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 September 30, 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 127,867,833 shares of Common Stock outstanding as of November 1, 2021.

PART I – FINANCIAL INFORMATION

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

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net sales	$ 2,920	$ 2,489	$ 8,340	$ 6,932
Cost of products sold, excluding depreciation and amortization	2,322	1,926	6,548	5,462
Depreciation and amortization	113	105	336	315
Selling and administrative expense	148	132	438	394
Restructuring and other	(11)	11	(42)	20
Income from operations	348	315	1,060	741
Other pension and postretirement	(1)	(1)	(4)	42
Interest expense	66	69	203	220
Interest income	(2)	(2)	(5)	(7)
Foreign exchange	—	1	(1)	(16)
Income from continuing operations before taxes	285	248	867	502
Provision for income taxes	74	70	285	143
Equity earnings in affiliates	5	1	10	4
Net income from continuing operations	216	179	592	363
Net (loss) / income from discontinued operations	(85)	66	(43)	137
Net income	131	245	549	500
Net income from continuing operations attributable to noncontrolling interests	29	31	107	72
Net income from discontinued operations attributable to noncontrolling interests	—	—	1	—
Net income attributable to Crown Holdings	$ 102	$ 214	$ 441	$ 428
Net income from continuing operations attributable to Crown Holdings	$ 187	$ 148	$ 485	$ 291
Net (loss) / income from discontinued operations attributable to Crown Holdings	(85)	66	(44)	137
Net income attributable to Crown Holdings	$ 102	$ 214	$ 441	$ 428
Earnings per common share attributable to Crown Holdings:				
Basic earnings per common share from continuing operations	1.45	1.11	3.68	2.18
Basic earnings per common share from discontinued operations	(0.66)	0.50	(0.34)	1.02
Basic	$ 0.79	$ 1.61	$ 3.34	$ 3.20
Diluted earnings per common share from continuing operations	1.44	1.10	3.65	2.16
Diluted earnings per common share from discontinued operations	(0.65)	0.49	(0.33)	1.02
Diluted	$ 0.79	$ 1.59	$ 3.32	$ 3.18

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	$ 131	$ 245	$ 549	$ 500
Other comprehensive income / (loss), net of tax:				
Foreign currency translation adjustments	517	4	526	(293)
Pension and other postretirement benefits	19	(156)	49	81
Derivatives qualifying as hedges	(6)	27	26	15
Total other comprehensive income / (loss)	530	(125)	601	(197)
Total comprehensive income	661	120	1,150	303
Net income attributable to noncontrolling interests	(29)	(31)	(108)	(72)
Translation adjustments attributable to noncontrolling interests	1	(1)	2	—
Derivatives qualifying as hedges attributable to noncontrolling interests	—	(2)	(2)	(1)
Comprehensive income attributable to Crown Holdings	$ 633	$ 86	$ 1,042	$ 230

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

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

	September 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 2,261	$ 1,173
Receivables, net	1,840	1,522
Inventories	1,670	1,263
Prepaid expenses and other current assets	304	202
Current assets held for sale	30	743
Total current assets	6,105	4,903
Goodwill	3,080	3,146
Intangible assets, net	1,591	1,755
Property, plant and equipment, net	3,838	3,652
Operating lease right-of-use assets, net	198	171
Other non-current assets	1,194	885
Non-current assets held for sale	—	2,179
Total	$ 16,006	$ 16,691
Liabilities and equity		
Current liabilities		
Short-term debt	$ 79	$ 104
Current maturities of long-term debt	1,862	67
Current portion of operating lease liabilities	42	43
Accounts payable	2,532	2,141
Accrued liabilities	1,020	946
Current liabilities held for sale	—	981
Total current liabilities	5,535	4,282
Long-term debt, excluding current maturities	6,034	8,023
Non-current portion of operating lease liabilities	155	132
Postretirement and pension liabilities	650	685
Other non-current liabilities	745	766
Non-current liabilities held for sale	—	199
Commitments and contingent liabilities *(Note J)*		
Noncontrolling interests	443	406
Crown Holdings shareholders' equity	2,444	2,198
Total equity	2,887	2,604
Total	$ 16,006	$ 16,691

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

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

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Cash flows from operating activities		
Net income	$ 549	$ 500
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	352	360
Loss on sale of discontinued businesses	89	—
Restructuring and other	(40)	20
Pension expense	36	80
Pension contributions	(287)	(16)
Stock-based compensation	27	23
Working capital changes and other	(481)	(658)
Net cash provided by operating activities	245	309
Cash flows from investing activities		
Capital expenditures	(512)	(333)
Net investment hedge	25	28
Proceeds from sale of discontinued operations, net of cash disposed	2,255	—
Proceeds from sale of property, plant and equipment	24	8
Other	(1)	(12)
Net cash provided by / (used for) investing activities	1,791	(309)
Cash flows from financing activities		
Net change in revolving credit facility and short-term debt	(35)	42
Proceeds from long-term debt	80	113
Payments of long-term debt	(64)	(63)
Foreign exchange derivatives related to debt	(13)	34
Payments of finance leases	(2)	(2)
Contributions from noncontrolling interests	—	2
Dividends paid to noncontrolling interests	(56)	(43)
Dividends paid to shareholders	(79)	—
Common stock issued	1	1
Common stock repurchased	(745)	(58)
Net cash (used for) / provided by financing activities	(913)	26
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(34)	(1)
Net change in cash, cash equivalents and restricted cash	1,089	25
Cash, cash equivalents and restricted cash at January 1	1,238	663
Cash, cash equivalents and restricted cash at September 30	$ 2,327	$ 688

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
Net income			128			128	45	173
Other comprehensive income				75		75	1	76
Dividends paid to shareholders			(26)			(26)		(26)
Dividends paid to noncontrolling interests						—	(15)	(15)
Restricted stock awarded		(1)			1	—		—
Stock-based compensation		6				6		6
Common stock repurchased		(184)	(100)		(14)	(298)		(298)
Balance at June 30, 2021	$ 929	$ —	$ 4,724	$ (3,123)	$ (268)	$ 2,262	$ 462	$ 2,724
Net income			102			102	29	131
Other comprehensive income / (loss)				531		531	(1)	530
Dividends paid to shareholders			(26)			(26)		(26)
Dividends paid to noncontrolling interests						—	(32)	(32)
Stock-based compensation			10			10		10
Common stock repurchased			(414)		(21)	(435)		(435)
Disposition of subsidiary with noncontrolling interests[(1)]						—	(15)	(15)
Balance at September 30, 2021	$ 929	$ —	$ 4,396	$ (2,592)	$ (289)	$ 2,444	$ 443	$ 2,887

[(1)] The amount disposed in 2021 relates to discontinued operations. See Note C for further details.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY (continued)
(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, 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
Net income			126			126	15	141
Other comprehensive income				21		21	3	24
Dividends paid to noncontrolling interests						—	(1)	(1)
Restricted stock awarded		(1)			1	—		—
Stock-based compensation		5				5		5
Common stock issued						—		—
Common stock repurchased					(1)	(1)		(1)
Balance at June 30, 2020	$ 929	$ 169	$ 4,173	$ (3,201)	$ (255)	$ 1,815	$ 406	$ 2,221
Net income			214			214	31	245
Other comprehensive loss				(128)		(128)	3	(125)
Dividends paid to noncontrolling interests						—	(31)	(31)
Stock-based compensation		8				8		8
Balance at September 30, 2020	$ 929	$ 177	$ 4,387	$ (3,329)	$ (255)	$ 1,909	$ 409	$ 2,318

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 September 30, 2021 and the results of its operations for the three and nine months ended September 30, 2021 and 2020 and of its cash flows for the nine months ended September 30, 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. Discontinued Operations

On August 31, 2021, the Company completed the sale (the “Transaction”) of its European Tinplate business (the “Business”) to Kouti B.V., an affiliate of KPS Capital Partners LP. The Business comprised the Company’s European Food segment and its European Aerosol and Promotional Packaging reporting unit which was previously reported in the Company's other segments. The Company received pre-tax proceeds of approximately €1.9 billion ($2.3 billion) from the Transaction and retained a 20% minority interest in the Business. Proceeds from the Transaction are being used to fund capital projects, repurchase Company stock and to redeem certain of the Company's senior notes as further described in Note L.

The Company recorded a pre-tax loss of $89 upon disposal, which included the reclassification of a loss of $553 of currency translation adjustments from accumulated other comprehensive income. The Company also recorded income tax charges of $84 related to taxable gains on the sale of the Business.

Major components of net (loss) / income from discontinued operations were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 466	$ 678	$ 1,585	$ 1,681
Cost of products sold, excluding depreciation and amortization	393	552	1,301	1,391
Depreciation and amortization	—	16	16	45
Selling and administrative expense	17	20	60	59
Restructuring and other	2	(1)	2	—
Other pension and postretirement	—	—	1	1
Interest expense	2	3	6	8
Foreign exchange	1	1	—	1
Loss on sale of discontinued businesses	19	—	89	—
Transaction costs	26	—	34	—
Income from discontinued operations before tax	6	87	76	176
Provision for income taxes	91	21	119	39
Net (loss) / income from discontinued operations	(85)	66	(43)	137
Net income from discontinued operations attributable to noncontrolling interests	—	—	1	—
Net (loss) / income from discontinued operations attributable to Crown Holdings	$ (85)	$ 66	$ (44)	$ 137

Major classes of assets and liabilities of the Business classified as held for sale at December 31, 2020 were as follows:

	December 31, 2020
Receivables, net	$ 281
Inventories	410
Prepaid expenses and other current assets	30
Goodwill	1,447
Intangible assets, net	125
Property, plant and equipment, net	546
Operating lease right-of-use assets, net	43
Other non-current assets	17
Total assets held for sale	$ 2,899
Short-term debt	$ 17
Current portion of operating lease liabilities	12
Accounts payable	725
Accrued liabilities	227
Postretirement and pension liabilities	77
Non-current portion of operating lease liabilities	32
Other non-current liabilities	90
Total liabilities held for sale	$ 1,180

The table above excludes assets held for sale unrelated to the Business that are not material for disclosure.

The capital expenditures of the Business were as follows:

	September 30, 2021	September 30, 2020
Capital expenditures	$ 29	$ 14

The Company will account for the retained minority interest in the Business under the equity method. The Company's share of income of the Business was $3 for the three and nine months ended September 30, 2021 and is reported in Equity earnings in affiliates 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:

	September 30, 2021	December 31, 2020
Cash and cash equivalents	$ 2,261	$ 1,173
Restricted cash included in prepaid expenses and other current assets	65	64
Restricted cash included in other non-current assets	1	1
Total restricted cash	66	65
Total cash, cash equivalents and restricted cash	$ 2,327	$ 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

	September 30, 2021	December 31, 2020
Accounts receivable	$ 1,299	$ 1,084
Less: allowance for credit losses	(27)	(20)
Net trade receivables	1,272	1,064
Unbilled receivables	288	248
Miscellaneous receivables	280	210
Receivables, net	$ 1,840	$ 1,522

F. Inventories

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

	September 30, 2021	December 31, 2020
Raw materials and supplies	$ 1,039	$ 800
Work in process	113	89
Finished goods	518	374
	$ 1,670	$ 1,263

G. Intangible Assets

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

	September 30, 2021			December 31, 2020		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
Customer relationships	$ 1,382	$ (419)	$ 963	$ 1,413	$ (346)	$ 1,067
Trade names	550	(81)	469	565	(65)	500
Technology	161	(83)	78	165	(67)	98
Long term supply contracts	139	(61)	78	142	(55)	87
Patents	13	(10)	3	13	(10)	3
	$ 2,245	$ (654)	$ 1,591	$ 2,298	$ (543)	$ 1,755

Net income from continuing operations for the three and nine months ended September 30, 2021 and 2020 included amortization expense of $42, $125, $41 and $121, respectively.

H. Restructuring and Other

The Company recorded restructuring and other items as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Other (income) / costs	$ (5)	$ —	$ (49)	$ 3
Asset impairments and sales	(13)	4	(14)	4
Restructuring	7	7	21	13
	$ (11)	$ 11	$ (42)	$ 20

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

For the three and nine months ended September 30, 2021, asset impairment and sales includes gains on various asset sales.

For the three and nine months ended September 30, 2021 and 2020, restructuring primarily included charges related to internal reorganizations within the Transit Packaging division and headcount reductions across segments.

At September 30, 2021, the Company had restructuring accruals of $7, 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.

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

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

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

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

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

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

During the nine months ended September 30, 2021, the Company paid $10 to settle asbestos claims and pay related legal and defense costs and had claims activity as follows:

Beginning claims	56,000
New claims	1,400
Settlements or dismissals	(500)
Ending claims	56,900

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 September 30, 2021.

As of September 30, 2021, the Company’s accrual for pending and future asbestos-related claims and related legal costs was $241, including $191 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. Commitments and Contingent Liabilities

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 $10 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 $6 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. 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. CBP has brought suit in the U.S. Court of International Trade seeking enforcement of the initial penalty against the Company. At the present time, based on the information available, the Company does not believe that a loss for the alleged intentional misclassification is probable. There can be no assurance the Company will be successful in contesting the assessed penalty.

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

The Company and its subsidiaries are also subject to various other lawsuits and claims with respect to 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 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 September 30, 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 an anticipated transaction is reasonably possible, but not probable of occurring, the hedge no longer qualifies for hedge accounting and the change in fair value from the date of the last effectiveness test is recognized in earnings. Any gain or loss which has accumulated in other comprehensive income at the date of the last effectiveness test is reclassified into earnings at the same time of the underlying exposure or until the anticipated transaction becomes probable of not occurring. 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.

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 September 30, 2021 mature between one and twenty months.

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		Amount of gain/(loss) recognized in OCI	
	Three Months Ended September 30,		Nine Months Ended September 30,	
Derivatives in cash flow hedges	2021	2020	2021	2020
Foreign exchange	$ 2	$ (2)	$ 1	$ 1
Interest Rate	—	—	2	(1)
Commodities	21	16	76	(21)
	$ 23	$ 14	$ 79	$ (21)

	Amount of gain/(loss) reclassified from AOCI into income		Amount of gain/(loss) reclassified from AOCI into income		
	Three Months Ended September 30,		Nine Months Ended September 30,		
Derivatives in cash flow hedges	2021	2020	2021	2020	Affected line items in the Statement of Operations
Foreign exchange	$ 2	$ —	$ 1	$ (2)	Net sales
Commodities	(15)	$ 7	(35)	17	Net sales
Foreign exchange	—	—	—	—	Cost of products sold
Commodities	45	(21)	100	(61)	Cost of products sold
	32	(14)	66	(46)	Income from continuing operations before taxes
	(7)	3	(16)	12	Provision for income taxes
	25	(11)	50	(34)	Net income from continuing operations
Foreign exchange	—	—	—	(1)	Net (loss) / income from discontinued operations
Commodities	4	—	5	—	Net (loss) / income from discontinued operations
Total reclassified	$ 29	$ (11)	$ 55	$ (35)	Net income

For the twelve-month period ending September 30, 2022, a net gain of $56 ($46, net of tax) is expected to be reclassified to earnings for commodity and foreign exchange contracts. No material amounts were reclassified during the nine months ended September 30, 2021 and 2020 in connection with anticipated transactions that were considered probable of not occurring.

Fair Value Hedges and Contracts Not Designated as Hedges

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

For the three and nine months ended September 30, 2021, the Company recorded gains of $7 and $1 from foreign exchange contracts designated as fair value hedges. For both the three and nine months ended September 30, 2020, the Company recorded gains of $3 and $26 related to these contracts. These adjustments were reported within foreign exchange in the Consolidated Statements of Operations.

Certain derivative financial instruments, including foreign exchange contracts related to intercompany debt, were not designated or did not quality for hedge accounting; however, they are effective economic hedges as the changes in their fair value, except for time value, are offset by changes arising from re-measurement of the related hedged items. The Company's primary use of these derivative instruments is to offset the earnings impact that fluctuations in foreign exchange rates have on certain monetary assets and liabilities denominated in nonfunctional currencies. Changes in fair value of these derivative instruments are immediately recognized in earnings as foreign exchange adjustments.

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

	Pre-tax amounts of gain/(loss) recognized in income on derivative		Pre-tax amounts of gain/(loss) recognized in income on derivative		
	Three Months Ended September 30,		Nine Months Ended September 30,		
Derivatives not designated as hedges	2021	2020	2021	2020	Affected line item in the Statement of Operations
Foreign exchange	$ —	$ —	$ (1)	$ —	Net sales
Foreign exchange	—	(1)	—	(1)	Cost of products sold
Foreign exchange	(7)	13	(18)	19	Foreign exchange
Foreign exchange	—	—	—	1	Net (loss) / income from discontinued operations
	$ (7)	$ 12	$ (19)	$ 19	

Net Investment Hedges

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

During the three and nine months ended September 30, 2021, the Company recorded gains of $40 ($40, net of tax) and $81 ($81, net of tax) in other comprehensive income for certain debt instruments that are designated as hedges of its net investment in a euro-based subsidiary. During the three and nine months ended September 30, 2020, the Company recorded a loss of $61 ($61, net of tax) in other comprehensive income for these net investment hedges. As of September 30, 2021 and December 31, 2020, cumulative gains of $48 ($71, 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 €1,403 ($1,625) at September 30, 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		Amount of gain / (loss) recognized in AOCI	
	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Foreign exchange	$ 16	$ (43)	$ 42	$ (4)

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 September 30, 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	September 30, 2021	December 31, 2020	Balance Sheet classification	September 30, 2021	December 31, 2020
Derivatives designated as hedging instruments						
Foreign exchange contracts cash flow	Other current assets	$ 7	$ 5	Accrued liabilities	$ 5	$ 5
	Current assets held for sale	—	4	Current liabilities held for sale	—	3
	Other non-current assets	—	—	Other non-current liabilities	—	1
Foreign exchange contracts fair value	Other current assets	6	2	Accrued liabilities	3	6
Commodities contracts cash flow	Other current assets	85	43	Accrued liabilities	30	11
	Current assets held for sale	—	2	Current liabilities held for sale	—	—
	Other non-current assets	6	4	Other non-current liabilities	2	—
Interest rate contracts cash flow	Other non-current assets	—	—	Other non-current liabilities	—	2
Net investment hedge	Other non-current assets	41	7	Other non-current liabilities	—	20
		$ 145	$ 67		$ 40	$ 48
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	$ 2	$ 9	Accrued liabilities	$ 6	$ 4
		$ 2	$ 9		$ 6	$ 4
Total derivatives		$ 147	$ 76		$ 46	$ 52

Fair Value Hedge Carrying Amounts

Line item in the Balance Sheet in which the hedged item is included	Carrying amount of the hedged assets / liabilities September 30, 2021	Carrying amount of the hedged assets / liabilities December 31, 2020
Cash and cash equivalents	$ 25	$ 22
Receivables, net	15	11
Accounts payable	108	100

As of September 30, 2021 and December 31, 2020, the cumulative amount of fair value hedging adjustments included in the carrying amount of the hedge assets and liabilities were net gains of $3 and $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 September 30, 2021			
Derivative assets	$144	$32	$112
Derivative liabilities	64	32	32
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 September 30, 2021 and December 31, 2020 were:

	September 30, 2021	December 31, 2020
Derivatives designated as cash flow hedges:		
Foreign exchange	$ 409	$ 1,127
Commodities	150	248
Interest rate	—	200
Derivatives designated as fair value hedges:		
Foreign exchange	211	183
Derivatives designated as net investment hedges:		
Foreign exchange	875	1,075
Derivatives not designated as hedges:		
Foreign exchange	617	722

L. Debt

The Company's outstanding debt was as follows:

	September 30, 2021		December 31, 2020	
	Principal outstanding	Carrying amount	Principal outstanding	Carrying amount
Short-term debt	$ 79	$ 79	$ 104	$ 104
Long-term debt				
Senior secured borrowings:				
Revolving credit facilities	—	—	—	—
Term loan facilities				
U.S. dollar at LIBOR + 1.2% due 2024	1,009	1,004	1,029	1,023
Euro at EURIBOR + 1.2% due 2024[1]	357	357	387	387
Senior notes and debentures:				
€650 at 4.0% due 2022	753	752	794	791
U. S. dollar at 4.50% due 2023	1,000	998	1,000	997
€335 at 2.25% due 2023	388	387	409	407
€550 at 0.75% due 2023	637	634	671	666
€600 at 2.625% due 2024	695	692	733	729
€600 at 3.375% due 2025	695	691	733	728
U.S. dollar at 4.25% due 2026	400	396	400	396
U.S. dollar at 4.75% due 2026	875	866	875	865
U.S. dollar at 7.375% due 2026	350	348	350	348
€500 at 2.875% due 2026	580	575	610	603
U.S. dollar at 7.50% due 2096	40	40	40	40
Other indebtedness in various currencies	156	156	110	110
Total long-term debt	7,935	7,896	8,141	8,090
Less current maturities	(1,865)	(1,862)	(67)	(67)
Total long-term debt, less current maturities	$ 6,070	$ 6,034	$ 8,074	$ 8,023

(1) €308 and €317 at September 30, 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 $8,330 at September 30, 2021 and $8,617 at December 31, 2020.

In September 2021, the Company issued an unconditional notice of redemption to redeem all of its €650 ($753 as of September 30, 2021) 4.0% senior notes due 2022 and its $1,000 4.5% senior notes due 2023. The senior notes were redeemed in October 2021. In connection with the redemption, the Company expects to record a loss from early extinguishment of debt of approximately $67 in the fourth quarter of 2021 for premium payments and the write-off of deferred financing fees.

M. Pension and Other Postretirement Benefits

The components of net periodic pension and other postretirement benefits costs for the three and nine months ended September 30, 2021 and 2020 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Pension benefits – U.S. plans	2021	2020	2021	2020
Service cost	$ 5	$ 4	$ 16	$ 14
Interest cost	6	9	18	28
Expected return on plan assets	(16)	(18)	(47)	(55)
Recognized prior service cost	1	1	1	1
Recognized net loss	15	14	45	42
Net periodic cost	$ 11	$ 10	$ 33	$ 30

	Three Months Ended September 30,		Nine Months Ended September 30,	
Pension benefits – Non-U.S. plans	2021	2020	2021	2020
Service cost	$ 3	$ 3	$ 10	$ 9
Interest cost	9	14	27	40
Expected return on plan assets	(20)	(26)	(61)	(79)
Settlement loss	—	5	—	61
Recognized net loss	8	5	27	18
Net periodic cost	$ —	$ 1	$ 3	$ 49

	Three Months Ended September 30,		Nine Months Ended September 30,	
Other postretirement benefits	2021	2020	2021	2020
Service cost	$ 1	$ —	$ 1	$ —
Interest cost	1	—	2	2
Recognized prior service credit	(6)	(6)	(19)	(19)
Recognized net loss	1	1	3	3
Net periodic benefit	$ (3)	$ (5)	$ (13)	$ (14)

In the three and nine months ended September 30, 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.

In October 2021, the trustees of the Company's U.K. defined benefit pension plan (the "Plan") entered into a transaction to fully insure all of its U.K. pension liabilities. The Company made a cash contribution of $271 to enable the Plan to purchase a bulk annuity insurance contract for the benefit of the Plan participants. Subsequent to the purchase of the bulk annuity contract, each of the Plan participants will be issued an individual annuity contract. The issuer of the individual annuity insurance contracts will be solely responsible for paying each participant's benefits in full. Irrevocable transfer of the Plan's obligations is expected to occur in November 2021. The Company expects to record a settlement charge of approximately $1.3 billion in the fourth quarter of 2021. Additionally, the Company expects $175 of the cash contribution to be repaid as the Plan sells its remaining illiquid assets during 2021 and 2022.

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 September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Affected line items in the statement of operations
Actuarial losses	$ 24	$ 20	$ 75	$ 63	Other pension and postretirement
Settlements	—	5	—	61	Other pension and postretirement
Prior service credit	(5)	(5)	(18)	(18)	Other pension and postretirement
	19	20	57	106	Income from continuing operations before taxes
	(5)	(5)	(13)	(21)	Provision for income taxes
	14	15	44	85	Net income from continuing operations
Actuarial losses	9	—	9	—	Net (loss) / income from discontinued operations
Total reclassified	$ 23	$ 15	$ 53	$ 85	Net income from continuing operations attributable to Crown Holdings

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 loss before reclassifications	(4)	(293)	(21)	(318)
Amounts reclassified from accumulated other comprehensive income	85	—	35	120
Other comprehensive income / (loss)	81	(293)	14	(198)
Balance at September 30, 2020	$ (1,368)	$ (1,961)	$ —	$ (3,329)
Balance at January 1, 2021	$ (1,464)	$ (1,759)	$ 30	$ (3,193)
Other comprehensive (loss) / income before reclassifications	(4)	(25)	79	50
Amounts reclassified from accumulated other comprehensive income	53	553	(55)	551
Other comprehensive income	49	528	24	601
Balance at September 30, 2021	$ (1,415)	$ (1,231)	$ 54	$ (2,592)

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

During the nine months ended September 30, 2021, the Company reclassified foreign currency translation as a result of the sale of the European Tinplate business. See Note C for more information.

O. Revenue

For the three and nine months ended September 30, 2021 and 2020, the Company recognized revenue as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue recognized over time	$ 1,527	$ 1,239	$ 4,448	$ 3,696
Revenue recognized at a point in time	1,393	1,250	3,892	3,236
Total revenue	$ 2,920	$ 2,489	$ 8,340	$ 6,932

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

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

Contract Assets

The Company recorded contract assets of $34 and $20 in prepaid and other current assets as of September 30, 2021 and December 31, 2020. During the nine months ended September 30, 2021, the Company satisfied performance obligations related to contract assets at December 31, 2020 related to customized work-in-process inventory for the Company's equipment business and also recorded new contract assets related to this business.

P. Income Tax

For the three and nine months ended September 30, 2021, the Company recorded income tax charges of $11 and $42 in continuing operations for reorganizations and other transactions required to prepare the European Tinplate business for sale. Additionally, for the nine months ended September 30, 2021, the Company also recorded income tax benefits of $8 related to tax law changes in India and the U.K and an income tax charge of $40 to establish a valuation allowance for deferred tax assets related to tax loss carryforwards in France. The Company believes that it is more likely than not that these tax loss carryforwards will not be utilized after the sale of the European Tinplate business. See Note C for more information regarding the sale of the European Tinplate business.

For the three and nine months ended September 30, 2020, the Company recorded an income tax charge of $8 related to a tax law change in the U.K. The nine months ended September 30, 2020, also included a benefit of $4 arising from a tax law change in India.

Q. Earnings Per Share

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income from continuing operations attributable to Crown Holdings	$ 187	$ 148	$ 485	$ 291
Net (loss) / income from discontinued operations attributable to Crown Holdings	(85)	66	(44)	137
Net income attributable to Crown Holdings	$ 102	$ 214	$ 441	$ 428
Weighted average shares outstanding:				
Basic	128.7	133.3	131.9	133.6
Dilutive restricted stock	1.0	1.1	1.0	0.9
Diluted	129.7	134.4	132.9	134.5
Earnings per common share attributable to Crown Holdings:				
Basic earnings per common share from continuing operations	$ 1.45	$ 1.11	$ 3.68	$ 2.18
Basic earnings per common share from discontinued operations	(0.66)	0.50	(0.34)	1.02
Basic earnings per share	$ 0.79	$ 1.61	$ 3.34	$ 3.20
Diluted earnings per common share from continuing operations	$ 1.44	$ 1.10	$ 3.65	$ 2.16
Diluted earnings per common share from discontinued operations	(0.65)	0.49	(0.33)	1.02
Diluted earnings per share	$ 0.79	$ 1.59	$ 3.32	$ 3.18

For the nine months ended September 30, 2021, 0.1 million contingently issuable common shares were excluded from the computation of diluted earnings per share because the effect would be anti-dilutive.

For the nine months ended September 30, 2020, 0.7 million contingently issuable common shares were excluded from the computation of diluted earnings per share because the effect would be anti-dilutive.

For the three and nine months ended September 30, 2021, the Company declared and paid cash dividends of $0.20 per share and $0.60 per share. Additionally, on October 28, 2021, the Company's Board of Directors declared a dividend of $0.20 per share payable on November 26, 2021 to shareholders of record on November 12, 2021.

R. Segment Information

The Company evaluates performance and allocates resources based on segment income, which is not a defined term under GAAP. The Company defines segment income as income from operations adjusted to exclude intangibles amortization charges, 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 September 30,		External Sales Nine Months Ended September 30,	
	2021	2020	2021	2020
Americas Beverage	$ 1,151	$ 960	$ 3,240	$ 2,608
European Beverage	513	418	1,381	1,094
Asia Pacific	280	281	941	852
Transit Packaging	644	511	1,838	1,495
Total reportable segments	2,588	2,170	7,400	6,049
Other segments	332	319	940	883
Total	$ 2,920	$ 2,489	$ 8,340	$ 6,932

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

	Intersegment Sales Three Months Ended September 30,		Intersegment Sales Nine Months Ended September 30,	
	2021	2020	2021	2020
European Beverage	$ 36	$ 9	$ 108	$ 10
Transit Packaging	7	3	20	10
Total reportable segments	43	12	128	20
Other segments	38	12	98	66
Total	$ 81	$ 24	$ 226	$ 86

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 September 30,		Segment Income Nine Months Ended September 30,	
	2021	2020	2021	2020
Americas Beverage	$ 190	$ 193	$ 575	$ 456
European Beverage	76	76	216	152
Asia Pacific	32	41	131	125
Transit Packaging	83	72	235	189
Total reportable segments	$ 381	$ 382	$ 1,157	$ 922

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Segment income of reportable segments	$ 381	$ 382	$ 1,157	$ 922
Segment income of other segments	39	32	111	81
Corporate and unallocated items	(41)	(47)	(125)	(121)
Restructuring and other	11	(11)	42	(20)
Amortization of intangibles	(42)	(41)	(125)	(121)
Other pension and postretirement	1	1	4	(42)
Interest expense	(66)	(69)	(203)	(220)
Interest income	2	2	5	7
Foreign exchange	—	(1)	1	16
Income from continuing operations before taxes	$ 285	$ 248	$ 867	$ 502

For the three and nine months ended September 30, 2021, intercompany profits of $4 and $8 were eliminated within segment income of other segments.

For the three and nine months ended September 30, 2020, intercompany profits of less than $1 and $5 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 and nine months ended September 30, 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 have been affected by the impact of the coronavirus pandemic. 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. On August 31, 2021, the Company completed the previously announced sale of its European Tinplate business to KPS Capital Partners, LP. The European Tinplate business comprised the Company's European Food segment and its European Aerosol and Promotional Packaging reporting unit which was previously reported in the Company's other segments. The Company received pre-tax proceeds of approximately €1.9 billion ($2.3 billion) from the transaction and retained a 20% ownership stake in the Business. Proceeds from the Transaction are being used to fund capital projects, repurchase Company stock and to redeem certain of the Company's senior notes as further described in Note L.

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.

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.

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.

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. In September 2021, the Company joined The Climate Pledge, a commitment to be net-zero carbon across business operations by 2040.

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

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 Mexican peso in the Company's Americas Beverage segment, the euro and pound sterling in the Company's European Beverage segment, the Chinese renminbi in the Company's Asia Pacific segment and the euro in the Company's Transit Packaging 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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 2,920	$ 2,489	$ 8,340	$ 6,932

Three and nine months ended September 30, 2021 compared to 2020

Net sales increased primarily due to higher sales unit volumes in the Company's beverage can and transit packaging businesses, the pass through of higher material costs and $17 and $153 from the impact of foreign currency translation for the three and nine months ended September 30, 2021.

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 third line at its Nichols, NY facility in June 2020, two lines at its new Bowling Green, Kentucky facility during the second and third quarter of 2021 and a third line at its Olympia, Washington plant in the third quarter of 2021. The Company also announced construction of a new facility in Martinsville, Virginia which is expected to commence operations late in 2022 and a new facility in Mesquite, Nevada which is expected to commence operations in late second quarter of 2023.

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. A second line at the Company's Rio Verde, Brazil facility is expected to commence operations during the fourth quarter of 2021. The Company has also begun construction of a two-line facility in Uberaba, Brazil which is expected to begin production late in 2022. Additionally, start-up on a second line at the Company's Monterrey, Mexico facility is expected in the first quarter of 2022.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 1,151	$ 960	$ 3,240	$ 2,608
Segment income	190	193	575	456

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

Three months ended September 30, 2021 compared to 2020

Net sales increased primarily due to the pass-through of higher aluminum costs and 4% higher sales unit volumes as higher sales unit volumes in North America and Mexico were partially offset by 15% lower sales unit volumes in Brazil.

Segment income decreased primarily due to $3 of unfavorable foreign currency translation and higher operating costs that were not fully passed through in selling price, partially offset by increased volumes.

Nine months ended September 30, 2021 compared to 2020

Net sales increased primarily due to 10% higher sales unit volumes, the pass-through of higher aluminum costs and $11 from the impact of favorable foreign currency translation.

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

European Beverage

The Company's European Beverage segment manufactures aluminum and steel 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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 513	$ 418	$ 1,381	$ 1,094
Segment income	76	76	216	152

Three months ended September 30, 2021 compared to 2020

Net sales increased primarily due to 7% higher sales unit volumes, the pass-through of higher aluminum costs, and $10 from the impact of favorable foreign currency translation.

Segment income was comparable as higher sales unit volumes were offset by other operating costs that were not fully passed through in selling price.

Nine months ended September 30, 2021 compared to 2020

Net sales increased primarily due to 12% higher sales unit volumes, $64 from the impact of favorable foreign currency translation and the pass-through of higher aluminum costs.

Segment income increased primarily due to higher sales unit volumes and $8 from the impact of favorable foreign currency translation, partially offset by other operating costs that were not fully passed through in selling price.

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 and a new beverage can plant in Vung Tau, Vietnam during the third quarter of 2021.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 280	$ 281	$ 941	$ 852
Segment income	32	41	131	125

Three months ended September 30, 2021 compared to 2020

Net sales were comparable as 8% lower sales unit volumes, primarily due to coronavirus pandemic related lockdowns in Vietnam, were partially offset by the pass-through of higher aluminum costs.

Segment income decreased primarily due to lower sales unit volumes and higher operating costs that were not fully passed through in selling price.

Nine months ended September 30, 2021 compared to 2020

Net sales increased due to 7% higher sales unit volumes, the pass-through of higher aluminum costs, and $14 from the impact of favorable foreign currency translation.

Segment income increased primarily due to higher sales unit volumes, partially offset by higher operating costs that were not fully passed through in selling price.

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 used for a wide range of industrial and consumer products. Equipment and tools includes manual, semi-automatic and automatic equipment and tools used in end-of-line operations to apply industrial solutions consumables.

Net sales and segment income in the Transit Packaging segment were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 644	$ 511	$ 1,838	$ 1,495
Segment income	83	72	235	189

Three months ended September 30, 2021 compared to 2020

Net sales increased primarily due to the pass-through of higher raw material costs, higher sales unit volumes and $7 from the impact of favorable foreign currency translation.

Segment income increased primarily due to higher sales unit volumes.

Nine months ended September 30, 2021 compared to 2020

Net sales increased primarily due to the pass-through of higher raw material costs, higher sales unit volumes and $53 from the impact of favorable foreign currency translation.

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, aerosol can and closures businesses in North America, and beverage tooling and equipment operations in the U.S. and U.K. The Company commenced operations at a new food can plant in Dubuque, Iowa in the first quarter of 2021 and a new food can line in its Hanover, Pennsylvania plant in the third quarter of 2021.

Net sales and segment income in other segments were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net sales	$ 332	$ 319	$ 940	$ 883
Segment income	39	32	111	81

Three months ended September 30, 2021 compared to 2020

Net sales increased primarily due to the pass-through of higher tinplate costs and higher sales in the Company's beverage can equipment operations.

Segment income increased due to higher sales in the Company's beverage can equipment operations.

Nine months ended September 30, 2021 compared to 2020

Net sales increased primarily due to higher sales in the Company's beverage can equipment operations and the pass-through of higher tinplate costs, and $11 from the impact of favorable foreign currency translation.

Segment income increased due to lower tinplate carryover costs in the Company's North America food can business as compared to the nine months ended September 30, 2020 and higher sales in the Company's beverage can equipment operations.

Corporate and Unallocated Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Corporate and unallocated expense	$ (41)	$ (47)	$ (125)	$ (121)

For the three months ended September 30, 2021 compared to 2020, corporate and unallocated decreased due to lower general corporate costs and the impact of the European Tinplate sale.

For the nine months ended September 30, 2021 compared to 2020, corporate and unallocated expenses included higher personnel and incentive compensation partially offset by other general costs resulting from the coronavirus pandemic.

Interest Expense

For the three months and nine months ended September 30, 2021 compared to 2020, interest expense decreased from $69 to $66 and from $220 to $203 due to lower outstanding debt balances.

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

Taxes on Income

The effective tax rate for the three months ended September 30, 2021 included $11 or reorganizations and other transactions required to prepare the European Tinplate business for sale. The effective tax rate for the three months ended September 30, 2020 included a charge of $8 related to tax law changes in the U.K.

The effective tax rate for the nine months ended September 30, 2021 increased as compared to 2020, primarily due to income tax charges of $42 for reorganizations and other transactions required to prepare the European Tinplate business for sale and an income tax charge of $40 to establish a valuation allowance for deferred tax assets related to tax loss carryforwards in France partially offset by income tax benefits of $8 related to tax law changes in India and the U.K.

The Company believes that it is more likely than not that the French tax loss carryforwards will not be utilized after the sale of the European Tinplate business. See Note C for more information related to the sale of the European Tinplate business.

The effective tax rate for the nine months ended September 30, 2020 also included a benefit of $4 arising from a tax law change in India.

Net Income Attributable to Noncontrolling Interests

For the three months ended September 30, 2021 compared to 2020, net income attributable to noncontrolling interests decreased from $31 to $29 primarily due to lower earnings in the Company's beverage can operations in Brazil.

For the nine months ended September 30, 2021 compared to 2020, net income attributable to noncontrolling interests increased from $72 to $107 primarily due to higher earnings in the Company's beverage can operations in Brazil, including a favorable court ruling in a lawsuit brought by certain of the Company's Brazilian subsidiaries asserting they was overcharged by the local tax authorities for indirect taxes paid in prior years.

Liquidity and Capital Resources

Cash from Operations

Cash provided by operating activities decreased from $309 for the nine months ended September 30, 2020 to $245 for the nine months ended September 30, 2021. The decrease in cash provided by operating activities was primarily due to higher pension contributions related to the anticipated U.K. pension plan settlement partially offset by higher earnings and changes in working capital. See Note M for more information related to the anticipated U.K. pension plan settlement.

Days sales outstanding for trade receivables, excluding the impact of unbilled receivables, was 39 days as of September 30, 2020 and as of September 30, 2021.

Inventory turnover was 59 days at September 30, 2020 and at September 30, 2021.

Days outstanding for trade payables was 81 days at September 30, 2020 compared to 100 days at September 30, 2021 due to higher raw material costs and sales unit volumes.

Investing Activities

Investing activities used cash of $309 for the nine months ended September 30, 2020 and provided cash of $1,791 for the nine months ended September 30, 2021. Cash provided by investing activities included proceeds received from the sale of the European Tinplate business partially offset by 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.

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

Financing Activities

Financing activities provided cash of $26 for the nine months ended September 30, 2020 and used cash of $913 for the nine months ended September 30, 2021. The Company repurchased $745 of capital stock and paid dividends to shareholders of $79 during the nine months ended September 30, 2021.

Liquidity

As of September 30, 2021, the Company had cash and cash equivalents of $2,261 which included proceeds received from the sale of the European Tinplate business. These proceeds are being used to fund capital projects, repurchase Company stock and to redeem certain of the Company's senior notes in October 2021 as further described in Note L.

As of September 30, 2021, $1,115 of the Company's $2,261 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., $1,033 was held by subsidiaries for which earnings are considered indefinitely reinvested. Based on current operating plans the Company does not foresee a need to repatriate funds remaining after the redemption of certain senior notes in October 2021. If such earnings were repatriated the Company would be required to record any incremental taxes on the repatriated funds.

As of September 30, 2021, the Company had $1,585 of borrowing capacity available under its revolving credit facility, equal to the total facility of $1,650 less outstanding standby letters of credit of $65. The Company could have borrowed this amount at September 30, 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 3.0 to 1.0 at September 30, 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 September 30, 2021, the Company had approximately $220 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

Other than the announcement of the redemption of certain senior notes in October 2021 as further described in Note L, 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.

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.

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

Crown Cork Obligor Group

		Nine Months Ended September 30, 2021
Net sales	$	—
Gross Profit		—
Income from operations		(3)
Net income from continuing operations[1]		(101)
Net income attributable to Crown Holdings[2]		(127)

(1) Includes $27 of expense related to intercompany interest with non-guarantor subsidiaries
(2) Includes $27 of expense related to intercompany interest with non-guarantor subsidiaries and $26 of expense for discontinued operations

		September 30, 2021		December 31, 2020
Current assets	$	13	$	12
Non-current assets		26		118
Current liabilities		61		63
Non-current liabilities[1]		5,123		4,305

(1) Includes payables of $4,445 and $3,623 due to non-guarantor subsidiaries as of September 30, 2021 and December 31, 2020

Crown Americas Obligor Group

		Nine Months Ended September 30, 2021
Net sales[1]	$	3,338
Gross profit[2]		537
Income from operations[2]		210
Net income from continuing operations[3]		72
Net income attributable to Crown Holdings[4]		28

(1) Includes $351 of sales to non-guarantor subsidiaries
(2) Includes $35 of gross profit related to sales to non-guarantor subsidiaries
(3) Includes $54 of income related to intercompany interest and technology royalties with non-guarantor subsidiaries
(4) Includes $54 of income related to intercompany interest and technology royalties with non-guarantor subsidiaries and $44 of expense for discontinued operations

		September 30, 2021		December 31, 2020
Current assets[1]	$	2,122	$	917
Non-current assets[2]		3,458		3,248
Current liabilities[3]		2,253		1,081
Non-current liabilities[4]		4,777		4,491

(1) Includes receivables of $51 and $45 due from non-guarantor subsidiaries as of September 30, 2021 and December 31, 2020
(2) Includes receivables of $245 and $142 due from non-guarantor subsidiaries as of September 30, 2021 and December 31, 2020
(3) Includes payables of $38 and $54 due to non-guarantor subsidiaries as of September 30, 2021 and December 31, 2020
(4) Includes payables of $1,374 and $31 due to non-guarantor subsidiaries as of September 30, 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.

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

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” 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 the COVID-19 pandemic, plans, the sale of the Company's European Tinplate business (including 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.

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 September 30, 2021, see Note K to the consolidated financial statements included in this Quarterly Report on Form 10-Q.

As of September 30, 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 September 30, 2021. The table excludes 76,119 shares surrendered to cover taxes on the vesting of restricted stock during the three months ended September 30, 2021.

	Total number of shares purchased		Average price per share	Total number of shares purchased as part of publicly announced programs[1]		Approximate dollar value of shares that may yet be purchased under the programs as of the end of the period (millions of dollars)
July	1,433,941	$	102.58	1,433,941	$	1,058
August	1,636,207	$	105.88	1,636,207	$	885
September	1,000,203	$	109.28	1,000,203	$	776
	3,070,149			3,070,149		

(1) 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 September 30, 2021.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

List of Guarantor Subsidiaries

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

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

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

The following financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 formatted in inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the three and nine months ended September 30, 2021 and 2020, (ii) Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2021 and 2020, (iii) Consolidated Balance Sheets as of September 30, 2021 and December 31, 2020, (iv) Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 and 2020, (v) Consolidated Statements of Changes in Equity for the three and nine months ended September 30, 2021 and 2020 and (vi) Notes to Consolidated Financial Statements.

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

SIGNATURE

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

Crown Holdings, Inc.
Registrant

By: /s/ David A. Beaver
David A. Beaver
Vice President and Corporate Controller
(Chief Accounting Officer)

Date: November 1, 2021

Exhibit 22 - List of Guarantor Subsidiaries

The following subsidiaries of Crown Holdings, Inc. (the "Company") were, as of September 30, 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 September 30, 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: November 1, 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: November 1, 2021 /s/ Thomas A. Kelly
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 September 30, 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: November 1, 2021 /s/ Timothy J. Donahue
Timothy J. Donahue
President and Chief Executive Officer

Date: November 1, 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.