Novelis Q3 Fiscal Year 2025 Earnings Presentation

February 10, 2025

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President and Chief Executive Officer

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Executive Vice President and Chief Financial Officer

Safe Harbor Statement

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 are statements about our expectations and beliefs regarding the timing and results from investments in certain operating facilities, including our greenfield, fully-integrated rolling and recycling mill currently being built in Bay Minette, Alabama, statements regarding our expectations for market trends and market outlook,, our anticipated benefit from technologies and partnerships related to expand availability of recycled inputs, our projections regarding financial performance, liquidity, capital expenditures, and investments; our expectations regarding trends in demand for aluminum flat-rolled products, and our expectations regarding the impact of lower availabilities and higher corresponding prices of scrap metal inputs on our business. 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: disruptions or changes in the business or financial condition of our significant customers or the loss of their business or reduction in their requirements; price and other forms of competition from other aluminum rolled products producers and potential new market entrants; competition in our end-markets, and the willingness of our customer to accept substitutes for our products, including steel, plastics, composite materials and glass; our failure to realize the anticipated benefits of strategic investments; increases in the cost of volatility in the availability of primary aluminum, scrap aluminum, sheet ingot, or other raw materials used in the production of our products; risks related to the energy-intensive nature of our operations, including increases to energy costs or disruptions to our energy supplies; downturns in the automotive and ground transportation industries or changes in consumer demand; union disputes and other employee relations issues; the impact of labor disputes and strikes on our customers; loss of our key management and other personnel, or an inability to attract and retain such management and other personnel; unplanned disruptions at our operating facilities, including as a result of flooding or other adverse weather phenomena; economic uncertainty, capital markets disruption and supply chain interruptions, including as a result of geopolitical instability due to the ongoing military conflict between Russia and Ukraine, attacks on shipping vessels in the Red Sea, and the ongoing conflicts in the Gaza Strip and the surrounding regions; risks relating to certain joint ventures, subsidiaries and assets that we do not entirely control; cybersecurity attacks against, disruptions, failures or security breaches and other disruptions to our information technology networks and systems; risks related to rising inflation and prolonged periods of elevated interest rates; timing differences between the prices we pay under purchase contracts and metal prices we charge our customers; a deterioration of our financial condition, a downgrade of our ratings by a credit rating agency or other factors which could limit our ability to enter into, or increase our costs of, financing and hedging transactions; risks related to variable rate indebtedness, including interest rate risk; adverse changes in currency exchange rates; our inability to transact in derivative instruments, if our exposure to price fluctuations is not adequately hedged under derivative instruments, or if counterparties to our derivative instruments fail to honor their agreements; an adverse decline in the liability discount rate, lower-than-expected investment return on pension assets; impairments to our goodwill, other intangible assets and other long-lived assets; tax expense, tax liabilities or tax compliance costs; operating and financial restrictions imposed on us by the covenants in our credit facilities and the indentures governing our Senior Notes; our inability to protect our intellectual property, the confidentiality of our know-how, trade secrets, technology, and other proprietary information; risks related to our global operations, including the impact of complex and stringent laws and government regulations; global climate change or the legal, regulatory or market responses to such change; and conflicts of interest and disputes arising between Hindalco, our parent company, and the Company that could be resolve in a manner unfavorable to the Company. Other important factors are discussed under the captions "Risk Factors" and “Management’s Discussion and Analysis” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024 and as the same may be updated from time to time in our quarterly reports on Form 10-Q, or in other reports which we from time to time file with the SEC.

Q3FY25 Highlights

- Market demand broadly solid
  - Continued growth in beverage packaging shipments offsetting muted specialty and Europe/China automotive
  - Sierre, Switzerland, facility fully operational following unprecedented flooding in June
- Q3 Adj EBITDA soft due to significantly higher scrap prices and less favorable product mix
- Developing technologies & partnerships to expand availability of recycled inputs; cost and operational initiatives underway to help mitigate scrap pressures
- Continued progress on strategic investment projects
  - Bay Minette, U.S. greenfield 600kt rolling & recycling plant on track
  - Guthrie, U.S., recycling center continues to ramp up automotive sheet ingot casting
  - UAL recycling center casting expansion in Ulsan, S Korea now commissioning
  - Logan, U.S., hot mill expansion to debottleneck 80kt capacity on track for Q1FY26 commissioning

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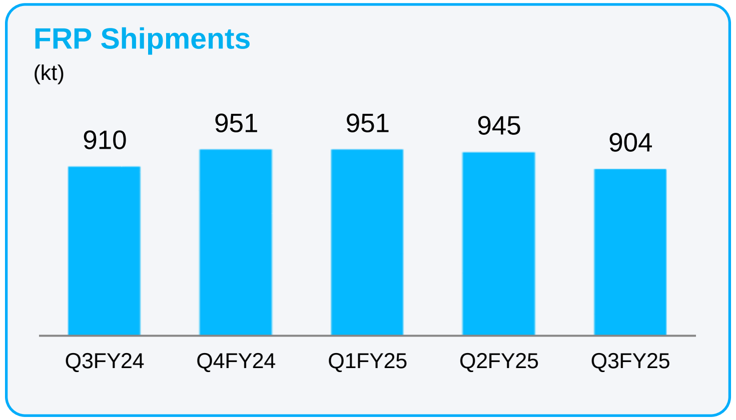
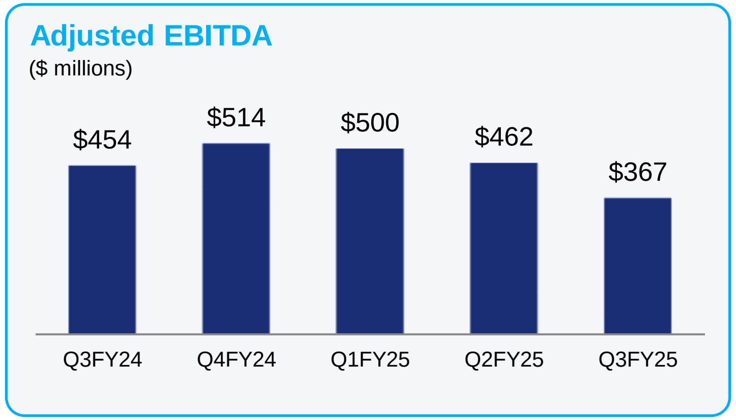
Financial Highlights

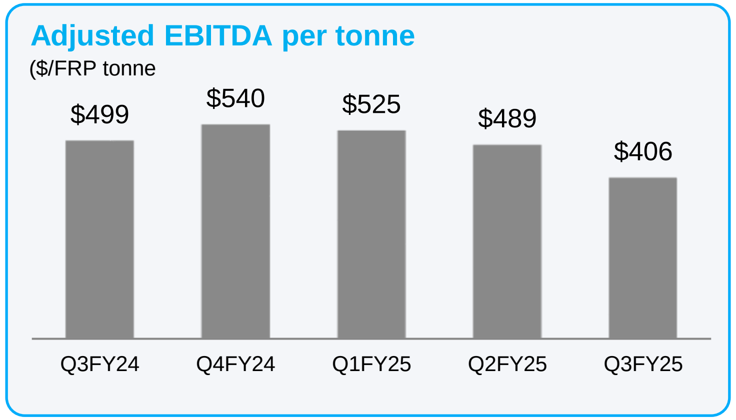
Q3 Financial Highlights

Q3FY25 vs Q3FY24

- Net Sales up 4% YoY to $4.1 billion
- Total FRP shipments of 904kt are in line with the prior year 910kt
  - Higher beverage packaging shipments on continued strong demand
  - Lower specialties & automotive shipments
- Adjusted EBITDA down 19% YoY to $367 million
- Adjusted EBITDA per tonne down 19% to $406
- Net income attributable to our common shareholder down 9% to $110 million
  - Net Income attributable to common shareholder, excluding special items, was $119 million, down 32% YoY



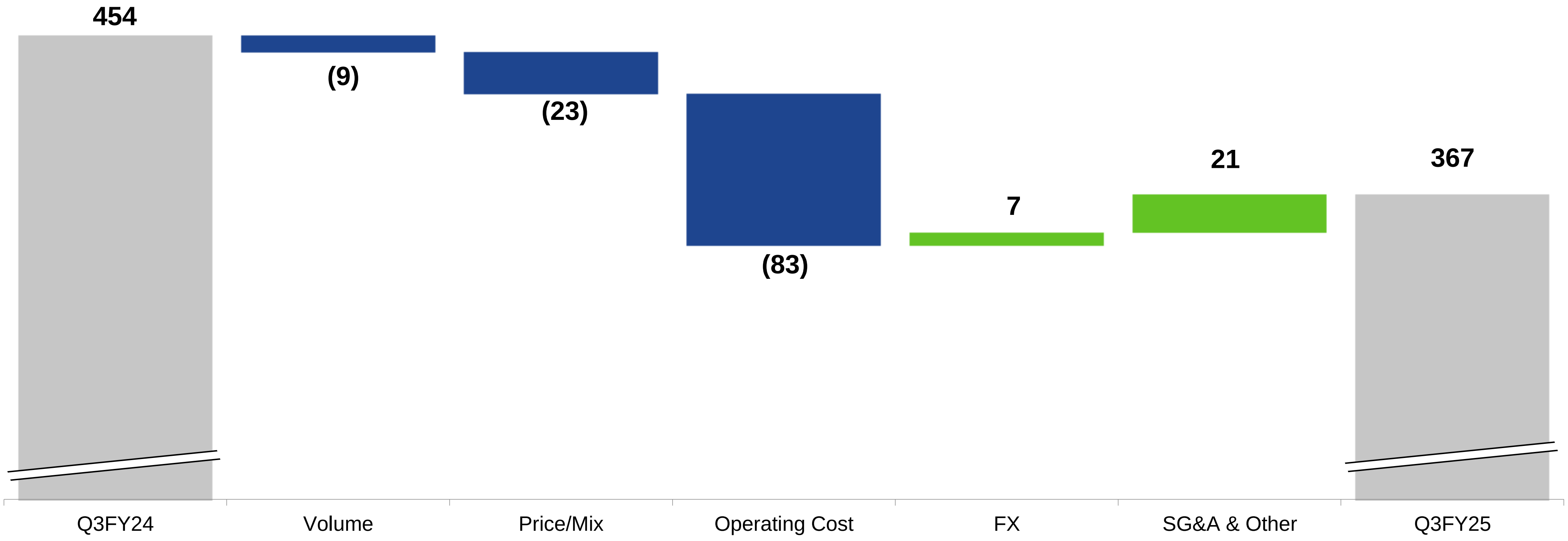




Notes:
1. Special items includes loss on extinguishment of debt, metal price lag, restructuring and impairment expenses, the Sierre flooding, and tax effect on special items. See appendix for a reconciliation of special items.

Q3 Adjusted EBITDA Bridge vs. prior year

$ millions



Year-over-year decline primarily driven by lower metal benefit from higher scrap prices

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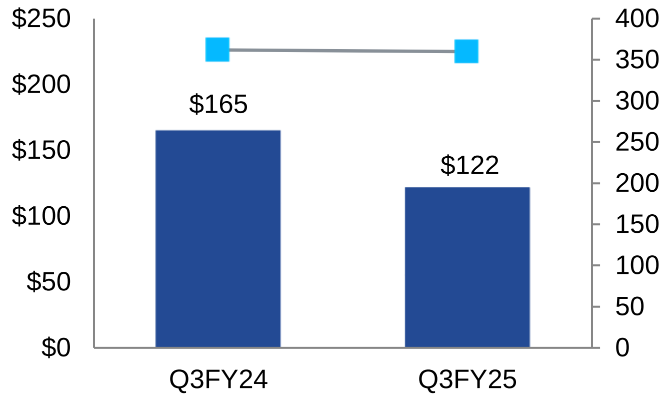
Q3 Segment Results

Adjusted EBITDA ($ millions) | Total FRP Shipments (kts)

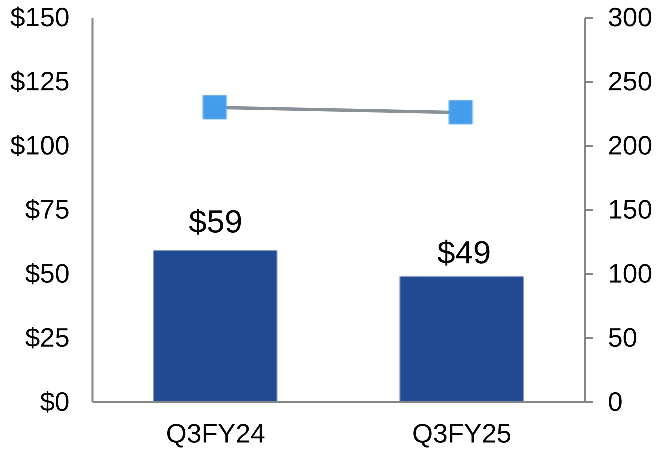
North America



Q3 Shipments -1%, Adjusted EBITDA -26%

- Higher automotive shipments offset by lower specialties
- Flat beverage packaging shipments due to planned plant downtime; demand remains strong
- Lower metal benefit mainly due to higher scrap prices

Europe



Q3 Shipments -2%, Adjusted EBITDA -17%

- Lower automotive shipments largely offset by higher beverage packaging
- Lower metal benefit due to higher scrap prices
- Lower specialties pricing
- Immaterial impact from flooding-related production interruption at Sierre plant, net of insurance recovery

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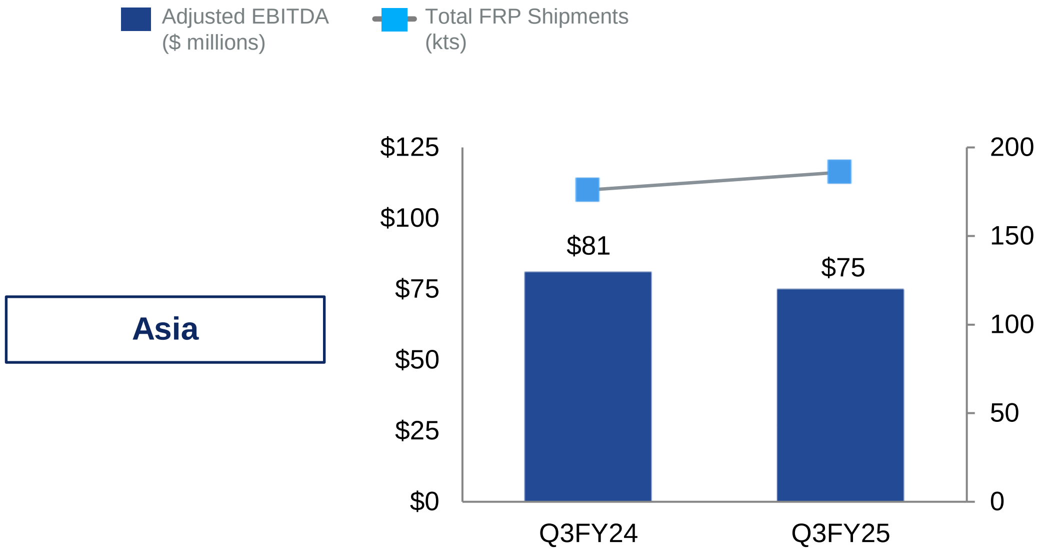
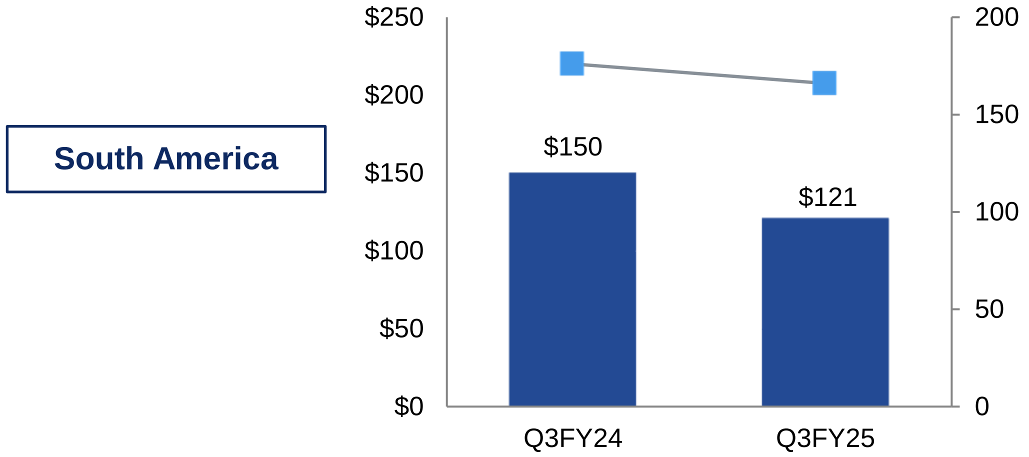
Q3 Segment Results



Q3 Shipments +6%, Adjusted EBITDA -7%

- Higher beverage packaging shipments
- Lower specialty, aerospace and automotive shipments
- Unfavorable product mix
- Lower metal benefit on higher scrap prices
- Favorable FX



Q3 Shipments -6%, Adjusted EBITDA -19%

- Lower beverage packaging shipments due to timing
- Lower metal benefit on higher scrap prices and unfavorable metal mix
- Higher specialties pricing

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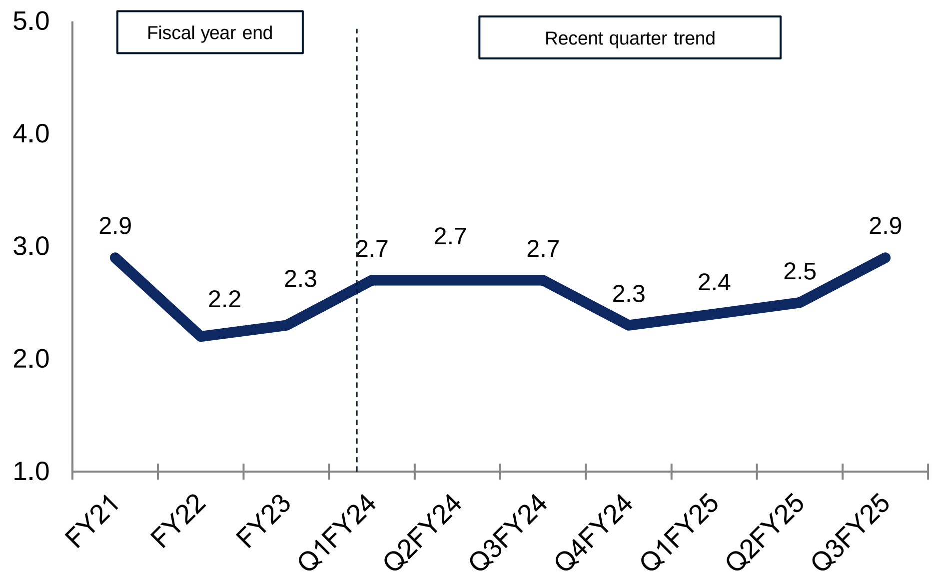
Adj Free Cash Flow and Net Leverage

Adjusted free cash flow

	YTD FY25	YTD FY24
Adjusted EBITDA	1,329	1,359
Interest paid	(185)	(198)
Taxes paid	(199)	(133)
Capital expenditures	(1,175)	(960)
Metal price lag	14	(62)
Working capital & other	(699)	(523)
Adjusted free cash flow	**(915)**	**(517)**
Adjusted free cash flow before capex	**260**	**443**

Net leverage ratio (Adj. Net debt/TTM Adj. EBITDA)



- FY25 capital expenditures expected to be on low end of a range of $1.8 billion to $2.1 billion
- Net leverage ratio at 2.9x and liquidity of $1.6 billion at December 31, 2024
- In January 2025, raised $750 million in 6.875% senior unsecured notes due January 2030

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Outlook

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End Market Trends

	Long-term demand growth rate [1]	Near-term aluminum FRP market trends
BEVERAGE PACKAGING *(57% of FY24 Shipments)*	**~4%**	• Global beverage packaging demand remains strong • Positive end market outlook supported by sustainability trends
AUTOMOTIVE *(21% of FY24 Shipments)*	**~6%**	• Favorable vehicle mix in N America (trucks, SUVs) that use higher share of aluminum • Weak macro environment in Europe • Slower growth in China due to vehicle mix • Electric vehicles continue to grow share, but at a tempered pace
AEROSPACE *(3% of FY24 Shipments)*	**~5%**	• Demand for new aircraft remains strong, with high order backlog • Constraints in the supply chain are impacting OEM production of new aircraft
SPECIALTY *(19% of FY24 Shipments)*	**GDP+**	• Anticipate typical seasonal demand uptick • Favorable backlog of Building & Construction demand, but tempered by high interest rates • Softer automotive industry dynamics impacting automotive specialty products demand, such as for EV batteries, truck/trailer

Notes:
1. Can CRU Aluminum Beverage Can Sheet Market Outlook 2024 (excluding China), 2024-2031; Automotive Management Estimates FY2025 – 2030; Aerospace Management Estimates 2023 – 2030

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Bay Minette Project Update

- $4.1 billion rolling & recycling facility in Bay Minette, Alabama, in the US
- 600kt total finished good capacity upon completion
  - 420kt initially targeted to beverage packaging
  - 180kt capacity targeted primarily for automotive, but flexible for other FRP end markets as well
  - Expect to begin commissioning 2nd half CY2026
- Novelis North America beverage packaging capacity contracted
- Novelis intends to fund the capex through internally generated cash flow and debt financing
  - $1.3 billion capital expenditures spent through end of Q3FY25

Bay Minette site and construction, January 15, 2025

Recycle/remelt center kiln installation

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Summary

- Resilient market demand, with strong growth expected to continue in beverage packaging
- Novelis unmatched geographic and end market presence a competitive advantage
- Expect seasonally higher volume, more favorable product mix, benefit of new contract pricing and favorable metal benefit to result in improved performance in Q4FY25 compared to Q3FY25, and be more comparable to Q2FY25 results
- Prioritizing and advancing investments that drive value, achieve sustainability goals and capture growing demand for sustainable aluminum FRP

Thank You

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Appendix

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Net Income Reconciliation to Adjusted EBITDA

(in $ millions)	Q1	Q2	Q3	Q4	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Net income attributable to our common shareholder	**156**	**157**	**121**	**166**	**600**	**151**	**128**	**110**
Noncontrolling interests	-	-	-	-	-	(1)	1	-
Income tax provision	54	51	54	59	218	60	51	39
Interest, net	70	74	67	64	275	64	67	61
Depreciation and amortization	131	136	139	148	554	140	141	142
EBITDA	**411**	**418**	**381**	**437**	**1,647**	**414**	**388**	**352**
Unrealized loss (gain) on derivatives	(4)	23	(15)	32	36	(7)	(9)	(18)
Realized (gain) loss on derivative instruments not included in segment income	(3)	(1)	-	(2)	(6)	2	3	1
Adjustment to reconcile proportional consolidation	14	11	8	11	44	13	12	9
Loss on sale of fixed assets	-	-	4	2	6	1	1	-
(Gain) loss on extinguishment of debt	-	5	-	-	5	-	-	-
Restructuring and impairment expenses, net	3	4	26	9	42	19	21	6
Metal price lag (income) expense	(5)	22	45	8	70	7	(21)	-
Sierre flood charges	-	-	-	-	-	40	61	5
Other, net	5	2	5	17	29	11	6	12
Adjusted EBITDA	**$421**	**$484**	**$454**	**$514**	**$1,873**	**$500**	**$462**	**$367**
Rolled product shipments (kt)	**879**	**933**	**910**	**951**	**3,673**	**951**	**945**	**904**
Adjusted EBITDA /tonne ($/tonne)	**$479**	**$519**	**$499**	**$540**	**$510**	**$525**	**$489**	**$406**

Adjusted EBITDA per tonne may not recalculate due to rounding.

Cash Provided By Operating Activities Reconciliation to Adjusted Free Cash Flow

(in $ m)	Q1	Q2	Q3	Q4	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Cash provided by operating activities	(32)	322	130	895	1,315	74	300	(111)
Cash used in investing activities	(317)	(273)	(345)	(453)	(1,388)	(354)	(365)	(459)
Less: Proceeds from sale of assets and business, net of transaction fees, cash income taxes and hedging	-	-	(2)	-	(2)	-	-	-
Adjusted free cash flow	**$(349)**	**$49**	**$(217)**	**$442**	**$(75)**	**$(280)**	**$(65)**	**$(570)**
Capital expenditures	333	285	342	398	1,358	348	369	458
Adjusted free cash flow before capex	**$(16)**	**$334**	**$125**	**$840**	**$1,283**	**$68**	**$304**	**$(112)**

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Adjusted Net Debt and Liquidity

(in $ m)	Q1	Q2	Q3	Q4	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Long-term debt, net of current portion	4,878	4,859	4,883	4,866	4,866	4,859	4,889	4,997
Current portion of long-term debt	57	51	31	33	33	33	30	29
Short-term borrowings	601	692	552	759	759	623	868	1,019
Unamortized carrying value adjustments (1)	58	53	51	48	48	46	44	40
Cash and cash equivalents	(1,041)	(1,158)	(787)	(1,309)	(1,309)	(886)	(1,071)	(791)
Adjusted Net debt	**$4,553**	**$4,497**	**$4,730**	**$4,397**	**$4,397**	**$4,675**	**$4,760**	**$5,294**

(1) Prior to the Form 8-K in connection with the press release reporting the company's financial results for its fiscal quarter ended September 30, 2024, the company included net debt in its definition of Net Leverage ratio, which has been replaced with adjusted net debt. Adjusted net debt adds back unamortized carrying value adjustments, whereas net debt calculation did not include this amount. The change reflects the measure as currently assessed by management. Any prior period instances of Net Leverage Ratio in the table above and within this presentation reflect the new calculation.

(in $ m)	Q1	Q2	Q3	Q4	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Cash and cash equivalents	1,041	1,158	787	1,309	1,309	886	1,071	791
Availability under committed credit facilities	1,403	1,145	1,353	1,008	1,008	1,288	988	790
Liquidity	**$2,444**	**$2,303**	**$2,140**	**$2,317**	**$2,317**	**$2,174**	**$2,059**	**$1,581**

Reconciliation of Net Income Attributable to our Common Shareholder, Excluding Special Items

(in $ m)	Q1	Q2	Q3	Q4	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Net income attributable to our common shareholder	$156	$157	$121	$166	$600	$151	$128	$110
Special Items:								
Loss on extinguishment of debt, net	-	5	-	-	5	-	-	-
Metal price lag loss (gain)	(5)	22	45	8	70	7	(21)	-
Restructuring and impairment expenses, net	3	4	26	9	42	19	21	6
Sierre flooding (1)	-	-	-	-	-	40	61	5
Tax effect on special items	1	(8)	(18)	(4)	(29)	(13)	(10)	(2)
Net income attributable to our common shareholder, excluding special items	**$155**	**$180**	**$174**	**$179**	**$688**	**$204**	**$179**	**$119**

1. On June 30, 2024, our plant located in Sierre, Switzerland was impacted by exceptional flooding caused by unprecedented heavy rainfalls. As a result of this event, the Company recognized charges of $5 million and $106 million in the three and nine months ended December 31, 2024, respectively.

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