

Ball Corporation
Non-GAAP Financial Measures
Fourth Quarter 2018 Earnings Conference Call

Non-U.S. GAAP Measures - Non-U.S. GAAP measures should not be considered in isolation. They should not be considered superior to, or a substitute for, financial measures calculated in accordance with U.S. GAAP and may not be comparable to similarly titled measures of other companies. Presentations of earnings and cash flows presented in accordance with U.S. GAAP are available in the company's earnings releases and quarterly and annual regulatory filings. Information reconciling forward-looking U.S. GAAP measures to non-U.S. GAAP measures is not available without unreasonable effort. We have not provided guidance for the most directly comparable U.S. GAAP financial measures, as they are not available without unreasonable effort due to the high variability, complexity, and low visibility with respect to certain special Items, including restructuring charges, business consolidate and other costs, gains and losses related to acquisition and divestiture of businesses, the ultimate outcome of certain legal or tax proceedings, and other non-comparable items. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with U.S. GAAP.

Comparable Earnings Before Interest, Taxes, Depreciation and Amortization (Comparable EBITDA), Comparable Operating Earnings and Net Debt - Comparable EBITDA is net earnings before interest, taxes, depreciation and amortization, business consolidation and other non-comparable costs. Comparable Operating Earnings is earnings before business consolidation and other non-comparable costs. We use Comparable EBITDA and Comparable Operating Earnings internally to evaluate the company's operating performance. Net Debt is total debt less cash and cash equivalents, which are derived directly from the company's financial statements. Ball management uses both Net Debt to Comparable EBITDA and Comparable EBITDA to interest expense as metrics to monitor the credit quality of Ball Corporation.

<i>(\$ in millions, except ratios)</i>	Year Ended December 31, 2018
Net earnings attributable to Ball Corporation	\$ 454
Add: Net earnings attributable to noncontrolling interests	(1)
Net earnings	453
Less: Equity in results of affiliates, net of tax	(5)
Add: Tax provision (benefit)	185
Net earnings before taxes	633
Add: Total interest expense	302
Earnings before interest and taxes (EBIT)	935
Add: Business consolidation and other activities	191
Add: Amortization of acquired Rexam intangibles	164
Comparable Operating Earnings	1,290
Add: Depreciation and amortization	702
Less: Amortization of acquired Rexam intangibles	(164)
Comparable EBITDA	\$ 1,828
Interest expense	\$ (301)
Total debt at December 31, 2018	\$ 6,729
Less: Cash and cash equivalents	(721)
Net Debt	\$ 6,008
Comparable EBITDA/Interest Expense (Interest Coverage)	6.1x
Net Debt/Comparable EBITDA	3.3x

Free Cash Flow - Management internally uses a free cash flow measure to: (1) evaluate the company's liquidity, (2) evaluate strategic investments, (3) plan stock buyback and dividend levels and (4) evaluate the company's ability to incur and service debt. Free cash flow is not a defined term under U.S. GAAP, and it should not be inferred that the entire free cash flow amount is available for discretionary expenditures.

Free cash flow is typically derived directly from the company's cash flow statements and is defined as cash flows from operating activities less capital expenditures; however, it may be adjusted for items that affect comparability between periods. Based on the company's definition, free cash flow for 2018 was:

	Year Ended	
	December 31, 2018	
Total cash provided by operating activities	\$	1,566
Less: Capital expenditures		(816)
Free cash flow	\$	750

Based on information currently available, we estimate cash flows from operating activities for 2019 to be in excess of \$1.6 billion, capital expenditures to be approximately \$600 million and free cash flow to exceed \$1 billion.