Novelis Q4 Fiscal Year 2025 Earnings Presentation

May 12, 2025

Steve Fisher
President and Chief Executive Officer

Dev Ahuja
Executive Vice President and Chief Financial Officer

Safe harbor statement

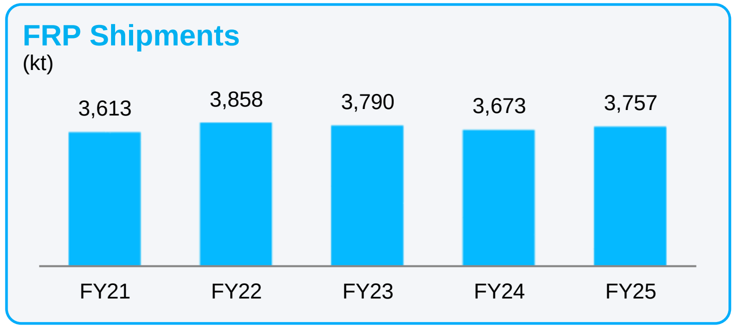
Forward-looking statements

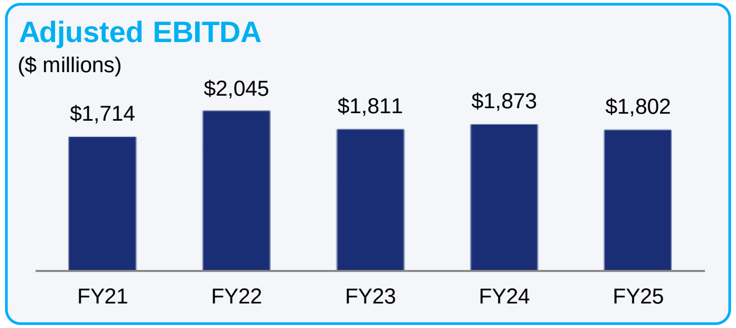
Statements made in this news release which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward-looking statements in this news release are statements about: our belief that competition for scrap aluminum has intensified, creating significant pressure on scrap pricing and our financial results; our belief that Novelis is well positioned to face the current competition environment and cost efficiency initiatives may offset some of the pressures; and our anticipation of the benefit of acceleration of developing new scrap recycling technology. 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.

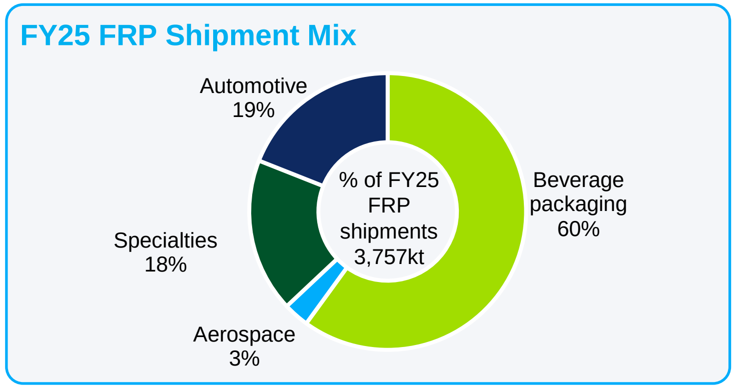
Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: disruptions or changes in the business or financial condition of our significant customers or the loss of their business or reduction in their requirements; impact of changes in trade policies, new tariffs and other trade measures; 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; unexpected impact of public health crises no our business, suppliers, and customers; risks relating to certain joint ventures, subsidiaries and assets that we do not entirely control; risks related to fluctuations in freight costs; 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, or our inability to adequately hedge our exposure to price fluctuations under derivative instruments, or a failure of counterparties to our derivative instruments 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; cybersecurity attacks against, disruptions, failures or security breaches and other disruptions to our information technology networks and systems; risks of failing to comply with federal, state and foreign laws and regulations and industry standards relating to privacy, data protection, advertising and consumer protection; 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; risks related to a broad range of environmental, health and safety laws and regulations and risks related to potential legal proceedings or investigations. The above list of factors is not exhaustive. 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, 2025 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.

FY25 highlights

- Strong shipments led by record beverage packaging underpin the fundamental strength of the business
- Navigating elevated scrap prices and tariff uncertainty
  - Mitigating scrap cost challenges by working on actions and technologies to expand scrap input types
  - Initiating a structural cost improvement & efficiency plan
- Executing a disciplined capital investment plan to support long-term growth
  - FY25 recycled content rate 63%
  - Commissioned two recycling centers (UAL, Guthrie) during FY25 to drive increased scrap consumption
  - Bay Minette and other strategic investment projects underway remain on track





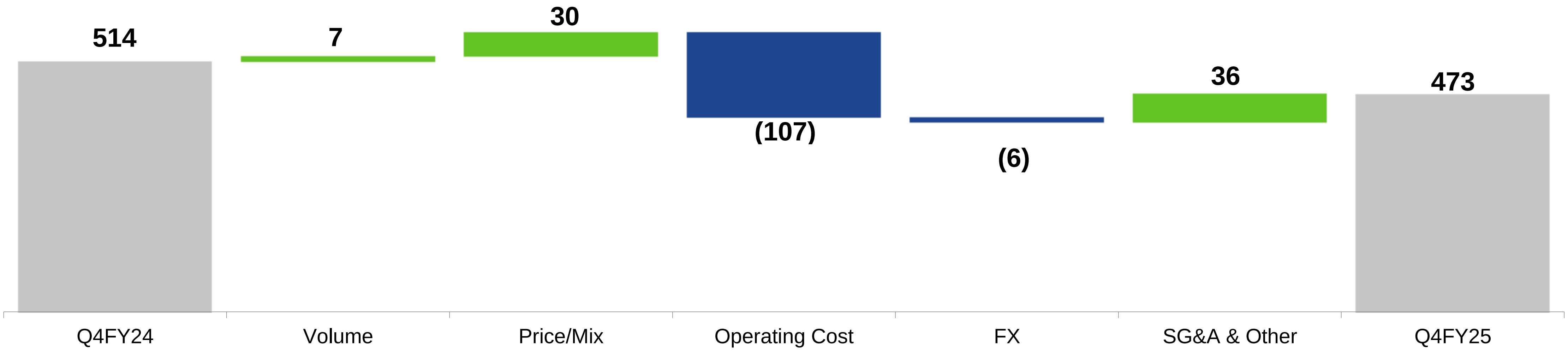


Financial Highlights

Q4 financial highlights

Q4FY25 vs Q4FY24

- Net Sales up 13% YoY to $4.6 billion
- Total FRP shipments up 1% YoY to 957kt
  - Higher beverage packaging, specialties and aerospace partially offset by lower automotive shipments
- Adjusted EBITDA down 8% YoY to $473 million
  - Adjusted EBITDA improved 29% sequentially versus Q3FY25
- Adjusted EBITDA per tonne down 9% to $494
- Net income attributable to our common shareholder up 77% to $294 million
  - Net Income attributable to common shareholder, excluding special items, up 46% to $262 million



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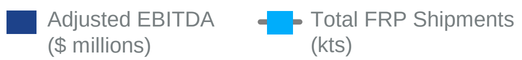
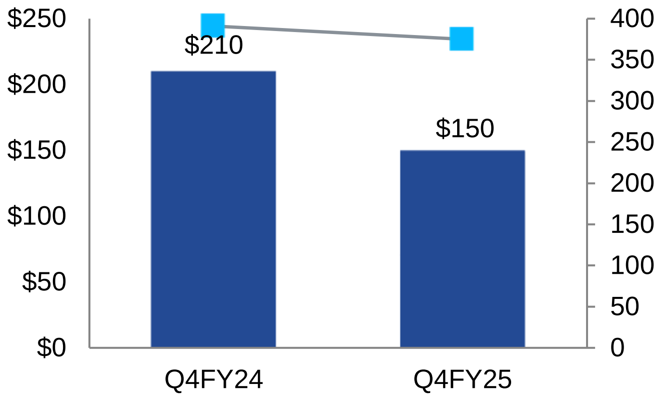
Q4 segment results



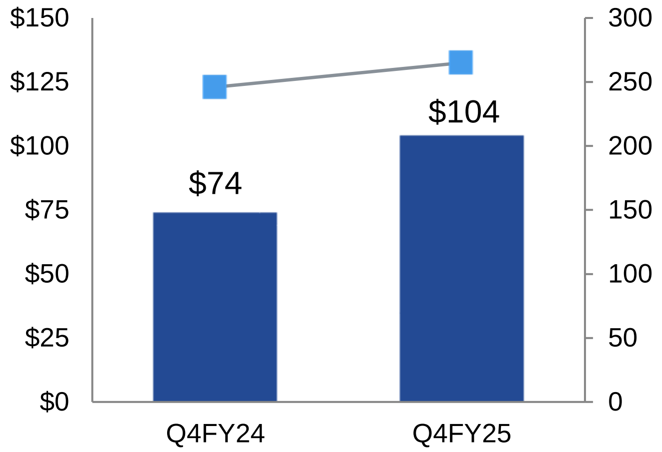
North America



Q4 Shipments -4%, Adjusted EBITDA -29%

- Higher specialties shipments offset by lower automotive shipments
- Lower beverage packaging shipments due to timing; demand remains strong
- Higher scrap prices
- Higher product pricing

Europe



Q4 Shipments +8%, Adjusted EBITDA +41%

- Primarily volume benefit from higher shipments
  - Record beverage packaging and higher specialties, partially offset by lower automotive

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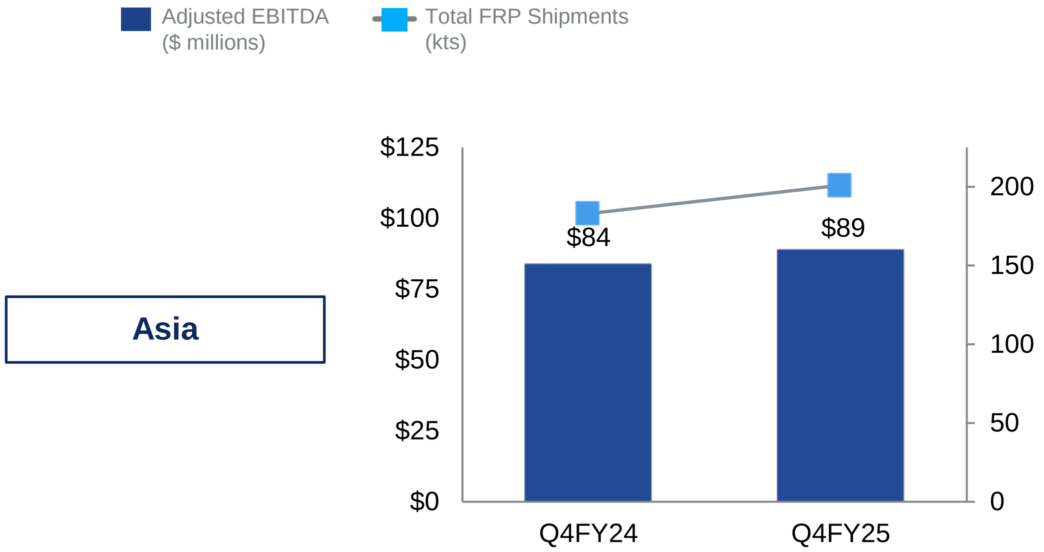
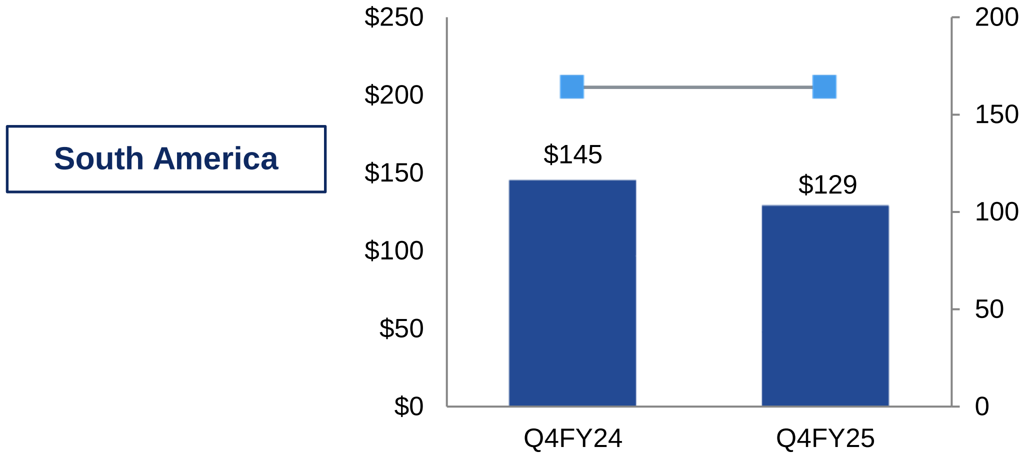
Q4 segment results



Q4 Shipments +10%, Adjusted EBITDA +6%

- Primarily higher beverage packaging, partially offset by lower specialty and automotive shipments
- Unfavorable product mix
- Favorable FX



Q4 Shipments flat, Adjusted EBITDA -11%

- Timing impact on shipments but beverage packaging market remains strong
- Higher scrap prices
- Unfavorable FX

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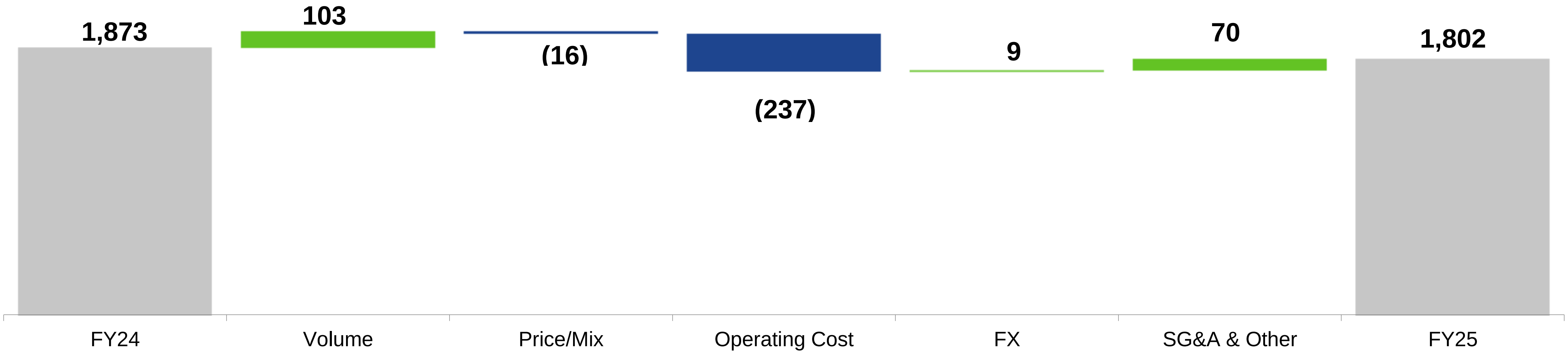
Full year FY25 financial highlights

FY25 vs FY24

- Net Sales up 6% YoY to $17.1 billion
- Total FRP shipments up 2% YoY to 3,757kt
  - Record beverage packaging shipments and higher aerospace shipments, partially offset by lower automotive & specialty shipments
- Adjusted EBITDA down 4% YoY to $1,802 million
- Adjusted EBITDA per tonne down 6% to $480
- Net income attributable to our common shareholder up 14% to $683 million
  - Net Income attributable to common shareholder, excluding special items, up 11% to $764 million



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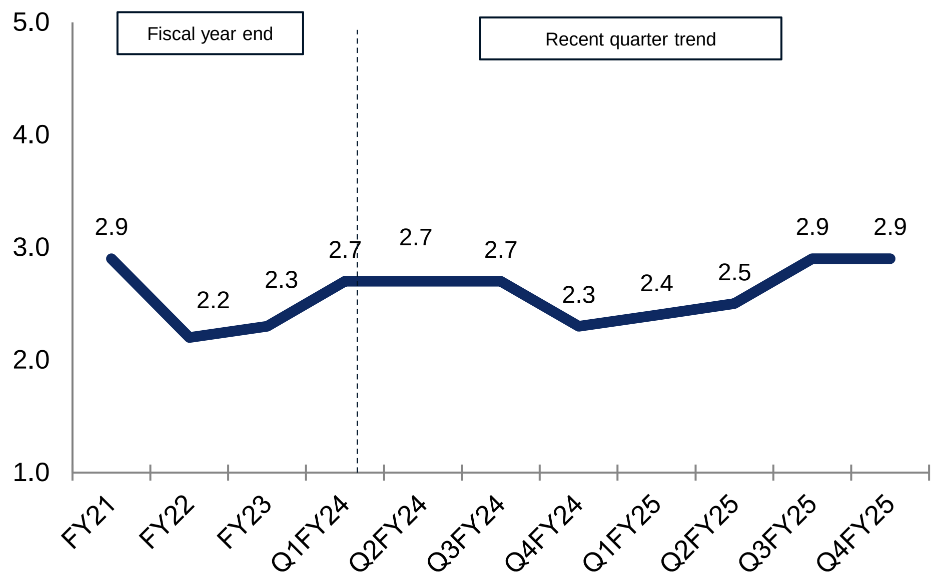
Adj free cash flow and net leverage

Adjusted free cash flow

	FY25	FY24
Adjusted EBITDA	1,802	1,873
Interest paid	(247)	(279)
Taxes paid	(250)	(173)
Capital expenditures	(1,689)	(1,358)
Metal price lag	69	(70)
Working capital & other	(422)	(68)
Adjusted free cash flow	**(737)**	**(75)**
Adjusted free cash flow before capex	**952**	**1,283**

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



- Planned increase in capital expenditures and working capital pressure from aluminum price increase
  - FY26 capital expenditures expected to be in a range of $1.9 billion to $2.2 billion
- In Q4FY25, completed new debt raise and refinancing transactions
  - $750 million in senior unsecured notes due January 2030
  - $1.25 billion Term Loan B due March 2032, with proceeds primarily used to repay previously issued Term Loan A
- Net leverage ratio at 2.9x and liquidity of $2.8 billion at March 31, 2025

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Outlook & Summary

Strategic capital projects on track

Projects already commissioned

- $365 million advanced automotive recycling center in Guthrie, US
- $65 million recycling expansion in Ulsan, South Korea
- $20 million to debottleneck 50kt rolling capacity in Yeongju, South Korea

Projects expected to commission in FY2026

- $130 million to debottleneck 65kt rolling capacity in Oswego, US
- $150 million to debottleneck 80k rolling capacity in Logan, US
- $50 million to debottleneck 30kt rolling capacity in Pinda, Brazil (40kt previously completed)

Projects expected to commission in FY2027

- $4.1 billion 600kt state-of-the-art facility in Bay Minette, US
  - 600kt capacity plant on track for second half CY2026 commissioning
  - $1.6 billion capex spent through end of FY25
  - Over 90% engineering complete
- $90 million UBC recycling & casting expansion in Latchford, UK
  - Doubles UBC recycling capacity & reduces CO2e more than 350,000 tonnes

$2.3 billion of the total ~$5 billion strategic capital investment plan has been spent through end of FY25

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Aluminum FRP end market trends

`	Long-term growth rates & trends [1]	Near-term market demand trends
BEVERAGE PACKAGING *(60% of FY25 Shipments)*	• 2024-2030 CAGR ~4% (excluding China) • Sustainability preferences driving package mix shift favoring aluminum	• Global beverage packaging demand remains strong across regions
AUTOMOTIVE *(19% of FY25 Shipments)*	• FY2025-2030 CAGR ~6% • Lightweighting needs for vehicle performance • Innovation and sustainability	• Uncertain implications of tariffs on demand in Europe and North America • Slower growth in China due to vehicle mix • Favorable vehicle mix in N America (trucks, SUVs) that use higher share of aluminum
AEROSPACE *(3% of FY25 Shipments)*	• 2024-2030 CAGR ~4% • Multi-year OEM order backlogs • Sustainability growing in importance	• Constraints in the broader supply chain impacting OEM production of new aircraft are slowly improving • Geo-political tension and tariff uncertainty
SPECIALTY *(18% of FY25 Shipments)*	• Long-term market growth at GDP+ rates • Undersupplied US housing market • Lightweighting & sustainability trends	• Seasonal uptick in Building & Construction demand • Potential tailwinds in domestic light gauge markets driven by favorable trade cases • Uncertain implications of tariffs muting automotive specialty demand (EV batteries, truck/trailer) and suppressing B&C demand

Sources

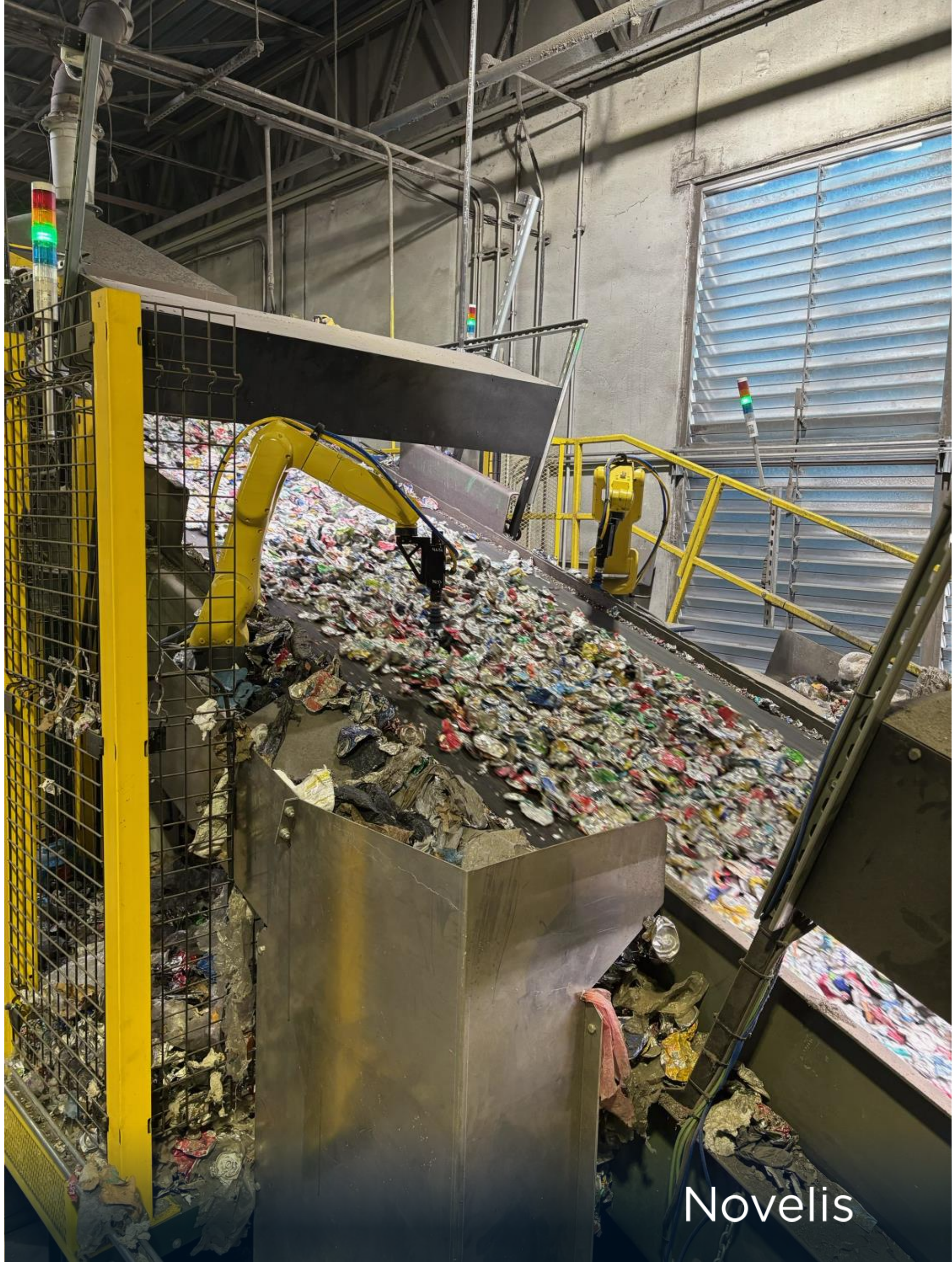
1. CRU Aluminum Beverage Can Sheet Market Outlook 2024; Automotive and aerospace are management estimates

Elevated aluminum scrap prices muting performance

- Anticipated structural shift in scrap aluminum markets as demand keeps growing
  - Global recycling capacity investments increasing demand for some scrap types
  - Low US recycling rates constraining supply
  - Short-term noise from geopolitical disruptions

- Long-term mitigating initiatives
  - Use digital technologies & operational advancements to sort and consume contaminated scrap
  - Increase use of post-consumer automotive scrap
  - Strengthen our supply chain, including valuable closed-loop relationships with customers
  - On-going advocacy to increase recycling rates

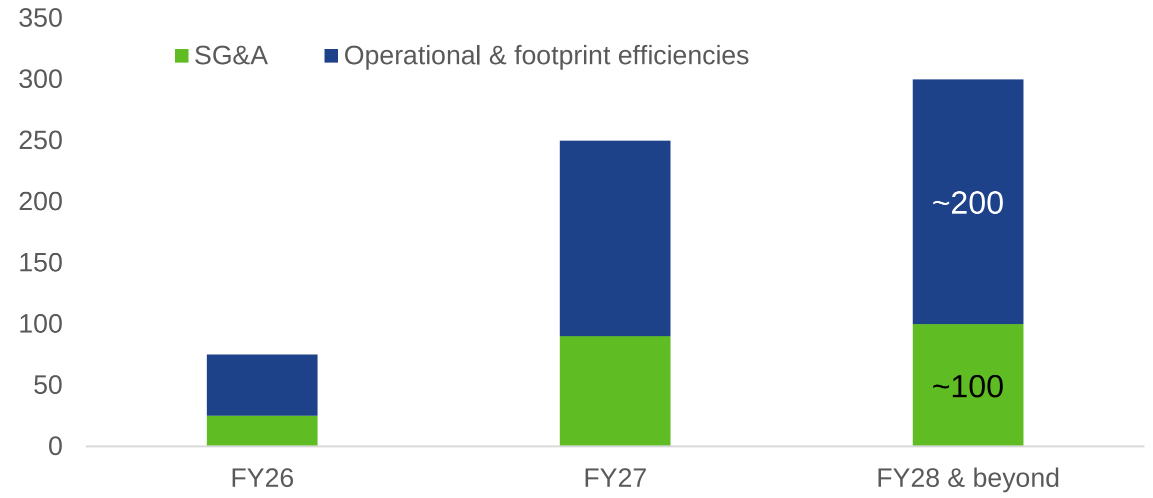
- We believe Novelis is well-positioned to compete as a highly efficient buyer and processor of scrap



Initiated structural cost efficiencies

Targeted savings

($ millions)



Year-end run-rate savings: **~$75M** | **~$250M** | **~$300M+**

Operational and Footprint Efficiencies

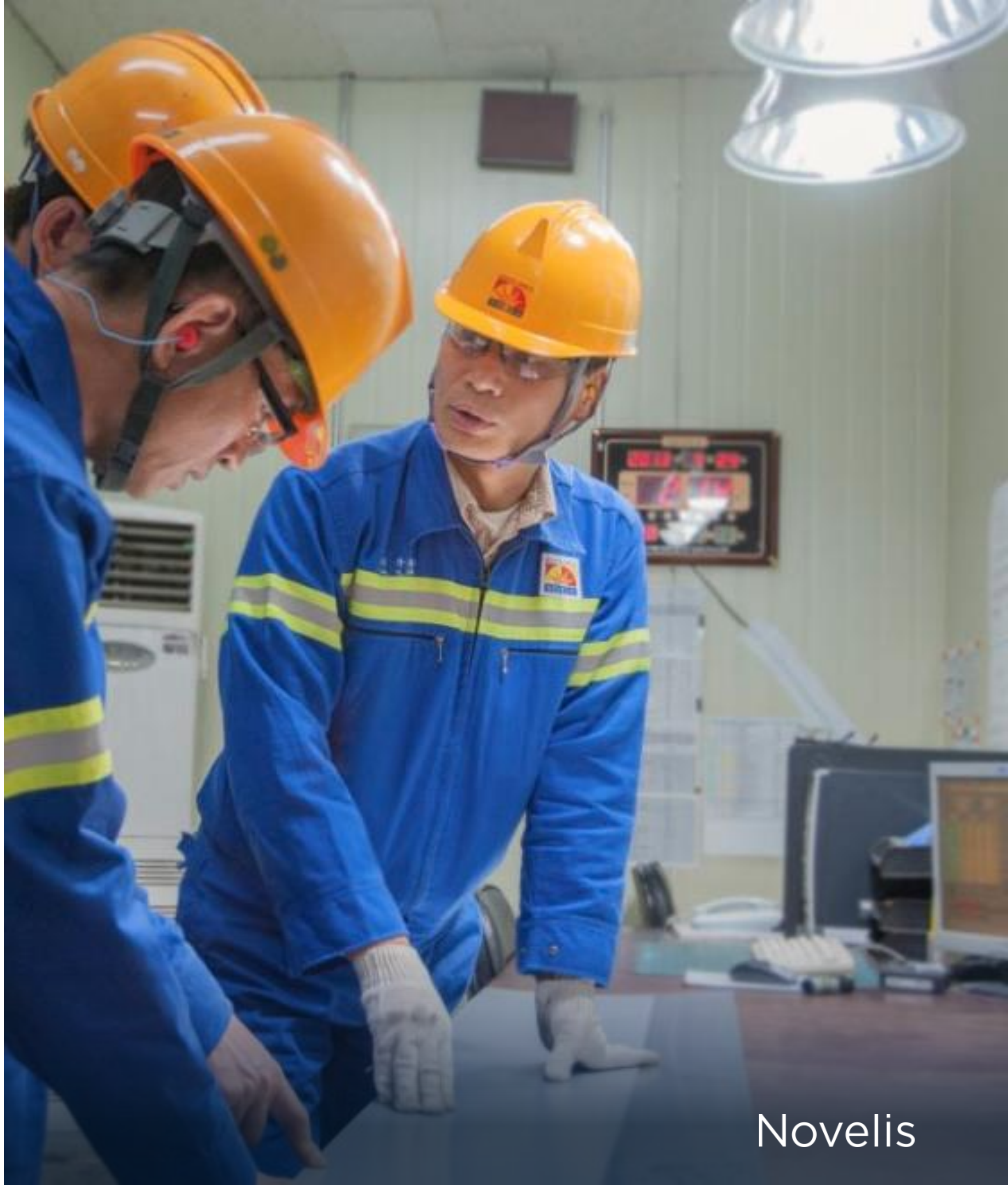
- Novelis Operating System opportunities
  - Labor productivity increases
  - Energy and variable cost consumption optimization
  - Procurement savings
  - Enhance asset effectiveness with throughput increase and recovery improvement
- Footprint optimization
  - Focus on full utilization of one automotive finishing line in China by idling one of two China lines
  - Optimizing specialties portfolio in North America with closure & disposal of two specialty finishing plants (Richmond, Fairmont)

SG&A Initiatives

- Leaner organizational structure with COEs aiming to lower cost and driving process streamlining
- Leveraging technology for higher efficiencies

Summary

- Navigating macro uncertainty by focusing on controllable business initiatives to protect margins
- Strong global demand for aluminum beverage packaging sheet
- Long-term demand drivers remain intact across end markets, largely driven by sustainability & lightweighting needs
- 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

Reconciliation of Adjusted EBITDA to Net Income Attributable to our Common Shareholder

(in $ millions)	Q1	Q2	Q3	Q4	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25
Net income attributable to our common shareholder	**156**	**157**	**121**	**166**	**600**	**151**	**128**	**110**	**294**	**683**
Noncontrolling interests	-	-	-	-	-	(1)	1	-	-	-
Income tax provision	54	51	54	59	218	60	51	39	9	159
Interest, net	70	74	67	64	275	64	67	61	60	252
Depreciation and amortization	131	136	139	148	554	140	141	142	152	575
EBITDA	**411**	**418**	**381**	**437**	**1,647**	**414**	**388**	**352**	**515**	**1,669**
Adjustment to reconcile proportional consolidation	14	11	8	11	44	13	12	9	13	47
Unrealized (gains) losses on change in fair value of derivative instruments, net	(4)	23	(15)	32	36	(7)	(9)	(18)	(23)	(57)
Realized (gains) losses on derivative instruments not included in Adjusted EBITDA	(3)	(1)	-	(2)	(6)	2	3	1	(1)	5
Loss on extinguishment of debt, net	-	5	-	-	5	-	-	-	7	7
Restructuring and impairment expenses, net[(1)]	3	4	26	9	42	19	21	6	7	53
Loss on sale or disposal of assets, net	-	-	4	2	6	1	1	-	2	4
Metal price lag (income) expense	(5)	22	45	8	70	7	(21)	-	(55)	(69)
Sierre flood charges, net of recoveries[(2)]	-	-	-	-	-	40	61	5	(1)	105
Other, net	5	2	5	17	29	11	6	12	9	38
Adjusted EBITDA	**$421**	**$484**	**$454**	**$514**	**$1,873**	**$500**	**$462**	**$367**	**$473**	**$1,802**
Rolled product shipments (kt)	**879**	**933**	**910**	**951**	**3,673**	**951**	**945**	**904**	**957**	**3,757**
Adjusted EBITDA /tonne[(3)] ($/tonne)	**$479**	**$519**	**$499**	**$540**	**$510**	**$525**	**$489**	**$406**	**$494**	**$480**

1. Restructuring and impairment expenses, net for the twelve months ended March 31, 2025 includes $21 million related to the closure of the Buckhannon, West Virginia plant and $17 million related to the write-off of costs previously capitalized
2. Sierre flood losses, net of recoveries relate to non-recurring non-operating charges from exceptional flooding at our Sierre, Switzerland plant caused by unprecedented heavy rainfall, net of the related property insurance recoveries.
3. Adjusted EBITDA per tonne may not recalculate due to rounding.

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Adjusted free cash flow

(in $ m)	Q1	Q2	Q3	Q4	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25
Net cash provided by operating activities (1)	(32)	322	130	895	1,315	74	300	(111)	688	951
Net cash used in investing activities (1)	(317)	(273)	(345)	(453)	(1,388)	(354)	(365)	(459)	(512)	(1,690)
Plus: Cash used in acquisition of business and other investments, net of cash acquired	-	-	-	-	-	-	-	-	2	2
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)**	**$178**	**$(737)**
Capital expenditures	333	285	342	398	1,358	348	369	458	514	1,689
Adjusted free cash flow before capex	**$(16)**	**$334**	**$125**	**$840**	**$1,283**	**$68**	**$304**	**$(112)**	**$692**	**$952**

(1) For the twelve months ended March 31, 2025 and 2024, the Company did not have any cash flows from discontinued operations in operating activities or investing activities.

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Adjusted Net debt and Liquidity

(in $ m)	Q1	Q2	Q3	Q4	FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25
Long-term debt, net of current portion	4,878	4,859	4,883	4,866	4,866	4,859	4,889	4,997	5,773	5,773
Current portion of long-term debt	57	51	31	33	33	33	30	29	32	32
Short-term borrowings	601	692	552	759	759	623	868	1,019	348	348
Unamortized carrying value adjustments (1)	58	53	51	48	48	46	44	40	59	59
Cash and cash equivalents	(1,041)	(1,158)	(787)	(1,309)	(1,309)	(886)	(1,071)	(791)	(1,036)	(1,036)
Adjusted Net debt	**$4,553**	**$4,497**	**$4,730**	**$4,397**	**$4,397**	**$4,675**	**$4,760**	**$5,294**	**$5,176**	**$5,176**

(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	Q4 FY25	FY25
Cash and cash equivalents	1,041	1,158	787	1,309	1,309	886	1,071	791	1,036	1,036
Availability under committed credit facilities	1,403	1,145	1,353	1,008	1,008	1,288	988	790	1,739	1,739
Liquidity	**$2,444**	**$2,303**	**$2,140**	**$2,317**	**$2,317**	**$2,174**	**$2,059**	**$1,581**	**$2,775**	**$2,775**

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	Q4 FY25	FY25
Net income attributable to our common shareholder	$156	$157	$121	$166	$600	$151	$128	$110	$294	$683
Special Items:										
Loss on extinguishment of debt, net	-	5	-	-	5	-	-	-	7	7
Metal price lag loss (gain)	(5)	22	45	8	70	7	(21)	-	(55)	(69)
Restructuring and impairment expenses, net	3	4	26	9	42	19	21	6	7	53
Sierre flooding, net of recoveries (1)	-	-	-	-	-	40	61	5	(1)	105
Tax effect on special items	1	(8)	(18)	(4)	(29)	(13)	(10)	(2)	10	(15)
Net income attributable to our common shareholder, excluding special items	**$155**	**$180**	**$174**	**$179**	**$688**	**$204**	**$179**	**$119**	**$262**	**$764**

1. Sierre flood losses, net of recoveries relate to non-recurring non-operating charges from exceptional flooding at our Sierre, Switzerland plant caused by unprecedented heavy rainfall, net of the related property insurance recoveries.

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