UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 26, 2021

NOVELIS INC.
(Exact name of Registrant as specified in its charter)

Canada	001-32312	98-0442987
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

3560 Lenox Road, Suite 2000, Atlanta, GA	**30326**
(Address of principal executive offices)	(Zip Code)

(404) 760-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On July 26, 2021, Novelis Inc. (the "Company") announced the launch of a proposed offering (the "Proposed Offering") by its wholly-owned subsidiary, Novelis Corporation (the "Issuer"), of $750,000,000 aggregate principal amount of senior notes due 2026 (the "2026 Notes") and $750,000,000 aggregate principal amount of senior notes due 2031 (the "2031 Notes" and, together with the 2026 Notes, the "Notes") in a private offering to qualified institutional buyers in accordance with Rule 144A and to certain persons outside the United States under Regulation S of the Securities Act of 1933, as amended (the "Securities Act").

The Company is furnishing herewith, and incorporating by reference herein, as Exhibit 99.1 attached hereto, certain information that was included in the confidential preliminary offering memorandum, dated July 26, 2021 (the "Offering Memorandum"), relating to the Proposed Offering, including certain preliminary estimated unaudited financial and operating results as of and for the three months ended June 30, 2021.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference into any filing under the Securities Act or in the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure.

The information provided under Item 2.02 is hereby incorporated by reference into this Item 7.01.

The Company is furnishing herewith, and incorporating by reference herein, as Exhibit 99.1 attached hereto, certain information from the Offering Memorandum.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of, or otherwise regarded as filed under, the Exchange Act, nor shall it be deemed incorporated by reference into any filing under the Securities Act or in the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01. Other Events.

<u>Proposed Offering</u>

On July 26, 2021, the Company issued a press release announcing that it has commenced the Proposed Offering. A copy of the press release is attached hereto as Exhibit 99.2.

There can be no assurances that the offering of the Notes will be completed as described herein or at all.

<u>Conditional Redemption of Existing 2026 Notes</u>

In connection with the Proposed Offering, on July 26, 2021, the Issuer delivered a notice for the conditional redemption of all of its currently outstanding 5.875% Senior Notes due 2026 (the "Existing 2026 Notes") pursuant to the indenture, dated as of September 14, 2016 (the "Indenture"), among the Issuer, the guarantors party thereto from time to time and Regions Bank, as trustee.

The redemption of the Existing 2026 Notes is subject to, and conditioned upon, the Issuer having completed the Proposed Offering on terms and conditions satisfactory to the Issuer yielding net proceeds to the Issuer, together with up to $150 million of cash on hand, sufficient to (i) fund the redemption of all currently outstanding Existing 2026 Notes (including all payments of principal, premium and interest as described therein) and (ii) pay certain fees and expenses incurred in connection with the redemption and the Proposed Offering (the "Redemption Condition"). The redemption date for the Existing 2026 Notes is August 25, 2021 (the "Redemption Date"), provided that the Redemption Date may be extended by the Issuer pending satisfaction of the Redemption Condition. If the Redemption Date is not delayed, the Existing 2026 Notes will be redeemed at a redemption price of 100% of the principal amount of the Existing 2026 Notes, plus accrued and unpaid interest to, but excluding, the Redemption Date plus the "make-whole" premium.

This current report on Form 8-K does not constitute a notice of redemption under the Indenture or an obligation to issue a notice of redemption, or an offer to tender for, or purchase, any of the Existing 2026 Notes or any other security.

Item 9.01. Financial Statements and Exhibits.

99.1 Excerpts from preliminary offering memorandum of the Issuer, dated July 26, 2021.

99.2 Press release, dated July 26, 2021.

SIGNATURES

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

NOVELIS INC.

Date: July 26, 2021

By: /s/ Christopher Courts

Christopher Courts

General Counsel, Corporate Secretary and Compliance Officer

Non-U.S. GAAP Financial Measures

We refer to the terms "EBITDA," "Adjusted EBITDA" and "Free Cash Flow" in various places herein. These are supplemental financial measures that are not prepared in accordance with accounting principles generally accepted in the United States, which we refer to as U.S. GAAP. Any analysis of non-U.S. GAAP financial measures should be used only in conjunction with results presented in accordance with U.S. GAAP.

EBITDA, Adjusted EBITDA and Free Cash Flow

Novelis defines EBITDA as earnings before interest, taxes, depreciation and amortization. Novelis defines Adjusted EBITDA as earnings before (a) "depreciation and amortization"; (b) "interest expense and amortization of debt issuance costs"; (c) "interest income"; (d) "unrealized gains (losses) on change in fair value of derivative instruments, net," except for foreign currency remeasurement hedging activities, which are included in Adjusted EBITDA; (e) impairment of goodwill; (f) "(gain) loss on extinguishment of debt"; (g) noncontrolling interest's share; (h) adjustments to reconcile our proportional share of Adjusted EBITDA from non-consolidated affiliates to income as determined on the equity method of accounting; (i) "restructuring and impairment, net"; (j) gains or losses on disposals of property, plant and equipment and businesses, net; (k) other costs, net; (l) litigation settlement, net of insurance recoveries; (m) sale transaction fees; (n) provision or benefit for taxes on income (loss); (o) cumulative effect of accounting change, net of tax; (p) metal price lag; (q) "business acquisition and other related costs"; (r) purchase price accounting adjustments; (s) "income (loss) from discontinued operations, net of tax; and (t) "(gain) loss on sale of discontinued operations, net of tax." EBITDA and Adjusted EBITDA are measures commonly used in our industry, and we present EBITDA and Adjusted EBITDA to enhance your understanding of our operating performance. We believe that EBITDA and Adjusted EBITDA are operating performance measures that measure operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies.

Our management believes investors' understanding of our performance is enhanced by including these non-U.S. GAAP financial measures as a reasonable basis for comparing our ongoing results of operations. Many investors are interested in understanding the performance of our business by comparing our results from ongoing operations from one period to the next and would ordinarily add back items that are not part of normal day-to-day operations of our business. By providing these non-U.S. GAAP financial measures, together with reconciliations, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing strategic initiatives.

However, EBITDA and Adjusted EBITDA are not measurements of financial performance under U.S. GAAP, and our EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. EBITDA and Adjusted EBITDA have important limitations as an analytical tool, and you should not consider them in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. For example, EBITDA and Adjusted EBITDA:

- do not reflect our cash expenditures or requirements for capital expenditures or capital commitments;
- do not reflect changes in, or cash requirements for, our working capital needs; and
- do not reflect any costs related to the current or future replacement of assets being depreciated and amortized.

We also use EBITDA and Adjusted EBITDA:

- as measures of operating performance to assist us in comparing our operating performance on a consistent basis because it removes the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budgets and financial projections;
- to evaluate the performance and effectiveness of our operational strategies; and
- to calculate incentive compensation payments for our key employees.

Free Cash Flow

Novelis defines Free Cash Flow as: (a) “Net cash provided by (used in) operating activities - continuing operations,” (b) plus “Net cash provided by (used in) investing activities - continuing operations,” (c) plus “Net cash provided by (used in) operating activities - discontinued operations,” (d) plus “Net cash provided by (used in) investing activities - discontinued operations,” (e) plus cash used in the “Acquisition of assets under a capital lease,” (f) plus cash used in the “Acquisition of business, net of cash and restricted cash acquired,” (g) plus accrued merger consideration, (h) less “Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging,” and (i) less proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging - discontinued operations. Management believes Free Cash Flow is relevant to investors as it provides a measure of the cash generated internally that is available for debt service and other value creation opportunities. However, Free Cash Flow is not a measurement of financial performance or liquidity under U.S. GAAP and does not necessarily represent cash available for discretionary activities, as certain debt service obligations must be funded out of Free Cash Flow. In addition, our method of calculating Free Cash Flow may not be consistent with that of other companies.

Please see the below table for a further discussion of our use of EBITDA, Adjusted EBITDA and Free Cash Flow herein, including the reasons that we believe this information is useful to our management and why it may be useful to investors, and a reconciliation of (i) our net income attributable to our common shareholder, the most directly comparable measure calculated in accordance with U.S. GAAP, to our EBITDA and Adjusted EBITDA and (ii) our net cash provided by (used in) operating activities, the most directly comparable measure calculated in accordance with U.S. GAAP, to our Free Cash Flow.

The Securities and Exchange Commission (the “SEC”) has adopted rules to regulate the use in filings with the SEC and public disclosures and press releases of non-U.S. GAAP financial measures, such as EBITDA, Adjusted EBITDA and Free Cash Flow that are derived on the basis of methodologies other than in accordance with U.S. GAAP. These rules require, among other things:

- a presentation with equal or greater prominence of the most comparable financial measure or measures calculated and presented in accordance with U.S. GAAP; and
- a statement disclosing the purposes for which the registrant’s management uses the non-U.S. GAAP financial measure.

The rules prohibit, among other things:

- exclusion of charges or liabilities that require cash settlement or would have required cash settlement absent an ability to settle in another manner from non-U.S. GAAP liquidity measures;
- adjustment of a non-U.S. GAAP performance measure to eliminate or smooth items identified as nonrecurring, infrequent or unusual, when the nature of the charge or gain is such that it is reasonably likely to occur; and
- presentation of non-U.S. GAAP financial measures on the face of any pro forma financial information.

The non-U.S. GAAP financial measures presented herein may not comply with these rules.

Preliminary Financial Results for the Three Months Ended June 30, 2021

Our condensed consolidated financial statements for the three months ended June 30, 2021 are not yet available. The following expectations regarding our results for this period are preliminary, based solely upon management estimates based on currently available information, and subject to completion of financial and operating closing procedures as of and for the three months ended June 30, 2021. As a result, our actual results may vary materially from the estimated preliminary results included herein and will not be publicly available until after the date hereof. Accordingly, you should not place undue reliance on these estimates. The summary information below is not a comprehensive statement of our financial results for this period.

The preliminary financial data included herein has been prepared by, and is the responsibility of, Novelis’ management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

Based on the preliminary work that we have completed to date, we expect that the following will be our results for the three months ended June 30, 2021:

Net Sales

We expect Net Sales to be approximately $3,855 million for the three months ended June 30, 2021, compared to $2,426 million for the three months ended June 30, 2020.

Net Income (Loss) from Continuing Operations

We expect Net Income (Loss) from Continuing Operations to be between $298 million and $308 million for the three months ended June 30, 2021, compared to $(61) million for the three months ended June 30, 2020.

Net Income (Loss) Attributable to our Common Shareholder

We expect Net Income (Loss) Attributable to our Common Shareholder to be between $235 million and $245 million for the three months ended June 30, 2021, compared to $(79) million for the three months ended June 30, 2020.

Adjusted EBITDA

We expect Adjusted EBITDA to be between $550 million and $560 million for the three months ended June 30, 2021, compared to $253 million for the three months ended June 30, 2020.

The table below displays the reconciliation from "Net income attributable to our common shareholder" to the midpoint of "Adjusted EBITDA" for the three months ended June 30, 2021 and 2020 (in millions).

	Three Months Ended June 30,	
	2021	2020
	($ in millions)	
Net income (loss) attributable to our common shareholder	$ 240	$ (79)
Income tax provision (benefit)	108	(29)
Loss from discontinued operations, net of tax	63	18
Depreciation and amortization	134	118
Interest expense and amortization of debt issuance costs	59	70
Adjustment to reconcile proportional consolidation	14	14
Unrealized losses on change in fair value of derivative instruments, net	4	33
Realized (gains) losses on derivative instruments not included in Adjusted EBITDA	(1)	3
Gain on extinguishment of debt	(2)	—
Restructuring and impairment (reversal) expenses, net	(2)	1
Gain on sale of fixed assets	—	(2)
Purchase price accounting adjustments	—	28
Metal price lag	(54)	20
Business acquisition and other integration related costs	—	11
Other, net(1)	(8)	47
Adjusted EBITDA	$ 555	$ 253

(1) For the three months ended June 30, 2021, the total of "Other, net" includes approximately $29 million of interest income recognized as a result of Brazilian tax litigation settlements.

Shipments

We expect shipments to be approximately 973 kt for the three months ended June 30, 2021, compared to 774 kt for the three months ended June 30, 2020.

Free Cash Flow from Continuing Operations

We expect Free Cash Flow from Continuing Operations to be between $(35) million and $(25) million for the three months ended June 30, 2021, compared to $(146) million for the three months ended June 30, 2020.

Free Cash Flow

We expect Free Cash Flow to be between $(38) million and $(28) million for the three months ended June 30, 2021, compared to $(151) million for the three months ended June 30, 2020.

The table below displays the reconciliation from "Net cash provided by operating activities - continuing operations" to the midpoint of "Free Cash Flow" for the three months ended June 30, 2021 and 2020 (in millions).

	Three Months Ended June 30,	
	2021	2020
	($ in millions)	
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(1)	—	2,550
Plus: Accrued merger consideration(1)	—	70
Less: Proceeds from sales of assets and business, net of transactions 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
Free cash flow	$ (33)	$ (151)

(1) For the three months ended June 30, 2020, the total of "Acquisition of business, net of cash and restricted cash acquired" and "Accrued merger consideration" represents $2.8 billion of merger consideration, net of $105 million of cash and cash equivalents, $9 million of restricted cash, and $41 million of discontinued operations cash and cash equivalents acquired.

Duffel Update

On September 30, 2020, we completed the sale of Duffel to Liberty House Group through its subsidiary, ALVANCE, the international aluminum business of the GFG Alliance. Upon closing, we received €210 million ($246 million as of September 30, 2020) in cash and a €100 million ($117 million as of September 30, 2020) receivable that was deemed to be contingent consideration, the payment of which the parties agreed to determine through a post-closing arbitration process. In addition, we recorded a €15 million ($18 million) receivable for net debt and working capital adjustments. As of June 30, 2021, we marked down all outstanding receivables related to the sale of Duffel to an estimated fair value of €45 million ($53 million), which we would expect to result in a loss of €51 million ($61 million) that we expect to record in "Loss from discontinued operations, net of tax" on our consolidated statements of operations. There is no assurance as to when we expect the post-closing arbitration process to conclude and whether we will receive any of the contingent consideration.

Forward-Looking Statements

Statements made herein 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 made herein include our preliminary financial results for the three months ended June 30, 2021, and our expectations, beliefs, plans, strategies, objectives, prospects, assumptions or future events or performance, statements related to net sales, shipments as well as non-GAAP financial measures such as EBITDA, Adjusted EBITDA and Free Cash Flow. 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.

Exhibit 99.2

News Release

Novelis Announces Senior Notes Offering

ATLANTA, July 26, 2021 — Novelis Inc., the world leader in aluminum rolling and recycling, today announced that its indirect wholly owned subsidiary, Novelis Corporation, is proposing to offer $750 million aggregate principal amount of its senior notes due in 2026 (the “2026 Notes”) and $750 million aggregate principal amount of its senior notes due in 2031 (the “2031 Notes” and, together with the 2026 Notes, the “Notes”) in a private offering that is exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). The Notes will be guaranteed, jointly and severally, on a senior unsecured basis, by Novelis, and by certain of Novelis’ subsidiaries.

Novelis intends to use the net proceeds of the offering, together with cash on hand, to (i) fund the redemption of all its outstanding 5.875% Senior Notes due in 2026 (the “Existing 2026 Notes”), plus the redemption premium and accrued and unpaid interest thereon, and (ii) pay certain fees and expenses in connection with the foregoing and the offering of the Notes.

The Notes have not been and will not be registered under the Securities Act and have not and will not be offered or sold within the United States or to U.S. persons, except to persons reasonably believed to be qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act and to certain persons in offshore transactions in reliance on Regulation S under the Securities Act.

This press release shall not constitute an offer to sell or a solicitation of an offer to purchase the Notes and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which, or to any person to whom, such an offer, solicitation or sale would be unlawful. Any offers of the Notes will be made only by means of a private offering memorandum. This press release shall not constitute a notice of redemption under the indenture governing the Existing 2026 Notes or an obligation to issue a notice of redemption, or an offer to tender for, or purchase, any of the Existing 2026 Notes or any other security.

There can be no assurances that the offering of the Notes or the redemption of the Existing 2026 Notes will be completed as described herein or at all.

Forward-Looking Statements

Statements made in this news release that 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 the offering of the Notes, the use of proceeds therefrom and the redemption of the Existing 2026 Notes. 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. Novelis does not intend, and Novelis disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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.

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