

04th August, 2021

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai: 400 001 Scrip Code: 500440	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra (East) Mumbai – 400 051 Scrip Code: HINDALCO
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Sub: Press release & Earning Presentation of Novelis Inc. (Wholly Owned subsidiary of Hindalco Industries Limited “the Company”) for Q1 Fiscal Year 2022.

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’)

Dear Sir/ Madam,

Enclosed herewith is the Press release & Earning Presentation of Novelis Inc. (wholly owned subsidiary) of the Company for Q1 Fiscal Year 2022.

This is for your information & record.

Thanking you,

Yours faithfully,

HINDALCO INDUSTRIES LIMITED

ANIL MALIK
President & Company Secretary

Encl: as above

Hindalco Industries Limited

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Corporate ID No: L27020MH1958PLC011238

News Release

Novelis Reports First Quarter Fiscal 2022 Results

Diverse product portfolio and global footprint deliver record Adjusted EBITDA

Q1 Fiscal Year 2022 Highlights

- Net income from continuing operations of \$303 million, up 597% YoY; net income from continuing operations excluding special items of \$260 million versus \$22 million in the prior year
- Shipments of 973 kilotonnes, up 26% YoY
- Adjusted EBITDA of \$555 million, up 119% YoY; Adjusted EBITDA per ton shipped reached \$570 (\$522 excluding non-recurring tax litigation benefit), up 75% YoY and up 11% sequentially from Q4FY21
- Reached targeted net leverage ratio of 2.5x, compared to 3.8x in Q1FY21 and 2.9x at fiscal 2021 year end

ATLANTA, August 4, 2021 – Novelis Inc., the world leader in aluminum rolling and recycling, today reported net income attributable to its common shareholder of \$240 million in the first quarter of fiscal year 2022 compared to a net loss of \$79 million in the prior year period. Net income from continuing operations increased to \$303 million compared to a net loss of \$61 million in the prior year, which had been negatively impacted by the COVID-19 pandemic and acquisition-related special items. Excluding special items in both years, first quarter fiscal year 2022 net income from continuing operations of \$260 million is up significantly compared to \$22 million in the prior year, driven mainly by higher after-tax Adjusted EBITDA.

Net sales increased 59 percent to \$3.9 billion for the first quarter of fiscal year 2022 compared to \$2.4 billion in the prior year period, primarily driven by a 26 percent increase in shipments, favorable product mix and higher average aluminum prices. Total flat rolled product shipments increased to 973 kilotonnes in the first quarter of fiscal year 2022 compared to 774 kilotonnes in the prior year period, mainly a result of strong demand across end markets in the current year, compared to a soft prior year shipment quarter impacted by temporary customer shutdowns due to the COVID-19 pandemic. Current year beverage packaging and specialty product shipments benefited from strong market demand, while automotive shipments are more than double the prior year despite some headwinds from the current semiconductor chip shortage impacting the automotive industry.

Adjusted EBITDA increased 119 percent to \$555 million in the first quarter of fiscal year 2022 compared to \$253 million in the prior year period. The increase in Adjusted EBITDA is primarily due to higher volume and favorable product mix, as well as metal benefits and a \$47 million gain related to a favorable decision in a Brazilian tax litigation, partially offset by higher costs resulting from higher production volume and inflationary cost pressures. Novelis achieved an Adjusted EBITDA per ton shipped of \$570 in the first quarter of fiscal year 2022, compared to \$327 in the prior year and \$514 in the fourth quarter of fiscal 2021. Excluding the non-recurring tax litigation benefit, Adjusted EBITDA per ton equates to \$522 in the first quarter of fiscal year 2022.

"Our strategy to grow a diverse portfolio of sustainable aluminum products utilizing our leading geographic footprint to meet strong demand has again delivered outstanding results in the quarter," said Steve Fisher, President and CEO, Novelis Inc. "With new automotive capacity in the US and China now ramping up and the financial fortitude to continue to invest in growth opportunities aligned with our long-term carbon neutrality goals, we will further expand our leading position in delivering low-carbon, sustainable aluminum solutions across premium end markets worldwide."

Free cash flow from continuing operations was an outflow of \$30 million in the first quarter of fiscal year 2022, compared to the prior year period outflow of \$146 million. This improvement versus the prior year is driven primarily by higher Adjusted EBITDA and favorable metal price lag, largely offset by higher working capital requirements including rising aluminum prices. The company reached its targeted net leverage ratio (net debt / TTM Adjusted EBITDA) of 2.5x at the end of the first quarter of fiscal year 2022, compared to 3.8x in the prior year period after the close of the Aleris acquisition and 2.9x in the fourth quarter of fiscal year 2021.

(in \$ millions, non-GAAP measures)	Three Months Ended June 30,	
	2021	2020
Free cash flow from continuing operations	(30)	(146)
Capital expenditures	(101)	(112)
Free cash flow from continuing operations before capital expenditures	\$ 71	\$ (34)

"Novelis has achieved a milestone \$2 billion of Adjusted EBITDA on a trailing 12-month basis, driving rapid improvement in our net leverage ratio and providing significant financial flexibility to grow the business within our capital allocation framework," said Devinder Ahuja, Senior Vice President and Chief Financial Officer, Novelis Inc.

The company continues to maintain a strong total liquidity position of \$2.3 billion as of June 30, 2021.

Recognizing the continued steady improvement in Novelis' business and end markets, on July 22, 2021, S&P Global Ratings raised its issuer credit rating on Novelis to 'BB' from 'BB-'. The following week, Novelis launched an offering of \$750 million 3.25% Senior Notes due 2026 and \$750 million 3.875% Senior Notes due 2031. Proceeds of the offering will be used toward the redemption of all its outstanding 5.875% Senior Notes due 2026. Novelis expects to close the offering of the Notes on August 11, 2021, subject to the satisfaction of customary closing conditions.

First Quarter Fiscal Year 2022 Earnings Conference Call

Novelis will discuss its first quarter fiscal year 2022 results via a live webcast and conference call for investors at 7:00 a.m. ET on Wednesday, August 4, 2021. To view slides and listen only, visit <https://cc.callinfo.com/r/1vq34fimz85b5&eom>. To join by telephone, dial toll-free in North America at 800-908-8951, India toll-free at 18002662122 or the international toll line at +1-212-271-4651. Presentation materials and access information can also be found at novelis.com/investors.

About Novelis

Novelis Inc. is driven by its purpose to shape a sustainable world together. As a global leader in innovative products and services and the world's largest recycler of aluminum, we partner with customers in the aerospace, automotive, beverage can and specialties industries to deliver solutions that maximize the benefits of lightweight aluminum throughout North America, Europe, Asia and South America. Novelis is a subsidiary of Hindalco Industries Limited, an industry leader in aluminum and copper, and the metals flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai. For more information, visit novelis.com.

Non-GAAP Financial Measures

This news release and the presentation slides for the earnings call contain non-GAAP financial measures as defined by SEC rules. We believe these measures are helpful to investors in measuring our financial performance and liquidity and comparing our performance to our peers. However, our non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures used by other companies. These non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation or as a substitute for GAAP financial measures. To the extent we discuss any non-GAAP financial measures on the earnings call, a reconciliation of each measure to the most directly comparable GAAP measure will be available in the presentation slides filed as Exhibit 99.2 to our Current Report on Form 8-K furnished to the SEC concurrently with the issuance of this news release. In addition, the Form 8-K includes a more detailed description of each of these non-GAAP financial measures, together with a discussion of the usefulness and purpose of such measures.

Attached to this news release are tables showing the Condensed Consolidated Statements of Operations, Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Cash Flows, Reconciliation of Adjusted EBITDA, Free Cash Flow, Liquidity, Net Income from continuing operations excluding Special Items, and Segment Information.

Forward-Looking Statements

Statements made in this news release which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements 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 ability to reach our long-term carbon neutrality goals and expand 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: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our hedging activities; 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; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, breakdown of equipment and other events; 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 ongoing COVID-19 outbreak; changes in government regulations, particularly those affecting taxes, 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, 2021.

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Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

(in millions)	Three Months Ended June 30,	
	2021	2020
Net sales	\$ 3,855	\$ 2,426
Cost of goods sold (exclusive of depreciation and amortization)	3,137	2,101
Selling, general and administrative expenses	159	122
Depreciation and amortization	134	118
Interest expense and amortization of debt issuance costs	59	70
Research and development expenses	24	19
Loss on extinguishment of debt	(2)	—
Restructuring and impairment, net	(2)	1
Equity in net (income) loss of non-consolidated affiliates	(1)	(1)
Business acquisition and other integration related costs	—	11
Other expenses, net	(64)	75
	<u>\$ 3,444</u>	<u>\$ 2,516</u>
Income from continuing operations before income tax provision	411	(90)
Income tax provision	108	(29)
Net income from continuing operations	<u>\$ 303</u>	<u>\$ (61)</u>
Loss from discontinued operations, net of tax	(63)	(18)
Net income	<u>\$ 240</u>	<u>\$ (79)</u>
Net income attributable to noncontrolling interest	—	—
Net income attributable to our common shareholder	<u>\$ 240</u>	<u>\$ (79)</u>

Novelis Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(in millions, except number of shares)	June 30, 2021	March 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 872	\$ 998
Accounts receivable, net		
— third parties (net of allowance for uncollectible accounts of \$6 and \$5 as of June 30, 2021 and March 31, 2021, respectively)	1,990	1,687
— related parties	210	166
Inventories	2,380	1,928
Prepaid expenses and other current assets	201	198
Fair value of derivative instruments	174	137
Assets held for sale	5	5
Current assets of discontinued operations	14	15
Total current assets	\$ 5,846	\$ 5,134
Property, plant and equipment, net	4,677	4,687
Goodwill	1,084	1,083
Intangible assets, net	677	696
Investment in and advances to non-consolidated affiliates	850	838
Deferred income tax assets	142	130
Other long-term assets		
— third parties	310	316
— related parties	1	1
Total assets	\$ 13,587	\$ 12,885
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 541	\$ 71
Short-term borrowings	359	236
Accounts payable		
— third parties	2,916	2,498
— related parties	295	230
Fair value of derivative instruments	346	280
Accrued expenses and other current liabilities	610	670
Current liabilities of discontinued operations	14	16
Total current liabilities	\$ 5,081	\$ 4,001
Long-term debt, net of current portion	4,960	5,653
Deferred income tax liabilities	230	162
Accrued postretirement benefits	871	878
Other long-term liabilities	301	305
Total liabilities	\$ 11,443	\$ 10,999
Commitments and contingencies		
Shareholder's equity		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of June 30, 2021 and March 31, 2021	—	—
Additional paid-in capital	1,404	1,404
Retained earnings	1,104	864
Accumulated other comprehensive loss	(348)	(366)
Total equity of our common shareholder	\$ 2,160	\$ 1,902
Noncontrolling interest	(16)	(16)
Total equity	\$ 2,144	\$ 1,886
Total liabilities and equity	\$ 13,587	\$ 12,885

Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(in millions)	Three Months Ended June 30,	
	2021	2020
OPERATING ACTIVITIES		
Net income (loss)	\$ 240	\$ (79)
Net loss from discontinued operations	(63)	(18)
Net income from continuing operations	\$ 303	\$ (61)
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	134	118
Loss on unrealized derivatives and other realized derivatives in investing activities, net	13	15
Gain on sale of assets	—	(2)
Impairment charges	—	1
(Gain) loss on extinguishment of debt	(2)	—
Deferred income taxes, net	56	(62)
Equity in net income of non-consolidated affiliates	(1)	(1)
Gain on foreign exchange remeasurement of debt	1	—
Amortization of debt issuance costs and carrying value adjustments	5	6
Other, net	1	3
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):		
Accounts receivable	(357)	130
Inventories	(451)	192
Accounts payable	498	(312)
Other assets	(55)	44
Other liabilities	(80)	(194)
Net cash provided by (used in) operating activities - continuing operations	65	(123)
Net cash used in operating activities - discontinued operations	(3)	(15)
Net cash provided by (used in) operating activities	\$ 62	\$ (138)
INVESTING ACTIVITIES		
Capital expenditures	(101)	(112)
Acquisition of business, net of cash acquired	—	(2,550)
Proceeds from sales of assets, third party, net of transaction fees and hedging	1	—
Proceeds from investment in and advances to non-consolidated affiliates, net	7	7
(Outflows) proceeds from the settlement of derivative instruments, net	(4)	9
Other	3	3
Net cash used in investing activities - continuing operations	(94)	(2,643)
Net cash provided by investing activities - discontinued operations	—	10
Net cash used in investing activities	\$ (94)	\$ (2,633)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	20	1,899
Principal payments of long-term and short-term borrowings	(262)	(7)
Revolving credit facilities and other, net	125	327
Debt issuance costs	(2)	(18)
Net cash (used in) provided by financing activities - continuing operations	(119)	2,201
Net cash used in financing activities - discontinued operations	—	(1)
Net cash (used in) provided by financing activities	\$ (119)	\$ 2,200
Net decrease in cash, cash equivalents and restricted cash	(151)	(571)
Effect of exchange rate changes on cash	11	7
Cash, cash equivalents and restricted cash — beginning of period	1,027	2,402
Cash, cash equivalents and restricted cash — end of period	\$ 887	\$ 1,838
Cash and cash equivalents	\$ 872	\$ 1,729
Restricted cash (Included in "Other long-term assets")	15	12
Restricted cash (Included in "Prepaid expenses and other current assets")	—	8
Cash and cash equivalents of discontinued operations	—	89
Cash, cash equivalents and restricted cash — end of period	\$ 887	\$ 1,838

Reconciliation of Adjusted EBITDA (unaudited) to Net income attributable to our common shareholder

The following table reconciles Adjusted EBITDA, a non-GAAP financial measure, to Net income attributable to our common shareholder.

(in millions)	Three Months Ended June 30,	
	2021	2020
Net income attributable to our common shareholder	240	(79)
Net income attributable to noncontrolling interests	—	—
Income tax provision	108	(29)
Interest, net	56	67
Depreciation and amortization	134	118
EBITDA	\$ 538	\$ 77
Adjustment to reconcile proportional consolidation	14	14
Unrealized (gains) losses on change in fair value of derivative instruments, net	4	33
Realized (gains) losses on derivative instruments not included in segment income	(1)	3
Loss on extinguishment of debt	(2)	—
Restructuring and impairment, net	(2)	1
Loss on sale of fixed assets	—	(2)
Purchase price accounting adjustments	—	28
Loss from discontinued operations, net of tax	63	18
Metal price lag	(54)	20
Business acquisition and other integration related costs	—	11
Other, net	(5)	50
Adjusted EBITDA	\$ 555	\$ 253

Free Cash Flow (unaudited)

The following table reconciles Free cash flow and Free cash flow from continuing operations, non-GAAP financial measures, to Net cash provided by operating activities - continuing operations.

(in millions)	Three Months Ended June 30,	
	2021	2020
Net cash provided by (used in) operating activities - continuing operations	\$ 65	\$ (123)
Net cash used in investing activities - continuing operations	(94)	(2,643)
Plus: Cash used in the acquisition of business, net of cash and restricted cash acquired	—	2,550
Plus: Accrued merger consideration	—	70
Less: Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging	(1)	—
Free cash flow from continuing operations	(30)	(146)
Net cash used in operating activities - discontinued operations	(3)	(15)
Net cash provided by investing activities - discontinued operations	—	10
Less: Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging - discontinued operations	—	—
Free cash flow	<u>\$ (33)</u>	<u>\$ (151)</u>

Cash and Cash Equivalents and Total Liquidity (unaudited)

The following table reconciles Total liquidity to the ending balances of cash and cash equivalents.

(in millions)	June 30, 2021	March 31, 2021
Cash and cash equivalents	872	998
Availability under committed credit facilities	1,380	1,223
Total liquidity	<u>\$ 2,252</u>	<u>\$ 2,221</u>

Reconciliation of Net income from continuing operations, excluding special items (unaudited) to Net income from continuing operations

The following table presents Net income from continuing operations excluding special items. We adjust for items which may recur in varying magnitude which affect the comparability of the operational results of our underlying business.

(in millions)	Three Months Ended June 30,	
	2021	2020
Net income from continuing operations	303	(61)
Special Items:		
Business acquisition and other integration related costs	—	11
Gain on extinguishment of debt	(2)	—
Metal price lag	(54)	20
Restructuring and impairment, net	(2)	1
Charitable donation	—	50
Purchase price accounting adjustment	—	28
Tax effect on special items	15	(27)
Net income from continuing operations, excluding special items	<u>\$ 260</u>	<u>\$ 22</u>

Segment Information (unaudited)

The following table presents selected segment financial information (in millions, except shipments which are in kilotonnes).

Selected Operating Results Three Months Ended June 30, 2021	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 172	\$ 102	\$ 88	\$ 193	\$ —	\$ 555
Shipments (in kt)						
Rolled products - third party	358	268	190	157	—	973
Rolled products - intersegment	—	11	2	—	(13)	—
Total rolled products	358	279	192	157	(13)	973
Selected Operating Results Three Months Ended June 30, 2020						
	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 78	\$ 20	\$ 75	\$ 76	\$ 4	\$ 253
Shipments (in kt)						
Rolled products - third party	272	208	182	112	—	774
Rolled products - intersegment	—	4	2	1	(7)	—
Total rolled products	272	212	184	113	(7)	774

NOVELIS Q1 FISCAL YEAR 2022 EARNINGS CONFERENCE CALL

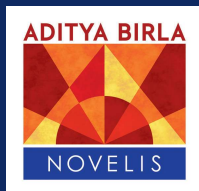
August 4, 2021

Steve Fisher

President and Chief Executive Officer

Dev Ahuja

Senior Vice President and Chief Financial Officer



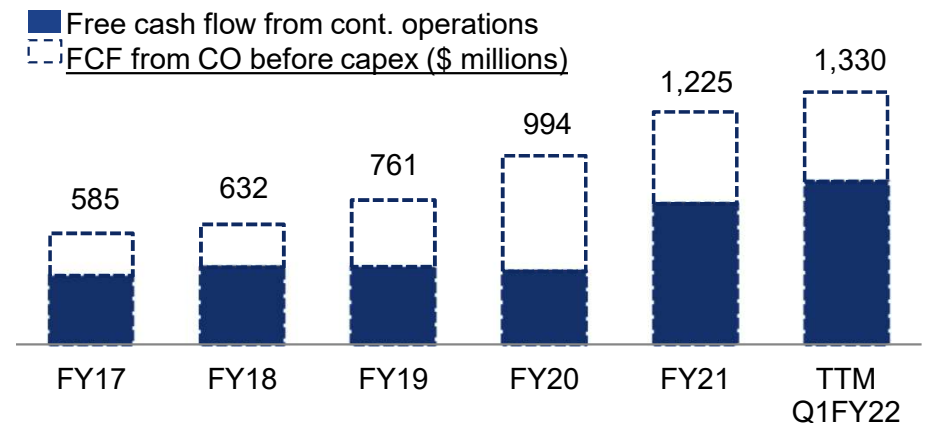
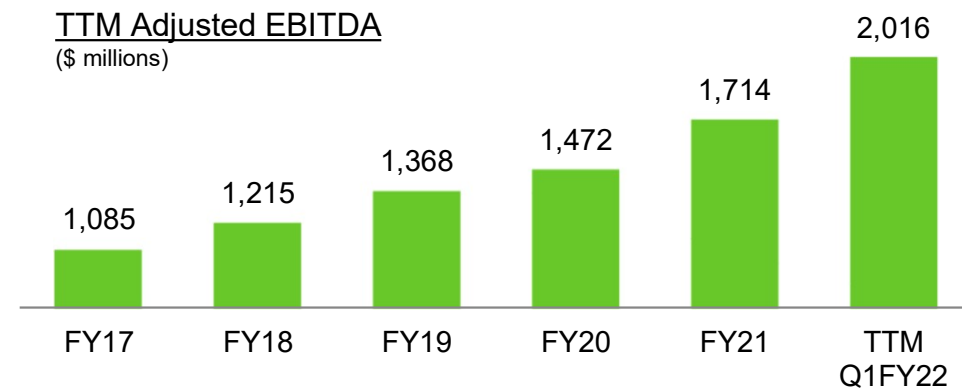
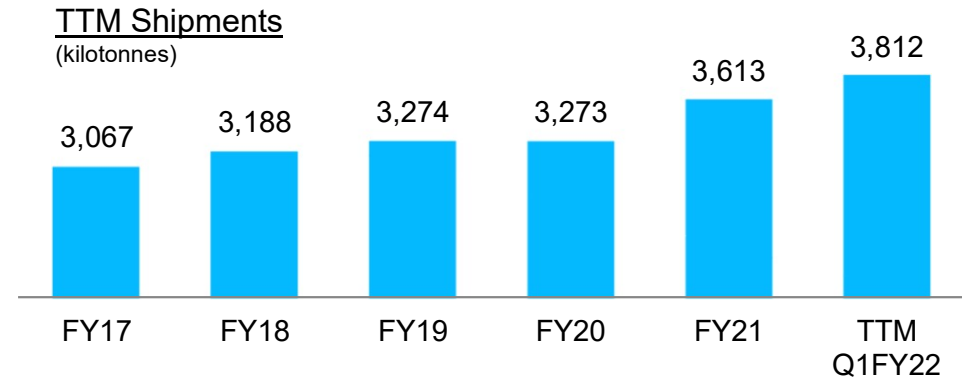
Novelis

Forward-looking statements

Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements 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 that impacts of the semi-conductor shortage on OEM production will be short, and our ability to reach our long-term carbon neutrality goals and expand 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: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our hedging activities; 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; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, breakdown of equipment and other events; 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 ongoing COVID-19 outbreak; changes in government regulations, particularly those affecting taxes, 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, 2021.

HIGHLIGHTS

- Top priority remains the safety, health and well-being of our employees, facilities and communities
- Diversified portfolio enabling strong shipment performance
- On a trailing twelve-month basis, Novelis has exceeded \$2.0 billion of Adjusted EBITDA
- Rapid reduction in net leverage to 2.5x
- Achieved \$100 million in run-rate synergies since acquisition
- Continued focus on strategic organic capital expansion projects to capture market growth

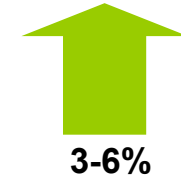


END MARKET OUTLOOK

Beverage Can

- Customers continue to request increased volumes in all regions
- Demand driven by ongoing high off-premise consumption and package mix shift driven by preference for sustainable beverage packaging options
- Significant canmaker capacity expansions announced next 2-3 years across all regions

2021 market demand*



% of Q1 Shipments

58%

Automotive

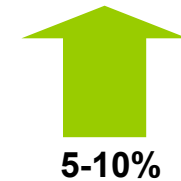
- Semi-conductor shortage to have limited short-term impact on OEM production and sheet demand
- Strong demand driven by new program adoption and increased consumer preference for SUVs, pick-up trucks, electric vehicles and premium vehicles



17%

Specialty

- Favorable housing fundamentals in the US and Europe driving strong B&C demand
- Strong demand across markets, including electronics, heat exchangers, container and transportation products



23%

Aerospace

- Vaccine rollout a positive, but do not expect significant improvement in CY21 as consumer air travel remains restricted
- Heavily overstocked Aerospace supply chain; bookings improving but recovery could be prolonged and uneven



2%

*CY 2021 vs 2020 estimated end market growth, Novelis internal estimates

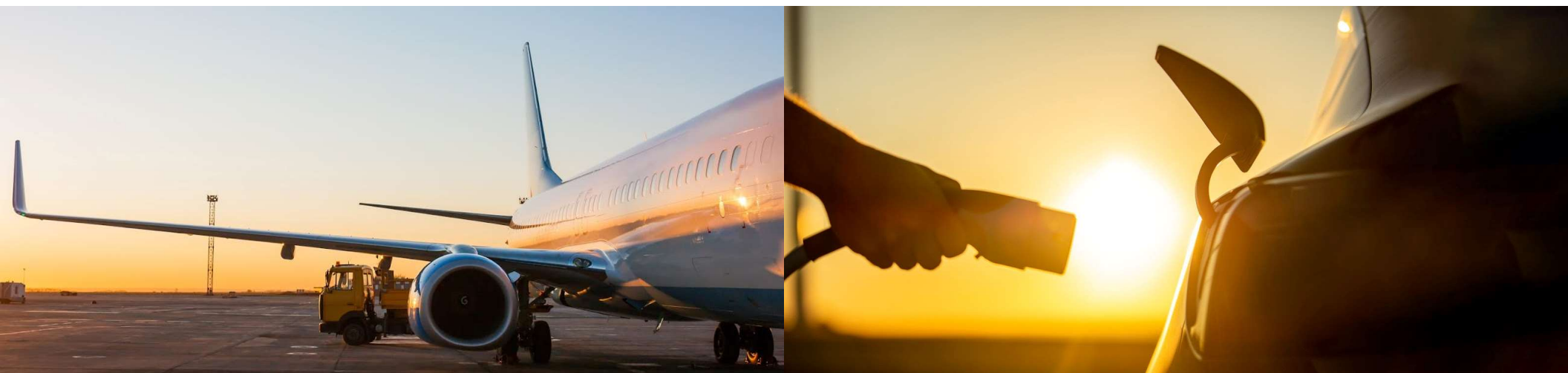
- Increasing global automotive capacity to ~1 million tonnes
 - 300kt new finishing capacity commissioning in US & China
 - Customer qualification and ramp-up in line with expectations
- Brazil recycling & rolling expansion on track
 - 100kt recycling and rolling expansion begin to commission in Q2FY22
 - Cast first ingot in new Brazil remelt area in July, 2021



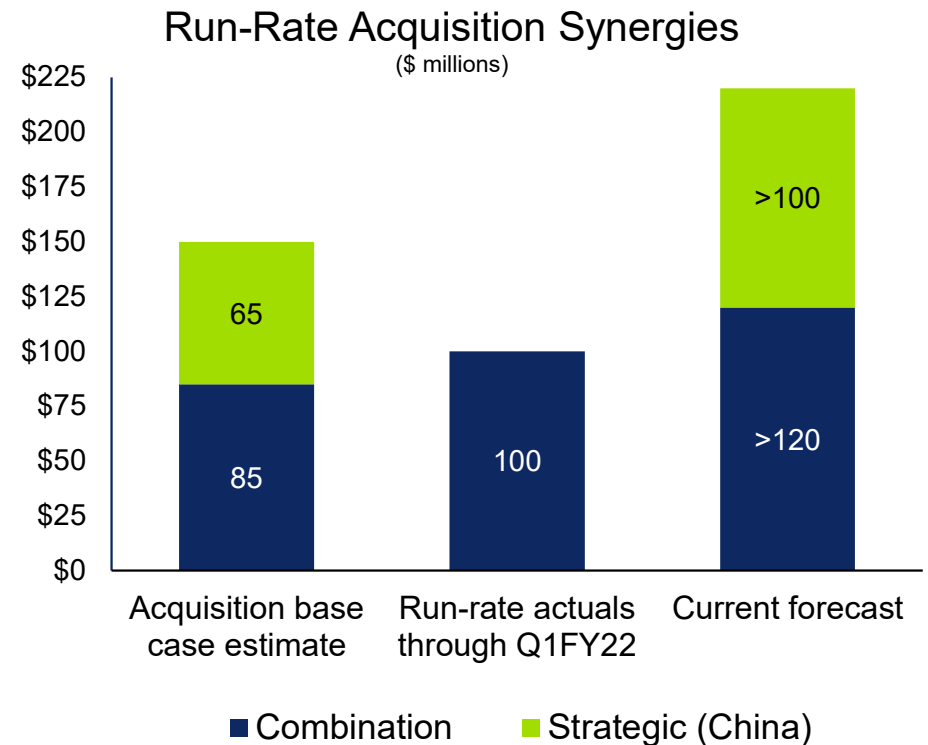
First ingot cast at new remelt line in Pinda, Brazil

FINALIZING CHINA EXPANSION PLANS

- Maintain current aerospace & commercial plate production capacity
- ~\$375 million, 3-year capital investment
 - Expand Zhenjiang to produce automotive cold coils to feed Changzhou CASH lines
 - Automotive casting house
 - Recycling capability
 - Hot mill upgrade
 - New cold mill
 - Other required buildings, facilities, etc
- Fully integrate automotive business in Asia
 - Access to local sourcing and structural cost advantage
 - Maintain first mover advantage & leading market position in China
 - Develop closed loop recycling in China to support our sustainability strategy
 - Unlocks capacity at UAL to serve growing Specialty and Can markets
 - At least \$100 million in synergies



- Achieved \$100 million in run-rate combination cost synergies through Q1FY22
- Increase total synergies forecast above \$220 million
 - Strategic synergies will exceed \$100 million
 - Combination cost synergies will exceed \$120 million



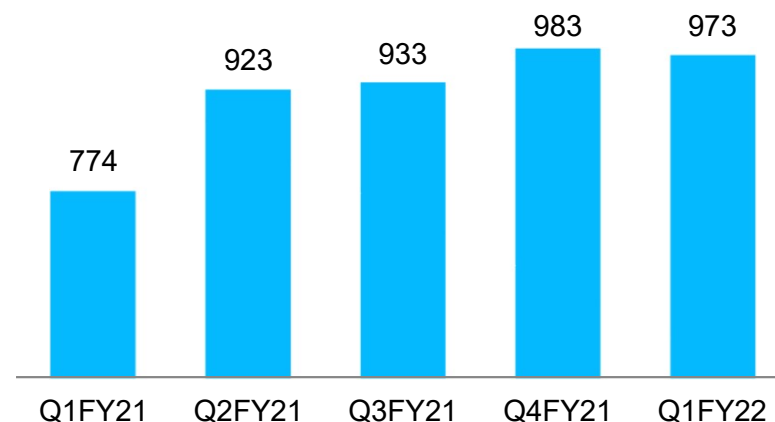
FINANCIAL HIGHLIGHTS

Q1 FISCAL 2022 FINANCIAL HIGHLIGHTS

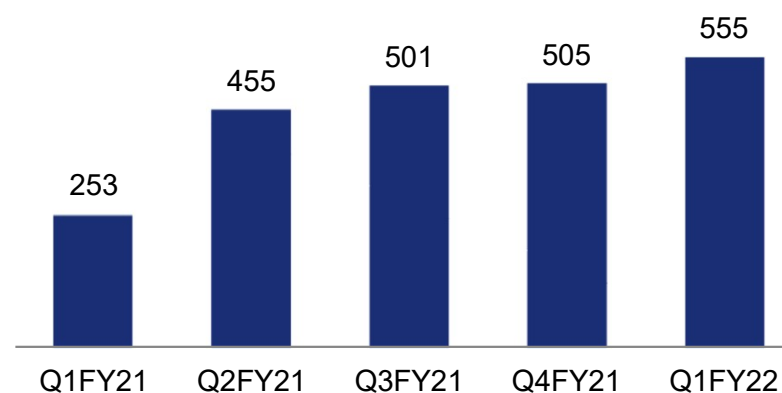
Q1FY22 vs Q1FY21

- Net income from continuing operations \$303 million, compared to net loss \$61 million
 - Excluding tax-effected special items*, net income of \$260 million compared to \$22 million
 - \$63 million loss on discontinued operations reflects fair value write-down of Duffel
- Sales up 59% to record \$3.9 billion
- Total FRP Shipments up 26% to 973kt
 - Strong market demand for beverage packaging, specialty and B&C
 - Automotive shipments more than double
- Adjusted EBITDA up 119% to \$555 million
 - Record EBITDA even after excluding \$47 million favorable decision in Brazil tax litigation
- Adjusted EBITDA per ton \$570
 - \$522 per ton, excluding non-recurring tax litigation benefit

Quarterly Shipments trend
(kilotonnes)

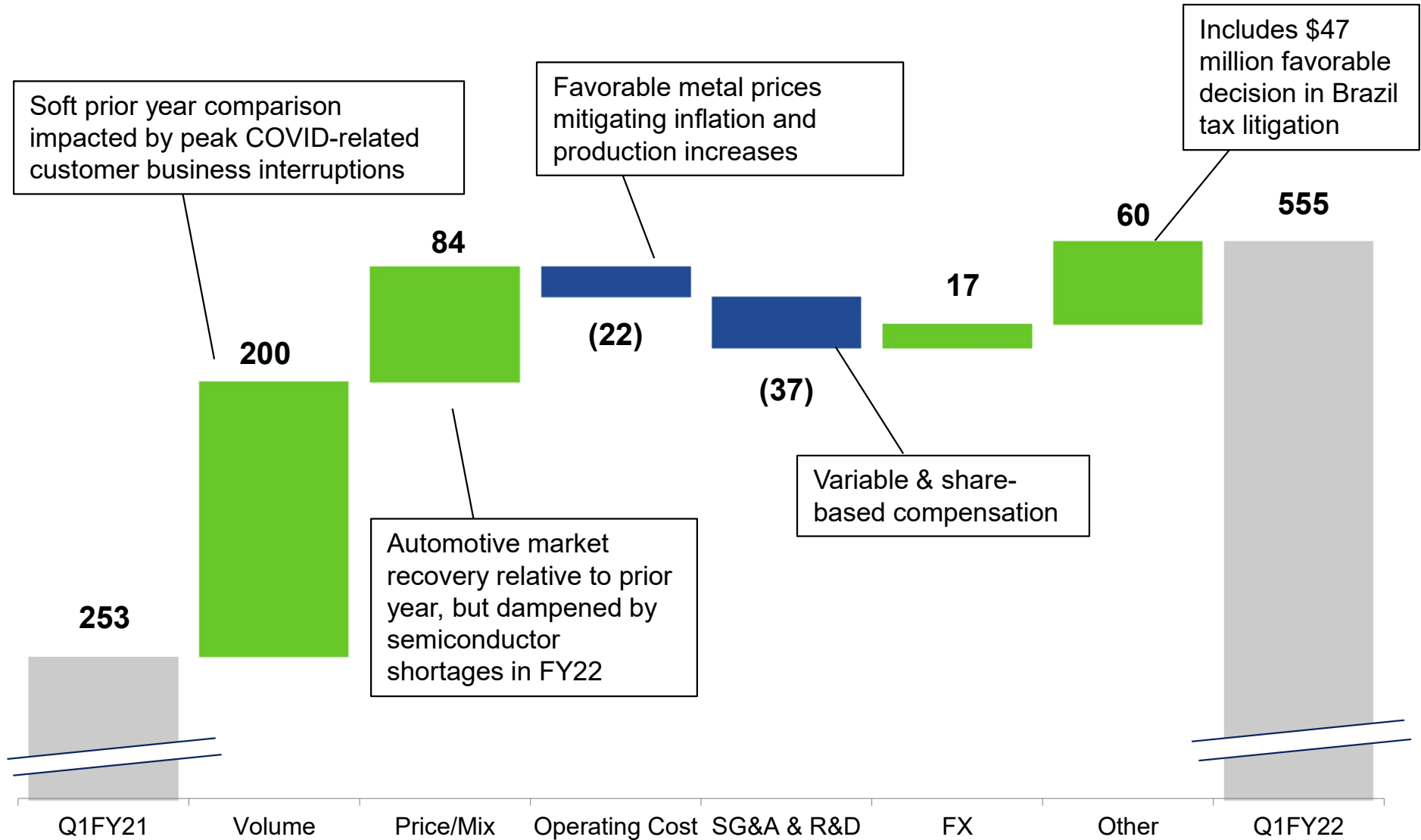


Quarterly Adjusted EBITDA trend
(\$ millions)



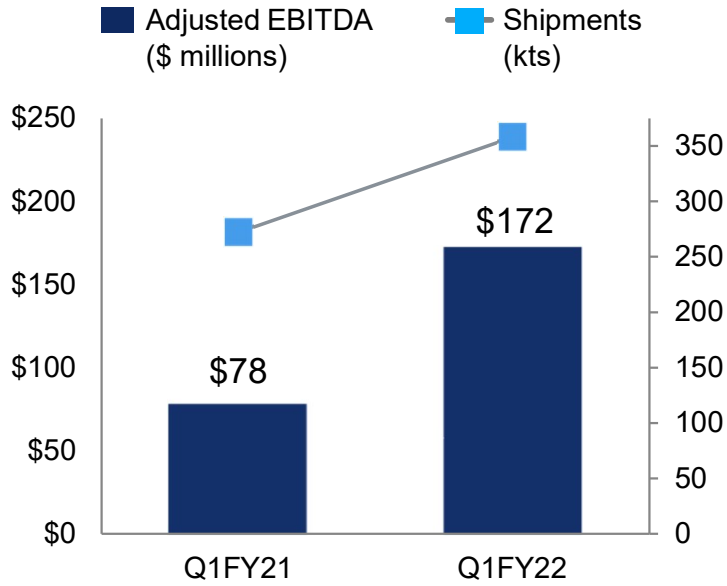
Q1 ADJUSTED EBITDA BRIDGE

\$ Millions



Q1 SEGMENT RESULTS

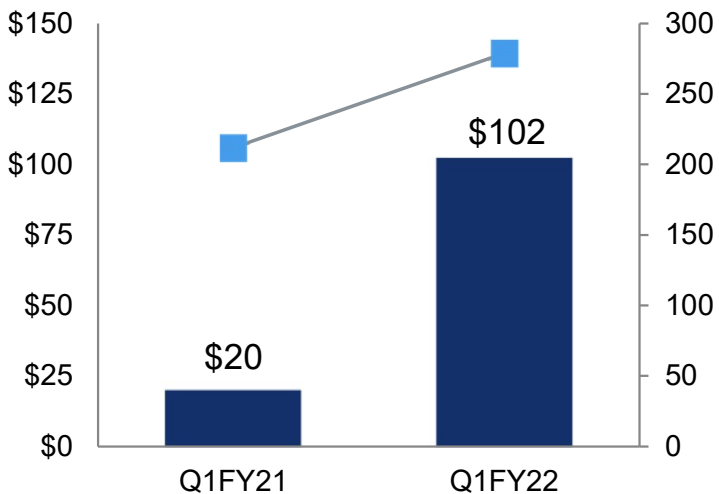
North America



Q1 Shipments +32% EBITDA +121%

- Continued strong beverage packaging demand
- Higher automotive, specialty and B&C shipments compared to PY customer shutdowns
- Increased production and inflation cost mostly offset by favorable metal

Europe

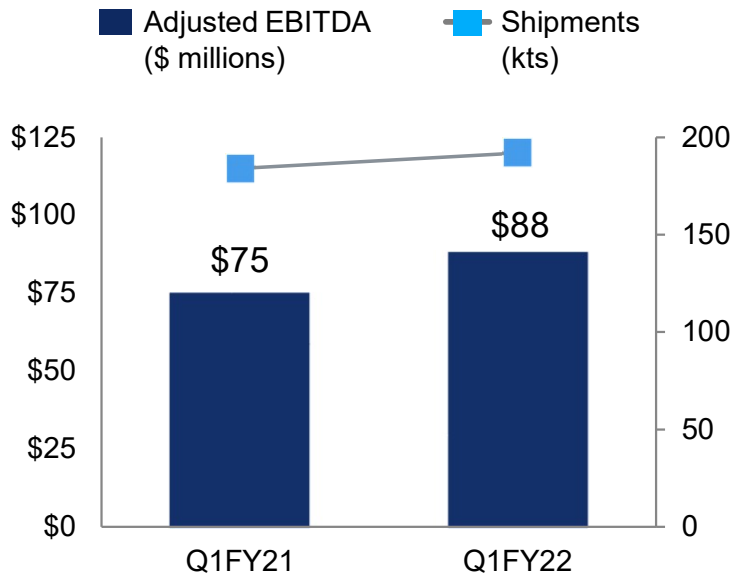


Q1 Shipments +32% EBITDA +410%

- Higher automotive and specialty shipments compared to PY customer shutdowns
- Increased production and inflation costs partially offset by favorable metal
- Favorable FX translation

Q1 SEGMENT RESULTS

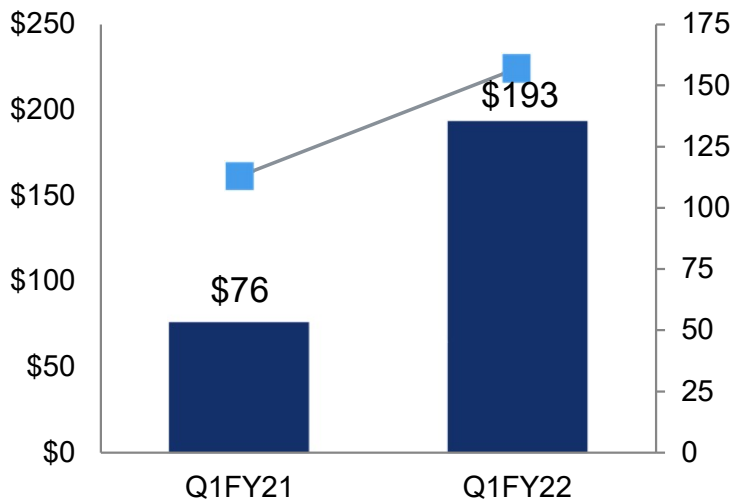
Asia



Q1 Shipments +4% EBITDA +17%

- Record quarterly EBITDA
- Continued strong demand across end markets
- Recycling benefit from higher aluminum prices
- Increased production, inflation and freight costs

South America



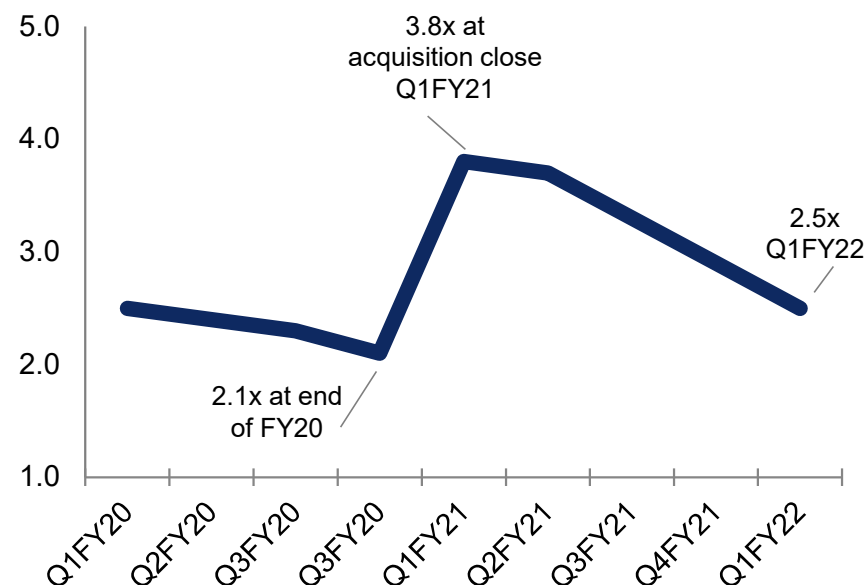
Q1 Shipments +39% EBITDA +154%

- Record quarterly EBITDA, even after excluding \$47 million favorable decision in tax litigation
- Higher beverage packaging shipments compared to PY customer shutdowns
- Favorable metal spreads and mix
- Favorable FX

FREE CASH FLOW AND NET LEVERAGE

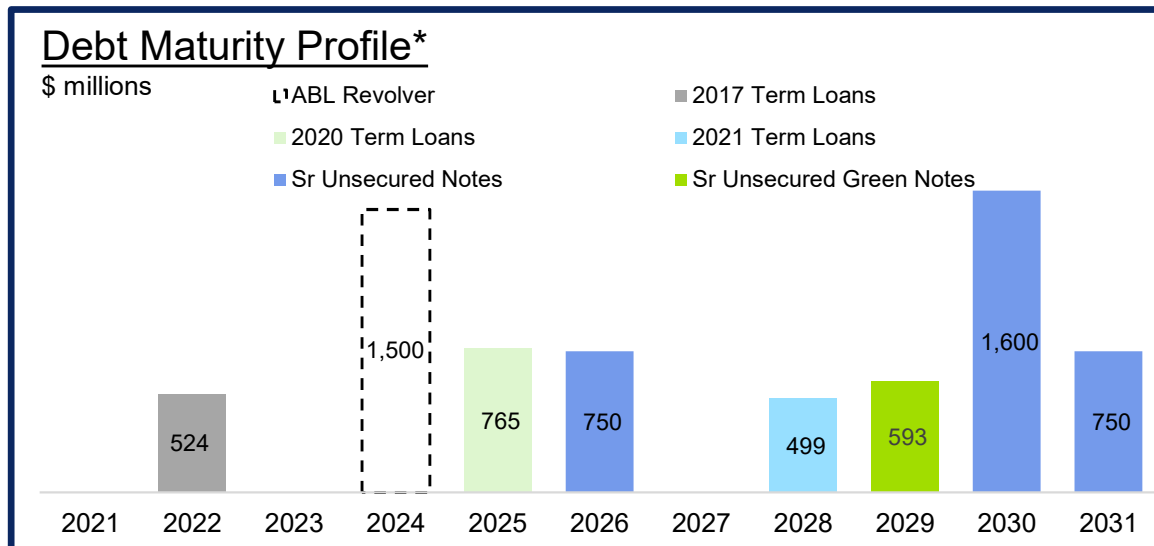
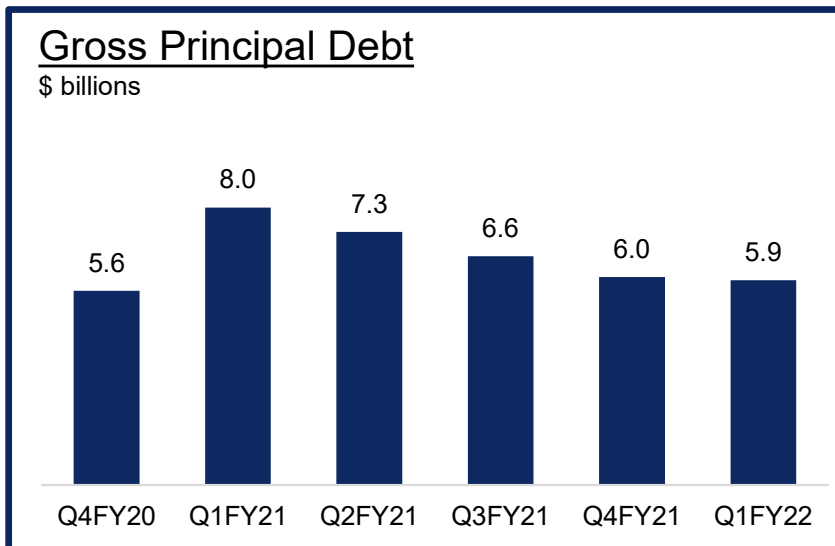
\$ Millions	Q1 FY22	Q1 FY21
Adjusted EBITDA	555	253
Interest paid	(52)	(65)
Taxes paid	(61)	(61)
Capital expenditures	(101)	(112)
Metal price lag	54	(23)
Working capital & other	(425)	(138)
Free cash flow from continuing operations	(30)	(146)
Free cash flow from discontinued operations	(3)	(5)
Free cash flow	(33)	(151)
Free cash flow from continuing operations before capex	73	(34)

Net Leverage ratio
Net debt/TTM Adjusted EBITDA



- Higher Adjusted EBITDA and favorable metal price lag largely offset by significant working capital pressure from aluminum price increase
- Rapid reduction in net leverage to 2.5x, down from 3.8x at acquisition close in Q1FY21
- Maintain very strong liquidity of \$2.3 billion at June 30, 2021

DEBT REDUCTION & REFINANCING



- On track to meet \$2.6 billion gross debt reduction plan between Q1FY21 and end of FY22
 - ~\$2 billion repaid in FY21
 - \$124 million Aleris Zhenjiang term loans repaid in Q1FY22
 - Remaining \$524 million of 2017 term loan balance to be repaid prior to maturity in 2022
- In July 2021, refinanced \$1.5 billion 5.875% Sr Unsecured Notes due 2026
 - New 5-year \$750 million 3.25% Sr Unsecured notes due 2026
 - New 10-year \$750 million 3.875% Sr Unsecured notes due 2031
 - Reduces interest by \$35 million annually and provides balance sheet flexibility
- S&P Global Ratings raised its credit rating on Novelis to 'BB' from 'BB-' on July 22, 2021

OUTLOOK & SUMMARY

- Exceptional performance driven by diversified product portfolio, operational excellence, and global presence
- Favorable demand trends for aluminum FRP across most end markets continue
- Integration of Aleris driving synergies and value capture
- Significant opportunities to continue to invest and grow with our customers
- Working across the value chain to enhance the sustainability of our products



THANK YOU
QUESTIONS?

APPENDIX

NET INCOME RECONCILIATION TO ADJUSTED EBITDA

(in \$ m)	Q1	Q2	Q3	Q4	FY21	Q1 FY22
Net income (loss) attributable to our common shareholder	(79)	(37)	176	176	236	240
- Noncontrolling interests	-	-	1	-	1	-
- Income tax provision	(29)	68	80	119	238	108
- Interest, net	67	69	63	59	258	56
- Depreciation and amortization	118	141	137	147	543	134
EBITDA	77	241	457	501	1,276	538
- Unrealized (gain) loss on derivatives	33	(6)	(13)	(3)	11	4
- Realized loss (gain) on derivative instruments not included in segment income	3	1	(2)	(1)	1	(1)
- Adjustment to reconcile proportional consolidation	14	15	13	14	56	14
- (Gain) loss on sale of fixed assets	(2)	-	2	1	1	-
- Loss (gain) on extinguishment of debt	-	-	-	14	14	(2)
- Purchase price accounting adjustments	28	1	-	-	29	-
- Loss from discontinued operations, net of tax	18	11	18	4	51	63
- Loss on sale of discontinued operations, net of tax	-	170	-	-	170	-
- Restructuring and impairment, net	1	7	20	1	29	(2)
- Metal price lag (income) expense	20	12	-	(26)	6	(54)
- Business acquisition and other integration costs	11	-	-	-	11	-
- Other, net	50	3	6	-	59	(6)
Adjusted EBITDA	\$253	\$455	\$501	\$505	\$1,714	\$555

FREE CASH FLOW AND LIQUIDITY

	(in \$ m)	Q1	Q2	Q3	Q4	FY21	Q1 FY22
Cash provided by (used in) operating activities – continuing operations	(123)	496	275	561	1,209	65	
Cash provided by (used in) investing activities – continuing operations	(2,643)	(183)	(101)	(152)	(3,079)	(94)	
Plus: Cash used in Acquisition of a business, net of cash acquired	2,550	64	-	-	2,614	-	
Plus: Accrued merger consideration	70	(60)	(10)	-	-	-	
Less: Proceeds from sale of assets and business, net of transaction fees, cash income taxes and hedging	-	(2)	(2)	-	(4)	(1)	
Free cash flow from continuing operations	\$(146)	\$315	\$162	\$409	\$740	\$(30)	
Net cash used in operating activities – discontinued operations	(15)	(16)	(47)	(4)	(82)	(3)	
Net cash provided by investing activities – discontinued operations	10	207	140	-	357	-	
Less: Proceeds from sale of assets and businesses, net of transaction fees, cash income taxes and hedges - discontinued operations	-	(223)	(180)	-	(403)	-	
Free cash flow	\$(151)	\$283	\$75	\$405	\$612	\$(33)	
Capital expenditures	112	114	107	152	485	101	

	(in \$ m)	Q1	Q2	Q3	Q4	FY21	Q1 FY22
Cash and cash equivalents	1,729	1,627	1,164	998	998	872	
Cash and cash equivalents of discontinued operations	89	-	-	-	-	-	
Availability under committed credit facilities	308	1,005	1,226	1,223	1,223	1,380	
Liquidity	\$2,126	\$2,632	\$2,390	\$2,221	\$2,221	\$2,252	

NET DEBT

	(in \$ m)	Q1	Q2	Q3	Q4	FY21	Q1 FY22
Long-term debt, net of current portion		5,671	6,767	6,295	5,653	5,653	4,960
Current portion of long-term debt		50	55	59	71	71	541
Short-term borrowings		2,176	393	151	236	236	359
Cash and cash equivalents		(1,729)	(1,627)	(1,164)	(998)	(998)	(872)
Net debt		\$6,168	\$5,588	\$5,341	\$4,962	\$4,962	\$4,988