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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: **001-32312**

Novelis Inc.

(Exact name of registrant as specified in its charter)

Canada	**98-0442987**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3550 Peachtree Road NE, Suite 1100 **Atlanta, GA**	**30326**
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ¨ No ☒

The registrant is a voluntary filer and is not subject to the filing requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934. However, the registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	☒	Smaller reporting company	¨
		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. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of February 10, 2026, the registrant had 605,000,000 shares of common stock, no par value, outstanding. All of the registrant's outstanding shares were held indirectly by Hindalco Industries Ltd., the registrant's parent company.

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COMMONLY USED OR DEFINED TERMS

Term	Definition
Adjusted EBITDA	As defined in Note 16 – Segment, Geographical Area, Major Customer and Major Supplier Information
AluInfra	AluInfra Services SA
Alunorf	Aluminium Norf GmbH
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
fiscal 2026	Fiscal year ended March 31, 2026(1)
Form 10-Q	Quarterly Report on Form 10-Q
FRP	Flat-rolled products
GAAP	Generally Accepted Accounting Principles
Kobe	Kobe Steel, Ltd.
kt	kilotonne (One kt is 1,000 metric tonnes)
LME	The London Metals Exchange
LMP	Local market premium
Logan	Logan Aluminum Inc.
MMBtu	One decatherm or 1 million British Thermal Units
OEM	Original equipment manufacturer
PET	Polyethylene terephthalate
R&D	Research and development
RSUs	Restricted stock units
SARs	Stock appreciation rights
SEC	United States Securities and Exchange Commission
SG&A	Selling, general and administrative expenses
SOFR	Secured Overnight Financing Rate
Tri-Arrows	Tri-Arrows Aluminum Inc.
UAL	Ulsan Aluminum Ltd.
UBC	Used beverage can
U.K.	United Kingdom
U.S.	United States
VIE	Variable interest entity
2025 Form 10-K	Our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, as filed with the SEC on May 12, 2025

(1) Analogous convention is used for the fiscal years prior and subsequent to March 31, 2026.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited).

Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

in millions	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Net sales	$ 4,186	$ 4,080	$ 13,647	$ 12,562
Cost of goods sold (exclusive of depreciation and amortization)	3,513	3,516	11,617	10,607
Selling, general and administrative expenses	177	179	525	543
Depreciation and amortization	155	142	455	423
Interest expense and amortization of debt issuance costs	66	66	201	210
Research and development expenses	22	25	68	75
Loss on extinguishment of debt, net	—	—	3	—
Restructuring and impairment expenses, net	20	6	136	46
Equity in net loss (income) of non-consolidated affiliates	7	1	1	(2)
Other expenses (income), net	381	(4)	426	121
	4,341	3,931	13,432	12,023
(Loss) income before income tax provision	(155)	149	215	539
Income tax provision	4	39	115	150
Net (loss) income	(159)	110	100	389
Net income attributable to noncontrolling interests	1	—	1	—
Net (loss) income attributable to our common shareholder	$ (160)	$ 110	$ 99	$ 389

See accompanying notes to the condensed consolidated financial statements.

Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (unaudited)

in millions	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Net (loss) income	$ (159)	$ 110	$ 100	$ 389
Other comprehensive loss:				
Currency translation adjustment	(9)	(217)	175	(101)
Net change in fair value of effective portion of cash flow hedges	(177)	28	(275)	(16)
Net change in pension and other benefits	11	(1)	5	(8)
Other comprehensive loss before income tax effect	(175)	(190)	(95)	(125)
Income tax (benefit) provision related to items of other comprehensive loss	(47)	1	(72)	(9)
Other comprehensive loss, net of tax	(128)	(191)	(23)	(116)
Comprehensive (loss) income	(287)	(81)	77	273
Comprehensive income (loss) attributable to noncontrolling interests, net of tax	5	—	5	(1)
Comprehensive (loss) income attributable to our common shareholder	$ (292)	$ (81)	$ 72	$ 274

See accompanying notes to the condensed consolidated financial statements.

Novelis Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

in millions, except number of shares	December 31, 2025	March 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 825	$ 1,036
Accounts receivable, net		
— third parties (net of allowance for credit losses of $7 as of December 31, 2025, and March 31, 2025)	2,017	2,073
— related parties	176	136
Inventories	3,703	3,054
Prepaid expenses and other current assets	302	234
Fair value of derivative instruments	109	176
Assets held for sale	19	6
Total current assets	7,151	6,715
Property, plant and equipment, net	8,118	6,851
Goodwill	1,080	1,074
Intangible assets, net	458	509
Investment in and advances to non-consolidated affiliates	981	912
Deferred income tax assets	166	188
Other long-term assets		
— third parties	287	263
— related parties	5	3
Total assets	$ 18,246	$ 16,515
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 52	$ 32
Short-term borrowings	592	348
Accounts payable		
— third parties	3,548	3,687
— related parties	325	275
Fair value of derivative instruments	378	106
Liabilities held for sale	13	—
Accrued expenses and other current liabilities	704	666
Total current liabilities	5,612	5,114
Long-term debt, net of current portion	6,317	5,773
Deferred income tax liabilities	189	295
Accrued postretirement benefits	523	534
Other long-term liabilities	298	284
Total liabilities	12,939	12,000
Commitments and contingencies		
Shareholder's equity:		
Common stock, no par value; Unlimited number of shares authorized; 605,000,000 and 600,000,000 shares issued and outstanding as of December 31, 2025, and March 31, 2025, respectively	—	—
Additional paid-in capital	1,823	1,108
Retained earnings	3,854	3,755
Accumulated other comprehensive loss	(385)	(358)
Total equity of our common shareholder	5,292	4,505
Noncontrolling interests	15	10
Total equity	5,307	4,515
Total liabilities and equity	$ 18,246	$ 16,515

See accompanying notes to the condensed consolidated financial statements. Refer to Note 4 – Consolidation for information on our consolidated VIE.

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

in millions	Nine Months Ended December 31, 2025	2024
OPERATING ACTIVITIES		
Net income	$ 100	$ 389
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	455	423
Loss (gain) on unrealized derivatives and other realized derivatives in investing activities, net	71	(17)
Loss on sale or disposal of assets, net	3	2
Non-cash restructuring and impairment charges	76	34
Loss on extinguishment of debt, net	3	—
Deferred income taxes, net	(20)	(26)
Equity in net loss (income) of non-consolidated affiliates	1	(2)
Loss (gain) on foreign exchange remeasurement of debt	18	(12)
Amortization of debt issuance costs and carrying value adjustments	11	10
Non-cash charges related to Sierre flooding	—	42
Non-cash charges related to Oswego fire	36	—
Other, net	—	4
Changes in assets and liabilities including assets and liabilities held for sale:		
Accounts receivable	61	(221)
Inventories	(557)	(486)
Accounts payable	(253)	245
Other assets	(86)	(66)
Other liabilities	(9)	(56)
Net cash (used in) provided by operating activities	$ (90)	$ 263
INVESTING ACTIVITIES		
Capital expenditures	$ (1,577)	$ (1,175)
Proceeds from sales of assets, third party, net of transaction fees and hedging	1	—
Proceeds (outflows) from investment in and advances to non-consolidated affiliates, net	3	(9)
Outflows from the settlement of derivative instruments, net	(25)	(4)
Proceeds from insurance claims	36	—
Other	12	10
Net cash used in investing activities	$ (1,550)	$ (1,178)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term and short-term borrowings	$ 1,458	$ 268
Principal payments of long-term and short-term borrowings	(822)	(123)
Revolving credit facilities and other, net	89	262
Debt issuance costs	(25)	(3)
Proceeds from equity contribution from our common shareholder	750	—
Return of capital to our common shareholder	(35)	—
Net cash provided by financing activities	$ 1,415	$ 404
Net decrease in cash, cash equivalents and restricted cash	(225)	(511)
Effect of exchange rate changes on cash	14	(15)
Cash, cash equivalents and restricted cash – beginning of period	1,041	1,322
Cash, cash equivalents and restricted cash – end of period	$ 830	$ 796
Cash and cash equivalents	$ 825	$ 791
Restricted cash (included in other long-term assets)	5	5
Cash, cash equivalents and restricted cash – end of period	$ 830	$ 796
Supplemental Disclosures:		
Accrued capital expenditures	$ 316	$ 303

See accompanying notes to the condensed consolidated financial statements.

Novelis Inc.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY (unaudited)

	Equity of our Common Shareholder						
	Common Stock						
in millions, except number of shares	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
Balance as of March 31, 2024	600,000,000	$ —	$ 1,108	$ 3,072	$ (381)	$ 11	$ 3,810
Net income attributable to our common shareholder	—	—	—	389	—	—	389
Currency translation adjustment included in other comprehensive loss	—	—	—	—	(101)	—	(101)
Change in fair value of effective portion of cash flow hedges, net of tax benefit of $7 included in other comprehensive loss	—	—	—	—	(9)	—	(9)
Change in pension and other benefits, net of tax benefit of $2 included in other comprehensive loss	—	—	—	—	(5)	(1)	(6)
Balance as of December 31, 2024	600,000,000	$ —	$ 1,108	$ 3,461	$ (496)	$ 10	$ 4,083

	Equity of our Common Shareholder						
	Common Stock						
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
Balance as of March 31, 2025	600,000,000	$ —	$ 1,108	$ 3,755	$ (358)	$ 10	$ 4,515
Net income attributable to our common shareholder	—	—	—	99	—	—	99
Net income attributable to noncontrolling interests	—	—	—	—	—	1	1
Currency translation adjustment included in other comprehensive loss	—	—	—	—	175	—	175
Change in fair value of effective portion of cash flow hedges, net of tax benefit of $73 included in other comprehensive loss	—	—	—	—	(202)	—	(202)
Change in pension and other benefits, net of tax provision of $1 included in other comprehensive loss	—	—	—	—	—	4	4
Equity contribution from our common shareholder	5,000,000	—	750	—	—	—	750
Return of capital to our common shareholder	—	—	(35)	—	—	—	(35)
Balance as of December 31, 2025	605,000,000	$ —	$ 1,823	$ 3,854	$ (385)	$ 15	$ 5,307

	Equity of our Common Shareholder						
	Common Stock						
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
Balance as of September 30, 2024	600,000,000	$ —	$ 1,108	$ 3,351	$ (305)	$ 10	$ 4,164
Net income attributable to our common shareholder	—	—	—	110	—	—	110
Currency translation adjustment included in other comprehensive loss	—	—	—	—	(217)	—	(217)
Change in fair value of effective portion of cash flow hedges, net of tax provision of $2 included in other comprehensive loss	—	—	—	—	26	—	26
Balance as of December 31, 2024	600,000,000	$ —	$ 1,108	$ 3,461	$ (496)	$ 10	$ 4,083

	Equity of our Common Shareholder						
	Common Stock						
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
Balance as of September 30, 2025	600,000,000	$ —	$ 1,073	$ 4,014	$ (253)	$ 10	$ 4,844
Net loss attributable to our common shareholder	—	—	—	(160)	—	—	(160)
Net income attributable to noncontrolling interests	—	—	—	—	—	1	1
Currency translation adjustment included in other comprehensive loss	—	—	—	—	(9)	—	(9)
Change in fair value of effective portion of cash flow hedges, net of tax benefit of $49 included in other comprehensive loss	—	—	—	—	(128)	—	(128)
Change in pension and other benefits, net of tax provision of $2 included in other comprehensive loss	—	—	—	—	5	4	9
Equity contribution from our common shareholder	5,000,000	—	750	—	—	—	750
Balance as of December 31, 2025	605,000,000	$ —	$ 1,823	$ 3,854	$ (385)	$ 15	$ 5,307

See accompanying notes to the condensed consolidated financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

References herein to "Novelis," the "Company," "we," "our," or "us" refer to Novelis Inc. and its subsidiaries unless the context specifically indicates otherwise. References herein to "Hindalco" refer to Hindalco Industries Limited. Hindalco acquired Novelis in May 2007. All of the common shares of Novelis are owned directly by AV Minerals (Netherlands) N.V. and indirectly by Hindalco.

All tonnages are stated in metric tonnes. One metric tonne is equivalent to 2,204.6 pounds. One kt is 1,000 metric tonnes (also expressed as tonnes).

Organization and Description of Business

We produce aluminum sheet, plate and light gauge products for use in the packaging market, which includes beverage and food can and foil products, as well as for use in the automotive, transportation, aerospace, electronics, architectural, and industrial product markets. As of December 31, 2025, we had manufacturing operations in nine countries on four continents: North America, South America, Asia, and Europe, through 29 operating facilities, which may include any combination of hot or cold rolling, finishing, casting, or recycling capabilities. We have recycling operations in 15 of our operating facilities to recycle post-consumer aluminum, such as UBCs, and post-industrial aluminum, such as class scrap.

Basis of Presentation

The condensed consolidated balance sheet data as of March 31, 2025, was derived from the March 31, 2025, audited financial statements but does not include all disclosures required by U.S. GAAP. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and accompanying notes in our 2025 Form 10-K. Management believes that all adjustments necessary for the fair statement of results, consisting of normally recurring items, have been included in the unaudited condensed consolidated financial statements for the interim periods presented.

Consolidation Policy

Our condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and include the assets, liabilities, revenues, and expenses of all wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, and entities in which we have a controlling financial interest or are deemed to be the primary beneficiary. We eliminate intercompany accounts and transactions from our condensed consolidated financial statements.

We use the equity method to account for our investments in entities that we do not control but have the ability to exercise significant influence over operating and financial policies. Consolidated net (loss) income attributable to our common shareholder includes our share of the net income (loss) of these entities. The difference between consolidation and the equity method impacts certain of our financial ratios because of the presentation of the detailed line items reported in the condensed consolidated financial statements for consolidated entities, compared to a two-line presentation of investment in and advances to non-consolidated affiliates and equity in net loss (income) of non-consolidated affiliates.

Assets and Liabilities Held for Sale

We classify long-lived assets (disposal groups) to be sold as held for sale in the period in which all required criteria are met. Upon determining that a long-lived asset (disposal group) meets the criteria to be classified as held for sale, we report the assets and liabilities of the disposal group in our condensed consolidated balance sheets as assets held for sale and liabilities held for sale, respectively. As of December 31, 2025, the Company had assets held for sale of $19 million and liabilities held for sale of $13 million. As of March 31, 2025, the Company had assets held for sale of $6 million.

Supplier Finance Programs

The Company participates in supply chain finance programs under which participating suppliers may elect to sell some or all of their Novelis receivables to a third-party financial institution. Supplier participation in the programs is solely up to the supplier, and participating suppliers negotiate their arrangements directly with the financial institutions. On December 31, 2025, and March 31, 2025, confirmed supplier invoices that are outstanding and subject to the third-party programs included in accounts payable on the condensed consolidated balance sheets were $862 million and $850 million, respectively.

Use of Estimates and Assumptions

The preparation of our condensed consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The principal areas of judgment relate to (1) impairment of goodwill; (2) actuarial assumptions related to pension and other postretirement benefit plans; (3) tax uncertainties and valuation allowances; and (4) assessment of loss contingencies, including environmental and litigation liabilities. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our condensed consolidated financial statements may change as new events occur, more experience is acquired, additional information is obtained, and our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Issuance of Shares

On December 23, 2025, the Company issued 5,000,000 shares of common stock pursuant to a subscription agreement where Hindalco, indirectly through its subsidiary, AV Minerals (Netherlands) N.V., purchased 5,000,000 shares for $750 million at a price of $150 per share. This transaction caused no changes in the Company’s ownership structure, as all of the Company’s common shares continue to be held indirectly by Hindalco. The proceeds from this equity contribution were used to support ongoing capital projects.

Recently Adopted Accounting Standards

We did not adopt any new accounting pronouncements during the nine months ended December 31, 2025, that had a material impact on our consolidated financial condition, results of operations, or cash flows.

Recently Issued Accounting Standards (Not Yet Adopted)

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU expands disclosures in an entity's income tax rate reconciliation table and disclosures regarding cash taxes paid both in the U.S. and foreign jurisdictions. This ASU is effective for all entities for fiscal years beginning after December 15, 2024. The Company plans to adopt this guidance for its consolidated financial statements and related disclosures for the fiscal year ending March 31, 2026.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires expanded, disaggregated expense disclosures. This ASU is effective for all entities for fiscal years beginning after December 15, 2026, and for interim periods within annual reporting periods beginning after December 15, 2027 as updated for in ASU 2025-01, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* which clarified the interim reporting effective date of ASU 2024-03. Early adoption is permitted. The amendments will be applied prospectively with the option of retrospective application. We are currently evaluating this ASU to determine its impacts on the Company's disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)*, which modernizes the accounting framework for internal-use software. The update eliminates the prior model based on defined development stages and introduces a principles-based approach that focuses on management’s commitment and the likelihood of project completion. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, including interim periods within those years. Early adoption is permitted. The Company is currently assessing the potential impact of this guidance on its consolidated condensed financial statements.

There are no other recent accounting pronouncements pending adoption that we expect will have a material impact on our consolidated financial condition, results of operations, or cash flows.

2. RESTRUCTURING AND IMPAIRMENT

Restructuring and impairment expenses, net includes restructuring costs, impairments, and other related expenses or reversal of expenses. Restructuring and impairment expenses, net for the three and nine months ended December 31, 2025 totaled a net expense of $20 million and $136 million, respectively. Restructuring and impairment expenses, net for the three and nine months ended December 31, 2024 totaled a net expense of $6 million and $46 million, respectively.

The following table summarizes our restructuring liability activity:

in millions	North America	Europe	Asia	South America	Other Operations	Total
Restructuring liability balance as of March 31, 2025	$ 20	$ 1	$ —	$ 6	$ 1	$ 28
Restructuring and impairment expenses, net	58	8	42	2	26	136
Cash payments	(23)	(6)	(2)	(2)	(18)	(51)
Other[1]	(35)	3	(40)	1	(3)	(74)
Restructuring liability balance as of December 31, 2025[2]	$ 20	$ 6	$ —	$ 7	$ 6	$ 39

in millions	North America	Europe	Asia	South America	Other Operations	Total
Restructuring liability balance as of March 31, 2024	$ 16	$ 2	$ —	$ 6	$ —	$ 24
Restructuring and impairment expenses, net	26	—	17	3	—	46
Cash payments	(9)	(1)	—	(1)	—	(11)
Other[1]	(17)	—	(17)	(2)	—	(36)
Restructuring liability balance as of December 31, 2024[2]	$ 16	$ 1	$ —	$ 6	$ —	$ 23

(1) Other includes the impact of foreign currency on our restructuring liability as well as the removal of other non-cash expenses recorded and included within restructuring and impairment expenses, net in the table above that are not recorded through the restructuring liability. For the nine months ended December 31, 2025 and December 31, 2024, impairment charges, accelerated depreciation, pension curtailment and settlement gains, and other non-cash expenses included in restructuring and impairment expenses, net were $76 million and $34 million, respectively.

(2) As of December 31, 2025, the restructuring liability totaled $39 million, with $19 million included in accrued expenses and other current liabilities and the remainder is within other long-term liabilities on our accompanying condensed consolidated balance sheet. As of December 31, 2024, the restructuring liability totaled $23 million, with $4 million included in accrued expenses and other current liabilities and the remainder was within other long-term liabilities on our condensed consolidated balance sheet.

Restructuring and impairment expenses, net for the three months ended December 31, 2025, of $20 million consist of $6 million in accelerated depreciation charges and $14 million in employee-related and other restructuring expenses. Restructuring and impairment expenses, net for the nine months ended December 31, 2025, of $136 million consist of $87 million in accelerated depreciation charges and $49 million in employee-related and other restructuring expenses, net of pension curtailment and settlement gains.

Restructuring and impairment expenses, net for the three months ended December 31, 2024, of $6 million consist of $2 million in accelerated depreciation charges and $4 million in employee-related and other restructuring expenses. Restructuring and impairment expenses, net for the nine months ended December 31, 2024, of $46 million consist of $17 million in accelerated depreciation charges, $17 million in write-off costs previously capitalized, and $12 million in employee-related and other restructuring expenses.

2025 Structural Cost Improvement and Efficiency Plan

In fiscal 2025, the Company initiated actions to implement structural cost improvement and efficiency measures across our global operations to drive sustainable labor, operational and footprint efficiencies through the 2025 Structural Cost Improvement and Efficiency Plan (the "2025 Efficiency Plan").

The following table summarizes the restructuring charges recorded as a result of the 2025 Efficiency Plan for the periods presented:

in millions	North America	Europe	Asia	South America	Other Operations	Total
Charges recognized in the three months ended December 31, 2025						
Employee-related expenses	$ 3	$ (3)	$ —	$ 1	$ 4	$ 5
Accelerated depreciation	—	—	6	—	—	6
Professional fees	—	—	—	—	5	5
Other	2	—	—	—	—	2
Total restructuring charges	$ 5	$ (3)	$ 6	$ 1	$ 9	$ 18
Charges recognized in the nine months ended December 31, 2025						
Employee-related expenses	$ 12	$ 7	$ 1	$ 1	$ 13	$ 34
Accelerated depreciation	46	—	40	—	—	86
Pension curtailment and settlement gains	(11)	—	—	—	—	(11)
Professional fees	—	—	—	—	14	14
Other	6	—	—	—	—	6
Total restructuring charges	$ 53	$ 7	$ 41	$ 1	$ 27	$ 129
Charges recognized in fiscal 2025						
Employee-related expenses	$ 2	$ —	$ —	$ —	$ —	$ 2
Total restructuring charges	$ 2	$ —	$ —	$ —	$ —	$ 2
Cumulative restructuring charges through December 31, 2025	$ 55	$ 7	$ 41	$ 1	$ 27	$ 131

The liabilities related to employee-related expenses were recorded in accrued expenses and other current liabilities in the Company's condensed consolidated balance sheet and were as follows:

in millions	North America	Europe	Asia	South America	Other Operations	Total
Liability balance as of March 31, 2025	$ 2	$ —	$ —	$ —	$ —	$ 2
Expenses recognized	12	7	1	1	13	34
Cash payments	(12)	(6)	(1)	(1)	(6)	(26)
Liability balance as of December 31, 2025	$ 2	$ 1	$ —	$ —	$ 7	$ 10

As part of the 2025 Efficiency Plan, the Company announced several actions aimed at driving footprint efficiencies, consisting of shutting down the Richmond, Virginia, and Fairmont, West Virginia, plants (the "Richmond plant" and the "Fairmont plant", respectively) in the North America segment and idling one of the two automotive finishing lines at our Changzhou, China, plant (the "Changzhou plant") in the Asia segment. The Company ceased the related operations at the Richmond and Fairmont plants in the first quarter of fiscal 2026 and recognized charges of $4 million and $49 million in the three and nine months ended December 31, 2025, respectively, consisting of accelerated depreciation, employee-related expenses, and other restructuring costs, net of pension curtailment and settlement gains.

In the third quarter of fiscal 2026, the Company completed idling of one of the two Changzhou plant automotive finishing lines and recognized restructuring costs of $6 million and $41 million in the three and nine months ended December 31, 2025, respectively, consisting of accelerated depreciation and employee-related expenses.

Additionally, in the three and nine months ended December 31, 2025, the Company recognized $7 million and $38 million, respectively, in charges related to SG&A cost reduction actions, consisting primarily of $3 million and $25 million, respectively, in employee-related expenses and $4 million and $13 million, respectively, in professional fees. The Company did not recognize any material charges in connection with the 2025 Efficiency Plan in the South America region through December 31, 2025.

We expect to implement additional actions and incur additional costs in connection with the 2025 Efficiency Plan between fiscal 2026 and fiscal 2028 but we are unable to quantify such costs at this time.

3. INVENTORIES

Inventories consists of the following:

in millions	December 31, 2025	March 31, 2025
Finished goods	$ 922	$ 697
Work in process	1,626	1,349
Raw materials	847	722
Supplies	308	286
Inventories	$ 3,703	$ 3,054

4. CONSOLIDATION

Variable Interest Entity

The entity that has a controlling financial interest in a VIE is referred to as the primary beneficiary and consolidates the VIE. An entity is deemed to have a controlling financial interest and is the primary beneficiary of a VIE if it has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

Logan is a consolidated joint venture in which we hold 40% ownership. Our joint venture partner is Tri-Arrows. Logan processes metal received from Novelis and Tri-Arrows and charges the respective partner a fee to cover expenses. Logan is a thinly capitalized VIE that relies on the regular reimbursement of costs and expenses from Novelis and Tri-Arrows to fund its operations. Novelis is considered the primary beneficiary and consolidates Logan since it has the power to direct activities that most significantly impact Logan's economic performance, an obligation to absorb expected losses, and the right to receive benefits that could potentially be significant to the VIE.

Other than the contractually required reimbursements, we do not provide additional material support to Logan. Logan's creditors do not have recourse to our general credit. There are significant other assets used in the operations of Logan that are not part of the joint venture, as they are directly owned and consolidated by Novelis or Tri-Arrows.

The following table summarizes the carrying value and classification of assets and liabilities owned by the Logan joint venture and consolidated in our condensed consolidated balance sheets:

in millions	December 31, 2025	March 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11	$ 4
Accounts receivable, net	10	9
Inventories	127	129
Prepaid expenses and other current assets	13	8
Total current assets	161	150
Property, plant and equipment, net	49	101
Goodwill	12	12
Deferred income tax assets	33	36
Other long-term assets	4	3
Total assets	$ 259	$ 302
LIABILITIES		
Current liabilities:		
Accounts payable	$ 114	$ 134
Accrued expenses and other current liabilities	27	37
Total current liabilities	141	171
Accrued postretirement benefits	79	102
Other long-term liabilities	4	2
Total liabilities	$ 224	$ 275

5. INVESTMENT IN AND ADVANCES TO NON-CONSOLIDATED AFFILIATES AND RELATED PARTY TRANSACTIONS

Included in the accompanying condensed consolidated financial statements are transactions and balances arising from business we conducted with our equity method non-consolidated affiliates.

Alunorf

Alunorf is a joint venture investment between Novelis Deutschland GmbH, a subsidiary of Novelis, and Speira GmbH. Each of the parties to the joint venture holds a 50% interest in the equity, profits and losses, shareholder voting, management control, and rights to use the production capacity of the facility. Alunorf tolls aluminum and charges the respective partner a fee to cover the associated expenses.

UAL

UAL is a joint venture investment between Novelis Korea Ltd., a subsidiary of Novelis, and Kobe. UAL is a thinly capitalized VIE that relies on the regular reimbursement of costs and expenses from Novelis and Kobe. UAL is controlled by an equally represented board of directors in which neither entity has sole decision-making ability regarding production operations or other significant decisions. Furthermore, neither entity has the ability to take the majority share of production or associated costs over the life of the joint venture. Our risk of loss is limited to the carrying value of our investment in and inventory-related receivables from UAL. UAL's creditors do not have recourse to our general credit. Therefore, UAL is accounted for as an equity method investment, and Novelis is not considered the primary beneficiary. UAL currently produces flat-rolled aluminum products exclusively for Novelis and Kobe. As of December 31, 2025, Novelis and Kobe both hold a 50% interest in UAL. During the three and nine months ended December 31, 2025, we made additional contributions to UAL in the amount of $1 million and $7 million, respectively. During the three and nine months ended December 31, 2024, we made additional contributions to UAL in the amount of $6 million and $18 million, respectively.

AluInfra

AluInfra is a joint venture investment between Novelis Switzerland SA, a subsidiary of Novelis, and Constellium SE. Each of the parties to the joint venture holds a 50% interest in the equity, profits and losses, shareholder voting, management control, and rights to use the facility.

The following table summarizes the results of operations of our equity method non-consolidated affiliates in the aggregate and the nature and amounts of significant transactions we have with our non-consolidated affiliates. The amounts in the table below are disclosed at 100% of the operating results of these affiliates.

	Three Months Ended December 31,		Nine Months Ended December 31,	
in millions	2025	2024	2025	2024
Net sales	$ 426	$ 371	$ 1,299	$ 1,171
Costs and expenses related to net sales	436	365	1,293	1,145
Income tax (benefit) provision	(3)	1	(1)	6
Net (loss) income	$ (7)	$ 5	$ 7	$ 20
Purchases of tolling services from Alunorf	$ 74	$ 72	$ 234	$ 224

The following table describes related party balances in the accompanying condensed consolidated balance sheets. We had no other material related party balances with non-consolidated affiliates.

in millions	December 31, 2025	March 31, 2025
Accounts receivable, net — related parties	$ 176	$ 136
Other long-term assets — related parties	5	3
Accounts payable — related parties	325	275

Transactions with Hindalco

We occasionally have related party transactions with Hindalco. During the three and nine months ended December 31, 2025, we recorded net sales of less than $1 million between Novelis and Hindalco related primarily to sales of equipment and other services. During the three and nine months ended December 31, 2024, we recorded net sales of less than $1 million and $1 million, respectively, between Novelis and Hindalco related primarily to sales of equipment and other services. As of December 31, 2025, and March 31, 2025, there was $1 million of outstanding accounts receivable, net — related parties net of accounts payable — related parties related to transactions with Hindalco.

Return of Capital

We paid a return of capital to our common shareholder in the amount of $35 million during the first quarter of fiscal 2026. We did not pay a return of capital to our common shareholder in fiscal 2025.

Equity Contribution

On December 23, 2025, the Company issued 5,000,000 shares of common stock pursuant to a subscription agreement where Hindalco, indirectly through its subsidiary AV Minerals (Netherlands) N.V., purchased 5,000,000 shares for $750 million at a price of $150 per share. The proceeds from this capital contribution were used to support ongoing capital projects.

The equity contribution pursuant to the subscription agreement was recorded as an increase to additional paid-in capital in the condensed consolidated balance sheets and statements of shareholder’s equity. The Company issued 5,000,000 shares of common stock as a result of the equity contribution, however this did not result in any change to the ownership structure, as all of the Company’s common shares continue to be held indirectly by Hindalco.

6. DEBT

Debt consists of the following:

in millions	December 31, 2025				March 31, 2025		
	Interest Rates[1]	Principal	Unamortized Carrying Value Adjustments[2]	Carrying Value	Principal	Unamortized Carrying Value Adjustments[2]	Carrying Value
Short-term borrowings	4.73 %	$ 592	$ —	$ 592	$ 348	$ —	$ 348
Floating rate Term Loans, due March 2032	5.42 %	1,241	(15)	1,226	1,250	(16)	1,234
3.25% Senior Notes, due November 2026	3.25 %	13	—	13	750	(3)	747
3.375% Senior Notes, due April 2029	3.375 %	587	(5)	582	540	(7)	533
4.75% Senior Notes, due January 2030	4.75 %	1,600	(13)	1,587	1,600	(15)	1,585
6.875% Senior Notes, due January 2030	6.875 %	750	(10)	740	750	(11)	739
3.875% Senior Notes, due August 2031	3.875 %	750	(6)	744	750	(7)	743
6.375% Senior Notes, due August 2033	6.375 %	750	(11)	739	—	—	—
China Bank Loans, due August 2027	2.65 %	37	—	37	41	—	41
China Loan, due September 2027	2.45 %	14	—	14	13	—	13
China Loan, due November 2027	2.60 %	21	—	21	21	—	21
China Loan, due December 2027	2.50 %	21	—	21	21	—	21
Sierre Loan, due October 2027	0.42 %	126	—	126	113	—	113
Series 2025A Bonds, due June 2032[3]	5.00 %	400	(6)	394	—	—	—
Series 2025B Bonds, due June 2032[4]	4.625 %	100	(2)	98	—	—	—
Finance lease obligations and other debt, due through April 2040	4.87 %	27	—	27	15	—	15
Total debt		$ 7,029	$ (68)	$ 6,961	$ 6,212	$ (59)	$ 6,153
Less: Short-term borrowings		(592)	—	(592)	(348)	—	(348)
Less: Current portion of long-term debt		(52)	—	(52)	(32)	—	(32)
Long-term debt, net of current portion		$ 6,385	$ (68)	$ 6,317	$ 5,832	$ (59)	$ 5,773

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(1) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of December 31, 2025, and therefore exclude the effects of related interest rate swaps and accretion and amortization of debt issuance costs related to refinancing transactions and additional borrowings. We present stated rates of interest because they reflect the rate at which cash will be paid for future debt service, except for the Sierre loan, for which interest is assessed in arrears.

(2) Amounts include unamortized debt issuance costs, fair value adjustments, and debt discounts.

(3) The Series 2025A Bonds, as defined below, accrue interest at a fixed annual rate of 5%, ending with a mandatory tender for purchase on June 1, 2032. The Series 2025A Bonds will mature on June 1, 2055.

(4) The Series 2025B Bonds, as defined below, accrue interest at a fixed annual rate of 4.625%, ending with a mandatory tender for purchase on June 1, 2032. The Series 2025B Bonds will mature on June 1, 2055.

Principal repayment requirements for our total debt over the next five years and thereafter using exchange rates as of December 31, 2025, for our debt denominated in foreign currencies are as follows (in millions):

As of December 31, 2025	Amount
Short-term borrowings and current portion of long-term debt due within one year	$ 644
2 years	94
3 years	143
4 years	602
5 years	2,364
Thereafter	3,182
Total	$ 7,029

Short-Term Borrowings

As of December 31, 2025, our short-term borrowings totaled $592 million, which consisted of $289 million of borrowings on our ABL Revolver, $280 million in short-term Brazil loans, $13 million in short-term China loans (CNY 92 million), and $10 million in other short-term borrowings.

The weighted average interest rate on the short-term borrowings was 4.73% and 6.54% as of December 31, 2025, and March 31, 2025, respectively.

Term Loan Facility

In March 2025, we entered into a secured term loan credit facility (the "Term Loan Facility"). The Term Loan Facility provided Novelis with $1.25 billion of proceeds (the "2025 Term Loans"). The proceeds of the 2025 Term Loans were used to repay $741 million and $481 million of the previously issued term loans due September 2026 and March 2028, respectively, with remaining balance for general corporate purposes and transaction-related expenses. We incurred debt issuance costs of $16 million for the 2025 Term Loans, which will be amortized as an increase to interest expense and amortization of debt issuance costs over the term of the loan. The 2025 Term Loans mature on March 11, 2032, are subject to 0.25% quarterly amortization payments.

On September 15, 2025, we amended the Term Loan Facility to, among other things, reduce the interest rate from three-month Term SOFR, plus 2.00%, to three-month Term SOFR, plus 1.75%, with interest continuing to be payable at the end of each three-month interest period. In accordance with ASC 470, Debt, the amendment was accounted for as a partial extinguishment of the Term Loan Facility, whereby $65 million was deemed an extinguishment and $1.18 billion was deemed a modification of debt. As a result of this transaction, we recorded a loss on extinguishment of debt of $2 million in the second quarter of fiscal 2026.

As of December 31, 2025, we were in compliance with the covenants of our Term Loan Facility.

ABL Revolver

In April 2024, the Company amended the ABL Revolver facility. The amendment made certain changes to provide the Company with additional flexibility to operate its business, including with relation to fees on obligations denominated in foreign currencies. The ABL Revolver facility was further amended in December 2024. The amendment made certain changes to provide the Company's parent, AV Minerals (Netherlands) N.V., with additional flexibility with respect to investments and collateral requirements.

In March 2025, the Company amended the ABL Revolver facility in connection with the Term Loan Facility entered into in March 2025. The amendment made certain changes to the ABL Revolver that give the Company additional flexibility to operate its business and enter into various transactions and releases the Company’s parent, AV Minerals (Netherlands) N.V. from the restrictions under the ABL Revolver, as similarly contemplated by the Term Loan Facility.

On January 30, 2026, the Company issued a request to its lenders to increase the maximum revolving commitments under the ABL Revolver facility from $2.0 billion to $2.5 billion. The increase will require consent from the lenders under the ABL Revolver facility, which is expected to become effective by the end of February 2026. The Company's borrowing capacity under the ABL Revolving facility following the amendment will be the lower of the commitments or the borrowing base.

As of December 31, 2025, we were in compliance with the covenants for our ABL Revolver.

As of December 31, 2025, we had $289 million in borrowings under the ABL Revolver. We utilized $131 million of the ABL Revolver for letters of credit. We had availability of $1,580 million on the ABL Revolver, including $144 million of remaining availability that can be utilized for letters of credit.

Citi Facility

On August 14, 2025, the Company entered into an Uncommitted Trade Loan Facility Agreement (the "Citi Facility") with Citibank providing for an uncommitted revolving facility for loans and advances of up to an aggregate amount of $200 million. The initial maximum term of each individual loan or advance is 30 days and the Company intends to repay any borrowings prior the end of each month. Borrowings under the Citi Facility bear interest at Term SOFR plus a margin of 1.00%. In January 2026, the Company entered into an amendment to the Citi Facility that resulted in an increase in the maximum aggregate amount of loans and advances from $200 million to $300 million, providing the Company with additional borrowing capacity and flexibility to support its ongoing working capital needs.

As of December 31, 2025, we had no outstanding borrowings under the Citi Facility.

Senior Notes

The Senior Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries. The Senior Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to incur additional debt and provide additional guarantees; pay dividends or return capital beyond certain amounts and make other restricted payments; create or permit certain liens; make certain asset sales; use the proceeds from the sales of assets and subsidiary stock; create or permit restrictions on the ability of certain of Novelis' subsidiaries to pay dividends or make other distributions to Novelis or certain of Novelis' subsidiaries, as applicable; engage in certain transactions with affiliates; enter into sale and leaseback transactions; designate subsidiaries as unrestricted subsidiaries; and consolidate, merge, or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Senior Notes and no default or event of default under the indenture has occurred and is continuing, certain of the covenants will be suspended. The Senior Notes include customary events of default, including a cross-acceleration event of default. The Senior Notes also contain customary call protection provisions for our bondholders that extend through November 2023 for the 3.25% Senior Notes due November 2026 (the "2026 Senior Notes"), through April 2024 for the 3.375% Senior Notes due April 2029, through January 2025 for the 4.75% Senior Notes due January 2030, through August 2026 for the 3.875% Senior Notes due August 2031, through January 2027 for the 6.875% Senior Notes due January 2030, and through August 2028 for the 6.375% Senior Notes due August 2033 (the "2033 Senior Notes").

As of December 31, 2025, we were in compliance with the covenants of our Senior Notes.

2033 Senior Notes and Cash Tender Offer for the 2026 Senior Notes

On August 18, 2025, Novelis Corporation, a wholly owned subsidiary of Novelis Inc., issued $750 million in aggregate principal amount of the 2033 Senior Notes. The 2033 Senior Notes will mature on August 15, 2033 and are subject to semi-annual interest payments that will accrue at a rate of 6.375% per year. Concurrently with the offering, Novelis conducted a cash tender offer for any and all of the outstanding 2026 Senior Notes (the "Tender Offer"). The net proceeds of the offering were used to (i) purchase $737 million of the $750 million outstanding aggregate principal amount of the 2026 Senior Notes that were validly tendered and not withdrawn pursuant to the Tender Offer and (ii) pay fees and expenses in connection with the offering and the Tender Offer. We incurred original issue discount costs of $9 million and debt issuance costs of $3 million related to the 2033 Senior Notes, which are amortized as an increase to interest expense and amortization of debt issuance costs over the term of the note.

China Bank Loans

In September 2019, we entered into a credit agreement with the Bank of China to provide up to CNY 500 million in unsecured loans to support certain capital expansion projects in China. As of December 31, 2025, and March 31, 2025, we had $37 million (CNY 260 million) and $41 million (CNY 300 million), respectively, of borrowings on our China bank loans.

China Loans

In the second quarter of fiscal 2025, we borrowed CNY 100 million of bank loans. The China Loan, due September 2027 matures on September 20, 2027, is subject to monthly interest payments, and accrues interest at China Loan Prime Rate less 0.55%. The loan amount is due in full at the maturity date. As of December 31, 2025, and March 31, 2025, we had $14 million (CNY 100 million) and $13 million (CNY 100 million), respectively, of borrowings on our loan.

In the third quarter of fiscal 2025, we borrowed CNY 150 million of bank loans. The China Loan, due November 2027 matures on November 20, 2027, is subject to monthly interest payments, and accrues interest at China Loan Prime Rate less 0.40%. The loan amount is due in full at the maturity date. As of December 31, 2025, and March 31, 2025, we had $21 million (CNY 149 million) and $21 million (CNY 150 million), respectively, of borrowings on our loan.

Additionally, in the third quarter of fiscal 2025, we borrowed CNY 150 million of bank loans. The China Loan, due December 2027 matures on December 16, 2027, is subject to quarterly interest payments, and accrues interest at China Loan Prime Rate less 0.50%. The loan amount is subject to annual principal payments determined by the debt agreement, with the final payment due at the maturity date. As of December 31, 2025, and March 31, 2025, we had $21 million (CNY 149 million) and $21 million (CNY 150 million), respectively, of borrowings on our loan.

Sierre Loan

In the third quarter of fiscal 2025, we borrowed CHF 100 million from the Banque Cantonale du Valais in order to fund the recovery of our Sierre facility after it flooded in June 2024 (the "Sierre Loan"). The Sierre Loan will mature on October 29, 2027, is subject to quarterly interest payments, and accrues interest at the Swiss Average Rate Overnight plus a spread of 0.50%. The loan amount is due in full at the maturity date. All interest on the Sierre Loan is payable by the Canton of Valais, the local Swiss governmental body where the Sierre facility is located, as part of the Canton's post-flood recovery efforts in the area. As of December 31, 2025, and March 31, 2025, we had $126 million (CHF 100 million) and $113 million (CHF 100 million), respectively, of borrowings on our loan.

Series 2025A Bonds

In June 2025, Novelis Corporation announced the issuance of $400 million in original aggregate principal amount of tax-exempt bonds (the "Series 2025A Bonds") by the Industrial Development Authority of Baldwin County (the "Baldwin IDA"). The Series 2025A Bonds were issued at par. Novelis Corporation received all net proceeds related to the issuance during the first quarter of fiscal 2026. The proceeds from the Series 2025A Bonds were loaned to Novelis Corporation pursuant to a loan agreement (the "Series 2025A Loan Agreement") with the Baldwin IDA, and will be used to finance a portion of the costs of the construction of the Company's new greenfield rolling and recycling plant located in Bay Minette, Alabama (the "Bay Minette Project"). In connection with this transaction, we incurred debt issuance costs of $6 million, which are amortized as an increase to interest expense and amortization of debt issuance costs over the term of the loan. The Series 2025A Bonds are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries.

The Series 2025A Bonds bear interest at 5.00% per annum, ending with a mandatory tender for purchase on June 1, 2032 (the "Mandatory Tender Date"). After the end of the initial term interest rate period on the Mandatory Tender Date, the Series 2025A Bonds may be converted to a variable (daily or weekly) interest rate period or may remain in a term interest rate period of the same or different duration. If the rate is converted to a variable rate, the interest rate will be reset at the end of each interest rate period. The Series 2025A Bonds will mature on June 1, 2055. The Company will make semiannual interest payments on the outstanding principal on January 15 and July 15 of each year, with the first such interest payment due on January 15, 2026. The Series 2025A Loan Agreement contains standard representations, covenants and events of default for transactions of this type.

As of December 31, 2025, we were in compliance with the covenants under the Series 2025A Loan Agreement.

Series 2025B Bonds

In September 2025, Novelis Corporation announced the issuance of $100 million in original aggregate principal amount of tax-exempt bonds (the "Series 2025B Bonds") by the Baldwin IDA. The Series 2025B Bonds were issued at par. Novelis Corporation received all net proceeds related to the issuance during the second quarter of fiscal 2026. The proceeds from the Series 2025B Bonds were loaned to Novelis Corporation pursuant to a loan agreement (the "Series 2025B Loan Agreement") with the Baldwin IDA, and will be used to finance a portion of the costs of the Bay Minette Project. In connection with this transaction, we incurred debt issuance costs of $2 million, which are amortized as an increase to interest expense and amortization of debt issuance costs over the term of the loan. The Series 2025B Bonds are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries.

The Series 2025B Bonds bear interest at 4.625% per annum, ending with a mandatory tender for purchase on the Mandatory Tender Date (as defined above). After the end of the initial term interest rate period on the Mandatory Tender Date, the Series 2025B Bonds may be converted to a variable (daily or weekly) interest rate period or may remain in a term interest rate period of the same or different duration. If the rate is converted to a variable rate, the interest rate will be reset at the end of each interest rate period. The Series 2025B Bonds will mature on June 1, 2055. The Company will make semiannual interest payments on the outstanding principal on January 15 and July 15 of each year, with the first such interest payment due on January 15, 2026. The Series 2025B Loan Agreement contains standard representations, covenants and events of default for transactions of this type.

As of December 31, 2025, we were in compliance with the covenants under the Series 2025B Loan Agreement.

7. SHARE-BASED COMPENSATION

During the nine months ended December 31, 2025, we granted 1,787,668 Hindalco phantom RSUs and 1,685,232 Hindalco SARs. Total share-based compensation expense was $11 million and $21 million for the three and nine months ended December 31, 2025, respectively. Total share-based compensation benefit was $1 million and an expense of $25 million for the three and nine months ended December 31, 2024, respectively. As of December 31, 2025, the outstanding liability related to share-based compensation was $29 million.

The cash payments made to settle all Hindalco SAR liabilities were $7 million and $11 million in the nine months ended December 31, 2025, and 2024, respectively. Total cash payments made to settle RSUs were $32 million and $15 million in the nine months ended December 31, 2025, and 2024, respectively. As of December 31, 2025, unrecognized compensation expense related to the non-vested Hindalco SARs (assuming all future performance criteria are met) and the RSUs was $9 million and $17 million, respectively. The unrecognized expense related to the non-vested Hindalco SARs and the RSUs is expected to be recognized over weighted average periods of 1.3 years and 1.5 years, respectively.

8. POSTRETIREMENT BENEFIT PLANS

The Company recognizes actuarial gains and losses and prior service costs in the condensed consolidated balance sheet and recognizes changes in these amounts during the year in which changes occur through other comprehensive loss. The Company uses various assumptions when computing amounts relating to its defined benefit pension plan obligations and their associated expenses (including the discount rate and the expected rate of return on plan assets). Net actuarial gains and losses are amortized over periods of 15 years or less, which represent the group's average future service life of the employees or the group's average life expectancy.

During the first quarter of fiscal 2026, the Company closed its Fairmont, West Virginia plant. Due to this closure, eligible participants in the Fairmont Pension Plan can elect to receive early retirement benefits. The Company determined the number of participants who elected to do so had an immaterial impact on the condensed consolidated statements of operations and the condensed consolidated balance sheets. Additionally, eligible participants in the Fairmont Medical and Fairmont Death Benefit plans were offered and accepted the option to waive future medical and death benefits. This transaction and related remeasurement resulted in noncash curtailment and settlement gains totaling $11 million during the nine months ended December 31, 2025.

During the third quarter of fiscal 2026, the Company settled $94 million of the Logan Pension Plan liability through the purchase of annuity contracts funded by plan assets. Additionally, throughout fiscal 2026, various Logan Pension Plan retirees received lump sum payouts totaling $15 million as required under the terms of the plan. As a result of these transactions, a settlement gain of $1 million was recorded during the nine months ended December 31, 2025.
Components of net periodic benefit cost for all of our postretirement benefit plans are shown in the table below.

	Pension Benefit Plans		Other Benefit Plans	
	Three Months Ended December 31,		Three Months Ended December 31,	
in millions	2025	2024	2025	2024
Service cost	$ 6	$ 6	$ 1	$ 1
Interest cost	18	18	3	2
Expected return on assets	(20)	(20)	—	—
Amortization — losses (gains), net	1	2	(1)	(1)
Amortization — prior service credit, net	(1)	—	(1)	(1)
Settlement and curtailment gain	(1)	—	—	—
Net periodic benefit cost(1)	$ 3	$ 6	$ 2	$ 1

	Pension Benefit Plans		Other Benefit Plans	
	Nine Months Ended December 31,		Nine Months Ended December 31,	
	2025	2024	2025	2024
Service cost	$ 17	$ 17	$ 2	$ 2
Interest cost	54	55	5	5
Expected return on assets	(59)	(58)	—	—
Amortization — losses (gains), net	3	3	(2)	(2)
Amortization — prior service credit, net	(2)	(1)	(3)	(3)
Settlement and curtailment gain	(1)	—	(11)	—
Net periodic benefit cost(1)	$ 12	$ 16	$ (9)	$ 2

(1) Service cost is included within cost of goods sold (exclusive of depreciation and amortization) and selling, general and administrative expenses. Other benefit plans' settlement and curtailment gain for fiscal 2026 is due to the Fairmont plant closure and included in restructuring and impairment expenses, net. All other cost components are recorded within other expenses (income), net.

The average expected long-term rate of return on all plan assets is 6.5% in fiscal 2026.

Employer Contributions to Plans

For pension plans, our policy is to fund an amount required to provide for contractual benefits attributed to service to date and amortize unfunded actuarial liabilities typically over periods of 15 years or less. We also participate in savings plans in Canada and the U.S., as well as defined contribution pension plans in the U.S., the U.K., Canada, Germany, Italy, Switzerland, and Brazil. We contributed the following amounts to all plans:

	Three Months Ended December 31,		Nine Months Ended December 31,	
in millions	2025	2024	2025	2024
Funded pension plans	$ 2	$ 4	$ 18	$ 27
Unfunded pension plans	4	3	12	11
Savings and defined contribution pension plans	16	14	49	46
Total contributions	$ 22	$ 21	$ 79	$ 84

During the remainder of fiscal 2026, we expect to contribute an additional $6 million to our funded pension plans, $6 million to our unfunded pension plans, and $16 million to our savings and defined contribution pension plans.

9. CURRENCY LOSSES (GAINS)

The following currency losses are included in other expenses (income), net in the accompanying condensed consolidated statements of operations:

	Three Months Ended December 31,		Nine Months Ended December 31,	
in millions	2025	2024	2025	2024
(Gains) losses on remeasurement of monetary assets and liabilities, net	$ (8)	$ (58)	$ 20	$ (34)
Losses (gains) recognized on balance sheet remeasurement currency exchange contracts, net	12	59	(15)	38
Currency losses, net	$ 4	$ 1	$ 5	$ 4

10. FINANCIAL INSTRUMENTS AND COMMODITY CONTRACTS

The following tables summarize the gross fair values of our financial instruments and commodity contracts as of the periods presented:

	December 31, 2025				
	Assets		Liabilities		Net Fair Value
in millions	Current	Noncurrent[(1)]	Current	Noncurrent[(1)]	Assets / (Liabilities)
Derivatives designated as hedging instruments:					
Cash flow hedges					
Metal contracts	$ —	$ —	$ (209)	$ (5)	$ (214)
Currency exchange contracts	16	2	(7)	(1)	10
Energy contracts	—	—	(2)	—	(2)
Interest rate swap contracts	—	—	—	(5)	(5)
Net investment hedges					
Currency exchange contracts	—	1	—	—	1
Total derivatives designated as hedging instruments	$ 16	$ 3	$ (218)	$ (11)	$ (210)
Derivatives not designated as hedging instruments:					
Metal contracts	$ 81	$ 2	$ (154)	$ (1)	$ (72)
Currency exchange contracts	11	—	(5)	(1)	5
Energy contracts	1	—	(1)	—	—
Total derivatives not designated as hedging instruments	$ 93	$ 2	$ (160)	$ (2)	$ (67)
Total derivative fair value	$ 109	$ 5	$ (378)	$ (13)	$ (277)

	March 31, 2025				
	Assets		Liabilities		Net Fair Value
	Current	Noncurrent[(1)]	Current	Noncurrent[(1)]	Assets / (Liabilities)
Derivatives designated as hedging instruments:					
Cash flow hedges					
Metal contracts	$ 89	$ 4	$ (5)	$ —	$ 88
Currency exchange contracts	6	—	(27)	(1)	(22)
Energy contracts	6	—	(1)	—	5
Interest rate swap contracts	—	—	—	(5)	(5)
Net investment hedges					
Currency exchange contracts	5	—	—	—	5
Total derivatives designated as hedging instruments	$ 106	$ 4	$ (33)	$ (6)	$ 71
Derivatives not designated as hedging instruments:					
Metal contracts	$ 58	$ 1	$ (56)	$ (1)	$ 2
Currency exchange contracts	12	—	(17)	—	(5)
Total derivatives not designated as hedging instruments	$ 70	$ 1	$ (73)	$ (1)	$ (3)
Total derivative fair value	$ 176	$ 5	$ (106)	$ (7)	$ 68

(1) The noncurrent portions of derivative assets and liabilities are included in other long-term assets and other long-term liabilities, respectively, in the accompanying condensed consolidated balance sheets.

Metal

We use derivative instruments to preserve our conversion margins and manage the timing differences associated with metal price lag. We use over-the-counter derivatives indexed to the LME (referred to as our "aluminum derivative forward contracts") to reduce our exposure to fluctuating metal prices associated with the period of time between the pricing of our purchases of inventory and the pricing of the sale of that inventory to our customers, which is known as "metal price lag." We also purchase forward LME aluminum contracts simultaneously with our sales contracts with customers that contain fixed metal prices. These LME aluminum forward contracts directly hedge the economic risk of future metal price fluctuations to better match the selling price of the metal with the purchase price of the metal. The volatility in LMPs also results in metal price lag.

Price risk arises due to fluctuating aluminum prices between the time the sales order is committed and the time the order is shipped. We identify and designate certain LME aluminum forward purchase contracts as cash flow hedges of the metal price risk associated with our future metal purchases that vary based on changes in the price of aluminum. These contracts are generally undesignated, with an average duration of one year.

Price risk exposure arises due to the timing lag between the LME based pricing of raw material aluminum purchases and the LME based pricing of finished product sales. We identify and designate certain LME aluminum forward sales contracts as cash flow hedges of the metal price risk associated with our future metal sales that vary based on changes in the price of aluminum. Generally, such designated exposures do not extend beyond three years in length. The average duration of those contracts is less than one year.

In addition to aluminum, we enter into LME copper and zinc forward contracts. As of December 31, 2025, we had a notional amount of 3 kt, the fair value of these contracts represented an asset of $2 million. As of March 31, 2025 we had a notional amount of 4 kt and the fair value of these contracts represented an asset of less than $1 million. These contracts are undesignated, with an average duration of one year.

We also use LMP forward contracts to manage our exposure to fluctuating LMP. Currently, we enter into Midwest Premium ("MWP") contracts in North America and South America and Europe Duty Premium contracts in Europe. As of December 31, 2025, we had a notional of 104 kt not designated, representing a liability of $31 million. As of March 31, 2025, we had a notional not designated of 29 kt, representing a liability of $9 million. The average duration of these not designated contracts is less than one year. We identify and designate certain MWP sales contracts as cashflow hedges of LMP risk associated with future sales. As of December 31, 2025, the notional designated was 58 kt, representing a liability of $4 million. As of March 31, 2025 we had no notional designated. The average duration of these contracts is less than one year.

The following table summarizes our notional amount:

in kt	December 31, 2025	March 31, 2025
Hedge type		
Purchase (sale)		
Cash flow sales	(1,024)	(847)
Not designated	(211)	(135)
Total, net	(1,235)	(982)

Foreign Currency

We use foreign exchange forward contracts and cross-currency swaps to manage our exposure to changes in exchange rates. These exposures arise from recorded assets and liabilities, firm commitments, and forecasted cash flows denominated in currencies other than the functional currency of certain operations.

We use foreign currency contracts to hedge expected future foreign currency transactions, which include capital expenditures. These contracts cover the same periods as known or expected exposures. We had total notional amounts of $1.0 billion and $1.1 billion in outstanding foreign currency forwards designated as cash flow hedges as of December 31, 2025, and March 31, 2025, respectively.

We enter into forward contracts to hedge our investments in our European operations. The effective portion of changes in the fair value of the derivative is included in Other comprehensive loss under Currency translation adjustments. The excluded portion of gain or loss on derivatives is included in other expenses (income), net. We had a total notional amount of $131 million and $261 million in outstanding foreign currency forwards designated as net investment hedges as of December 31, 2025, and March 31, 2025, respectively.

As of December 31, 2025, and March 31, 2025, we had outstanding foreign currency exchange contracts with a total notional amount of $1.3 billion, and $1.5 billion, respectively, to primarily hedge balance sheet remeasurement risk, which were not designated as hedges. Contracts representing the majority of this notional amount will mature by the first quarter of fiscal 2027 and offset the remeasurement impact.

Interest rate

We use interest rate swaps to partially manage our exposure to changes in the SOFR interest rate, which impacts our variable-rate debt. As of December 31, 2025, and March 31, 2025, we had interest rate swaps in place to convert $400 million of our variable rate exposure to a weighted average fixed rate of 4.4%. These interest rate swaps, designated as cash flow hedges, are effective from September 2023 through March 31, 2027.

Energy

We use natural gas forward purchase contracts to manage our exposure to fluctuating energy prices in North America. We had a notional amount of 7 million MMBtu designated as cash flow hedges as of December 31, 2025, and the fair value was a liability of $1 million. There was a notional amount of 5 million MMBtu of natural gas forward purchase contracts designated as cash flow hedges as of March 31, 2025, and the fair value was an asset of $5 million. As of December 31, 2025, we had a notional amount of 1 million MMBtu forward contracts that were not designated as hedges, and the fair value was an asset of $1 million. As of March 31, 2025, we had a notional amount of less than 1 million MMBtu and the fair value was an asset of less than $1 million. The average for all natural gas contracts is one year in length.

We use diesel fuel forward purchase contracts to manage our exposure to fluctuating fuel prices in North America and Europe. In North America, we had a notional amount of 5 million gallons designated as cash flow hedges as of December 31, 2025, and the fair value was a liability of less than $1 million. There was a notional amount of 7 million gallons designated as cash flow hedges as of March 31, 2025, and the fair value was a liability of less than $1 million. As of December 31, 2025 and March 31, 2025 there was no notional amount and remaining that was not designated as hedges. In Europe, as of December 31, 2025, we had a notional amount of less than 1 million metric tonnes not designated as hedges, and the fair value was a liability of $1 million. As of March 31, 2025, we had a notional amount of less than 1 million metric tonnes of forward contracts that were not designated as hedges, and the fair value was an asset of less than $1 million. The average duration for all diesel fuel contracts is one year in length.

(Gain) Loss Recognition

The following table summarizes the (gains) losses associated with the change in fair value of derivative instruments not designated as hedges and the excluded portion of designated derivatives recognized in other expenses (income), net. (Gains) losses recognized in other line items in the condensed consolidated statement of operations are separately disclosed within this footnote.

	Three Months Ended December 31		Nine Months Ended December 31	
in millions	2025	2024	2025	2024
Derivative instruments not designated as hedges				
Metal contracts	$ 45	$ 2	$ 61	$ 17
Currency exchange contracts	15	59	(14)	39
Energy contracts[(1)]	1	2	1	4
Loss recognized in other expenses (income), net	61	63	48	60
Derivative instruments designated as hedges				
Gain recognized in other expenses (income), net[(1)]	(2)	(1)	(6)	(3)
Total loss recognized in other expenses (income), net	$ 59	$ 62	$ 42	$ 57
Losses (gains) recognized on balance sheet remeasurement currency exchange contracts, net	$ 12	$ 59	$ (15)	$ 38
Realized losses (gains) on change in fair value of derivative instruments, net	14	21	(13)	53
Unrealized losses (gains) on change in fair value of derivative instruments, net	33	(18)	70	(34)
Total loss recognized in other expenses (income), net	$ 59	$ 62	$ 42	$ 57

(1) Amount includes forward market premium/discount excluded from hedging relationship and releases to income from accumulated other comprehensive loss on balance sheet remeasurement contracts.

The following tables summarize the impact on accumulated other comprehensive loss and earnings of derivative instruments designated as cash flow hedges. Within the next 12 months, we expect to reclassify $223 million of losses from accumulated other comprehensive loss to earnings, before taxes.

	Amount of Gain (Loss) Recognized in Other comprehensive loss (Effective Portion)			
	Three Months Ended December 31,		Nine Months Ended December 31,	
in millions	2025	2024	2025	2024
Cash flow hedging derivatives				
Metal contracts	$ (287)	$ 32	$ (355)	$ (96)
Currency exchange contracts	(7)	(101)	46	(102)
Energy contracts	(2)	1	(9)	(2)
Interest rate swap contracts	—	7	(1)	1
Total cash flow hedging derivatives	$ (296)	$ (61)	$ (319)	$ (199)
Net investment derivatives				
Currency exchange contracts	—	16	(19)	9
Total	$ (296)	$ (45)	$ (338)	$ (190)

Gain (Loss) Reclassification

	Amount of Gain (Loss) Reclassified from Accumulated other comprehensive loss into Income/(Expense) (Effective Portion)				
	Three Months Ended December 31,		Nine Months Ended December 31,		Location of Gain (Loss) Reclassified from Accumulated other comprehensive loss into Earnings
in millions	2025	2024	2025	2024	
Cash flow hedging derivatives					
Energy contracts[1]	$ (1)	$ (2)	$ (3)	$ (8)	Cost of goods sold (exclusive of depreciation and amortization)
Metal contracts	(121)	(75)	(42)	(154)	Net sales
Currency exchange contracts	4	(4)	4	(6)	Cost of goods sold (exclusive of depreciation and amortization)
Currency exchange contracts	1	(5)	3	(11)	Net sales
Currency exchange contracts	—	—	(2)	(2)	Depreciation and amortization
Interest rate swap contracts	(1)	—	(1)	2	Interest expense and amortization of debt issuance costs
Total	$ (118)	$ (86)	$ (41)	$ (179)	(Loss) income before income tax provision
	30	23	9	47	Income tax provision
	$ (88)	$ (63)	$ (32)	$ (132)	Net (loss) income from continuing operations

(1) Includes amounts related to natural gas and diesel swaps.

For the period ended December 31, 2025, there was $4 million excluded from the assessment of effectiveness recognized in earnings related to net investment hedges. The component excluded from effectiveness assessment of net investment hedges is forward points related to the hedges. For cash flow hedges, the entire change in the fair value of the hedging instrument included in the assessment of hedge effectiveness is included in other comprehensive (loss) income and reclassified to earnings in the period in which earnings are impacted by the hedged items or in the period that the transaction becomes probable of not occurring. There was $2 million and no amount excluded from the assessment of effectiveness recognized in earnings for the periods ended December 31, 2025, and 2024, respectively, related to capital expenditure hedges.

11. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables summarize the change in the components of accumulated other comprehensive loss, excluding noncontrolling interests, for the periods presented:

in millions	Currency Translation	Cash Flow Hedges(1)	Postretirement Benefit Plans(2)	Total
Balance as of September 30, 2025	$ (194)	$ (58)	$ (1)	$ (253)
Other comprehensive (loss) income before reclassifications	(9)	(216)	5	(220)
Amounts reclassified from accumulated other comprehensive loss, net	—	88	—	88
Net current-period other comprehensive (loss) income	(9)	(128)	5	(132)
Balance as of December 31, 2025	$ (203)	$ (186)	$ 4	$ (385)

	Currency Translation	Cash Flow Hedges(1)	Postretirement Benefit Plans(2)	Total
Balance as of September 30, 2024	$ (224)	$ (97)	$ 16	$ (305)
Other comprehensive loss before reclassifications	(217)	(37)	—	(254)
Amounts reclassified from accumulated other comprehensive loss, net	—	63	—	63
Net current-period other comprehensive (loss) income	(217)	26	—	(191)
Balance as of December 31, 2024	$ (441)	$ (71)	$ 16	$ (496)

	Currency Translation	Cash Flow Hedges(1)	Postretirement Benefit Plans(2)	Total
Balance as of March 31, 2025	$ (378)	$ 16	$ 4	$ (358)
Other comprehensive income (loss) before reclassifications	175	(234)	12	(47)
Amounts reclassified from accumulated other comprehensive loss, net	—	32	(12)	20
Net current-period other comprehensive income (loss)	175	(202)	—	(27)
Balance as of December 31, 2025	$ (203)	$ (186)	$ 4	$ (385)

	Currency Translation	Cash Flow Hedges(1)	Postretirement Benefit Plans(2)	Total
Balance as of March 31, 2024	$ (340)	$ (62)	$ 21	$ (381)
Other comprehensive loss before reclassifications	(101)	(141)	(3)	(245)
Amounts reclassified from accumulated other comprehensive loss, net	—	132	(2)	130
Net current-period other comprehensive loss	(101)	(9)	(5)	(115)
Balance as of December 31, 2024	$ (441)	$ (71)	$ 16	$ (496)

(1) For additional information on our cash flow hedges, see Note 10 – Financial Instruments and Commodity Contracts.
(2) For additional information on our postretirement benefit plans, see Note 8 – Postretirement Benefit Plans.

12. FAIR VALUE MEASUREMENTS

We record certain assets and liabilities, primarily derivative instruments, on our condensed consolidated balance sheets at fair value. We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value. Our objective in measuring fair value is to estimate an exit price in an orderly transaction between market participants on the measurement date. We consider factors such as liquidity, bid/offer spreads, and nonperformance risk, including our own nonperformance risk, in measuring fair value. We use observable market inputs wherever possible. To the extent observable market inputs are not available, our fair value measurements will reflect the assumptions used. We grade the level of the inputs and assumptions used according to a three-tier hierarchy:

Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities we have the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Unobservable inputs for which there is little or no market data, which require us to develop our own assumptions based on the best information available as to what market participants would use in pricing the asset or liability.

The following section describes the valuation methodologies we used to measure our various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified.

Derivative Contracts

For certain derivative contracts with fair values based upon trades in liquid markets, such as aluminum, zinc, copper, foreign exchange, natural gas, and diesel fuel forward contracts and options, valuation model inputs can generally be verified and valuation techniques do not involve significant judgment. The fair values of such financial instruments are generally classified within Level 2 of the fair value hierarchy.

The majority of our derivative contracts are valued using industry-standard models with observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current (spot) and forward market prices. We generally classify these instruments within Level 2 of the valuation hierarchy. Such derivatives include interest rate swaps, cross-currency swaps, foreign currency contracts, aluminum, copper, and zinc forward contracts, and natural gas and diesel fuel forward contracts.

For Level 2 and 3 of the fair value hierarchy, where appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads, and credit considerations (nonperformance risk). We regularly monitor these factors along with significant market inputs and assumptions used in our fair value measurements and evaluate the level of the valuation input according to the fair value hierarchy. This may result in a transfer between levels in the hierarchy from period to period. As of December 31, 2025, and March 31, 2025, we did not have any Level 1 or Level 3 derivative contracts. No amounts were transferred between levels in the fair value hierarchy.

All of the Company's derivative instruments are carried at fair value in the statements of financial position prior to considering master netting agreements. The fair values of all derivative instruments are recognized as assets or liabilities at the balance sheet date and are reported gross.

The following table presents our derivative assets and liabilities which were measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2025, and March 31, 2025. The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	December 31, 2025		March 31, 2025	
in millions	Assets	Liabilities	Assets	Liabilities
Level 2 instruments:				
Metal contracts	$ 83	$ (369)	$ 152	$ (62)
Currency exchange contracts	30	(14)	23	(45)
Energy contracts	1	(3)	6	(1)
Interest rate swap contracts	—	(5)	—	(5)
Total level 2 instruments	$ 114	$ (391)	$ 181	$ (113)
Netting adjustment(1)	(78)	78	(59)	59
Total net	$ 36	$ (313)	$ 122	$ (54)

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions with the same counterparties.

Financial Instruments Not Recorded at Fair Value

The table below presents the estimated fair value of certain financial instruments not recorded at fair value on a recurring basis. The table excludes finance leases and short-term financial assets and liabilities for which we believe carrying value approximates fair value. We value long-term receivables and long-term debt using Level 2 inputs. Valuations are based on either market and/or broker ask prices when available or on a standard credit adjusted discounted cash flow model using market observable inputs.

	December 31, 2025		March 31, 2025	
in millions	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term receivables from related parties	$ 5	$ 5	$ 3	$ 3
Total debt — third parties (excluding finance leases and short-term borrowings)	6,342	6,438	5,790	5,652

Additionally, our condensed consolidated balance sheet as of December 31, 2025, includes a note receivable in the amount of $45 million. The note receivable is not carried at fair value, but we assess its collectability on a quarterly basis. The fair value of the note receivable is determined using Level 2 inputs and is materially consistent with the carrying value.

13. OTHER EXPENSES (INCOME), NET

Other expenses (income), net consists of the following:

in millions	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
September Oswego fire				
Fixed asset charges	$ —	$ —	$ 10	$ —
Inventory charges	—	—	1	—
Idle fixed costs(1)	61	—	64	—
Repairs and clean-up costs	77	—	83	—
Excess costs to fulfill customer contracts(2)	185	—	186	—
Property insurance recoveries	(25)	—	(25)	—
Other	2	—	2	—
September Oswego fire losses, net of recoveries	300	—	321	—
November Oswego fire				
Fixed asset charges	26	—	26	—
Repairs and clean-up costs	26	—	26	—
Property insurance recoveries	(25)	—	(25)	—
November Oswego fire losses, net of recoveries	27	—	27	—
Sierre flood				
Fixed asset charges	—	—	—	30
Inventory charges	—	—	—	12
Idle fixed costs(1)	—	4	—	20
Repairs and clean-up costs	2	14	9	31
Excess costs to fulfill customer contracts(2)	—	4	4	27
Property insurance recoveries	—	(18)	(3)	(18)
Other	—	1	—	4
Sierre flood losses, net of recoveries	2	5	10	106
Sierre business interruption insurance recoveries	—	(15)	—	(15)
Currency losses, net(3)	4	1	5	4
Unrealized losses (gains) on change in fair value of derivative instruments, net(4)	33	(18)	70	(34)
Realized losses (gains) on change in fair value of derivative instruments, net(4)	14	21	(13)	53
Loss on sale or disposal of assets, net	—	—	3	2
Interest income	(4)	(5)	(14)	(18)
Non-operating net periodic benefit cost(5)	(2)	—	(5)	(1)
Other, net	7	7	22	24
Other expenses (income), net	$ 381	$ (4)	$ 426	$ 121

(1) Idle fixed costs consist of employment costs and other operating expenses incurred during the period in which operations were halted at the Oswego and Sierre plants.
(2) Excess costs to fulfill customer contracts consist of freight costs, including import tariffs, incurred to reroute material to fulfill customer contracts related to plant shutdowns and price premiums to procure external third-party material to meet customer demand.
(3) Includes losses recognized on balance sheet remeasurement currency exchange contracts, net. See Note 9 – Currency Losses (Gains) for further details.
(4) See Note 10 – Financial Instruments and Commodity Contracts for further details.
(5) Represents net periodic benefit cost, exclusive of pension curtailment and settlement gains and service cost, for the Company's pension and other post-retirement plans. For further details, refer to Note 8 – Postretirement Benefit Plans.

September Oswego Fire

On September 16, 2025, our plant located in Oswego, New York, was impacted by a significant fire ("September Oswego fire"). There were no injuries, as all employees were safely evacuated. The fire was contained to the hot mill area and did not impact the rest of the plant.

As we continue to assess the physical condition of the plant's assets and continue the efforts to restore operations, we may incur additional losses in future periods. The plant is insured for property damage and business interruption losses related to such events, subject to deductibles and policy limits. During three and nine months ended December 31, 2025, Novelis recognized property insurance recoveries of $25 million related to the September Oswego fire, which is recognized within Other (income) expenses, net. We will recognize insurance recoveries related to the impact of the September fire at the Oswego plant in future periods when insurance proceeds are realizable.

November Oswego Fire

A second significant fire occurred at the Oswego plant on November 20, 2025 ("November Oswego fire"). Everyone working at the plant was safely evacuated and there were no injuries to employees, contractors or first responders. The fire was contained to the hot mill's finishing mill and the hot mill motor room and did not impact the rest of the plant.

As we continue to assess the physical condition of the plant's assets and continue the efforts to restore operations, we may incur additional losses in future periods. The plant is insured for property damage and business interruption losses related to such events, subject to deductibles and policy limits. During three and nine months ended December 31, 2025, Novelis recognized property insurance recoveries of $25 million related to the November Oswego fire, which is recognized within Other (income) expenses, net. We will recognize insurance recoveries related to the impact of the November fire at the Oswego plant in future periods when insurance proceeds are realizable.

Sierre Flood

On June 30, 2024, our plant located in Sierre, Switzerland, was impacted by exceptional flooding caused by unprecedented heavy rainfall. There were no injuries, as all employees were safely evacuated; however, water entered the plant premises and plant operations were halted for several weeks. Plant operations fully resumed during fiscal 2025.

14. INCOME TAXES

For the three months ended December 31, 2025, our effective tax rate differs from the Canadian statutory rate primarily due to the full-year forecasted effective tax rate taking into account income taxed at rates that differ from the 25% Canadian rate, including withholding taxes and changes to the Brazilian real foreign exchange rate, offset by the availability of tax credits. For the nine months ended December 31, 2025, our effective tax rate differs from the Canadian statutory rate primarily due to the full-year forecasted effective tax rate that takes into account income taxed at rates that differ from the 25% Canadian rate, including withholding taxes, offset by the availability of tax credits and changes to enacted tax rates. For the three months ended December 31, 2024, our effective tax rate differs from the Canadian statutory rate primarily due to the full-year forecasted effective tax rate taking into account income taxed at rates that differ from the 25% Canadian rate, including withholding taxes, and changes to the Brazilian real foreign exchange rate, offset by the availability of tax credits and changes in uncertain tax positions. For the nine months ended December 31, 2024, our effective tax rate differs from the Canadian statutory rate primarily due to the full-year forecasted effective tax rate taking into account income taxed at rates that differ from the 25% Canadian rate, including withholding taxes, offset by the availability of tax credits and changes in uncertain positions.

As of December 31, 2025, we had a net deferred tax liability of $23 million. This amount included gross deferred tax assets of approximately $1.3 billion and a valuation allowance of $636 million. It is reasonably possible that our estimates of future taxable income may change within the next twelve months resulting in a change to the valuation allowance in one or more jurisdictions.

On July 4, 2025, the One Big Beautiful Bill Act (the “OBBBA”) was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The enactment did not impact the Company's effective tax rate for the periods presented.

On July 18, 2025, the German bill titled the Act for an Immediate Tax Investment Programme to Strengthen Germany as a Business Location was enacted. The legislation introduces several changes to German income tax law, including a gradual reduction of the corporate tax rate to 10%, effective from January 1, 2028. As a result of those changes, the Company remeasured the deferred tax assets and liabilities of Novelis entities in that jurisdiction using the newly enacted tax rates and provisions. The resulting adjustment was recorded as a discrete item in the three months ended September 30, 2025.

In December 2025, the Korean National Assembly approved measures included in the government’s 2025 tax reform plan that will increase corporate income tax rates by 1 percentage point, restoring the rates to their pre-2023 levels, with the changes generally effective for fiscal years beginning on or after January 1, 2026. As a result of those changes, the Company remeasured the deferred tax assets and liabilities of Novelis entities in that jurisdiction using the newly enacted tax rates and provisions. The resulting adjustment was recorded as a discrete item in the three months ended December 31, 2025.

Tax Uncertainties

Certain tax filings for fiscal 2007 through fiscal 2024 are subject to tax examinations and judicial and administrative proceedings. As a result of further settlement of audits, judicial decisions, the filing of amended tax returns, or the expiration of statutes of limitations, our reserves for unrecognized tax benefits, as well as reserves for interest and penalties, may change in the next 12 months. With few exceptions, tax returns for all jurisdictions for all tax years before fiscal 2007 are no longer subject to examination by taxing authorities or subject to any judicial or administrative proceedings. In June 2025, we received a final tax assessment for the fiscal 2017 through fiscal 2020 tax audits in Aleris Germany. During the three months ended December 31, 2025, certain other estimates associated with uncertain tax positions also changed, none of which had a material impact on our financial statements for any periods presented.

15. COMMITMENTS AND CONTINGENCIES

We are party to and may in the future be involved in or subject to disputes, claims, and proceedings arising in the ordinary course of our business, including some we assert against others, such as environmental, health and safety, product liability, employee, tax, personal injury, and other matters. For certain matters in which the Company is involved in for which a loss is reasonably possible, we are unable to estimate a loss. For certain other matters for which a loss is reasonably possible and the loss is estimable, we have estimated the aggregated range of loss as $0 to $121 million. This estimated aggregate range of reasonably possible losses is based upon currently available information. The Company's estimates involve significant judgment. Therefore, the estimate will change from time to time and actual losses may differ from the current estimate. We review the status of, and estimated liability related to, pending claims and civil actions on a quarterly basis. The evaluation model includes all asserted and unasserted claims that can be reasonably identified, including claims relating to our responsibility for compliance with environmental, health and safety laws and regulations in the jurisdictions in which we operate or formerly operated. The estimated costs in respect of such reported liabilities are not offset by amounts related to insurance or indemnification arrangements unless otherwise noted.

Environmental Matters

We have established liabilities based on our estimates for currently anticipated costs associated with environmental matters. We estimate that the costs related to our environmental liabilities as of December 31, 2025 and March 31, 2025 were $37 million and $38 million, respectively. Of the total $37 million as of December 31, 2025, $15 million is associated with an environmental reserve, $19 million is associated with undiscounted environmental clean-up costs, and $3 million is associated with restructuring actions. As of December 31, 2025, $19 million is included in accrued expenses and other current liabilities and the remainder is within other long-term liabilities in our accompanying condensed consolidated balance sheets.

Brazilian Tax Litigation

We are involved in several unresolved tax and other legal claims in Brazil. Total liabilities for other disputes and claims were $36 million as of December 31, 2025, and $34 million as of March 31, 2025. As of December 31, 2025, the $36 million is included within other long-term liabilities in our accompanying condensed consolidated balance sheets. Additionally, we have included in the range of reasonably possible losses disclosed above any unresolved tax disputes or other contingencies for which a loss is reasonably possible and estimable. The interest cost recorded on these settlement liabilities offset by interest earned on the cash deposits is reported in other expenses (income), net on the condensed consolidated statement of operations.

During prior fiscal years, we received multiple favorable rulings from the Brazilian court that recognized the right to exclude certain taxes from the tax base used to calculate contributions to the social integration program and social security contributions on gross revenues, also known as PIS and COFINS. As a result of these cases, we had the right to apply for tax credits for the amounts overpaid during specified tax years. These credits and corresponding interest were used to offset various Brazilian federal taxes.

The credit amounts, interest calculation, and supporting documentation are subject to further validation and scrutiny by tax authorities for five years after the credits are utilized. Thus, credits recognized may differ from these amounts.

Novelis received a tax notification on July 11, 2024, requesting information for the calculated credits of COFINS in the amount of $43 million, related to the period from 2008 to 2014, and PIS and COFINS in the amount of $28 million, related to the period from 2015 to 2017. If the credits are not sufficiently validated per the request, a portion of the COFINS and PIS and COFINS credits may be disallowed. The Company believes it has sufficient documentation to support the use of the credits.

Aluminum Imports Matter

During the second quarter of fiscal 2026, U.S. Customs and Border Protection ("U.S. Customs") issued the Company a notice of action asserting that certain aluminum shipments from the Company's Brazilian operations to the United States were subject to antidumping duties and additional tariffs based on U.S. Customs' determination of the classification of the shipped products. The Company disputes this assessment and intends to appeal. As a result of the assessment, the Company recognized a cash deposit of approximately $65 million in duties, which are classified in prepaid expenses and other current assets on the condensed consolidated balance sheet as of December 31, 2025, and primarily relate to loss exposure that the Company believes to be remote. The Company believes it is reasonably possible that the notice of action may result in additional duties of approximately $19 million, excluding any potential interest charges and penalties, although the outcome remains uncertain at this time. Exposure to other potential liabilities arising from this matter are considered remote. Accordingly, no liability has been recorded as of the balance sheet date.

16. SEGMENT, GEOGRAPHICAL AREA, MAJOR CUSTOMER AND MAJOR SUPPLIER INFORMATION

Segment Information

Due in part to the regional nature of the supply and demand of aluminum rolled products and to best serve our customers, we manage our activities based on geographical areas and are organized under four operating segments: North America, Europe, Asia, and South America. All of our segments manufacture aluminum sheet and light gauge products. We also manufacture aluminum plate products in Europe and Asia.

The following is a description of our operating segments.

North America. Headquartered in Atlanta, Georgia, this segment operates 13 plants, including seven with recycling operations, in two countries.

Europe. Headquartered in Küsnacht, Switzerland, this segment operates 10 plants, including five with recycling operations, in four countries.

Asia. Headquartered in Seoul, South Korea, this segment operates four plants, including two with recycling operations, in two countries.

South America. Headquartered in São Paulo, Brazil, this segment operates two plants, including one with recycling operations, in one country.

Net sales and expenses are measured in accordance with the policies and procedures described in Note 1 – Business and Summary of Significant Accounting Policies within our 2025 Form 10-K.

Our chief operating decision maker is the chief executive officer. The chief operating decision maker uses Adjusted EBITDA to assess the performance of each segment by comparing the results of each segment against its plan and forecast and in developing segment budgeting and forecasting, making decisions about allocating capital and personnel to the segments, and determining the compensation of employees. Additionally, the chief operating decision maker uses Adjusted EBITDA as a basis for evaluating which capital projects to undertake.

We measure the profitability and financial performance of our operating segments based on Adjusted EBITDA. Adjusted EBITDA provides a measure of our underlying segment results that is in line with our approach to risk management. We define Adjusted EBITDA as earnings before (a) depreciation and amortization; (b) interest expense and amortization of debt issuance costs; (c) interest income; (d) unrealized gains (losses) on change in fair value of derivative instruments, net, except for foreign currency remeasurement hedging activities, which are included in Adjusted EBITDA; (e) impairment of goodwill; (f) (gain) loss on extinguishment of debt, net; (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 expenses (reversals), 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; (t) loss on sale of discontinued operations, net of tax; and (u) start-up costs.

Beginning in the first quarter of fiscal 2026, the Company excludes non-capitalizable start-up costs associated with the commissioning, pre-production, and production ramp-up at the Bay Minette, Alabama, plant.

The tables that follow show selected segment financial information. "Eliminations and Other" includes eliminations and functions that are managed directly from our corporate office that have not been allocated to our operating segments as well as the adjustments for proportional consolidation and eliminations of intersegment net sales. The financial information for our segments includes the results of our affiliates on a proportionately consolidated basis, which is consistent with the way we manage our business segments. In order to reconcile the financial information for the segments shown in the tables below to the relevant U.S. GAAP based measures, we must adjust proportional consolidation of each line item. The "Eliminations and Other" in net sales – third party includes the net sales attributable to our joint venture party, Tri-Arrows, for our Logan affiliate because we consolidate 100% of the Logan joint venture for U.S. GAAP, but we manage our Logan affiliate on a proportionately consolidated basis. See Note 4 – Consolidation and Note 5 – Investment in and Advances to Non-Consolidated Affiliates and Related Party Transactions for further information about these affiliates. Additionally, we eliminate intersegment sales and intersegment income for reporting on a consolidated basis.

Selected Segment Financial Information

in millions

Selected Operating Results Three Months Ended December 31, 2025	North America	Europe	Asia	South America	Total
Net sales – third party	$ 1,690	$ 1,159	$ 556	$ 670	$ 4,075
Net sales – intersegment	—	121	181	58	360
Total net sales	$ 1,690	$ 1,280	$ 737	$ 728	$ 4,435
Reconciliation of net sales					
Other revenues[(1)]					$ 111
Elimination of intersegment net sales					(360)
Consolidated net sales					$ 4,186
Cost of goods sold (exclusive of metal price lag, depreciation and amortization)	$ 1,518	$ 1,146	$ 646	$ 569	
Selling, general and administrative expenses	65	48	26	27	
Other segment items[(2)]	13	8	17	2	
Adjusted EBITDA	$ 94	$ 78	$ 48	$ 130	

(1) Other revenues related to amounts to reconcile proportional consolidation of sales attributable to our Logan joint venture partner, Tri-Arrows. As described above, the Logan joint venture is consolidated 100% for U.S. GAAP purposes but managed on a proportionally consolidated basis.
(2) Other segment items for all segments are primarily comprised of realized (gain)/loss on derivatives and R&D expense.

in millions

Selected Operating Results Nine Months Ended December 31, 2025	North America	Europe	Asia	South America	Total
Net sales – third party	$ 5,833	$ 3,655	$ 1,923	$ 1,891	$ 13,302
Net sales – intersegment	—	125	532	147	804
Total net sales	$ 5,833	$ 3,780	$ 2,455	$ 2,038	$ 14,106
Reconciliation of net sales					
Other revenues[(1)]					$ 345
Elimination of intersegment net sales					(804)
Consolidated net sales					$ 13,647
Cost of goods sold (exclusive of metal price lag, depreciation and amortization)	$ 5,234	$ 3,399	$ 2,111	$ 1,609	
Selling, general and administrative expenses	212	146	81	65	
Other segment items[(2)]	26	6	23	7	
Adjusted EBITDA	$ 361	$ 229	$ 240	$ 357	

(1) Other revenues related to amounts to reconcile proportional consolidation of sales attributable to our Logan joint venture partner, Tri-Arrows. As described above, the Logan joint venture is consolidated 100% for U.S. GAAP purposes but managed on a proportionally consolidated basis.
(2) Other segment items for all segments are primarily comprised of realized (gain)/loss on derivatives and R&D expense.

in millions

Selected Operating Results Three Months Ended December 31, 2024	**North America**	**Europe**	**Asia**	**South America**	**Total**
Net sales – third party	$ 1,647	$ 1,041	$ 608	$ 682	$ 3,978
Net sales – intersegment	—	13	122	3	138
Total net sales	$ 1,647	$ 1,054	$ 730	$ 685	$ 4,116
Reconciliation of net sales					
Other revenues[1]					$ 102
Elimination of intersegment net sales					(138)
Consolidated net sales					$ 4,080
Cost of goods sold (exclusive of metal price lag, depreciation and amortization)	$ 1,437	$ 953	$ 616	$ 534	
Selling, general and administrative expenses	74	49	28	27	
Other segment items[2]	14	3	11	3	
Adjusted EBITDA	$ 122	$ 49	$ 75	$ 121	

(1) Other revenues related to amounts to reconcile proportional consolidation of sales attributable to our Logan joint venture partner, Tri-Arrows. As described above, the Logan joint venture is consolidated 100% for U.S. GAAP purposes but managed on a proportionally consolidated basis.
(2) Other segment items for all segments are primarily comprised of realized (gain)/loss on derivatives and R&D expense.

in millions

Selected Operating Results Nine Months Ended December 31, 2024	**North America**	**Europe**	**Asia**	**South America**	**Total**
Net sales – third party	$ 5,156	$ 3,315	$ 1,855	$ 1,917	$ 12,243
Net sales – intersegment	3	31	380	53	467
Total net sales	$ 5,159	$ 3,346	$ 2,235	$ 1,970	$ 12,710
Reconciliation of net sales					
Other revenues[1]					$ 319
Elimination of intersegment net sales					(467)
Consolidated net sales					$ 12,562
Cost of goods sold (exclusive of metal price lag, depreciation and amortization)	$ 4,393	$ 2,953	$ 1,870	$ 1,506	
Selling, general and administrative expenses	232	152	85	78	
Other segment items[2]	44	39	22	11	
Adjusted EBITDA	$ 490	$ 202	$ 258	$ 375	

(1) Other revenues related to amounts to reconcile proportional consolidation of sales attributable to our Logan joint venture partner, Tri-Arrows. As described above, the Logan joint venture is consolidated 100% for U.S. GAAP purposes but managed on a proportionally consolidated basis.
(2) Other segment items for all segments are primarily comprised of realized (gain)/loss on derivatives and R&D expense.

in millions

Selected Operating Results Three Months Ended December 31, 2025	North America	Europe	Asia	South America	Segment Subtotal	Eliminations and Other	Total
Depreciation and amortization	$ 66	$ 45	$ 25	$ 23	$ 159	$ (4)	$ 155
Income tax provision (benefit)	(87)	14	4	23	(46)	50	4
Capital expenditures	588	39	20	26	673	(9)	664
Selected Operating Results Nine Months Ended December 31, 2025							
Depreciation and amortization	$ 194	$ 134	$ 76	$ 67	$ 471	$ (16)	$ 455
Income tax provision (benefit)	(84)	15	22	60	13	102	115
Capital expenditures	1,371	112	48	69	1,600	(23)	1,577

in millions

Selected Operating Results Three Months Ended December 31, 2024	North America	Europe	Asia	South America	Segment Subtotal	Eliminations and Other	Total
Depreciation and amortization	$ 56	$ 42	$ 23	$ 22	$ 143	$ (1)	$ 142
Income tax provision (benefit)	(5)	5	12	20	32	7	39
Capital expenditures	366	54	27	18	465	(7)	458
Selected Operating Results Nine Months Ended December 31, 2024							
Depreciation and amortization	$ 170	$ 126	$ 70	$ 66	$ 432	$ (9)	$ 423
Income tax provision (benefit)	3	(3)	40	76	116	34	150
Capital expenditures	983	112	64	43	1,202	(27)	1,175

in millions

December 31, 2025	North America	Europe	Asia	South America	Segment Subtotal	Eliminations and Other	Total
Investment in and advances to non–consolidated affiliates	$ —	$ 588	$ 393	$ —	$ 981	$ —	$ 981
Total assets	8,137	4,410	2,022	2,176	16,745	1,501	18,246
March 31, 2025							
Investment in and advances to non–consolidated affiliates	$ —	$ 542	$ 370	$ —	$ 912	$ —	$ 912
Total assets	6,638	4,303	2,163	2,155	15,259	1,256	16,515

The table below displays the reconciliation from net (loss) income attributable to our common shareholder to Adjusted EBITDA.

in millions	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
North America	$ 94	$ 122	$ 361	$ 490
Europe	78	49	229	202
Asia	48	75	240	258
South America	130	121	357	375
Eliminations and Other	(2)	—	(1)	4
Adjusted EBITDA	$ 348	$ 367	$ 1,186	$ 1,329
Depreciation and amortization	(155)	(142)	(455)	(423)
Interest expense and amortization of debt issuance costs	(66)	(66)	(201)	(210)
Adjustment to reconcile proportional consolidation[(1)]	(12)	(9)	(39)	(34)
Unrealized (losses) gains on change in fair value of derivative instruments, net	(33)	18	(70)	34
Realized gains (losses) on derivative instruments not included in Adjusted EBITDA[(2)]	1	(1)	7	(6)
Loss on extinguishment of debt, net	—	—	(3)	—
Restructuring and impairment, net	(20)	(6)	(136)	(46)
Loss on sale or disposal of assets, net	—	—	(3)	(2)
Metal price lag	126	—	324	14
Sierre flood losses, net of recoveries[(3)]	(2)	(5)	(10)	(106)
September Oswego fire losses, net of recoveries[(4)]	(300)	—	(321)	—
November Oswego fire losses, net of recoveries[(4)]	(27)	—	(27)	—
Start-up costs[(5)]	(12)	—	(25)	—
Other, net	(3)	(7)	(12)	(11)
(Loss) income from continuing operations before income tax provision	$ (155)	$ 149	$ 215	$ 539
Income tax provision	(4)	(39)	(115)	(150)
Net loss attributable to noncontrolling interests	(1)	—	(1)	—
Net (loss) income attributable to our common shareholder	$ (160)	$ 110	$ 99	$ 389

(1) Adjustment to reconcile proportional consolidation relates to depreciation, amortization, and income taxes of our equity method investments. Income taxes related to our equity method investments are reflected in the carrying value of the investment and not in our consolidated income tax provision.
(2) Realized gains (losses) on derivative instruments not included in Adjusted EBITDA represents foreign currency derivatives not related to operations.
(3) Sierre flood losses, net of recoveries relate to non-recurring non-operating charges from exceptional flooding at our Sierre, Switzerland plant caused by unprecedented heavy rainfall, net of the related property insurance recoveries. See Note 13 – Other Expenses (Income), Net for additional information about this event.
(4) September Oswego fire losses, net of recoveries and November Oswego fire losses, net of recoveries relate to non-recurring non-operating charges from two significant fires at our Oswego, New York plant. See Note 13 – Other Expenses (Income), Net for additional information about this event.
(5) Start-up costs are related to the construction of a rolling and recycling plant in Bay Minette, Alabama. All of these costs are included in Selling, general and administrative expenses.

Information about Product Sales, Major Customers, and Primary Supplier

Product Sales

The following table displays net sales by product end market:

	Three Months Ended December 31,		Nine Months Ended December 31,	
in millions	2025	2024	2025	2024
Beverage packaging	$ 2,313	$ 2,190	$ 7,336	$ 6,505
Automotive	746	864	2,782	2,686
Aerospace and industrial plate	177	153	548	499
Specialty	950	873	2,981	2,872
Net sales	$ 4,186	$ 4,080	$ 13,647	$ 12,562

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD-LOOKING STATEMENTS

The following information should be read together with our unaudited condensed consolidated financial statements and accompanying notes included elsewhere in this Form 10-Q for a more complete understanding of our financial condition and results of operations. The following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below, particularly in SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA.

OVERVIEW AND REFERENCES

In this Form 10-Q, unless otherwise specified, the terms "we," "our," "us," the "Company," and "Novelis" refer to Novelis Inc., a company incorporated in Canada under the Canadian Business Corporations Act, and its subsidiaries. References herein to "Hindalco" refer to Hindalco Industries Limited, which acquired Novelis in May 2007.

Novelis is driven by its purpose of Shaping a Sustainable World Together. We consider ourselves a global leader in the production of innovative, sustainable aluminum products and solutions and the world's largest recycler of aluminum. Our ambition is to be the leading provider of low-carbon, sustainable aluminum solutions and to achieve a fully circular economy by partnering with our suppliers and customers in beverage packaging, automotive, aerospace, and specialties (a diverse market including building and construction; signage; foil and packaging; commercial transportation; and commercial and consumer products, among others) markets throughout North America, Europe, Asia, and South America. We have recycling operations in many of our plants to recycle both post-consumer and post-industrial aluminum. For the three and nine months ended December 31, 2025, we had total shipment volumes of 850 kt and 2,841 kt, respectively, and net sales of $4.2 billion and $13.6 billion, respectively. Novelis is a subsidiary of Hindalco, an industry leader in aluminum and copper and the metals flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai.

As used in this Form 10-Q, consolidated "aluminum rolled product shipments," "flat-rolled product shipments," or "shipments" refer to aluminum rolled product shipments to third parties. Regional "aluminum rolled product shipments," "flat-rolled product shipments," or "shipments" refer to aluminum rolled product shipments to third parties and intersegment shipments to other Novelis regions. Shipment amounts also include tolling shipments. References to "total shipments" include aluminum rolled product shipments as well as certain other non-rolled product shipments, primarily scrap, UBCs, ingots, billets, and primary remelt. The term "aluminum rolled products" is synonymous with the terms "flat-rolled products" and "FRP," which are commonly used by manufacturers and third-party analysts in our industry. All tonnages are stated in metric tonnes. One metric tonne is equivalent to 2,204.6 pounds. One kt is 1,000 metric tonnes (also expressed as tonnes).

BUSINESS AND INDUSTRY CLIMATE

We believe the long-term trends for flat-rolled aluminum products remain strong, driven by anticipated economic growth, material substitution, and sustainability considerations, including increased environmental awareness around PET plastics. In support of these long-term market demand trends, we have a number of debottlenecking, recycling, and new capacity capital investments underway or recently completed, with a focus on increasing capacity and capabilities to meet growing customer demand. This includes the construction of a 600 kt capacity greenfield rolling and recycling plant in Bay Minette, Alabama. With the project now at an advanced state, we estimate the total project capital cost will be in the order of $5 billion.

Increasing customer preference for sustainable packaging options continues to drive strong demand for infinitely recyclable aluminum beverage packaging worldwide in both the near-term and over the long-term. While we believe the long-term demand trends for automotive, building and construction, and other specialty aluminum flat rolled products will continue to grow due to increased consumer preference for lightweight, sustainable materials, near-term demand in some markets is constrained in this current uncertain macro-economic environment. In addition, production disruption at a European automotive customer reduced demand in our second and third quarters. Demand for aerospace aluminum plate and sheet also remains favorable due to significant aircraft industry order backlogs for key OEMs, but their ability to produce has been constrained by OEM supply chain instability. In addition, unpredictable tariffs and international trade uncertainty are generating volatility and disruption in global and regional economies. Tariffs without flexibilities, including targeted and time-limited exemptions and exclusions, increase direct costs for Novelis and could undermine demand for aluminum.

Competition for scrap metal has been increasing over recent years due to strong consumer demand for aluminum rolled products made from high amounts of recycled content (or scrap), a growing focus on carbon emission reduction, and the favorable economics that may be achieved by efficiently consuming scrap inputs compared to prime metal inputs. While scrap prices have recently moderated and turned favorable in some regions, competition for scrap aluminum creates pressure on scrap pricing and reduces the financial benefit of utilizing scrap in our production process. We are working on solutions to increase the amount and different types of scrap metal our systems are able to process, including sorting technologies and supply chain improvements, to mitigate the potential for lower availability and higher prices of scrap in the future.

In fiscal 2025, the Company initiated structural cost improvement and efficiency measures across our global operations to drive sustainable labor, operational and footprint efficiencies ("2025 Efficiency Plan"). This is a multi-year cost efficiency goal, with a target to achieve approximately $300 million in annualized savings by the end of fiscal 2028. For the three and nine months ended December 31, 2025, we recognized restructuring charges of $18 million and $129 million, respectively, bringing the cumulative costs of the 2025 Efficiency Plan to $131 million. See Note 2 – Restructuring and Impairment for further discussion.

On September 16, 2025, our plant located in Oswego, New York, was impacted by a significant fire. There were no injuries, as all employees were safely evacuated. The fire was contained to the hot mill area and did not impact the rest of the plant. A second significant fire occurred at the Oswego plant on November 20, 2025. Everyone working at the plant was safely evacuated and there were no injuries to employees, contractors or first responders. The fire was contained to the hot mills, finishing mill, and the hot mill motor room and did not impact the rest of the plant. Our current timeline suggests we can restart the Oswego hot mill by the end of the first quarter of fiscal 2027. We have incurred costs related to repairs, clean-up, idle employees, and other costs. We expect to incur additional costs related to this event until the operations are fully-restored at the facility. The plant is insured for property damage and business interruption losses related to such events, subject to deductibles and policy limits. See Note 13 - Other Expenses (Income), Net for additional information about this event.

We anticipate the September and November Oswego fires will have a total negative cash flow impact of approximately $1.3 to $1.6 billion, which includes an anticipated Adjusted EBITDA impact of $150 to $200 million, prior to any insurance recoveries.

During the second quarter of fiscal 2026, U.S. Customs issued the Company a notice of action asserting that certain aluminum shipments from the Company's Brazilian operations to the United States were subject to antidumping duties and additional tariffs based on U.S. Customs' determination of the classification of the shipped products. See Note 15 - Commitments and Contingencies for additional information.

Environmental, Social & Governance

We maintain our aim to become a carbon neutral company by 2050 or sooner. Our 2030 goals (1) aim to have less than 3 tonnes of carbon dioxide equivalents (CO_2e) per tonne of rolled product shipments; and (2) aim to push the boundaries on recycled content in our products by increasing average recycled content to 75%, from 63% in fiscal 2025; both by the end of calendar year 2030. Carbon goals are inclusive of Scope 1 and Scope 2 (location-based), as well as Scope 3 emissions in categories 1 and 4 of the Greenhouse Gas Protocol.

To increase the use of recycled content in our products, we engage with customers, suppliers, and industry peers across the value chain as we aim to drive innovation that improves aluminum's overall sustainability profile.

In support of our commitments, we are voluntarily pursuing the certification of all of our plant operations to the Aluminum Stewardship Initiatives' ("ASI") certification program. ASI works together with producers, users, and stakeholders in the aluminum value chain to collaboratively foster responsible production, sourcing, and stewardship of aluminum. Currently, we have 22 plants globally, and 14 scrap collection centers across Brazil, with both the Performance Standard Certification and the Chain of Custody Certification.

We are also committed to supporting the communities in which our employees live and work. With firmly established community engagement programs, the Company is committed to advancing its corporate social responsibility efforts by further investing in the Novelis Neighbor program, which gives back to communities through financial contributions and employee volunteerism. The program emphasizes STEM education, recycling education, and addressing local community needs.

Liquidity Position

We believe we have adequate liquidity to manage the business with dynamic metal prices. Our cash and cash equivalents and availability under committed credit facilities aggregated to $2.6 billion of liquidity as of December 31, 2025.

We maintain a disciplined approach to capital spending, prioritizing maintenance capital for our operations, and organic strategic capacity expansion projects. We are taking a prudent approach to phasing the timing of transformational organic investment spend, and we expect capital expenditures to be in the range of $1.9 to $2.2 billion for fiscal 2026, as spending for a number of announced strategic capital projects is now ramping up. This includes approximately $300 million for expected maintenance spend.

BUSINESS MODEL AND KEY CONCEPTS

Conversion Business Model

A significant amount of our business is conducted under a conversion model, which allows us to pass through increases or decreases in the price of aluminum to our customers. Nearly all of our flat-rolled products have a price structure with three components: (i) a base aluminum price quoted off the LME; (ii) an LMP; and (iii) a "conversion premium" to produce the rolled product that reflects, among other factors, the competitive market conditions for that product. Base aluminum prices are typically driven by macroeconomic factors and global supply and demand for aluminum. LMP tends to vary based on the supply and demand for metal in a particular region and the associated transportation and duty costs.

LME Base Aluminum Prices and Local Market Premiums

The average (based on the simple average of the monthly averages) and closing prices for aluminum set on the LME are as follows:

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2025	2024	Percent Change	2025	2024	Percent Change
Aluminum (per metric tonne, and presented in U.S. dollars):						
Closing cash price as of beginning of period	$ 2,669	$ 2,611	2 %	$ 2,519	$ 2,270	11 %
Average cash price during period	2,828	2,573	10	2,631	2,492	6
Closing cash price as of end of period	2,968	2,517	18	2,968	2,517	18

The weighted average LMPs are as follows:

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2025	2024	Percent Change	2025	2024	Percent Change
Weighted average LMP (per metric tonne, and presented in U.S. dollars)	$ 886	$ 370	139 %	$ 780	$ 335	133 %

Metal Price Lag and Related Hedging Activities

Increases or decreases in the price of aluminum based on the average LME base aluminum prices and LMPs directly impact net sales, cost of goods sold (exclusive of depreciation and amortization), and working capital. The timing of these impacts varies based on contractual arrangements with customers and metal suppliers in each region. These timing impacts are referred to as metal price lag. Metal price lag exists due to: (i) the period of time between the pricing of our purchase of metal, holding and processing the metal, and the pricing of the sale of finished inventory to our customers and (ii) certain customer contracts containing fixed forward price commitments, which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.

We use LME aluminum forward contracts to preserve our conversion margins and manage the timing differences associated with the LME base metal component of net sales and cost of goods sold (exclusive of depreciation and amortization). These derivatives directly hedge the economic risk of future LME base metal price fluctuations to better match the purchase price of metal with the sales price of metal. We have exposure to multiple regional LMPs, however the derivative markets for local market premiums is not robust or efficient enough for us to offset the impacts of LMP price movements beyond a small volume. From time to time, we take advantage of short-term market conditions to hedge some of our exposure. As a consequence, volatility in local market premiums can have a significant impact on our results of operations and cash flows.

We elect to apply hedge accounting to better match the recognition of gains or losses on certain derivative instruments with the recognition of the underlying exposure being hedged in the statement of operations. For undesignated metal derivatives, there are timing differences between the recognition of unrealized gains or losses on the derivatives and the recognition of the underlying exposure in the statement of operations. The recognition of unrealized gains and losses on undesignated metal derivative positions typically precedes inventory cost recognition, customer delivery, and revenue recognition. The timing difference between the recognition of unrealized gains and losses on undesignated metal derivatives and cost or revenue recognition impacts (loss) income before income tax provision and net (loss) income.

Foreign Currency and Related Hedging Activities

We operate a global business and conduct business in various currencies around the world. We have exposure to foreign currency risk as fluctuations in foreign exchange rates impact our operating results as we translate the operating results from various functional currencies into our U.S. dollar reporting currency at current average rates. We also record foreign exchange remeasurement gains and losses when business transactions are denominated in currencies other than the functional currency of that operation. Global economic uncertainty is contributing to higher levels of volatility among the currency pairs in which we conduct business. The following table presents the exchange rates as of the end of each period and the average of the month-end exchange rates:

	Exchange Rate as of		Average Exchange Rate Three Months Ended December 31,		Average Exchange Rate Nine Months Ended December 31,	
	December 31, 2025	March 31, 2025	2025	2024	2025	2024
Euro per U.S. dollar	0.852	0.926	0.860	0.944	0.864	0.927
Brazilian real per U.S. dollar	5.502	5.742	5.407	6.008	5.488	5.640
South Korean won per U.S. dollar	1,435	1,467	1,441	1,416	1,408	1,381
Canadian dollar per U.S. dollar	1.371	1.439	1.389	1.410	1.382	1.379
Swiss franc per euro	0.930	0.956	0.930	0.936	0.932	0.952

Exchange rate movements have an impact on our operating results. In Europe, where we have predominantly local currency selling prices and operating costs, we benefit as the euro strengthens but are adversely affected as the euro weakens. For our Swiss operations, where operating costs are incurred primarily in the Swiss franc and a large portion of revenues are denominated in the euro, we benefit as the Swiss franc weakens but are adversely affected as the franc strengthens. In South Korea, where we have local currency operating costs and U.S. dollar denominated selling prices for exports, we benefit as the South Korean won weakens but are adversely affected as the won strengthens. In Brazil, where we have predominately U.S. dollar selling prices and local currency manufacturing costs, we benefit as the Brazilian real weakens but are adversely affected as the real strengthens. We use foreign exchange forward contracts and cross-currency swaps to manage our exposure arising from recorded assets and liabilities, firm commitments, and forecasted cash flows denominated in currencies other than the functional currency of certain operations, which include capital expenditures and net investment in foreign subsidiaries.

See *Segment Review* below for the impact of foreign currency on each of our segments.

RESULTS OF OPERATIONS

For the three months ended December 31, 2025, we reported net loss attributable to our common shareholder of $160 million compared to net income attributable to our common shareholder of $110 million in the comparable prior year period, and total Adjusted EBITDA of $348 million, a decrease of 5% compared to $367 million in the comparable prior year period. The decrease in operational performance compared to the comparable prior year period was primarily driven by lower shipments and additional costs due to the fires at the Oswego plant. In addition, net tariffs and lower scrap consumption, which created a less favorable metal benefit compared to the prior year were partially offset by lower scrap prices, higher product pricing and lower SG&A costs. In addition to the aforementioned factors, net income attributable to our common shareholder was negatively impacted by unrealized losses on change in fair value of derivative instruments and costs associated with the repairs, clean-up, and costs to procure and move product to minimize customer disruption due to the fires at the Oswego plant, partially offset by favorable movement in average LMP aluminum prices.

For the nine months ended December 31, 2025, we reported net income attributable to our common shareholder of $99 million, a decrease of 75% compared to $389 million in the comparable prior year period, and total Adjusted EBITDA of $1,186 million, a decrease of 11% compared to $1,329 million in the comparable prior year period. The decrease in operational performance was primarily driven by higher scrap prices creating a less favorable metal benefit compared to the prior year, net tariffs, and lower shipments related to the fires at the Oswego plant. These headwinds were partially offset by higher product pricing, and lower SG&A costs. Net income attributable to our common shareholder for the nine-month period was further negatively impacted by recovery costs associated with the Oswego fires, restructuring charges, and Bay Minette plant start-up costs, partially offset by favorable movement in average LMP aluminum prices, and a decrease in charges associated with the Sierre flood.

Key Sales and Shipment Trends

in millions, except percentages and shipments, which are in kt	Three Months Ended				Fiscal Year Ended	Three Months Ended		
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
Net sales	$ 4,187	$ 4,295	$ 4,080	$ 4,587	$ 17,149	$ 4,717	$ 4,744	$ 4,186
Percentage (decrease) increase in net sales versus comparable prior year period	2 %	5 %	4 %	13 %	6 %	13 %	10 %	3 %
Rolled product shipments:								
North America	388	396	360	375	1,519	389	369	283
Europe	263	233	226	265	987	262	261	262
Asia	194	198	186	201	779	215	222	189
South America	154	162	166	164	646	156	159	170
Eliminations	(48)	(44)	(34)	(48)	(174)	(59)	(70)	(95)
Total	951	945	904	957	3,757	963	941	809
The following summarizes the percentage (decrease) increase in rolled product shipments versus the comparable prior year period:								
North America	5 %	2 %	(1)%	(4)%	— %	— %	(7)%	(21)%
Europe	5	(9)	(2)	8	1	—	12 %	16 %
Asia	10	13	6	10	10	11	12 %	2 %
South America	29	13	(6)	—	7	1	(2)%	2 %
Total	8 %	1 %	(1)%	1 %	2 %	1 %	— %	(11)%

Three Months Ended December 31, 2025, Compared to the Three Months Ended December 31, 2024

Net sales was $4.2 billion for the three months ended December 31, 2025, an increase of 3% from $4.1 billion in the comparable prior year period, primarily due to a 139% increase in average LMP and a 10% increase in average LME prices, partially offset by metal price hedging activities with an unfavorable period-on-period impact of $46 million. Total flat rolled product shipments were down 11% from the prior year period. The main drivers for the movement in shipments are discussed below under *Segment Review*.

Loss before income tax provision was $155 million for the three months ended December 31, 2025, compared to income before income tax provision of $149 million in the comparable prior year period. In addition to the factors noted above, the following items affected (loss) income before income tax provision.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) was $3.5 billion for the three months ended December 31, 2025, and 2024. Total metal input costs included in cost of goods sold (exclusive of depreciation and amortization) increased $70 million over the comparable prior year period.

Selling, General and Administrative Expenses

SG&A was $177 million for the three months ended December 31, 2025, a decrease of 1% from $179 million in the comparable prior year period, primarily due to cost reduction initiatives related to our 2025 Efficiency Plan, partially offset by higher start-up costs related to the Bay Minette plant.

Depreciation and Amortization

Depreciation and amortization was $155 million in the three months ended December 31, 2025, an increase of 9% from $142 million in the comparable prior year period. The increase is primarily related to the commissioning of new capital expansion projects.

Interest Expense and Amortization of Debt Issuance Costs

Interest expense and amortization of debt issuance costs was $66 million for the three months ended December 31, 2025, and 2024, with the favorable impact of higher capitalized interest and lower average interest rates on variable interest rate borrowings, offset by a higher debt balance in the current period.

Restructuring and Impairment Expenses (Reversals), Net

Restructuring and impairment expenses, net was a net expense of $20 million and $6 million for the three months ended December 31, 2025, and 2024, respectively. The increase in restructuring expense is primarily driven by the charges of $18 million in the three months ended December 31, 2025 related to the 2025 Efficiency Plan, see Note 2 – Restructuring and Impairment for additional details.

Other Expense (Income), Net

Other expenses (income), net was an expense of $381 million and income of $4 million for the three months ended December 31, 2025, and 2024, respectively. The change was primarily due to charges related to the fires at the Oswego plant of $327 million in the current period, charges related to the Sierre flood of $2 million in the current period compared to charges of $5 million and business interruption recoveries of $15 million in the prior year period, the Company incurring unrealized losses on the change in fair value of derivative instruments, net of $33 million in the current period, compared to gains of $18 million in the prior year period, and the Company incurring realized losses on the change in fair value of derivative instruments, net of $14 million in the current period, compared to losses of $21 million in the prior year period.

Taxes

We recognized $4 million of income tax provision for the three months ended December 31, 2025. In the current period, our effective tax rate was primarily driven by the full-year forecasted effective tax rate that takes into account income taxed at rates that differ from the 25% Canadian rate, including withholding taxes and changes to the Brazilian real foreign exchange rate, offset by the availability of tax credits. We recognized $39 million of income tax provision in the comparable prior period.

Segment Review

Due in part to the regional nature of supply and demand of aluminum rolled products and in order to best serve our customers, we manage our activities on the basis of geographical regions and are organized under four operating segments: North America, Europe, Asia, and South America.

The tables below illustrate selected segment financial information (in millions, except shipments, which are in kt). For additional financial information related to our operating segments including the reconciliation of net (loss) income attributable to our common shareholder to Adjusted EBITDA, see Note 16 – Segment, Geographical Area, Major Customer and Major Supplier Information. In order to reconcile the financial information for the segments shown in the tables below to the relevant U.S. GAAP-based measures, "Eliminations and other" must adjust for proportional consolidation of each line item for our Logan affiliate because we consolidate 100% of the Logan joint venture for U.S. GAAP purposes. However, we manage our Logan affiliate on a proportionately consolidated basis and eliminate intersegment shipments.

Selected Operating Results Three Months Ended December 31, 2025	**North America**	**Europe**	**Asia**	**South America**	**Eliminations and Other**	**Total**
Net sales	$ 1,690	$ 1,280	$ 737	$ 728	$ (249)	$ 4,186
Shipments (in kt):						
Rolled products – third party	283	235	137	154	—	809
Rolled products – intersegment	—	27	52	16	(95)	—
Total rolled products	283	262	189	170	(95)	809
Non-rolled products	2	10	3	26	—	41
Total shipments	285	272	192	196	(95)	850

Selected Operating Results Three Months Ended December 31, 2024	**North America**	**Europe**	**Asia**	**South America**	**Eliminations and Other**	**Total**
Net sales	$ 1,647	$ 1,054	$ 730	$ 685	$ (36)	$ 4,080
Shipments (in kt):						
Rolled products – third party	360	225	154	165	—	904
Rolled products – intersegment	—	1	32	1	(34)	—
Total rolled products	360	226	186	166	(34)	904
Non-rolled products	4	22	6	25	(7)	50
Total shipments	364	248	192	191	(41)	954

The following table reconciles changes in Adjusted EBITDA for the three months ended December 31, 2024, to the three months ended December 31, 2025:

in millions	North America	Europe	Asia	South America	Eliminations and Other[1]	Total
Adjusted EBITDA - Three Months Ended December 31, 2024	$ 122	$ 49	$ 75	$ 121	$ —	$ 367
Volume	(94)	49	1	4	(72)	(112)
Conversion premium and product mix	(5)	15	(11)	(7)	16	8
Conversion costs	71	(22)	(17)	3	56	91
Foreign exchange	—	7	3	4	(1)	13
Selling, general & administrative and research & development costs[2]	12	4	1	1	—	18
Other changes[3]	(12)	(24)	(4)	4	(1)	(37)
Adjusted EBITDA - Three Months Ended December 31, 2025	$ 94	$ 78	$ 48	$ 130	$ (2)	$ 348

(1) The recognition of Adjusted EBITDA by a region on an intersegment shipment could occur in a period prior to the recognition of Adjusted EBITDA on a consolidated basis, depending on the timing of when the inventory is sold to a third-party customer. The "Eliminations and Other" column adjusts regional Adjusted EBITDA for intersegment shipments that occur in a period prior to recognition of Adjusted EBITDA on a consolidated basis. The "Eliminations and other" column also reflects adjustments for changes in regional volume, conversion premium and product mix, and conversion costs related to intersegment shipments for consolidation. "Eliminations and other" must adjust for proportional consolidation of each line item for our Logan affiliate because we consolidate 100% of the Logan joint venture for U.S. GAAP, but we manage our Logan affiliate on a proportionately consolidated basis.

(2) Selling, general & administrative and research & development costs include costs incurred directly by each segment and all corporate related costs.

(3) Other changes in Europe include $15 million for the Sierre business interruption insurance recoveries that were recognized during the three months ended December 31, 2024.

North America

Net sales increased $43 million, or 3%, primarily driven by higher average LMP aluminum prices, partially offset by a 21% decrease in rolled product shipments, with lower shipments in beverage packaging, automotive and specialties due mainly to the fires at the Oswego plant. Adjusted EBITDA was $94 million, a decrease of 23%, primarily driven by production interruption at the Oswego plant which impacted volume and product mix, as well as net tariffs, partially offset by higher product pricing, higher metal benefit from favorable scrap pricing, and cost efficiency actions.

Europe

Net sales increased $226 million, or 21%, primarily driven by a 16% increase in rolled product shipments, with year-over-year growth in beverage packaging, aerospace and specialty shipments. Automotive shipments also grew compared to the prior year to support North American demand and customers impacted by the Oswego production interruptions, as regional demand was constrained due to customer production interruptions. Adjusted EBITDA was $78 million, an increase of 59%, primarily driven by higher volume, higher product pricing, favorable foreign exchange and cost efficiency actions, partially offset by less favorable metal benefits from higher scrap pricing, higher automotive production costs, and unfavorable product mix.

Asia

Net sales increased $7 million, or 1%. Total flat rolled product shipments increased 2%, driven by higher beverage packaging and aerospace shipments, partially offset by lower automotive shipments. Adjusted EBITDA was $48 million, a decrease of 36%, primarily driven by less favorable metal benefit from higher scrap prices and lower scrap consumption. Additionally, we incurred lower freight costs compared to the prior year period, which in turn resulted in a lower freight cost pass-through in price to customers.

South America

Net sales increased $43 million, or 6%, primarily driven by a 2% increase in rolled product shipments for the beverage packaging market. Adjusted EBITDA was $130 million, an increase of 7%, primarily driven by favorable metal benefits from lower scrap pricing, higher volume, higher product pricing and favorable foreign exchange, partially offset by less favorable mix within beverage packaging products.

Nine Months Ended December 31, 2025, Compared to the Nine Months Ended December 31, 2024

Net sales were $13.6 billion for the nine months ended December 31, 2025, an increase of 9% from $12.6 billion in the comparable prior year period, primarily due to higher average aluminum prices driven by a 133% increase in average LMP, a 6% increase in average LME prices, and metal price hedging activities with a favorable period-on-period impact of $112 million. Total flat rolled product shipments were down 3% from the prior year period. The main drivers for the movement in shipments are discussed below under *Segment Review*.

Income before income tax provision was $215 million for the nine months ended December 31, 2025, compared to income before income tax provision of $539 million in the comparable prior year period. In addition to the factors noted above, the following items affected (loss) income before income tax provision.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) was $11.6 billion for the nine months ended December 31, 2025, an increase of 10% from $10.6 billion in the comparable prior year period, driven primarily by higher aluminum scrap pricing and net tariff impact. Total metal input costs included in cost of goods sold (exclusive of depreciation and amortization) increased $1.0 billion over the comparable prior year period.

Selling, General and Administrative Expenses

SG&A was $525 million for the nine months ended December 31, 2025, a 3% decrease from the prior year period of $543 million, due primarily cost reduction initiatives related to our 2025 Efficiency Plan and lower factoring costs, partially offset by higher start-up costs related to the Bay Minette plant.

Depreciation and Amortization

Depreciation and amortization was $455 million for the nine months ended December 31, 2025, an increase of 8% from $423 million in the comparable prior year period. The increase is primarily related to the commissioning of new capital expansion projects.

Interest Expense and Amortization of Debt Issuance Costs

Interest expense and amortization of debt issuance costs was $201 million for the nine months ended December 31, 2025, a decrease of 4% from $210 million in the comparable prior year period. This decrease is primarily due to higher capitalized interest and lower average interest rates on variable interest rate borrowings, partially offset by a higher debt balance in the current period.

Restructuring and Impairment Expenses, Net

Restructuring and impairment expenses, net was $136 million and $46 million for the nine months ended December 31, 2025, and 2024, respectively. The increase in restructuring expense is primarily driven by the charges of $129 million for the nine months ended December 31, 2025 related to the 2025 Efficiency Plan, see Note 2 – Restructuring and Impairment for additional details. For the nine months ended December 31, 2024, restructuring and impairment expenses, net related primarily to the Company's closure of the Buckhannon, West Virginia plant in June 2024, which resulted in charges for restructuring activities of $20 million, as well as a charge of $17 million to write off previously capitalized costs.

Other (Income) Expenses, Net

Other expenses (income), net was an expense of $426 million and an expense of $121 million for the nine months ended December 31, 2025, and 2024, respectively. The change was primarily due to charges related to the Oswego fires of $348 million in the current period, charges related to the Sierre flood of $10 million in the current period compared to charges of $106 million and business interruption recoveries of $15 million in the prior year period, the Company incurring unrealized losses on the change in fair value of derivative instruments, net of $70 million in the current period, compared to gains of $34 million in the prior year period, and the Company incurring realized gains on the change in fair value of derivative instruments, net of $13 million in the current period, compared to losses of $53 million in the prior year period.

Taxes

We recognized $115 million of income tax provision for the nine months ended December 31, 2025. Our effective tax rate was primarily driven by the full-year forecasted effective tax rate that takes into account income taxed at rates that differ from the 25% Canadian rate, including withholding taxes, offset with the availability of tax credits and changes to enacted tax rates. We recognized $150 million of income tax provision in the prior comparable period.

Segment Review

Selected Operating Results Nine Months Ended December 31, 2025	North America	Europe	Asia	South America	Eliminations and Other	Total
Net sales	$ 5,833	$ 3,780	$ 2,455	$ 2,038	$ (459)	$ 13,647
Shipments						
Rolled products – third party	1,041	757	471	444	—	2,713
Rolled products – intersegment	—	28	155	41	(224)	—
Total rolled products	1,041	785	626	485	(224)	2,713
Non-rolled products	12	33	7	76	—	128
Total shipments	1,053	818	633	561	(224)	2,841

Selected Operating Results Nine Months Ended December 31, 2024	North America	Europe	Asia	South America	Eliminations and Other	Total
Net sales	$ 5,159	$ 3,346	$ 2,235	$ 1,970	$ (148)	$ 12,562
Shipments						
Rolled products – third party	1,143	719	472	466	—	2,800
Rolled products – intersegment	1	3	106	16	(126)	—
Total rolled products	1,144	722	578	482	(126)	2,800
Non-rolled products	10	76	11	73	(10)	160
Total shipments	1,154	798	589	555	(136)	2,960

The following table reconciles changes in Adjusted EBITDA for the nine months ended December 31, 2024, to the nine months ended December 31, 2025:

in millions	North America	Europe	Asia	South America	Eliminations and Other(1)	Total
Adjusted EBITDA - Nine Months Ended December 31, 2024	$ 490	$ 202	$ 258	$ 375	$ 4	$ 1,329
Volume	(126)	85	47	3	(111)	(102)
Conversion premium and product mix	28	14	(58)	(3)	43	24
Conversion costs	(29)	(69)	(15)	(48)	65	(96)
Foreign exchange	2	18	9	13	(1)	41
Selling, general & administrative and research & development costs(2)	28	13	3	13	—	57
Other changes(3)	(32)	(34)	(4)	4	(1)	(67)
Adjusted EBITDA - Nine Months Ended December 31, 2025	$ 361	$ 229	$ 240	$ 357	$ (1)	$ 1,186

(1) The recognition of Adjusted EBITDA by a region on an intersegment shipment could occur in a period prior to the recognition of Adjusted EBITDA on a consolidated basis, depending on the timing of when the inventory is sold to the third-party customer. The "Eliminations and Other" column adjusts regional Adjusted EBITDA for intersegment shipments that occur in a period prior to recognition of Adjusted EBITDA on a consolidated basis. The "Eliminations and Other" column also reflects adjustments for changes in regional volume, conversion premium and product mix, and conversion costs related to intersegment shipments for consolidation. "Eliminations and Other" must adjust for proportional consolidation of each line item for our Logan affiliate because we consolidate 100% of the Logan joint venture for U.S. GAAP, but we manage our Logan affiliate on a proportionately consolidated basis.
(2) Selling, general & administrative and research & development costs include costs incurred directly by each segment and all corporate related costs.
(3) Other changes in Europe include $15 million for the Sierre business interruption insurance recoveries that were recognized during the nine months ended December 31, 2024.

North America

Net sales increased $674 million, or 13%, driven primarily by higher average LMP aluminum prices, partially offset by a 9% decrease in rolled product shipments, with lower beverage packaging, automotive and specialty shipments due mainly to the fires at the Oswego plant. Adjusted EBITDA was $361 million, a decrease of 26%, primarily driven by production interruption at the Oswego plant and net tariffs, partially offset by higher metal benefit from improved scrap pricing, higher product pricing, and cost efficiency actions.

Europe

Net sales increased $434 million, or 13%, driven primarily by a 9% increase in rolled product shipments and higher average LME aluminum prices, with year-over-year growth to each product market. Adjusted EBITDA was $229 million, an increase of 13%, primarily driven by higher volume, higher product pricing, favorable foreign exchange, and cost efficiency actions, partially offset by less favorable metal benefit from higher scrap pricing.

Asia

Net sales increased $220 million, or 10%, driven primarily by an 8% increase in rolled product shipments and higher average LME aluminum prices. Higher beverage packaging and aerospace shipments were partially offset by lower automotive shipments. Adjusted EBITDA was $240 million, a decrease of 7%, primarily due to less favorable metal benefits from higher scrap pricing, unfavorable product mix, and higher labor and utilities costs, partially offset by higher volume, cost efficiency actions, and favorable foreign exchange. Additionally, we incurred lower freight costs compared to the prior year period, which in turn resulted in a lower freight cost pass-through in price to customers.

South America

Net sales increased $68 million, or 3%, driven by higher average LME aluminum prices and a 1% increase in rolled product shipments, mainly to the beverage packaging market. Adjusted EBITDA was $357 million, a decrease of 5%, primarily due to less favorable metal benefits from higher scrap pricing, partially offset by favorable foreign exchange and lower SG&A due to lower factoring costs.

LIQUIDITY AND CAPITAL RESOURCES

We believe we maintain adequate liquidity levels through a combination of cash and availability under committed credit facilities. Our cash and cash equivalents and availability under committed credit facilities aggregated to $2.6 billion of liquidity as of December 31, 2025. Our primary liquidity sources are cash flows from operations, working capital management, cash, and liquidity under our debt agreements. We have also received equity contributions from our common shareholder. Our recent business investments are being funded through cash flows generated by our operations and a combination of local financing, our senior secured credit facilities, equity contributions from our common shareholder, senior notes and municipal bonds. We expect to be able to fund both our short-term and long-term liquidity needs, such as our continued expansions, servicing our debt obligations, and providing sufficient liquidity to operate our business, through one or more of the following: the generation of operating cash flows, working capital management, our existing debt facilities, and new debt issuances, as necessary.

Available Liquidity

Our available liquidity as of December 31, 2025, and March 31, 2025, is as follows:

in millions	December 31, 2025	March 31, 2025
Cash and cash equivalents	$ 825	$ 1,036
Availability under committed credit facilities	1,727	1,739
Total available liquidity	$ 2,552	$ 2,775

The decrease in total available liquidity primarily relates to the decrease in cash and cash equivalents, as explained in the cash flow activities discussed below. See Note 6 – Debt for more details about our availability under committed credit facilities.

Cash and cash equivalents includes cash held in foreign countries in which we operate. As of December 31, 2025, we held $6 million of cash and cash equivalents in Canada, in which we are incorporated, with the rest held in other countries in which we operate. As of December 31, 2025, we held $271 million of cash in jurisdictions for which we have asserted that earnings are permanently reinvested, and we plan to continue to fund operations and local expansions with cash held in those jurisdictions. Cash held outside of Canada is free from significant restrictions that would prevent the cash from being accessed to meet the Company's liquidity needs, including, if necessary, to fund operations and service debt obligations in Canada. Upon the repatriation of any earnings to Canada, in the form of dividends or otherwise, we could be subject to Canadian income taxes (subject to adjustment for foreign taxes paid and the utilization of the large cumulative net operating losses we have in Canada) and withholding taxes payable to the various foreign jurisdictions. As of December 31, 2025, we do not believe adverse tax consequences exist that restrict our use of cash and cash equivalents in a material manner.

We use derivative contracts to manage risk as well as liquidity. Under our terms of credit with counterparties to our derivative contracts, we do not have any material margin call exposure. No material amounts have been posted by Novelis nor do we hold any material amounts of margin posted by our counterparties. We settle derivative contracts in advance of billing on the underlying physical inventory and collecting payment from our customers, which temporarily impacts our liquidity position. The lag between derivative settlement and customer collection typically ranges from 30 to 90 days.

Obligations

Our material cash requirements include future contractual and other obligations arising in the normal course of business. These obligations primarily include debt and related interest payments, finance and operating lease obligations, postretirement benefit plan obligations, and purchase obligations. See Note 6 – Debt to our accompanying unaudited condensed consolidated financial statements and "Liquidity and Capital Resources" within Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2025 Form 10-K for more details.

There are no additional material off-balance sheet arrangements.

Cash Flow Summary

	Nine Months Ended December 31,		
in millions	**2025**	**2024**	**Change**
Net cash (used in) provided by operating activities	$ (90)	$ 263	$ (353)
Net cash used in investing activities	(1,550)	(1,178)	(372)
Net cash provided by financing activities	1,415	404	1,011

Operating Activities

The decrease in net cash (used in) provided by operating activities is primarily related to unfavorable changes in working capital primarily due to the production interruptions at the Oswego plant in the nine months ended December 31, 2025, compared to the nine months ended December 31, 2024.

Net Cash Provided by Operating Activities - Continuing Operations and Adjusted Free Cash Flow

Refer to Non-GAAP Financial Measures for our definition of adjusted free cash flow.

The following table reconciles Net cash (used in) provided by operating activities - continuing operations to adjusted free cash flow, and shows the change between periods, as well as the ending balances of cash and cash equivalents:

	Nine Months Ended December 31,		
in millions	**2025**	**2024**	**Change**
Net cash (used in) provided by operating activities – continuing operations[(1)]	$ (90)	$ 263	$ (353)
Net cash used in investing activities – continuing operations[(1)]	(1,550)	(1,178)	(372)
Less: Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging	(1)	—	(1)
Adjusted free cash flow	$ (1,641)	$ (915)	$ (726)
Ending cash and cash equivalents	$ 825	$ 791	$ 34

(1) For the nine months ended December 31, 2025, and 2024, the Company did not have any cash flows from discontinued operations in operating activities or investing activities.

Investing Activities

Net cash used in investing activities was primarily attributable to capital expenditures of $1,577 million during the nine months ended December 31, 2025. Similarly, net cash used in investing activities was primarily attributable to capital expenditures of $1,175 million during the nine months ended December 31, 2024.

Financing Activities

The following represents proceeds from the issuance of long-term and short-term borrowings during the nine months ended December 31, 2025, and 2024:

in millions	**Nine Months Ended December 31, 2025**
Short-term borrowings in Brazil	$ 130
Short-term borrowings in China	13
Series 2025A Bonds, due June 2032	400
Series 2025B Bonds, due June 2032	100
6.375% Senior Notes, due August 2033	750
Floating rate Term Loans, due March 2032	65
Proceeds from issuance of long-term and short-term borrowings	$ 1,458

in millions	**Nine Months Ended December 31, 2024**
Short-term borrowings in Brazil	$ 100
China Loan, due September 2027	14
China Loan, due November 2027	21
China Loan, due December 2027	21
Sierre Loan, due October 2027	112
Proceeds from issuance of long-term and short-term borrowings	$ 268

The following represents principal payments of long-term and short-term borrowings during the nine months ended December 31, 2025, and 2024:

in millions	**Nine Months Ended December 31, 2025**
Floating rate Term Loans, due March 2032	$ (74)
China Bank Loans, due August 2027	(6)
3.25% Senior Notes, due November 2026	(738)
Finance leases and other repayments	(4)
Principal payments of long-term and short-term borrowings	$ (822)

in millions	**Nine Months Ended December 31, 2024**
Short-term borrowings in Brazil	$ (100)
Floating rate Term Loans, due September 2026	(6)
Floating rate Term Loans, due March 2028	(4)
China Bank Loans, due August 2027	(5)
Finance leases and other repayments	(8)
Principal payments of long-term and short-term borrowings	$ (123)

The following represents inflows (outflows) from revolving credit facilities and other, net during the nine months ended December 31, 2025, and 2024:

in millions	Nine Months Ended December 31, 2025
ABL Revolver	$ 105
China credit facility	(14)
Korea credit facility	(2)
Revolving credit facilities and other, net	$ 89

in millions	Nine Months Ended December 31, 2024
ABL Revolver	$ 295
China credit facility	(33)
Revolving credit facilities and other, net	$ 262

In addition to the activities shown in the tables above, we paid debt issuance costs of $25 million during the nine months ended December 31, 2025. We paid a return of capital to our common shareholder in the amount of $35 million during the nine months ended December 31, 2025. Further, to help fund our ongoing capital projects, we received an equity contribution from our common shareholder in the amount of $750 million during the three months ended December 31, 2025. There can be no assurances that similar funding from equity contributions from our common shareholder will be made available in the future.

Non-Guarantor Information

As of December 31, 2025, the Company's subsidiaries that are not guarantors represented the following approximate percentages of (a) net sales (including intercompany sales), (b) Adjusted EBITDA, and (c) total assets of the Company, on a consolidated basis (including intercompany balances). Refer to Non-GAAP Financial Measures for our definition of Adjusted EBITDA.

Item Description	Ratio
Net sales represented by non-guarantor subsidiaries (for the nine months ended December 31, 2025)	20 %
Adjusted EBITDA represented by non-guarantor subsidiaries (for the nine months ended December 31, 2025)	15 %
Assets owned by non-guarantor subsidiaries (as of December 31, 2025)	11 %

In addition, for the nine months ended December 31, 2025, and 2024, the Company's subsidiaries that are not guarantors had net sales (including intercompany sales) of $3.2 billion and $3.0 billion, respectively, and as of December 31, 2025, those subsidiaries had assets of $2.9 billion and debt and other liabilities of $1.6 billion (including intercompany balances).

CAPITAL ALLOCATION FRAMEWORK

Novelis has in place a capital allocation framework that lays out the general guidelines for use of post-maintenance capital expenditure adjusted free cash flow. We expect annual maintenance capital expenditures to be between $300 million to $350 million. We believe the long-term demand trends for flat-rolled aluminum products remain strong, and we have approximately $5 billion of debottlenecking, recycling, and new capacity capital investments under way or recently completed, with a focus on increasing capacity and capabilities to meet growing customer demand. We intend to keep our net leverage ratio at or around approximately 3.5x during our strategic capital investment cycle underway, but tariff cost pressures and Oswego fire-related impacts in Adjusted EBITDA could cause net leverage to go above this target in the near-term. We also guide approximately 8%-10% of post-maintenance capital expenditure Adjusted Free Cash Flow to be returned to our common shareholder. We paid a return of capital to our common shareholder in the amount of $35 million during the first quarter of fiscal 2026. We did not pay a return of capital to our common shareholder in fiscal 2025. Any such payments depend on, among other things, our financial resources, cash flows generated by our business, our cash requirements, restrictions under the instruments governing our indebtedness, being in compliance with the appropriate indentures and covenants under the instruments that govern our indebtedness, and other relevant factors. Past payments of return of capital should not be construed as a guarantee of future returns of capital in the same amounts or at all.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There were no significant changes to our critical accounting policies and estimates as reported in our 2025 Form 10-K. See Note 1 – Business and Summary of Significant Accounting Policies for our principal areas of uses of estimates and assumptions.

RECENTLY ISSUED ACCOUNTING STANDARDS

See Note 1 – Business and Summary of Significant Accounting Policies to our accompanying unaudited condensed consolidated financial statements for a full description of recent accounting pronouncements, if applicable, including the respective expected dates of adoption and expected effects on results of operations and financial condition.

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA

Total Adjusted EBITDA presents the sum of the results of our four operating segments on a consolidated basis. We believe that total Adjusted EBITDA is an operating performance measure that measures operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. In reviewing our corporate operating results, we also believe it is important to review the aggregate consolidated performance of all of our segments on the same basis we review the performance of each of our regions and to draw comparisons between periods based on the same measure of consolidated performance.

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

However, total Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP, and our total Adjusted EBITDA may not be comparable to similarly titled measures of other companies. Total Adjusted EBITDA has important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. For example, total 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.

We also use total Adjusted EBITDA:

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

Beginning in first quarter of fiscal 2026, the Company excludes non-capitalizable start-up costs associated with the commissioning, pre-production, and production ramp-up at the Bay Minette, Alabama, plant. The Bay Minette, Alabama plant is the first fully integrated aluminum mill built in the U.S. in over 40 years and is expected to have an annual rolled aluminum production capacity of 600 kt once completed and at normal production capacity. As a result, non-capitalizable start-up costs will have a significant impact on the comparability of reported Adjusted EBITDA during the period of commissioning, pre-production, and production ramp-up. Given the nature of the related costs and activities, management does not view these as normal, recurring operating expenses, but rather as non-recurring investments to commission and ramp up production at the new plant. Excluding such start-up costs maintains comparability of Adjusted EBITDA among periods, which is useful to investors and reflects how management evaluates the Company’s operating performance. The Company will cease excluding such start-up costs from its Adjusted EBITDA once normal production capacity is achieved at the Bay Minette plant.

Please see Note 16 – Segment, Geographical Area, Major Customer and Major Supplier Information for our definition of Adjusted EBITDA. Under ASC 280, Adjusted EBITDA is our measure of segment profitability and financial performance of our operating segments, and when used in this context, the term Adjusted EBITDA is a financial measure prepared in accordance with U.S. GAAP. Adjusted EBITDA reported for the Company on a consolidated basis is a non-U.S. GAAP financial measure.

Adjusted Free Cash Flow

Adjusted 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 and other investments, net of 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 adjusted 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. In addition, this measure is a key consideration in determining the amounts to be paid as returns to our common shareholder. However, adjusted free cash flow does not necessarily represent cash available for discretionary activities as certain debt service obligations must be funded out of adjusted free cash flow. Our method of calculating Adjusted Free Cash Flow may not be consistent with that of other companies.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA

This Quarterly Report on Form 10-Q contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about the industry in which we operate, and beliefs and assumptions made by our management. Such statements include, in particular, statements about our plans, strategies, and prospects under the heading "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," under the Notes to the Condensed Consolidated Financial Statements, and elsewhere in this Quarterly Report. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," and variations of such words and similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, our belief that, the expected timing and results from investments in certain operating facilities, including our greenfield, fully-integrated rolling and recycling mill currently being built in Bay Minette, Alabama; the expected impact of the Oswego fire on our operations, our ability to recover under our insurance policies and our projected timeline for the plant's reopening; our projections regarding financial performance, liquidity, capital expenditures, and investments; the impact of significant tariffs and other trade barriers, including announced U.S aluminum tariffs on our business; the possible future impacts of any future epidemic or pandemic and the actions taken against them, including expectations about the impact of any changes in demand as well as volatility and uncertainty in general economic conditions; the possible future impacts of geopolitical instability due in part to the Russia-Ukraine conflict, attacks on shipping vessels in the Red Sea, and the ongoing conflict in the Middle East; statements about our belief that long-term demand for aluminum automotive sheet will continue to grow; statements about our expectation that aerospace demand and shipments will continue to grow driven by increased air traffic and a need for fleet modernization; statements about our belief that significant aircraft industry order backlogs for key OEMS, including Airbus and Boeing, will translate into growth in the future and that our multi-year supply agreements have positioned us to benefit from future expected demand; statements about our belief that long term demand for flat-rolled aluminum remains strong; our ability to manage operating costs and achieve the anticipated benefits from our structural cost reduction initiatives; our anticipating of the benefit from solutions to increase the amount and different types of scrap metal our systems are able to process; and statements about our expectation that long-term demand for building and construction and other specialty products will grow. These statements are based on beliefs and assumptions of Novelis' management, which in turn are based on currently available information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied, or forecasted in such forward-looking 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:

- unplanned disruptions at our operating facilities;
- disruptions or changes in the business or financial condition of our significant customers or the loss of their business or reduction in their requirements;
- impact of changes in trade policies, new tariffs, duties and other trade measures;
- price and other forms of competition from other aluminum rolled products producers and potential new market entrants;
- the competitiveness of our end-markets, and the willingness of our customer to accept substitutes for our products, including steel, plastics, composite materials and glass;
- our failure to realize the anticipated benefits of strategic investments;
- increases in the cost or volatility in the availability of primary aluminum, scrap aluminum, sheet ingot, or other raw materials used in the production of our products;
- risks related to the energy-intensive nature of our operations, including increases to energy costs or disruptions to our energy supplies;
- downturns in the automotive and ground transportation industries or changes in consumer demand;
- union disputes and other employee relations issues;
- the impact of labor disputes and strikes on our customers;
- loss of our key management and other personnel, or an inability to attract and retain such management and other personnel;
- unplanned disruptions at our operating facilities, including as a result of adverse weather phenomena or fires;
- economic uncertainty, capital markets disruption and supply chain interruptions;

- unexpected impact of public health crises on our business, suppliers, and customers;
- risks relating to certain joint ventures, subsidiaries and assets that we do not entirely control;
- risks related to fluctuations in freight costs;
- risks related to rising inflation and prolonged periods of elevated interest rates;
- risks related to timing differences between the prices we pay under purchase contracts and metal prices we charge our customers;
- a deterioration of our financial condition, a downgrade of our ratings by a credit rating agency or other factors which could limit our ability to enter into, or increase our costs of, financing and hedging transactions;
- risk of rising debt service obligations related to variable rate indebtedness;
- adverse changes in currency exchange rates;
- our inability to transact in derivative instruments, or our inability to adequately hedge our exposure to price fluctuations under derivative instruments, or a failure of counterparties to our derivative instruments to honor their agreement;
- an adverse decline in the liability discount rate, lower-than-expected investment return on pension assets;
- impairments to our goodwill, other intangible assets, and other long-lived assets;
- tax expense, tax liabilities or tax compliance costs;
- risks related to the operating and financial restrictions imposed on us by the covenants in our credit facilities and the indentures governing our Senior Notes;
- cybersecurity attacks against, disruptions, failures or security breaches and other disruptions to our information technology networks and systems;
- risks of failing to comply with federal, state and foreign laws and regulations and industry standards relating to privacy, data protection, advertising and consumer protection;
- our inability to protect our intellectual property, the confidentiality of our know-how, trade secrets, technology, and other proprietary information;
- risks related to our global operations, including the impact of complex and stringent laws and government regulations;
- risks related to global climate change, including legal, regulatory or market responses to such change;
- risks related to a broad range of environmental, health and safety laws and regulations; and
- risks related to potential legal proceedings or investigations.

The above list of factors is not exhaustive.

This document also contains information concerning our markets and products generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which these markets and product categories will develop. These assumptions have been derived from information currently available to us and to the third-party industry analysts quoted herein. This information includes, but is not limited to, product shipments and share of production. Actual market results may differ from those predicted. We do not know what impact any of these differences may have on our business, our results of operations, financial condition, and cash flow. For a discussion of some of the specific factors that may cause Novelis' actual results or outcomes to differ materially from those projected in any forward-looking statements, refer to the factors discussed in Part I. Item 1A. Risk Factors and Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2025 Form 10-K, as the same may be updated from time to time in our quarterly reports on Form 10-Q or in other reports which we periodically file with the SEC.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to certain market risks as part of our ongoing business operations, including risks from changes in metal prices (primarily aluminum, copper, zinc, and LMPs), energy prices (electricity, natural gas, and diesel fuel), foreign currency exchange rates, and interest rates that could impact our results of operations and financial condition. We partially manage our exposure to energy prices by entering into fixed forward purchase contracts with energy providers, predominantly in Europe. We generally apply the normal purchase and normal sale scope exception to these contracts and do not record the contracts at fair value. These energy supply contracts are not derivatives but function as a risk management tool for fluctuating energy prices. We manage our exposure to other market risks through regular operating and financing activities and derivative financial instruments. We use derivative financial instruments as risk management tools only and not for speculative purposes.

Commodity Price Risks

Metal

The following table presents the estimated potential negative effect on the fair values of these derivative instruments as of December 31, 2025, given a 10% change in prices. Direction of the change in price corresponds with the direction that would cause a negative impact on the fair value of these derivative instruments.

in millions	**Change in Price**	**Change in Fair Value**
Aluminum	10 %	$ (313)
Copper	(10)	(2)
Zinc	(10)	(1)
Local market premiums	10 %	(27)

Energy

The following table presents the estimated potential negative effect on the fair values of these derivative instruments as of December 31, 2025, given a 10% decline in prices for energy contracts:

in millions	**Change in Price**	**Change in Fair Value**
Natural gas	(10)%	$ (3)
Diesel fuel	(10)	(4)

Foreign Currency Exchange Risks

The following table presents the estimated potential negative effect on the fair values of these derivative instruments as of December 31, 2025, given a 10% change in rates. Direction of the change in exchange rate corresponds with the direction that would cause the change in exchange rate to negatively impact the fair value of these derivative instruments.

$ in millions	**Change in Exchange Rate**	**Change in Fair Value**
Currency measured against the U.S. dollar		
Brazilian real	(10)%	$ (19)
Euro	(10)	(64)
Korean won	(10)	(67)
Canadian dollar	(10)	(3)
British pound	(10)	(28)
Swiss franc	(10)	(28)
Chinese yuan	10	—

Interest Rate Risks

We are subject to interest rate risk related to our floating rate debt. For every 100 basis point increase in the interest rates on our outstanding variable rate debt as of December 31, 2025, which includes term loan debt, net of interest rate swaps, our annual pre-tax income would be reduced by approximately $10 million. See Note 6 – Debt to our accompanying unaudited condensed consolidated financial statements for further information.

From time to time, we use interest rate swaps to manage our debt cost. As of December 31, 2025, our portfolio includes interest rate swap positions to fix the interest rate on various floating rate debt. See Note 10 – Financial Instruments and Commodity Contracts to our accompanying unaudited condensed consolidated financial statements for further information. A decrease of 10% in the SOFR interest rate as of December 31, 2025, would have an estimated potential negative effect on the contracts' fair value of approximately $1 million.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, include controls and procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including the Principal Executive Officer and the Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Any system of controls, however well-designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met.

We have carried out an evaluation, with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based upon such evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of December 31, 2025.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are a party to litigation incidental to our business from time to time. While the outcomes of these matters are uncertain, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on our consolidated financial position, results of operations, or cash flows. For additional information regarding litigation to which we are a party, see Note 15 – Commitments and Contingencies to our accompanying unaudited condensed consolidated financial statements.

Item 1A. Risk Factors.

For additional information, see Part I. Item 1A. Risk Factors in our 2025 Form 10-K. Except as set forth below, there have been no material changes from the risk factors described in our 2025 Form 10-K.

We have in the past, and could in the future be adversely affected by unplanned disruptions at operating facilities.

In the past, we have experienced production interruptions at our plants due to the breakdown of equipment, fires, weather events, public health crises, and other causes. For instance, in each of September and November 2025, our Oswego, New York plant was impacted by significant fires. While there were no injuries, we incurred significant costs related to repairs, clean-up, idle employees, excess customer fulfillment costs, and other costs. We expect to incur additional costs related to this event until the operations are fully-restored at the facility. In addition, in June 2024, our plant located in Sierre, Switzerland was impacted by exceptional flooding caused by unprecedented heavy rainfall. While there were no injuries, water entered the plant premises and plant operations were halted for several weeks. For additional information regarding these events, see Note 13 - Other Expenses (Income), Net.

Similar events may arise in the future from various sources, including natural events such as storms, hurricanes, and heavy rainfall, as well as from human activities and infrastructure failures. With respect to natural events, the geographic locations of our facilities and properties expose us to differing levels of flood risk, which may vary over time due to climate change and other environmental factors.

We may experience such disruptions in the future due to similar or unrelated uncontrollable events, including as a result of man-made conditions or adverse weather conditions or natural disasters. Because many of our customers are, to varying degrees, dependent on planned deliveries from our plants, any customers that must reschedule their own production due to our missed deliveries could pursue claims against us and reduce their future business with us. In addition to facing claims from customers, we may incur costs to remedy any of these problems. In addition, as a result of these and similar disruptions, we may experience adverse impacts to key customer relationships, including order reductions and the resourcing of orders to alternative suppliers. Following these and similar events, certain significant customers may be required to adjust their production volumes due in part to supply constraints associated with disruptions at our facilities. Key customers may also look to diversify their supply chain amongst multiple suppliers, and may also be more willing to accept substitutes for our products, including steel, plastics, composite materials and glass. Events of this nature may lead customers to seek price concessions, impose penalties or recoveries for downtime and expedited logistics and shipping, or reduce current and future sourcing with us, which could adversely impact our shipment volumes and results of operations. Our reputation among current and potential customers may be harmed, possibly resulting in loss of business.

While we maintain insurance policies for property damage, business interruption and certain other liabilities, our insurance coverage is subject to deductibles, sublimits, exclusions and other conditions and limitations. The timing and amount of recoveries from any insurance claims related to these and similar events may be uncertain and may be less than our losses. Claims related to the Oswego fires and other events may be disputed or delayed, and we may bear uncovered costs. In addition, following losses and insurance claims, our insurance premiums may rise or we may be subject to reduced availability of coverage, which could increase our costs and exposure to future losses. Our insurance coverage may therefore not fully cover all of our losses or compensate us for the full impact of these or similar events on our business and results of operations.

Item 5. Other Information.

LTIP Amendments

Effective as of February 10, 2026, the Board of Directors (the "Board") of Novelis Inc. (the “Company”) approved amendments to award agreements for Novelis-specific cash based performance units (“PUs”).

FY26 PUs

The PUs that were previously granted and that are eligible to vest based on achievement of performance goals for the 3-year performance period from April 1, 2025, and ending March 31, 2028 (the “FY26 PUs”) are based on the average return of capital employed (“ROCE”) and cumulative net income (“CNI”) as performance metrics, which are weighted at 80% and 20%, respectively. The Board amended the terms of the FY26 PUs so that they are generally eligible to vest at the end of the 3-year performance period (except as described below for the first fiscal year) based on achievements, if any, against the applicable performance goals that are set for each of the three fiscal years within the performance period rather than based on an average or cumulative target, as applicable, set at the beginning of the 3-year performance period.

FY25 and FY24 PUs

The Board approved amending outstanding PUs held by current employees, including those held by the Company’s named executive officers, that were awarded with respect to the performance period from April 1, 2024 and ending March 31, 2027 (the “FY25 PUs”) and the performance period from April 1, 2023 and ending March 31, 2026 (the “FY24 PUs”), to conform the FY25 and FY24 PUs to the methodologies of measuring performance against targets as described above under “FY26 PUs”, except with respect to the Accelerated Payout Period. The Board also modified the average ROCE and CNI targets for the FY25 PUs and FY24 PUs to be consistent with those previously established for the FY26 PUs.

Item 6. Exhibits.

Exhibit No.	Description
2.1	Arrangement Agreement by and among Hindalco Industries Limited, AV Aluminum Inc. and Novelis Inc., dated as of February 10, 2007 (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on February 13, 2007) (File No. 001-32312))
3.1	Certificate and Articles of Amendment of Novelis Inc., dated as of May 24, 2024 (incorporated by reference to Exhibit 3.3 to our Annual Report on Form 10-K/A, filed on June 24, 2024 (File No. 001-32312))
3.2	Novelis Inc. Amended and Restated Bylaws, adopted as of July 24, 2008 (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed on July 25, 2008 (File No. 001-32312))
4.1	Indenture, dated as of August 18, 2025, among Novelis Corporation, Novelis Inc., the subsidiary guarantors named on the signature pages thereto and Regions Bank, as trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on August 19, 2025 (File No. 001-32312))
4.2	Form of 6.375% Senior Note due August 2033 (included in Exhibit 4.1).
4.3	Loan Agreement, dated as of September 1, 2025, between Novelis Corporation and The Industrial Development Authority of Baldwin County (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on September 18, 2025 (File No. 001-32312)).
4.4	Guaranty Agreement, dated as of September 18, 2025, by the guarantors named therein, in favor of Regions Bank, as trustee (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed on September 18, 2025 (File No. 001-32312)).
4.5	Amendment No. 1 to Credit Agreement, dated as of September 16, 2025, by and among, Novelis Holdings Inc. as Borrower, Novelis Inc. as Intermediate Holdings, and the other loan parties and lenders party thereto, and Citibank, N.A., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 4.5 to our Quarterly Report on Form 10-Q filed on November 4, 2025 (File No. 001-32312)).
10.1*#	Novelis 2024 Executive Long-Term Incentive Plan, as Amended.
31.1	Section 302 Certification of Principal Executive Officer
31.2	Section 302 Certification of Principal Financial Officer
32.1	Section 906 Certification of Principal Executive Officer
32.2	Section 906 Certification of Principal Financial Officer
101.INS	XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
*	Indicates a management contract or compensatory plan or arrangement.
#	Filed herewith.

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 thereunto duly authorized.

NOVELIS INC.	
By:	/s/ Devinder Ahuja
	Devinder Ahuja Chief Financial Officer (Principal Financial Officer and Authorized Officer)
By:	/s/ Stephanie Rauls
	Stephanie Rauls Senior Vice President, Deputy Chief Financial Officer, and Chief Accounting Officer (Principal Accounting Officer)

Date: February 11, 2026

Novelis 2024 Job Band 4+ Long-Term Incentive Plan, as Amended*

**Please see [Redacted] for updated ROCE targets approved by the Board effective February 2026. With the exception of the updated ROCE targets and the updates to Section 4(a) below, all terms and provisions of the Plan remain in full force and effect.*

1. **Title and Administration.** This long-term incentive plan (the "2024 Job Band 4+ LTIP" or the "Plan") will be administered by the Human Resources department of Novelis Inc. (the "Company"). The Plan is adopted effective June 6, 2023 (the "Plan Commencement Date").

2. **Award Date.** The "Award Date" means the Plan Commencement Date except for those Participants who first commence participation after such date, as provided paragraph 5(a) or (b) below.

3. **Target Opportunity.** Each Participant's target opportunity will be determined by the Compensation Committee of the Company's Board of Directors (the "Board") or its designee. Indian Rupee exchange rates will be fixed on the Award Date.

4. **Plan Design.** A Participant's target opportunity under the Plan will be comprised of Novelis Performance Units (each, a "Novelis PU"), Hindalco Restricted Stock Units (each, a "Hindalco RSU") and Hindalco Stock Appreciation Rights (each, a "Hindalco SAR").

(a) Novelis Performance Units. Novelis PUs will comprise 50% of each Participant's award under the Plan.

(i) *Value*. Each Novelis PU will have a fixed value of US$100.

(ii) *Performance Period.* The "Performance Period" for Novelis PUs will commence on April 1, 2023 and end on March 31, 2026.

(iii) *Vesting*. The Novelis PUs vest on the third anniversary of the Award Date (the "3-Year Vesting Date"). Except as provided in Section 6, all vesting of a Participant's Novelis PUs will end upon termination of the Participant's employment. The
Novelis PUs are at-risk, and the number of Novelis PUs that vest, if any, will be determined by the Company's achievement of ROCE targets that are established for each of the three fiscal years within the Performance Period. Vesting will range from 50% (threshold) to 200% (maximum) of target award value. Performance results between threshold level and target level or between target level and maximum level will be determined by means of interpolation. If threshold performance is not achieved, no Novelis PUs will vest.

(iv) *Definitions*. The following terms will have the meaning ascribed to them below;
provided, however, that the Board may approve the modification or interpretation of any definition in its sole discretion.

- *Capital Employed* (or "CE") means (i) book debt *plus* (ii) book equity *plus* (iii) goodwill impairment (fixed at $1.5 billion) *less* (iv) cash in excess of $400 million, *plus* (v) any new impairment impacting equity, provided that the total CE amount will be adjusted for dividend and/or capital payments, if any. Average CE

  for a fiscal year will be based on the beginning and ending balances for the fiscal year. For purposes of the Plan, "book debt" and "book entity" will have the same meaning and be the same amount as determined under the Consolidated Novelis
  U.S. GAAP financial statements.
- *Net Income (or Net Income/Loss)* means net income (loss) attributable to our common Shareholder in the same amount as used in the Consolidated Novelis
  U.S. GAAP financial statements.
- *Net Operating Profit After Tax (or "NOPAT")* means (i) Net Income/Loss *plus* (ii) Interest Expense and Amortization of Debt Issuance Costs *less* (iii) Loss (Gain) on Extinguishment of Debt in the same amount as used in the Consolidated Novelis U.S. GAAP financial statements.
- *Return on Capital Employed (or "ROCE")* means NOPAT divided by fiscal year average CE. ROCE will be calculated for each fiscal year of the Performance Period. The sum for all fiscal years in the Performance Period will be divided by the number of fiscal years in the Performance Period to obtain a simple average.

(v) *Target Modifications*. In the event the Company completes a significant strategic transaction during the Performance Period, the Board may, in its sole discretion, modify the ROCE targets established for the Performance Period.

(vi) *Payments*. Payments will be made in cash within two fiscal quarters following the later of the 3-Year Vesting Date or Board approval of performance against target (but in no event later than the short-deferral exemption date under Section 409A of the Internal Revenue Code).

(b) Hindalco Restricted Stock Units. Hindalco RSUs will comprise 30% of each Participant's award under the Plan.

(i) *Value*. For purposes of determining the number of Hindalco RSUs granted to a Participant, the value of each Hindalco RSU will be equivalent to the value of one Hindalco share on the Award Date. The value of each Hindalco RSU on the Award Date will be equal to the average of the high and low prices of a Hindalco share as published by the National Stock Exchange on the Award Date. The payout value of each Hindalco RSU will be the average of the high and low prices of a Hindalco share as published by the National Stock Exchange on the Vesting Date (as defined below). If the Award and/or Vesting Date falls on a date the National Stock Exchange is closed, then the value of each Hindalco RSU will be the average of the next available day's high and low prices. Cash payouts of each Hindalco RSU awarded will be capped at a maximum of 3.0 times the value of each Hindalco RSU on the Award Date.

(ii) *Vesting*. The Hindalco RSUs will vest ratably in one-third tranches on the first anniversary, second anniversary and third anniversary of the Award Date (each, an "Anniversary Vesting Date"). Except as provided in Section 6, all vesting of a Participant's awards will end upon termination of the Participant's employment.

(iii) *Payments*. Payments will be made in cash within ninety (90) days following the applicable Anniversary Vesting Date.

(c) Hindalco Stock Appreciation Rights. Hindalco SARs will comprise 20% of each Participant's award under the Plan.

(i) *Value*. The Black Scholes method will be used to value a Hindalco SAR for purposes of determining: (i) as of the Award Date, the number of Hindalco SARs to be awarded to a Participant; and (ii) the maximum cash payout for each Hindalco SAR, which is
3.0 times the value of a Hindalco SAR determined as of the Award Date(the "Capped Value").

(ii) *Vesting and Expiration*. Hindalco SARs will vest ratably in one-third tranches on each Anniversary Date, provided (A) the Company achieves at least 75% of the Total Adjusted EBITDA (in the same amount as used in the Consolidated Novelis U.S. GAAP financial statements) before Metal Price Lag target established for the performance year associated with each tranche, and (B) except to the extent provided under Section 6, the Participant remains employed through each Anniversary Date. Hindalco SARs will expire on the seventh anniversary of the Award Date (the "Expiration Date").

(iii) *Exercise.* A Participant may exercise a vested Hindalco SAR at any time, prior to the Expiration Date, when the Hindalco share price is greater than it was on the Award Date (as determined under clause (iv)), except as prohibited by the Company during a blackout period.

(iv) *Valuation of SAR Appreciation Amount*. Each Hindalco SAR will track the appreciation in value of one Hindalco share over its value on the Award Date. For purposes of determining the actual payout amount upon exercise of a Hindalco SAR:

(i) the value of a Hindalco share on the Award Date will be determined by using the average of the high and low prices of a Hindalco share, as published by the National Stock Exchange on the applicable date; and (ii) the value of a Hindalco share on the exercise date will be determined by using the closing price on the exercise date, as published by the National Stock Exchange on the applicable date. Notwithstanding the foregoing, if a Hindalco SAR is exercised on a date the National Stock Exchange is closed, the payout amount will be determined based on the closing price of a Hindalco share on the preceding date the National Stock Exchange was open.

(v) *Payments.* As soon as practicable after the exercise of a Participant's Hindalco SARs, the Participant will receive a cash payment equal to the product of (i) the number of Hindalco SARs exercised, times (ii) the increase in value of one Hindalco share from the Award Date through the exercise date, provided that the payment will in no event exceed the Capped Value.

5. **Eligibility.** Employees in job bands 4 and higher are eligible to participate in the Plan. An individual selected for participation is referred to as a "Participant" throughout the Plan. Except to the extent provided under Section 6, an individual must be either employed in an eligible job band or transferred or hired into an eligible job band during the performance year to receive a payout under the Plan. Eligibility and payments for employees who begin employment with the Company after the start of the Performance Period will be determined by the "Plan Administration Rules" document then in effect as maintained by the Company's Human Resources department.

(a) Employment after Plan Commencement Date: An eligible employee who begins employment after the Plan Commencement Date will be granted an award that is based on an individual target within the range for the employee's job band, prorated by 90% for first and second quarter hires (hired by September 30, with an award date of October 1) and by 75% for third quarter hires (hired between October 1 and December 31, with an award date of January 1). Fourth quarter hires will be eligible for an award during the next fiscal year.

(b) Promotion after Plan Commencement Date: An eligible employee who is promoted into an eligible job band after the Plan Commencement Date will be granted an award that is based on an individual target within the range for the employee's job band, 100% of the award will be granted if promoted during the first quarter or on July 1, prorated by 90% for second quarter promotions (promoted between July 2 and September 30, with an award date of October 1) and by 75% for third quarter promotions (promoted between October 1 and December 31, with an award date of January 1), and also adjusted for any awards already granted during the current fiscal year, as applicable. Fourth quarter promotions will be eligible for an award during the next fiscal year.

6. **Separation from Employment.** Participants whose employment with Novelis terminates during the performance period will be subject to the applicable terms set forth below:

Termination of Employment Due to:	Awards	Vesting and Exercise Treatment	Timing of Payments
Death or Disability	Hindalco SARs	All unvested Hindalco SARs will vest immediately. Vested Hindalco SARs must be exercised within one year, and in no event later than the Expiration Date.	As soon as practicable after the exercise of a Participant's Hindalco SARs, the Participant will receive a cash payment in an amount determined under Section 4(c)(v).
	Hindalco RSUs	All Hindalco RSUs will vest immediately.	Payments will be made in cash within ninety (90) days following the applicable Anniversary Vesting Date.
	Novelis PUs	Novelis PUs will vest on a prorated basis, based on the number of full months the Participant was employed during the vesting period. All remaining Novelis PUs will be forfeited.	Payments of vested Novelis PUs will be made in cash within two fiscal quarters following the later of the applicable 3-Year Vesting Date or Board approval of performance against target (but in no event later than the short-deferral exemption date under Section 409A of the Internal Revenue Code).
Retirement	Hindalco SARs	If the retirement occurs before the first anniversary of the Award Date, all unvested Hindalco SARs will be forfeited. If retirement occurs more than one year after the Award Date, Hindalco SARs that are (i) vested on the Retirement date must be exercised (if at all) prior to the Expiration Date, and (ii) unvested on the Retirement date will continue to vest based on the performance goals set forth in Section 4(c)(ii) with the continued employment requirement waived and must be exercised no later than the third anniversary of the Retirement date.	As soon as practicable after the exercise (or deemed exercise) of a Participant's Hindalco SARs, the Participant will receive a cash payment in an amount determined under Section 4(c)(v).
	Hindalco RSUs	Hindalco RSUs will vest on a prorated basis determined separately for each grant of Hindalco RSUs and each Anniversary Vesting Date, to be calculated according to the number of full months the Participant was employed during the vesting periods. All remaining Hindalco RSUs will be forfeited.	Payments of vested Hindalco RSUs will be made in cash within ninety (90) days following the applicable Anniversary Vesting Date.
	Novelis PUs	Novelis PUs will vest on a prorated basis determined separately for each grant of Novelis PUs, based on the number of full months the Participant was employed during the vesting period and subject to the achievement of performance thresholds. All remaining Novelis PUs will be forfeited.	Payments of vested Novelis PUs will be made in cash within two fiscal quarters following the applicable 3-Year Vesting Date and Board approval of performance against target (but in no event later than the short-deferral exemption date under Section 409A of the Internal Revenue Code).

Termination of Employment Due to:	Awards	Vesting and Exercise Treatment	Timing of Payments
Involuntary Termination by the Company without Cause Related to a Change in Control ***("Related" means the termination occurs during the 12-month period commencing on the date of a Change in Control.)***	Hindalco SARs	All unvested Hindalco SARs will immediately vest and be deemed exercised.	As soon as practicable after the deemed exercise of a Participant's Hindalco SARs, the Participant will receive a cash payment in an amount determined under Section 4(c)(v).
	Hindalco RSUs	All Hindalco RSUs will vest immediately.	Payment will be made in cash within ninety (90) days following the Participant's termination of employment that is a separation from service (within the meaning of such term under Section 409A). Notwithstanding the foregoing, a participant who is a specified employee under Section 409A (*i.e.,* generally, one of the top 50 highest paid officers) on the Participant's termination date will receive payment immediately after the 6-month period following the termination date.
	Novelis PUs	Novelis PUs will vest on a prorated basis determined separately for each grant of Novelis PUs, based on the number of full months the Participant was employed during the vesting period and subject to the achievement of performance thresholds. All remaining Novelis PUs will be forfeited.	Payments of vested Novelis PUs will be made in cash within two fiscal quarters following the applicable 3-Year Vesting Date and Board approval of performance against target (but in no event later than the short-deferral exemption date under Section 409A of the Internal Revenue Code).
Intercompany Transfers Outside of the Company	Hindalco SARs	Any unvested Hindalco SARs scheduled to vest within six months after the date of transfer will continue to vest based on the performance goals set forth in Section 4(c)(ii) with the continued employment requirement waived and must be exercised (if at all) no later than the Expiration Date. All unvested Hindalco SARs scheduled to vest after six months of the date of transfer will be forfeited.	As soon as practicable after the exercise (or deemed exercise) of a Participant's Hindalco SARs, the Participant will receive a cash payment in an amount determined under Section 4(c)(v).
	Hindalco RSUs	Any Hindalco RSUs scheduled to vest within six months after the effective date of the transfer will vest immediately upon the date of transfer. All other unvested Hindalco RSUs will be forfeited.	Payments of vested Hindalco RSUs will be made in cash within ninety (90) days following the applicable Anniversary Vesting Date.
	Novelis PUs	Novelis PUs will vest on a prorated basis determined separately for each grant of Novelis PUs, based on the number of full months the Participant was employed during the vesting period and subject to the achievement of performance thresholds. All remaining Novelis PUs will be forfeited.	Payments of vested Novelis PUs will be made in cash within two fiscal quarters following the applicable 3-Year Vesting Date and Board approval of performance against target (but in no event later than the short-deferral exemption date under Section 409A of the Internal Revenue Code).

Termination of Employment Due to:	**Awards**	**Vesting and Exercise Treatment**	**Timing of Payments**
Voluntary Termination	Hindalco SARs	Vested Hindalco SARs must be exercised (if at all) within 90 days after the Participant's termination date and in no event later than the Expiration Date. Unvested Hindalco SARs will be forfeited.	As soon as practicable after the exercise (or deemed exercise) of a Participant's Hindalco SARs, the Participant will receive a cash payment in an amount determined under Section 4(c)(v).
	Hindalco RSUs	All vested Hindalco RSUs will remain vested. All unvested Hindalco RSUs will be forfeited.	Payments of vested Hindalco RSUs will be made in cash within ninety (90) days following the applicable Anniversary Vesting Date.
	Novelis PUs	All vested Novelis PUs will remain vested. All unvested Novelis PUs will be forfeited.	Payments of vested Novelis PUs will be made in cash within two fiscal quarters following the applicable 3-Year Vesting Date and Board approval of performance against target (but in no event later than the short-deferral exemption date under Section 409A of the Internal Revenue Code).
Involuntary Termination by the Company without Cause Unrelated to a Change in Control **(*e.g.*, plant closure, sale of assets, position elimination)** ***("Unrelated" means the termination occurs outside of the 12-month period commencing on the date of a Change in Control.)***	Hindalco SARs	Unvested Hindalco SARs will vest on a prorated basis, based on the number of full months the Participant was employed during the vesting periods. Vested Hindalco SARs must be exercised (if at all) within 90 days after the Participant's termination date and in no event later than the Expiration Date. Unvested Hindalco SARs will be forfeited.	As soon as practicable after the exercise (or deemed exercise) of a Participant's Hindalco SARs, the Participant will receive a cash payment in an amount determined under Section 4(c)(v).
	Hindalco RSUs	Hindalco RSUs will vest on a prorated basis, based on the number of full months the Participant was employed during the vesting periods. All remaining Hindalco RSUs will be forfeited.	Payments of vested Hindalco RSUs will be made in cash within ninety (90) days following the applicable Anniversary Vesting Date.
	Novelis PUs	Novelis PUs will vest on a prorated basis determined separately for each grant of Novelis PUs, based on the number of full months the Participant was employed during the vesting period and subject to the achievement of performance thresholds. All remaining Novelis PUs will be forfeited.	Payments of vested Novelis PUs will be made in cash within two fiscal quarters following the applicable 3-Year Vesting Date and Board approval of performance against target (but in no event later than the short-deferral exemption date under Section 409A of the Internal Revenue Code).
Involuntary Termination by the Company for Cause	Hindalco SARs	All unvested and vested Hindalco SARs will be forfeited.	None.
	Hindalco RSUs	Vested Hindalco RSUs will remain vested. All unvested Hindalco RSUs will be forfeited.	Payments of vested Hindalco RSUs will be made in cash within ninety (90) days following the applicable Anniversary Vesting Date.

Termination of Employment Due to:	Awards	Vesting and Exercise Treatment	Timing of Payments
	Novelis PUs	All vested Novelis PUs will remain vested. All unvested Novelis PUs will be forfeited.	Payments of vested Novelis PUs will be made in cash within two fiscal quarters following the applicable 3-Year Vesting Date and Board approval of performance against target (but in no event later than the short-deferral exemption date under Section 409A of the Internal Revenue Code).

7. **<u>Definitions</u>.** The following terms will have the meaning ascribed to them below.

(a) ***Retirement*** means termination of employment with the Company and all of its subsidiaries and affiliates on or after (i) reaching age 65 years, or (ii) having a combination of age and years of service greater than or equal to 65 with a minimum age of 55.

(b) ***Change in Control*** means the first to occur of any of the following events: (i) any person or entity (excluding any person or entity affiliated with the Aditya Birla Group) is or becomes the beneficial owner, directly or indirectly through any parent entity of the Company or otherwise, of securities of the Company representing 35% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (the "Value or Vote of the Company"); provided, however, that a Change in Control shall not be deemed to have occurred in the event that (A) any person or entity becomes the beneficial owner of securities representing 50% or less of the Value or Vote of the Company through (i) an initial public offering, (ii) a secondary offering, (iii) a private placement of securities, (iv) a share exchange transaction, or (v) any similar share purchase transaction in which the Company or any of its affiliates issues securities (any such transaction, a "Share Issuance Transaction"); and (B) a person or entity's beneficial ownership interest in the Value or Vote of the Company is diluted solely as a result of any Share Issuance Transaction; or (ii) the majority of the members of the Board of Directors of the Company is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or (iii) the consummation of a merger or consolidation of the Company with any other entity not affiliated with the Aditya Birla Group, other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, 50% or more of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (b) a merger or consolidation effected to implement a recapitalization of the

Company (or similar transaction) in which no person or entity is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person or entity any securities acquired directly from the Company or its affiliates, other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the sale or disposition of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of its assets to any person or entity affiliated with Aditya Birla.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions. For purposes of this Section, "beneficial ownership" shall be determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

(c) ***Section 409A*** means Section 409A of the Internal Revenue Code of 1986, as amended, and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder.

8. **Adjustments for Certain Transactions**. In the event of any stock dividend, stock split, spinoff, rights offering, extraordinary cash dividend, combination or exchange of Hindalco shares, recapitalization or other change in the capital structure of Hindalco, the Board shall make or provide for such adjustments in (i) the number of shares covered by outstanding Hindalco RSUs and Hindalco SARs granted hereunder, (ii) base prices per share applicable to Hindalco SARs, (iii) kind of shares covered thereby (including shares of another issuer), and (iv) such other adjustments to awards granted hereunder as the Board in its sole discretion may in good faith determine to be equitably required in order to prevent reduction or enlargement of the rights of Participants. In the event of any merger, consolidation or any other corporate transaction or event having a similar effect, the Board in its sole discretion may take any action described in the preceding sentence; and, moreover, it may provide in substitution for any or all outstanding awards under this Plan such alternative consideration as it may in good faith determine to be equitable under the circumstances and may require in connection therewith the surrender or cancellation of all awards so replaced.

9. **Taxes.**

(a) Taxes and Other Withholdings. All payments under this plan shall be subject to applicable tax and other withholdings.

(b) Compliance with §409A of the U.S. Internal Revenue Code. This Plan shall be interpreted and administered in a manner so that the Novelis PUs shall be paid and provided in a manner that is exempt from the requirements of Section 409A. This Plan shall be interpreted and administered in a manner so that the Hindalco RSUs shall be paid and provided in a manner that is in compliance with the requirements of Section 409A. In the event that the Novelis PUs and/or Hindalco RSUs are not exempt or in compliance with Section 409A, the Participant, and not the Company, shall be responsible for any and all excise and other taxes.

10. **Interpretation and Amendment**. The Company will interpret and construe the terms and conditions of the plan in its sole discretion, including but not limited to all decisions regarding eligibility for, and the amount of benefits payable under, the Plan. The Company also reserves the right to amend or modify this Plan at any time for any reason.

11. **No Right to Continued Service**. Nothing in the Plan confers upon any Participant the right to continued employment or service with the Company or any subsidiary or affiliate or to otherwise interfere with or restrict the right of the Company or any subsidiary or affiliate to terminate the Participant's employment or service for any reason.

12. **Additional tax guidelines for US Taxpayers**. Additional rules apply for US Taxpayers, which can be found in the supplemental Administrative Guidelines document located on InsideNovelis.

Exhibit 31.1

Certification

I, Steven Fisher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Novelis Inc. (Novelis);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Steven Fisher

Steven Fisher
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 11, 2026

Exhibit 31.2

Certification

I, Devinder Ahuja, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Novelis Inc. (Novelis);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Devinder Ahuja

Devinder Ahuja
Chief Financial Officer
(Principal Financial Officer)

Date: February 11, 2026

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Novelis Inc. (Novelis), hereby certifies that Novelis' Quarterly Report on Form 10-Q for the period ended December 31, 2025 (Report) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Novelis.

/s/ Steven Fisher
Steven Fisher
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 11, 2026

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Novelis Inc. (Novelis), hereby certifies that Novelis' Quarterly Report on Form 10-Q for the period ended December 31, 2025 (Report) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Novelis.

/s/ Devinder Ahuja

Devinder Ahuja
Chief Financial Officer
(Principal Financial Officer)

Date: February 11, 2026

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.