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PRESENTATION

Operator

Greetings, and welcome to the Ball Corporation Fourth Quarter 2022 Earnings Call. As a reminder, today's call is being recorded Thursday, February 2, 2023. I would now like to hand the conference over to Dan Fisher, Chief Executive Officer. Please go ahead, sir.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Thank you, Carlos, and good morning, everyone. This is Ball Corporation's conference call regarding the company's fourth quarter and full year 2022 results. 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. Some factors that could cause the results or outcomes to differ are in the company's latest 10-K and in other company SEC filings as well as company news releases.

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. Historical financial results for the divested Russian operations will continue to be reflected in the beverage packaging EMEA segment.

See Note 1, business segment information for additional information about the sale agreement and a quarterly breakout of Russia's historical sales and comparable operating earnings. The release also includes a table summarizing business consolidation and other activities as well as a reconciliation of comparable operating earnings and diluted earnings per share calculations.

Joining me on the call today is Scott Morrison, our Executive Vice President and CFO. I'll reflect on 2022 briefly, and Scott and I will discuss key drivers and financial metrics for 2023. And then we will finish up with closing comments, the outlook and Q&A. Let me begin by thanking our employees and stakeholders for their hard work and support. As I reflect on 2022, I'm struck by the magnitude and pace of change we have navigated, the commitments we are prepared to achieve and the prompt and decisive actions that were made by our team in a fluid and ever-changing macroeconomic and geopolitical backdrop.

Our full year and fourth quarter comparable net earnings reflect our EMEA, aerospace and aerosol operations coming in as expected, offset by the impact of our Russian business sale, softer volume in North and South America, planned inventory management impacting fixed cost absorption and the effect of high-cost inventory and the timing effect of customer sell-through.

Global beverage can shipments, including Russia increased 0.8% in 2022 and decreased 6.1% in the fourth quarter. Excluding Russia, global beverage shipments increased 2.1% in 2022 and decreased 0.9% in the fourth quarter. North America beverage can segment shipments decreased 0.3% in 2022 and decreased 7.1% in the fourth quarter. EMEA beverage can segment shipments, excluding Russia, increased 8.6% in 2022 and increased 11% in the fourth quarter.

South America beverage can segment shipments decreased 6.3% in 2022 and decreased 4.2% in the fourth quarter. Other non-reportable beverage can shipments increased 48.2% year-to-date and 48.5% in the fourth quarter as a result of continuing to provide support to domestic European customers. Our global extruded aluminum bottle and aerosol business continues to benefit from new refillable, reusable bottle offerings and higher recycled content aluminum bottles for personal care products.

Shipments in this segment increased 12% year-to-date and 14.5% in the fourth quarter. And our aerospace team increased their backlog 20% year-over-year. In response to the previously discussed unfavorable swing in beverage can volumes relative to our early 2022 expectations and as a result of our sale of our Russian businesses, we optimized our global cost structure, deferred certain projects and took actions to rightsize our North and South American manufacturing plant systems by consolidating high-cost, less fit facilities into scalable facilities capable of delivering our customers a portfolio of can sizes, enabling category and pack size innovation for our customers in a more agile way moving forward.

In EMEA, newly constructed facilities will ramp up during the first half of 2023 and provide much-needed cans to our customers across the region. It is also important to celebrate the accomplishments achieved by our team during 2022, including shipping nearly 115 billion innovative aluminum cans, bottles and cups to our customers, delivering numerous environmental space, science and defense technologies to study the impact of humans and the environment on our earth, weather satellites that protect life and property from extreme weather events, on-orbit defense technologies to ensure the safety of our homeland, the war fighter and our allies and deep space marvels like the James Webb space telescope to view previously invisible images via the Ball built mirror assembly and optics.

Joining the World Economic Forum's first Movers Coalition to lead collaboration across the aluminum industry to prioritize circularity and decarbonize the industry, achieving Aluminum Stewardship Initiative, ASI certification across our global footprint, remaining on the 2022 Dow Jones Sustainability Index, North America for the ninth year, receiving an A- in the CDP's climate change questionnaire in 2022, which recognizes the company's commitment to maintaining best practices and corporate climate citizenship through its net-zero carbon emissions commitment, renewable electricity coverage and ongoing assessment of climate-related risks and opportunities, receiving a perfect rating on the Human Rights Campaign's annual Corporate Equality Index, CEI, receiving a 2022 ranking of 90 on a 100-point scale on the 2022 Disability Equality Index, DEI, reflecting the meaningful progress the company has made in creating a workplace that enables employees with differing abilities to support its global mission; and being recognized as the 2023 industry leader for the industrial goods sector for the Just Capital and CNBC's Just 100 top-performing companies on ESG factors, including ethical leadership, cultivating an inclusive workplace, use of sustainable materials and carbon reduction.

And our global team supported 2,800 nonprofit organizations across 30 countries and contributed 30,000 volunteer hours across our communities. Drive for 10 continues to be our vision. We know who we are, we know what is important and we know where we're going. Together, Ball will one, execute our strategy of preserving our planet and delivering value by creating circular aluminum packaging solutions for single-use, limited use and refill and providing exquisite environmental space science and defense technologies. Second, we will provide our employees and communities, the resources and opportunities to succeed. Third, we will be our customers and suppliers partner of choice to enable organic growth, achieve sustainability goals, drive innovation and technology development; and four, we will be a disciplined capital allocator by unlocking value and efficiencies from existing operations with limited future capital investment. And in doing so, generate free cash flow, grow earnings in EVA dollars and be good stewards of our cash flow to deleverage and return value to our fellow shareholders.

Consistent with our commitment at our Investor Day, and on our third quarter earnings call commentary. In 2023, we can deliver our goal of 10% to 15% diluted earnings per share growth, including the Russian business sale headwind. The next quarter will remain choppy as we work through higher cost inventory, complete the optimization of our North and South American manufacturing footprint, ramp up our new Kettering, U.K. and Pilsen, Czech Republic plants in EMEA and lapped the previously disclosed 2022 customer contract breach in South America.

We will benefit from the previously identified and executed SG&A actions while continuing to receive the PPI cost recovery throughout 2023, which overall will lead to a back half-weighted year. During the Q&A, Scott and I will strive to provide additional clarity on the external environment and cadence for 2023 based on what we know today. We also continue to reiterate our investor field trip long-term goals for global volume growth, fueled by sustainability-driven substrate mix shift, product category and pack size innovation.

Our global beverage teams have positioned our businesses to deliver the year and with an eye on the future. In 2023 and excluding Russia, we estimate in the range of 4% global volume growth for Ball with North America flat to slightly down, South America volume up mid- to high single digits, EMEA volume up high single digits and our other non-reportable business volumes up mid- to high single digits as new EMEA capacity ramps up and exiting 2023 exports from Saudi Arabia into EMEA wind down.

Our global beverage businesses work will be complemented by our aerospace and aerosol businesses continued success. We appreciate the work being done across the organization and extend our well wishes to our employees, customers, suppliers, stakeholders and everyone listening today. And with that, I'll turn it over to Scott.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

Thanks, Dan. Full year 2022 comparable diluted earnings per share were $2.78 versus $3.49 in 2021. And fourth quarter comparable diluted earnings per share were $0.44 versus $0.97 in 2021. Full year sales were up due to the pass-through of higher aluminum prices and aerospace performance, offset by currency translation and inflation in Europe and fourth quarter sales were lower, largely due to the sale of our Russian business.

As Dan mentioned, fourth quarter and to a large extent, full year diluted earnings per share reflect higher aluminum aerosol results, lower corporate expense and a lower share count, more than offset by higher interest expense, higher comparable effective tax rate, comparable operating earnings declined in North and South America and EMEA attributable to the sale of our Russian business, cost inflation and unfavorable earnings translation.

I would like to take the opportunity to proactively address the year-over-year results in our North and Central America segment. 50% of the North and Central America operating earnings decline in the fourth quarter was driven by unfavorable swing in fourth quarter volumes versus 2021. We were up 5% in the fourth quarter of 2021 and down 7% in the fourth quarter of '22. And the other 50% reflects the confluence of unfavorable fixed cost absorption that was planned entering the fourth quarter, customer mix and the timing effect of high-cost inventory out of customer sell-through.

This larger-than-expected headwind is the byproduct of volume declines, aluminum price volatility and our proactive decision to greatly reduce production to meet current market conditions during the quarter. The segment's earnings are anticipated to rebound late in the first half of 2023 as high-cost inventory sells through and volume production stabilizes across the consolidated plant system. And after July, segment earnings will accelerate further as we enter the busy summer selling season and all of the contractual inflation recovery will be effective.

As we explained on our third quarter earnings call, during 2021, we ramped up our metal purchases to meet what we expected would be strong 2022 growth in North America. We did this at a time of rising metal prices. And while we are largely protected from metal price changes in our P&L, it does impact the cash flow and the amount of metal payables. Earlier last year, when we saw that volumes would not materialize as expected in 2022, we began to reduce metal purchases. This also coincided with declining metal prices, which reduced the metal payables even further. And again, typically not a material P&L impact due to our inventory hedging. The net result is less billed in the accounts payable than originally planned. The result was a use of over $900 million in working capital for full year 2022. This will normalize in 2023 as both metal prices and our metal take should stabilize. As we sit here today, some key metrics to keep in mind. We ended 2022 in a solid liquidity position with over $500 million in cash and $1.5 billion in committed credit availability. 2023 CapEx will be in the range of $1.2 billion, driven by cash outflows related to prior year's projects.

We will generate free cash flow in the range of $750 million in 2023 and initially focus on deleveraging. Our 2023 full year effective tax rate on comparable earnings will be in the range of 20% and full year 2023 interest expense will be in the range of $415 million. Full year 2023 corporate undistributed costs recorded in other non-reportable are expected to be around $90 million. Including the $86 million Russian operating earnings headwind, comparable operating earnings should increase over $200 million in full year 2023, comparable D&A will likely be in the range of $560 million.

Recall that in 2022, we returned over $830 million to shareholders. And as we look forward, year-end 2023 net debt to comparable EBITDA is expected to trend towards 3.5x, and we may want to drive it lower. Last week, Ball declared its quarterly cash dividend and in alignment with our Investor Day commentary after we navigate the first half of 2023, we'll address the path to resuming share repurchases. Rest assured, as fellow owners, we will manage the business through the lens of EVA and cash stewardship, and we will effectively manage our supply chain and customers in this current economic climate to secure the best cash, earnings and EVA outcome for our shareholders.

We are happy to have 2022 behind us, and I'm excited and optimistic for 2023. And with that, I'll turn it back to you, Dan.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Thanks, Scott. We will continue to be agile and decisive in the current environment. We must do what is right to ensure supply-demand balance, foster innovation and stimulate equitable sustainability policy which will further broaden the use of circular aluminum packaging solutions and provide continued fuel for our organic growth.

In addition, our aerospace team will continue to partner with our customers to deliver world-class solutions for some of the world's greatest challenges and opportunities. Yes, 2022 was an unprecedented year in Ball's history, and I am encouraged about our ability to deliver the year with an eye on our future. Last week, Scott and I reviewed our 2023 operating plan with the Board and our business' ability to deliver on that plan is on track. We look forward to generating free cash flow, achieving our long-term diluted EPS growth goal of 10% to 15%, deleveraging and returning value to shareholders. Thank you to everyone listening today. And with that, Carlos, we are ready for questions.

QUESTIONS AND ANSWERS

Operator

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

George Leon Staphos - *BofA Securities, Research Division - MD and Co-Sector Head in Equity Research*

Thank you for all the details in terms of what you're expecting in terms of performance cadence, particularly within North and Central America. Can you give us a bit more view in terms of what your underlying assumptions are in terms of your volumes as it will progress through the first half, the promotional activity and programs from your customers what you're seeing in terms of innovation from customers right now? And if you were in our seats, as analysts and investors in your stock and we saw something not materializing or something developed that would undermine your expectations, what would it be?

Daniel William Fisher - *Ball Corporation - President, & CEO*

So as we sit here today, the volumes in EMEA, North and Central America are in line heading right out of the gate. I think we're a little soft right now in South America versus my commentary on where we think the year is going to end up. The biggest element that I think is misunderstood is relative to our expectations on volume and why we're a little bit more bullish as aluminum prices have come off.

But that doesn't mean that's necessarily the cost position for our customers. So as they lap their hedge positions heading into the second quarter and the second half of the year, with the price increases that have gone into aluminum beverage packaging plus the actual costs coming off, there are significant profit pools that our customers are going to be able to step into. As I said, right out of the gate, we're a heck of a lot closer to what we anticipated in terms of volume.

In North America, in particular, given the December fall in volumes, behavior patters initially this year suggest a lot more price promotion. Will that continue for the balance of the year? I would suggest it will given the other backdrop that I gave you relative to costs. But Europe continues to be incredibly strong. North America is off to a good start. I think there's a little bit of a wait and see in terms of the volatility in South America.

But having said that, the real cost positions that some of our major customers down there will lap in terms of hedge positions will stimulate optimism in the second half of the year and also the PPI pass-through, so we're in good shape. All of the cost actions and the footprint reductions that we've talked about are in good shape. Maybe I'll turn it over to Scott just for some of the positive signs relative to inflation and currency and some of the other things that are starting to move in our direction from a more stable environment. But 2023, as we sit here today, I'm feeling really confident about.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

I think why we feel optimistic is we are definitely seeing input costs moderate. For example, European energy is not going to be as bad as what people predicted. We're largely hedged in Europe, lower than where the spot price is today. That really squeezed us last year.

We're getting all the PPI pass-through. We started to see freight rates, warehousing, lots of input cost moderating so as we sit here today, we feel pretty good about the cost input side being in a much more stable place. You had long-term rates kind of peak. Short-term rates are still ticking up a little bit, and so we'll feel that in our interest expense for '23 but we feel much better and Dan, why don't you talk about the innovation.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Yes, reflecting on your comment and question around innovation. Certainly, in the alcohol space, we continue to see a lot of innovation, which is a good thing because something is going to win. As we always say, George, we don't know what's going to win, something is going to win, and also increases the pressure on the beer category to compete. Those 2 things will equate to improve volume outlook. So we're helping to fuel the innovation, number one, but we also have a heck of a lot of customers that we sell beer cans to. We'll benefit one way or another depending on who wins.

George Leon Staphos - *BofA Securities, Research Division - MD and Co-Sector Head in Equity Research*

Yes. We'll be hoping for more consumption during the Super Bowl and other things. My other question, then I'll turn it over. So you talked about reduced CapEx. That's certainly not a surprise, but that also includes your tail on spending for existing plants as they are coming up. I know it's not '24, but is there a view you can give us on what CapEx might look like or what the delta might look like as we look out to '24 and '25.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

Sure. Most of the $1.2 billion spend are things that are already in flight and as we've talked about, we'll have enough capital on the ground after completing these couple of things in Europe. We'll be in a pretty good spot. So I would expect, although it's February 2nd of '23, I would expect in '24, we'll see that drop further.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Yes, the internal conversation, George, quite candidly, is we've spent the capital we need to grow into over the next 2 to 3 years. We could most likely spend at D&A levels in '24 and '25. If we have a reason to invest, it will be with a strategic customer, 1 or 2. So I think you'll start to see a much more disciplined level-loaded capital approach relative to D&A spend moving forward.

Operator

Our next question comes from the line of Christopher Parkinson with Mizuho.

Christopher S. Parkinson - *Mizuho Securities USA LLC, Research Division - MD and Senior Industrials Equity Research Analyst*

Can you just talk a little bit more about North American volumes, specifically how much you believe was more just industry sell-through, specific customer destocking? And anything idiosyncratic to Ball given the shutdown in Phoenix. Just anything to break down those 3 variables would be very helpful.

Daniel William Fisher - *Ball Corporation - President, & CEO*

I think it was the back half of the quarter, and it's no different than probably every other end consumer product in the retail shelves. Customers pushing price pushed it too far, and there was price elasticity that kicked in. Beer was down the most and I think what we're seeing is a return to more promotional activity here right out of the gate in Q1.

So I think there's recognition of what happened there in the last 4 to 6 weeks of the year, which is well publicized. Since we sell to everyone and every category and every channel, we were impacted by all of that. But I can tell you, there's a different behavioral pattern setting in relative to our customers and their promotional activity.

So I think this will normalize and we'll start to move into a more sustainable underpinning for growth moving forward.

Christopher S. Parkinson - *Mizuho Securities USA LLC, Research Division - MD and Senior Industrials Equity Research Analyst*

Got it. And just as a very quick follow-up on some of your Latin American commentary. Could you just very quickly just discuss the market dynamics. Obviously, it was pretty difficult during the first half with Carnival and everything else and then kind of easing to the helpful World Cup rebound, which didn't necessarily materialize.

But just given the easy comps on 2022 and your comments on a preliminary basis for the beginning of January, how do you think you believe the market will ultimately materialize throughout the balance of the year given the low comps just given the industry? And then also any perhaps just very quick comments on market share trends.

Daniel William Fisher - *Ball Corporation - President, & CEO*

I will point you to the fact that the real cost that our customers have relative to aluminum cans has much to do with their hedge positions and in the second half of the year, cans will be the lowest cost substrate with the greatest profit pool, and that will give ample reason for our customers to push aluminum packaging at that point.

You're right, the World Cup relative to the fourth quarter did not materialize. We did see an uptick, but we didn't see the uptick that we anticipated. We knew that early in the quarter, and we were reacting to that throughout the quarter.

You don't have a COVID environment like you did last year. So there's optimism. It started off less favorable than we anticipated in South America, but it's only one month in, and we're still bullish on things getting better in the back half of the year.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

I would just add on South America. In the first quarter last year, we will lap the customer breach that we had. So we won't have that volume as we look forward.

Operator

Next question from the line of Arun Viswanathan with RBC Capital Markets.

Arun Shankar Viswanathan - *RBC Capital Markets, Research Division - Senior Equity Analyst*

Obviously, we've seen the destocking and some of the impact on the consumer from the inflation. And you mentioned that maybe that's turning a little bit now with the deflation in raws and customers of yours potentially in a position to promote the product. So could you describe a little bit more what you're seeing on that front? And if you are seeing that, do you expect -- what' kind of your growth and volume outlook for NA, North America this year, taking into account some of the closures you had last year as well.

Daniel William Fisher - *Ball Corporation - President, & CEO*

As we sit here today, I'm encouraged by what we're seeing, and I'm not willing to come off of it. Certainly in the year we're planning for flat. growth. We're planning our earnings lift in our 10% to 15% EPS growth, flat North America until we're more convinced that the behaviors of the customers will continue to lean into promotion throughout the year. That's where we're landing right now.

Arun Shankar Viswanathan - *RBC Capital Markets, Research Division - Senior Equity Analyst*

Okay. Well, maybe I can ask the question a little differently. If you think about the $400 million or so that you delivered in Q4 EBITDA, maybe there's a little bit of seasonality improvement in Q1 '23. Q4 '23, I imagine, could look like Q1 and then Q2 and Q3 would be up seasonally better.

But still, that would fall short of $2 billion of EBITDA. Is that right? I mean what are some of the levers you guys can pull to maybe get back to that level? Or is that maybe more like a '24 and '25 kind of range that we should be thinking about?

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

I think in the first quarter, remember, a year ago in the first quarter, things were pretty good. Our volumes were up. It looked strong. We're not going to have that kind of 1Q.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

And we had Russia. But in North America, the volumes were good. So we're going to have pretty tough comps in the first quarter. I think as we look forward then in the remaining quarters, we should see nice improvement year-over-year in each of the quarters in North America.

Arun Shankar Viswanathan - *RBC Capital Markets, Research Division - Senior Equity Analyst*

Okay. Great. And then just lastly, just on Europe, it sounded like Europe, you're somewhat a little bit more constructive on. Could you just describe that? I'm just trying to square that away with some of the inflation that they saw. Last year, you had some energy price inflation that was pretty stiff. So is that what's also giving you some relief and potentially pushing some volume upside in Europe?

Daniel William Fisher - *Ball Corporation - President, & CEO*

Well, we had a really strong volume year in Europe, and it wasn't impacted despite the end consumer being impacted with less discretionary spend, the aluminum package did really well. And I think it's more of the aluminum package story and the resiliency of the can in Europe than it is discretionary spending levels that helped us.

Your point is valid. So the way our contracts will work, we'll be able to pass through a lot of the inflationary headwinds that we experienced in '22, we'll pass that back in '23. So if inflation moderates, which it has, even if it dissipates a bit, then you've got the underpinnings of volume that continues to grow at a high single-digit rate. We've got capacity coming on-line in 2 major facilities that will take advantage of that growth and we should be able to make more money given the stability of the inflation and the fact that we're catching up on a lot of the inflationary pass-through. We're really excited about Europe for 2023.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

And just to your comment on EBITDA, I'd be disappointed if we didn't exceed $2 billion of EBITDA in 2023.

Operator

Next question from the line of Ghansham Panjabi with Baird.

Ghansham Panjabi - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

So Dan, just kind of building off your recent comments, you've been quite vocal about how higher beverage price pressure volumes along the supply chain, including at your end. How much do you think volumes were impacted in 2022 just based on the dynamic in beverage North America? And as it relates to your comment on Europe resilience, was that also boosted in 2022 by just the comparison from the reopening across Europe relative to the prior year? And do you still see sort of that momentum continuing into '23.

Daniel William Fisher - *Ball Corporation - President, & CEO*

I'm not entirely sure on your first question, I could parse out that delta. I will tell you where it had an impact and where we'll be able to point to it is in the fact that it's really the promotional activity during the peak season that we didn't see any of last year. We still grew a little bit. I would probably go back to sort of that '18, '19 range of growth that we saw.

I would put that up against what we actually saw in '22 and I would say that delta, just speaking out loud, is probably what we lost out on because of a lack of promotional activity in the peak season. So maybe 1% to 2% during that period, which, as you know, that last billion cans is kind of where you make your money at the end of the year in a fixed cost business. Right now, we're off to a good start relative to how the beer companies are promoting and how our customers are looking at what they need to do.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

But I would say in Europe, Ghansham, the sustainability push is not slowing down. I think that will help and we know how many can filling lines are going in Europe in the next couple of years so that's why I think we're bullish on the outlook for Europe.

Daniel William Fisher - *Ball Corporation - President, & CEO*

I think the reopening, if anything, would have slowed our growth because the on-premise is overwhelmingly kegs. So despite that return to on-prem, we're still growing at the high single-digit rate. So I continue to be bullish about what's happening in Europe. I've said this a number of times, and I think I've said this to you. I'm most bullish on Europe and the medium and the long term. The short term, obviously, they have to figure out energy that will impact every industry, every business. But for us, the sustainability underpinnings are tremendous, and we're excited about these new assets that we're ramping up here in the first half of the year.

Ghansham Panjabi - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Okay. That's clear. And then for the second question, on the $200-plus million net price cost recovery guidance for '23, how do you anticipate that will flow through the various beverage can segments? And then separately, did you give a working capital number for '23 in terms of year-over-year movement?

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

For 2023 working capital and how we expect to get to that $750 million of free cash flow, we expect working capital to be a source around a little over $300 million.

Daniel William Fisher - *Ball Corporation - President, & CEO*

On the net cost pass-through net recovery, it's overwhelmingly Europe and North America. It's 60% North America. In Europe, it comes in a more linear fashion over the quarters and in North America, you'll see probably 60% of that coming in the second half of the year. July 1 is a big date for lapping one particular customer contract.

Operator

Next question from the line of Anthony Pettinari with Citi.

Anthony James Pettinari - *Citigroup Inc., Research Division - Director & US Paper, Packaging & Building Products Analyst*

Just following up on Ghansham's last question, you reaffirmed the $200 million inflation recovery target. Scott, you mentioned inflation and energy coming in lower than expected, maybe in some cases, materially. I'm just wondering if that's something that would cause you to raise that $200 million target or maybe it's too early in the year? Or do you think about sort of the benefits of those lower costs in a different way? Or is there a lag? Just wondering, how we should think about that.

Daniel William Fisher - *Ball Corporation - President, & CEO*

I'll answer it, and then I'll let Scott give you more detailed answer. We prefer to be heroes in December but Scott, go ahead.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

It's only February 2nd. I mean I think the optimism we're feeling is that it appears a lot of the trends are more helpful to us. So all those things will be beneficial, but we've got to see how volumes show up. That's the big wildcard. We're getting out of the gate in a more positive and constructive way, and we're building our plan on a more conservative basis but we'll see. But definitely, things seem to be turning into little more tailwinds than headwinds that we had last year.

Anthony James Pettinari - *Citigroup Inc., Research Division - Director & US Paper, Packaging & Building Products Analyst*

Okay. That's helpful. And then just a few quick follow-ups on Latin America. With the footprint actions in Brazil, I don't know if there's kind of a finer point you can put on the cost savings there. And then maybe just where your operating rates will be in Brazil once that's completed? And I guess just one last one. How would you characterize the South American businesses ex Brazil, how they're doing?

Daniel William Fisher - *Ball Corporation - President, & CEO*

Ex Brazil, they're quite resilient even with the inflation levels that you're seeing in Argentina, our volume was up double digits in that country year-over-year. So it's incredibly resilient. Chile is performing well. Paraguay very well.

Some of the other areas that we export into continue to perform well despite all of the geopolitical turbulence and the inflationary pressures you see in there, that's holding in, and the team is doing a wonderful job managing all of those challenges. In Brazil, it's less about the cost savings relative to the expenditures. Obviously, labor is incredibly cheap there. So yes, you shutter a facility, you're not going to see near the savings that you would in Europe or in North America.

But operating in a tighter supply-demand environment gives you the ability in your other facilities to keep them full and to run them full out, and that generally benefits efficiency levels, reduces spoilage, all of the things that we're asking our plants to do and manage on a day-to-day basis. It gives them a greater ability to do that, manage their quality aspects, stay in touch with customers, manage their supply chain more effectively. So that's where you see the savings and the benefits and the earnings profile being impacted in South America.

Operator

Next question from the line of Adam Samuelson with Goldman Sachs.

Adam L. Samuelson - *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

So I guess the first question is thinking about the demand side, maybe come back into North America. And Dan and Scott, your comments on January has had a better start, maybe seeing some pickup in promotional activity. Your comments seem to be a bit more focused on beer as a category versus CSD or elsewhere. And I'd love to just get your perspective on, are you seeing that change in customer behavior and promotional intensity across all categories? Or is it right now exclusive to beer. And corollary to that is, in discussions with customers across different beverage categories, is there any where you're seeing kind of a step-up in innovation and new product introduction that is giving you more optimism.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Beer is being more aggressive on the promotional activities because beer had the most precipitative drop-off in volume. So it correlates and the magnitude of the volume declines in terms of the promotional activity. So yes, you're seeing it across every single category because every single category was down in the last 6 weeks of the year.

But it's certainly more pronounced in beer and that's probably a recency bias but a really nice uplift in beer right out of the gate. Some of it is attributed clearly to the Super Bowl as we're 2 weeks out now. You always see some promotion and some lift there, but it's more pronounced than that from a historical standpoint because of the volume fall off.

And on innovation, I made this comment earlier on the call, but maybe I can dive into a little bit more. There's innovation in every category. But the most innovation, and this has been a consistent thematic here with the exception of that accordion effect relative to COVID where there were less SKUs and just trying to get cans out the door, but as the large CPGs become beverage companies, they're leaning heavily into alcohol and mixers and those types of cocktails and that's where innovation is really stemming and you'll continue to see that for the foreseeable future and those are most of what we expect to see here in 2023.

There are other things obviously being worked on but what I know is planned for retail shelves is going to largely fall into cocktails and innovation and around that for the can.

Adam L. Samuelson - *Goldman Sachs Group, Inc., Research Division - Equity Analyst*

Got it. And then I appreciate you gave different segment level detail for the different can businesses. I'm not sure if I might have missed a view on the aerospace performance for the year and where you think that's tracking?

Daniel William Fisher - *Ball Corporation - President, & CEO*

So for 2023, we'll exceed 15% earnings growth. Actually, right now, as it's shaken out, we're north of 20%. We're beginning to step into the backlog that we've won through the years and starting to see repeat builds. Our defense platform is executing really, really well and I think we've navigated some choppiness in terms of supply chain in '22 that has stabilized.

So as we sit here today, we should see a much improved operating earnings performance from our Aerospace business.

Operator

Next question from the line of Phil Ng with Jefferies.

Philip H. Ng - *Jefferies LLC, Research Division - Senior Research Analyst & Equity Analyst*

Appreciating earnings will be a little tougher in the first quarter and likely down, do you have enough levers where earnings will be up year-over-year in 2Q. And I think you're targeting 10% to 15% earnings growth for 2023. Is that predicated on the 4% volume growth you were mentioning? Or is it more of a flattish backdrop like you previously guided to?

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

I think we'll start to see momentum in the second quarter, definitely. It depends on volumes but as things kind of roll in, we get some PPI pickup here in the first quarter, but as Dan mentioned, the bigger chunk of it comes in the second half of the year. First quarter will definitely be softer year-over-year given some of the challenges.

We're still working through some of this inventory, both in North America and in South America. So that's where you'll see most of that impact. But then I would expect in North America, we'll see nice earnings improvement as we get into the second quarter and year-over-year as we look through the rest of the year.

Daniel William Fisher - *Ball Corporation - President, & CEO*

You should see sequential improvement, right, Q2, Q3, Q4 throughout the year, both with the PPI, the fixed cost savings and keep in mind, 2Q from a volume standpoint was quite challenged in North America and so we get a little modicum of promotional activity there in the peak season as Scott indicated. They're more on the conservative side. Where we would need volume in order to achieve our plans is Europe because we are opening up 2 facilities there but Europe has been the most resilient and the anchor customers are the most resilient that are going to be the tenants of those facilities.

Philip H. Ng - *Jefferies LLC, Research Division - Senior Research Analyst & Equity Analyst*

But just to be clear, guys, to hit your 10% to 15% earnings growth, you need 4% volume growth? Or is it more flat? Because I thought I heard at the Analyst Day, the messaging was more flat, and we still can get to like 10% to 15%.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

In North America, it's flat.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Global is 4%, North America, it's flat; mid- to high single digits in Europe; mid-single digits in South America. That's how we get to the 4%.

Philip H. Ng - *Jefferies LLC, Research Division - Senior Research Analyst & Equity Analyst*

Okay. And then on Latin America, in general, certainly, Brazil has been really choppy and there's certainly some social unrest. What gives you confidence kind of deliver the mid- to high single-digit growth in 2023? It's just been a pretty tough environment for some time, especially Brazil. Any contracts up for renewal in 2023, 2024 in that Brazilian market?

Daniel William Fisher - *Ball Corporation - President, & CEO*

No. We have no open contracts heading into '23 and '24. The resiliency relative to South America is going to be the stabilization. First of all, lapping the contract for Q1 and then the actual cost position of our customers down there will have the aluminum package being the most cost-advantaged product in Brazil, in particular, with that customer base.

Operator

Next question from the line of Angel Castillo, Morgan Stanley.

Angel Castillo - *Morgan Stanley, Research Division - VP*

And just a quick little near-term one. It seemed like that you talked about kind of full year volume growth across the different regions. Could you give us a similar walk for what that 1Q number is and how you're kind of thinking about across the regions?

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

I think 1Q in total will be down. Again, we had pretty good growth in Q1 of '22 so I think we'll be slightly down in Q1 in total.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Yes, I'd say in North America, we'll be flat. In South America, we'll be flat because of the customer breach, so we'll be lapping that. Flat would actually be growth on an apples-to-apples basis. So we could be a little plus, a little minus there, and we'd expect to be that high single-digits growth, mid- to high single digits for Europe.

That will be a linear number throughout the year. You'll have more opportunity to grow in the back half because of the 2 facilities that are coming on-line, but you should see growth right out of the gate in Europe and then flattish in the other 2 regions for the aforementioned customer breach and the market dynamics that exist right now in North America.

Angel Castillo - *Morgan Stanley, Research Division - VP*

Got it. That's very helpful. And then just curious, as you think about the ranges that you gave for the full year, I guess, maybe I'm reading too much into this, but South America, Europe and other seem to be a little bit of a wider range, whereas North America flat. I think if I kind of heard it correctly, flat to slightly down. It seems to be a little bit narrower, but this also seems to be an area or the region where we've seen maybe some of the more or bigger deterioration throughout the last few quarters.

So you kind of mentioned liquor and cocktails as one area of potential growth in promotional activity. But how much of this, I guess, what gives you comfort to have a narrow range there as you think about the year progressing? Is some of that cocktail liquor related volume, the degree of visibility? Is it there? Is things contracted? Like I guess, yes, I just want to give you comfort in that kind of narrow range.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Flattish. That's not the narrowest range we've ever given, but I appreciate the question. I would say optimism to tighten the range in North America is that we plan on a much more conservative environment and one thing that I think is important to underpin is this business and this industry in particular. We're generally the first to go into the recession, and we're generally the first to come out.

What happened over the last 4 to 6 weeks was the elasticity curve on volume and price for our customers has been broken and now you're seeing volume come off. That means you have to return to some level of promotional activity, that's good for the can. So for North America, in particular, we've got a big business where with all of the customers. It gives us some foothold in understanding the market dynamics. With the contracts we secured we know what we have heading into the year. Could it be up a little, down a little, yes. That's not going to have an impact on whether or not we can deliver our 10% to 15% EPS target.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

I would also say while it has been more volatile in the last few years, no doubt, historically, North America has been more predictable. South America has always had a wider range just because volumes can move around a lot. Those economies are more volatile so you could see them outpace growth at times and you could see bigger declines at times.

So South America has just always been a more volatile region and to Dan's comments, I mean, you would think with 100% inflation in Argentina that would be a big negative for cans, but cans grew double digits last year. So it's a little tougher to predict in a place like that.

Angel Castillo - *Morgan Stanley, Research Division - VP*

That's very helpful. And if I may just kind of a quick little follow-up on that. Historically recession has helped the can. Have you seen that happening lately? With more off-prem than on-prem?

Daniel William Fisher - *Ball Corporation - President, & CEO*

We haven't seen that particularly. But you're exactly right. Those are the early signs you're on the uplift coming out and we've seen the first stages of promotional activity starting. We haven't seen them steering on-prem versus off-prem but that usually is the next lever to pull. You're exactly right.

Operator

Next question from the line of Mike Roxland with Truist.

Michael Andrew Roxland - *Truist Securities, Inc., Research Division - Research Analyst*

Just one quick follow-up on, Dan mentioned the weakness in beer. And obviously, you experienced it firsthand, you also saw that in the Nielsen data with beer volumes being very challenged late last year. How are you thinking about your exposure to beer at this juncture? Is it still a core end market? And given what's occurred in beer, are there any opportunities for you to diversify your mix?

Daniel William Fisher - *Ball Corporation - President, & CEO*

Yes, there's always an opportunity. We're constantly looking at our portfolio and our customers. It's a great question. So I look at brand owners and brand builders. We may have a portfolio of historical beer customers, but those historical beer customers are moving aggressively into other things from an innovation standpoint.

So within the portfolio of some of our customers, we like the fact that they're acquiring products that they're innovating products and that they're pushing new innovations. There is volume ascribed to beer and there's big volume ascribed to beer, and that's always going to be an underpinning of us within a volume business but as that beer skews to other drinks, and other alcohol profiles, it will be a trade-off within their portfolio. We're selling them the cans. The label they want to put on it doesn't matter to us. We just want to be with the winners on the brand side.

Michael Andrew Roxland - *Truist Securities, Inc., Research Division - Research Analyst*

Got it. That makes sense. And then just quickly, can you comment on any additional portfolio rationalizations or temporary closures and maybe contemplating -- I think last quarter, you indicated that you've taken all the actions you needed to with respect to plant closures. But then there was an industry publication came out with some details, I guess, in December about temporary closures in Brazil. I think you highlighted it broadly in your press release as well.

So first question, are those closures in Brazil temporary or permanent? And then second, quickly, just given the volatility in Brazil over time, and certainly more in the last few years. Can you walk us through the investment case as to why investing in Brazil makes sense or really doesn't at this point?

Daniel William Fisher - *Ball Corporation - President, & CEO*

So I would look at the regions, depending on what's permanent and what's temporary, a lot of times, labor laws dictate that and I would tell you, in North America and South America, we've always managed our supply chain. So we'll curtail lines, we'll have temporary shutdowns. That's more reflective of the conditions with which we are managing our South America plant.

I think it was mis-characterized as to what we were doing with that. It's a temporary closure for now, given the existing conditions and economic conditions in Brazil. It's EVA. We do have a larger risk profile and hurdle rate in places that are more volatile like Brazil. So that's already embedded. So it's going to be the length of the contract, the substantive nature and the economic underpinnings of that contract and whether or not we believe we can generate EVA.

I don't know, Scott, if there's anything to add relative to Brazil.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

Brazil over a long period of time has been a really good place to invest. The can share has grown in all of the markets that we've operated. It does tend to be a more volatile region so you have to live with that volatility. But over the long run, it's been a great place to invest, and we expect it to be a really good place going forward. It is not without its challenges, but that's part of why you can make some pretty good money there, too.

Operator

Next question from the line of Adam Josephson with KeyBanc.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Dan, one on back to North America. So your long-term target is 2 to 4. Last year, you were down a touch. You're seeing the beer companies promote more. It sounds like you're encouraged about what you're seeing in January, yet you're expecting flattish shipments, so that would be 2 years in a row of flattish shipments compared to that long-term target of 2% to 4%. I guess just given the low base, and the promotional activity you're seeing, why are you not expecting more growth in North America, particularly given your long-term target? I'm just trying to understand if there's something I'm missing.

Daniel William Fisher - *Ball Corporation - President, & CEO*

No, I just think it's earlier in the year, Adam and we've seen a couple of weeks' worth of promotion. That's not enough for us to get overly excited that we'll return to some modicum of growth and candidly, all of the things relative to a soft economy are still present.

I think the can will do well. I think you'll see trajectory in the second half of the year. That will be helpful with these promotions continue. I'd love to come back to you in 6 months and say, "Hey, we're right back on track with the 2% to 4%, but as we sit here today, I don't have enough data points to say that that's going to happen in 2023.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

But over time, we're still kind of in the post-COVID adjustment period, and '23 will kind of be the end of that. I expect those historical rates that we saw before COVID with sustainability tailwinds and all of those things, those aren't going away. Those are going to continue so that's why we think, longer term, those growth rates make sense, but we're still kind of in a period where we're getting through COVID and now through rapid inflation and we're starting to see things settle down and that gives us more optimism, I think.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Just one follow-up to that, which is I know you said 2 plants. I think that was about 8% of your North American capacity middle of last year. So you were down 0.3%, you're expecting to be flat this year. Do you think the market grew by more than what you were -- did you underperform the market last year and do you expect to underperform the market this year. Can you just give me any sense of how you think you're performing in terms of North American volumes versus the broader market?

Daniel William Fisher - *Ball Corporation - President, & CEO*

Yes, I think we underperformed relative to the market because of the size of our beer portfolio, and that was the most distressed category last year. So that certainly had a knock-on effect. The good news is if that area reverts back to a more positive promotional activity, then we should be the beneficiaries of that shift moving forward.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

And remember the impact in the market is going to be dependent on who's bringing up capacity, who's turned on new capacity. In Europe, this year, we'll probably outperform the market because we have facilities coming on-line. So those kind of things can happen quarter-to-quarter, year-over-year. We don't focus on market share, we focus really on, to Dan's point, being with the right customers, the customers that are innovative, the customers that are growing, that are using the can. We focus more on that versus market share.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Right. No, I get that. So if you end up flattish, would it be unreasonable to think that the market would be up 1-ish?

Daniel William Fisher - *Ball Corporation - President, & CEO*

Yes. I think that's right, Adam. I think you're thinking about it the right way.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Okay. Thanks. And Scott, just on the working capital. I think Ghansham asked about it that you're expecting 300 million working capital source. Can you just help me with where that's coming from, just compared to what you dealt with last year? Is it coming from any particular place in particular, across the board improvements that you're expecting?

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

Mostly inventory, Adam. We still have too much inventory, and that's what we need to work off. So we've got a lot of cash, if you will, sitting in our inventory. So as we roll that off we'll be able to generate a lot of cash from it. That's the biggest chunk.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Got it. And just beyond that, so if that working capital normalizes and the CapEx ends up equivalent to D&A. Are there any other swing factors that you would point out as we think about free cash flow beyond '23, lower CapEx.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Yes, in earnings expansion and we've got really good line of sight into both raw material and finished goods. We're working that every single day right now. So we're confident about that source of cash this year. Carlos, we'll take one more.

Operator

All right. Sir, last question from the line of Kyle White with Deutsche Bank.

Kyle White - *Deutsche Bank AG, Research Division - Research Associate*

I just wanted to better understand kind of the bridge to 2023 earnings and I believe the few hundred million improvement in comparable operating earnings that you called out. You have the $200 million of net inflation recovery. You have the $150 million in cost savings, partially offset by, call it, $85 million from the Russia business. But that's still about $250 million to $265 million of improvement before we have any volume growth. I guess what are some of the major headwinds here that I might be missing in the bridge?

Daniel William Fisher - *Ball Corporation - President, & CEO*

And interest expense.

Kyle White - *Deutsche Bank AG, Research Division - Research Associate*

All right. Got it.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

Going back to your past comments, though inflation is moderating. So energy costs in '23 are going to be higher than they were in '22. We're just passing them along these are built into our plan that are negatives from a cost perspective. I can't just talk about all the positives, there's always some that go the other way so the balance of those is how I get to my number.

Kyle White - *Deutsche Bank AG, Research Division - Research Associate*

Right. And I guess I was assuming that the net inflation was trying to net for maybe the incremental inflation that you're seeing, but maybe that's not the right way to look at it.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

It's really the net of what we expect. But again, that's just inflation.

Kyle White - *Deutsche Bank AG, Research Division - Research Associate*

Yes, makes sense. Sticking on that point. So it seems like a large portion of that recovery, the $200 million inflation recovery is in North America, but it doesn't happen just given the contractual time until July.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

Correct.

Kyle White - *Deutsche Bank AG, Research Division - Research Associate*

Okay, got it.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Yes, 60% of it is in North America, the other 40% is in Europe.

Kyle White - *Deutsche Bank AG, Research Division - Research Associate*

Okay. I appreciate that. That's very helpful.

I know it's early days, but do you have a sense of how much of that benefit could actually continue to flow into 2024 in North America?

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

It stays. It doesn't go back the other way, it stays. The perfect scenario for us is you get a pretty sizable PPI increase and your costs actually go down.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Effectively, you're thinking about it the right way. So you pass-through inflation a year in arrears. If inflation moderates or dissipates, you hold on to that margin expansion for the following year. It was just the opposite of that for the past 2 years for us. But if things come up in energy prices, et cetera, et cetera, come up after we put through the existing cost, then that would be carried into parts of '24. You're right.

Kyle White - *Deutsche Bank AG, Research Division - Research Associate*

Got it. Sounds good. Well, everything looks much better from a price cost standpoint going into this year versus the challenging last year. So good luck with the balance of the year.

Scott C. Morrison - *Ball Corporation - Executive VP & CFO*

I was glad to be done with '22 and excited about '23.

Daniel William Fisher - *Ball Corporation - President, & CEO*

Well said, Carlos, with that, we'll close the call and look forward to talking to you at the end of the first quarter. We are excited for 2023 and we've got the teams and the plans in place to execute. So we'll be following up and iterating on those plans as we look forward to the next time we get together. Thanks.

Operator

That concludes today's call. We thank you for your participation and ask you to please disconnect your lines.

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This release contains "forward-looking" statements concerning future events and financial performance. Words such as "expects," "anticipates," "estimates," "believes," and similar expressions typically identify forward-looking statements, which are generally any statements other than statements of historical fact. Such statements are based on current expectations or views of the future and are subject to risks and uncertainties, which could cause actual results or events to differ materially from those expressed or implied. You should therefore not place undue reliance upon any forward-looking statements and they should be read in conjunction with, and qualified in their entirety by, the cautionary statements referenced below. Ball undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Key factors, risks and uncertainties that could cause actual outcomes and results to be different are summarized in filings with the Securities and Exchange Commission, including Exhibit 99 in Ball's Form 10-K, which are available on Ball's website and at www.sec.gov. Additional factors that might affect: a) Ball's packaging segments include product capacity, supply, and demand constraints and fluctuations and changes in consumption patterns; availability/cost of raw materials, equipment, and logistics; competitive packaging, pricing and substitution; changes in climate and weather and related events such as drought, wildfires, storms, hurricanes, tornadoes and floods; footprint adjustments and other manufacturing changes, including the startup of new facilities and lines; failure to achieve synergies, productivity improvements or cost reductions; unfavorable mandatory deposit or packaging laws; customer and supplier consolidation; power and supply chain interruptions; changes in major customer or supplier contracts or loss of a major customer or supplier; inability to pass through increased costs; war, political instability and sanctions, including relating to the situation in Russia and Ukraine and its impact on Ball's supply chain and its ability to operate in Europe, the Middle East and Africa regions generally; changes in foreign exchange or tax rates; and tariffs, trade actions, or other governmental actions, including business restrictions and orders affecting goods produced by Ball or in its supply chain, including imported raw materials; b) Ball's aerospace segment include funding, authorization, availability and returns of government and commercial contracts; and delays, extensions and technical uncertainties affecting segment contracts; c) Ball as a whole include those listed above plus: the extent to which sustainability-related opportunities arise and can be capitalized upon; changes in senior management, succession, and the ability to attract and retain skilled labor; regulatory actions or issues including those related to tax, environmental, social and governance reporting, competition, environmental, health and workplace safety, including U.S. Federal Drug Administration and other actions or public concerns affecting products filled in Ball's containers, or chemicals or substances used in raw materials or in the manufacturing process; technological developments and innovations; the ability to manage cyber threats; litigation; strikes; disease; pandemic; labor cost changes; inflation; rates of return on assets of Ball's defined benefit retirement plans; pension changes; uncertainties surrounding geopolitical events and governmental policies, including policies, orders, and actions related to COVID-19; reduced cash flow; interest rates affecting Ball's debt; and successful or unsuccessful joint ventures, acquisitions and divestitures, and their effects on Ball's operating results and business generally.