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 June 30, 2023
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 July 31, 2023
Common Stock, without par value	BALL	NYSE	315,058,592 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 ☒	Accelerated filer ☐
Non-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 ☒

Ball Corporation
QUARTERLY REPORT ON FORM 10-Q
For the period ended June 30, 2023
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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

BALL CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

($ in millions, except per share amounts)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales	$ 3,566	$ 4,134	$ 7,055	$ 7,850
Costs and expenses				
Cost of sales (excluding depreciation and amortization)	(2,916)	(3,445)	(5,761)	(6,461)
Depreciation and amortization	(170)	(168)	(336)	(353)
Selling, general and administrative	(165)	(161)	(296)	(347)
Business consolidation and other activities	6	(467)	(14)	(186)
	(3,245)	(4,241)	(6,407)	(7,347)
Earnings (loss) before interest and taxes	321	(107)	648	503
Interest expense	(115)	(68)	(228)	(137)
Debt refinancing and other costs	—	(2)	—	(2)
Total interest expense	(115)	(70)	(228)	(139)
Earnings (loss) before taxes	206	(177)	420	364
Tax (provision) benefit	(36)	(1)	(77)	(101)
Equity in results of affiliates, net of tax	3	13	10	19
Net earnings (loss)	173	(165)	353	282
Net earnings attributable to noncontrolling interests	—	9	3	10
Net earnings (loss) attributable to Ball Corporation	$ 173	$ (174)	$ 350	$ 272
Earnings (loss) per share:				
Basic	$ 0.55	$ (0.55)	$ 1.11	$ 0.85
Diluted	$ 0.55	$ (0.55)	$ 1.10	$ 0.84
Weighted average shares outstanding: ***(000s)***				
Basic	314,561	317,006	314,400	318,944
Diluted	316,867	317,006	316,764	323,316

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 June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net earnings (loss)	$ 173	$ (165)	$ 353	$ 282
Other comprehensive earnings (loss):				
Currency translation adjustment	38	346	58	254
Pension and other postretirement benefits	8	(6)	9	2
Derivatives designated as hedges	15	(86)	44	(19)
Total other comprehensive earnings (loss)	61	254	111	237
Income tax (provision) benefit	(6)	11	(14)	(1)
Total other comprehensive earnings (loss), net of tax	55	265	97	236
Total comprehensive earnings (loss)	228	100	450	518
Comprehensive earnings attributable to noncontrolling interests	—	9	3	10
Comprehensive earnings (loss) attributable to Ball Corporation	$ 228	$ 91	$ 447	$ 508

See accompanying notes to the unaudited condensed consolidated financial statements.

BALL CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

($ in millions)	June 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 955	$ 548
Receivables, net	2,291	2,594
Inventories, net	1,982	2,179
Other current assets	207	168
Total current assets	5,435	5,489
Noncurrent assets		
Property, plant and equipment, net	7,280	7,053
Goodwill	4,269	4,235
Intangible assets, net	1,366	1,417
Other assets	1,821	1,715
Total assets	$ 20,171	$ 19,909
Liabilities and Equity		
Current liabilities		
Short-term debt and current portion of long-term debt	$ 2,245	$ 1,408
Accounts payable	3,433	4,383
Accrued employee costs	267	236
Other current liabilities	981	981
Total current liabilities	6,926	7,008
Noncurrent liabilities		
Long-term debt	7,507	7,540
Employee benefit obligations	840	847
Deferred taxes	524	540
Other liabilities	469	447
Total liabilities	16,266	16,382
Equity		
Common stock (682,728,458 shares issued - 2023; 682,144,408 shares issued - 2022)	1,291	1,260
Retained earnings	7,533	7,309
Accumulated other comprehensive earnings (loss)	(582)	(679)
Treasury stock, at cost (367,792,637 shares - 2023; 368,036,369 shares - 2022)	(4,406)	(4,429)
Total Ball Corporation shareholders' equity	3,836	3,461
Noncontrolling interests	69	66
Total equity	3,905	3,527
Total liabilities and equity	$ 20,171	$ 19,909

See accompanying notes to the unaudited condensed consolidated financial statements.

BALL CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)	Six Months Ended June 30, 2023	2022
Cash Flows from Operating Activities		
Net earnings (loss)	$ 353	$ 282
Adjustments to reconcile net earnings (loss) to cash provided by (used in) operating activities:		
Depreciation and amortization	336	353
Business consolidation and other activities	14	186
Deferred tax provision (benefit)	(23)	(32)
Pension contributions	(9)	(108)
Other, net	15	(96)
Changes in working capital components, net of dispositions	(325)	(983)
Cash provided by (used in) operating activities	361	(398)
Cash Flows from Investing Activities		
Capital expenditures	(608)	(819)
Business dispositions, net of cash sold	—	298
Other, net	4	25
Cash provided by (used in) investing activities	(604)	(496)
Cash Flows from Financing Activities		
Long-term borrowings	1,700	3,216
Repayments of long-term borrowings	(902)	(1,895)
Net change in short-term borrowings	(42)	220
Acquisitions of treasury stock	(3)	(578)
Common stock dividends	(126)	(128)
Other, net	17	(1)
Cash provided by (used in) financing activities	644	834
Effect of exchange rate changes on cash	9	(13)
Change in cash, cash equivalents and restricted cash	410	(73)
Cash, cash equivalents and restricted cash - beginning of period	558	579
Cash, cash equivalents and restricted cash - end of period	$ 968	$ 506

See accompanying notes to the unaudited condensed consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements (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 consolidated 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 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 2022 Annual Report on Form 10-K filed on February 21, 2023, pursuant to the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2022 (annual report).

The preparation of consolidated 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 consolidated financial statements and reported amounts of revenues 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 consolidated 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

Global Economic Environment

Recent data has indicated continued high inflation in the regions where we operate. Current and future inflationary effects may continue to be impacted by, among other things, supply chain disruptions, governmental stimulus or fiscal policies, changes in interest rates, and changing demand for certain goods and services as recovery from the COVID-19 pandemic continues. We cannot predict with any certainty the impact that rising interest rates, a global or any regional recession, or higher inflation may have on our customers or suppliers. Additionally, we are unable to predict the potential effects that any future pandemic, or the continuation or escalation of the military conflict between Russia and Ukraine, and related sanctions or market disruptions, may have on our business. It remains uncertain how long any of these conditions may last or how severe any of them may become.

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 the current global economic environment in the near term.

- Estimates regarding the future financial performance of the business used in the 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; and
- Estimates regarding the likelihood of forecasted transactions associated with hedge accounting positions at June 30, 2023, 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 the financial statements, the current global economic environment 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 the current global economic environment 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.

2. Accounting Pronouncements

Recently Adopted Accounting Standards

Supplier Finance Programs

In 2022, new guidance was issued by the FASB with the goal of enhancing transparency around supplier finance programs. On January 1, 2023, Ball adopted all required disclosures effective for 2023, on a retrospective basis. The company will adopt the rollforward disclosure requirements, on a prospective basis, when they become effective in 2024.

The company has several regional supplier finance programs, all of which have substantially similar characteristics, with various financial institutions that act as the paying agent for certain payables of the company. The company establishes these programs through agreements with the financial institutions to enable more efficient payment processing to our suppliers while also providing our suppliers a potential source of liquidity to the extent they enter into a factoring agreement with the financial institutions. Our suppliers' participation in the programs is voluntary, and the company is not involved in negotiations of the suppliers' arrangements with the financial institutions to sell their receivables, and our rights and obligations to our suppliers are not impacted by our suppliers' decisions to sell amounts under these programs. Under these supplier finance programs, the company pays the financial institutions the stated amount of confirmed invoices from its participating suppliers on the original maturity dates of the invoices, which vary based on the negotiated terms with each supplier. All payment terms are short-term in nature and are not dependent on whether the suppliers participate in the supplier finance programs or if the suppliers elect to receive early payment from the financial institutions. Our supplier finance programs do not include any of the following: guarantees to the financial institutions, assets pledged as securities or interest accruing on the obligation prior to the due date.

Based on the review of the facts and circumstances of our supplier finance programs, including but not limited to those noted above, the company has concluded that the characteristics of the obligations due under our supplier finance programs have not changed and remain those of standard accounts payables, rather than indicative of debt.

The amount of obligations outstanding that the company confirmed as valid to the financial institutions under the company's programs was $488 million and $930 million at June 30, 2023 and December 31, 2022, respectively. These amounts are classified within accounts payable on the unaudited condensed consolidated balance sheets, and the associated payments are reflected in the cash flows from operating activities section of the unaudited condensed consolidated statements of cash flows.

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 aluminum beverage containers throughout those countries.

Beverage packaging, EMEA: Consists of operations in numerous countries throughout Europe, as well as Egypt and Turkey, that manufacture and sell aluminum beverage containers throughout those countries. Ball sold its former operations located in Russia during the third quarter of 2022. See Note 4 for further details. Ball's operations and results of its former Russian aluminum beverage packaging business are included in the results of the beverage packaging, EMEA, business through the date of the disposal in the third quarter of 2022.

Beverage packaging, South America: Consists of operations in Brazil, Argentina, Paraguay and Chile that manufacture and sell aluminum 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 recloseable aluminum bottles across multiple consumer categories as well as aluminum slugs (aerosol packaging) throughout North America, South America, Europe, and Asia; a non-reportable operating segment that manufactures and sells aluminum cups (aluminum cups); undistributed corporate expenses; and intercompany eliminations and other business activities.

The accounting policies of the segments are the same as those used in the consolidated financial statements, as discussed in Note 1. The company also has investments in operations in Guatemala, Panama, 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. In the first quarter of 2022, Ball sold its remaining equity method investment in Ball Metalpack. Refer to Note 4 for additional details.

Summary of Business by Segment

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales				
Beverage packaging, North and Central America	$ 1,537	$ 1,775	$ 3,041	$ 3,384
Beverage packaging, EMEA	920	1,133	1,754	2,075
Beverage packaging, South America	405	534	855	1,028
Aerospace	499	490	1,007	994
Reportable segment sales	3,361	3,932	6,657	7,481
Other	205	202	398	369
Net sales	$ 3,566	$ 4,134	$ 7,055	$ 7,850
Comparable operating earnings				
Beverage packaging, North and Central America	$ 175	$ 164	$ 358	$ 338
Beverage packaging, EMEA	98	129	171	229
Beverage packaging, South America	30	52	80	130
Aerospace	54	36	114	79
Reportable segment comparable operating earnings	357	381	723	776
Reconciling items				
Other *(a)*	(8)	11	7	(18)
Business consolidation and other activities	6	(467)	(14)	(186)
Amortization of acquired intangibles	(34)	(32)	(68)	(69)
Earnings (loss) before interest and taxes	321	(107)	648	503
Interest expense	(115)	(68)	(228)	(137)
Debt refinancing and other costs	—	(2)	—	(2)
Total interest expense	(115)	(70)	(228)	(139)
Earnings (loss) before taxes	$ 206	$ (177)	$ 420	$ 364

(a) Includes undistributed corporate expenses, net, of $32 million and $15 million for the three months ended June 30, 2023 and 2022, respectively, and $42 million and $48 million for the six months ended June 30, 2023 and 2022, respectively.

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

4. Acquisitions and Dispositions

Russia

In the first quarter of 2022, the company announced that it was pursuing the sale of its aluminum beverage packaging business located in Russia. In the second quarter of 2022, Ball experienced deteriorating conditions and determined this constituted a triggering event for its Russian long-lived asset group. As a result, Ball recorded an impairment loss of $435 million during the second quarter of 2022. In the third quarter of 2022, the company completed the sale of its Russian aluminum beverage packaging business for total cash consideration of $530 million and recorded a gain on disposal of $222 million. When considering the impairment loss recorded during the second quarter 2022 of $435 million, the impairment loss net of gain on the sale of the Russian business was $213 million for the nine months ended September 30, 2022, and for the year ended December 31, 2022. The impairment loss in the second quarter and the gain on sale in the third quarter were recorded in business consolidation and other activities in the unaudited condensed consolidated statements of earnings (loss).

In connection with this sale, Ball entered into a call option agreement that is contingently exercisable between September 2025 and September 2032, and if it becomes exercisable, will provide Ball the right to repurchase the business subject to the status of sanctions and certain other contingencies outside of Ball's control. The option price, if exercised, would provide a customary compounded annual rate of return to the purchaser based on defined cash flows associated with the purchase and operation of the business from the purchase date through the exercise date of the option. Because the option strike price could limit the residual returns generated by the purchaser, if exercised, the option represents a variable interest retained by Ball in the Russian business. Based on the terms of the option relative to current market conditions in Russia, we determined that the option had an immaterial value at the date of sale. Neither the option nor any other terms in the sales agreement result in Ball being the primary beneficiary of the business and, therefore, it was deconsolidated.

Ball Metalpack Investment

During the first quarter of 2022, Ball sold its remaining 49 percent owned equity method investment in Ball Metalpack to Sonoco, a global provider of consumer, industrial, healthcare and protective packaging, for total consideration of approximately $298 million, all of which was received in cash in the first quarter of 2022. Ball's carrying value of the investment before the sale was zero; therefore, a gain from the sale of $298 million was reported in business consolidation and other activities in the unaudited condensed consolidated statements of earnings (loss). Cash proceeds of $298 million related to the sale are presented in business dispositions, net of cash sold, in the unaudited condensed consolidated statements of cash flows.

Ball also received proceeds from Ball Metalpack for the repayment of an outstanding promissory note and accrued interest of approximately $16 million, which was recorded as a gain in business consolidation and other activities in the unaudited condensed consolidated statements of earnings (loss).

5. Revenue from Contracts with Customers

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

($ in millions)	Three Months Ended June 30, Point in Time	Three Months Ended June 30, Over Time	Three Months Ended June 30, Total	Six Months Ended June 30, Point in Time	Six Months Ended June 30, Over Time	Six Months Ended June 30, Total
2023	$ 560	$ 3,006	$ 3,566	$ 1,104	$ 5,951	$ 7,055
2022	705	3,429	4,134	1,306	6,544	7,850

Contract Balances

The company did not have any contract assets at either June 30, 2023, or December 31, 2022. 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, 2022	$ 316	$ 12
Increase (decrease)	(49)	(1)
Balance at June 30, 2023	$ 267	$ 11

During the six months ended June 30, 2023, contract liabilities decreased by $50 million, which is net of cash received of $456 million and amounts recognized as sales of $506 million, the majority of which related to current contract liabilities. The amount of sales recognized in the six months ended June 30, 2023, that was included in the opening contract liabilities balance, was $316 million, all of which related to current contract liabilities. Current contract liabilities are classified within other current liabilities on the unaudited condensed consolidated balance sheets and noncurrent contract liabilities are classified within other liabilities.

The company also recorded a reduction in net sales of $1 million and additional net sales of $15 million in the three and six months ended June 30, 2023, respectively, and a reduction in net sales of $4 million and additional net sales of $5 million in the three and six months ended June 30, 2022, 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 June 30, 2023	$ 1,347	$ 1,160	$ 2,507

6. Business Consolidation and Other Activities

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

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Beverage packaging, North and Central America	$ 5	$ (2)	$ (17)	$ (1)
Beverage packaging, EMEA	—	(438)	5	(439)
Beverage packaging, South America	1	(21)	(1)	(22)
Other	—	(6)	(1)	276
	$ 6	$ (467)	$ (14)	$ (186)

2023

During the six months ended June 30, 2023, the charges of $14 million primarily related to facility closure costs.

2022

During the three months ended June 30, 2022, the charges of $467 million primarily related to $435 million associated with impairment losses on Russia’s long-lived asset group. The charges of $186 million during the six months ended June 30, 2022, primarily related to the impairment losses on Russia’s long-lived asset group and a charge related to a donation of $30 million to The Ball Foundation, partially offset by a gain of $298 million for the sale of Ball’s remaining equity method investment in Ball Metalpack. See Note 4 for further details on the Russia and Ball Metalpack transactions.

7. Supplemental Cash Flow Statement Disclosures

($ in millions)	June 30, 2023	June 30, 2022
Beginning of period:		
Cash and cash equivalents	$ 548	$ 563
Current restricted cash (included in other current assets)	10	16
Total cash, cash equivalents and restricted cash	$ 558	$ 579
End of period:		
Cash and cash equivalents	$ 955	$ 480
Current restricted cash (included in other current assets)	13	26
Total cash, cash equivalents and restricted cash	$ 968	$ 506

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 unaudited condensed consolidated statements of cash flows. A summary of the PP&E acquired but not yet paid for is as follows:

	June 30,	
($ in millions)	2023	2022
Beginning of period:		
PP&E acquired but not yet paid	$ 392	$ 540
End of period:		
PP&E acquired but not yet paid	$ 204	$ 565

8. Receivables, Net

($ in millions)	June 30, 2023	December 31, 2022
Trade accounts receivable	$ 1,041	$ 1,373
Unbilled receivables	793	746
Less: Allowance for doubtful accounts	(11)	(12)
Net trade accounts receivable	1,823	2,107
Other receivables	468	487
	$ 2,291	$ 2,594

The company has entered into several regional committed and uncommitted accounts receivable factoring programs with various financial institutions for certain receivables of the company. The programs are accounted for as true sales of the receivables and had combined limits of approximately $2.02 billion and $2.04 billion at June 30, 2023, and December 31, 2022, respectively. A total of $272 million and $488 million were available for sale under these programs as of June 30, 2023, and December 31, 2022, respectively.

Other receivables include income and indirect tax receivables, aluminum scrap sale receivables and other miscellaneous receivables.

9. Inventories, Net

($ in millions)	June 30, 2023	December 31, 2022
Raw materials and supplies	$ 1,405	$ 1,541
Work-in-process and finished goods	673	729
Less: Inventory reserves	(96)	(91)
	$ 1,982	$ 2,179

10. Property, Plant and Equipment, Net

($ in millions)	June 30, 2023	December 31, 2022
Land	$ 221	$ 187
Buildings	2,351	2,159
Machinery and equipment	7,626	7,277
Construction-in-progress	1,415	1,504
	11,613	11,127
Accumulated depreciation	(4,333)	(4,074)
	$ 7,280	$ 7,053

Depreciation expense amounted to $130 million and $129 million for the three months ended June 30, 2023 and 2022, respectively, and $257 million and $269 million for the six months ended June 30, 2023 and 2022, respectively.

During 2022, the company completed an evaluation of the estimated useful lives of its manufacturing equipment, buildings and certain assembly and test equipment. The company utilized a third-party appraiser to assist in the evaluation, which was performed as a result of the company's experience with the duration over which its equipment can be utilized. Effective July 1, 2022, Ball revised the estimated useful lives of its equipment and buildings, which resulted in a net reduction in depreciation expense of approximately $27 million ($20 million after tax, or $0.06 per diluted share) for the three months ended June 30, 2023, and $52 million ($40 million after tax, or $0.13 per diluted share) for the six months ended June 30, 2023, as compared to the amounts of depreciation expense that would have been recognized by utilizing the prior depreciable lives.

As discussed in Note 4, in the second quarter of 2022, Ball recorded a noncash impairment charge related to its Russian long-lived asset group, of which $296 million related to property, plant and equipment associated with the company's Russian aluminum beverage packaging business, which resulted in fully impairing the assets that were subsequently disposed through the sale of the Russia aluminum beverage packaging business. See Note 4 for further details.

11. Goodwill

($ in millions)	Beverage Packaging, North & Central America	Beverage Packaging, EMEA	Beverage Packaging, South America	Aerospace	Other	Total
Balance at December 31, 2022	$ 1,275	$ 1,342	$ 1,298	$ 40	$ 280	$ 4,235
Effects of currency exchange	—	20	—	—	14	34
Balance at June 30, 2023	$ 1,275	$ 1,362	$ 1,298	$ 40	$ 294	$ 4,269

12. Intangible Assets, Net

($ in millions)	June 30, 2023	December 31, 2022
Acquired customer relationships and other intangibles (net of accumulated amortization and impairment losses of $987 million at June 30, 2023, and $914 million at December 31, 2022)	$ 1,261	$ 1,320
Capitalized software (net of accumulated amortization of $213 million at June 30, 2023, and $204 million at December 31, 2022)	90	80
Other intangibles (net of accumulated amortization of $94 million at June 30, 2023, and $99 million at December 31, 2022)	15	17
	$ 1,366	$ 1,417

Total amortization expense of intangible assets amounted to $40 million and $39 million for the three months ended June 30, 2023 and 2022, respectively, and $79 million and $84 million for the six months ended June 30, 2023 and 2022, respectively.

As discussed in Note 4, in the second quarter of 2022, Ball recorded a noncash impairment charge related to its Russian long-lived asset group, of which $131 million related to acquired customer relationships and other intangibles associated with the company's Russian aluminum beverage packaging business, which resulted in fully impairing the assets that were subsequently disposed through the sale of the Russia aluminum beverage packaging business.

13. Other Assets

($ in millions)	June 30, 2023	December 31, 2022
Long-term pension assets	$ 382	$ 355
Right-of-use operating lease assets	456	434
Investments in affiliates	201	193
Long-term deferred tax assets	62	73
Other	720	660
	$ 1,821	$ 1,715

Investments in affiliates primarily includes the company's 50 percent ownership interest in an entity in Guatemala, a 50 percent ownership interest in an entity in Panama, a 50 percent ownership interest in an entity in Vietnam and a 50 percent ownership interest in an entity in the U.S.

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	June 30, 2023	December 31, 2022
Operating leases:			
Operating lease ROU asset	Other assets	$ 456	$ 434
Current operating lease liabilities	Other current liabilities	96	91
Noncurrent operating lease liabilities	Other liabilities	367	349
Finance leases:			
Finance lease ROU assets, net	Property, plant and equipment, net	10	11
Current finance lease liabilities	Short-term debt and current portion of long-term debt	2	2
Noncurrent finance lease liabilities	Long-term debt	9	10

15. Debt

Long-term debt consisted of the following:

($ in millions)	June 30, 2023	December 31, 2022
Senior Notes		
4.00% due November 2023	$ 1,000	$ 1,000
0.875%, euro denominated, due March 2024	818	803
5.25% due July 2025	1,000	1,000
4.875% due March 2026	750	750
1.50%, euro denominated, due March 2027	600	589
6.875% due March 2028	750	750
6.00% due June 2029	1,000	—
2.875% due August 2030	1,300	1,300
3.125% due September 2031	850	850
Senior Credit Facility (at variable rates)		
U.S. dollar revolver due June 2027	—	200
Term A loan due June 2027 (6.73% - 2023)	1,350	1,350
Finance lease obligations	11	12
Other (including debt issuance costs)	(67)	(61)
	9,362	8,543
Less: Current portion	(1,855)	(1,003)
	$ 7,507	$ 7,540

The company's senior credit facilities include long-term multi-currency revolving facilities that mature in June 2027, which provide the company with up to the U.S. dollar equivalent of $1.75 billion. At June 30, 2023, $1.69 billion was available under these revolving credit facilities. In addition to these facilities, the company had $364 million of committed short-term loans outstanding. The company also had approximately $861 million of short-term uncommitted credit facilities available at June 30, 2023, of which $26 million was outstanding and due on demand. At December 31, 2022, the company had $112 million outstanding under short-term uncommitted credit facilities.

In May 2023, Ball issued $1.00 billion of 6.00% senior notes due in 2029, and repaid the outstanding U.S. dollar revolving credit facility due in 2027 in the amount of $800 million.

The fair value of Ball's long-term debt was estimated to be $8.80 billion and $7.99 billion at June 30, 2023 and December 31, 2022, respectively. 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 it to maintain a leverage ratio (as defined) of no greater than 5.0 times, which will change to 4.5 times as of September 30, 2025. Ball was in compliance with the leverage ratio requirement at June 30, 2023, and December 31, 2022.

16. Taxes on Income

The company's effective tax rate was 17.5 percent and 18.3 percent for the three and six months ended June 30, 2023, respectively. As compared to the statutory U.S. tax rate, the effective tax rate for the three and six months ended June 30, 2023, decreased by 3.6 percent and 3.3 percent, respectively, for research and development credits, and increased by 1.2 percent for state and local taxes, net.

The company's effective tax rate was negative 0.6 percent and 27.7 percent for the three and six months ended June 30, 2022, respectively. As compared to the statutory U.S. tax rate, the effective tax rate for the three and six months ended

June 30, 2022, decreased by 24.8 percent and increased by 12.1 percent, respectively, for the establishment of a valuation allowance related to the Russian aluminum beverage packaging business, increased by 6.2 percent and decreased by 3.0 percent, respectively, for a reduction in the valuation allowance related to the Indian beverage packaging business, and decreased by 3.0 percent and 1.9 percent, respectively, for equity compensation.

In July 2023, the U.K. enacted minimum tax legislation consistent with the Organization for Economic Co-operation and Development's (OECD) Pillar Two Framework that was supported by over 130 countries worldwide. The legislation will be effective for the company beginning on January 1, 2024. A significant number of other countries are also moving forward with similar legislation. The company is currently evaluating the potential impact this legislation may have on its financial statements beginning in 2024.

17. Employee Benefit Obligations

($ in millions)	June 30, 2023	December 31, 2022
Underfunded defined benefit pension liabilities	$ 421	$ 423
Less: Current portion	(21)	(21)
Long-term defined benefit pension liabilities	400	402
Long-term retiree medical liabilities	89	94
Deferred compensation plans	279	286
Other	72	65
	$ 840	$ 847

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

	Three Months Ended June 30,					
	2023			2022		
($ in millions)	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Ball-sponsored plans:						
Service cost	$ 13	$ 2	$ 15	$ 22	$ 2	$ 24
Interest cost	22	22	44	14	11	25
Expected return on plan assets	(29)	(25)	(54)	(27)	(15)	(42)
Amortization of prior service cost	—	—	—	1	—	1
Recognized net actuarial loss	1	—	1	7	1	8
Total net periodic benefit cost	$ 7	$ (1)	$ 6	$ 17	$ (1)	$ 16

	Six Months Ended June 30,					
	2023			2022		
($ in millions)	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Ball-sponsored plans:						
Service cost	$ 26	$ 3	$ 29	$ 44	$ 5	$ 49
Interest cost	43	43	86	27	24	51
Expected return on plan assets	(57)	(50)	(107)	(54)	(32)	(86)
Amortization of prior service cost	—	1	1	1	1	2
Recognized net actuarial loss	2	—	2	14	2	16
Total net periodic benefit cost	$ 14	$ (3)	$ 11	$ 32	$ —	$ 32

Non-service pension income of $9 million and $8 million for the three months ended June 30, 2023 and 2022, respectively, and income of $18 million and $17 million for the six months ended June 30, 2023 and 2022, respectively, is included in selling, general, and administrative (SG&A) expenses in the unaudited condensed consolidated statements of earnings (loss).

Contributions to the company's defined benefit pension plans were $9 million for the first six months of 2023 compared to $108 million for the first six months of 2022, and such contributions are expected to be approximately $33 million for the full year of 2023. This estimate may change based on changes in the Pension Protection Act, actual plan asset performance and available company cash flow, among other factors.

18. Equity and Accumulated Other Comprehensive Earnings (Loss)

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

	Common Stock		Treasury Stock					
($ in millions; share amounts in thousands)	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**	**Retained Earnings**	**Accumulated Other Comprehensive Earnings (Loss)**	**Noncontrolling Interest**	**Total Equity**
Balance at March 31, 2023	682,416	$ 1,268	(367,929)	$ (4,414)	$ 7,422	$ (637)	$ 69	$ 3,708
Net earnings (loss)	—	—	—	—	173	—	—	173
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	55	—	55
Common dividends, net of tax benefits	—	—	—	—	(63)	—	—	(63)
Treasury stock purchases	—	—	—	—	—	—	—	—
Treasury shares reissued	—	—	136	7	—	—	—	7
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	312	23	—	—	—	—	—	23
Other activity	—	—	—	1	1	—	—	2
Balance at June 30, 2023	682,728	$ 1,291	(367,793)	$ (4,406)	$ 7,533	$ (582)	$ 69	$ 3,905

	Common Stock		Treasury Stock					
($ in millions; share amounts in thousands)	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**	**Retained Earnings**	**Accumulated Other Comprehensive Earnings (Loss)**	**Noncontrolling Interest**	**Total Equity**
Balance at March 31, 2022	681,736	$ 1,226	(361,097)	$ (3,941)	$ 7,224	$ (611)	$ 59	$ 3,957
Net earnings (loss)	—	—	—	—	(174)	—	9	(165)
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	265	—	265
Common dividends, net of tax benefits	—	—	—	—	(63)	—	—	(63)
Treasury stock purchases	—	—	(6,316)	(476)	—	—	—	(476)
Treasury shares reissued	—	—	14	8	—	—	—	8
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	130	6	—	—	—	—	—	6
Other activity	—	—	—	1	—	—	—	1
Balance at June 30, 2022	681,866	$ 1,232	(367,399)	$ (4,408)	$ 6,987	$ (346)	$ 68	$ 3,533

	Common Stock		Treasury Stock					
($ in millions; share amounts in thousands)	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**	**Retained Earnings**	**Accumulated Other Comprehensive Earnings (Loss)**	**Noncontrolling Interest**	**Total Equity**
Balance at December 31, 2022	682,144	$ 1,260	(368,036)	$ (4,429)	$ 7,309	$ (679)	$ 66	$ 3,527
Net earnings (loss)	—	—	—	—	350	—	3	353
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	97	—	97
Common dividends, net of tax benefits	—	—	—	—	(126)	—	—	(126)
Treasury stock purchases	—	—	(52)	(3)	—	—	—	(3)
Treasury shares reissued	—	—	295	15	—	—	—	15
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	584	31	—	—	—	—	—	31
Other activity	—	—	—	11	—	—	—	11
Balance at June 30, 2023	682,728	$ 1,291	(367,793)	$ (4,406)	$ 7,533	$ (582)	$ 69	$ 3,905

	Common Stock		Treasury Stock					
($ in millions; share amounts in thousands)	**Number of Shares**	**Amount**	**Number of Shares**	**Amount**	**Retained Earnings**	**Accumulated Other Comprehensive Earnings (Loss)**	**Noncontrolling Interest**	**Total Equity**
Balance at December 31, 2021	680,945	$ 1,220	(360,101)	$ (3,854)	$ 6,843	$ (582)	$ 58	$ 3,685
Net earnings (loss)	—	—	—	—	272	—	10	282
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	236	—	236
Common dividends, net of tax benefits	—	—	—	—	(128)	—	—	(128)
Treasury stock purchases	—	—	(7,463)	(578)	—	—	—	(578)
Treasury shares reissued	—	—	165	17	—	—	—	17
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	921	12	—	—	—	—	—	12
Other activity	—	—	—	7	—	—	—	7
Balance at June 30, 2022	681,866	$ 1,232	(367,399)	$ (4,408)	$ 6,987	$ (346)	$ 68	$ 3,533

In the second quarter of 2022, in a privately negotiated transaction, Ball entered into an accelerated share repurchase agreement to buy $300 million of its common shares using cash on hand and available borrowings. The company paid the $300 million in May 2022, and received 3.45 million shares, which represented approximately 80 percent of the total shares. The company received an additional approximately 662,000 shares during June 2022, and the average price per share paid under this agreement as of June 30, 2022, was $69.25. The remaining shares settled during the third quarter of 2022 and the final per share price paid by Ball under this agreement was $69.06 for a total of 4.34 million shares.

Accumulated Other Comprehensive Earnings (Loss)

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

($ in millions)	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, 2022	$ (434)	$ (227)	$ (18)	$ (679)
Other comprehensive earnings (loss) before reclassifications	58	9	32	99
Amounts reclassified into earnings	—	(2)	—	(2)
Balance at June 30, 2023	$ (376)	$ (220)	$ 14	$ (582)

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

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Gains (losses) on cash flow hedges:				
Commodity contracts recorded in net sales	$ 24	$ (51)	$ 11	$ (82)
Commodity contracts recorded in cost of sales	(16)	111	(16)	146
Currency exchange contracts recorded in selling, general and administrative	6	49	3	77
Interest rate contracts recorded in interest expense	2	(1)	2	—
Total before tax effect	16	108	—	141
Tax benefit (expense) on amounts reclassified into earnings	(4)	(25)	—	(33)
Recognized gain (loss), net of tax	$ 12	$ 83	$ —	$ 108
Amortization of pension and other postretirement benefits: *(a)*				
Actuarial gains (losses)	$ 1	$ (8)	$ 3	$ (16)
Prior service income (expense)	(1)	(1)	(1)	(2)
Total before tax effect	—	(9)	2	(18)
Tax benefit (expense) on amounts reclassified into earnings	—	3	—	5
Recognized gain (loss), net of tax	$ —	$ (6)	$ 2	$ (13)

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

19. Earnings (Loss) and Dividends Per Share

($ in millions, except per share amounts; shares in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net earnings (loss) attributable to Ball Corporation	$ 173	$ (174)	$ 350	$ 272
Basic weighted average common shares	314,561	317,006	314,400	318,944
Effect of dilutive securities	2,306	—	2,364	4,372
Weighted average shares applicable to diluted earnings (loss) per share	316,867	317,006	316,764	323,316
Per basic share	$ 0.55	$ (0.55)	$ 1.11	$ 0.85
Per diluted share	$ 0.55	$ (0.55)	$ 1.10	$ 0.84

Certain outstanding options were excluded from the diluted earnings (loss) per share calculation because they were anti-dilutive. The excluded options totaled approximately 4 million for the three months ended June 30, 2023 and 2022, and 4 million and 2 million for the six months ended June 30, 2023 and 2022, respectively. Additionally, the company reported a net loss attributable to Ball Corporation in the three months ended June 30, 2022, and, as a result, all potentially issuable securities were excluded in the diluted earnings (loss) per share calculation as their effect would have been anti-dilutive.

The company declared and paid dividends of $0.20 per share for the three months ended June 30, 2023 and 2022, and $0.40 per share for the six months ended June 30, 2023 and 2022.

20. Financial Instruments and Risk Management

Policies and Procedures

The company employs established risk management policies and procedures, which seek to reduce the company's 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.

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 (loss).

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

($ in millions) Commercial risk area	June 30, 2023 Commodity	Currency	Interest Rate
Notional amount of contracts	$ 1,363	$ 2,967	$ 818
Net gain (loss) included in AOCI, after-tax	(2)	—	16
Net gain (loss) included in AOCI, after-tax, expected to be recognized in net earnings within the next 12 months	(1)	9	16
Longest duration of forecasted cash flow hedge transactions in years	1	2	4

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 June 2024, and which have a combined notional value of 2.3 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.

Fair Value Measurements

Ball has classified all applicable financial derivative assets and liabilities as Level 2 within the fair value hierarchy as of June 30, 2023, and December 31, 2022, 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	June 30, 2023 Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total
Assets:				
Commodity contracts		$ 44	$ —	$ 44
Currency contracts		4	14	18
Interest rate and other contracts		21	8	29
Total current derivative contracts	Other current assets	$ 69	$ 22	$ 91
Currency contracts		$ 61	$ 1	$ 62
Total noncurrent derivative contracts	Other noncurrent assets	$ 61	$ 1	$ 62
Liabilities:				
Commodity contracts		$ 39	$ —	$ 39
Currency contracts		1	26	27
Interest rate and other contracts		1	—	1
Total current derivative contracts	Other current liabilities	$ 41	$ 26	$ 67
Commodity contracts		$ 1	$ —	$ 1
Total noncurrent derivative contracts	Other noncurrent liabilities	$ 1	$ —	$ 1

($ in millions)	Balance Sheet Location	December 31, 2022 Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total
Assets:				
Commodity contracts		$ 11	$ —	$ 11
Currency contracts		—	28	28
Total current derivative contracts	Other current assets	$ 11	$ 28	$ 39
Currency contracts		$ 84	$ —	$ 84
Total noncurrent derivative contracts	Other noncurrent assets	$ 84	$ —	$ 84
Liabilities:				
Commodity contracts		$ 48	$ —	$ 48
Currency contracts		1	35	36
Other contracts		—	12	12
Total current derivative contracts	Other current liabilities	$ 49	$ 47	$ 96
Currency contracts		$ —	$ 1	$ 1
Total noncurrent derivative contracts	Other noncurrent liabilities	$ —	$ 1	$ 1

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 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 third-party software. The present value discounting factor is based on the comparable time period Secured Overnight Financing Rate (SOFR), London Inter-Bank Offered Rate (LIBOR) 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 June 30, 2023, has not identified any circumstances requiring the reported values of the company's financial instruments be adjusted.

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

		Three Months Ended June 30,			
		2023		2022	
($ in millions)	**Location of Gain (Loss) Recognized in Earnings on Derivatives**	**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 - *manage exposure to customer pricing*	Net sales	$ 24	$ —	$ (51)	$ —
Commodity contracts - *manage exposure to supplier pricing*	Cost of sales	(16)	6	111	(6)
Interest rate contracts - *manage exposure for outstanding debt*	Interest expense	2	—	(1)	4
Currency contracts - *manage currency exposure*	Selling, general and administrative	6	(1)	49	65
Equity contracts	Selling, general and administrative	—	7	—	(53)
Total		$ 16	$ 12	$ 108	$ 10

		Six Months Ended June 30,			
		2023		2022	
($ in millions)	**Location of Gain (Loss) Recognized in Earnings on Derivatives**	**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 - *manage exposure to customer pricing*	Net sales	$ 11	$ —	$ (82)	$ —
Commodity contracts - *manage exposure to supplier pricing*	Cost of sales	(16)	(1)	146	(20)
Interest rate contracts - *manage exposure for outstanding debt*	Interest expense	2	(5)	—	4
Currency contracts - *manage currency exposure*	Selling, general and administrative	3	(2)	77	60
Equity contracts	Selling, general and administrative	—	15	—	(69)
Total		$ —	$ 7	$ 141	$ (25)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in millions)	2023	2022	2023	2022
Amounts reclassified into earnings:				
Commodity contracts	$ (8)	$ (60)	$ 5	$ (64)
Interest rate contracts	(2)	1	(2)	—
Currency exchange contracts	(6)	(49)	(3)	(77)
Change in fair value of cash flow hedges:				
Commodity contracts	10	(32)	24	62
Interest rate contracts	22	(1)	22	1
Currency exchange contracts	(1)	57	(2)	61
Currency and tax impacts	(4)	8	(12)	(2)
	$ 11	$ (76)	$ 32	$ (19)

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 non-U.S. 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 $23 million in the aggregate, and such amounts have been included in other current liabilities and other noncurrent liabilities at June 30, 2023.

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 statements 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 statements of the other party in April 2021. The parties submitted their position statements to the District Court on April 21, 2021. On August 25, 2021, the Court issued its order regarding the further proceedings permitting each party to submit supplemental expert reports and depositions of the experts. On September 9, 2021, the parties submitted a Submission Regarding Scheduling in which most issues were agreed, but the Court was requested to resolve a disagreement regarding the process and timing for the submission of each expert's report and the deposition of the experts. The Court issued its Order resolving the disagreement on August 12, 2022, and issued a further Scheduling Order on August 30, 2022, that outlines the litigation process and schedule for the proceedings on remand over the following twelve months. On March 10, 2023, Ball filed its renewed Motion for Summary Judgment based on indefiniteness with the Court. Crown subsequently filed a surreply brief on the motion to which Ball responded, and Crown requested leave to file its own motion for summary judgment on indefiniteness, which was opposed by Ball. On August 2, 2023, the Court granted Ball's motion for summary judgment and found that the relevant patents are invalid because of indefiniteness. 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 regulatory permit (Prefectoral Order) was issued in June 2016, which included 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 management plan based on the findings of this analysis was proposed to the French environmental authorities in 2018. Following discussions with the authorities, the final proposals for remediation works and subsequent monitoring have been agreed and were included in a Prefectural Order issued by the French Authorities in December 2022. Contracts have also recently been signed with the preferred supplier of the remedial works and those works commenced in the first half of 2023. 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.

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.

The company has not recorded any material liabilities for these indemnities, commitments and guarantees in the accompanying unaudited condensed 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 they 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 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 non-U.S. 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-referenced 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 (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 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 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; however, there may be timing differences of when the costs are passed through. 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 our 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.

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 leveraging our aluminum container production capabilities across our global plant network to meet global demand, improving efficiencies and amplifying our sustainability credentials through Aluminum Stewardship Initiative certification across our global aluminum 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 assets; and in the 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 delivering the broadest aluminum beverage and bottle portfolio, commercializing our lightweight, infinitely recyclable aluminum cup and providing next-generation extruded aluminum aerosol packaging that utilizes proprietary technology to significantly lightweight our products; and successfully introducing new specialty beverage cans and aluminum bottle-shaping technology;

- Aligning ourselves with the right customers and markets by prudently investing capital to meet continued growth for specialty beverage containers throughout our global network, which represent approximately 50 percent of our global beverage packaging mix; aligning with growing beverage customers and brand categories and other new beverage producers who continue to use aluminum beverage containers to grow their business; and in our aluminum cup business, establishing partnerships with food service providers, fast casual restaurants and event venues and 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 in June 2016 and our new investments in beverage manufacturing facilities in the United States, Brazil, Paraguay, Spain, Czech Republic, United Kingdom, Mexico, Myanmar and Panama, as well as extruded aluminum aerosol manufacturing facilities in North America, Europe, India and Brazil, and the start-up of our aluminum cups business 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 for new categories, occasions and refillable offerings through 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 30 percent over a standard aluminum aerosol can, as well as leveraging our aerospace technologies and competencies to deliver exquisite space-based environmental, weather and defense monitoring solutions such as methane monitoring, weather prediction, LIDAR capabilities and hypersonics to preserve and protect our planet through enabling our aerospace customers with actionable ecosystem-related and intelligence data and resilient national security architectures.

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.

From time to time, we have evaluated and intend to continue to evaluate and pursue possible transactions that we believe will benefit the company and our shareholders, which may include strategic acquisitions, divestitures of parts of our company or equity investments. At any time, we may be engaged in discussions or negotiations at various stages of development with respect to one or more possible transactions or may have entered into non-binding letters of intent. As part of any such initiatives, we may participate in processes being run by other companies or leading our own activities.

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.

Global Economic Environment

Recent data has indicated continued high inflation in the regions where we operate. Current and future inflationary effects may continue to be impacted by, among other things, supply chain disruptions, governmental stimulus or fiscal policies, changes in interest rates, and changing demand for certain goods and services as recovery from the COVID-19 pandemic continues. We cannot predict with any certainty the impact that rising interest rates, a global or any regional recession, or higher inflation may have on our customers or suppliers. Additionally, we are unable to predict the potential effects that any future pandemic, or the continuation or escalation of the military conflict between Russia and Ukraine, and related sanctions or market disruptions, may have on our business. It remains uncertain how long any of these conditions may last or how severe any of them may become.

Consolidated Sales and Earnings (Loss)

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales	$ 3,566	$ 4,134	$ 7,055	$ 7,850
Net earnings (loss) attributable to Ball Corporation	173	(174)	350	272
Net earnings (loss) attributable to Ball Corporation as a % of net sales	5 %	(4)%	5 %	3 %

Sales in the three and six months ended June 30, 2023, decreased compared to the same periods in 2022 primarily due to the sale of our Russian aluminum beverage packaging business in the third quarter of 2022, decreased volumes, currency translation and the pass-through of lower aluminum prices, partially offset by the pass-through of inflationary costs.

Net earnings (loss) attributable to Ball Corporation for the three months ended June 30, 2023, increased compared to the same period in 2022 primarily due to the 2022 impairment losses related to Ball's Russian aluminum beverage packaging business, the pass-through of inflationary costs, fixed cost savings from rightsizing production, lower depreciation expense associated with the third quarter 2022 revision of estimated useful lives and SG&A cost-out initiatives, partially offset by the sale of our Russian aluminum beverage packaging business in the third quarter of 2022, lower volumes and increased interest expense. Net earnings (loss) attributable to Ball Corporation for the six months ended June 30, 2023, increased compared to the same period in 2022 primarily due to the 2022 impairment losses related to Ball's Russian aluminum beverage packaging business, the pass-through of inflationary costs, fixed cost savings from rightsizing production, lower depreciation expense associated with the third quarter 2022 revision of estimated useful lives and SG&A cost-out initiatives, partially offset by the gain associated with the 2022 sale of our remaining equity method investment in Ball Metalpack, the sale of our Russian aluminum beverage packaging business in the third quarter of 2022, lower volumes and increased interest expense.

Cost of Sales (Excluding Depreciation and Amortization)

Cost of sales, excluding depreciation and amortization, was $2,916 million and $3,445 million for the three months ended June 30, 2023 and 2022, respectively, and $5,761 million and $6,461 million for the six months ended June 30, 2023 and 2022, respectively. These amounts represented 82 percent and 83 percent of consolidated net sales for the three months ended June 30, 2023 and 2022, respectively, and 82 percent of consolidated net sales for the six months ended June 30, 2023 and 2022.

Depreciation and Amortization

Depreciation and amortization expense was $170 million and $168 million for the three months ended June 30, 2023 and 2022, respectively, and $336 million and $353 million for the six months ended June 30, 2023 and 2022, respectively. These amounts represented 5 percent and 4 percent of consolidated net sales for the three months ended June 30, 2023 and 2022, respectively, and 5 percent and 4 percent of consolidated net sales for the six months ended June 30, 2023 and 2022, respectively. The decrease for the six months ended June 30, 2023, was primarily due to revised estimated useful lives of the company's manufacturing equipment, buildings and certain assembly and test equipment, as well as the sale of the Russian aluminum beverage packaging business. See Note 10 of these consolidated financial statements for additional discussion of the reduction in depreciation resulting from the revised estimated useful lives. See Note 4 for details regarding the sale of the Russian operations.

Selling, General and Administrative

Selling, general and administrative (SG&A) expenses were $165 million and $161 million for the three months ended June 30, 2023 and 2022, respectively, and $296 million and $347 million for the six months ended June 30, 2023 and 2022, respectively. The decrease for the six months ended June 30, 2023, was primarily due to SG&A cost-out initiatives. These amounts represented 5 percent and 4 percent of consolidated net sales for the three months ended June 30, 2023 and 2022, respectively, and 4 percent of consolidated net sales for the six months ended June 30, 2023 and 2022.

Business Consolidation Costs and Other Activities

Business consolidation and other activities resulted in income of $6 million and charges of $467 million for the three months ended June 30, 2023 and 2022, respectively, and charges of $14 million and $186 million for the six months ended June 30, 2023 and 2022, respectively. The change compared to the same three month period in 2022 is primarily due to the 2022 impairment losses related to Ball's Russian aluminum beverage packaging business. The change compared to the same six month period in 2022 is primarily due to the 2022 impairment losses recorded related to Ball's Russian aluminum beverage packaging business, partially offset by the gain associated with the 2022 sale of our remaining equity method investment in Ball Metalpack. See Note 6 for further details.

Interest Expense

Total interest expense was $115 million and $70 million for the three months ended June 30, 2023 and 2022, respectively, and $228 million and $139 million for the six months ended June 30, 2023 and 2022, respectively. Interest expense, excluding the effect of debt refinancing and other costs, as a percentage of average borrowings increased by approximately 170 basis points from 3.1 percent for the three months ended June 30, 2022, to 4.8 percent for the three months ended June 30, 2023, and increased approximately 160 basis points from 3.2 percent for the six months ended June 30, 2022, to 4.8 percent for the six months ended June 30, 2023. See Note 15 for further details.

Income Taxes

The effective tax rate for the three and six months ended June 30, 2023, was 17.5 percent and 18.3 percent, respectively, compared to negative 0.6 percent and 27.7 percent for the three and six months ended June 30, 2022, respectively.

The increase of 18.1 percent for the three months ended June 30, 2023, was primarily due to negative earnings before tax in 2022 as a result of the long-lived asset impairment for the Russian aluminum beverage packaging business. In addition, the rate was lower in 2022 due to the establishment of a valuation allowance related to the Russian beverage packaging business, which was partially offset by a reduction in a valuation allowance related to the Indian beverage packaging business. The company does not anticipate these items will impact tax expense in future periods.

The decrease of 9.4 percent for the six months ended June 30, 2023, was primarily due to the 2022 establishment of a valuation allowance related to the Russian aluminum beverage packaging business, which was partially offset by a reduction in a valuation allowance related to the Indian beverage packaging business. The company does not anticipate these items will impact tax expense in future periods.

RESULTS OF BUSINESS SEGMENTS

Segment Results

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

Beverage Packaging, North and Central America

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in millions)	2023	2022	2023	2022
Net sales	$ 1,537	$ 1,775	$ 3,041	$ 3,384
Comparable operating earnings	175	164	358	338
Comparable operating earnings as a % of segment net sales	11 %	9 %	12 %	10 %

Ball ceased production at its Phoenix, Arizona aluminum beverage can manufacturing facility in the fourth quarter of 2022, and ceased production at its aluminum beverage can manufacturing facility in St. Paul, Minnesota in the first quarter of 2023. Additionally, in the first quarter of 2023 Ball announced the planned closure of its aluminum beverage can manufacturing facility in Wallkill, New York.

Segment sales for the three and six months ended June 30, 2023, were $238 million lower and $343 million lower, respectively, compared to the same periods in 2022. The decreases for the three and six months ended June 30, 2023, were primarily due to decreased volumes and the pass through of lower aluminum prices, partially offset by the pass-through of inflationary costs.

Comparable operating earnings for the three and six months ended June 30, 2023, were $11 million higher and $20 million higher, respectively, compared to the same periods in 2022. The increase for the three months ended June 30, 2023, was primarily due to the pass-through of inflationary costs, fixed cost savings from rightsizing production through the facility actions noted above, lower depreciation expense associated with the third quarter 2022 revision of estimated useful lives and SG&A cost-out initiatives, partially offset by customer/product mix and decreased volumes. The increase for the six months ended June 30, 2023, was primarily due to the pass-through of inflationary costs, fixed cost savings from rightsizing production through the facility actions noted above, income recognized from the termination of a long term power supply contract that offsets higher energy costs, lower depreciation expense associated with the third quarter 2022 revision of estimated useful lives and SG&A cost-out initiatives, partially offset by customer/product mix and decreased volumes.

Beverage Packaging, EMEA

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales	$ 920	$ 1,133	$ 1,754	$ 2,075
Comparable operating earnings	98	129	171	229
Comparable operating earnings as a % of segment net sales	11 %	11 %	10 %	11 %

Segment sales for the three and six months ended June 30, 2023, were $213 million lower and $321 million lower, respectively, compared to the same periods in 2022. The decreases for the three and six months ended June 30, 2023, were primarily due to decreased volumes resulting from the sale of the Russian aluminum beverage packaging business, currency translation and the pass through of lower aluminum prices, partially offset by the pass-through of inflationary costs and increased volumes outside of Russian shipments.

Comparable operating earnings for the three and six months ended June 30, 2023, were $31 millon lower and $58 million lower, respectively, compared to the same periods in 2022. The decrease for the three months ended June 30, 2023, was primarily due to the sale of the Russian aluminum beverage packaging business, currency translation and new facility start-up costs, partially offset by the pass-through of inflationary costs, lower depreciation expense associated with the third quarter 2022 revision of estimated useful lives and increased volumes outside of Russian shipments. The decrease for the six months ended June 30, 2023, was primarily due to the sale of the Russian aluminum beverage packaging business, customer/product mix, currency translation and new facility start-up costs, partially offset by the pass-through of inflationary costs, lower depreciation expense associated with the third quarter 2022 revision of estimated useful lives and increased volumes outside of Russian shipments.

During the third quarter of 2022, and further to the Russian invasion of Ukraine, the company sold its Russian business, composed of three manufacturing facilities, for total cash consideration of $530 million. The historical operations and results of the Russian aluminum beverage packaging business, including the gain on sale, are included in the beverage packaging, EMEA segment. See Note 4 of these consolidated financial statements for additional discussion regarding the sale and its impact to Ball's financial results.

A summary of the results of the Russian aluminum beverage packaging business and the non-Russian components of the beverage packaging, EMEA, segment, for the three and six months ended June 30, 2023 and 2022, are shown below:

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales				
Russia	$ —	$ 226	$ —	$ 381
Non-Russia	920	907	1,754	1,694
Beverage packaging, EMEA, segment	$ 920	$ 1,133	$ 1,754	$ 2,075
Comparable operating earnings				
Russia	$ —	$ 40	$ —	$ 72
Non-Russia	98	89	171	157
Beverage packaging, EMEA, segment	$ 98	$ 129	$ 171	$ 229

The Russian sales and comparable operating earnings figures in the above table include historical support by Russia for non-Russian regions. See Note 4 for additional discussion regarding the sale.

Beverage Packaging, South America

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales	$ 405	$ 534	$ 855	$ 1,028
Comparable operating earnings	30	52	80	130
Comparable operating earnings as a % of segment net sales	7 %	10 %	9 %	13 %

Ball ceased production at its Santa Cruz, Brazil, aluminum beverage can manufacturing facility in the third quarter of 2022.

Segment sales for the three and six months ended June 30, 2023, were $129 million lower and $173 million lower, respectively, compared to the same periods in 2022. The decreases for the three and six months ended June 30, 2023, were primarily due to the pass through of lower aluminum prices, decreased volumes and price/mix, partially offset by the pass-through of inflationary costs.

Comparable operating earnings for the three and six months ended June 30, 2023, were $22 million lower and $50 million lower, respectively, compared to the same periods in 2022, primarily due to decreased volumes and customer/product mix, partially offset by fixed cost savings from rightsizing production and lower depreciation expense associated with the third quarter 2022 revision of estimated useful lives.

Aerospace

($ in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales	$ 499	$ 490	$ 1,007	$ 994
Comparable operating earnings	54	36	114	79
Comparable operating earnings as a % of segment net sales	11 %	7 %	11 %	8 %

Segment sales for the three and six months ended June 30, 2023, were $9 million higher and $13 million higher, respectively, compared to the same periods in 2022, and comparable operating earnings for the three and six months ended June 30, 2023, were $18 million higher and $35 million higher, respectively, compared to the same periods in 2022. The higher sales and earnings for the three and six months ended June 30, 2023, were primarily due to the company's new program wins, backlog liquidation through contract performance and favorable operational performance.

The aerospace contract mix for the six months ended June 30, 2023, consisted of 39 percent cost-type contracts, which are billed at our costs plus an agreed-upon and/or earned profit component, and 58 percent fixed-price contracts. The remaining sales were for time and materials contracts. Backlog was $2.56 billion and $2.97 billion at June 30, 2023, and December 31, 2022, respectively. The backlog at June 30, 2023, consisted of 36 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, funding of programs and the uncertainty of timing of future contract awards.

Management Performance Measures

Management internally uses various 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. In addition, management uses operating cash flows 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 that 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 other non-comparable items.

Nonfinancial measures used in the packaging businesses include production efficiency and spoilage rates; quality control figures; environmental, health and safety statistics; production and sales volume data; 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. References to sales volume data represent units shipped.

Many of the above noted financial measurements are presented on a non-U.S. GAAP basis and should be considered in connection with the 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.

NEW ACCOUNTING PRONOUNCEMENTS

For information regarding recent accounting pronouncements, see Note 2 to the 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

Our primary sources of liquidity are cash provided by operating activities and external borrowings. We believe that cash flows from operating activities 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. The following table summarizes our cash flows:

($ in millions)	Six Months Ended June 30, 2023	2022
Cash flows provided by (used in) operating activities	$ 361	$ (398)
Cash flows provided by (used in) investing activities	(604)	(496)
Cash flows provided by (used in) financing activities	644	834

Cash flows provided by operating activities were $361 million in 2023, primarily driven by cash generated from net earnings before depreciation and amortization, partially offset by working capital outflows of $325 million largely from accounts payable.

Cash flows used in investing activities were $604 million in 2023, primarily driven by $608 million of capital expenditures.

Cash flows provided by financing activities were $644 million in 2023, primarily driven by net borrowings of $756 million as a result of the issuance of $1.00 billion of 6.00% senior notes due in 2029 and our short-term and long-term credit facilities, partially offset by common stock dividends of $126 million. See Note 15 for further details on the company's borrowings, and additional amounts available.

We have entered into several regional committed and uncommitted accounts receivable factoring programs with various financial institutions for certain of our accounts receivable. The programs are accounted for as true sales of the receivables, with limited recourse to Ball, and had combined limits of approximately $2.02 billion and $2.04 billion at June 30, 2023, and December 31, 2022, respectively. A total of $272 million and $488 million were available for sale under these programs as of June 30, 2023, and December 31, 2022, respectively.

The company has several regional supplier finance programs with various financial institutions that act as the paying agent for certain payables of the company. The amount of obligations outstanding that the company confirmed as valid to the financial institutions under the company's programs was $488 million and $930 million at June 30, 2023 and December 31, 2022, respectively. Our payment terms are not dependent on whether the suppliers participate in the supplier finance programs or if the suppliers decide to factor their receivables with the financial institutions; therefore, we do not believe that future changes in the availability of supplier finance programs will have a significant impact on our liquidity.

Contributions to the company's defined benefit pension plans were $9 million in the first six months of 2023 compared to $108 million in the same period of 2022, and such contributions are expected to be approximately $33 million for the full year of 2023. This estimate may change based on changes in the Pension Protection Act, actual plan asset performance and available company cash flow, among other factors.

The company has approximately $415 million of capital expenditures for property, plant and equipment contractually committed as of June 30, 2023, and intends to return approximately $250 million to shareholders in the form of dividends for the full year 2023, inclusive of the cash dividend of 20 cents per share, payable September 15, 2023, to shareholders of record as of September 1, 2023.

As of June 30, 2023, approximately $573 million of our cash was held outside of the U.S. In the event we need to utilize any of the cash held outside of 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. The company believes its U.S. operating cash flows and cash on hand, as well as availability under its 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 may 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 might become payable if these earnings were remitted to the U.S.

Share Repurchases

The company's share repurchases totaled $3 million during the six months ended June 30, 2023, compared to $578 million of repurchases during the same period of 2022. The repurchases were completed using cash on hand, cash provided by operating activities, proceeds from the sale of businesses and available borrowings.

Debt Facilities and Refinancing

Given our cash flow projections and unused credit facilities that are available until June 2027, our liquidity is strong and is expected to meet our ongoing cash and debt service requirements. Total interest-bearing debt of $9.81 billion and $9.00 billion was outstanding at June 30, 2023, and December 31, 2022, respectively.

In May 2023, Ball issued $1.00 billion of 6.00% senior notes due in 2029, and repaid the outstanding U.S. dollar revolving credit facility due in 2027 in the amount of $800 million. The remaining $200 million will be used for general corporate purposes.

The company's senior credit facilities include long-term, multi-currency revolving facilities that mature in June 2027, which provide the company with up to the U.S. dollar equivalent of $1.75 billion. At June 30, 2023, approximately $1.69 billion was available under the company's long-term, multi-currency committed revolving credit facilities. In addition to these facilities, the company had $364 million of committed short-term loans outstanding. The company also had approximately $861 million of short-term uncommitted credit facilities available at June 30, 2023, of which $26 million was outstanding and due on demand. At December 31, 2022, the company had $112 million outstanding under short-term uncommitted credit facilities.

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 June 30, 2023, and for all prior periods 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 September 30, 2025. As of June 30, 2023, the company could borrow an additional $1.91 billion under its long-term multi-currency committed revolving facilities and short-term uncommitted credit facilities without violating our existing debt covenants. Additional details about our debt are available in Note 15 accompanying the consolidated financial statements within Item 1 of this report.

CONTINGENCIES, INDEMNIFICATIONS AND GUARANTEES

Details of the company's contingencies, legal proceedings, indemnifications and guarantees are available in Note 21 and Note 22 accompanying the consolidated financial statements within Item 1 of this report. The company is routinely subject to litigation incidental 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 June 30, 2023, and December 31, 2022. 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.

($ in millions)	Six Months Ended June 30, 2023	Year Ended December 31, 2022
Net sales	$ 4,596	$ 9,975
Gross profit *(a)*	570	996
Net earnings (loss)	309	635
Net earnings (loss) attributable to Ball Corporation	309	635

(a) Gross profit is shown after depreciation and amortization related to cost of sales of $135 million for the six months ended June 30, 2023, and $261 million for the year ended December 31, 2022.

For the six months ended June 30, 2023, and the year ended December 31, 2022, the obligor group recorded the following transactions with other subsidiary companies: sales to them of $582 million and $1.50 billion, respectively, net credits from them of $14 million and $19 million, respectively, and net interest income from them of $167 million and $329 million, respectively. The obligor group received dividends from other subsidiary companies of $511 million and $18 million, during the six months ended June 30, 2023, and the year ended December 31, 2022, respectively.

($ in millions)	June 30, 2023	December 31, 2022
Current assets	$ 2,806	$ 2,478
Noncurrent assets	16,131	15,764
Current liabilities	5,912	6,032
Noncurrent liabilities	10,773	10,790

Included in the amounts disclosed in the tables above, at June 30, 2023, and December 31, 2022, the obligor group held receivables due from other subsidiary companies of $790 million and $477 million, respectively, long-term notes receivable due from other subsidiary companies of $10.24 billion and $9.89 billion, respectively, payables due to other subsidiary companies of $1.78 billion and $2.22 billion, respectively, and long-term notes payable due to other subsidiary companies of $2.23 billion and $2.21 billion, respectively.

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

The company employs established risk management policies and procedures which seek to reduce the company's 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 that 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 set off any amounts owed with regard to open derivative positions. Further details are available in Item 7A within Ball's 2022 Annual Report on Form 10-K filed on February 21, 2023, and in Note 20 accompanying the 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 second quarter of 2023 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 they should be read in conjunction with, and qualified in their entirety by, the cautionary statements referenced below. Ball 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 Ball's Form 10-K, which are available on Ball's website and at www.sec.gov. Additional factors that might affect: a) Ball's 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 and related events such as drought, wildfires, storms, hurricanes, tornadoes and floods; 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; inability to pass through increased costs; war, political instability and sanctions, including relating to the situation in Russia and Ukraine and its impact on Ball's supply chain and its ability to operate in Europe, the Middle East and Africa regions generally; changes in foreign exchange or tax rates; and tariffs, trade actions, or other governmental actions, including business restrictions and orders affecting goods produced by Ball or in its supply chain, including imported raw materials; b) Ball's aerospace segment include funding, authorization, availability and returns of government and commercial contracts; and delays, extensions and technical uncertainties affecting segment contracts; c) Ball 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 actions or issues including those related to tax, environmental, social and governance reporting, competition, environmental, health and workplace safety, including U.S. Federal Drug Administration and other actions or public concerns affecting products filled in Ball's 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; inflation; rates of return on assets of Ball's defined benefit retirement plans; pension changes; uncertainties surrounding geopolitical events and governmental policies, including policies, orders, and actions related to COVID-19; reduced cash flow; interest rates affecting Ball's debt; and successful or unsuccessful joint ventures, acquisitions and divestitures, and their effects on Ball's 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 June 30, 2023, except as discussed in Note 21 to the consolidated financial statements included within Part I, Item 1 of this report.

Item 1A. Risk Factors

There were no changes required to be reported under Item 1A for the three months ended June 30, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes the company's repurchases of its common stock during the second quarter of 2023.

Purchases of Securities

($ in millions)	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)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (b)
April 1 to April 30, 2023	—	$ —	—	19,605,226
May 1 to May 31, 2023	—	—	—	19,605,226
June 1 to June 30, 2023	—	—	—	19,605,226
Total	—	—	—	

(a) Includes any 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 were authorized for 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 June 30, 2023.

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 June 30, 2023.

Item 6. Exhibits

22	Obligor group subsidiaries of Ball Corporation
31.1	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) by Daniel W. Fisher, 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 Daniel W. Fisher, 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 June 30, 2023, formatted in Inline XBRL (contained in Exhibit 101), the: (i) Unaudited Condensed Consolidated Statement of Earnings (Loss), (ii) Unaudited Condensed Statement of Comprehensive Earnings (Loss), (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: August 3, 2023

Exhibit 22

OBLIGOR GROUP SUBSIDIARIES OF BALL CORPORATION

June 30, 2023

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

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

Exhibit 31.1

Certification

I, Dan W. Fisher, 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 which 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: August 3, 2023

/s/ Dan W. Fisher
Dan W. Fisher
Chairman and Chief Executive Officer

Exhibit 31.2

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 which 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: August 3, 2023

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

Exhibit 32.1

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 Dan W. Fisher 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 June 30, 2023, filed with the U.S. Securities and Exchange Commission on August 3, 2023 (“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/ Dan W. Fisher
Dan W. Fisher
Chairman and Chief Executive Officer
Ball Corporation

Date: August 3, 2023

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.

Exhibit 32.2

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 June 30, 2023, filed with the U.S. Securities and Exchange Commission on August 3, 2023 (“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: August 3, 2023

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.

Exhibit 99

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," "targets," "likely," "foresees", "positions" and similar expressions typically identify forward-looking statements, which are generally any statements other than statements of historical fact. 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, and changes in consumption patterns, 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 such as drought, wildfires, storms, hurricanes, tornadoes and floods; virus and disease outbreaks and responses thereto; 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 inflation and 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 international currency 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 international laws, including those related to tax, environmental, health and workplace safety, including in respect of climate change, pollution, environmental, social and governance (ESG) reporting, 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, unfavorable mandatory deposit or packaging legislation, 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, supply chain disruptions, widespread ocean and shipping constraints, and our ability or inability to pass on to customers changes in freight and raw material costs, particularly 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.

- 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 network, systems and data and those of its customers and suppliers 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.