

NOVELIS Q3 FISCAL YEAR 2023 EARNINGS CONFERENCE CALL

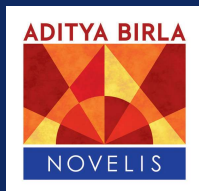
February 6, 2023

Steve Fisher

President and Chief Executive Officer

Dev Ahuja

Executive Vice President and Chief Financial Officer



NOVELIS

Forward-looking statements

Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward-looking statements in this news release are statements about our belief that the underlying demand fundamentals driven by increasing consumer preferences for lightweight, sustainable aluminum solutions in our key end markets remains in-tact, and our long-term transformational growth strategy unchanged. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; inflationary pressures impacting the price of energy, labor, freight, coatings and alloys, such as magnesium; the capacity and effectiveness of our hedging activities; inflationary pressures affecting end market demand for our aluminum products in the building and construction market; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing including in connection with potential acquisitions and investments; continued risks stemming from the acquisition of Aleris Corporation, including uncertainties inherent in the acquisition method of accounting; disruption to our global aluminum production and supply chain as a result of COVID-19, rising interest rates or geopolitical factors, such as Russia's war in Ukraine; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; decreases in demand for our aluminum products due to macroeconomic headwinds due in part to rising interest rates and geopolitical factors, such as Russia's war in Ukraine; risks related to sanctions, tariffs, a ban or similar actions impacting the supply of Russian aluminum and the global aluminum supply; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; risks related to cybersecurity and data breaches; our potential inability to protect our intellectual property and the confidentiality of our know-how, trade secrets, technology, and other proprietary information; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; downturns in consumer demand for our products or changes in consumer preferences as it relates to our products; the impact of the global semiconductor shortage on automotive production and demand for automotive aluminum sheet; changes in general economic conditions including deterioration in the global economy; the risks of pandemics or other public health emergencies, including the continued spread and impact of, and the governmental and third party response to, the COVID-19 pandemic; the impact of climate change or the legal, regulatory, or market response to climate change; changes in government regulations, particularly those affecting taxes, derivative instruments, and environmental, health or safety compliance; risks that production levels and margins of our recent capital expenditures do not grow in line with our current expectations and that we may not realize returns commensurate with our investments; changes in interest rates that have the effect of increasing the amounts we pay under our credit facilities and other financing agreements; and our ability to generate cash. The above list of factors is not exhaustive. Other important factors are discussed under the captions "Risk Factors" and "Management's Discussion and Analysis" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 and as the same may be updated from time to time in our quarterly reports on Form 10-Q, or in other reports which we from time to time file with the SEC.

- Challenging macro-economic environment pressures continued
 - High inflation & energy costs
 - Rising interest rates
 - Falling aluminum prices & tight scrap spreads
- Softer than expected Q3 shipments mainly due to beverage packing supply chain inventory reduction
- Focus on operational and commercial excellence, disciplined execution and rigorous cost management
- Committed to transformational organic investment strategy and driving sustainable growth



ALUMINUM DEMAND FUNDAMENTALS REMAIN STRONG

Beverage Packaging



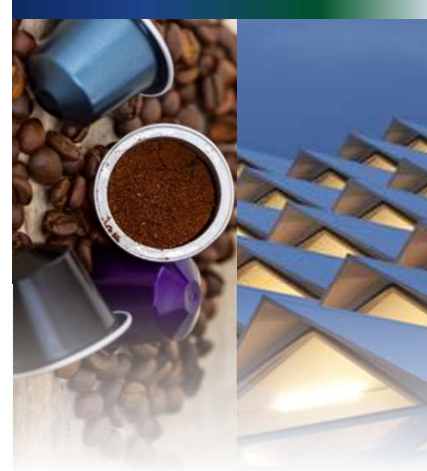
- Packaging supply chain destocking but long-term view unchanged
 - Normalization of demand post-pandemic
 - Customer inventory reduction expected to continue in the near-term
 - Demand fundamentals intact, driven by sustainable packaging preferences, product innovation and growing consumption trends

Automotive



- Strong near and long-term view of demand
 - Easing supply chain challenges increasing vehicle production
 - Continuing positive levels of pent-up demand
 - Increasing share of electric vehicles in production mix favors aluminum use

Specialty



- Cyclical end markets to see near-term softness
 - Demand broadly moves with GDP and housing markets
 - Inflation & interest rate pressure
 - Demand supported by sustainability preferences & product innovation

Aerospace



- Strong recovery in passenger air travel continues
 - Post-pandemic travel increasing
 - OEM's forecasting strong growth in aircraft build rates
 - Sustainability becoming more important in the industry

ORGANIC GROWTH STRATEGY UNCHANGED

- Economic headwinds curb near-term growth in some markets, but long-term fundamental aluminum FRP demand drivers remain strong
- Novelis remains committed to its transformational organic growth journey to further strengthen its industry leading position
- Prudent approach to growth capital expenditures, projects underway remain on track
 - ~\$2.5 billion state-of-the-art greenfield rolling & recycling facility in Bay Minette, US
 - ~\$365 million automotive recycling center in Guthrie, US
 - High-return debottlenecking investments in capacity constrained environment



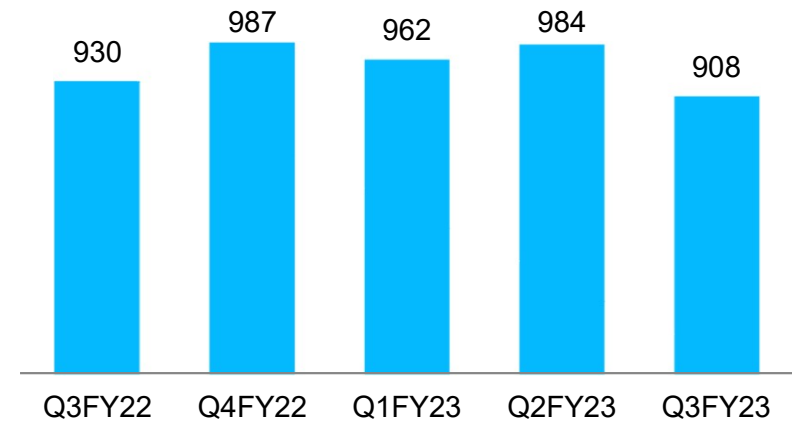
FINANCIAL HIGHLIGHTS

Q3 FISCAL 2023 FINANCIAL HIGHLIGHTS

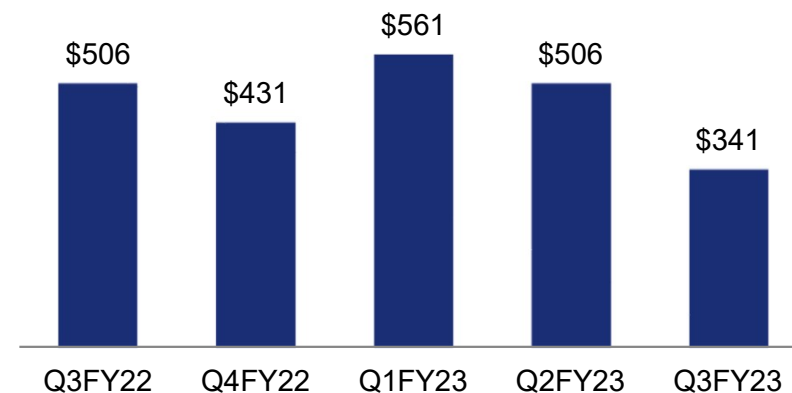
Q3FY23 vs Q3FY22

- Net income from continuing operations down 95% to \$12 million
 - Unfavorable metal price lag \$109 million in Q3FY23
 - Excluding tax-effected special items*, net income from continuing ops down 60% to \$96 million
- Sales down 3% to \$4.2 billion
- Total FRP shipments down 2% to 908kt
 - Lower beverage packaging on supply chain destocking
 - Lower specialties on weaker macro
 - Higher automotive on easing semiconductor shortages
- Adjusted EBITDA down 33% to \$341 million
- Adjusted EBITDA per ton \$376

Quarterly shipments trend
(kilotonnes)

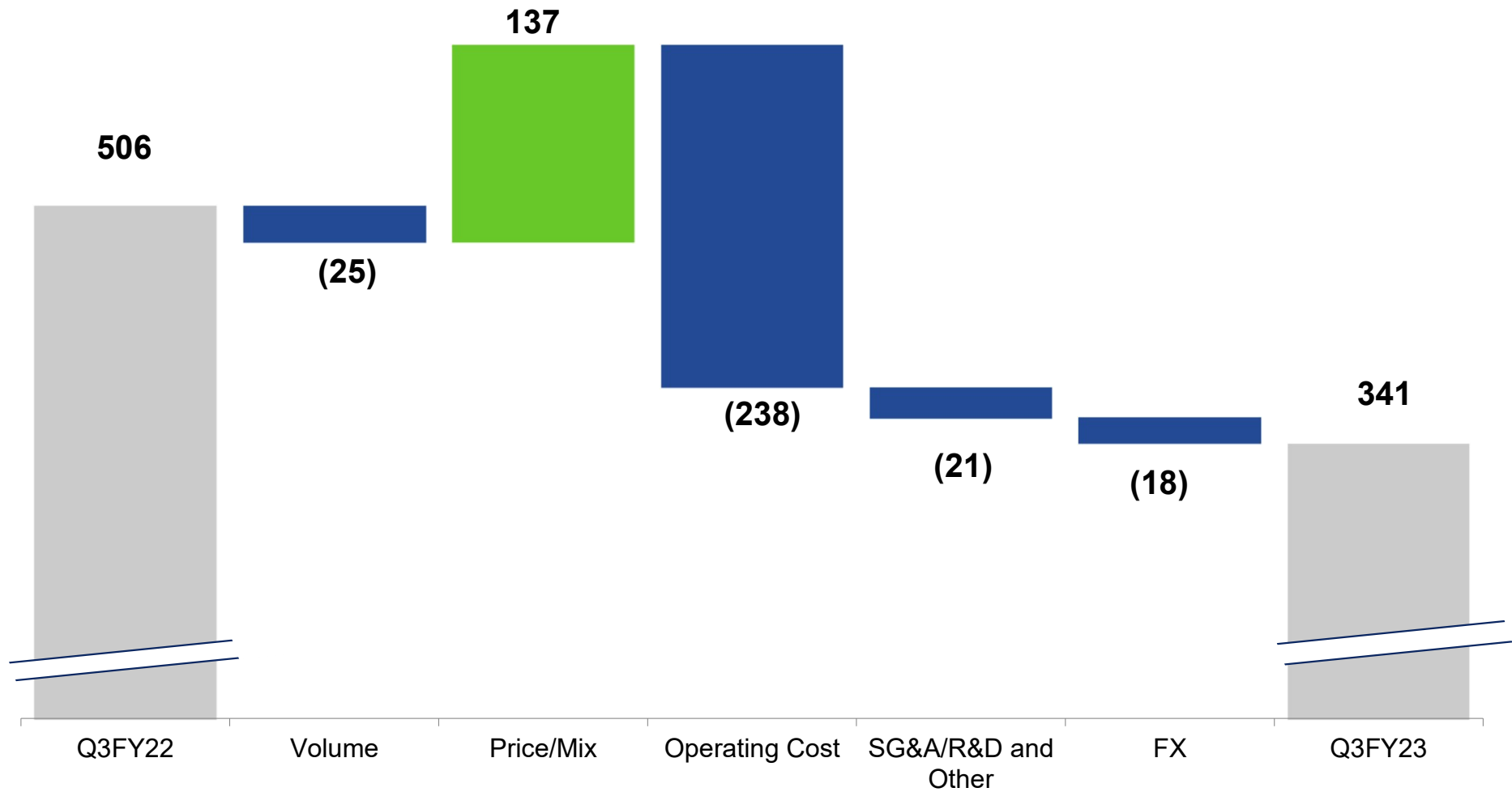


Quarterly Adjusted EBITDA trend
(\$ millions)



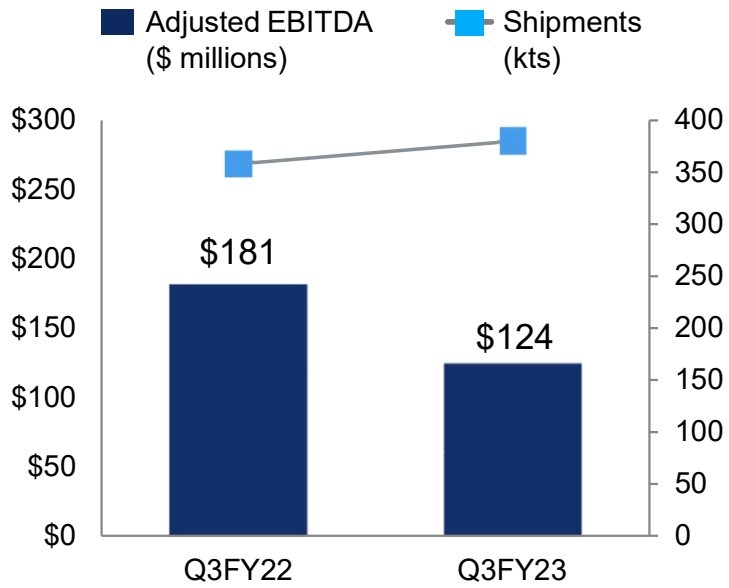
Q3 ADJUSTED EBITDA BRIDGE VS PRIOR YEAR

\$ Millions



Q3 SEGMENT RESULTS

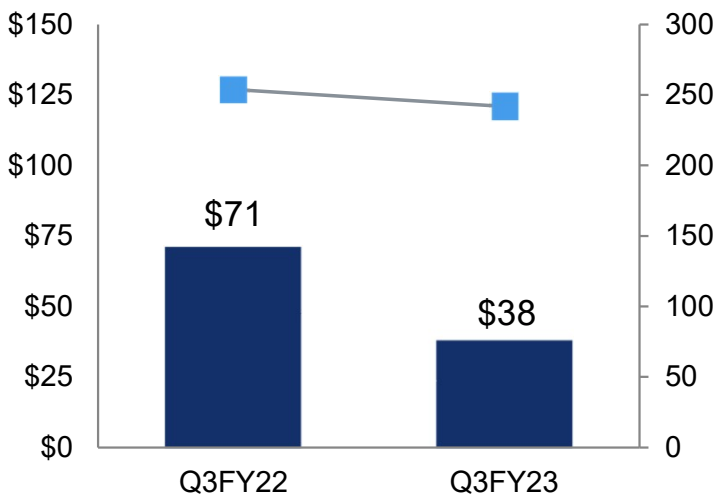
North America



Q3 Shipments +6%, Adjusted EBITDA -31%

- Higher automotive shipments with improving semiconductor supply to industry
- Higher beverage packaging shipments despite destocking
- Higher product pricing and favorable product mix
- Inflationary cost pressures
- Less favorable metal benefits
- Higher financing costs from rising interest rates

Europe

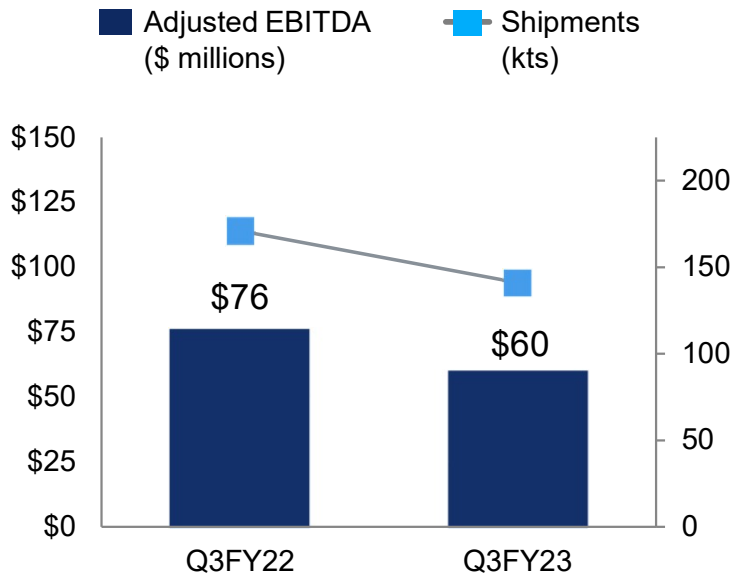


Q3 Shipments -5%, Adjusted EBITDA -46%

- Lower beverage packaging & specialties shipments on customer destocking and softening demand
- Higher automotive shipments with improving semiconductor supply to industry
- Higher inflation & energy cost
- Unfavorable foreign currency translation
- Less favorable metal benefits
- Higher product pricing

Q3 SEGMENT RESULTS

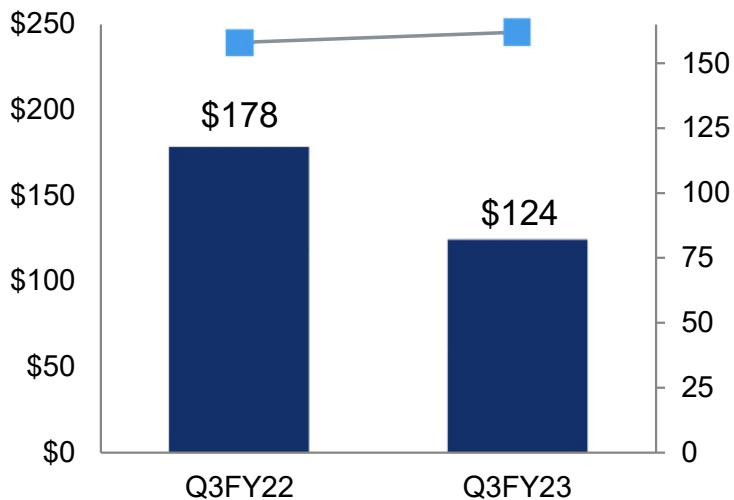
Asia



Q3 Shipments -18%, Adjusted EBITDA -21%

- Lower beverage packaging shipments from North America destocking
- Lower specialties due to planned portfolio shift
- Flat automotive YoY impacted by COVID shutdowns
- Inflationary cost pressures and lower metal benefit
- Unfavorable foreign exchange
- Higher product pricing and product mix

South America



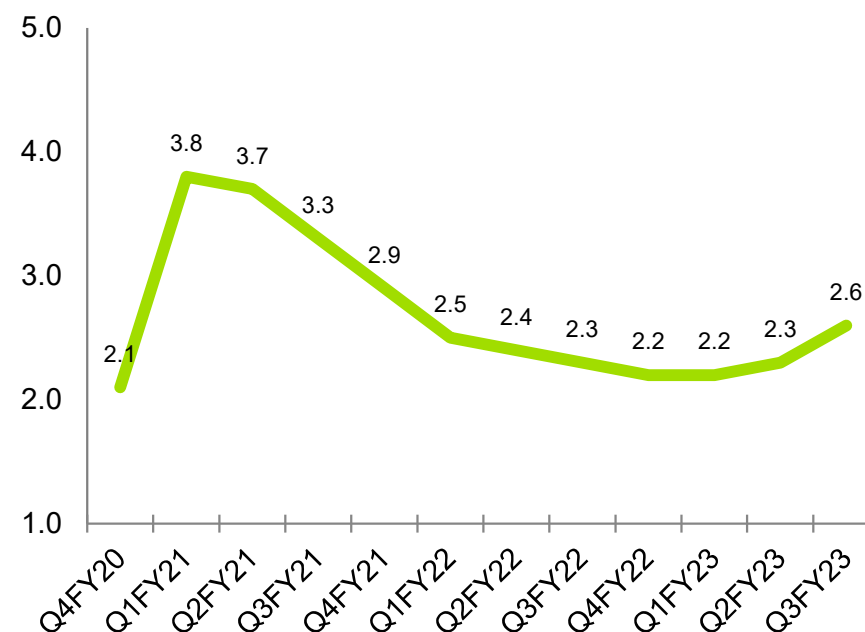
Q3 Shipments +3%, Adjusted EBITDA -30%

- Higher beverage packaging shipments on increased capacity, but muted by destocking
- Less favorable metal benefits
- Higher energy and other cost inflation

ADJUSTED FREE CASH FLOW AND NET LEVERAGE

\$ Millions	YTD FY23	YTD FY22
Adjusted EBITDA	1,408	1,614
Interest paid	(172)	(146)
Taxes paid	(157)	(196)
Capital expenditures	(462)	(287)
Metal price lag	(130)	127
Working capital & other	(645)	(895)
Adjusted free cash flow from continuing operations	(158)	217
Adjusted free cash flow from disc. operations	(12)	12
Adjusted free cash flow	(170)	229
Adjusted free cash flow from continuing operations before capex	304	504

Net leverage ratio (Net debt/TTM Adjusted EBITDA)



- Adjusted EBITDA, capital spending, negative metal price lag and interest impact cash flow
- Maintain a strong cash profile and disciplined approach to net leverage
- Liquidity position of \$2.1 billion at December 31, 2022
- FY23 capital expenditures expected to be approximately \$900 million

OUTLOOK & SUMMARY

SUMMARY

- Focus on navigating macro-economic uncertainty and intensified costs
- Headwinds curb near-term growth in some markets, but long-term demand fundamentals intact
- Maintaining a strong balance sheet and prudent liquidity levels
- Disciplined approach to capital investment plan to grow with our customers
- Continue working across the value chain to achieve sustainability goals



THANK YOU
QUESTIONS?

APPENDIX

NET INCOME RECONCILIATION TO ADJUSTED EBITDA



(in \$ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23	Q3 FY23
Net income attributable to our common shareholder	240	237	262	215	954	307	183	12
- Noncontrolling interests	-	-	-	1	1	(1)	-	-
- Income tax provision	108	79	89	5	281	87	65	6
- Interest, net	56	59	52	51	218	54	61	69
- Depreciation and amortization	134	134	137	145	550	138	134	133
EBITDA	538	509	540	417	2,004	585	443	208
- Unrealized loss (gain) on derivatives	4	16	(26)	34	28	(42)	21	1
- Realized (gain) loss on derivative instruments not included in segment income	(1)	-	-	(1)	(2)	(1)	(1)	(1)
- Adjustment to reconcile proportional consolidation	14	15	17	10	56	14	13	13
- Loss on sale of fixed assets	-	2	3	3	8	1	-	-
- (Gain) loss on extinguishment of debt	(2)	64	1	1	64	-	-	-
- Loss (gain) from discontinued operations, net of tax	63	2	(3)	1	63	1	1	-
- Restructuring and impairment (reversals) expenses, net	(2)	-	3	-	1	1	1	5
- Gain on sale of business	-	-	(15)	-	(15)	-	-	-
- Metal price lag (income) expense	(54)	(59)	(14)	(39)	(166)	(3)	24	109
- Other, net	(5)	4	-	5	4	5	4	6
Adjusted EBITDA	\$555	\$553	\$506	\$431	\$2,045	\$561	\$506	\$341

ADJUSTED FREE CASH FLOW

	(in \$ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23	Q3 FY23
Cash provided by operating activities – continuing operations		65	274	164	629	1,132	44	152	125
Cash used in investing activities – continuing operations		(94)	(87)	(96)	(196)	(473)	(120)	(170)	(188)
Plus: Cash used in Acquisition of business and other investments, net of cash acquired		-	-	-	-	-	4	-	-
Less: Proceeds from sale of assets and business, net of transaction fees, cash income taxes and hedging		(1)	1	(9)	(1)	(10)	-	-	(5)
Adjusted free cash flow from continuing operations		\$(30)	\$188	\$59	\$432	\$649	\$(72)	\$(18)	\$(68)
Net cash provided by (used in) operating activities – discontinued operations		(3)	(2)	17	(1)	11	(1)	(5)	(6)
Adjusted free cash flow		\$(33)	\$186	\$76	\$431	\$660	\$(73)	\$(23)	\$(74)

	(in \$ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23	Q3 FY23
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Plus: Cash used in Acquisition of business and other investments, net of cash acquired		-	-	-	-	-	4	-	-
Less: Proceeds from sale of assets and business, net of transaction fees, cash income taxes and hedging		(1)	1	(9)	(1)	(10)	-	-	(5)
Adjusted free cash flow from continuing operations		\$(30)	\$188	\$59	\$432	\$649	\$(72)	\$(18)	\$(68)
Capital expenditures		101	93	93	159	446	110	174	178
Adjusted free cash flow from continuing operations before capex		\$71	\$281	\$152	\$591	\$1,095	\$38	\$156	\$110

NET DEBT AND LIQUIDITY

	(in \$ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23	Q3 FY23
Long-term debt, net of current portion		4,960	4,942	4,984	4,967	4,967	4,894	4,850	4,875
Current portion of long-term debt		541	443	340	26	26	59	63	84
Short-term borrowings		359	247	373	529	529	603	858	896
Cash and cash equivalents		(872)	(659)	(808)	(1,070)	(1,070)	(1,037)	(1,145)	(1,126)
Net debt		\$4,988	\$4,973	\$4,889	\$4,452	\$4,452	\$4,519	\$4,626	\$4,729

	(in \$ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23	Q2 FY23	Q3 FY23
Cash and cash equivalents		872	659	808	1,070	1,070	1,037	1,145	1,126
Availability under committed credit facilities		1,380	1,490	1,514	1,499	1,499	1,341	1,642	1,018
Liquidity		\$2,252	\$2,149	\$2,322	\$2,569	\$2,569	\$2,378	\$2,787	\$2,144