NOVELIS Q2 FISCAL YEAR 2023 EARNINGS CONFERENCE CALL

November 8, 2022

Steve Fisher
President and Chief Executive Officer
Dev Ahuja
Executive Vice President and Chief Financial Officer

ADITYA BIRLA
NOVELIS

Novelis

SAFE HARBOR STATEMENT

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Forward-looking statements

Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward-looking statements in this presentation include but are not limited to, statements about our expectations of $4.5 billion in possible capital expenditures; statements about our expectations of increased demand in each of our end markets; statements about our belief that long term demand for flat-rolled aluminum remains strong; statements about improving semiconductor supply and the lessening of the impact of the global semiconductor shortage on automotive production and demand for automotive aluminum sheet; statements about our expectation that aerospace demand and shipments will continue to improve toward pre-COVID-19 levels; statements about the impact of pent-up automotive demand and low dealer inventory on demand for our products; statements about our belief that significant aircraft industry order backlogs for key OEMs will translate into growth in the future; and statements about the expected timing and results from investments in certain operating facilities, including our recently announced greenfield, fully-integrated rolling and recycling mill to be built in Bay Minette, Alabama. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; inflationary pressures impacting the price of energy, labor, freight, coatings and alloys, such as magnesium; the capacity and effectiveness of our hedging activities; inflationary pressures affecting end market demand for our aluminum products; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing including in connection with potential acquisitions and investments; risks arising out of our acquisition of Aleris Corporation, including uncertainties inherent in the acquisition method of accounting; disruption to our global aluminum production and supply chain as a result of COVID-19; rising interest rates or geopolitical factors, such as Russia’s war in Ukraine; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; decreases in demand for our aluminum products due to macroeconomic headwinds due in part to rising interest rates and geopolitical factors, such as Russia’s war in Ukraine, risks related to sanctions, tariffs, a ban or similar actions impacting the supply of Russian aluminum and the global aluminum supply; factors affecting our operations, such as litigation, including pending and future litigation settlements, environmental remediation and clean-up costs, breakdown of equipment and other events; ability to manage existing facilities and workforce to operate the business, economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions including deterioration in the global economy; the risks of pandemics or other public health emergencies, including the continued spread and impact of, and the governmental and third party response to, the COVID-19 pandemic; changes in government regulations, particularly those affecting taxes, tax policies and effective tax rates, derivative instruments, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our credit facilities and other financing agreements; and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2022.

HIGHLIGHTS

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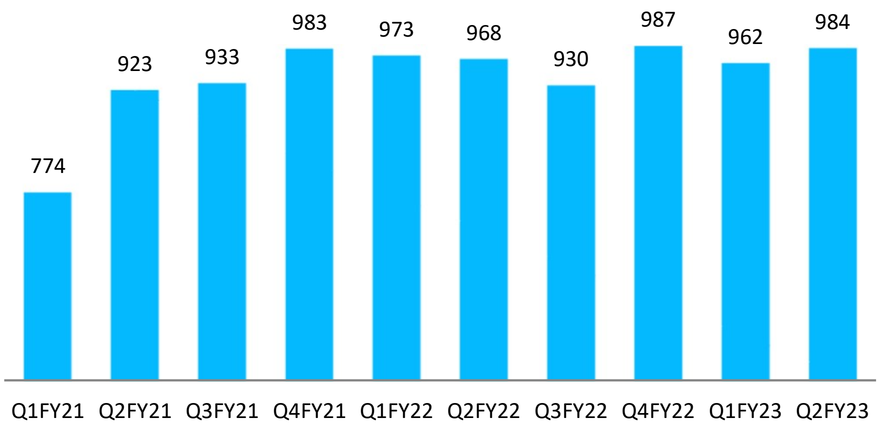
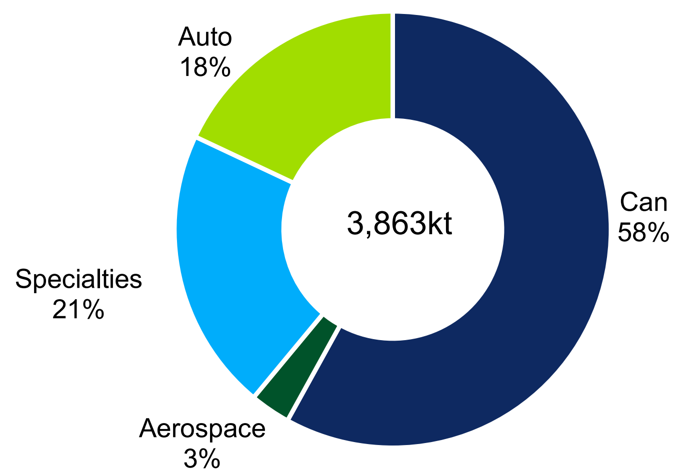
- Strong Q2 production and shipments, supported by diverse geographic & product portfolio
  - Higher automotive and aerospace shipments, as COVID and supply chain challenges ease
  - Resilient and stable beverage can
- Navigating a challenging macro-economic environment
  - Rising operating and energy costs
  - Stronger US dollar
  - Ongoing supply chain disruptions
  - Falling aluminum prices
- Aluminum FRP demand fundamentals remain intact
- Committed to long-term capital expansion projects, with disciplined, paced spending

Quarterly Shipments trend
(kilotonnes)



TTM Shipment mix
(% kilotonnes)



Trailing twelve month total FRP shipments, ended September 30, 2022

CAPITAL PROJECTS UPDATE

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- Novelis remains committed to its transformational organic growth journey to further strengthen its industry leading position
- Identified more than $4.5 billion of potential investment opportunities
  - Approximately $3.4 billion of planned capital investments underway

US Automotive Recycling Plant

- Location: Guthrie, Kentucky
- Capex: $365 million
- Status: Construction underway

S. Korea Recycling Expansion

- Location: UAL, South Korea
- Capex: $50 million
- Status: Broke ground in November

US Debottlenecking

- Location: Oswego, New York, US
- Capex: $130 million
- Status: On track

Brazil Debottlenecking

- Location: Pinda, Brazil
- Capex: $50 million
- Status: On track

China Integration & Expansion

- Location: Zhenjiang, China
- Capex: $375 million
- Status: Groundbreaking end of FY23

BAY MINETTE: A PLANT OF THE FUTURE

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- Launched construction of first new US aluminum plant in over 40 years
- Highly automated, fully integrated, low-carbon plant utilizing state-of-the-art production technology
- Investment supported by macro trends in sustainability and customer demand for flat-rolled, low-carbon aluminum
- Leveraging our long-term customer partnerships and decades of leadership in delivering quality & innovative aluminum products and efficient recycling

<u>Project Status</u>:

- Broke ground in October 2022
- Secured critical equipment supply
- Secured pricing, volume and terms at levels that justify investment
- $2.5 billion investment on track for completion in mid-2025

The most sophisticated, sustainable and safest aluminum plant in the world

FINANCIAL HIGHLIGHTS

Q2 FISCAL 2023 FINANCIAL HIGHLIGHTS

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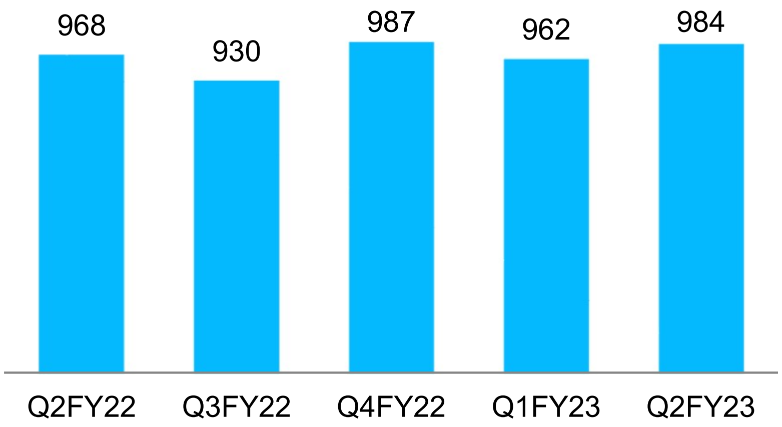
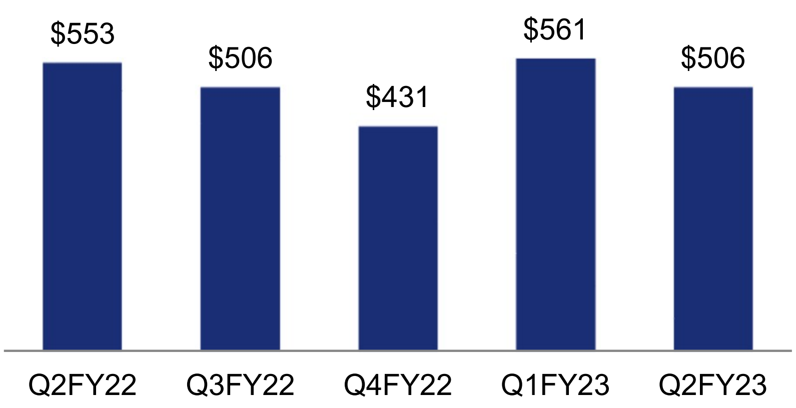
Q2FY23 vs Q2FY22

- Net Income from Continuing Operations down 23% to $184 million
  - Excluding tax-effected special items*, net income from continuing ops down 17% to $203 million
- Sales up 17% to $4.8 billion
- Total FRP Shipments up 2% to 984kt
  - Higher automotive, aerospace and beverage can shipments
- Adjusted EBITDA down 8% to $506 million
- Adjusted EBITDA per ton $514

Quarterly Shipments trend
(kilotonnes)



Quarterly Adjusted EBITDA trend
($ millions)



*Tax-effected special items may include restructuring & impairment, metal price lag, gain/loss on assets held for sale, loss on extinguishment of debt, and loss on sale of business. See today's earnings press release for a reconciliation of special items.

Q2 ADJUSTED EBITDA BRIDGE

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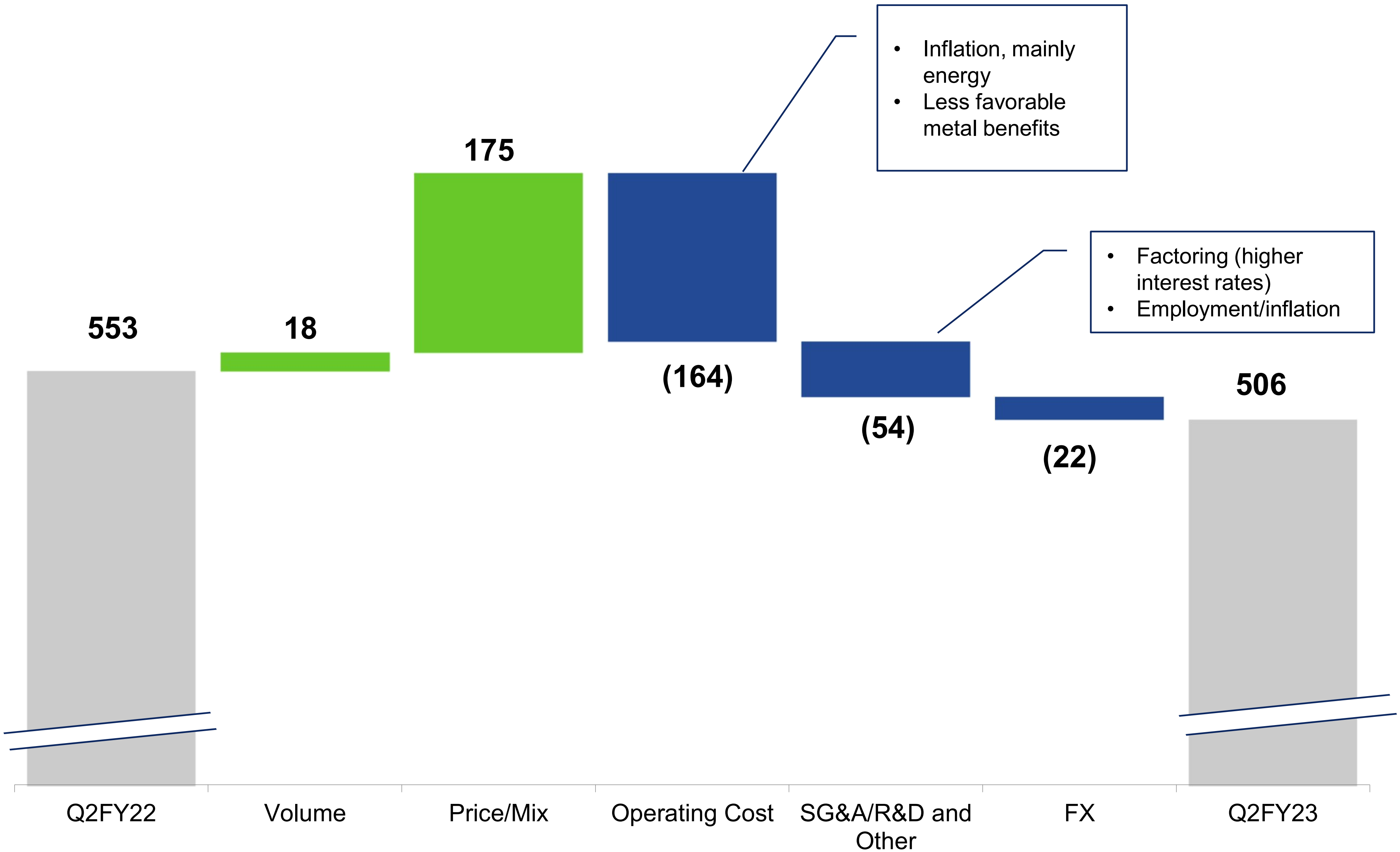
$ Millions



Q2 SEGMENT RESULTS

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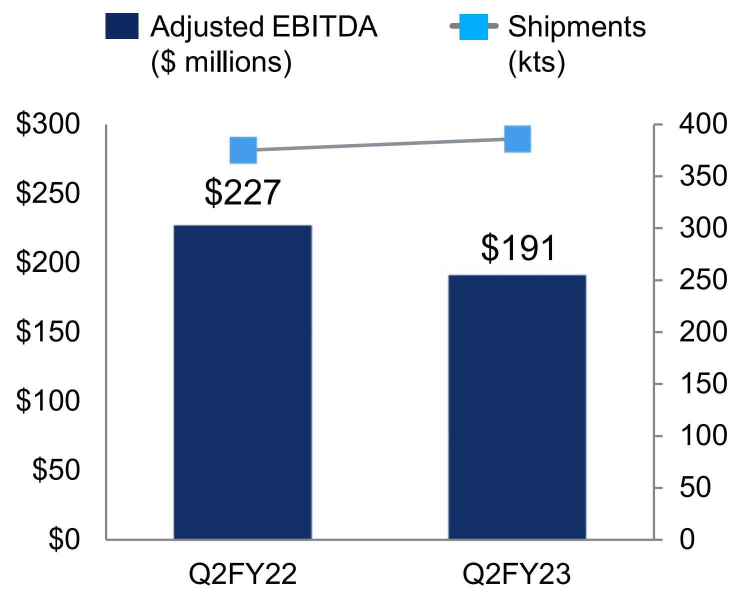
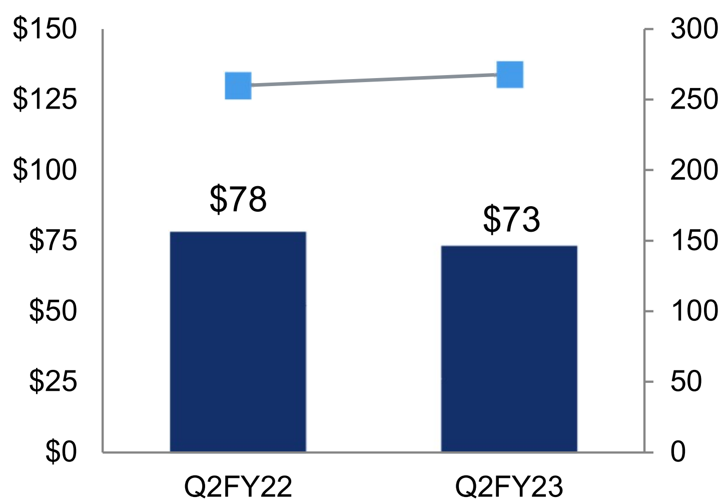
North America



Q2 Shipments +3%, Adjusted EBITDA -16%

- Higher automotive shipments with improving semiconductor supply to industry
- Higher product pricing and favorable product mix
- Higher metal costs
- Inflationary cost pressures

Europe



Q2 Shipments +3%, Adjusted EBITDA -6%

- Improving aerospace & automotive shipments
- Customer contractual obligation benefit
- Higher product pricing
- Unfavorable foreign currency translation
- Inflation, including significant energy cost increase largely at German plants

Q2 SEGMENT RESULTS

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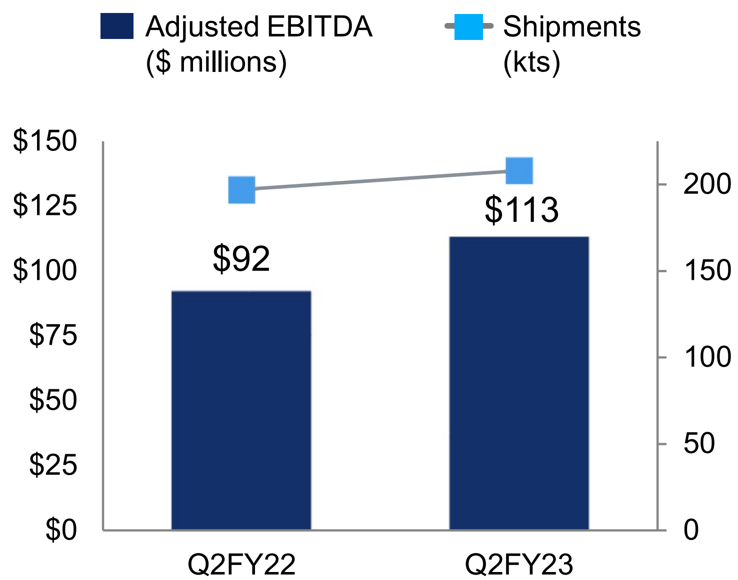
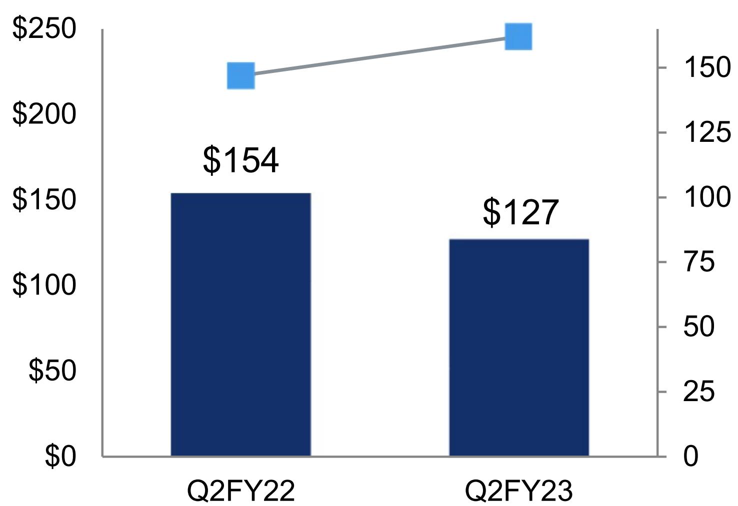
Asia



Q2 Shipments +6%, Adjusted EBITDA +23%

- Record shipments and Adjusted EBITDA
- Higher can shipments on strong demand and support to North America, and improving aerospace demand
- Higher product pricing, product mix and metal benefit offsetting inflationary pressures

South America



Q2 Shipments +10%, Adjusted EBITDA -18%

- Record shipments on increased capacity & strong demand across the Americas
- Less favorable metal benefits largely on tight scrap supply
- Higher energy and other cost inflation

ADJUSTED FREE CASH FLOW AND NET LEVERAGE

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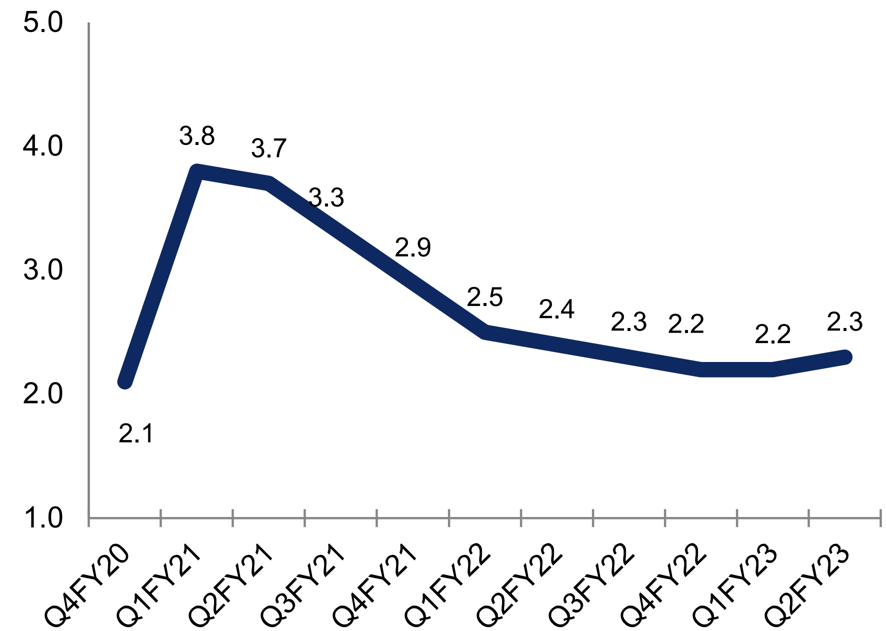
$ Millions	YTD FY23	YTD FY22
Adjusted EBITDA	1,067	1,108
Interest paid	(118)	(124)
Taxes paid	(108)	(117)
Capital expenditures	(284)	(194)
Metal price lag	(21)	113
Working capital & other	(626)	(628)
Adjusted free cash flow from continuing operations	**(90)**	**158**
Adjusted free cash flow from disc. operations	(6)	(5)
Adjusted free cash flow	**(96)**	**153**
Adjusted free cash flow from continuing operations before capex	**194**	**352**

Net Leverage ratio (Net debt/TTM Adjusted EBITDA)



- Adjusted free cash flow impacted by working capital and negative metal price lag
- Maintaining strong liquidity position of $2.8 billion at September 30, 2022
- $100 million return of capital paid in Q2 FY23
- Pacing strategic capital expenditures; full year FY23 capital expenditures expected to be $900 million to $1 billion (previously guided low end of range $1.3 billion to $1.6 billion)

OUTLOOK & SUMMARY

END MARKET OUTLOOK

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Beverage Can

- Broadly stable demand for recession-resistant beverage can sheet
- Some near-term customer inventory adjustments
- Long-term demand fundamentals remain intact, driven by package mix shift driven by preference for sustainable beverage packaging options

Automotive

- High levels of pent-up vehicle demand and low dealer inventory, following low automotive build rates impacted by COVID lockdowns and semi-conductor shortages
- Semi-conductor shortage appears to be easing but still some supply chain constraints

Specialty

- High order backlog in building & construction, but starting to see some softness due to seasonality and macro-economic environment
- End markets historically more dependent on economic growth and interest rates

Aerospace

- Consumer air travel and order bookings continue to improve towards pre-COVID levels
- Long aircraft order backlog at OEMs

SUMMARY

- Broadly stable demand across our diverse product portfolio; long term fundamentals intact
- Navigating intensifying energy and other cost inflation
- Maintaining a strong balance sheet and prudent liquidity levels
- Disciplined approach to capital investment plan to grow with our customers
- Continue working across the value chain to achieve sustainability goals

THANK YOU

QUESTIONS?

APPENDIX

NET INCOME RECONCILIATION TO ADJUSTED EBITDA

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(in $ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23
Net income attributable to our common shareholder	**240**	**237**	**262**	**215**	**954**	**307**	**183**
- Noncontrolling interests	-	-	-	1	1	(1)	-
- Income tax provision	108	79	89	5	281	87	65
- Interest, net	56	59	52	51	218	54	61
- Depreciation and amortization	134	134	137	145	550	138	134
EBITDA	**538**	**509**	**540**	**417**	**2,004**	**585**	**443**
- Unrealized loss (gain) on derivatives	4	16	(26)	34	28	(42)	21
- Realized (gain) loss on derivative instruments not included in segment income	(1)	-	-	(1)	(2)	(1)	(1)
- Adjustment to reconcile proportional consolidation	14	15	17	10	56	14	13
- Loss on sale of fixed assets	-	2	3	3	8	1	-
- (Gain) loss on extinguishment of debt	(2)	64	1	1	64	-	-
- Loss (gain) from discontinued operations, net of tax	63	2	(3)	1	63	1	1
- Restructuring and impairment (reversals) expenses, net	(2)	-	3	-	1	1	1
- Gain on sale of business	-	-	(15)	-	(15)	-	-
- Metal price lag (income) expense	(54)	(59)	(14)	(39)	(166)	(3)	24
- Other, net	(5)	4	-	5	4	5	4
Adjusted EBITDA	**$555**	**$553**	**$506**	**$431**	**$2,045**	**$561**	**$506**

ADJUSTED FREE CASH FLOW

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(in $ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23
Cash provided by (used in) operating activities – continuing operations	65	274	164	629	1,132	44	152
Cash provided by (used in) investing activities – continuing operations	(94)	(87)	(96)	(196)	(473)	(120)	(170)
Plus: Cash used in Acquisition of business and other investments, net of cash acquired	-	-	-	-	-	4	-
Less: Proceeds from sale of assets and business, net of transaction fees, cash income taxes and hedging	(1)	1	(9)	(1)	(10)	-	-
Adjusted free cash flow from continuing operations	**$(30)**	**$188**	**$59**	**$432**	**$649**	**$(72)**	**$(18)**
Net cash used in operating activities – discontinued operations	(3)	(2)	17	(1)	11	(1)	(5)
Adjusted free cash flow	**$(33)**	**$186**	**$76**	**$431**	**$660**	**$(73)**	**$(23)**

(in $ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23
Cash provided by (used in) operating activities – continuing operations	65	274	166	629	1,132	44	152
Cash provided by (used in) investing activities – continuing operations	(94)	(87)	(98)	(196)	(473)	(120)	(170)
Plus: Cash used in Acquisition of business and other investments, net of cash acquired	-	-	-	-	-	4	-
Less: Proceeds from sale of assets and business, net of transaction fees, cash income taxes and hedging	(1)	1	(9)	(1)	(10)	-	-
Adjusted free cash flow from continuing operations	**$(30)**	**$188**	**$59**	**$432**	**$649**	**$(72)**	**$(18)**
Capital expenditures	101	93	93	159	446	110	174
Adjusted free cash flow from continuing operations before capex	**$71**	**$281**	**$152**	**$591**	**$1,095**	**$38**	**$156**

NET DEBT AND LIQUIDITY

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(in $ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23
Long-term debt, net of current portion	4,960	4,942	4,984	4,967	4,967	4,894	4,850
Current portion of long-term debt	541	443	340	26	26	59	63
Short-term borrowings	359	247	373	529	529	603	858
Cash and cash equivalents	(872)	(659)	(808)	(1,070)	(1,070)	(1,037)	(1,145)
Net debt	**$4,988**	**$4,973**	**$4,889**	**$4,452**	**$4,452**	**$4,519**	**$4,626**

(in $ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23
Cash and cash equivalents	872	659	808	1,070	1,070	1,037	1,145
Availability under committed credit facilities	1,380	1,490	1,514	1,499	1,499	1,341	1,642
Liquidity	**$2,252**	**$2,149**	**$2,322**	**$2,569**	**$2,569**	**$2,378**	**$2,787**