Ball adopted this guidance and all related amendments on January 1, 2021, applying either the retrospective basis, the modified retrospective method, or the prospective method where appropriate. The adoption of this guidance had no impact on the company's unaudited condensed consolidated financial statements.

**3. Business Segment Information**

Ball's operations are organized and reviewed by management along its product lines and geographical areas and presented in the four reportable segments outlined below.

*Beverage packaging, North and Central America:* Consists of operations in the U.S., Canada and Mexico that manufacture and sell metal beverage containers throughout those countries.

*Beverage packaging, EMEA:* Consists of operations in numerous countries throughout Europe, including Russia, as well as Egypt and Turkey, that manufacture and sell metal beverage containers throughout those regions.

*Beverage packaging, South America:* Consists of operations in Brazil, Argentina, Paraguay and Chile that manufacture and sell metal beverage containers throughout most of South America.

*Aerospace:* Consists of operations that manufacture and sell aerospace and other related products and provide services used in the defense, civil space and commercial space industries.

As presented in the table below, Other consists of a non-reportable operating segment (beverage packaging, other) that manufactures and sells aluminum beverage containers in India, Saudi Arabia and throughout the Asia Pacific region; a non-reportable operating segment that manufactures and sells extruded aluminum aerosol containers and aluminum slugs (aerosol packaging); a non-reportable operating segment that manufactures and sells aluminum cups (aluminum cups); undistributed corporate expenses; intercompany eliminations and other business activities.

The accounting policies of the segments are the same as those used in the company's consolidated financial statements as discussed in Note 1. The company also has investments in operations in Guatemala, Panama, South Korea, the U.S. and Vietnam that are accounted for under the equity method of accounting and, accordingly, those results are not included in segment sales or earnings.



**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**Summary of Business by Segment**

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
<b>Net sales</b>		
Beverage packaging, North and Central America	\$ 1,296	\$ 1,181
Beverage packaging, EMEA	796	669
Beverage packaging, South America	487	405
Aerospace	424	432
Reportable segment sales	3,003	2,687
Other	122	98
<b>Net sales</b>	<b>\$ 3,125</b>	<b>\$ 2,785</b>
<b>Comparable operating earnings</b>		
Beverage packaging, North and Central America	\$ 140	\$ 146
Beverage packaging, EMEA	100	68
Beverage packaging, South America	93	63
Aerospace	35	40
Reportable segment comparable operating earnings	368	317
<b>Reconciling items</b>		
Other (a)	(23)	(10)
Business consolidation and other activities	(7)	(115)
Amortization of acquired intangibles	(38)	(37)
Earnings before interest and taxes	300	155
Interest expense	(67)	(71)
Debt refinancing and other costs	—	(40)
Total interest expense	(67)	(111)
<b>Earnings before taxes</b>	<b>\$ 233</b>	<b>\$ 44</b>

(a) Includes undistributed corporate expenses, net, of \$26 million and \$14 million for the three months ended March 31, 2021 and 2020, respectively.

The company does not disclose total assets by segment as it is not provided to the chief operating decision maker.

**4. Acquisitions and Dispositions**

**Brazil Aluminum Aerosol Packaging Business**

In August 2020, the company acquired the entire share capital of Tubex Industria E Comercio de Embalagens Ltda, an aluminum aerosol packaging business with a plant in Itupeva, Brazil, for the purchase price of \$80 million, subject to customary closing adjustments, including initial cash consideration of \$69 million plus potential additional consideration not to exceed \$30 million in total over the next three years. The business is part of Ball's aerosol packaging operating segment. The transaction broadens the geographic reach of Ball's aluminum aerosol packaging business, serving the growing Brazilian personal care market.

**5. Revenue from Contracts with Customers**

*Disaggregation of Sales*

The company disaggregates net sales by reportable segments as disclosed in Note 3, and based on the timing of transfer of control for goods and services as explained below. The transfer of control for goods and services may occur at a point in time or over time.

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**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

The following table disaggregates the company's net sales based on the timing of transfer of control:

(\$ in millions)	Three Months Ended March 31,		
	Point in Time	Over Time	Total
2021	\$ 610	\$ 2,515	\$ 3,125
2020	503	2,282	2,785

*Contract Balances*

The company enters into contracts to sell beverage packaging, aerosol packaging, and aerospace products and services. The company did not have any contract assets at either March 31, 2021, or December 31, 2020. Unbilled receivables, which are not classified as contract assets, represent arrangements in which sales have been recorded prior to billing and right to payment is unconditional.

The opening and closing balances of the company's current and noncurrent contract liabilities are as follows:

(\$ in millions)	Contract Liabilities (Current)	Contract Liabilities (Noncurrent)
Balance at December 31, 2020	\$ 108	\$ 29
Increase (decrease)	(19)	(1)
Balance at March 31, 2021	\$ 89	\$ 28

During the three months ended March 31, 2021, total contract liabilities decreased by \$20 million, which is net of cash received of \$103 million and amounts recognized as sales of \$123 million, all of which related to current contract liabilities. The amount of sales recognized in the three months ended March 31, 2021, which were included in the opening contract liabilities balances, was \$108 million, all of which related to current contract liabilities. Current contract liabilities are classified within other current liabilities on the unaudited condensed consolidated balance sheet and noncurrent contract liabilities are classified within other liabilities.

The company also recognized net sales of \$7 million and \$9 million in the three months ended March 31, 2021 and 2020, respectively, from performance obligations satisfied (or partially satisfied) in prior periods. These sales amounts are the result of changes in the transaction price of the company's contracts with customers.

**Transaction Price Allocated to Remaining Performance Obligations**

The table below discloses: (1) the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period for contracts with an original duration of greater than one year, and (2) when the company expects to record sales on these multi-year contracts.

(\$ in millions)	Next Twelve Months	Thereafter	Total
Sales expected to be recognized on multi-year contracts in place as of March 31, 2021	\$ 1,387	\$ 746	\$ 2,133

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**6. Business Consolidation and Other Activities**

The following is a summary of business consolidation and other activity (charges)/income included in the unaudited condensed consolidated statements of earnings:

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Beverage packaging, North and Central America	\$ 1	\$ (3)
Beverage packaging, EMEA	(2)	(3)
Beverage packaging, South America	(1)	(1)
Other	(5)	(108)
	<u>\$ (7)</u>	<u>\$ (115)</u>

**2021**

*Beverage Packaging, North and Central America*

During the three months ended March 31, 2021, the company recorded credits of \$1 million for individually insignificant activities in connection with previously announced closures of certain plants and other activities.

*Beverage Packaging, EMEA*

During the three months ended March 31, 2021, the company recorded charges of \$2 million for individually insignificant activities in connection with previously announced plant closures, restructuring and other activities.

*Beverage Packaging, South America*

During the three months ended March 31, 2021, the company recorded charges of \$1 million for individually insignificant activities.

*Other*

During the three months ended March 31, 2021, the company recorded charges of \$5 million for individually insignificant activities.

**2020**

*Beverage Packaging, North and Central America*

During the three months ended March 31, 2020, the company recorded charges of \$3 million for individually insignificant activities in connection with previously announced closures of certain beverage can and end manufacturing facilities and other activities.

*Beverage Packaging, EMEA*

During the three months ended March 31, 2020, the company recorded charges of \$3 million for individually insignificant activities in connection with previously announced plant closures, restructuring and other activities.

*Beverage Packaging, South America*

During the three months ended March 31, 2020, the company recorded charges of \$1 million for individually insignificant activities.

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

*Other*

During the three months ended March 31, 2020, the company recorded the following amounts:

- A non-cash impairment charge of \$62 million related to the goodwill of the beverage packaging, other, operating segment.
- A non-cash charge of \$23 million resulting from the deterioration of China's real estate market in 2020, which led the company to reduce the value of potential future consideration due as part of the 2019 sale of its China beverage packaging business.
- Charges of \$15 million resulting from an adjustment to the selling price of the company's former steel food and aerosol business.
- A credit of \$11 million related to the reversal of reserves against working capital recorded in 2019 in the beverage packaging, other, segment, as previously at-risk balances were subsequently collected.
- Charges of \$6 million for long-term incentive and other compensation arrangements associated with the 2016 Rexam acquisition.
- Charges of \$13 million for individually insignificant activities.

**7. Supplemental Cash Flow Statement Disclosures**

(\$ in millions)	March 31,	
	2021	2020
Beginning of period:		
Cash and cash equivalents	\$ 1,366	\$ 1,798
Current restricted cash (included in other current assets)	15	8
Total cash, cash equivalents and restricted cash	\$ 1,381	\$ 1,806
End of period:		
Cash and cash equivalents	\$ 461	\$ 801
Current restricted cash (included in other current assets)	10	10
Total cash, cash equivalents and restricted cash	\$ 471	\$ 811

The company's restricted cash is primarily related to receivables factoring programs and represents amounts collected from customers that have not yet been remitted to the banks as of the end of the reporting period.

Noncash investing activities include the acquisition of property, plant and equipment (PP&E) for which payment has not been made. These noncash capital expenditures are excluded from the statement of cash flows. The PP&E acquired but not yet paid for amounted to approximately \$515 million at March 31, 2021, and \$409 million at December 31, 2020.

**8. Receivables, Net**

(\$ in millions)	March 31,	December 31,
	2021	2020
Trade accounts receivable	\$ 1,012	\$ 825
Unbilled receivables	637	528
Less: Allowance for doubtful accounts	(9)	(9)
Net trade accounts receivable	1,640	1,344
Other receivables	475	394
	\$ 2,115	\$ 1,738

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

The company has entered into several regional committed and uncommitted accounts receivable factoring programs with various financial institutions for certain of its receivables. The programs are accounted for as true sales of the receivables, without recourse to Ball, and had combined limits of approximately \$1.6 billion at March 31, 2021, and December 31, 2020. A total of \$348 million and \$232 million were available for sale under these programs as of March 31, 2021, and December 31, 2020, respectively.

Other receivables include income and sales tax receivables and other miscellaneous receivables.

**9. Inventories, Net**

(\$ in millions)	March 31, 2021	December 31, 2020
Raw materials and supplies	\$ 868	\$ 889
Work-in-process and finished goods	624	557
Less: Inventory reserves	(93)	(93)
	<u>\$ 1,399</u>	<u>\$ 1,353</u>

**10. Property, Plant and Equipment, Net**

(\$ in millions)	March 31, 2021	December 31, 2020
Land	\$ 161	\$ 163
Buildings	1,708	1,653
Machinery and equipment	6,338	6,214
Construction-in-progress	990	883
	<u>9,197</u>	<u>8,913</u>
Accumulated depreciation	(3,627)	(3,562)
	<u>\$ 5,570</u>	<u>\$ 5,351</u>

Depreciation expense amounted to \$123 million and \$124 million for the three months ended March 31, 2021 and 2020, respectively.

**11. Goodwill**

(\$ in millions)	Beverage Packaging, North & Central America	Beverage Packaging, EMEA	Beverage Packaging, South America	Aerospace	Other	Total
Balance at December 31, 2020	\$ 1,275	\$ 1,573	\$ 1,298	\$ 40	\$ 298	\$ 4,484
Effects of currency exchange	—	(56)	—	—	(12)	(68)
Balance at March 31, 2021	<u>\$ 1,275</u>	<u>\$ 1,517</u>	<u>\$ 1,298</u>	<u>\$ 40</u>	<u>\$ 286</u>	<u>\$ 4,416</u>

Goodwill in the above table is presented net of accumulated impairment losses of \$62 million as of March 31, 2021, and December 31, 2020.

In the first quarter of 2020, Ball recorded a non-cash impairment charge of \$62 million related to the goodwill associated with the beverage packaging, other, reporting unit as the carrying amount of this reporting unit exceeded its fair value. The impairment review was triggered by the restructuring of the company's reporting units which was made in connection with a January 1, 2020 change in segment management and internal reporting structure.

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**12. Intangible Assets, Net**

(\$ in millions)	March 31, 2021	December 31, 2020
Acquired customer relationships and other intangibles (net of accumulated amortization of \$756 million at March 31, 2021, and \$729 million at December 31, 2020)	\$ 1,721	\$ 1,785
Capitalized software (net of accumulated amortization of \$201 million at March 31, 2021, and \$196 million at December 31, 2020)	66	69
Other intangibles (net of accumulated amortization of \$93 million at March 31, 2021, and \$124 million at December 31, 2020)	26	29
	<u>\$ 1,813</u>	<u>\$ 1,883</u>

Total amortization expense of intangible assets amounted to \$45 million and \$45 million for the three months ended March 31, 2021, and 2020, respectively.

**13. Other Assets**

(\$ in millions)	March 31, 2021	December 31, 2020
Long-term pension assets	\$ 572	\$ 562
Investments in affiliates	306	321
Right-of-use operating lease assets	380	302
Long-term deferred tax assets	192	227
Other	493	447
	<u>\$ 1,943</u>	<u>\$ 1,859</u>

In the first quarter of 2020, the shareholders of Ball Metalpack provided additional equity contributions and loans to Ball Metalpack, of which Ball's share was \$30 million, which resulted in Ball recognizing this same level of previously unrecorded equity method losses associated with prior periods. These losses are presented in equity in results of affiliates, net of tax, in the company's unaudited condensed consolidated statement of earnings. Ball is under no obligation to provide additional equity contributions or loans to Ball Metalpack.

**14. Leases**

The company enters into operating leases for buildings, warehouses, office equipment, production equipment, aircraft, land and other types of equipment. The company also enters into finance leases for certain plant equipment.

Supplemental balance sheet information related to the company's leases follows:

(\$ in millions)	Balance Sheet Location	March 31, 2021	December 31, 2020
<b>Operating leases:</b>			
Operating lease ROU asset	Other assets	\$ 380	\$ 302
Current operating lease liabilities	Other current liabilities	73	63
Noncurrent operating lease liabilities	Other liabilities	301	232
<b>Finance leases:</b>			
Finance lease ROU assets, net	Property, plant and equipment, net	\$ 10	\$ 11
	Short-term debt and current portion of long-term debt	2	2
Current finance lease liabilities	debt	2	2
Noncurrent finance lease liabilities	Long-term debt	9	10

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**15. Debt**

Long-term debt consisted of the following:

<u>(\$ in millions)</u>	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Senior Notes</b>		
5.00% due March 2022	\$ 743	\$ 748
4.00% due November 2023	1,000	1,000
4.375%, euro denominated, due December 2023	821	855
0.875%, euro denominated, due March 2024	880	916
5.25% due July 2025	1,000	1,000
4.875% due March 2026	750	750
1.50%, euro denominated, due March 2027	645	672
2.875% due August 2030	1,300	1,300
<b>Senior Credit Facility (at variable rates)</b>		
Term A loan due March 2024	593	593
<b>Finance lease obligations</b>	11	12
<b>Other (including debt issuance costs)</b>	(57)	(60)
	<u>7,686</u>	<u>7,786</u>
Less: Current portion	(745)	(3)
	<u>\$ 6,941</u>	<u>\$ 7,783</u>

The company's senior credit facilities include long-term multi-currency revolving facilities that mature in March 2024, which provide the company with up to the U.S. dollar equivalent of \$1.75 billion. At March 31, 2021, taking into account outstanding letters of credit, \$1.7 billion was available under the company's long-term, revolving credit facilities. In addition to these facilities, the company had approximately \$1 billion of short-term uncommitted credit facilities available at March 31, 2021, of which \$21 million was outstanding and due on demand. At December 31, 2020, the company had \$14 million outstanding under short-term uncommitted credit facilities.

The fair value of long-term debt was estimated to be \$8.1 billion at March 31, 2021, and \$8.3 billion at December 31, 2020. The fair value reflects the market rates at each period end for debt with credit ratings similar to the company's ratings and is classified as Level 2 within the fair value hierarchy. Rates currently available to the company for loans with similar terms and maturities are used to estimate the fair value of long-term debt based on discounted cash flows.

The U.S. note agreements and bank credit agreement contain certain restrictions relating to dividend payments, share repurchases, investments, financial ratios, guarantees and the incurrence of additional indebtedness. The company's most restrictive debt covenant requires the company to maintain a leverage ratio (as defined) of no greater than 5.0 times as of March 31, 2021, which will change to 4.5 times as of December 31, 2022. The company was in compliance with all loan agreements and debt covenants at both March 31, 2021, and December 31, 2020, and it has met all debt payment obligations.

**16. Taxes on Income**

The company's effective tax rate was 13.7 percent and negative 9.1 percent for the three months ended March 31, 2021 and 2020, respectively. As compared to the statutory U.S. tax rate, the effective tax rate for the three months ended March 31, 2021, was reduced by 5 percentage points for foreign tax rate differences including tax holidays, 2.6 percentage points for share-based compensation, and 2.4 percentage points for federal tax credits. Also, as compared to the statutory U.S. tax rate, the effective tax rate for the three months ended March 31, 2020, was reduced by 51 percentage points for the benefit of share-based compensation, reduced by 13.8 percentage points for the benefit of losses in equity in results of affiliates, and increased by 35.3 percentage points for the impact of the beverage packaging, other, goodwill impairment.

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**17. Employee Benefit Obligations**

(\$ in millions)	March 31, 2021	December 31, 2020
Underfunded defined benefit pension liabilities	\$ 809	\$ 955
Less: Current portion	(23)	(24)
Long-term defined benefit pension liabilities	786	931
Long-term retiree medical liabilities	152	156
Deferred compensation plans	399	439
Other	58	87
	<u>\$ 1,395</u>	<u>\$ 1,613</u>

Components of net periodic benefit cost associated with the company's defined benefit pension plans were as follows:

(\$ in millions)	Three Months Ended March 31,					
	2021			2020		
	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Ball-sponsored plans:						
Service cost	\$ 21	\$ 3	\$ 24	\$ 16	\$ 4	\$ 20
Interest cost	13	9	22	20	14	34
Expected return on plan assets	(31)	(16)	(47)	(31)	(21)	(52)
Amortization of prior service cost	—	1	1	—	1	1
Recognized net actuarial loss	13	1	14	10	1	11
Total net periodic benefit cost	<u>\$ 16</u>	<u>\$ (2)</u>	<u>\$ 14</u>	<u>\$ 15</u>	<u>\$ (1)</u>	<u>\$ 14</u>

Non-service pension income of \$10 million and \$6 million for the three months ended March 31, 2021 and 2020, respectively, is included in selling, general, and administrative (SG&A) expenses.

Contributions to the company's defined benefit pension plans were \$162 million for the first three months of 2021 compared to \$11 million for the first three months of 2020, and such contributions are expected to be approximately \$185 million for the full year of 2021. This estimate may change based on changes to the U.S. Pension Protection Act, the effects of the Coronavirus Aid, Relief, and Economic Security (CARES) and American Rescue Plan Act (ARPA) Acts and the actual returns achieved on plan assets, among other factors.

**18. Equity and Accumulated Other Comprehensive Earnings**

The following tables provide additional details of the company's equity activity:

(\$ in millions; share amounts in thousands)	Common Stock		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Noncontrolling Interest	Total Equity
	Number of Shares	Amount	Number of Shares	Amount				
<b>Balance at December 31, 2020</b>	679,524	\$ 1,167	(351,939)	\$ (3,130)	\$ 6,192	\$ (954)	\$ 62	\$ 3,337
Net earnings (loss)	—	—	—	—	200	—	—	200
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	57	—	57
Common dividends, net of tax benefits	—	—	—	—	(50)	—	—	(50)
Treasury stock purchases	—	—	(121)	(10)	—	—	—	(10)
Treasury shares reissued	—	—	161	8	—	—	—	8
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	490	4	—	8	—	—	—	12
<b>Balance at March 31, 2021</b>	<u>680,014</u>	<u>\$ 1,171</u>	<u>(351,899)</u>	<u>\$ (3,124)</u>	<u>\$ 6,342</u>	<u>\$ (897)</u>	<u>\$ 62</u>	<u>\$ 3,554</u>



**Ball Corporation**  
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(\$ in millions; share amounts in thousands)	Common Stock		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Noncontrolling Interest	Total Equity
	Number of Shares	Amount	Number of Shares	Amount				
<b>Balance at December 31, 2019</b>	676,302	\$ 1,178	(351,667)	\$ (3,122)	\$ 5,803	\$ (910)	\$ 70	\$ 3,019
Net earnings	—	—	—	—	23	—	—	23
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	(229)	—	(229)
Common dividends, net of tax benefits	—	—	—	—	(49)	—	—	(49)
Treasury stock purchases	—	—	(774)	(54)	—	—	—	(54)
Treasury shares reissued	—	—	232	7	—	—	—	7
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	1,826	(27)	—	—	—	—	—	(27)
Other activity	—	—	—	10	—	—	—	10
<b>Balance at March 31, 2020</b>	<u>678,128</u>	<u>\$ 1,151</u>	<u>(352,209)</u>	<u>\$ (3,159)</u>	<u>\$ 5,777</u>	<u>\$ (1,139)</u>	<u>\$ 70</u>	<u>\$ 2,700</u>

**Accumulated Other Comprehensive Earnings (Loss)**

The activity related to accumulated other comprehensive earnings (loss) was as follows:

(\$ in millions)	Foreign Currency Translation (Net of Tax)	Pension and Other Postretirement Benefits (Net of Tax)	Derivatives Designated as Hedges (Net of Tax)	Accumulated Other Comprehensive Earnings (Loss)
Balance at December 31, 2020	(555)	(466)	67	(954)
Other comprehensive earnings (loss) before reclassifications	(12)	21	66	75
Reclassification of net deferred (gains) losses into earnings	—	11	(29)	(18)
Balance at March 31, 2021	<u>\$ (567)</u>	<u>\$ (434)</u>	<u>\$ 104</u>	<u>\$ (897)</u>

The following table provides additional details of the amounts recognized into net earnings from accumulated other comprehensive earnings (loss):

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
<b>Gains (losses) on cash flow hedges:</b>		
Commodity contracts recorded in net sales	\$ (16)	\$ —
Commodity contracts recorded in cost of sales	10	4
Currency exchange contracts recorded in selling, general and administrative	42	18
Cross-currency swaps recorded in selling, general and administrative	—	(1)
Interest rate contracts recorded in interest expense	—	(1)
Total before tax effect	36	20
Tax benefit (expense) on amounts reclassified into earnings	(7)	(5)
Recognized gain (loss), net of tax	<u>\$ 29</u>	<u>\$ 15</u>
<b>Amortization of pension and other postretirement benefits: (a)</b>		
Actuarial gains (losses)	\$ (14)	\$ (11)
Prior service income (expense)	(1)	—
Total before tax effect	(15)	(11)
Tax benefit (expense) on amounts reclassified into earnings	4	3
Recognized gain (loss), net of tax	<u>\$ (11)</u>	<u>\$ (8)</u>

(a) These components are included in the computation of net periodic benefit cost detailed in Note 17.

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements****19. Earnings and Dividends Per Share**

(\$ in millions, except per share amounts; shares in thousands)	Three Months Ended March 31,	
	2021	2020
Net earnings attributable to Ball Corporation	\$ 200	\$ 23
Basic weighted average common shares	327,811	325,346
Effect of dilutive securities	5,862	6,980
Weighted average shares applicable to diluted earnings per share	333,673	332,326
Per basic share	\$ 0.61	\$ 0.07
Per diluted share	\$ 0.60	\$ 0.07

Certain outstanding options are excluded from the diluted earnings per share calculation because they are anti-dilutive (i.e., their assumed conversion into common stock would increase rather than decrease earnings per share). The options excluded totaled one million for the three months ended March 31, 2021 and 2020.

The company declared and paid dividends of \$0.15 per share for the three months ended March 31, 2021 and 2020.

**20. Financial Instruments and Risk Management****Policies and Procedures**

The company employs established risk management policies and procedures, which seek to reduce its commercial risk exposure to fluctuations in commodity prices, interest rates, currency exchange rates and prices of the company's common stock with regard to common share repurchases and the company's deferred compensation stock plan. However, there can be no assurance these policies and procedures will be successful. Although the instruments utilized involve varying degrees of credit, market and interest risk, the counterparties to the agreements are expected to perform fully under the terms of the agreements. The company monitors counterparty credit risk, including lenders, on a regular basis, but Ball cannot be certain that all risks will be discerned or that its risk management policies and procedures will always be effective. Additionally, in the event of default under the company's master derivative agreements, the non-defaulting party has the option to offset any amounts owed with regard to open derivative positions.

**Commodity Price Risk** - The company manages commodity price risk in connection with market price fluctuations of aluminum through two different methods. First, the company enters into container sales contracts that include aluminum-based pricing terms which generally reflect the same price fluctuations under commercial purchase contracts for aluminum sheet. The terms include fixed, floating or pass through aluminum component pricing. Second, the company uses certain derivative instruments, including option and forward contracts, as economic and cash flow hedges of commodity price risk where there are material differences between sales and purchase contracted pricing and volume.

**Interest Rate Risk** - The company's objective in managing exposure to interest rate changes is to minimize the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve these objectives, the company may use a variety of interest rate swaps, collars and options to manage its mix of floating and fixed-rate debt.

**Ball Corporation****Notes to the Unaudited Condensed Consolidated Financial Statements**

**Currency Exchange Rate Risk** - The company's objective in managing exposure to currency fluctuations is to limit the exposure of cash flows and earnings from changes associated with currency exchange rate changes through the use of various derivative contracts. In addition, at times the company manages earnings translation volatility through the use of currency option strategies, and the change in the fair value of those options is recorded in the company's net earnings.

The following table provides additional information related to the commercial risk management instruments described above:

(\$ in millions)	March 31, 2021		
	Commodity	Currency	Interest Rate
Notional amount of contracts	\$ 1,375 (a)	\$ 2,724	\$ 1,171
Net gain (loss) included in AOCI, after-tax	80 (b)	24	—
Net gain (loss) included in AOCI, after-tax, expected to be recognized in the unaudited condensed consolidated statement of earnings within the next 12 months	66 (b)	17	—
Longest duration of forecasted cash flow hedge transactions in years	3	4	1

(a) Substantially all aluminum contracts received hedge accounting treatment as of March 31, 2021.

(b) Substantially all of this gain (loss) will be offset by pricing changes in sales and purchase contracts.

**Common Stock Price Risk**

The company's deferred compensation stock program is subject to variable plan accounting and, accordingly, is marked to fair value using the company's closing stock price at the end of the related reporting period. The company entered into total return swaps to reduce the company's earnings exposure to these fair value fluctuations that will be outstanding through May 2021 and have a combined notional value of 2.6 million shares. Based on the current number of shares in the program, each \$1 change in the company's stock price would have an insignificant impact on pretax earnings, net of the impact of related derivatives.

**Collateral Calls**

The company's agreements with its financial counterparties require the company to post collateral in certain circumstances when the negative mark to fair value of the derivative contracts exceeds specified levels. Additionally, the company has collateral posting arrangements with certain customers on these derivative contracts. The cash flows of the margin calls, if any, are shown within the investing section of the company's unaudited condensed consolidated statements of cash flows. As of March 31, 2021, and December 31, 2020, the aggregate fair value of all derivative instruments with credit-risk-related contingent features was a net liability position of \$15 million and \$52 million, respectively, and no collateral was required to be posted.

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

**Fair Value Measurements**

Ball has classified all applicable financial derivative assets and liabilities as Level 2 within the fair value hierarchy as of March 31, 2021, and December 31, 2020, and presented those values in the tables below. The company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

(\$ in millions)	Balance Sheet Location	March 31, 2021		Total
		Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	
<b>Assets:</b>				
Commodity contracts		\$ 115	\$ —	\$ 115
Foreign currency contracts		3	11	14
Other contracts		—	4	4
Total current derivative contracts	Other current assets	<u>\$ 118</u>	<u>\$ 15</u>	<u>\$ 133</u>
Commodity contracts		\$ 17	\$ —	\$ 17
Foreign currency contracts		26	—	26
Total noncurrent derivative contracts	Other noncurrent assets	<u>\$ 43</u>	<u>\$ —</u>	<u>\$ 43</u>
<b>Liabilities:</b>				
Commodity contracts		\$ 33	\$ —	\$ 33
Foreign currency contracts		2	13	15
Other contracts		—	4	4
Total current derivative contracts	Other current liabilities	<u>\$ 35</u>	<u>\$ 17</u>	<u>\$ 52</u>
Foreign currency contracts		\$ —	\$ 4	\$ 4
Total noncurrent derivative contracts	Other noncurrent liabilities	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ 4</u>

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

		December 31, 2020		
		Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total
<b>Assets:</b>				
Commodity contracts		\$ 50	\$ —	\$ 50
Foreign currency contracts		3	27	30
Other contracts		—	2	2
Total current derivative contracts	Other current assets	<u>\$ 53</u>	<u>\$ 29</u>	<u>\$ 82</u>
Commodity contracts		\$ 8	\$ —	\$ 8
Total noncurrent derivative contracts	Other noncurrent assets	<u>\$ 8</u>	<u>\$ —</u>	<u>\$ 8</u>
<b>Liabilities:</b>				
Commodity contracts		\$ 17	\$ —	\$ 17
Foreign currency contracts		—	63	63
Other contracts		—	4	4
Total current derivative contracts	Other current liabilities	<u>\$ 17</u>	<u>\$ 67</u>	<u>\$ 84</u>
Foreign currency contracts		\$ 8	\$ 2	\$ 10
Total noncurrent derivative contracts	Other noncurrent liabilities	<u>\$ 8</u>	<u>\$ 2</u>	<u>\$ 10</u>

The company uses closing spot and forward market prices as published by the London Metal Exchange, the Chicago Mercantile Exchange, Reuters and Bloomberg to determine the fair value of any outstanding aluminum, currency, energy, inflation and interest rate spot and forward contracts. Option contracts are valued using a Black-Scholes model with observable market inputs for aluminum, currency and interest rates. The company values each of its financial instruments either internally using a single valuation technique, from a reliable observable market source, or from the use of third-party software. The company does not adjust the value of its financial instruments except in determining the fair value of a trade that settles in the future. The present value discounting factor is based on the comparable time period LIBOR rate or 12-month LIBOR. Ball performs validations of the company's internally derived fair values reported for the company's financial instruments on a quarterly basis utilizing counterparty valuation statements. The company additionally evaluates counterparty creditworthiness and, as of March 31, 2021, has not identified any circumstances requiring the reported values of the company's financial instruments be adjusted.

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The following table provides the effects of derivative instruments in the consolidated statement of earnings and on accumulated other comprehensive earnings (loss):

(\$ in millions)	Location of Gain (Loss) Recognized in Earnings on Derivatives	Three Months Ended March 31,			
		2021		2020	
		Cash Flow Hedge - Reclassified Amount from Accumulated Other Comprehensive Earnings (Loss)	Gain (Loss) on Derivatives not Designated as Hedge Instruments	Cash Flow Hedge - Reclassified Amount from Accumulated Other Comprehensive Earnings (Loss)	Gain (Loss) on Derivatives not Designated as Hedge Instruments
Commodity contracts - <i>manage exposure to customer pricing</i>	Net sales	\$ (16)	\$ —	\$ —	\$ 1
Commodity contracts - <i>manage exposure to supplier pricing</i>	Cost of sales	10	3	4	(1)
Interest rate contracts - <i>manage exposure for outstanding debt</i>	Interest expense	—	—	(1)	1
Foreign currency contracts - <i>manage currency exposure</i>	Selling, general and administrative	42	35	18	22
Cross-currency swaps - <i>manage intercompany currency exposure</i>	Selling, general and administrative	—	—	(1)	—
Equity contracts	Selling, general and administrative	—	(25)	—	(2)
<b>Total</b>		<u>\$ 36</u>	<u>\$ 13</u>	<u>\$ 20</u>	<u>\$ 21</u>

The changes in accumulated other comprehensive earnings (loss) for derivatives designated as hedges were as follows:

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Amounts reclassified into earnings:		
Commodity contracts	\$ 6	\$ (4)
Cross-currency swap contracts	—	1
Interest rate contracts	—	1
Currency exchange contracts	(42)	(18)
Change in fair value of cash flow hedges:		
Commodity contracts	51	(30)
Interest rate contracts	—	(2)
Cross-currency swap contracts	—	1
Currency exchange contracts	31	58
Foreign currency and tax impacts	(9)	(2)
	<u>\$ 37</u>	<u>\$ 5</u>

**Ball Corporation**  
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**21. Contingencies**

Ball is subject to numerous lawsuits, claims or proceedings arising out of the ordinary course of business, including actions related to product liability; personal injury; the use and performance of company products; warranty matters; patent, trademark or other intellectual property infringement; contractual liability; the conduct of the company's business; tax reporting in domestic and foreign jurisdictions; workplace safety and environmental and other matters. The company has also been identified as a potentially responsible party (PRP) at several waste disposal sites under U.S. federal and related state environmental statutes and regulations and may have joint and several liability for any investigation and remediation costs incurred with respect to such sites. In addition, the company has received claims alleging that employees in certain plants have suffered damages due to exposure to alleged workplace hazards. Some of these lawsuits, claims and proceedings involve substantial amounts, including as described below, and some of the environmental proceedings involve potential monetary costs or sanctions that may be material. Ball has denied liability with respect to many of these lawsuits, claims and proceedings and is vigorously defending such lawsuits, claims and proceedings. The company carries various forms of commercial, property and casualty, and other forms of insurance; however, such insurance may not be applicable or adequate to cover the costs associated with a judgment against Ball with respect to these lawsuits, claims and proceedings. The company estimates that potential liabilities for all currently known and estimable environmental matters are approximately \$28 million in the aggregate, and such amounts have been included in other current liabilities and other noncurrent liabilities at March 31, 2021.

In November 2012, the USEPA wrote to the company asserting that it is one of at least 50 PRPs with respect to the Lower Duwamish site located in Seattle, Washington, based on the company's ownership of a glass container plant prior to 1995, and notifying the company of a proposed remediation action plan. A site was selected to begin data review on over 30 industrial companies and government entities and at least two PRP groups have been discussing various allocation proposals. The USEPA issued the site Record of Decision (ROD) in December 2014. Ball submitted its initial responses to the allocator's questionnaire in March 2015, and after reviewing submissions from the PRPs alleging deficiencies in certain of Ball's responses, the allocator denied certain of the allegations and directed the company to answer others, to which Ball responded during the fourth quarter of 2016. A group of de minimis PRPs, including Ball, retained a technical consultant to assist with their positions vis-à-vis larger PRPs, and further presentations were made to the site allocator during the fourth quarter of 2017 and the first quarter of 2018. Total site remediation costs of \$342 million, to cover remediation of approximately 200 acres of river bottom, are expected according to the proposed remediation action plan, which does not include \$100 million that has already been spent, and which will be allocated among the numerous PRPs in due course. Based on the information available at this time, the company does not believe that this matter will have a material adverse effect upon its liquidity, results of operations or financial condition.

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In February 2012, Ball Metal Beverage Container Corp. (BMBCC) filed an action against Crown Packaging Technology, Inc. (Crown) in the U.S. District Court for the Southern District of Ohio (the Court) seeking a declaratory judgment that the manufacture, sale and use of certain ends by BMBCC and its customers do not infringe certain claims of Crown's U.S. patents. Crown subsequently filed a counterclaim alleging infringement of certain claims in these patents seeking unspecified monetary damages, fees and declaratory and injunctive relief. The District Court issued a claim construction order at the end of December 2015 and held a scheduling conference on February 10, 2016, to determine the timeline for future steps in the litigation. The case was stayed by mutual agreement of the parties into the third quarter of 2016, during which Crown made preparations for its discovery with respect to certain ends previously produced by Rexam's U.S. subsidiary, Rexam Beverage Can Company (RBCC). Such discovery began during the first half of 2017 and concluded in the fourth quarter of 2018. The parties attempted to mediate the case on August 1, 2017, but no progress was made, and the case continued as scheduled. In December, 2018, BMBCC and RBCC filed a motion for summary judgment that the Crown patents at issue are invalid and that the applicable ends supplied by BMBCC and RBCC did not infringe the patents. Crown did not file a motion for summary judgment. On June 21, 2019, the District Court issued an order sustaining the BMBCC/RBCC motion as to invalidity, declining to rule on the other grounds as moot, and indicating that an expanded opinion and an appealable order would be forthcoming. The expanded opinion was docketed on July 22, 2019. The final, appealable order was issued by the Court on September 25, 2019, and the expanded opinion was unsealed. On October 22, 2019, Crown filed a Notice of Appeal of the decision of the Court to the Court of Appeals for the Federal Circuit. On December 31, 2020, the Court of Appeals vacated the decision of the District Court and remanded the case for further proceedings. The District Court held a telephonic hearing with counsel for the parties in March 2021 to discuss the scope of the proceedings on remand and initial position statement regarding remand which was submitted by each party. The District Court also directed each party to submit a document in response to the initial position statement of the other party in April 2021. Based on the information available at the present time, the company does not believe that this matter will have a material adverse effect upon its liquidity, results of operations or financial condition.

A former Rexam Personal Care site in Annecy, France, was found in 2003 to be contaminated following a leak of chlorinated solvents (TCE) from an underground feedline. The site underwent extensive investigation and an active remediation treatment system was put in place in 2006. The business operating from the site was sold to Albea in 2013 and in turn to a French company CATIDOM (operating as Reboul). Reboul vacated the site in September 2014, and the site reverted back to Rexam during the first quarter of 2015. As part of the site closure regulatory requirements, a new regulatory permit (Prefectoral Order) was issued in June 2016, which includes requirements to undertake a cost-benefit analysis and pilot studies of further treatment for the known residual solvent contamination following the shutdown of the current on-site treatment system. A new management plan was proposed to the French Environmental Authorities (DREAL) during 2018 and is the subject of ongoing discussions ahead of a final plan for the site being addressed. Based on the information available at this time, the company does not believe that this matter will have a material adverse effect upon its liquidity, results of operations or financial condition.

The company's operations in Brazil are involved in various governmental assessments, which have historically mainly related to claims for taxes on the internal transfer of inventory, gross revenue taxes, and indirect tax incentives and deductibility of goodwill. In addition, one of the company's Brazilian subsidiaries received an income tax assessment focused on the disallowance of deductions associated with the acquisition price paid to a third party for a portion of its operations. The company does not believe that the ultimate resolution of these matters will materially impact its results of operations, financial position or cash flows. Under customary local regulations, the company's Brazilian subsidiaries may need to post cash or other collateral if the process to challenge any administrative assessment proceeds to the Brazilian court system; however, the level of any potential cash or collateral required would not significantly impact the liquidity of those subsidiaries or Ball Corporation.



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During the first quarter of 2017, the Brazilian Supreme Court (the Court) ruled against the Brazilian tax authorities in a leading case related to the computation of certain indirect taxes. The Court ruled that the indirect tax base should not include a value-added tax known as “ICMS.” By removing the ICMS from the tax base, the Court effectively eliminated a “tax on tax.” The Court decision, in principle, affects all applicable judicial proceedings in progress. However, after publication of the decision in October 2017, the Brazilian tax authorities filed an appeal seeking clarification of certain matters, including the amount of ICMS to which taxpayers would be entitled in order to reduce their indirect tax base (i.e., the gross rate or net rate). The appeal also requested a modulation of the decision’s effects, which may limit its impact on taxpayers.

The company’s Brazilian subsidiaries paid to the Brazilian tax authorities the gross amounts of certain indirect taxes (which included ICMS in their tax base) and filed lawsuits in 2014 and 2015 to challenge the legality of these tax on tax amounts. Pursuant to these lawsuits, the company requested reimbursement of prior excess tax payments and entitlement to retain amounts not remitted. During the third quarter of 2018, the company learned of a further decision of the Court indicating that lawsuits filed prior to the trial resulting in its 2017 decision, such as those filed by the company, would likely be upheld. The company also noted that other Brazilian companies, including customers of its Brazilian subsidiaries, which had timely filed equivalent lawsuits, were recording income based on the applicable ICMS amounts retained. During 2020 and 2019, the company received additional favorable court rulings and completed its analysis of certain prior year overpayments related to ICMS. As these gain contingency amounts were determined to be estimable and realizable, the company recorded \$4 million of prior year collections in business consolidation and other activities within its third quarter 2020 unaudited condensed consolidated statement of earnings. The company is currently seeking reimbursement for additional ICMS-related amounts previously paid to the Brazilian government; however, such amounts cannot be estimated at this time. In the event other comparable cases are resolved and the amounts claimed become estimable and realizable, the company will record gains, which may result in material reimbursements to the company in future periods.

**22. Indemnifications and Guarantees**

*General Guarantees*

The company or its appropriate consolidated direct or indirect subsidiaries, have made certain indemnities, commitments and guarantees under which the specified entity may be required to make payments in relation to certain transactions. These indemnities, commitments and guarantees include indemnities to the customers of the subsidiaries in connection with the sales of their packaging and aerospace products and services; guarantees to suppliers of subsidiaries of the company guaranteeing the performance of the respective entity under a purchase agreement, construction contract, renewable energy purchase contract or other commitment; guarantees in respect of certain non-U.S. subsidiaries’ pension plans; indemnities for liabilities associated with the infringement of third-party patents, trademarks or copyrights under various types of agreements; indemnities to various lessors in connection with facility, equipment, furniture and other personal property leases for certain claims arising from such leases; indemnities to governmental agencies in connection with the issuance of a permit or license to the company or a subsidiary; indemnities pursuant to agreements relating to certain joint ventures; indemnities in connection with the sale of businesses or substantially all of the assets and specified liabilities of businesses; and indemnities to directors, officers and employees of the company to the extent permitted under the laws of the State of Indiana and the United States of America. The duration of these indemnities, commitments and guarantees varies and, in certain cases, is indefinite.

In addition, many of these indemnities, commitments and guarantees do not provide for any limitation on the maximum potential future payments the company could be obligated to make. As such, the company is unable to reasonably estimate its potential exposure under these items.

**Ball Corporation**  
**Notes to the Unaudited Condensed Consolidated Financial Statements**

The company has not recorded any material liabilities for these indemnities, commitments and guarantees in the accompanying consolidated balance sheets. The company does, however, accrue for payments under promissory notes and other evidences of incurred indebtedness and for losses for any known contingent liability, including those that may arise from indemnifications, commitments and guarantees, when future payment is both reasonably estimable and probable. Finally, the company carries specific and general liability insurance policies and has obtained indemnities, commitments and guarantees from third-party purchasers, sellers and other contracting parties, which the company believes would, in certain circumstances, provide recourse to certain claims arising from these indemnifications, commitments and guarantees.

*Debt Guarantees*

The company's and its subsidiaries' obligations under the senior notes and senior credit facilities (or, in the case of U.S. domiciled non-U.S. subsidiaries under the senior credit facilities, the obligations of non-U.S. credit parties only) are guaranteed on a full, unconditional and joint and several basis by certain of the company's domestic subsidiaries and the domestic subsidiary borrowers, and obligations of other guarantors and the subsidiary borrowers under the senior credit facilities are guaranteed by the company, in each case with certain exceptions. These guarantees are required in support of the senior notes and senior credit facilities referred to above, are coterminous with the terms of the respective note indentures, senior notes and credit agreement and could be enforced by the holders of the obligations thereunder during the continuation of an event of default under the note indentures, the senior notes and/or the credit agreement. The maximum potential amounts which could be required to be paid under such guarantees are essentially equal to the then outstanding obligations under the respective senior notes or the credit agreement (or, in the case of U.S. domiciled non-U.S. subsidiaries under the senior credit facilities, the obligations of non-U.S. credit parties only), with certain exceptions. All obligations under the guarantees of the senior credit facilities are secured, with certain exceptions, by a valid first priority perfected lien or pledge on (i) 100 percent of the capital stock of each of the company's material wholly owned domestic subsidiaries directly owned by the company or any of its wholly owned domestic subsidiaries and (ii) 65 percent of the capital stock of each of the company's material wholly owned first-tier non-U.S. subsidiaries directly owned by the company or any of its wholly owned domestic subsidiaries. In addition, the obligations of certain non-U.S. borrowers and non-U.S. pledgors under the loan documents will be secured, with certain exceptions, by a valid first priority perfected lien or pledge on 100 percent of the capital stock of certain of the company's material wholly owned foreign subsidiaries and material wholly owned U.S. domiciled non-U.S. subsidiaries directly owned by the company or any of its wholly owned material subsidiaries. The company is not in default under the above senior notes or senior credit facilities.

## **Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*Management’s discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes included in Item 1 of this Quarterly Report on Form 10-Q, which include additional information about our accounting policies, practices and the transactions underlying our financial results. The preparation of our unaudited condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires us to make estimates and assumptions that affect the reported amounts in our unaudited condensed consolidated financial statements and the accompanying notes including various claims and contingencies related to lawsuits, taxes, environmental and other matters arising during the normal course of business. We apply our best judgment, our knowledge of existing facts and circumstances and actions that we may undertake in the future in determining the estimates that affect our consolidated financial statements. We evaluate our estimates on an ongoing basis using our historical experience, as well as other factors we believe appropriate under the circumstances, such as current economic conditions, and adjust or revise our estimates as circumstances change. As future events and their effects cannot be determined with precision, actual results may differ from these estimates. Ball Corporation and its subsidiaries are referred to collectively as “Ball Corporation,” “Ball,” “the company,” “we” or “our” in the following discussion and analysis.*

### **OVERVIEW**

#### *Business Overview and Industry Trends*

Ball Corporation is one of the world’s leading aluminum packaging suppliers. Our packaging products are produced for a variety of end uses, are manufactured in facilities around the world and are competitive with other substrates, such as plastics and glass. In the aluminum packaging industry, sales and earnings can be increased by reducing costs, increasing prices, developing new products, expanding volumes and making strategic acquisitions. We also provide aerospace and other technologies and services to governmental and commercial customers, including national defense hardware, antenna and video tactical solutions, civil and operational space hardware and system engineering services.

We sell our aluminum packaging products mainly to large, multinational beverage, personal care and household products companies with which we have developed long-term relationships. This is evidenced by our high customer retention and our large number of long-term supply contracts. While we have a diversified customer base, we sell a significant portion of our packaging products to major companies and brands, as well as to numerous regional customers. The overall global aluminum beverage and aerosol container industries are growing and are expected to continue to grow in the medium to long term. The primary customers for the products and services provided by our aerospace segment are U.S. government agencies or their prime contractors.

We purchase our raw materials from relatively few suppliers. We also have exposure to inflation, in particular the rising costs of raw materials, as well as other direct cost inputs. We mitigate our exposure to the changes in the costs of aluminum through the inclusion of provisions in contracts covering the majority of our volumes to pass through aluminum price changes, as well as through the use of derivative instruments. The pass-through provisions generally result in proportional increases or decreases in sales and costs with a greatly reduced impact, if any, on net earnings. Because of our customer and supplier concentration, our business, financial condition and results of operations could be adversely affected by the loss, insolvency or bankruptcy of a major customer or supplier or a change in a supply agreement with a major customer or supplier, although our contract provisions generally mitigate the risk of customer loss, and our long-term relationships represent a known, stable customer base.

The majority of the aerospace business involves work under contracts, generally from one to five years in duration, as a prime contractor or subcontractor for various U.S. government agencies. Intense competition and long operating cycles are key characteristics of the company’s aerospace and defense industry where it is common for work on major programs to be shared among a number of companies. A company competing to be a prime contractor may, upon ultimate award of the contract to a competitor, become a subcontractor for the ultimate prime contracting company.

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### *Corporate Strategy*

Our Drive for 10 vision encompasses five strategic levers that are key to growing our business and achieving long-term success. Since launching Drive for 10 in 2011, we have made progress on each of the levers as follows:

- Maximizing value in our existing businesses by expanding container production across our global plant network to meet current demand and improving efficiencies in our beverage container and end facilities in North America, South America and Europe; leveraging plant floor and integrated planning systems to reduce costs and manage contractual provisions across our diverse customer base; successfully acquiring and integrating a large global aluminum beverage business and regional aluminum aerosol facility while also divesting underperforming steel food and steel aerosol packaging assets in North and South America and four beverage packaging facilities in China; and in the remaining aluminum aerosol business, installing new extruded aluminum aerosol lines in our European, Mexican and Indian facilities while also implementing cost-out and value-in initiatives across all of our businesses;
- Expanding further into new products and capabilities through commercializing our new lightweight, infinitely recyclable aluminum cup and providing next-generation extruded aluminum aerosol packaging that utilizes proprietary technology to significantly lightweight the can; and successfully introducing new specialty beverage cans and aluminum bottle-shaping technology;
- Aligning ourselves with the right customers and markets by investing capital to meet continued growth for specialty beverage containers throughout our global network, which represent approximately 45 percent of our global beverage packaging mix; aligning with spiked seltzer and craft brewers, sparkling and still water fillers, wine producers and other new beverage producers who continue to use aluminum beverage containers to grow their business; and in our new aluminum cup business, utilizing online platforms and North American retailers to provide infinitely recyclable aluminum cups directly to consumers;
- Broadening our geographic reach with our acquisition of Rexam and our new investments in beverage manufacturing facilities in the United States, Brazil, Paraguay, Spain, Mexico, Myanmar and Panama, as well as an extruded aluminum aerosol manufacturing facility in India and successful start-up of a dedicated aluminum cup manufacturing facility in the U.S.; and
- Leveraging our technological expertise in packaging innovation, including the introduction of our new proprietary, brandable lightweight aluminum cup and providing next-generation aluminum bottle-shaping technologies and the increased production of lightweight ReAl® containers, which utilize technology that increases the strength of aluminum used in the manufacturing process while lightweighting the can by up to 20 percent over a standard aluminum aerosol can, as well as our investment in cyber, data analytics methane monitoring, 5G and LIDAR capabilities to further enhance our aerospace technical expertise across a broader customer portfolio.

These ongoing business developments help us stay close to our customers while expanding and/or sustaining our industry positions and global reach with major beverage, personal care, household products and aerospace customers. In order to successfully execute our strategy and reach our goals, we realize the importance of excelling in the following areas: customer focus, operational excellence, innovation and business development, people and culture focus and sustainability.

### **RESULTS OF CONSOLIDATED OPERATIONS**

Management's discussion and analysis for our results of operations on a consolidated and segment basis include a quantification of factors that had a material impact. Other factors that did not have a material impact, but that are significant to understand the results, are qualitatively described.

**Novel Coronavirus (COVID-19)**

The novel coronavirus (COVID-19) had a material effect upon the global business environment during the three months ended March 31, 2021, and the year ended December 31, 2020. Ball provides key products and services to the consumer beverage and household markets and the U.S. aerospace markets and, consequently, the operations of Ball and of its principal customers and suppliers have been designated as essential across our key markets. This designation allowed Ball to operate its manufacturing facilities throughout the three months ended March 31, 2021, and the year ended December 31, 2020, and it is expected that Ball will continue to operate its facilities without disruption in the foreseeable future. However, countries around the globe have issued stay-at-home orders and mandated operational closures of non-essential businesses, which has impacted certain of our customers by constraining some supply of products to certain consumers. The risks that COVID-19 continues to present to Ball's business have been outlined in Note 1 of these unaudited condensed consolidated financial statements and within Item 1. Risk Factors in the company's 2020 Annual Report on Form 10-K filed on February 17, 2021.

**Consolidated Sales and Earnings**

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 3,125	\$ 2,785
Net earnings attributable to Ball Corporation	200	23
Net earnings attributable to Ball Corporation as a % of net sales	6 %	1 %

Sales in the three months ended March 31, 2021, increased compared to the same period in 2020 primarily due to increased sales volumes in our beverage packaging segments.

Net earnings for the three months ended March 31, 2021, increased compared to the same period in 2020 primarily due to increased sales volumes, lower business consolidation and other costs, lower interest expense and higher earnings from equity in results of affiliates, partially offset by a higher effective tax rate.

**Cost of Sales (Excluding Depreciation and Amortization)**

Cost of sales, excluding depreciation and amortization, was \$2,493 million and \$2,215 million for the three months ended March 31, 2021 and 2020, respectively. These amounts represented 80 percent of consolidated net sales for the three months ended March 31, 2021 and 2020.

**Depreciation and Amortization**

Depreciation and amortization expense was \$168 million and \$169 million for the three months ended March 31, 2021 and 2020, respectively. These amounts represented 5 percent and 6 percent of consolidated net sales for the three months ended March 31, 2021 and 2020, respectively.

**Selling, General and Administrative**

Selling, general and administrative (SG&A) expenses were \$157 million and \$131 million for the three months ended March 31, 2021 and 2020, respectively. These amounts represented 5 percent of consolidated net sales for the three months ended March 31, 2021 and 2020.

**Business Consolidation Costs and Other Activities**

Business consolidation and other activities were \$7 million and \$115 million for the three months ended March 31, 2021 and 2020, respectively. The amounts in 2021 are the result of insignificant activities, whereas the charges in 2020 included non-cash charges for goodwill impairment and other costs related to previously disposed businesses as described in Note 6 of these of these unaudited condensed consolidated financial statements.

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*Interest Expense*

Total interest expense was \$67 million and \$111 million for the three months ended March 31, 2021 and 2020, respectively. Interest expense, excluding the effect of debt refinancing and other costs, as a percentage of average borrowings decreased by approximately 30 basis points from 3.7 percent for the three months ended March 31, 2020, to 3.4 percent for the three months ended March 31, 2021, due to the drop in global interest rates.

*Income Taxes*

The effective tax rate for the three months ended March 31, 2021, was 13.7 percent compared to negative 9.1 percent for the same period in 2020. The increase of 22.8 percentage points for the three months ended March 31, 2021, was primarily due to decreased tax benefits for share-based compensation in 2021, and decreased tax benefits for losses in equity in results of affiliates recognized in 2021 which were partially offset by the 2020 revaluation of deferred tax assets in Brazil due to fluctuations in foreign currency exchange rates. These items are expected to recur, but given their inherent uncertainty, the company is unable to reasonably estimate their potential future impacts. For 2020, the tax benefits were also partially offset by a charge for the impairment of non tax-deductible goodwill within the beverage packaging, other, operating segment which will not recur.

On March 3, 2021, the United Kingdom released its 2021 budget, which includes a proposed increase to the corporate tax rate from 19 percent to 25 percent effective April 1, 2023. The company is assessing the impact of this proposed rate increase which could result in additional tax expense in the period in which the law is enacted.

**RESULTS OF BUSINESS SEGMENTS**

***Segment Results***

Ball's operations are organized and reviewed by management along its product lines and geographical areas and presented in the four reportable segments discussed below.

*Beverage Packaging, North and Central America*

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 1,296	\$ 1,181
Comparable operating earnings	\$ 140	\$ 146
Business consolidation and other activities (a)	1	(3)
Amortization of acquired intangibles	(7)	(7)
Total segment earnings	\$ 134	\$ 136
Comparable operating earnings as a % of segment net sales	11 %	12 %

(a) Further details of these items are included in Note 6 to the unaudited condensed consolidated financial statements within Item 1 of this report.

Segment sales for the three months ended March 31, 2021, were \$115 million higher, compared to the same period in 2020. The increase for the three months ended March 31, 2021, was primarily due to higher volumes of approximately \$60 million, higher specialty mix, pass through of higher aluminum prices and improved customer contractual terms.

Comparable operating earnings for the three months ended March 31, 2021, were \$6 million lower compared to the same period in 2020. The decrease for the three months ended March 31, 2021, was primarily due to higher specialty volumes and improved customer contractual terms, which are more than offset by startup costs for new manufacturing facilities and lost production from winter storms.

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*Beverage Packaging, EMEA*

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 796	\$ 669
Comparable operating earnings	\$ 100	\$ 68
Business consolidation and other activities (a)	(2)	(3)
Amortization of acquired intangibles	(17)	(16)
Total segment earnings	\$ 81	\$ 49
Comparable operating earnings as a % of segment net sales	13 %	10 %

(a) Further details of these items are included in Note 6 to the unaudited condensed consolidated financial statements within Item 1 of this report.

Segment sales for the three months ended March 31, 2021, were \$127 million higher, compared to the same period in 2020. The increase in sales was primarily related to increased sales volumes of approximately \$60 million, favorable currency exchange of approximately \$65 million and pass through of higher aluminum prices.

Comparable operating earnings for the three months ended March 31, 2021, were \$32 million higher, compared to the same period in 2020. The increase in comparable operating earnings was primarily due to higher sales volumes.

*Beverage Packaging, South America*

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 487	\$ 405
Comparable operating earnings	\$ 93	\$ 63
Business consolidation and other activities (a)	(1)	(1)
Amortization of acquired intangibles	(14)	(14)
Total segment earnings	\$ 78	\$ 48
Comparable operating earnings as a % of segment net sales	19 %	16 %

(a) Further details of these items are included in Note 6 to the unaudited condensed consolidated financial statements within Item 1 of this report.

Segment sales for the three months ended March 31, 2021, were \$82 million higher compared to the same period in 2020. The increase in sales was primarily related to increased sales volumes of approximately \$75 million and pass through of higher aluminum prices.

Comparable operating earnings for the three months ended March 31, 2021, were \$30 million higher compared to the same period in 2020. The increase in comparable operating earnings was primarily due to increased sales volumes and favorable mix.

*Aerospace*

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 424	\$ 432
Comparable operating earnings	35	40
Comparable operating earnings as a % of segment net sales	8 %	9 %

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Segment sales for the three months ended March 31, 2021, were \$8 million lower compared to the same period in 2020, and comparable operating earnings for the three months ended March 31, 2021, were \$5 million lower compared to the same period in 2020. The lower sales and comparable operating earnings for the three months ended March 31, 2021, were primarily due to the timing of material and subcontract cost volume on the company's U.S. national defense contracts, as well as certain supply chain matters affecting a national defense contract.

The aerospace sales contract mix for the three months ended March 31, 2021, consisted of 50 percent cost-type contracts, which are billed at our costs plus an agreed upon and/or earned profit component, and 47 percent fixed-price contracts. The remaining sales were for time and materials contracts. Contracted backlog was \$2.2 billion and \$2.4 billion at March 31, 2021, and December 31, 2020, respectively. The backlog at March 31, 2021, consisted of 45 percent cost-type contracts. Comparisons of backlog are not necessarily indicative of the trend of future operations due to the nature of varying delivery and milestone schedules on contracts, timing variances in program funding and the uncertain timing of future contract awards.

*Management Performance Measures*

Management internally uses various financial measures to evaluate company performance such as comparable operating earnings (earnings before interest, taxes and business consolidation and other non-comparable costs); comparable net earnings (earnings before business consolidation costs and other non-comparable costs after tax); comparable diluted earnings per share (comparable net earnings divided by diluted weighted average shares outstanding); return on average invested capital (net operating earnings after tax over the relevant performance period divided by average invested capital over the same period); economic value added (EVA®) dollars (net operating earnings after tax less a capital charge on average invested capital employed); earnings before interest and taxes (EBIT); earnings before interest, taxes, depreciation and amortization (EBITDA); and diluted earnings per share. Management also uses free cash flow (generally defined by the company as cash flow from operating activities less capital expenditures) as a measure to evaluate the company's liquidity. We believe this information is also useful to investors as it provides insight into the earnings and cash flow criteria management uses to make strategic decisions. These financial measures may be adjusted at times for items that affect comparability between periods, including business consolidation costs and gains or losses on acquisitions and dispositions.

Nonfinancial measures used in the packaging businesses include production efficiency and spoilage rates; quality control figures; environmental, health and safety statistics; production and sales volumes; asset utilization rates and measures of sustainability. Additional measures used to evaluate financial performance in the aerospace segment include contract revenue realization, award and incentive fees realized, proposal win rates and backlog (including awarded, contracted and funded backlog).

The following financial measurements are presented on a non-U.S. GAAP basis and should be considered in connection with the unaudited condensed consolidated financial statements included within Item 1 of this report. Non-U.S. GAAP measures should not be considered in isolation and should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP. A presentation of earnings in accordance with U.S. GAAP is available in Item 1 of this report.



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Based on the above definitions, our calculation of comparable operating earnings is summarized below:

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Net earnings attributable to Ball Corporation	\$ 200	\$ 23
Net earnings (loss) attributable to noncontrolling interests, net of tax	—	—
Net earnings	200	23
Equity in results of affiliates, net of tax	1	25
Tax provision (benefit)	32	(4)
Earnings before taxes, as reported	233	44
Total interest expense	67	111
Earnings before interest and taxes	300	155
Business consolidation and other activities	7	115
Amortization of acquired intangibles	38	37
Comparable operating earnings	\$ 345	\$ 307

Our calculation of comparable net earnings is summarized below:

(\$ in millions, except per share amounts)	Three Months Ended March 31,	
	2021	2020
Net earnings attributable to Ball Corporation	\$ 200	\$ 23
Business consolidation and other activities	7	115
Amortization of acquired intangibles	38	37
Share of equity method affiliate non-comparable costs, net of tax	6	30
Debt refinancing and other costs	—	40
Non-controlling interest share of non-comparable costs, net of tax	—	1
Noncomparable taxes	(11)	(44)
Comparable net earnings	\$ 240	\$ 202
Diluted earnings per share	\$ 0.60	\$ 0.07
Comparable diluted earnings per share	\$ 0.72	\$ 0.61

## NEW ACCOUNTING PRONOUNCEMENTS

For information regarding recent accounting pronouncements, see Note 2 to the unaudited condensed consolidated financial statements included within Item 1 of this report on Form 10-Q.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

### *Cash Flows and Capital Expenditures*

The following summarizes our cash flows:

(\$ in millions)	Three Months Ended March 31,	
	2021	2020
Cash flows provided by (used in) operating activities	\$ (477)	\$ (708)
Cash flows provided by (used in) investing activities	(348)	(234)
Cash flows provided by (used in) financing activities	(54)	25

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Our primary sources of liquidity are cash provided by operating activities and external borrowings. We believe that cash flows from operations and cash provided by short-term, long-term and committed revolver borrowings, when necessary, will be sufficient to meet our ongoing operating requirements, scheduled principal and interest payments on debt, dividend payments, anticipated share repurchases and anticipated capital expenditures. We have no debt maturities until 2022, our senior credit facilities are in place until 2024 and we are focused in the near term on maintaining liquidity and flexibility in the current economic environment.

Cash outflows used in operating activities were \$477 million in 2021, primarily driven by net earnings after depreciation and amortization of \$368 million being more than offset by working capital outflows of \$703 million and pension contributions of \$162 million. In comparison to the same period of 2020, our working capital movements reflect an increase in days sales outstanding from 42 days in 2020 to 48 days in 2021, and a decrease in days payable outstanding from 128 days in 2020 to 117 days in 2021.

Cash outflows used in investing activities were \$348 million in 2021, driven primarily by \$363 million of capital expenditures for large growth projects.

Cash outflows used in financing activities were \$54 million in 2021, driven primarily by common stock dividends of \$50 million.

We have entered into several regional committed and uncommitted accounts receivable factoring programs with various financial institutions for certain of our receivables. The programs are accounted for as true sales of the receivables, without recourse to Ball, and had combined limits of approximately \$1.6 billion at March 31, 2021, and December 31, 2020. A total of \$348 million and \$232 million were available for sale under such programs as of March 31, 2021, and December 31, 2020, respectively.

Contributions to the company's defined benefit pension plans were \$162 million in the first three months of 2021 compared to \$11 million in the first three months of 2020, and such contributions are expected to be approximately \$185 million for the full year of 2021. This estimate may change based on changes to the U.S. Pension Protection Act, the effects of the CARES and ARPA Acts and the actual returns achieved on plan assets, among other factors.

We expect 2021 capital expenditures for property, plant and equipment will likely exceed \$1.5 billion, and approximately \$1.4 billion was contractually committed as of March 31, 2021.

As of March 31, 2021, approximately \$438 million of our cash was held outside of the U.S. In the event we need to utilize any of the cash held outside the U.S. for purposes within the U.S., there are no material legal or other economic restrictions regarding the repatriation of cash from any of the countries outside the U.S. where we have cash. Management believes its U.S. operating cash flows and cash on hand, together with its availability under long-term, revolving credit facilities, uncommitted short-term credit facilities and committed and uncommitted accounts receivable factoring programs, will be sufficient to meet the cash requirements of the U.S. portion of our ongoing operations, scheduled principal and interest payments on U.S. debt, dividend payments, capital expenditures and other U.S. cash requirements. If non-U.S. funds are needed for our U.S. cash requirements and we are unable to provide the funds through intercompany financing arrangements, we would be required to repatriate funds from non-U.S. locations where the company has previously asserted indefinite reinvestment of funds outside the U.S.

Based on its indefinite reinvestment assertion, the company has not provided deferred taxes on earnings in certain non-U.S. subsidiaries because such earnings are intended to be indefinitely reinvested in its international operations. It is not practical to estimate the additional taxes that may become payable if these earnings were remitted to the U.S.

### *Share Repurchases*

The company's share repurchases, net of issuances, totaled \$5 million during the three months ended March 31, 2021, compared to \$88 million of repurchases, net of issuances, during the same period of 2020. The company's share repurchases are completed using cash on hand, cash provided by operating activities and available borrowings.

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*Debt Facilities and Refinancing*

Given our cash flow projections and unused credit facilities that are available until March 2024, our liquidity is strong and is expected to meet our ongoing cash and debt service requirements. Total interest-bearing debt of \$7.7 billion and \$7.8 billion was outstanding at March 31, 2021, and December 31, 2020, respectively.

At March 31, 2021, taking into account our outstanding letters of credit, approximately \$1.7 billion was available under existing long-term, multi-currency committed revolving credit facilities, which are available until March 2024. In addition to these facilities, the company had approximately \$1 billion of short-term uncommitted credit facilities available as of March 31, 2021, of which \$21 million was outstanding and due on demand.

While ongoing financial and economic conditions in certain areas may raise concerns about credit risk with counterparties to derivative transactions, the company mitigates its exposure by allocating the risk among various counterparties and limiting exposure to any one party. We also monitor the credit ratings of our suppliers, customers, lenders and counterparties on a regular basis.

We were in compliance with all loan agreements at March 31, 2021, and for all prior years presented, and we have met all debt payment obligations. The U.S. note agreements and bank credit agreement contain certain restrictions relating to dividends, investments, financial ratios, guarantees and the incurrence of additional indebtedness. The most restrictive of our debt covenants requires us to maintain a leverage ratio (as defined) of no greater than 5.0 times, which will change to 4.5 times as of December 31, 2022. As of March 31, 2021, the company could borrow up to its limits available under the company's long-term multi-currency committed revolving facilities and short-term uncommitted credit facilities without violating our existing debt covenants. Additional details regarding our debt are available in Note 15 accompanying the unaudited condensed consolidated financial statements within Item 1 of this report.

**CONTINGENCIES, INDEMNIFICATIONS AND GUARANTEES**

Details about the company's contingencies, indemnifications and guarantees are available in Notes 21 and 22 accompanying the unaudited condensed consolidated financial statements included within Item 1 of this report. The company is routinely subject to litigation incident to operating its businesses and has been designated by various federal and state environmental agencies as a potentially responsible party, along with numerous other companies, for the clean-up of several hazardous waste sites, including in respect of sites related to alleged activities of certain former Rexam subsidiaries. The company believes the matters identified will not have a material adverse effect upon its liquidity, results of operations or financial condition.

*Guaranteed Securities*

The company's senior notes are guaranteed on a full and unconditional, joint and several basis by the issuer of the company's senior notes and the subsidiaries that guarantee the notes (the obligor group). The entities that comprise the obligor group are 100 percent owned by the company. As described in the supplemental indentures governing the company's existing senior notes, the senior notes are guaranteed by any of the company's domestic subsidiaries that guarantee any other indebtedness of the company.

The following summarized financial information relates to the obligor group as of March 31, 2021, and December 31, 2020, and for the three months ended March 31, 2021, and the year ended December 31, 2020. Intercompany transactions, equity investments and other intercompany activity between obligor group subsidiaries have been eliminated from the summarized financial information. Investments in subsidiaries not forming part of the obligor group have also been eliminated.

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(\$ in millions)	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Net sales	\$ 1,783	\$ 7,115
Gross profit (a)	192	935
Net earnings (loss)	93	528
Net earnings (loss) attributable to Ball	93	528

(a) Gross profit is shown after depreciation and amortization related to cost of sales of \$47 million for the three months ended March 31, 2021, and \$167 million for the year ended December 31, 2020.

(\$ in millions)	March 31, 2021	December 31, 2020
Current assets	\$ 1,935	\$ 2,211
Noncurrent assets	13,979	13,701
Current liabilities	4,333	3,704
Noncurrent liabilities	10,156	10,854

Included in the amounts disclosed in the tables above, at March 31, 2021, and December 31, 2020, the obligor group held receivables due from other subsidiary companies of \$404 million and \$221 million, respectively, long-term notes receivable due from other subsidiary companies of \$9.1 billion and \$9.2 billion, respectively, payables due to other subsidiary companies of \$1.7 billion as of both periods, and long-term notes payable due to other subsidiary companies of \$1.8 billion and \$1.5 billion, respectively.

For the three months ended March 31, 2020, and the year ended December 31, 2020, the obligor group recorded the following transactions with other subsidiary companies: sales to them of \$185 million and \$804 million, respectively, net credits from them of \$8 million and \$24 million, respectively, and net interest income from them of \$83 million and \$393 million, respectively. During the year ended December 31, 2020, the obligor group received dividends from other subsidiary companies of \$56 million.

A description of the terms and conditions of the company's debt guarantees is located in Note 22 of Item 1 of this report.

**Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

In the ordinary course of business, the company employs established risk management policies and procedures, which seek to reduce our exposure to fluctuations in commodity prices, interest rates, exchange currencies and prices of the company's common stock in regard to common share repurchases and the company's deferred compensation stock plan, although there can be no assurance that these policies and procedures will be successful. The company mitigates its exposure by spreading the risk among various counterparties, thus limiting exposure with any one party. The company also monitors the credit ratings of its suppliers, customers, lenders and counterparties on a regular basis. Further details are available in Item 7A within Ball's 2020 Annual Report on Form 10-K filed on February 17, 2021, and in Note 20 accompanying the unaudited condensed consolidated financial statements included within Item 1 of this report.

#### **Item 4. CONTROLS AND PROCEDURES**

Our chief executive officer and chief financial officer participated in management's evaluation of our disclosure controls and procedures, as defined by the Securities and Exchange Commission (SEC), as of the end of the period covered by this report and concluded that our controls and procedures were effective. There were no changes to internal controls during the company's first quarter of 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### **FORWARD-LOOKING STATEMENTS**

This report contains "forward-looking" statements concerning future events and financial performance. Words such as "expects," "anticipates," "estimates," "believes," and similar expressions typically identify forward-looking statements, which are generally any statements other than statements of historical fact. Such statements are based on current expectations or views of the future and are subject to risks and uncertainties, which could cause actual results or events to differ materially from those expressed or implied. You should therefore not place undue reliance upon any forward-looking statements and any such statements should be read in conjunction with, and qualified in their entirety by, the cautionary statements referenced below. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Key factors, risks and uncertainties that could cause actual outcomes and results to be different are summarized in filings with the Securities and Exchange Commission, including Exhibit 99 in our Form 10-K, which are available on our website and at [www.sec.gov](http://www.sec.gov). Additional factors that might affect: a) our packaging segments include product capacity, supply, and demand constraints and fluctuations and changes in consumption patterns; availability/cost of raw materials, equipment, and logistics; competitive packaging, pricing and substitution; changes in climate and weather; footprint adjustments and other manufacturing changes, including the startup of new facilities and lines; failure to achieve synergies, productivity improvements or cost reductions; unfavorable mandatory deposit or packaging laws; customer and supplier consolidation; power and supply chain interruptions; changes in major customer or supplier contracts or loss of a major customer or supplier; political instability and sanctions; currency controls; changes in foreign exchange or tax rates; and tariffs, trade actions, or other governmental actions, including business restrictions and shelter-in-place orders in any country or jurisdiction affecting goods produced by us or in our supply chain, including imported raw materials; b) our aerospace segment include funding, authorization, availability and returns of government and commercial contracts; and delays, extensions and technical uncertainties affecting segment contracts; c) the Company as a whole include those listed above plus: the extent to which sustainability-related opportunities arise and can be capitalized upon; changes in senior management, succession, and the ability to attract and retain skilled labor; regulatory action or issues including tax, environmental, health and workplace safety, including U.S. FDA and other actions or public concerns affecting products filled in our containers, or chemicals or substances used in raw materials or in the manufacturing process; technological developments and innovations; the ability to manage cyber threats; litigation; strikes; disease; pandemic; labor cost changes; rates of return on assets of the Company's defined benefit retirement plans; pension changes; uncertainties surrounding geopolitical events and governmental policies both in the U.S. and in other countries, including policies, orders, and actions related to COVID-19; reduced cash flow; interest rates affecting our debt; and successful or unsuccessful joint ventures, acquisitions and divestitures, and their effects on our operating results and business generally.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

There were no events required to be reported under Item 1 for the three months ended March 31, 2021, except as discussed in Note 21 to the unaudited condensed consolidated financial statements included within Part I, Item 1 of this report.

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**Item 2. Changes in Securities**

The following table summarizes the company's repurchases of its common stock during the first quarter of 2021.

(\$ in millions)	Purchases of Securities			Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (b)
	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	
January 1 to January 31, 2021	—	\$ —	—	36,547,906
February 1 to February 28, 2021	44,936	89.57	44,936	36,502,970
March 1 to March 31, 2021	76,591	83.35	76,591	36,426,379
Total	<u>121,527</u>	85.65	<u>121,527</u>	

(a) Includes open market purchases (on a trade-date basis), share repurchase agreements and/or shares retained by the company to settle employee withholding tax liabilities.

(b) The company has an ongoing repurchase program for which 50 million shares are authorized to repurchase by Ball's Board of Directors.

**Item 3. Defaults Upon Senior Securities**

There were no events required to be reported under Item 3 for the three months ended March 31, 2021.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

There were no events required to be reported under Item 5 for the three months ended March 31, 2021.

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**Item 6. Exhibits**

- 12 [Obligor group subsidiaries of Ball Corporation](#)
- 31.1 [Certification pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\) by John A. Hayes, Chairman and Chief Executive Officer of Ball Corporation.](#)
- 31.2 [Certification pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\) by Scott C. Morrison, Executive Vice President and Chief Financial Officer of Ball Corporation.](#)
- 32.1 [Certification pursuant to Rule 13a-14\(b\) or Rule 15d-14\(b\) and Section 1350 of Chapter 63 of Title 18 of the United States Code by John A. Hayes, Chairman and Chief Executive Officer of Ball Corporation.](#)
- 32.2 [Certification pursuant to Rule 13a-14\(b\) or Rule 15d-14\(b\) and Section 1350 of Chapter 63 of Title 18 of the United States Code by Scott C. Morrison, Executive Vice President and Chief Financial Officer of Ball Corporation.](#)
  
- 99 [Cautionary statement for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended.](#)
  
- 101.INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
  
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.
  
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
  
- 101.DEF Inline XBRL Taxonomy Extension Definitions Linkbase Document
  
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
  
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
  
  
- 104 The cover page of the company's quarterly report on Form 10-Q for the quarter ended March 31, 2021, formatted in Inline XBRL (contained in Exhibit 101), the: (i) Unaudited Condensed Consolidated Statement of Earnings, (ii) Unaudited Statement of Comprehensive Earnings, (iii) Unaudited Condensed Consolidated Balance Sheet, (iv) Unaudited Condensed Consolidated Statement of Cash Flows and (v) Notes to the Unaudited Condensed Consolidated Financial Statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Ball Corporation  
(Registrant)

By: /s/ Scott C. Morrison  
Scott C. Morrison  
Executive Vice President and Chief Financial Officer

Date: May 7, 2021



## OBLIGOR GROUP SUBSIDIARIES OF BALL CORPORATION

March 31, 2021

The following is a list of Obligor Group subsidiaries of Ball Corporation (an Indiana Corporation)

Name	State or Country of Incorporation or Organization	Percentage <sup>(2)</sup> Ownership Direct & Indirect
Ball Advanced Aluminum Technologies Corp. <i>(f/k/a Neuman USA Ltd.)</i>	Delaware	100%
Ball Aerospace & Technologies Corp.	Delaware	100%
Ball Asia Services Limited	Delaware	100%
Ball Beverage Can Americas Inc. <i>(f/k/a Rexam Beverage Can Americas Inc.)</i>	Delaware	100%
Ball BP Holding Company <i>(f/k/a Rexam BP Holding Company)</i>	Delaware	100%
Ball Container LLC	Delaware	100%
Ball Corporation	Indiana	100%
Ball Delaware Holdings, LLC	Delaware	100%
Ball Glass Containers, Inc.	Delaware	100%
Ball Global Business Services Corp.	Delaware	100%
Ball Holdings Corp.	Delaware	100%
Ball Holdings LLC	Delaware	100%
Ball Inc. <i>(f/k/a Rexam Inc.)</i>	Delaware	100%
Ball International, LLC	Colorado	100%
Ball Metal Beverage Container Corp.	Colorado	100%
Ball Metal Container Corporation	Indiana	100%
Ball Packaging, LLC <i>(f/k/a Ball Packaging Corp., f/k/a Ball Packaging Holdings Corp.)</i>	Colorado	100%
Ball Pan-European Holdings, LLC <i>(f/k/a Ball Pan-European Holdings, Inc.)</i>	Delaware	100%
Ball Technologies Holdings Corp. <i>(f/k/a Ball Aerospace Systems Group, Inc.)</i>	Colorado	100%
Latas De Aluminio Ball, Inc.	Delaware	100%
Rexam Beverage Can Company	Delaware	100%
USC May Verpackungen Holding Inc.	Delaware	100%

**Certification**

I, John A. Hayes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ball Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ John A. Hayes  
\_\_\_\_\_  
John A. Hayes  
Chairman and Chief Executive Officer

**Certification**

I, Scott C. Morrison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ball Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

/s/ Scott C. Morrison

Scott C. Morrison

Executive Vice President and Chief Financial Officer

**Certification of Chief Executive Officer  
Pursuant to 18 U.S.C. Section 1350  
and Rule 13a-14(b) or Rule 15d-14(b)**

My name is John A. Hayes and I am the Chairman and Chief Executive Officer of Ball Corporation (the “Company”).

I hereby certify pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes—Oxley Act of 2002 that to the best of my knowledge and belief:

- (1) the Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, filed with the U.S. Securities and Exchange Commission on May 7, 2021 (“Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of Ball Corporation as of, and for, the periods presented in the Report.

/s/ John A. Hayes

\_\_\_\_\_  
John A. Hayes  
Chairman and Chief Executive Officer  
Ball Corporation

Date: May 7, 2021

This certification, which accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer  
Pursuant to 18 U.S.C. Section 1350  
and Rule 13a-14(b) or Rule 15d-14(b)**

My name is Scott C. Morrison and I am the Executive Vice President and Chief Financial Officer of Ball Corporation (the “Company”).

I hereby certify pursuant to 18 U.S.C. Section 1350 as adopted by Section 906 of the Sarbanes—Oxley Act of 2002 that to the best of my knowledge and belief:

- (1) the Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, filed with the U.S. Securities and Exchange Commission on May 7, 2021 (“Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of Ball Corporation as of, and for, the periods presented in the Report.

/s/ Scott C. Morrison

Scott C. Morrison  
Executive Vice President and Chief Financial Officer  
Ball Corporation

Date: May 7, 2021

This certification, which accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES  
LITIGATION REFORM ACT OF 1995**

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the Reform Act), Ball is hereby filing cautionary statements identifying important factors that could cause Ball's actual results to differ materially from those described in forward-looking statements made by or on behalf of Ball. Forward-looking statements may be made in several different contexts; for example, in the company's Form 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission ("SEC"), quarterly and annual earnings news releases, quarterly earnings conference calls hosted by the company, public presentations at investor and credit conferences, the company's Annual Report and in other periodic communications with investors. As time passes, the relevance and accuracy of forward-looking statements may change; however, except as required by law, the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any further disclosures and cautionary statements Ball makes on related subjects in our Form 10-K, 10-Q and 8-K reports and other filings with the SEC. The Reform Act defines forward-looking statements as statements that express or imply an expectation or belief and contain a projection, plan or assumption with regard to, among other things, future revenues, income, earnings per share, cash flow or capital structure. Words such as "expects," "anticipates," "estimates," "believes," "foresees," and similar expressions typically identify forward-looking statements, which are generally any statements other than statements of historical facts. These forward-looking statements are not guarantees of future performance, and you should therefore not place undue reliance upon such statements. Rather, these statements involve estimates, assumptions, uncertainties and known and unknown risks, many of which are outside our control, and such statements are therefore qualified in their entirety by reference to the following important factors, among others (including those described in any "Risk Factors" section of our most current Form 10-K, 10-Q or other filings with the SEC), that could cause Ball's actual results or performance to differ materially from those expressed or implied in forward-looking statements made by or on behalf of Ball:

- Fluctuation in customer and consumer growth, spending, demand or preferences, both on a seasonal basis and those that may be longer-term or structural in nature, including any effect on demand for our products as a result of the enactment of laws and programs aimed at discouraging the consumption or altering the package or portion size of certain of our customers' products.
- Customer, competitor or supplier consolidation and potential correspondent supply chain influence.
- Loss of one or more major customers or suppliers or changes to contracts with one or more customers or suppliers.
- Failure to achieve anticipated productivity improvements or cost reductions including those associated with capital expenditures; failure to achieve an appropriate or optimal level of maintenance and capital expenditures; and failure to achieve expectations with respect to expansion plans, accretion to reported earnings, working capital improvements and investment income or cash flow projections.
- Changes in the environment and in climate, including the increasing frequency of severe weather events; acts of war, terrorism or other significant or catastrophic geopolitical events or natural disasters, or the catastrophic loss of one of our key manufacturing or operating facilities.
- Financial risks, including changes in interest rates affecting our debt or our ability to comply with the terms of our debt instruments; changes in the hedging markets or our inability or failure to economically hedge or insure against certain risks or potential exposures; changes in foreign exchange rates of the currencies in the countries in which the company and its joint ventures carry on business; counterparty risk; liquidity risk; inflation or deflation; and changes in capital availability and our access to financing, including the risk of constraints on financing in the event of a credit rating downgrade.
- Competition in each line of business, including with respect to pricing and the possible decrease in, or loss of, sales or margins resulting therefrom; product development and introductions by our competitors; and technology changes, including the effect on us of technological or product advances made by our competitors.
- The ability or inability to achieve and protect technological and product extensions or new technological and product advances in the company's businesses, including our ability to maintain develop and capitalize on competitive technologies for the design and manufacture of products and to withstand competitive and legal challenges to the proprietary nature of such technology (or protect any unpatented proprietary know-how and trade secrets).

- Ball's ability or inability adapt to fluctuating supply and demand and to have available sufficient production capacity, or have such capacity available in the right locations, in a timely manner, as well as footprint adjustments and other manufacturing changes.
- Overcapacity or undercapacity of Ball or in the metal container industry generally, and its potential impact on costs, pricing and financial results.
- Regulatory action or issues, or changes in federal, state, local or foreign laws, including those related to tax, environmental, health and workplace safety, including in respect of climate change, pollution, greenhouse gas emissions, or chemicals or substances used in raw materials or in the manufacturing process, particularly concerning Bisphenol-A (BPA), a chemical used in the manufacture of epoxy coatings applied to many types of containers (including certain of those products produced by the company), as well as laws relating to recycling, mandatory deposit or restrictive packaging, or to the effects on health of ingredients or substances in, or attributes of, certain of our customers' products.
- The effect of any antitrust, intellectual property, consumer, employee or other litigation, investigations or governmental proceedings.
- The extent to which sustainability-related opportunities arise and can be capitalized upon.
- The availability and cost of raw materials, commodities, supplies, energy, logistics and natural resources needed for the production of metal containers as well as aerospace products, and our ability or inability to pass on to customers changes in raw material costs, particularly steel and aluminum.
- Changes in senior management; strikes and other labor issues; increases and trends in various employee benefits and labor costs, including pension, medical and health care costs incurred in the countries in which Ball has operations; the ability to attract and retain skilled labor, particularly in our aerospace business; rates of return projected and earned on assets and discount rates used to measure future obligations and expenses of the company's defined benefit retirement plans; and changes in the company's pension plans.
- International business and market risks and economic conditions; political and economic instability in various markets, including periodic sell-offs on global or regional debt or equity markets; restrictive trade practices of national governments; the imposition of duties, trade actions, taxes or other government charges by national governments; exchange controls; trade sanctions; and ongoing uncertainties and other effects surrounding geopolitical events and governmental policies and actions, both in the U.S. and in other countries, and other matters.
- Undertaking successful or unsuccessful acquisitions, divestitures, joint ventures or strategic realignments ; and the effect of acquisitions, divestitures, joint ventures or strategic realignments on our business relationships, operating results and business generally.
- The company's ability to protect its information technology systems from attacks or catastrophic failure, and the strength of the company's cyber-security.
- Delays, extensions and technical uncertainties, as well as schedules of performance associated with contracts for aerospace products and services, and the success or lack of success of satellite launches and the businesses and governments associated with aerospace products, services and launches.
- The authorization, funding and availability and returns of government contracts and the nature and continuation of those contracts and related services provided thereunder, as well as the delay, cancellation or termination of contracts for the United States government, other customers or other government contractors.
- The timing and extent of regulation or deregulation, or changes to regulations and standards, including changes in generally accepted accounting principles or their interpretation.
- Changes to unaudited results due to statutory audits of our financial statements or management's evaluation of the company's internal controls over financial reporting.
- Loss contingencies related to income and other tax matters, including those arising from audits performed by national and local tax authorities.

- Changes to unaudited results due to statutory audits of our financial statements or management's evaluation of the company's internal controls over financial reporting.