The Element of **Possibility**™

# Annual Meeting of Stockholders

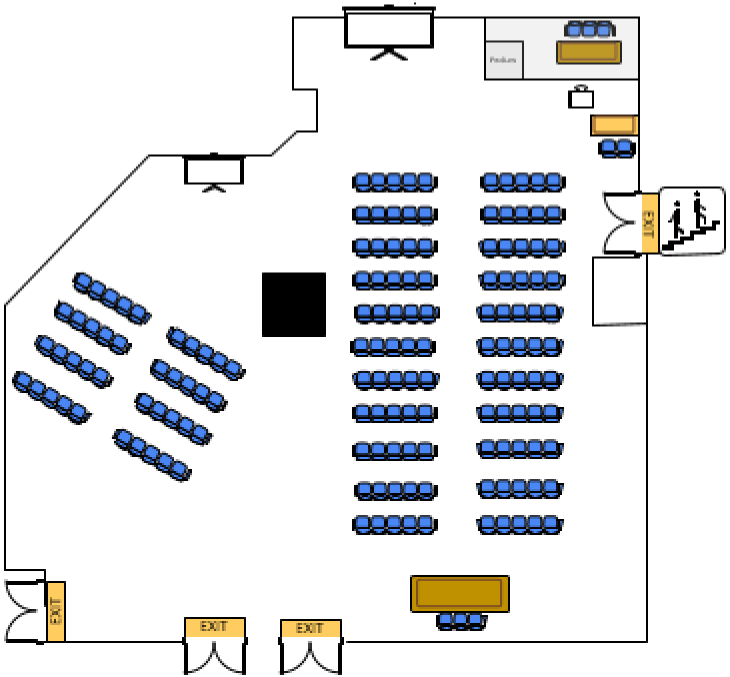
**Alcoa Corporation**

May 9, 2018

Alcoa

# Safety briefing

## Meeting room exits and evacuation



# Agenda

## Alcoa Corporation stockholder meeting, May 9, 2018

I. **Welcome and Call Meeting to Order**
   - **Michael G. Morris, Chairman**
   - **Roy C. Harvey, President and Chief Executive Officer**
   - **Jeffrey D. Heeter, Executive Vice President, General Counsel and Secretary**

II. Report of the Secretary
   - Michael G. Morris and Jeffrey D. Heeter

III. Items of Business
   - Michael G. Morris and Jeffrey D. Heeter

IV. Preliminary Results of Voting
   - Michael G. Morris and Jeffrey D. Heeter

V. Adjournment of Official Portion of the Meeting
   - Michael G. Morris

VI. Report of the President and Chief Executive Officer
   - Roy C. Harvey

VII. Questions and Answers
   - Roy C. Harvey

VIII. Conclusion of the Meeting

# Director nominees

## Twelve directors to serve one-year term

### Mary Anne Citrino

Senior Advisor, The Blackstone Group L.P.

### Timothy P. Flynn

Former Chairman and CEO, KPMG

### Kathryn S. Fuller

Vice Chair, Smithsonian’s National Museum of Natural History

### Roy C. Harvey

President and CEO, Alcoa Corporation

### James A. Hughes

CEO and Managing Director, Prisma Energy Capital

### Michael G. Morris

Non-Executive Chairman, Alcoa Corporation; Former Chairman and CEO, American Electric Power Company, Inc.

### James E. Nevels

Founder and Chairman, The Swarthmore Group

### James W. Owens

Former Executive Chairman and CEO, Caterpillar Inc.

### Carol L. Roberts

Former Senior Vice President and CFO, International Paper Company

### Suzanne Sitherwood

President and CEO, Spire Inc.

### Steven W. Williams

President and CEO, Suncor Energy Inc.

### Ernesto Zedillo

Former President of Mexico and current Director, Yale Center for the Study of Globalization

# Company leadership

## Management and officers

### Executive team

- **Roy C. Harvey*,** President and Chief Executive Officer
- **William F. Oplinger*,** Executive Vice President and Chief Financial Officer
- **Tómas Már Sigurdsson*,** Executive Vice President and Chief Operating Officer
- **Leigh Ann Fisher*,** Executive Vice President and Chief Administrative Officer
- **Jeffrey D. Heeter*,** Executive Vice President, General Counsel and Secretary
- **Michelle O'Neill,** Senior Vice President, Global Governmental Affairs and Sustainability
- **Benjamin Kahrs,** Senior Vice President, Strategy, Technology and Corporate Development
- **Monica Orbe,** Senior Vice President, Chief Communications Officer
- **Francisco Benavides,** Vice President, Environment, Health and Safety

### Officers

- **Molly S. Beerman,** Vice President and Controller
- **Catherine Garfinkel,** Vice President and Chief Ethics and Compliance Officer
- **John Kenna,** Vice President, Tax
- **Renato Bacchi,** Vice President and Treasurer

*Officer of Alcoa Corporation

# Agenda

## Alcoa Corporation stockholder meeting, May 9, 2018

I. Welcome and Call Meeting to Order
- Michael G. Morris, Chairman
- Roy C. Harvey, President and Chief Executive Officer
- Jeffrey D. Heeter, Executive Vice President, General Counsel and Secretary

**II. Report of the Secretary**
- **Michael G. Morris and Jeffrey D. Heeter**

**III. Items of Business**
- **Michael G. Morris and Jeffrey D. Heeter**

**IV. Preliminary Results of Voting**
- **Michael G. Morris and Jeffrey D. Heeter**

**V. Adjournment of Official Portion of the Meeting**
- **Michael G. Morris**

VI. Report of the President and Chief Executive Officer
- Roy C. Harvey

VII. Questions and Answers
- Roy C. Harvey

VIII. Conclusion of the Meeting

# Items of business

## Proposals and voting

1. Election of 12 Director Nominees to Serve for a One-Year Term Expiring in 2019
2. Ratification of Appointment of PricewaterhouseCoopers LLP as the Company's Independent Registered Public Accounting Firm for 2018
3. Advisory Vote to Approve 2017 Executive Compensation of the Named Executive Officers
4. Approval of the 2016 Stock Incentive Plan, as Amended and Restated

# Agenda

## Alcoa Corporation stockholder meeting, May 9, 2018

I. Welcome and Call Meeting to Order
   - Michael G. Morris, Chairman
   - Roy C. Harvey, President and Chief Executive Officer
   - Jeffrey D. Heeter, Executive Vice President, General Counsel and Secretary

II. Report of the Secretary
   - Michael G. Morris and Jeffrey D. Heeter

III. Items of Business
   - Michael G. Morris and Jeffrey D. Heeter

IV. Preliminary Results of Voting
   - Michael G. Morris and Jeffrey D. Heeter

V. Adjournment of Official Portion of the Meeting
   - Michael G. Morris

**VI. Report of the President and Chief Executive Officer**
   **- Roy C. Harvey**

**VII. Questions and Answers**
   **- Roy C. Harvey**

VIII. Conclusion of the Meeting

# Report of the President and Chief Executive Officer

Roy C. Harvey

Alcoa

# Important information

## Cautionary statement regarding forward-looking statements and non-GAAP financial measures

This presentation contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as “anticipates,” “believes,” “could,” “estimates,” “expects,” “forecasts,” “goal,” “intends,” “may,” “outlook,” “plans,” “projects,” “seeks,” “sees,” “should,” “targets,” “will,” “would,” or other words of similar meaning. All statements by Alcoa Corporation that reflect expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, forecasts concerning global demand growth for bauxite, alumina, and aluminum, and supply/demand balances; statements, projections or forecasts of future or targeted financial results or operating performance; and statements about strategies, outlook, business and financial prospects. These statements reflect beliefs and assumptions that are based on Alcoa Corporation’s perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and changes in circumstances that are difficult to predict. Although Alcoa Corporation believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such risks and uncertainties include, but are not limited to: (a) material adverse changes in aluminum industry conditions, including global supply and demand conditions and fluctuations in London Metal Exchange-based prices and premiums, as applicable, for primary aluminum, alumina, and other products, and fluctuations in indexed-based and spot prices for alumina; (b) deterioration in global economic and financial market conditions generally; (c) unfavorable changes in the markets served by Alcoa Corporation; (d) the impact of changes in foreign currency exchange rates on costs and results; (e) increases in energy costs; (f) declines in the discount rates used to measure pension liabilities or lower-than-expected investment returns on pension assets, or unfavorable changes in laws or regulations that govern pension plan funding; (g) the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated from restructuring programs and productivity improvement, cash sustainability, technology advancements, and other initiatives; (h) the inability to realize expected benefits, in each case as planned and by targeted completion dates, from acquisitions, divestitures, facility closures, curtailments, restarts, expansions, or joint ventures; (i) political, economic, and regulatory risks in the countries in which Alcoa Corporation operates or sells products; (j) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation; (k) the impact of cyberattacks and potential information technology or data security breaches; and (l) the other risk factors discussed in Item 1A of Alcoa Corporation’s Form 10-K for the fiscal year ended December 31, 2017 and other reports filed by Alcoa Corporation with the U.S. Securities and Exchange Commission (SEC). Alcoa Corporation disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law. Market projections are subject to the risks discussed above and other risks in the market.

Some of the information included in this presentation is derived from Alcoa’s consolidated financial information but is not presented in Alcoa’s financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain of these data are considered “non-GAAP financial measures” under SEC rules. Alcoa Corporation believes that the presentation of non-GAAP financial measures is useful to investors because such measures provide both additional information about the operating performance of Alcoa Corporation and insight on the ability of Alcoa Corporation to meet its financial obligations by adjusting the most directly comparable GAAP financial measure for the impact of, among others, “special items” as defined by the Company, non-cash items in nature, and/or nonoperating expense or income items. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. Reconciliations to the most directly comparable GAAP financial measures and management’s rationale for the use of the non-GAAP financial measures can be found in the appendix to this presentation.

# Values and strategic priorities: simple and effective

## Alcoa Corporation

### Values

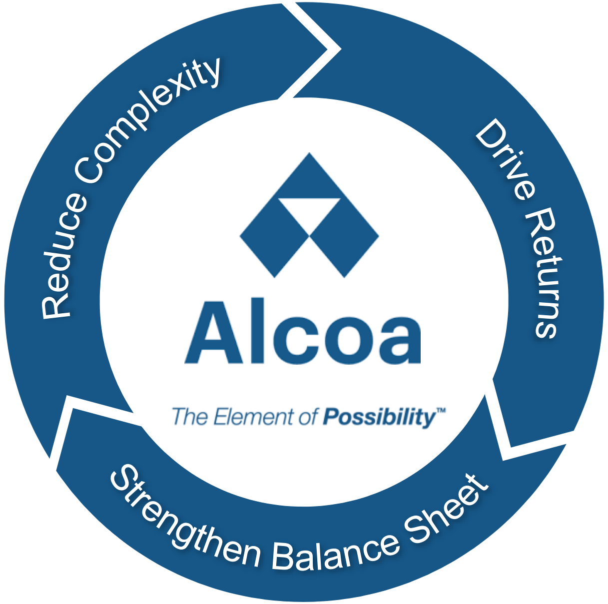
OUR VALUES

**Act with Integrity**

**Operate with Excellence**

**Care for People**

### Strategic priorities



# Focused on safety for all employees and contractors

## Safety update

### 2017 Safety review

- Three tragic incidents resulted in three fatalities in 2017
- Days away, restricted and transfer rate (DART) per 100 full-time workers of 0.66 in 2017 vs. 0.31 in 2016
- Total recordable injury rate (TRR) of 1.80 in 2017 vs. 1.19 in 2016

### Key focus items

- Started reinvigoration of safety program; external hire to provide EHS leadership and elevated position to Executive Team, reporting directly to CEO
- Safety goal: zero fatalities and serious injuries for employees and contractors (life threatening, life altering injury or illness)
- Three safety pillars fundamental to our systems: critical risk management, One Alcoa and human performance

# Committed to sustainability

## Sustainability update

### 2017 Sustainability performance examples

- Selected to the Dow Jones Sustainability Index in Alcoa’s first standalone year
- 70% of electricity consumed by our smelters was generated by hydroelectric power
- Alcoa Foundation’s Waste-Water-Watts program provided hands-on STEM (science, technology, engineering & math) education to more than 14,500 students in five countries.
- 100 (perfect) score on the Corporate Equality Index 2018
- Signed the CEO Action for Diversity & Inclusion™ pledge

### Committed to environmental rehabilitation

- Former mining sites, including this one at our Huntly mine in Western Australia, have been successfully rehabilitated with species native to the region, such as the unique jarrah tree.

# FY17: Strong financial performance and business progress

Alcoa

## FY17 Summary

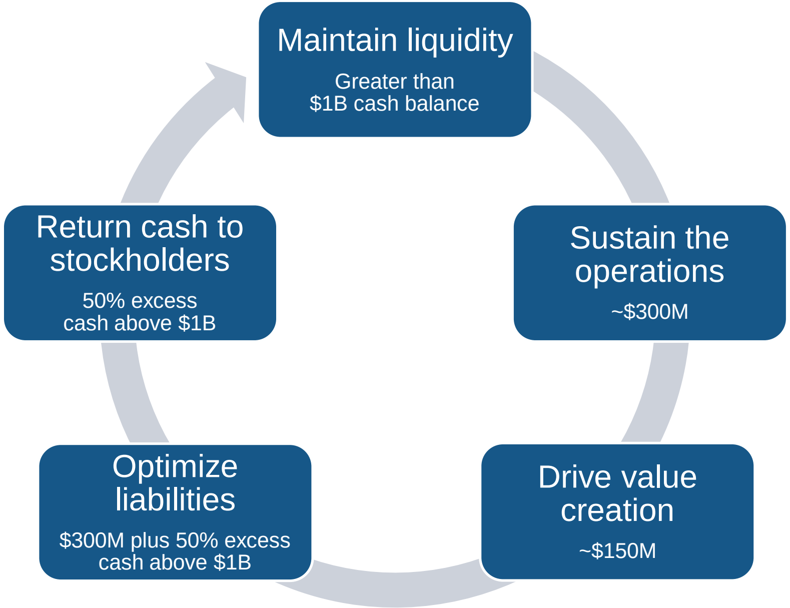
| | |
|---|---|
| **Financial results** | ▪ Revenue of $11.7 billion; up $2.3 billion vs. 2016<br>▪ Net income of $217 million, or $1.16 per share; excluding special items, adjusted net income of $563 million, or $3.01 per share<br>▪ Adjusted EBITDA excluding special items[1] of $2.35 billion; up $1.2 billion vs. 2016<br>▪ Cash provided from operations of $1.2 billion, free cash flow[1] of $0.8 billion |
| **Business review** | ▪ Set annual production records at our three largest mines, our three largest refineries and at three smelters<br>▪ Completed restarts at the Portland smelter and Lake Charles calciner<br>▪ Began partial restart of Warrick smelter<br>▪ Terminated Rockdale power contract, announced closure of site operations<br>▪ Successfully renegotiated Revolving Credit Agreement<br>▪ Streamlined organization structure, reduced administrative locations and relocated corporate headquarters to Pittsburgh |

1. See appendix for adjusted EBITDA excluding special items reconciliation and free cash flow reconciliation.

# Balanced capital allocation approach for 2018

## Capital allocation strategy

### 2018 Framework



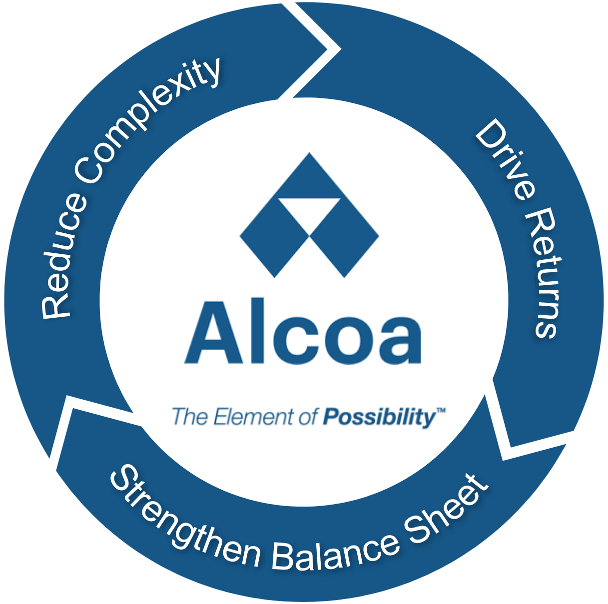

### Disciplined approach for 2018

- Target holding $1 billion in cash on hand
- Maintain the assets by spending close to $300 million in sustaining capital expenditures
- Invest approximately $150 million in return-seeking capital projects
- Provide discretionary funding of approximately $300 million into pension plans in 2018
- Split excess cash above $1 billion balance, 50% to reduce leverage and 50% returns to stockholders

# Strong 2017, focused on continued execution of priorities

## Summary

### Strategic priorities




### Keys to Alcoa

- Global network of world-class assets; well-positioned across market events
- Investing in high return capital projects to grow the business for the future
- Improving balance sheet; pension and OPEB actions aligned to strategic priority

# Questions?

**Alcoa Corporation**

# Agenda

## Alcoa Corporation stockholder meeting, May 9, 2018

I. Welcome and Call Meeting to Order
  - Michael G. Morris, Chairman
  - Roy C. Harvey, President and Chief Executive Officer
  - Jeffrey D. Heeter, Executive Vice President, General Counsel and Secretary

II. Report of the Secretary
  - Michael G. Morris and Jeffrey D. Heeter

III. Items of Business
  - Michael G. Morris and Jeffrey D. Heeter

IV. Preliminary Results of Voting
  - Michael G. Morris and Jeffrey D. Heeter

V. Adjournment of Official Portion of the Meeting
  - Michael G. Morris

VI. Report of the President and Chief Executive Officer
  - Roy C. Harvey

VII. Questions and Answers
  - Roy C. Harvey

**VIII. Conclusion of the Meeting**

# Appendix

# Production and capacity information

## Alcoa Corporation annual consolidated amounts

### Bauxite production, Mdmt

| Mine | Country | 2017 Production |
|---|---|---|
| Darling Range | Australia | 33.2 |
| Juruti | Brazil | 5.6 |
| Poços de Caldas | Brazil | 0.2 |
| Trombetas | Brazil | 2.7 |
| Boké | Guinea | 3.2 |
| Al Ba'itha[1] | Saudi Arabia | 0.9 |
| **Total** | | **45.8** |

### Alumina refining, kmt

| Facility | Country | Capacity | Curtailed |
|---|---|---|---|
| Kwinana | Australia | 2,190 | - |
| Pinjarra | Australia | 4,234 | - |
| Wagerup | Australia | 2,555 | - |
| Poços de Caldas | Brazil | 390 | 214 |
| São Luís | Brazil | 1,890 | - |
| San Ciprián | Spain | 1,500 | - |
| Point Comfort | U.S. | 2,305 | 2,305 |
| **Total** | | **15,064** | **2,519** |
| *Ras Al Khair[1]* | *Saudi Arabia* | *452* | - |

### Aluminum smelting, kmt

| Facility | Country | Capacity | Curtailed |
|---|---|---|---|
| Portland | Australia | 197 | 30 |
| São Luís | Brazil | 268 | 268 |
| Baie Comeau | Canada | 280 | - |
| Bécancour | Canada | 310 | 207 |
| Deschambault | Canada | 260 | - |
| Fjarðaál | Iceland | 344 | - |
| Lista | Norway | 94 | - |
| Mosjøen | Norway | 188 | - |
| Avilés | Spain | 93 | 32 |
| La Coruña | Spain | 87 | 24 |
| San Ciprián | Spain | 228 | - |
| Intalco | U.S. | 279 | 49 |
| Massena West | U.S. | 130 | - |
| Warrick[2] | U.S. | 269 | 269 |
| Wenatchee | U.S. | 184 | 184 |
| **Total** | | **3,211** | **1,063** |
| *Ras Al Khair[1]* | *Saudi Arabia* | *186* | - |

1. The Company's proportionate share of earnings from its equity investment in the Saudi Arabian joint venture does not impact adjusted EBITDA.
2. Restarting 161 kmt of curtailed capacity to be completed in the second quarter of 2018.

# Adjusted EBITDA reconciliation

Alcoa

| *$M* | FY16 | FY17 |
|---|---|---|
| **Net income (loss) attributable to Alcoa Corporation** | **$(400)** | **$217** |
| Add: | | |
| Net income attributable to noncontrolling interest | 54 | 342 |
| Provision for income taxes | 184 | 600 |
| Other expenses / (income), net | (89) | (58) |
| Interest expense | 243 | 104 |
| Restructuring and other charges | 318 | 309 |
| Depreciation, depletion and amortization | 718 | 750 |
| **Adjusted EBITDA** | 1,028 | 2,264 |
| Special items before tax and noncontrolling interest | 80 | 88 |
| **Adjusted EBITDA excl. special items** | **$1,108** | **$2,352** |

Alcoa Corporation’s definition of Adjusted EBITDA is net margin plus an add-back for depreciation, depletion, and amortization. Net margin is equivalent to Sales minus the following items: Cost of goods sold; Selling, general administrative, and other expenses; Research and development expenses; and Provision for depreciation, depletion, and amortization. Adjusted EBITDA is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because Adjusted EBITDA provides additional information with respect to Alcoa Corporation’s operating performance and the Company’s ability to meet its financial obligations. The Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies.

# Special items detail, net of tax and noncontrolling interest

Alcoa

| *$M* | **FY16** | **4Q17** | **FY17** | **1Q18** | **P&L classification** |
|---|---|---|---|---|---|
| **Special items** | **$173** | **$391** | **$346** | **$(5)** | |
| Becancour labor negotiation costs | - | 3 | 3 | 2 | Cost of goods sold |
| Brazil tax settlements | - | - | 7 | - | Cost of goods sold / selling, general administrative, and other |
| Gain on asset sales | (129) | (2) | (122) | - | Other expenses / (income), net |
| Income tax items | 4 | 63 | 82 | 14 | Tax provision |
| Inventory writedowns | 5 | 6 | 6 | - | Cost of goods sold |
| Mark-to-market energy contracts | 7 | 2 | 19 | (17) | Other expenses / (income), net |
| Portland restart power exposure | - | - | 9 | - | Cost of goods sold |
| Restructuring-related items | 217 | 290 | 296 | (20) | Restructuring and other charges |
| Separation-related costs | 81 | - | - | - | Selling, general administrative, and other / Interest expense |
| Supplier arbitration recovery | (12) | - | - | - | Other expenses / (income), net |
| Warrick restart costs | - | 29 | 46 | 16 | Cost of goods sold |

# Free Cash Flow reconciliation

| *$M* | **FY16** | **FY17** |
|---|---|---|
| Cash from operations | $(311) | $1,224 |
| Capital expenditures | (404) | (405) |
| Free cash flow | $(715) | $819 |

Free Cash Flow is a non-GAAP financial measure. Management believes that this measure is meaningful to investors because management reviews cash flows generated from operations after taking into consideration capital expenditures, which are both considered necessary to maintain and expand Alcoa Corporation's asset base, and expected to generate future cash flows from operations. It is important to note that Free Cash Flow does not represent the residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements, are not deducted from the measure.

*The Element of* ***Possibility™***

Alcoa