



Ball Corporation

2018

ANNUAL REPORT

BALL CORPORATION

supplies innovative, sustainable packaging solutions for beverage, personal care and household products, and aerospace and other technologies and services to commercial and governmental customers. Founded in 1880, the company employs 17,500 people worldwide. Ball Corporation stock is traded on the New York Stock Exchange under the ticker symbol BLL.



Please visit Ball's Investor Center at www.ball.com/investors to view the 2018 online annual report. Where you see this information icon in our report, you can find additional information on that topic at www.ball.com.

DEAR FELLOW SHAREHOLDERS




JOHN A. HAYES | Chairman, President
& Chief Executive Officer

2018 was another strong year for Ball Corporation from a financial, strategic and operational perspective. For the year, we generated \$242 million EVA[®] (economic value added) dollars and were able to return approximately \$850 million to our shareholders – well above our original expectations dating back to 2016. We executed on our plans with comparable net earnings of \$775 million, or \$2.20 per diluted share, compared to \$728 million, or \$2.04 per diluted share in 2017. We also delivered strong free cash flow of \$750 million after capital expenditures in excess of \$800 million. These capital projects are EVA-generating growth projects that will fuel our strong position in future years.

More importantly, we made a number of strides strategically and operationally to position our company for long-term, sustainable success, and we have made significant progress on our multi-year program to transform our business and fully leverage the numerous opportunities in front of us. In 2018, we announced and completed the sale of our U.S. steel food and aerosol business into a newly formed joint venture, Ball Metalpack, where we realized approximately \$600 million in proceeds while retaining a 49 percent interest in the business. We announced the sale of our underperforming China beverage can business for approximately \$225 million in total transaction consideration including cash, plus potential additional consideration related to the relocation of an existing facility in China over the next several years, which the company currently expects to be in the range of \$50 million to \$75 million.



DRIVE FOR 10

is a mindset around perfection, with a greater sense of urgency around our future success. Drive for 10 has three major areas of focus: 

WE KNOW...

WHO WE ARE

WHERE WE ARE GOING

WHAT IS IMPORTANT



We grew our aerospace contracted backlog more than 25 percent to \$2.2 billion and are well positioned to continue to become the mission partner for our key customers. And we made significant progress in the integration of the Rexam PLC acquisition and transformation of our global beverage can business.

When we completed the acquisition of Rexam PLC in mid-2016, we established key goals to realize more than \$300 million in net synergies; generate more than \$2 billion in comparable EBITDA and in excess of \$1 billion in free cash flow by the end of 2019; and to fundamentally reposition the aluminum beverage can as the most sustainable package in the beverage world. As we enter the final year of the post-acquisition period, we have made meaningful progress toward achieving these goals. Moreover, we have a "once in a generation" opportunity to leverage society's growing recognition that our world is drowning in plastic. With plastic seldom recycled

versus our highly recycled aluminum packaging products, beverage cans and aerosol containers are an immediate sustainable alternative due to their intrinsic recycling attributes from both an environmental as well as economic perspective.

Our world has shifted and consumers, retailers and our customers are increasingly focused on sustainability. Genuine and transparent sustainability initiatives are the new norm, and for Ball this forms the foundation of our growth opportunity. Infinitely recyclable and economically valuable, our aluminum beverage and aerosol containers unlock the full potential of packaging to convey values and purpose along with a favorite beverage or personal care product. We are actively engaging our customers, our supply chain and other critical stakeholders to deliver metal packaging as a proactive and trusted solution to the plastic pollution crisis.

We're challenging ourselves to think bigger and push forward on initiatives that enhance the sustainability

COMMITMENT TO DECARBONIZATION

In mid-2018, we set a bold greenhouse gas emission reduction target to reduce our Scope 1 and 2 GHG emissions by 27 percent by 2030, compared to a 2017 baseline. We also strive to reduce GHG emissions across the value chain – from mining, refining, smelting, casting and rolling, to our manufacturing, logistics and end-of-life recycling –

credentials of our products and in our operations around the world. In August, we launched our biennial sustainability report and announced a bold, science-based greenhouse gas emission reduction target – to reduce our emissions by 27 percent by 2030 compared to a 2017 baseline. And this is just the beginning.

Our people, who are at the heart of everything we do, are passionate and energized advocates for our products, and they are ready to deliver on the opportunity we have in front of us. We continue to invest in our people, as our most important asset, to provide them with opportunities to grow and develop and to be active in the community. In 2018, we launched our global plant recycling challenge. Through friendly competition among our plants, we engaged in can recycling and education programs around the world. We also expanded our partnership with the International Federation of the Red Cross and Red Crescent societies as part of our global commitment to deliver relief to people impacted by disasters. The Ball Foundation, Ball Corporation and its employees supported non-profits in our focus areas of recycling, disaster relief, science, technology, engineering and math education and


food security, including more than \$4 million in charitable donations in communities where the company operates and 37,000 volunteer hours. We were again recognized by the Human Rights Campaign Foundation as a Best Place to Work for LGBTQ Equality and were recently named the number one employer for diversity and inclusion by Forbes magazine.

As we continue to evolve and lead sustainable growth for our company and our shareholders, we are empowered by our unwavering focus on our Drive for 10 vision and our disciplined approach to EVA as we successfully navigate a dynamic global landscape and capitalize on the many opportunities ahead for Ball Corporation.

Drive for 10 remains our guide as we stay true to who we are, where we are going and what is important, even with the dramatic changes going on in the world around us. Whether in our aerospace, aerosol or beverage container businesses, this vision keeps us centered and on track to achieve the goals we established in 2010 when we began our Drive for 10 journey. With a shared focus on these five levers, we will ensure that our future is as bright as our past:

- ▶ Maximizing value in our existing businesses
- ▶ Expanding into new products and capabilities
- ▶ Aligning ourselves with the right customers and markets
- ▶ Broadening our geographic reach
- ▶ Leveraging our know-how and technological expertise to provide a competitive advantage

2018 › EVA® DOLLARS ARE
\$242
MILLION
* EVA returns above 9% after tax

by 25 percent by 2030. To do this, we will follow a three-pronged approach: increase efficiency by saving energy and materials; grow renewables through the purchase of renewable energy; and cut embedded carbon by working with partners to reduce upstream impacts. 




MAXIMIZING VALUE IN OUR EXISTING BUSINESSES

In 2018, we advanced our business transformation efforts by streamlining processes across our support functions and leveraging our global business services capabilities to optimize our general and administrative cost structure. We established a new global shared services hub in São José dos Campos, Brazil, enabling streamlined transactional processes and other business services for our South American operations, and expanding on the successes we experienced with our Westminster, Colorado; Queretaro, Mexico; and Belgrade, Serbia, service centers.

To align our global beverage plant network to maximize efficiencies while meeting growing market demand for specialty containers, we ceased production at five manufacturing facilities in the United States, Europe and Brazil. As previously indicated, we also announced an agreement to sell our metal beverage packaging facilities in China to a leading Chinese metal packaging company. That transaction, expected to close in the second half of 2019, allows each party to leverage its own geographic strengths, while allowing us to continue our disciplined EVA approach to capital allocation by freeing up capital that does not generate our required returns.

We also divested our U.S. steel food and aerosol packaging manufacturing assets and formed Ball Metalpack, a new joint venture with Platinum Equity, in which we own 49 percent. This allowed us to immediately return additional value to shareholders via share repurchases, reduce Ball's leverage and grow EVA dollars.

PARTNER IN DISCOVERY

NASA selected Ball Aerospace to design and develop a key instrument component for the Wide-Field Infrared Survey Telescope (WFIRST) mission. NASA's future premier astrophysics observatory, WFIRST is designed to capture data that will allow astronomers to unlock the mysteries of the universe, answering high-priority scientific questions related to the evolution of the universe and the habitability of planets around other stars. 

Our aerospace business continued to win major new contracts in 2018, resulting in further investments in our facilities and our people. We completed the expansion of our Aerospace Manufacturing Center in Westminster, Colorado, during the year, and the additional manufacturing and test capabilities position us to successfully execute on the existing \$2.2 billion in contracted backlog as well as pursue other opportunities for growth. Additionally, we hired approximately 900 new aerospace employees and expect to onboard at least 600 more in 2019.

EXPANDING INTO NEW PRODUCTS AND CAPABILITIES

As awareness about the plastic pollution crisis grows and consumers become more environmentally conscious, our customers are seeking sustainable alternatives to more environmentally challenged substrates like plastic, cartons and glass. The infinite recyclability of aluminum beverage cans and bottles, and their high economic value in the recycling stream, make them a winning alternative. More and more customers are launching or shifting their beverage and personal care products to aluminum cans, and we are now seeing additional beverage categories – including still and sparkling waters, wine, coffee and other beverages – making the move to cans. As markets and consumer preferences evolve to include more truly sustainable products, our customers are eager to keep up with these developments to grow their businesses. And we are beginning to see actions translate into volume

growth: In our two largest regions (North and Central America and Europe), where the sustainability discussions are most advanced, volumes for the full year grew 2.6 percent. However, in the second half of the year, volume growth in these regions accelerated to more than 6.5 percent. We expect strong continued growth in 2019 and beyond.

On-shelf differentiation is another key factor driving our product innovation pipeline. In our beverage packaging business, we are helping customers put a colorful lid on their aluminum cans. Introduced in 2018, our proprietary Cameo End Printing extends customer branding to the top of the can, making the top stand out and adding appeal as consumers look for their favorite beverages.

Our aerosol packaging business also continues to develop innovative products and techniques that provide eye-catching, sustainable solutions for our customers. Lighter weight, but just as strong as a standard aluminum aerosol can, our technologically advanced ReAl[®] aerosol containers remain a customer favorite as they expand into wider product portfolios around the world.

ALIGNING OURSELVES WITH THE RIGHT CUSTOMERS AND MARKETS

Staying close to our customers and helping to enable their growth is vital to our long-term success. To support our customers' progress, we must be true partners with them to anticipate their needs and cooperatively develop opportunities for growth.



In 2018, we started up new state-of-the-art facilities in Cabanillas del Campo, Spain, and Goodyear, Arizona, as well as a new facility in our joint venture in Panama. These facilities will help serve growing customer demand for specialty cans and enable profitable growth for Ball and our customers in key regions of growth.

Our aerospace team also stays close to customers and provides innovative solutions to their requirements. In 2018, NASA selected a diverse team from Ball Aerospace to design and develop the Wide Field Instrument (WFI Opto-Mechanical Assembly) for the WFIRST mission. Ball's design uses heritage hardware to provide cost and schedule savings to the mission. Together, the team will help answer questions in the areas of dark energy, exoplanets and infrared astrophysics.

BROADENING OUR GEOGRAPHIC REACH

In the ever-changing global market, we continue to identify opportunities of increased demand and profitable growth for metal packaging products. To serve the growing beverage can markets in Paraguay, Bolivia, Chile and Argentina, we began construction on a new one-line beverage can and end plant in Asunción, Paraguay, in 2018. This, along with a project to add capacity to our existing Buenos Aires, Argentina, facility, will allow us to support customer demands for multiple can sizes in the region.

In our aerosol packaging business, we also are experiencing growing demand for aluminum

aerosol products in various markets around the world. We continue to leverage our footprint in Europe, North America, South America and India to deliver innovative and sustainable aerosol technologies, such as ReAl, as well as differentiating printing techniques, to new product categories and markets. We now can support our global and multinational customers in a way that our regional competitors cannot.

LEVERAGING OUR KNOW-HOW AND TECHNOLOGICAL EXPERTISE

When combining our 139 years of history and experience with the talents and expertise of our employees around the world, the products and unique solutions we provide are truly unparalleled. We use and share our know-how, standard processes and best practices across the organization to consistently deliver top-quality products and services to customers worldwide.

Today, we have more than 30 different beverage can sizes and shapes in our product portfolio that customers can utilize as consumer and retailer preferences evolve. In 2018, specialty cans made up approximately 40 percent of our global beverage packaging product mix, which is up from just 30 percent in 2016.

In our aerosol business, we are leveraging the knowledge gained from our beverage team's experience with our proprietary Eyeris® printing technique. What once was exclusive to our beverage

SOLUTION TO PLASTIC POLLUTION

As the world becomes more environmentally focused around packaging, our customers are looking for more sustainable alternatives to plastic, cartons and glass. Our solution – the infinitely recyclable aluminum beverage can – is increasingly becoming the preferred choice for customers who are launching or shifting their beverage product mixes, including still and sparkling water, wine, coffee and more. ⓘ



can portfolio is now available to help differentiate aerosol products on the shelf as well.

As both a spacecraft and payload developer, our aerospace team has a unique understanding of instrument integration and experience delivering end-to-end systems. Our mission systems expertise translates into a proven ability to fulfill the most challenging customer requirements. Ball instruments, sensors and spacecraft also lead the industry in performance and value. Our advanced data services turn information into knowledge for the defense and intelligence community, and our tactical systems provide advanced technologies for all branches of the U.S. Armed Forces.

BRIGHT FUTURE AHEAD

As we look forward to 2019, we have a clear line of sight to achieve our goals of \$2 billion in comparable EBITDA and in excess of \$1 billion in free cash flow, due to ongoing strong demand for environmentally favored aluminum packaging, our strong and growing aerospace backlog and our unwavering EVA approach to capital allocation.

Thanks to all of our employees and their dedication to helping Ball realize its Drive for 10 vision. We are proud of our 139-year history and we will continue to remain focused on achieving long-term success for Ball, our employees, our shareholders and all of our other stakeholders.

JOHN A. HAYES

Chairman, President
& Chief Executive Officer

BALL CORPORATION AND SUBSIDIARIES

(\$ in millions, except per share amounts)

	2018	2017	2016	2015	2014
Net Sales	\$ 11,635	\$ 10,983	\$ 9,061	\$ 7,997	\$ 8,570
Earnings before interest and taxes (EBIT)	\$ 935	\$ 802	\$ 463	\$ 606	\$ 839
Total interest expense	(302)	(288)	(338)	(260)	(193)
Earnings before taxes	\$ 633	\$ 514	\$ 125	\$ 346	\$ 646
Net earnings attributable to Ball Corporation ^(a)	\$ 454	\$ 374	\$ 263	\$ 281	\$ 470
Basic earnings per share ^(a)	\$ 1.32	\$ 1.07	\$ 0.83	\$ 1.02	\$ 1.70
Weighted average common shares outstanding (000s)	344,796	350,269	316,542	274,600	277,016
Diluted earnings per share ^(a)	\$ 1.29	\$ 1.05	\$ 0.81	\$ 1.00	\$ 1.65
Diluted weighted average common shares outstanding (000s)	352,321	356,985	322,884	281,968	284,860
Total assets	\$ 16,554	\$ 17,169	\$ 16,173	\$ 9,697	\$ 7,535
Total interest bearing debt and capital lease obligations	6,729	6,971	7,532	5,051	3,133
Cash dividends per share	0.400	0.365	0.26	0.26	0.26
Total cash provided by operating activities ^(c)	1,566	1,478	193	1,037	1,060
Non-GAAP Measures ^(b)					
Comparable operating earnings	\$ 1,290	\$ 1,220	\$ 976	\$ 801	\$ 920
Comparable net earnings	775	728	563	490	553
Diluted earnings per share (comparable basis)	2.20	2.04	1.74	1.74	1.94
Free cash flow ^(c)	750	922	(413)	509	669
EVA dollars ^(d)	242	240	199	181	191
Total annual return to common shareholders ^(e)	22.7 %	1.8 %	4.0 %	7.5 %	33.1 %

^(a) Includes business consolidation and other activities and other items affecting comparability between years. Additional details regarding the 2018, 2017 and 2016 items are available in Note 6 to the consolidated financial statements within Item 8 of the Annual Report on Form 10-K.

^(b) 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. Further discussion of non-U.S. GAAP financial measures is available in Item 7 of the Annual Report on Form 10-K under Management Performance Measurements and Other Liquidity Measures.

^(c) Amounts in 2017, 2016, 2015 and 2014 have been retrospectively adjusted to reflect the adoption of new accounting guidance that was effective January 1, 2018. See Notes 2 and 7 to the consolidated financial statements within Item 8 of the Annual Report on Form 10-K for further details.

^(d) Net operating earnings after tax less a capital charge of 9% after-tax on average invested capital employed.

^(e) Change in stock price plus dividends paid, assuming reinvestment of all dividends paid. Information for this calculation is included in the shareholder return performance chart in Item 5 of the Annual Report on Form 10-K.

DIRECTORS



ROBERT W. ALSPAUGH

Retired CEO of KPMG International^{1,2}



JOHN BRYANT

Retired Chairman and CEO of Kellogg Company^{1,4}



MICHAEL J. CAVE

Retired Senior Vice President of The Boeing Company^{1,2}



JOHN A. HAYES

Chairman, President and CEO of Ball Corporation



DANIEL J. HEINRICH

Former Executive Vice President and CFO of The Clorox Company^{1,3}



PEDRO HENRIQUE MARIANI

Chairman of the Board of Banco BBM²



GEORGIA R. NELSON

President and CEO of PTI Resources, LLC^{3,4}



CYNTHIA A. NIEKAMP

Retired Senior Vice President of PPG Industries, Inc.^{2,3}



CATHY D. ROSS

Former Executive Vice President and CFO of FedEx Express^{1,4}



THEODORE M. SOLSO*

Former Chairman and CEO of Cummins Inc.^{3,4}



STUART A. TAYLOR II

CEO of The Taylor Group, LLC^{3,4}

COMMITTEES

¹ Audit ² Finance ³ Human Resources
⁴ Nominating/Corporate Governance
* Lead Independent Director

CORPORATE & OPERATING MANAGEMENT

GIHAN ATAPATTU

President, Beverage Packaging Asia Pacific

CHARLES E. BAKER

Vice President, General Counsel and Corporate Secretary

NATE C. CAREY

Vice President and Controller

ANTHONY BARNETT

President, Beverage Packaging Africa, Middle East and Asia

DANIEL W. FISHER

Senior Vice President, Ball Corporation; COO, Global Beverage Packaging

COLIN J. GILLIS

President, Beverage Packaging Europe

JOHN A. HAYES

Chairman, President and CEO

JEFFREY A. KNOBEL

Vice President and Treasurer

CARLOS MEDEIROS

President, Beverage Packaging North & Central America

SCOTT C. MORRISON

Senior Vice President and CFO

LISA A. PAULEY

Senior Vice President, Human Resources and Administration

CARLOS PIRES

President, Beverage Packaging South America

KATHLEEN E. PITRE

Vice President, Communications and Corporate Relations

STANLEY PLATEK

Vice President and General Manager, Aerosol Packaging

DANIEL J. RABBITT

Vice President, Corporate Planning and Development

ROBERT D. STRAIN

Senior Vice President, Ball Corporation; President, Ball Aerospace

2018 SHAREHOLDER INFORMATION

QUARTERLY STOCK PRICES AND DIVIDENDS

Quarterly prices for the company's common stock, as reported on the composite tape, and quarterly dividends in 2018 and 2017 were:

2018	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
High	\$ 50.98	\$ 45.21	\$ 41.61	\$ 41.99
Low	\$ 42.24	\$ 35.08	\$ 34.71	\$ 35.60
Dividends per share	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10

2017	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
High	\$ 43.24	\$ 43.06	\$ 42.73	\$ 38.68
Low	\$ 37.36	\$ 38.79	\$ 35.65	\$ 36.00
Dividends per share	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.065

Amounts in the first and second quarters of 2017 have been adjusted to reflect a two-for-one stock split, which was effective May 16, 2017.

QUARTERLY RESULTS, COMPANY INFORMATION AND INVESTOR RELATIONS

Quarterly financial information and company news are posted on www.ball.com/investors.

For investor relations, call (303) 460-3537.

PURCHASE PLAN

A dividend reinvestment and voluntary stock purchase plan for Ball Corporation shareholders permits purchase of the company's common stock without payment of a brokerage commission. Participants in this plan may have cash dividends on their shares automatically reinvested and, if they choose, invest by making optional cash payments. Additional information on the plan is available by writing Computershare, Dividend Reinvestment Service, P.O. Box 505000, Louisville, KY 40233-5000. The toll-free number is (800) 446-2617, and the website is www.computershare.com/investor. You can access your Ball Corporation common stock account information on the Internet 24 hours a day, 7 days a week through Computershare's website. If you need assistance, please call Computershare at (800) 446-2617 between 8 a.m. and 5 p.m. Eastern time.

ANNUAL MEETING

The annual meeting of Ball Corporation shareholders will be held to tabulate the votes cast and to report the results of voting on the matters listed in the proxy statement sent to all shareholders. No other business and no presentations are planned. The meeting to report voting results will be held on Wednesday, April 24, 2019, at 7:30 a.m. Mountain time at Ball Corporation headquarters, 10 Longs Peak Drive, in Broomfield, Colorado.

ANNUAL REPORT ON FORM 10-K

The Annual Report on Form 10-K for 2018 filed by the company with the United States Securities and Exchange Commission is enclosed.

CERTIFICATIONS

The company has filed with the New York Stock Exchange the chief executive officer's annual certification regarding compliance with the NYSE's corporate governance listing standards. The company also has filed with the United States Securities and Exchange Commission all required certifications by its chief executive officer and its chief financial officer regarding the quality of the company's public disclosures.

TRANSFER AGENT AND REGISTRAR

Computershare
P.O. Box 505000
Louisville, KY 40233-5000


SUSTAINABILITY

Ball Corporation balances economic, environmental and social aspects in its decision making and activities to create value for its stakeholders and to contribute to its Drive for 10 vision. Find out more about our sustainability strategy at www.ball.com/sustainability.

EQUAL OPPORTUNITY

Ball Corporation is an equal opportunity employer.



This Summary Annual Report should be read in conjunction with the audited consolidated financial statements and other information contained in Ball Corporation's Annual Report on Form 10-K for 2018, which is being furnished with the company's Proxy Statement for the 2019 Annual Meeting of Shareholders. Copyright© Ball Corporation 2019. Ball and  are trademarks of Ball Corporation Reg. U.S. Pat. & Tm. Office



10 Longs Peak Drive
Broomfield, CO 80021 USA

www.ball.com



MIX
Paper from
responsible sources
FSC® C020881