

#### 3<sup>rd</sup> November, 2021

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, 5th Floor
Dalal Street	Plot No. C/1, G Block
Mumbai: 400 001	Bandra Kurla Complex
Scrip Code: 500440	Bandra (East)
-	Mumbai – 400 051
	Scrip Code: HINDALCO
Mr. Daniel Schammo	
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Dear Sir/ Madam,

### Sub: Press Release of Novelis Inc. (wholly owned subsidiary of Hindalco Industries Limited "the Company") Q2 Financial year 2021-2022

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

Enclosed herewith is the Press release of Novelis Inc. (wholly owned subsidiary) of the Company for the Second quarter Financial year 2021-2022.

Thanking you

Yours faithfully

#### For HINDALCO INDUSTRIES LIMITED

ANIL MALIK President & Company Secretary

Encl: as above

**Hindalco Industries Limited** 

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# News Release

# **Novelis Reports Second Quarter Fiscal 2022 Results**

Diverse portfolio of sustainable aluminum rolled products delivers exceptional financial results

## Q2 Fiscal Year 2022 Highlights

- Net income from continuing operations of \$239 million, up 66% YoY; net income from continuing operations excluding special items was \$244 million, up 54% YoY
- Shipments of 968 kilotonnes, up 5% YoY
- Adjusted EBITDA of \$553 million, up 22% YoY; Adjusted EBITDA per ton shipped reached \$571, up 16% YoY
- Net leverage ratio further improved to 2.4x, compared to 3.7x in the prior year period
- Refinanced \$1.5 billion of 5.875% Senior Notes due 2026 with \$750 million 3.25% Senior Notes due 2026 and \$750 million 3.875% Senior Notes due 2031

**ATLANTA, November 3, 2021** – Novelis Inc., the world leader in aluminum rolling and recycling, today reported net income attributable to its common shareholder of \$237 million in the second quarter of fiscal year 2022 compared to a net loss of \$37 million in the prior year period. Net income from continuing operations increased to \$239 million compared to \$144 million in the prior year. Excluding special items in both years, second quarter fiscal year 2022 net income from continuing operations increased 54% to \$244 million, driven mainly by higher EBITDA.

Net sales increased 38% to \$4.1 billion for the second quarter of fiscal year 2022 compared to \$3.0 billion in the prior year period, primarily driven by a 5% increase in shipments and higher average aluminum prices. Total flat rolled product shipments increased to 968 kilotonnes in the second quarter of fiscal year 2022 compared to 923 kilotonnes in the prior year period, mainly as a result of strong demand for sustainable aluminum beverage packaging and specialty products, partially offset by lower automotive shipments due to the global semiconductor chip shortage impacting the automotive industry.

Adjusted EBITDA increased 22% to \$553 million in the second quarter of fiscal year 2022 compared to \$455 million in the prior year period. The increase in Adjusted EBITDA is primarily due to higher volume and favorable metal benefits, partially offset by inflationary cost pressures. Novelis achieved a record Adjusted EBITDA per ton shipped of \$571 in the second quarter of fiscal year 2022, compared to \$493 in the prior year.

"Our diverse portfolio of high-recycled-content products allowed us to capture strong market demand and deliver another record quarter of EBITDA," said Steve Fisher, President and CEO, Novelis Inc. "While we navigate near-term supply chain challenges, we are actively seeking and implementing new investment opportunities to capture growing customer demand for sustainable, low-carbon aluminum solutions."

Novelis has recently announced plans to invest approximately \$500 million in growth capital projects, including a \$375 million investment to expand its rolling and recycling capabilities in Zhenjiang, China, and a \$130 million investment at its Oswego plant in the US to increase hot mill capacity and enhance automotive sheet finishing capabilities.

Fiscal year-to-date free cash flow from continuing operations was \$158 million compared to the prior year period \$169 million. The primary driver for this reduction versus the prior year was higher working capital requirements due mainly to rising aluminum prices, mostly offset by higher Adjusted EBITDA and favorable metal price lag. The company's net leverage ratio (net debt / TTM Adjusted EBITDA) further improved to 2.4x at the end of the second quarter of fiscal year 2022, compared to 3.7x in the prior year period.

"Since announcing Novelis' long-term capital allocation framework earlier this year, we have reduced gross debt, improved net leverage to below our targeted 2.5x level, and returned \$100 million of capital to our common shareholder," said Devinder Ahuja, Executive Vice President and Chief Financial Officer, Novelis Inc. "At the same time, we have maintained adequate liquidity to effectively manage the business' working capital needs, while also remaining strongly positioned to reinvest capital in new capacity and capabilities."

In August, Novelis successfully completed an offering of \$750 million 3.25% Senior Notes due 2026 and \$750 million 3.875% Senior Notes due 2031. Proceeds were used toward the redemption of all its outstanding 5.875% Senior Notes due 2026.

The company continues to maintain a strong total liquidity position of \$2.1 billion as of September 30, 2021.

## Second Quarter Fiscal Year 2022 Earnings Conference Call

Novelis will discuss its second quarter fiscal year 2022 results via a live webcast and conference call for investors at 7:00 a.m. EDT on Wednesday, November 3, 2021. To view slides and listen only, visit https://cc.callinfo.com/ r/1u6e0vyidg2d9&eom. To join by telephone, dial toll-free in North America at 800-909-4147, India toll-free at 18002660841 or the international toll line at +1-212-231-2924. Presentation materials and access information can also be found at novelis.com/investors.

## About Novelis

Novelis Inc. is driven by its purpose of shaping a sustainable world together. We are a global leader in the production of innovative 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, 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 \$12.3 billion in fiscal year 2021. 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.

## **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 filed as Exhibit 99.2 to our Current Report on Form 8-K furnished to the SEC concurrently with the issuance of this news release. 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, Free Cash Flow, Liquidity, Net 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 reach our long-term carbon neutrality goals and expand our business, and plans to invest approximately \$500 million in growth capital projects. 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, 2021.

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

	-	Three Mor Septen		 Six Mont Septen	
(in millions)		2021	2020	2021	2020
Net sales	\$	4,119	\$ 2,978	\$ 7,974	\$ 5,404
Cost of goods sold (exclusive of depreciation and amortization)		3,400	2,384	6,537	4,485
Selling, general and administrative expenses		142	129	301	251
Depreciation and amortization		134	141	268	259
Interest expense and amortization of debt issuance costs		60	70	119	140
Research and development expenses		21	18	45	37
Loss on extinguishment of debt, net		64		62	—
Restructuring and impairment expenses (reversal), net			7	(2)	8
Equity in net income of non-consolidated affiliates		_	(1)	(1)	(2)
Business acquisition and other related costs				_	11
Other (income) expenses, net		(20)	18	(84)	93
	\$	3,801	\$ 2,766	\$ 7,245	\$ 5,282
Income from continuing operations before income tax provision		318	212	 729	122
Income tax provision		79	68	187	39
Net income from continuing operations	\$	239	\$ 144	\$ 542	\$ 83
Loss from discontinued operations, net of tax		(2)	(11)	(65)	(29)
Loss on sale of discontinued operations, net of tax		_	(170)	_	(170)
Net loss from discontinued operations		(2)	(181)	(65)	(199)
Net income (loss)	\$	237	\$ (37)	\$ 477	\$ (116)
Net income attributable to noncontrolling interest					_
Net income (loss) attributable to our common shareholder	\$	237	\$ (37)	\$ 477	\$ (116)

# Novelis Inc. CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

Current assets:     Cash and cash equivalents     \$     6.659     \$     998       Courner teachvable, net	in millions, except number of shares) ASSETS		otember 30, 2021	March 31, 2021		
Cash and cash equivalents     \$     659     \$     998       Accounts receivable, net     -     -     -     -     -     1.687						
Accounts receivable, net     2.124     1.687       — related parties (net of allowance for uncollectible accounts of \$7 and \$5 as of September 30, 221 and March 31, 2021, respectively)     2.124     1.687       — related parties     2.623     1.928     1.928       Prepaid expenses and other current assets     2.121     1.887       Fair value of derivative instruments     2.17     1.377       Assets held for sale     5     5       Current assets     6.074     5.134       Property, plant and equipment, net     4.628     4.667       Goodwill     1.033     1.083       Intargible assets, net     6.074     1.317       Other long-term assets     271     316       Other long-term assets     271     316       Other long-term assets     271     316       Urrent labilities:     271     316       Urrent labilities:     2     1.3680       Urrent labilities:     2     1.3680       Urrent labilities:     2     2.485       Idsel parties     3.083     2.498       Other long-term debt     \$ 4		\$	659	\$	998	
— third parties (net of allowance for uncollectible accounts of \$7 and \$5 as of September 30, 2021 and March 31, 2021, respectively)     2,124     1,687       — related parties     2,223     10,823     1,923       Fuer other current assets     2,124     1,923     1,923       Frei value of derivative instruments     2,17     137       Assets held for sale     5     5       Current assets     2,124     4,683       Property, plant and equipment, net     4,623     4,683       Goddwill     1,083     1,083       Intrestible assets, net     6,655     6,696       Investment in and advances to non-consolidated affiliates     8,33     3,33       Deferred income tax assets     11     11       Total assets     1     11     11       Current assets     217     3,166     11     11       Total assets     1     1     1     11     11       Current assets     217     3,166     16     16     16       Current assets     217     3,166     16     16     16     16		Ψ	000	Ψ	000	
2021 and March 31, 2021, respectively)     2,124     1,687       related parties     2,623     1,928       Prepaid expenses and other current assets     2,12     198       Prepaid expenses and other current assets     2,12     198       Pair value of derivative instruments     2,12     198       Assets held for sale     5     5       Current assets of discontinued operations     12     15       Total current assets     8     6,074     \$						
Inventories     2,623     1,928       Prepaid expenses and other current assets     212     198       Prepaid expenses and other current assets     212     198       Sasets held for sale     5     5       Current assets of discontinued operations     12     15       Total current assets     \$     6,074     \$     5,134       Property, plant and equipment, net     4,628     4,687     6,668       Investment in and advances to non-consolidated affiliates     831     838     838       Deferred income tax assets     101     11     137     130       Other long-term assets     271     316     \$     12,885       LIABILITES AND SHAREHOLDER'S EQUITY     \$     13,680     \$     12,885       LIABILITES AND SHAREHOLDER'S EQUITY     \$     443     \$     71       Short-lerm borrowings     247     236     Accounts payable     266     230       - related parties     3,083     2,498     -     716     5,5319     \$     4,001       Lorge-term diabilities of discontinued operations			2,124		1,687	
Prepaid expenses and other current assets     212     198       Fair value of derivative instruments     217     137       Assets held for sale     5     5       Current assets of discontinued operations     12     15       Total current assets     6,074     \$ 5,134       Property, plant and equipment, net     4,628     4,687       Goodwill     1,083     1,083       Investment in and advances to non-consolidated affiliates     655     666       Investment in and advances to non-consolidated affiliates     831     838       Deferred income tax assets     137     130       Other long-term assets     271     316       — entiated parties     1     1       Total assets     271     316       LIABLITIES AND SHAREHOLDER'S EQUITY     13,680     \$ 12,885       Current liabilities:     2     247       Cocounts payable     2     247       — third parties     3,083     2,498       — related parties     655     670       Current liabilities     5,319     \$ 4,001	— related parties		222		166	
Fair value of derivative instruments     217     137       Assets hold for sale     5     5       Current assets of discontinued operations     12     15       Total current assets     \$     6,074     \$     5,134       Properly, plant and equipment, net     4,628     4,687     6,067     \$     5,134       Properly, plant and equipment, net     4,628     4,687     6,067     \$     5,134       Odowill     1,083     1,084     1,014     1,044	Inventories		2,623		1,928	
Assets held for sale     5     5       Current assets of discontinued operations     12     15       Total current assets     6,074     \$     5,134       Property, plant and equipment, net     4,628     4,667       Goodwill     1,083     1,083       Intangible assets, net     655     696       Investment in and advances to non-consolidated affiliates     831     838       Deferred income tax assets     137     130       Other long-term assets     271     316       — third parties     271     316       — notat assets     1     1       Total assets     2     1       Current liabilities:     1     1       Current liabilities     247     236       Accounts payable     2443     \$     71       Sont-term borrowings     2443     \$     71       Accounts payable     30,83     2,498     2,498       — related parties     296     230     5,319     \$     4,001       Long-term debt, net of current liabilities <td< td=""><td>Prepaid expenses and other current assets</td><td></td><td>212</td><td></td><td>198</td></td<>	Prepaid expenses and other current assets		212		198	
Current assets of discontinued operations     12     15       Total current assets     \$ 6.074     \$ 5.134       Property, plant and equipment, net     4.623     4.687       Goodwill     1.083     1.083     1.083       Intangible assets, net     655     666       Investment in and advances to non-consolidated affiliates     831     838       Deferred income tax assets     137     130       Other long-term assets     271     316       — related parties     1     1     1       Total assets     271     316     \$ 12,885       LIABILITIES AND SHAREHOLDER'S EQUITY     1     1     1       Current labilities:     247     2266     230       Current toprion of long-term debt     \$ 443     \$ 711     5       Short-lerm borrowings     3,083     2,498     - related parties     296     2300       Fair value of derivative instruments     655     6700     6700     6731     6       Total current liabilities     55319     \$ 4,901     16     16     16	Fair value of derivative instruments		217		137	
Total current assets     \$     6,074     \$     5,134       Property, plant and equipment, net     4,628     4,687       Goodwill     1,083     1,083       Intangible assets, net     655     666       Investment in and advances to non-consolidated affiliates     831     838       Deferred income tax assets     137     130       Other long-term assets     271     316       - netlated parties     1     1       Total assets     1     1       Current liabilities:     1     1       Current liabilities:     247     236       Current liabilities:     247     236       Current liabilities:     247     236       Accounts payable     247     230       - related parties     296     230       Fair value of derivative instruments     582     280       Accounts payable     13     16       - third parties     55,319     \$ 4,001       Long-term diabilities     655     670       Current liabilities     53,139 <t< td=""><td>Assets held for sale</td><td></td><td>5</td><td></td><td>5</td></t<>	Assets held for sale		5		5	
Property, plant and equipment, net     4,628     4,687       Goodwill     1,083     1,083       Intangible assets, net     655     696       Investment in and advances to non-consolidated affiliates     831     838       Deferred income tax assets     137     130       Other long-term assets     137     1360       — third parties     211     3166       — related parties     1     1       Total assets     5     13,680     \$ 12,885       LIABILITIES AND SHAREHOLDER'S EQUITY     Current portion of long-term debt     \$ 443     \$ 71       Short-term borrowings     247     236       Accounts payable     3,083     2,498       — nelated parties     3,083     2,498       Pair value of derivative instruments     582     2800       Accrued expenses and other current liabilities     655     670       Current liabilities of discontinued operations     137     160       Total current liabilities     5319     4,001       Long-term debt, net of current portion     4,942     5,653       Defe	Current assets of discontinued operations		12		15	
Goodwill     1,083     1,083     1,083       Intangible assets, net     655     666       Investment in and advances to non-consolidated affiliates     831     838       Deferred income tax assets     137     1300       Other long-term assets     271     316       — related parties     1     1     1       Total assets     \$ 13,680     \$ 12,885       LIABILITIES AND SHAREHOLDER'S EQUITY     Current portion of long-term debt     \$ 443     \$ 71       Short-term borrowings     247     236     Accounts payable     -       — third parties     3,083     2,498     -     related parties     562     2800       Fair value of derivative instruments     562     2800     Fair value of derivative instruments     562     2800       Current liabilities     130     16     172     162       Accrued expenses and other current liabilities     5,5319     \$ 4,001       Long-term liabilities     172     162       Other long-term liabilities     313     305       Total urgent liabilities     11,304	Total current assets	\$	6,074	\$	5,134	
Intangible assets, net655696Investment in and advances to non-consolidated affiliates831838Deferred income tax assets137130Other long-term assets271316- related parties11Total assets\$ 13,680\$ 12,885LIBLITIES AND SHAREHOLDER'S EQUITY\$ 443\$ 71Current liabilities:247236Current portion of long-term debt\$ 443\$ 71Short-term bortowings247236Accounts payable3,0832,498- related parties2962300Fair value of derivative instruments562280Accrued expenses and other current liabilities5556670Current liabilities of discontinued operations1316Total current liabilities553\$ 4,001Long-term debt, net of current portion4,942\$ 5,653Deferred income tax liabilities3133050Total current liabilities3133050Commitments and contingencies3133059Total liabilities3133059Total liabilities3133059Total liabilities3133059Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021-Additional paid-in capital1,3041,404Retained earnings1,341864Accumulated other comprensive loss(547)(366Total equity of our co	Property, plant and equipment, net		4,628		4,687	
Investment in and advances to non-consolidated affiliates     831     838       Deferred income tax assets     137     130       Other long-term assets     137     130       — third parties     271     316       — related parties     1     1       Total assets     \$     13,680     \$     12,885       LIABILITIES AND SHAREHOLDER'S EQUITY     Current liabilities:     247     236       Current portion of long-term debt     \$     443     \$     71       Short-term borrowings     247     236     230       Accounts payable     -     522     2400       — third parties     50,313     \$     4,492       — related parties     552     2700     230       Current liabilities of discontinued operations     13     16     16       Total current liabilities     553     5,719     \$     4,001       Long-term debt, net of current portion     4,942     5,653     305       Deferred income tax liabilities     313     305     305       Total current liabilit	Goodwill		1,083		1,083	
Deferred income tax assets     137     130       Other long-term assets     271     316       — third parties     271     316       — related parties     1     1       Total assets     \$ 13,680     \$ 12,885       LIABILITIES AND SHAREHOLDER'S EQUITY     247     236       Current liabilities:     247     236       Accounts payable     3,083     2,498       — related parties     3,083     2,498       — related parties     3,083     2,498       — related parties     296     230       Fair value of derivative instruments     552     670       Current liabilities     655     670       Current liabilities     53,19     \$ 4,001       Long-term liabilities     53,19     \$ 4,001       Long-term itabilities     313     16       Other long-term debt, net of current portion     4,942     5,653       Deferred income tax liabilities     313     305       Total current liabilities     313     305       Total inabilities     313     30	Intangible assets, net		655		696	
Other long-term assets     271     316       - related parties     1     1       Total assets     \$ 13,680     \$ 12,885       LIABILITIES AND SHAREHOLDER'S EQUITY     247     236       Current liabilities:     247     236       Accounts payable     247     236       - related parties     296     230       Fair value of derivative instruments     582     280       Accrured expenses and other current liabilities     655     670       Current liabilities of discontinued operations     13     16       Total current liabilities     4,942     5,653       Deferred income tax liabilities     172     162       Accrued postretirement benefits     852     878       Other long-term iabilities     313     305       Total liabilities     313     305       Total liabilities     311,598     \$ 10,999       Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021     -     -       Additional paid–in capital     1,304     1,404     1,304	Investment in and advances to non-consolidated affiliates		831		838	
- third parties   271   316     - related parties   1   1     Total assets   13.680   \$ 13.680   \$ 12.885     LIABILITIES AND SHAREHOLDER'S EQUITY   2   243   \$ 71     Current liabilities:   2443   \$ 71     Short-term borrowings   2447   2366     Accounts payable   3.083   2.498     related parties   3.083   2.498     - related parties   3.083   2.498     Current liabilities of discontinued operations   3.083   2.498     Current liabilities of discontinued operations   131   16     Total current liabilities   5.319   \$ 4.001     Long-term debt, net of current portion   4.942   5.653     Deferred income tax liabilities   313   305     Total current liabilities   313   305     Total current liabilities   11.598   \$ 10.999     Common stock, no par value; unlimited number of shares authorizei 1,000 sh	Deferred income tax assets		137		130	
- related parties     1     1     1       Total assets     \$ 13,680     \$ 12,885       LIABILITIES AND SHAREHOLDER'S EQUITY     -     -       Current liabilities:     -     -       Current portion of long-term debt     \$ 443     \$ 71       Short-term borrowings     247     236       Accounts payable     -     -       - related parties     296     2300       Fair value of derivative instruments     582     2800       Accrued expenses and other current liabilities     655     6700       Current liabilities of discontinued operations     13     16       Total current liabilities     655     6700       Current liabilities of discontinued operations     13     16       Total current liabilities     655     6700       Current liabilities     13     16       Total current liabilities     655     6700       Current liabilities     133     16       Total current liabilities     133     16       Total current liabilities     172     162 <td< td=""><td>Other long-term assets</td><td></td><td></td><td></td><td></td></td<>	Other long-term assets					
Total assets     \$ 13,680     \$ 12,885       LIABILITIES AND SHAREHOLDER'S EQUITY     Current liabilities:     -     -       Current liabilities:     \$ 443     \$ 71       Short-term borrowings     247     236       Accounts payable     3,083     2,498       - related parties     3,083     2,498       - related parties     296     230       Fair value of derivative instruments     565     670       Current liabilities of discontinued operations     13     16       Total current liabilities     655     670       Current liabilities of discontinued operations     13     16       Total current liabilities     655     670       Current liabilities     652     878       Other long-term debt, net of current portion     4,942     5,653       Other long-term liabilities     313     305  <	— third parties		271		316	
LIABILITIES AND SHAREHOLDER'S EQUITYImage: Contrast liabilities:Current liabilities:\$ 443\$ 71Short-term borrowings247247243Accounts payable- third parties296230- third parties296230247248- related parties582280280Accrued expenses and other current liabilities582280Accrued expenses and other current liabilities655670Current liabilities5,319\$ 4,001Long-term debt, net of current portion4,9425,653Deferred income tax liabilities172162Accrued postretirement benefits852878Other long-term liabilities313305Total liabilities313305Shareholder's equity\$ 11,598\$ 10,999Commitments and contingencies\$ 11,598\$ 10,999Shareholder's equityAdditional paid-in capital1,3041,404Retained earnings1,341864Accurulated other comprehensive loss(547)(366Total equity of our common shareholder\$ 2,098\$ 1,902Noncontrolling interest(16)(16)	— related parties		1		1	
Current liabilities:   \$ 443 \$ 71     Short-term borrowings   247   236     Accounts payable   3,083   2,498     third parties   296   230     Fair value of derivative instruments   582   280     Accrued expenses and other current liabilities   655   670     Current liabilities of discontinued operations   13   16     Total current liabilities   5,319   \$ 4,001     Long-term debt, net of current portion   4,942   5,653     Deferred income tax liabilities   172   162     Accrued postretirement benefits   852   878     Other long-term liabilities   11,598   \$ 10,999     Commitments and contingencies   \$ 11,598   \$ 10,999     Commitments and contingencies	Total assets	\$	13,680	\$	12,885	
Current portion of long-term debt   \$   443   \$   71     Short-term borrowings   247   236     Accounts payable   3,083   2,498     - related parties   296   230     Fair value of derivative instruments   582   280     Accrued expenses and other current liabilities   655   670     Current liabilities of discontinued operations   13   16     Total current portion   4,942   5,653     Deferred income tax liabilities   172   162     Accrued postretirement benefits   852   878     Other long-term liabilities   313   305     Total liabilities   313   305     Total liabilities   313   305     Other long-term liabilities   311,598   \$     Other long-term liabilities   313   305     Total liabilities   311,598   \$   10,999     Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021   -   -     Additional paid-in capital   1,304   1,404   1,404     Retained earn	LIABILITIES AND SHAREHOLDER'S EQUITY					
Short-term borrowings     247     236       Accounts payable     3,083     2,498       - related parties     296     230       Fair value of derivative instruments     582     280       Accrued expenses and other current liabilities     655     670       Current liabilities of discontinued operations     13     16       Total current liabilities     5,319     \$ 4,001       Long-term debt, net of current portion     4,942     5,653       Deferred income tax liabilities     172     162       Accrued postretirement benefits     852     878       Other long-term liabilities     313     305       Total liabilities     313     305       Total liabilities     313     305       Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021     -     -       Additional paid-in capital     1,304     1,404       Retained earnings     (547)     (366       Accumulated other comprehensive loss     (547)     (366       Total equity of our common shareholder     \$ 2,098	Current liabilities:					
Accounts payable   3,083   2,498     - third parties   296   230     Fair value of derivative instruments   582   280     Accrued expenses and other current liabilities   6655   670     Current liabilities of discontinued operations   13   16     Total current liabilities   5,319   \$ 4,001     Long-term debt, net of current portion   4,942   5,653     Deferred income tax liabilities   172   162     Accrued postretirement benefits   852   878     Other long-term liabilities   313   305     Total liabilities   \$ 11,598   \$ 10,999     Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021      Additional paid-in capital   1,304   1,404     Retained earnings   (547)   (366     Total equity of	Current portion of long-term debt	\$	443	\$	71	
- third parties     3,083     2,498       - related parties     296     230       Fair value of derivative instruments     582     280       Accrued expenses and other current liabilities     655     670       Current liabilities of discontinued operations     13     16       Total current liabilities     5,319     \$ 4,001       Long-term debt, net of current portion     4,942     5,653       Deferred income tax liabilities     172     162       Accrued postretirement benefits     852     878       Other long-term liabilities     313     305       Total liabilities     313     305       Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021     -     -       Additional paid-in capital     1,304     1,404     864       Accumulated other comprehensive loss     (547)     (366       Total equity of our common shareholder     \$ 2,098     \$ 1,902       Noncontrolling interest     (16)     (16)     -	Short-term borrowings		247		236	
related parties     296     230       Fair value of derivative instruments     582     280       Accrued expenses and other current liabilities     655     670       Current liabilities of discontinued operations     13     16       Total current liabilities     13     16       Total current liabilities     \$5,319     \$ 4,001       Long-term debt, net of current portion     4,942     5,653       Deferred income tax liabilities     172     162       Accrued postretirement benefits     852     878       Other long-term liabilities     313     305       Total liabilities     313     305       Total liabilities     \$ 11,598     \$ 10,999       Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021	Accounts payable					
Fair value of derivative instruments582280Accrued expenses and other current liabilities655670Current liabilities of discontinued operations1316Total current liabilities1316Total current liabilities1316Long-term debt, net of current portion4,9425,653Deferred income tax liabilities172162Accrued postretirement benefits172162Other long-term liabilities313305Total liabilities313305Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021-Additional paid-in capital1,3041,404Retained earnings1,314864Accumulated other comprehensive loss(547)(366Total equity of our common shareholder\$ 2,098\$ 1,902Noncontrolling interest(16)(16	— third parties		3,083		2,498	
Accrued expenses and other current liabilities655670Current liabilities of discontinued operations1316Total current liabilities\$ 5,319\$ 4,001Long-term debt, net of current portion4,9425,653Deferred income tax liabilities172162Accrued postretirement benefits172162Other long-term liabilities313305Total liabilities313305Commitments and contingencies\$ 11,598\$ 10,999Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021Additional paid-in capital1,3041,404Retained earnings1,341864Accumulated other comprehensive loss(547)(366Total equity of our common shareholder\$ 2,098\$ 1,902Noncontrolling interest(16)(16	— related parties		296		230	
Current liabilities of discontinued operations1316Total current liabilities\$ 5,319\$ 4,001Long-term debt, net of current portion4,9425,653Deferred income tax liabilities172162Accrued postretirement benefits852878Other long-term liabilities313305Total liabilities313305Commitments and contingencies\$ 11,598\$ 10,999Shareholder's equity	Fair value of derivative instruments		582		280	
Total current liabilities\$5,319\$4,001Long-term debt, net of current portion4,9425,653Deferred income tax liabilities172162Accrued postretirement benefits852878Other long-term liabilities313305Total liabilities313305Commitments and contingencies\$11,598\$Shareholder's equityCommon stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021Additional paid-in capital1,3041,404864Accumulated other comprehensive loss(547)(366Total equity of our common shareholder\$2,098\$Noncontrolling interest(16)(16	Accrued expenses and other current liabilities		655		670	
Long-term debt, net of current portion4,9425,653Deferred income tax liabilities172162Accrued postretirement benefits852878Other long-term liabilities313305Total liabilities\$ 11,598\$ 10,999Commitments and contingencies\$ 11,598\$ 10,999Shareholder's equityCommon stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021Additional paid-in capital1,3041,404Retained earnings1,341864Accumulated other comprehensive loss(547)(366Total equity of our common shareholder\$ 2,0981,902Noncontrolling interest(16)(16	Current liabilities of discontinued operations		13		16	
Deferred income tax liabilities172162Accrued postretirement benefits852878Other long-term liabilities313305Total liabilities\$ 11,598\$ 10,999Commitments and contingencies	Total current liabilities	\$	5,319	\$	4,001	
Accrued postretirement benefits852878Other long-term liabilities313305Total liabilities\$ 11,598\$ 10,999Commitments and contingencies	Long-term debt, net of current portion		4,942		5,653	
Other long-term liabilities313305Total liabilities\$ 11,598\$ 10,999Commitments and contingenciesShareholder's equityCommon stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021Additional paid-in capital1,3041,404Retained earnings1,341864Accumulated other comprehensive loss(547)(366Total equity of our common shareholder\$ 2,098\$ 1,902Noncontrolling interest(16)(16	Deferred income tax liabilities		172		162	
Total liabilities\$ 11,598\$ 10,999Commitments and contingenciesShareholder's equityCommon stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021Additional paid-in capitalAdditional paid-in capitalRetained earningsAccumulated other comprehensive lossTotal equity of our common shareholder\$ 2,098Noncontrolling interest	Accrued postretirement benefits		852		878	
Commitments and contingencies   Image: sequity     Shareholder's equity   Image: sequity     Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021   Image: sequity     Additional paid-in capital   1,304   1,404     Retained earnings   1,341   864     Accumulated other comprehensive loss   (547)   (366     Total equity of our common shareholder   \$ 2,098   \$ 1,902     Noncontrolling interest   (16)   (16	Other long-term liabilities		313		305	
Shareholder's equityCommon stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021Additional paid-in capital1,3041,404Retained earnings1,341864Accumulated other comprehensive loss(547)(366Total equity of our common shareholder\$2,098\$Noncontrolling interest(16)(16	Total liabilities	\$	11,598	\$	10,999	
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021——Additional paid-in capital1,3041,404Retained earnings1,341864Accumulated other comprehensive loss(547)(366Total equity of our common shareholder\$2,098\$Noncontrolling interest(16)(16	Commitments and contingencies					
outstanding as of September 30, 2021 and March 31, 2021———Additional paid-in capital1,3041,404Retained earnings1,341864Accumulated other comprehensive loss(547)(366Total equity of our common shareholder\$2,098\$Noncontrolling interest(16)(16	Shareholder's equity					
Retained earnings     1,341     864       Accumulated other comprehensive loss     (547)     (366       Total equity of our common shareholder     \$ 2,098     \$ 1,902       Noncontrolling interest     (16)     (16)	Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding as of September 30, 2021 and March 31, 2021		_		_	
Accumulated other comprehensive loss(547)(366)Total equity of our common shareholder\$ 2,098\$ 1,902Noncontrolling interest(16)(16)	Additional paid-in capital		1,304		1,404	
Total equity of our common shareholder\$ 2,098\$ 1,902Noncontrolling interest(16)(16)	Retained earnings		1,341		864	
Noncontrolling interest (16) (16)	Accumulated other comprehensive loss		(547)		(366)	
	Total equity of our common shareholder	\$	2,098	\$	1,902	
	Noncontrolling interest		(16)		(16)	
<b>Total equity</b> \$ 2,082 \$ 1,886	Total equity	\$	2,082	\$	1,886	
Total liabilities and equity\$ 13,680\$ 12,885	Total liabilities and equity	\$	13,680	\$	12,885	

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

			nths Ended ember 30,		
(in millions)		2021		2020	
OPERATING ACTIVITIES					
Net income (loss)	\$	477	\$	(116)	
Net loss from discontinued operations		(65)		(199)	
Net income from continuing operations	\$	542	\$	83	
Adjustments to determine net cash provided by operating activities:					
Depreciation and amortization		268		259	
Loss on unrealized derivatives and other realized derivatives in investing activities, net		36		11	
Loss (gain) on sale of assets		2		(2)	
Loss on extinguishment of debt, net		62			
Deferred income taxes, net		54		(33)	
Equity in net income of non-consolidated affiliates		(1)		(2)	
Loss on foreign exchange remeasurement of debt		1			
Amortization of debt issuance costs and carrying value adjustments		9		14	
Other, net		2		(1)	
Changes in assets and liabilities including assets and liabilities held for sale (net of effects from divestitures):					
Accounts receivable		(540)		52	
Inventories		(728)		195	
Accounts payable		706		(68)	
Other assets		(25)		52	
Other liabilities		(49)		(187)	
Net cash provided by operating activities - continuing operations		339		373	
Net cash used in operating activities - discontinued operations		(5)		(31)	
Net cash provided by operating activities	\$	334	\$	342	
INVESTING ACTIVITIES					
Capital expenditures	\$	(194)	\$	(226)	
Acquisition of business, net of cash acquired			•	(2,614)	
Proceeds from sales of assets, third party, net of transaction fees and hedging		_		(_,0 . 1)	
Proceeds from investment in and advances to non-consolidated affiliates, net		10		8	
Outflows from the settlement of derivative instruments, net		(4)		(1)	
Other		7		5	
Net cash used in investing activities - continuing operations		(181)		(2,826)	
Net cash provided by investing activities - discontinued operations				217	
Net cash used in investing activities	\$	(181)	\$	(2,609)	
FINANCING ACTIVITIES	Ψ	(101)	Ψ	(2,000)	
Proceeds from issuance of long-term and short-term borrowings	\$	1,520	\$	1,910	
Principal payments of long-term and short-term borrowings	Ψ	(1,923)	Ψ	(30)	
Revolving credit facilities and other, net		(1,923)			
Debt issuance costs				(358)	
		(24)		(24)	
Return of capital to our common shareholder		(100)		1 409	
Net cash (used in) provided by financing activities - continuing operations		(513)		1,498	
Net cash used in financing activities - discontinued operations	<u></u>	(540)	<u>_</u>	(2)	
Net cash (used in) provided by financing activities	\$	(513)	\$	1,496	
Net decrease in cash, cash equivalents and restricted cash		(360)		(771)	
Effect of exchange rate changes on cash		6		19	
Cash, cash equivalents and restricted cash — beginning of period	<u>^</u>	1,027	¢	2,402	
Cash, cash equivalents and restricted cash — end of period	<u>\$</u>	673	\$	1,650	
Cash and cash equivalents	\$	659	\$	1,627	
		14		14	
Restricted cash (Included in "Other long-term assets")		17			
·		·+·		9	

## 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.

	т	hree Mor Septen	 	 Six Mont Septen	 
(in millions)	:	2021	 2020	2021	 2020
Net (loss) income attributable to our common shareholder	\$	237	\$ (37)	 477	 (116)
Net income attributable to noncontrolling interests		_	_	_	
Income tax provision		79	68	187	39
Interest, net		59	69	115	136
Depreciation and amortization		134	141	268	259
EBITDA	\$	509	\$ 241	\$ 1,047	\$ 318
Adjustment to reconcile proportional consolidation	\$	15	\$ 15	\$ 29	\$ 29
Unrealized losses (gains) on change in fair value of derivative instruments, net		16	(6)	20	27
Realized losses (gains) on derivative instruments not included in segment income		_	1	(1)	4
Loss on extinguishment of debt, net		64	_	62	—
Restructuring and impairment expenses (reversal), net			7	(2)	8
Loss (gain) on sale of fixed assets		2	_	2	(2)
Purchase price accounting adjustments			1		29
Loss from discontinued operations, net of tax		2	11	65	29
Loss on sale of discontinued operations, net of tax			170		170
Metal price lag		(59)	12	(113)	32
Business acquisition and other related costs					11
Other, net		4	 3	 (1)	 53
Adjusted EBITDA	\$	553	\$ 455	\$ 1,108	\$ 708

## Free Cash Flow (unaudited)

The following table reconciles Free cash flow and Free cash flow from continuing operations, non-GAAP financial measures, to Net cash provided by operating activities - continuing operations.

	 Six Montl Septem	 
(in millions)	2021	 2020
Net cash provided by operating activities - continuing operations	\$ 339	\$ 373
Net cash used in investing activities - continuing operations	(181)	(2,826)
Plus: Cash used in the acquisition of business, net of cash and restricted cash acquired	—	2,614
Plus: Accrued merger consideration		10
Less: Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging	 	 (2)
Free cash flow from continuing operations	158	169
Net cash used in operating activities - discontinued operations	(5)	(31)
Net cash provided by investing activities - discontinued operations		217
Less: Proceeds from sales of assets and business, net of transaction fees, cash income taxes and hedging - discontinued operations	 	 (223)
Free cash flow	\$ 153	\$ 132

## 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)	ember 30, 2021	arch 31, 2021
Cash and cash equivalents	\$ 659	\$ 998
Availability under committed credit facilities	 1,490	 1,223
Total liquidity	\$ 2,149	\$ 2,221

## Net debt (unaudited)

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

	Septen	nber 30,
	2021	2020
Long-term debt, net of current portion	\$ 4,942	\$ 6,767
Current portion of long-term debt	443	55
Short-term borrowings	247	393
Cash and cash equivalents	(659)	(1,627)
Net debt	\$ 4,973	\$ 5,588

# 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.

	T	hree Mor Septen	 	 Six Mont Septer		
(in millions)	2	2021	 2020	2021	:	2020
Net income from continuing operations	\$	239	\$ 144	\$ 542	\$	83
Special Items:						
Business acquisition and other related costs		_	_	_		11
Loss on extinguishment of debt, net		64	—	62		
Metal price lag		(59)	12	(113)		32
Restructuring and impairment reversal (expense), net		—	7	(2)		8
Charitable donation		_	_			50
Purchase price accounting adjustment		_	1	_		29
Tax effect on special items		_	(6)	15		(33)
Net income from continuing operations, excluding special items	\$	244	\$ 158	\$ 504	\$	180

# Segment Information (unaudited)

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

Selected Operating Results Three Months Ended September 30, 2021		lorth nerica	Europe		Asia		outh nerica		nations Other		Total
Adjusted EBITDA	\$	227	\$	78	\$ 92	\$	154	\$	2	\$	553
Shipments (in kt)											
Rolled products - third party		375		251	196		146		—		968
Rolled products - intersegment		—		9	 1		1		(11)		
Total rolled products		375		260	 197		147		(11)		968
Selected Operating Results Three Months Ended September 30, 2020		lorth nerica	E	urope	 Asia		outh nerica		nations Other		Total
Adjusted EBITDA	\$	205	\$	63	\$ 74	\$	112	\$	1	\$	455
Shipments (in kt)											
Rolled products - third party		367		232	176		148				923
Rolled products - intersegment		—		8	2				(10)		
Total rolled products		367	_	240	 178		148		(10)		923
Selected Operating Results Six Months Ended September 30, 2021		lorth nerica	Е	urope	Asia		outh nerica		nations Other		Total
Adjusted EBITDA	\$	399	\$	180	\$ 180	\$	347	\$	2	\$	1,108
			_				• • •	Ψ	2	φ	,
								<u> </u>	<u> </u>	φ	
Shipments (in kt)								<u> </u>		φ 	
Rolled products - third party		733		519	386		303	<u> </u>		<u>φ</u>	1,941
,		733		519 20	386 3			<u> </u>	(24)	φ	
Rolled products - third party		733 — 733					303			φ 	
Rolled products - third party Rolled products - intersegment			 	20	 3	-	303 1	Elimin	(24)	ф 	1,941
Rolled products - third party Rolled products - intersegment Total rolled products Selected Operating Results				20 539	\$ 3 389	-	303 1 304	Elimin	(24) (24) nations	→	1,941  1,941
Rolled products - third party Rolled products - intersegment Total rolled products Selected Operating Results Six Months Ended September 30, 2020	An	 733 lorth nerica		20 539 urope	\$ 389 Asia	An	303 1 304 outh herica	Elimir	(24) (24) (24) nations Other		1,941  1,941 Total
Rolled products - third party Rolled products - intersegment Total rolled products Selected Operating Results Six Months Ended September 30, 2020	An	 733 lorth nerica		20 539 urope	\$ 389 Asia	An	303 1 304 outh herica	Elimir	(24) (24) (24) nations Other		1,941  1,941 Total
Rolled products - third party Rolled products - intersegment Total rolled products Selected Operating Results Six Months Ended September 30, 2020 Adjusted EBITDA	An	 733 lorth nerica		20 539 urope	\$ 389 Asia	An	303 1 304 outh herica	Elimir	(24) (24) (24) nations Other		1,941  1,941 Total
Rolled products - third party     Rolled products - intersegment     Total rolled products     Selected Operating Results     Six Months Ended September 30, 2020     Adjusted EBITDA     Shipments (in kt)	An	733 lorth nerica 283		20 539 urope 83	\$ 3 389 Asia 149	An	303 1 304 outh herica 188	Elimir	(24) (24) (24) nations Other		1,941  1,941 Total 708