

NOVELIS Q2 FISCAL 2020 EARNINGS CONFERENCE CALL

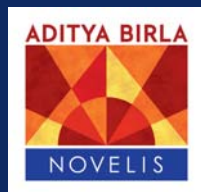
November 6, 2019

Steve Fisher

President and Chief Executive Officer

Dev Ahuja

Senior Vice President and Chief Financial Officer



Novelis

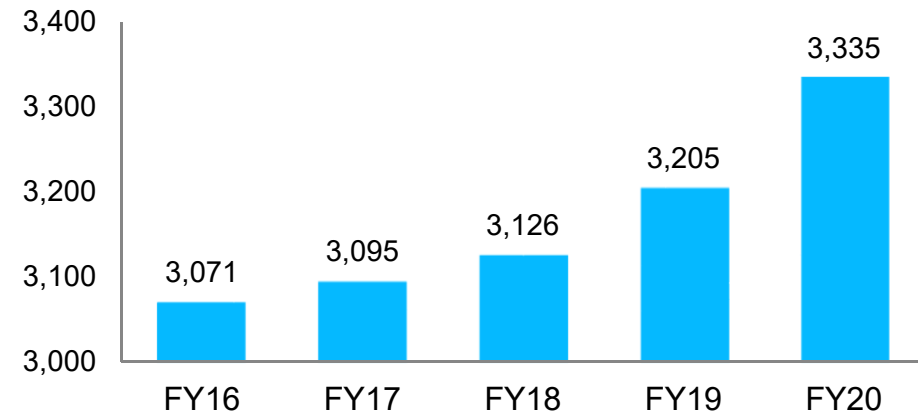
Forward-looking statements

Statements made in this presentation which describe Novelis' intentions, expectations, beliefs or predictions may be forward-looking statements within the meaning of securities laws. Forward-looking statements include statements preceded by, followed by, or including the words "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," or similar expressions. Examples of forward looking statements in this news release are statements about our expectation that the proposed Aleris acquisition will close by the outside date under the merger agreement, subject to closing conditions and regulatory approvals. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing including in connection with potential acquisitions and investments; risks relating to, and our ability to consummate, pending and future acquisitions, investments or divestitures, including the proposed acquisition of Aleris Corporation; changes in the relative values of various currencies and the effectiveness of our currency hedging activities; factors affecting our operations, such as litigation, environmental remediation and clean-up costs, labor relations and negotiations; breakdown of equipment and other events; economic, regulatory and political factors within the countries in which we operate or sell our products, including changes in duties or tariffs; competition from other aluminum rolled products producers as well as from substitute materials such as steel, glass, plastic and composite materials; changes in general economic conditions including deterioration in the global economy; changes in government regulations, particularly those affecting taxes, derivative instruments, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our credit facilities and other financing agreements; and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2019.

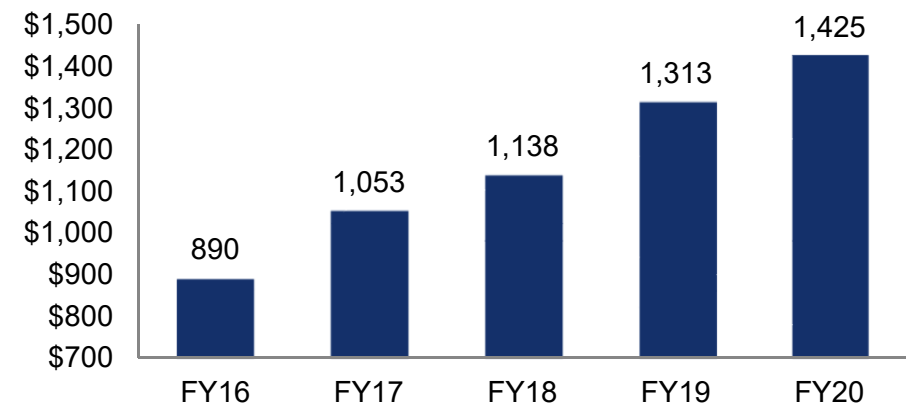
Q2FY20 BUSINESS HIGHLIGHTS

- Excellent operational performance
 - Improving recovery & quality
 - Unlocking capacity
 - Increasing customer satisfaction
- Broadly favorable market conditions and demand, particularly in Beverage Can
- Strong financial position
 - Q2FY20 Adjusted EBITDA/ton \$448
 - Strong liquidity position \$1.8 billion
 - Net leverage further improved to 2.4x
- All major strategic capacity expansion projects are on track

Trailing Twelve Month ending September 30 Shipments
(kilotonnes)



Trailing Twelve Month ending September 30 Adjusted EBITDA
(\$ millions)



Beverage Can

- Demand trends strong globally
- Growth in emerging markets
- Package mix shift from other substrates to aluminum
- New beverage types released in aluminum
- Rising consumer preference favors sustainable aluminum packaging

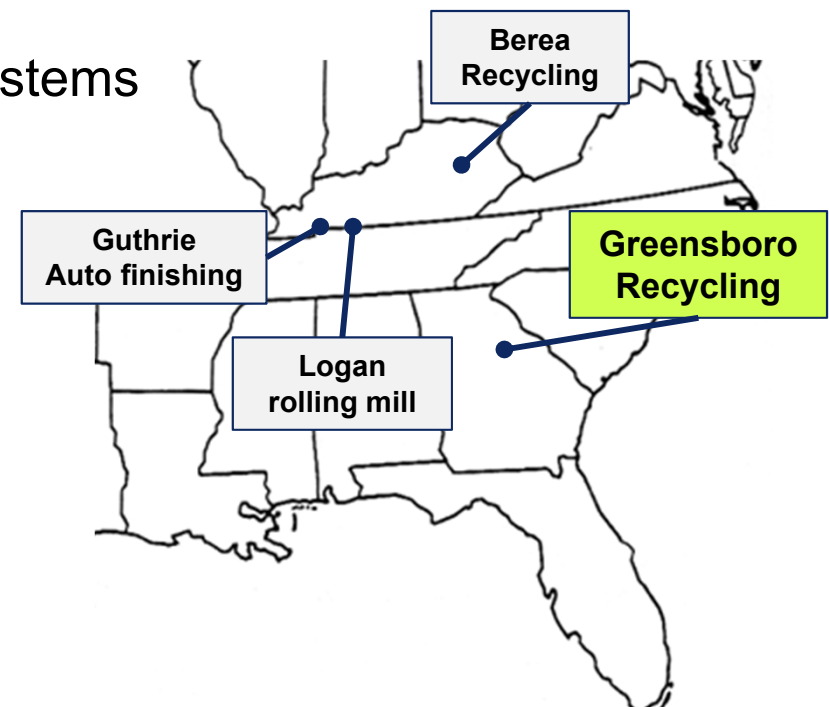
Automotive

- Exposure to trucks, SUVs, electric & premium vehicles
- North America market remains strong
- Broad aluminization trend throughout Europe
- Some challenges in Europe due to exposure to one large customer
- Trade war/weak consumer confidence in China

Specialties

- North America tailwinds reducing
- Increasing competition with Chinese imports in regions outside U.S.
- Novelis capacity constraints create opportunities for portfolio optimization

- Novelis is the world's largest recycler of aluminum
- Support increased consumer demand for sustainable products in Beverage Packaging, Automotive, and Specialty markets
 - FY19 recycled content in our products at 61%
 - Leveraging Customer Solution Centers
 - Expanding closed-loop recycling systems
- Recently announced US recycling expansion
 - \$36 million capital investment in Greensboro, Georgia
 - Expands capacity to recycle automotive aluminum scrap



Shaping a sustainable world together

- Continue to work through regulatory and closing process
 - Conditional approval granted in Europe, pending divestment of Duffel plant
 - Clear path to approval in the US
 - China discussions in process
- Expected to close the transaction by January 21, 2020, the outside date under the merger agreement, subject to closing conditions and regulatory approvals



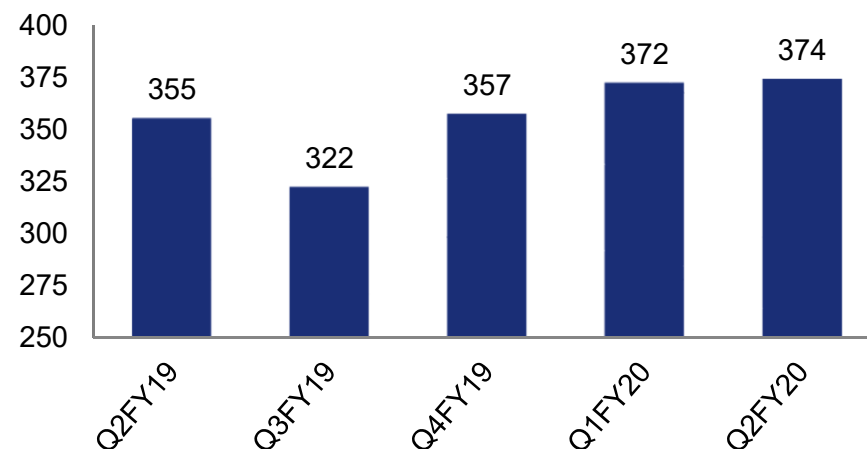
FINANCIAL HIGHLIGHTS

Q2 FISCAL 2020 FINANCIAL HIGHLIGHTS

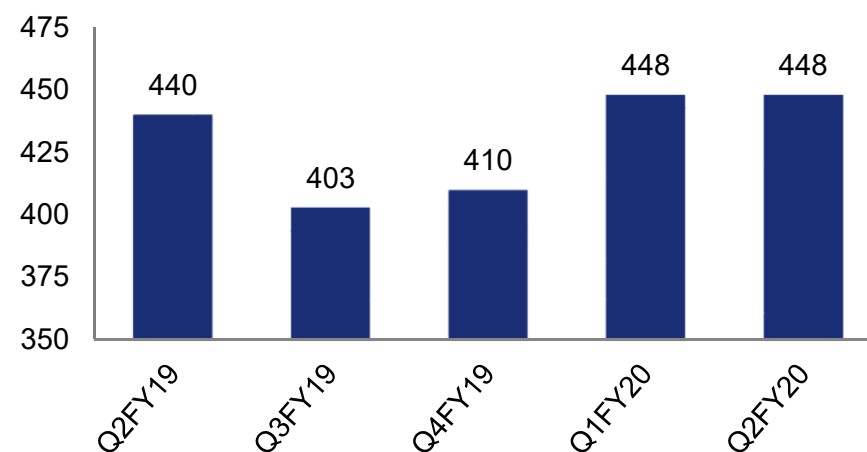
Q2FY20 vs Q2FY19

- Net income of \$123 million
 - Excluding tax-effected special items*, net income of \$160 million compared to \$122 million in the prior year
 - Q2 FY20 \$32 million restructuring
- Adjusted EBITDA up 5% from \$355 million to \$374 million
- Adjusted EBITDA per ton \$448
- Sales down 9% to \$2.9 billion on lower LME prices and local market premiums
- Total FRP Shipments up 3% to 835 kilotonnes

Quarterly Adjusted EBITDA (\$ millions)

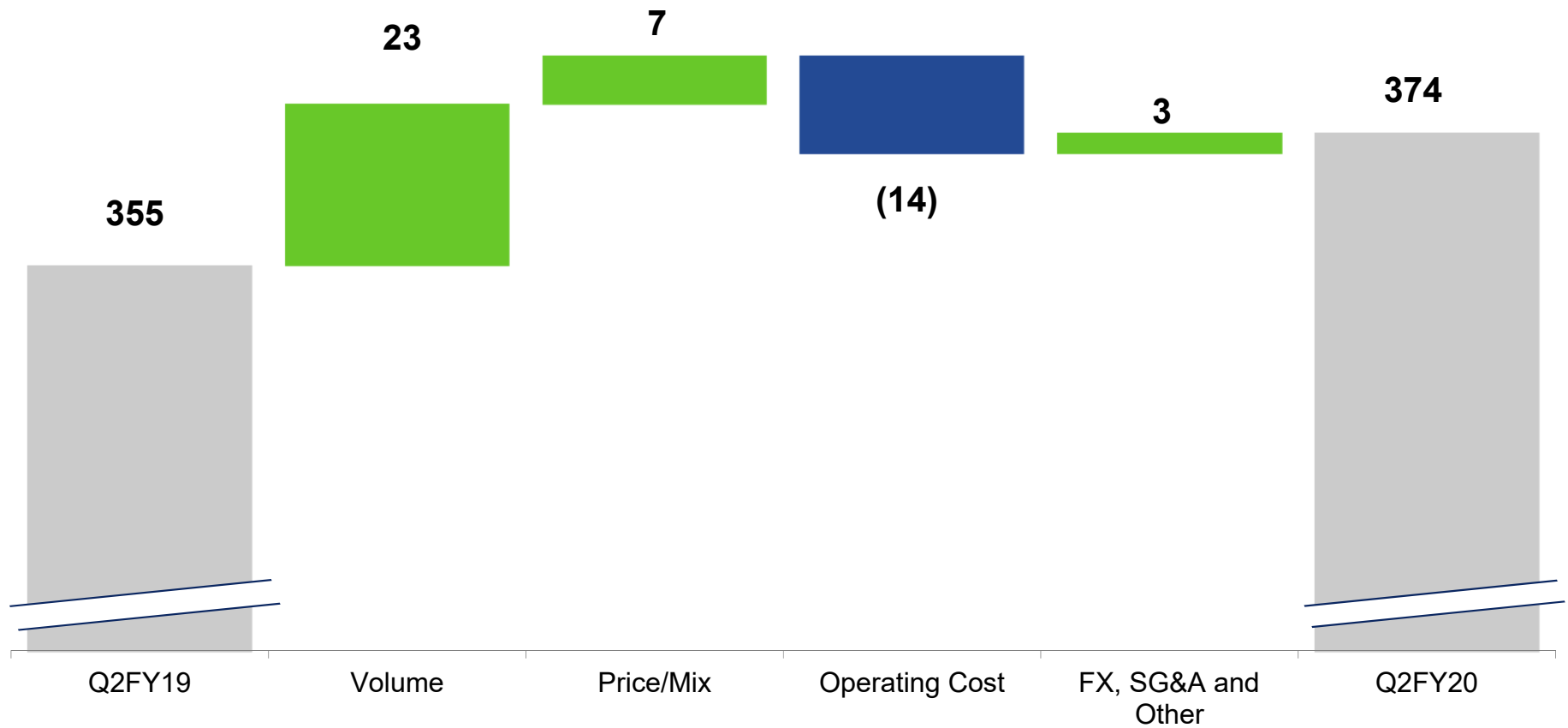


Quarterly Adjusted EBITDA per ton (\$)



Q2 ADJUSTED EBITDA BRIDGE

\$ Millions



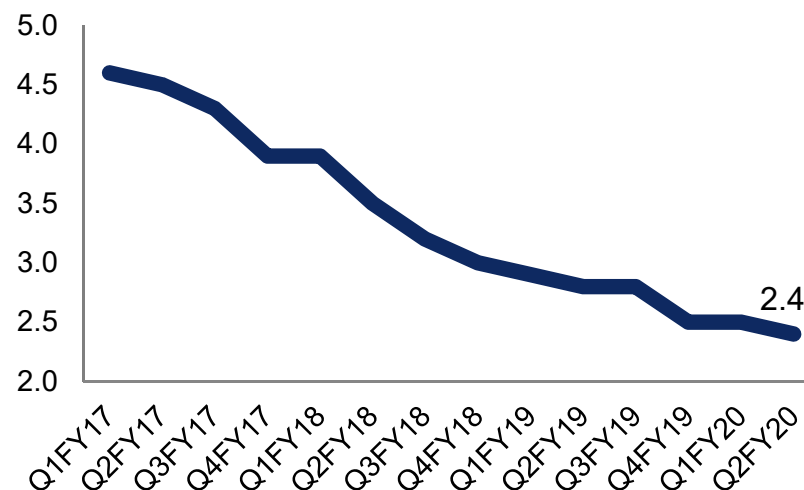
Maximizing our capacity, optimizing the portfolio

FREE CASH FLOW AND NET LEVERAGE

\$ Millions	YTD FY20	YTD FY19
Adjusted EBITDA	746	689
Interest paid	(116)	(122)
Taxes paid	(99)	(95)
Working capital & other	(213)	(254)
Free cash flow before CapEx	318	218
Capital expenditures	(300)	(114)
Free cash flow	18	104

Prior period is adjusted to conform to current presentation

Net Leverage ratio
Net debt/TTM Adjusted EBITDA



- Free cash flow before capital expenditures increased 46%
 - Higher adjusted EBITDA
 - Lower working capital outflow
- YTD capital expenditures \$300 million, primarily to support strategic capacity expansions
- Net leverage ratio decreased to 2.4x

SUMMARY

- Overall excellent operating performance in broadly favorable market conditions driving record results
- Delivering high-quality, sustainable, innovative products to customers
- Strategic investments to enhance our product portfolio, expand recycling operations, and strengthen our business for the long term are on time and on budget



THANK YOU
QUESTIONS?

APPENDIX

NET INCOME RECONCILIATION TO ADJUSTED EBITDA



(in \$ m)	Q1	Q2	Q3	Q4	FY19	Q1 FY20	Q2 FY20
Net income attributable to our common shareholder	137	116	78	103	434	127	123
- Noncontrolling interests	-	-	-	-	-	-	-
- Income tax provision	53	64	37	48	202	63	45
- Interest, net	63	66	64	65	258	62	58
- Depreciation and amortization	86	86	88	90	350	88	88
EBITDA	339	332	267	306	1,244	340	314
- Unrealized (gain) loss on derivatives	4	(1)	6	1	10	(6)	(3)
- Realized (gain) loss on derivative instruments not included in segment income	-	(1)	-	(1)	(2)	2	1
- Proportional consolidation	16	15	14	13	58	15	14
- (Gain) loss on sale of fixed assets	3	(1)	2	2	6	(1)	(1)
- Restructuring and impairment, net	1	-	1	-	2	1	32
- Metal price lag (income) expense	(33)	(1)	13	25	4	2	5
- Business acquisition and other integration costs	2	8	14	9	33	17	12
- Other, net	2	4	5	2	13	2	-
Adjusted EBITDA	\$334	\$355	\$322	\$357	\$1,368	\$372	\$374

FREE CASH FLOW AND LIQUIDITY

(in \$ m)	Q1	Q2	Q3	Q4	FY19	Q1 FY20	Q2 FY20
Cash provided by (used in) operating activities	48	162	114	404	728	57	240
Cash provided by (used in) investing activities	(52)	(291)	(91)	(123)	(557)	(149)	(127)
Plus: Cash used in the acquisition of assets under a capital lease	-	239	-	-	239	-	-
Less: (proceeds) outflows from sale of assets, net of transaction fees, cash income taxes and hedging	-	(2)	-	-	(2)	(2)	(1)
Free cash flow	\$(4)	\$108	\$23	\$281	\$408	\$(94)	\$112
Capital expenditures	54	60	96	141	351	162	138

"Free cash flow" consists of: (a) "net cash provided by (used in) operating activities," (b) plus "net cash provided by (used in) investing activities" (c) plus cash used in the "Acquisition of assets under a capital lease", and (d) less "proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging". All prior periods presented conform to the presentation adopted for the current period.

(in \$ m)	Q1	Q2	Q3	Q4	FY19	Q1 FY20	Q2 FY20
Cash and cash equivalents	853	829	797	950	950	859	935
Availability under committed credit facilities	1,059	907	884	897	897	870	875
Liquidity	\$1,912	\$1,736	\$1,681	\$1,847	\$1,847	\$1,729	\$1,810