

**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 4, 2021

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 4, 2021, Novelis Inc. issued a press release reporting the company's financial results for its fiscal quarter ended June 30, 2021. 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 From Continuing Operations 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 (reversal) expenses, 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 related costs, (r) purchase price accounting adjustments; (s) "income (loss) from discontinued operations, net of tax"; and (t) "loss on sale of 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, 4.75% senior notes due 2030, and 3.375% senior notes due 2029 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 finance lease," (f) plus cash used in the "Acquisition of business, net of cash and restricted cash acquired," (g) plus accrued merger consideration, (h) less "Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging," and (i) less "Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging - discontinued operations." Management believes "Free cash flow" is relevant to investors as it provides a measure of the cash generated internally that is available for debt service and other value creation opportunities. However, "Free cash flow" does 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" may not be consistent with that of other companies.

Net Income From Continuing Operations Excluding Special Items. Net income from continuing operations excluding special items adjusts net income from continuing operations 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 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 from continuing operations 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 from continuing operations 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.

Net Leverage Ratio. Net Leverage Ratio is a financial measure that is used by management to assess the borrowing capacity of the company. The company defines its Net Leverage Ratio as (a) net debt (current portion of long-term debt plus short-term borrowings plus long-term debt, net of current portion less cash and cash equivalents) as of the balance sheet date divided by (b) Adjusted EBITDA for the trailing twelve month period. 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.

Item 9.01. Financial Statements and Exhibits.

99.1	Press release, dated August 4, 2021 (furnished to the Commission as a part of this Form 8-K).
99.2	Presentation materials, dated August 4, 2021 (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 4, 2021

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



News Release

Novelis Reports First Quarter Fiscal 2022 Results

Diverse product portfolio and global footprint deliver record Adjusted EBITDA

Q1 Fiscal Year 2022 Highlights

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

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

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

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

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

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

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

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

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

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

First Quarter Fiscal Year 2022 Earnings Conference Call

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

About Novelis

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

Non-GAAP Financial Measures

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

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

Forward-Looking Statements

Statements made in this news release which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward looking statements in this news release are statements about our ability to reach our long-term carbon neutrality goals and expand our business. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing including in connection with potential acquisitions and investments; risks arising out of our acquisition of Aleris Corporation, including uncertainties inherent in the acquisition method of accounting; disruption to our global aluminum production and supply chain as a result of COVID-19; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions including deterioration in the global economy; the risks of pandemics or other public health emergencies, including the continued spread and impact of, and the governmental and third party response to, the ongoing COVID-19 outbreak; changes in government regulations, particularly those affecting taxes, derivative instruments, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our credit facilities and other financing agreements; and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2021.

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Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

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

Novelis Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

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

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

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

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

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

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

Free Cash Flow (unaudited)

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

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

Cash and Cash Equivalents and Total Liquidity (unaudited)

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

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

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

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

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

Segment Information (unaudited)

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

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

NOVELIS Q1 FISCAL YEAR 2022 EARNINGS CONFERENCE CALL

August 4, 2021

Steve Fisher

President and Chief Executive Officer

Dev Ahuja

Senior Vice President and Chief Financial Officer



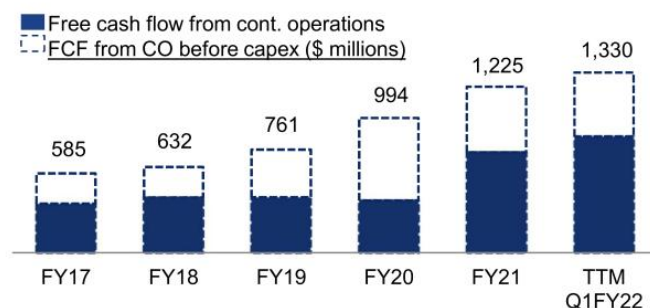
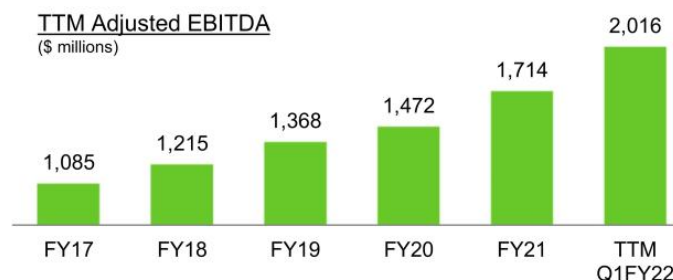
Novelis

Forward-looking statements




Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward looking statements in this presentation are statements about our expectations that impacts of the semi-conductor shortage on OEM production will be short, and our ability to reach our long-term carbon neutrality goals and expand our business. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing including in connection with potential acquisitions and investments; risks arising out of our acquisition of Aleris Corporation, including uncertainties inherent in the acquisition method of accounting; disruption to our global aluminum production and supply chain as a result of COVID-19; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions including deterioration in the global economy; the risks of pandemics or other public health emergencies, including the continued spread and impact of, and the governmental and third party response to, the ongoing COVID-19 outbreak; changes in government regulations, particularly those affecting taxes, derivative instruments, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our credit facilities and other financing agreements; and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2021.

HIGHLIGHTS

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



END MARKET OUTLOOK

Beverage Can	2021 market demand*	% of Q1 Shipments
<ul style="list-style-type: none"> Customers continue to request increased volumes in all regions Demand driven by ongoing high off-premise consumption and package mix shift driven by preference for sustainable beverage packaging options Significant canmaker capacity expansions announced next 2-3 years across all regions 	 3-6%	58%
Automotive	 20-25%	17%
Specialty	 5-10%	23%
Aerospace	 5-10%	2%

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

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



First ingot cast at new remelt line in Pinda, Brazil

FINALIZING CHINA EXPANSION PLANS

Novelis

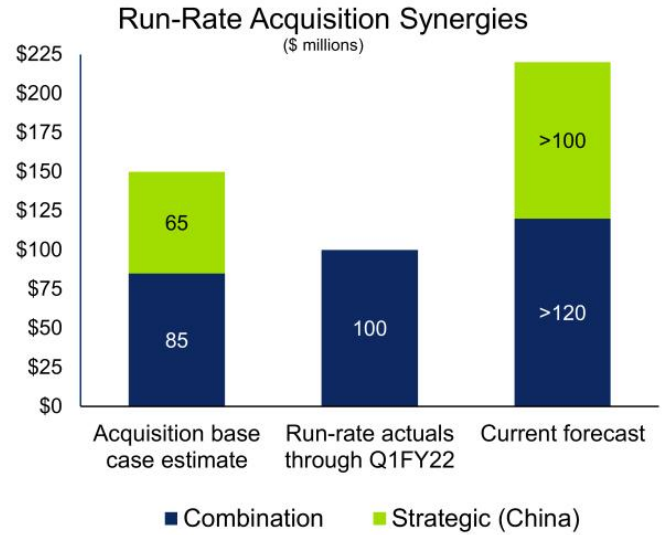
- Maintain current aerospace & commercial plate production capacity
- ~\$375 million, 3-year capital investment
 - Expand Zhenjiang to produce automotive cold coils to feed Changzhou CASH lines
 - Automotive casting house
 - Recycling capability
 - Hot mill upgrade
 - New cold mill
 - Other required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



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6

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



FINANCIAL HIGHLIGHTS

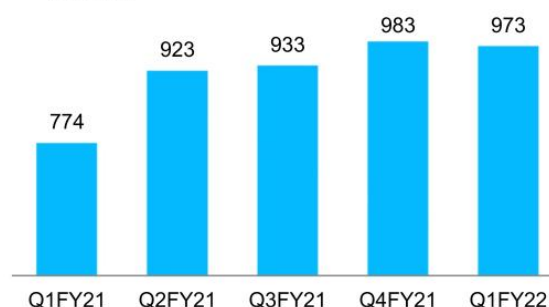
Q1 FISCAL 2022 FINANCIAL HIGHLIGHTS



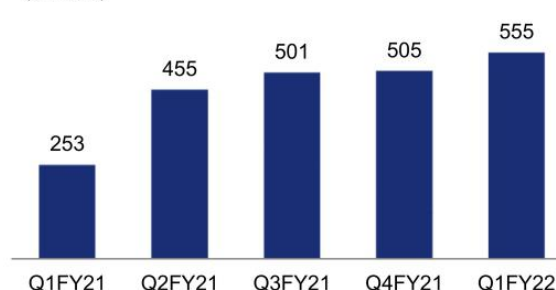
Q1FY22 vs Q1FY21

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

Quarterly Shipments trend
(kilotonnes)



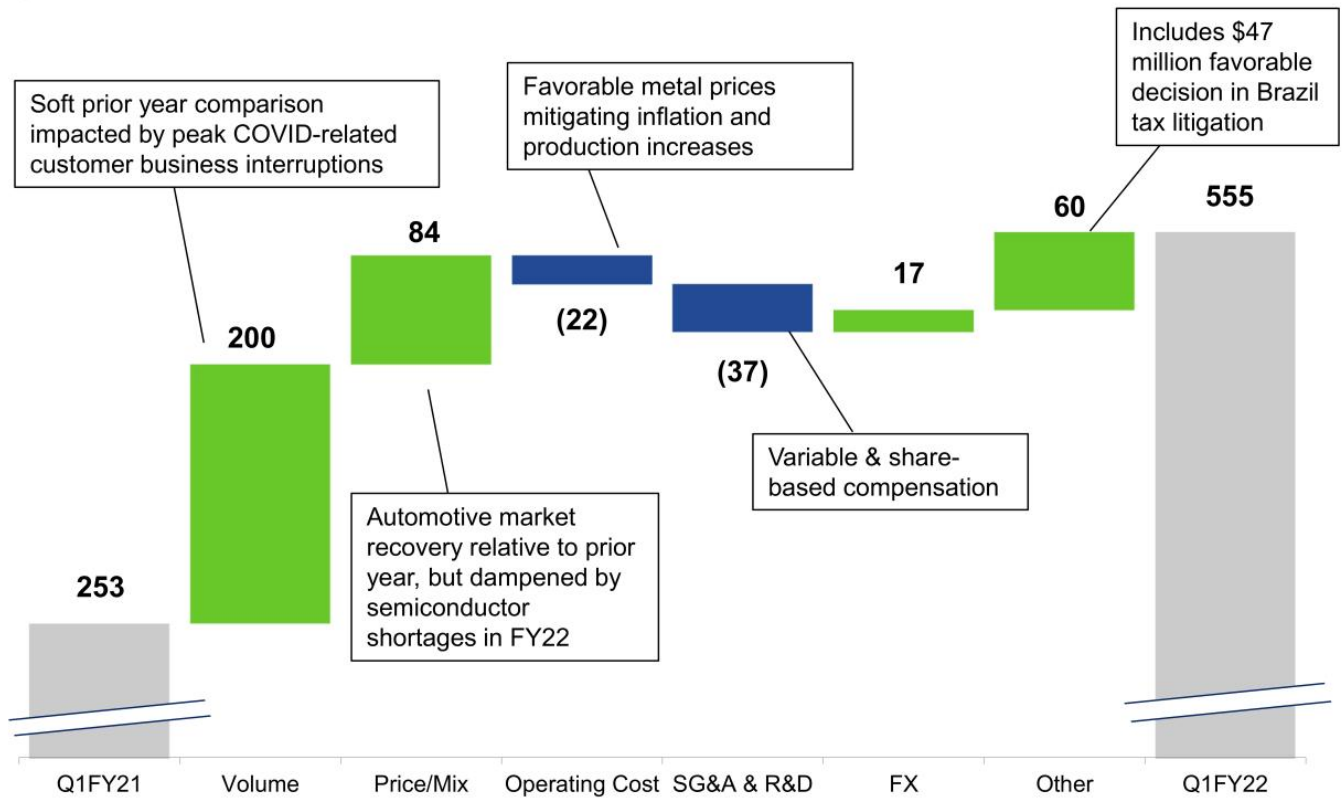
Quarterly Adjusted EBITDA trend
(\$ millions)



*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. See today's earnings press release for a reconciliation of special items.

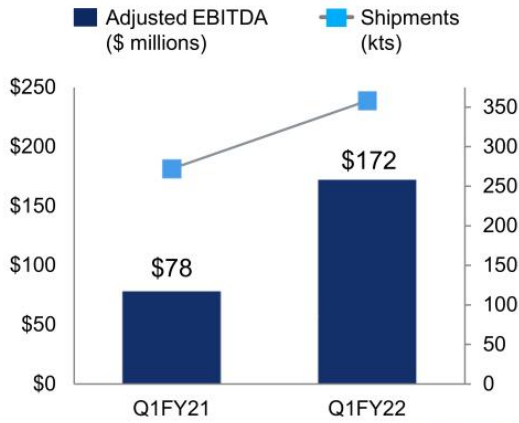
Q1 ADJUSTED EBITDA BRIDGE

\$ Millions



Q1 SEGMENT RESULTS

North America



Q1 Shipments +32% EBITDA +121%

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

Europe

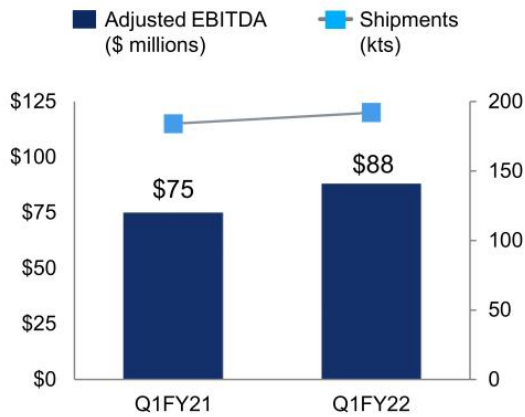


Q1 Shipments +32% EBITDA +410%

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

Q1 SEGMENT RESULTS

Asia



Q1 Shipments +4% EBITDA +17%

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

South America



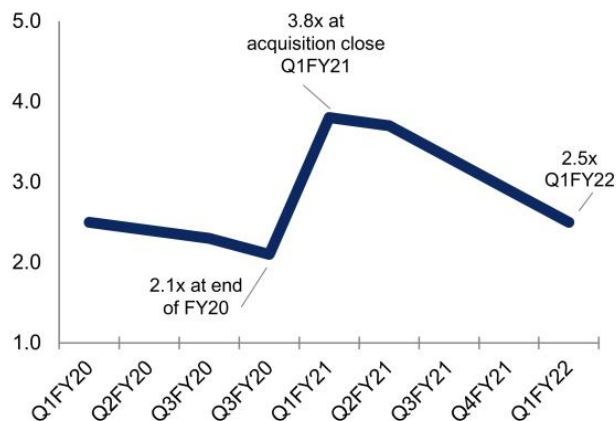
Q1 Shipments +39% EBITDA +154%

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

FREE CASH FLOW AND NET LEVERAGE

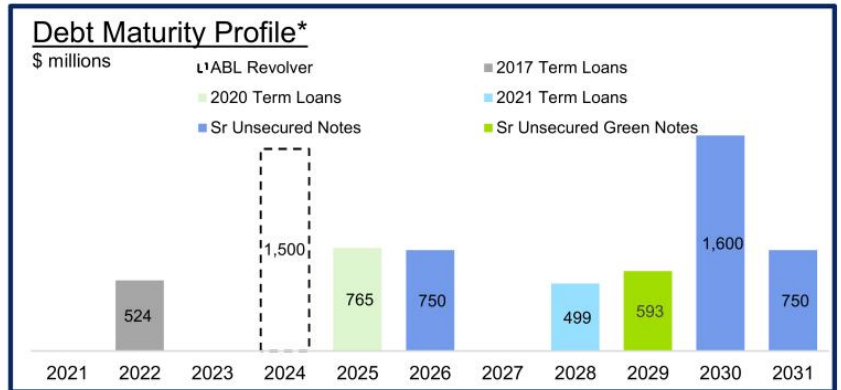
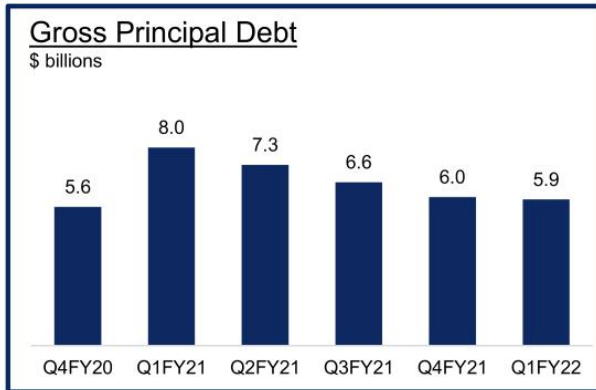
\$ Millions	Q1 FY22	Q1 FY21
Adjusted EBITDA	555	253
Interest paid	(52)	(65)
Taxes paid	(61)	(61)
Capital expenditures	(101)	(112)
Metal price lag	54	(23)
Working capital & other	(425)	(138)
Free cash flow from continuing operations	(30)	(146)
Free cash flow from discontinued operations	(3)	(5)
Free cash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

Net Leverage ratio
Net debt/TTM Adjusted EBITDA



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

DEBT REDUCTION & REFINANCING



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

*Debt maturity profile principal as of 6/30/21, excludes short-term borrowings, lease obligations, and \$77 million China bank loans; adjusted for \$1.5 billion Sr Unsecured Notes refinancing July 2021 to close August 2021

OUTLOOK & SUMMARY

SUMMARY

Novelis

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



THANK YOU
QUESTIONS?

APPENDIX

NET INCOME RECONCILIATION TO ADJUSTED EBITDA

Novelis

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

FREE CASH FLOW AND LIQUIDITY

Novelis

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

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

NET DEBT

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

