

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): May 8, 2019

NOVELIS INC.

(Exact name of registrant as specified in its charter)

Canada
(State or Other Jurisdiction of Incorporation)

001-32312
(Commission File No.)

98-0442987
(IRS Employer Identification No.)

3560 Lenox Road, Suite 2000, Atlanta, Georgia 30326
(Address of Principal Executive Offices)

(404) 760-4000
(Registrant's Telephone Number, Including Area Code)

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))

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. ☐

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

Item 2.02. Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition." Consequently, it is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or Securities Act of 1933 if such subsequent filing specifically references this Form 8-K.

On May 8, 2019, Novelis Inc. issued a press release reporting the company's financial results for its fiscal quarter and year ended March 31, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein in its entirety. A copy of investor presentation materials relating to such financial results is attached hereto as Exhibit 99.2 and is incorporated by reference herein in its entirety. The presentation materials use the following non-GAAP financial measures: Adjusted EBITDA, Free Cash Flow and Free Cash Flow Before Capital Expenditures, Net Income Attributable to our Common Shareholder Excluding Special Items and Liquidity.

Adjusted EBITDA. EBITDA consists of earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA further adjusts EBITDA by measures commonly used in the company's industry. The company 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 segment income; (e) impairment of goodwill; (f) gain or loss on extinguishment of debt; (g) noncontrolling interests' 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; and (q) business acquisition and other integration costs. The company presents Adjusted EBITDA to enhance investors' understanding of the company's operating performance. Novelis believes that Adjusted EBITDA is an operating performance measure, and not a liquidity measure, that provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies.

Adjusted EBITDA is not a measurement of financial performance under GAAP, and the company's Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Adjusted EBITDA has important limitations as analytical tools, and investors should not consider it in isolation, or as a substitute for analysis of the company's results as reported under GAAP. For example, Adjusted EBITDA:

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

Management believes that investors' understanding of the company's performance is enhanced by including non-GAAP financial measures as a reasonable basis for comparing the company's ongoing results of operations. Many investors are interested in understanding the performance of the company's business by comparing its 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 the company's business. By providing non-GAAP

financial measures, together with reconciliations, the company believes it is enhancing investors' understanding of its business and its results of operations, as well as assisting investors in evaluating how well it is executing strategic initiatives.

Additionally, the company's senior secured credit facilities, 6.25% senior notes due 2024 and 5.875% senior notes due 2026 provide for adjustments to EBITDA, which may decrease or increase Adjusted EBITDA for purposes of compliance with certain covenants under such facilities and notes.

The company also uses Adjusted EBITDA:

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

Free Cash Flow and Free Cash Flow Before Capital Expenditures. "Free cash flow" consists of: (a) "net cash provided by (used in) operating activities," (b) plus "net cash provided by (used in) investing activities," (c) plus cash used in the "Acquisition of assets under a capital lease", and (d) less "proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging". "Free cash flow before capital expenditures" consists of: (a) "Free cash flow", plus (b) capital expenditures. Management believes Free cash flow and Free cash flow before capital expenditures are relevant to investors as they provide measures of the cash generated internally that is available for debt service and other value creation opportunities. Management also uses Free cash flow and Free cash flow before capital expenditures to measure the profitability and financial performance of our business. However, Free cash flow and Free cash flow before capital expenditures do not necessarily represent cash available for discretionary activities, as certain debt service obligations must be funded out of Free cash flow. Our method of calculating Free cash flow and Free cash flow before capital expenditures may not be consistent with that of other companies.

Net Income Attributable to our Common Shareholder Excluding Special Items. Net income attributable to our common shareholder excluding special items adjusts net income for restructuring and impairment charges, loss on extinguishment of debt, metal price lag, gains (losses) on sale of assets held for sale, gains (losses) on sale of a business, business acquisition and other integration related costs, and the tax effect of such items. We adjust for items which may recur in varying magnitude which affect the comparability of the operational results of our underlying business. Novelis believes that net income attributable to our common shareholder excluding special items enhances the overall understanding of the company's current financial performance. Specifically, management believes this non-GAAP financial measure provides useful information to investors by excluding or adjusting certain items, which impact the comparability of the company's core operating results. With respect to gains (losses) on sale of assets held for sale, gains (losses) on sale of a business, business acquisition and other integration related costs, and the tax effect of such special items, management believes these excluded items are not reflective of fixed costs that the company believes it will incur over the long term. Management also adjusts for loss on extinguishment of debt, metal price lag and restructuring and impairment charges to enhance the comparability of the company's operating results between periods. However, the company has recorded similar charges in prior periods. The company may incur additional restructuring charges in connection with ongoing restructuring initiatives announced previously and may also incur additional restructuring and impairment charges in connection with future streamlining measures. The company may also incur additional impairment charges unrelated to restructuring

initiatives. Net income excluding special items should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with US GAAP.

Liquidity. Liquidity consists of cash and cash equivalents plus availability under our committed credit facilities. In addition to presenting available cash and cash equivalents, management believes that presenting Liquidity enhances investors' understanding of the liquidity that is actually available to the company. This financial measure should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with US GAAP.

All information in the news release and the presentation materials speak as of the date thereof, and Novelis does not assume any obligation to update said information in the future.

Item 9.01. Financial Statements and Exhibits.

99.1	Press release, dated May 8, 2019 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated May 8, 2019 (furnished to the Commission as a part of this Form 8-K).

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.

By: /s/ Leslie J. Parrette, Jr.

Leslie J. Parrette, Jr.

General Counsel, Corporate Secretary and
Compliance Officer

Date: May 8, 2019



News Release

Novelis Reports Fourth Quarter and Full Fiscal Year 2019 Results

Record financial performance, strategic global investments and innovative solutions position company for long-term, sustainable growth

Fourth Quarter Fiscal Year 2019 Highlights

- Net income attributable to common shareholder of \$103 million; net income attributable to common shareholder excluding special items of \$130 million
- Adjusted EBITDA of \$357 million
- Net Sales of \$3.1 billion
- Reduced net debt leverage ratio to 2.5x

Fiscal Year 2019 Highlights

- Net income attributable to common shareholder of \$434 million; net income attributable to common shareholder excluding special items of \$468 million
- Adjusted EBITDA of \$1.4 billion
- Net Sales \$12.3 billion
- Generated free cash flow of \$408 million

ATLANTA, May 8, 2019 – Novelis Inc., the world leader in aluminum rolling and recycling, today reported record results for the fourth quarter and fiscal year 2019 with significant year-over-year increases in net sales, shipments and Adjusted EBITDA. Fiscal 2019 net income attributable to its common shareholder decreased to \$103 million for the fourth quarter and \$434 million for the full year.

Excluding tax-effected special items in both years, the largest item being a \$318 million pre-tax gain related to the Ulsan Aluminum Ltd., joint venture in the second quarter of fiscal 2018, Novelis grew its full year fiscal 2019 net income by 11 percent to \$468 million, and fourth quarter net income 29 percent to \$130 million. These increases are primarily driven by a record Adjusted EBITDA for both the quarter and full year.

“Our year-end financial results are the best in company history, reflecting a continued focus on further improving operational efficiencies and customer centricity,” said Steve Fisher, President and Chief Executive Officer, Novelis, Inc. “It was also an important year in innovation, with the introduction of the first aluminum sheet battery enclosure, establishment of Customer Solution Centers and the development of new, high-strength alloys that will further enhance our existing portfolio of Advanz™ automotive products. We are also continuing to deliver on our purpose of shaping a sustainable world by increasing the amount of recycled content in our products, reducing CO2 emissions across the supply chain and maximizing the advantages of sustainable, lightweight aluminum to benefit our customers, partners and the communities where we live and work.”

In addition to driving record financial performance, key operational and innovative achievements in fiscal 2019 include:

- established three Customer Solution Centers across geographies to accelerate collaborative innovation between Novelis and automakers for the next generation of vehicle design;

- developed innovative products and processes to accelerate the adoption of lightweight aluminum across end markets, including pioneering the first aluminum sheet battery enclosure for the rapidly growing electric vehicle and battery markets;
- supplying premium aluminum automotive body sheet for new vehicle designs, including the all-new Toyota RAV4 and NIO ES6;
- partnered with Volvo Car Group to establish an automotive closed-loop recycling system in Europe to reduce CO2 emissions, decrease waste and increase recyclability of aluminum;
- continued to drive operational excellence initiatives, including improvements in production recovery rates that control operating costs and unlock capacity to achieve record shipments;
- leveraged the company's extensive recycling footprint to capitalize on favorable market conditions and increase the recycled content in its shipments from 57 percent to 61 percent for the full year;
- reduced CO2 emissions across the company's global operations by five percent year-over-year.

The company also advanced several strategic actions in fiscal 2019 to increase its capacity and capabilities to grow with its customers:

- signed a definitive agreement to purchase Aleris Corporation for approximately \$2.6 billion including the assumption of debt, which is expected to close in the third quarter of calendar year 2019, subject to customary closing conditions and regulatory approvals;
- began construction on organic expansion plans to increase automotive capacity in the U.S. and China, and increase rolling, casting and recycling capacity in Brazil;
- completed the acquisition of key operating facilities and manufacturing assets in Sierre, Switzerland, that have historically been leased.

"Our record operational and financial performance in fiscal 2019, including a reduction in net leverage to 2.5x, has firmly positioned Novelis to embark on our next phase of growth," said Devinder Ahuja, Senior Vice President and Chief Financial Officer, Novelis, Inc. "Long term customer demand across end markets continues to steadily grow, our operations are running very well, and we continue to generate strong cash flow to fund strategic investments for our future."

Fourth Quarter Fiscal 2019 Results

Net sales increased one percent over the prior year to \$3.1 billion for the fourth quarter of fiscal 2019, driven by higher total shipments, partially offset by lower average aluminum prices. Shipments of flat rolled products increased eight percent to 870 kilotonnes.

Adjusted EBITDA for the fourth quarter of fiscal 2019 increased twelve percent to \$357 million as compared to \$319 million in the prior year. This increase reflects the favorable impacts from higher shipments, improved product mix, and favorable metal costs.

Full Year Fiscal 2019 Results

Net sales increased eight percent to \$12.3 billion in fiscal 2019. The increase was driven by higher average aluminum prices and a three percent increase in shipments of flat rolled products to 3,274 kilotonnes.

Adjusted EBITDA grew 13 percent to \$1.4 billion in fiscal 2019 compared to \$1.2 billion in fiscal 2018. The increase was driven by higher shipments, favorable product mix, and favorable metal costs, partially offset by lower can sheet prices.

The company generated a very strong \$408 million of free cash flow in fiscal 2019, or \$759 million of free cash flow before capital expenditures of \$351 million. Free cash flow before capital expenditures improved \$127 million over the prior year, driven primarily by higher Adjusted EBITDA.

(in \$ millions, non-GAAP measures)	Three Months Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Free cash flow	281	303	408	406
Capital expenditures	141	90	351	226
Free cash flow before capital expenditures	422	393	759	632

As of March 31, 2019, the company reported a strong liquidity position of \$1.8 billion and further reduced its net leverage ratio to 2.5x as compared to 3.0x at the end of fiscal 2018.

Fourth Quarter of Fiscal Year 2019 Earnings Conference Call

Novelis will discuss its fourth quarter of fiscal year 2019 results via a live webcast and conference call for investors at 8:00 a.m. EDT on Wednesday, May 8, 2019. To view slides and listen only, visit the web at <https://cc.callinfo.com/r/1q6fkktlyjk0&eom>. To join by telephone, dial toll-free in North America at 800 925 9065, India toll-free at 18002660837 or the international toll line at +1 312 429 0440. Presentation materials and access information may 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 automotive, beverage can and specialties industries to deliver solutions that maximize the benefits of sustainable lightweight aluminum throughout North America, Europe, Asia and South America. The company is headquartered in Atlanta, Georgia, operates in 10 countries, has approximately 11,000 employees and recorded \$12.3 billion in revenue for its 2019 fiscal year. Novelis is a subsidiary of Hindalco Industries Limited, an industry leader in aluminum and copper, and metals flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai, India. For more information, visit novelis.com and follow us on Facebook at facebook.com/Novelis and Twitter at twitter.com/Novelis.

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 press 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 to Adjusted EBITDA, Reconciliation to Free Cash Flow and Free Cash Flow Before Capital Expenditures, Reconciliation to Liquidity, Reconciliation to Net Income 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 expectation that the pending Aleris acquisition will close in the third quarter of this year. 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 relating to, and our ability to consummate, pending and future acquisitions, investments and divestitures, including the pending acquisition of Aleris Corporation; 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, labor relations and negotiations, 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; 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, 2019.

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Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions)

	(unaudited) Three Months Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Net sales	\$ 3,084	\$ 3,066	\$ 12,326	\$ 11,462
Cost of goods sold (exclusive of depreciation and amortization)	2,606	2,600	10,422	9,700
Selling, general and administrative expenses	129	125	502	466
Depreciation and amortization	90	87	350	354
Interest expense and amortization of debt issuance costs	67	63	268	255
Research and development expenses	22	16	72	64
Gain on sale of a business, net	—	—	—	(318)
Restructuring and impairment, net	—	1	2	34
Equity in net (income) loss of non-consolidated affiliates	(1)	—	(3)	1
Other expenses, net	11	11	44	51
Business acquisition and other integration related costs	9	—	33	—
	2,933	2,903	11,690	10,607
Income before income taxes	151	163	636	855
Income tax provision	48	54	202	233
Net income	103	109	434	622
Net income (loss) attributable to noncontrolling interests	—	3	—	(13)
Net income attributable to our common shareholder	\$ 103	\$ 106	\$ 434	\$ 635

Novelis Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except number of shares)

	March 31,	
	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 950	\$ 920
Accounts receivable, net		
— third parties (net of uncollectible accounts of \$7 as of March 31, 2019 and March 31, 2018)	1,417	1,353
— related parties	164	242
Inventories	1,460	1,560
Prepaid expenses and other current assets	121	125
Fair value of derivative instruments	70	159
Assets held for sale	3	5
Total current assets	\$ 4,185	\$ 4,364
Property, plant and equipment, net	3,385	3,110
Goodwill	607	607
Intangible assets, net	351	410
Investment in and advances to non-consolidated affiliate	792	849
Deferred income tax assets	142	75
Other long-term assets		
— third parties	101	97
— related parties	—	3
Total assets	\$ 9,563	\$ 9,515
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 19	\$ 121
Short-term borrowings	39	49
Accounts payable		
— third parties	1,986	2,051
— related parties	175	205
Fair value of derivative instruments	87	106
Accrued expenses and other current liabilities	616	591
Total current liabilities	2,922	3,123
Long-term debt, net of current portion	4,328	4,336
Deferred income tax liabilities	223	164
Accrued postretirement benefits	844	825
Other long-term liabilities	180	244
Total liabilities	\$ 8,497	\$ 8,692
Commitments and contingencies		
Shareholder's equity		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of March 31, 2019 and March 31, 2018	—	—
Additional paid-in capital	1,404	1,404
Accumulated equity (deficit)	203	(283)
Accumulated other comprehensive loss	(506)	(261)
Total equity of our common shareholder	1,101	860
Noncontrolling interests	(35)	(37)
Total equity	1,066	823
Total liabilities and equity	\$ 9,563	\$ 9,515

Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended March 31,	
	2019	2018
OPERATING ACTIVITIES		
Net income	\$ 434	\$ 622
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	350	354
Loss (gain) on unrealized derivatives and other realized derivatives in investing activities, net	(6)	15
(Gain) loss on sale of business	—	(318)
Loss on sale of assets	6	7
Impairment charges	—	15
Deferred income taxes	50	41
Equity in net (income) loss of non-consolidated affiliates	(3)	1
Gain on foreign exchange remeasurement of debt	—	(2)
Amortization of debt issuance costs and carrying value adjustments	17	19
Other, net	(1)	1
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):		
Accounts receivable	(71)	(415)
Inventories	32	(151)
Accounts payable	(74)	336
Other current assets	(3)	21
Other current liabilities	34	(5)
Other noncurrent assets	(7)	(5)
Other noncurrent liabilities	(30)	37
Net cash provided by operating activities	\$ 728	\$ 573
INVESTING ACTIVITIES		
Capital expenditures	(351)	(226)
Acquisition of assets under a capital lease	(239)	—
Proceeds from sales of assets, third party, net of transaction fees and hedging	2	2
Proceeds from the sale of a business	—	314
Proceeds from investment in and advances to non-consolidated affiliates, net	12	16
Proceeds (outflows) from settlement of derivative instruments, net	7	(23)
Other	12	13
Net cash (used in) provided by investing activities	\$ (557)	\$ 96
FINANCING ACTIVITIES		
Principal payments of long-term and short-term borrowings	(112)	(174)
Revolving credit facilities and other, net	(2)	(211)
Debt issuance costs	(4)	(5)
Net cash used in financing activities	\$ (118)	\$ (390)
Net increase in cash and cash equivalents and restricted cash	53	279
Effect of exchange rate changes on cash	(25)	47
Cash, cash equivalents and restricted cash — beginning of period	932	606
Cash, cash equivalents and restricted cash — end of period	\$ 960	\$ 932

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

The following table reconciles Net income attributable to our common shareholder to Adjusted EBITDA, a non-GAAP financial measure, for the three and twelve months ended March 31, 2019 and 2018.

(in millions)	Three Months Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Net income attributable to our common shareholder	\$ 103	\$ 106	\$ 434	\$ 635
Noncontrolling interests	—	3	—	(13)
Income tax provision	48	54	202	233
Interest, net	65	60	258	246
Depreciation and amortization	90	87	350	354
EBITDA	306	310	1,244	1,455
Unrealized losses (gains) on change in fair value of derivative instruments, net	1	(7)	10	(20)
Realized losses (gains) on derivative instruments not included in segment income	(1)	—	(2)	—
Adjustment to reconcile proportional consolidation	13	18	58	51
Loss on sale of fixed assets	2	3	6	7
Restructuring and impairment, net	—	1	2	34
Gain on a sale of a business, net	—	—	—	(318)
Metal price lag	25	(9)	4	(4)
Business acquisition and other integration costs	9	—	33	—
Other, net	2	3	13	10
Adjusted EBITDA	\$ 357	\$ 319	\$ 1,368	\$ 1,215

Free Cash Flow (unaudited)

The following table shows “Free cash flow” for the year ended March 31, 2019 and 2018.

(in millions)	Year Ended March 31,	
	2019	2018
Net cash provided by operating activities	\$ 728	\$ 573
Net cash (used in) provided by in investing activities	(557)	96
Plus: Cash used in the acquisition of assets under a capital lease (A)	\$ 239	\$ —
Less: Proceeds from sales of assets, net of transaction fees, cash income taxes and hedging (B)	(2)	(263)
Free cash flow	\$ 408	\$ 406

- (A) This line item includes \$239 million of outflows related to the acquisition of real and personal property that we historically leased at our Sierre, Switzerland rolling facility.
- (B) This line item includes the proceeds from the sale of shares in Ulsan Aluminum Ltd. in the amount of \$314 million, net of \$42 million and \$11 million, in cash taxes and transaction fees paid, respectively.

Cash and Cash Equivalents and Total Liquidity (unaudited)

The following table reconciles the ending balances of cash and cash equivalents to total liquidity as of March 31, 2019 and 2018.

(in millions)

	Year Ended March 31,	
	2019	2018
Cash and cash equivalents	\$ 950	\$ 920
Availability under committed credit facilities	897	998
Total liquidity	<u>\$ 1,847</u>	<u>\$ 1,918</u>

Reconciliation of Net income attributable to our common shareholder to Net income attributable to our common shareholder, excluding special items (unaudited)

The following table presents Net Income attributable to our common shareholder 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 March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Net income attributable to our common shareholder	\$ 103	\$ 106	\$ 434	\$ 635
Special Items:				
Business acquisition and other integration related expenses	9	—	33	—
Gain on sale of a business	—	—	—	(318)
Metal price lag	25	(9)	4	(4)
Restructuring and impairment, net	—	1	2	34
Tax effect on special items	(7)	3	(5)	73
Net income attributable to our common shareholder, excluding special items	<u>\$ 130</u>	<u>\$ 101</u>	<u>\$ 468</u>	<u>\$ 420</u>

Segment Information (unaudited)

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

Selected Operating Results Three Months Ended March 31, 2019						
	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 157	\$ 56	\$ 45	\$ 99	\$ —	\$ 357
Shipments						
Rolled products - third party	294	240	196	140	—	870
Rolled products - intersegment	—	6	2	3	(11)	—
Total rolled products	294	246	198	143	(11)	870
Selected Operating Results Three Months Ended March 31, 2018						
	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 123	\$ 61	\$ 43	\$ 94	\$ (2)	\$ 319
Shipments						
Rolled products - third party	273	233	169	130	—	805
Rolled products - intersegment	—	3	5	6	(14)	—
Total rolled products	273	236	174	136	(14)	805
Selected Operating Results Year Ended March 31, 2019						
	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 552	\$ 226	\$ 196	\$ 394	\$ —	\$ 1,368
Shipments						
Rolled products - third party	1,142	896	710	526	—	3,274
Rolled products - intersegment	—	22	13	11	(46)	—
Total rolled products	1,142	918	723	537	(46)	3,274
Selected Operating Results Year Ended March 31, 2018						
	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 474	\$ 219	\$ 167	\$ 363	\$ (8)	\$ 1,215
Shipments						
Rolled products - third party	1,083	914	696	495	—	3,188
Rolled products - intersegment	6	16	15	28	(65)	—
Total rolled products	1,089	930	711	523	(65)	3,188

NOVELIS Q4 AND FISCAL 2019 EARNINGS CONFERENCE CALL

May 8, 2019

Steve Fisher

President and Chief Executive Officer

Dev Ahuja

Senior Vice President and Chief Financial Officer



Novelis

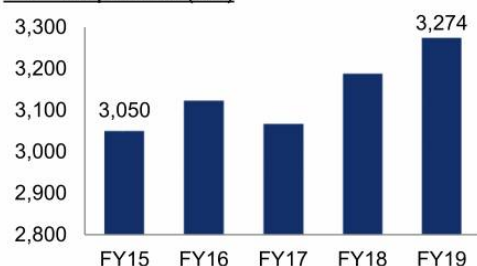
Forward-looking statements

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 news release are statements about our expectation that the pending Aleris acquisition will close in the third quarter of this year. 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 relating to, and our ability to consummate, pending and future acquisitions, investments or divestitures, including the pending acquisition of Aleris Corporation; 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, labor relations and negotiations; 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; 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 included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2019 are specifically incorporated by reference into this news release.

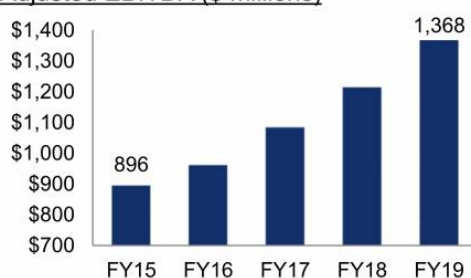
FISCAL 2019 HIGHLIGHTS

Novelis

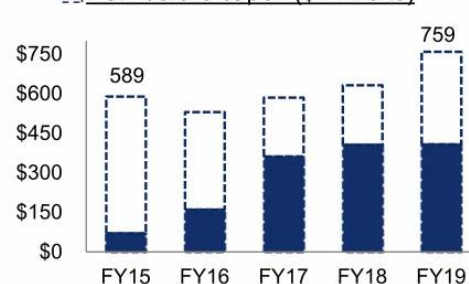
FRP Shipments (kts)



Adjusted EBITDA (\$ millions)



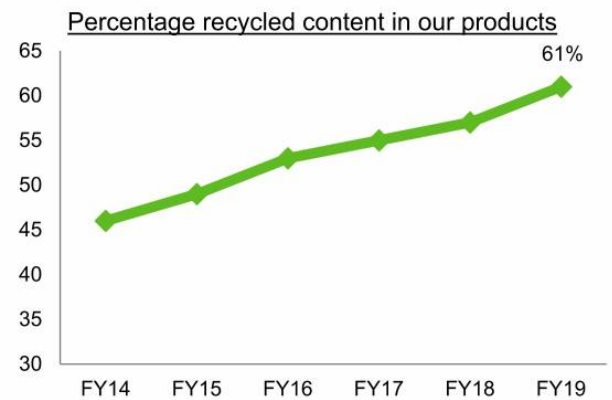
■ Free cash flow, and
□ FCF before capex (\$ millions)



- Strengthening customer partnerships and delivering:
 - Record financial performance
 - Operational improvements
 - Innovative, sustainable products and processes to growing end markets
 - Opportunities to grow our capacity and capabilities through organic and inorganic investment

Shaping a sustainable world together

- Safety mindset leading to rates at industry-leading low levels
- Improved production recovery rates leading to incremental capacity
- Increasing quality & customer service
 - Improved on-time-in-full (OTIF) delivery rates
- Enhancing sustainability initiatives
 - Increased the percentage of recycled content in our FRP shipments to 61%
 - Reduced CO2 emissions by 5% YoY



Improving product quality, managing costs and unlocking capacity



- Established automotive closed loop recycling system with Volvo Car Group in Europe
- Enhanced product and process solutions to customers
- Established Customer Solution Centers in the US, Europe and China
- Created first aluminum sheet battery enclosure solution
- Developing innovative, high-strength alloys



Beverage Can

- FY19 shipments +7%
- Remains a core business
- Strong global demand worldwide
- Sustainability trends favoring infinitely recyclable aluminum



Automotive

- FY19 shipments +2%
- Strong demand trends driven by continued adoption of lightweight aluminum in vehicle parts
- Strong US conditions, while China impacted by short term trade driven headwinds



Specialties

- FY19 shipments -11%
- Improving portfolio mix across regions as rolling capacity tightens
- Favorable market conditions in North America driving increased demand and pricing

INVESTMENTS ON TRACK

Novelis

- Organic expansions progressing on time and on budget
 - Construction is well underway with all three significant projects
 - 200kt greenfield automotive finishing lines in the U.S. to begin customer qualification late FY20
 - 100kt automotive finishing expansion in China commissioning in FY21
 - Rolling, casting and recycling expansion in Brazil commissioning in FY21
- Regulatory process related to the proposed acquisition of Aleris continues to progress in line with expectations
 - Transaction close expected in Q3 calendar year 2019, subject to customary closing conditions and regulatory approvals



Greenfield finishing line in Guthrie, Kentucky



CASH line pit foundation in Changzhou, China



New cross house in Pinda, Brazil

FINANCIAL HIGHLIGHTS

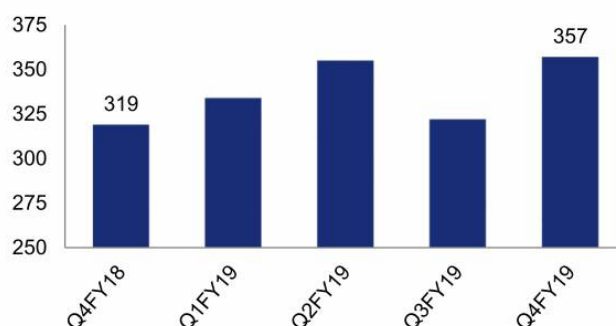
Q4 FISCAL 2019 FINANCIAL HIGHLIGHTS

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Q4FY19 vs Q4FY18

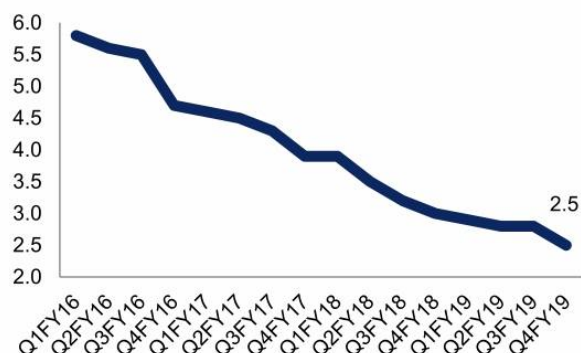
- Net income of \$103 million
 - Excluding tax-effected special items*, net income \$130 million compared to \$101 million PY
 - Metal price lag negative \$25 million versus positive \$9 million PY
- Adjusted EBITDA up 12% from \$319 million to \$357 million
- Sales up 1% to \$3.1 billion
- Total FRP Shipments up 8% to 870 kilotonnes
- Net leverage ratio 2.5x

Quarterly Adjusted EBITDA (\$M)



Net Leverage ratio

Net debt/TTM Adjusted EBITDA



© 2019 Novelis

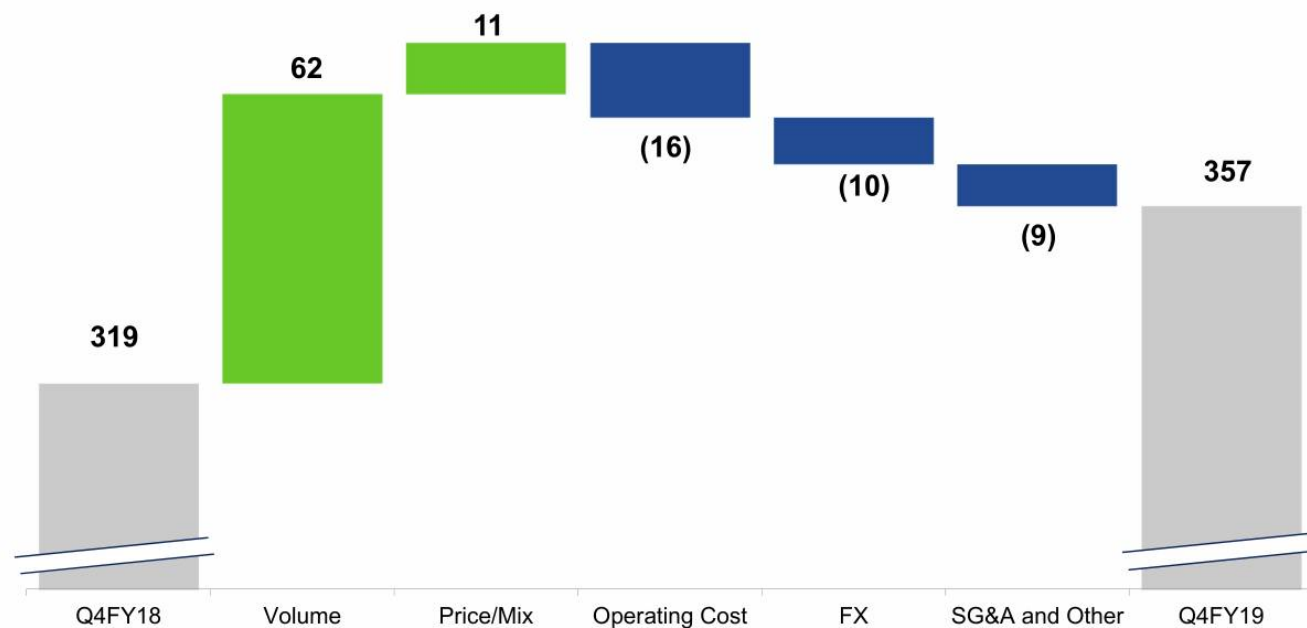
9

*Tax-effected special items may include restructuring & impairment, metal price lag, gain/loss on assets held for sale, loss on extinguishment of debt, loss on sale of business, business acquisition and other integration costs.

Q4 ADJUSTED EBITDA BRIDGE

Novelis

\$ Millions



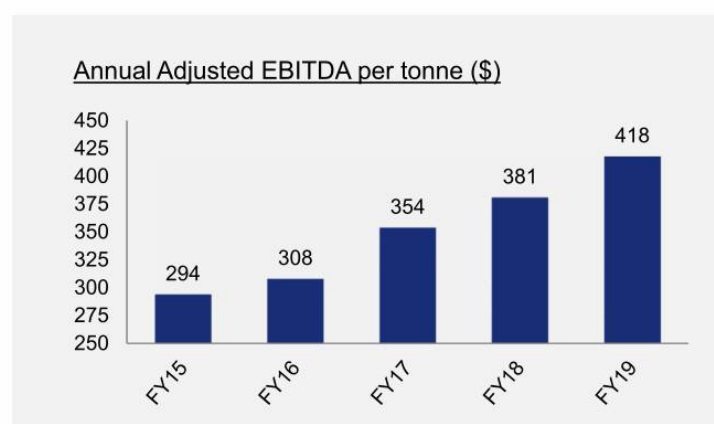
8% increase in total shipments driving record quarterly Adjusted EBITDA

FULL YEAR FY19 FINANCIAL HIGHLIGHTS

Novelis

FY19 vs FY18

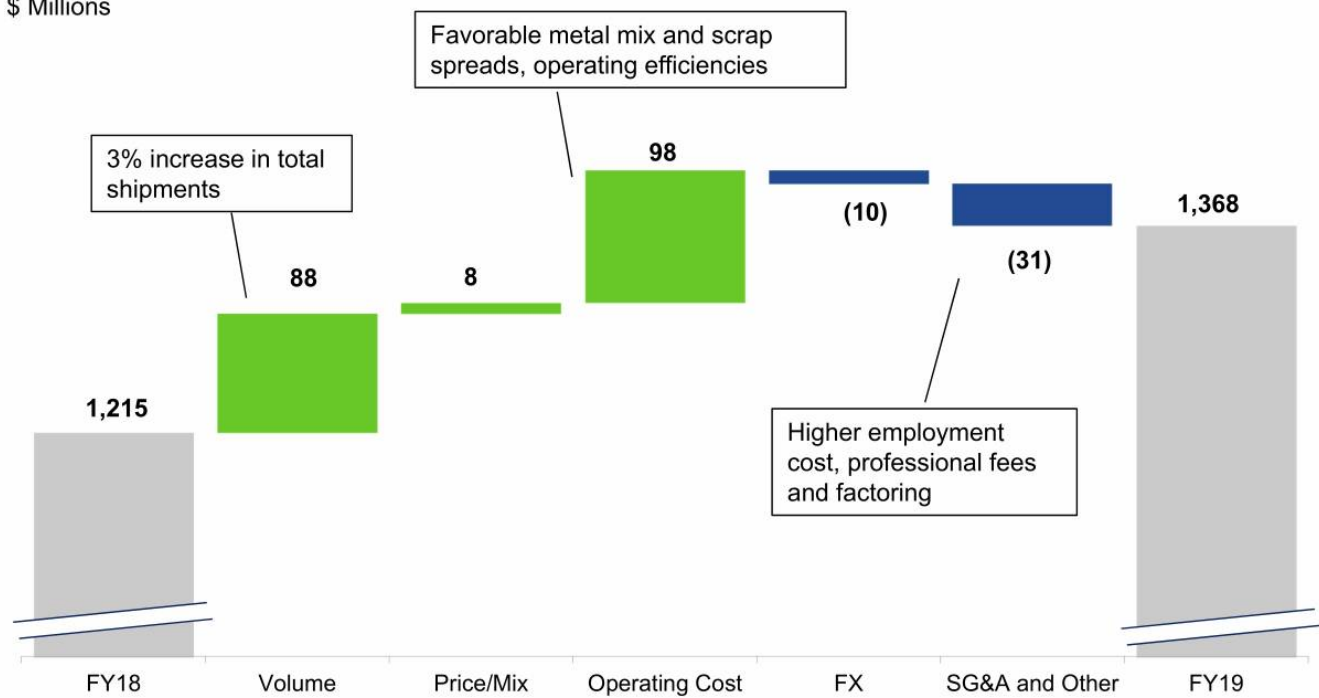
- Net income attributable to our common shareholder \$434 million
 - FY18 non-recurring items included
 - \$318 million pre-tax gain for sale of ~50% share of UAL
 - \$33 million non-cash income tax benefit related to US tax reform
 - Net income excluding tax-effected special items* increased 12% to \$468 million from \$420 million PY
- Adjusted EBITDA up 13% from \$1,215 million to \$1,368 million
- Total FRP Shipments up 3% to 3,274 kilotonnes
- Net sales up 8% to \$12.3 billion
- Very strong liquidity of \$1.8 billion



FULL YEAR ADJUSTED EBITDA BRIDGE

Novelis

\$ Millions



FREE CASH FLOW

Novelis

\$ Millions

	FY19	FY18
Adjusted EBITDA	1,368	1,215
Interest paid	(248)	(254)
Taxes paid	(159)	(148)
Working capital & other	(202)	(181)
Free cash flow before CapEx	759	632
Capital expenditures	(351)	(226)
Free cash flow*	408	406

* Free cash flow excludes the gain from Ulsan Aluminum JV transaction and Sierrra transaction; see definition of Free Cash Flow in Appendix

- Free cash flow before capital expenditures increased \$127 million
 - Higher adjusted EBITDA
- FY20 Guidance
 - Capital expenditures ~\$700 million in FY20 to support strategic investment
 - Robust growth in free cash flow before capex, at current metal prices
 - Free cash flow lower than FY19, but remain significantly positive

SUMMARY

SUMMARY

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- Strong operating performance and favorable market conditions driving financial growth
- Positive market conditions near and long term in key end markets
- Making disciplined strategic investments to diversify our product portfolio and strengthen our business
- Pending Aleris acquisition continues to progress



THANK YOU
QUESTIONS?

APPENDIX

NET INCOME RECONCILIATION TO ADJUSTED EBITDA



(in \$ m)	Q1	Q2	Q3	Q4	FY18	Q1	Q2	Q3	Q4	FY19
Net income attributable to our common shareholder	101	307	121	106	635	137	116	78	103	434
- Noncontrolling interests	-	-	(16)	3	(13)	-	-	-	-	-
- Income tax provision	43	116	20	54	233	53	64	37	48	202
- Interest, net	62	62	62	60	246	63	66	64	65	258
- Depreciation and amortization	90	91	86	87	354	86	86	88	90	350
EBITDA	296	576	273	310	1,455	339	332	267	306	1,244
- Unrealized (gain) loss on derivatives	(16)	18	(15)	(7)	(20)	4	(1)	6	1	10
- Realized (gain) loss on derivative instruments not included in segment income	(1)	-	1	-	-	-	(1)	-	(1)	(2)
- Proportional consolidation	8	8	17	18	51	16	15	14	13	58
- Loss (gain) on sale of fixed assets	1	1	2	3	7	3	(1)	2	2	6
- Restructuring and impairment, net	1	7	25	1	34	1	-	1	-	2
- Metal price lag expense (income)	1	5	(1)	(9)	(4)	(33)	(1)	13	25	4
- Gain on sale of business	-	(318)	-	-	(318)	-	-	-	-	-
- Business acquisition and other integration costs (A)	-	-	-	-	-	2	8	14	9	33
- Other, net	(1)	5	3	3	10	2	4	5	2	13
Adjusted EBITDA	\$289	\$302	\$305	\$319	\$1,215	\$334	\$355	\$322	\$357	\$1,368

(A) Effective in the second quarter of fiscal 2019, management removed the impact of business acquisition and other integration costs from Adjusted EBITDA in order to enhance the visibility of the underlying operating performance of the Company. The impact of "Business acquisition and other integration costs", which are costs, primarily legal and professional fees, presented above associated with our pending acquisition of Aleris, is now reported as a separate line item in this reconciliation and on our condensed consolidated statement of operations. This change in presentation does not impact our condensed consolidated financial statements.

FREE CASH FLOW AND LIQUIDITY

Novelis

(in \$ m)	Q1	Q2	Q3	Q4	FY18	Q1	Q2	Q3	Q4	FY19
Cash (used in) provided by operating activities	(45)	139	143	349	586	48	162	114	404	728
Cash (used in) provided by investing activities	(31)	273	(72)	(87)	83	(52)	(291)	(91)	(123)	(557)
Plus: Cash used in the acquisition of assets under a capital lease	-	-	-	-	-	-	239	-	-	239
Less: (proceeds) outflows from sale of assets, net of transaction fees, cash income taxes and hedging	(1)	(311)	8	41	(263)	-	(2)	-	-	(2)
Free cash flow	\$(77)	\$101	\$79	\$303	\$406	\$(4)	\$108	\$23	\$281	\$408
Capital expenditures	39	43	54	90	226	54	60	96	141	351

"Free cash flow" consists of: (a) "net cash provided by (used in) operating activities," (b) plus "net cash provided by (used in) investing activities" (c) plus cash used in the "Acquisition of assets under a capital lease", and (d) less "proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging". All prior periods presented conform to the presentation adopted for the current period.

(in \$ m)	Q1	Q2	Q3	Q4	FY18	Q1	Q2	Q3	Q4	FY19
Cash and cash equivalents	565	949	757	920	920	853	829	797	950	950
Availability under committed credit facilities	671	700	967	998	998	1,059	907	884	897	897
Liquidity	\$1,236	\$1,649	\$1,724	\$1,918	\$1,918	\$1,912	\$1,736	\$1,681	\$1,847	\$1,847

