

Ball Corporation 2024 Investor Day Edited Transcript

Speakers:

Dan Fisher - Chairman and CEO

Howard Yu - CFO

Carey Causey - Chief Growth Officer

Ron Lewis - Chief Supply Chain and Operations Officer

Kathleen Pitre - President, Beverage Packaging North and Central America

Brandon Potthoff - Head of Investor Relations

Ghansham Punjabi - Baird Capital Markets

Edlain Rodriguez - Mizuho Securities

George Staphos - Bank of America

Stefan Diaz - Morgan Stanley

Adam Samuelson - Goldman Sachs

Gabe Hajde - Wells Fargo

Arun Viswanathan - RBC Capital Markets

Anthony Pettinari - Citi Bank

Jeff Zekauskas - J.P Morgan

Mike Roxland - Truist Securities

John Dunigan - Jefferies

Refer to forward-looking statement and other disclosures at the end of this transcript.

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Opening Video Text Translation:

For more than 140 years, Ball has been making a difference. Today, we are focused, we are determined, we are motivated by our purpose. We exist to unlock the infinite potential of aluminum to advance a world free from waste. We at Ball are people who care, who work to create an enduring impact, who win by listening to our customers and innovating together. Unmatched talent, expertise, and global scale allow us to be true partners to our customers, advancing their goals and our own. Our strategy is laser-focused. We simplify sustainability for our customers by delivering scalable aluminum packaging solutions that enable us to win together. With renewed focus and determination, now is the time to come together, live our purpose, and write our next chapter in a way that we can all be proud to sign our name to – Ball.

Dan Fisher, Chairman & CEO, Ball Corporation:

Good afternoon. Hope everybody's doing well, your 2024 is off to a really good start. For those of you who don't know me, I'm Dan Fisher, I'm the chairman and CEO of Ball Corporation. And on behalf of our 16,000 colleagues, I want to welcome you here to our biennial investor day. Incredibly excited. I'll have a few of my colleagues join me here on stage. We're going to walk you through our next chapter, which is all centered around, as you can imagine, aluminum packaging. We are going to have a Q&A event. Just so I think everyone's clear on what the line of questioning is. I've already spent 42 minutes on domestic beer, so I think we're good with that. So hopefully you can come up with some different questions, but in all honesty, I've got some really good folks here that'll be happy to jump in and talk about any of those things.

So this is my least favorite part of the presentation where I get to talk about myself. Again, I'm Dan Fisher. I've been with Ball Corporation for 14 years. I've been in the CEO capacity for the last two. It's been incredibly eventful, as many of you know, as you've been following us. I get a lot of questions oftentimes about why you chose Ball, why'd you come to Ball, why you stay at Ball. And it really is the people. It really is the culture. For those of you who followed us, that know my colleagues, my teammates, the folks that came before us, the folks that are going to be leaders here, that are going to step on the stage and tell you about our story, they're incredible people and we have a focus on teams. So individuals don't win at Ball, the teams win at Ball. We compensate folks for winning as a team.

That's something I believe in, that I'm proud to be a part of and something that I'm incredibly excited to continue to be a part of and lead as we move forward. But I'm better known outside of this capacity as Charlotte and Kate's dad. Thank you for the number of folks who have asked me about them. They just finished their freshman year of high school, teenage girls. That's a ton of fun. The most challenging questions I get these days have to do with the number of piercings that a 15-year-old should have. So we're navigating those choppy waters, but the business is in great shape. I'm also Trista's husband. I'm Nolan's stepdad, and I'm Ruby and Roxy's dad, who are my two labs at home, one that we just rescued. So busy life, fulfilling life, one that I'm incredibly proud of. Each role that I've had at Ball over the 14 years came from a background of Emerson Electric and Danaher Corporation, a stint in private equity, all centered around financial operations and strategic planning.

I came on board at Ball 14 years ago, as I said, as the head of finance in North America and have assumed increasing responsibilities over the course of that time. I'm really excited to lead this next chapter in Ball. I feel honored. Our team is excited today to discuss how we'll be leading our next chapter as a focused pure play aluminum packaging company and how that will

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translate into consistent double-digit earnings per share growth and return of value to shareholders. Many of you are our shareholders and we certainly appreciate you. A couple of housekeeping items. Presentation is also available via webcast on ball.com/investors. A datasheet, map of locations, and other materials is available to our in-person, attendees and via the presentations tab of ball.com/investors. And at the conclusion of today's event, a webcast replay will also be posted on the same site.

The information provided during this event will contain forward-looking statements. Actual results or outcomes may differ materially from those that may be expressed or implied. And some factors that could cause the results or outcome to differ are noted on slide three and are in the company's latest 10-K and in other company SEC filings as well as the company news releases.

Okay, let's have fun. Let's talk about this business. Our agenda today is that I'll be discussing long-term positioning of ourselves and how we're going to achieve our purpose and our promise to our employees, to the planet, and to all of you. Howard Yu, our CFO will help me to quantify the Ball long-term growth algorithm, talk about our de-risked balance sheet, our capital allocation thought as we move forward so we can consistently deliver on that algorithm.

And Carey Causey is going to join me and she's going to talk about listening to the voice of the customer and how we're going to drive consistent volume growth. Ron then will come on stage and explain our pursuit of operational excellence, what's different, and how we're creating fuel for growth by becoming more efficient, more standardized, and taking advantage of unmatched scale within the industry. Then I'll wrap things up and we'll have 45 minutes of Q&A after a quick 15-minute break.

So these are the folks that are the leadership team. They're here in this room. A number of them you know already, a couple are relatively new. I think many of you have seen Howard in many of our roadshows, but he's joined Ball last September. He's been a critical part of developing the new operating model, the new strategy. He's been a tremendous partner. He's got extensive background at Danaher. Hannah Lim-Johnson has joined us as the new chief legal officer. She's been a wonderful addition to the team helping me navigate the world that we're living in. Very complex as you can imagine.

And Mandy Glew just stepped in as the new SVP and president of our beverage, EMEA business. She's been part of Ball for four years, done a tremendous job leading our commercial function there, and really excited to have her in that role. I also have, that's not pictured on this slide, but we have Jay Billings, who's our SVP, president of Growth Ventures. He's also in the room. So anything aluminum aerosol, cups, strategic adjacencies, any of that, he is someone who will step up and be able to answer any number of those things.

So we're positioned to drive exceptional value, and there have been elements... I think I've talked to many of the folks in the room and probably many on the phone here over the course of getting us to conclusion on the aerospace transaction about so what's next for Ball? What's Ball moving forward? As I said, we're a focused global aluminum packaging company. Aluminum is winning. If you think back about the investor day in 2018, we laid out this wonderful case of if we could take 1% substrate shift in all the markets. Well, that's happened. I think it's becoming quite clear that not only us, our competitors, the supply chain, but a number of our customers believe heavily in this, are continuing to transition product and new offerings into this category. So we're excited about that.

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We're going to spend a little bit of time on our Ball business system. This is a new way we're going to operate. Of course, Carey is going to come up and Ron's going to help me go into more detail on that. I think clearly we had an exceptional transaction [aerospace sale]. The business is performing, we de-levered, but we also have done a wonderful job of managing working capital here over the last 12 to 18 months. All of that has positioned us to have an incredibly flexible de-risked balance sheet position. So we've got dry powder if needed, but what we've consistently said, and I think you'll hear more about that and the algorithm is we're going to return that value back to shareholders in an incredibly consistent format and manner. So we're excited to talk more on that. That algorithm is to consistently achieve, as I said, and then our operations team is pursuing operational excellence. And all of that excellence is to actually expand margins in a manner in which we can invest strategically back into innovation, back into sustainability, continue to increase the advantages that we currently have and the scale that we have.

And that's going to require us to be really keen and really focused on listening to our customers. Not selling what we have, but developing and selling what they need in the future. And I think that's one of the more enviable positions that Ball has is just our customer concentration, the composition, and the level of engagement we have, not only in the medium-term contracts that we get to negotiate on a regular basis but the long-term planning associated with making sure that we're the preferred choice. So the world looks different. I guess many of you are invested in a number of businesses and the volatility is unprecedented. We've experienced a lot. Clearly, we're weathering global economic conditions. It looks different in every country that we operate, in every region that we operate. That's not different than a lot of others.

But the land war prompted us to sell Russia. I think the last time we were together, we announced the sale on the day of that. And we took a couple of punches for that, but I think we exited and did a pretty darn nice job. I mean, if you were at Carlsberg or Heineken, I bet you'd be thinking they would take \$500 million versus the dollar that they got for that transaction. Political unrest in countries where we operate, I mean chiefly Argentina right now. I'm pleased to see the trajectory of flight. But brand disruptions, that was fun. We've talked a lot about that. We'll continue to talk about that. But finally, we found a new home for an incredible business and we got an incredible price for that, and that's gotten us a little bit... That was both defensive and offensive when you look back at that, and it's positioned us to really double down and focus on a business that we are purposefully all in on aluminum.

We're focused on aluminum. We recognize that interest rates will be higher for longer, inflation will be higher for longer. The world would be more unstable, not less stable. 2010 to 2018, you could be an average company that looked good, you could be a good company that looked great. You have to be a great company to look great. And that's what the purpose of today's meeting, the purpose of today's strategy. The engagement that we have with our 16,000 employees is all geared around being that great company and it's not going to come without a lack of work. So today we're going to tell you a little bit more about our team, our competitive advantages, our purpose and our promise, our goal of becoming a best-in-class manufacturer. Howard, Ron, and Carey are going to expand on how we are listening to our partners, prioritizing operational excellence, and how we're going to deliver repeatable and reliable results.

One of my least favorite phrases in the world, the most triggering phrase to me is "it is what it is". And we fell prey to thinking that way at times during 2022 and 2023. But our culture is so resilient and it's demonstrated to me time and time again that our future is what we make it. And the team that I have around me is the best in the industry and maybe one of the best in the world.

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I'm happy to share the stage with them this afternoon, this evening. But more importantly, I'm happy to share a lot of my time outside of my family with them because they're incredible. They're incredible leaders and they do a wonderful job, and this is a company that we're all incredibly proud of. So our opportunity is to be prepared, to operate differently given that context and to execute our strategy with enthusiasm, delivering consistently for our shareholders.

The enthusiasm and the passion, I've never been challenged that I don't have enough of that. Maybe sometimes I have too much of it. Anyways, super excited to talk to you about our story. So this is Ball at a glance. This represents the percentage of sales in and around the world. I think a couple of areas that we've talked about, and you'll hear more about it when I look at the opportunity set here. I think we've talked about the challenges really that are in North America in and around the end consumer. So you have a widening haves and have-nots categorization. When we talk to our customers, the haves, what they desperately want is innovation. They want new product. They want to drive additional revenue streams. They want to attract customers. At the other end of the spectrum, they're saying, "I need help. I need help to make sure that we have a price point that is attainable for all of those consumers that are the high volume consumers."

So those two worlds are something that we need to address. We've always been good at the innovation side. We've always been good at the complexity side. And I think the focus and attention and the scale that we have should allow us to participate in both sides of that equation disproportionately to our competitors moving forward. In Europe, we're really excited about that. Obviously, their focus on carbon-neutral positions for packaging. And for those of you that don't know, about 44% of the carbon footprint of our customers comes from packaging. So we can make a significant imprint in them accomplishing a lot of their ESG goals and objectives on the decarbonization side of that. And we've got a great story to tell. We've got plans to get in 2030 to a zero carbon or a carbon-neutral can. That's something that may or may not be required in parts of Europe. Carey will talk more about that.

But we're encouraged about the direction of flight and the continuous improvement that the package has allowed, and the ecosystem and the investments in and around that have allowed us to continue to provide a winning formula back to our customers. Glass is a huge, huge percentage of the EMEA substrate packaging mix. Glass has an incredibly challenged carbon story. So there's a lot of opportunity. We've talked about that. There's fertile ground for us to step into that. We like the direction of flight of some of the energy costs coming down in Europe. That's certainly going to have to help the end consumer to drive volume and further investment toward that. But the regulations that are all coming and a lot of the requirements that are coming country by country are going to push, we believe, more to the can and we're going to be more than happy with our European team to step into that.

And then in South America, clearly a lot of volatility, but there's a lot of money to be made there, if you can manage it. If you went back six years ago, we weren't as heavily invested in Chile, we weren't in Paraguay, we weren't in Peru to the same extent we are. We didn't have as much volume in Uruguay. There are a number of new can sizes that are available in a lot of those markets. And there are a lot of markets that are opening up. And you think about these markets to the tune of two, three, 400 million cans in a market. That's not quite enough. But as they start clicking into the five, six, *[hundreds of millions]* where you could maybe drop a new line in there, and if you're first to market, that market is going to be quite difficult for others to participate in. And I think we've done an amazing job of capitalizing on those opportunities in

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South America. And that's why we've been a little bit more resilient, I think sometimes in those markets than others who are just in Brazil.

But we're pleased by that. It's a refill market in glass outside of Brazil. Can penetration continues to be up and grow, e-commerce channel continues to grow. All of these things favor us. So we're excited about the opportunity set that's in front of us there. As we were going through the transition out of aerospace *[corrected text]* and we were thinking about the next chapter, one of the things you have to do is you have to really tell yourself the truth about what are your competitive advantage, what do you believe those competitive advantages to be. And for us, and for those of you in the room that have followed us, I don't think I'm telling you anything you don't already know, but the fact that we can bring our scale to sustainability. We've been at this for probably seven or eight years now.

It's an incredibly complicated. It's a hybrid world. Each region is different, each country is different. And what our customers are desperate to understand is how we can help address that 44% carbon emissions number that comes out of package and why aluminum is the right one and how it's going to get better and continue to be able to achieve all of the goals and objectives that are going to be set out by various regulatory bodies around the world. So we've done that. We've invested in that. I think if you ask any of our customers, they'll tell you that we're the leaders in this space. They come to us, we partner with them. That will continue to be more important moving forward. Three or four years ago, if you had cans, you could sell cans. That was what was important.

Right now it's like, do you have innovation? Do you have sustainability? Are you going to be the leaders in that? Are you going to be providing me things that are going to be able to offset things like the BPA-NI regulations that show up in parts of the world? Yes. Our answer to all of those is going to be yes. Some of it will come at a price, but the answer is going to be yes. I think we are the envy of the industry in a lot of other... candidly, the other substrates in terms of the partnerships that we've got, we've developed. We have the most innovative, the most winning brands, the most billion-dollar brands within our portfolios, and we're constantly working with our partners and supply base to make sure that they continue to win in the marketplace. That's something that we're incredibly proud of. We bring innovation based on that. We bring the sustainability attributes, which I've talked about.

And lastly, this was a fun question that I posed in a town hall. It's like, "And we've got the best people. Right?" So I asked a series of these questions and I was like, "You all are the best. Right?" And everybody stood up and cheered, and that was a resounding, yes, we have the best people. They're the best people for this culture and for the purpose of delivering this strategy. They're incredible. They care about it, they're passionate about it. They stand up and deliver, they do it with high integrity, all of those things that really make me proud to be part of this company. So our purpose is that we exist to unlock the infinite potential of aluminum to advance a world free from waste. That's a much simpler purpose than when you have an aerospace business tied to an intel community. It doesn't ring as well or harmoniously, but this is what we're focused on. It's abundantly clear.

How we're going to achieve that is we care, our folks care. We work hard, and we win because we know what the targets are and what we're trying to accomplish. I'll walk through elements of those here for you to draw more of that out. So one thing that you all that have been following us for a while know, something I'm incredibly proud of is our folks do things the right way. They do things with integrity. They deal with their customers. They're transparent, they're honest about

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mistakes we make, the challenges that we have. We give back to our communities in a way that isn't public. It's incredibly humble. It's stuff that I'm incredibly proud of. We had a plant in Turkey last year that was befallen by an earthquake. I got on the phone with I think Ron Lewis, who's in the room.

We set up a time to call our plant manager. He thought we were just calling to see when the plant was going to get up and running. Of course, he had his son with him running in the background, and I told them, we are going to donate \$250,000, and you guys in the plant are going to tell us where that money's going to go. These are the types of things that I'm most proud of at Ball. And we do this all the time. And that's why our people give us 110% because we care about them, we care about their communities, and in turn, they care about this business and they believe in what we're doing. I think Ron will talk about our focus in and around KPIs and SQDIP.

So for us, there's a reason why S and Q come first. Safety is the first letter. It's not productivity, it's not inventory management, it's not on-time delivery. It's like if you're not taking care of your people, you're not taking care of the quality of the products that you're serving your customers. The other things do not matter. They don't matter. So if you want to have a successful career being a plant manager at Ball, you're focused on those two acronyms, and what's amazing is the rest of them follow. Now, we need to be more disciplined about managing all of those things and holding folks accountable. But that's one thing that we will constantly lean into and believe in.

So let me introduce you to the Ball business system and how we work. Our enterprise-wide strategy basically is brought to bear to create a flatter organization, a more focused organization, and to differentiate results for us. I'll go into each part of this and Ron and Carey will come up and talk about it. It's all brought together, obviously, by the unmatched power of our culture and our people. But I think the other thing that you may be interested in as we've made these operating model changes, the flatter part of the organization is I'm much closer to the shop floor now than I was prior to the divestment. That's incredibly important. I think getting information up and down the line to our people, making sure they have the tools they need to operate, making sure they understand what we're trying to accomplish and the speed of change that happens in our business. We've taken three layers out, I believe, which gets me a heck of a lot closer, and I think we're a more nimble organization as a result of that.

So on the left side of this equation, it's listening to the voice of the customer. And for those of you that knew some of our nomenclature previously, we had a comment and a phrase that was close to the customer. Close to the customer then becomes defined in multifaceted ways. Does that mean I'm having dinner on a frequent basis with a customer? What does that mean? And for us, it's talking to the customer, understanding where they're going, what they need help with, and making sure that we're prioritizing investments on their behalf. And then partners come clearly before customers come, clearly come tactical buyers. And the speed and agility that should be driven out of that type of focus will set us apart to create a differentiated, sustained growth opportunity across the regions where we participate. On the operational excellence side of the house, this is all about enabling common processes and establishing a continuous improvement mindset that's based on standardization. I've had a number of folks, when I bring this up, it's like, how are you going to get better at operational excellence? I thought you all were the leaders. I think we are the leaders in the space we're at, and I would posit that we're not world-class in what we're doing, and that's got nothing to do with our people. That's got nothing to do with what we've done historically. It has everything to do with taking advantage of the scale and creating an operating model that will elicit the types of change, investment and discipline that's required for

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us to continue to gain efficiencies in a consistent manner so that we can provide value back to our shareholders in a more consistent manner. Ron will come on to more of that.

The algorithm of compounding the long-term value creation through capital allocation is a commitment to share repurchase and dividends for us. When we're at our best over the history of Ball, we are consistently buying back our shares. We're consistently returning dividends back. We're making the right capital allocation to drive expanded margins. We're managing our M&R capital in an incredibly efficient way.

There will be opportunities. We can't do big acquisitions. Those are off the table for the beverage can space, but there are certainly areas of the world and opportunities in other parts of our business like aluminum aerosol, where there are opportunistic M&A opportunities for us, and certainly they're bolt on in nature, that would be easier for us to pull into this operating model with less risk. And then we'll continue to grow and manage our capital within the envelope that we've consistently laid out, which would be GAAP D&A.

So what does winning look like for us? Winning right now. I think that's the market cap of today. A couple bucks down since we finalized this slide a week ago. But a consistent 10% EPS growth year over year. Emphasis on consistent. I think that's the lean that you'll hear from our team and you'll hear it shortly from Howard.

If we were to do more than that, that'll get us a \$30 billion market cap based on the current valuations, current multiples that exist. You all are obviously in control of those. I would garner that if we consistently deliver this algorithm out for several years and a dozen more quarters, this will be looked on more favorably than possibly the valuation that's ascribed to it today. But again, that's your call. And then the bolt on M&A could also give us and provide us an opportunity to tack on in a creative manner. So we believe in this. We've actually got some internal targets for 2025. There may be a nice trip involved for a few people. So we're excited about the direction of flight and we're off to a pretty good start here.

But that's what winning looks like, and that was important for us, not only to tell our folks internally. This should not be obscure, it should not be abstract. One of the things I'm most pleased about with my team is they're a bunch of incredible leaders, but they're winners, and this is what winning looks like for us.

So by repositioning ourselves as a pure play aluminum business, I think we've got tremendous value and opportunity. Our focus is to take advantage of our scale. We've done an incredible job over the past decades of building that scale. I don't know that we've harnessed it fully in the way that we can, but in order to do that, we need to operate differently, and that's an awful lot about what I've characterized here today.

Our collective leadership is going to make the difference. It always has. Our culture and our leaders are going to make the difference. If you've got the best people and you've got the best playbook and you've got the best footprint, well, that should all lend itself with the tailwinds of aluminum, that all seems to be something that should be a winning proposition and a winning formula.

But it's not just the folks here in the room, not the leadership team that I've talked so fondly about. It's all 16,000 employees. They believe in this company. They believe in the direction of flight. They believe in aluminum. They care about one another, they care about their communities. And all of that, given all the dynamics in the world and all the challenges that

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exist, that's what will allow us to continue to meet the world where it's at and exceed the world and the expectations of you all in this room, but of course, ours are even higher than that.

So if we do that, we're going to go from a good company to a great company, and we're going to return value in excess of hopefully what we've even outlined here today. But for more on that, I will introduce Howard Yu at this point, our Chief Financial Officer. Howard, come on up. Thank you.

Howard Yu, EVP & CFO, Ball Corporation:

Thank you, brother. Thank you, Dan. Let me also extend a welcome to everyone here today in person, as well as those on the webcast. It is a privilege for me to be here as Ball's CFO.

Being recently new to Ball, I wanted to share how I think about our opportunity. As I was going through the interviewing process, this was a little over a year ago, and I got to meet some of the management team and 100% concur with what Dan has said. This management team wants to work together, and not just work together, but win together.

And so, I was doing more research on Ball. One of the things that me was that Ball had had an incredible track record of success as an M&A-led organization. Multiple different transactions, culminating with the Rexam acquisition, which was the largest in Ball's history, helped transform Ball from a regional can producer to a global aluminum packaging leader. Over a 20-year period, M&A-led focus created significant amount of value for shareholders through stock appreciation and dividends.

Fast-forward to where we are today. Our opportunity is bright, albeit different than 20 years ago. While there may be some opportunities for M&A bolt-ons, as Dan said, as you all know, transformational M&A in aluminum beverage cans is limited due to our global scale. However, in each of our key regions, what isn't limited is our opportunity to take the best-in-class footprint, the best-in-class customer base, the best-in-class sustainability program, and the best innovative portfolio to drive outsize results.

My background is focused on continuous improvement and operational excellence, or more simply said, taking competitive advantages and amplifying them to drive outsize results. The past companies I have worked at are viewed among the best at doing just that. I have seen firsthand how powerful the ideas and tools of continuous improvement and operational excellence, rigorously applied, can create a flywheel for improved earnings results. I believe that we have that opportunity and we are in a great place to execute on that opportunity.

By any metric, Ball has a long history of delivering high returns, and one of the things that I'm most excited about is our ability to continue to do that off of a de-risked base. Our ability to decrease leverage with the proceeds from the aerospace sale has positioned us to maintain our leverage at the 2.5 times net debt to EBITDA range for the foreseeable future.

As most of you know, this is well below where we sat in the past, and while this business is able to succeed at higher leverage ratios, our ability to stay at a low leverage position in a higher for longer interest rate environment positions us for success. Additionally, as you can see on the right, we have very limited near-term maturities and the liquidity position for us is extremely strong.

Last year, the team made progress on inventory reduction targets to reposition the company for current demand and to drive cash generation. This year, we are in the process of bringing down

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some of our high cost factoring programs, which will help earnings in the coming quarters. Our working capital management is on the right track and we are committed to further improvement.

We have also been diligent about managing down our pension liability. In November of last year, our UK trustee board entered into a buy-in of our UK pension plan. The final steps of the buy out is expected to occur in 2025 and will meaningfully reduce pension liability.

Additionally, with the sale of our aerospace business and its pension plan, our pension liability is at the lowest point in decades.

We believe that all the work to de-risk this company over the last year puts us in line with best in class manufacturers in any industry. Our ability to generate better returns on invested capital on a lower risk profile will be a differentiator. And with that, let's look at the return side of the equation.

Before I get into our algorithm, I want to first touch on what drives our algorithm. Those of you who have followed our business know that our top line is measured on shipped volume growth. Carey will get into more details on the specifics of our growth, but as you can see, we expect to grow into 2-3% global volume growth range.

As Dan highlighted in his opening, we believe that the sustainability tailwinds behind aluminum are still in the early innings, especially in EMEA. This gives me and the team ample confidence that we can hit these growth rates in the near and long term. Growing at this achievable level will allow us to generate significant cash and drive operational efficiencies, which you'll hear Ron talk about more in detail.

That leads into the second pillar of two times operating leverage, meaning when we grow 2-3%, we expect to grow operating earnings 4-6%. This has been a target that we believe this business should achieve, and while we have achieved this in specific regions and at specific times, we need to be more consistent at hitting this goal. The work that Ron and his team are focused on will help us achieve this goal, but more generally speaking, it is leveraging our scale and size to drive better cost management and efficiencies. As I mentioned, I have seen this playbook work time and time again at Danaher. Get a market leading position, which we already have, and relentlessly pursue and deliver efficiencies.

Lastly, our free cash flow generation is of the utmost importance as we focus on creating shareholder value through share repurchases and dividends. I'll go into more detail of this in a minute, but we believe that this is an achievable target, both in the near and long-term, even with the challenging macro backdrop. With that, let's look at the algorithm.

Pretty simple. In my mind, simple means that we don't have to do anything overly aggressive to deliver above market results. We can achieve these volume growth targets on the back of aluminum sustainability tailwinds, but also on the back of our best-in-class innovative portfolio and best-in-class customer base. We can achieve two times operating leverage through our scale and further refinement of lean manufacturing principles. And lastly, we can consistently buy back 4-6% of our shares every year through our strong free cash flow generation.

When you average all this up, you get to 10-plus percent EPS growth, which is what we are optimizing for. You should think about the components of the algorithm on the left as levers that we can pull to get to the 10-plus percent. For example, if volumes come in closer to 2%, we would expect that we are able to achieve higher efficiencies on our plants and hit or exceed two times operating leverage. Additionally, we would be able to lean more heavily on share repurchases as we manage our CapEx spend lower.

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Overall, what I'm saying is that this is a long-term algorithm that we believe we can achieve through many different market dynamics, and that we are committed to delivering 10-plus percent EPS growth. With that, let's visit where we believe our 2024 baseline is.

None of this should come to a surprise to any of you, as we've touched on these expectations for this year in both the Q4 and the Q1 earnings calls. We believe that we will grow global volumes in the low single digit to low single digit-plus range. We still expect to be able to nearly offset the operating earnings headwind from the sale of the aerospace business, and if you look at the growth of our global beverage business, we expect to be well above the two times operating leverage target.

We still expect our comparable diluted EPS to be up mid-single digit-plus range this year as we lap the aerospace comp and don't see a full year benefit of our share repurchases due to the weighted average share calculation. We will spend CapEx in range of our GAPP D&A and expect to generate adjusted free cash flow in the range of \$500 million, which on normalized basis, adjusting out for our AR factoring unwind, approximates to \$1 billion of free cash flow. Finally, we expect to end the year with 300 million shares outstanding after repurchasing approximately \$1.3 billion of our stock here in 2024.

Now I'd like to dive in a bit on the pillar of the algorithm specific to net earnings equals free cash flow. In my mind, the ability to achieve this over time is the mark of the best in class manufacturer. While this isn't an easy target, we believe we have the ability to manage the business to deliver consistent one-to-one net earnings to free cash flow.

Three things must happen for us to do that. We will spend CapEx in line with our GAAP D&A. As you heard, we believe that we can do that on the back of our well-invested plant network. We will be extremely focused on utilizing that capacity and getting the most out of our systems, as inflation and manufacturing equipment is a headwind even over the last few years. Our ability to drive plant efficiencies and scale our footprint should allow us to grow within our target range, while keeping gap DNA and CapEx in line.

Our ability to manage growth in this specific CapEx range, along with two times leverage on incremental volumes, will drive our company's return on invested capital, which is already at record levels following the sale of our aerospace business, which led to approximately a \$2.5 billion reduction in invested capital. I'm excited about our ability to drive return on invested capital, both in the near term and the long term.

We will maintain and improve our cash conversion cycle. Ball has a solid track record of extending terms with our suppliers and managing payment terms with our customers. In the world of higher interest rates, we will focus even more heavily on the negotiation of contractual terms in our supply and customer contracts, as well as keeping inventories in the right level for demand. We feel comfortable with our factoring balances once we get through 2024 and take out the highest cost factoring components.

Lastly, cash taxes must equal our effective tax rate. The sale of our aerospace business will be a headwind to both here as we manage through less R&D tax credits and also manage rising global tax rates. We have a world-class tax organization that will be assessing our entity and financing structures, and while this will be a challenge, I believe that we'll be able to manage through these and keep these things in line.

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Overall, while we have some areas of work to work through, we have done on our operational level, our ability to grow at these CapEx levels gives me confidence that we will be one-to-one income to free cash flow range.

This leads to the near-term tailwinds and long-term opportunities. We believe that we are well set up in the near-term, as we have done the hard work of cost out and plant closures. We have restarted our share repurchasing program and we'll continue buying in both the near-term and the long term. We are at the right leverage ratio, and last of all, we believe that the volumes are returning to normal and growth is returning. The near-term looks bright and we will consistently deliver on the things that we can control.

Our long-term opportunities will be touched on by Carey and Ron, but the backdrop of sustainability driving demand for aluminum packaging coupled with our best-in-class footprint, innovation and customer profile has set us up for growth. Add in standardization and a continuous improvement mindset in our operations, and the long-term looks bright as well. Combine all of these and you can see that we expect EPS to grow significantly to be safely in our 10%-plus growth target. We also expect our free cash flow to follow suit and grow to record levels in both 2027 and 2030 time frames.

Lastly, building on what Dan had spoken to, this is what winning looks like: a continuous virtuous leveling up of volume, growth and operational excellence, all driven by our unmatched culture, which enables this. With each rep and year, it stacks to get larger. With that comes more expanded opportunities fueling greater commercial execution and greater operational productivity gains. Lastly, this will also allow us to infuse our organization with more diverse talent that will fuel this flywheel even further.

Now is an exciting time to be at Ball, and I believe with our purpose and focus, the future of Ball is even brighter. With that, I will hand it off to Carey Causey, our Chief Growth Officer. Thank you.

Carey Causey, SVP & Chief Growth Officer, Ball Corporation:

You guys really are serious, my goodness. Okay, I got a couple smiles. That'll make this a little bit easier. For those of you that I haven't had a chance to meet previously, let me introduce a little bit about myself. I'm an engineer by degree, and before I joined Ball Corporation about 10 years ago, I worked for companies like Cargill and MeadWestvaco, which now trades as WestRock. And it has been almost 10 years at Ball, which is hard to believe at this point.

My first three years at Ball, I worked in our North American business and had roles focused on business development, strategy, marketing, those sorts of things. After those three years, we moved as a family to Rio de Janeiro in Brazil, and I ran our commercial operations for South America. And for the last four years, we've been fortunate as a family to live in the UK, and the last three of those years, I've been the president of our Europe, Middle East and Africa business. And now, just in the last few months, it's time to move the family back to the U.S., and we'll head back to Denver, Colorado.

And as I stand here today, I have such conviction and passion about what we're going to talk about, what we are talking about, because I'm a representation of all the customers from around the world that I've talked to, and I also represent all of our colleagues from around the world that care and are smart and are good, great people to work with. So it's on their behalf that I get to share this with you today.

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Growth looks like a small word, but it's a pretty big word when we think about the commitments that we've made, and Howard just laid out, how important it is for our algorithm. We've committed to 2-3% growth a year, and yep, that'll move in and out and flux a bit, but there's got to be consistent growth.

And as you're sitting here, you're probably thinking to yourself, that's great. Why should I have confidence in 2-3%? Why should I type that into my model right now while you're talking? And so, I want to share a little bit about what that means at Ball and why you should have that confidence.

And it's really because we grow by listening to our customers and partnering with them to win. Listening and partnering sound like easy, simple words. They're hard to do. They take time, they take patience, and you'll see them both in our Ball business system that Howard and Dan spoke about earlier. They're cornerstones for us.

And really, if you boil it down, what it means is the things that are important to our customers are important to Ball. We don't get a choice to pick and choose and select. It's just true. We have to help them. And so, over the next few minutes, I want to talk you through what we hear when our customers share things with us, what we know about them, how we're organizing and setting up a machine to help deliver on what they need. We're going to talk about four examples of what it looks like in the real world, and then we're going to wrap up by sharing our growth expectations by region and business.

There's a lot going on on this slide. On the left-hand side, you can see a number of companies, and these are companies that we are privileged to be partners with. Some of them are global, some are local, some are personal and home care, some are beverage. But they all have one thing in common every day, all day, and that is that they need to grow, too, and they have to grow in an environment that has four truths. And I imagine you hear these truths when you're in these settings with them, as well.

The four truths are in the upper right-hand corner of the slide. The first one is that they're seeing retail prices peak in North America. Consumers can only handle so much inflation, and ultimately their buying patterns have to change, and we're starting to see that. Our customers in North America and Western Europe in particular over the last two years really leaned into price and expanded margins for their growth, and over the last few months, we've seen that transition and they're starting to use the volume lever a little bit more. That means promotion. I cannot tell you how excited I get to walk through the King Soopers and see a buy-two-get-one-free twelve-pack deal. I mean, you may not get that excited. I get really excited about that promotion.

The second truth is, those customers that have global footprints and emerging market positions are really fortunate, and they're leaning into those now because they have access to growing population, improving disposable income and all of those things. They're having to balance that with the volatility and risk of being present there. It's just part of the tension they have to manage.

Dan mentioned the third truth, that consumers are changing. Consumers are always changing, but it's been pretty rare lately that they've changed in a polarizing way, that they're actually moving further apart from each other and our customers are having to manage both of those polarities at the same time.

And the fourth truth is around the evolving regulatory and geopolitical landscape. All of us customers ourselves, everybody live in a world where governments at every level, whether it's a

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municipality or a federal government or the EU, are trying to figure out how to handle things like waste and carbon emissions and obesity and materials of concern and all sorts of things. And then if they're really lucky, they get to manage geopolitical uncertainty at the same time, so tariffs and sanctions. And we all have to have answers to those things. We can't just throw up our hands and walk away.

So if those are the four truths, or the four dynamics and tensions that our customers have to manage, they could view these as challenges, but many of them view them as opportunities, because if done well, it helps them grow. And so, what they need from us to be a match to that, to turn those into opportunities, is they need our support to stay relevant.

They have got to be hyper vigilant around price pack mix and about innovation and product and package to make sure every single customer feels like there's something for them online or on the shelf. They need pragmatic solutions to some of those complex regulatory issues. Trade doesn't happen because a sanction lands. Trade doesn't just get to stop because somebody levied a tariff. We have to find our way through those things as partners.

They need to deliver consistent productivity. Just like all of us do, because they need a shock absorber when the unexpected happens, because it will. It always does. And I mean, the last few years should have taught us that really well. And they need to be consistent and reliable suppliers to their customers online and on shelf as planned.

And so, if that's kind of what their world looks like and what they're managing and the help they need from us, then we're really clear on the work to be done. And we're building a machine, our growth engine, to deliver on that promise to them, on that promise to be there with them and meet them where they're at.

The first part of that machine is about creating. It's about creating innovative solutions that help them target those consumers in the way that they need to. Whether it's a service or a product or a new business model, we have to be there for them bringing that forward.

We need to simplify sustainability. You heard that earlier. I'll say it again, and we all know it. It is not simple. It's complex. NGOs and regulators and consumers and customers are all trying to figure it out. Everybody wants to do the right thing for the planet, but knowing how and when and really who bears the cost is where things start to get challenging, and we have to help simplify some of that for them. That's our job.

The third is we need to accelerate, because if those consumers are changing quickly and regulation is happening at the speed of light, we need to be there, ready to go with them. And we do that with a growth ventures team. And not just a team, but a mindset about how we show up in the market.

The last is, we need to sell by being a consistent supplier. We need to give them innovation and sustainability, but they need to read that as value, so we have to do that in a language that they understand. And if these are the things that our machine has to deliver, then we can rely on our strategy and marketing team to serve as the navigation system or the control panel to make sure that we're scanning what's happening. Do we understand the changes in the markets and the channels and consumers? And are we adjusting our priorities accordingly? And are we doing it in a disciplined and rigorous way, so that we're not letting something veer too far off, and we continue to stay focused on path and that goal of 2-3% growth each year.

So now, let's look at examples of how each part of this machine has to deliver for the customer and for Ball. So let's start with create. Our innovation and engineering teams really focus on

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delivering that ability for our customers to differentiate, and they have a lot of tools at their disposal: size, shape, function, aesthetics, all of those things.

Size and shape are the easiest to understand, and we have a market-leading portfolio. It really is the best of the best, and it enables our customers to do all sorts of cool things. Like, you guys see a package. We see the ability to premiumize. We see the ability to economize. We see the ability to offer an iconic shape to truly be a tool for marketing. We see the ability to add function and resealability and attract new consumers. Packaging can do so, so much.

We have a few examples here. So this one, this mighty little can. So if you're in the U.S., this can allows for portion control. If you're in Argentina, this is about affordability. Our customers there call it a magic price, and you have to sell it here so the customer can afford this one can.

If you are a beer producer and you want to take, share a shelf on maybe a C-Store, this is a 19.2-ounce can, a 24-ounce can and a 25-ounce can. You use these things as levers to match price and value and margin to get what you need at the end of the day, so that maybe all of these are priced exactly the same, but the margin profile for the customer looks different. This other example is the cap can for Monster, which is iconic. It's iconic in two ways. It looks iconic, and when you open it you hear a popping sound. I'm not bold enough to do that today on the stage. But Brandon has promised he's going to drink the whole thing when we're done. Other iconic packages are the Heineken bottle in an impact extruded form. We recently launched a braille end in Brazil, so that those with limited sight can engage with a brand and purchase as well. They know what they're buying and they can do that without someone there to help them. All really cool things that we're able to do with our product portfolio.

I think it's important if you take this one message away from this example. Differentiation' is good for our customers because it helps them target and grow. But it's good for us, because when you look at the slide and you see the size of our specialty and super specialty portfolios, that's margin expansion for us. Those are unique and differentiated for us as well.

The second place we're going to dive in is around simplifying sustainability. One way we do this is through our climate transition plan. So, on the left of this slide, you'll see many of the partners we've talked about and their public commitments to science-based targets, and their net-zero commitments. On the right-hand side, you'll see our published climate transition plan, laying out how we reduce emissions, 55% by 2030. Our plan has been recognized numerous times as best in class examples, alongside companies very recently such as Unilever, HSBC, and Mars. So, we take great pride in that and that we're a market leader in this space.

We use it for a number of reasons. We engage other parts of the value chain. We create coalitions. We garner attention and resource needed to move some of these big rocks that sit out in the world. We do this because we believe our package has meaningful sustainability benefits, and we want to make sure people know that. That our customers know that when they're choosing the package that they're going to put their product in. This work happens every day at the industry level, but it also happens one-to-one with our partners sitting side-by-side, suppliers and customers. It isn't a nice to have. This isn't something where we're like, "Oh, we're a Fortune 500 company. We tick a box, we move along. There's a pretty plan, lots of colors." That doesn't really work in our world. It's too core to who we are.

In places like Europe, our ability to decarbonize can have a real impact on reputation and financial results for our customers. So, when you hear things like CBAM and CSRD and PPWR, it sounds like confusing alphabet soup. Don't be confused. It's real, it's important. Retailers,

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customers, all of them, this matters to them. Rather than thinking of it as confusing or difficult, we see it as a way to lead and partner with our customers to find a way through. I had the benefit of having Mandy's job last. So much of my time was spent on this with customers and suppliers. It is a part of every day in our business there.

The third place we dive in is around this acceleration. The word cloud is what it feels like to do business today. Every day there's something new, there's a new technology challenge, trend, consumer set, something, something's changed and it's coming at you. Again, it would be really easy to think of it as something daunting. It's not daunting, it's opportunity. We established our growth ventures business, our growth ventures group to house those businesses and products that are high growth and need really targeted and agile resources against them. This is where our personal and home care business sits, so you can see in the picture up here our aerosol. It's also where we have a couple of other opportunities that we're working on right now.

So, an example of an emerging need that our customers and consumers have is around re-usability and refill ability. We seek out and partner with promising new entrants like Boomerang, which is this, and you'll have those at your table as well. So, it's a reusable water package, but system that operates in a closed loop. This example is from the Tesla facilities that they operate. The other example is Meadow. That's a refillable personal care solution. You can see that up there. We don't have a sample here today, but there's the pump and it has that soap charger that looks a lot like a can, that goes into it and allows for refill.

Each of these early stage companies has generated a great deal of interest in the market, and we look forward to helping them scale. That's what we bring to them, because not all innovation has to be built at Ball. We just have to recognize the need and find partners that need what we can bring to deliver on that. Because our customers need these things, they're not going away.

The fourth example is, we have to sell people what they value and appreciate. We've been on a journey the last few years and you can see it reflected here. We've been listening more, we've been leaning in more to customer challenges, making sure we understand what they need. Our customers have just rated us an 8.4 out of 10 in terms of net promoter score. That takeaway for me, what that means is our customers are getting into this place where they're advocates for us, where they want to promote Ball, and there is nothing better if you sit in my role or one of these president's roles or any of the people that represent Ball with our customers, than to have someone else selling for you. It is instant credibility. This score for us in this transition really means that our biggest partners now are comfortable leaning in with us and signing agreements that are multi-year in nature, going long-term to make sure that we have those things that underpin this two to three percent we're talking to you about.

So, we started this by talking about what our customers need from us and listening to them. We talked about how we're organized to support that growth, and now we're going to talk about, if we do those things well this is how that two to three percent comes to life and where it comes to life. Happens in different ways all over the place. It's about knowing all of our customers and their consumers really well.

So, in North America it means using innovation and venture capabilities to provide customers a sustainable package without having to sacrifice aesthetics, economics, or functionality. It also means being there for those new customers that are in the good for you, category because that's where the excitement is right now. That's what the North American consumer wants. In Western Europe, and you heard this from Dan as well. It means being a good alternative to one-way glass. Given the economics of natural gas as well as the associated carbon footprints of it, aluminum is

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a great alternative and our customers in Western Europe are shifting. In South America and other developing markets, our package is a premium example of what consumers want. They have more disposable income and so they're choosing that. In personal home care, it means being a good alternative to tin-plate, because consumers want the aesthetics and the carbon footprint that our package can offer.

To wrap it up, I'm going to end how I began which is, what is important to our customer is important to Ball. We know how to help them grow in meaningful ways and provide them the levers that they need. If we continue to do that, we feel really confident in the two to three percent we laid out. Now, every time we sell a Ball can, it sets into motion an impressive operations and supply chain team, and so now I'm going to hand over to Ron Lewis, our Chief Operations and Supply Chain Officer. Thank you, Ron.

Ron Lewis, SVP & Chief Supply Chain and Operations Officer, Ball Corporation:

Thank you, Carey, and thanks to each and every one of you for being here with us, whether you're virtual or online. As you can tell, we're excited to talk to you about our business. We're even more excited to talk to you about our future. My name is Ron Lewis and I lead our supply chain and operations. I've been with Ball for about five years. I began in our business leading our Europe, Middle East and Africa business. Last three years, I've led our global beverage packaging business, and Dan recently asked me to be solely focused on our supply chain and operations. Prior to my five years with Ball, I worked in the Coca-Cola system for about 20 years, and mostly in supply chain and operations roles. In fact, this is the fourth time I've held the title of Head of Supply Chain and Operations. I led Coca-Cola bottlers supply chain and operations both in North America and in Europe.

Prior to my 20 years with the Coca-Cola system, I worked for Cargill and for Mars Confectionery, again in trading and supply chain type of roles. So, I'm personally really privileged and honored to take my 35 plus years of experience in supply chain and operations, and bring it to serve those 16,000 colleagues that wake up every morning, put on their Ball jersey and go to work on behalf of our customers, because they serve our customers. That's what's exciting for me personally. So, enough about me. Let me tell you a little bit about our supply chain itself.

Again, 16,000 colleagues strong that wake up every morning and get to the frontline of our business, where value is created for our customers, our frontline heroes. They're supported by a network of several hundred warehouses, all singularly focused on ensuring that we are the best that we can be for our thousands of customers around the world. That's our supply chain. The foundation of this supply chain is really this culture of continuous improvement that we're going to use to deliver consistent operating leverage to our business. So, that's a bit about who we are as a supply chain.

Our north star is transforming our culture to empower continuous improvement across our enterprise. Because we know that when we do that, it will provide the fuel for growth that we need for a number of constituents. It provides the fuel for growth for our shareholders to drive the profitability in our business. It provides the fuel for growth that we need to compete in the marketplace for our customers. Again, what I'm excited about is it provides the fuel for growth to bring stability to our business, because that makes everyone's lives just that little bit better. We are here as servant leaders to those people that work at the frontline of our business, our frontline heroes. If we can stabilize our business, make it just that little bit better for them, make their

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lives just that little bit better, it's going to make our customers lives just that little bit better. I think that's pretty inspiring. If you're supporting the people at the frontline of our business, I think we're doing the right thing.

Carey shared with you a slide that gave you a bit of the details around our growth organization. This is our productivity organization. Let me start by telling you what's not unique about our supply chain. First of all, for a supply chain to be successful it has to be collaborative. It has to be collaborative within the function, it has to collaborate across the enterprise. It has to collaborate regionally and across regions, and importantly with our supply partners and with our customers. That's a key element of any supply chain. What is also not unique is the way we think about running our day-to-day operation. We plan, we buy, we make, we move, we serve. That's a basic supply chain, that's not unique about us. We plan for our customers demand. We buy the raw materials to meet their demand. We convert it and make the amazing cans, bottles, ends, everything you see in front of you, and then we move the product close to where they need it and serve them. That's not unique.

What is unique about our approach, and again this comes from a position of I think having done this a few times, what is unique is our focus at the top of this, our strategy is around transforming to be much more cost competitive, and to drive stability into our business. The way we're going to do that, to deliver that fuel for growth, is through what we call Ball Operational Excellence. That's providing the scale that Dan spoke about, that we need to take advantage of in our business, but also ensuring that we've got a common standard platform that we can then improve across the board. Now, that's what makes us unique, but that's not what makes us magical.

What makes us magical is the people that do this each and every day. Again, those frontline heroes that put on their Ball jersey in the morning and sometimes at night, to get into work on a Sunday at 2:00 AM to ensure that we're delivering value for our customers. So, let me introduce them to you now. Can you please roll the video?

Ball Operational Video available in webcast replay on ball.com/investors.

All right. There's no substitute for the real thing, and I know a number of you have been to our plants. I would encourage you if you get a chance, if you ever have a half a day, let us know. We would love to host you in any one of our facilities. There, I think you'll get a sense for that magic. I know that we all do when we get a chance to be in our plants, where we create value for our customers. The grit and the determination and the pride and the spirit of winning that we have in those facilities gives us a ton of energy.

That doesn't come lightly. When Dan said he's here because of the people, it's because of those people. It's because of the privilege that we have to serve them as they serve our customers. That's what inspires me. I'm here and we're all here because we want to deliver value for our customers and make all of our colleagues' lives that much better as a team. So, before we showed the video, I mentioned this pursuit of operational excellence. Let me share with you a little bit about how we're going to make this fuel for growth happen in our business.

We think of fuel for growth as a series of programs built to empower continuous improvement. By doing this, we bring standards, a standard common platform, a standard way of looking and thinking about our business, because guess what? We make more than 110 billion of these things each and every year. Every single hour, every single minute, every single second counts in our

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business. So, bringing standards that we can improve is incredibly important to drive continuous improvement. I've mentioned it before, if we can do this the right way, we bring stability to our business and to our customers and to our supply partners. Of course we're going to take advantage of the scale that Ball has as the largest can maker in the world. That's our fuel for growth effort. That's our strategy. That's what we are aiming to deliver. That's our number one priority.

How we're going to do it is through what we call Ball Operational Excellence. That's a lean approach to manufacturing and our supply chain. It is embedded in every element of our supply chain, be it manufacturing, logistics, warehousing, procurement, safety, engineering quality, you name it, that's where our focus is. So, that's our approach, fuel for growth driven by operational excellence. Now, I'd like to share with you a few examples, because you might be thinking, "Sounds great. How are you bringing this to life?" I think the best way to do that is by sharing with you successes we've already had.

In the manufacturing space, our North America team began this journey late 2022, and in 2023 they delivered improved efficiency, improved quality, lower energy usage, lower spoilage, and they were on their toes and they were winning. That team delivered more than \$40 million of productivity savings to our business last year. When you ask how we managed in North America through a really challenging backdrop of customer disruption and you name it, and still delivered the profitability that we committed to you, our shareholders, that's one of the ways that we did it. It was done in collaboration with the business across the board. But it's a great example and we're rolling that out across every single element of our manufacturing operation today.

A second example I'd like to share with you is this idea of standard platforms. You all know that we built new plants, we built one in the UK, in Kettering, we built one in Pilsen in the Czech Republic. If I took you to one of those plants, I've taken you to both of those plants, because when you walk inside that building, they look exactly the same. The layout is exactly the same, the crewing is exactly the same, the machines are exactly the same. The store room is exactly the same. It is the same with the exception of different faces running the machines. What that allowed us to do is even though we had an incredibly accelerated ramp up curve, we ramped up even faster than we had planned. That's what we like to think of as a vertical startup. Getting from where we start to where we need to be in the long term, in as short a time as possible. That's what we mean by common standard platforms.

Third example I would like to share with you in this space is light-weighting. We use this word a lot, we talk about it, Carey mentioned it. We have to be the most competitive package against our peers and also for our customers. It helps drive their carbon footprint down, it helps drive our carbon footprint down. It takes waste out of the system. So, this is not new, but what you may not know is each and every year we take about a half a percent of the metal out of the total usage that we have. That may not sound like a lot. A half a percent is 6,000 tons, something in this range. That's \$25 to \$30 million of productivity savings we deliver each and every year. We do that because of course it lowers our carbon footprint, but we use that as the fuel for growth to drive our profitability and to ensure that we're competitive in the marketplace with all of our customers.

Moving to the procurement pillar, you know we've talked at length about our focus on our business being long-term. We do that with our supply partners. So, we have focused in the long-term on eliminating or reducing our materials of concern in our packaging. It's important for consumers, it's important for the planet, it's important for our customers. But we can't do that

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with a short-term focus. We have to do that with commitments and then investment by us and our supply partners to bring that to life for our customers.

Now, we're doing that in the metal space as well. You know that we are an anchor tenant of one of the first rolling mills to be built in America in more than 40 years. When that mill is built, it will shorten the supply chain from when we get a coil to convert it to cans and bottles and ends and then get it to a customer. It will also help stabilize the supply chain and assure the supply chain better for us. That is an exciting opportunity for us to take waste again out of our collective system. But we're not waiting for that to happen.

As Howard mentioned, one of the ways we delivered last year's free cash flow was by collaborating much more closely with our supply partners and our customers to take inventory out of our network. So, you know about the cash flow improvements that we drove by doing that. What you may not know is by doing that, we were also able to consolidate those several hundred warehouses by about 50 last year, a little more than 50. That takes operational cost out of our business that we can then use to reinvest, as Dan said, in innovation, in sustainability, in competing in the marketplace. It's a virtuous circle.

So, there's a few examples for you that hopefully give you the proof points and the reasons to believe that this is something that we can continue to do going forward. These examples, and honestly countless programs just like this, is why we are confident that we can commit to productivity savings of more than \$500 million over the next four years. This is going to provide the fuel for growth for our business, the fuel for growth to compete in the marketplace, the fuel for growth to drive the profitability that we have committed to all of our shareholders, and the fuel for growth to run our business better so that we're stable and all of our colleagues have a slightly better life. That's why we are here. That's why we serve, and we're really privileged and honored to do that. Let me hand it back to Dan for some closing comments, and we look forward to the Q&A session. Dan, thank you.

Dan Fisher, Chairman & CEO, Ball Corporation:

Thank you, Ron. Super proud of this team. I think you can see why. Hopefully you're feeling a sense of calm and belief in this strategy, and that's because I believe it's imminently achievable. We can do it consistently, we can repeat it. We can return value to our shareholders in a far more consistent manner than maybe we have over the last handful of years. That's going to look like a lot of share repurchase. It's going to look like dividends. It's going to look like organic growth that comes on the back of us leveraging all the investments that we made. It's quite a predictable line of sight that we're moving toward. A lot of the examples that Ron gave, there's a lot of things here that are new in how it's been presented in the language that it's been presented. But as Ron indicated, and you all remember the May/June timeframe of 2022, we had to start looking at the world a lot differently.

So, we've set in motion a lot of these things. When you look at our performance in Q3 of last year and Q4 [of 2024] and Q1 [of 2024] and hopefully a steady diet going forward, some of this is in place and some of this is working. I remember a number of folks, and we've even had some of these conversations like, "You're making the most money you've ever made on a per unit basis in North America." I'm like, "That's right." That to me was the belief that we should be doing this in a much more bold, committed manner. Certainly the aerospace divestment has allowed us to really focus our attention on this. I think if we do these things with the people that you've heard

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from, the people in this room and our incredible employees across the globe in a focused and attentive manner, we will move from a good to a great company. It's just a matter of time.

I think we're an excellent company, but I think when you look at us against the industry greats, agnostic of industry, agnostic of what they do, and you know they're the Danahers of the world, they're the Eli Lillys, they're these folks, we can be that company. We have everything within our disposal to be that company. Take advantage of scale, take advantage of the culture, the innovation lead, the sustainability tailwinds. There's nothing that's holding us back, other than the way we operate, the model we have and what we're asking folks to do. So, we need to ask them to do the things that matter most and we need to listen to our customers. This is the most important thing. If we can help them win, we're going to win and we're going to be great. So, thank you all for your attention today. We're going to take about a 15-minute break here, and we're going to get back together and give about 45 minutes over to you all to ask all the questions you want to. But thanks, and we're certainly excited about the future for Ball Corporation. Thank you.

Question and answer session:

Dan Fisher, Chairman & CEO, Ball Corporation:

Hands are already up. Sorry, just before we get started, it was oppressively hot up here, so don't mind the sweat stains on the shirt. Are you going to be kicking these off, Brandon? Why don't you allocate the questions to folks?

Ghansham Panjabi, Robert W. Baird:

Sure. Thanks guys. Ghansham Panjabi at Baird. First off, thanks for hosting us out here. Dan, when you were talking about the 10% earnings growth through 2030, you stress “consistent” in terms of earnings consistent in a year to year basis, et cetera. But the operating environment has been consistently inconsistent, right? So what gives you sort of confidence that we're sort of a new paradigm of consistencies, that productivity acceleration that you see, opportunities for upfront versus volumes which may eventually get more consistent, but it is what it is for now. Thank you.

Dan Fisher, Chairman & CEO:

Yeah, great question. I think the biggest thing that I have belief in is the stability and the operating environment, to your point. So take the volume out of the equation. Can you rely on consistent productivity and efficiency gains? And we've talked about the historical dynamics. Obviously COVID was strange for everyone, but there was a multifaceted issue that showed up for us. We had this staggering amount of retirees at the same time we were standing up new facilities. And then we had kind of a 2x turnover rate at the same time. I mean, Ball historically has operated in a sort of 4% or 5%, 6% turnover rate, and that was ratcheted up to 10% and they get retirements on top of that. And I think all of those things introduced a level of complexity into our organization. Even though, yeah, in Conroe, Texas, we've been making 12 ounce cans for similar customers for 30 years, those lines were falling off in terms of efficiency because of the new folks.

So we've settled that, stabilized that, and I think a lot of the things that Ron's talked about. We've seen it play out in North America principally, and you've seen we've retired assets that were longer, that had higher scrap rates required. They were inflexible. There were a lot of things that

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were going against us in terms of the footprint. So we addressed those. But even on top of that, we got a more stable workforce. We've seen those turnover rates, relative to voluntary separations, reduce back down to pre-pandemic levels. And now we're starting to see in these new facilities, you're seeing 3, 4, 5 year annual employment levels, and that's when things start to move in the right direction. And now with the increased focus that I think Ron and his team are going to bring to that, that side of the equation is going to be far more stable. So that's going to be helpful.

If we can react within this window, which I think the growth rates are going to return, given they may be volatile in a specific country, but you think about Pan Europe or you think about North America in general, even when you think about South America and Brazil, there's enough stability and there's enough price elasticity correlation to its CPI. Again, that matters again. The things that were hallmarks on the algorithms in the past are now showing up. Yeah, there's a weak consumer in North America and we'll deal with that. But 1% or 2% shifts and actually lower volumes for us, we can do that a lot better than we can do unplanned surges. So in that type of environment, I believe our best days are ahead of us in terms of productivity and efficiency.

At some point you run out of efficiency and productivity if you're not getting a modicum of growth to put in there. But at least for the foreseeable future, and foreseeable future for me is the next two to three years, you should see really improved operating results and the size of the number that Ron's laying out. We have a lot of belief in that. That's a gross number, by the way. But we should see that. So that's what gives us, I think, a bit more confidence.

And then at some point in the back half, or even nearer end, you're seeing Europe perform better. You're seeing other places perform better. If you get just a moderate stabilization of the end consumer in North America, then that algorithm becomes more consistent and you've got the leverage flow through that will be better than I think the historical norm. So the combination of all of that is what gives us a little bit more belief, if you will.

Edlain Rodriguez, Mizuho:

In the past I think we've talked about 4% to 6% volume growth. I mean now it's like 2% to 3%. What has changed? What's the driver of that lower volume? And are you outpacing the market? Or, if you could talk about the volume declines, what's driving that?

Dan Fisher, Chairman & CEO, Ball Corporation:

Yep. I'll let Carey start, and then I'll pick up some of that.

Carey Causey, SVP and Chief Growth Officer, Ball Corporation:

When you think about our plan for whether we want to outpace or meet the market, et cetera, our goal is to slightly outpace the market. It's never been our strategy to go and grab share. Our strategy is to grow the size of the pie, and then to slightly outperform because we've made good choices in our portfolio with the places we operate and the customers that we have.

I think the 4% to 6% was coming off of COVID, and there was so much volatility and kind of exuberance out there. And I think the 2% to 3% really represents what we feel very confident in and my hope is we're beating that 3%, but the algorithm is laid out in such a way that you can hit the 2% to 3%. And because we have all of the levers at our disposal, we can get the ultimate

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number that you're looking for in your earnings per share return. So the two to three, we're there on that, and I hope we can stretch it.

Dan Fisher, Chairman & CEO, Ball Corporation:

The difference is North America. I think we were two to four in North America and given the size of the composition of our business going to one to three versus two to four, that makes the difference between probably the 4%. I think there wasn't a great deal of belief in the 6% at the time, I think from this community, you guys were probably more right than we were given the volatility. But I will tell you a couple of things have fallen off of our business. Number one, we don't have the Russia business anymore. That was a business that was growing at 8% to 10%. So our EMEA numbers muted a bit, but it's been offset by the transition into aluminum, so that's stabilized a bit.

But it really is North America, and it's two things within North America that we're keeping our eye on. One is certainly the domestic beer, the big volume domestic beer, and there's a tight correlation to the end consumer and the strength of the end consumer. The other category that depends heavily on the end consumer is service industry jobs, things like that, is energy *[drinks category]*. Energy drinks probably for the first time in 10 years, 15 years in North America is flat. That's a component that's grown at 8% to 10% in perpetuity. Now there's been share-shift or Celsius that's come online, Alani Nu. But Rockstar almost doesn't exist anymore. There's other things that have happened in that category. But that one, I'm keeping a close eye on domestic beer and how that's tethered to the end consumer and the energy category because we've benefited greatly. We have an outsized position there. It's great that it's only flat to slightly up. It's not in decline. But we've benefited greatly from the energy category over the last eight or so years. We made it a point of intention, obviously you know our sole supplier agreement with a large Austrian company.

So paying attention to that and that dynamic and I think the domestic beer and what's going to move in and out. We know that the better health drinks will come online and they will provide a different outlet. But it's always difficult to find that rainbow unicorn, if you will. Where's that growth going to come from? It has come, it's repeatedly come through something that has been unforeseen, but it's going to be in the better health category, and then paying close attention to the health of the end consumer in the U.S., which breeds confidence in sort of the back half of our timeframe that we've discussed. But if anybody can tell me what's going to happen in the next nine months, I'd love to hear it. I think it would be helpful.

George Staphos, Bank of America:

Hi guys. Thanks for all the details and for doing the analyst day. I wanted to dig into the productivity goal, the \$500 million. First of all, thanks for laying that out for the next several years. Can we disaggregate that? What's in that \$500 million? So that's kind of question number one.

Two, more than once you said that's the gross number, which means there's something we should be netting against it. What do you mean by that? And relatedly, what else do you need to see to get there? Modest volume growth? Do you need another factory? Or is there a change in footprint that gets you that? How are we getting the \$500 million and what's netted there?

And then lastly, what's most at risk? Lots of companies throw out big productivity targets. You multiply by zero and that's ultimately what you get. You folks have a much better track record

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there. Why should we believe in? What are you most at risk there in your view? Thank you very much.

Dan Fisher, Chairman & CEO, Ball Corporation:

Go ahead, Ron.

Ron Lewis, SVP and Chief Supply Chain and Operations Officer, Ball Corporation:

Okay. Thanks, Dan. Thanks for the question, George. How is it broken down is your first question, how do you disaggregate that? We have a significant input cost to our business, so we do expect significant cost savings as we take advantage of the scale of our business. I'm not going to give you exact numbers, but you can assume a significant amount of our cost savings will be driven by our input cost. I referenced an example of lowering and shortening supply chains. That drives significant improvement for us. And that obviously needs to be partners along the road, but within the four walls of our plant, we also have completely in our control the ability to take costs out.

And as Dan referenced, through COVID, we lost a lot of people. We weren't as efficient as we needed to be. We see a real opportunity to drive some significant productivity improvement inside the four walls of our plant as well. So input and throughput, and we delivered that in 2023 as well. I mean, we delivered a record operating earnings and record free cash flow, and it was on the back of some pretty muted volumes. And that's a testament to everybody on our team from our focus that we did there.

I would say then, the other part of your question is what else offsets that. Obviously in an inflationary environment, people expect to have a pay rise every year. If we have a land war somewhere else and it affects energy prices significantly. Thankfully that we've worked our way through that. Those are the sorts of input cost dynamics that do matter to us. But we are very focused on controlling what we can control and delivering. And again, I think we proved that we can do that. We hit a pretty challenging point when we had this meeting back in 2022, and since then we've been focused on this, and I think our results have shown that we're able to deliver.

George Staphos, Bank of America:

What's most at risk in achieving that target?

Ron Lewis, SVP and Chief Supply Chain and Operations Officer, Ball Corporation:

Honestly, our level of confidence in delivering this modicum of volume growth and our ability to really expand our margins from productivity gains and the share buybacks we're doing to deliver our EPS growth, I think we have supreme confidence in that. I would bet on us all day long. We have what I believe is a strategy that we're going to deliver that come rain, come shine. It's our all weather strategy. We will deliver these results.

Dan Fisher, Chairman & CEO, Ball Corporation:

I think the answer is probably more obvious, George. I mean, if you have negative volume, you may be able to close the gap to get back to flat on your earnings, but that's where the productivity would go. I mean, at some point you do need a modicum of volume so that these elements show up. A lot of how we get to filling the hole on an annualized basis from the aerospace earnings

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[aerospace business divested in February 2024] are there. The volume and the productivity then comes on top. So I wouldn't say there's certainly netting as it relates to some inflation. But on the input side of things, why we have a tremendous amount of confidence there is sometimes stabilization and lower growth also helps you to negotiate. Because when you're growing at 15%, 20%, your suppliers can charge a pretty hefty premium. Now you're in a more stable environment. Those contracts start to allow you to have a much more disciplined and real conversation.

So I think the way Ron's or way we're structured this organization with Ron on point, you can drive some value there. And I do think we've got plenty of opportunity relative to just running our business, running our plants better. That's not the biggest part of that, but that's the most consistent part of it. So if you get the volume, even at the low levels, you get the operating leverage because the productivity gains become reinforced by process, procedure, documentation, and continuous improvement. So yeah, there's risk to it, but hell of a lot more risk in a 4% to 6% number obviously than there would be in the number that we're presenting.

George Staphos, Bank of America:

Thank you very much.

Stefan Diaz, Morgan Stanley:

Thanks for taking my question. Ball has always done a great job explaining the circularity benefits of aluminum. At the beginning of the presentation, you laid out some of your customers' emissions and CO2 goals. I guess as the recycled content of the can increases, how does the can compare to some of your plastic resin competitors as far as CO2 emissions?

Dan Fisher, Chairman & CEO, Ball Corporation:

There is no comparison, but I'll let Carey answer it. We're much better. Sorry. Go ahead, Carey.

Carey Causey, SVP & Chief Growth Officer, Ball Corporation:

That's totally fair. As we think about PET and recycled economics of their content, et cetera, our recycled content is the biggest lever that we have when it comes to our carbon footprint, and the same is true for PET bottles as well. In Europe, we have leaders in certain CSD companies that have really pushed that lever on the recycled content and driven that forward there. And right now we're matching that and pushing forward and leading. We believe that ultimately our recycled content is higher and our carbon footprint is lower. It is less of a push for our customers in North America when it comes to PET, but it remains a push for us, and our recycled content numbers continue to improve. When you think about South America, we're at a hundred percent collection rate and a highly recycled content in our package. The end, you still have to have some virgin metal in that, although we're working on that alongside some of our suppliers. But the can body is highly recycled there.

We believe as long as we're working with our customers and our suppliers and getting the economics right, that we have a further path to push on carbon than any of the other substrates.

Stefan Diaz, Morgan Stanley:

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So on a one for one basis, I guess for plastic, there's a certain amount of recycled content, and the economics are better for aluminum, I guess. I'm sorry, the emissions are lower for aluminum on a one-to-one basis, if there's a certain amount?

Carey Causey, SVP & Chief Growth Officer, Ball Corporation:

That's probably a surrogate for all of the math because the largest input for scope three is going to be that feedstock. And so in that case as our recycle content rises, that's the biggest lever. Down the road there may be low carbon prime alternatives, but that's a bit further down the road. So for right now, recycled content is your surrogate.

Dan Fisher, Chairman & CEO, Ball Corporation:

So where the math gets tricky is if you recycle this, you get 96% of this in yield. Okay? The yield is the part that I think where the math gets real tricky. To get 70% recycled content in a PET bottle, he would know more than me because he used to run some of that organization *[referring to Ron Lewis, SVP & Chief Supply Chain and Operations Officer]*, it takes three or four bottles to get to 70%. That's not the same math. That's not the same carbon footprint. It's the repeatability, it's the infinite nature of it *[aluminum packaging]*. This is where you've really got to stress the numbers and the comments from folks.

Adam Samuelson, Goldman Sachs:

So two questions. One is a clarification, just as you laid out the 2024 objectives on the slide, I think it said volumes this year were low single digit plus. Is that actually intended to be different than, I think you said, low to mid single digits at earnings back in April?

And then the second is, it was interesting through the whole presentation I don't think EVA or ROIC kind of really came up once. And for a company that historically been a very proud EVA company, I found that interesting. Is there anything to read into that or should I just look at EVA as an output of the focus on operational efficiencies that you kind of were.

Howard Yu, EVP & CFO, Ball Corporation:

Maybe I'll take this one.

Dan Fisher, Chairman & CEO, Ball Corporation:

Yep.

Howard Yu, EVP & CFO, Ball Corporation:

Sure. Thanks for the question. Yeah, guidance is not changing as it relates to top line. We said, I think low single digit to mid single digit, low single digit plus seems like it's right in that range as well. And so no changes as it relates to 2024 top line growth.

Dan Fisher, Chairman & CEO, Ball Corporation:

EVA is important. It's not the only thing. It's somewhat intentional not to completely discuss that. I would say people are going to be compensating the majority of the time on that. What I hope you also saw is we have much tighter targets specific to what free cash flow is going to be, what CapEx is going to be. That to me is where we got a little bit out of control for a period of

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time. Our focus on working capital wasn't as good. Our focus on free cash flow generation. Our focus on the net income ratio. So I'm trying to tighten the screws a bit on this. And yes, there's a calculation and there's an outcome and there's an output, and we do have an EVA committee and we look at it and we adjust the cost of capital and all those things.

But listen, we've got to be better. We've got to be better, we have to be more intentional and we've got to be more focused. And I want to know from him about SQDIP. I want to know, from Carey, about the mix in region, by customer, by channel, I want to know where that growth is coming from. So there'll be elements of our compensation structure that will be tethered to the specificity of what people are actually doing in their jobs. And EVA is important. No question.

Gabe Hajde, Wells Fargo:

Thank you all for the presentation materials. I think throughout most of the presentation, you did talk about winning with your customer, servicing your customer, voice of your customer. But obviously you kind of tease this out a little bit in terms of operational excellence before in the first quarter call not allowing on commercial excellence and I'm going to try to tether it into what we think we learned from some of your domestic suppliers that are looking for incremental value to make some of these big investments that we know about.

So I'm curious, number one, where are you in terms of your commercial strategy? Do you feel good where you are? Maybe give us some signposts if you will. I know it's tough in this type of an environment, things that we should be looking out for commercially. And I know you always try to achieve, let's say, better drop through via mix. If you can disaggregate that 2X drop through operational, commercial, other, that'd be helpful. Thank you.

Dan Fisher, Chairman & CEO, Ball Corporation:

Good. You [*Carey Causey, SVP & Chief Growth Officer*] want to just give the landscape of the commercial fabric where we're on the journey, the guideposts we're looking at? Certainly the 2 to 3% growth is important, but to your point, not all 2 to 3%'s made the same way, right?

Carey Causey, SVP & Chief Growth Officer, Ball Corporation:

Yeah. I think number one, we have to start by protecting the base of business that we already have. Because if we're talking about 2 to 3% growth, that assumes that we're retaining what we have. And I pointed out during my presentation that we're working now with a lot of our major partners on expanding and extending contracts well beyond that normal kind of three to five year average into something that starts to cover us into the 2030 timeframe and maybe even beyond that, right? So that's one pillar of the commercial strategy to make sure our customers feel comfortable and extending what we already have in place.

The second piece is around mix, and that's where we talked a little bit about our standard specialty and super specialty. And in that case, we need to make sure that we're allocating the resources needed to that super specialty. Even though it's a smaller part of our business, it's a much higher margin part of our business. So we need to give it air to breathe. And that we're continuing to help solve our customers' problems with the specialty in our beverage business. And so protect what you've got, shore up your base and we're doing that every day. Make sure you're mixing up in terms of your product. And then the other piece is making sure that we're mixing up in terms of our geographies. That we're leaning into places where there is that

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population growth and that disposable income growth. And so, those are kind of three of the levers that we're working with and pulling on all the time to keep building.

Dan Fisher, Chairman & CEO, Ball Corporation:

You will have to get some modicum of favorable mix relative to product shift to get the flow through that consistent at the 2X, because there's always going to be some incremental investment. So, Gabe, you have followed this long enough, the Alumi-Tek bottle or the reclosability, resealability, I mean we don't have to grow 2 to 3% if we're selling a lot more of those to get to the earnings algorithm. That'll require capital, so we'll have to sell that for a higher margin. I think we can still do all this stuff and stay within the capital envelope. But that would be, the two to three might not show up, but the earnings will show up and probably the free cash flow will even be better than that because it'll be something that folks have to move in.

Resealability, there could be some regulation involved in that, or somebody may just want to be disruptive and move out of a category, out of plastic into that. That would be the other dynamic.

We don't have those built into this model. We anticipate there'll be some of it. I think Carey's example of the 19.2 ounce, 24 ounce, 25 ounce, obviously Liquid Death is in the 19.2. These things, that's built into our assumption that more of that will happen over time. And then you've got this element of the bifurcation in North America where our customers are actually telling us, it's like, I can sell more innovative products, but I also need to participate down here at this level. So there probably will need to be some mix to balance off being more efficient down here to drive that volume or keep that base of business so that we can reinvest over here on the mix side to drive that. You probably need both sides of that equation to consistently deliver that leverage flow through.

But I'd say in terms of the productivity gains, it would probably be less efficient to start up new products and new designs, not more efficient. So it would be a drain, but you'd find it on your contribution margin line as opposed to your leverage flow through down in your OPEX or your cost of sales.

Arun Viswanathan, RBC:

Thanks for the presentation as well. I guess the first question I had... Well, two questions. So the first one was a couple of years ago, I think both at 2018 and in 2022 *[investor days]*, you guys discussed the new beverages going into cans. I think that was maybe about 60 or 65% at those events. Could you update us on what that is now, what your customers are telling you as far as where that could go ultimately?

And then the second question was more around CapEx and free cash flow. So you gave I think, a \$650 million CapEx number, definitely a walk down from the 1.5 or so that you were doing a little while ago. What is in that 650? I mean, how much is maintenance? How much is growth? And is that really a good sustaining number to use going forward to arrive at some of those free cash flow numbers you laid out as well? Thanks.

Dan Fisher, Chairman & CEO, Ball Corporation:

Carey, why don't you take the first part of that.

Carey Causey, SVP & Chief Growth Officer, Ball Corporation:

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The first one around new beverages, new beverages and new launches into the world, especially in North America, are happening more and faster than they've ever happened before. And that's probably why we're not talking about actually very specific ones because it's happening all the time. But can as a substrate is taking share, and part of that is just brands that exist today continuing to transition from glass or plastic into can. But part of that is new product launches. And in each of our regions, aluminum is continuing to be the substrate of choice for new products. And so we feel pretty confident in that piece. And we're working with our customers on that. As part of this new model, we're trying to focus a bit more in terms of business development and being out and with a lot of those new customers, spending time with them and making sure when they're trying to make decisions that they're choosing cans and that they're choosing Ball when they do that.

Dan Fisher, Chairman & CEO, Ball Corporation:

Yeah, and just one more point of clarification. The number that we were referencing historically was always North America, it's higher. It's closer to 80% now, 75 to 80%. So the problem in North America is end consumer. So gaining on the substrate shift, not necessarily gaining on aggregate overall volume because of the weakened end consumer.

Howard Yu, EVP & CFO, Ball Corporation:

Second question, we feel pretty good about our capitalization of plant network right now, and so obviously we're going to be mindful of how much CapEx we deploy. We've talked about it in the context of being at or below the GAAP D&A range roughly. And so I think that you can see and plan for that for the foreseeable. I don't think that you're going to see these massive spikes anytime soon.

Dan Fisher, Chairman & CEO, Ball Corporation:

Ron, do you want to hit the M&R versus the growth versus

Ron Lewis, SVP & Chief Supply Chain and Operations Officer, Ball Corporation:

Sure. Yeah. I would say we always talk about maintenance CapEx and growth CapEx. They're roughly 50/50. But there's always a little bit of spend we have to do on systems. So at the \$650 million, we have some IT spend in there, as well as quite frankly some cost savings. There's a lot of projects that we can do inside the four walls of our plants, some of them are a bit older, bringing new equipment into... That's not just maintenance. So we have buckets that are maintenance CapEx, savings CapEx, IT CapEx and growth CapEx. And again, the first elements are roughly 50% and then roughly 50% for growth.

And I think is that sustainable or not? I'm with Howard, that's a sustainable number. We were, yes, \$1.6 billion. I think you're giving us a little too much credit. Last year we were under \$900 million and a lot of that was carryover [CapEx] from the year before. This year we will hit the \$650 million number, and that's what we're committing ourselves to going forward as well. That's what we're holding ourselves accountable to.

Anthony Pettinari, Citi:

Dan, during the pandemic, we saw some new market entrants into North America and some other markets that you participate in. And I guess some of them are established, some of them

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were smaller guys, understanding this has always been a very competitive business. Are there regions that you would look at and say, since 2019 competitive intensity has really changed or increased? And then just without talking about anybody in particular, how have these new entrants impacted or not impacted Ball in North America and other regions?

Dan Fisher, Chairman & CEO, Ball Corporation:

So you're specific to North America, right?

Anthony Pettinari, Citi:

Maybe start there.

Dan Fisher, Chairman & CEO, Ball Corporation:

Yeah. I'll take a start at, maybe, Kathleen, while I'm starting you might want to come up here and just give a... Yeah, so I think there was a new entry in Florida. There was one in Massachusetts. There was one in Salt Lake City. The one I would call them more viable is the one we deal with and compete with largely in Europe. The one that's more viable and has been in the business a long time, I would suggest they're having a tough go of it, but they will be around. They'll be a viable competitor. We don't necessarily compete for the same customers. They have a different business model value proposition. The others are not having any fun whatsoever and they're not making any cans. And so I would say they're probably not long for the program.

And as you can imagine, given the transaction we had, we get a lot of phone calls wondering if we'd like to help or partner, and it's really nothing that's honestly viable to step into. So I think the group out of Poland, they've got a really good business model. I think the thing that they will be challenged, which we've seen this in other parts of the world, it's like this is not a two-line beer can plant that they built. This is six sizes, vastly different labor components in labor markets, and it's just a lot harder to work in North America given the level of complexity that exists here.

So you want to talk about the regional dynamic, maybe some of the stuff you're seeing. But overarching, I'd say it hasn't made a lot of difference because some of them [*new entrants / projects*] were announcements that never came to fruition. And so I think that's really the thing. When people were doing supply/demand models historically, it's like, oh my God, this is going to get way out of control. It's like, well, only if it actually happens, only if those lines actually come in. And I think everyone's been in a much more rational state of affairs since then.

But Kathleen, senior vice president, president of North and Central America.

Kathleen Pitre, SVP & President, North and Central America:

I guess, I'll come up here.

Dan Fisher, Chairman & CEO, Ball Corporation:

Yeah.

Kathleen Pitre, SVP & President, North and Central America:

I think the thing that I would add, and it gets back to what Carey was talking about, if we're listening to our customers and we're understanding what they need, and you can see the product

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portfolio that we bring that's still really unique. So if someone puts a can plant in a certain region and they can offer something locally, that's something that we take into consideration obviously. But there's a more strategic partnership. We talked a lot here about scale, we talked a lot about price pack architecture. Those are the things to me that are really unique about our value proposition that are quite different from some of the competitors in the market. And so I'm in the market every day. I take them seriously. I respect them. But I think we have something that's really unique and different and we bring that differentiated value to our customers. And so we're very confident in that and we're really happy to apply all of those capabilities to help our customers win.

Jeff Zekauskas, J.P. Morgan:

I have two questions. The first is in your 2 to 3% volume growth, longer term, if you had to divide it up into beer, consumer soft drinks and energy drinks and other categories, how would you see that range of growth to get to your two to three? And the second question is for Howard. So if you look at Ball's share repurchase over the past five years, I think you've bought back stuff at maybe \$73 a share, and your stock price is lower than that. And if you compare it to the S&P, the corresponding S&P number is up, I don't know, 35%. So maybe a billion dollars versus the S&P tax effected has been lost. So I get it. And I'm playing devil's advocate a little bit. But I get it that you can increase your earnings per share by buying back shares. But how do you determine whether it's a good idea or not? That is, if you continue to underperform, do you stop? In other words, what criteria will you use to determine whether it's successful? You have a low volume growth rate, you have a high multiple, isn't it intrinsically a risky activity?

Dan Fisher, Chairman & CEO, Ball Corporation:

You want to take the first part? And I'll start answering the second part.

Carey Causey, SVP & Chief Growth Officer, Ball Corporation:

Okay. Yeah, there is no perfect slider there for exactly what goes into what, because we often think about it in terms of each region and each region's dynamics. But roughly looking at the partners that we have globally, two thirds of it's going to be beer and CSD. And if you look at what our split is by region, I think you'll see North America and Europe are heavy CSD and energy soft drinks. For us as a company, certainly South America is the outlier because it's a heavy beer business. So we have to rely on South America to kind of, for us, to lead that beer growth. Certainly there are growth coming from beer in North America and in Europe, but it's primarily that CSD and energy piece.

So energy as a category, is primarily can and continuing to grow. It slowed a little bit in North America, but it's still going gangbusters in Europe and other parts of the world. So we feel comfortable with that. And for CSD, I think as long as we're making sure that the can is a really viable option for the transition of PET, we're not asking our customers to sacrifice too much to move from that other package. We're going to continue to see that substrate shift. And in parts of the world where, again, there's population growth or disposable income growth, you'll see that shift beer again, will have to be driven mostly by our South American business.

Dan Fisher, Chairman & CEO, Ball Corporation:

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Yeah, I think I'll let him... Yes, obviously we're looking at intrinsic value. We're doing all the models, but when we were buying at \$73, it's not an insignificant point of demarcation for why we invested. We had \$400 million of EBITDA businesses, we had a \$250 million EBITDA Russia business. We didn't foresee that [*Russian business divestment*]. We didn't foresee the brand disruption that cost us \$175 million of EBITDA. So yes, is there risk in that? Of course there is. But there's a hell of a lot more belief in our ability to deliver the results moving forward and that our stock's going up, than anything. If you want to answer that question.

Howard Yu, EVP & CFO, Ball Corporation:

I think maybe more simple answer than that. It's like, hey, in the mid-\$60s, high-\$60s, do I think that there's plenty of runway to buy more shares back? The answer is yes. And is that something that we've committed to in the past and have we had a long history of buying back our shares? The answer is yes. Are we returning to that? Do we think that we're going to buy somewhere in the 4 to 6% range every year for the foreseeable? I think the answer to that is yes. Will there be a time where we can go ahead and perhaps ease off of the buyback and recognition that there's better capital deployment opportunities? Possibly. Today is not the time for us to be thinking that so boldly. I think for us, we want to go ahead and return back shareholder value, generate the free cash, make sure that we're doing that in the form of share buyback and dividends.

Mike Roxland, Truist:

Thank you for taking my questions and congrats on the progress thus far. Mike Roxland from Truist. Sorry about that, Dan. I'm wondering if you could just provide a little bit more color on the Ball business system and lean manufacturing. What type of projects are you currently doing in the plants themselves to improve efficiency, to drive costs out? Is it automation? Is it AI? And also, what have you learned from your new European plants that you could apply here and elsewhere to also improve efficiency?

Dan Fisher, Chairman & CEO, Ball Corporation:

Awesome. Ron.

Ron Lewis, SVP & Chief Supply Chain and Operations Officer, Ball Corporation:

Okay. Thanks, Dan. Thanks Mike, for the question. What are some of the things that we're doing? Within the manufacturing environment if we took you to a plant in North America, for example, you're going to see a operator who has a workstation that they can look and see live, how they're performing, how the machines that they're operating are performing each and every second. So that's an example where they're much more able to manage their work on a really, really regular basis.

As it relates to artificial intelligence, machine learning, that sort of thing. The only thing that I would say, or probably the most valuable thing we can do is with respect to our planning, demand planning and supply planning. I would say we're very, very early in thinking about how to approach that. We are not the bleeding edge of artificial intelligence in our business, but that's where I think we can see... I said we've made a lot of progress. We took a lot of inventory and cost out of our system, but we did it in sort of a blunt force way. And I think we need to take a much more scientific approach to it. And I think that's where we can use it to the benefit of ourselves and our partners.

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Dan Fisher, Chairman & CEO, Ball Corporation:

So AI application, it's always been about the predictability of our customers, knowing what the heck they're going to sell, that demand profile. It's like that's a wonderful opportunity for us to tap in. And folks like the large CSD providers, the large beer houses, they're working on those things right now, so we can benefit from that. That gives Ron's organization more predictability in terms of line changes, scheduling, reduced labor, in terms of the overtime component. Some of that, it's all going to add up.

And then the machine learning piece where you could see some opportunity is it could provide you with an opportunity for more uptime and less M&R changeovers. But all of that requires a staggering amount of cleansing of the data and the repeatability of all the machines that look and feel similar or have the same ID code. They're not all running at the same rateable speed because there's been alterations to these machines for 20 or 30 years.

So this is the approach about the standardization, it goes all the way into being able to take advantage of the technology that's coming toward us, but we got to step into it because we've got all the data you'd ever want. But is it good enough to feed the engine, to provide you with insights that you can take action on to really drive efficiencies? We're making those changes and making those moves, but I think the procedures and the standardization and the Ball operational excellence piece is going to help us get to those tools that you you're speaking of.

Ron Lewis, SVP & Chief Supply Chain and Operations Officer, Ball Corporation:

Can I just add? Just give you a couple of examples. We produce 110 plus billion cans, bottles, ends every day [*annualized production figure*], like applying inside spray in a gold standard way, we need to do that everywhere. We need to do label changeovers in a gold standard way. Those are the kind of principles that we're trying to bring into our plant. I'd encourage you to come to Rome, Georgia. It's not too far away from you. Let's go see that plant or see any one of our plants. You will see the shift handover meetings in a consistent discipline process-oriented way. You will see team-to-team members, how they hand-overs. So the management systems that we're trying to embed and put in place are very consistent. I'm super proud of that team that's done that work, and that's what we're working across all of our supply chain operations to bring that same, if it's done one way it's done the same way everywhere.

Brandon Potthoff, Head of Investor Relations, Ball Corporation:

And we have time for one more question. So this will be our last then I'll hand it back to Dan when it's done.

John Dunigan, Jefferies:

Thanks guys. Really appreciate the question. John Dunigan from Jefferies. Talked a lot about the operational efficiency initiatives you're putting in place. It's great to hear. But you did touch on, I feel a little briefly on some M&A opportunities, potentially bolt-ons and I think mentioned aerosol, the aluminum aerosol as having some opportunities. But just wanted to see if I could get a little bit of a further breakdown of what opportunities you see across your markets, end markets, regions and specifically, sorry, relatedly, if there's any opportunities on organic investments in your beverage can business in any particular region that may be getting a little bit tight at this point as things in some particular regions look pretty solid right now. Thank you.

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Dan Fisher, Chairman & CEO, Ball Corporation:

Yeah, great questions. So maybe just at a high level, just talk about aerosol, it's embedded in our other segment. It's done extraordinarily well. And I think I'd ask you to go back and reference the growth numbers, which are mid-single-digit plus on that business. You've seen a pretty steady conversion out of steel into aluminum in the aerosol business that's principally driving that. There's other unique beverage opportunities as it relates to reusability, that business has doubled its profitability over the last three years, and we think that's something we can continue to do over the next three years or the next six years.

But one of the things we're going to run into is we're going to be pretty full because we've absorbed a lot of that. So I think I would rather at the right price, and to your point, the world's pretty disruptive, I would rather find a pathway maybe to acquire some assets that have scalability than potentially doing all of it in the organic way. And that's a really fragmented marketplace. One that we have a global presence. And what's unique about our business, we're vertically integrated. We actually have foundries that make the slugs, so we can control the alloy composition and the addition of recycled content in that, which continues to further differentiate it as the folks at Unilever and P&G and Beiersdorf all want something to improve their carbon footprint. That business is well positioned in the personal care space to do that.

So there are a number of opportunities in that space. Obviously you have to have a buyer and a seller and all of that, but I wouldn't be surprised to see us... And that's well within our CapEx envelope, our free cash flow envelope, all of that. And so I think we could do all the things up here, but that gets you to the higher end of the bar. When I talked about the 10 plus EPS, those are the things that contribute to the higher end of that, and those are available.

On the beverage side. Yes, there are regions of the world that we don't operate in today. We have joint venture structures that could alter to us having a majority position, for instance. There are other smaller opportunities in parts of the world that we're interested in. But again, there's no transformative M&A activity. But there is opportunities, and there are people that in some instances, probably, we're a better owner for their assets than they are. And so we'll be opportunistic in that regard. But those are, again, not really significant in nature, but they're all a compounding effect, that gets you to the plus side of that equation. So thanks for the question.

Brandon Potthoff, Head of Investor Relations, Ball Corporation:

That was our last question. So Dan, I'll hand it back to you for any closing comments.

Dan Fisher, Chairman & CEO, Ball Corporation:

Right. Yeah. So thank you all. I know a bunch of folks that are busy here. I've got half of my team that's getting ready to run to an airplane and try to meet their family somewhere around the world for a summer vacation. So I hope you have a great rest of your 2024. We are super excited about the prospects of what we have as a business. I'm excited about my team. I'm excited about our 16,000 employees and certainly looking forward to talking to you more on our Q2 earnings, August 1st. There you go. I knew that. So thank you. All the best. Appreciate it.

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