




Ball Corporation



**ANNUAL
REPORT**
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⋮ BALL CORPORATION

supplies innovative, sustainable aluminum 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 more than 18,300 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 2019 online annual report. Where you see this information icon in our report, you can find additional information on that topic at www.ball.com. 



DRIVE FOR 10

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

Proud of our rich history, we recognize the whole of our company is greater than the sum of its parts.

Most importantly, we believe in our people, our culture and our ability to deliver value to all our stakeholders.

Though we encourage and embrace our diversity of thought, business, location and language, we are "One Ball," valuing:

UNCOMPROMISING INTEGRITY

BEING CLOSE TO OUR CUSTOMERS

BEHAVING LIKE OWNERS

FOCUSING ON ATTENTION TO DETAIL

BEING INNOVATIVE

WE KNOW WHERE WE ARE GOING

We want to be the best at everything we do, and will continually strive for perfection at Ball as we pursue our strategy of:

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

WE KNOW WHAT IS IMPORTANT

In order to reach our goals, we must excel in these areas:

CUSTOMER FOCUS

We must be viewed as a strategic partner with each of our key customers.

OPERATIONAL EXCELLENCE

We must be the most competitive in terms of cost, quality and service in all the markets in which we compete, by continually driving for efficiencies in all our processes.

INNOVATION AND BUSINESS DEVELOPMENT

We must identify and drive profitable growth.

PEOPLE AND CULTURE FOCUS

We must have the best people, providing them with the right support, rewards and growth opportunities to thrive.

SUSTAINABILITY

We must balance our economic, environmental and social impacts for greater long-term success.

DEAR FELLOW SHAREHOLDERS

We enter this new decade with momentum behind our Drive for 10 vision and a steadfast commitment to continue working with our customers and communities toward a more sustainable world. This year, which marks our 140th anniversary as a company, also marks our tenth year of Drive for 10, the framework for how we operate. When we look back at where we were ten years ago compared to where we are today, our progress as a team has exceeded even our own expectations. Since 2010, we have more than doubled the amount of EVA dollars generated. We have more than doubled our comparable diluted earnings per share while increasing sales by more than 50 percent and operating earnings by 77 percent, despite divesting businesses representing more than 20 percent of sales and operating earnings off of the 2010 base. And, during that same time, our total shareholder return is up more than 445 percent versus an S&P 500 increase of approximately 190 percent. This could not have been done without our sense of purpose and, most importantly, our more than 18,300 people who believe in “who we are,” our set of values guiding us each and every day.

Since 2010, our global beverage division significantly expanded our global footprint and capabilities. Around the globe, we currently produce more than 40 different can and bottle sizes versus approximately 15 in 2010; our South American business has grown significantly, and despite some concerns that the best was behind us in North America and Europe, we grew those businesses meaningfully by maximizing the value of what we do, broadening our geographic reach, and focusing on new customers and markets. We also entered a variety of new geographic markets through greenfield investments and our 2016 Rexam acquisition. And in 2019, we launched our new, infinitely sustainable aluminum cup, which is expected to realize significant growth in the foreseeable future.

Just a few years ago, this business primarily served a handful of large customers in the beer and carbonated soft drinks categories. Today, as seltzers, energy drinks, teas, wine, craft beer, carbonated water, still water and other categories begin to use and/or further their use of



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

aluminum beverage containers in their packaging mix, our global footprint supports these customers, large and small, from all over the world in categories far beyond beer and soda, with products far more diverse than standard aluminum beverage cans.

In aerospace, we grew our business more than 100 percent over the past 10 years and progressed from a component supplier to a true mission partner. By leveraging the long heritage we have had with NASA and other U.S. governmental agencies, we moved with great agility from a company that produces exquisite instruments to one that can also be trusted to “tell it like it is” and excel at full systems integration.

Lastly, the aluminum aerosol business was just a dream in 2010. Since then, we have become the world’s largest aluminum slug supplier and have aluminum aerosol manufacturing capability on three continents. We look forward to taking the lessons learned from the creation of our global beverage can franchise—focusing on operational excellence, sustainability, innovative products, new customers, expanded geographies and new segments—and replicate it here in this business.



BALL ALUMINUM CUP

Sturdy, durable and cool to the touch, the infinitely recyclable Ball Aluminum Cup launched in 2019 at leading collegiate and professional sports venues and events, including Super Bowl LIV. Ball plans to introduce additional sizes to round out its portfolio when the Rome, Georgia, plant is operational, and intends to expand adoption of the cups to drinking establishments, parks and recreation, colleges and universities, hospitality, restaurants, retail, business and industry. [i](#)

Getting here was no accident. Our Drive for 10 mindset, which strives for perfection with a sense of urgency for success, has propelled us to try to be “the best.” Today, these principles still ring true, perhaps now more than ever. We have a rich 140-year history of uncompromising integrity, attention to detail and innovation. We leverage our know-how and technological expertise to provide a competitive advantage, and excel in operational excellence and sustainability. However, without a constant focus on our people, our values and “who we are,” we would be just another company treading water in an increasingly fractured world.

TRANSFORMING FOR THE FUTURE

When we completed the 2016 Rexam transaction, we laid out 42-month targets to achieve \$2 billion in comparable EBITDA and \$1 billion in free cash flow by year-end 2019 versus pro forma 2016 comparable EBITDA and free cash flow of approximately \$1.5 billion and \$500 million, respectively. In addition, we saw the ability to grow comparable diluted earnings per share at, or in excess of, our long-term goal of 10 to 15 percent per year.

Since that time, much has changed. We were able to divest our underperforming steel food and aerosol businesses as well as our Chinese beverage can business, which together represented approximately \$110 million in anticipated 2019 comparable EBITDA. We spent approximately \$1.6 billion in growth capital to take advantage of the once in a generation opportunity to capitalize on our position in the aluminum packaging and aerospace businesses. In addition, we returned approximately \$2.2 billion to shareholders after receiving approximately \$800 million in cash from those underperforming businesses we sold and generating strong free cash flow.

In 2019, the momentum continued. We generated comparable net earnings of \$861 million, or \$2.53 of comparable diluted earnings per share, a 15 percent increase from the \$2.20 per diluted share generated in 2018. We also generated comparable EBITDA after divestitures of \$1.85 billion and delivered free cash flow of

more than \$950 million after capital expenditures of \$600 million, of which \$350 million was for growth capital that is expected to generate meaningful EVA® dollars in 2020 and beyond. Lastly, we generated \$217 million of EVA dollars and, as a result, we generated total shareholder returns after dividends of nearly 42 percent in 2019 and, over the past 1-, 3-, 5- and 10-year horizon, such total shareholders returns have meaningfully outperformed all major stock price indices.

ONCE IN A GENERATION OPPORTUNITY

It is no secret that we, as a society, are seeing a growing outcry for more responsible ways of life. Customers, consumers, retailers, communities, legislators, non-governmental organizations (NGOs), and shareholders—indeed all of our stakeholders—are calling for ways to meet the needs of today without compromising tomorrow. Because of the work we have completed over the last years, we are now strategically positioned to respond to these demands.

As part of our Drive for 10 vision, we have spent meaningful time trying to reposition each of our businesses for long-term success. We truly believe that, when done correctly, this work could create a “once in a generation” opportunity to leverage the heritage, strengths and values of our past, and marry them with what is important for the world both today and tomorrow. That time is here and is now.

A key investment thesis of ours during the Rexam acquisition was that consumers, customers, retailers, and other stakeholders would increasingly realize that aluminum beverage and aerosol cans are the most sustainable package due to their high recycling rates and the infinite ability to be recycled over and over again. Aluminum cans are expressly designed using one material so they can be recycled easily and infinitely without losing quality. This is why 75 percent of aluminum ever produced is still in use today—with an average global recycling rate of 69 percent and an average 73 percent recycled content in the U.S. After use, aluminum containers can be recycled

and put back on a store shelf in 60 days. Today, aluminum beverage containers are increasingly perceived as the facts suggest: with a lower carbon footprint and higher recycling rates than all other beverage container substrates, the aluminum beverage can is indeed the most sustainable beverage package in the world today.

Over the past 18 months, our company and industry have seen aluminum beverage can growth accelerate at rates unseen in a long time due in large part to our society's increasing realization of aluminum's sustainability benefits. Global volumes for our company in 2019 increased 5 percent adjusting for the sale of our China aluminum beverage can segment, with South America up nearly 8 percent, Europe up 5 percent, North and Central America up 4 percent, and AMEA (most of which will now be consolidated in our European business going forward) up 7 percent.

As we look forward, we still have much work to do, but we continue to see and be encouraged by strong long-term demand trends from our work in sustainability in each of our three large regions (North and Central America, Europe and South America). Our commercial activities around the globe are bearing meaningful fruit, with both volume and pricing growth in 2020 and beyond. For example, in the United States, only 36 percent of all new beverage SKUs were packaged in aluminum containers in 2015. However, in 2019, this statistic nearly doubled, with 67 percent of all new beverage SKUs packaged in aluminum containers. In addition, our continued push toward specialty containers continues to pay off, with global specialty containers now representing 43 percent of our mix versus 30 percent in 2016, and we believe by 2021 we will make and sell more than 50 percent of our mix from specialty containers.

Similarly, we have spent the past decade positioning our aerospace business from a component supplier to a trusted mission partner helping to reimagine and recreate

solutions for our nation in the intelligence, surveillance and reconnaissance (ISR) segments of national defense and in influencing next-generation architectures in weather and land imaging in civil space. This hard work is beginning to yield very favorable results, with our backlog growing 155 percent since 2010, and the opportunity for continued growth has never been stronger.

In our aerosol business, we are leveraging aluminum growth opportunities amid the increasing demand for sustainable products in the personal care and household products categories. We have added new products to our aluminum aerosol portfolio, including leading the market with our ReAL® Gen2 slug, that reduces the amount of aluminum used in the container by up to 25 percent, and a new impact extruded aluminum bottle that provides a circular solution to plastic pollution. The Infinity™ aluminum bottle is available in various shapes and sizes, and can be customized for numerous beauty, personal care, food and beverage products.

THE BEST IS YET TO COME

At Ball, we are proud to have the privilege to work for a 140-year-old iconic company with a foundational focus on sustainability—whether it be:

- economic sustainability by behaving like true owners of the business, focusing on generating returns on capital in excess of our cost of capital and investing for long term success;
- social sustainability by being good stewards of the communities in which we live and operate and focusing on the retention, engagement and development of our people; and/or
- environmental sustainability by minimizing our impact on the world in which we live and focusing on the sustainable attributes of the products we sell.





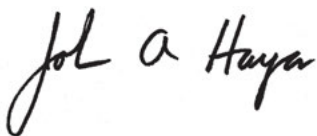
GLOBAL CAN CHALLENGE

In 2019, our plant communities continued our global recycling can challenge. Collectively, we recycled more than 70,000 pounds of aluminum – doubling the amount from 2018. With more than 100 projects globally, many plants demonstrated great results in all three components of the challenge – pounds recycled, recycling education and promotion of their efforts. [i](#)

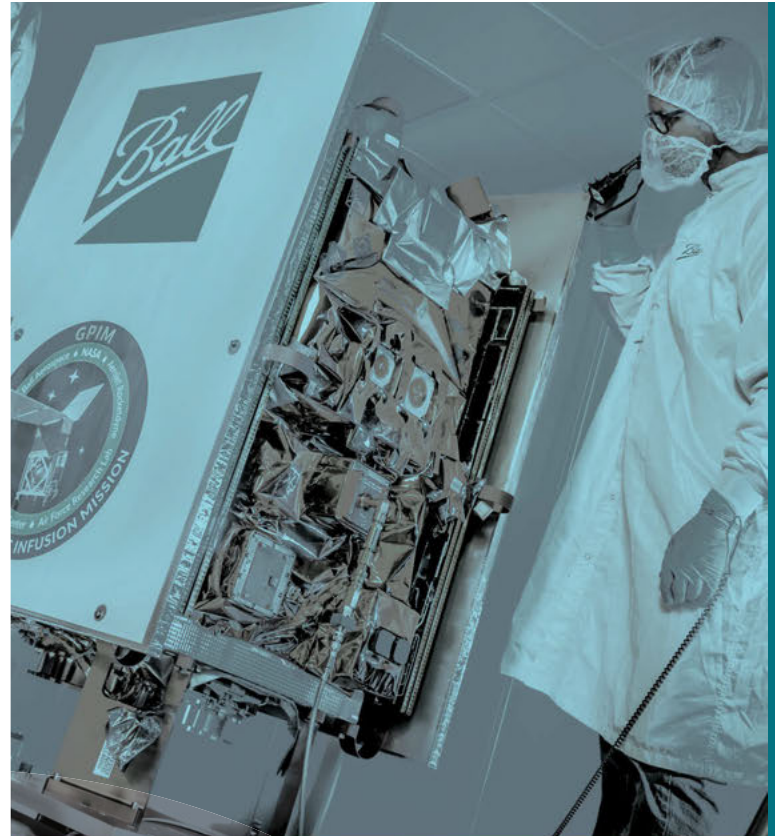
While we have made much progress on our Drive for 10 journey, we believe the best is yet to come. However, we cannot maintain this position without great execution. In the coming years, performance will be critical. In our global beverage business, we must leverage our operational excellence to both realize the growth in front of us and make our customers' experience the best it can be. In our aerospace business, we must focus on our people, processes and facilities to ensure flawless performance and management of critical missions. In our aluminum aerosol business, we must push the envelope to leverage our strengths and open the aperture for new customers, markets and products while maintaining our sustainability and cost leadership. Company-wide, we must make sure we have the resources—including, most importantly, the right people with the right training and right career opportunities, to support our strategies.

We look forward to delivering long-term comparable diluted earnings per share growth of at least 10 to 15 percent, increasing EVA dollars generated on a growing invested capital base, and returning significant value to shareholders—by managing the growth in our existing businesses, leading the way in sustainability, and executing our disciplined capital allocation strategy.

Our time is now!



JOHN A. HAYES
Chairman, President
& Chief Executive Officer



GPIM

In June 2019, Ball Aerospace officially commissioned NASA's Green Propellant Infusion Mission (GPIM) and began on-orbit testing of a non-toxic, high-performance propellant. GPIM is NASA's first opportunity to demonstrate the practical capabilities of a "green" propellant and propulsion system—an alternative to conventional chemical propulsion systems. As the prime contractor for GPIM, Ball Aerospace is responsible for system engineering; ground and flight data review; spacecraft bus; assembly, integration and test; and launch and flight support. ⓘ

2019 FIVE-YEAR REVIEW OF SELECTED FINANCIAL DATA 

BALL CORPORATION AND SUBSIDIARIES

(\$ in millions, except per share amounts)

	2019	2018	2017	2016	2015
Net Sales	\$ 11,474	\$ 11,635	\$ 10,983	\$ 9,061	\$ 7,997
Earnings before interest and taxes (EBIT)	\$ 932	\$ 935	\$ 802	\$ 463	\$ 606
Total interest expense	(324)	(302)	(288)	(338)	(260)
Earnings before taxes	\$ 608	\$ 633	\$ 514	\$ 125	\$ 346
Net earnings attributable to Ball Corporation ^(a)	\$ 566	\$ 454	\$ 374	\$ 263	\$ 281
Basic earnings per share ^(a)	\$ 1.71	\$ 1.32	\$ 1.07	\$ 0.83	\$ 1.02
Weighted average common shares outstanding (000s)	331,102	344,796	350,269	316,542	274,600
Diluted earnings per share ^(a)	\$ 1.66	\$ 1.29	\$ 1.05	\$ 0.81	\$ 1.00
Diluted weighted average common shares outstanding (000s)	340,121	352,321	356,985	322,884	281,968
Total assets	\$ 17,360	\$ 16,554	\$ 17,169	\$ 16,173	\$ 9,697
Total interest bearing debt and capital lease obligations	\$ 7,817	\$ 6,729	\$ 6,971	\$ 7,532	\$ 5,051
Cash dividends per share	0.55	0.400	0.365	0.26	0.26
Total cash provided by operating activities ^(c)	1,548	1,566	1,478	193	1,037
Non-GAAP Measures ^(b)					
Comparable operating earnings	\$ 1,331	\$ 1,290	\$ 1,220	\$ 976	\$ 801
Comparable net earnings	861	775	728	563	490
Diluted earnings per share (comparable basis)	2.53	2.20	2.04	1.74	1.74
Free cash flow ^(c)	950	750	922	(413)	509
EVA dollars ^(d)	217	242	240	199	181
Total annual return to common shareholders ^(e)	41.8 %	22.7 %	1.8 %	4.0 %	7.5 %

^(a) Includes business consolidation and other activities and other items affecting comparability between years. Additional details regarding the 2019, 2018 and 2017 items are available in Note 6 to the consolidated financial statements within Item 8 of this 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. See below for reconciliations of non-U.S. GAAP financial measures to U.S. GAAP measures. Further discussion of non-U.S. GAAP financial measures is available in Item 7 of this Annual Report on Form 10-K under Management Performance Measurements and Other Liquidity Measures.

^(c) Amounts in 2017, 2016 and 2015 have been retrospectively adjusted to reflect the adoption of new accounting guidance for the preparation of the statement of cash flows that was effective January 1, 2018. Cash provided by operating activities was increased by \$30 million in 2015 as a result of adopting the new accounting guidance.

^(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

- ① **DANIEL J. HEINRICH**
Former Executive Vice President and CFO of The Clorox Company^{1,3}
- ② **CYNTHIA A. NIEKAMP**
Retired Senior Vice President of PPG Industries, Inc.^{2,3}
- ③ **STUART A. TAYLOR II***
CEO of The Taylor Group, LLC^{3,4}
- ④ **JOHN A. HAYES**
Chairman, President and CEO of Ball Corporation

- ⑤ **CATHY D. ROSS**
Former Executive Vice President and CFO of FedEx Express^{1,4}
- ⑥ **GEORGIA R. NELSON**
President and CEO of PTI Resources, LLC^{3,4}
- ⑦ **PEDRO HENRIQUE MARIANI**
Chairman of the Board of Banco BBM²
- ⑧ **JOHN BRYANT**
Retired Chairman and CEO of Kellogg Company^{1,4}

- ⑨ **TODD PENEGOR**
President and CEO of The Wendy's Company^{1,4}
- ⑩ **MICHAEL J. CAVE**
Retired Senior Vice President of The Boeing Company^{1,2}
- ⑪ **BETTY SAPP**
Former Director of the National Reconnaissance Office (NRO)^{2,3}

COMMITTEES

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

2019 SHAREHOLDER INFORMATION

CORPORATE & OPERATING MANAGEMENT

CHARLES E. BAKER

Vice President, General Counsel
and Corporate Secretary

NATE C. CAREY

Vice President and Controller

DANIEL W. FISHER

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

COLIN GILLIS

President, Beverage Packaging
North & Central America

JOHN A. HAYES

Chairman, President and CEO

JEFFREY A. KNOBEL

Vice President and Treasurer

RON LEWIS

President, Beverage Packaging Europe

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

STANLEY PLATEK

Vice President and General Manager,
Aerosol Packaging

DANIEL J. RABBITT

Vice President, Corporate Planning
and Development

COURTNEY K. REYNOLDS

Vice President, Communications
and Corporate Affairs

ROBERT D. STRAIN

Senior Vice President, Ball Corporation;
President, Ball Aerospace

COMPANY AND SHAREHOLDER INFORMATION

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

For investor relations call (303) 460-3537.

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 29, 2020, at 7:30 a.m. Mountain time at the Omni Interlocken Hotel in Broomfield, Colorado.

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
C/O: Shareholder Services
P.O. Box 505000
Louisville, KY 40233-5000
(800) 446-2617
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.

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 2019, which is being furnished with the company's Proxy Statement for the 2020 Annual Meeting of Shareholders. Copyright© Ball Corporation 2020. Ball and  are trademarks of Ball Corporation Reg. U.S. Pat. & Tm. Office.



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www.ball.com