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 March 31, 2021

☐ **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 134,898,957 shares of Common Stock outstanding as of April 21, 2021.

PART I – FINANCIAL INFORMATION

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

	Three Months Ended March 31,	
	2021	**2020**
Net sales	$ 3,078	$ 2,757
Cost of products sold, excluding depreciation and amortization	2,401	2,220
Depreciation and amortization	127	122
Selling and administrative expense	164	162
Restructuring and other	2	7
Income from operations	384	246
Other pension and postretirement	(1)	31
Interest expense	71	80
Interest income	(2)	(4)
Foreign exchange	(2)	(12)
Income before taxes	318	151
Provision for income taxes	75	38
Equity earnings in affiliates	2	1
Net income	245	114
Net income attributable to noncontrolling interests	(34)	(26)
Net income attributable to Crown Holdings	$ 211	$ 88
Earnings per common share attributable to Crown Holdings:		
Basic	$ 1.58	$ 0.66
Diluted	$ 1.57	$ 0.65

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

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

	Three Months Ended March 31,	
	2021	**2020**
Net income	$ 245	$ 114
Other comprehensive (loss) / income, net of tax:		
Foreign currency translation adjustments	(35)	(319)
Pension and other postretirement benefits	15	257
Derivatives qualifying as hedges	15	(34)
Total other comprehensive loss	(5)	(96)
Total comprehensive income	240	18
Net income attributable to noncontrolling interests	(34)	(26)
Translation adjustments attributable to noncontrolling interests	1	3
Derivatives qualifying as hedges attributable to noncontrolling interests	(1)	2
Comprehensive income / (loss) attributable to Crown Holdings	$ 206	$ (3)

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

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

	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 588	$ 1,173
Receivables, net	1,868	1,783
Inventories	1,817	1,673
Prepaid expenses and other current assets	330	254
Total current assets	4,603	4,883
Goodwill	4,487	4,593
Intangible assets, net	1,793	1,880
Property, plant and equipment, net	4,190	4,198
Operating lease right-of-use assets, net	203	214
Other non-current assets	904	902
Total	$ 16,180	$ 16,670
Liabilities and equity		
Current liabilities		
Short-term debt	$ 80	$ 121
Current maturities of long-term debt	82	67
Current portion of operating lease liabilities	54	55
Accounts payable	2,500	2,845
Accrued liabilities	1,040	1,173
Total current liabilities	3,756	4,261
Long-term debt, excluding current maturities	7,875	8,023
Non-current portion of operating lease liabilities	153	164
Postretirement and pension liabilities	743	762
Other non-current liabilities	845	856
Commitments and contingent liabilities *(Note J)*		
Noncontrolling interests	431	406
Crown Holdings shareholders' equity	2,377	2,198
Total equity	2,808	2,604
Total	$ 16,180	$ 16,670

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

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

	Three Months Ended March 31,	
	2021	**2020**
Cash flows from operating activities		
Net income	$ 245	$ 114
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	127	122
Restructuring and other	2	7
Pension expense	12	43
Pension contributions	(5)	(5)
Stock-based compensation	11	10
Working capital changes and other	(777)	(898)
Net cash used for operating activities	(385)	(607)
Cash flows from investing activities		
Capital expenditures	(135)	(110)
Net investment hedge	13	14
Proceeds from sale of property, plant and equipment	2	—
Net cash used for investing activities	(120)	(96)
Cash flows from financing activities		
Net change in revolving credit facility and short-term debt	(13)	872
Proceeds from long-term debt	36	93
Payments of long-term debt	(26)	(12)
Foreign exchange derivatives related to debt	(4)	(5)
Payments of finance leases	(1)	(1)
Contributions from noncontrolling interests	—	2
Dividends paid to noncontrolling interests	(9)	(11)
Dividends paid to shareholders	(27)	—
Common stock issued	1	1
Common stock repurchased	(12)	(57)
Net cash (used for) / provided by financing activities	(55)	882
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(11)	(21)
Net change in cash, cash equivalents and restricted cash	(571)	158
Cash, cash equivalents and restricted cash at January 1	1,238	663
Cash, cash equivalents and restricted cash at March 31	$ 667	$ 821

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 loss				(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
Balance at January 1, 2020	$ 929	$ 207	$ 3,959	$ (3,131)	$ (251)	$ 1,713	$ 379	$ 2,092
Net income			88			88	26	114
Other comprehensive loss				(91)		(91)	(5)	(96)
Dividends paid to noncontrolling interests						—	(11)	(11)
Restricted stock awarded		(1)			1	—		—
Stock-based compensation		10				10		10
Common stock issued		1				1		1
Common stock repurchased		(52)			(5)	(57)		(57)
Balance at March 31, 2020	$ 929	$ 165	$ 4,047	$ (3,222)	$ (255)	$ 1,664	$ 389	$ 2,053

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

NOTES TO 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 March 31, 2021 and the results of its operations for the three months ended March 31, 2021 and 2020 and of its cash flows for the three months ended March 31, 2021 and 2020. 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, 2020.

B. Accounting and Reporting Developments

On January 1, 2021, the Company adopted new guidance to simplify the accounting for income taxes by, among other things, reducing complexity in the interim-period accounting for year-to-date loss limitations and changes in tax laws. The guidance did not have a material impact on the Company's consolidated financial statements.

C. Subsequent Event

On April 8, 2021, the Company entered into a Share and Asset Purchase Agreement which provides for the sale (the “Transaction”) of its European Tinplate business (the “Business”) to Kouti B.V., an affiliate of KPS Capital Partners LP. The Business comprises the Company’s European Food segment and its European Aerosol and Promotional Packaging reporting unit which is reported in the Company's other segments. In 2020, the Business had net sales of $2,183. The Company expects to receive pre-tax proceeds of approximately €1.9 billion ($2.2 billion at March 31, 2021) from the Transaction and retain a 20% minority interest in the Business.

The completion of the Transaction is subject to the fulfillment of various conditions, including, among others, receipt of approvals from antitrust regulators in certain jurisdictions. Completion of the Transaction is expected to occur during the third quarter of 2021. However, given the number of jurisdictions in which antitrust approval is required, there is no assurance that the Transaction can be completed on that timeframe.

Beginning with the quarterly period ended June 30, 2021, the assets and liabilities of the Business will be presented as held for sale in the Company's Consolidated Balance Sheet and the results of operations will be reported as discontinued operations in the Consolidated Statement of Operations.

D. 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:

	March 31, 2021	December 31, 2020
Cash and cash equivalents	$ 588	$ 1,173
Restricted cash included in prepaid expenses and other current assets	78	64
Restricted cash included in other non-current assets	1	1
Total restricted cash	79	65
Total cash, cash equivalents and restricted cash	$ 667	$ 1,238

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

E. Receivables

	March 31, 2021	December 31, 2020
Accounts receivable	$ 1,316	$ 1,297
Less: allowance for credit losses	(62)	(59)
Net trade receivables	1,254	1,238
Unbilled receivables	338	294
Miscellaneous receivables	276	251
Receivables, net	$ 1,868	$ 1,783

F. Inventories

Inventories are stated at the lower of cost or market, with cost principally determined under the first-in first-out ("FIFO") or average cost method.

	March 31, 2021	December 31, 2020
Raw materials and supplies	$ 1,018	$ 1,003
Work in process	185	164
Finished goods	614	506
	$ 1,817	$ 1,673

G. Intangible Assets

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

	March 31, 2021			December 31, 2020		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
Customer relationships	$ 1,623	$ (488)	$ 1,135	$ 1,661	$ (470)	$ 1,191
Trade names	553	(70)	483	565	(65)	500
Technology	162	(72)	90	165	(67)	98
Long term supply contracts	137	(57)	80	142	(55)	87
Patents	17	(12)	5	16	(12)	4
	$ 2,492	$ (699)	$ 1,793	$ 2,549	$ (669)	$ 1,880

Total amortization expense of intangible assets for the three ended March 31, 2021 and 2020 was $47 and $45.

H. Restructuring and Other

The Company recorded restructuring and other items as follows:

	Three Months Ended March 31,	
	2021	2020
Restructuring	$ 8	$ 3
Other (income) / costs	(8)	3
Transaction costs	2	—
Asset impairments and sales	—	1
	$ 2	$ 7

At March 31, 2021, the Company had restructuring accruals of $18, primarily related to headcount reductions in its European and Transit Packaging divisions. The Company expects to pay these amounts over the next twelve months.

I. 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.r

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.

In recent years, 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 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 three months ended March 31, 2021, the Company paid $2 to settle asbestos claims and pay related legal and defense costs and had claims activity as follows:

Beginning claims	56,000
New claims	500
Settlements or dismissals	(100)
Ending claims	56,400

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, 2020, the Company's outstanding claims were:

Claimants alleging first exposure after 1964	16,500
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	19,000
Total claims outstanding	56,000

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:

	2020	2019
Total claims	23 %	22 %
Pre-1964 claims in states without asbestos legislation	41 %	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 March 31, 2021.

As of March 31, 2021, the Company’s accrual for pending and future asbestos-related claims and related legal costs was $249, including $207 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 81% of the claims outstanding at the end of 2020), 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).

J. <u>Commitments and Contingent Liabilities</u>

The Company, along with others in most cases, has been identified by the U.S. Environmental Protection Agency or a comparable state environmental agency as a Potentially Responsible Party (“PRP”) at a number of sites and has recorded aggregate accruals of $8 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 $7 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 United Kingdom.

The Commission's investigation is ongoing and, to date, the Commission has not officially charged the Company or any of its subsidiaries with violations of competition law. The Company is cooperating with the Commission and submitted a leniency application with the Commission with respect to the findings of the investigation in Germany referenced above. This application may lead to the reduction of possible future penalties. At this stage of the investigation the Company believes that a loss is probable but is unable to predict the ultimate outcome of the Commission's investigation and is unable to estimate the loss or possible range of losses that could be incurred, and has therefore not recorded a charge in connection with the actions by the Commission. If the Commission finds that the Company or any of its subsidiaries violated competition law, fines levied by the Commission could be material to the Company's operating results and cash flows for the periods in which they are resolved or become reasonably estimable.

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 and subsequently mitigated to $6. The Company has acknowledged to CBP that the goods were misclassified and has paid all related duties. The Company has asserted that the misclassification was unintentional and disputes the penalty assessment. At the present time, based on the information available, the Company does not believe that a loss for the alleged intentional misclassification is probable. There can be no assurance the Company will be successful in contesting the assessed penalty.

The Company and its subsidiaries are also subject to various other lawsuits and claims with respect to governmental, 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 course of business. The Company's basic raw materials for its products are steel and aluminum, both of which are purchased from multiple sources. The Company is subject to fluctuations in the cost of these raw materials (including in connection with tariffs recently imposed in the U.S., which may increase costs) and has periodically adjusted its selling prices to reflect these movements. There can be no assurance 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 March 31, 2021, 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.

K. Derivative and Other Financial Instruments

Fair Value Measurements

Under 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 L 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 hedge no longer qualifies for hedge accounting, 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.

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 March 31, 2021 mature between one and twenty-two months.

When the Company discontinues hedge accounting because it is no longer probable that an anticipated transaction will occur in the originally specified period, changes to the fair value accumulated in other comprehensive income are recognized immediately in earnings.

The Company uses commodity forward contracts to hedge anticipated purchases of various commodities, including aluminum, fuel oil and natural gas, 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. Foreign currency risk is generally hedged with the related commodity price risk.

The Company also uses 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.

	Amount of gain/(loss) recognized in OCI	
	Three Months Ended March 31,	
Derivatives in cash flow hedges	2021	2020
Foreign exchange	$ (1)	$ 1
Interest Rate	1	(1)
Commodities	25	(39)
	$ 25	$ (39)

	Amount of gain/(loss) reclassified from AOCI into income		
	Three Months Ended March 31,		
Derivatives in cash flow hedges	2021	2020	Affected line items in the Statement of Operations
Foreign exchange	$ —	$ (1)	Net sales
Commodities	4	3	Net sales
Foreign exchange	—	(1)	Cost of products sold
Commodities	(19)	(10)	Cost of products sold
	(15)	(9)	Income before taxes
	4	2	Provision for income taxes
Total reclassified	$ (11)	$ (7)	Net income

For the twelve-month period ending March 31, 2022, a net gain of $49 ($39, net of tax) is expected to be reclassified to earnings for commodity and foreign exchange contracts. No amounts were reclassified during the three months ended March 31, 2021 and 2020 in connection with anticipated transactions that were no longer considered probable.

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 months ended March 31, 2021 and 2020, the Company recorded a gain of $7 and loss of less than $1 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.

Derivatives not designated as hedges	Pre-tax amounts of gain/(loss) recognized in income on derivative — Three Months Ended March 31, 2021	2020	Affected line item in the Statement of Operations
Foreign exchange	$ (1)	$ (1)	Net sales
Foreign exchange	1	1	Cost of products sold
Foreign exchange	(13)	6	Foreign exchange
	$ (13)	$ 6	

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 months ended March 31, 2021 and 2020, the Company recorded a gain of $54 ($54, net of tax) and a gain of $26 ($26, 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. As of March 31, 2021 and December 31, 2020, cumulative gains of $21 ($44, net of tax) and losses of $33 ($10, 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 €1,115 ($1,308) at March 31, 2021.

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

Derivatives designated as net investment hedges	Amount of gain / (loss) recognized in AOCI — Three months ended March 31, 2021	2020
Foreign exchange	$ 22	$ 61

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 March 31, 2021 and December 31, 2020, respectively. The fair values of these financial instruments were reported under Level 2 of the fair value hierarchy.

	Balance Sheet classification	March 31, 2021	December 31, 2020	Balance Sheet classification	March 31, 2021	December 31, 2020
Derivatives designated as hedging instruments						
Foreign exchange contracts cash flow	Other current assets	$ 20	$ 9	Accrued liabilities	$ 22	$ 8
	Other non-current assets	—	—	Other non-current liabilities	—	1
Foreign exchange contracts fair value	Other current assets	5	2	Accrued liabilities	2	6
Commodities contracts cash flow	Other current assets	69	45	Accrued liabilities	21	11
	Other non-current assets	6	4	Other non-current liabilities	1	—
Interest rate contracts cash flow	Other non-current assets	—	—	Other non-current liabilities	1	2
Net investment hedge	Other non-current assets	26	7	Other non-current liabilities	11	20
		$ 126	$ 67		$ 58	$ 48
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	$ 9	$ 9	Accrued liabilities	$ 14	$ 4
		$ 9	$ 9		$ 14	$ 4
Total derivatives		$ 135	$ 76		$ 72	$ 52

Fair Value Hedge Carrying Amounts

	Carrying amount of the hedged assets / liabilities	
Line item in the Balance Sheet in which the hedged item is included	March 31, 2021	December 31, 2020
Cash and cash equivalents	$ 23	$ 22
Receivables, net	35	11
Accounts payable	136	100

As of March 31, 2021, the cumulative amount of fair value hedging adjustments included in the carrying amount of the hedge assets and liabilities was a loss of $3. As of December 31, 2020, the cumulative amount of fair value hedging adjustments included in the carrying amount of the hedge assets and liabilities was a gain of $4.

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 March 31, 2021			
Derivative assets	$135	$22	$113
Derivative liabilities	72	22	50
Balance at December 31, 2020			
Derivative assets	76	11	65
Derivative liabilities	52	11	41

Notional Values of Outstanding Derivative Instruments

The aggregate U.S. dollar-equivalent notional values of outstanding derivative instruments in the Consolidated Balance Sheets at March 31, 2021 and December 31, 2020 were:

	March 31, 2021	December 31, 2020
Derivatives designated as cash flow hedges:		
Foreign exchange	$ 932	$ 1,127
Commodities	216	248
Interest rate	200	200
Derivatives designated as fair value hedges:		
Foreign exchange	280	183
Derivatives designated as net investment hedges:		
Foreign exchange	1,075	1,075
Derivatives not designated as hedges:		
Foreign exchange	723	722

L. Debt

The Company's outstanding debt was as follows:

	March 31, 2021		December 31, 2020	
	Principal outstanding	Carrying amount	Principal outstanding	Carrying amount
Short-term debt	$ 80	$ 80	$ 121	$ 121
Long-term debt				
Senior secured borrowings:				
Revolving credit facilities	26	26	—	—
Term loan facilities				
U.S. dollar at LIBOR + 1.2% due 2024	1,022	1,017	1,029	1,023
Euro at EURIBOR + 1.2% due 2024[1]	368	368	387	387
Senior notes and debentures:				
€650 at 4.0% due 2022	762	760	794	791
U. S. dollar at 4.50% due 2023	1,000	997	1,000	997
€335at 2.25% due 2023	393	391	409	407
€550 at 0.75% due 2023	645	642	671	666
€600 at 2.625% due 2024	704	700	733	729
€600 at 3.375% due 2025	704	699	733	728
U.S. dollar at 4.25% due 2026	400	396	400	396
U.S. dollar at 4.75% due 2026	875	865	875	865
U.S. dollar at 7.375% due 2026	350	348	350	348
€500 at 2.875% due 2026	586	580	610	603
U.S. dollar at 7.50% due 2096	40	40	40	40
Other indebtedness in various currencies	128	128	110	110
Total long-term debt	8,003	7,957	8,141	8,090
Less current maturities	(82)	(82)	(67)	(67)
Total long-term debt, less current maturities	$ 7,921	$ 7,875	$ 8,074	$ 8,023

(1) €314 and €317 at March 31, 2021 and December 31, 2020

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 $8,414 at March 31, 2021 and $8,617 at December 31, 2020.

M. Pension and Other Postretirement Benefits

The components of net periodic pension and other postretirement benefits costs for the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,	
Pension benefits – U.S. plans	2021	2020
Service cost	$ 5	$ 5
Interest cost	6	10
Expected return on plan assets	(15)	(18)
Recognized net loss	15	14
Net periodic cost	$ 11	$ 11

Pension benefits – Non-U.S. plans	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Service cost	$ 3	$ 3
Interest cost	9	14
Expected return on plan assets	(20)	(31)
Settlement loss	—	37
Recognized net loss	9	9
Net periodic cost	$ 1	$ 32

Other postretirement benefits	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Interest cost	$ 1	$ 1
Recognized prior service credit	(7)	(6)
Recognized net loss	1	1
Net periodic benefit	$ (5)	$ (4)

In the three months ended March 31, 2020, the Company recorded settlement charges related to the payment of lump sum buy-outs to settle certain non-U.S. pension obligations using plan assets.

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 March 31, 2021	Three Months Ended March 31, 2020	Affected line items in the statement of operations
Actuarial losses	$ 25	$ 24	Other pension and postretirement
Settlements	—	37	Other pension and postretirement
Prior service credit	(7)	(6)	Other pension and postretirement
	18	55	Income before taxes
	(3)	(4)	Provision for income taxes
Total reclassified	$ 15	$ 51	Net income

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, 2020	$ (1,449)	$ (1,668)	$ (14)	$ (3,131)
Other comprehensive income / (loss) before reclassifications	206	(316)	(39)	(149)
Amounts reclassified from accumulated other comprehensive income	51	—	7	58
Other comprehensive income / (loss)	257	(316)	(32)	(91)
Balance at March 31, 2020	$ (1,192)	$ (1,984)	$ (46)	$ (3,222)
Balance at January 1, 2021	$ (1,464)	$ (1,759)	$ 30	$ (3,193)
Other comprehensive (loss) / income before reclassifications	—	(34)	25	(9)
Amounts reclassified from accumulated other comprehensive income	15	—	(11)	4
Other comprehensive income / (loss)	15	(34)	14	(5)
Balance at March 31, 2021	$ (1,449)	$ (1,793)	$ 44	$ (3,198)

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

O. Revenue

For the three months ended March 31, 2021 and 2020, the Company recognized revenue as follows:

	Three Months Ended March 31,	
	2021	2020
Revenue recognized over time	$ 1,628	$ 1,475
Revenue recognized at a point in time	1,450	1,282
Total revenue	$ 3,078	$ 2,757

See Note Q 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

The Company recorded contract assets of $52 and $37 in prepaid and other current assets as of March 31, 2021 and December 31, 2020. For the three months ended March 31, 2021, the Company recorded new contract assets related to customized work-in-process inventory in the Company's equipment business.

P. Earnings Per Share

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

	Three Months Ended March 31,	
	2021	2020
Net income attributable to Crown Holdings	$ 211	$ 88
Weighted average shares outstanding:		
Basic	133.6	134.1
Dilutive restricted stock	1.0	0.9
Diluted	134.6	135.0
Basic earnings per share	$ 1.58	$ 0.66
Diluted earnings per share	$ 1.57	$ 0.65

For the three months ended March 31, 2020, 0.4 million contingently issuable common shares were excluded from the computation of diluted earnings per share because the effect would be anti-dilutive.

The Company declared and paid cash dividends of $.20 per share for the three months ended March 31, 2021. Additionally, on April 22, 2021, the Company's Board of Directors declared a dividend of $.20 per share payable on May 20, 2021 to shareholders of record on May 6, 2021.

Q. 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, provisions for asbestos and restructuring and other, and the impact of fair value adjustments to inventory acquired in an acquisition.

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 March 31,	
	2021	2020
Americas Beverage	$ 993	$ 871
European Beverage	389	346
European Food	460	402
Asia Pacific	331	301
Transit Packaging	557	522
Total reportable segments	2,730	2,442
Other segments	348	315
Total	$ 3,078	$ 2,757

The primary sources of revenue included in other segments are the Company's food can and closures business in North America, aerosol can businesses in North America and Europe, its promotional packaging business in Europe, and its tooling and equipment operations in the U.S. and U.K.

	Intersegment Sales Three Months Ended March 31,	
	2021	2020
Americas Beverage	$ —	$ 6
European Beverage	36	1
European Food	32	21
Transit Packaging	7	4
Total reportable segments	75	32
Other segments	38	29
Total	$ 113	$ 61

Intersegment sales primarily include sales of ends and components used to manufacture cans, such as printed and coated metal, as well as parts and equipment used in the manufacturing process.

	Segment Income Three Months Ended March 31,	
	2021	2020
Americas Beverage	$ 188	$ 134
European Beverage	62	39
European Food	63	33
Asia Pacific	52	45
Transit Packaging	70	66
Total reportable segments	$ 435	$ 317

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

	Three Months Ended March 31,	
	2021	2020
Segment income of reportable segments	$ 435	$ 317
Segment income of other segments	37	19
Corporate and unallocated items	(39)	(38)
Restructuring and other	(2)	(7)
Amortization of intangibles	(47)	(45)
Other pension and postretirement	1	(31)
Interest expense	(71)	(80)
Interest income	2	4
Foreign exchange	2	12
Income before income taxes	$ 318	$ 151

For the three months ended March 31, 2021 and 2020, intercompany profits of $2 and less than $1 were eliminated within segment income of other segments.

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 months ended March 31, 2021 compared to 2020 and changes in financial condition and liquidity from December 31, 2020. 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, 2020, 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 grow its businesses in targeted growth markets, while improving operations and results in more mature markets through disciplined pricing, cost control and careful capital allocation.

The Company's global beverage can business continues to be a major strategic focus for organic growth. 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, although volumes in certain of those markets were negatively affected by the impact of the coronavirus pandemic in 2020. The Company continues to invest in capacity expansion to meet the accelerating demand.

The Company's primary capital allocation focus has been to reduce leverage, as was successfully accomplished following previous acquisitions, and to begin to return capital to its shareholders. In April 2021, the Company announced an agreement to sell its European Tinplate business (the "Business"). The Business comprises the Company’s European Food segment and its European Aerosol and Promotional Packaging reporting unit which is reported in the Company's other segments. The Company will receive pre-tax proceeds of approximately €1.9 billion ($2.2 billion at March 31, 2021) from the transaction and retain a 20% ownership stake in the business. The Company expects to use the net proceeds, after closing working capital adjustments, taxes and other transaction related costs, to further reduce debt, fund capital projects and repurchase shares over time under the $1.5 billion share repurchase program approved by its Board in February 2021.

Beginning with the quarterly period ended June 30, 2021, the results of operations will be reported as discontinued operations in the Consolidated Statement of Operations. In connection with the sale, it is possible that the Company records additional charges that could be material.

In response to the ongoing coronavirus pandemic, the Company continues to take actions to ensure the safety of its employees. The Company has increased safety measures in its manufacturing facilities to protect the safety of its employees and the products they produce. In addition, as many employees as possible are working remotely.

The Company’s products are a vital part of the support system to its customers and consumers. In addition to manufacturing containers that provide protection for food and beverages, the Company also produces closures for baby food, aerosol containers for cleaning and sanitizing products and numerous other products that provide for the safe and secure transportation of goods in transit.

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.

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

The Company continues to actively elevate its industry-leading commitment to sustainability, which is a core value of the Company. In 2020, the Company debuted Twentyby30, a robust program that outlines twenty measurable environmental, social and governance goals to be completed by 2030 or sooner.

Results of Operations

In assessing performance, the key performance measure used by the Company is segment income, a non-GAAP measure generally defined by the Company as income from operations adjusted to exclude intangibles amortization charges, provisions for asbestos and 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 and Transit Packaging segments and the Canadian dollar and Mexican peso in the Company's Americas Beverage segment. The Company calculates the impact of foreign currency translation by multiplying or dividing, as appropriate, current 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.

Net Sales and Segment Income

	Three Months Ended March 31,	
	2021	2020
Net sales	$ 3,078	$ 2,757

Three months ended March 31, 2021 compared to 2020

Net sales increased primarily due to higher sales unit volumes across each of the Company's businesses and $92 from the impact of 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 on a new beverage can line at its Toronto, Ontario plant in January 2020 and on the third line at its Nichols, NY facility in June 2020. Additionally, the Company has announced a new beverage can facility in Bowling Green, Kentucky, with the first line expected to begin production in the second quarter of 2021 and a second line scheduled for a late third quarter 2021 start-up. To meet the expanding requirements of specialty cans in the Pacific Northwest, the Company will construct a third line in its Olympia, Washington plant which is scheduled to begin production during the third quarter of 2021. The Company also announced construction of a new facility in Henry County, Virginia which is expected to commence operations during the second quarter of 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. The Company will construct a second line at its Rio Verde, Brazil facility that is expected to commence operations during the fourth quarter of 2021. The Company has also begun construction of a two-line facility in Minas Gerais, Brazil, with the first line expected to begin production during the second quarter of 2022 and the second line scheduled to start up during the fourth quarter of 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 March 31,	
	2021	2020
Net sales	$ 993	$ 871
Segment income	188	134

Three months ended March 31, 2021 compared to 2020

Net sales increased primarily due to 9% higher sales unit volumes and the pass-through of higher aluminum costs.

Segment income increased primarily due to higher sales unit volumes and improved pricing.

European Beverage

The Company's European Beverage segment manufactures steel and 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 Western European beverage can markets have been growing. In the second quarter of 2020, two beverage can lines in the Seville, Spain plant began commercial production of aluminum cans.

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

	Three Months Ended March 31,	
	2021	2020
Net sales	$ 389	$ 346
Segment income	62	39

Three months ended March 31, 2021 compared to 2020

Net sales increased due to $21 from the impact of foreign currency translation, 6% higher sales unit volumes and the pass-through of higher aluminum costs.

Segment income increased primarily due to higher sales unit volumes and improved cost performance.

European Food

The European Food segment manufactures steel and aluminum food cans and ends and metal vacuum closures, and supplies a variety of customers from its operations throughout Europe and Africa. The European food can market is a mature market where consumer preference continues to favor the can due to product protection and food preservation.

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

	Three Months Ended March 31,	
	2021	2020
Net sales	$ 460	$ 402
Segment income	63	33

Three months ended March 31, 2021 compared to 2020

Net sales increased primarily due to $36 from the impact of foreign currency translation and 6% higher sales unit volumes.

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

Segment income increased as the three months ended March 31, 2020 included charges of $18 from the carryover of higher tinplate costs from the prior year that did not recur in 2021. Additionally, segment income increased due to higher sales unit volumes and $5 from the impact of foreign currency translation.

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 2020, however, industry volumes decreased due to the impact of the coronavirus pandemic. The Company began commercial production at a one-line beverage can plant in Nong Khae, Thailand in July 2020. Additionally, the Company has begun construction of a one-line beverage can plant in Vung Tao, Vietnam, that is expected to begin commercial production in September 2021.

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

	Three Months Ended March 31,	
	2021	2020
Net sales	$ 331	$ 301
Segment income	52	45

Three months ended March 31, 2021 compared to 2020

Net sales increased due to 8% higher sales unit volumes and $6 from the impact of foreign currency translation.

Segment income increased primarily due to higher sales unit volumes.

Transit Packaging

The Transit Packaging segment includes the Company's global consumables and equipment and tools businesses. Consumables include steel strap, plastic strap and industrial film and other related products that are used in a wide range of industries, and transit protection products that help prevent movement during transport 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 March 31,	
	2021	2020
Net sales	$ 557	$ 522
Segment income	70	66

Three months ended March 31, 2021 compared to 2020

Net sales increased primarily due to $17 from the impact of foreign currency translation, higher sales unit volumes and the pass-through of higher raw material prices.

Segment income increased primarily due to higher sales unit volumes.

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

Other Segments

The Company's other segments include its food can and closures businesses in North America, its aerosol can businesses in North America and Europe, and its tooling and equipment operations in the U.S. and U.K.

Net sales and segment income in non-reportable segments were as follows:

	Three Months Ended March 31,	
	2021	2020
Net sales	$ 348	$ 315
Segment income	37	19

Three months ended March 31, 2021 compared to 2020

Net sales increased primarily due to higher sales in the Company's beverage can equipment operations, the pass-through of higher tinplate costs and $8 from the impact of foreign currency translation.

Segment income increased due to higher sales in the Company's beverage can equipment operations and lower tinplate carryover costs as compared to the three months ended March 31, 2020.

Corporate and Unallocated Expense

	Three Months Ended March 31,	
	2021	2020
Corporate and unallocated expense	$ (39)	$ (38)

Corporate and unallocated expenses were comparable for the three months ended March 31, 2021 compared to 2020.

Interest Expense

For the three months ended March 31, 2021 compared to 2020, interest expense decreased from $80 to $71 due to lower interest rates and outstanding debt balances.

Net Income Attributable to Noncontrolling Interests

For the three months ended March 31, 2021 compared to 2020, net income attributable to noncontrolling interests increased from $26 to $34 due to higher earnings in the Company's beverage can operations in Brazil.

Liquidity and Capital Resources

Cash from Operations

Cash used for operating activities decreased from $607 for the three months ended March 31, 2020 to $385 for the three months ended March 31, 2021. The decrease in cash used for operating activities was primarily due to higher earnings and changes in working capital.

Days sales outstanding for trade receivables, excluding the impact of unbilled receivables, was 36 days as of March 31, 2020 compared to 37 days as of March 31, 2021.

Inventory turnover was 65 days at March 31, 2020 compared to 63 days at March 31, 2021. Inventory turnover at March 31, 2021 was comparable to 64 days at December 31, 2020.

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

The food can business is seasonal with the first quarter tending to be the slowest period as the autumn packaging period in the Northern Hemisphere has ended and new crops are not yet planted. The industry enters its busiest period in the third quarter when the majority of fruits and vegetables in the Northern Hemisphere are harvested. Due to this seasonality, inventory levels increase in the first half of the year to meet peak demand in the second and third quarters. The beverage can business is also seasonal with inventory levels generally increasing in the first half of the year to meet peak demand in the summer months in the Northern Hemisphere.

Days outstanding for trade payables was 85 days at March 31, 2020 compared to 88 days at March 31, 2021.

Investing Activities

Cash used for investing activities increased from $96 for the three months ended March 31, 2020 to $120 for the three months ended March 31, 2021 primarily due to increased capital expenditures related to capacity expansion projects in the Americas Beverage segment.

The Company currently expects capital expenditures in 2021 to be approximately $900.

Financing Activities

Financing activities provided cash of $882 for the three months ended March 31, 2020 and used cash of $55 for the three months ended March 31, 2021. The Company had higher net borrowings and repurchased $57 of capital stock in 2020. During the three months ended March 31, 2021, the Company paid dividends to stockholders of $27.

Liquidity

As of March 31, 2021, $525 of the Company's $588 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., $447 was held by subsidiaries for which earnings are considered indefinitely reinvested. While based on current operating plans the Company does not foresee a need to repatriate these funds, if such earnings were repatriated the Company would be required to record any incremental taxes on the repatriated funds.

As of March 31, 2021, the Company had $1,561 of borrowing capacity available under its revolving credit facility, equal to the total facility of $1,650 less borrowings of $26 and outstanding standby letters of credit of $63. The Company could have borrowed this amount at March 31, 2021 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 3.71 to 1.0 at March 31, 2021 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.

Capital Resources

As of March 31, 2021, the Company had approximately $215 of capital commitments primarily related to its Americas Beverage segment. The Company expects to fund these commitments primarily through cash flows from operations and proceeds from the sale of its European Tinplate business.

Contractual Obligations

During the three months ended March 31, 2021 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, 2020, which information is incorporated herein by reference.

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

Supplemental Guarantor Financial Information

As disclosed in Note L, 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

	Three Months Ended March 31, 2021	
Net sales	$	—
Gross Profit		—
Income from operations		(3)
Net income[1]		(18)
Net income attributable to Crown Holdings[1]		(18)

(1) Includes $9 of expense related to intercompany interest with non-guarantor subsidiaries

	March 31, 2021		December 31, 2020	
Current assets	$	14	$	12
Non-current assets		104		118
Current liabilities		53		63
Non-current liabilities[1]		4,345		4,305

(1) Includes payables of $3,663 and $3,623 due to non-guarantor subsidiaries as of March 31, 2021 and December 31, 2020

Crown Americas Obligor Group

	Three Months Ended March 31, 2021	
Net sales[1]	$	1,017
Gross profit[2]		172
Income from operations[2]		64
Net income[3]		8
Net income attributable to Crown Holdings[3]		8

(1) Includes $110 of sales to non-guarantor subsidiaries
(2) Includes $11 of gross profit related to sales to non-guarantor subsidiaries
(3) Includes $17 of income related to intercompany interest and technology royalties with non-guarantor subsidiaries

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

	March 31, 2021	December 31, 2020
Current assets[1]	$ 921	$ 917
Non-current assets[2]	3,307	3,248
Current liabilities[3]	1,028	1,081
Non-current liabilities[4]	4,561	4,491

(1) Includes receivables of $42 and $45 due from non-guarantor subsidiaries as of March 31, 2021 and December 31, 2020
(2) Includes receivables of $157 and $142 due from non-guarantor subsidiaries as of March 31, 2021 and December 31, 2020
(3) Includes payables of $46 and $54 due to non-guarantor subsidiaries as of March 31, 2021 and December 31, 2020
(4) Includes payables of $130 and $31 due to non-guarantor subsidiaries as of March 31, 2021 and December 31, 2020

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 J, 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, 2020 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 are included in Note B 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" (such as statements regarding the Company's expectation and ability to pay quarterly dividends in the future or statements regarding the Company's initiation of a share repurchase program) and in the discussions of asbestos in Note I and commitments and contingencies in Note J 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, 2020, which are not historical facts (including any statements concerning the direct or indirect impact of coronavirus, plans, the sale of the Company's European tinplate business (including whether the sale will ultimately be consummated within the expected timeframe or at all and whether the sale will ultimately prove to be beneficial to the Company) and 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.

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

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, 2020 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 March 31, 2021, see Note K to the consolidated financial statements included in this Quarterly Report on Form 10-Q.

As of March 31, 2021, 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 I entitled “Asbestos-Related Liabilities” and Note J 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, 2020. 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 March 31, 2021. The table excludes 117,296 shares surrendered to cover taxes on the vesting of restricted stock during the three months ended March 31, 2021.

	Total number of shares purchased	Average price per share	Total number of shares purchased as part of publicly announced programs	Approximate dollar value of shares that may yet be purchased under the programs as of the end of the period (millions of dollars)
February	—	—	—	$ 1,500
March	—	—	—	1,500
	—		—	

In February 2021, the Company's Board of Directors authorized the repurchase of an aggregate amount of $1.5 billion of Company common stock through the end of 2023. 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 three months ended March 31, 2021.

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 April 21, 2021, the Company entered into Amendment No. 1 to the Senior Executive Retirement Agreement with Didier Sourisseau, dated April 1, 2017 (the "SERP Amendment"). The SERP Amendment provides that Mr. Sourisseau's retirement benefit under the Company's Senior Executive Retirement Plan will become fully vested upon the completion of the sale of the Company's European tinplate business (the "Transaction"), provided that Mr. Sourisseau remains in continuous employment with the Company through the completion of the Transaction. The SERP Amendment is attached as an exhibit to this Form 10-Q and is incorporated herein by reference.

Submission of Matters to a Vote of Security Holders

(a) Crown Holdings, Inc. (the "Company") held its Annual Meeting of Shareholders on April 22, 2021 (the "Annual Meeting"). As of March 2, 2021, the record date for the meeting, 134,912,097 shares of Common Stock, par value $5.00 per share, of the Company ("Common Stock") were issued and outstanding. A quorum of 116,307,905 shares of Common Stock were present or represented at the meeting.

(b) The following individuals were nominated and elected to serve as directors:

John W. Conway, Timothy J. Donahue, Richard H. Fearon, Andrea J. Funk, Stephen J. Hagge, Rose Lee, James H. Miller, Josef M. Müller, B. Craig Owens, Caesar F. Sweitzer, Jim L. Turner, William S. Urkiel and Dwayne A. Wilson.

At the Annual Meeting, the Company's shareholders voted on the three matters below as follows:

1) The Company's shareholders elected the following directors pursuant to the following vote:

Directors	Votes For	Votes Withheld	Broker Non-Vote
John W. Conway	109,708,730	2,045,739	4,553,436
Timothy J. Donahue	110,698,696	1,055,773	4,553,436
Richard H. Fearon	110,582,131	1,172,338	4,553,436
Andrea J. Funk	110,805,454	949,015	4,553,436
Stephen J. Hagge	110,663,553	1,090,916	4,553,436
Rose Lee	110,623,770	1,130,699	4,553,436
James H. Miller	105,149,913	6,604,556	4,553,436
Josef M. Müller	110,284,493	1,469,976	4,553,436
B. Craig Owens	111,066,059	688,410	4,553,436
Caesar F. Sweitzer	110,346,109	1,408,360	4,553,436
Jim L. Turner	106,250,758	5,503,711	4,553,436
William S. Urkiel	107,682,585	4,071,884	4,553,436
Dwayne A. Wilson	111,361,209	393,260	4,553,436

2) The Company's shareholders ratified the appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the fiscal year ending December 31, 2021 pursuant to the following vote:

Votes For	Votes Against	Votes Abstaining	Broker Non-Vote
108,816,878	7,355,330	135,697	—

3) The Company's shareholders approved by non-binding advisory vote, the resolution on executive compensation (as further described in the Company's 2021 Proxy Statement) pursuant to the following vote:

Votes For	Votes Against	Votes Abstaining	Broker Non-Vote
103,795,888	7,776,515	182,066	4,553,436

Item 6. Exhibits

10.w	Share and Asset Purchase Agreement, dated as of April 8, 2021, by and among the Company, Crown Cork & Seal Deutschland Holdings GmbH, Blitz F21-387 GmbH, Kouti B.V. and Macsco 20.10 Limited (incorporated by reference to Exhibit 2.1 of the Registrant's Current Report on Form 8-K dated April 13, 2021 (File No. 000-50189)).
10(d) (11)	Amendment No. 1 to Senior Executive Retirement Agreement, effective as of April 21, 2021, by and between Crown Holdings, Inc. and Didier Sourisseau.
22	List of Guarantor Subsidiaries
31.1	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.
31.2	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.
32	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 Thomas A. Kelly, Senior Vice President and Chief Financial Officer of Crown Holdings, Inc.
101	The following financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 formatted in inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the three months ended March 31, 2021 and 2020, (ii) Consolidated Statements of Comprehensive Income for the three months ended March 31, 2021 and 2020, (iii) Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020, (iv) Consolidated Statements of Cash Flows for the three months ended March 31, 2021 and 2020, (v) Consolidated Statements of Changes in Equity for the three months ended March 31, 2021 and 2020 and (vi) Notes to Consolidated Financial Statements.
104	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/ David A. Beaver
David A. Beaver
Vice President and Corporate Controller
(Chief Accounting Officer)

Date: April 23, 2021

AMENDMENT NO. 1
TO
SENIOR EXECUTIVE RETIREMENT AGREEMENT

This is Amendment No. 1 (this "Amendment"), effective as of April 21, 2021, to the Senior Executive Retirement Agreement by and between Crown Holdings, Inc. (the "Company") and Didier Sourisseau (the "Participant"), dated April 1, 2017 (the "Agreement").

Background

WHEREAS, the Agreement sets forth the terms and conditions under which the Participant participates in the Crown Senior Executive Retirement Plan, as amended and restated January 1, 2008; and

WHEREAS, the Company and the Participant desire to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration the sufficiency of which is hereby acknowledged, the Company and the Participant, intending to be legally bound, hereby agree as follows:

Terms

1. Section 2 of the Agreement is hereby amended to add the following sentence to the end thereof:

> "Notwithstanding anything in the Plan or this Agreement to the contrary, the Participant shall not accrue any additional Years of Service after the "Completion" (as defined in the Share and Asset Purchase Agreement, dated as of April 8, 2021, by and among the Company, Crown Cork & Seal Deutschland Holdings GmbH, Kouti B.V., Blitz F21-387 GmbH and Macsco 20.10 Limited). Therefore, for purposes of the Plan and this Agreement, the Participant's Years of Service shall be counted from January 1, 1991 until the date of Completion."

2. Section 4 of the Agreement is hereby amended to add the following paragraph to the end thereof:

> "Notwithstanding the foregoing, provided that the Participant remains in continuous employment with the Company through the "Completion" (as defined in Section 2 above), the Participant shall become 100% vested in his Retirement Benefit upon the Completion."

3. Except 4 as expressly modified herein, the Agreement is hereby ratified and affirmed in its entirety.

[*signature page follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first written above.

CROWN HOLDINGS, INC.

/s/ Timothy J. Donahue
TIMOTHY J. DONAHUE
Chief Executive Officer

/s/ Didier Sourisseau
DIDIER SOURISSEAU

Exhibit 22 - List of Guarantor Subsidiaries

The following subsidiaries of Crown Holdings, Inc. (the "Company") were, as of March 31, 2021, 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 March 31, 2021, guarantors of the Company's $1,000 principal 4.5% senior notes due 2023, $400 principal 4.25% senior notes due 2026, and $875 principal 4.75% senior notes due 2026:

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
Kiwiplan Inc.	Ohio

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: April 23, 2021 /s/ Timothy J. Donahue

Timothy J. Donahue

Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Thomas A. Kelly, 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: April 23, 2021 <u>/s/ Thomas A. Kelly</u>
Thomas A. Kelly
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 March 31, 2021 (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: April 23, 2021 /s/ Timothy J. Donahue
Timothy J. Donahue
President and Chief Executive Officer

Date: April 23, 2021 /s/ Thomas A. Kelly
Thomas A. Kelly
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.