UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2024
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 May 2, 2024
Common Stock, without par value	BALL	NYSE	310,377,752 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 March 31, 2024
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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

BALL CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

($ in millions, except per share amounts)	Three Months Ended March 31, 2024	2023
Net sales	$ 2,874	$ 2,981
Costs and expenses		
Cost of sales (excluding depreciation and amortization)	(2,283)	(2,432)
Depreciation and amortization	(158)	(147)
Selling, general and administrative	(211)	(115)
Business consolidation and other activities	(26)	(20)
	(2,678)	(2,714)
Earnings before interest and taxes	196	267
Interest expense	(93)	(113)
Debt refinancing and other costs	(2)	—
Total interest expense	(95)	(113)
Earnings before taxes	101	154
Tax (provision) benefit	(27)	(33)
Equity in results of affiliates, net of tax	5	7
Earnings from continuing operations	79	128
Discontinued operations, net of tax	3,607	52
Net earnings	3,686	180
Net earnings attributable to noncontrolling interests	1	3
Net earnings attributable to Ball Corporation	$ 3,685	$ 177
Earnings per share:		
Basic - continuing operations	$ 0.25	$ 0.40
Basic - discontinued operations	11.45	0.16
Total basic earnings per share	$ 11.70	$ 0.56
Diluted - continuing operations	$ 0.25	$ 0.40
Diluted - discontinued operations	11.36	0.16
Total diluted earnings per share	$ 11.61	$ 0.56
Weighted average shares outstanding: (000s)		
Basic	314,950	314,236
Diluted	317,385	316,667

See accompanying notes to the unaudited condensed consolidated financial statements.

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

($ in millions)	Three Months Ended March 31, 2024	2023
Net earnings	$ 3,686	$ 180
Other comprehensive earnings (loss):		
Currency translation adjustment	(87)	20
Pension and other postretirement benefits	141	1
Derivatives designated as hedges	8	29
Total other comprehensive earnings (loss)	62	50
Income tax (provision) benefit	(39)	(8)
Total other comprehensive earnings (loss), net of tax	23	42
Total comprehensive earnings	3,709	222
Comprehensive earnings attributable to noncontrolling interests	1	3
Comprehensive earnings attributable to Ball Corporation	$ 3,708	$ 219

See accompanying notes to the unaudited condensed consolidated financial statements.

BALL CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

($ in millions)	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 1,719	$ 695
Receivables, net	3,050	2,057
Inventories, net	1,498	1,531
Other current assets	225	231
Current assets held for sale	32	369
Total current assets	6,524	4,883
Noncurrent assets		
Property, plant and equipment, net	6,634	6,715
Goodwill	4,211	4,250
Intangible assets, net	1,199	1,248
Other assets	1,330	1,354
Noncurrent assets held for sale	—	853
Total assets	$19,898	$19,303
Liabilities and Equity		
Current liabilities		
Short-term debt and current portion of long-term debt	$ 281	$ 1,065
Accounts payable	3,257	3,661
Accrued employee costs	257	245
Other current liabilities	1,589	779
Current liabilities held for sale	—	435
Total current liabilities	5,384	6,185
Noncurrent liabilities		
Long-term debt	5,519	7,504
Employee benefit obligations	645	735
Deferred taxes	591	421
Other liabilities	382	384
Noncurrent liabilities held for sale	—	237
Total liabilities	12,521	15,466
Equity		
Common stock (683,560,199 shares issued - 2024; 683,241,401 shares issued - 2023)	1,352	1,312
Retained earnings	11,386	7,763
Accumulated other comprehensive earnings (loss)	(893)	(916)
Treasury stock, at cost (370,544,422 shares - 2024; 367,551,366 shares - 2023)	(4,537)	(4,390)
Total Ball Corporation shareholders' equity	7,308	3,769
Noncontrolling interests	69	68
Total equity	7,377	3,837
Total liabilities and equity	$19,898	$19,303

See accompanying notes to the unaudited condensed consolidated financial statements.

BALL CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)	Three Months Ended March 31, 2024	2023
Cash Flows from Operating Activities		
Net earnings	$ 3,686	$ 180
Adjustments to reconcile net earnings to cash provided by (used in) operating activities:		
Depreciation and amortization	167	166
Business consolidation and other activities	26	20
Deferred tax provision (benefit)	176	—
Gain on Aerospace disposal	(4,695)	—
Pension contributions	(10)	(4)
Other, net	46	49
Changes in working capital components, net of dispositions	(643)	(686)
Cash provided by (used in) operating activities	(1,247)	(275)
Cash Flows from Investing Activities		
Capital expenditures	(154)	(343)
Business dispositions, net of cash sold	5,422	—
Other, net	24	7
Cash provided by (used in) investing activities	5,292	(336)
Cash Flows from Financing Activities		
Long-term borrowings	450	600
Repayments of long-term borrowings	(3,277)	(1)
Net change in short-term borrowings	77	101
Acquisitions of treasury stock	(182)	(3)
Common stock dividends	(63)	(63)
Other, net	17	15
Cash provided by (used in) financing activities	(2,978)	649
Effect of exchange rate changes on cash	(52)	(2)
Change in cash, cash equivalents and restricted cash	1,015	36
Cash, cash equivalents and restricted cash - beginning of period	710	558
Cash, cash equivalents and restricted cash - end of period	$ 1,725	$ 594

See accompanying notes to the unaudited condensed consolidated financial statements.

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Ball Corporation
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. 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 2023 Annual Report on Form 10-K filed on February 20, 2024, pursuant to the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2023 (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.

On February 16, 2024, the company completed the divestiture of its aerospace business. The transaction represents a strategic shift; therefore, the company's consolidated financial statements reflect the aerospace business' financial results as discontinued operations for all periods presented. The aerospace business was historically presented as a reportable segment. Effective as of the first quarter of 2024, the company will report its financial performance in three reportable segments: (1) beverage packaging, North and Central America; (2) beverage packaging, Europe, Middle East and Africa (beverage packaging, EMEA) and (3) beverage packaging, South America. See Note 3 for additional segment information.

Unless otherwise specified, these notes to the unaudited condensed consolidated financial statements reflect continuing operations only.

Certain prior year amounts, including amounts related to discontinued operations, have been reclassified in order to conform to the current year presentation. See Note 4 for additional discontinued operations information.

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 and monetary policies, changes in interest rates, and changing demand for certain goods and services. 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 global conflicts, including the conflict between Russia and Ukraine and the rising instability in the Middle East, 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 Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements

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 March 31, 2024, 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 consolidated 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 industry, 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.

Argentina

Although Ball's functional currency in Argentina is the U.S. dollar, a portion of its transactions are denominated in pesos. During the fourth quarter of 2023, Argentina suddenly devalued its peso relative to the U.S. dollar as one of the economic policies implemented by the new government with the goal of stabilizing and growing the economy. The government has implemented additional policies with the same goal in mind including additional taxes on the importation of certain goods. The currency devaluation, economic conditions and policies in Argentina make it difficult to manage currency exchange rate risk and may lead to additional adverse effects on the company’s results of operations. Ball’s Argentinean business is presented in its beverage packaging, South America, reportable operating segment. Ball’s peso-denominated net monetary assets in Argentina were approximately $44 million at March 31, 2024. As of March 31, 2024, Ball’s Argentinean business had net asset exposure of $403 million, which consisted primarily of working capital and property, plant and equipment.

2. Accounting Pronouncements

Recently Adopted Accounting Standards

Supplier Finance Programs

In 2022, new guidance was issued by the Financial Accounting Standards Board (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, in its 2024 annual report.

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 payable, 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 $573 million and $703 million at March 31, 2024 and December 31, 2023, 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.

New Accounting Guidance and Disclosure Requirements

Climate Disclosures

In 2024, the Securities and Exchange Commission (SEC) adopted final rules to require disclosures about material climate-related risks, the actual and potential impact of the risks and additional related disclosures. The final rules are currently under a stay by the SEC. The company is assessing the impact that the adoption of this new guidance will have on its consolidated financial statements and expects to meet the disclosure requirements on a prospective basis starting with information pertaining to the fiscal year beginning 2025.

Income Tax Disclosures

In 2023, new guidance was issued by the FASB with the goal of providing financial statement users with more information in the income tax rate reconciliation table and regarding income taxes paid. The company is assessing the impact that the adoption of this new guidance will have on its consolidated financial statements and expects to meet the disclosure requirements on a prospective basis in its 2025 annual report.

Segment Reporting

In 2023, new guidance was issued by the FASB with the goal of providing financial statement users with more information about reportable segments, including more disaggregated expense information. The company is assessing the impact that the adoption of this new guidance will have on its consolidated financial statements and expects to meet the disclosure requirements on a retrospective basis in its 2024 annual report and interim periods thereafter.

3. Business Segment Information

Ball’s operations are organized and reviewed by management along its product lines and geographical areas and presented in the three 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.

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.

Ball Corporation
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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 Myanmar; 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.

Summary of Business by Segment

($ in millions)	Three Months Ended March 31, 2024	2023
Net sales		
Beverage packaging, North and Central America	$ 1,403	$ 1,504
Beverage packaging, EMEA	810	834
Beverage packaging, South America	482	450
Reportable segment sales	2,695	2,788
Other	179	193
Net sales	$ 2,874	$ 2,981
Comparable operating earnings		
Beverage packaging, North and Central America	$ 192	$ 183
Beverage packaging, EMEA	85	73
Beverage packaging, South America	55	50
Reportable segment comparable operating earnings	332	306
Reconciling items		
Other (a)	(72)	15
Business consolidation and other activities	(26)	(20)
Amortization of acquired intangibles	(38)	(34)
Earnings before interest and taxes	196	267
Interest expense	(93)	(113)
Debt refinancing and other costs	(2)	—
Total interest expense	(95)	(113)
Earnings before taxes	$ 101	$ 154

(a) Includes undistributed corporate expenses, net, of $96 million and $10 million for the three months ended March 31, 2024 and 2023, respectively. For the three months ended March 31, 2024, undistributed corporate expenses, net, includes $79 million of incremental compensation cost from the successful sale of the aerospace business consisting of cash bonuses and stock based compensation. For the three months ended March 31, 2024, undistributed corporate expenses, net, also includes $17 million of corporate interest income.

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

Ball Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements

4. Acquisitions and Dispositions

Dispositions

Discontinued Operations

Aerospace

In the third quarter of 2023, Ball entered into a Stock Purchase Agreement (Agreement) with BAE Systems, Inc. (BAE) and, for the limited purposes set forth therein, BAE Systems plc, to sell all outstanding equity interests in Ball's aerospace business. On February 16, 2024, the company completed the divestiture of the aerospace business for a purchase price of $5.6 billion, subject to working capital adjustments and other customary closing adjustments under the terms of the Agreement, which are expected to be resolved mid-2024 and could impact the gain recognized. The divestiture resulted in a pre-tax gain of $4.67 billion, which is net of $20 million of costs to sell incurred and paid in 2023 related to the disposal. Cash proceeds received at close from the sale of $5.42 billion, net of the cash disposed, are presented in business dispositions, net of cash sold, in the unaudited condensed consolidated statement of cash flows for the three months ended March 31, 2024. The company expects to pay approximately $1.00 billion in income taxes related to the transaction throughout 2024, which are recorded in other current liabilities in the unaudited condensed consolidated balance sheet. Additionally, the completion of the divestiture results in the removal of the aerospace business from the company's obligor group, as the business will no longer guarantee the company's senior notes and senior credit facilities.

The sale of the aerospace business represents a strategic shift that will have a major effect on Ball's operations and financial results, including the removal of the aerospace reportable segment. Due to this shift, for all periods presented, the consolidated financial statements reflect the aerospace business' financial results as discontinued operations in the unaudited condensed consolidated statements of earnings, and its assets and liabilities are presented as assets and liabilities held for sale in the unaudited condensed consolidated balance sheet as of December 31, 2023. See Note 1 for further information on the basis of presentation.

The following table presents components of discontinued operations, net of tax for the three months ended March 31, 2024 and 2023:

($ in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net sales	$ 261	$ 508
Cost of sales (excluding depreciation and amortization)	(214)	(413)
Depreciation and amortization	(9)	(19)
Selling, general and administrative	(11)	(16)
Gain on disposition	4,695	—
Tax (provision) benefit	(1,115)	(8)
Discontinued operations, net of tax	$ 3,607	$ 52

Ball Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements

The following table presents assets and liabilities that are classified as held for sale on the unaudited condensed consolidated balance sheet as of December 31, 2023:

($ in millions)	December 31, 2023
Assets	
Current assets	
Receivables, net	$ 277
Other current assets	56
Total current assets	333
Noncurrent assets	
Property, plant and equipment, net	665
Other assets	188
Total assets of discontinued operations	**$ 1,186**
Liabilities	
Current liabilities	
Accounts payable	$ 92
Accrued employee costs	88
Deferred revenue	221
Other current liabilities	34
Total current liabilities	435
Noncurrent liabilities	
Employee benefit obligations	163
Other liabilities	74
Total liabilities of discontinued operations	**$ 672**

The following table presents significant cash flow items from discontinued operations for the three months ended March 31, 2024 and 2023 included within the consolidated statements of cash flows. Amounts include adjustments to reconcile net earnings to cash provided by (used in) operating activities:

	Three Months Ended March 31,	
($ in millions)	2024	2023
Provided by (used in)		
Depreciation and amortization	$ 9	$ 19
Gain on Aerospace disposal	(4,695)	-
Capital expenditures	(13)	(24)

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

	Three Months Ended March 31,	
($ in millions)	2024	2023
Supplemental cash flow information:		

PP&E acquired but not yet paid	$	17	$	16

Ball Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements

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 March 31,	**Point in Time**	**Over Time**	**Total**
2024	$ 556	$ 2,318	$ 2,874
2023	542	2,439	2,981

Contract Balances

The company did not have any contract assets at either March 31, 2024, or December 31, 2023. 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, 2023	$ 114	$ 3
Increase (decrease)	(15)	(1)
Balance at March 31, 2024	$ 99	$ 2

During the three months ended March 31, 2024, contract liabilities decreased by $16 million, which is net of cash received of $73 million and amounts recognized as sales of $89 million, the majority of which related to current contract liabilities. The amount of sales recognized in the three months ended March 31, 2024, that was included in the opening contract liabilities balance, was $89 million, all of which related to current contract liabilities. The difference between the opening and closing balances of the company’s contract liabilities primarily results from timing differences between the company’s performance and the customer’s payments. 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.

Ball Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements

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:

	Three Months Ended March 31,	
($ in millions)	2024	2023
Beverage packaging, North and Central America	$ (30)	$ (22)
Beverage packaging, EMEA	—	5
Beverage packaging, South America	(1)	(2)
Other	5	(1)
	$ (26)	$ (20)

2024

During the three months ended March 31, 2024, the net charges of $26 million were primarily related to facility closure costs. These charges were partially offset by income from the receipt of insurance proceeds for replacement costs related to the 2023 fire at the company's Verona, Virginia extruded aluminum slug manufacturing facility.

2023

During the three months ended March 31, 2023, the net charges of $20 million primarily related to facility closure costs.

7. Supplemental Cash and Cash Flow Statement Disclosures

	March 31,	
($ in millions)	2024	2023
Beginning of period:		
Cash and cash equivalents	$ 695	$548
Current restricted cash (included in other current assets)	15	10
Total cash, cash equivalents and restricted cash	$ 710	$558
End of period:		
Cash and cash equivalents	$1,719	$572
Current restricted cash (included in other current assets)	6	22
Total cash, cash equivalents and restricted cash	$1,725	$594

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.

The company recognized interest income of $26 million and $4 million for the three months ended March 31, 2024 and 2023, respectively, and has presented these amounts in selling, general and administrative in its unaudited condensed consolidated statements of earnings

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

Ball Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements

cash flows. A summary of the PP&E acquired but not yet paid, inclusive of amounts related to the historical aerospace business, is as follows:

($ in millions)	March 31, 2024	March 31, 2023
Beginning of period:		
PP&E acquired but not yet paid	$ 204	$ 392
End of period:		
PP&E acquired but not yet paid	$ 168	$ 321

8. Receivables, Net

($ in millions)	March 31, 2024	December 31, 2023
Trade accounts receivable	$ 2,050	$ 1,165
Unbilled receivables	548	520
Less: Allowance for doubtful accounts	(13)	(15)
Net trade accounts receivable	2,585	1,670
Other receivables	465	387
	$ 3,050	$ 2,057

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 $1.86 billion and $2.00 billion at March 31, 2024, and December 31, 2023, respectively. A total of $1.30 billion and $350 million were available for sale under these programs as of March 31, 2024, and December 31, 2023, respectively. The combined limit and available for sale amount as of December 31, 2023, include $160 million and $97 million, respectively, associated with receivable factoring programs included within the historical aerospace reportable segment. The company has recorded expense related to its factoring programs of $13 million and $15 million for the three months ended March 31, 2024 and 2023, respectively, and has presented these amounts in selling, general and administrative in its unaudited condensed consolidated statements of earnings.

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

9. Inventories, Net

($ in millions)	March 31, 2024	December 31, 2023

Raw materials and supplies	$ 1,092	$ 1,182
Finished goods	494	440
Less: Inventory reserves	(88)	(91)
	$ 1,498	$ 1,531

Ball Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements

10. Property, Plant and Equipment, Net

($ in millions)	March 31, 2024	December 31, 2023
Land	$ 206	$ 215
Buildings	1,804	1,792
Machinery and equipment	7,766	7,636
Construction-in-progress	1,041	1,179
	10,817	10,822
Accumulated depreciation	(4,183)	(4,107)
	$ 6,634	$ 6,715

Depreciation expense was $116 million and $109 million for the three months ended March 31, 2024 and 2023, respectively.

11. Goodwill

($ in millions)	Beverage Packaging, North & Central America	Beverage Packaging, EMEA	Beverage Packaging, South America	Other	Total
Balance at December 31, 2023	$ 1,277	$ 1,378	$ 1,298	$ 297	$ 4,250
Effects of currency exchange	—	(37)	—	(4)	(41)
Other	—	—	2	—	2
Balance at March 31, 2024	$ 1,277	$ 1,341	$ 1,300	$293	$4,211

12. Intangible Assets, Net

($ in millions)	March 31, 2024	December 31, 2023
Acquired customer relationships and other intangibles (net of accumulated amortization and impairment losses of $1.05 billion at March 31, 2024, and $1.06 billion at December 31, 2023)	$ 1,150	$ 1,197
Capitalized software (net of accumulated amortization of $164 million at March 31, 2024, and $162 million at December 31, 2023)	36	37
Other intangibles (net of accumulated amortization of $49 million at March 31, 2024, and $49 million at December 31, 2023)	13	14
	$ 1,199	$ 1,248

Total amortization expense of intangible assets was $42 million and $38 million for the three months ended March 31, 2024 and 2023, respectively.

13. Other Assets

($ in millions)	March 31, 2024	December 31, 2023
Long-term pension assets	$ 41	$ 41
Right-of-use operating lease assets	345	365
Investments in affiliates	226	212
Long-term deferred tax assets	85	114
Other	633	622
	$ 1,330	$ 1,354

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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	March 31, 2024	December 31, 2023
Operating leases:			
Operating lease ROU asset	Other assets	$ 345	$ 365
Current operating lease liabilities	Other current liabilities	80	83
Noncurrent operating lease liabilities	Other liabilities	273	287
Finance leases:			
Finance lease ROU assets, net	Property, plant and equipment, net	8	8
Current finance lease liabilities	Short-term debt and current portion of long-term debt	3	3
Noncurrent finance lease liabilities	Long-term debt	7	7

15. Debt

Long-term debt consisted of the following:

($ in millions)	March 31, 2024	December 31, 2023
Senior Notes		
0.875%, euro denominated, due March 2024	$ —	$ 828
5.25% due July 2025	189	1,000
4.875% due March 2026	256	750
1.50%, euro denominated, due March 2027	594	607
6.875% due March 2028	750	750
6.00% due June 2029	1,000	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	—	—
Term A loan due June 2027 (6.68% - 2024)	625	1,325
Finance lease obligations	10	10
Other (including debt issuance costs)	(52)	(60)
	5,522	8,360
Less: Current portion	(3)	(856)
	$ 5,519	$ 7,504

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 March 31, 2024, $1.69 billion was available under these revolving credit facilities. In addition to these facilities, the company had $278 million of committed short-term loans outstanding. The company also had approximately $937 million of short-term uncommitted credit facilities available at March 31, 2024. At December 31, 2023, the company had $196 million of committed short-term loans outstanding and $13 million outstanding under short-term uncommitted credit facilities.

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On February 14, 2024, Ball announced a public tender of the $1.00 billion 5.25% senior notes due July 2025 and the $750 million 4.875% senior notes due March 2026. On March 14, 2024, $811 million of the $1.00 billion 5.25% senior notes and $494 million of the $750 million 4.875% senior notes were validly tendered and accepted. Additionally, in the first quarter of 2024, Ball repaid at maturity the outstanding 0.875% euro denominated senior notes due in the amount of $817 million and prepaid $700 million of the Term A loan outstanding balance.

The fair value of Ball's long-term debt was estimated to be $5.22 billion and $8.07 billion at March 31, 2024 and December 31, 2023, 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. The company was in compliance with the leverage ratio requirement at March 31, 2024, and for all prior periods presented, and has met all debt payment obligations.

16. Taxes on Income

The company's effective tax rate was 26.7 percent and 21.4 percent for the three months ended March 31, 2024 and 2023, respectively. As compared to the statutory U.S. tax rate, the effective tax rate for the three months ended March 31, 2024, increased by 2.4 percentage points for non-U.S. rate differences and withholding taxes net of credits, increased by 1.7 percentage points for U.S. permanent differences, increased by 1.0 percentage points for tax on Global Intangible Low-Taxed Income, increased by 1.0 percentage points for Pillar Two Global Minimum Taxes and decreased by 0.7 percentage points for the effects of share-based compensation. As compared to the statutory U.S. tax rate, the effective tax rate for the three months ended March 31, 2023, increased by 0.9 percentage points for tax on Global Intangible Low-Taxed Income, increased by 0.7 percentage points for U.S. permanent differences and decreased by 1.1 percentage points for the effects of share-based compensation.

17. Employee Benefit Obligations

($ in millions)	March 31, 2024	December 31, 2023
Underfunded defined benefit pension liabilities	$ 299	$ 323

Less: Current portion	(20)	(21)
Long-term defined benefit pension liabilities	279	302
Long-term retiree medical liabilities	84	90
Deferred compensation plans	217	280
Other	65	63
	$ 645	$ 735

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

	Three Months Ended March 31,					
	2024			2023		
($ in millions)	U.S.	Non-U.S.	Total	U.S.	Non-U.S.	Total
Ball-sponsored plans:						
Service cost	$ 4	$ 1	$ 5	$ 4	$ 1	$ 5
Interest cost	15	20	35	16	21	37
Expected return on plan assets	(22)	(20)	(42)	(22)	(24)	(46)
Amortization of prior service cost	—	1	1	—	1	1
Recognized net actuarial loss	1	4	5	1	—	1
Total net periodic benefit cost	$ (2)	$ 6	$ 4	$ (1)	$ (1)	$ (2)

Non-service pension income of $1 million and $7 million for the three months ended March 31, 2024 and 2023, respectively, is included in selling, general, and administrative (SG&A) expenses in the unaudited condensed consolidated statements of earnings.

Contributions to the company's defined benefit pension plans were $10 million for the first three months of 2024 compared to $4 million for the first three months of 2023, and such contributions are expected to be approximately $33 million for the full year of 2024. This estimate may change based on changes in the Pension Protection Act, actual plan asset performance and available company cash flow, among other factors.

In November 2023, the Trustee Board of the U.K. defined benefit pension plan entered into an agreement with an insurance company for a bulk annuity purchase, or "buy-in", for its U.K. defined benefit pension plan to reduce retirement plan risk, while delivering promised benefits to plan participants. This transaction allows the company to reduce volatility by removing investment, longevity, mortality, interest rate and inflation risk upon the transfer of significantly all of the pension plan assets to the insurer in exchange for the group annuity insurance contract. At this time the Company retains both the fair value of the annuity contract within plan assets and the pension benefit obligations related to these participants. The plan was frozen on April 5, 2024, and the company anticipates the "buy-out" may occur within the next two years, which will trigger a pension settlement that will result in all plan balances, including accumulated pension components within other comprehensive income, being charged to expense as a noncash settlement charge.

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18. Equity and Accumulated Other Comprehensive Earnings (Loss)

The following tables provide additional details of the company's equity activity, inclusive of activity related to the aerospace business impacting the company's equity:

($ in millions; share amounts in thousands)	Common Stock Number of Shares	Common Stock Amount	Treasury Stock Number of Shares	Treasury Stock Amount	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)
Balance at December 31, 2023	683,241	$ 1,312	(367,551)	$ (4,390)	$ 7,763	$ (916)
Net earnings	—	—	—	—	3,685	—
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	23
Common dividends	—	—	—	—	(63)	—
Treasury stock purchases	—	—	(3,065)	(196)	—	—
Treasury shares reissued	—	—	72	7	—	—
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	319	40	—	—	—	—
Distributions from deferred compensation plans and other activity	—	—	—	42	1	—
Balance at March 31, 2024	683,560	$ 1,352	(370,544)	$ (4,537)	$ 11,386	$ (893)

($ in millions; share amounts in thousands)	Common Stock Number of Shares	Common Stock Amount	Treasury Stock Number of Shares	Treasury Stock Amount	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)
Balance at December 31, 2022	682,144	$ 1,260	(368,036)	$ (4,429)	$ 7,309	$ (679)
Net earnings	—	—	—	—	177	—
Other comprehensive earnings (loss), net of tax	—	—	—	—	—	42
Common dividends	—	—	—	—	(63)	—
Treasury stock purchases	—	—	(39)	(3)	—	—
Treasury shares reissued	—	—	146	8	—	—
Shares issued and stock compensation for stock options and other stock plans, net of shares exchanged	272	8	—	—	—	—
Other activity	—	—	—	10	(1)	—
Balance at March 31, 2023	682,416	$ 1,268	(367,929)	$ (4,414)	$ 7,422	$ (637)

On April 24, 2024, Ball's Board of Directors approved the repurchase by the company of up to a total of 40 million shares of its common stock. This repurchase authorization replaced all previous authorizations.

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, 2023	$ (380)	$ (537)(a)	$ 1	$ (916)
Other comprehensive earnings (loss) before reclassifications	(87)	8	31	(48)
Amounts reclassified into earnings	—	3	(26)	(23)
Aerospace disposal	—	94	—	94
Balance at March 31, 2024	$ (467)	$ (432)	$ 6	$ (893)

(a) Includes amounts associated with the Salaried Employees of Ball Aerospace & Technologies Corp. Pension Plan.

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

($ in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Gains (losses) on cash flow hedges:		
Commodity contracts recorded in net sales	$ 13	$ (13)
Commodity contracts recorded in cost of sales	(14)	—
Currency exchange contracts recorded in selling, general and administrative	32	(3)
Interest rate contracts recorded in interest expense	3	—
Total before tax effect	34	(16)
Tax benefit (expense) on amounts reclassified into earnings	(8)	4
Recognized gain (loss), net of tax	$ 26	$ (12)
Amortization and disposal of pension and other postretirement benefits: (a)		
Actuarial gains (losses) (b)	$ (3)	$ (1)
Prior service income (expense) (b)	(1)	(1)
Aerospace disposal	(127)	—
Total before tax effect	(131)	(2)
Tax benefit (expense) on amounts reclassified into earnings	34	1
Recognized gain (loss), net of tax	$ (97)	$ (1)

(a) Includes amounts associated with the Salaried Employees of Ball Aerospace & Technologies Corp. Pension Plan

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

19. Earnings and Dividends Per Share

($ in millions, except per share amounts; shares in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Earnings from continuing operations attributable to Ball Corporation, net of tax	$ 78	$ 125
Discontinued operations, net of tax	3,607	52
Net earnings attributable to Ball Corporation	$ 3,685	$ 177
Basic weighted average common shares	314,950	314,236
Effect of dilutive securities	2,435	2,431
Weighted average shares applicable to diluted earnings per share	317,385	316,667
Basic - continuing operations	$ 0.25	$ 0.40

Basic - discontinued operations		11.45		0.16
Per basic share	$	11.70	$	0.56
Diluted - continuing operations	$	0.25	$	0.40
Diluted - discontinued operations		11.36		0.16
Per diluted share	$	11.61	$	0.56

Certain outstanding options were excluded from the diluted earnings per share calculation because they were anti-dilutive. The excluded options totaled approximately 5 million and 4 million for the three months ended March 31, 2024 and 2023, respectively.

The company declared and paid dividends of $0.20 per share for the three months ended March 31, 2024 and 2023.

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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.

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

($ in millions)	March 31, 2024		
Commercial risk area	**Commodity**	**Currency**	**Interest Rate**

Notional amount of contracts	$ 1,104	$ 4,552	$ 600
Net gain (loss) included in AOCI, after-tax	(2)	(3)	11
Net gain (loss) included in AOCI, after-tax, expected to be recognized in net earnings within the next 12 months	(2)	9	11
Longest duration of forecasted cash flow hedge transactions in years	2	2	3

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 March 2025, and which have a combined notional value of 1.5 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.

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Fair Value Measurements

Ball has classified all applicable financial derivative assets and liabilities as Level 2 within the fair value hierarchy as of March 31, 2024, and December 31, 2023, 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.

		March 31, 2024		
($ in millions)	Balance Sheet Location	Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total
Assets:				
Commodity contracts		$ 16	$ —	$ 16
Currency contracts		76	9	85
Interest rate and other contracts		18	4	22
Total current derivative contracts	Other current assets	$ 110	$ 13	$ 123
Commodity contracts		$ 1	$ —	$ 1
Currency contracts		11	—	11
Total noncurrent derivative contracts	Other noncurrent assets	$ 12	$ —	$ 12
Liabilities:				
Commodity contracts		$ 15	$ —	$ 15
Currency contracts		—	18	18
Interest rate and other contracts		3	—	3
Total current derivative contracts	Other current liabilities	$ 18	$ 18	$ 36
Commodity contracts		$ 1	$ —	$ 1
Currency contracts		—	1	1
Total noncurrent derivative contracts	Other noncurrent liabilities	$ 1	$ 1	$ 2

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($ in millions)	Balance Sheet Location	December 31, 2023 Derivatives Designated as Hedging Instruments	Derivatives not Designated as Hedging Instruments	Total
Assets:				
Commodity contracts		$ 20	$ —	$ 20
Currency contracts		65	13	78
Interest rate and other contracts		9	2	11
Total current derivative contracts	Other current assets	$ 94	$ 15	$ 109
Currency contracts		$ 1	$ —	$ 1
Total noncurrent derivative contracts	Other noncurrent assets	$ 1	$ —	$ 1
Liabilities:				
Commodity contracts		$ 19	$ —	$ 19
Currency contracts		—	30	30
Interest rate and other contracts		3	—	3
Total current derivative contracts	Other current liabilities	$ 22	$ 30	$ 52
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 March 31, 2024, has not identified any circumstances requiring the reported values of the company’s financial instruments be adjusted.

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

		Three Months Ended March 31,			
		2024		2023	
($ 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) Derivatives Designated Hedge Instrumen
Commodity contracts - manage exposure to customer pricing	Net sales	$ 13	$ —	$ (13)	$
Commodity contracts - manage exposure to supplier pricing	Cost of sales	(14)	3	—	
Interest rate contracts - manage exposure for outstanding debt	Interest expense	3	—	—	
Currency contracts - manage currency exposure	Selling, general and administrative	32	27	(3)	
Equity contracts	Selling, general and administrative	—	14	—	
Total		$ 34	$ 44	$ (16)	$

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

($ in millions)	Three Months Ended March 31, 2024	2023
Amounts reclassified into earnings:		
Commodity contracts	$ 1	$ 13
Interest rate contracts	(3)	—
Currency exchange contracts	(32)	3
Change in fair value of cash flow hedges:		

Commodity contracts	1	14
Interest rate contracts	12	—
Currency exchange contracts	29	(1)
Currency and tax impacts	(3)	(8)
	$ 5	$ 21

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21. Contingencies

Ball is subject to numerous lawsuits, claims or proceedings arising out of the ordinary course of business, including actions related to product liability; personal injury; the use and performance of company products; warranty matters; patent, trademark or other intellectual property infringement; contractual liability; the conduct of the company's business; tax reporting in domestic and 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 $24 million in the aggregate, and such amounts have been included in other current liabilities and other noncurrent liabilities at March 31, 2024. Based on the information available at the present time, any reasonably possible loss that may be incurred in excess of the recorded accruals cannot be estimated.

On February 1, 2012, Ball Metal Beverage Container Corp. ("BMBCC") filed suit against Crown Technology Holding, Inc. ("Crown") in the United States District Court for the Southern District of Ohio seeking a declaratory judgment that the CDL beverage can end made and sold by BMBCC did not infringe certain U.S. patents held by Crown. In response, Crown filed a counterclaim alleging that the CDL ends made and sold by BMBCC infringed the subject patents and seeking damages. On September 25, 2019, the District Court granted BMBCC's motion for summary judgment holding that the patents at issue were invalid due to indefiniteness. On October 20, 2019, Crown appealed this decision to the Court of Appeals for the Federal Circuit ("CAFC"). On December 31, 2020, the CAFC in a non-precedential decision, vacated the decision of the District Court finding that the District Court had not considered an additional factor under a novel position advanced by the CAFC, and remanded the case to the District Court for further proceedings. On August 2, 2023, the District Court again granted summary judgment to Ball finding that patent claims at issue are invalid due to invalidity under the revised analytical framework specified by the CAFC. On August 4, 2023, Crown appealed this decision to the CAFC. Briefing for this appeal concluded on February 20, 2024. Oral argument is expected to be scheduled during 2024 with a decision to follow. Based on the information available at the present time, the Company is unable to predict the ultimate outcome of this claim including the amount of any reasonably possible loss and we intend to vigorously defend this matter.

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. Based on the information available at the present time, the Company is unable to predict the ultimate outcome of these claims including the amount of reasonably possible loss and intends to vigorously defend these matters.

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 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

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property leases for certain claims arising from such leases; 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 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.

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.

From time to time, we have evaluated and expect to continue to evaluate 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.

On February 16, 2024, the company completed the divestiture of its aerospace business. Effective as of the first quarter of 2024, the company will report its financial performance in three reportable segments: (1) beverage packaging, North and Central America; (2) beverage packaging, Europe, Middle East and Africa (beverage packaging, EMEA) and (3) beverage packaging, South America. See Note 1 for further information on the basis of presentation.

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 and monetary policies, changes in interest rates, and changing demand for certain goods and services. 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 global conflicts, including the conflict between Russia and Ukraine and the rising instability in the Middle East, 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

	Three Months Ended March 31,	
($ in millions)	**2024**	**2023**
Net sales	$ 2,874	$ 2,981
Net earnings attributable to Ball Corporation	3,685	177
Net earnings attributable to Ball Corporation as a % of net sales	128 %	6 %

Sales in the three months ended March 31, 2024, decreased $107 million compared to the same period in 2023 primarily due to a decrease of $142 million from lower sales prices resulting mainly from lower aluminum prices.

Net earnings attributable to Ball Corporation for the three months ended March 31, 2024, increased $3.51 billion compared to the same period in 2023 primarily due to increases of $3.56 billion from discontinued operations, net of tax and $26 million from the results of the reportable segments discussed below, partially offset by $79 million of incremental compensation cost from the successful sale of the aerospace business.

When analyzing net earnings attributable to Ball Corporation as a percentage of net sales, it is important to note that net earnings attributable to Ball Corporation includes discontinued operations, net of tax resulting from the net sales attributable to the historical aerospace reportable segment through the date of the divestiture on February 16, 2024, that are now reported as discontinued operations. However, net sales attributable to the historical aerospace reportable segment are not included in the net sales figures in the table above.

Cost of Sales (Excluding Depreciation and Amortization)

Cost of sales, excluding depreciation and amortization, was $2,283 million and $2,432 million for the three months ended March 31, 2024 and 2023, respectively. These amounts represented 79 percent and 82 percent of consolidated net sales for the three months ended March 31, 2024 and 2023, respectively. The decrease year-over-year is primarily due to lower manufacturing costs, including lower aluminum costs of $122 million and other items discussed in the reportable segment sections below.

Depreciation and Amortization

Depreciation and amortization expense was $158 million and $147 million for the three months ended March 31, 2024 and 2023, respectively. These amounts represented 5 percent of consolidated net sales for the three months ended March 31, 2024 and 2023. The increase in expense compared to the same period in 2023 was primarily due to the company’s larger depreciable asset base.

Selling, General and Administrative

Selling, general and administrative (SG&A) expenses were $211 million and $115 million for the three months ended March 31, 2024 and 2023, respectively. These amounts represented 7 percent and 4 percent of consolidated net sales for the three months ended March 31, 2024 and 2023, respectively. The increase for the three months ended March 31, 2024, was primarily due to increased compensation costs of $87 million, including incremental compensation cost from the successful sale of the aerospace business consisting of cash bonuses and stock based compensation, and $12 million of reduced foreign exchange gains, partially offset by $22 million from additional interest income.

Business Consolidation Costs and Other Activities

Business consolidation and other activities resulted in charges of $26 million and $20 million for the three months ended March 31, 2024 and 2023, respectively. The amounts in 2024 and 2023 primarily included facility shutdown costs. Further details and quantification regarding business consolidation costs and other activities are provided in Note 6.

Interest Expense

Total interest expense was $95 million and $113 million for the three months ended March 31, 2024 and 2023, respectively. Interest expense, excluding the effect of debt refinancing and other costs, as a percentage of average borrowings increased by approximately 40 basis points from 4.8 percent for the three months ended March 31, 2023 to 5.2 percent for the three months ended March 31, 2024. The decrease in interest expense was primarily driven by a decrease of $46 million from a smaller amount of weighted average principal outstanding during the quarter, resulting mainly from the use of proceeds from the aerospace disposal, and an increase of $26 million from higher weighted average interest rates on outstanding debt during the year. The company expects to carry a smaller amount of weighted average principal throughout 2024 compared to 2023, with nearly all amounts outstanding having fixed rates. See Note 15 for further details.

Income Taxes

The effective tax rate for the three months ended March 31, 2024, was 26.7 percent compared to 21.4 percent for the same period in 2023. The increase of 5.3 percentage points for the three months ended March 31, 2024, was primarily due to increases in U.S. permanent differences, non-U.S. rate differences and withholding taxes net of credits and Pillar Two Global Minimum Taxes. Similar impacts may occur in future periods, but given their inherent uncertainty, the company is unable to reasonably estimate their potential future impacts.

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 three reportable segments discussed below.

Beverage Packaging, North and Central America

($ in millions)	Three Months Ended March 31, 2024	2023
Net sales	$ 1,403	$ 1,504
Comparable operating earnings	192	183
Comparable operating earnings as a % of segment net sales	14 %	12 %

Ball permanently ceased production at its aluminum beverage can manufacturing facility in St. Paul, Minnesota in the first quarter of 2023, permanently ceased production at its aluminum beverage can manufacturing facility in Wallkill, New York in the third quarter of 2023 and permanently ceased production at its aluminum beverage can manufacturing facility in Kent, Washington in the first quarter of 2024.

Segment sales for the three months ended March 31, 2024, were $101 million lower compared to the same period in 2023. The decrease for the three months ended March 31, 2024, was primarily due to a decrease of $90 million from lower sales prices resulting mainly from lower aluminum prices.

Comparable operating earnings for the three months ended March 31, 2024, were $9 million higher compared to the same period in 2023. The increase for the three months ended March 31, 2024, was primarily due to increases of $23 million from fixed and variable cost out actions, $11 million from product mix and $8 million from the annual pass-through of inflationary costs net of current year inflation, partially offset by a decrease of $32 million from income recognized in 2023 from the termination of a long term power supply contract that offset higher energy costs.

Beverage Packaging, EMEA

	Three Months Ended March 31,	
($ in millions)	**2024**	**2023**
Net sales	$ 810	$ 834
Comparable operating earnings	85	73
Comparable operating earnings as a % of segment net sales	10 %	9 %

Segment sales for the three months ended March 31, 2024, were $24 million lower compared to the same period in 2023. The decrease for the three months ended March 31, 2024, was primarily due to a decrease from lower sales prices resulting mainly from lower aluminum prices.

Comparable operating earnings for the three months ended March 31, 2024, were $12 million higher compared to the same period in 2023 primarily due to increases of $10 million from improved operational efficiencies and $9 million from product mix.

Beverage Packaging, South America

	Three Months Ended March 31,	
($ in millions)	**2024**	**2023**
Net sales	$ 482	$ 450
Comparable operating earnings	55	50
Comparable operating earnings as a % of segment net sales	11 %	11 %

Segment sales for the three months ended March 31, 2024, were $32 million higher compared to the same period in 2023. The increase for the three months ended March 31, 2024, was primarily due to an increase of $62 million from higher volumes, partially offset by a decrease of $25 million from lower sales prices resulting mainly from lower aluminum prices.

Comparable operating earnings for the three months ended March 31, 2024, were $5 million higher compared to the same period in 2023. The increase for the three months ended March 31, 2024, was primarily due to an increase of $24 million from higher volumes, partially offset by a decrease of $10 million from lower sales prices resulting mainly from product mix.

Management Performance Measures

Management internally uses various measures to evaluate company performance such as comparable operating earnings (earnings before interest expense, taxes and business consolidation and other non-comparable items); comparable net earnings (earnings before business consolidation costs and other non-comparable items 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 expense and taxes (EBIT); earnings before interest expense, 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. 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, even in the absence of operating cash flows from the historical aerospace reportable segment, 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)	Three Months Ended March 31, 2024		2023
Cash flows provided by (used in) operating activities	(1,247)	$	(275)
Cash flows provided by (used in) investing activities	5,292		(336)
Cash flows provided by (used in) financing activities	(2,978)		649

Cash flows from the historical aerospace reportable segment are presented within each cash flow statement category in the consolidated statements of cash flows. Depreciation and amortization, capital expenditures and significant operating and investing noncash items of the aerospace discontinued operation are presented in Note 4.

Cash flows used in operating activities were $1.25 billion in 2024, primarily driven by the company’s decision to reduce its use of factoring by $1.09 billion as a result of having significant cash on hand from the Aerospace sale. On February 16, 2024, the company completed the divestiture of the aerospace business. We currently estimate a cash tax of $1.00 billion to be recorded as a cash outflow from operations in 2024. See Note 4 for further details. In an elevated interest rate environment, payment terms with our customers and vendors become a more important element of total mix of information used to negotiate our contract terms. At March 31, 2024, days sales outstanding, net of factored receivables, was 96 days; therefore, a change of one day in days sales outstanding will impact cash flows provided by (used in) operating activities by $32 million. At March 31, 2024, days payable outstanding was 123 days; therefore, a change of one day in days payable outstanding will impact cash flows provided by (used in) operating activities by $25 million. At March 31, 2024, days inventory outstanding was 59 days; therefore, a change of one day in days inventory outstanding will impact cash flows provided by (used in) operating activities by $25 million.

Cash flows provided by investing activities were $5.29 billion in 2024, primarily driven by the initial cash proceeds received at close from the sale of the aerospace business of $5.42 billion, which is subject to further customary closing adjustments.

Cash flows used in financing activities were $2.98 billion in 2024, primarily driven by net repayments of long-term borrowings of $2.83 billion and repurchases of common stock of $182 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 $1.86 billion and $2.00 billion at March 31, 2024 and December 31, 2023, respectively. A total of $1.30 billion and $350 million were available for sale under these programs as of March 31, 2024, and December 31, 2023, respectively. The combined limit and available for sale amount as of December 31, 2023, include $160 million and $97 million, respectively, associated with receivable factoring programs included within the historical aerospace reportable segment. The company has recorded expense related to its factoring programs of $13 million and $15 million for the three months ended March 31, 2024 and 2023, respectively, and has presented these amounts in selling, general and administrative in its unaudited condensed consolidated statements of earnings.

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 $573 million and $703 million at March 31, 2024 and December 31, 2023, 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 $10 million in the first three months of 2024 compared to $4 million in the same period of 2023, and such contributions are expected to be approximately $33 million for the full year of 2024. 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 $191 million of capital expenditures for property, plant and equipment contractually committed as of March 31, 2024, and intends to return approximately $245 million to shareholders in the form of dividends for the full year 2024, inclusive of the cash dividend of 20 cents per share, payable June 17, 2024, to shareholders of record as of June 3, 2024.

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As of March 31, 2024, approximately $554 million of our cash was held outside of the U.S. In the event that we would 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, other than market liquidity constraints that limit the ability to convert Egyptian pounds held by the company in Egypt with a U.S. dollar equivalent value of $55 million into other currencies. 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 $182 million during the three months ended March 31, 2024, compared to $3 million of repurchases during the same period of 2023. The repurchases were completed using cash on hand, cash provided by operating activities, proceeds from the sale of businesses and available borrowings. The company plans to continue capital return to shareholders via an estimated $1.3 billion in share repurchases in 2024 using cash from the aerospace divestiture and operating activities.

On April 24, 2024, Ball’s Board of Directors approved the repurchase by the company of up to a total of 40 million shares of its common stock. This repurchase authorization replaced all previous authorizations.

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 $5.84 billion and $8.62 billion was outstanding at March 31, 2024, and December 31, 2023, respectively.

On February 14, 2024, Ball announced a public tender of the $1.00 billion 5.25% senior notes due July 2025 and the $750 million 4.875% senior notes due March 2026. On March 14, 2024, $811 million of the $1.00 billion 5.25% senior notes and $494 million of the $750 million 4.875% senior notes were validly tendered and accepted. Additionally, in the first quarter of 2024, Ball repaid at maturity the outstanding 0.875%

euro denominated senior notes due in the amount of $817 million and prepaid $700 million of the Term A loan outstanding balance.

The company’s senior credit facilities include a $1.35 billion term loan and 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 March 31, 2024, 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 $278 million of committed short-term loans outstanding. The company also had approximately $937 million of short-term uncommitted credit facilities available at March 31, 2024. At December 31, 2023, the company had $196 million of committed short-term loans outstanding and $13 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 the leverage ratio requirement at March 31, 2024, and for all prior periods presented, and 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 March 31, 2024, the company could borrow an additional $2.34 billion under its long-term multi-currency committed revolving facilities and short-term uncommitted credit facilities. Additional details about our debt are available in Note 15 accompanying the consolidated financial statements within Item 1 of this report.

Argentina

See Note 1 for information relevant to economic and other government policies that may have an impact on financial condition, liquidity and capital resources of the company’s Argentina operations.

Defined Benefit Pension Plans

In November 2023, the Trustee Board of the U.K. defined benefit pension plan entered into an agreement with an insurance company for a bulk annuity purchase, or “buy-in,” for its U.K. defined benefit pension plan to reduce retirement plan risk, while delivering promised benefits to plan participants. See Note 17 for further details.

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, state, and international environmental agencies as a potentially responsible party, along with numerous other companies, for the clean-up of several hazardous waste sites. The company believes the matters identified will not have a material adverse effect upon its liquidity, results of operations or financial condition.

Guaranteed Securities

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

The following summarized financial information relates to the obligor group as of March 31, 2024, and December 31, 2023. 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. The results and balance sheet information of the historical aerospace reportable segment are included in the following summarized financial information of the obligor group as of and for the year ended December 31, 2023, as the guarantees of the aerospace business legal entities were in effect through that date. On February 16, 2024, the company completed the divestiture of the aerospace business. As such, the following summarized financial information of the obligor group as of and for the three months ended March 31, 2024, does not include results and balance sheet information of the historical aerospace reportable segment.

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($ in millions)	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Net sales	$ 1,680	$ 8,962
Gross profit (a)	206	1,074
Net earnings	3,625	493
Net earnings attributable to Ball Corporation	3,625	493

(a) Gross profit is shown after depreciation and amortization related to cost of sales of $48 million for the three months ended March 31, 2024, and $272 million for the year ended December 31, 2023.

For the three months ended March 31, 2024, and the year ended December 31, 2023, the obligor group recorded the following transactions with other subsidiary companies: sales to them of $314 million and $1.13 billion, respectively, net credits from them of $21 million and $38 million, respectively, and net interest income from them of $83 million and $344 million, respectively. The obligor group received dividends from other subsidiary companies of $38 million and $814 million, during the three months ended March 31, 2024, and the year ended December 31, 2023, respectively.

($ in millions)	March 31, 2024	December 31, 2023
Current assets	$ 3,736	$ 2,339
Noncurrent assets	15,144	15,955
Current liabilities	4,478	5,163
Noncurrent liabilities	8,534	10,857

Included in the amounts disclosed in the table above, at March 31, 2024, and December 31, 2023, the obligor group held receivables due from other subsidiary companies of $724 million and $768 million, respectively, long-term notes receivable due from other subsidiary companies of $10.31 billion and $10.20 billion, respectively, payables due to other subsidiary companies of $1.80 billion and $1.83 billion, respectively, and long-term notes payable due to other subsidiary companies of $2.11 billion and $2.32 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 2023 Annual Report on Form 10-K filed on February 20, 2024, 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 first quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Upon the sale of the aerospace business on February 16, 2024, the controls over the aerospace business were no longer considered in Ball's internal control over financial reporting for periods subsequent to the sale.

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; and b) 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; 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 March 31, 2024, except as discussed in Note 21 to the consolidated financial statements included within Part I, Item 1 of this report.

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Item 1A. Risk Factors

There were no changes required to be reported under Item 1A for the three months ended March 31, 2024; however, upon the sale of the aerospace business on February 16, 2024, the risk factors related to the aerospace business are no longer relevant.

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 first quarter of 2024.

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)**
January 1 to January 31, 2024	—	$ —	—	19,596,607
February 1 to February 29, 2024	1,217,374	61.36	1,217,374	18,379,233
March 1 to March 31, 2024	1,847,248	65.93	1,847,248	16,531,985
Total	3,064,622		3,064,622	

(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) As of March 31, 2024, the company had an ongoing repurchase program for which 50 million shares were authorized for repurchase by Ball's Board of Directors. On April 24, 2024, Ball's Board of Directors approved the repurchase by the company of up to a total of 40 million shares of its common stock. This repurchase authorization replaced all previous authorizations.

Item 3. Defaults Upon Senior Securities

There were no events required to be reported under Item 3 for the three months ended March 31, 2024.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

There were no events required to be reported under Item 5 for the three months ended March 31, 2024.

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Item 6. Exhibits

2.1	Stock Purchase Agreement, dated as of August 16, 2023, by and among Ball Corporation, BAE Systems, Inc., and, solely for the purposes set forth therein, BAE Systems plc
10.1	Retention Agreement, dated as of August 17, 2023, by and between David Kaufman and Ball Aerospace Technologies Corp.
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 Howard H. Yu, 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 Howard H. Yu, Executive Vice President and Chief Financial Officer of Ball Corporation.
99	Cautionary statement for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definitions Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page of the company’s quarterly report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL (contained in Exhibit 101), the: (i) Unaudited Condensed Consolidated Statement of Earnings, (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/ Howard H. Yu
Howard H. Yu
Executive Vice President and
Chief Financial Officer

Date: May 7, 2024