UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED June 30, 2022

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM ____ TO ____

COMMISSION FILE NUMBER 000-50189

CROWN HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Pennsylvania	**75-3099507**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

770 Township Line Road	**Yardley**	**PA**	**19067**
(Address of principal executive offices)			**(Zip Code)**

215-698-5100
(registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock $5.00 Par Value	CCK	New York Stock Exchange
7 3/8% Debentures Due 2026	CCK26	New York Stock Exchange
7 1/2% Debentures Due 2096	CCK96	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Emerging growth company ☐
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

There were 121,166,377 shares of Common Stock outstanding as of July 28, 2022.

PART I – FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Net sales	$ 3,510	$ 2,856	$ 6,672	$ 5,420
Cost of products sold, excluding depreciation and amortization	2,861	2,244	5,408	4,226
Depreciation and amortization	116	111	231	223
Selling and administrative expense	140	147	297	290
Restructuring and other	(73)	(31)	(74)	(31)
Income from operations	466	385	810	712
Other pension and postretirement	(4)	(2)	(8)	(3)
Interest expense	64	68	118	137
Interest income	(3)	(1)	(6)	(3)
Foreign exchange	7	1	(3)	(1)
Income from continuing operations before taxes and equity in net earnings of affiliates	402	319	709	582
Provision for income taxes	85	146	163	211
Equity in net earnings of affiliates	12	3	29	5
Net income from continuing operations	329	176	575	376
Net income / (loss) from discontinued operations	—	(3)	—	42
Net income	329	173	575	418
Net income from continuing operations attributable to noncontrolling interests	34	45	64	78
Net income from discontinued operations attributable to noncontrolling interests	—	—	—	1
Net income attributable to Crown Holdings	$ 295	$ 128	$ 511	$ 339
Net income from continuing operations attributable to Crown Holdings	$ 295	$ 131	$ 511	$ 298
Net income / (loss) from discontinued operations attributable to Crown Holdings	—	(3)	—	41
Net income attributable to Crown Holdings	$ 295	$ 128	$ 511	$ 339
Earnings per common share attributable to Crown Holdings:				
Basic earnings per common share from continuing operations	2.44	0.98	4.18	2.23
Basic earnings / (loss) per common share from discontinued operations	—	(0.02)	—	0.31
Basic	$ 2.44	$ 0.96	$ 4.18	$ 2.54
Diluted earnings per common share from continuing operations	2.43	0.97	4.15	2.22
Diluted earnings / (loss) per common share from discontinued operations	—	(0.02)	—	0.30
Diluted	$ 2.43	$ 0.95	$ 4.15	$ 2.52

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Net income	$ 329	$ 173	$ 575	$ 418
Other comprehensive income / (loss), net of tax:				
Foreign currency translation adjustments	(42)	44	(29)	9
Pension and other postretirement benefits	11	15	18	30
Derivatives qualifying as hedges	(86)	17	(44)	32
Total other comprehensive income / (loss)	(117)	76	(55)	71
Total comprehensive income	212	249	520	489
Net income attributable to noncontrolling interests	34	45	64	79
Translation adjustments attributable to noncontrolling interests	(4)	—	(4)	(1)
Derivatives qualifying as hedges attributable to noncontrolling interests	(6)	1	(3)	2
Comprehensive income attributable to Crown Holdings	$ 188	$ 203	$ 463	$ 409

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS (Condensed)
(In millions)
(Unaudited)

	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 438	$ 531
Receivables, net	2,151	1,889
Inventories	2,197	1,735
Prepaid expenses and other current assets	298	243
Current assets held for sale	17	97
Total current assets	5,101	4,495
Goodwill	2,943	3,007
Intangible assets, net	1,406	1,525
Property, plant and equipment, net	4,133	4,036
Operating lease right-of-use assets, net	219	191
Other non-current assets	597	604
Total assets	$ 14,399	$ 13,858
Liabilities and equity		
Current liabilities		
Short-term debt	$ 76	$ 75
Current maturities of long-term debt	1,088	135
Current portion of operating lease liabilities	43	42
Accounts payable	3,175	2,901
Accrued liabilities	974	966
Current liabilities held for sale	—	14
Total current liabilities	5,356	4,133
Long-term debt, excluding current maturities	5,466	6,052
Postretirement and pension liabilities	473	497
Non-current portion of operating lease liabilities	182	150
Other non-current liabilities	732	696
Commitments and contingent liabilities *(Note I)*		
Noncontrolling interests	451	418
Crown Holdings shareholders' equity	1,739	1,912
Total equity	2,190	2,330
Total liabilities and equity	$ 14,399	$ 13,858

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Condensed)
(In millions)
(Unaudited)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities		
Net income	$ 575	$ 418
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	231	239
Loss on classification as held for sale	—	70
Restructuring and other	(74)	(23)
Pension expense	16	25
Pension contributions	33	(11)
Stock-based compensation	16	17
Working capital changes and other	(601)	(566)
Net cash provided by operating activities	196	169
Cash flows from investing activities		
Capital expenditures	(310)	(325)
Net investment hedge	13	13
Proceeds from sale of businesses, net of cash received	182	—
Acquisition of businesses, net of cash acquired	(31)	—
Proceeds from sale of property, plant and equipment	15	2
Other	1	(1)
Net cash used for investing activities	(130)	(311)
Cash flows from financing activities		
Net change in revolving credit facility and short-term debt	122	(40)
Proceeds from long-term debt	603	35
Payments of long-term debt	(75)	(36)
Bond issuance costs	(7)	—
Foreign exchange derivatives related to debt	(4)	(8)
Payments of finance leases	(1)	(1)
Dividends paid to noncontrolling interests	(24)	(24)
Dividends paid to shareholders	(53)	(53)
Common stock issued	1	1
Common stock repurchased	(600)	(297)
Net cash used for financing activities	(38)	(423)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(95)	(9)
Net change in cash, cash equivalents and restricted cash	(67)	(574)
Cash, cash equivalents and restricted cash at January 1	593	1,238
Cash, cash equivalents and restricted cash at June 30	$ 526	$ 664

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY
(In millions)
(Unaudited)

	Crown Holdings, Inc. Shareholders’ Equity							
	Common Stock	Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Crown Equity	Noncontrolling Interests	Total Shareholders' Equity
Balance at January 1, 2022	$ 929	$ —	$ 3,180	$ (1,898)	$ (299)	$ 1,912	$ 418	$ 2,330
Net income			216			216	30	246
Other comprehensive income				59		59	3	62
Dividends paid to shareholders			(27)			(27)		(27)
Dividends paid to noncontrolling interests						—	(11)	(11)
Restricted stock awarded			(1)		1	—		—
Stock-based compensation			10			10		10
Common stock repurchased			(335)		(15)	(350)		(350)
Balance at March 31, 2022	$ 929	$ —	$ 3,043	$ (1,839)	$ (313)	$ 1,820	$ 440	$ 2,260
Net income			295			295	34	329
Other comprehensive income				(107)		(107)	(10)	(117)
Dividends paid to shareholders			(26)			(26)		(26)
Dividends paid to noncontrolling interests						—	(13)	(13)
Restricted stock awarded			(1)		1	—		—
Stock-based compensation			6			6		6
Common stock issued			1			1		1
Common stock repurchased			(239)		(11)	(250)		(250)
Balance at June 30, 2022	$ 929	$ —	$ 3,079	$ (1,946)	$ (323)	$ 1,739	$ 451	$ 2,190

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In millions)
(Unaudited)

	Crown Holdings, Inc. Shareholders' Equity							
	Common Stock	Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Crown Equity	Noncontrolling Interests	Total Shareholders' Equity
Balance at January 1, 2021	$ 929	$ 179	$ 4,538	$ (3,193)	$ (255)	$ 2,198	$ 406	$ 2,604
Net income			211			211	34	245
Other comprehensive income				(5)		(5)	—	(5)
Dividends paid to shareholders			(27)			(27)		(27)
Dividends paid to noncontrolling interests						—	(9)	(9)
Restricted stock awarded		(1)			1	—		—
Stock-based compensation		11				11		11
Common stock issued		1				1		1
Common stock repurchased		(11)			(1)	(12)		(12)
Balance at March 31, 2021	$ 929	$ 179	$ 4,722	$ (3,198)	$ (255)	$ 2,377	$ 431	$ 2,808
Net income			128			128	45	173
Other comprehensive income				75		75	1	76
Dividends paid to shareholders			(26)			(26)		(26)
Dividends paid to noncontrolling interests						—	(15)	(15)
Restricted stock awarded		(1)			1	—		—
Stock-based compensation		6				6		6
Common stock repurchased		(184)	(100)		(14)	(298)		(298)
Balance at June 30, 2021	$ 929	$ —	$ 4,724	$ (3,123)	$ (268)	$ 2,262	$ 462	$ 2,724

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In millions, except per share and statistical data)
(Unaudited)

A. Statement of Information Furnished

The consolidated financial statements include the accounts of Crown Holdings, Inc. and its consolidated subsidiaries (the “Company”). The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Form 10-Q instructions. In the opinion of management, these consolidated financial statements contain all adjustments of a normal and recurring nature necessary for a fair statement of the financial position of the Company as of June 30, 2022 and the results of its operations for the three and six months ended June 30, 2022 and 2021 and of its cash flows for the six months ended June 30, 2022 and 2021. The results reported in these consolidated financial statements are not necessarily indicative of the results that may be expected for the entire year. These results have been determined on the basis of accounting principles generally accepted in the United States of America (“GAAP”), the application of which requires management’s utilization of estimates, and actual results may differ materially from the estimates utilized.

Certain information and footnote disclosures normally included in financial statements presented in accordance with GAAP have been condensed or omitted. The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. The accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

B. Divestitures

On August 31, 2021, the Company completed the sale (the “Transaction”) of its European Tinplate business (the “Business”) to Kouti B.V., an affiliate of KPS Capital Partners LP. The Business comprised the Company’s European Food segment and its European Aerosol and Promotional Packaging reporting unit which was previously reported in Other. The Company received pre-tax proceeds of approximately €1.9 billion ($2.3 billion) from the Transaction and received a 20% minority interest in the Business. For the year ended December 31, 2021, the Company recorded a pre-tax loss of $101 and tax charges of $81 related to taxable gains on the sale of the Business.

Major components of net income from discontinued operations for the three and six months ended June 30, 2021 were as follows:

	Three Months Ended June 30,	Six Months Ended June 30,
	2021	**2021**
Net sales	$ 605	$ 1,119
Cost of products sold, excluding depreciation and amortization	490	908
Depreciation and amortization	—	16
Selling and administrative expense	22	43
Other pension and postretirement	1	1
Interest expense	2	4
Foreign exchange	(1)	(1)
Loss on sale of discontinued businesses	70	70
Transaction costs	6	8
Income from discontinued operations before tax	15	70
Provision for income taxes	18	28
Net income / (loss) from discontinued operations	(3)	42
Net income from discontinued operations attributable to noncontrolling interests	—	1
Net income / (loss) from discontinued operations attributable to Crown Holdings	$ (3)	$ 41

The Business had capital expenditures of $20 for the six months ended June 30, 2021.

The Company accounted for the minority interest received in the Business under the equity method. The Company's share of income of the Business was $8 and $23, respectively, for the three and six months ended June 30, 2022 and is reported in Equity in net earnings of affiliates in the Consolidated Statement of Operations.

In April 2022, the Company completed the sale of the Transit Packaging segment's Kiwiplan business and received pre-tax proceeds of $180. The Company recorded a pre-tax gain of $113 ($102, net of tax) on the sale, which is reported in Restructuring and other in the Consolidated Statement of Operations. The transaction did not represent a strategic shift that had a major effect on the Company's operations and financial results, and therefore did not qualify for reporting as a discontinued operation.

C. Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash included in the Company's Consolidated Balance Sheets and Statement of Cash Flows were as follows:

	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 438	$ 531
Restricted cash included in prepaid expenses and other current assets	88	61
Restricted cash included in other non-current assets	—	1
Total restricted cash	88	62
Total cash, cash equivalents and restricted cash	$ 526	$ 593

Amounts included in restricted cash primarily represent amounts required to be segregated by certain of the Company's receivables securitization agreements.

D. Receivables

	June 30, 2022	December 31, 2021
Accounts receivable	$ 1,407	$ 1,289
Less: allowance for credit losses	(20)	(20)
Net trade receivables	1,387	1,269
Unbilled receivables	399	325
Miscellaneous receivables	365	295
Receivables, net	$ 2,151	$ 1,889

In December 2021, the Company's Bowling Green plant sustained tornado damage, resulting in curtailment of operations. The Company resumed operations in March 2022. However, it will continue to incur incremental costs, including freight and warehousing expenses, to meet customer demand as the plant returns to full operational capacity. The Company has property and business interruption insurance policies for weather related events that include these incremental expenses. The Company recognizes insurance recoveries for losses incurred as the recoveries become probable. Insurance recoveries for lost profits are not recognized until they are realized.

During the six months ended June 30, 2022, the Company received insurance proceeds of $30 for business interruption, including incremental expenses, and $15 for property damage. As of June 30, 2022, the Company has recorded an insurance receivable of $25 for incremental expenses incurred that the Company expects to be reimbursed under the terms of its insurance policy.

E. Inventories

	June 30, 2022	December 31, 2021
Raw materials and supplies	$ 1,395	$ 1,094
Work in process	160	120
Finished goods	642	521
	$ 2,197	$ 1,735

F. Intangible Assets

Gross carrying amounts and accumulated amortization of finite-lived intangible assets by major class were as follows:

	June 30, 2022			December 31, 2021		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
Customer relationships	$ 1,332	$ (485)	$ 847	$ 1,363	$ (443)	$ 920
Trade names	522	(93)	429	544	(86)	458
Technology	152	(96)	56	158	(88)	70
Long term supply contracts	141	(69)	72	137	(63)	74
Patents	11	(9)	2	15	(12)	3
	$ 2,158	$ (752)	$ 1,406	$ 2,217	$ (692)	$ 1,525

Net income from continuing operations for the three and six months ended June 30, 2022 and 2021 included amortization expense of $39 and $79 and $41 and $83.

G. Restructuring and Other

The Company recorded restructuring and other items as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Asset sales and impairments	$ (110)	$ (1)	(115)	(1)
Restructuring	35	6	38	14
Other costs / (income)	$ 2	$ (36)	$ 3	$ (44)
	$ (73)	$ (31)	$ (74)	$ (31)

For the three and six months ended June 30, 2022, asset sales and impairments primarily relates to the $113 gain on sale of the Kiwiplan business. For the six months ended June 30, 2022, asset sales and impairments also included various land and building sales in the Company's Asia-Pacific segment which were closed as part of prior restructuring actions.

For the three and six months ended June 30, 2022, restructuring included $29 of charges related to an overhead cost reduction program initiated by the Company's Transit Packaging segment. The Company expects to reduce headcount by approximately 600 employees.

For the three and six months ended June 30, 2021, other income included gains of $30 arising from favorable court rulings in lawsuits brought by certain of the Company's Brazilian subsidiaries asserting they were overcharged by the local tax authorities for indirect taxes paid in prior years.

At June 30, 2022, the Company had a restructuring accrual of $32, primarily related to the headcount reductions and other internal reorganizations within the Transit Packaging segment. The Company expects to pay these amounts over the next twelve months.

H. Asbestos-Related Liabilities

Crown Cork & Seal Company, Inc. (“Crown Cork”) is one of many defendants in a substantial number of lawsuits filed throughout the U.S. by persons alleging bodily injury as a result of exposure to asbestos. These claims arose from the insulation operations of a U.S. company, the majority of whose stock Crown Cork purchased in 1963. Approximately ninety days after the stock purchase, this U.S. company sold its insulation assets and was later merged into Crown Cork.

Prior to 1998, amounts paid to asbestos claimants were covered by a fund made available to Crown Cork under a 1985 settlement with carriers insuring Crown Cork through 1976, when Crown Cork became self-insured. The fund was depleted in 1998 and the Company has no remaining coverage for asbestos-related costs.

In December 2001, the Commonwealth of Pennsylvania enacted legislation that limits the asbestos-related liabilities of Pennsylvania corporations that are successors by corporate merger to companies involved with asbestos. The legislation limits the successor’s liability for asbestos to the acquired company’s asset value adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the acquired company’s adjusted asset value. In November 2004, the legislation was amended to address a Pennsylvania Supreme Court decision (Ieropoli v. AC&S Corporation, et. al., No. 117 EM 2002) which held that the statute violated the Pennsylvania Constitution due to retroactive application. The Company cautions that the limitations of the statute, as amended, are subject to litigation and may not be upheld.

In June 2003, the state of Texas enacted legislation that limits the asbestos-related liabilities in Texas courts of companies such as Crown Cork that allegedly incurred these liabilities because they are successors by corporate merger to companies that had been involved with asbestos. The Texas legislation, which applies to future claims and pending claims, caps asbestos-related liabilities at the total gross value of the predecessor’s assets adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the total adjusted value of its predecessor’s assets.

In October 2010, the Texas Supreme Court held that the Texas legislation was unconstitutional under the Texas Constitution when applied to asbestos-related claims pending against Crown Cork when the legislation was enacted in June 2003. The Company believes that the decision of the Texas Supreme Court is limited to retroactive application of the Texas legislation to asbestos-related cases that were pending against Crown Cork in Texas on June 11, 2003 and therefore, in its accrual, continues to assign no value to claims filed after June 11, 2003.

The states of Alabama, Arizona, Arkansas, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Michigan, Mississippi, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Utah, West Virginia, Wisconsin and Wyoming have enacted legislation that limits asbestos-related liabilities under state law of companies such as Crown Cork that allegedly incurred these liabilities because they are successors by corporate merger to companies that had been involved with asbestos. The legislation, which applies to future and, with the exception of Arkansas, Georgia, South Carolina, South Dakota, West Virginia and Wyoming, pending claims, caps asbestos-related liabilities at the fair market value of the predecessor's total gross assets adjusted for inflation. Crown Cork has paid significantly more for asbestos-related claims than the total value of its predecessor's assets adjusted for inflation. Crown Cork has integrated the legislation into its claims defense strategy.

The Company further cautions that an adverse ruling in any litigation relating to the constitutionality or applicability to Crown Cork of one or more statutes that limits the asbestos-related liability of alleged defendants like Crown Cork could have a material impact on the Company.

During the six months ended June 30, 2022, the Company paid $10 to settle asbestos claims and pay related legal and defense costs and had claims activity as follows:

Beginning claims	57,000
New claims	500
Settlements or dismissals	(500)
Ending claims	57,000

In the fourth quarter of each year, the Company performs an analysis of outstanding claims and categorizes these claims by year of exposure and state filed. As of December 31, 2021, the Company's outstanding claims were:

Claimants alleging first exposure after 1964	17,000
Claimants alleging first exposure before or during 1964 filed in:	
Texas	13,000
Pennsylvania	1,500
Other states that have enacted asbestos legislation	6,000
Other states	19,500
Total claims outstanding	57,000

The outstanding claims in each period exclude approximately 19,000 inactive claims. Due to the passage of time, the Company considers it unlikely that the plaintiffs in these cases will pursue further action against the Company. The exclusion of these inactive claims had no effect on the calculation of the Company’s accrual as the claims were filed in states, as described above, where the Company’s liability is limited by statute.

With respect to claimants alleging first exposure to asbestos before or during 1964, the Company does not include in its accrual any amounts for settlements in states where the Company’s liability is limited by statute except for certain pending claims in Texas as described earlier.

With respect to post-1964 claims, regardless of the existence of asbestos legislation, the Company does not include in its accrual any amounts for settlement of these claims because of increased difficulty of establishing identification of relevant insulation products as the cause of injury. Given the Company's settlement experience with post-1964 claims, it does not believe that an adverse ruling in the Texas or Pennsylvania asbestos litigation cases, or in any other state that has enacted asbestos legislation, would have a material impact on the Company with respect to such claims.

As of December 31, the percentage of outstanding claims related to claimants alleging serious diseases (primarily mesothelioma and other malignancies) were as follows:

	2021	2020
Total claims	24 %	23 %
Pre-1965 claims in states without asbestos legislation	42 %	41 %

Crown Cork has entered into arrangements with plaintiffs' counsel in certain jurisdictions with respect to claims which are not yet filed, or asserted, against it. However, Crown Cork expects claims under these arrangements to be filed or asserted against Crown Cork in the future. The projected value of these claims is included in the Company's estimated liability as of June 30, 2022.

As of June 30, 2022, the Company's accrual for pending and future asbestos-related claims and related legal costs was $227, including $186 for unasserted claims. The Company determines its accrual without limitation to a specific time period.

It is reasonably possible that the actual loss could be in excess of the Company's accrual. However, the Company is unable to estimate the reasonably possible loss in excess of its accrual due to uncertainty in the following assumptions that underlie the Company's accrual and the possibility of losses in excess of such accrual: the amount of damages sought by the claimant (which was not specified for approximately 82% of the claims outstanding at the end of 2021), the Company and claimant's willingness to negotiate a settlement, the terms of settlements of other defendants with asbestos-related liabilities, the bankruptcy filings of other defendants (which may result in additional claims and higher settlements for non-bankrupt defendants), the nature of pending and future claims (including the seriousness of alleged disease, whether claimants allege first exposure to asbestos before or during 1964 and the claimant's ability to demonstrate the alleged link to Crown Cork), the volatility of the litigation environment, the defense strategies available to the Company, the level of future claims, the rate of receipt of claims, the jurisdiction in which claims are filed, and the effect of state asbestos legislation (including the validity and applicability of the Pennsylvania legislation to non-Pennsylvania jurisdictions, where the substantial majority of the Company's asbestos cases are filed).

I. Commitments and Contingent Liabilities

The Company, along with others in most cases, has been identified by the EPA or a comparable state environmental agency as a Potentially Responsible Party ("PRP") at a number of sites and has recorded aggregate accruals of $12 for its share of estimated future remediation costs at these sites. The Company has been identified as having either directly or indirectly disposed of commercial or industrial waste at the sites subject to the accrual, and where appropriate and supported by available information, generally has agreed to be responsible for a percentage of future remediation costs based on an estimated volume of materials disposed in proportion to the total materials disposed at each site. The Company has not had monetary sanctions imposed nor has the Company been notified of any potential monetary sanctions at any of the sites.

The Company has also recorded aggregate accruals of $8 for remediation activities at various worldwide locations that are owned by the Company and for which the Company is not a member of a PRP group. Although the Company believes its accruals are adequate to cover its portion of future remediation costs, there can be no assurance that the ultimate payments will not exceed the amount of the Company's accruals and will not have a material effect on its results of operations, financial position and cash flow. Any possible loss or range of potential loss that may be incurred in excess of the recorded accruals cannot be estimated.

In March 2015, the Bundeskartellamt, or German Federal Cartel Office ("FCO"), conducted unannounced inspections of the premises of several metal packaging manufacturers, including a German subsidiary of the Company. The local court order authorizing the inspection cited FCO suspicions of anti-competitive agreements in the German market for the supply of metal packaging products. The Company conducted an internal investigation into the matter and discovered instances of inappropriate conduct by certain employees of German subsidiaries of the Company. The Company cooperated with the FCO and submitted a leniency application with the FCO which disclosed the findings of its internal investigation to date. In April 2018, the FCO discontinued its national investigation and referred the matter to the European Commission (the "Commission"). Following the referral, Commission officials conducted unannounced inspections of the premises of several metal packaging manufacturers, including Company subsidiaries in Germany, France and the U.K. The Company cooperated with the Commission and submitted a leniency application with the Commission with respect to the findings of its internal investigation in Germany.

In July 2022, the Company reached a settlement with the Commission relating to the Commission’s investigation, pursuant to which the Company agreed to pay a fine in the amount of $8.

In March 2017, U.S. Customs and Border Protection (“CBP”) at the Port of Milwaukee issued a penalty notification alleging that certain of the Company’s subsidiaries intentionally misclassified the importation of certain goods into the U.S. during the period 2004 -2009. CBP initially assessed a penalty of $18. The Company has acknowledged to CBP that the goods were misclassified and has paid all related duties, which CBP does not dispute. The Company has asserted that the misclassification was unintentional and disputes the penalty assessment by CBP. CBP has brought suit in the U.S. Court of International Trade seeking enforcement of the initial penalty against the Company. At the present time, based on the information available, the Company does not believe that a loss for the alleged intentional misclassification is probable. However, there can be no assurance that the Company will be successful in contesting the assessed penalty.

On October 7, 2021, the French Autorité de la concurrence (the French Competition Authority or “FCA”) issued a statement of objections to 14 trade associations, one public entity and 101 legal entities from 28 corporate groups, including the Company, certain of its subsidiaries, other leading metal can manufacturers, certain can fillers and certain retailers in France. The FCA alleged violations of Articles 101 of the Treaty on the Functioning of the European Union and L.420-1 of the French Commercial Code. The statement of objections alleges, among other things, anti-competitive behavior in connection with the removal of bisphenol-A from metal packaging in France. The removal of bisphenol-A was mandated by French legislation that went into effect in 2015. If the FCA finds that the Company or its subsidiaries violated competition law, the FCA may levy fines. Proceedings with respect to this matter are ongoing and the Company is unable to predict the ultimate outcome including the amount of fines, if any, that may be levied by the FCA. The Company intends to vigorously defend against the allegations in the statement of objections.

The Company and its subsidiaries are also subject to various other lawsuits and claims with respect to labor, environmental, securities, vendor and other matters arising out of the Company’s normal course of business. While the impact on future financial results is not subject to reasonable estimation because considerable uncertainty exists, management believes that the ultimate liabilities resulting from such lawsuits and claims will not materially affect the Company’s consolidated earnings, financial position or cash flow. The Company has various commitments to purchase materials, supplies and utilities as part of the ordinary conduct of business.

The Company’s basic raw materials for its products are aluminum and steel, both of which are purchased from multiple sources. The Company is subject to fluctuations in the cost of these raw materials and has periodically adjusted its selling prices to reflect these movements. There can be no assurance, however, that the Company will be able to fully recover any increases or fluctuations in raw material costs from its customers. The Company also has commitments for standby letters of credit and for purchases of capital assets.

At June 30, 2022, the Company was party to certain indemnification agreements covering environmental remediation, lease payments and other potential costs associated with properties sold or businesses divested. The Company accrues for costs related to these items when it is probable that a liability has been incurred and the amount can be reasonably estimated.

J. Derivative and Other Financial Instruments

Fair Value Measurements

Under U.S. GAAP a framework exists for measuring fair value, providing a three-tier hierarchy of pricing inputs used to report assets and liabilities that are adjusted to fair value. Level 1 includes inputs such as quoted prices which are available in active markets for identical assets or liabilities as of the report date. Level 2 includes inputs other than those available in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 3 includes unobservable pricing inputs that are not corroborated by market data or other objective sources. The Company has no recurring items valued using Level 3 inputs other than certain pension plan assets.

The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability. The Company’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities measured at fair value and their placement within the fair value hierarchy.

The Company applies a market approach to value its commodity price hedge contracts. Prices from observable markets are used to develop the fair value of these financial instruments and they are reported under Level 2. The Company uses an income approach to value its foreign exchange forward contracts. These contracts are valued using a discounted cash flow model that calculates the present value of future cash flows under the terms of the contracts using market information as of the reporting date, such as foreign exchange spot and forward rates, and are reported under Level 2 of the fair value hierarchy.

Fair value disclosures for financial assets and liabilities that were accounted for at fair value on a recurring basis are provided later in this note. In addition, see Note K for fair value disclosures related to debt.

Derivative Financial Instruments

In the normal course of business the Company is subject to risk from adverse fluctuations in currency exchange rates, interest rates and commodity prices. The Company manages these risks through a program that includes the use of derivative financial instruments, primarily swaps and forwards. Counterparties to these contracts are major financial institutions. The Company is exposed to credit loss in the event of nonperformance by these counterparties. The Company does not use derivative instruments for trading or speculative purposes.

The Company's objective in managing exposure to market and interest rate risk is to limit the impact on earnings and cash flow. The extent to which the Company uses such instruments is dependent upon its access to these contracts in the financial markets and its success using other methods, such as netting exposures in the same currencies to mitigate foreign exchange risk, using sales agreements that permit the pass-through of commodity price and foreign exchange rate risk to customers and borrowing both fixed and floating debt instruments to manage interest rate risk.

For derivative financial instruments accounted for in hedging relationships, the Company formally designates and documents, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the manner in which effectiveness will be assessed. The Company formally assesses, both at inception and at least quarterly thereafter, whether the hedging relationships are effective in offsetting changes in fair value or cash flows of the related underlying exposures. When a forecasted transaction is reasonably possible, but not probable of occurring, the hedge no longer qualifies for hedge accounting and the change in fair value from the date of the last effectiveness test is recognized in earnings. Any gain or loss which has accumulated in other comprehensive income at the date of the last effectiveness test is reclassified into earnings at the same time of the underlying exposure or when the forecasted transaction becomes probable of not occurring.

Cash Flow Hedges

The Company designates certain derivative financial instruments as cash flow hedges. No components of the hedging instruments are excluded from the assessment of hedge effectiveness. Changes in fair value of outstanding derivatives accounted for as cash flow hedges are recorded in accumulated other comprehensive income until earnings are impacted by the hedged transaction. Classification of the gain or loss in the Consolidated Statements of Operations upon reclassification from accumulated comprehensive income is the same as that of the underlying exposure. Contracts outstanding at June 30, 2022 mature between one and thirty months.

The Company uses commodity forward contracts to hedge anticipated purchases of various commodities, primarily aluminum, and these exposures are hedged by a central treasury unit.

The Company also designates certain foreign exchange contracts as cash flow hedges of anticipated foreign currency denominated sales or purchases. The Company manages these risks at the operating unit level. Often, foreign currency risk is generally hedged together with the related commodity price risk.

The Company may also use interest rate swaps to convert interest on floating rate debt to a fixed-rate.

The following tables set forth financial information about the impact on other comprehensive income ("OCI"), accumulated other comprehensive income ("AOCI") and earnings from changes in the fair value of derivative instruments.

Derivatives in cash flow hedges	Amount of gain/(loss) recognized in OCI Three Months Ended June 30, 2022	2021	Amount of gain/(loss) recognized in OCI Six Months Ended June 30, 2022	2021
Foreign exchange	$ —	$ —	$ (5)	$ (1)
Interest Rate	—	1	—	2
Commodities	(66)	30	(16)	55
	$ (66)	$ 31	$ (21)	$ 56

Derivatives in cash flow hedges	Amount of gain/(loss) reclassified from AOCI into income Three Months Ended June 30, 2022	2021	Amount of gain/(loss) reclassified from AOCI into income Six Months Ended June 30, 2022	2021	Affected line items in the Statement of Operations
Foreign exchange	$ (1)	$ —	$ (6)	$ (1)	Net sales
Commodities	(3)	$ (16)	(14)	(20)	Net sales
Foreign exchange	—	—	(1)	—	Cost of products sold, excluding depreciation and amortization
Commodities	22	36	48	55	Cost of products sold, excluding depreciation and amortization
	18	20	27	34	Income from continuing operations before taxes and equity in net earnings of affiliates
	(4)	(5)	(7)	(9)	Provision for income taxes
	14	15	20	25	Net income from continuing operations
Foreign exchange	—	(1)	—	—	Net income / (loss) from discontinued operations
Commodities	—	1	—	1	Net income / (loss) from discontinued operations
Total reclassified	$ 14	$ 15	$ 20	$ 26	Net income

For the twelve-month period ending June 30, 2023, a net loss of $13 ($11, net of tax) is expected to be reclassified to earnings for commodity and foreign exchange contracts. No material amounts were reclassified during the six months ended June 30, 2022 and 2021 in connection with anticipated transactions that were considered probable of not occurring.

Fair Value Hedges and Contracts Not Designated as Hedges

The Company designates certain derivative financial instruments as fair value hedges of recognized foreign-denominated assets and liabilities, generally trade accounts receivable and payable and unrecognized firm commitments. The notional values and maturity dates of the derivative instruments coincide with those of the hedged items. Changes in fair value of the derivative financial instruments, excluding time value, are offset by changes in fair value of the related hedged items.

For the three and six months ended June 30, 2022, the Company recorded a gain of $6 and a loss of $15 from foreign exchange contracts designated as fair value hedges. For the three and six months ended June 30, 2021, the Company recorded losses of $13 and $6 from foreign exchange contracts designated as fair value hedges. These adjustments were reported within foreign exchange in the Consolidated Statements of Operations.

Certain derivative financial instruments, including foreign exchange contracts related to intercompany debt, were not designated or did not quality for hedge accounting; however, they are effective economic hedges as the changes in their fair value, except for time value, are offset by changes arising from re-measurement of the related hedged items.

The Company's primary use of these derivative instruments is to offset the earnings impact that fluctuations in foreign exchange rates have on certain monetary assets and liabilities denominated in nonfunctional currencies. Changes in fair value of these derivative instruments are immediately recognized in earnings as foreign exchange adjustments.

The following table sets forth the impact on earnings from derivatives not designated as hedges.

	Pre-tax amounts of gain/(loss) recognized in income on derivative		Pre-tax amounts of gain/(loss) recognized in income on derivative		
	Three Months Ended June 30,		Six Months Ended June 30,		
Derivatives not designated as hedges	2022	2021	2022	2021	Affected line item in the Statement of Operations
Foreign exchange	$ 1	$ —	$ (3)	$ (1)	Net sales
Foreign exchange	3	(1)	4	—	Cost of products sold
Foreign exchange	(4)	2	(14)	(11)	Foreign exchange
	$ —	$ 1	$ (13)	$ (12)	

Net Investment Hedges

The Company designates certain debt and derivative instruments as net investment hedges to manage foreign currency risk relating to net investments in subsidiaries denominated in foreign currencies and reduce the variability in the functional currency equivalent cash flows.

During the three and six months ended June 30, 2022, the Company recorded gains of $33 ($26, net of tax) and $50 ($36, net of tax) in other comprehensive income for certain debt instruments that are designated as hedges of its net investment in a euro-based subsidiary. During the three and six months ended June 30 2021, the Company recorded a loss of $13 ($13, net of tax) and a gain of $41 ($41, net of tax) in other comprehensive income for these net investment hedges. As of June 30, 2022 and December 31, 2021, cumulative gains of $119 ($128, net of tax) and gains of $69 ($92, net of tax) were recognized in accumulated other comprehensive income related to these net investment hedges and the carrying amount of the hedged net investment was €553 ($579) at June 30, 2022.

The following tables set forth the impact on AOCI from changes in the fair value of derivative instruments designated as net investment hedges.

	Amount of gain / (loss) recognized in AOCI		Amount of gain / (loss) recognized in AOCI	
	Three Months ended June 30,		Six months ended June 30,	
Derivatives designated as net investment hedges	2022	2021	2022	2021
Foreign exchange	$ 37	$ 4	$ 39	$ 26

Gains and losses representing components excluded from the assessment of effectiveness on derivatives designated as net investment hedges are recognized in accumulated other comprehensive income.

Gains or losses on net investment hedges remain in accumulated other comprehensive income until disposal of the underlying assets.

Fair Values of Derivative Financial Instruments and Valuation Hierarchy

The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2022 and December 31, 2021, respectively. The fair values of these financial instruments were reported under Level 2 of the fair value hierarchy.

	Balance Sheet classification	June 30, 2022	December 31, 2021	Balance Sheet classification	June 30, 2022	December 31, 2021
Derivatives designated as hedging instruments						
Foreign exchange contracts cash flow	Prepaid expenses and other current assets	$ 4	$ 3	Accrued liabilities	$ 2	$ 10
Foreign exchange contracts fair value	Prepaid expenses and other current assets	7	1	Accrued liabilities	4	2
Commodities contracts cash flow	Prepaid expenses and other current assets	24	53	Accrued liabilities	38	17
	Other non-current assets	2	2	Other non-current liabilities	7	1
Net investment hedge	Other non-current assets	99	49	Other non-current liabilities	—	—
		$ 136	$ 108		$ 51	$ 30
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Prepaid expenses and other current assets	$ 10	$ 3	Accrued liabilities	$ 13	$ 3
		$ 10	$ 3		$ 13	$ 3
Total derivatives		$ 146	$ 111		$ 64	$ 33

Line item in the Balance Sheet in which the hedged item is included	Carrying amount of the hedged assets / liabilities June 30, 2022	Carrying amount of the hedged assets / liabilities December 31, 2021
Cash and cash equivalents	$ 38	$ 38
Receivables, net	11	21
Accounts payable	115	116

As of June 30, 2022 and December 31, 2021, the cumulative amount of fair value hedging adjustments included in the carrying amount of the hedged assets and liabilities were a net loss of $3 and a net gain of $1.

Offsetting of Derivative Assets and Liabilities

Certain derivative financial instruments are subject to agreements with counterparties similar to master netting arrangements and are eligible for offset. The Company has made an accounting policy election not to offset the fair values of these instruments within the statement of financial position. In the table below, the aggregate fair values of the Company's derivative assets and liabilities are presented on both a gross and net basis, where appropriate.

	Gross amounts recognized in the Balance Sheet	Gross amounts not offset in the Balance Sheet	Net amount
Balance at June 30, 2022			
Derivative assets	$146	$20	$126
Derivative liabilities	64	20	44
Balance at December 31, 2021			
Derivative assets	111	19	92
Derivative liabilities	33	19	14

Notional Values of Outstanding Derivative Instruments

The aggregate U.S. dollar-equivalent notional values of outstanding derivative instruments in the Consolidated Balance Sheets at June 30, 2022 and December 31, 2021 were:

	June 30, 2022	December 31, 2021
Derivatives designated as cash flow hedges:		
Foreign exchange	$ 231	$ 241
Commodities	328	261
Derivatives designated as fair value hedges:		
Foreign exchange	234	229
Derivatives designated as net investment hedges:		
Foreign exchange	875	875
Derivatives not designated as hedges:		
Foreign exchange	590	617

K. Debt

The Company's outstanding debt was as follows:

	June 30, 2022		December 31, 2021	
	Principal outstanding	Carrying amount	Principal outstanding	Carrying amount
Short-term debt	$ 76	$ 76	$ 75	$ 75
Long-term debt				
Senior secured borrowings:				
Revolving credit facilities	150	150	50	50
Term loan facilities				
U.S. dollar due 2024	974	971	1,002	997
Euro due 2024[1]	305	305	344	344
Senior notes and debentures:				
€335 at 2.25% due 2023	351	350	381	380
€550 at 0.75% due 2023	576	575	626	624
€600 at 2.625% due 2024	628	625	683	680
€600 at 3.375% due 2025	628	625	683	679
U.S. dollar at 4.25% due 2026	400	397	400	396
U.S. dollar at 4.75% due 2026	875	868	875	867
U.S. dollar at 7.375% due 2026	350	348	350	348
€500 at 2.875% due 2026	525	521	570	565
U.S. dollar at 5.25% due 2030	500	493	—	—
U.S. dollar at 7.50% due 2096	40	40	40	40
Other indebtedness in various currencies	286	286	217	217
Total long-term debt	6,588	6,554	6,221	6,187
Less current maturities	(1,088)	(1,088)	(136)	(135)
Total long-term debt, less current maturities	$ 5,500	$ 5,466	$ 6,085	$ 6,052

(1) €291 and €303 at June 30, 2022 and December 31, 2021

The estimated fair value of the Company's long-term borrowings, using a market approach incorporating Level 2 inputs such as quoted market prices for the same or similar issues, was $6,528 at June 30, 2022 and $6,548 at December 31, 2021.

In March 2022, the Company issued $500 principal amount of 5.250% senior unsecured notes due 2030. The notes were issued at par by Crown Americas LLC, a subsidiary of the Company, and are unconditionally guaranteed by the Company and substantially all of its U.S. subsidiaries. The Company paid $7 in issuance costs that will be amortized over the term of the notes.

L. Pension and Other Postretirement Benefits

The components of net periodic pension and other postretirement benefits costs for the three and six months ended June 30, 2022 and 2021 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
Pension benefits – U.S. plans	2022	2021	2022	2021
Service cost	$ 5	$ 6	$ 10	$ 11
Interest cost	8	6	15	12
Expected return on plan assets	(19)	(16)	(37)	(31)
Recognized net loss	12	15	24	30
Net periodic cost	$ 6	$ 11	$ 12	$ 22

Pension benefits – Non-U.S. plans	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Service cost	$ 2	$ 4	$ 4	$ 7
Interest cost	3	9	6	18
Expected return on plan assets	(6)	(21)	(11)	(41)
Recognized net loss	1	10	2	19
Net periodic cost	$ —	$ 2	$ 1	$ 3

Other postretirement benefits	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Interest cost	1	—	2	1
Recognized prior service credit	(5)	(6)	(10)	(13)
Recognized net loss	1	1	1	2
Net periodic benefit	$ (3)	$ (5)	$ (7)	$ (10)

In October 2021, the trustees of the Company's U.K. defined benefit pension plan (the "Plan") entered into a transaction to fully insure all of its U.K. pension liabilities. In 2021, the Company made a cash contribution to enable the Plan to purchase a bulk annuity insurance contract for the benefit of the Plan participants. The Company recorded a settlement charge of $1,511 in the fourth quarter of 2021, upon irrevocable transfer of the Plan's obligations. The Company expects £127 ($154 as of June 30, 2022) of the cash contribution to be repaid as the Plan sells its remaining illiquid assets, of which £71 ($92) has been received to date.

The components of net periodic cost / (benefit) other than the service cost component are included in other pension and postretirement in the Consolidated Statement of Operations.

The following table provides information about amounts reclassified from accumulated other comprehensive income.

Details about accumulated other comprehensive income components	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Affected line items in the statement of operations
Actuarial losses	$ 14	$ 26	$ 27	$ 51	Other pension and postretirement
Prior service credit	(5)	(6)	(10)	(13)	Other pension and postretirement
	9	20	17	38	Income from continuing operations before taxes and equity in net earnings of affiliates
	(2)	(5)	(4)	(8)	Provision for income taxes
Total reclassified	7	15	13	30	Net income from continuing operations

M. Capital Stock

On December 9, 2021, the Company's Board of Directors authorized the repurchase of an aggregate amount of $3,000 of Company common stock through the end of 2024. Share repurchases under the Company's program may be made in the open market or through privately negotiated transactions, and at times and in such amounts as management deems appropriate. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements and other market conditions. The Company repurchased $600 of its shares during the six months ended June 30, 2022 and $950 of its shares during the twelve months ended December 31, 2021.

For the three and six months ended June 30, 2022, the Company declared and paid cash dividends of $0.22 per share and $0.44 per share. Additionally, on July 28, 2022, the Company's Board of Directors declared a dividend of $0.22 per share payable on August 25, 2022 to shareholders of record as of August 11, 2022.

N. Accumulated Other Comprehensive Income

The following table provides information about the changes in each component of accumulated other comprehensive income.

	Defined benefit plans	Foreign currency translation	Gains and losses on cash flow hedges	Total
Balance at January 1, 2021	$ (1,464)	$ (1,759)	$ 30	$ (3,193)
Other comprehensive income before reclassifications	—	10	56	66
Amounts reclassified from accumulated other comprehensive income	30	—	(26)	4
Other comprehensive income	30	10	30	70
Balance at June 30, 2021	$ (1,434)	$ (1,749)	$ 60	$ (3,123)
Balance at January 1, 2022	$ (768)	$ (1,158)	$ 28	$ (1,898)
Other comprehensive (loss) / income before reclassifications	—	(25)	(21)	(46)
Amounts reclassified from accumulated other comprehensive income	18	—	(20)	(2)
Other comprehensive income	18	(25)	(41)	(48)
Balance at June 30, 2022	$ (750)	$ (1,183)	$ (13)	$ (1,946)

See Note J and Note L for further details of amounts related to cash flow hedges and defined benefit plans.

O. Revenue

The Company recognized revenue as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue recognized over time	$ 1,883	$ 1,531	$ 3,600	$ 2,921
Revenue recognized at a point in time	1,627	1,325	3,072	2,499
Total revenue	$ 3,510	$ 2,856	$ 6,672	$ 5,420

See Note R for further disaggregation of the Company's revenue.

The Company has applied the practical expedient to exclude disclosure of remaining performance obligations as its binding orders typically have a term of one year or less.

Contract assets are typically recognized for work in process related to the Company's three-piece printed products and equipment business. Contract assets and liabilities are reported in a net position on a contract-by-contract basis. The Company had net contract assets of $34 and $23 as of June 30, 2022 and December 31, 2021 included in prepaid and other current assets. During the three and six months ended June 30, 2022, the Company satisfied performance obligations related to contract assets at December 31, 2021 and also recorded new contract assets primarily related to work in process for the equipment business.

P. Income Tax

For the three and six months ended June 30, 2021, the Company recorded income tax charges of $31 in continuing operations for reorganizations and other transactions required to prepare the European Tinplate business for sale. The Company also recorded an income tax charge of $40 to establish a valuation allowance for deferred tax assets related to tax loss carryforwards in France. The Company believes that it is more likely than not that these tax loss carryforwards will not be utilized after the sale of the European Tinplate business. See Note B for more information regarding the sale of the European Tinplate business.

During the three and six months ended June 30, 2021, the Company also recorded an income tax benefit of $5 related to a tax law change in the U.K.

Q. Earnings Per Share

The following table summarizes the computations of basic and diluted earnings per share attributable to the Company.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income from continuing operations attributable to Crown Holdings	$ 295	$ 131	$ 511	$ 298
Net income / (loss) from discontinued operations attributable to Crown Holdings	—	(3)	—	41
Net income attributable to Crown Holdings	$ 295	$ 128	$ 511	$ 339
Weighted average shares outstanding:				
Basic	121.0	133.1	122.3	133.4
Dilutive stock options and restricted stock	0.6	1.1	0.7	1.0
Diluted	121.6	134.2	123.0	134.4
Earnings per common share attributable to Crown Holdings:				
Basic earnings per common share from continuing operations	$ 2.44	$ 0.98	$ 4.18	$ 2.23
Basic earnings / (loss) per common share from discontinued operations	—	(0.02)	—	0.31
Basic earnings per share	$ 2.44	$ 0.96	$ 4.18	$ 2.54
Diluted earnings per common share from continuing operations	$ 2.43	$ 0.97	$ 4.15	$ 2.22
Diluted earnings / (loss) per common share from discontinued operations	—	(0.02)	—	0.30
Diluted earnings per share	$ 2.43	$ 0.95	$ 4.15	$ 2.52

For the three and six months ended June 30, 2022, 0.2 million and 0.3 million contingently issuable common shares were excluded from the computation of diluted earnings per share because the effect would be anti-dilutive.

R. Segment Information

The Company evaluates performance and allocates resources based on segment income, which is not a defined term under GAAP. The Company defines segment income as income from operations adjusted to exclude intangibles amortization charges and provisions for restructuring and other. Segment income should not be considered in isolation or as a substitute for net income prepared in accordance with GAAP and may not be comparable to calculations of similarly titled measures by other companies.
The tables below present information about the Company's operating segments.

	External Sales Three Months Ended June 30, 2022	External Sales Three Months Ended June 30, 2021	External Sales Six Months Ended June 30, 2022	External Sales Six Months Ended June 30, 2021
Americas Beverage	$ 1,378	$ 1,096	$ 2,604	$ 2,089
European Beverage	599	479	1,109	868
Asia Pacific	432	330	845	661
Transit Packaging	691	637	1,348	1,194
Other	410	314	766	608
Total	$ 3,510	$ 2,856	$ 6,672	$ 5,420

The primary sources of revenue included in Other are the Company's food can, aerosol can, and closures businesses in North America, and beverage tooling and equipment operations in the U.S. and U.K.

	Intersegment Sales Three Months Ended June 30, 2022	Intersegment Sales Three Months Ended June 30, 2021	Intersegment Sales Six Months Ended June 30, 2022	Intersegment Sales Six Months Ended June 30, 2021
Americas Beverage	$ 7	$ —	$ 7	$ —
European Beverage	$ 30	$ 36	$ 60	$ 72
Transit Packaging	6	6	14	13
Other	20	30	49	60
Total	$ 63	$ 72	$ 130	$ 145

Intersegment sales primarily include sales of cans, ends and parts and equipment used in the manufacturing process.

	Segment Income Three Months Ended June 30, 2022	Segment Income Three Months Ended June 30, 2021	Segment Income Six Months Ended June 30, 2022	Segment Income Six Months Ended June 30, 2021
Americas Beverage	$ 216	$ 197	$ 380	$ 385
European Beverage	56	78	109	140
Asia Pacific	55	47	108	99
Transit Packaging	74	82	135	152
Total reportable segments	$ 401	$ 404	$ 732	$ 776

A reconciliation of segment income of reportable segments to income before income taxes is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Segment income of reportable segments	$ 401	$ 404	$ 732	$ 776
Segment income of other	62	36	156	72
Corporate and unallocated items	(31)	(45)	(73)	(84)
Restructuring and other	73	31	74	31
Amortization of intangibles	(39)	(41)	(79)	(83)
Other pension and postretirement	4	2	8	3
Interest expense	(64)	(68)	(118)	(137)
Interest income	3	1	6	3
Foreign exchange	(7)	(1)	3	1
Income from continuing operations before taxes and equity in net earnings of affiliates	$ 402	$ 319	$ 709	$ 582

For the three and six months ended June 30, 2022, intercompany profits of $5 and $9 were eliminated within segment income of other.

For the three and six months ended June 30, 2021, intercompany profits of $2 and $4 were eliminated within segment income of other.

Corporate and unallocated items includes corporate and division administrative costs, technology costs, and unallocated items such as stock-based compensation.

PART I - FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(dollars in millions)

Introduction

The following discussion presents management's analysis of the results of operations for the three and six months ended June 30, 2022 compared to 2021 and changes in financial condition and liquidity from December 31, 2021. This discussion should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, along with the consolidated financial statements and related notes included in and referred to within this report.

Business Strategy and Trends

The Company's strategy is to deploy capital into its global beverage can operations to expand production capacity to support growing customer demand in alcoholic and non-alcoholic drink categories. Beverage cans are the world's most sustainable and recycled beverage packaging and continue to gain market share in new beverage product launches. The Company continues to drive brand differentiation by increasing its ability to offer multiple product sizes.

For several years, global industry demand for beverage cans has been growing. In North America, beverage can growth has accelerated in recent years mainly due to the outsized portion of new beverage products being introduced in cans versus other packaging formats. In addition, markets such as Brazil, Europe, Mexico and Southeast Asia have also experienced higher volumes and market expansion.

The Company's capital allocation strategy also focuses on maintaining its current leverage range and returning capital to shareholders in the form of dividends and the repurchase of Company shares. In December 2021, the Board of Directors authorized the repurchase of $3.0 billion in Company common stock through the end of 2024.

The Company continues to actively elevate its commitment to sustainability, which is a core value of the Company. In 2020, the Company debuted Twentyby30, a robust program that outlines twenty measurable, science based, environmental, social and governance goals to be completed by 2030 or sooner. In September 2021, the Company joined The Climate Pledge, a commitment to be net-zero carbon across business operations by 2040.

In response to the ongoing COVID-19 pandemic, the Company continues to maintain safety measures in its manufacturing facilities to protect its employees and the products they produce. The Company is working to keep its manufacturing facilities around the world operational and equipped with the resources required to meet continually evolving customer demand by delivering high quality products in a safe and timely manner. The Company is actively monitoring and managing supply chain challenges, including coordinating with its suppliers to identify and mitigate potential areas of risk and manage inventories.

To date the war between Russia and the Ukraine has not had a direct material impact on the Company's business, financial condition or results of operations. However, we will continue to monitor the indirect effects on our business of inflationary pressures, including increased costs for transportation, energy, and raw materials, foreign exchange fluctuations and shortages in materials.

Results of Operations

The key measure used by the Company in assessing performance is segment income, a non-GAAP measure defined by the Company as income from operations adjusted to exclude intangibles amortization charges, Restructuring and Other and the impact of fair value adjustments to inventory acquired in an acquisition.

The foreign currency translation impacts referred to in the discussion below were primarily due to changes in the euro and pound sterling in the Company's European Beverage segment and the Thai baht in the Company's Asia Pacific segment. The Company's Transit Packaging segment is a global business. The foreign currency translation impacts referred to in the discussion below for Transit Packaging are primarily related to the euro and various other currencies. The Company calculates the impact of foreign currency translation by multiplying or dividing, as appropriate, current

Item 2. Management's Discussion and Analysis (Continued)

year U.S. dollar results by the current year average foreign exchange rates and then multiplying or dividing, as appropriate, those amounts by the applicable prior year average exchange rates.

<u>Net Sales and Segment Income</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 3,510	$ 2,856	$ 6,672	$ 5,420

<u>Three months ended June 30, 2022 compared to 2021</u>

Net sales increased primarily due to the pass-through of higher material costs across each of the Company's businesses and 4% higher sales unit volumes in the Company's global beverage can businesses, partially offset by $104 from the impact of unfavorable foreign currency translation.

<u>Six months ended June 30, 2022 compared to 2021</u>

Net sales increased primarily due to the pass-through of higher material costs across each of the Company's businesses and higher sales unit volumes in the Company's beverage can and transit packaging businesses, partially offset by $153 from the impact of unfavorable foreign currency translation.

Americas Beverage

The Americas Beverage segment manufactures aluminum beverage cans and ends, steel crowns, glass bottles and aluminum closures and supplies a variety of customers from its operations in the U.S., Brazil, Canada, Colombia and Mexico. The U.S. and Canadian beverage can markets have experienced recent growth due to the introduction of new beverage products in cans versus other packaging formats. To meet volume requirements in these markets, the Company began commercial production at a new two-line plant in Bowling Green, Kentucky in the second quarter of 2021 and on a third line at its Olympia, Washington plant in the third quarter of 2021. The Company also announced construction of a new two-line plant in Martinsville, Virginia which is expected to commence operations late in 2022 and a new two-line plant in Mesquite, Nevada which is expected to commence operations in 2023.

In December 2021, the Bowling Green plant sustained tornado damage, resulting in curtailment of operations of the plant. The Company resumed operations in March 2022. However, it will continue to incur incremental costs, including freight and warehousing expenses, to meet customer demand as the plant returns to full operational capacity and during a shut-down period expected in the back half of 2022 to complete final repairs to the plant. The Company has property and business interruption insurance policies for weather related events that include these incremental expenses. The Company recognizes insurance recoveries for incremental costs incurred as the recoveries become probable. The plant is expected to be fully operational by the end of the fourth quarter 2022.

In Brazil and Mexico, the Company's sales unit volumes have increased in recent years primarily due to market growth driven by increased per capita incomes and consumption, combined with an increased preference for cans over other forms of beverage packaging. To meet volume requirements in these markets, the Company began commercial production on a second line at its Rio Verde, Brazil facility in 2021. The Company began commercial production on the first of two lines at a new facility in Uberaba, Brazil in May 2022 and expects the second line to begin commercial production in 2023. Additionally, production on a second line at the Company's Monterrey, Mexico facility commenced in April 2022.

Item 2. Management's Discussion and Analysis (Continued)

Net sales and segment income in the Americas Beverage segment were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 1,378	$ 1,096	$ 2,604	$ 2,089
Segment income	216	197	380	385

Three months ended June 30, 2022 compared to 2021

Net sales increased primarily due to the pass-through of higher aluminum costs and higher sales unit volumes in North America, partially offset by lower sales unit volumes in Brazil .

Segment income increased primarily due to contractual pass-through mechanisms put in place to recover inflation and the recovery of prior quarter incremental costs and lost profits associated with the Bowling Green tornado, partially offset by $7 of increased depreciation associated with recent capacity additions.

Six months ended June 30, 2022 compared to 2021

Net sales increased primarily due to the pass-through of higher aluminum costs, partially offset by 15% lower sales unit volumes in Brazil due to economic conditions.

Segment income decreased primarily due to $11 of increased depreciation associated with recent capacity additions, partially offset by contractual pass-through mechanisms put in place to recover prior year inflation.

European Beverage

The Company's European Beverage segment manufactures aluminum beverage cans and ends and supplies a variety of customers from its operations throughout Europe, the Middle East and North Africa. In recent years, the European beverage can market has been growing. The Company has announced construction of a new plant in Peterborough, U.K. and a new can lines in the Agoncillo, Spain and Parma, Italy plants which are expected to commence operations in 2023.

Net sales and segment income in the European Beverage segment were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 599	$ 479	$ 1,109	$ 868
Segment income	56	78	109	140

Three and six months ended June 30, 2022 compared to 2021

Net sales increased primarily due to the pass-through of higher aluminum costs and 6% higher sales unit volumes partially offset by $51 and $71 from the impact of unfavorable foreign currency translation for the three and six months ended June 30, 2022.

Segment income decreased primarily due to inflation on energy and other operating costs that were not fully passed through in selling price and $3 and $6 from the impact of unfavorable foreign currency translation for the three and six months ended June 30, 2022, partially offset by higher sales unit volumes.

Item 2. Management's Discussion and Analysis (Continued)

Asia Pacific

The Company's Asia Pacific segment consists of beverage can operations in Cambodia, China, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam and non-beverage can operations, primarily food cans and specialty packaging. In recent years, the beverage can market in Southeast Asia has been growing. In 2021, the Company began commercial production at a new beverage can plant in Vung Tau, Vietnam and on a second line in the Hanoi, Vietnam beverage can plant. Additionally, the Company expects to commercialize production on a third line in its Phnom Penh, Cambodia beverage can plant during 2022.

In June 2022, the Company's Yangon, Myanmar beverage can plant was temporarily idled due to recent economic conditions, including government limitations on transacting in foreign currencies. For the three and six months ended June 30, 2022, the plant had net sales of $8 and $17 and segment income of $1 and $2. Property, plant and equipment as of June 30, 2022 was $58, including $26 of land and buildings and $32 of machinery and equipment. The Company will continue to monitor the economic conditions and the impact to our business in Myanmar, including any alternative uses for our machinery and equipment.

Net sales and segment income in the Asia Pacific segment were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 432	$ 330	$ 845	$ 661
Segment income	55	47	108	99

Three and six months ended June 30, 2022 compared to 2021

Net sales increased due to the pass-through of higher raw material costs and 12% and 9% higher sales unit volumes in the three and six months ended June 30, 2022, primarily in Southeast Asia, partially offset by the impact of unfavorable foreign currency translation. The impact of foreign currency translation was $10 and $17 for the three and six months ended June 30, 2022.

Segment income increased primarily due to higher sales unit volumes.

Transit Packaging

The Transit Packaging segment includes the Company's global industrial and protective solutions and equipment and tools businesses. Industrial and protective solutions includes steel strap, plastic strap and industrial film and other related products that are used in a wide range of industries, and transit protection products used for a wide range of industrial and consumer products. Equipment and tools includes manual, semi-automatic and automatic equipment and tools used in end-of-line operations to apply industrial solutions consumables.
Net sales and segment income in the Transit Packaging segment were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 691	$ 637	$ 1,348	$ 1,194
Segment income	74	82	135	152

Three months ended June 30, 2022 compared to 2021

Net sales increased primarily due to the pass-through of higher raw material costs partially offset by $38 from the impact of unfavorable foreign currency translation.

Item 2. Management's Discussion and Analysis (Continued)

Segment income decreased primarily due to the divestiture of the segments's Kiwiplan business, $5 from the impact of unfavorable foreign currency translation and the unfavorable impact of higher cost inventory from the prior year in the steel strap business partially offset by inflationary price increases in the protective packaging business.

Six months ended June 30, 2022 compared to 2021

Net sales increased primarily due to the pass-through of higher raw material costs and 18% higher sales unit volumes in the tools business partially offset by $60 from the impact of unfavorable foreign currency translation.

Segment income decreased primarily due to the divestiture of the segment's Kiwiplan business, $8 from the impact of unfavorable foreign currency translation and the unfavorable impact of higher cost inventory from the prior year in the steel strap business partially offset by inflationary price increases in the protective packaging business.

See Note B for more information related to the sale of the Kiwiplan business.

Other

Other includes the Company's food can, aerosol can and closures businesses in North America, and beverage tooling and equipment operations in the U.S. and U.K. In 2021, the Company commenced operations at a new food can plant in Dubuque, Iowa and on a new food can line in its Hanover, Pennsylvania plant. Additionally, the Company will add a third two-piece food can line to its Owatonna, Minnesota plant in the second half of 2022.

Net sales and segment income in Other were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 410	$ 314	$ 766	$ 608
Segment income	62	36	156	72

Three and six months ended June 30, 2022 compared to 2021

Net sales increased primarily due to the pass-through of higher tinplate costs in the Company's North America food can, aerosol can and closures businesses in North America.

Segment income increased primarily due to increased profitability in the Company's North America food can, aerosol can and closures businesses due to higher self-made two-piece food can sales unit volumes, inflationary price increases and the benefit of lower cost inventory from prior year-end. The benefit arising from lower cost inventory from prior year-end was $35 for the six months ended June 30, 2022.

Corporate and unallocated

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Corporate and unallocated expense	$ (31)	$ (45)	$ (73)	$ (84)

For the three and six months ended June 30, 2021, corporate and unallocated expenses included certain corporate costs, including research and development, that were not directly attributable to the Company's European Tinplate business which was sold in August 2021 and as such, could not be allocated to discontinued operations. Subsequent to the sale, the Company's corporate cost structure reflects its ongoing operations.

Item 2. Management's Discussion and Analysis (Continued)

Restructuring and other

For the three and six months ended June 30, 2022 compared to 2021, the benefit from restructuring and other increased from $31 to $73 and $31 to $74, primarily due to the $113 gain from the sale of the Transit Packaging segment's Kiwiplan business, partially offset by $29 of charges related to an overhead cost reduction program initiated by the Transit Packaging segment. The Company expects to reduce headcount by approximately 600 employees and this action to result in annual savings of approximately $60. However, there can be no assurance that any such pre-tax savings will be realized.

Interest expense

For the three and six months ended June 30, 2022 compared to 2021, interest expense decreased from $68 to $64 and from $137 to $118 due to lower outstanding debt balances.

Provision for income taxes

The effective rate for the three and six months ended June 30, 2022, decreased as compared to 2021, primarily due to prior year income tax charges of $31 for reorganizations and other transactions required to prepare the European Tinplate business for sale and an income tax charge of $40 to establish a valuation allowance for deferred tax assets related to tax loss carryforwards in France. See Note B for more information related to the sale of the European Tinplate business.

Equity in net earnings of affiliates

For the three and six months ended June 30, 2022 compared to 2021, equity in net earnings of affiliates increased from $3 to $12 and $5 to $29 due to the 20% ownership interest received after the sale of Company's European Tinplate business in August 2021.

Net income attributable to noncontrolling interest

For the three and six months ended June 30, 2022 compared to 2021, net income from noncontrolling interests decreased from $45 to $34 and $78 to $64 primarily due to lower earnings in the Company's beverage can operations in Brazil. Prior year included gains of $30 arising from favorable court rulings in lawsuits brought by certain of the Company's Brazilian subsidiaries asserting they were overcharged by the local tax authorities for indirect taxes paid in prior years.

Liquidity and Capital Resources

Cash from Operations

Cash provided by operating activities increased from $169 for the six months ended June 30, 2021 to $196 for the six months ended June 30, 2022. The increase in cash provided by operating activities was primarily due to higher earnings and $41 received for partial reimbursement of the contribution made in 2021 to fully settle the U.K. pension plan obligation, which is included in Pension contributions in the Consolidated Statements of Cash Flows. See Note L for more information regarding the settlement of the U.K. pension plan obligation.

Days sales outstanding for trade receivables, excluding the impact of unbilled receivables, decreased from 40 days as of June 30, 2021 to 36 days as of June 30, 2022.

Inventory turnover increased from 57 days at June 30, 2021 to 64 days at June 30, 2022 primarily due to inflation and market growth.

Days outstanding for trade payables increased from 90 days at June 30, 2021 to 102 days at June 30, 2022 primarily due to inflation and market growth.

Item 2. Management's Discussion and Analysis (Continued)

Investing Activities

Cash used for investing activities decreased from $311 for the six months ended June 30, 2021 to $130 for the six months ended June 30, 2022 primarily due to proceeds received from the sale of the Company's Transit Packaging segment's Kiwiplan business in April 2022.

The Company currently expects capital expenditures in 2022 to be approximately $1 billion.

Financing Activities

Financing activities used cash of $423 for the six months ended June 30, 2021 and $38 for the six months ended June 30, 2022.

The Company had higher net borrowings in 2022 primarily from the issuance of $500 principal amount of 5.250% senior unsecured notes due 2030 and higher borrowings under the revolving credit facility. See Note K for more information. Additionally, during the six months ended June 30, 2022, the Company repurchased $600 of common stock. The Company repurchased $297 of common stock during the six months ended June 30, 2021.

Liquidity

As of June 30, 2022, the Company had cash and cash equivalents of $438. As of June 30, 2022, $405 of the Company's $438 of cash and cash equivalents was located outside the U.S. The Company funds its cash needs in the U.S. through cash flows from operations in the U.S., distributions from certain foreign subsidiaries, borrowings under its revolving credit facility and the acceleration of cash receipts under its receivable securitization facilities. Of the cash and cash equivalents located outside the U.S., $332 was held by subsidiaries for which earnings are considered indefinitely reinvested.

As of June 30, 2022, the Company had $1,430 of borrowing capacity available under its revolving credit facility, equal to the total facility of $1,650 less outstanding standby letters of credit of $70 and $150 of credit facility borrowings. The Company could have borrowed this amount at June 30, 2022 and still have been in compliance with its leverage ratio covenants. The Company's net total leverage ratio, as defined by the credit agreement, of 3.0 to 1.0 at June 30, 2022 was in compliance with the covenant requiring a ratio of no greater than 5.0 to 1.0. The required net total leverage ratio under the agreement reduces to 4.5 to 1.0 at December 31, 2022.

As of June 30, 2022, the Company's €335 ($351) 2.25% senior notes and its €550 ($576) 0.75% senior notes both due in February 2023 were classified as current maturities of long-term debt. The Company expects to have sufficient liquidity to refinance the senior notes or repay them at maturity.

In March 2022, the Company amended its securitization facility to increase the program limit from $500 to $700. This securitization facility expires in July 2023.

Capital Resources

As of June 30, 2022, the Company had approximately $219 of capital commitments primarily related to its global beverage can businesses. The Company expects to fund these commitments primarily through cash flows from operations.

Contractual Obligations

There were no material changes to the Company's contractual obligations provided within Part II, Item 7, “Management's Discussion and Analysis of Financial Condition and Results of Operations” of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, which information is incorporated herein by reference.

Item 2. Management's Discussion and Analysis (Continued)

Supplemental Guarantor Financial Information

The Company and certain of its 100% directly or indirectly owned subsidiaries provide guarantees of senior notes and debentures issued by other 100% directly or indirectly owned subsidiaries. These senior notes and debentures are fully and unconditionally guaranteed by the Company and substantially all of its subsidiaries in the United States, except in the case of the Company's outstanding senior notes issued by Crown Cork & Seal Company, Inc., which are fully and unconditionally guaranteed by Crown Holdings, Inc. (Parent). No other subsidiary guarantees the debt and the guarantees are made on a joint and several basis.

The following tables present summarized financial information related to the senior notes issued by the Company's subsidiary debt issuers and guarantors on a combined basis for each issuer and its guarantors (together, an "obligor group") after elimination of (i) intercompany transactions and balances among the Parent and the guarantors and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor. Crown Cork Obligor group consists of Crown Cork & Seal Company, Inc. and the Parent. Crown Americas Obligor group consists of Crown Americas LLC, Crown Americas Capital Corp. IV, Crown Americas Capital Corp. V, Crown Americas Capital Corp. VI, the Parent, and substantially all of the Company's subsidiaries in the United States.

Crown Cork Obligor Group

	Six Months Ended June 30, 2022
Net sales	$ —
Gross Profit	—
Income from operations	(2)
Net income from continuing operations[1]	(31)
Net income attributable to Crown Holdings[1]	(31)

(1) Includes $20 of expense related to intercompany interest with non-guarantor subsidiaries

	June 30, 2022	December 31, 2021
Current assets	$ $4	7
Non-current assets	24	27
Current liabilities	59	72
Non-current liabilities[1]	5,953	5,286

(1) Includes payables of $5,140 and $4,560 due to non-guarantor subsidiaries as of June 30, 2022 and December 31, 2021

Crown Americas Obligor Group

	Six Months Ended June 30, 2022
Net sales[1]	$ 2,718
Gross profit[2]	464
Income from operations[2]	232
Net income attributable to continuing operations[3]	189
Net income attributable to Crown Holdings[3]	189

(1) Includes $267 of sales to non-guarantor subsidiaries
(2) Includes $27 of gross profit related to sales to non-guarantor subsidiaries
(3) Includes $16 of income related to intercompany interest and technology royalties with non-guarantor subsidiaries

Item 2. Management's Discussion and Analysis (Continued)

	June 30, 2022	December 31, 2021
Current assets[1]	$ 1,165	$ 1,078
Non-current assets[2]	3,663	3,495
Current liabilities[3]	1,450	1,330
Non-current liabilities[4]	5,298	4,761

(1) Includes receivables of $42 and $48 due from non-guarantor subsidiaries as of June 30, 2022 and December 31, 2021
(2) Includes receivables of $178 and $180 due from non-guarantor subsidiaries as of June 30, 2022 and December 31, 2021
(3) Includes payables of $35 and $35 due to non-guarantor subsidiaries as of June 30, 2022 and December 31, 2021
(4) Includes payables of $1,320 and $1,397 due to non-guarantor subsidiaries as of June 30, 2022 and December 31, 2021

Commitments and Contingent Liabilities

Information regarding the Company's commitments and contingent liabilities appears in Part I within Item 1 of this report under Note I, entitled "Commitments and Contingent Liabilities," to the consolidated financial statements, and in Part II within Item 1A of this report which information is incorporated herein by reference.

Critical Accounting Policies

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. which require that management make numerous estimates and assumptions.

Actual results could differ from these estimates and assumptions, impacting the reported results of operations and financial condition of the Company. Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note A to the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 describe the significant accounting estimates and policies used in the preparation of the consolidated financial statements. Updates to the Company's accounting policies related to new accounting pronouncements, as applicable, are included in the notes to the consolidated financial statements included in this Quarterly Report on Form 10-Q.

Forward Looking Statements

Statements included herein, including, but not limited to, those in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the discussions of asbestos in Note H and commitments and contingencies in Note I to the consolidated financial statements included in this Quarterly Report on Form 10-Q, and also in Part I, Item 1, "Business" and Item 3, "Legal Proceedings" and in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," within the Company's Annual Report on Form 10-K for the year ended December 31, 2021, which are not historical facts (including any statements concerning the direct or indirect impact of the COVID-19 pandemic, the Russia-Ukraine war, objectives of management for capacity additions, share repurchases, dividends, future operations or economic performance, or assumptions related thereto), are "forward-looking statements" within the meaning of the federal securities laws. In addition, the Company and its representatives may, from time to time, make oral or written statements which are also "forward-looking statements."

These forward-looking statements are made based upon management's expectations and beliefs concerning future events impacting the Company and, therefore, involve a number of risks and uncertainties. Management cautions that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

While the Company periodically reassesses material trends and uncertainties affecting the Company's results of operations and financial condition in connection with the preparation of "Management's Discussion and Analysis of Financial Condition and Results of Operations" and certain other sections contained in the Company's quarterly, annual or other reports filed with the Securities and Exchange Commission ("SEC"), the Company does not intend to review or revise any particular forward-looking statement in light of future events.

A discussion of important factors that could cause the actual results of operations or financial condition of the Company to differ from expectations has been set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 within Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and

Results of Operations” under the caption “Forward Looking Statements” and is incorporated herein by reference. Some of the factors are also discussed elsewhere in this Form 10-Q (including under Item 1A of Part II below) and in prior Company filings with the SEC. In addition, other factors have been or may be discussed from time to time in the Company's SEC filings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business the Company is subject to risk from adverse fluctuations in foreign exchange and interest rates and commodity prices. The Company manages these risks through a program that includes the use of derivative financial instruments, primarily swaps and forwards. Counterparties to these contracts are major financial institutions. The Company is exposed to credit loss in the event of nonperformance by the counterparties. These instruments are not used for trading or speculative purposes. The extent to which the Company uses such instruments is dependent upon its access to these contracts in the financial markets and its success in using other methods, such as netting exposures in the same currencies to mitigate foreign exchange risk and using sales arrangements that permit the pass-through of commodity prices and foreign exchange rate risks to customers. The Company's objective in managing its exposure to market risk is to limit the impact on earnings and cash flow. For further discussion of the Company's use of derivative instruments and their fair values at June 30, 2022, see Note J to the consolidated financial statements included in this Quarterly Report on Form 10-Q.

As of June 30, 2022, the Company had $1.5 billion principal floating interest rate debt. A change of 0.25% in these floating interest rates would change annual interest expense by approximately $4 million before tax.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of its disclosure controls and procedures. Based upon that evaluation and as of the end of the quarter for which this report is made, the Company's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective. Disclosure controls and procedures ensure that information to be disclosed in reports that the Company files and submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and terms of the SEC, and ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There has been no change in internal controls over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding the Company's potential asbestos-related liabilities and other litigation, see Note H entitled “Asbestos-Related Liabilities” and Note I entitled “Commitments and Contingent Liabilities” to the consolidated financial statements within Part I, Item 1 of this Quarterly Report on Form 10-Q, which information is incorporated herein by reference.

Item 1A. Risk Factors

The information set forth in this report should be read in conjunction with the risk factors discussed in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Such risks are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also materially adversely affect the Company's business, financial condition and/or operating results.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

The following table provides information about the Company's purchases of equity securities during the three months ended June 30, 2022. The table excludes 4,385 shares surrendered to cover taxes on the vesting of restricted stock during the three months ended June 30, 2022.

	Total number of shares purchased	Average price per share	Total number of shares purchased as part of publicly announced programs(1)	Approximate dollar value of shares that may yet be purchased under the programs as of the end of the period (millions of dollars)
April	1,008,282	$ 115.41	1,008,282	$ 2,551
May	1,284,030	$ 106.40	1,284,030	$ 2,415
June	—	$ —	—	$ 2,415
	2,292,312		2,292,312	

(1) In December 2021, the Company's Board of Directors authorized the repurchase of an aggregate amount of $3.0 billion of Company common stock through the end of 2024. Share repurchases under the Company's program may be made in the open market or through privately negotiated transactions, and at times and in such amounts as management deems appropriate.

Item 3. Defaults Upon Senior Securities

There were no events required to be reported under Item 3 for the six months ended June 30, 2022.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 28, 2022, the Company announced that Angela M. Snyder was elected to serve on the Company’s Board of Directors of the Company, effective on July 28, 2022.

Ms. Snyder is currently the Chief Banking Officer and Senior Executive Vice President of Fulton Bank, a subsidiary of Pennsylvania-based Fulton Financial Corporation (NASDAQ: FULT), a financial holding company with $25 billion in assets. Since joining Fulton in 2002 she has held several banking-related executive leadership positions, including serving as the Chairwoman, President and Chief Executive Officer of Fulton Bank of New Jersey prior to its consolidation with Fulton Bank in 2019. Before joining Fulton, Ms. Snyder held a number of audit-related and management positions with Fleet Bank and its predecessors.

Ms. Snyder was appointed to the Board’s Audit Committee. Ms. Snyder will receive the same compensation that the other directors who are not employees of the Company receive for Board and committee membership, as described in the Company’s proxy statements filed with the U.S. Securities and Exchange Commission.

There are no arrangements between Ms. Snyder and any other person pursuant to which Ms. Snyder was appointed to serve as a director of the Company, nor are there any transactions in which the Company is a participant in which Ms. Snyder has a direct or indirect material interest.

Robert H. Bourque, Jr., ceased to serve as the President of the Company's Transit Packaging Division on July 29, 2022 and will depart from the Company on August 29, 2022.

Mr. Bourque will be entitled to severance benefits consistent with those described in his Executive Employment Agreement, effective May 1, 2016, with the Company. Those benefits are summarized in the Company's 2022 Proxy Statement on Schedule 14A filed with the SEC on March 21, 2022 (the "Proxy Statement")[1]. Generally, these severance benefits consist of the Company paying Mr. Bourque his base salary through the effective date of his departure (August 29, 2022), a pro-rated bonus payment, and a lump-sum payment equal to the sum of the executive's base salary, less customary tax withholdings. Mr. Bourque is also vested in, and as a result will continue to participate in, the Company's Senior Executive Retirement Plan.

On August 1, 2022, the Company also announced the appointment of Matthew R. Madeksza to succeed Mr. Bourque as the President of the Company's Transit Packaging Division, effective August 1, 2022. Mr. Madeksza is 59 years old and was serving as the Company's President - Closures, Aerosol and Promotional Packaging in North America at the time of his appointment to his new position.

Prior to joining the Company, Mr. Madeksza was the President & Chief Executive Officer of the North American division of Veolia Environment S.A., a global provider of water management, waste management and energy services. Before joining Veolia, he served for nearly fifteen years in President and Vice President capacities at various U.S.-based subsidiaries of Saint-Gobain Corporation, a multinational manufacturing company, and before that he held senior management positions at several U.S.-based companies, including The Boeing Company, United Technologies Corporation, and BMP America. Mr. Madeksza holds a Master of Science in Industrial Administration from Purdue University, as well as a Bachelor of Science from Vanderbilt University.

The Company expects to enter into an Executive Employment Agreement with Mr. Madeksza on or near the date of his appointment, the terms of which will be consistent with the summary of the benefits granted to the Company's current named executive officers (other than the Company's Chief Executive Officer) as described in the Proxy Statement, and Mr. Madeksza will be eligible to participate in the Company's Restoration Plan beginning August 1, 2022.

There are no arrangements or understandings between Mr. Madeksza and any other person pursuant to which he was selected as President of the Company's Transit Packaging Division. Mr. Madeksza does not have any familial relationship with any director or other executive officer of the Company or any person nominated or chosen by the Company to become a director or executive officer, and there are no transactions in which he has an interest requiring disclosure under Item 404(a) of Regulation S-K.

[1] Mr. Bourque's Executive Employment Agreement also has been filed with the SEC and listed in the exhibit index of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 28, 2022.

Item 6. Exhibits

Crown Cork & Seal Company, Inc. Amended and Restated Restoration Plan

List of Guarantor Subsidiaries

Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by Timothy J. Donahue, President and Chief Executive Officer of Crown Holdings, Inc. and Kevin C. Clothier, Senior Vice President and Chief Financial Officer of Crown Holdings, Inc.

The following financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 formatted in inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the three and six months ended June 30, 2022 and 2021, (ii) Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2022 and 2021, (iii) Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021, (iv) Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and 2021, (v) Consolidated Statements of Changes in Equity for the three and six months ended June 30, 2022 and 2021 and (vi) Notes to Consolidated Financial Statements.

Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Crown Holdings, Inc.
Registrant

By: /s/ Christy L. Kalaus
Christy L. Kalaus
Vice President and Corporate Controller

Date: August 1, 2022

CROWN RESTORATION PLAN
(As Amended and Restated Effective October 27, 2021)

This is the Crown Restoration Plan (the "Plan"), amended and restated effective October 27, 2021. Crown Cork & Seal Company, Inc. ("Crown") and certain of its affiliates (collectively the "Company") have adopted the Plan to provide supplemental retirement benefits to certain of their key management employees. The Plan is intended to be unfunded and maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees in accordance with Sections 201, 301 and 401 of ERISA, and is further intended to conform with the requirements of Section 409A of the Code and shall be implemented and administered in a manner consistent therewith.

ARTICLE I. DEFINITIONS.

The following terms as used herein have the following meanings:

1.1. "Accrued Benefit" means the amount payable to the Participant under the basic pension formula of the Pension Plan and the Rider applicable to the Participant that is attributable to employer contributions made to the Pension Plan by the Company.

1.2. "Actuarial Equivalent" means the equivalent actuarial value of a Participant's Supplemental Retirement Benefit provided in Section 3.2.1, determined based upon (i) the annual rate of interest on 30-year Treasury securities as of any determination date, and (ii) the 1983 Group Annuity Mortality Table for males.

1.3. "Board of Directors" means the Board of Directors of Holdings.

1.4. "Cause" means:

1.41. , a Participant's willful failure to perform such services as may be delegated or assigned to the Participant by any executive of the Company to whom the Participant reports;

1.4.2. the failure by the Participant to devote his full business time and best effort to the performance of his Company duties (other than any such failure resulting from the Participant's incapacity due to physical or mental illness);

1.4.3. the breach by the Participant of any restrictive covenant (e.g., noncompetition or nonsolicitation) to which the Participant is subject;

1.4.4. the willful engaging by the Participant in misconduct which is materially injurious to the Company, monetarily or otherwise; or

1.4.5. the Participant's conviction of, or a plea of guilty or nolo contendere to, a felony or a crime involving fraud or moral turpitude;

in any case, as approved by the Board of Directors upon the vote of not less than a majority of the members of the Board of Directors then in office, after reasonable notice to the Participant specifying in writing the basis for the proposed termination for Cause and after the Participant, together with counsel, has been provided an opportunity to be heard before a meeting of the Board of Directors held upon reasonable notice to all members of the Board of Directors and the Participant. For purposes of this Section 1.4, no act, or failure to act, on the Participant's part shall be considered "willful" unless done, or omitted to be done, by him in bad faith and without reasonable belief that his action or omission was in the best interests of the Company. Any act or omission to act by the Participant in good faith and in reliance upon an opinion of counsel to the Company shall not be deemed to be willful,

1.5. "Change in Control" means if and when:

1.5.1. a "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned, directly or indirectly, by the stockholders of Holdings in substantially the same proportions as their ownership of stock of Holdings, becomes the "beneficial owner" (as defined in Rule 13D-3 under the Exchange Act), directly or indirectly, of securities of Holdings representing more than 50% of the combined voting power of Holdings' then outstanding voting securities;

1.5.2. a "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned, directly or indirectly, by the stockholders of Holdings in substantially the same proportions as their ownership of stock of Holdings, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition) beneficial ownership, directly or indirectly, of securities of Holdings representing 35% or more of the combined voting power of Holdings' then outstanding voting securities;

1.5.3. during any 12-month period, individuals who at the beginning of such period constitute the Board of Directors and any new director (other than a director designated by a person who has entered into an agreement with Holdings to effect a transaction described in Section 1.5.1, Section 1.5.2, Section 1.5.4 or Section 1.5.5 hereof) whose election by the Board of Directors or nomination for election by Holdings' stockholders was approved by a vote of a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof;

1.5.4. a merger or consolidation of Holdings with any other corporation, other than a merger or consolidation that would result in the voting securities of Holdings outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 70% of the combined voting power of the voting securities of Holdings or such surviving entity outstanding immediately after such merger or consolidation; or

1.5.5. a sale or disposition by Holdings of all or substantially all of Holdings' assets;
in any case, provided that such transaction satisfies the requirements of Treasury Regulation Section 1.409A-3(i)(5)(v), (vi) or (vii).

1.6. "Code" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings issued thereunder.

1.7. "Committee" means the Compensation Committee of the Board of Directors.

1.8. "Eligible Employee" means an employee of the Company whose position is at the Senior-Vice President level or above.

1.9. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations and rulings issued thereunder.

1.10. "Foreign Plan Benefit" means the amount payable to the Participant under any pension plan maintained or contributed to by the Company or its affiliates in a jurisdiction other than the United

States of America, to the extent such amount is attributable to employer contributions made to such pension plan by the Company or its affiliates.

1.11. "Holdings" means Crown Holdings, Inc.

1.12. "Joint and Survivor Annuity" means a benefit payable for the life of the Participant, with either 50% or 100% of such benefit (as selected by the Participant) continuing after the death of the Participant for the life of the Participant's surviving spouse.

1.13. "Modified Accrued Benefit" means a Participant's Accrued Benefit, modified by (i) disregarding the limitations imposed under Sections 401(a)(17) and 415(b)(1)(A) of the Code, (ii) including in the Participant's Compensation (I) amounts paid from all affiliates, both domestic and foreign, that are within the definition of 'Compensation' (as such term is defined in the Pension Plan and the Rider applicable to the Participant), and (II) the Participant's target bonus compensation and (iii) including all periods of service a Participant had with H-C Industries, Inc. prior to April 1, 1989, as if such periods of service had been a `Year of Service' under the terms of Rider No. 1 of the Pension Plan.

1.14. "Normal Retirement Date" has the meaning set forth in the Pension Plan and the Rider applicable to the Participant.

1.15. "Pension Plan" means the Crown Cork & Seal Company, Inc. Pension Plan or any successor plan.

1.16. "Rider" has the meaning set forth in the Pension Plan,

1.17. "Separation from Service" means a Participant's "separation from service" (within the meaning of Section 409A of the Code) with the Company.

1.18. "Supplemental Retirement Benefit" means the benefit a Participant is entitled to receive under the Plan, as determined under Section 3.1.

ARTICLE II. PARTICIPATION.

2.1. Participation. The Committee shall, in its sole discretion, select those Eligible Employees who will be permitted to participate in the Plan (each, a "Participant"). Each such Participant shall be notified in writing and his or her name shall be set forth on Exhibit A attached hereto, which Exhibit A shall be updated by the Committee from time to time.

ARTICLE III. SUPPLEMENTAL RETIREMENT BENEFIT.

3.1. Supplemental Retirement Benefit. A Participant's `Supplemental Retirement Benefit' means the difference between the Participant's Modified Accrued Benefit and the sum of the Participant's Accrued Benefit and the Participant's Foreign Plan Benefit, expressed in terms of a single-life annuity effective as of the first day of the month next following the Participant's Normal Retirement Date.

3.2. Payment of Supplemental Retirement Benefit.

3.2.1. Normal Form of Payment. Unless otherwise elected by the Participant in accordance with Section 3.2.2, a Participant's Supplemental Retirement Benefit shall be paid to the Participant in the form of a monthly single-life annuity, beginning as of the first day of the month following the Participant's Separation from Service (but no earlier than the Participant's 55^{th} birthday) and ending in the month including the Participant's death.

3.2.2. Joint and Survivor Annuity. At any time prior to the date of a Participant's Separation from Service, a Participant may elect, by delivering written notice to the Company, to have the Participant's Supplemental Retirement Benefit paid in the form of a Joint and Survivor Annuity with either a 50% or 100% survivor benefit (as selected by the Participant), beginning as of the first day of the month following the Participant's Separation from Service (but no earlier than the Participant's 55th birthday). Such election shall become irrevocable upon the Participant's Separation from Service. Such Joint & Survivor Annuity shall be the equivalent actuarial value of the normal form of Supplemental Retirement Benefit provided in Section 3.2.1, using the assumptions set forth in Appendix A to Rider No. 1 of the Pension Plan.

3.2.3. Distribution Upon Change in Control. Notwithstanding any provision of the Plan to the contrary, in the event of a Change in Control, a Participant's accrued Supplemental Retirement Benefit (including amounts in pay status) shall be paid to the Participant (or, in the event the Participant dies prior to the Change in Control and has elected to receive his Supplemental Retirement Benefit in the form of a Joint & Survivor Annuity, to the Participant's surviving spouse) in a cash lump sum as soon as administratively practicable but in no event more than 10 business days after the Change in Control. In the event that the person who is eligible to receive payment under this Section 3.2.3 dies after a Change in Control but prior to distribution of his Supplemental Retirement Benefit, the entire amount of such Supplemental Retirement Benefit, as determined under this Section 3.2.3 shall be paid to his surviving spouse or his estate, if there is no surviving spouse, as soon as administratively practicable following such person's death. This lump sum payment shall equal the Actuarial Equivalent present value of the Supplemental Retirement Benefit.

3.3. Death Benefit. In the event that a married Participant dies while in the employment of the Company, for purposes of determining the amount of benefits payable under the Plan to the Participant's surviving spouse, if any, the Participant shall be deemed to have (i) elected to receive payment of his Supplemental Retirement Benefit in the form of a Joint & Survivor Annuity (determined in accordance with Section 3.2.2) and (ii) incurred a Separation from Service on the day immediately preceding the date of the Participant's death. If a deceased Participant has attained age 55 at the time of his death, the survivor benefit portion of his Supplemental Retirement Benefit shall begin to be paid as of the first day of the month following the Participant's death. In the event the Participant has not attained age 55, such benefit shall begin to be paid as of the first day of the month following the date the Participant would have attained age 55. In the event that a Participant dies while in the employ of the Company and does not have a surviving spouse, then, except as provided in Section 3.2.3, the Company shall have no further liability or obligation under the Plan to the Participant or any person or entity claiming rights through the Participant (including his estate).

3.4. Adjustments for Early Retirement. In the event a Participant incurs a Separation from Service prior to the Participant's Normal Retirement Date, the Participant's Supplemental Retirement Benefit shall be adjusted in the same manner that the Participant's Accrued Benefit under the Pension Plan would be adjusted had such Participant elected to receive his Accrued Benefit under the Pension Plan (i) in the same form that the Participant elected to receive his Supplemental Retirement Benefit and (ii) commencing on the later of the first day of the month next following his (a) Separation from Service or (b) 55th birthday.

3.5. Certain Required Payment Delays. Notwithstanding any other provision of this Plan to the contrary, if a Participant is a "specified employee" within the meaning of Section 409A of the Code and a payment provided for in this Plan would be subject to additional tax under Section 409A of the Code if such payment is paid within six months after the Participant's Separation from Service, then such payment required under this Plan shall not be paid (or commence) during the six-month period immediately following the Participant's Separation from Service. In such an event, any payments that would otherwise have been made during such six-month period and which would have incurred such additional tax under Section 409A of the Code shall instead be paid to the Participant in a lump-sum cash payment, with interest calculated at the six month London Interbank Offered Rate (as in effect at the time of the Participant's Separation from Service), on the first day of the seventh month following the Participant's Separation from Service.

ARTICLE IV. VESTING.

4.1. Vesting of Supplemental Retirement Benefit. Subject to Section 4.2, a Participant's Supplemental Retirement Benefit shall become 100% vested: (i) if while employed by the Company, the Participant (a) dies or (b) attains age 55 and is credited with 15 Years of Service, (ii) if while employed by the Company, a Change in Control occurs or (iii) under such other circumstances as prescribed by the Committee. If a Participant incurs a Separation from Service prior to satisfying the criteria set forth in the preceding sentence, the Participant shall forfeit his entire Supplemental Retirement Benefit.

4.2. Forfeiture of Supplemental Retirement Benefit, Notwithstanding any other provision of this Plan to the contrary, if a Participant incurs a Separation from Service for Cause, then such Participant shall forfeit his Supplemental Retirement Benefit and the Company shall have no obligations to the Participant (or any person or entity claiming rights under the Participant) hereunder.

ARTICLE V. CONTRIBUTIONS.

5.1. Contributions. In order to meet its obligations hereunder, the Company may, in its sole discretion, contribute to a trust the funds necessary to provide the benefits hereunder. The assets of any such trust shall remain subject to the claims of the Company's general creditors. Notwithstanding the foregoing, the Company's obligations hereunder shall constitute general, unsecured obligations, payable solely out of its general assets, and no Participant or other person shall have any right to specific assets. Title to and beneficial ownership of any assets, whether cash or investments, that the Company may set aside or earmark to meet its obligations hereunder, shall at all times remain in the Company; provided that legal title to any assets placed in a trust shall be in the trustee.

ARTICLE VI. ADMINISTRATION.

6.1. Administration by the Committee. The Plan shall be administered by the Committee. The Committee shall have the authority, responsibility and discretion to (i) interpret and construe the Plan, (ii) select the Eligible Employees who will be offered participation in the Plan, (iii) determine a Participant's Accrued Benefit, Foreign Plan Benefit, Modified Accrued Benefit and Supplemental Retirement Benefit, (iv) decide all questions arising under the Plan, including, without limitation, questions of eligibility for participation, eligibility for benefits and the time of the distribution thereof and (v) make all other determinations it deems necessary for the administration of the Plan. The Committee shall have the authority to deviate from the literal terms of the Plan to the extent the Committee shall determine to be necessary or appropriate to operate the Plan in compliance with the provisions of applicable law. All determinations made under the Plan by the Committee in good faith shall be final, binding and conclusive on all Participants, the Company and all other persons.

ARTICLE VII. AMENDMENT AND TERMINATION.

7.1. Amendment. The Company reserves the right to amend the Plan at any time and in any manner whatsoever; provided, however, that no such amendment shall operate to reduce the benefit accrued under the Plan as of the date of such amendment without the consent of the affected Participant.

7.2. Termination. Continuance of the Plan is completely voluntary, and is not assumed as a contractual obligation of the Company. The Company shall have the right, at any time, prospectively to discontinue the Plan; provided, however, that such termination shall not operate to reduce the benefit accrued under the Plan as of such termination without the consent of the affected Participant.

ARTICLE VIII. CLAIMS PROCEDURE.

8.1. General. Each Participant (and each person or entity claiming rights under the Plan through such Participant) shall claim any benefit to which he or she is entitled under the Plan by a written notification to the Committee. If a claim is denied, it must be denied within a reasonable period of time, but not in excess of 90 days following receipt of the claim by the Committee unless the Committee determines that special circumstances require an extension of time for processing the claim, in which case, the Committee shall provide the claimant with written notice of extension prior to the termination of the initial 90 day period and shall have an additional 90 days from the expiration of the initial 90 day period to decide such claim. Any such notice of extension shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render its decision, The Committee’s decision with respect to such claim shall be provided to the claimant in writing in a manner calculated to be understood by the claimant, and if such claim is denied, shall include (i) the specific reason for the denial, (ii) reference to the specific Plan provisions on which the denial is based, (iii) a description of additional information necessary for the claimant to present his claim, if any, and an explanation of why such information is necessary, and (iv) an explanation of the Plan’s claim review procedures and the time limits applicable to such procedures, including a statement of the claimant’s right to bring a civil action under Section 502 of ERISA following an adverse determination on review.

8.2. Appeal Process. Following the denial of a claim, the claimant shall have 60 days to request, in writing, a review of the denial by the Committee, which will provide a full and fair review. The claimant may review pertinent documents, and may submit written comments, documents, records and other information relating to the claim. In addition, upon request and free of charge, the claimant shall be provided reasonable access to, and copies of, all documents, records and other information relevant to the claim. The Committee’s decision on review must be given within 60 days after receipt of the request for review unless the Committee determines that special circumstances require an extension of time for processing the claim (such as a hearing), in which case, written notice of the extension shall be provided to the claimant prior to the expiration of the initial 60 day period and the Committee shall have an additional 60 days from the expiration of the initial 60 day period to decide such claim. Any such notice of extension shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render its decision. The Committee’s review shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Committee’s decision shall be provided to the claimant in writing in a manner calculated to be understood by the claimant, and if such claim is denied, shall include (i) specific reasons for the adverse determination, (ii) reference to the specific Plan provisions on which the determination is based, (iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim and (iv) a statement of the claimant’s right to bring an action under Section 502 of ERISA.

8.3. Court Review. In order for the Committee to operate and administer the claims procedures in a timely and efficient manner, any claimant whose appeal with respect to a claim for benefits has been denied and who desires to begin a legal action with respect to such claim, must begin such action in a court of competent jurisdiction within 90 days after receipt of notification of such denial, and shall not be permitted to introduce any new facts or legal theories that were not presented during the claim review process. Failure to file such action by the prescribed time shall result in the permanent denial of such claim.

ARTICLE IX. MISCELLANEOUS.

9.1. Non-alienation. The right of a Participant or any other person to the payment of any benefit hereunder shall not be assigned, transferred, pledged or encumbered.

9.2. Tax Withholding. Participants shall be responsible to make appropriate provision for all taxes required to be withheld in connection with participation in the Plan and receipt of any benefits hereunder. Such responsibility shall extend to all applicable Federal, state, local or foreign withholding taxes. The Company may, in its sole discretion, satisfy any such tax withholding obligation by withholding any payroll or other amounts otherwise due a Participant.

9.3. No Employment Contract. Nothing contained herein shall be construed as conferring upon a Participant the right to continue in the employ of the Company or any of its affiliates in any capacity.

9.4. Succession. The Plan shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Participants and their heirs, executors, administrators and legal representatives. The Plan shall be assignable at the discretion of the Company, provided that any assignee assumes all of the obligations of the Company hereunder.

9.5. Gender and Number. For purposes of the Plan, the singular shall include the plural and the masculine shall include the feminine, and vice versa.

9.6. Governing Law, The Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania (without regard to its choice of law provisions), except to the extent superseded by federal law.

9.7. 409A Compliance. The Plan is intended to comply with Code Section 409A and the Committee shall interpret, apply and administer the Plan in the least restrictive manner necessary to comply therewith and without resulting in any increase in the amounts owed hereunder by the Company.

* * * *

IN WITNESS WHEREOF, the Company has caused the Plan to be executed effective as of the date first above written.

CROWN CORK & SEAL COMPANY, INC.

By: /s/ Alfred J. Dermody
Name: Alfred J. Dermody
Title: Senior Vice President – Human Resources

Exhibit 22 - List of Guarantor Subsidiaries

The following subsidiaries of Crown Holdings, Inc. (the "Company") were, as of June 30, 2022, guarantors of the Company's $350 principal 7.375% senior notes due 2026 and $40 principal 7.5% senior notes due 2096:

NAME	**STATE OR COUNTRY OF INCORPORATION OR ORGANIZATION**
Crown Cork & Seal Company, Inc.	Pennsylvania

The following subsidiaries of the Company were, as of June 30, 2022, guarantors of the Company's $400 principal 4.25% senior notes due 2026, $875 principal 4.75% senior notes due 2026 and $500 principal 5.250% senior notes due 2030:

NAME	**STATE OR COUNTRY OF INCORPORATION OR ORGANIZATION**
Crown Cork & Seal Company, Inc.	Pennsylvania
CROWN Americas LLC	Pennsylvania
Crown Consultants, Inc.	Pennsylvania
Crown Americas Capital Corp.	Delaware
Crown Americas Capital Corp. IV	Delaware
Crown Americas Capital Corp. V	Delaware
Crown Americas Capital Corp. VI	Delaware
CROWN Beverage Packaging, LLC	Delaware
CROWN Beverage Packaging Puerto Rico, Inc.	Delaware
Crown Cork & Seal Company (DE), LLC	Delaware
CROWN Cork & Seal USA, Inc.	Delaware
Crown International Holdings, Inc.	Delaware
CROWN Packaging Technology, Inc.	Delaware
Foreign Manufacturers Finance Corporation	Delaware
Signode Industrial Group Holdings US Inc	Delaware
Signode Industrial Group LLC	Delaware
Signode Industrial Group US Inc	Delaware
Signode International IP Holdings LLC	Delaware
Signode Pickling Holding LLC	Delaware
Signode US IP Holdings LLC	Delaware
TopFrame LLC	Delaware
Package Design and Manufacturing, Inc.	Michigan

EXHIBIT 31.1

CERTIFICATION

I, Timothy J. Donahue, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Holdings, Inc. (“the registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 1, 2022 /s/ Timothy J. Donahue

Timothy J. Donahue

Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Kevin C. Clothier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Holdings, Inc. ("the registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2022 /s/ Kevin C. Clothier

Kevin C. Clothier

Chief Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Crown Holdings, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2022 (the “Report”), each of the undersigned officers certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

Date: August 1, 2022 /s/ Timothy J. Donahue
Timothy J. Donahue
President and Chief Executive Officer

Date: August 1, 2022 /s/ Kevin C. Clothier
Kevin C. Clothier
Senior Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to this Quarterly Report on Form 10-Q and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.