

NOVELIS Q4 & FULL YEAR FISCAL 2020 EARNINGS CONFERENCE CALL

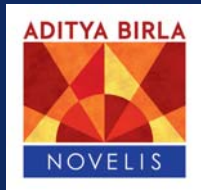
May 7, 2020

Steve Fisher

President and Chief Executive Officer

Dev Ahuja

Senior Vice President and Chief Financial Officer



Novelis

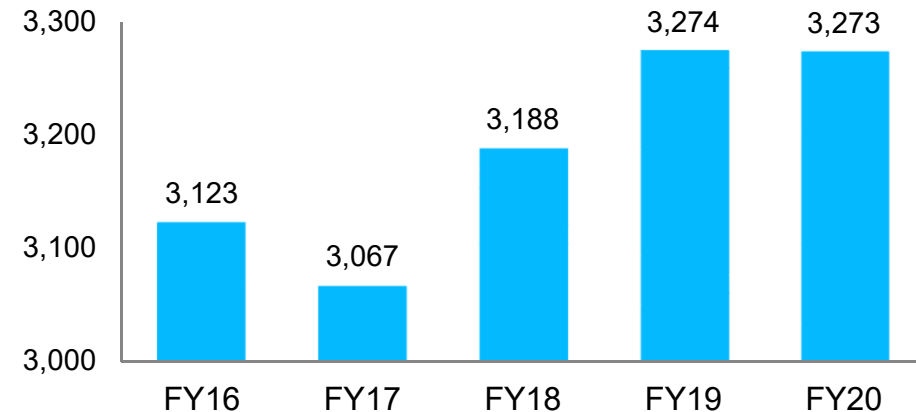
Forward-looking statements

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 of strategic benefits, including synergies, of the Aleris acquisition, and the possible future risks of the COVID-19 pandemic on our business. Novelis cautions that, by their nature, forward-looking statements involve risk and uncertainty and Novelis' actual results could differ materially from those expressed or implied in such statements. We do not intend, and we disclaim any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements include, among other things: changes in the prices and availability of aluminum (or premiums associated with such prices) or other materials and raw materials we use; the capacity and effectiveness of our hedging activities; relationships with, and financial and operating conditions of, our customers, suppliers and other stakeholders; fluctuations in the supply of, and prices for, energy in the areas in which we maintain production facilities; our ability to access financing including in connection with potential acquisitions and investments; risks relating to, and our ability to consummate, pending and future acquisitions, investments or divestitures; 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; the risks of pandemics or other public health emergencies, including the continued spread and impact of, and the governmental and third-party responses to, the recent COVID-19 outbreak; changes in government regulations, particularly those affecting taxes, derivative instruments, environmental, health or safety compliance; changes in interest rates that have the effect of increasing the amounts we pay under our credit facilities and other financing agreements; and our ability to generate cash. The above list of factors is not exhaustive. Other important risk factors are included under the caption "Risk Factors" in our upcoming Annual Report on Form 10-K for the fiscal year ended March 31, 2020.

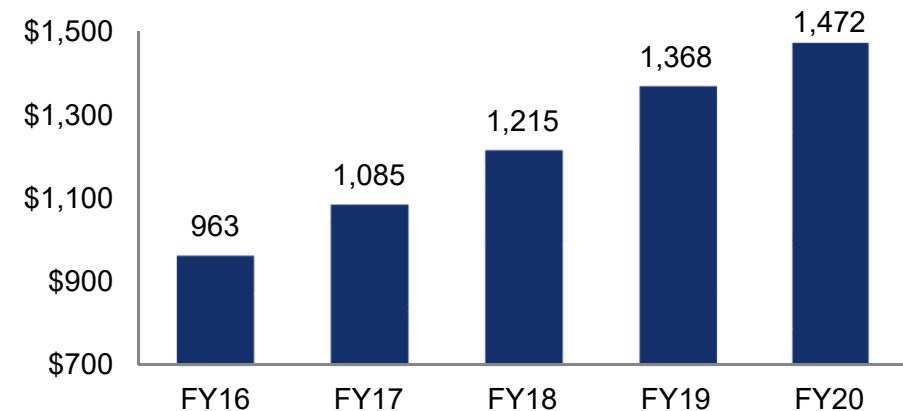
FY20 HIGHLIGHTS

- Fourth consecutive year of record Adjusted EBITDA
- Strong underlying market demand for lightweight, sustainable aluminum FRP
- Continue focus on operational excellence to deliver quality products and unparalleled customer service
- Strong liquidity and balance sheet
- Well positioned to navigate near-term uncertainty and extend industry leadership into our future

Annual Shipments
(kilotonnes)



Annual Adjusted EBITDA
(\$ millions)



A STRONG FOUNDATION

Defend the Core

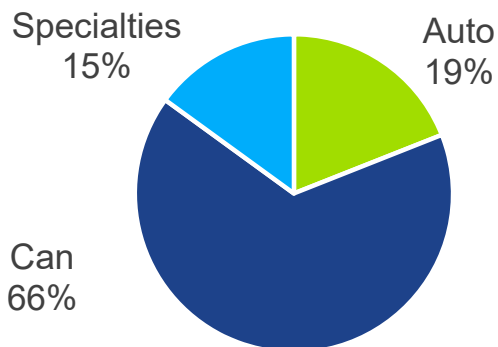
- Global leader in FRP and recycling
- Balanced approach to safely delivering operational excellence, customer service, quality, ROCE
- Utilizing high levels of recycled content



Strengthen our Product Portfolio

- Optimizing our existing product portfolio
- Will further diversify with addition of high-value aerospace and expanded Specialties capabilities

FY20 Novelis Shipment Mix



Invest in Growth Opportunities

- Committed to organic expansions in US, China and Brazil
- Integrating Aleris into the business to drive targeted synergies and value



Coil unwind in Guthrie, Kentucky



Protecting our Employees

- Top priority to help ensure the safety, health and well-being of our employees, facilities and communities



Operational Impact

- Temporary shutdowns due to reduced demand, government decrees
- Adjusting plant schedules in line with customer demand



Strengthening our Financial Position

- Targeting operating fixed cost, SG&A and R&D reductions
- Prioritize committed strategic and maintenance capex
- ABL draw down to increase cash and financial flexibility



Customer Demand Impact

Beverage can:

- Resilience in North America and Europe
- Trade restrictions in Asia limiting ability to export
- Reduced tourism, public events, consumer spending to impact South America and Asia

Automotive:

- US & Europe: Customer shutdowns late March with expectation to resume operations in May
- China: Shutdowns in Jan/Feb; operations slowly resuming with good spot opportunities
- Global recession concerns

Specialties:

- Temporary customer shutdowns and softening demand beginning in late March

Aerospace:

- Lower demand resulting from significantly reduced production and consumer travel

- On April 14, 2020, Novelis completed its acquisition of Aleris
- Strong strategic rationale for transaction
 - Leverage Novelis' deep manufacturing and recycling expertise to optimize Aleris' assets
 - Diversify product portfolio with addition of high-value aerospace
 - Enhances sustainability focus with high recycled content B&C business
 - Enhances and complements Asia operations
 - Strong pro-forma financial profile, including \$150 million of synergies
- Next steps
 - Priority is the safe integration of our new employees and facilities
 - Continue to work with relevant parties to divest Lewisport and Duffel plants



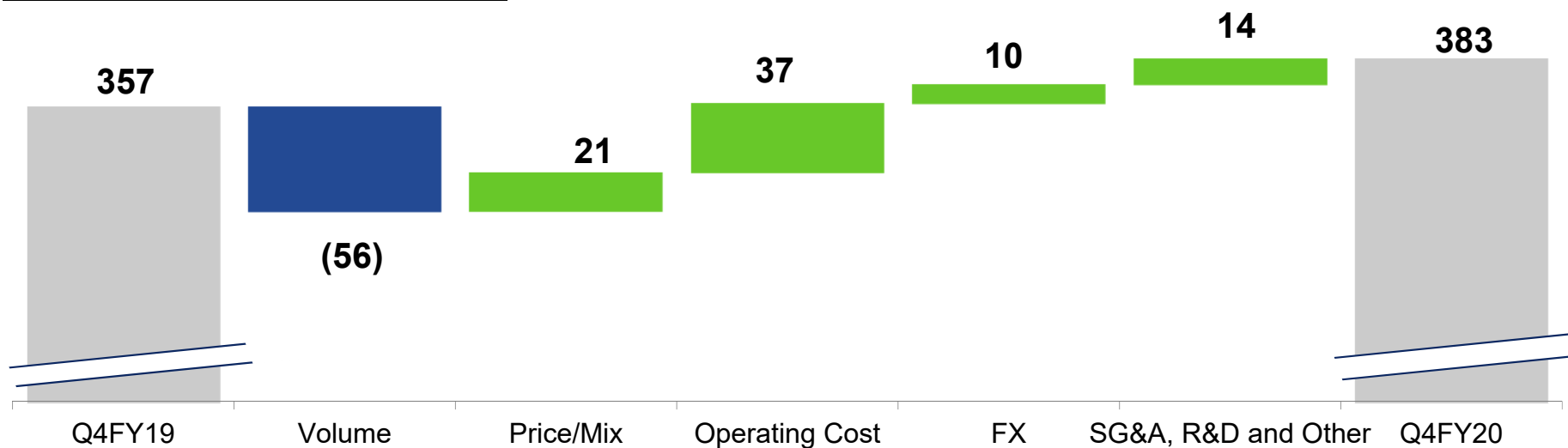
FINANCIAL HIGHLIGHTS

Q4 FISCAL 2020 FINANCIAL HIGHLIGHTS

Q4FY20 vs Q4FY19

- Net income of \$63 million; Excluding tax-effected special items*, net income of \$153 million compared to \$130 million in the prior year
 - \$71 million pre-tax loss on extinguishment of debt associated with January bond refinancing
- Sales down 12% to \$2.7 billion from lower shipments and lower aluminum prices
- Total FRP Shipments down 7% to 811 kilotonnes
- Adjusted EBITDA up 7% from \$357 million to \$383 million
 - Includes favorable timing related to full year \$29 million FY20 contractual customer obligation all recorded in Q4

Adjusted EBITDA bridge, \$ Millions

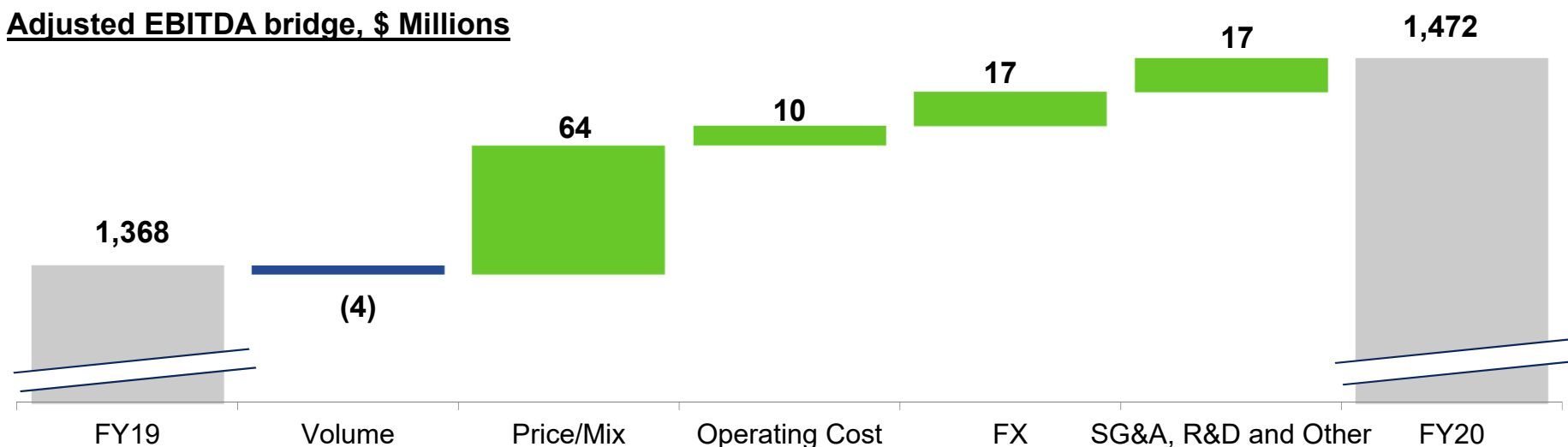


FULL YEAR FISCAL 2020 FINANCIAL HIGHLIGHTS

FY20 vs FY19

- Net income of \$420 million; Excluding tax-effected special items*, net income of \$590 million compared to \$468 million in the prior year
- Sales down 9% to \$11.2 billion on lower average LME aluminum price and local market premiums
- Total FRP Shipments flat at 3,273 kilotonnes
- Adjusted EBITDA up 7% from \$1,368 million to \$1,472 million
- Adjusted EBITDA per ton \$450

Adjusted EBITDA bridge, \$ Millions

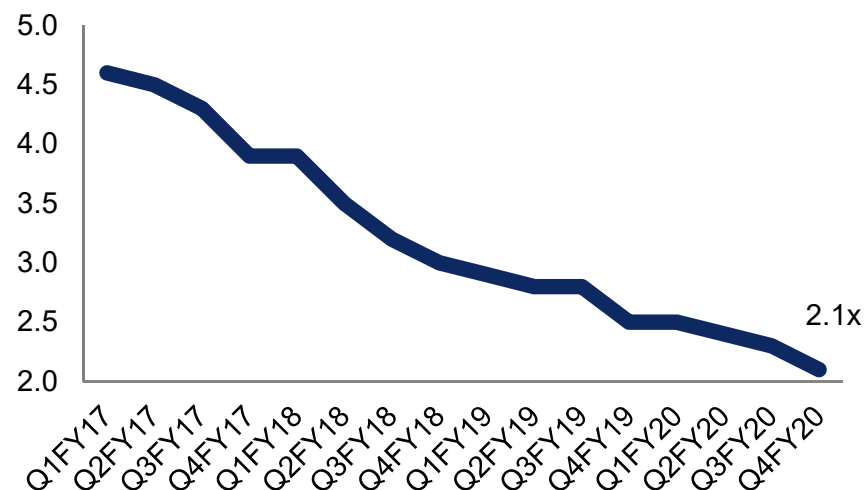


FREE CASH FLOW AND NET LEVERAGE

\$ Millions	FY20	FY19
Adjusted EBITDA	1,472	1,368
Interest paid	(224)	(248)
Taxes paid	(182)	(159)
Working capital & other	(83)	(202)
Free cash flow before CapEx	983	759
Capital expenditures	(599)	(351)
Free cash flow	384	408

Prior period is adjusted to conform to current presentation

Net Leverage ratio
Net debt/TTM Adjusted EBITDA



- Free cash flow before capital expenditures increased 30%
- FY20 capital expenditures increased 71% primarily to support strategic capacity expansions
- Net leverage ratio 2.1x compared to 2.5x FY19

- March 31, 2020 liquidity position of \$2.6 billion
 - In March, drew down \$555 million under our ABL revolver
 - March 31 position includes \$400 million raised in January to partially fund the Aleris acquisition
- April 14 Aleris acquisition financing

Transaction Financing Approximate Sources and Uses

\$ billions

Uses		Sources	
Equity ¹	0.8	1-year bridge loan at LIBOR +0.95%	1.1
Estimated net debt	2.0	5-year secured term loan at LIBOR +1.75%	0.8
Total Uses	~\$2.8	ABL and cash ²	0.9
		Total Sources	~\$2.8

- Current liquidity end of April 2020 ~\$2.0 billion

1) Includes \$50 million earn-out payment based upon Aleris meeting specified commercial margin targets outlined in the Merger Agreement

2) Cash includes \$400 million proceeds from Novelis senior notes issued in January 2020

SUMMARY

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- Well positioned after four consecutive years of record results; FY20 Adjusted EBITDA of \$1.5 billion and free cash flow before capital expenditures of nearly \$1 billion
- Business model durability and comfortable net leverage and liquidity position to sustain operations and critical investments during downturn
- Integration of Aleris and completion of organic expansion projects to strengthen our business for the long term
- Taking appropriate actions today to manage near-term uncertainty associated with COVID while positioning to respond quickly when demand recovers

Novelis



THANK YOU
QUESTIONS?

APPENDIX

NET INCOME RECONCILIATION TO ADJUSTED EBITDA



(in \$ m)	Q1	Q2	Q3	Q4	FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20
Net income attributable to our common shareholder	137	116	78	103	434	127	123	107	63	420
- Noncontrolling interests	-	-	-	-	-	-	-	-	-	-
- Income tax provision	53	64	37	48	202	63	45	49	21	178
- Interest, net	63	66	64	65	258	62	58	57	57	234
- Depreciation and amortization	86	86	88	90	350	88	88	91	94	361
EBITDA	339	332	267	306	1,244	340	314	304	235	1,193
- Unrealized (gain) loss on derivatives	4	(1)	6	1	10	(6)	(3)	(6)	11	(4)
- Realized (gain) loss on derivative instruments not included in segment income	-	(1)	-	(1)	(2)	2	1	(1)	(2)	-
- Adjustment to reconcile proportional consolidation	16	15	14	13	58	15	14	13	15	13
- (Gain) loss on sale of fixed assets	3	(1)	2	2	6	(1)	(1)	1	2	1
- Restructuring and impairment, net	1	-	1	-	2	1	32	3	7	43
- Metal price lag (income) expense	(33)	(1)	13	25	4	2	5	11	20	38
- Business acquisition and other integration costs	2	8	14	9	33	17	12	17	17	63
- Other, net	2	4	5	2	13	2	-	1	7	10
Adjusted EBITDA	\$334	\$355	\$322	\$357	\$1,368	\$372	\$374	\$343	\$383	\$1,472

FREE CASH FLOW AND LIQUIDITY

	(in \$ m)	Q1	Q2	Q3	Q4	FY19	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20
Cash provided by (used in) operating activities		48	162	114	404	728	57	240	167	493	962
Cash provided by (used in) investing activities		(52)	(291)	(91)	(123)	(557)	(149)	(127)	(124)	(175)	(575)
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)	-	-	(3)
Free cash flow		\$(4)	\$108	\$23	\$281	\$408	\$(94)	\$112	\$43	\$318	\$384
Capital expenditures		54	60	96	141	351	162	138	122	177	599

"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	Q3 FY20	Q4 FY20	FY20
Cash and cash equivalents		853	829	797	950	950	859	935	1,031	2,392	2,392
Availability under committed credit facilities		1,059	907	884	897	897	870	875	838	186	186
Liquidity		\$1,912	\$1,736	\$1,681	\$1,847	\$1,847	\$1,729	\$1,810	\$1,869	\$2,578	\$2,578