

3<sup>rd</sup> August, 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai: 400 001 <b>Scrip Code: 500440</b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra (East) Mumbai – 400 051 <b>Scrip Code: HINDALCO</b>
<b>Mr. Daniel Schammo</b> Banque Internationale A Luxembourg Societe Anonyme 69, Route d'Esch L-2953 Luxembourg Fax No. 00 352 4590 2010 Tel. No. 00 352 4590-1	

Dear Sir/ Madam,

**Sub: Press Release and Investor Presentation of Novelis Inc. (wholly owned subsidiary of Hindalco Industries Limited “the Company”)Results for Q1 Financial year 2022-2023**

**Ref: Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Enclosed herewith is the Press release and Investor Presentation of Novelis Inc. (wholly owned subsidiary) of the Company for the quarter ended 30<sup>th</sup> June, 2022.

Thanking you

Yours faithfully

For **Hindalco Industries Limited**

**ANIL MALIK**  
**Company Secretary**

# NOVELIS Q1 FISCAL YEAR 2023 EARNINGS CONFERENCE CALL

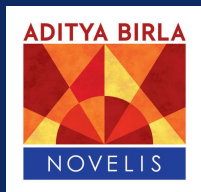
August 3, 2022

**Steve Fisher**

President and Chief Executive Officer

**Dev Ahuja**

Executive Vice President and Chief Financial Officer



NOVELIS

## Forward-looking statements

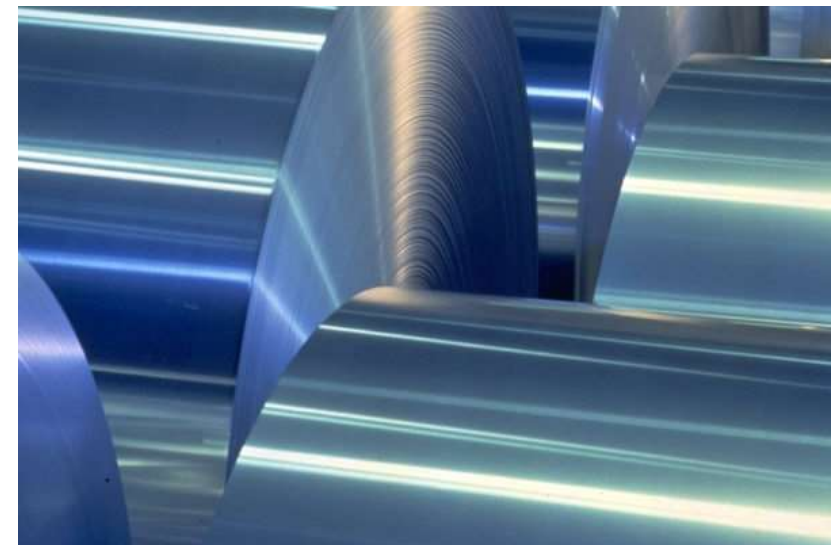
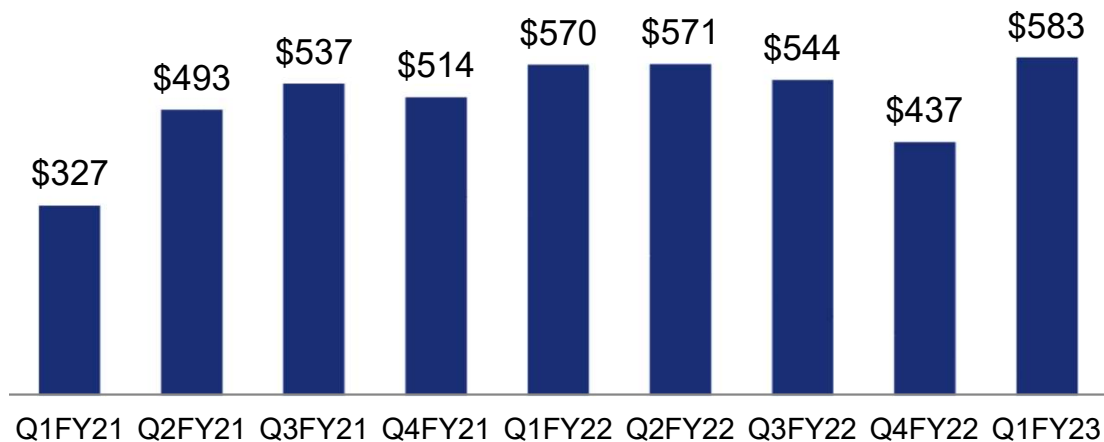
Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward-looking statements in this presentation are statements about our expectations of \$4.5 billion in possible capital expenditures and increased demand in each of our end markets. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing including in connection with potential acquisitions and investments; risks arising out of our acquisition of Aleris Corporation, including uncertainties inherent in the acquisition method of accounting; disruption to our global aluminum production and supply chain as a result of COVID-19; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, including pending and future litigation settlements, environmental remediation and clean-up costs, breakdown of equipment and other events; ability to manage existing facilities and workforce to operate the business, economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions including deterioration in the global economy; the risks of pandemics or other public health emergencies, including the continued spread and impact of, and the governmental and third party response to, the ongoing COVID-19 outbreak; changes in government regulations, particularly those affecting taxes, tax policies and effective tax rates, derivative instruments, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our credit facilities and other financing agreements; and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022.

# Q1 HIGHLIGHTS

- Q1FY23 Adjusted EBITDA per ton at \$583 strongly bouncing back after challenging Q4FY22
- Broad, stable product portfolio capitalizing on solid demand across end markets
- Mitigating rising operating and energy costs through favorable pricing environment, hedging, and recycling strategy
- Focus on maintaining high performance standards, while also delivering on our growth and sustainability commitments

## Quarterly Adjusted EBITDA per ton trend

(\$ millions)



# FOSTERING A CIRCULAR ECONOMY

## Leading decarbonization of the aluminum industry

- Support low carbon & low energy production processes
- Design high-recycled-content alloys and simplifying alloy solutions
- Optimize quality and sorting of materials at end-of-life
- Foster a circular economy with increased recycling
- Partner with companies throughout the entire value chain



**First Movers  
Coalition**

**asi** Aluminium  
Stewardship  
Initiative



**SORTERA**  
A L L O Y S



**Novelis evercycle**



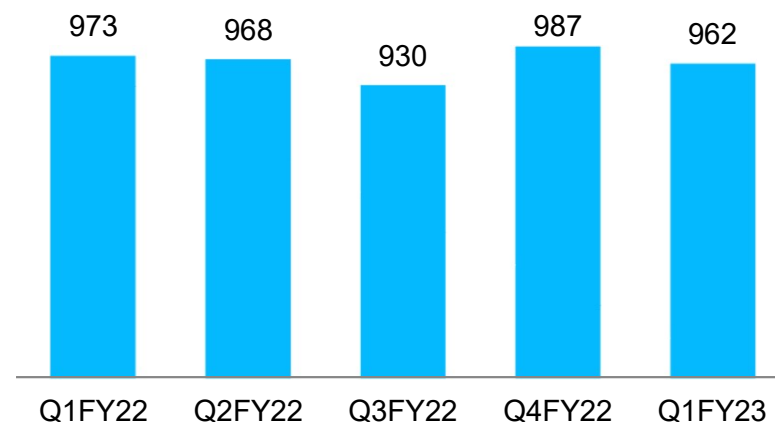
# FINANCIAL HIGHLIGHTS

# Q1 FISCAL 2023 FINANCIAL HIGHLIGHTS

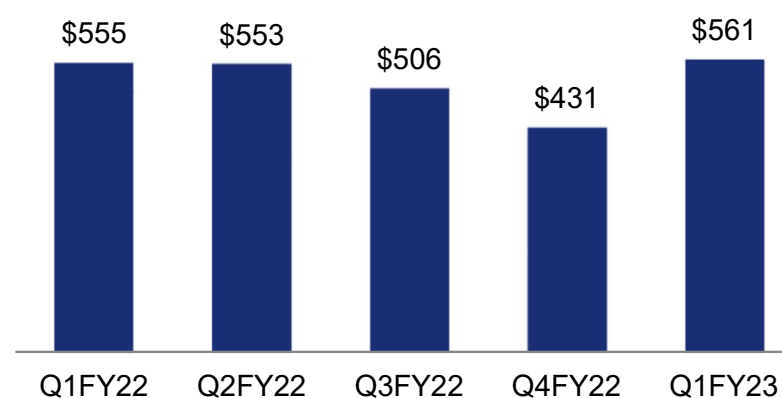
Q1FY23 vs Q1FY22

- Net Income from Continuing Operations \$307 million, compared to \$303 million
  - Excluding tax-effected special items\*, net income of \$307 million compared to \$260 million
- Sales up 32% to \$5.1 billion
- Total FRP Shipments down 1% to 962kt
  - Strong market demand but continued supply chain constraints
- Adjusted EBITDA up 1% to record \$561 million
  - Up 10% excluding a \$47 million favorable decision in Brazil tax litigation in prior year
- Record Adjusted EBITDA per ton \$583, compared to \$570 prior year

Quarterly Shipments trend  
(kilotonnes)

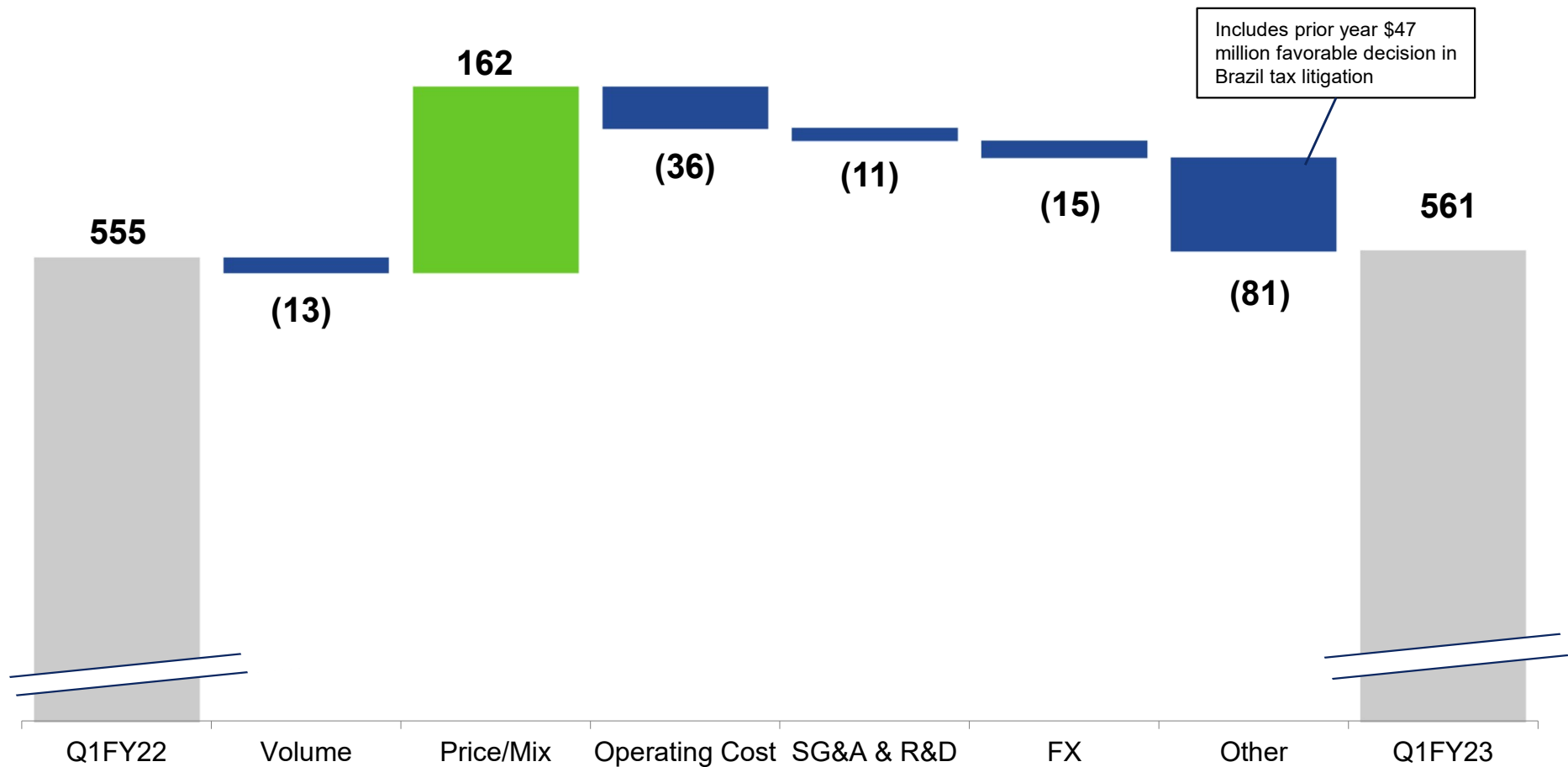


Quarterly Adjusted EBITDA trend  
(\$ millions)



# Q1 ADJUSTED EBITDA BRIDGE

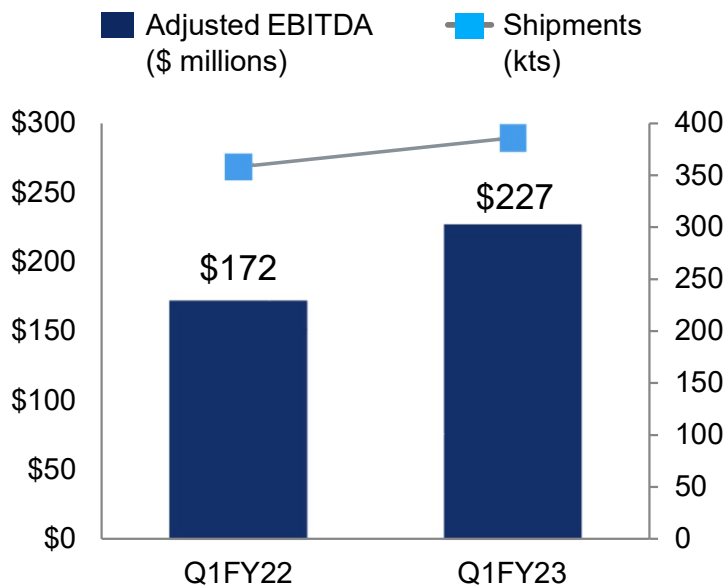
\$ Millions





# Q1 SEGMENT RESULTS

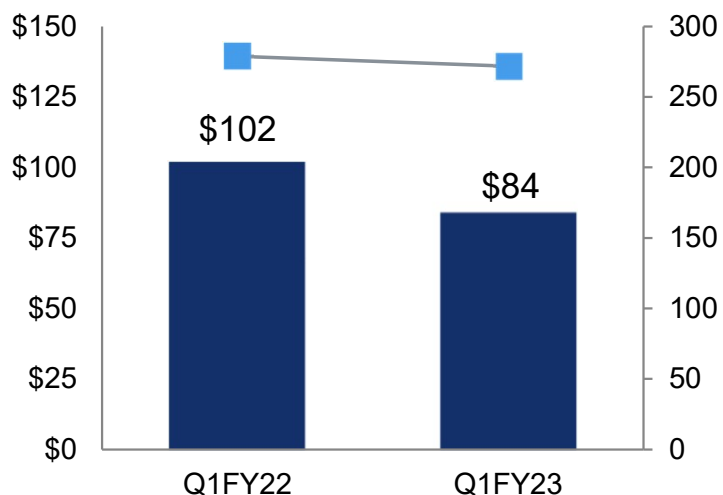
North America



## Q1 Shipments +8%, Adjusted EBITDA +32%

- Record shipments on strong can demand and improved automotive shipments with improving semiconductor supply
- Favorable pricing environment and metal benefits partly offset by inflationary cost pressures

Europe

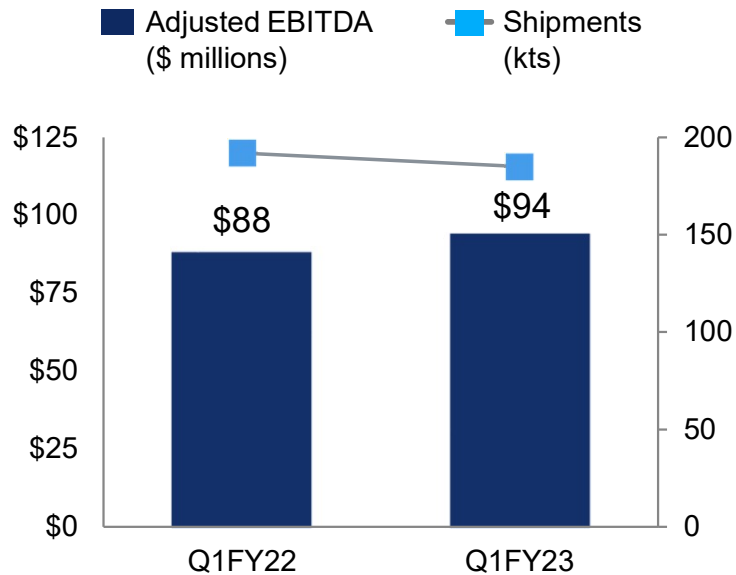


## Q1 Shipments -3%, Adjusted EBITDA -18%

- Favorable pricing environment and metal benefits
- Improving aerospace & strong can, but automotive & specialty impacted by semiconductor shortages
- Unfavorable foreign currency translation
- Inflation, including significant energy cost increase largely at German plants from Ukraine conflict

# Q1 SEGMENT RESULTS

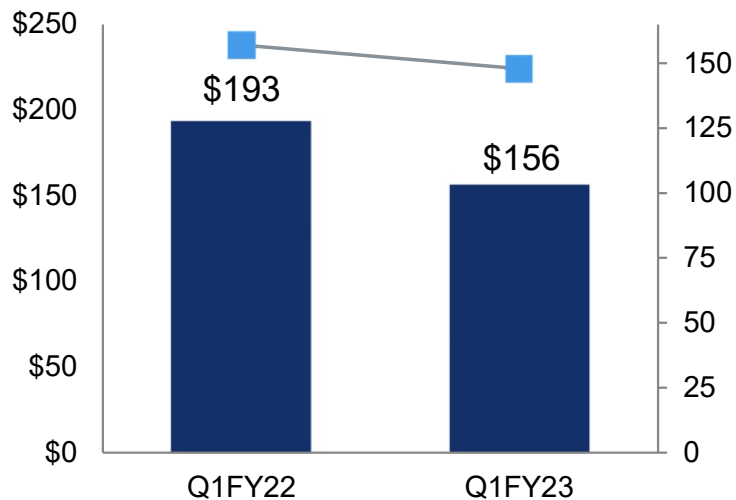
Asia



## Q1 Shipments -4%, Adjusted EBITDA +7%

- Higher can & aerospace shipments on strong demand, despite some supply chain disruption
- Lower automotive shipments due to COVID-lockdowns in China
- Favorable pricing environment, product mix and metal benefit offsetting inflationary pressures

South America



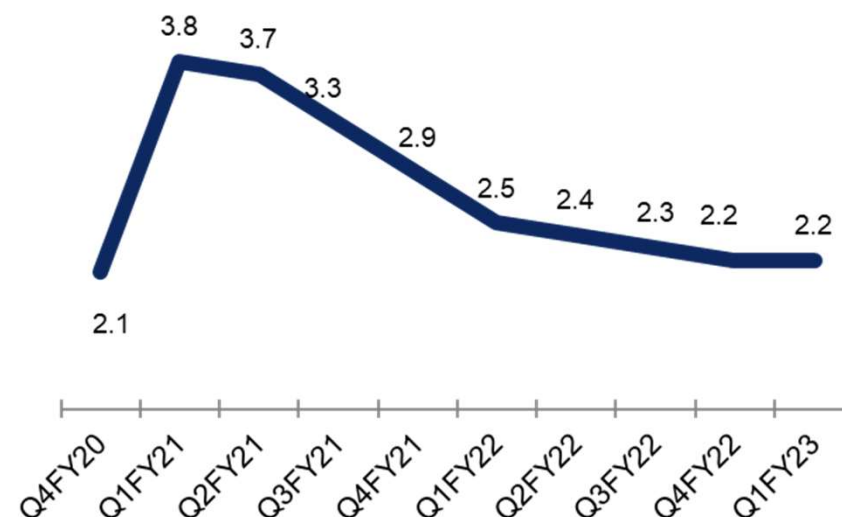
## Q1 Shipments -6%, Adjusted EBITDA -19%

- Underlying Adjusted EBITDA +7% excluding prior year \$47 million tax litigation benefit
- Favorable pricing and metal benefit mitigating cost inflation
- Favorable foreign exchange

# ADJUSTED FREE CASH FLOW AND NET LEVERAGE

\$ Millions	Q1 FY23	Q1 FY22
Adjusted EBITDA	561	555
Interest paid	(43)	(52)
Taxes paid	(41)	(61)
Capital expenditures	(110)	(101)
Metal price lag	3	54
Working capital & other	(442)	(425)
<b>Adjusted free cash flow from continuing operations</b>	<b>(72)</b>	<b>(30)</b>
Adjusted free cash flow from disc. operations	(1)	(3)
<b>Adjusted free cash flow</b>	<b>(73)</b>	<b>(33)</b>
<b>Adjusted free cash flow from continuing operations before capex</b>	<b>38</b>	<b>73</b>





Net Leverage ratio (Net debt/TTM Adjusted EBITDA)



- Adjusted free cash flow impacted by seasonal working capital increase and high aluminum prices
- Maintaining strong liquidity position, \$2.4 billion at June 30, 2022
- Expect FY23 total capital expenditures on the lower end of previously guided range of \$1.3 billion to \$1.6 billion; total includes approximately \$300 million for maintenance capital

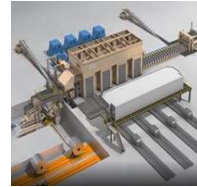
# OUTLOOK & SUMMARY

# NEAR-TERM END MARKET OUTLOOK

	CY2022 market demand*	% of Q1FY22 Shipments
<p><b>Beverage Can</b></p> <ul style="list-style-type: none"> <li>Stable, strong demand for recession-resistant beverage can sheet</li> <li>Customers continue to request increased volumes in all regions driven by package mix shift driven by preference for sustainable beverage packaging options</li> </ul>	 ~5%	58%
<p><b>Automotive</b></p> <ul style="list-style-type: none"> <li>High levels of pent-up vehicle demand and low dealer inventory, following low automotive build rates impacted by COVID lockdowns and semi-conductor shortages</li> <li>Semi-conductor shortage appears to be easing but still some constraints</li> </ul>	 ~10%	17%
<p><b>Specialty</b></p> <ul style="list-style-type: none"> <li>Near-term order book remains strong across end markets</li> </ul>	 ~4%	22%
<p><b>Aerospace</b></p> <ul style="list-style-type: none"> <li>Consumer air travel and order bookings continue to improve towards pre-COVID levels</li> </ul>	 ~30%	3%

\*CY 2022 vs 2021 estimated end market growth, Novelis internal estimates

- Novelis is embarking on a five-year, transformational organic growth period to further strengthen its industry leading position
- Identified more than \$4.5 billion of potential investment opportunities
- ~\$3.4 billion of planned capital investments underway



## **Greenfield Rolling Mill**

**Location:** Bay Minette, Alabama

**Capex:** \$2.5B

**Status:** Critical equipment ordered



## **Auto Recycling Plant**

**Location:** Guthrie, KY

**Capex:** \$365M

**Status:** Groundbreaking in May



## **Hot mill Debottlenecking**

**Location:** Oswego, NY

**Capex:** \$130M

**Status:** Critical equipment has been awarded



## **UAL Recycling**

**Location:** Ulsan, S Korea

**Capex:** \$50M

**Status:** Construction to begin Fall 2022



## **China Integration & Expansion**

**Location:** Zhenjiang, China

**Capex:** \$375M

**Status:** Estimated project start Fall 2022

# SUMMARY

- Delivered record Adjusted EBITDA/ton \$583 after a record year
- Supply chain challenges, inflationary pressures, geopolitical instability and foreign exchange volatility limit visibility
- Stable demand for sustainable aluminum solutions across end markets
- Focused on capital investments opportunities 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
<b>Net income attributable to our common shareholder</b>	<b>240</b>	<b>237</b>	<b>262</b>	<b>215</b>	<b>954</b>	<b>307</b>
- Noncontrolling interests	-	-	-	1	1	(1)
- Income tax provision	108	79	89	5	281	87
- Interest, net	56	59	52	51	218	54
- Depreciation and amortization	134	134	137	145	550	138
<b>EBITDA</b>	<b>538</b>	<b>509</b>	<b>540</b>	<b>417</b>	<b>2,004</b>	<b>585</b>
- Unrealized loss (gain) on derivatives	4	16	(26)	34	28	(42)
- Realized (gain) loss on derivative instruments not included in segment income	(1)	-	-	(1)	(2)	(1)
- Adjustment to reconcile proportional consolidation	14	15	17	10	56	14
- 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
- Restructuring and impairment (reversals) expenses, net	(2)	-	3	-	1	1
- Gain on sale of business	-	-	(15)	-	(15)	-
- Metal price lag (income) expense	(54)	(59)	(14)	(39)	(166)	(3)
- Other, net	(5)	4	-	5	4	5
<b>Adjusted EBITDA</b>	<b>\$555</b>	<b>\$553</b>	<b>\$506</b>	<b>\$431</b>	<b>\$2,045</b>	<b>\$561</b>

# ADJUSTED FREE CASH FLOW

	(in \$ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23
Cash provided by (used in) operating activities – continuing operations		65	274	164	629	1,132	44
Cash provided by (used in) investing activities – continuing operations		(94)	(87)	(96)	(196)	(473)	(120)
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)	-
<b>Adjusted free cash flow from continuing operations</b>		<b>\$(30)</b>	<b>\$188</b>	<b>\$59</b>	<b>\$432</b>	<b>\$649</b>	<b>\$(72)</b>
Net cash used in operating activities – discontinued operations		(3)	(2)	17	(1)	11	(1)
<b>Adjusted free cash flow</b>		<b>\$(33)</b>	<b>\$186</b>	<b>\$76</b>	<b>\$431</b>	<b>\$660</b>	<b>\$(73)</b>

	(in \$ m)	Q1	Q2	Q3	Q4	FY22	Q1 FY23
Cash provided by (used in) operating activities – continuing operations		65	274	166	629	1,132	44
Cash provided by (used in) investing activities – continuing operations		(94)	(87)	(98)	(196)	(473)	(120)
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)	-
<b>Adjusted free cash flow from continuing operations</b>		<b>\$(30)</b>	<b>\$188</b>	<b>\$59</b>	<b>\$432</b>	<b>\$649</b>	<b>\$(72)</b>
Capital expenditures		101	93	93	159	446	110
<b>Adjusted free cash flow from continuing operations before capex</b>		<b>\$71</b>	<b>\$281</b>	<b>\$152</b>	<b>\$591</b>	<b>\$1,095</b>	<b>\$38</b>

# NET DEBT AND LIQUIDITY

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

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

# News Release

## Novelis Reports First Quarter Fiscal Year 2023 Results

### Q1 Fiscal Year 2023 Highlights

- Net income attributable to its common shareholder increased 28% YoY to \$307 million
- Net income from continuing operations of \$307 million, up 1% YoY; net income from continuing operations excluding special items was \$307 million, up 18% YoY
- Record Adjusted EBITDA of \$561 million, up 1% YoY; Adjusted EBITDA per ton \$583
- Shipments of 962 kilotonnes, down 1% from 973 kilotonnes in the prior year

**ATLANTA, August 2, 2022** – Novelis Inc., a leading sustainable aluminum solutions provider and the world leader in aluminum rolling and recycling, today reported results for the first quarter of fiscal year 2023. Net income attributable to its common shareholder increased 28% versus the prior year to a record \$307 million, while net income from continuing operations increased 1% to \$307 million. Excluding special items in both years, first quarter fiscal year 2023 net income from continuing operations increased 18% versus the prior year to \$307 million due primarily to higher underlying Adjusted EBITDA, unrealized derivative gains and a lower tax provision in the current year, partially offset by a tax litigation gain benefiting prior year net income.

"Novelis once again delivered record financial performance in the first quarter, following our record performance last fiscal year," said Steve Fisher, President and CEO, Novelis Inc. "With our unmatched global footprint, broad product portfolio, and first mover capacity expansion plans to support growing demand for innovative and sustainable aluminum solutions, Novelis will continue to lead the aluminum industry in fostering a circular economy and driving long-term value for our stakeholders."

Net sales increased 32% to \$5.1 billion for the first quarter of fiscal year 2023, compared to \$3.9 billion in the prior year period, primarily driven by higher average aluminum prices and local market premiums. Total flat rolled product shipments were 962 kilotonnes, 1% lower than prior year shipments of 973 kilotonnes, due mainly to supply chain constraints.

Adjusted EBITDA increased 1% to a record \$561 million in the first quarter of fiscal year 2023, compared to \$555 million in the prior year period which included a \$47 million gain related to a favorable decision in a Brazilian tax litigation. The underlying increase in Adjusted EBITDA is primarily due to higher product pricing, including some higher cost pass-through to customers, favorable product mix on improved automotive and aerospace shipments, and lower metal costs due to improved recycling performance, partially offset by high cost inflation and unfavorable foreign exchange translation.

Adjusted Free Cash Flow from Continuing Operations was an outflow of \$72 million in the first quarter of fiscal year 2023, higher than the prior year period outflow of \$30 million due primarily to less favorable metal price lag. The company had a net leverage ratio (Net Debt / TTM Adjusted EBITDA) of 2.2x at the end of the first quarter of fiscal year 2023, compared to 2.5x in the prior year period.

"In a strong demand but capacity constrained environment, we continue to focus on delivering high-quality, high-recycled-content products to customers while continually optimizing our operations and portfolio," said Devinder Ahuja, Executive Vice President and Chief Financial Officer, Novelis Inc. "Given the growing market, we are vigorously allocating capital to continue to grow alongside our customers, with more than \$4.5 billion of investment opportunities on our horizon."

The company continues to maintain a strong Total Liquidity position of \$2.4 billion as of June 30, 2022.

## **First Quarter Fiscal Year 2023 Earnings Conference Call**

Novelis will discuss its first quarter fiscal year 2023 results via a live webcast and conference call for investors at 7:00 a.m. EDT on Tuesday, August 2, 2022. To view slides and listen only, visit <https://cc.callinfo.com/r/12r0f77q93ypv&eom>. To join by telephone, dial toll-free in North America at 800-750-5849, India toll-free at 18002661057 or the international toll line at +1-212-231-2905. Presentation materials and access information can also be found at [novelis.com/investors](https://novelis.com/investors).

### **About Novelis**

Novelis Inc. is driven by its purpose of shaping a sustainable world together. We are a critical partner providing innovative aluminum solutions to customers and the world's largest roller and 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, as well as our customers in the aerospace, automotive, beverage can, and specialties industries throughout North America, Europe, Asia, and South America. Novelis had net sales of \$17.1 billion in fiscal year 2022. Novelis is a subsidiary of Hindalco Industries Limited, an industry leader in aluminum and copper, and the metals flagship company of the Aditya Birla Group, a multinational conglomerate based in Mumbai. For more information, visit [novelis.com](https://novelis.com).

### **Non-GAAP Financial Measures**

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

Attached to this news release are tables showing the condensed consolidated statements of operations, condensed consolidated balance sheets, condensed consolidated statements of cash flows, reconciliation of Adjusted EBITDA, Adjusted Free Cash Flow, Total Liquidity, Net Debt, income from continuing operations excluding special items, and segment information.

## Forward-Looking Statements

Statements made in this news release which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward-looking statements in this news release are statements about our ability to drive long-term value for our stakeholders or grow alongside our customers. 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 labor, freight, coatings and alloys; the capacity and effectiveness of our hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing including in connection with potential acquisitions and investments; 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 or geopolitical factors, such as Russia's recent invasion of Ukraine; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; 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 ongoing COVID-19 outbreak; 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, 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 risk factors are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022.

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**Novelis Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)**

(in millions)	Three Months Ended June 30,	
	2022	2021
Net sales	\$ 5,089	\$ 3,855
Cost of goods sold (exclusive of depreciation and amortization)	4,265	3,137
Selling, general and administrative expenses	164	159
Depreciation and amortization	138	134
Interest expense and amortization of debt issuance costs	58	59
Research and development expenses	23	24
Gain on extinguishment of debt, net	—	(2)
Restructuring and impairment expenses (reversals), net	1	(2)
Equity in net income of non-consolidated affiliates	(4)	(1)
Other expenses (income), net	50	(64)
	4,695	3,444
Income from continuing operations before income tax provision	394	411
Income tax provision	87	108
Net income from continuing operations	307	303
Loss from discontinued operations, net of tax	(1)	(63)
Net income	306	240
Net loss attributable to noncontrolling interest	(1)	—
Net income attributable to our common shareholder	\$ 307	\$ 240



**Novelis Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)**

(in millions, except number of shares)	June 30, 2022	March 31, 2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,037	\$ 1,070
Accounts receivable, net		
— third parties (net of allowance for uncollectible accounts of \$6 as of June 30, 2022, and March 31, 2022)	2,601	2,590
— related parties	234	222
Inventories	3,456	3,038
Prepaid expenses and other current assets	182	195
Fair value of derivative instruments	621	377
Assets held for sale	5	5
Current assets of discontinued operations	6	6
<b>Total current assets</b>	<b>8,142</b>	<b>7,503</b>
Property, plant and equipment, net	4,477	4,624
Goodwill	1,075	1,081
Intangible assets, net	604	623
Investment in and advances to non-consolidated affiliates	801	832
Deferred income tax assets	149	158
Other long-term assets		
— third parties	295	274
— related parties	1	1
<b>Total assets</b>	<b>\$ 15,544</b>	<b>\$ 15,096</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 59	\$ 26
Short-term borrowings	603	529
Accounts payable		
— third parties	3,843	3,869
— related parties	345	320
Fair value of derivative instruments	266	959
Accrued expenses and other current liabilities	859	774
Current liabilities of discontinued operations	21	21
<b>Total current liabilities</b>	<b>5,996</b>	<b>6,498</b>
Long-term debt, net of current portion	4,894	4,967
Deferred income tax liabilities	387	158
Accrued postretirement benefits	631	669
Other long-term liabilities	306	295
<b>Total liabilities</b>	<b>12,214</b>	<b>12,587</b>
Commitments and contingencies		
<b>Shareholder's equity</b>		
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of June 30, 2022, and March 31, 2022	—	—
Additional paid-in capital	1,304	1,304
Retained earnings	2,125	1,818
Accumulated other comprehensive loss	(105)	(620)
<b>Total equity of our common shareholder</b>	<b>3,324</b>	<b>2,502</b>
<b>Noncontrolling interest</b>	<b>6</b>	<b>7</b>
<b>Total equity</b>	<b>3,330</b>	<b>2,509</b>
<b>Total liabilities and equity</b>	<b>\$ 15,544</b>	<b>\$ 15,096</b>

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

(in millions)	Three Months Ended June 30,	
	2022	2021
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 306	\$ 240
Net loss from discontinued operations	(1)	(63)
Net income from continuing operations	\$ 307	\$ 303
Adjustments to determine net cash provided by operating activities:		
Depreciation and amortization	138	134
(Gain) loss on unrealized derivatives and other realized derivatives in investing activities, net	(18)	13
Loss on sale of assets, net	1	—
Gain on extinguishment of debt, net	—	(2)
Deferred income taxes, net	12	56
Equity in net income of non-consolidated affiliates	(4)	(1)
(Gain) loss on foreign exchange remeasurement of debt	(11)	1
Amortization of debt issuance costs and carrying value adjustments	4	5
Other, net	1	1
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):		
Accounts receivable	(97)	(357)
Inventories	(510)	(451)
Accounts payable	135	498
Other assets	7	(55)
Other liabilities	79	(80)
Net cash provided by operating activities – continuing operations	44	65
Net cash used in operating activities – discontinued operations	(1)	(3)
<b>Net cash provided by operating activities</b>	<b>\$ 43</b>	<b>\$ 62</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	\$ (110)	\$ (101)
Acquisition of business and other investments, net of cash acquired	(4)	—
Proceeds from sales of assets, third party, net of transaction fees and hedging	—	1
(Outflows) proceeds from investment in and advances to non-consolidated affiliates, net	(9)	7
Outflows from the settlement of derivative instruments, net	(3)	(4)
Other	6	3
<b>Net cash used in investing activities</b>	<b>\$ (120)</b>	<b>\$ (94)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term and short-term borrowings	\$ —	\$ 20
Principal payments of long-term and short-term borrowings	(107)	(262)
Revolving credit facilities and other, net	183	125
Debt issuance costs	—	(2)
<b>Net cash provided by (used in) financing activities</b>	<b>\$ 76</b>	<b>\$ (119)</b>
Net decrease in cash, cash equivalents and restricted cash	(1)	(151)
<b>Effect of exchange rate changes on cash</b>	(33)	11
Cash, cash equivalents and restricted cash — beginning of period	1,084	1,027
<b>Cash, cash equivalents and restricted cash — end of period</b>	<b>\$ 1,050</b>	<b>\$ 887</b>
Cash and cash equivalents	\$ 1,037	\$ 872
Restricted cash (included in other long-term assets)	13	15
<b>Cash, cash equivalents and restricted cash — end of period</b>	<b>\$ 1,050</b>	<b>\$ 887</b>

## Reconciliation of Adjusted EBITDA (unaudited) to Net Income Attributable to our Common Shareholder

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

(in millions)	Three Months Ended June 30,	
	2022	2021
Net income attributable to our common shareholder	\$ 307	\$ 240
Net loss attributable to noncontrolling interests	(1)	—
Income tax provision	87	108
Interest, net	54	56
Depreciation and amortization	138	134
EBITDA	\$ 585	\$ 538
Adjustment to reconcile proportional consolidation	\$ 14	\$ 14
Unrealized (gains) losses on change in fair value of derivative instruments, net	(42)	4
Realized gains on derivative instruments not included in Adjusted EBITDA	(1)	(1)
Gain on extinguishment of debt, net	—	(2)
Restructuring and impairment expenses (reversals), net	1	(2)
Loss on sale assets, net	1	—
Loss from discontinued operations, net of tax	1	63
Metal price lag	(3)	(54)
Other, net	5	(5)
Adjusted EBITDA	\$ 561	\$ 555

### Adjusted Free Cash Flow (unaudited)

The following table reconciles Adjusted Free Cash Flow and Adjusted Free Cash Flow from Continuing Operations, non-GAAP financial measures, to net cash provided by operating activities - continuing operations.

(in millions)	Three Months Ended June 30,	
	2022	2021
Net cash provided by operating activities – continuing operations	\$ 44	\$ 65
Net cash used in investing activities – continuing operations	(120)	(94)
Plus: Cash used in the acquisition of business and other investments, net of cash acquired	4	—
Less: Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging	—	(1)
Adjusted Free Cash Flow from Continuing Operations	(72)	(30)
Net cash used in operating activities – discontinued operations	(1)	(3)
Adjusted Free Cash Flow	<u>\$ (73)</u>	<u>\$ (33)</u>

### Cash and Cash Equivalents and Total Liquidity (unaudited)

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

(in millions)	June 30, 2022	March 31, 2022
	Cash and cash equivalents	\$ 1,037
Availability under committed credit facilities	1,341	1,499
Total Liquidity	<u>\$ 2,378</u>	<u>\$ 2,569</u>

### Net Debt (unaudited)

The following table reconciles long-term debt, net of current portion to Net Debt.

	June 30,	
	2022	2021
Long-term debt, net of current portion	\$ 4,894	\$ 4,960
Current portion of long-term debt	59	541
Short-term borrowings	603	359
Cash and cash equivalents	(1,037)	(872)
Net Debt	<u>\$ 4,519</u>	<u>\$ 4,988</u>

### Reconciliation of Net Income from Continuing Operations, Excluding Special Items (unaudited) to Net Income from Continuing Operations

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

(in millions)	Three Months Ended June 30,	
	2022	2021
Net income from continuing operations	\$ 307	\$ 303
Special Items:		
Gain on extinguishment of debt, net	—	(2)
Metal price lag	(3)	(54)
Restructuring and impairment expenses (reversals), net	1	(2)
Tax effect on special items	2	15
Net income from continuing operations, excluding special items	<u>\$ 307</u>	<u>\$ 260</u>

## Segment Information (unaudited)

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

<b>Selected Operating Results Three Months Ended June 30, 2022</b>	<b>North America</b>	<b>Europe</b>	<b>Asia</b>	<b>South America</b>	<b>Eliminations and Other</b>	<b>Total</b>
Adjusted EBITDA	\$ 227	\$ 84	\$ 94	\$ 156	\$ —	\$ 561

<b>Shipments (in kt)</b>						
Rolled products – third party	386	265	164	147	—	962
Rolled products – intersegment	—	7	21	1	(29)	—
Total rolled products	386	272	185	148	(29)	962

<b>Selected Operating Results Three Months Ended June 30, 2021</b>	<b>North America</b>	<b>Europe</b>	<b>Asia</b>	<b>South America</b>	<b>Eliminations and Other</b>	<b>Total</b>
Adjusted EBITDA	\$ 172	\$ 102	\$ 88	\$ 193	\$ —	\$ 555

<b>Shipments (in kt)</b>						
Rolled products – third party	358	268	190	157	—	973
Rolled products – intersegment	—	11	2	—	(13)	—
Total rolled products	358	279	192	157	(13)	973