

*The Element of* **Possibility**<sup>™</sup>

# Annual Meeting of Stockholders

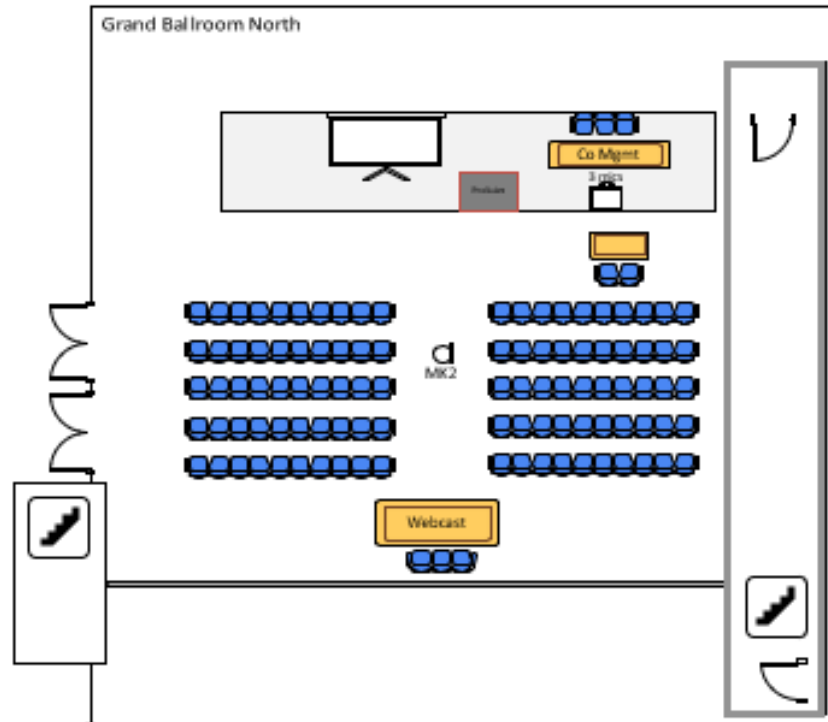
**Alcoa Corporation**

May 8, 2019



# Safety briefing

## Meeting room exits and evacuation



## Alcoa Corporation stockholder meeting, May 8, 2019

- 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
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# Director nominees



## Twelve directors to serve one-year term

### **Mary Anne Citrino**

Senior Advisor, The Blackstone Group L.P.

### **James A. Hughes**

CEO and Managing Director, Prisma Energy Capital

### **Carol L. Roberts**

Former Senior Vice President and CFO, International Paper Company

### **Timothy P. Flynn**

Former Chairman and CEO, KPMG

### **Michael G. Morris**

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

### **Suzanne Sitherwood**

President and CEO, Spire Inc.

### **Kathryn S. Fuller**

Vice Chair, Smithsonian's National Museum of Natural History

### **James E. Nevels**

Founder and Chairman, The Swarthmore Group

### **Steven W. Williams**

Former President and CEO, Suncor Energy Inc.

### **Roy C. Harvey**

President and CEO, Alcoa Corporation

### **James W. Owens**

Former Executive Chairman and CEO, Caterpillar Inc.

### **Ernesto Zedillo**

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

## Management and officers

### Executive team

- **Roy C. Harvey\***, President and Chief Executive Officer
- **William F. Oplinger\***, Executive Vice President and Chief Financial Officer
- **Leigh Ann C. Fisher\***, Executive Vice President and Chief Administrative Officer
- **Jeffrey D. Heeter\***, Executive Vice President, General Counsel and Secretary
- **John D. Slaven\***, Executive Vice President and Chief Strategy Officer
- **Garret J. Dixon\***, Executive Vice President and President, Bauxite
- **Michael A. Parker\***, Executive Vice President and President, Alumina
- **Timothy D. Reyes\***, Executive Vice President and President, Aluminum
- **Tómas Már Sigurdsson**, Senior Vice President, Strategic Alliances
- **Benjamin D. Kahrs**, Senior Vice President, Manufacturing Excellence and R&D
- **Michelle O'Neill**, Senior Vice President, Global Government Affairs and Sustainability
- **Monica P. Orbe**, Senior Vice President, Chief Communications Officer
- **Francisco Benavides**, Vice President, Environment, Health and Safety

### Officers

- **Molly S. Beerman**, Vice President and Controller
- **Renato De C. A. Bacchi**, Vice President and Treasurer
- **Catherine L. Garfinkel**, Vice President and Chief Ethics and Compliance Officer
- **Heather Hudak**, Vice President, Tax

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## Proposals and voting

1. Election of 12 Director Nominees to Serve for a One-Year Term Expiring in 2020
2. Ratification of Appointment of PricewaterhouseCoopers LLP as the Company's Independent Auditor for 2019
3. Advisory Vote to Approve 2018 Named Executive Officer Compensation
4. Stockholder Proposal to Amend Stockholder Ability to Act by Written Consent

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# Report of the President and Chief Executive Officer

Roy C. Harvey



## 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; statements about strategies, outlook, and business and financial prospects; and statements about return of capital. 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 and other products, and fluctuations in indexed-based and spot prices for alumina; (b) deterioration in global economic and financial market conditions generally and which may also affect Alcoa Corporation’s ability to obtain credit or financing upon acceptable terms; (c) unfavorable changes in the markets served by Alcoa Corporation; (d) the impact of changes in foreign currency exchange and tax rates on costs and results; (e) increases in energy costs or uncertainty of energy supply; (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 improvement in profitability and margins, cost savings, cash generation, revenue growth, fiscal discipline, or strengthening of competitiveness and operations anticipated from operational and productivity improvements, 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, trade, legal, and regulatory risks in the countries in which Alcoa Corporation operates or sells products; (j) labor disputes and/or work stoppages; (k) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation; (l) the impact of cyberattacks and potential information technology or data security breaches; and (m) the other risk factors discussed in Item 1A of Alcoa Corporation’s Form 10-K for the fiscal year ended December 31, 2018 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 described 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.

# Our values and strategic priorities form our foundation



## Alcoa Corporation

### Values

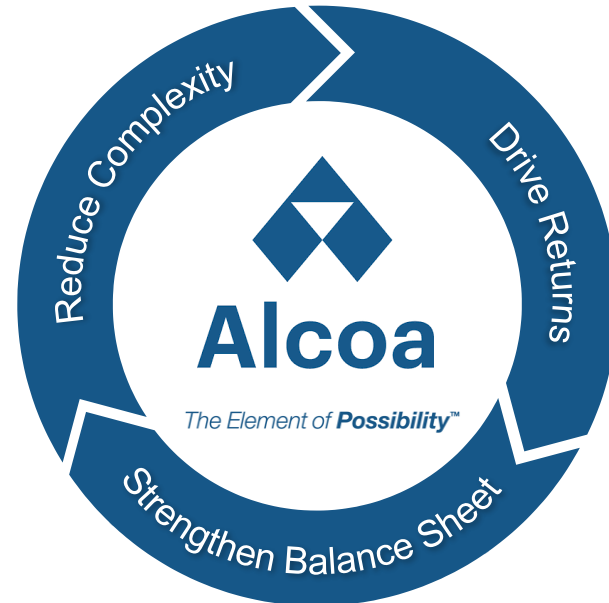
OUR VALUES

Act with Integrity

Operate with Excellence

Care for People

### Strategic priorities



# Our values drive gains on safety and environment



## 2018 Safety & environmental review

### Improving safety performance

- No fatalities
- Three serious injuries
- Revitalized safety program and focus across the Company
- Risk-based audit program implementation
- Deployment of a best-in-class critical control field verification tool
- EHS Leadership standard implementation

### Focused on environmental sustainability

- Long term targets to reduce footprint include GHG, water use, and waste reductions, as well as mine rehabilitation
- Sustainable product development via SUSTANA family of aluminum products (Ecodura and Ecolum) and Aluminum Stewardship Initiative certification underway
- Rigorous standards in place to manage tailings and residue; no Alcoa operated upstream bauxite tailings dams
- Recognition includes Dow Jones Sustainability and Corporate Equality indices

# Continued to strengthen, improve the Company in 2018



## FY18 Financial results and business review

### Financial results

- Net income of \$250 million, or \$1.33 per share; excluding special items, adjusted net income of \$698 million, or \$3.70 per share
- Adj. EBITDA excluding special items of \$3.1 billion; up \$0.7 billion vs. 2017
- Reduced net pension/OPEB liability from \$3.5 billion to \$2.3 billion in 2018
- Cash balance at \$1.1 billion on December 31, 2018

### Business review

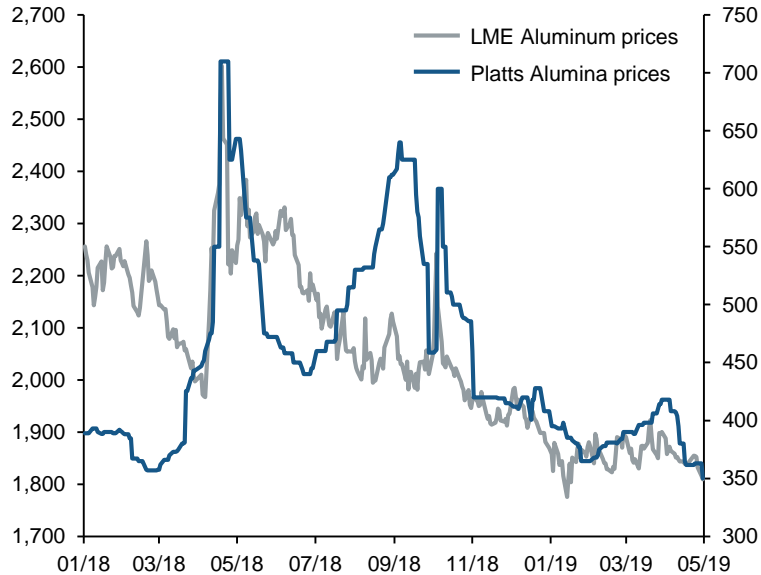
- Annual production records at Deschambault and Mosjøen smelters, and at Huntly and Juruti mines
- Completed restart of three potlines at Warrick smelter
- Launched Elysis joint venture to advance carbon-free aluminum smelting
- Repurchased \$50 million of stock as part of 2018 capital allocation plan

# Challenging conditions in today's aluminum market

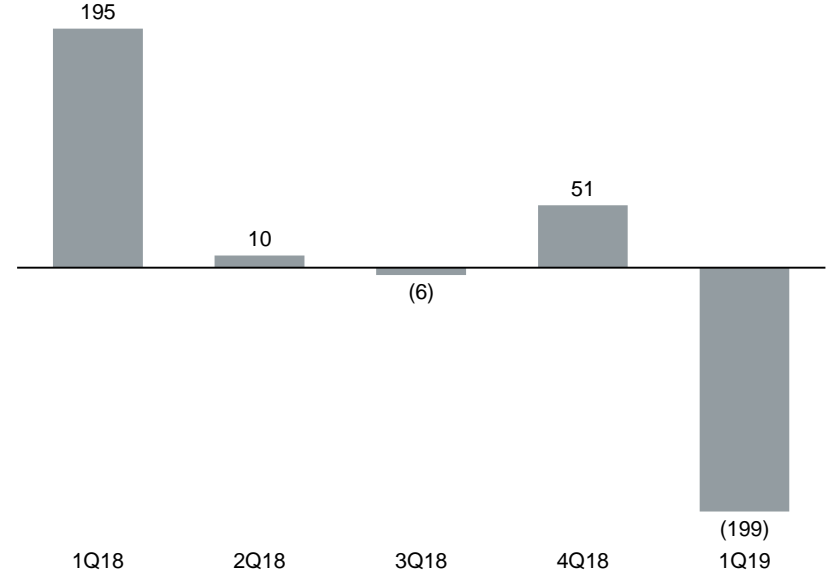


## Aluminum market overview

### Aluminum and alumina price trends, \$/mt



### Alcoa Corporation net income (loss), \$M



# Strong foundation; ready for the future



## FY19 Path forward

### Execute strategic priorities



### Prepare for the future

- Continue progress on safety and environment
- Maintain trajectory on operational improvements
- Deliver lower raw material prices to earnings
- Realize benefits from recent portfolio actions
- Develop and commercialize disruptive and sustainable processes and products
- Review assets for current, future competitiveness
- Strengthen balance sheet, be positioned to provide consistent stockholder returns

# Questions?

**Alcoa Corporation**





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# Appendix



# Adjusted EBITDA reconciliation



<i>\$M</i>	FY17	FY18
<b>Net income (loss) attributable to Alcoa Corporation</b>	<b>\$279</b>	<b>\$250</b>
Add:		
Net income attributable to noncontrolling interest	329	643
Provision for income taxes	592	732
Other expenses, net	27	64
Interest expense	104	122
Restructuring and other charges, net	309	527
Depreciation, depletion and amortization	750	733
<b>Adjusted EBITDA</b>	<b>2,390</b>	<b>3,071</b>
Special items before tax and noncontrolling interest	88	58
<b>Adjusted EBITDA excl. special items</b>	<b>\$2,478</b>	<b>\$3,129</b>

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.

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