

Ball Corporation (NYSE: BALL)

Q3 2026 Earnings Call Transcript

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Ball

2

Brandon Potthoff
Head of Investor Relations

Good morning, everyone. This is Ball Corporation's conference call regarding the company's third quarter 2026 results. During this call, we will reference our third quarter 2026 earnings presentation available through this webcast and on our website at investors.ball.com.

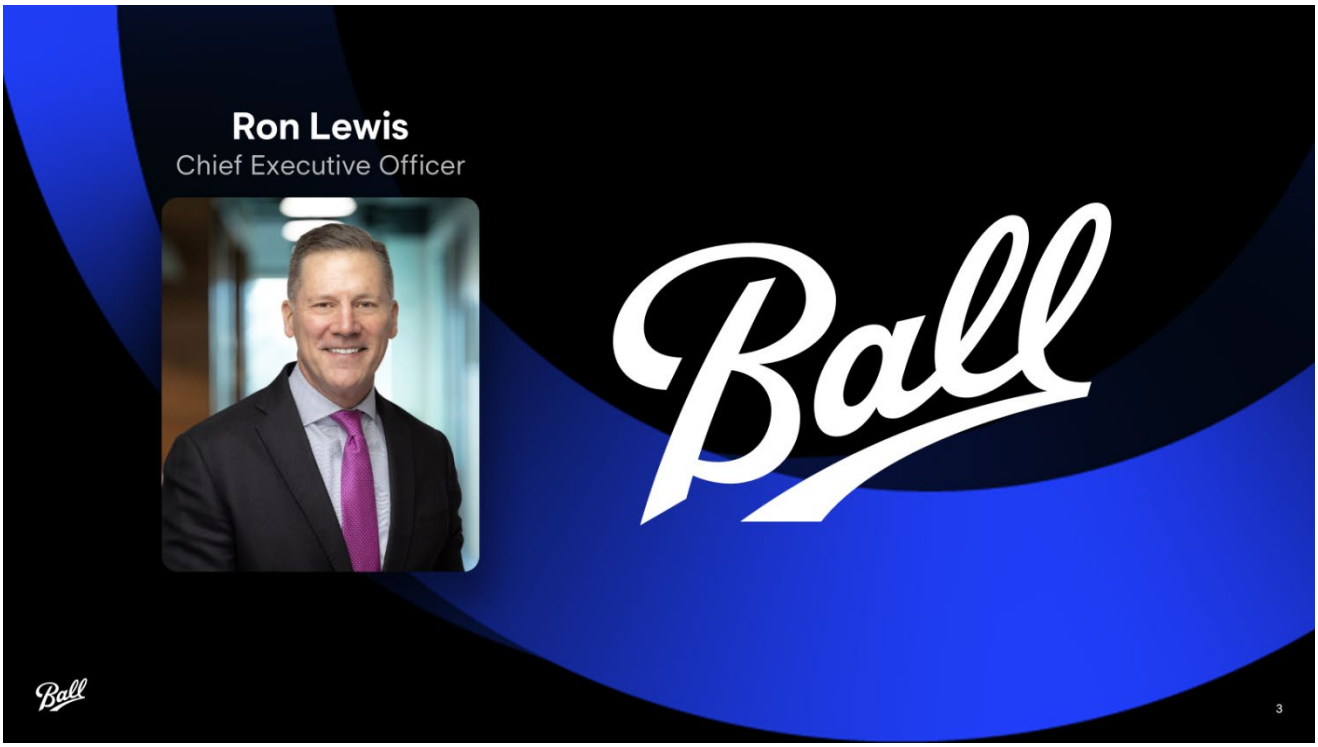
The information provided during this call will contain forward-looking statements. Actual results or outcomes may differ materially from those that may be expressed or implied. We assume no obligation to update any forward-looking statements made today.

Some factors that could cause the results or outcomes to differ are described in the company's latest Form 10-K, other SEC filings, and in today's earnings release and earnings presentation.

If you do not already have our earnings release, it is available on our website at ball.com. Information regarding the use of non-GAAP financial measures may also be found in the notes section of today's earnings release.

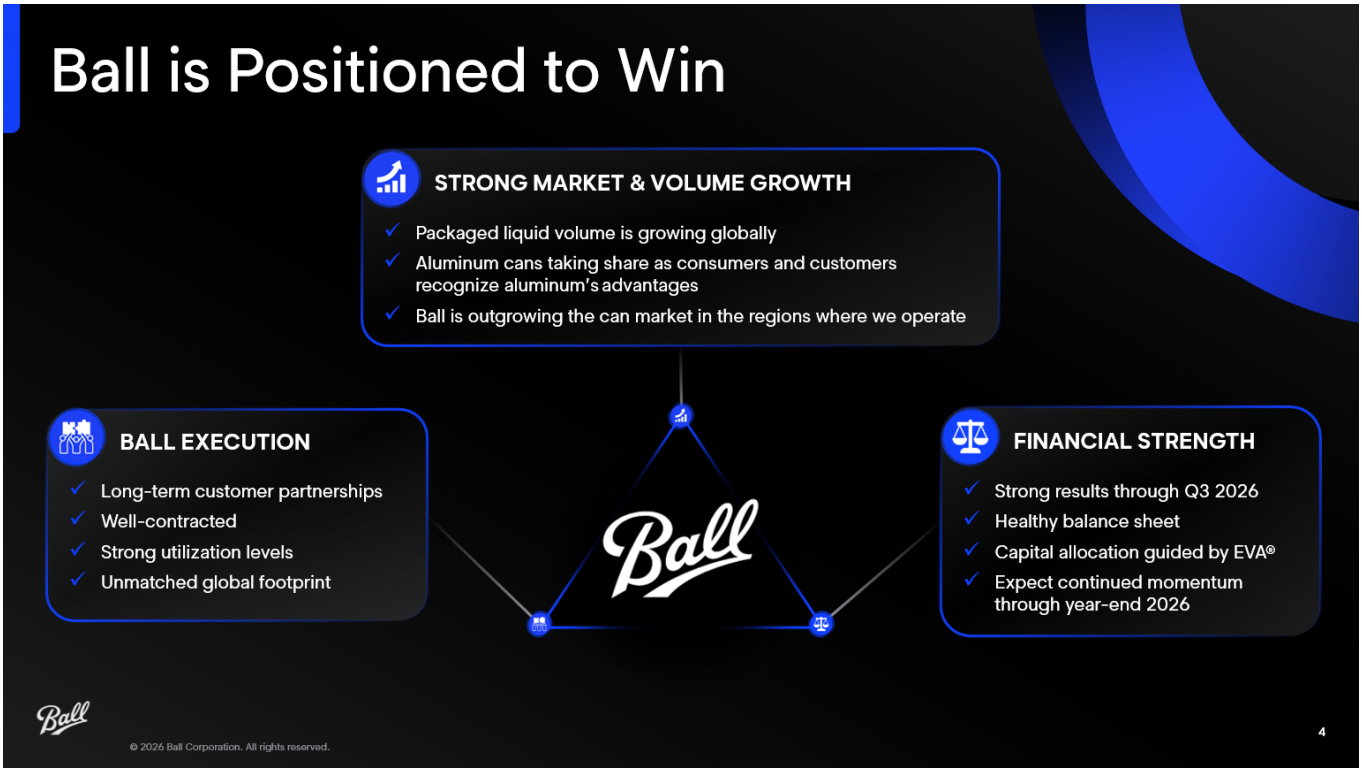
In addition, this presentation and the release include a summary of non-comparable items as well as a reconciliation of comparable net earnings and diluted earnings per share calculations.

I would now like to turn the call over to our CEO, Ron Lewis.



Ronald J. Lewis
Chief Executive Officer & Director

Thank you, Brandon. Today, I am joined on our call by Dan Rabbitt, Senior Vice President and Chief Financial Officer. I will provide some brief introductory remarks and discuss third quarter and year-to-date 2026 financial performance and our outlook for the remainder of 2026. Dan will touch on key metrics and then we will finish up with closing comments and Q&A.



We continue to make progress toward our long-term value-creation goals.

The fundamentals supporting our current performance and long-term opportunities remain strong. Packaged liquid volumes continue to grow, and aluminum cans continue to gain share as customers and consumers increasingly value convenience, performance and sustainability. These trends continue to support beverage can growth across each of our regions.

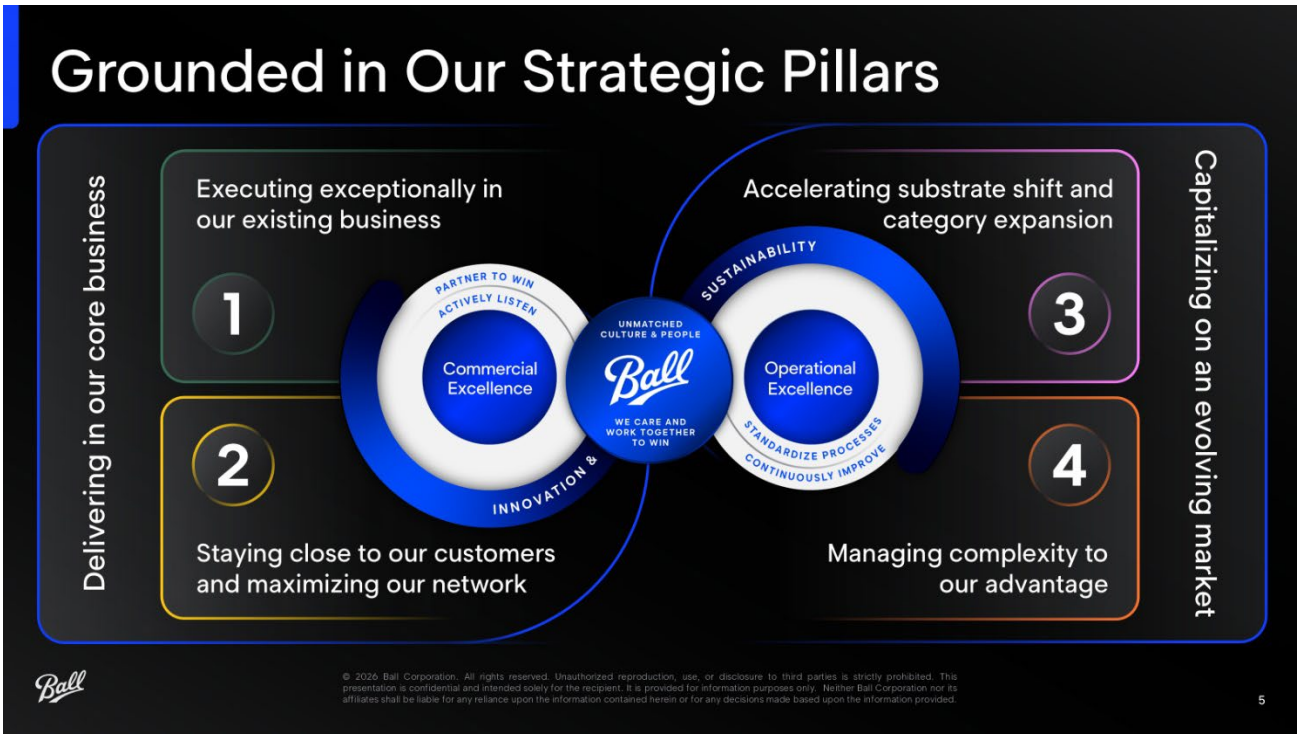
Ball remains well positioned to benefit from our long-term customer partnerships, a well-contracted portfolio, EVA mindset and unmatched global footprint. Together, these advantages have supported high utilization and volume growth above our long-term global target of 2 to 3 percent. We continue to see attractive opportunities to grow volumes and create value through disciplined, EVA-accretive investments.

Our recently announced facilities in India and Germany are part of that strategy and will position us to support customer growth and drive continued volume and EVA growth through the end of the decade.

Our financial discipline will continue to be front and center as we focus on driving shareholder value. A healthy balance sheet and capital expenditures averaging depreciation and amortization over time give us the opportunity to continue returning value to shareholders through dividends and share buybacks.

Operationally, we remain focused on steady progress. Standardization, cost discipline and the Ball Business System are helping us to reduce complexity, improve productivity and build a more repeatable operating model as volumes grow.

With attractive industry fundamentals, strong customer relationships, disciplined execution, financial strength and an operating system built for continuous improvement, Ball remains well positioned to deliver on our 2026 objectives and drive long-term value for shareholders.



Our performance reflects the strength of our business and the disciplined execution underway across Ball.

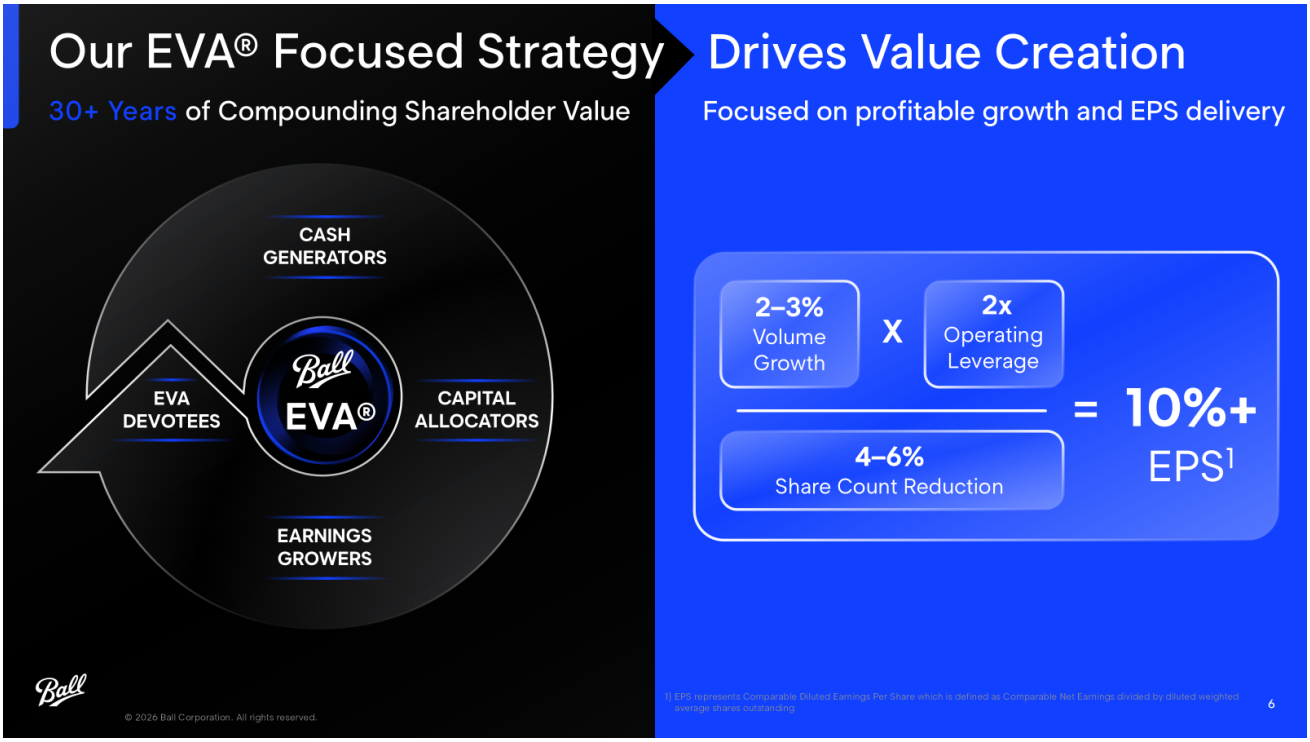
The strategy we have discussed in prior quarters remains clear and grounded in four strategic pillars.

First, we remain focused on executing in our core business. Second, we stay close to our customers and maximize the strength of our global network. Third, we continue to accelerate the substrate shift to aluminum and expand into targeted categories. Fourth, we manage complexity to our advantage.

We also recently announced leadership changes in two of our beverage businesses, with Carey Causey taking leadership of our North and Central America and Scott Vail taking leadership of our EMEA business.

Both bring significant commercial and operational experience, and I'm confident they'll continue strengthening our customer partnerships while driving disciplined execution across these businesses.

Again this quarter, our people connected to our strategic pillars through the Ball Business System. They have done an excellent job supporting our customers and managing strong growth through the summer selling season in North America and EMEA, while preparing for the upcoming summer selling season in South America.



The combination of continued demand growth for aluminum packaging, our strategy and the Ball Business System is designed to drive EVA dollar growth and support comparable diluted EPS growth of 10-plus percent over the long term. These outcomes align how we are compensated with how we create value for shareholders.

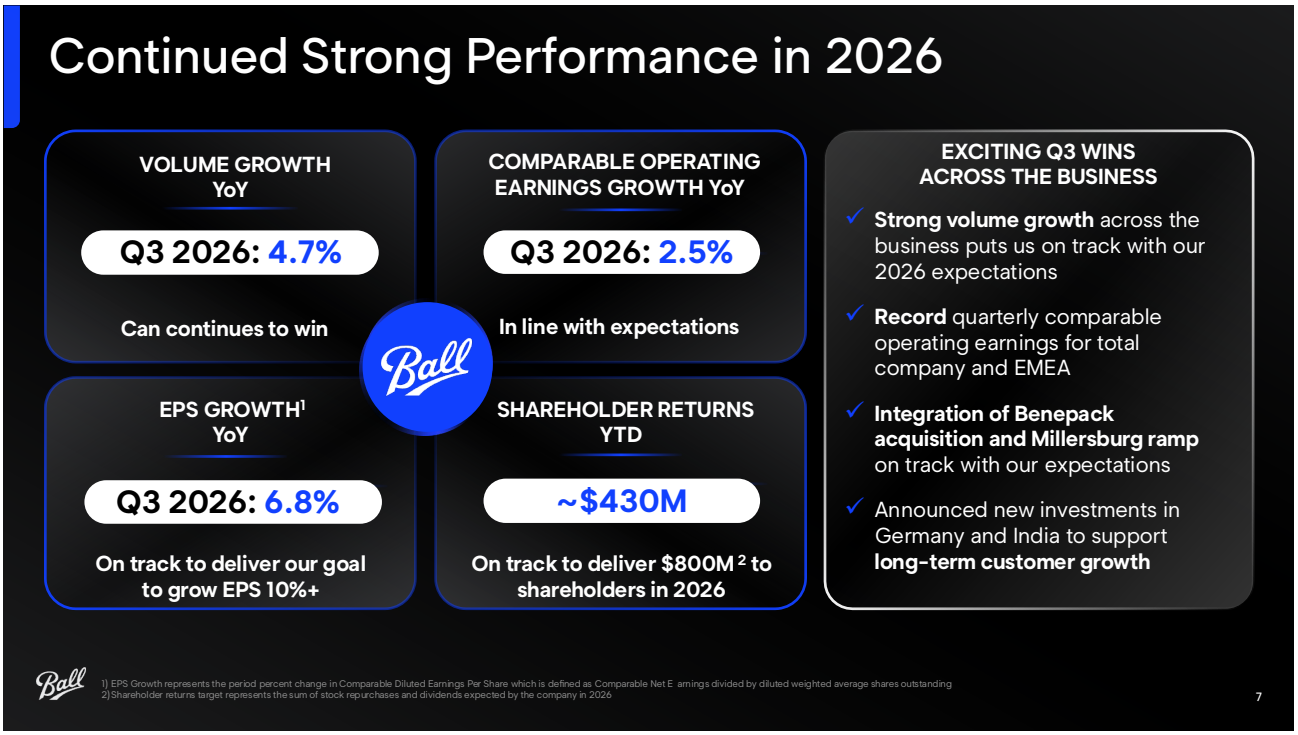
Our long-term financial framework remains clear. We are focused on growing comparable operating earnings 4 to 6 percent through volume growth and operating leverage, while consistently returning capital to shareholders through share repurchases. Together, those actions support our long-term target of delivering 10-plus percent comparable diluted EPS growth.

Growing EVA dollars requires disciplined investments that generate returns above our cost of capital.

This approach has been central to our long-term value creation and should provide additional opportunities as volumes grow across our geographic footprint. With that context, I would like to provide more detail on our investments in India and Germany.

Starting with Germany, we continue to see strong growth in Europe, including demand associated with a strategic energy drink customer. Our long-term partnership, contractual commitments and attractive EVA returns support our investment in a multi-line facility in Baruth, Germany. We expect the facility to be ramping up in late 2028. As we announced via press release last month, we will also be investing in a multi-line facility in Uttar Pradesh, India.

The plant will further expand our manufacturing footprint in India and is expected to be operational in 2029. India continues to be one of Ball's most exciting growth markets, and this investment reflects our confidence in the country's long-term economic potential and the continued growth of aluminum packaging.



Turning to our third-quarter results, we continued to build on the strong performance we discussed last quarter.

Global volumes improved 4.7 percent year over year, with growth in each region reflecting continued momentum across our portfolio and keeping us on track to exceed the full-year volume outlook we outlined earlier this year.

Comparable operating earnings grew 2.5 percent year over year, supported by disciplined cost management, commercial performance and continued progress through the Ball Business System, including record comparable operating earnings for both Ball as a whole and our EMEA business, even as we absorbed the previously discussed North American start-up costs.

Comparable diluted EPS increased 6.8 percent, reflecting comparable operating earnings performance and disciplined capital allocation. Our first-nine-month performance reinforces our confidence in delivering 10-plus percent comparable diluted EPS growth for the full year.

We remain focused on shareholder returns and are on track to return at least $800 million to shareholders in 2026.

Operationally, we continued to advance our priorities, including integrating the two plants we purchased in Hungary and Belgium to expand EMEA capacity and

continuing to make progress on our Millersburg facility ramp up, which remains on track toward full capacity in 2027.

Overall, this was a strong third quarter and first nine months, reinforcing the resilience of our business and our confidence in the 2026 framework.

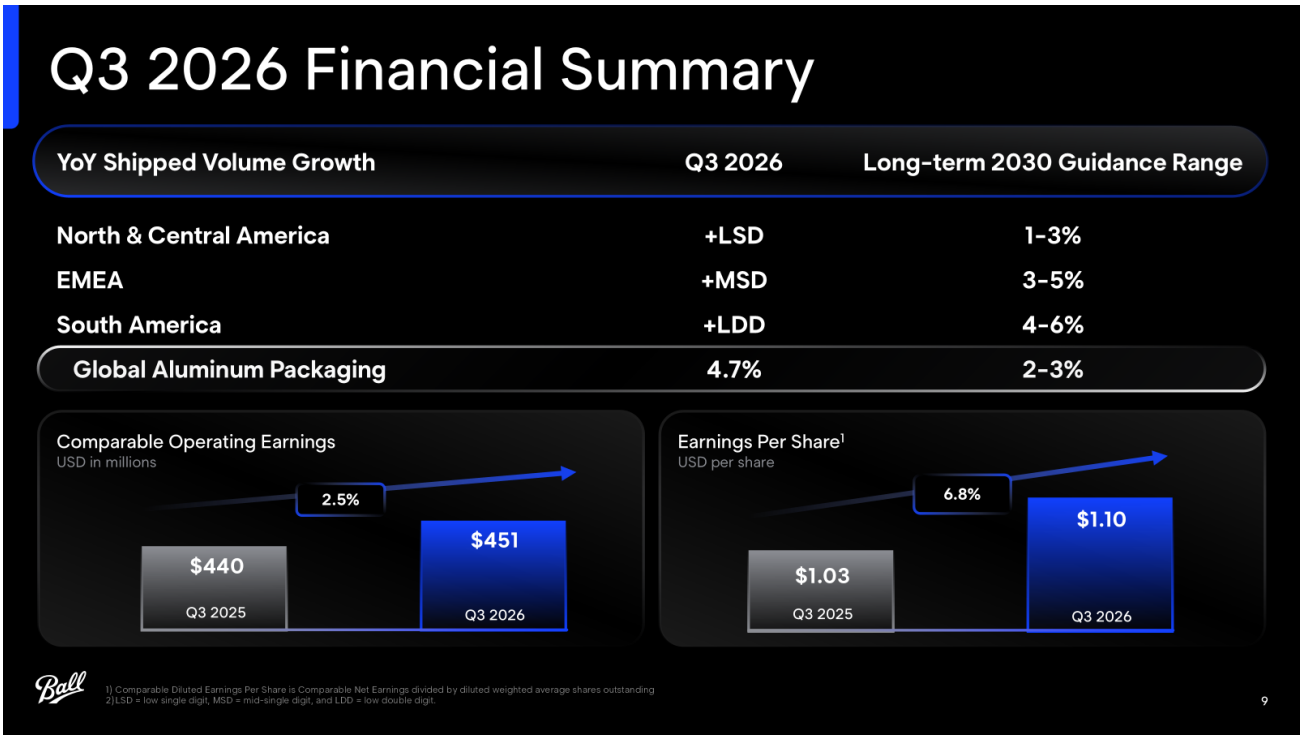
With that context, I'll let Dan walk you through the details of our third-quarter financial performance and provide more color on our expectations for the remainder of 2026.

Over to you, Dan.



Daniel J. Rabbitt
SVP & Chief Financial Officer

Thanks, Ron.



I'll start by walking through our third quarter 2026 financial performance and provide additional context on the first nine months of the year and our expectations for the balance of the year. The business continues to perform well. In the third quarter, global aluminum shipments increased 4.7% and year to date we have grown our volumes 3.4%. Our performance is supported by growth across each business unit and, as Ron mentioned, puts us ahead of our 2-3% global volume expectations.

As Ron also noted, third quarter comparable operating earnings increased 2.5 percent year over year, and comparable diluted EPS increased 6.8 percent. On a year-to-date basis, comparable operating earnings increased 6.4 percent and comparable diluted EPS increased 14 percent. The quarterly and year-to-date performance remains consistent with the financial framework we laid out for 2026.

In North and Central America, volumes increased low single digits year over year, consistent with our expectation for full-year growth at the low end of our long-term 1 to 3 percent range. Demand remained constructive in energy drinks and non-alcoholic beverages.

Segment comparable operating earnings declined 2.3 percent year over year, as higher costs, including approximately $10 million of costs related to starting up Millersburg, were partially offset by favorable volume and price/mix primarily from metal passthrough timing.

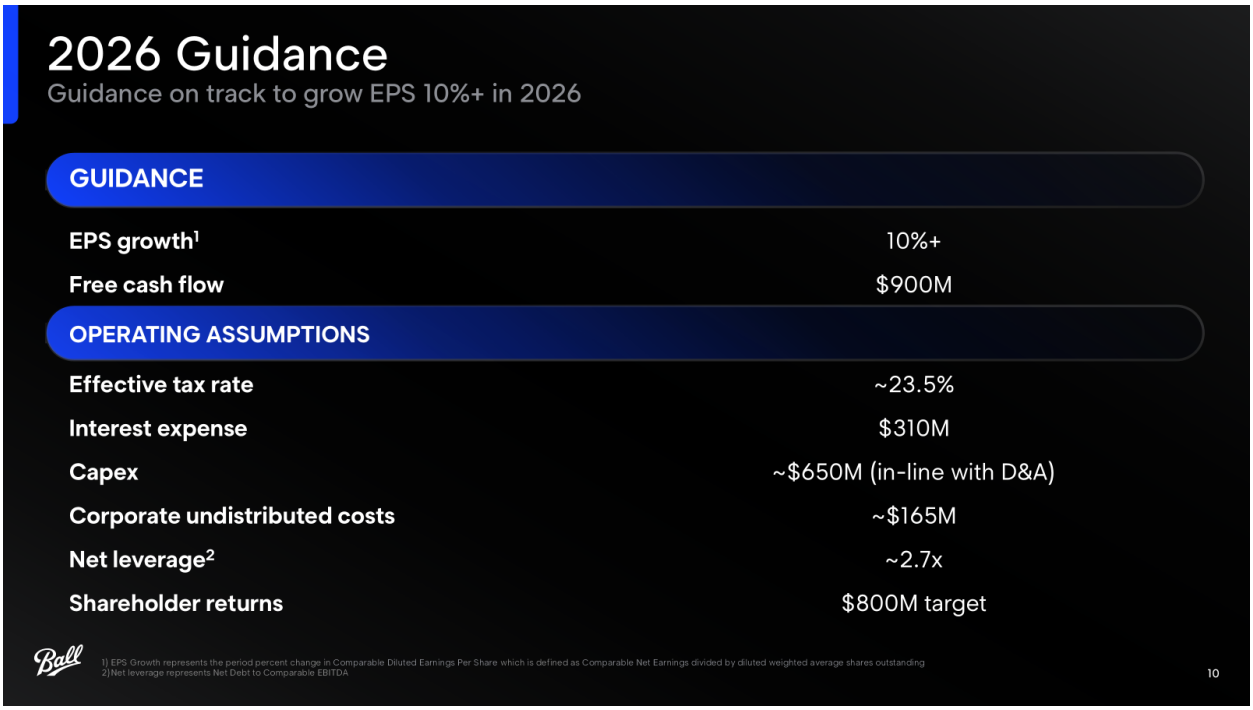
We now expect full-year costs related to starting up Millersburg to total approximately $25 million. Adding further color on the fourth quarter, we expect the metal passthrough timing that we experienced in the third quarter to reverse in the fourth

quarter impacted by metal price declines and timing with our large customers who procure their own metal.

In EMEA, volumes increased mid-single digits year over year, supported by underlying demand and the contribution from the two plants we acquired in Hungary and Belgium, partially offset by last year's sale of our Saudi Arabian business. Third-quarter segment comparable operating earnings increased 3.7 percent and have increased 9.1 percent year to date. Third-quarter results reflect higher volumes and favorable price/mix, partially offset by higher costs. We also continue to make progress integrating the Hungary and Belgium facilities. For 2026, with the inclusion of these newly acquired plants, we continue to expect volume growth above the top end of our long-term 3 to 5 percent range. I also want to congratulate our EMEA team for delivering record-high quarterly comparable operating earnings.

Their consistent performance over many years set the foundation for this record quarter. I look forward to many more record quarters and years to come for this part of our business.

In South America, volumes increased low double digits year over year as the business continues to see strong volume growth across the region. Third quarter segment comparable operating earnings increased 19.5 percent and year to date have increased by 24.2 percent. Third quarter results reflect higher volumes and favorable price/mix. Looking ahead, we expect volume growth in the middle of our long-term 4 to 6 percent range in 2026.

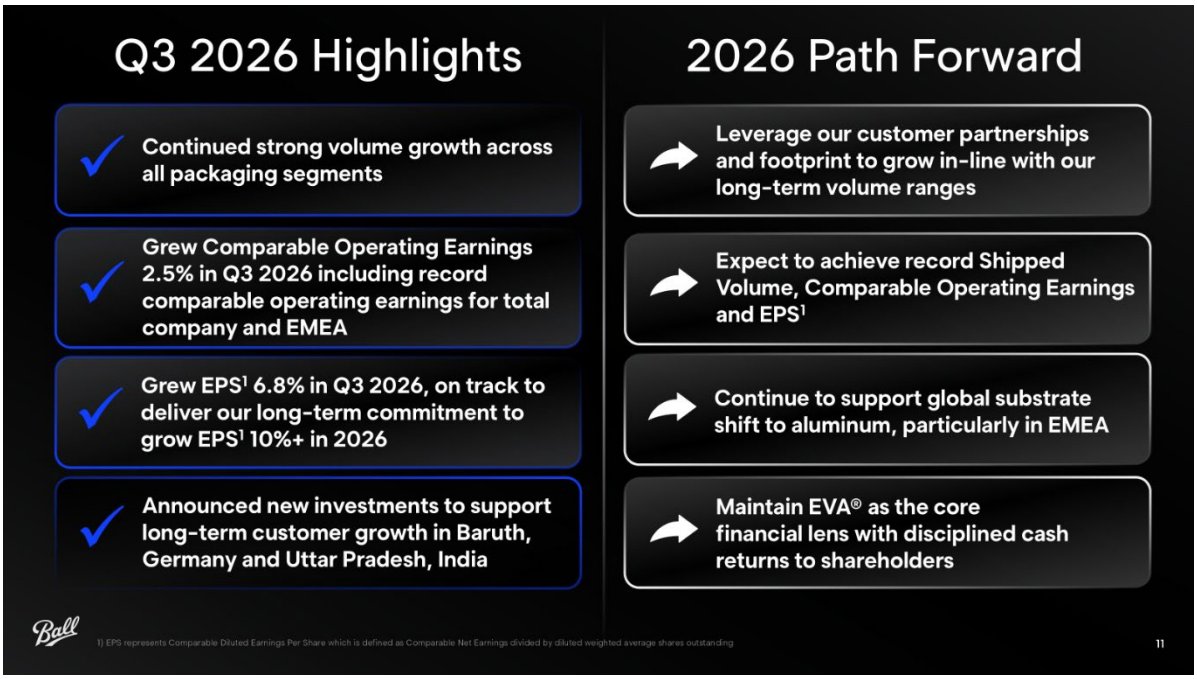


Focusing on modeling details for 2026:

As Ron noted, the resilience of our business and stability provided by our contractual passthrough mechanisms give us confidence that we remain on track to deliver 10-plus percent comparable diluted EPS growth in 2026.

- CAPEX is now expected to be 650 million dollars in line with GAAP D&A in 2026
- With the higher CAPEX expectations we anticipate free cash flow in the range of 900 million dollars
- Our 2026 full-year effective tax rate on comparable earnings is expected to be slightly above 23 percent
- Interest expense is expected to be in the range of $310 million
- Reported adjusted corporate undistributed costs recorded in “other” non-reportable are expected to be in the range of $165 million
- We anticipate year-end 2026 net debt to comparable EBITDA to be 2.7x, and we will repurchase at least $600 million of shares which will bring our total capital returned to shareholders to approximately $800 million
- And, last week, Ball’s Board declared its quarterly cash dividend

With that, I’ll turn it back to Ron.



Ronald J. Lewis
Chief Executive Officer & Director

Thanks, Dan. To close, Ball is well positioned to win. Packaged liquid volumes continue to grow, aluminum cans continue to gain share and our strong customer partnerships and unmatched global footprint position us to capture that growth and deliver value to our customers and shareholders.

We are focused on disciplined execution across our business. Through volume growth, operating leverage and the Ball Business System, our long-term objective is to grow comparable operating earnings 4 to 6 percent annually. At the same time, our EVA mindset guides how we invest in our business and return capital to shareholders through consistent share repurchases. Together, these drivers support our long-term target of delivering 10-plus percent comparable diluted EPS growth.

Our investments in Germany and India are examples of that approach. They are supported by long-term customer demand and attractive returns, and will position us to drive continued volume and EVA growth through the end of the decade.

We have attractive industry fundamentals, strong customer relationships, a healthy balance sheet and meaningful opportunities to improve how we operate. We remain confident in our 2026 outlook and in our ability to create value for our shareholders over the long term.

Before we open the call for questions, I want to thank our employees around the world. Their disciplined execution, commitment to our customers and focus on continuous improvement are what make this performance possible.

With that, Dan and I will be happy to take your questions.

Question and Answer

Operator

[Operator Instructions] Our first question comes from the line of Ghansham Panjabi with Baird.

Ghansham Panjabi
Robert W. Baird & Co. Incorporated, Research Division

Ron, just first off on the higher inflation dynamic impacting your customers from an operating cost standpoint. Obviously, everyone in the supply chain, including you, how do you think that evolves as it relates to volumes and their focus on volumes versus price? Obviously, it hasn't impacted you so far this year, but certainly, costs are up quite a bit sequentially in context of consumer already struggling with affordability. So how do you see that netting out?

Ronald J. Lewis
CEO & Director

Ghansham, thanks for the question. I hope you're well. What I would say is we're not macroeconomists here. The can is winning. It wins in all of our geographies as evidenced by a really strong volume growth again this quarter and this year on top of a really strong quarter last year and a strong year last year.

So the can has a number of attributes. It's incredibly robust in the supply chain. It sells well as a single package, and it delivers great value to consumers on behalf of our customers in a multipack format. So again, it continues to win and it continues to deliver great value to consumers. So we think really positively about the opportunity for the can to continue to win regardless of the sort of macroeconomic backdrop.

Ghansham Panjabi
Robert W. Baird & Co. Incorporated, Research Division

Okay. And on that, every -- it seems like every major company seems to be focusing on introducing ready-to-drink cocktails and so on and so forth. Can you just share your thoughts on whether you think that category could be a needle mover for the industry? And also, how are you positioning to capitalize on that?

Ronald J. Lewis
CEO & Director

Thanks, Ghansham. I would say we love all of our customers the same. We love when they sell their products in our cans. And so I think regardless of the category, innovation is a key to growth for them, and we help them innovate by delivering the broadest array of different sizes and shapes of cans in our industry. So that category you're speaking of specifically appeals more towards the 12-ounce or 330 ml or 355 ml sleek package, and that's how we aim to deliver that innovation for them.

Can it be a needle mover? I think all consumers are looking for innovation. They're looking for an opportunity to try something new. And I believe in the long term, our customers are going to find ways to innovate and deliver great-tasting products to the consumer.

Ghansham Panjabi
Robert W. Baird & Co. Incorporated, Research Division

Okay. And just to clarify, how big is RTDs as a percentage of the industry at this point, volumetrically?

Ronald J. Lewis
CEO & Director

It's less than 5%. It's single digits. So it's not huge at the moment, but it is gaining share.

Operator

Our next question comes from the line of Anthony Pettinari with Citi.

Anthony James Pettinari
Citigroup Inc., Research Division

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You had really good double-digit growth in South America in 3Q. And I'm just wondering, as we kind of move into the high season, if you can talk about what you're seeing and expectations for fourth quarter and maybe what you're seeing between sort of the Brazil and non-Brazil regions?

Ronald J. Lewis
CEO & Director

Sure thing. First of all, it gives me the chance to say how pleased we are and how proud we are of our South America team and the business that they're delivering for us this year. So we're really proud of where they've come from. And that team and our business there is really well positioned to navigate the ups and downs that we see sometimes in South America. So we're super confident in their ability to deliver going forward.

Our strong volumes, I think, this year could be attributed to our customer portfolio, which I think is unrivaled and envied by everyone else. So we're really pleased that we get to serve our customers. It's an incredibly broad business in South America, not just Brazil, but all of the other markets that we have in South America, especially the Southern Cone. Basically, if you take Brazil and the rest of our markets, they all grew in total double digits, and they were more or less in line with one another. If you take the balance of the countries outside of Brazil and Brazil, we grew double digits.

How do we feel about the balance of the year coming into the summer selling season? We think we'll be much more back in line. Instead of double digits, we'll be in within our 4% to 6% long-term outlook for volume growth, and that's the way the quarter is starting. It's starting quite well there, right in line with what we expect.

Anthony James Pettinari
Citigroup Inc., Research Division

Got it. Got it. That's very helpful. And then just thinking about the broader business, I understand you're not giving guidance, but is there any kind of early thoughts on '27 and whether you have any particularly like higher or lower level of contract renewals in any region? Or -- you obviously had very strong above-target volume growth this year. We had a World Cup. Is next year maybe a tougher comp? Or just kind of any early thoughts or any kind of things we should keep in mind as we look to '27?

Ronald J. Lewis
CEO & Director

Yes, sure. Thanks, Anthony. I would say -- if we go back, number one, we have grown volumes the last 7 quarters in a row. 2025, we grew 4-plus percent, which is well above our 2% to 3% long-term outlook. And on top of that relatively challenging volume growth, we will deliver above our long-term outlook again this year. So really strong volume growth across all of our businesses. And Q4 is shaping up the exact same way. As we think about 2027, we are well contracted. There's nothing significant up for renewal. And everything that we see from our customers is that we'll see certainly in line with our 2% to 3% volume growth, we're confident that long-term outlook will be delivered in 2027 as well across our business.

Operator

Our next question comes from the line of George Staphos with Bank of America.

George Leon Staphos
BofA Securities, Research Division

I wanted to spend the first question on cash flow. Ron, if you could talk to us and Dan talk to us about the outlook as much as possible for CapEx next year with Germany now coming on, would you expect that CapEx can be kept in line with D&A? Or will it necessarily be higher? You said CapEx in line with D&A over the course of the cycle, so that doesn't mean quarter-to-quarter and year-to-year. But I want to see what thoughts you could share there.

And relatedly to cash flow, maybe it's just timing, but working capital seems to be a bit more of a headwind thus far in the year. Now the free cash flow guide, the trim is associated with the CapEx, that implies that working capital will be normalized by the fourth quarter, but I want to see what you have to say there. And then I had a couple of follow-ons.

Ronald J. Lewis
CEO & Director

Great. Thanks, George. Why don't we let Dan tackle those first 2?

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Daniel J. Rabbitt
Senior VP & CFO

Yes. I think the first question was about cash flow and CapEx and the second one was about working capital. We start with free cash flow. Obviously, we have higher capital spending this year, as you noted. We made a point of calling out $650 million of CapEx this year, which is at the depreciation and amortization rate. And with that, we felt good about being around the $900 million of free cash flow.

I think the second part of that question was about working capital in particular. And I think you answered a little bit on how I will answer it is that we do expect it to start to normalize a little more in the fourth quarter. We've had higher inventories throughout the year, really to support the growth, and there were some challenges in our supply chain when the year started. So we do think we'll bring it back in line by the end of the year.

George Leon Staphos
BofA Securities, Research Division

Dan, part of the question was also next year on CapEx with Germany and India, where would you peg it relative to depreciation?

Daniel J. Rabbitt
Senior VP & CFO

Yes. The '27 outlook is -- we're doing our budget still right now. But we've been operating kind of with this targeting depreciation and amortization spending over time. That kind of puts us in an 80% to 120% band in reality on how it will flow through. So I think you can expect it to come in somewhere midpoint to a little above next year in that range.

George Leon Staphos
BofA Securities, Research Division

Okay. That's fair. And then last one for me, and I'll turn it over. Look, in aggregate, the performance was in line, better. Just curious in Europe, margins were a little bit weaker than we were looking for. How did European margin trend versus your expectation? And if you can just quickly, Ron, touch on the management transitions that you had mentioned with Carey gaining a little bit of additional responsibility, that would be helpful.

Ronald J. Lewis
CEO & Director

Thanks, George. So from a European perspective, we are growing above our long-term growth outlook, just like we did last year. So again, we are very tight, just like we were in North America. So we're above that 3% to 5% when we say mid-single digits for this quarter and the year, we're above the 5% growth. And that's why we were really pleased to be able to acquire these 2 plants in Hungary and Belgium. But the fact of the matter is they are not fully operational running 24/7, delivering all of the cans that they have the ability to deliver right now. So that growth has created operational friction just like it has in North America. So that's primarily where we see the challenge. And then as far as our -- does that answer your question, George, on that topic?

George Leon Staphos
BofA Securities, Research Division

It does very well. And on the management transitions?

Ronald J. Lewis
CEO & Director

Yes. So look, our culture, the culture of Ball is a culture of ownership. And our businesses own their results. That's the first thing I would say. And both Carey Causey and Scott Vail are proven operational and commercial leaders with really strong experience within Ball. I'm really confident in both of them. And I think more importantly, the teams that they lead and the ownership that they have of their businesses serving our customers. Again, what I'd want you to take away from anything we do in this company relative to our leaders is driving this culture of ownership.

Operator

Our next question comes from the line of Edlain Rodriguez with Mizuho.

Edlain S. Rodriguez

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Mizuho Securities USA LLC, Research Division

Just one quick one on EMEA, like Europe. Volume clearly is strong, but everyone seems to be adding capacity to meet that demand. Like any concerns that if demand slows down a little bit, like there might be excess capacity down the line?

Ronald J. Lewis
CEO & Director

Yes. Thanks for the question. Let me start by saying what I say most times, which is Europe is a land of opportunity. It's a land of opportunity because can penetration is relatively low in that geography versus other geographies that we operate in. Our customers are making significant filling investments, can filling investments. So there is real physical evidence of the demand that's required in order to build these plants.

And sustainability as opposed to perhaps other geographies in the world is a real tailwind there, and it continues unabated. So that's the backdrop. It's a very positive market dynamic that favors growth.

For us, I can just say that in the long run, we invest when our customers ask us to invest on their behalf for their growth. And the way they ask us to do that is through long-term offtake agreements that allow us to deliver an EVA accretive project on behalf of our shareholders. So that's what I would say about that.

The other thing I would say in Europe is these projects take time to build. There is a natural governor on building in a geography like Europe, where there's lots of permitting and requirements to overcome. So I feel very confident in our growth and the growth of the can in Europe. Thank you very much for the question.

Edlain S. Rodriguez
Mizuho Securities USA LLC, Research Division

That makes sense. And another quick one. In terms of the regional volumes, like how did you do compared to the respective markets? Like did you do better or worse than the market?

Ronald J. Lewis
CEO & Director

Yes. You mean this past quarter, are you asking about?

Edlain S. Rodriguez
Mizuho Securities USA LLC, Research Division

This past quarter, yes. Yes, this past quarter.

Ronald J. Lewis
CEO & Director

Sure. Yes. So let me just start by saying the can is winning, and so are we. We've had 7 quarters of consecutive growth, and we expect growth in the fourth quarter kind of in line with where we are for 2026, and that's the way the year has started, and we expect similar growth for 2027 and beyond. 2025, again, we grew 4-plus percent, well above our long-term outlook. 2026 will grow above our 2% to 3% volume outlook. And I think we have, in the long run, an unrivaled customer portfolio and an advantaged network that allows us to win in the long run vis-a-vis the industry.

As it relates to the quarter itself, let me just take a quick spin around the quarter around our regions. In North America, as we've said, we are capacity constrained. It's why we're building a plant in Millersburg, which I'm really proud to say is up and running now. So we're excited about that. But we probably grew right at our range, which is 1% to 3%. And I think you can check the data yourself, but the market in North America actually grew stronger than that.

In Europe, we were, again, above our long-term outlook and above our long-term outlook for the industry. So we grew at least in line and maybe a little stronger than the industry. And in South America, we clearly outperformed, again, due to our unrivaled customer portfolio and the team that drove great operational efficiency and success in that market.

Overall, I think we were representative of the industry across the geographies. Again, 2026 will be above our long-term outlook, cycling a really strong 2025. And in the long term, we will win because of our customer portfolio and our unrivaled network of plants and the people that run them.

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Operator

Our next question comes from the line of Phil Ng with Jefferies.

Philip H. Ng
Jefferies LLC, Research Division

Congrats on a solid quarter. I guess to kind of kick things off, I mean, you talked about some friction this year, whether it's in Europe and U.S., but encouragingly, Millersburg is up and running. Any update on Benepack as well? I think my focus is really how are you guys set up heading into 2027 to start the year? Are you kind of in a good spot operationally where we're going to see the type of operating leverage we're accustomed to seeing in North America and Europe based on where you are positioned heading into next year from an operations standpoint?

Daniel J. Rabbitt
Senior VP & CFO

Phil, it's Dan. I'm going to take this question. Thank you for the congratulatory note. You mentioned friction costs, and -- we mentioned friction costs and you repeated that. And what we have there is really the tightness is causing inefficiency in how we operate, right? So those are the friction costs. We're seeing that in both North America and EMEA. I think the Millersburg comes with some ramp-up costs. As you may recall, we've been talking about starting up costs this year. We've been calling out $35 million. We think that number is actually going to come in a little lower, around $25 million. We had $10 million in the quarter, so that implies another $10 million to go or so in the fourth quarter.

But I also would like to call out that we specifically experienced around a $20 million metal gain. You may recall that we saw commodity prices really run up quickly when the Iran war started. And now we're seeing them drop. So what you have there is what we will call a timing gain in the quarter that is looking like it's going to reverse out in the fourth quarter. Is there any other points that may have -- that you'd like me to address?

Philip H. Ng
Jefferies LLC, Research Division

Just really more so '27, Dan, are you positioned to have these friction costs behind you, I guess, whether it's the North America and Europe, where we would see the type of operating leverage you have delivered in the past to start 2027?

Daniel J. Rabbitt
Senior VP & CFO

I think it's safe to say it's really still too early to tell on that point specifically. I think with the guidance, Ron did talk about volumes looking good for next year. Capacity will still remain tight, but it is definitely still too early to make any call on that.

Philip H. Ng
Jefferies LLC, Research Division

Okay. And then from a backdrop where inflation is obviously heavy, you've managed reasonably well. Margin has been pretty solid. When we look out to next year, remind us how your PPI resets kind of kick in, in 2027. I know it's been a mismatch of sorts where you're on a 1-year look back. Is that an opportunity for North America? And similarly, in Europe, remind us how you're set up there from a pricing standpoint? Are you in a position to stay in front of inflation when we look out to next year?

Daniel J. Rabbitt
Senior VP & CFO

Again, for 2027, it's still really hard to call what the PPI will be for next year. What I can tell you in 2026, we're operating pretty well, though, with the good inflation pass-throughs in our customer contracts. So I feel like we're navigating this year very well.

Operator

Our next question comes from the line of Josh Spector with UBS.

Anojja Aditi Shah
UBS Investment Bank, Research Division

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It's Anojja Shah sitting in for Josh. First question, just kind of a modeling question. I think corporate was a bit higher than we modeled in 3Q, but you also reduced the full year guide for corporate. Was there something onetime going on in 3Q? What drove that?

Daniel J. Rabbitt
Senior VP & CFO

Nothing really to point out with. We -- it's where we make accruals for some of our incentive comp plans. But really, from our perspective, we look at everything is in line with our expectations when we put our budget together for 2026.

Anojja Aditi Shah
UBS Investment Bank, Research Division

Okay. And then is there any way you can give us a sense of the market growth that we're seeing in Germany right now? It sounds like your new plant there is related to a particular customer. But I think if I recall correctly, growth in Germany was a little behind other countries just because of their historical deposit law. Where is market growth now? And then also, did you think about maybe adding new lines at existing plants versus a greenfield? And why did you come out at a new greenfield?

Ronald J. Lewis
CEO & Director

Anojja, it's Ron. Thanks for the question. So we are really excited to build this plant in collaboration with one of our largest and certainly most strategic customers. So this plant is really not for market growth or has anything to do with the general market. It has to do with the long-term partnership we have with a customer who continues to experience incredibly strong growth across all of Europe and all of the world. So this plant won't serve Germany necessarily. It will serve broader Europe. And it's -- we're just -- I can't tell you how excited we are to build this plant on their behalf. We have a model in place where we've done this a number of times throughout the world. This will be our, I think, our fourth kind of through-the-wall plant for that customer.

Operator

Our next question comes from the line of Chris Parkinson with Wolfe Research.

Christopher S. Parkinson
Wolfe Research, LLC

Just an extension on the German facility, just kind of 2 questions. It seems like there could be 2 anchor customers or is it just one? And then understanding that it's not a play on the German market, once again, loud and clear on that. But at the same time, there have been, let's say, a decent amount of pressures across the glass industries. You've seen rationalization closures due to demand over capacity, carbon costs, I mean, you name it. I mean is this -- perhaps is there a preliminary kind of assessment where there could be an intermediate to longer-term opportunity and that perhaps if it's not just 1 anchor customer, if it's 2, that you could see other market dynamics evolving favorably. Is there anything else there? Or is it just, hey, we should think about it as one anchor customer and then that's it.

Ronald J. Lewis
CEO & Director

Thanks, Chris. And let me comment on Anojja's question as well. The German market is actually the largest it's ever been. So that's good news. They've grown back to a level of demand that is greater than it's ever been even before the deposit legislation, which came into effect decades ago. So it is a growing market, to your point as well in your second comment.

At the moment, this is one anchor tenant in this current plant, but we have a number of other facilities where we can add capacity. It's one of the exciting things about the 2 plants that we bought. There are opportunities for us to expand those facilities and other new plants that we've built in Europe.

We built a plant in the U.K., as you know, in Kettering and a plant in the Czech Republic in Pilsen, and those plants continue to grow into the capacity that we planned for them. So lots of opportunity, I think, in Europe, not only in this new greenfield plant, but also in the plants that we have in our network.

Christopher S. Parkinson
Wolfe Research, LLC

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Got it. And just as an extension of, once again, a prior question on the India side of it, once again, understanding that there are -- that capacity is being built with anchor customers. But just in terms of per capita aluminum consumption in terms of the market dynamics there, longer-term growth rates and the way that market has been perceived, let's say, historically saying it's difficult based on domestic and their competition. What's been changing there that gets you so exciting? Is it just the fact that you have high-end anchor customers? Is it the per capita consumption changes evolving favorably? Just any more insights there would be particularly helpful.

Ronald J. Lewis
CEO & Director

Thanks, Chris. Well, nothing has changed recently. India is growing mid-teens and has been growing that way from a volume perspective for the can for several years. So that's exciting for us. Second thing that's exciting for us is this plant is anchored not only by one but multiple long-term large global strategic customers of ours that are excited for us to build there. And maybe another element is it helps us build out our network.

We have a plant in the Southeast. We have a plant in the Southwest, and we now will have a plant in the north of the country, supporting our global customers and our large customers in India with the opportunity to hit them from a number of different locations wherever their filling locations are. So super exciting for us in India. And overall, there's a real growth there. The aluminum industry is investing as well as the can-making industry. So thanks for the question.

Operator

Our next question comes from the line of Mike Roxland with Truist.

Michael Andrew Roxland
Truist Securities, Inc., Research Division

First one, not to belabor the point on volumes in North America, Ron, but I think you said in one of the prior calls that 90% of your volumes are committed for 2027. Is that still the case? And really, what it comes down to is you're seeing announcements from CPGs who -- and this relates to Ghansham's question and some of the other questions that were asked previously, you're seeing a shift in the CPG mindset back to price over volume. One of the leading CSD companies announced that about a month ago. I think maybe some of your customers may also be pursuing that. So there are obviously some concerns out there about the volume trajectory given this change in CPG mindset.

Ronald J. Lewis
CEO & Director

Thanks, Mike. What I can say is we are effectively contracted for 2027. We have an incredibly strong contracted position and at the end of the day, the can continues to win. It wins this year in the current macroeconomic environment that we have. So the can continues to win because of the value it offers to the consumer, again, from a single-serve, but also from a multipack perspective. So we're effectively contracted for all of our volume for next year across all of our geographies, as you would expect us to be.

Michael Andrew Roxland
Truist Securities, Inc., Research Division

Got it. So there's been no shift, there's been no change, no one has called back their commitments for '27 over the last month or 2?

Ronald J. Lewis
CEO & Director

Yes. I would say the exact opposite. I would say our customers are making sure that we have the capacity that they expect from us to ensure that they can fulfill the growth that they hope to deliver in 2027.

Michael Andrew Roxland
Truist Securities, Inc., Research Division

Got it. And then one quick follow-up. In terms of the competitive backdrop, given the fact that supply and demand are particularly tight in North America and Europe, are you seeing -- are the operating conditions such in these 2 markets where new entrants could potentially come to market, particularly given tight supply and demand, given good economics? Just your thoughts around potential entrants that could emerge in the next year or so?

Ronald J. Lewis

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CEO & Director

Yes. Thanks, Mike. Well, we're very excited when we get to the chance to serve our customers and they call us and ask us how we can help them to grow. So we're not seeing the kind of growth that we would have seen during the midst of the pandemic where there was an importation in the U.S., for example, of 15 billion cans. That's not happening. So I think it's measured, good, strong growth that when our customers call, we believe we can handle. It's why we built a plant in Millersburg, and it's why we'll continue to serve our customers from the assets we have throughout North America. So I don't really spend too much time worrying about new entrants into this market. We have a healthy supply and demand balance with the current set of conditions.

Operator

Our next question comes from the line of Arun Viswanathan with RBC.

Arun Shankar Viswanathan
RBC Capital Markets, Research Division

Congrats on the strong Q3 results. I guess I just had 2 questions somewhere along the lines of the last question. I know that you have a very favorable solid contracted position for '27. But in prior cycles, we had seen the inflation result in some of the customers opting to take minimums on those contracts. And -- are those min-max provisions still in place?

And I guess this is related to the complexity issue. I know you referenced the friction costs. I think in the past, similarly, when conditions were really tight, there was complexity. And then when conditions loosened up a little bit, and we did see customers opt for those lower levels of contracting, some of those complexity issues resolved. So as you move into '27, I guess I'm just curious, do you expect minimums on the contracts and -- because of the inflationary impacts? And would that alleviate some of the friction costs? Or should we expect actually larger friction costs in '27 given the tightness?

Ronald J. Lewis
CEO & Director

Thanks, Arun, for the question. What I can say is in 2025, we sold our total volume in North America, what we're talking about specifically was 5% volume growth in a market where we expect to grow 1% to 3%. So we were double our expected growth rates. This year, as I said, we're on the bottom end of our 1% to 3% range because we soaked up all of our excess capacity. And the market is growing still in the 2% to 3% range. I think the market has soaked up almost all of the industry excess capacity.

So there isn't a lot of excess capacity out there in my mind, that's sort of the backdrop. And what we're hearing from our customers is they're asking for us to be ensured that we can supply them, not pulling back. There's no -- I don't feel or see or hear any hesitation on our customers' behalf, and our job is to serve them. And our contracts, I can just say they give us great comfort that we will be able to meet that volume growth in the 2027 time frame.

Arun Shankar Viswanathan
RBC Capital Markets, Research Division

Okay. And then I guess just on Brazil, I know you've seen some very strong growth there. The perception is that it's driven by your customer and some of the other customers down there are struggling a little bit more. So I guess, is that an accurate characterization? And do you expect your customer to continue to outperform that market or at least perform at the upper end of Brazil growth?

Ronald J. Lewis
CEO & Director

Thanks, Arun. Again, there is strong growth in the market in Brazil. In Q3, there was a really strong growth. The promotional excitement around World Cup was even greater there. It was not the summer selling season. So the industry and -- the can industry generally had really strong growth in Q3. So while we think we won the quarter and are winning the year, we're seeing the market come back pretty strongly.

Again, our business is not just a Brazil market. We have a number of countries where we're the sole can maker in those markets, and we get to enjoy the growth in those markets as well. Again, it's -- they've been accretive over time. And this year, the volume that we've seen in those markets in aggregate is in line with what we're seeing in Brazil.

Operator

Our next question comes from the line of Silke Kueck with JPMorgan.

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Silke Kueck
JPMorgan Chase & Co, Research Division

I'm asking for Jeff Zekauskas. In terms of your EBIT for the fourth quarter, so that the headwinds you're facing is like $30 million, there's a $20 million in metal cost benefit reversing and there's $10 million start-up costs. And so is your base expectation that -- and last year, I think you earned $165 million. Is your base expectation that your EBIT in the fourth quarter is something like $135 million? Or can you do better than that?

Ronald J. Lewis
CEO & Director

Let me start and just say, and then I'll turn it over to Dan. But we expect volume growth in the fourth quarter in line with our year-to-date experience, which has been strong, and that's cycling a really challenging comp of 6% volume growth in the fourth quarter last year. So we come into the quarter with strong expectations around growth, even though we're cycling a really strong growth.

From an operating earnings perspective, that strong growth and a sold-out position does create operational friction. And we know we're going to continue to observe these start-up costs that we've talked about and Dan has outlined. And we do see a reversal of these metal benefits that we experienced in Q3.

So as you think about Q4, you should think strong volume growth, modest EPS growth and reinforcement of our ability to deliver our full year 10-plus percent EPS growth. That's what we will deliver.

Dan, would you like to add anything?

Daniel J. Rabbitt
Senior VP & CFO

No, I think you covered it well, Ron.

Operator

Does that complete your question?

Silke Kueck
JPMorgan Chase & Co, Research Division

My follow-up question was with your CapEx running higher in the fourth quarter. Are there any debottlenecking activities that you are undertaking in North America other than like Millersburg ramping up, are there any debottlenecking opportunities that you have that are ongoing that might require some capital?

Ronald J. Lewis
CEO & Director

Yes. Thanks for the question. We don't spend a lot of time detailing all of the debottlenecking projects we do in our plants all the time. So yes, we absolutely are -- you can add a bodymaker, you can add another decorator, you can speed up your necker, all of those sorts of things we do in all of our plants, and we choose which are the best projects based upon the returns from an EVA perspective. So yes, we are absolutely doing that.

Silke Kueck
JPMorgan Chase & Co, Research Division

And that's the majority of like the higher CapEx growth in the fourth quarter, you think or like we are lifting like the CapEx guidance for the year, like those debottlenecking activities?

Ronald J. Lewis
CEO & Director

Our CapEx spend that we've guided up to $650 million versus the $600 million for the year is strictly a matter of timing and our ability to pull forward some of those investments in projects because we're having what we believe is a really strong and great year.

Operator

Our next question comes from the line of Hillary Cacanando with Deutsche Bank.

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Hillary Cacanando
Deutsche Bank AG, Research Division

Outside of beverage, could you talk about what you're seeing in personal care and household products and whether you see those categories becoming a more meaningful growth opportunity over time?

Ronald J. Lewis
CEO & Director

Thank you very much for that question because it gives me a chance to say how proud we are of our Personal and Home Care team and the business that they own and drive on our behalf and lead for us. So thank you for asking.

The first thing I think you should know about our Personal and Home Care business is they deliver volume growth that is accretive to our overall volume growth at Ball. So the better that business does, the better Ball does.

The second thing you should know is they deliver operating earnings on a per unit basis that's accretive to Ball. So the more they grow, the more we grow our operating earnings. So it's a great business, and we're really, really pleased with it. What I can say about this year and this quarter is our Personal and Home Care business had a good quarter, and they've had a good year, and demand is in line with what we expect from that business in broad terms.

Hillary Cacanando
Deutsche Bank AG, Research Division

Got it. Great. And then just high level, we've seen increased M&A activity across packaging recently. There was a deal announced recently a few weeks ago in metal cans. There's a beverage company out there up for sale. Do you think -- just high level, just wanted to get your thoughts on do you think the industry is -- packaging industry in general is consolidating further? How do you think about M&A versus continuing to deploy capital organically?

Ronald J. Lewis
CEO & Director

Thanks for the question. I'll just say a sentence or 2 and then let Dan cover it. But we are always looking for opportunities, and we've been able to pursue a few of those in the recent years. And generally, you should be looking at to pursue opportunities in the space that's core to our business, aluminum packaging.

Dan, what would you like to add?

Daniel J. Rabbitt
Senior VP & CFO

Yes. I think we look at M&A that makes sense for us, and that's in aluminum packaging. And also that will increase our EVA, which is really our North Star for how we think about creating value to our shareholders. Just to point out, obviously, we made 2 -- we acquired 2 plants at the beginning of the year, in Hungary and Belgium. Last year, we made an acquisition in Florida. And the year before that, we made a couple of PHC or aerosol plants in Europe. So we're always looking. And when we see good value, we like to move forward.

Operator

Our next question comes from the line of Matt Roberts with Raymond James.

Matthew Burke Roberts
Raymond James & Associates, Inc., Research Division

A couple of quick ones from me. You noted the $25 million from Millersburg start-up costs coming in better. Is that due to just better efficiency on the asset ramp or any spillover we should consider into '27? And in Europe, to some of the earlier questions on the friction there. Any additional color you can give on the status of Benepack as that ramps, whether it's utilization of those assets, how many lines are running now or when we should expect those assets to be fully ramped and in line on an EBIT basis per can versus the legacy assets in Europe?

Daniel J. Rabbitt
Senior VP & CFO

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Yes. I think we've been -- with Millersburg, let's start with that. First of all, it's -- our team has done a good job of getting that plant started up pretty close to being on schedule, maybe a little better, and we're just seeing less costs associated with that start-up. So you don't need to think that there's more coming into next year. We will continue to ramp up all of these assets that you noted, though, as we get our workforce operating to our standards and how we like to run the plant. So you can expect as we look at next year that all of these 3 plants we're talking about with the Benepack acquisition, we're talking about Hungary and Belgium for them to produce better next year is how I would say that. And there's probably some upside on all of them beyond that as they get more proficient.

Operator

We have reached the end of the question-and-answer session. I would now like to turn the floor back over to management for closing comments.

Ronald J. Lewis
CEO & Director

Thank you, Christine. Let me end by saying thank you. I'm grateful for our colleagues for the dedication and commitment they've shown this quarter, and we're really thankful for our customers for the trust they placed in us and thankful for each of you who's asked a question, our analysts who help tell our story. Thank you for that. And also, most importantly, on this call to our investors for their ownership in us.

I am excited, I'm proud, I'm pleased with our performance for the first 9 months of this year. The can is winning, we are winning. And when you couple this growth with the resilience we've displayed yet again this quarter, we have an incredibly strong business. So we look forward to talking with you again in the very near future and sharing our future successes with you like we've had the chance to do today. Thanks, everyone, and have a great day.

Operator
Ladies and gentlemen, this does conclude today's teleconference. You may disconnect your lines at this time. Thank you for your participation, and have a wonderful day.

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