

**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): August 12, 2020

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))

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.

The following information, including Exhibits 99.1 and 99.2, 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 August 12, 2020, Novelis Inc. issued a press release reporting the company's financial results for its fiscal quarter ended June 30, 2020. 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) "income tax provision(benefit)"; (o) cumulative effect of accounting change, net of tax; (p) metal price lag; (q) business acquisition and other integration related costs, (r) purchase price accounting adjustments; and (s) "income (loss) from discontinued operations, net of tax." 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, 5.875% senior notes due 2026 and 4.75% senior notes due 2030, 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 - 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, and (h) less "Proceeds from sales of assets, 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, purchase price accounting adjustments, charitable donation, 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, purchase price accounting adjustments, charitable donations, 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 August 12, 2020 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated August 12, 2020 (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.

Date: August 12, 2020

By: /s/ Christopher Courts
Christopher Courts
Interim General Counsel, Corporate Secretary and Compliance
Officer



News Release

Novelis Reports First Quarter Fiscal 2021 Results

Diversified product portfolio including resilient beverage can business and prudent cost controls provide near- and long-term stability

Q1 Fiscal Year 2021 Highlights

- Net loss from continuing operations of \$61 million, down 148% YoY; excluding special items, net income of \$22 million
- Shipments of 774 kilotonnes, down 7% YoY
- Adjusted EBITDA of \$253 million, down 32% YoY
- Strong balance sheet with \$2.1 billion in liquidity
- Completed acquisition of Aleris on April 14 and began integration to drive synergies; Q1 fiscal 2021 results include the acquired business

ATLANTA, August 12, 2020 – Novelis Inc., the world leader in aluminum rolling and recycling, today reported a net loss attributed to its common shareholder of \$79 million, and a net loss from continuing operations of \$61 million for the first quarter of fiscal year 2021, down 162 percent and 148 percent, respectively, versus the prior year period. Excluding tax-effected special items in both years, first quarter fiscal 2021 net income was \$22 million, down 85 percent versus the prior year period. This decline is due mainly to the after-tax impact of lower Adjusted EBITDA, as well as higher depreciation and amortization and unrealized derivative losses mainly associated with the acquisition of Aleris.

While the company's financial results were impacted by the COVID-19 pandemic, the resiliency of the beverage can market provided stability and demand trends in the automotive and specialty markets recovered significantly towards the end of the quarter. Most notably, its automotive customers across regions are trending positively toward pre-pandemic production levels. In addition to healthy automotive customer pull, the company is beginning to realize targeted operating fixed costs, general administrative expenses and R&D savings. Novelis has also maintained substantial liquidity to help navigate the current dynamic environment and manage the successful integration of Aleris. As demand trends increase in certain markets, the company continues working closely with customers to leverage its global manufacturing footprint and adjust production levels to meet their needs.

"With employee safety as our top priority, Novelis continues implementing a number of measures to protect our colleagues from COVID-19-related challenges, while successfully serving our customers and integrating Aleris with minimal disruption," said Steve Fisher, President and CEO, Novelis Inc. "We entered this fiscal year in a position of strength based on four consecutive years of record earnings and remain confident in our ability to handle this near-term uncertainty. Based on our diverse product portfolio, reliable and efficient operations, and world-class workforce, we have the flexibility and expertise to provide the solutions our customers need."

Net sales decreased 17 percent from the prior year period to \$2.4 billion for the first quarter of fiscal 2021. This was driven by sharply lower average LME aluminum prices and local market premiums, as well as a seven percent decline in total flat rolled product shipments. Shipments of 774 kilotonnes were impacted by weak market conditions, partially offset by the addition of the acquired Aleris business.

Adjusted EBITDA decreased 32 percent to \$253 million in the first quarter of fiscal 2021 compared to \$372 million in the prior year period. The decrease was driven mainly by lower shipments and unfavorable product mix but partially offset by strong cost control, and EBITDA contribution from the acquired Aleris business.

Year-to-date fiscal 2021 free cash flow of negative \$151 million compares to negative \$94 million in the prior year period, driven primarily by lower Adjusted EBITDA, timing of taxes, and exceptional items, partially offset by lower capital expenditures. Capital expenditures decreased versus the prior year to \$106 million, as the company defers non-strategic capital spending to conserve cash. While the first quarter free cash flow was pressured as a result of the pandemic, the company expects it can achieve strong positive free cash flow for the full 2021 fiscal year.

(in \$ millions, non-GAAP measures)	Three Months Ended June 30,	
	2020	2019
Free cash flow	\$ (151)	\$ (94)
Capital expenditures	106	162
Free cash flow before capital expenditures	\$ (45)	\$ 68

"We swiftly implemented a number of cost reduction initiatives to create sustainable flexibility in our cost structure, and are prepared to take further action if needed based on customer demand trends," said Devinder Ahuja, Senior Vice President and Chief Financial Officer, Novelis Inc. "These initiatives, combined with our strong liquidity position and identified business combination synergies provide us the confidence to manage through near-term market headwinds while continuing to strengthen the business for future success."

As of June 30, 2020, the company reported a strong total liquidity position of \$2.1 billion. Net leverage increased during the quarter to 3.8x, reflecting higher debt levels related to funding the acquisition of Aleris. Net leverage is in line with the company's guidance at deal announcement to be below 4x at acquisition close, with a commitment to bring this below 3x within two years.

COVID-19 Response

Novelis' primary focus remains the health and well-being of its employees. The company is closely monitoring the changing landscape with respect to the COVID-19 pandemic and taking actions to manage its business and support customers. Novelis has bolstered its Environmental Health and Safety protocols to align with guidance from global health authorities and government agencies across company operations to help ensure the safety of its employees, customers, suppliers, communities and other stakeholders. The COVID-19 pandemic has caused travel and business disruption and economic volatility. There have been government mandates to stay at home or avoid large gatherings. As a result, some customers have temporarily shut down manufacturing facilities at times due to lack of demand, government decree, and/or public health concerns. Similarly, Novelis temporarily shut down some of its production to align with customer demand and reduce operating costs. We have identified approximately \$250 million in potential cost reductions, between operating fixed costs, SG&A and R&D, should market conditions remain soft. The company will continue to scale production based on customer demand.

Aleris Acquisition

On April 14, 2020, Novelis closed its acquisition of Aleris Corporation and has begun integrating the two companies. The acquisition provides a number of strategic benefits, including product portfolio diversification with the entry into high-value aerospace and enhances our strategic position in Asia. We also believe that the acquisition of Aleris allows for approximately \$150 million in potential annual cost synergies. The results from continuing operations reported today for the period ending June 30, 2020 reflect the acquired businesses. This excludes the Lewisport and Duffel plants pending divestment, reflected as results from discontinued operations. The company filed a form 8-K/A with the Securities and Exchange Commission on June 30, 2020, providing historical and pro forma financial information related to the acquisition.

Fiscal Year 2021 Earnings Conference Call

Novelis will discuss its fiscal year 2021 results via a live webcast and conference call for investors at 8:00 a.m. ET on Wednesday, August 12, 2020. To view slides and listen only, visit <https://cc.callinfo.com/r/1ozd7sj2fdygy&eom>. To join by telephone, dial toll-free in North America at 800-379-4140, India toll-free at 1800 266 0841 or the international toll line at +1-212-271-4651. 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 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, India. 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 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, 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 expectation of strategic benefits, including synergies, of the Aleris acquisition, and the possible future risks of the COVID-19 pandemic on our business. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: 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 and related divestiture requirements; 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; 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, 2020.

Media Contact:

Matthew Bianco
+1 404 760 4159
matthew.bianco@novelis.adityabirla.com

Investor Contact:

Megan Cochard
+1 404 760 4170
megan.cochard@novelis.adityabirla.com

Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

(in millions)	Three Months Ended June 30,	
	2020	2019
Net sales	\$ 2,426	\$ 2,925
Cost of goods sold (exclusive of depreciation and amortization)	2,101	2,414
Selling, general and administrative expenses	122	127
Depreciation and amortization	118	88
Interest expense and amortization of debt issuance costs	70	65
Research and development expenses	19	19
Restructuring and impairment, net	1	1
Equity in net income of non-consolidated affiliates	(1)	—
Business acquisition and other integration related costs	11	17
Other expenses, net	75	4
	\$ 2,516	\$ 2,735
(Loss) income from continuing operations before income tax provision	(90)	190
Income tax (benefit) provision	(29)	63
Net (loss) income from continuing operations	\$ (61)	\$ 127
Loss from discontinued operations, net of tax	(18)	—
Net (loss) income	\$ (79)	\$ 127
Net income attributable to noncontrolling interest	—	—
Net (loss) income attributable to our common shareholder	\$ (79)	\$ 127

Novelis Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(in millions, except number of shares)	June 30, 2020	March 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,729	\$ 2,392
Accounts receivable, net		
— third parties (net of allowance for uncollectible accounts of \$7 and \$8 as of June 30, 2020 and March 31, 2020, respectively)	1,213	1,067
— related parties	146	164
Inventories	1,611	1,409
Prepaid expenses and other current assets	149	145
Fair value of derivative instruments	94	202
Assets held for sale	5	5
Current assets of discontinued operations	473	—
Total current assets	\$ 5,420	\$ 5,384
Property, plant and equipment, net	4,545	3,580
Goodwill	935	607
Intangible assets, net	433	299
Investment in and advances to non-consolidated affiliates	781	760
Deferred income tax assets	199	140
Other long-term assets	235	219
Long-term assets of discontinued operations	960	—
Total assets	\$ 13,508	\$ 10,989
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 50	\$ 19
Short-term borrowings	2,176	176
Accounts payable		
— third parties	1,548	1,732
— related parties	191	176
Fair value of derivative instruments	198	214
Accrued expenses and other current liabilities	645	613
Current liabilities of discontinued operations	151	—
Total current liabilities	\$ 4,959	\$ 2,930
Long-term debt, net of current portion	5,671	5,345
Deferred income tax liabilities	93	194
Accrued postretirement benefits	1,105	930
Other long-term liabilities	245	229
Long-term liabilities of discontinued operations	148	—
Total liabilities	\$ 12,221	\$ 9,628
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, 2020 and March 31, 2020	—	—
Additional paid-in capital	1,404	1,404
Retained earnings	549	628
Accumulated other comprehensive income (loss)	(616)	(620)
Total equity of our common shareholder	\$ 1,337	\$ 1,412
Noncontrolling interest	(50)	(51)
Total equity	\$ 1,287	\$ 1,361
Total liabilities and equity	\$ 13,508	\$ 10,989

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

(in millions)	Three Months Ended June 30,	
	2020	2019
OPERATING ACTIVITIES		
Net (loss) income from continuing operations	\$ (61)	\$ 127
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	118	88
Loss (gain) on unrealized derivatives and other realized derivatives in investing activities, net	15	(14)
Gain on sale of assets	(2)	(1)
Impairment charges	1	—
Deferred income taxes, net	(62)	28
Equity in net income of non-consolidated affiliates	(1)	—
Amortization of debt issuance costs and carrying value adjustments	6	5
Other, net	3	—
Changes in operating assets and liabilities:		
Accounts receivable	130	(81)
Inventories	192	(36)
Accounts payable	(316)	43
Other assets	44	(2)
Other liabilities	(196)	(100)
Net cash (used in) provided by operating activities - continuing operations	(129)	57
Net cash used in operating activities - discontinued operations	(15)	—
Net cash (used in) provided by operating activities	\$ (144)	\$ 57
INVESTING ACTIVITIES		
Capital expenditures	(106)	(162)
Acquisition of business, net of cash acquired	(2,550)	—
Proceeds from sales of assets, third party, net of transaction fees and hedging	—	2
Proceeds from investment in and advances to non-consolidated affiliates, net	7	6
Proceeds from the settlement of derivative instruments, net	9	1
Other	3	4
Net cash used in investing activities - continuing operations	(2,637)	(149)
Net cash provided by investing activities - discontinued operations	10	—
Net cash used in investing activities	\$ (2,627)	\$ (149)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	1,899	—
Principal payments of long-term and short-term borrowings	(7)	(6)
Revolving credit facilities and other, net	327	12
Debt issuance costs	(18)	(1)
Net cash provided by financing activities - continuing operations	2,201	5
Net cash used in financing activities - discontinued operations	(1)	—
Net cash provided by financing activities	\$ 2,200	\$ 5
Net decrease in cash, cash equivalents and restricted cash	(571)	(87)
Effect of exchange rate changes on cash	7	(3)
Cash, cash equivalents and restricted cash — beginning of period	2,402	960
Cash, cash equivalents and restricted cash — end of period	\$ 1,838	\$ 870
Cash and cash equivalents	\$ 1,729	\$ 859
Restricted cash (Included in "Other long-term assets")	12	11
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	\$ 1,838	\$ 870

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.

(in millions)	Three Months Ended June 30,	
	2020	2019
Net (loss) income attributable to our common shareholder	\$ (79)	\$ 127
Net income attributable to noncontrolling interests	—	—
Income tax provision	(29)	63
Interest, net	67	62
Depreciation and amortization	118	88
EBITDA	\$ 77	\$ 340
Adjustment to reconcile proportional consolidation	14	15
Unrealized losses (gains) on change in fair value of derivative instruments, net	33	(6)
Realized (gains) losses on derivative instruments not included in segment income	3	2
Restructuring and impairment, net	1	1
Loss on sale of fixed assets	(2)	(1)
Purchase price accounting adjustments	28	—
Loss from discontinued operations, net of tax	18	—
Metal price lag	20	2
Business acquisition and other integration related costs	11	17
Other, net	50	2
Adjusted EBITDA	\$ 253	\$ 372

Free Cash Flow (unaudited)

The following table presents "Free cash flow."

(in millions)	Three Months Ended June 30,	
	2020	2019
Net cash (used in) provided by operating activities - continuing operations	\$ (129)	\$ 57
Net cash used in investing activities - continuing operations	(2,637)	(149)
Plus: Cash used in the acquisition of assets under a capital lease	—	—
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	—	(2)
Free cash flow from continuing operations	(146)	(94)
Net cash used in operating activities - discontinued operations	(15)	—
Net cash provided by investing activities - discontinued operations	10	—
Free cash flow	<u>\$ (151)</u>	<u>\$ (94)</u>

Cash and Cash Equivalents and Total Liquidity (unaudited)

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

(in millions)	June 30,	March 31, 2020
	2020	
Cash and cash equivalents	\$ 1,729	\$ 2,392
Cash and cash equivalents of discontinued operations	89	—
Availability under committed credit facilities	308	186
Total liquidity	<u>\$ 2,126</u>	<u>\$ 2,578</u>

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

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,	
	2020	2019
Net (loss) income from continuing operations	(61)	127
Special Items:		
Business acquisition and other integration related costs	11	17
Metal price lag	20	2
Restructuring and impairment, net	1	1
Charitable donation	50	—
Purchase price accounting adjustment	28	—
Tax effect on special items	(27)	(2)
Net income from continuing operations, excluding special items	<u>\$ 22</u>	<u>\$ 145</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, 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

Selected Operating Results Three Months Ended June 30, 2019	North America	Europe	Asia	South America	Eliminations and Other	Total
Adjusted EBITDA	\$ 170	\$ 53	\$ 53	\$ 96	\$ —	\$ 372

Shipments (in kt)						
Rolled products - third party	289	223	183	135	—	830
Rolled products - intersegment	—	11	1	4	(16)	—
Total rolled products	289	234	184	139	(16)	830

NOVELIS Q1 FISCAL YEAR 2021 EARNINGS CONFERENCE CALL

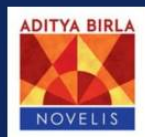
August 12, 2020

Steve Fisher

President and Chief Executive Officer

Dev Ahuja

Senior Vice President and Chief Financial Officer



Novelis

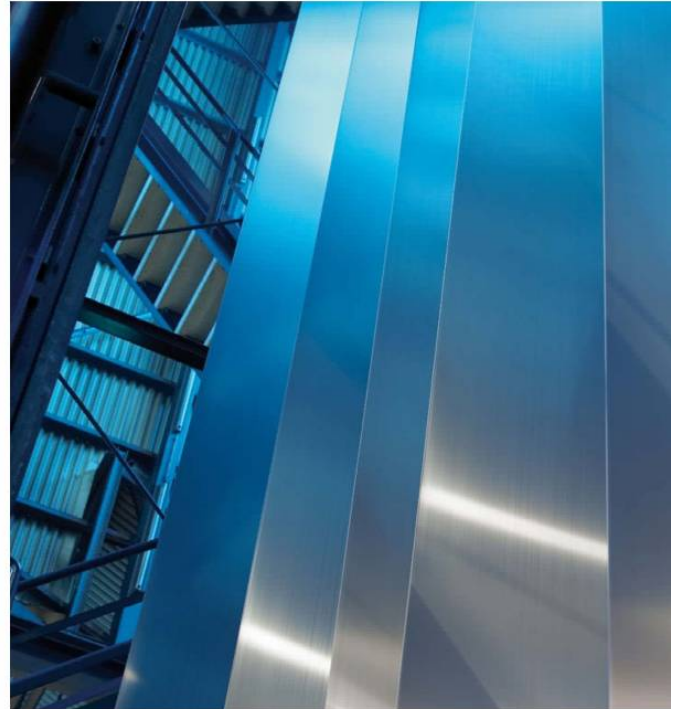
Forward-looking statements

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 expectations about strengthening and growing the business with expansion projects and that our net leverage ratio will be below 3x within two years. 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; 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; the risks of pandemics or other public health emergencies, including the continued spread and impact of, and the governmental and third-party responses to risks arising out of our acquisition of Aleris Corporation and related divestiture requirements; disruption to our global aluminum production and supply chain as a result of COVID-19; 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 upcoming Annual Report on Form 10-K for the fiscal year ended March 31, 2020.

Q1FY21 HIGHLIGHTS

Novelis

- Maintained employee safety and business continuity despite COVID disruptions
- Can demand remained resilient across regions throughout quarter
- Month-to-month improvement in demand in auto and specialties, but visibility remains limited
- Focused on reduction of fixed operating, SG&A and R&D costs, and non-strategic capital spending
- Closed acquisition of Aleris and have begun integration to drive synergies
- Maintaining strong liquidity and balance sheet
- Strong customer relationships and unmatched footprint make us well positioned to navigate near-term uncertainty





Protecting our Employees

- Top priority to help ensure the safety, health and well-being of our employees, facilities and communities



Operational Impact

- All plants are operational
- Adjusting plant schedules in line with customer demand
- Temporary commissioning delays at Guthrie and Changzhou



Strengthening our Financial Position

- Implemented operating fixed cost, SG&A and R&D reductions
- Prioritizing strategic and maintenance capex
- Strong liquidity and cash position



Customer Demand Impact

Beverage can:

- Higher at-home consumption favors can
- Resilience in North America and Europe, improving trend in South America
- Reduced tourism, public events, trade restrictions and temporary canmaker plant shutdowns

Automotive:

- US & European OEMs resumed operations and rebuilding inventories
- China achieved record shipments in Q1
- Limited medium-term visibility

Specialties:

- Strengthening B&C, painted, consumer electronics, EV battery enclosures and foil packaging
- Softer heat exchanger & transportation markets

Aerospace:

- Reduced production and consumer travel

- On April 14, 2020, Novelis completed its acquisition of Aleris
 - The safe integration of our new employees and facilities is underway
 - Initial progress against \$150 million in total cost and strategic synergies
- Q1 FY21 results include the acquired businesses
 - Lewisport, Duffel reflected as discontinued operations
 - Continue to work with relevant parties to divest Lewisport and Duffel



FINANCIAL HIGHLIGHTS

Q1 FISCAL 2021 NET INCOME

Q1FY21 vs Q1FY20

\$ Millions	Q1 FY21	Q1 FY20
Net (Loss) Income	(79)	127
Net loss from discontinued operations	(18)	-
Net (loss) income from continuing operations	(61)	127
Special Items:		
Purchase price accounting adjustments	28	-
Metal price lag	20	2
Business acquisition & integration costs	11	17
Restructuring & Impairment	1	1
COVID-19 relief donation	50	-
Tax effect on Special Items	(27)	(2)
Net Income excluding Special Items	22	145

Net income excluding Special Items down 85% YoY to \$22 million

- 32% decline in adjusted EBITDA
- 34% increase in depreciation & amortization
- \$33 million unrealized losses on derivatives versus \$6 million gain PY
- Partially offset by tax

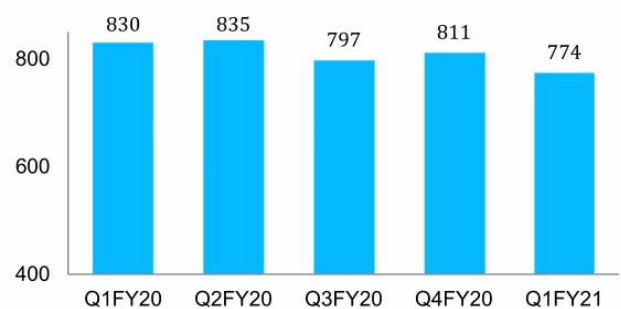
Q1 FISCAL 2021 FINANCIAL HIGHLIGHTS



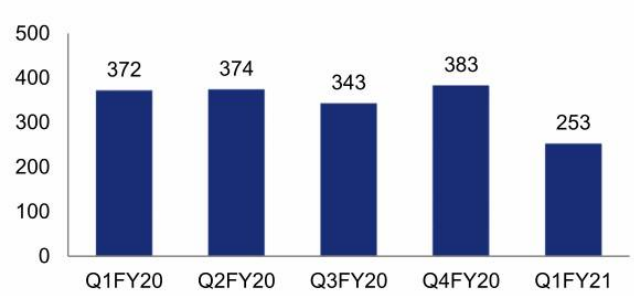
Q1FY21 vs Q1FY20

- Adjusted EBITDA down 32% from \$372 million to \$253 million
- Adjusted EBITDA per ton \$327
- Sales down 17% to \$2.4 billion
- Total FRP Shipments down 7% to 774 kilotonnes
 - Can shipments down low single digits
 - Automotive shipments down ~50%
 - Specialties shipments up double digits as a result of acquisition
 - Addition of acquired Aerospace business

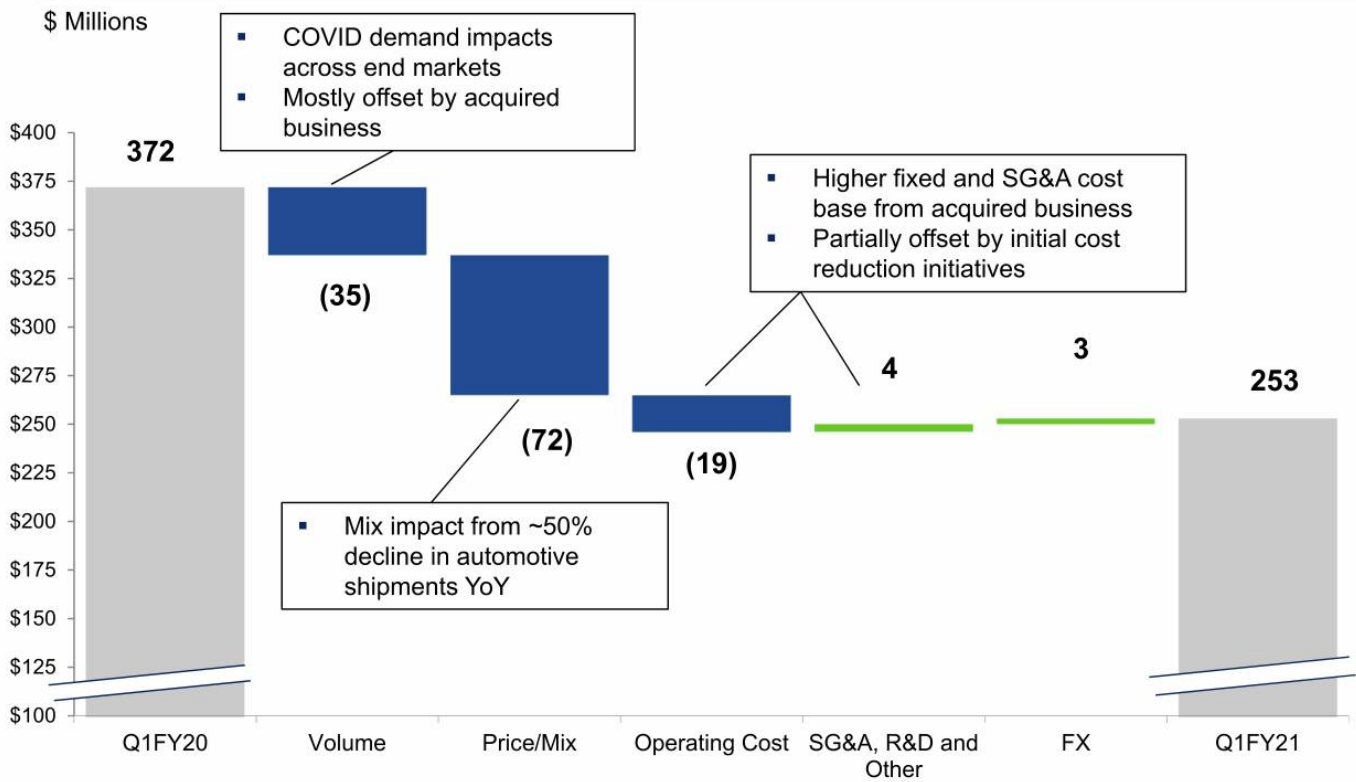
Quarterly Shipments trend
(kilotonnes)



Quarterly Adjusted EBITDA trend
(\$ millions)



Q1 ADJUSTED EBITDA BRIDGE

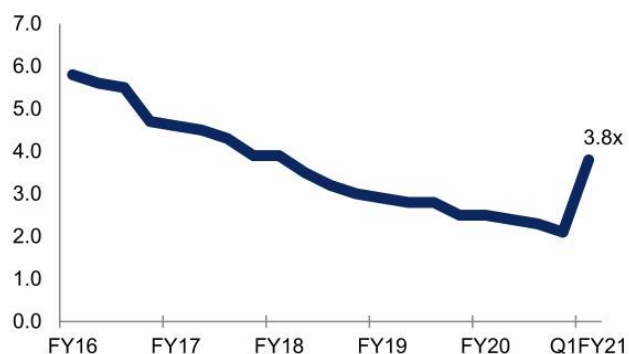


FREE CASH FLOW AND NET LEVERAGE

Novelis

\$ Millions	Q1 FY21	Q1 FY20
Adjusted EBITDA	253	372
Interest paid	(65)	(64)
Taxes paid	(61)	(40)
Capital expenditures	(106)	(162)
Working capital & other	(167)	(200)
Free cash flow from continuing operations	(146)	(94)
Free cash flow from discontinued operations	(5)	-
Free cash flow	(151)	(94)

Net Leverage ratio
Net debt/TTM Adjusted EBITDA



- Mitigating reduced EBITDA impacts on free cash flow through working capital initiatives and reduced capital expenditures
- Q1FY21 other exceptional items include \$50 million donation and \$20 million metal price lag
- Net leverage ratio of 3.8x reflects acquisition of Aleris in line with guidance of below 4x at acquisition close; committed to bringing below 3x within two years
- Strong liquidity levels \$2.1 billion as of June 30

SUMMARY

SUMMARY

- Business model durability and liquidity position to sustain operations and provide flexibility during COVID-related uncertainty
- Can demand resilient across regions throughout the quarter
- Well positioned to respond to strengthening near-term order book across end-markets
- Continue to implement appropriate cost reduction actions should market uncertainty associated with COVID remain
- Integration of Aleris and completion of organic expansion projects to strengthen and grow our business for the long term

Novelis



THANK YOU
QUESTIONS?

APPENDIX

NET INCOME RECONCILIATION TO ADJUSTED EBITDA

Novelis

(in \$ m)	Q1	Q2	Q3	Q4	FY20	Q1 FY21
Net income attributable to our common shareholder	127	123	107	63	420	(79)
- Noncontrolling interests	-	-	-	-	-	-
- Income tax provision	63	45	49	21	178	(29)
- Interest, net	62	58	57	57	234	(67)
- Depreciation and amortization	88	88	91	94	361	118
EBITDA	340	314	304	235	1,193	77
- Unrealized (gain) loss on derivatives	(6)	(3)	(6)	11	(4)	33
- Realized (gain) loss on derivative instruments not included in segment income	2	1	(1)	(2)	-	3
- Adjustment to reconcile proportional consolidation	15	14	13	15	13	14
- (Gain) loss on sale of fixed assets	(1)	(1)	1	2	1	(2)
- Purchase price accounting adjustments	-	-	-	-	-	28
- Loss from discontinued operations, net of tax	-	-	-	-	-	18
- Restructuring and impairment, net	1	32	3	7	43	1
- Metal price lag (income) expense	2	5	11	20	38	20
- Business acquisition and other integration costs	17	12	17	17	63	11
- Other, net	2	-	1	7	10	50
Adjusted EBITDA	\$372	\$374	\$343	\$383	\$1,472	\$253

FREE CASH FLOW AND LIQUIDITY

Novelis

	(in \$ m)	Q1	Q2	Q3	Q4	FY20	Q1 FY21
Cash provided by (used in) operating activities – continuing operations		57	240	167	493	962	(129)
Cash provided by (used in) investing activities – continuing operations		(149)	(127)	(124)	(175)	(575)	(2,637)
Plus: Cash used in Acquisition of a business, net of cash acquired		-	-	-	-	-	2,550
Plus: Accrued merger consideration		-	-	-	-	-	70
Less: (proceeds) outflows from sale of assets, net of transaction fees, cash income taxes and hedging		(2)	(1)	-	-	(3)	-
Free cash flow from continuing operations		\$(94)	\$112	\$43	\$318	\$384	\$(146)
Net cash used in operating activities – discontinued operations		-	-	-	-	-	(15)
Net cash provided by investing activities – discontinued operations		-	-	-	-	-	10
Free cash flow		\$(94)	\$112	\$43	\$318	\$384	\$(151)
Capital expenditures		162	138	122	177	599	106

	(in \$ m)	Q1	Q2	Q3	Q4	FY20	Q1 FY21
Cash and cash equivalents		859	935	1,031	2,392	2,392	1,729
Cash and cash equivalents of discontinued operations		-	-	-	-	-	89
Availability under committed credit facilities		870	875	838	186	186	308
Liquidity		\$1,729	\$1,810	\$1,869	\$2,578	\$2,578	\$2,126

