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DELTA REPORT

10-Q

AA - ALCOA CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2342
CHANGES	229
DELETIONS	1094
ADDITIONS	1019

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, March 31, 2023 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to _____

Commission File Number 1-37816

ALCOA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**81-1789115**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
201 Isabella Street, Suite 500, Pittsburgh, Pennsylvania	**15212-5858**
(Address of principal executive offices)	**(Zip Code)**

412-315-2900

(Registrant’s telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

Common Stock, par value $0.01 per share	AA	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company ☐			

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 23, 2023 April 29, 2024, 178,471,908 179,559,688 shares of common stock, par value $0.01 per share, of the registrant were outstanding.

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Forward-Looking Statements

This report 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 “aims,” “ambition,” “anticipates,” “believes,” “could,” “develop,” “endeavors,” “estimates,” “expects,” “forecasts,” “goal,” “intends,” “may,” “outlook,” “potential,” “plans,” “projects,” “reach,” “seeks,” “sees,” “should,” “strive,” “targets,” “will,” “working,” “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, statements regarding Alcoa Corporation’s proposed transaction to acquire Alumina Limited, an Australian public company limited by shares and listed on the Australian Securities Exchange (Alumina Limited) (the proposed transaction); the ability of the parties to complete the proposed transaction; the expected benefits of the proposed transaction, Alcoa Corporation’s competitive ability and position following completion of the proposed transaction; 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 (including our ability to execute on strategies related to environmental, social and governance matters) matters, such as our Green Finance Framework);

statements about strategies, outlook, and business and financial prospects; and statements about capital allocation and return of capital. These statements reflect beliefs and assumptions that are based on Alcoa's Alcoa Corporations'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) cyclicality (1) the non-satisfaction or non-waiver, on a timely basis or otherwise, of one or more closing conditions to the proposed transaction; (2) the prohibition or delay of the consummation of the proposed transaction by a governmental entity; (3) the risk that the proposed transaction may not be completed in the expected time frame or at all; (4) unexpected costs, charges or expenses resulting from the proposed transaction; (5) uncertainty of the expected financial performance following completion of the proposed transaction; (6) failure to realize the anticipated benefits of the proposed transaction; (7) the occurrence of any event that could give rise to termination of the proposed transaction; (8) potential litigation in connection with the proposed transaction or other settlements or investigations that may affect the timing or occurrence of the contemplated transaction or result in significant costs of defense, indemnification and liability; (9) the impact of global economic conditions on the aluminum industry and aluminum end use markets, end-use markets; (10) volatility and declines in aluminum and alumina demand and pricing, including due to the influence of global, economic conditions, regional, and unfavorable product-specific prices, or significant changes in production costs which are linked to London Metal Exchange (LME) or other commodities; (11) the markets served by Alcoa; (b) the effects disruption of non-market forces, such as government policies and political instability, on market-driven balancing of global aluminum supply and demand; (c) volatility and declines in the aluminum industry, including global supply and demand conditions and fluctuations in London Metal Exchange-based prices and premiums, as applicable, for primary aluminum and other commodities, and fluctuations in indexed-based and spot prices for alumina; (d) legal, regulatory, economic, political, trade, public health and safety, and reputational risks and conditions, including changes in conditions beyond our control as a result of our participation in increasingly by non-market forces; (12) competitive and complex conditions in global markets; (e) (13) our ability to obtain, maintain, or renew permits or approvals necessary for our mining operations; (f) (14) rising energy costs and interruptions or uncertainty in energy supplies; (15) unfavorable changes in the cost, quality, or availability of key inputs, including energy and raw materials or uncertainty of other key inputs, or disruption to by disruptions in the supply chain including logistics; (g) chain; (16) our ability to execute on our strategy to be a lower cost, competitive, and integrated aluminum production business and to realize expected the anticipated benefits or achieve intended results, including as planned and by targeted completion dates, from announced strategies, plans, programs, or initiatives relating to our portfolio, profitability, capital investments, and developing technologies, technologies; (17) our ability to integrate and achieve intended results from joint ventures, or other strategic alliances, or and strategic business transactions; (h) (18) economic, political, and social conditions, including the impact of trade policies and adverse industry publicity; (19) fluctuations in foreign currency exchange rates and tax interest rates, on costs inflation and results; (i) other economic factors in the countries in which we operate; (20) changes in tax laws or exposure to additional tax liabilities; (j) changes in global economic and financial market conditions generally, such as inflation, recessionary conditions, and interest rate increases, which may also affect Alcoa's ability to obtain credit or financing upon acceptable terms or at all; (k) current and potential future impacts to the global economy and our industry, business and financial condition caused by various worldwide or macroeconomic events, such as the ongoing conflict between Russia and Ukraine; (l) (21) global competition within and beyond the aluminum industry; (m) (22) our ability to obtain or maintain adequate insurance coverage; (n) (23) disruptions in the outcomes of contingencies, including global economy caused by ongoing regional conflicts; (24) legal and tax proceedings, government or regulatory investigations, and environmental remediation, or changes in foreign and/or U.S. federal, state, or local laws, regulations, or policies; (o) the impacts of (25) climate change, related climate change legislation or regulations, and efforts to reduce greenhouse gas emissions and build operational resilience to extreme weather conditions; (26) our ability to achieve our strategies or expectations relating to environmental, social, and expectations related to climate change and other environmental matters; (p) governance considerations; (27) claims, costs, and liabilities resulting from the impact of our operations, including impoundments, or from related to health, safety and environmental laws, regulations, and other requirements in the areas where jurisdictions in which we operate; (q) (28) liabilities resulting from impoundment structures, which could impact the impact of cyberattacks and potential information technology environment or data security breaches, including disruptions cause exposure to our operations, liability, and reputational harm; (r) hazardous substances or other damage; (29) our ability to fund capital expenditures; (s) risks associated with long-term debt obligations including (30) deterioration in our credit profile or increases in interest rates; (31) restrictions on our current and future operations as a result of due to our indebtedness; (t) (32) our ability to continue to return capital to our stockholders through the payment of cash dividends and/or share repurchases; (u) the impact repurchase of our common stock; (33) cyber attacks, security breaches, system failures, software or application vulnerabilities, or other cyber incidents; (34) labor market conditions, union disputes work stoppages and strikes, or other employee relations issues, as well as labor market conditions; (v) declines issues; (35) a decline in the liability discount rates used to measure pension and other postretirement benefit liabilities rate or lower-than-expected investment returns on pension assets, or unfavorable changes in laws or regulations that govern pension plan funding; assets; and (w) (36) the other risk factors discussed in Part I Item IA of Alcoa's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 and other reports filed by Alcoa with the SEC. SEC, including those described in this report. Alcoa cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Alcoa 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. Neither Alcoa nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements and none of the information contained herein should be regarded as a representation that the forward-looking statements contained herein will be achieved.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Alcoa Corporation and Subsidiaries

Statement of Consolidated Operations (unaudited)

(in millions, except per-share amounts)

	Third quarter ended September 30,		Nine months ended September 30,		First quarter ended March 31,	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**
Sales (E)	$ 2,602	$ 2,851	$ 7,956	$ 9,788	$ 2,599	$ 2,670
Cost of goods sold (exclusive of expenses below)	2,469	2,668	7,388	7,616	2,404	2,404
Selling, general administrative, and other expenses	56	44	162	140	60	54
Research and development expenses	9	7	25	23	11	10
Provision for depreciation, depletion, and amortization	163	149	469	470	161	153
Restructuring and other charges, net (D)	22	652	195	702	202	149
Interest expense	26	25	79	80	27	26
Other expenses (income), net (R)	85	35	145	(185)		
Other expenses, net (P)					59	54
Total costs and expenses	2,830	3,580	8,463	8,846	2,924	2,850
(Loss) income before income taxes	(228)	(729)	(507)	942		
Loss before income taxes					(325)	(180)
(Benefit from) provision for income taxes	(35)	40	39	484	(18)	52
Net (loss) income	(193)	(769)	(546)	458		
Less: Net (loss) income attributable to noncontrolling interest	(25)	(23)	(45)	186		

NET (LOSS) INCOME ATTRIBUTABLE TO ALCOA CORPORATION	$ (168)	$ (746)	$ (501)	$ 272		
Net loss					(307)	(232)
Less: Net loss attributable to noncontrolling interest					(55)	(1)
NET LOSS ATTRIBUTABLE TO ALCOA CORPORATION					$ (252)	$ (231)
EARNINGS PER SHARE ATTRIBUTABLE TO ALCOA CORPORATION COMMON SHAREHOLDERS (F):						
Basic	$ (0.94)	$ (4.17)	$ (2.81)	$ 1.50	$ (1.41)	$ (1.30)
Diluted	$ (0.94)	$ (4.17)	$ (2.81)	$ 1.47	$ (1.41)	$ (1.30)

The accompanying notes are an integral part of the consolidated financial statements.

Alcoa Corporation and Subsidiaries
Statement of Consolidated Comprehensive Income (unaudited)
(in millions)

	Alcoa Corporation		Noncontrolling interest		Total	
	Third quarter ended September 30,		Third quarter ended September 30,		Third quarter ended September 30,	
	2023	2022	2023	2022	2023	2022
Net loss	$ (168)	$ (746)	$ (25)	$ (23)	$ (193)	$ (769)

	Alcoa Corporation		Noncontrolling interest		Total	
Other comprehensive (loss) income, net of tax (G):						
Change in unrecognized net actuarial loss and prior service cost/benefit related to pension and other postretirement benefits	5	656	(1)	6	4	662
Foreign currency translation adjustments	(67)	(173)	(47)	(81)	(114)	(254)
Net change in unrecognized gains/losses on cash flow hedges	(91)	128	—	—	(91)	128
Total Other comprehensive (loss) income, net of tax	(153)	611	(48)	(75)	(201)	536
Comprehensive loss	$ (321)	$ (135)	$ (73)	$ (98)	$ (394)	$ (233)

	Alcoa Corporation		Noncontrolling interest		Total	
	Nine months ended September 30,		Nine months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022	2023	2022
Net (loss) income	$ (501)	$ 272	$ (45)	$ 186	$ (546)	$ 458
Other comprehensive (loss) income, net of tax (G):						
Change in unrecognized net actuarial loss and prior service cost/benefit related to pension and other postretirement benefits	19	730	(3)	7	16	737
Foreign currency translation adjustments	(40)	(217)	(21)	(115)	(61)	(332)
Net change in unrecognized gains/losses on cash flow hedges	13	435	—	2	13	437
Total Other comprehensive (loss) income, net of tax	(8)	948	(24)	(106)	(32)	842
Comprehensive (loss) income	$ (509)	$ 1,220	$ (69)	$ 80	$ (578)	$ 1,300

	Alcoa Corporation		Noncontrolling interest		Total	
	First quarter ended March 31,		First quarter ended March 31,		First quarter ended March 31,	
	2024	2023	2024	2023	2024	2023
Net loss	$ (252)	$ (231)	$ (55)	$ (1)	$ (307)	$ (232)

Other comprehensive income (loss), net of tax (G):						
Change in unrecognized net actuarial gain/loss and prior service cost/benefit related to pension and other postretirement benefits	9	4	1	—	10	4
Foreign currency translation adjustments	(122)	2	(54)	15	(176)	17
Net change in unrecognized gains/losses on cash flow hedges	130	(122)	—	—	130	(122)
Total Other comprehensive income (loss), net of tax	17	(116)	(53)	15	(36)	(101)
Comprehensive (loss) income	$ (235)	$ (347)	$ (108)	$ 14	$ (343)	$ (333)

The accompanying notes are an integral part of the consolidated financial statements.

Alcoa Corporation and Subsidiaries
Consolidated Balance Sheet (unaudited)
(in millions)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
ASSETS				
Current assets:				
Cash and cash equivalents (N)	$ 926	$ 1,363		
Cash and cash equivalents (M)			$ 1,358	$ 944
Receivables from customers (I)	691	778	869	656
Other receivables	105	131	132	152
Inventories (J)	2,190	2,427	2,048	2,158
Fair value of derivative instruments (N)	33	134		

Fair value of derivative instruments (M)			22	29
Prepaid expenses and other current assets	420	417	452	466
Total current assets	4,365	5,250	4,881	4,405
Properties, plants, and equipment	19,836	19,605	19,959	20,381
Less: accumulated depreciation, depletion, and amortization	13,304	13,112	13,382	13,596
Properties, plants, and equipment, net	6,532	6,493	6,577	6,785
Investments (H)	1,004	1,122	969	979
Deferred income taxes	395	296	295	333
Fair value of derivative instruments (N)	3	2		
Fair value of derivative instruments (M)			1	3
Other noncurrent assets	1,618	1,593	1,605	1,650
Total assets	$ 13,917	$ 14,756	$ 14,328	$ 14,155
LIABILITIES				
Current liabilities:				
Accounts payable, trade	$ 1,472	$ 1,757	$ 1,586	$ 1,714
Accrued compensation and retirement costs	337	335	331	357
Taxes, including income taxes	110	230	94	88
Fair value of derivative instruments (N)	204	200		
Fair value of derivative instruments (M)			205	214
Other current liabilities	500	481	746	578
Long-term debt due within one year (L & N)	1	1		
Long-term debt due within one year (K & M)			79	79
Total current liabilities	2,624	3,004	3,041	3,030
Long-term debt, less amount due within one year (L & N)	1,809	1,806		
Accrued pension benefits (M)	225	213		
Accrued other postretirement benefits (M)	440	480		
Asset retirement obligations (P)	830	711		
Environmental remediation (Q)	225	226		
Fair value of derivative instruments (N)	927	1,026		
Long-term debt, less amount due within one year (K & M)			2,469	1,732
Accrued pension benefits (L)			267	278
Accrued other postretirement benefits (L)			437	443
Asset retirement obligations			718	772

Environmental remediation (O)			197	202
Fair value of derivative instruments (M)			925	1,092
Noncurrent income taxes	207	215	134	193
Other noncurrent liabilities and deferred credits	538	486	606	568
Total liabilities	7,825	8,167	8,794	8,310
CONTINGENCIES AND COMMITMENTS (Q)				
CONTINGENCIES AND COMMITMENTS (O)				
EQUITY				
Alcoa Corporation shareholders' equity:				
Common stock	2	2	2	2
Additional capital	9,179	9,183	9,184	9,187
Accumulated deficit	(1,125)	(570)	(1,564)	(1,293)
Accumulated other comprehensive loss (G)	(3,547)	(3,539)	(3,628)	(3,645)
Total Alcoa Corporation shareholders' equity	4,509	5,076	3,994	4,251
Noncontrolling interest	1,583	1,513	1,540	1,594
Total equity	6,092	6,589	5,534	5,845
Total liabilities and equity	$ 13,917	$ 14,756	$ 14,328	$ 14,155

The accompanying notes are an integral part of the consolidated financial statements.

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Alcoa Corporation and Subsidiaries

Statement of Consolidated Cash Flows (unaudited)

(in millions)

	Nine months ended September 30,		Three months ended March 31,	
	2023	**2022**	**2024**	**2023**
CASH FROM OPERATIONS				
Net (loss) income	$ (546)	$ 458		
Adjustments to reconcile net (loss) income to cash from operations:				

Net loss			$ (307)	$ (232)
Adjustments to reconcile net loss to cash from operations:				
Depreciation, depletion, and amortization	469	470	161	153
Deferred income taxes	(156)	93	(63)	(24)
Equity loss (income), net of dividends	161	(35)		
Equity loss, net of dividends			23	93
Restructuring and other charges, net (D)	195	702	202	149
Net loss from investing activities – asset sales (R)	18	7		
Net periodic pension benefit cost (M)	4	39		
Net loss from investing activities – asset sales (P)			11	18
Net periodic pension benefit cost (L)			3	1
Stock-based compensation	27	28	10	10
Loss (gain) on mark-to-market derivative financial contracts	31	(84)	2	(18)
Other	67	30	20	48
Changes in assets and liabilities, excluding effects of divestitures and foreign currency translation adjustments:				
Decrease in receivables	108	23		
Decrease (increase) in inventories	166	(580)		
Decrease (increase) in prepaid expenses and other current assets	53	(10)		
(Increase) decrease in receivables			(212)	40
Decrease in inventories			71	17
(Increase) decrease in prepaid expenses and other current assets			(6)	4
Decrease in accounts payable, trade	(275)	(10)	(98)	(273)
Decrease in accrued expenses	(119)	(122)	(22)	(45)
Decrease in taxes, including income taxes	(52)	(103)		
Pension contributions (M)	(20)	(12)		
Increase in noncurrent assets	(179)	(94)		
Increase (decrease) in taxes, including income taxes			18	(13)
Pension contributions (L)			(6)	(4)
Decrease (increase) in noncurrent assets			9	(29)
Decrease in noncurrent liabilities	(59)	(96)	(39)	(58)

CASH (USED FOR) PROVIDED FROM OPERATIONS	(107)	704		
CASH USED FOR OPERATIONS			(223)	(163)
FINANCING ACTIVITIES				
Additions to debt	80	—	965	25
Payments on debt	(39)	—	(221)	(1)
Proceeds from the exercise of employee stock options	1	22	—	1
Repurchase of common stock	—	(500)		
Dividends paid on Alcoa common stock	(54)	(55)	(19)	(18)
Payments related to tax withholding on stock-based compensation awards	(34)	(19)	(15)	(34)
Financial contributions for the divestiture of businesses (C)	(44)	(19)	(7)	(14)
Contributions from noncontrolling interest	164	150	61	86
Distributions to noncontrolling interest	(24)	(319)	(6)	(6)
Other	1	(3)	(4)	1
CASH PROVIDED FROM (USED FOR) FINANCING ACTIVITIES	51	(743)		
CASH PROVIDED FROM FINANCING ACTIVITIES			754	40
INVESTING ACTIVITIES				
Capital expenditures	(343)	(309)	(101)	(83)
Proceeds from the sale of assets	2	5	1	1
Additions to investments	(51)	(32)	(17)	(20)
Sale of investments	—	10		
Other	4	2		
CASH USED FOR INVESTING ACTIVITIES	(388)	(324)	(117)	(102)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	—	(20)	(6)	2
Net change in cash and cash equivalents and restricted cash	(444)	(383)	408	(223)
Cash and cash equivalents and restricted cash at beginning of year	1,474	1,924	1,047	1,474
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	$ 1,030	$ 1,541	$ 1,455	$ 1,251

The accompanying notes are an integral part of the consolidated financial statements.

Alcoa Corporation and Subsidiaries

Statement of Changes in Consolidated Equity (unaudited)

(in millions)

	Alcoa Corporation shareholders						Alcoa Corporation shareholders
	Common stock	**Additional capital**	**Accumulated deficit**	**Accumulated other comprehensive loss**	**Non-controlling interest**	**Total equity**	
Balance at January 1, 2022	$ 2	$ 9,577	$ (315)	$ (4,592)	$ 1,612	$ 6,284	
Net income	—	—	469	—	84	553	
Other comprehensive (loss) income (G)	—	—	—	(482)	100	(382)	
Stock-based compensation	—	9	—	—	—	9	

Net effect of tax withholding for compensation plans and exercise of stock options	—	2	—	—	—	2
Repurchase of common stock		(54)	(21)			(75)
Dividends paid on Alcoa common stock ($0.10 per share)	—	—	(19)	—	—	(19)
Contributions	—	—	—	—	46	46
Distributions	—	—	—	—	(162)	(162)
Other	—	3	—	—	(2)	1
Balance at March 31, 2022	$ 2	$ 9,537	$ 114	$ (5,074)	$ 1,678	$ 6,257
Net income	—	—	549	—	125	674
Other comprehensive income (loss) (G)	—	—	—	819	(131)	688
Stock-based compensation	—	11	—	—	—	11

Net effect of tax withholding for compensation plans and exercise of stock options	—	1	—	—	—	1
Repurchase of common stock		(236)	(39)			(275)
Dividends paid on Alcoa common stock ($0.10 per share)	—	—	(18)	—	—	(18)
Contributions	—	—	—	—	37	37
Distributions	—	—	—	—	(83)	(83)
Balance at June 30, 2022	$ 2	$ 9,313	$ 606	$ (4,255)	$ 1,626	$ 7,292
Net loss	—	—	(746)	—	(23)	(769)
Other comprehensive income (loss) (G)	—	—	—	611	(75)	536
Stock-based compensation	—	8	—	—	—	8

Repurchase of common stock	—	(150)	—	—	—	(150)
Dividends paid on Alcoa common stock ($0.10 per share)	—	—	(18)	—	—	(18)
Contributions	—	—	—	—	67	67
Distributions	—	—	—	—	(74)	(74)
Balance at September 30, 2022	$ 2	$ 9,171	$ (158)	$ (3,644)	$ 1,521	$ 6,892

							Common stock	Additional capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Non-controlling interest	Total equity
Balance at January 1, 2023	$ 2	$ 9,183	$ (570)	$ (3,539)	$ 1,513	$ 6,589	$ 2	$ 9,183	$ (570)	$ (3,539)	$ 1,513	$ 6,589
Net loss	—	—	(231)	—	(1)	(232)	—	—	(231)	—	(1)	(232)
Other comprehensive (loss) income (G)	—	—	—	(116)	15	(101)	—	—	—	(116)	15	(101)
Stock-based compensation	—	10	—	—	—	10	—	10	—	—	—	10

Net effect of tax withholding for compensation plans and exercise of stock options	—	(33)	—	—	—	(33)	—	(33)	—	—	—	(33)
Dividends paid on Alcoa common stock ($0.10 per share)	—	—	(18)	—	—	(18)	—	—	(18)	—	—	(18)
Contributions	—	—	—	—	86	86	—	—	—	—	86	86
Distributions	—	—	—	—	(6)	(6)	—	—	—	—	(6)	(6)
Other	—	2	—	—	(1)	1	—	2	—	—	(1)	1
Balance at March 31, 2023	$ 2	$ 9,162	$ (819)	$ (3,655)	$ 1,606	$ 6,296	$ 2	$ 9,162	$ (819)	$ (3,655)	$ 1,606	$ 6,296
Balance at January 1, 2024							$ 2	$ 9,187	$ (1,293)	$ (3,645)	$ 1,594	$ 5,845
Net loss	—	—	(102)	—	(19)	(121)	—	—	(252)	—	(55)	(307)
Other comprehensive income (G)	—	—	—	261	9	270						
Other comprehensive income (loss) (G)							—	—	—	17	(53)	(36)
Stock-based compensation	—	11	—	—	—	11	—	10	—	—	—	10

Net effect of tax withholding for compensation plans and exercise of stock options							—	(15)	—	—	—	(15)
Dividends paid on Alcoa common stock ($0.10 per share)	—	—	(18)	—	—	(18)	—	—	(19)	—	—	(19)
Contributions	—	—	—	—	36	36	—	—	—	—	61	61
Distributions	—	—	—	—	(16)	(16)	—	—	—	—	(6)	(6)
Balance at June 30, 2023	$ 2	$ 9,173	$ (939)	$ (3,394)	$ 1,616	$ 6,458						
Net loss	—	—	(168)	—	(25)	(193)						
Other comprehensive loss (G)	—	—	—	(153)	(48)	(201)						
Stock-based compensation	—	6	—	—	—	6						
Dividends paid on Alcoa common stock ($0.10 per share)	—	—	(18)	—	—	(18)						
Contributions	—	—	—	—	42	42						

Distributions	—	—	—	—	(2)	(2)
Balance at September 30, 2023	$ 2	$ 9,179	$ (1,125)	$ (3,547)	$ 1,583	$ 6,092
Other	—	2	—	—	(1)	1
Balance at March 31, 2024	$ 2	$ 9,184	$ (1,564)	$ (3,628)	$ 1,540	$ 5,534

The accompanying notes are an integral part of the consolidated financial statements.

Alcoa Corporation and Subsidiaries
Notes to the Consolidated Financial Statements (unaudited)
(dollars in millions, except per-share amounts; metric tons in thousands (kmt))

A. Basis of Presentation – The interim Consolidated Financial Statements of Alcoa Corporation and its subsidiaries (Alcoa Corporation, Alcoa, or the Company) are unaudited. These Consolidated Financial Statements include all adjustments, consisting only of normal recurring adjustments, considered necessary by management to fairly state the Company's results of operations, financial position, and cash flows. The results reported in these Consolidated Financial Statements are not necessarily indicative of the results that may be expected for the entire year. The 2022 2023 year-end balance sheet data was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America (GAAP). This Quarterly Report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, which includes disclosures required by GAAP.

In accordance with GAAP, certain situations require management to make estimates based on judgments and assumptions, which may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. They also may affect the reported amounts of revenues and expenses during the reporting periods. Management uses historical experience and all available information to make these estimates. Management regularly evaluates the judgments and assumptions used in its estimates, and results could differ from those estimates upon future events and their effects or new information.

Principles of Consolidation. The Consolidated Financial Statements of Alcoa Corporation include the accounts of Alcoa Corporation and companies in which Alcoa Corporation has a controlling interest, including those that comprise the Alcoa World Alumina & Chemicals (AWAC) joint venture (see below). Intercompany transactions have been eliminated. The equity method of accounting is used for investments in affiliates and other joint ventures over which Alcoa Corporation has significant influence but does not have effective control. Investments in affiliates in which Alcoa Corporation cannot exercise significant influence are accounted for at cost less any impairment, a measurement alternative in accordance with GAAP.

AWAC is an unincorporated global joint venture between Alcoa Corporation and Alumina Limited and consists of several affiliated operating entities, which own, have an interest in, or operate the bauxite mines and alumina refineries within Alcoa Corporation's Alumina segment (except for the Poços de Caldas mine and refinery and portions of the São Luís refinery, and investment in Mineração Rio do Norte S.A. (MRN) until its sale in April 2022, all in Brazil) and a portion (55%) of the Portland smelter (Australia) within Alcoa Corporation's Aluminum segment. Alcoa Corporation owns 60% and Alumina Limited owns 40% of these individual entities, which are consolidated by the Company for financial reporting purposes and include Alcoa of Australia Limited (AofA), Alcoa World Alumina LLC (AWA), Alcoa World Alumina Brasil Ltda. (AWAB), and Alúmina Española, S.A. (Española). Alumina Limited's interest in the equity of such entities is reflected as Noncontrolling interest on the accompanying Consolidated Balance Sheet.

B. Recently Adopted and Recently Issued Accounting Guidance

On January 1, In December 2023,, the Company adoptedFinancial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2022-042023-09 which requires a buyer in a supplier finance program includes changes to disclose qualitative and quantitative income tax disclosures, including greater disaggregation of information about its supplier finance programs, including the key terms of the program, the amount of obligations outstanding at the end of the reporting period, a description of where those obligations are presented in the balance sheet, rate reconciliation and disclosure of taxes paid by jurisdiction. The guidance is effective January 1, 2024, a roll-forward of such amounts during the for annual period. periods beginning after December 15, 2024. Early adoption is permitted. The adoption of this guidance resulted in will provide enhanced disclosures regarding these programs (see Note S) income taxes and did not will not have a material impact on the Company's Consolidated Financial Statements. Company's financial statements.

In November 2023, the FASB issued ASU 2023-07 which requires disclosure of significant segment expenses regularly provided to the chief operating decision maker (CODM), other segment items (not included in significant segment expenses for each reportable segment), the title and position of the CODM, and an explanation of how the CODM uses the reported measure of segment profit or loss to assess segment performance and allocate resources. The adoption of this guidance will not have a material impact on the Company's financial statements and will provide enhanced disclosures regarding reportable segments beginning in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

C. Acquisitions and Divestitures

Alumina Limited Acquisition

On March 11, 2024, the Company and Alumina Limited entered into a Scheme Implementation Deed (the Agreement) for Alcoa's acquisition of all Alumina Limited ordinary shares (the Transaction), following an agreement reached on February 26, 2024, between Alcoa and Alumina Limited, on terms and process for the acquisition of Alumina Limited (the Process Deed). Alumina Limited holds a 40% ownership interest in the AWAC joint venture. The acquisition is intended to enhance Alcoa's position as a leading pure play, upstream aluminum company globally, while simplifying the Company's corporate structure and governance, resulting in greater operational flexibility and strategic optionality.

Under the Agreement, Alumina Limited shareholders would receive consideration of 0.02854 Alcoa common shares for each Alumina Limited share (the Agreed Ratio). Upon completion of the transaction, Alumina Limited shareholders would own 31.25%, and Alcoa shareholders would own 68.75% of the combined company, on a fully diluted basis. Based on Alcoa's closing share price as of February 23, 2024, the last trading day prior to the announcement of the Process Deed, the Agreed Ratio implies a value of A$1.15 per Alumina Limited share and an equity value of approximately $2,200 for Alumina Limited.

Under the terms of the Agreement, Alcoa also agreed to provide a shareholder loan to AWAC in place of required capital contributions by Alumina Limited if Alumina Limited's net debt position exceeds $420. Subject to certain accelerated repayment triggers, Alumina Limited would be required to pay its equity calls (plus accrued interest) no later than September 1, 2025 in the event the transaction is not completed. Alcoa and Alumina Limited are also subject to termination fees in the event the transaction is not completed.

Warrick Rolling Mill Divestiture

In conjunction with the sale of its rolling mill located at Warrick Operations (Warrick Rolling Mill) in March 2021, the Company recorded estimated liabilities for site separation commitments. In the first quarters of 2024 and 2023, the Company spent $7 and $14 against the reserve, respectively. The Company recorded a an additional charge of $17 11 in the nine-month period first quarter of 2023 and $5 in the nine-month period of 2022 2024 in Other expenses, (income), net on the Statement of Consolidated Operations related to these commitments. In the third first quarter and nine-month period of 2023, the Company spent recorded a charge of $19 17 and $44 against in Other expenses, net on the reserve, respectively. In the third quarter and nine-month period Statement of 2022, the Company spent $13 and $22 against the reserve, respectively. Consolidated Operations related to these commitments. The remaining balance of $19 15 at September 30, 2023 March 31, 2024 is expected to be spent over the next 12 months. in 2024.

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D. Restructuring and Other Charges, Net

In the third first quarter and the nine-month period of 2023, 2024, Alcoa Corporation recorded Restructuring and other charges, net, of $22 202 which were primarily comprised of a charge of $197 for the curtailment of the Kwinana (Australia) alumina refinery.

In January 2024, Alcoa Corporation announced the full curtailment of the Kwinana alumina refinery which will be completed in the second quarter of 2024. The refinery currently has approximately 780 employees and this number will be reduced to approximately 250 in the third quarter of 2024, after alumina production has ceased. Certain processes will continue until about the third quarter of 2025, when the employee number will be further reduced to approximately 50. In addition to the employees separating as a result of the curtailment, approximately 150 employees will either terminate through the productivity program announced in the third quarter of 2023 or redeploy to other Alcoa operations. The charge of $197 includes $123 for water management costs, $41 for severance and employee termination costs for the separation of approximately 580 employees, $15 for asset retirement obligations, $13 for take-or-pay contracts, and $195 5, respectively, for asset impairments. Related cash outlays of approximately $215 (which includes existing employee related liabilities and asset retirement obligations) are expected through 2025, with approximately $140 to be spent in 2024. During the first quarter of 2024, cash outlays were $2.

Alcoa Corporation recorded a net charge of $149 in the first quarter of 2023 in Restructuring and other charges, net, which were primarily comprised of:

- A charge of $101 (nine-month period only) for asset impairments and to establish reserves for environmental, demolition and employee severance costs related to the permanent closure of the Intalco (Washington) aluminum smelter; and,
- A charge of $47 (nine-month period only) for increased reserves for certain employee obligations related to the updated viability agreement for the San Ciprián (Spain) aluminum smelter;
- A charge of $21 (nine-month period only) related to the settlement of certain pension benefits (see Note M);
- A net charge of $15 (both periods) to record additional environmental and asset retirement obligation reserves at previously closed locations (see Note Q);
- A charge of $7 and $10, respectively, for employee termination and severance costs primarily related to the Kwinana (Australia) refinery productivity program; and,
- A charge of $1 (nine-month period only) for several other insignificant items. smelter.

In September 2023, the Company continued to pursue cost reduction measures and initiated productivity programs across its operations in Australia to mitigate the financial impacts of lower grade bauxite and to optimize current operating levels. In connection with this program, the Company recorded Restructuring and other charges, net of $ 76

for employee termination and severance costs for approximately 90 employees at the Kwinana refinery. The restructuring action and associated cash outlays are anticipated to be complete by the end of the first quarter of 2024.

In March 2023, Alcoa Corporation announced the closure of the previously curtailed Intalco aluminum smelter. The facility smelter, which had been fully curtailed since 2020. Charges The Company recorded charges of $117 related to the closure, totaled $117 in the nine-month period of 2023 and included including a charge of $16 for the write down of remaining inventories to net realizable value recorded in Cost of goods sold on the Statement of Consolidated Operations to write-down remaining inventories to net realizable value and a charge of $101 recorded in Restructuring and other charges, net on the

Statement of Consolidated Operations. The restructuring charges were comprised of asset impairments of $50, environmental and demolition obligation reserves of $50, and severance and employee termination costs from of $1 for the separation of approximately 12 employees of $1. employees. Cash outlays related to the permanent closure of the site are expected to be $80 over the next three years with approximately $85 45 to be spent in 2024. During the first quarter of 2024, and 2025. The Company spent cash outlays were $1 4 in the third quarter and nine-month period of 2023 against the reserve. .

On February 3, 2023, In February 2023, the Company reached an updated viability agreement with the workers' representatives of the San Ciprián smelter to commence the restart process of the San Ciprián aluminum smelter in phases beginning in January 2024. The smelter was curtailed in January 2022 as a result of an agreement reached with the workers' representatives in December 2021. Under the terms of the updated viability agreement, the Company is responsible for certain employee obligations during 2024 2023 through 2025 and 2025. As a result, the made additional commitments for capital improvements of $78. The Company recorded charges of $47 53 in the nine-month period of 2023 in Restructuring and other charges, net on the Statement of Consolidated Operations. Cash outlays related to these obligations are expected in 2024 and 2025.

Alcoa Corporation recorded a net charge of $652 in the third quarter of 2022 and a net charge of $702 in the nine-month period of 2022 in Restructuring and other charges, net, which were comprised of:

- A net charge of $626 (both periods) related to the settlement of certain pension benefits;
- A charge of $29 (both periods) related to the closure of the previously curtailed magnesium smelter facility in Addy (Washington);
- A reversal of $83 (nine-month period only) for the release of a valuation allowance on Brazil value added taxes (VAT) (see Note R);
- A net reversal of $6 (nine-month period only) for changes in estimated take-or-pay contract costs at the closed Wenatchee (Washington) smelter and the curtailed Intalco smelter;
- A net reversal of $3 and $1, respectively, for site remediation at previously closed sites (see Note Q);
- A charge of $79 (nine-month period only) for the agreement reached with the workers of the divested Avilés and La Coruña (Spain) facilities to settle various legal disputes related to the 2019 divestiture (see Note Q);
- A charge of $58 (nine-month period only) for an asset impairment related to the sale of the Company's interest in MRN (see Note H).

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In July 2022, Alcoa made the decision to permanently close the previously curtailed magnesium smelter in Addy. The facility has been fully curtailed since 2001. The Company recorded a charge of $29 to establish reserves for environmental and demolition obligations in Restructuring and other charges, net on the Statement of Consolidated Operations to establish the related reserve for employee obligations in 2023. Cash outlays related to employee obligations are expected to be $38 through 2025, with approximately $25 to be spent in 2024. During the third first quarter of 2022. 2024, cash outlays were $8. At March 31, 2024, the Company had restricted cash of $86 to be made available for remaining capital improvement commitments at the site of $115 and smelter restart costs of $33 for both the agreement reached with the worker's representatives in December 2021 and the updated viability agreement in February 2023. Restricted cash is included in Prepaid expenses and other current assets and Other noncurrent assets on the Consolidated Balance Sheet (see Note P).

Alcoa Corporation does not include Restructuring and other charges, net in the results of its reportable segments. The impact of allocating such charges to segment results would have been as follows:

	Third quarter ended September 30,		Nine months ended September 30,		First quarter ended March 31,	
	2023	2022	2023	2022	2024	2023
Alumina (1)	$ 6	$ (3)	$ 8	$ (28)		
Alumina					$ 197	$ 1
Aluminum	(3)	—	162	73	—	146
Segment total	3	(3)	170	45	197	147
Corporate	19	655	25	657	5	2
Total Restructuring and other charges, net	$ 22	$ 652	$ 195	$ 702	$ 202	$ 149

(1) Beginning in January 2023, the Company changed its operating segments, by combining the Bauxite and Alumina segments, and reported its financial results in the following two segments: (i) Alumina and (ii) Aluminum (see Note E).

Activity and reserve balances for restructuring charges were as follows:

	Severance and employee termination costs	Other costs	Total	Severance and employee termination costs	Other costs	Total
Balance at December 31, 2021	$ 3	$ 90	$ 93			
Restructuring and other charges, net	1	73	74			
Cash payments	(2)	(37)	(39)			
Reversals and other	(1)	(10)	(11)			
Balance at December 31, 2022	1	116	117	$ 1	$ 116	$ 117
Restructuring and other charges, net	10	49	59	11	55	66

Cash payments	(4)	(108)	(112)	(6)	(118)	(124)
Reversals and other	—	2	2	—	4	4
Balance at September 30, 2023	$ 7	$ 59	$ 66			
Balance at December 31, 2023				6	57	63
Restructuring and other charges, net				43	139	182
Cash payments				(1)	(15)	(16)
Reversals and other				—	(1)	(1)
Balance at March 31, 2024				$ 48	$ 180	$ 228

The activity and reserve balances include only Restructuring and other charges, net that impact impacted the reserves for Severance and employee termination costs and Other costs. Restructuring and other charges, net that affected other liability accounts such as Investments (see Note H), Accrued pension benefits (see Note M) L), Asset retirement obligations, (see Note P), and Environmental remediation (see Note Q) O) are excluded from the above activity and balances. Reversals and other includes reversals of previously recorded liabilities and foreign currency translation impacts.

The noncurrent portion of the reserve was $21 45 and $3 15 at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

E. E. Segment Information – Alcoa Corporation is a producer of bauxite, alumina, and aluminum products. Beginning in January 2023, the financial information provided to the chief The Company has two operating decision maker (CODM) for the activities of the bauxite mines and the alumina refineries was combined, and accordingly the Company changed its operating segments. Beginning with the first quarter of 2023, the Company reported its financial results in the following two reportable segments: (i) Alumina and (ii) Aluminum. Segment information for all prior periods presented has been updated to reflect the new segment structure. Segment performance under Alcoa Corporation's management reporting system is evaluated based on a number of factors; however, the primary measure of performance is the Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) for each segment. The Company calculates Segment Adjusted EBITDA as Total sales (third-party and intersegment) minus the following items: Cost of goods sold; Selling, general administrative, and other expenses; and Research and development expenses. Alcoa Corporation's Segment Adjusted EBITDA may not be comparable to similarly titled measures of other companies. The CODM function regularly reviews the financial information, including Adjusted EBITDA, of these two operating segments to assess performance and allocate resources.

The operating results of Alcoa Corporation's reportable segments were as follows (differences between segment totals and consolidated amounts are in Corporate):

	Alumina	Aluminum	Total
Third quarter ended September 30, 2023			
Sales:			
Third-party sales	$ 957	$ 1,644	$ 2,601
Intersegment sales	381	4	385
Total sales	$ 1,338	$ 1,648	$ 2,986
Segment Adjusted EBITDA	$ 53	$ 79	$ 132
Supplemental information:			
Depreciation, depletion, and amortization	$ 89	$ 69	$ 158
Equity loss	$ (9)	$ (15)	$ (24)
Third quarter ended September 30, 2022			
Sales:			
Third-party sales	$ 891	$ 1,976	$ 2,867
Intersegment sales	412	10	422
Total sales	$ 1,303	$ 1,986	$ 3,289
Segment Adjusted EBITDA	$ 78	$ 152	$ 230
Supplemental information:			
Depreciation, depletion, and amortization	$ 74	$ 70	$ 144
Equity loss	$ (18)	$ (5)	$ (23)

	Alumina	Aluminum	Total
Nine months ended September 30, 2023			
Sales:			
Third-party sales	$ 2,708	$ 5,242	$ 7,950
Intersegment sales	1,199	11	1,210
Total sales	$ 3,907	$ 5,253	$ 9,160
Segment Adjusted EBITDA	$ 189	$ 373	$ 562
Supplemental information:			
Depreciation, depletion, and amortization	$ 246	$ 207	$ 453
Equity loss	$ (37)	$ (88)	$ (125)
Nine months ended September 30, 2022			
Sales:			
Third-party sales	$ 2,900	$ 6,903	$ 9,803
Intersegment sales	1,308	25	1,333
Total sales	$ 4,208	$ 6,928	$ 11,136

	Alumina	Aluminum	Total
Segment Adjusted EBITDA	$ 738	$ 1,461	$ 2,199
Supplemental information:			
Depreciation, depletion, and amortization	$ 243	$ 210	$ 453
Equity (loss) income	$ (22)	$ 74	$ 52

	Alumina	Aluminum	Total
First quarter ended March 31, 2024			
Sales:			
Third-party sales	$ 961	$ 1,638	$ 2,599
Intersegment sales	395	4	399
Total sales	$ 1,356	$ 1,642	$ 2,998
Segment Adjusted EBITDA	$ 139	$ 50	$ 189
Supplemental information:			
Depreciation, depletion, and amortization	$ 87	$ 68	$ 155
Equity (loss) income	$ (11)	$ 2	$ (9)
First quarter ended March 31, 2023			
Sales:			
Third-party sales	$ 857	$ 1,810	$ 2,667
Intersegment sales	421	3	424
Total sales	$ 1,278	$ 1,813	$ 3,091
Segment Adjusted EBITDA	$ 103	$ 184	$ 287
Supplemental information:			
Depreciation, depletion, and amortization	$ 77	$ 70	$ 147
Equity loss	$ (17)	$ (57)	$ (74)

The following table reconciles total Segment Adjusted EBITDA to Consolidated net (loss) income loss attributable to Alcoa Corporation:

	Third quarter ended September 30,		Nine months ended September 30,		First quarter ended March 31,	
	2023	2022	2023	2022	2024	2023
Total Segment Adjusted EBITDA	$ 132	$ 230	$ 562	$ 2,199	$ 189	$ 287
Unallocated amounts:						

Transformation[1]	(29)	(19)	(54)	(44)	(14)	(8)
Intersegment eliminations	(4)	23	19	133	(8)	(8)
Corporate expenses[2]	(33)	(27)	(87)	(91)	(34)	(30)
Provision for depreciation, depletion, and amortization	(163)	(149)	(469)	(470)	(161)	(153)
Restructuring and other charges, net (D)	(22)	(652)	(195)	(702)	(202)	(149)
Interest expense	(26)	(25)	(79)	(80)	(27)	(26)
Other (expenses) income, net (R)	(85)	(35)	(145)	185		
Other expenses, net (P)					(59)	(54)
Other[3]	2	(75)	(59)	(188)	(9)	(39)
Consolidated (loss) income before income taxes	(228)	(729)	(507)	942		
Consolidated loss before income taxes					(325)	(180)
Benefit from (provision for) income taxes	35	(40)	(39)	(484)	18	(52)
Net loss (income) attributable to noncontrolling interest	25	23	45	(186)		
Consolidated net (loss) income attributable to Alcoa Corporation	$ (168)	$ (746)	$ (501)	$ 272		
Net loss attributable to noncontrolling interest					55	1
Consolidated net loss attributable to Alcoa Corporation					$ (252)	$ (231)

(1) Transformation includes, among other items, the Adjusted EBITDA of previously closed operations.
(2) Corporate expenses are composed of general administrative and other expenses of operating the corporate headquarters and other global administrative facilities, as well as research and development expenses of the corporate technical center.
(3) Other includes certain items that are not included in the Adjusted EBITDA of the reportable segments.

The following table details Alcoa Corporation’s Sales by product division:

	Third quarter ended September 30,		Nine months ended September 30,		First quarter ended March 31,	
	2023	2022	2023	2022	2024	2023
Aluminum	$ 1,666	$ 1,990	$ 5,336	$ 7,033	$ 1,661	$ 1,846
Alumina	840	821	2,328	2,735	890	714
Energy	32	74	86	155	33	28
Bauxite	107	52	343	107	61	127
Other[1]	(43)	(86)	(137)	(242)	(46)	(45)
	$ 2,602	$ 2,851	$ 7,956	$ 9,788	$ 2,599	$ 2,670

[1] Other includes realized gains and losses related to embedded derivative instruments designated as cash flow hedges of forward sales of aluminum.

F. F. Earnings Per Share – Basic earnings per share (EPS) amounts are computed by dividing earnings by the average number of common shares outstanding. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive share equivalents outstanding.

The share information used to compute basic and diluted EPS attributable to Alcoa Corporation common shareholders was as follows (shares in millions):

	Third quarter ended September 30,		Nine months ended September 30,		First quarter ended March 31,	
	2023	2022	2023	2022	2024	2023
Net (loss) income attributable to Alcoa Corporation	$ (168)	$ (746)	$ (501)	$ 272		
Net loss attributable to Alcoa Corporation					$ (252)	$ (231)

Average shares outstanding – basic	178	179	178	182	179	178
Effect of dilutive securities:						
Stock options	—	—	—	—	—	—
Stock units	—	—	—	4	—	—
Average shares outstanding – diluted	178	179	178	186	179	178

In the third quarter first quarters of 2024 and nine-month period of 2023, basic average shares outstanding and diluted average shares outstanding were the same because the effect of potential shares of common stock was anti-dilutive. Had Alcoa generated net income in the third first quarter of 2024 or nine-month period first quarter of 2023,two million and three million common share equivalents, (both periods) respectively, related to three million outstanding stock units and stock options combined would have been included in diluted average shares outstanding for the periods.

In the third quarter of 2022, basic average shares outstanding and diluted average shares outstanding were the same because the effect of potential shares of common stock was anti-dilutive. Had Alcoa generated net income in the third quarter of 2022, three million common share equivalents related to three million outstanding stock units and stock options combined would have been included in diluted average shares outstanding for the periods. For the nine-month period of 2022, all options to purchase shares of common stock were included in the computation of diluted EPS.

G. Accumulated Other Comprehensive Loss

The following table details the activity of the three components that comprise Accumulated other comprehensive loss for both Alcoa Corporation's shareholders and Noncontrolling interest:

	Alcoa Corporation		Noncontrolling interest		Alcoa Corporation		Noncontrolling interest	
	Third quarter ended September 30,		Third quarter ended September 30,		First quarter ended March 31,		First quarter ended March 31,	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**	**2024**	**2023**
Pension and other postretirement benefits (M)								

Pension and other postretirement benefits (L)								
Balance at beginning of period	$ 76	$ (808)	$ (7)	$ (12)	$ —	$ 62	$ (15)	$ (5)
Other comprehensive income (loss):								
Unrecognized net actuarial loss and prior service cost/benefit	—	17	(1)	8				
Unrecognized net actuarial gain/loss and prior service cost/benefit					4	—	—	—
Tax expense(2)	—	(7)	—	(3)	(1)	—	—	—
Total Other comprehensive income before reclassifications, net of tax	—	10	(1)	5	3	—	—	—
Amortization of net actuarial loss and prior service cost/benefit(1)	5	645	—	1				
Tax benefit(2)	—	1	—	—				
Total amount reclassified from Accumulated other comprehensive loss, net of tax(7)	5	646	—	1				
Amortization of net actuarial gain/loss and prior service cost/benefit(1)					6	4	1	—
Total amount reclassified from Accumulated other comprehensive loss, net of tax(6)					6	4	1	—
Total Other comprehensive income	5	656	(1)	6	9	4	1	—
Balance at end of period	$ 81	$ (152)	$ (8)	$ (6)	$ 9	$ 66	$ (14)	$ (5)

Foreign currency translation								
Balance at beginning of period	$ (2,658)	$ (2,658)	$ (1,014)	$ (971)	$ (2,593)	$ (2,685)	$ (983)	$ (1,040)
Other comprehensive loss	(67)	(173)	(47)	(81)				
Other comprehensive (loss) income					(122)	2	(54)	15
Balance at end of period	$ (2,725)	$ (2,831)	$ (1,061)	$ (1,052)	$ (2,715)	$ (2,683)	$ (1,037)	$ (1,025)
Cash flow hedges (N)								
Cash flow hedges (M)								
Balance at beginning of period	$ (812)	$ (789)	$ 1	$ 1	$ (1,052)	$ (916)	$ —	$ 1
Other comprehensive income (loss):								
Net change from periodic revaluations	(120)	110	—	—	117	(187)	—	—
Tax benefit (expense)(2)	16	(6)	—	—				
Total Other comprehensive (loss) income before reclassifications, net of tax	(104)	104	—	—				
Tax (expense) benefit(2)					(31)	38	—	—
Total Other comprehensive income (loss) before reclassifications, net of tax					86	(149)	—	—
Net amount reclassified to earnings:								
Aluminum contracts(3)	42	35	—	—	57	61	—	—
Financial contracts(4)					—	(20)	—	—
Interest rate contracts(5)	(3)	2	—	—	—	1	—	—
Foreign exchange contracts(6)	(10)	—	—	—				

Foreign exchange contracts(3)					(4)	(5)	—	—
Sub-total	29	37	—	—	53	37	—	—
Tax expense(2)	(16)	(13)	—	—	(9)	(10)	—	—
Total amount reclassified from Accumulated other comprehensive loss, net of tax(7)	13	24	—	—				
Total Other comprehensive (loss) income	(91)	128	—	—				
Total amount reclassified from Accumulated other comprehensive loss, net of tax(6)					44	27	—	—
Total Other comprehensive income (loss)					130	(122)	—	—
Balance at end of period	$ (903)	$ (661)	$ 1	$ 1	$ (922)	$ (1,038)	$ —	$ 1
Total Accumulated other comprehensive loss	$ (3,547)	$ (3,644)	$ (1,068)	$ (1,057)	$ (3,628)	$ (3,655)	$ (1,051)	$ (1,029)

	Alcoa Corporation		Noncontrolling interest	
	Nine months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Pension and other postretirement benefits (M)				
Balance at beginning of period	$ 62	$ (882)	$ (5)	$ (13)
Other comprehensive income (loss):				
Unrecognized net actuarial loss and prior service cost/benefit	(18)	40	(3)	9
Tax benefit (expense)(2)	8	(12)	—	(3)

Total Other comprehensive (loss) income before reclassifications, net of tax		(10)		28		(3)		6
Amortization of net actuarial loss and prior service cost/benefit(1)		35		702		—		1
Tax expense(2)		(6)		—		—		—
Total amount reclassified from Accumulated other comprehensive loss, net of tax(7)		29		702		—		1
Total Other comprehensive income (loss)		19		730		(3)		7
Balance at end of period	$	81	$	(152)	$	(8)	$	(6)
Foreign currency translation								
Balance at beginning of period	$	(2,685)	$	(2,614)	$	(1,040)	$	(937)
Other comprehensive loss		(40)		(217)		(21)		(115)
Balance at end of period	$	(2,725)	$	(2,831)	$	(1,061)	$	(1,052)
Cash flow hedges (N)								
Balance at beginning of period	$	(916)	$	(1,096)	$	1	$	(1)
Other comprehensive income (loss):								
Net change from periodic revaluations		(66)		231		—		2
Tax benefit (expense)(2)		16		(17)		—		—
Total Other comprehensive (loss) income before reclassifications, net of tax		(50)		214		—		2
Net amount reclassified to earnings:								
Aluminum contracts(3)		136		277		—		—
Financial contracts(4)		(20)		—		—		—
Interest rate contracts(5)		(5)		6		—		—
Foreign exchange contracts(6)		(18)		(3)		—		—
Sub-total		93		280		—		—
Tax expense(2)		(30)		(59)		—		—
Total amount reclassified from Accumulated other comprehensive loss, net of tax(7)		63		221		—		—
Total Other comprehensive income		13		435		—		2
Balance at end of period	$	(903)	$	(661)	$	1	$	1
Total Accumulated other comprehensive loss	$	(3,547)	$	(3,644)	$	(1,068)	$	(1,057)

(1) These amounts were included in the computation of net periodic benefit cost for pension and other postretirement benefits (see Note M) L).

(2) These amounts were reported in (Benefit from) provision for income taxes on the accompanying Statement of Consolidated Operations.

(3) These amounts were reported in Sales on the accompanying Statement of Consolidated Operations.

(4) These amounts were reported in Cost of goods sold on the accompanying Statement of Consolidated Operations.

(5) These amounts were reported in Other expenses, (income), net on the accompanying Statement of Consolidated Operations.

(6) In the third quarter and nine-month period of 2023, $4 was reported in Cost of goods sold (nine-month period only) and $(10) and $(22) were reported in Sales, respectively, on the accompanying Statement of Consolidated Operations. In the third quarter and nine-month period of 2022, $2 and $4 were reported in Cost of goods sold, respectively, and $(2) and $(7) were reported in Sales, respectively, on the accompanying Statement of Consolidated Operations.

(7) A positive amount indicates a corresponding charge to earnings and a negative amount indicates a corresponding benefit to earnings.

H. H. Investments – A summary of unaudited financial information for Alcoa Corporation’s equity investments is as follows (amounts represent 100% of investee financial information):

Third quarter ended September 30, 2023	**Saudi Arabia Joint Venture**	**Mining**	**Energy**	**Other**				
First quarter ended March 31, 2024					**Saudi Arabia Joint Venture**	**Mining**	**Energy**	**Other**
Sales	$ 725	$ 157	$ 61	$ 117	$ 711	$ 115	$ 63	$ 115
Cost of goods sold	645	121	28	105	599	103	25	105
Net (loss) income	(39)	6	31	(21)	(8)	(5)	31	(16)

Equity in net (loss) income of affiliated companies, before reconciling adjustments	(10)	3	12	(11)	(2)	(2)	12	(8)
Other	(15)	—	(2)	(6)	(8)	—	(1)	(5)
Alcoa Corporation’s equity in net (loss) income of affiliated companies	(25)	3	10	(17)	(10)	(2)	11	(13)
Third quarter ended September 30, 2022								
First quarter ended March 31, 2023								
Sales	$ 773	$ 167	$ 66	$ 121	$ 600	$ 187	$ 58	$ 121
Cost of goods sold	692	101	38	110	682	103	27	113
Net (loss) income	(94)	14	28	(19)	(252)	24	24	(16)
Equity in net (loss) income of affiliated companies, before reconciling adjustments	(24)	7	11	(9)	(63)	11	9	(8)
Other	(1)	—	(3)	1	(12)	—	—	(7)
Alcoa Corporation’s equity in net (loss) income of affiliated companies	(25)	7	8	(8)	(75)	11	9	(15)
Nine months ended September 30, 2023								
Sales	$ 2,025	$ 516	$ 178	$ 354				
Cost of goods sold	1,947	325	87	324				

Net (loss) income	(390)	44	77	(70)
Equity in net (loss) income of affiliated companies, before reconciling adjustments	(98)	20	30	(34)
Other	(30)	1	(1)	(6)
Alcoa Corporation’s equity in net (loss) income of affiliated companies	(128)	21	29	(40)
Nine months ended September 30, 2022				
Sales	$ 2,686	$ 589	$ 193	$ 363
Cost of goods sold	2,020	370	91	332
Net income (loss)	217	95	80	(77)
Equity in net income (loss) of affiliated companies, before reconciling adjustments	54	33	32	(37)
Other	(5)	(2)	(4)	16
Alcoa Corporation’s equity in net income (loss) of affiliated companies	49	31	28	(21)

The Company’s basis in the ELYSIS™ Limited Partnership (ELYSIS) as of March 31, 2024 and 2023, included in Other in the table above, has been reduced to zero for its share of losses incurred to date. As a result, the Company has $54 in unrecognized losses as of March 31, 2024 that will be recognized upon additional contributions into the partnership.

The results for the Saudi Arabia joint venture for the nine-month period of 2023 quarter ended March 31, 2023 include an adjustment to the estimate for the settlement of a dispute with an industrial utility for periods in 2021 and 2022. Alcoa’s share of this adjustment is $41 which is included in Other expenses, (income), net on the Statement of Consolidated Operations for the nine-month period of 2023. quarter ended March 31, 2023. Alcoa's total share of this dispute of $62 includes $21 that was recorded in the fourth quarter of 2022.

The Company's basis in the ELYSIS™ Limited Partnership (ELYSIS) as of September 30, 2023 and 2022, included in Other in the table above, has been reduced to zero for its share of losses incurred to date. As a result, the Company has $62 in unrecognized losses as of September 30, 2023 that will be recognized upon additional contributions into the partnership.

In February 2022, the Company signed an agreement to sell its share of its investment in MRN in Brazil for $10 to South32 Minerals S.A. Related to this transaction, the Company recorded an asset impairment of $58 in the first quarter of 2022 in Restructuring and other charges, net on the Statement of Consolidated Operations. In April 2022, Alcoa completed the sale of its investment in MRN. An additional $30 in cash could be paid to the Company in the future if certain post-closing conditions related to future MRN mine development are satisfied.

I

13. Receivables

I. Receivables

On January 31, 2023, In 2023, a wholly-owned special purpose entity (SPE) of the Company entered into a one-year and subsequently amended an agreement with a financial institution to sell up to $150 130 of certain customer receivables without recourse on a revolving basis. During The termination date of the third quarter of 2023, the Company amended its agreement to decrease the amount of certain receivables that can be transferred from $150 to $130is November 14, 2024. Company subsidiaries sell customer receivables to the SPE, which then transfers the receivables to the financial institution. The Company does not maintain effective control over the transferred receivables, and therefore accounts for the transfers as sales of receivables.

Alcoa Corporation guarantees the performance obligations of the Company subsidiaries and unsold customer receivables are pledged as collateral to the financial institution to secure the sold receivables. At September 30, 2023, the The SPE held unsold customer receivables of $91 181 and $104 pledged as collateral against the sold receivables. receivables as of March 31, 2024 and December 31, 2023, respectively.

The Company continues to service the customer receivables that were transferred to the financial institution. As Alcoa collects customer payments, the SPE transfers additional receivables to the financial institution rather than remitting cash.

In the third first quarter of 2023, 2024, the Company sold gross customer receivables of $146 307, and reinvested collections of $94 291 from previously sold receivables, resulting in net cash proceeds from the financial institution of $52 16. In the nine-month period first quarter of 2023, the Company sold gross customer receivables of $320 76, and reinvested collections of $221 23 from previously sold receivables, resulting in net cash proceeds from the financial institution of $99 53.

Cash collections from previously sold receivables yet to be reinvested of $79 86 and $99 were included in Accounts payable, trade on the accompanying Consolidated Balance Sheet as of September 30, 2023. March 31, 2024 and December 31, 2023, respectively. Cash received from sold receivables under the agreement are presented within operating activities in the Statement of Consolidated Cash Flows.

J. Inventories

	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
Finished goods	$	404	$	385	$	326	$	355
Work-in-process		323		350		281		287
Bauxite and alumina		577		584		563		586
Purchased raw materials		680		923		648		700
Operating supplies		206		185		230		230
	$	2,190	$	2,427	$	2,048	$	2,158

K. Goodwill

As a result of the January 2023 segment change, the Company reviewed the recoverability of the carrying value of goodwill of its Alumina reporting unit in the first quarter of 2023. The estimated fair value of the Alumina reporting unit substantially exceeded the reporting unit's carrying value, resulting in no impairment.

Goodwill, which is included in Other noncurrent assets on the accompanying Consolidated Balance Sheet, was as follows:

	September 30, 2023		December 31, 2022	
Alumina	$	4	$	4
Aluminum		—		—
Corporate(1)		142		141
	$	146	$	145

(1) The carrying value of Corporate's goodwill is net of accumulated impairment losses of $742 as of both September 30, 2023 and December 31, 2022. As of September 30, 2023, the $142 of goodwill reflected in Corporate is allocated to Alcoa Corporation's Alumina reportable segment for purposes of impairment testing. This goodwill is reflected in Corporate for segment reporting purposes because it is not included in management's assessment of performance by the reportable segment. Changes in the carrying amount of goodwill were attributable to foreign currency translation as of September 30, 2023 and December 31, 2022.

L. Debt

Short-term borrowings Borrowings

Inventory Repurchase Agreements

During the nine-month period of 2023, the The Company has entered into multiple inventory repurchase agreements whereby the Company sold aluminum to a third party and agreed to subsequently repurchase substantially similar inventory. The Company did not record sales upon each shipment of inventory and the net cash received of $42 52 and $56 related to these agreements was recorded in Short-term borrowings within Other current liabilities on the Consolidated Balance Sheet as of September 30, 2023.

During the third quarter March 31, 2024 and nine-month period of 2023, the Company recorded borrowings of $55 and $80December 31, 2023, respectively, and repurchased $23 and $38, respectively, of inventory related to these agreements. As of September 30, 2023, respectively. The associated inventory sold of $42 was pledged as collateral and was reflected in Prepaid expenses and other current assets on the Consolidated Balance Sheet. Sheet as of March 31, 2024 and December 31, 2023, respectively.

During the first quarter of 2024, the Company recorded borrowings of $21 and repurchased $25 of inventory related to these agreements. During the first quarter of 2023, the Company recorded borrowings of $25 of inventory related to these agreements.

The cash received and subsequently paid under the inventory repurchase agreements is included in Cash provided from (used for) financing activities on the Statement of Consolidated Cash Flows Flows.

144A Debt

2031 Notes

In March 2024, Alcoa Nederland Holding B.V. (ANHBV), a wholly-owned subsidiary of Alcoa Corporation, completed a Rule 144A (U.S. Securities Act of 1933, as amended) debt issuance for $750 aggregate principal amount of 7.125% Senior Notes due 2031 (the 2031 Notes), which carry a green bond designation. The net proceeds of this issuance were $737, reflecting a discount to the initial purchasers of the 2031 Notes, as well as issuance costs. The Company intends to use the net proceeds to finance and/or refinance, in whole or in part, new and/or existing qualifying projects on a two-year look back and three-year look forward that meet certain eligibility criteria within its Green Finance Framework. The net proceeds will also support the Company's cash position and ongoing cash needs, including with respect to its previously announced portfolio actions.

The discount to the initial purchasers, as well as costs to complete the financing, were deferred and are being amortized to interest expense over the term of the 2031 Notes. Interest on the 2031 Notes is paid semi-annually in March and September, and interest payments will commence September 15, 2024. The indenture contains customary affirmative and negative covenants that are similar to those included in the indenture that governs ANHBV's 4.125% Senior Notes due 2029 issued in March 2021, such as limitations on liens, limitations on sale and leaseback transactions, a prohibition on a reduction in the ownership of AWAC entities below an agreed level, and the calculation of certain financial ratios.

ANHBV has the option to redeem the 2031 Notes on at least 10 days, but not more than 60 days, notice to the holders of the 2031 Notes under multiple scenarios, including, in whole or in part, at any time or from time to time on and after March 15, 2027, at the applicable redemption price specified in the indenture (up to 103.563% of the principal amount plus any accrued and unpaid interest in each case). Also, the 2031 Notes are subject to repurchase upon the occurrence of a change in control repurchase event (as defined in the indenture) at a repurchase price in cash equal to 101% of the aggregate principal amount of the 2031 Notes repurchased, plus any accrued and unpaid interest on the 2031 Notes repurchased.

The 2031 Notes are guaranteed on a senior unsecured basis by the Company and its subsidiaries that are party to the indenture. The 2031 Notes rank equally in right of payment with all of ANHBV's existing and future senior unsecured indebtedness, including the ANHBV's senior notes with maturities in 2027, 2028 and 2029; rank senior in right of payment to any future subordinated obligations of ANHBV; and are effectively subordinated to ANHBV's existing and future secured indebtedness, including under the Revolving Credit Agreement, to the extent of the value of property and assets securing such indebtedness. See Part II Item 8 of Alcoa Corporation's Annual Report on Form 10-K in Note M to the Consolidated Financial Statements for the nine-month period of 2023. year ended December 31, 2023 for more information related to ANHBV's existing debt and related covenants.

Credit Facilities

Revolving Credit Facility

The Company has an unsecured a $1,250 revolving credit and letter of credit facility in place for working capital and/or other general corporate purposes (the Revolving Credit Facility). The Revolving Credit Facility, established on September 16, 2016, in September 2016, and amended and restated in June 2022 and in January 2024, is scheduled to mature in June 2027. 2027. Subject to the terms and conditions under the Revolving Credit Facility, the Company or Alcoa Nederland Holding B.V. (ANHBV), ANHBV, a wholly-owned subsidiary of Alcoa Corporation, may borrow funds or issue letters of credit. Under the terms of the January 2024 amendment, the Company has agreed to provide collateral for its obligations under the Revolving Credit Facility. See Part II Item 8 of Alcoa Corporation's Annual Report on Form 10-K in Note M to the Consolidated Financial Statements for the year ended December 31, 2022 December 31, 2023 for more information on the Revolving Credit Facility.

As of September 30, 2023 March 31, 2024, the Company was in compliance with all financial covenants. The Company may access the entire amount of commitments under the Revolving Credit Facility. There were no borrowings outstanding at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, and no amounts were borrowed during the third quarter first quarters ended March 31, 2024 and nine-month period of 2023 and 2022 March 31, 2023 under the Revolving Credit Facility.

Japanese Yen Revolving Credit Facility

In April 2023, the The Company entered into a one-year unsecured $250 revolving credit facility for $250 (available available to be drawn in Japanese yen) yen (the Japanese Yen Revolving Credit Facility) in April 2023. The Japanese Revolving Credit Facility was amended and restated in January 2024 and in April 2024 (see below) and is scheduled to mature in April 2025.

Subject to the terms and conditions under the facility, the Company or ANHBV may borrow funds. The facility includes covenants that are substantially the same as those included in the Revolving Credit Facility. If Under the current terms of the January 2024 amendment, the Company has agreed to provide collateral for its obligations under the Japanese Yen Revolving Credit Facility. See Part II Item 8 of Alcoa Corporation or ANHBV, as applicable, fails Corporation's Annual Report on Form 10-K in Note M to have a rating of at least Ba1 from Moody's Investor Service (Moody's) and BB+ from Standard and Poor's Global Ratings (S&P), then no lending party to this facility would have any commitment or obligation to lend. the Consolidated Financial Statements for the year ended December 31, 2023 for more information on the Japanese Yen Revolving Credit Facility.

As of September 30, 2023 March 31, 2024, the Company was in compliance with all financial covenants. The Company may access the entire amount of commitments under the facility. Japanese Revolving Credit Facility. There were no borrowings outstanding at September 30, 2023 March 31, 2024 and December 31, 2023. During the first quarter of 2024, $no 201 amounts were (29,686 JPY) was borrowed during and $196 (29,686 JPY) was repaid.

On April 26, 2024, the third quarter and nine-month period Company entered into an amendment extending the maturity of 2023. the Japanese Revolving Credit Facility to April 2025.

M. L. Pension and Other Postretirement Benefits

The components of net periodic benefit cost were as follows:

	Pension benefits		Other postretirement benefits	
First quarter ended March 31,	**2024**	**2023**	**2024**	**2023**
Service cost	$ 2	$ 2	$ 1	$ 1
Interest cost(1)	27	31	6	6
Expected return on plan assets(1)	(35)	(39)	—	—
Recognized net actuarial loss(1)	8	7	1	1
Amortization of prior service benefit(1)	—	—	(3)	(3)
Curtailments(2)	1	—	—	—
Net periodic benefit cost	$ 3	$ 1	$ 5	$ 5

	Third quarter ended September 30,		Nine months ended September 30,	
Pension benefits	**2023**	**2022**	**2023**	**2022**
Service cost	$ 2	$ 3	$ 7	$ 10
Interest cost(1)	27	24	87	78
Expected return on plan assets(1)	(35)	(35)	(111)	(123)
Recognized net actuarial loss(1)	7	19	21	74
Settlements(2)	—	626	21	626

Net periodic benefit cost	$ 1	$ 637	$ 25	$ 665

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Other postretirement benefits	Third quarter ended September 30, 2023	Third quarter ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Service cost	$ —	$ 1	$ 2	$ 3
Interest cost(1)	7	4	20	12
Recognized net actuarial loss(1)	1	5	3	14
Amortization of prior service benefit(1)	(3)	(4)	(10)	(11)
Net periodic benefit cost	$ 5	$ 6	$ 15	$ 18

(1) These amounts were reported in Other expenses, (income), net on the accompanying Statement of Consolidated Operations (see Note R) P).

(2) These amounts were This amount was reported in Restructuring and other charges, net on the accompanying Statements Statement of Consolidated Operations (see Note D) and Cash Flows.

Plan Actions. In 2023, 2024, management initiated the following actions action to a certain pension and other postretirement plans: plan:

Action #1 – In On January 8, 2024, Alcoa announced the second quarter full curtailment of 2023, plan amendment accounting and related plan remeasurements were triggered within the Surinamese pension and other postretirement plans as a result of participants electing to prospectively convert their Surinamese dollar pension and Company-provided retiree medical to a United States dollar pension with no Company-provided retiree medical. Kwinana refinery. As a result, Alcoa curtailment accounting was triggered within Alcoa's Australian pension plan. The Company recorded a $15 increase to Accrued pension benefits and a $9 decrease to Accrued other postretirement benefits in the second quarter.

Action #2 – In the second quarter of 2023, settlement accounting and related plan remeasurements were triggered within certain Canadian pension plans as a result of the Company's purchase of group annuity contracts to transfer the obligation to pay the remaining retirement benefits of approximately 530 retirees and beneficiaries from its Canadian defined benefit pension plans. The transfer of approximately $235 in both plan obligations and plan assets was completed in April 2023. As a result, Alcoa recorded a $22 increase to Accrued pension benefits and a $5 1 decrease to Other noncurrent assets and recognized a non-cash settlement curtailment loss of $21 1 ($16 0 after-tax) in Restructuring and other charges, net in on the second quarter. accompanying Statement of Consolidated Operations.

Action #3 – In the third quarter of 2023, settlement accounting and a related plan remeasurement was triggered within Alcoa's Australian pension plan as a result of participants electing lump sum payments. As a result, Alcoa recorded a $2 decrease to Other noncurrent assets in the third quarter. 14

Action #	Number of affected plan participants	Weighted average discount rate as of prior plan remeasurement date	Plan remeasurement date	Weighted average discount rate as of plan remeasurement date	Increase to accrued pension benefits liability	Decrease to other noncurrent assets	Decrease to accrued other postretirement benefits liability	Settlement loss(1)	Number of affected plan participants	Weighted average discount rate as of prior plan remeasurement date	Plan remeasurement date	Weighted average discount rate as of plan remeasurement date	Decrease to other noncurrent assets	Curtailment loss(1)

			Date											
1	~370	5.58%	March 31, 2023	5.20%	$15	$—	$(9)	$—	~110	N/A	N/A	N/A	$ (1)	$ 1
2	~530	5.20%	April 30, 2023	4.80%	$22	$(5)	$—	$21						

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(1) These amounts represent This amount represents the net actuarial loss arising from the curtailment and were reclassified fron Accumulated other comprehensive loss to was recognized immediately in Restructuring and other charges, net (see Note D) on the accompanying Statement of Consolidated Operations.

Funding and Cash Flows. It is Alcoa's policy to fund amounts for defined benefit pension plans sufficient to meet the minimum requirements set forth in each applicable country's country's benefits laws and tax laws, including the Employee Retirement Income Security Act of 1974 (ERISA) for U.S. plans. From time to time, the Company contributes additional amounts as deemed appropriate.

Under ERISA regulations, a plan sponsor that establishes a pre-funding balance by making discretionary contributions to a U.S. defined benefit pension plan may elect to apply all or a portion of this balance toward its minimum required contribution obligations to the related plan in future years.

In the first second and third quarters quarter of 2023, 2024, management made such elections related to the Company's U.S. plans and intends to do so for the remainder of 2023. 2024. As a result, Alcoa's minimum required contribution to defined benefit pension plans in 2023 2024 is estimated to be approximately $24 17, of which approximately $11 6 was contributed to non-U.S. plans during the third first quarter of 2023. 2024.

In the nine-month period first quarter of 2023, $20 was contributed to non-U.S. plans.

In the third quarter of 2022, $3 was contributed to non-U.S. plans. In the nine-month period of 2022, $12 4 was contributed to non-U.S. plans.

N. M. Derivatives and Other Financial Instruments

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between (i) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (ii) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Derivatives

Alcoa Corporation is exposed to certain risks relating to its ongoing business operations, including the risks of changing commodity prices, foreign currency exchange rates, and interest rates. Alcoa Corporation's commodity and derivative activities include aluminum, energy, foreign exchange, and interest rate contracts which are held for purposes other than trading. They are used to mitigate uncertainty and volatility, and to cover underlying exposures. While Alcoa does not generally enter into derivative contracts to mitigate the risk associated with changes in aluminum price, the Company may do so in isolated cases to address discrete commercial or operational conditions. Alcoa is not involved in trading activities for energy, weather derivatives, or other nonexchange commodity trading activities.

Alcoa Corporation's aluminum and foreign exchange contracts are predominantly classified as Level 1 under the fair value hierarchy. All of the Level 1 contracts are designated as either fair value or cash flow hedging instruments (except as described below). Alcoa Corporation also has several derivative instruments classified as Level 3 under the fair value hierarchy, which are either designated as cash flow hedges or undesignated. Alcoa includes the changes in its equity method investee's Level 2 derivatives in Accumulated other comprehensive loss in the accompanying Consolidated Balance Sheet.

The following tables present the detail for Level 1 and 3 derivatives (see additional Level 3 information in further tables below):

	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Level 1 derivative instruments	$ 29	$ 16	$ 84	$ 14	$ 11	$ 10	$ 16	$ 9
Level 3 derivative instruments	7	1,115	52	1,212	12	1,120	16	1,297
Total	$ 36	$ 1,131	$ 136	$ 1,226	$ 23	$ 1,130	$ 32	$ 1,306
Less: Current	33	204	134	200	22	205	29	214
Noncurrent	$ 3	$ 927	$ 2	$ 1,026	$ 1	$ 925	$ 3	$ 1,092

	2023		2022		2024		2023	
Third quarter ended September 30,	**Unrealized gain (loss) recognized in Other comprehensive loss**	**Realized gain (loss) reclassed from Other comprehensive loss to earnings**	**Unrealized gain recognized in Other comprehensive loss**	**Realized gain (loss) reclassed from Other comprehensive loss to earnings**				
First quarter ended March 31,					**Unrealized (loss) gain recognized in Other comprehensive loss**	**Realized gain (loss) reclassed from Other comprehensive loss to earnings**	**Unrealized loss recognized in Other comprehensive loss**	**Realized gain (loss) reclassed from Other comprehensive loss to earnings**

Level 1 derivative instruments	$ (11)	$ 22	$ 59	$ 32	$ (3)	$ 4	$ (11)	$ 16
Level 3 derivative instruments	(110)	(54)	49	(67)	120	(57)	(174)	(52)
Noncontrolling and equity interest (Level 2)	1	3	2	(2)	—	—	(2)	(1)
Total	$ (120)	$ (29)	$ 110	$ (37)	$ 117	$ (53)	$ (187)	$ (37)

For the third quarter first quarters of 2024 and 2023, the realized gain gains of $224 and $16 on Level 1 cash flow hedges was recognized in Sales. For the third quarter of 2022, the realized gain of $32 on Level 1 cash flow hedgeswas comprised of a $34 gain were recognized in Sales, and a $2 loss recognized in Cost of goods sold.

	2023		2022	
Nine months ended September 30,	**Unrealized gain (loss) recognized in Other comprehensive loss**	**Realized gain (loss) reclassed from Other comprehensive loss to earnings**	**Unrealized gain recognized in Other comprehensive loss**	**Realized gain (loss) reclassed from Other comprehensive loss to earnings**
Level 1 derivative instruments	$ 20	$ 66	$ 158	$ 12
Level 3 derivative instruments	(87)	(164)	62	(286)
Noncontrolling and equity interest (Level 2)	1	5	11	(6)
Total	$ (66)	$ (93)	$ 231	$ (280)

For the nine-month period of 2023, the realized gain of $66 on Level 1 cash flow hedges was comprised of a $70 gain recognized in Sales and a $4 loss recognized in Cost of goods sold. For the nine-month period of 2022, the realized gain of $12 on Level 1 cash flow hedges was comprised of a $16 gain recognized in Sales and a $4 loss recognized in Cost of goods sold. respectively.

The following table presents the outstanding quantities of derivative instruments classified as Level 1:

	Classification	September 30, 2023	September 30, 2022	Classification	March 31, 2024	March 31, 2023
Aluminum (in kmt)	Commodity buy forwards	126	178	Commodity buy forwards	101	316
Aluminum (in kmt)	Commodity sell forwards	144	398	Commodity sell forwards	44	398
Foreign currency (in millions of euro)	Foreign exchange buy forwards	68	67	Foreign exchange buy forwards	79	55
Foreign currency (in millions of euro)	Foreign exchange sell forwards	18	—	Foreign exchange sell forwards	17	—
Foreign currency (in millions of Norwegian krone)	Foreign exchange buy forwards	185	87	Foreign exchange buy forwards	102	256
Foreign currency (in millions of Brazilian real)	Foreign exchange buy forwards	734	1,216	Foreign exchange buy forwards	450	1,047
Foreign currency (in millions of Brazilian real)	Foreign exchange sell forwards	—	17			
Foreign currency (in millions of Canadian dollar)	Foreign exchange sell forwards	33	—	Foreign exchange buy forwards	26	—

Alcoa Corporation routinely uses Level 1 aluminum derivative instruments to manage exposures to changes in the fair value of firm commitments for the purchases or sales of aluminum. Additionally, Alcoa uses used Level 1 aluminum derivative instruments to manage exposures to changes in the LME associated with the Alumar (Brazil) smelter restart (expires (expired December 2023) and the San Ciprián strike (expired October 2022) 2023). In the second quarter of 2023, as a result of a delay with the Alumar restart, it became probable that certain of the original forecasted transactions would not occur by the end of the originally specified time period and Alcoa dedesignated certain aluminum sell forwards. The Company reclassified the related unrealized gain of $11 included in Accumulated other comprehensive loss to Sales during the second quarter of 2023. In conjunction with the dedesignations, the Company entered into aluminum buy forwards for the same volume and periods which were also not designated. The unrealized and realized gains and losses on the aluminum buy and sell forwards that are not designated will offset resulting in no impact to Alcoa's earnings.

Alcoa Corporation uses Level 1 foreign exchange forward contracts to mitigate the risk of foreign exchange exposure related to euro power purchases in Norway (expires December 2026), krone capital expenditures U.S. dollar aluminum sales in Norway (expires June 2025), U.S. dollar alumina and aluminum sales in Brazil (expires August 2025), and Canadian U.S. dollar capital expenditures aluminum sales in Canada (expires March 2025).

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Additional Level 3 Disclosures

The following table presents quantitative information related to the significant unobservable inputs described above for Level 3 derivative instruments (megawatt hours in MWh):

	September 30, 2023	Unobservable Input	Unobservable Input Range	March 31, 2024	Unobservable Input	Unobservable Input Range
Asset Derivatives						

Financial contract (undesignated)	$	7	Interrelationship of forward energy price, LME forward price and the Consumer Price Index	Electricity (per MWh)	2023: $29.76 2024: $54.21	$	12	Interrelationship of forward energy price, LME forward price, and the Consumer Price Index	Electricity (per MWh)	2024: $37.38 2024: $44.71
				LME (per mt)	2023: $2,339				LME (per mt)	2024: $2,307
					2024: $2,374					2024: $2,378
Power contract		—	MWh of energy needed to produce the forecasted mt of aluminum	LME (per mt)	2023: $2,339 2023: $2,353		—	MWh of energy needed to produce the forecasted mt of aluminum	LME (per mt)	2024: $2,307 2024: $2,335

Midwest premium (per pound)	2023: $0.1940 2023: $0.1950	Midwest premium (per pound)	2024: $0.1770 2024: $0.2040
Electricity	Rate of 2 million MWh per year	Electricity	Rate of 2 million MWh per year

Total Asset Derivatives	$	7				$	12			
Liability Derivatives										
Power contract	$	196	MWh of energy needed to produce the forecasted mt of aluminum	LME (per mt)	2023: $2,339 2027: $2,707	$	174	MWh of energy needed to produce the forecasted mt of aluminum	LME (per mt)	2024: $2,307 2027: $2,705
				Electricity	Rate of 4 million MWh per year				Electricity	Rate of 4 million MWh per year

Power contracts	919	MWh of energy needed to produce the forecasted mt of aluminum	LME (per mt)	2023: $2,339 2029: $2,711 2036: $2,959	946	MWh of energy needed to produce the forecasted mt of aluminum	LME (per mt)	2024: $2,307 2029: $2,821 2036: $3,069
			Midwest premium (per pound)	2023: $0.1940 2029: $0.2200 2036: $0.2200			Midwest premium (per pound)	2024: $0.1770 2029: $0.2150 2036: $0.2150

			Electricity	Rate of 18 million MWh per year				Electricity	Rate of 18 million MWh per year
Power contract (undesignated)	—	Estimated spread between the 30-year debt yield of Alcoa and the counterparty	Credit spread	1.55%: 30-year debt yield spread 7.37%: Alcoa (estimated) 5.82%: counterparty		—	Estimated spread between the 30-year debt yield of Alcoa and the counterparty	Credit spread	1.63%: 30-year debt yield spread 6.88%: Alcoa (estimated) 5.25%: counterparty

Total Liability Derivatives	$ 1,115	$ 1,120

In addition to the instruments presented above, Alcoa had a financial contract that expired on February 28, 2023 that was designated as a cash flow hedge of forward sales of power.

The fair values of Level 3 derivative instruments recorded in the accompanying Consolidated Balance Sheet were as follows:

Asset Derivatives	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Derivatives designated as hedging instruments:				
Current—financial contract	$ —	$ 20		
Total derivatives designated as hedging instruments	$ —	$ 20		
Derivatives not designated as hedging instruments:				
Current—financial contract	$ 7	$ 32	$ 12	$ 16
Total derivatives not designated as hedging instruments	$ 7	$ 32	$ 12	$ 16
Total Asset Derivatives	$ 7	$ 52	$ 12	$ 16
Liability Derivatives				
Derivatives designated as hedging instruments:				
Current—power contracts	$ 196	$ 195	$ 200	$ 210
Noncurrent—power contracts	919	1,017	920	1,087
Total derivatives designated as hedging instruments	$ 1,115	$ 1,212	$ 1,120	$ 1,297
Total Liability Derivatives	$ 1,115	$ 1,212	$ 1,120	$ 1,297

Assuming market rates remain constant with the rates at September 30, 2023 March 31, 2024, a realized loss of $196 200 related to power contracts is expected to be recognized in Sales over the next 12 months.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the power contracts with embedded derivatives designated as cash flow hedges include hedges of forecasted aluminum sales of 1,513 1,400 kmt and 1,683 1,456 kmt, respectively.

The following tables present the reconciliation of activity for Level 3 derivative instruments:

	Assets		Assets	
Third quarter ended September 30, 2023	**Power contracts**	**Financial contracts**		
July 1, 2023	$ 1	$ 28		
First quarter ended March 31, 2024			**Power contracts**	**Financial contracts**
January 1, 2024			$ —	$ 16
Total gains or losses included in:				
Sales (realized)	(2)	—	(1)	—
Other expenses, net (unrealized/realized)	—	(20)	—	(5)
Other comprehensive income (unrealized)	1	—	1	—
Settlements and other	—	(1)	—	1
September 30, 2023	$ —	$ 7		
Change in unrealized gains or losses included in earnings for derivative instruments held at September 30, 2023:				
March 31, 2024			$ —	$ 12
Change in unrealized gains or losses included in earnings for derivative instruments held at March 31, 2024:				
Other expenses, net	$ —	$ (20)	$ —	$ (5)

	Liabilities

Third quarter ended September 30, 2023	Power contracts
July 1, 2023	$ 1,060
Total gains or losses included in:	
Sales (realized)	(56)
Other comprehensive income (unrealized)	111
September 30, 2023	$ 1,115

	Assets	
Nine months ended September 30, 2023	Power contracts	Financial contracts
January 1, 2023	$ —	$ 52
Total gains or losses included in:		
Sales (realized)	(4)	—
Cost of goods sold (realized)	—	(20)
Other expenses, net (unrealized/realized)	—	(3)
Other comprehensive income (unrealized)	4	—
Settlements and other	—	(22)
September 30, 2023	$ —	$ 7
Change in unrealized gains or losses included in earnings		
for derivative instruments held at September 30, 2023:		
Other expenses, net	$ —	$ (3)

	Liabilities	Liabilities
Nine months ended September 30, 2023	Power contracts	
January 1, 2023	$ 1,212	
First quarter ended March 31, 2024		Power contracts
January 1, 2024		$ 1,297
Total gains or losses included in:		
Sales (realized)	(188)	(58)
Other comprehensive income (unrealized)	91	(119)
September 30, 2023	$ 1,115	
March 31, 2024		$ 1,120

There were no purchases, sales, or settlements of Level 3 derivative instruments in the periods presented.

Other Financial Instruments

The carrying values and fair values of Alcoa Corporation’s other financial instruments were as follows:

	September 30, 2023	December 31, 2022

	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalents	$ 926	$ 926	$ 1,363	$ 1,363
Restricted cash	104	104	111	111
Short-term borrowings	42	42	—	—
Long-term debt due within one year	1	1	1	1
Long-term debt, less amount due within one year	1,809	1,726	1,806	1,744

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	March 31, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalents	$ 1,358	$ 1,358	$ 944	$ 944
Restricted cash	97	97	103	103
Short-term borrowings	52	52	56	56
Long-term debt due within one year	79	79	79	79
Long-term debt, less amount due within one year	2,469	2,473	1,732	1,702

The following methods were used to estimate the fair values of other financial instruments:

Cash and cash equivalents and Restricted cash. The carrying amounts approximate fair value because of the short maturity of the instruments. The fair value amounts for Cash and cash equivalents and Restricted cash were classified in Level 1 of the fair value hierarchy.

Short-term borrowings and Long-term debt, including amounts due within one year. The fair value of Long-term debt, less amounts due within one year was based on quoted market prices for public debt and on interest rates that are currently available to Alcoa Corporation for issuance of debt with similar terms and maturities for non-public debt. The fair value amounts for all Short-term borrowings and Long-term debt were classified in Level 2 of the fair value hierarchy.

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N. Income Taxes – Alcoa Corporation's estimated annualized effective tax rate (AETR) for 2023 2024 as of September 30, 2023 March 31, 2024 differs from the U.S. federal statutory rate of 21% primarily due to losses in certain jurisdictions with full valuation allowances resulting in no tax benefit benefit. In addition, losses in addition to foreign jurisdictions with higher statutory tax rates partially offset by contribute to the reversal of a valuation allowance recorded against the deferred tax assets of the Company's subsidiaries in Iceland. variance from 21%.

Nine months ended September 30,

	Nine months ended September 30,	
	2023	2022
(Loss) income before income taxes	$ (507)	$ 942
Estimated annualized effective tax rate	(18.9) %	54.0 %
Income tax expense	$ 96	$ 509
Favorable tax impact related to losses in jurisdictions with no tax benefit	—	(27)
Discrete tax (benefit) expense	(57)	2
Provision for income taxes	$ 39	$ 484

	First quarter ended March 31,	
	2024	2023
Loss before income taxes	$ (325)	$ (180)
Estimated annualized effective tax rate	(8.9) %	141.4 %
Income tax expense (benefit)	$ 29	$ (255)
(Favorable) unfavorable tax impact related to losses in jurisdictions with no tax benefit	(47)	305
Discrete tax expense	—	2
(Benefit from) provision for income taxes	$ (18)	$ 52

The Company's subsidiaries in Iceland had a full valuation allowance recorded against deferred tax assets, which was established in 2015 and 2017, as the Company believed it was more likely than not that these tax benefits would not be realized. During 2023, after considering all positive and negative evidence, including the expectation that the jurisdiction will remain in a three-year cumulative income position, the Company determined that it is more likely than not that the net deferred tax assets will be realized. Based on this conclusion, the Company reversed the valuation allowance totaling $58 during the third quarter of 2023, generating a non-cash benefit from income taxes.

As of September 30, 2023, management's position continues to be it is more likely than not that the deferred tax assets of AWAB will be realized. A valuation allowance has not been recorded against the deferred tax assets. However, if future losses are incurred by AWAB, it is reasonably possible that a valuation allowance could be established as a result of negative evidence to support the realization of such assets. AWAB's net deferred tax assets were $132 at September 30, 2023. The majority of AWAB's net deferred tax assets relate to prior net operating losses; the loss carryforwards are not subject to an expiration period.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022 (IRA), which includes a 15% minimum tax on book income of certain large corporations, a 1% excise tax on net stock repurchases after December 31, 2022, and several tax incentives to promote clean energy. As a result of the provisions of the IRA, we will incur an excise tax of 1% for certain common stock repurchases made subsequent to December 31, 2022, which will be reflected in the cost of purchasing the underlying shares. The minimum corporate tax will not have an impact on the Company for 2023.

The IRA contains a number of tax credits and other incentives for investments in renewable energy production, carbon capture, and other climate-related actions, as well as the production of critical minerals. These provisions may result in an incremental benefit to In December 2023, the Company. However, given the complexity and uncertainty around the applicability U.S. Treasury issued guidance on Section 45X of the incentives Advanced Manufacturing Tax Credit. The Notice of Proposed Rulemaking (the Notice) clarifies that commercial grade aluminum can qualify for the credit, which was designed to our specific facts and circumstances, we continue incentivize domestic production of critical materials important for the global transition to analyze renewable energy. In the IRA provisions and seek clarity from relevant government entities to identify and quantify potential opportunities and applicable benefits included in the legislation. At this time the applicability first quarter of those provisions to the Company's specific facts and circumstances are uncertain, and an estimate of those benefits has not been recorded.

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P. Asset Retirement Obligations

During the third quarter and nine-month period of 2023, 2024, the Company recorded liabilities benefits of $4 (both periods) as a result of updated estimates related to spent pot lining treatment and disposal at a previously closed site and $36 (nine-month period only) related to the closure of the previously curtailed Intalco aluminum smelter. Further, the Company recorded a reversal of a reserve of $2 (both periods) due to the completion of the demolition project at the previously closed Lake Charles anode facility in Louisiana. These amounts were recorded in Restructuring and other charges, net (see Note D) on the accompanying Statement of Consolidated Operations.

The Company recorded a liability of $15 9 in the third quarter of 2022 related to the closure of the previously curtailed magnesium smelter in Addy. The facility has been fully curtailed since 2001. The additional accrual was recorded in Restructuring and other charges, net (see Note D) on the Statement of Consolidated Operations.

The Company recorded a liability of $47 in the second quarter of 2022 when an initial estimate became available for improvements required on both operating and non-operating bauxite residue areas at the Poços de Caldas refinery to comply with updated impoundment regulations in the region. The additional accruals were recorded with a charge to Cost of goods sold related to its Massena West smelter (New York) and its Warrick smelter (Indiana). As of March 31, 2024, benefits of $39 36 were included in Other receivables and a corresponding capitalized asset retirement cost of $8. In the third quarter of 2022, the Company updated its initial estimate and recorded an additional liability of $9. The additional accruals were recorded with a charge to Cost included in Other noncurrent assets on the Consolidated Balance Sheet. As of goods sold December 31, 2023, benefits of $8 36 and a corresponding capitalized asset retirement cost of $1. were included in Other receivables on the Consolidated Balance Sheet.

Q. O. Contingencies

Environmental Matters

Alcoa Corporation participates in environmental assessments and cleanups at several locations. These include currently or previously owned or operated facilities and adjoining properties, and waste sites, including Superfund (Comprehensive

Environmental Response, Compensation and Liability Act (CERCLA)) sites.

Alcoa Corporation’s environmental remediation reserve balance reflects the most probable costs to remediate identified environmental conditions for which costs can be reasonably estimated. The following table details the changes in the carrying value of recorded environmental remediation reserves:

Balance at December 31, 2021	$	309		
Liabilities incurred		32		
Cash payments		(26)		
Reversals of previously recorded liabilities		(30)		
Foreign currency translation and other		(1)		
Balance at December 31, 2022		284	$	284
Liabilities incurred		38		39
Cash payments		(42)		(55)
Reversals of previously recorded liabilities		(1)		(1)
Foreign currency translation and other		(1)		1
Balance at September 30, 2023	$	278		
Balance at December 31, 2023				268
Liabilities incurred				1
Cash payments				(6)
Foreign currency translation and other				(2)
Balance at March 31, 2024			$	261

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the current portion of the environmental remediation reserve balance was $5 $3 64 and $58 66, respectively.

During Payments related to remediation expenses applied against the reserve were $6 in the first quarter of 2024. These amounts include mandated expenditures as well as those not required by any regulatory authority or third party.
In the first quarter and nine-month period of 2023, the Company incurred liabilities of $20 and $38, respectively. The Company incurred liabilities of $14 (nine-month period only) primarily related to the closure of the previously curtailed Intalco aluminum smelter, and $13 (both periods) for ongoing remediation work at the previously closed Longview (Washington) site, which were was recorded in Restructuring and other charges, net on the Statement of Consolidated Operations. The Company incurred liabilities of $7 (both periods) and $4 (nine-month period only) for ongoing remediation work at various other sites, which was recorded in Cost of goods sold on the accompanying Statement of Consolidated Operations. Operations (see Note D). Payments related to remediation expenses applied against the reserve were $19 and $42 7 in the third first quarter and nine-month period of 2023, respectively. 2023. These amounts include mandated expenditures as well as those not required by any regulatory authority or third party. Further, the Company recorded a reversal of a reserve of $1 during the nine-month period of 2023 due to the determination that certain remaining site remediation is no longer required.

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During the third quarter and nine-month period of 2022, the Company incurred liabilities of $18 and $23, respectively, primarily related to $14 (both periods) for the closure of the previously curtailed magnesium smelter in Addy, which was recorded in Restructuring and other charges, net, $5 (nine-month period only) related to a new phase of work at the former East St. Louis (Illinois) site and $4 (both periods) for environmental activities at various sites, which were recorded in Cost of goods sold on the accompanying Statement of Consolidated Operations. Payments related to remediation expenses applied against the reserve were $7 and $17 in the third quarter and nine-month period of 2022, respectively. These amounts include mandated expenditures as well as those not required by any regulatory authority or third party. Further, the Company recorded a reversal of a reserve of $3 during the nine-month period of 2022, due to the determination that certain remaining site remediation is no longer required.

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The estimated timing of cash outflows on from the environmental remediation reserve at September 30, 2023 is March 31, 2024 was as follows:

2023 (excluding the nine months ended September 30, 2023)	$	14		
2024 - 2028		184		
2024 (excluding the three months ended March 31, 2024)			$	56
2025 – 2029				104
Thereafter		80		101
Total	$	278	$	261

Reserve balances at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, associated with significant sites with active remediation underway or for future remediation were $221 207 and $234 211, respectively. In management’s judgment, the Company’s reserves are sufficient to satisfy the provisions of the respective action plans. Upon changes in facts or circumstances, a change to the reserve may be required. The Company’s significant sites include:

Suriname—The reserve associated with the 2017 closure of the Suralco refinery and bauxite mine is for treatment and disposal of refinery waste and soil remediation. The work began in 2017 and is expected to be completed at the end of 2025. 2027.

Hurricane Creek, Arkansas—The reserve associated with the 1990 closure of two mining areas and refineries near Hurricane Creek, Arkansas is for ongoing monitoring and maintenance for water quality surrounding the mine areas and residue disposal areas.

Massena, New York—The reserve associated with the 2015 closure of the Massena East smelter by the Company's subsidiary, Reynolds Metals Company, is for subsurface soil remediation to be performed after demolition of the structures. Remediation work commenced in 2021 and will take four to eight years to complete.

Point Comfort, Texas—The reserve associated with the 2019 closure of the Point Comfort alumina refinery is for disposal of industrial wastes contained at the site, subsurface remediation, and post-closure monitoring and maintenance. The final remediation plan is currently being developed, which may result in a change to the existing reserve.

Sherwin, Texas—In connection with the 2018 settlement of a dispute related to the previously-owned Sherwin alumina refinery, the Company's subsidiary, Copano Enterprises LLC, accepted responsibility for the final closure of four bauxite residue waste disposal areas (known as the Copano facility). Work commenced on the first residue disposal area in 2018 and will is expected to take up to three an additional four years to complete, depending on the nature of its potential re-use. Other than ongoing maintenance and repair activities, work on the next three areas has not commenced but is expected to be completed by 2048, depending on its potential re-use.

Longview, Washington—In connection with a 2018 Consent Decree and Cleanup Action Plan with the State of Washington Department of Ecology, the Company's subsidiary, Northwest Alloys as landowner, accepted certain responsibilities for future remediation of contaminated soil and sediments at the site located near Longview, Washington. In December 2020, the lessee of the land, who was a partner in the remediation of the site, filed for bankruptcy and exited the site in January 2021. The full site remediation project design, including long-term and post-closure monitoring and maintenance at the site, was approved in March 2023. In the third quarter of 2023, changes in scope and cost increases for remediation resulted in an increase to the reserve. The project is planned to be completed in the next two years.

Addy, Washington—The reserve associated with the 2022 closure of the Addy magnesium smelter facility is for site-wide remediation and investigation and post-closure monitoring and maintenance. Remediation work is not expected to begin until 2024 2026 and will take three to five years to complete. The final remediation plan is currently being developed, which may result in a change to the existing reserve.

Ferndale, Washington—The reserve associated with the 2023 closure of the Intalco aluminum smelter in Ferndale, Washington is for below grade site remediation and five years of post-closure maintenance and monitoring. The final remediation plan is under review but is expected to be completed in three years. review.

Other Sites—The Company is in the process of decommissioning various other plants and remediating sites in several countries for potential redevelopment or to return the land to a natural state. In aggregate, there are remediation projects at 32 other sites that are planned or underway. These activities will be completed at various times in the future with the latest expected to be in 2026, after which ongoing monitoring and other activities may be required. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the reserve balance associated with these activities was $57 54 and $50 57, respectively.

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Tax

Brazil (AWAB)—In March 2013, AWAB was notified by the Brazilian Federal Revenue Office (RFB) that approximately $110 (R$220) of value added tax credits previously claimed were being disallowed and a penalty of 50% was assessed. Of this amount, AWAB received $41 (R$82) in cash in May 2012. The value added tax credits were claimed by AWAB for both fixed assets and export sales related to the Juruti bauxite mine and São Luís Alumar refinery expansion for tax years 2009 through 2011. The RFB has disallowed credits they allege belong to the consortium in which AWAB owns an interest and should not have been claimed by AWAB. Credits have also been disallowed as a result of challenges to apportionment methods used, questions about the use of the credits, and an alleged lack of documented proof. AWAB presented defense of its claim to the RFB on April 8, 2013. In February 2022, the RFB notified AWAB that it had inspected the value added tax credits claimed for 2012 and disallowed $4 (R$19). In its decision, the RFB allowed credits of $14 (R$65) that were similar to those previously disallowed for 2009 through 2011. In July 2022, the RFB notified AWAB that it had inspected the value added tax credits claimed for 2013 and disallowed $13 (R$70). In its decision, the RFB allowed credits of $16 (R$84) that were similar to those previously disallowed for 2009 through 2011. The decisions on the 2012 and 2013 credits provide positive evidence to support management's opinion that there is no basis for these credits to be disallowed. AWAB received the 2012 allowed credits with interest of $9 (R$44) in March 2022 and the 2013 allowed credits with interest of $6 (R$31) in August 2022. AWAB will continue to dispute the credits that were disallowed for 2012 and 2013. If AWAB is successful in this administrative process, the RFB would have no further recourse. If unsuccessful in this process, AWAB has the option to litigate at a judicial level. Separately from AWAB's administrative appeal, in June 2015, a new tax law was enacted repealing the provisions in the tax code that were the basis for the RFB assessing a 50% penalty in this matter. As such, the estimated range of reasonably possible loss for these matters is $0 to $47 62 (R$239 309). It is management's opinion that the allegations have no basis; however, at this time, the Company is unable to reasonably predict an outcome for this matter.

Australia (AofA)—In December 2019, AofA received a statement of audit position (SOAP) from the Australian Taxation Office (ATO) related to the pricing of certain historic third-party alumina sales. The SOAP proposed adjustments that would result in additional income tax payable by AofA. During 2020, the SOAP was the subject of an independent review process within the ATO. At the conclusion of this process, the ATO determined to continue with the proposed adjustments and issued Notices of Assessment (the Notices) that were received by AofA on July 7, 2020. The Notices asserted claims for income tax payable by AofA of approximately $137 139 (A$214). The Notices also included claims for compounded interest on the tax amount totaling approximately $452 460 (A$707).

On September 17, 2020, the ATO issued a position paper with its preliminary view on the imposition of administrative penalties related to the tax assessment issued to AofA. This paper proposed penalties of approximately $82 83 (A$128).

AofA disagreed with the Notices and with the ATO's proposed position on penalties. In September During 2020, AofA lodged formal objections to the Notices. In the fourth quarter of 2020, AofA Notices, provided a submission on the ATO's imposition of interest and also submitted a response to the ATO's position paper on penalties. After the ATO completes its review of AofA's response to the penalties position paper, the ATO could issue a penalty assessment.

To date, AofA has not received a response to its submission on the ATO's imposition of interest or its response to the ATO's position paper on penalties.

Through February 1, 2022, AofA did not receive a response from the ATO on AofA's formal objections to the Notices and, on that date, AofA submitted statutory notices to the ATO requiring the ATO to make decisions on AofA's objections within a 60-day period. On April 1, 2022, the ATO issued its decision disallowing the Company's objections related to the income tax assessment, while the position on penalties and interest remains outstanding.

On April 29, 2022, AofA filed proceedings in the Australian Administrative Appeals Tribunal (AAT) against the ATO to contest the Notices, a process which could last several years. The AAT held the first directions hearing on July 25, 2022 ordering AofA to file its evidence and related materials by November 4, 2022, ATO to file its materials by April 14, 2023 and AofA to file reply materials by May 26, 2023. AofA filed its evidence and related materials on November 4, 2022. The ATO did not file its materials by April 14, 2023. At a directions hearing on May 17, 2023, the ATO was granted an extension to file its materials by August 18, 2023. At a directions hearing on September 26, 2023, the ATO was granted an additional extension to file its materials by November 3, 2023. There will be The ATO filed its materials on November 13, 2023. At a directions hearing on November 22, 2023, AofA was ordered to set a timeline to allow for AofA's response. file any reply materials by March 15, 2024. AofA filed its reply materials on March 15, 2024. The substantive hearing is scheduled for June 2024.

The Company maintains that the sales subject to the ATO's review, which were ultimately sold to Aluminium Bahrain B.S.C., were the result of arm's length transactions by AofA over two decades and were made at arm's length prices consistent with the prices paid by other third-party alumina customers.

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In accordance with the ATO's dispute resolution practices, AofA paid 50% of the assessed income tax amount exclusive of interest and any penalties, or approximately $74 (A$107), during the third quarter 2020, and the ATO is not expected to seek further payment prior to final resolution of the matter. If AofA is ultimately successful, any amounts paid to the ATO as part of the 50% payment would be refunded. AofA funded the payment with cash on hand and recorded the payment within Other noncurrent assets as a noncurrent prepaid tax asset; at March 31, 2024 the related September 30, 2023 balance is was $68 69 (A$107).

Further interest on the unpaid tax will continue to accrue during the dispute. The initial interest assessment and the additional interest accrued are deductible against taxable income by AofA but would be taxable as income in the year the dispute is resolved if AofA is ultimately successful. AofA applied this deduction beginning in the third quarter of 2020, reducing cash tax payments. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, total reductions in cash tax payments were $182 197 (A$284 302) and $174 199 (A$260 293), respectively, and are reflected within Other noncurrent liabilities and deferred credits as a noncurrent accrued tax liability.

The Company continues to believe it is more likely than not that AofA's tax position will be sustained and therefore is not recognizing any tax expense in relation to this matter. However, because the ultimate resolution of this matter is uncertain at this time, the Company cannot predict the potential loss or range of loss associated with the outcome, which may materially affect its results of operations and financial condition. References to any assessed U.S. dollar amounts presented in connection with this matter have been converted into U.S. dollars from Australian dollars based on the exchange rate in the respective period.

AofA is part of the Company's joint venture with Alumina Limited, an Australian public company listed on the Australian Securities Exchange. The Company and Alumina Limited own 60% and 40%, respectively, of the joint venture entities, including AofA.

Other

Spain—In July 2019, the Company completed the divestiture of the Avilés and La Coruña aluminum facilities to PARTER Capital Group AG (PARTER) in a sale process endorsed by the Spanish government and supported by the workers' representatives following a collective dismissal process.

In early 2020, PARTER sold a majority stake in the facilities to an unrelated party. Alcoa had no knowledge of the subsequent transaction prior to its announcement and on August 28, 2020, Alcoa filed a lawsuit with the Court of First Instance in Madrid, Spain asserting that the sale was in breach of the sale agreement between Alcoa and PARTER. In June 2023, the Court of First Instance in Madrid issued a declaratory judgement in Alcoa's favor ruling that the transaction between PARTER and the unrelated party was a breach of the sale agreement. There was no financial compensation to the Company as a result of this ruling.

Related to this subsequent sale transaction, certain proceedings and investigations have been initiated by or at the request of the employees of the facilities against their current employers, the new owners of the current employers, and Alcoa, alleging that certain agreements from the 2019 collective dismissal process remain in force and that, under such agreements, Alcoa remains liable for certain related employment benefits. One such proceeding is a collective case before the Spanish National Court, filed on November 10, 2020, wherein the workers' representatives and employees are seeking to have the terms of a Collective Dismissal Agreement signed between Alcoa and the workers in January 2019 be fulfilled. Other proceedings include: a second collective claim filed in National Court on behalf of employees that were not affected by the 2019 collective dismissal process, numerous individual labor claims filed in the labor courts of Avilés and La Coruña and the initiation of a separate criminal investigation by the National Court.

On June 15, 2021, the Spanish National Court ruled that the collective dismissal agreement for the divested Avilés and La Coruña aluminum facilities should be applied to the situation of the claimant workers, and that Alcoa should be liable for the severance of those employees to the extent they were affected by the 2019 collective dismissal process. Alcoa appealed this ruling to the Supreme Court of Spain.

In July 2021, the Spanish National Court appointed a judicial director to oversee the facilities and later declared the facilities insolvent. In early 2022, the insolvency administrators appointed by the courts (one for each facility) announced their intention to collectively dismiss all employees at the two facilities.

In April 2022, the Company received unanimous acceptance of an offer made to all then-active workers of the divested Avilés and La Coruña facilities to settle various legal disputes related to the 2019 divestiture and a Global Settlement Agreement (GSA) was fully executed. Alcoa recorded $79 in the nine-month period of 2022 in Restructuring and other charges, net to reflect estimated cash payments related to the GSA.

On July 6, 2023, the Supreme Court of Spain ratified the GSA. Upon completion of the remaining administrative and judicial approvals, the Company made cash payments of $75 to the former employees of the facilities in the third quarter and nine-month period of 2023 in accordance with the GSA and expects remaining payments of approximately $3 to be made in the fourth quarter of 2023.

General

In addition to the matters discussed above, various other lawsuits, claims, and proceedings have been or may be instituted or asserted against Alcoa Corporation, including those pertaining to environmental, safety and health, commercial, tax, product liability, intellectual property infringement, employment, and employee and retiree benefit matters, and other actions and claims arising out of the normal course of business. While the amounts claimed in these other matters may be substantial, the ultimate liability is not readily determinable because of the considerable uncertainties that exist. Accordingly, it is possible that the Company’s liquidity or results of operations in a particular period could be materially affected by one or more of these other matters. However, based on facts currently available, management believes that the disposition of these other matters that are pending or asserted will not have a material adverse effect, individually or in the aggregate, on the financial position of the Company.

R. P. Other Financial Information

Other Expenses, (Income), Net

	Third quarter ended September 30,		Nine months ended September 30,		First quarter ended March 31,	
	2023	2022	2023	2022	2024	2023
Equity loss (income)			17			
	$ 40	$ 36	$ 9	$ (17)		
Equity loss					$ 27	$ 95

Foreign currency losses (gains), net	42	9	(13)	17	24	(16)
Net (gain) loss from asset sales	(1)	2	14	7		
Net loss from asset sales					11	14
Net loss (gain) on mark-to-market derivative instruments	20	(8)	3	(199)	5	(26)
Non-service costs – pension and other postretirement benefits	4	13	10	44	4	3
Other	(20)	(17)	(48)	(37)		
Other, net					(12)	(16)
	$ 85	$ 35	$ 145	$ (185)	$ 59	$ 54

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Other Noncurrent Assets

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Value added tax credits	$ 336	$ 294	$ 324	$ 336
Prepaid gas transmission contract	277	285	285	297
Gas supply prepayment	275	311	262	283
Deferred mining costs, net	170	161	179	187
Goodwill			146	146
Prepaid pension benefit	159	146	127	125
Goodwill	146	145		
Noncurrent prepaid tax asset	68	72	69	73
Noncurrent restricted cash	54	56	66	71
Intangibles, net	37	29	36	37
Other	96	94	111	95
	$ 1,618	$ 1,593	$ 1,605	$ 1,650

Value added tax credits—In the fourth quarter of 2018, after an assessment of the future realizability of Brazil state VAT credits recorded, the Company established an allowance on the accumulated state VAT credit balances and stopped recording any future credit benefits. With the restart of the Alumar smelter in São Luís, Brazil and its first metal sales in June 2022, the Company had the ability to monetize these credits. In June 2022, the Company reversed the allowance with a credit of $83 to Restructuring and other charges, net and reversed the subsequent additions to the valuation allowance with a credit to Cost of goods sold of $46 (same accounts as when incurred).

Cash and Cash Equivalents and Restricted Cash

	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
Cash and cash equivalents	$	926	$	1,363	$	1,358	$	944
Current restricted cash		50		55		31		32
Noncurrent restricted cash		54		56		66		71
	$	1,030	$	1,474	$	1,455	$	1,047

S. Q. Supplier Finance Programs

The Company has various supplier finance programs with third-party financial institutions that are made available to suppliers to facilitate payment term negotiations. Under the terms of these agreements, participating suppliers receive payment in advance of the payment date from third-party financial institutions for qualifying invoices. Alcoa’s obligations to its suppliers, including amounts due and payment terms, are not impacted by its suppliers’ participation in these programs. The Company does not pledge any assets as security or provide any guarantees beyond payment of outstanding invoices at maturity under these arrangements. The Company does not pay fees to the financial institutions under these arrangements. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, qualifying supplier invoices outstanding under these programs were $109 100 and $185 104, respectively, and have payment terms ranging from 50 45to 110 days. These obligations are included in Accounts payable, trade on the accompanying Consolidated Balance Sheet.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

(dollars in millions, except per-share amounts, average realized prices, and average cost amounts; metric tons in thousands (kmt); dry metric tons in millions (mdmt))

Business Update

During the third first quarter of 2023, 2024, Alcoa remained focused on improving operating performance entered into a binding agreement to acquire Alumina Limited, which holds a 40 percent ownership interest in the AWAC joint venture. The acquisition is intended to enhance Alcoa's position as a leading pure play, upstream aluminum company globally, while simplifying the Company's corporate structure and stability, while pursuing cost reduction measures governance, resulting in greater operational flexibility and initiating productivity programs across its operations. The Company's Canadian smelters set year-to-date production records, and strategic optionality. In addition to announcing the Alumar smelter established stability and increased operating capacity to approximately 65 percent despite interruptions from a nation-wide power outage in mid-August. The first announced action under Alumina Limited acquisition, the productivity programs was initiated at the Kwinana refinery in Australia. Additionally, Alcoa Company continued to make progress with relevant state government agencies in support on key near term actions to further optimize its portfolio and to reduce controllable costs during the first quarter of its annual mine plan approvals 2024.

Alumina Limited Acquisition

On March 11, 2024, the Company and Alumina Limited entered into a Scheme Implementation Deed (the Agreement) for Alcoa's acquisition of all Alumina Limited ordinary shares (the Transaction), following an agreement reached on February 26, 2024, between Alcoa and Alumina Limited, on terms and process for the acquisition of Alumina Limited (the Process Deed). Under the Agreement, Alumina Limited shareholders would receive consideration of 0.02854 Alcoa common shares for each Alumina Limited share (the Agreed Ratio). Upon completion of the transaction, Alumina Limited shareholders would own 31.25 percent, and Alcoa shareholders would own 68.75 percent of the combined company, on a fully diluted basis. Based on Alcoa's closing share price as of February 23, 2024, the last trading day prior to the announcement of the Process Deed, the Agreed Ratio implies a value of A$1.15 per Alumina Limited share and an equity value of approximately $2,200 for Alumina Limited.

Under the terms of the Agreement, Alcoa also agreed to provide a shareholder loan to AWAC in place of required capital contributions by Alumina Limited if Alumina Limited's net debt position exceeds $420. Based on AWAC's current 2024 cash flow forecast, Alcoa does not expect any support to be required in 2024. Subject to certain accelerated repayment triggers, Alumina Limited would be required to pay its equity calls (plus accrued interest) no later than September 1, 2025 in the event the transaction is not completed. Alcoa's fees and expenses related to the transaction include financial advisor fees, filing fees, legal and accounting fees, and regulatory fees, some of which will be paid regardless of whether the transaction is completed. Alcoa and Alumina Limited are also subject to termination fees in the event the transaction is not completed.

Alcoa expects the transaction to close in the third quarter of 2024 following a shareholder vote and the receipt of regulatory approvals. Both Alcoa and Alumina Limited shareholders will benefit from cost synergies, simplification of the organizational structure, and increased flexibility in funding and capital allocation decisions upon completion of the transaction.

For Alcoa shareholders, the transaction will enhance Alcoa's vertical integration along the value chain across bauxite mining, at the Huntly alumina refining, and Willowdale aluminum smelting, increases Alcoa's economic interest in its bauxite mines in and alumina assets, simplifies governance, and reaffirms Alcoa's commitment to Western Australia.

In addition to the implied premium over recent share prices, Alumina Limited shareholders' ownership will be diversified to a large-scale, global upstream aluminum portfolio and interests in Alcoa common shares will be traded in Australia Mine Plan Approvals through a secondary listing on the Australian Securities Exchange via CHESS Depositary Interests.

The Company seeks annual approvals from the Western Australian State Government for a rolling five-year mine plan to maintain continued operations at the Huntly and Willowdale bauxite mines. This statutory annual mine approvals process is currently taking longer than it has taken historically due to increased requirements and expectations from stakeholders. In April 2023, Alcoa began mining lower grade bauxite in areas already permitted under Mine Management Programs (MMPs) at the Huntly mine (that supplies the Pinjarra and Kwinana refineries), which impacts the refineries by increasing the use of caustic, energy, and bauxite and decreasing alumina output. Portfolio Actions

San Ciprián Operations

During the third first quarter of 2024, Alcoa completed the restart of approximately 6 percent of pots at the San Ciprián smelter in compliance with the February 2023 updated viability agreement. Although both purchase prices for energy and sales prices improved during the Company submitted a revised MMP first quarter of 2024, the San Ciprián complex remains unviable for the period 2023-2027 with enhancements meant long-term based on current and forward market assumptions for delivered energy in Spain and sales prices, and near-term government support remains unlikely. While continuing to address stakeholder needs optimize the smelter and expectations. The submission refinery operations and preserve cash, and as part of Alcoa's efforts to regulators includes additional controls find a long-term solution for the protection complex, Alcoa initiated a process for the potential sale of drinking water, including distances from reservoirs, and biodiversity that includes a plan to accelerate rehabilitation. The Company is working toward an MMP approval the complex during the fourth first quarter of 2023.

Separately, following a public comment period that concluded in August 2023, 2024 and anticipates completing the Western Australian Environmental Protection Authority (WA EPA) continues to consider a third-party request on whether to formally assess all or part bid process by June 2024. Any long-term solution requires the support of the current government and next MMPs and, if so, at what level. The WA EPA has indicated it expects to make a decision before the end of 2023. workers' representatives.

The Company supports moving toward a modernized approvals framework for new major mine regions. In June 2020, Alcoa proactively requested an assessment by refinery and smelter incurred significant losses in the WA EPA on two new mine regions (Myara North first quarter of 2024 and Holyoake) for the Huntly mine.

The Company expects the bauxite quality at Myara North and Holyoake in prior years, which have been funded with internal credit lines that are now nearing their limits (with less than $100 available to be more consistent with drawn), and which the historic higher quality operations have no ability to repay. While the Company had restricted cash of $86 remaining at March 31, 2024 (see Aluminum below) to be made available for capital improvements at the existing Myara Central. Alcoa continues site and smelter restart costs, the workers' representatives have rejected the use of this cash to work fund operating losses at the smelter. Based on current economic conditions, and barring reaching an acceptable outcome on either achieving economic viability or completing a sale of the complex, the San Ciprián operations are expected to secure approvals for these new regions, and anticipates mining incur substantial losses in the new regions no earlier than 2027. Until then, remainder of 2024 and Alcoa anticipates that available funding will be exhausted in the Company expects bauxite quality similar second half of 2024. At that point, Alcoa will not provide additional funding and difficult decisions will have to recent grades. be considered regarding the future of the San Ciprián complex.

Warrick Operations

During the first quarter 2024, the Company completed the restart of one potline (54,000 mtpy) at its Warrick Operations site in Indiana that began in October 2023, and incurred restart expenses of $3.

Kwinana Refinery

In January 2024, Alcoa announced the full curtailment of the Kwinana refinery which will be completed in the second quarter of 2024. The refinery has an annual nameplate capacity of 2.2 million metric tons and has been operating at approximately 80 percent of its nameplate capacity since January 2023, when the Company reduced production in response to a domestic natural gas shortage in Western Australia due to production challenges experienced by key gas suppliers. The Company's decision to fully curtail the refinery was made based on a variety of factors, including the refinery's age, scale, operating costs, and current bauxite grades, in addition to market conditions. The refinery currently has approximately 780 employees and this number will be reduced to approximately 250 in the third quarter of 2023, 2024, after alumina production has ceased. Certain processes will continue until about the first announced action under third quarter of 2025, when the employee number will be further reduced to approximately 50. In addition to the employees separating as a result of the curtailment, approximately 150 employees will either terminate through the productivity programs was initiated at the Kwinana refinery to mitigate the financial impacts of lower bauxite grade. In connection with this program the Company recorded a charge of $6 in Restructuring and other charges, net on the Statement of Consolidated Operations announced in the third quarter of 2023 for employee termination and severance costs for approximately 90 employees at the Kwinana refinery or redeploy to be paid through the first quarter of 2024. The Company anticipates approximately $10 ($6 other Alcoa share) in annual cash savings from this action. The Kwinana refinery has been operating four of its five digesters since January 2023 in response to a state-wide shortage of natural gas from key suppliers in Western Australia. On April 19, 2023, the Company announced its decision to keep the one digester offline due to the prolonged annual mine plan approvals process.

<u>Portfolio Actions</u>

During the third quarter of 2023, the Company continued the controlled pace for the restart of the Alumar smelter in São Luís, Brazil and improved the operating stability of restarted pots. The site was operating at approximately 65 percent of the site's total annual capacity of 268 kmt (Alcoa share) as of September 30, 2023.

In March 2023, the Company reduced production at the Portland smelter to approximately 75 percent of the site's annual capacity of 197 kmt (Alcoa share) due to instability and challenges related to the production of rodded anodes. As of April 2023, the Company regained operational stability at the site and continues to operate at approximately 75 percent of its capacity.

The Company announced the closure of the previously curtailed Intalco aluminum smelter after evaluating various options for the asset in March 2023. The facility has been fully curtailed since 2020.

In February 2023, the Company reached an updated viability agreement with the workers' representatives of the San Ciprián aluminum smelter to commence the phased restart of the smelter beginning in January 2024. Alcoa plans to operate an initial complement of approximately 6 percent of total pots, to then restart additional pots based on favorable market conditions, and to restart all pots by October 1, 2025. From October 1, 2025 until the end of 2026, the planned minimum production will be 75 percent of the annual capacity of 228 kmt. The updated viability agreement includes increased investments in the facility and protections for the workforce. operations.

Other Matters

In July 2023, On March 21, 2024, the Supreme Court Company completed an offering of Spain ratified $750 aggregate principal amount of 7.125 percent senior notes due in 2031. This was the GSA to settle various legal disputes Company's first notes issuance under its new Green Finance Framework, which prioritizes climate change mitigation expenditures related to circular or low carbon products, pollution prevention technologies, renewable energy, and water management. Net proceeds from the 2019 divestiture issuance, which can be allocated to qualifying expenditures on a two-year look back and three-year look forward, are expected to cover expenses associated with both new and existing decarbonization and water management projects, research and development, renewable energy, and the production of low carbon alumina and aluminum products. The net proceeds will also support the Company's cash position and ongoing cash needs, including with respect to its previously announced portfolio actions. The Company does not expect to allocate part of the Avilés and La Coruña aluminum facilities. The Company made cash payments of $75 net proceeds to significant capital investments in breakthrough technologies as those are not expected to occur within the former employees of the facilities in the third quarter of 2023 upon completion of the remaining administrative and judicial approvals in accordance with the GSA. applicable time period.

In early July 2023, the repair of the ship-to-shore conveyance system that failed on March 25, 2023 and other unplanned maintenance was completed at the Alumar (Brazil) refinery. As a result of the conveyance system event, bauxite discharge at the Alumar port was temporarily halted and the refinery operated on existing inventory until initial repairs were completed on April 8, 2023. Bauxite flows to the refinery were fully restored by the end of April 2023. The pier was not damaged and could still berth vessels.

In May 2023, members of the United Steelworkers ratified a new three-year collective bargaining agreement that covers more than 800 active employees at the smelter at Warrick Operations (Indiana) and the smelter at Massena Operations (New York).

In April 2023, the Company purchased group annuity contracts to transfer approximately $235 of pension obligations and assets associated with defined benefit pension plans for approximately 530 Canadian retirees and beneficiaries. As a result, Alcoa recognized a non-cash settlement loss of $21 ($16 after-tax) in Restructuring and other charges, net on the Statement of

Consolidated Operations in the second quarter of 2023. See Part I Item I of this Form 10-Q in Note M to the Consolidated Financial Statements for additional information.

In April 2023, the Company entered into a one-year unsecured revolving credit facility for $250 (available to be drawn in Japanese yen).

In During the first quarter of 2023, 2024, the Company recorded an adjustment related to initiated and fully deployed a productivity and competitiveness program across its global operations and functions. The program is part of the Company's Ma'aden Aluminum joint venture for objective to improve overall competitiveness and profitability and includes a target to save approximately 5 percent of operating costs, exclusive of raw materials, energy and transportation costs, which are already under active management and cost control programs. Total savings are expected to approximate $100 on a run rate basis and to be achieved by the settlement of a dispute with an industrial utility for periods in 2021 and 2022. Alcoa's share of this adjustment was $41 which is included in Other expenses (income), net on the Statement of Consolidated Operations for the nine-month period of 2023. Alcoa's total share of this dispute of $62 includes $21 that was recorded in the fourth first quarter of 2022. 2025.

The Company paid a quarterly cash dividend of $0.10 per share of the Company's common stock in August 2023, March 2024, totaling $18. $19.

See the below sections for additional details on the above-described actions.

Results of Operations

The discussion that follows includes a comparison of our results of operations and liquidity and capital resources for the quarterly and year-to-date periods outlined in the table below.

Selected Financial Data:

	Quarter ended	**Nine months ended**	**Quarter ended**	**Three months ended**
	Sequential	*Year-to-date*	*Sequential*	*Year-to-date*

Statement of Operations	September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022	March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Sales	$ 2,602	$ 2,684	$ 7,956	$ 9,788	$ 2,599	$ 2,595	$ 2,599	$ 2,670
Cost of goods sold (exclusive of expenses below)	2,469	2,515	7,388	7,616	2,404	2,425	2,404	2,404
Selling, general administrative, and other expenses	56	52	162	140	60	64	60	54
Research and development expenses	9	6	25	23	11	14	11	10
Provision for depreciation, depletion, and amortization	163	153	469	470	161	163	161	153
Restructuring and other charges, net	22	24	195	702	202	(11)	202	149
Interest expense	26	27	79	80	27	28	27	26
Other expenses (income), net	85	6	145	(185)	59	(11)	59	54
Total costs and expenses	2,830	2,783	8,463	8,846	2,924	2,672	2,924	2,850
(Loss) income before income taxes	(228)	(99)	(507)	942				
Loss before income taxes					(325)	(77)	(325)	(180)
(Benefit from) provision for income taxes	(35)	22	39	484	(18)	150	(18)	52
Net (loss) income	(193)	(121)	(546)	458				
Less: Net (loss) income attributable to noncontrolling interest	(25)	(19)	(45)	186				

Net (loss) income attributable to Alcoa Corporation	$ (168)	$ (102)	$ (501)	$ 272				
Net loss					(307)	(227)	(307)	(232)
Less: Net loss attributable to noncontrolling interest					(55)	(77)	(55)	(1)
Net loss attributable to Alcoa Corporation					$ (252)	$ (150)	$ (252)	$ (231)

Selected Financial Metrics	**Quarter ended**		**Nine months ended**		**Quarter ended**		**Three months ended**	
	September 30, 2023	**June 30, 2023**	**September 30, 2023**	**September 30, 2022**	**March 31, 2024**	**December 31, 2023**	**March 31, 2024**	**March 31, 2023**
Diluted (loss) income per share attributable to Alcoa Corporation common shareholders	$ (0.94)	$ (0.57)	$ (2.81)	$ 1.47				
Diluted loss per share attributable to Alcoa Corporation common shareholders					$ (1.41)	$ (0.84)	$ (1.41)	$ (1.30)
Third-party shipments of alumina (kmt)	2,374	2,136	6,439	6,959	2,397	2,259	2,397	1,929
Third-party shipments of aluminum (kmt)	630	623	1,853	1,929	634	638	634	600
Average realized price per metric ton of alumina	$ 354	$ 363	$ 362	$ 397	$ 372	$ 344	$ 372	$ 371
Average realized price per metric ton of aluminum	$ 2,647	$ 2,924	$ 2,880	$ 3,646	$ 2,620	$ 2,678	$ 2,620	$ 3,079
Average Alumina Price Index (API)(1)	$ 335	$ 355	$ 346	$ 378	$ 356	$ 336	$ 356	$ 346
Average London Metal Exchange (LME) 15-day lag(2)	$ 2,147	$ 2,283	$ 2,270	$ 2,870	$ 2,201	$ 2,186	$ 2,201	$ 2,379

(1) API (Alumina Price Index) is a pricing mechanism that is calculated by the Company based on the weighted average of a prio month’s daily spot prices published by the following three indices: CRU Metallurgical Grade Alumina Price; Platts Metals Daily Alumina PAX Price; and FastMarkets Metal Bulletin Non-Ferrous Metals Alumina Index.

(2) LME (London Metal Exchange) is a globally recognized exchange for commodity trading, including aluminum. The LME pricin component represents the underlying base metal component, based on quoted prices for aluminum on the exchange.

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Overview

Sequential period comparison

Net (loss) income loss attributable to Alcoa Corporation was $252 in the first quarter of 2024 compared with $150 in the fourth quarter of 2023. The unfavorable change of $102 is primarily a result of:

- Higher restructuring charges
- Unfavorable currency revaluation impacts
- Higher production costs
- Lower average realized prices of aluminum

Partially offset by:

- Absence of a charge to tax expense to record a valuation allowance against the deferred tax assets of AWAB
- Lower energy costs across both segments
- Favorable raw material costs

Year-to-date comparison

Net loss attributable to Alcoa Corporation was $252 in the first quarter of 2024 compared with $231 in the first quarter of 2023. The unfavorable change of $21 is primarily a result of:

- Lower average realized price of aluminum
- Higher restructuring charges
- Unfavorable currency revaluation impacts
- Higher production costs

Partially offset by:

- Favorable raw material and energy costs
- Lower taxes on lower earnings
- Higher equity earnings

Sales

Sequential period comparison

Sales increased $4 primarily as a result of:

- Higher shipments of alumina
- Higher average realized price of alumina
- Favorable currency impacts

Partially offset by:

- Lower volumes and price from bauxite offtake and supply agreements
- Lower average realized price of aluminum
- Lower shipments of aluminum

Year-to-date comparison

Sales decreased $66 $71 primarily as a result of:

- Lower average realized prices price of aluminum and alumina
- Unfavorable currency revaluation impacts

Partially offset by:

- Reversal of a valuation allowance on deferred tax assets in Iceland
- Lower raw material costs
- Lower production costs across both segments

Year-to-date comparison

Net (loss) income attributable to Alcoa Corporation decreased $773 primarily as a result of:

- Lower average realized prices of aluminum volumes and alumina
- Higher production costs across both segments
- Absence of favorable mark-to-market results on derivative instruments
- Lower equity earnings
- Higher raw material costs due to inflation pressures

Partially offset by:

- Lower restructuring charges
- Lower taxes on lower earnings price from bauxite offtake and the reversal of a valuation allowance on deferred tax assets in Iceland
- Favorable currency impacts
- Lower energy costs, primarily in Europe

Sales

Sequential period comparison

Sales decreased $82 primarily as a result of:

- Lower average realized prices of aluminum and alumina

Partially offset by:

- Higher shipments across both segments

Year-to-date comparison

Sales decreased $1,832 primarily as a result of:

- Lower average realized prices of aluminum and alumina
- Lower trading activities
- Lower shipments across both segments supply agreements
- Decrease in value add product sales

Partially offset by:

- Higher volumes shipments of alumina and price from bauxite offtake and supply agreements aluminum

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Cost of goods sold

Sequential period comparison

Cost of goods sold as a percentage of sales decreased 1% primarily as a result of:

- Lower energy costs across both segments
- Higher average realized price of alumina
- Favorable raw material costs

Partially offset by:

- Higher production costs, primarily in the Aluminum segment
- Lower average realized price of aluminum

Year-to-date comparison

Cost of goods sold as a percentage of sales increased 1% 2% primarily as a result of:

- Lower average realized prices price of aluminum and alumina
- Higher production costs, primarily in the Alumina segment

Partially offset by:

- Favorable raw material costs
- Lower production energy costs across both segments

Year-to-date comparison

Cost of goods sold as a percentage of sales increased 15% primarily as a result of:

- Lower average realized prices of aluminum and alumina
- Higher production costs primarily related to operating certain of the Australian refineries with lower grade bauxite, the partial curtailment of the San Ciprián (Spain) refinery and increased maintenance
- Decrease in value add product sales

Partially offset by:

- Lower energy costs, primarily in Europe
- Favorable currency impacts

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Selling, general administrative, and other expenses

Sequential period comparison

Selling, general administrative, and other expenses increased decreased $4 primarily as a result of:

- Higher Lower information technology services and external legal fees

Partially offset by:

- Higher labor costs

Year-to-date comparison

Selling, general administrative, and other expenses increased $22 $6 primarily as a result of:

- Higher labor costs external legal fees, and information technology services

Provision for depreciation, depletion, and amortization

Sequential period comparison

Depreciation increased $10 decreased $2 primarily as a result of:

- Absence of asset write offs recognized in the fourth quarter of 2023 for projects no longer being pursued

Partially offset by:

- Higher depreciation in Brazil and Australia for mine reclamation and bauxite residue storage asset retirement obligations

Year-to-date comparison

Depreciation decreased $1 increased $8 primarily as a result of:

- Favorable currency impacts
- Lower depreciation resulting from the permanent closure of the previously curtailed Intalco aluminum smelter

Partially offset by:

- Higher depreciation in Brazil and Australia for mine reclamation and bauxite residue storage asset retirement obligations

Interest expense

Interest expense decreased $1 in comparison to both the second fourth quarter of 2023 and nine-month period increased $1 in comparison to the first quarter of 2022. 2023.

Other expenses (income), net

Sequential period comparison

Other expenses (income), net was $85 $59 in the third first quarter of 2023 2024 compared with $6 $(11) in the second fourth quarter of 2023. The unfavorable change of $79 $70 was primarily a result of:

- Unfavorable currency revaluation impacts driven by primarily due to the absence of gains recognized in the fourth quarter of 2023 due to the U.S. dollar weakening against the Brazilian real and losses recognized in the third current quarter primarily due to the U.S. dollar strengthening against the Brazilian real
- Additional costs related to site separation commitments associated with the euro and Warrick Rolling Mill sale

Partially offset by:

- Decrease in equity losses from the Canadian Ma'aden aluminum joint venture primarily due to higher sales volume, partially offset by higher production costs

Year-to-date comparison

Other expenses (income), net was $59 in the first quarter of 2024 compared with $54 in the first quarter of 2023. The unfavorable change of $5 was primarily a result of:

- Unfavorable currency revaluation impacts primarily due to losses recognized in the current quarter primarily due to the U.S. dollar strengthening against the Brazilian real, partially offset by the absence of gains recognized in the second first quarter of 2023 due to the U.S. dollar weakening against the Brazilian real

Year-to-date comparison

Other expenses (income), net was $145 in the nine-month period of 2023, compared with $(185) in the nine-month period of 2022. The unfavorable change of $330 was primarily a result of:

- Mark-to-market results on derivative instruments primarily due to the absence of prior year gains in the first quarter of 2023 driven by elevated power prices in 2022

Partially offset by:

- Decrease in equity earnings losses from the Ma'aden aluminum joint venture primarily due to the absence of a charge for a utility settlement lower and higher shipments, and partially offset by lower aluminum prices
- Higher Decrease in equity losses from the Ma'aden bauxite and alumina joint venture primarily due to lower alumina prices and higher raw material costs shipments, partially offset by higher shipments increased raw material and production costs
- Higher ELYSIS capital contributions, which triggered loss recognition Decrease in costs related to site separation commitments associated with the Warrick Rolling Mill sale

Partially offset by:

- Lower pension expense primarily due to a decrease in recognized net actuarial losses subsequent to pension annuity transactions
- Favorable currency revaluation impacts driven by the absence of losses recognized in the prior year due to the U.S. dollar strengthening against most currencies, partially offset by gains recognized in the current year due to the U.S. dollar weakening against the Brazilian real and Canadian dollar

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Restructuring and other charges, net

Sequential period comparison

In the third first quarter of 2024, Restructuring and other charges, net of $202 primarily related to:

- $197 for the curtailment of the Kwinana alumina refinery

In the fourth quarter of 2023, Restructuring and other charges, net of $22 $(11) primarily related to:

- $15 to record additional environmental and asset retirement obligation reserves (19) for the sale of unused carbon credits at a previously closed locations location

Partially offset by:

- $7 for employee termination and severance costs, primarily 6 related to Kwinana refinery productivity program the February 2023 updated viability agreement for the San Ciprián aluminum smelter

Year-to-date comparison

In the second quarter three-month period of 2023, 2024, Restructuring and other charges, net of $24 $202 primarily related to:

- $21 197 for the settlement curtailment of certain pension benefits the Kwinana alumina refinery

Year-to-date comparison

In the nine-month three-month period of 2023, Restructuring and other charges, net of $195 $149 primarily related to:

- $101 for the permanent closure of the previously curtailed Intalco aluminum smelter
- $47 for the updated viability restart agreement for the San Ciprián aluminum smelter
- $21 for the settlement of certain pension benefits
- $15 to record additional environmental and asset retirement obligation reserves at previously closed locations
- $10 for employee termination and severance costs, primarily related to Kwinana refinery productivity program

In the nine-month period of 2022, Restructuring and other charges, net of $702 primarily related to: 29

- $626 for U.S. pension group annuity contracts and U.S. and Australia remeasurements
- $79 for the accrual related to the GSA for the workers of the divested Avilés and La Coruña facilities
- $58 for an asset impairment related to the sale of the Company's interest in the MRN mine
- $29 for the permanent closure of the previously curtailed magnesium smelter facility in Addy

Partially offset by:

- $83 for the reversal of state VAT valuation allowance associated with the restart of the Alumar smelter

(Benefit from) provision for income taxes

Sequential period comparison

The Benefit from income taxes in the third first quarter of 2023 2024 was $(35) $(18) on a loss before taxes of $(228) $(325) or 15.4% 5.5%. In comparison, the second fourth quarter of 2023 Provision for income taxes was $22 $150 on a loss before taxes of $(99) $(77) or (22.2) (194.8)%.

The decrease in tax expense of $57 $168 is primarily attributable to a tax benefit recognized for the full reversal valuation allowance of the valuation allowance $152 recorded against the deferred tax assets of AWAB in the Company's subsidiaries in Iceland fourth quarter of 2023 and lower income in the jurisdictions where taxes are paid.

The Company's subsidiaries in Iceland had a full valuation allowance recorded against deferred tax assets, which was established in 2015 and 2017, as the Company believed it was more likely than not that these tax benefits would not be realized. During 2023, after considering all positive and negative evidence, including the expectation that the jurisdiction will remain in a three-year cumulative income position, the Company determined that it is more likely than not that the net deferred tax assets will be realized. Based on this conclusion, the Company reversed the valuation allowance totaling $58 during the third quarter of 2023, generating a non-cash benefit from income taxes.

Year-to-date comparison

The Provision Benefit for income taxes in the nine-month three-month period of 2023 2024 was $39 $(18) on a loss before taxes of $(507) $(325) or (7.7)% 5.5%. In comparison, the nine-month three-month period of 2022 2023 Provision for income taxes was $484 $52 on income a loss before taxes of $942 $(180) or 51.4% (28.9)%.

The decrease in tax expense of $445 $70 is primarily attributable to lower income in the jurisdictions where taxes are paid and a tax benefit recognized for the full reversal of the valuation allowance recorded against the deferred tax assets of the Company's subsidiaries in Iceland.

paid.

Noncontrolling interest

Sequential period comparison

Net (loss) income loss attributable to noncontrolling interest was $(25) $(55) in the third first quarter of 2023 2024 compared with $(19) $(77) in the second fourth quarter of 2023. These amounts are entirely related to Alumina Limited's 40% ownership interest in several affiliated operating entities.

The change is primarily a result of lower taxes and higher average realized price of alumina, higher elimination of intercompany profit in inventory, unfavorable currency revaluation impacts, and higher taxes, partially offset by lower raw material costs and production higher restructuring costs.

Year-to-date comparison

Net (loss) income loss attributable to noncontrolling interest was $(45) $(55) in the nine-month three-month period of 2023 2024 compared with $186 $(1) in the nine-month three-month period of 2022. 2023. These amounts are entirely related to Alumina Limited's 40% ownership interest in several affiliated operating entities.

The change is primarily a result of higher restructuring costs and higher production costs, higher raw material costs, lower average realized price of alumina, unfavorable mark-to-market results on derivative instruments, higher elimination of intercompany profit in inventory, partially offset by lower raw material and energy costs, and lower taxes.

Segment Information

Alcoa Corporation is a producer of bauxite, alumina, and aluminum products. In January 2023, the financial information provided to the Chief Operating Decision Maker (CODM) for the activities of the bauxite mines The Company has two operating and the alumina refineries was combined, and accordingly the Company changed its operating segments. Beginning in the first quarter of 2023, the Company's operations consisted of two worldwide reportable segments: (i) Alumina and (ii) Aluminum. Segment information for all prior periods presented was updated to reflect the new segment structure.

Segment performance under Alcoa Corporation's management reporting system is evaluated based on a number of factors; however, the primary measure of performance is the Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization) for each segment. The Company calculates Segment Adjusted EBITDA as Total sales (third-party and intersegment) minus the following items: Cost of goods sold; Selling, general administrative, and other expenses; and Research and development expenses. Alcoa Corporation's Segment Adjusted EBITDA may not be comparable to similarly titled measures of other companies. The CODM function regularly reviews the financial information, including Adjusted EBITDA, of these two operating segments to assess performance and allocate resources.

Alumina

Business Update. The average API of $335 $356 per metric ton trended unfavorably favorably compared to the prior quarter reflecting a 6% sequential decrease.

increase. During the third first quarter, the Alumina segment also experienced lower production energy and raw material materials costs compared to the second fourth quarter of 2023.

Alumina production increased 10% On January 8, 2024, Alcoa announced the full curtailment of the Kwinana refinery which will be completed in the second quarter of 2024. The refinery currently has approximately 780 employees and this number will be reduced to approximately 250 in the third quarter in comparison of 2024, after alumina production has ceased. Certain processes will continue until about the third quarter of 2025, when the employee number will be further reduced to approximately 50. In addition to the second quarter employees separating as a result of 2023 primarily due to the conclusion of unplanned maintenance at the Alumar refinery and higher output in Australia as the refineries adapted to lower grade bauxite.

In the second quarter of 2023, Alcoa began mining lower grade bauxite in areas at the Huntly mine (that supplies the Pinjarra and Kwinana refineries) as it continued to work curtailment, approximately 150 employees will either terminate through the annual mine approvals process. The reduction productivity program announced in grade increases the use of caustic, energy, and bauxite and decreases alumina output. During the third quarter of 2023 or redeploy to other Alcoa operations.

In the Company continued first quarter, Alcoa recorded a restructuring charge of $197 related to pursue cost reduction measures the curtailment of the refinery. The charge includes $123 for water management costs, $41 for severance and initiated productivity programs across its operations in Australia to mitigate the financial impacts of lower bauxite grade and to optimize current operating levels. The first announced action under the productivity programs was initiated at the Kwinana refinery, and the Company recorded Restructuring and other charges, net of $6 for employee termination costs, $15 for asset retirement obligations, $13 for take-or-pay contracts, and severance costs $5 for approximately 90 employees. The restructuring actions and corresponding asset impairments. Related cash outlays of approximately $215 (which includes existing employee related liabilities and asset retirement obligations) are expected through 2025, with approximately $140 to be complete by the end of spent in 2024. During the first quarter of 2024. The Company anticipates approximately $10 ($6 Alcoa share) in annual 2024, cash savings as a result of this program.

On March 25, 2023, a ship-to-shore conveyance system at the Alumar refinery failed, temporarily halting bauxite discharge at the Alumar port. The Alumar refinery operated on existing inventory until initial repairs outlays were completed on April 8, 2023, and bauxite flows to the refinery were restored by the end of April 2023. The pier was not damaged and could still berth vessels.

In January 2023, in response to a state-wide shortage of natural gas from key suppliers in Western Australia, the Company reduced production at the Kwinana refinery by decreasing process flows and taking offline one of five digesters. While the supply of natural gas improved, in April 2023, the Company announced its decision to keep the one digester offline due to the prolonged annual mine plan approvals process.

Mining operations are relocated periodically in support of optimizing the value extracted from bauxite reserves. In the first quarter of 2023, the Company completed the process of moving the Juruti mining operations and incurred $4 related to the mining operation relocation. $2.

Capacity. The Alumina segment had a base capacity of 13,843 kmt with 1,452 kmt of curtailed refining capacity. There was no change in curtailed capacity during the quarter.

Total alumina shipments include metric tons that were not produced by the Alumina segment. Such alumina was purchased to satisfy certain customer commitments. The Alumina segment bears the risk of loss of the purchased alumina until control of the product has been transferred to this segment's customers. Additionally, operating costs in the table below includes all production related costs: raw materials consumed; conversion costs, such as labor, materials, and utilities; depreciation and amortization; and plant administrative expenses.

	Quarter ended		Nine months ended		Quarter ended		Three months ended	
	September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022	March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Bauxite production (mdmt)	10.7	10.0	30.6	31.5	10.1	10.4	10.1	9.9
Third-party bauxite shipments (mdmt)	1.9	1.8	5.6	2.4	1.0	2.0	1.0	1.9
Alumina production (kmt)	2,805	2,559	8,119	9,527	2,670	2,789	2,670	2,755

Third-party alumina shipments (kmt)	2,374	2,136	6,439	6,959	2,397	2,259	2,397	1,929
Intersegment alumina shipments (kmt)	966	944	2,949	2,929	943	1,176	943	1,039
Total alumina shipments (kmt)	3,340	3,080	9,388	9,888	3,340	3,435	3,340	2,968
Third-party bauxite sales	$ 111	$ 113	$ 360	$ 136	$ 64	$ 124	$ 64	$ 136
Third-party alumina sales	846	781	2,348	2,764	897	781	897	721
Total segment third-party sales	$ 957	$ 894	$ 2,708	$ 2,900	$ 961	$ 905	$ 961	$ 857
Intersegment alumina sales	381	397	1,199	1,308	395	449	395	421
Total sales	$ 1,338	$ 1,291	$ 3,907	$ 4,208	$ 1,356	$ 1,354	$ 1,356	$ 1,278
Segment Adjusted EBITDA	$ 53	$ 33	$ 189	$ 738	$ 139	$ 84	$ 139	$ 103
Average realized third-party price per metric ton of alumina	$ 354	$ 363	$ 362	$ 397	$ 372	$ 344	$ 372	$ 371
Operating costs	$ 1,299	$ 1,269	$ 3,742	$ 3,482	$ 1,163	$ 1,165	$ 1,163	$ 1,024
Average cost per metric ton of alumina shipped	$ 389	$ 412	$ 399	$ 352	$ 348	$ 339	$ 348	$ 345

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Production

Sequential period comparison

Alumina production increased 10% decreased 4% primarily as a result of:

- The conclusion of unplanned maintenance in the third quarter of 2023 at the Alumar refinery
- Increased Reduced production output at the Australia refineries as the refineries adapted due to lower bauxite grade

Year-to-date comparison

Alumina production decreased 15% 3% primarily as a result of:

- The curtailment of capacity at the San Ciprián refinery in the third quarter of 2022
- The partial curtailment at the Kwinana refinery in the first quarter of 2023
- Reduced production at the Australia refineries due to lower bauxite grade bauxite

Partially offset by:

- Unplanned equipment maintenance Increased production at the Alumar San Ciprián refinery as the refinery was operating at 50 percent capacity in the first quarter of 2024, and 35 to 50 percent capacity in the first quarter of 2023

Third-party sales

Sequential period comparison

Third-party sales increased $63 $56 primarily as a result of:

- Higher average realized price of $28/ton principally driven by a higher average API
- Higher shipments of alumina primarily due to increased trading activity
- Favorable currency impacts

Partially offset by:

- Lower volumes and price from bauxite offtake and supply agreements

Year-to-date comparison

Third-party sales increased $104 primarily as a result of:

- Higher shipments of alumina primarily due to increased trading activity and shipments across the refineries sales of externally sourced alumina to satisfy certain customer commitments

Partially offset by:

- Lower average realized price of $9/ton principally driven by a lower average API

Year-to-date comparison

Third-party sales decreased $192 primarily as a result of:

- Lower shipments of alumina primarily due to lower production at the Australian refineries and the San Ciprián refinery, partially offset by increased trading activity
- Lower average realized price of $35/ton principally driven by a lower average API
- Unfavorable currency impacts

Partially offset by:

- Higher volumes and price from bauxite offtake and supply agreements primarily caused by the shift to third-party sales due to reduced production at the San Ciprián refinery

Intersegment sales

Sequential period comparison

Intersegment sales decreased $16 $54 primarily as a result of:

- Lower alumina shipments due to lower alumina production

Partially offset by:

- Higher average API on sales to the Aluminum segment

Partially offset by:

- Higher alumina shipments due to higher alumina production

Year-to-date comparison

Intersegment sales decreased $109 $26 primarily as a result of:

- Lower alumina shipments primarily due to lower alumina production

Partially offset by:

- Higher average API on sales to the Aluminum segment

Partially offset by:

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Higher alumina shipments primarily due to the Alumar smelter restart

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Segment Adjusted EBITDA

Sequential period comparison

Segment Adjusted EBITDA increased $20 $55 primarily as a result of:

- Higher average realized price of $28/ton principally driven by a higher average API
- Lower production energy costs across the refineries primarily due to favorable natural gas prices
- Favorable raw material costs primarily driven by the completion of unplanned maintenance at the Alumar refinery on lower prices for caustic soda

Partially offset by:

- Lower shipments

Year-to-date comparison

Segment Adjusted EBITDA increased $36 primarily as a result of:

- Favorable raw material costs primarily on lower prices for caustic soda
- Lower energy costs across the refineries primarily due to favorable natural gas prices
- Higher average realized price of $1/ton principally driven on a higher average API
- Favorable currency impacts

Partially offset by:

- Lower average realized price of $9/ton principally driven by a lower average API

Year-to-date comparison

Segment Adjusted EBITDA decreased $549 primarily as a result of:

- Higher production costs primarily related to operating certain of the Australian Australia refineries with lower grade bauxite the partial curtailment of the San Ciprián refinery and increased maintenance
- Lower average realized price of $35/ton principally driven by a lower average API
- Unfavorable raw material higher labor costs primarily on higher prices for caustic soda

Partially offset by:

- Lower energy costs, primarily in Europe
- Favorable currency impacts

Forward Look. For the fourth second quarter of 2024 in comparison to the third first quarter of 2023, 2024, the Alumina segment anticipates lower raw material prices, lower production increased costs due to seasonal maintenance and higher volumes to be partially offset by higher energy other mining costs.

The Company expects total 2024 alumina 2023 production and shipments to remain unchanged from the prior projection, ranging between 9.8 and 10.0 million metric tons and between 12.7 and 12.9 million metric tons. tons, respectively. The difference between production and shipments reflects trading volumes and externally sourced alumina to fulfill customer contracts due to the curtailment of the Kwinana refinery.

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Aluminum

Business Update. Aluminum prices decreased increased sequentially with LME prices on a 15-day lag averaging $2,147 $2,201 per metric ton in the third first quarter of 2023. 2024. During the third first quarter, the Aluminum segment also experienced lower energy and raw materials and production costs compared to the second fourth quarter of 2023.

In conjunction April 2024, the U.S. Treasury, in coordination with the previously United Kingdom, announced sanctions on Russian aluminum. The sanctions ban imports into the U.S. and the United Kingdom of Russian Federation origin aluminum produced on or after April 13, 2024, and restrict activity at the London Metal Exchange and the Chicago Mercantile Exchange.

In March 2024, Alcoa completed the restart of the Alumar smelter approximately 54,000 mtpy of capacity at its Warrick Operations site in São Luís, Brazil, Indiana that began in October 2023. Alcoa incurred restart expenses of $1 and $33 $3 during the third quarter and nine-month period of 2023, respectively. During the third quarter of 2023, operational stability of the restarted pots was established and the smelter was operating at approximately 65 percent of the site's total annual capacity of 268 kmt (Alcoa share) despite interruptions from a nation-wide power outage in mid-August 2023.

In March 2023, Alcoa announced the closure of 279 kmt of previously curtailed capacity at the Intalco aluminum smelter. Charges related to the closure totaled $117 in the first quarter of 2023 2024.

During the first quarter of 2024, the Alumar smelter experienced operational instability primarily due to equipment reliability and included a charge of $16 is taking actions to improve overall performance in order to resume the controlled pace for the write down of remaining inventories to net realizable value recorded in Cost of goods sold on the Statement of Consolidated Operations and a charge of $101 recorded in Restructuring and other charges, net on the Statement of Consolidated Operations. The restructuring charges were comprised of $50 of asset impairments, $50 to establish reserves related to environmental and demolition obligations, and $1 of severance and employee termination costs. Cash outlays related to the permanent closure of the site are expected to be approximately $85 in 2024 and 2025.

In March 2023, the Company reduced production at the Portland smelter to approximately 75 percent of the site's total annual capacity of 197 kmt (Alcoa share) due to instability and challenges related to the production of rodded anodes. As of April 2023, the Company regained operational stability at the site and continues to operate at approximately 75 percent of its capacity.restart.

<u>*San Ciprián Smelter*</u>

The In March 2024, Alcoa completed the restart of approximately 6 percent of total pots at the San Ciprián smelter was curtailed in January 2022 as a result of an agreement that was reached with required by the workers' representatives in December 2021. On February 3, 2023, the Company reached an February 2023 updated viability agreement with the workers' representatives to commence the restart process in phases beginning in January 2024. agreement. The Company recorded charges incurred restart expenses of $47 $2 in the first quarter of 2023 in Restructuring and other charges, net on the Statement of Consolidated Operations for certain employee obligations during the extended curtailment period. The Company also made additional commitments of $78 for capital improvements at the site. Cash outlays related to the employee obligations and capital improvements are expected in 2024 and 2025.

2024. In connection with the agreements, December 2021 agreement and the February 2023 updated viability agreement, the Company has restricted cash of $93 $86 remaining at September 30, 2023 March 31, 2024 to be made available for $125 in capital improvements at the site and $35 in smelter restart costs. The Company incurred $8 and $21 workers' representatives have rejected the use of capital investment expenditures against this cash to fund operating losses at the commitments during the third quarter and nine-month period of 2023. smelter.

During the first quarter of 2023, relevant authorities denied some permits related to the development of windfarms included in two long-term power purchase agreements (PPAs) signed in 2022 with renewable energy providers. As a result, those PPAs are now expected to supply up to 50 percent of the smelter's future power needs at its full capacity; the supply of energy will

continue to depend on the permitting and development of the remaining windfarms included in the PPAs. The Company continues to negotiate with other suppliers to secure the remaining power supply needs for the smelter.
Total aluminum third-party shipments include metric tons that were not produced by the Aluminum segment. Such aluminum was purchased by this segment to satisfy certain customer commitments. The Aluminum segment bears the risk of loss of the purchased aluminum until control of the product has been transferred to this segment's customer. Additionally, Total shipments includes offtake from a joint venture supply agreement.

The average realized third-party price per metric ton of aluminum includes three elements: a) the underlying base metal component, based on quoted prices from the LME; b) the regional premium, which represents the incremental price over the base LME component that is associated with the physical delivery of metal to a particular region (e.g., the Midwest premium for metal sold in the United States); and c) the product premium, which represents the incremental price for receiving physical metal in a particular shape (e.g., billet, slab, rod, etc.) or alloy.

Operating costs includes all production-related production related costs: raw materials consumed; conversion costs, such as labor, materials, and utilities; depreciation and amortization; and plant administrative expenses.

	Quarter ended		Nine months ended		Quarter ended		Three months ended	
	September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022	March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Production (kmt)	532	523	1,573	1,494	542	541	542	518
Total shipments (kmt)	630	623	1,853	1,929	634	638	634	600
Third-party aluminum sales	$ 1,666	$ 1,824	$ 5,336	$ 7,033	$ 1,661	$ 1,709	$ 1,661	$ 1,846
Other(1)	(22)	(36)	(94)	(130)	(23)	(26)	(23)	(36)
Total segment third-party sales	$ 1,644	$ 1,788	$ 5,242	$ 6,903	$ 1,638	$ 1,683	$ 1,638	$ 1,810
Intersegment sales	4	4	11	25	4	4	4	3
Total sales	$ 1,648	$ 1,792	$ 5,253	$ 6,928	$ 1,642	$ 1,687	$ 1,642	$ 1,813

Segment Adjusted EBITDA	$	79	$	11 0	$	373	$	1,46 1	$	50	$	88	$	50	$	184
Average realized third-party price per metric ton	$	2,64 7	$	2, 92 4	$	2,88 0	$	3,64 6	$	2,620	$	2,678	$	2,620	$	3,079
Operating costs	$	1,55 3	$	1, 66 5	$	4,83 4	$	5,48 3	$	1,568	$	1,585	$	1,568	$	1,616
Average cost per metric ton of aluminum shipped	$	2,46 7	$	2, 66 9	$	2,60 9	$	2,84 3	$	2,474	$	2,483	$	2,474	$	2,695

(1) Other includes third-party sales of energy, as well as realized gains and losses related to embedded derivative instruments designated as cash flow hedges of forward sales of aluminum.

Production

Sequential period comparison

Production increased 2% primarily as a result of: was consistent with the fourth quarter's strong output.

- Increased production across all regions

Year-to-date comparison

Production increased 5% primarily as a result of:

- Warrick smelter and Alumar smelter restart

Partially offset by:

- Partial curtailment of the Lista (Norway) smelter in August 2022
- Partial curtailment of the Warrick smelter in July 2022 restarts

Third-party sales

Sequential period comparison

Third-party sales decreased $144 $45 primarily as a result of:

- Lower trading activities
- Lower average realized price of $58/ton driven by the absence of gains from the Alumar smelter restart hedge program,

which ended in December 2023, and timing of shipments

Partially offset by:

- Increased offtake from a joint venture supply agreement
- Higher shipments, primarily in Europe

Year-to-date comparison

Third-party sales decreased $172 primarily as a result of:

- Lower average realized price of $277/ton driven by a lower average LME (on a 15-day lag) and lower regional premiums

Partially offset by:

- Higher shipments due to increased production

Year-to-date comparison

Third-party sales decreased $1,661 primarily as a result of:

- Lower average realized price of $766/ $459/ton driven by a lower average LME (on a 15-day lag) and lower regional premiums
- Lower trading activities
- Lower shipments due to the absence of sales of accumulated inventory at the San Ciprián smelter due to the strike in 2021 and partial curtailments at the Lista smelter and the Warrick smelter
- Decrease in value add product sales due to overall lower market demand and product premiums in both Europe and North America
- Lower Warrick power plant energy sales

Partially offset by:

- Higher shipments, primarily due to improved availability of railcars or vessels for outbound product the Warrick smelter restart
- Increased offtake from North American smelters and the Alumar smelter restart a joint venture supply agreement

Segment Adjusted EBITDA

Sequential period comparison

Segment Adjusted EBITDA decreased $31 $38 primarily as a result of:

- Higher production costs primarily associated with the absence of full year Inflation Reduction Act of 2022 benefits recorded in the fourth quarter of 2023 and labor costs
- Lower average realized price based on LME (on a 15-day lag) and lower regional premiums

Partially offset by:

- Favorable Lower energy costs, primarily in Europe and the absence of an adjustment related to carbon dioxide compensation
- Lower raw material costs primarily on lower market prices for carbon materials
- Lower production costs primarily associated with labor costs and direct material usage, partially offset by timing of maintenance

Year-to-date comparison

Segment Adjusted EBITDA decreased $1,088 $134 primarily as a result of:

- Lower average realized price based on LME (on a 15-day lag) and lower regional premiums
- Lower Warrick power plant energy sales
- Higher production costs primarily associated with increased maintenance costs and higher labor costs
- Decrease in value add product sales

Partially offset by:

- Lower energy costs, primarily in Europe
- Favorable currency impacts
- Favorable raw material costs primarily on lower average alumina input costs, partially offset by higher market prices for carbon materials

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The following table provides consolidated capacity and curtailed capacity (each in kmt) for each smelter owned by Alcoa Corporation:

		September 30, 2023		June 30, 2023		September 30, 2022			March 31, 2024		December 31, 2023		March 31, 2023	
Facility	Country	Capacity(1)	Curtailed	Capacity(1)	Curtailed	Capacity(1)	Curtailed	Country	Capacity(1)	Curtailed	Capacity(1)	Curtailed	Capacity(1)	Curtailed
Portland(2)	Australia	197	49	197	49	197	22	Australia	197	42	197	42	197	49

São Luís (Alumar) (3)	Brazil	268	94	268	118	268	204	Brazil	268	84	268	84	268	118
Baie Comeau	Canada	314	—	314	—	312	—	Canada	324	—	324	—	314	—
Bécancour	Canada	350	—	350	—	347	—	Canada	350	—	350	—	350	—
Deschambault	Canada	287	—	287	—	287	—	Canada	287	—	287	—	287	—
Fjarðaál	Iceland	351	—	351	—	351	—	Iceland	351	—	351	—	351	—

Lista	Norway	95	31	95	31	94	31	Norway	95	31	95	31	95	31
Mosjøen	Norway	200	—	200	—	200	—	Norway	200	—	200	—	200	—
San Ciprián(4)	Spain	228	228	228	228	228	228	Spain	228	214	228	228	228	228
Intalco(5)	U.S.	—	—	—	—	279	279							
Massena West	U.S.	130	—	130	—	130	—	U.S.	130	—	130	—	130	—
Warrick	U.S.	269	162	269	162	269	162							
Warrick(5)								U.S.	215	54	215	80	269	162

	2,689	564	2,689	588	2,962	926	2,645	425	2,645	465	2,689	588

(1) These figures represent Alcoa Corporation's share of the facility Nameplate Capacity based on its ownership interest in the respective smelter.

(2) On March 15, 2023, In the fourth quarter of 2023, the Company announced began the curtailment restart of 16,000 mtpy of previously curtailed capacity at the Portland smelter in Australia to 75% Australia. The smelter had previously been operating at approximately 75 percent of the site's annual capacity of 197,000 mtpy (Alcoa share) since March 2023. The site was operating at approximately 79 percent of its current capacity. capacity as of March 31, 2024.

(3) In 2021, the Company announced the restart of its 268,000 metric tons per year (mtpy) share of capacity at the Alumar smelte in São Luís, Brazil. Production began in the second quarter of 2022. Curtailed capacity decreased from June 30, 2023 and September 30, 2022 March 31, 2023 as a result of the restart process.

(4) In December 2021, the Company announced a two-year curtailment of the San Ciprián smelter's 228,000 mtpy of annual smelting capacity. In February 2023, the Company and the workers' representatives reached an updated viability agreement for the phased restart of the smelter beginning in January 2024. In the first quarter of 2024, the Company completed the resta of approximately 6% of pots, in accordance with the updated viability agreement.

(5) In March the first quarter of 2024, the Company completed the restart of one potline (54,000 mtpy) at its Warrick Operations site that began in October 2023. The line was curtailed in July 2022. In the fourth quarter of 2023, the Company announced also approved the permanent closure of 279,000 54,000 mtpy smelting of previously curtailed capacity at the Intalc smelter in the state of Washington that (which had been fully curtailed not operated since 2020. 2016).

Forward Look. For the fourth second quarter of 2024 in comparison to the third first quarter of 2023, 2024, the Aluminum segment expects lower raw material costs and lower production costs to be offset by lower value add product sales and higher production energy costs.

Additionally, in October 2023, the Norwegian government issued a budget proposal that increases the floor for the carbon dioxide compensation scheme to be paid in 2024 based on 2023 power purchased. Upon Norwegian government approval, the Company will record an adjustment of approximately $18 in the fourth quarter of 2023 to reverse amounts accrued in Cost of goods sold for 2023 credits earned through September 30, 2023. The total impact of this budget proposal on the Company's full year results is approximately $24.

The Company expects total 2024 Aluminum segment production and shipments to remain unchanged from the prior projection, ranging between 2.2 and 2.3 million metrics tons and between 2.5 and 2.6 million metric tons, in 2023. respectively.

Reconciliations of Certain Segment Information

Reconciliation of Total Segment Third-Party Sales to Consolidated Sales

	Quarter ended	Nine months ended	Quarter ended	Three months ended

	September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022	March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Alumina	$ 957	$ 894	$ 2,708	$ 2,900	$ 961	$ 905	$ 961	$ 857
Aluminum	1,644	1,788	5,242	6,903	1,638	1,683	1,638	1,810
Total segment third-party sales	$ 2,601	$ 2,682	$ 7,950	$ 9,803	$ 2,599	$ 2,588	$ 2,599	$ 2,667
Other	1	2	6	(15)	—	7	—	3
Consolidated sales	$ 2,602	$ 2,684	$ 7,956	$ 9,788	$ 2,599	$ 2,595	$ 2,599	$ 2,670

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Reconciliation of Total Segment Operating Costs to Consolidated Cost of Goods Sold

	Quarter ended		Nine months ended		Quarter ended		Three months ended	
	September 30, 2023	June 30, 2023	September 30, 2023	September 30, 2022	March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
Alumina	$ 1,299	$ 1,269	$ 3,742	$ 3,482	$ 1,163	$ 1,165	$ 1,163	$ 1,024
Aluminum	1,553	1,665	4,834	5,483	1,568	1,585	1,568	1,616
Other(1)	128	120	377	356	198	246	198	279

Total segment operating costs	2,980	3,054	8,953	9,321	2,929	2,996	2,929	2,919
Eliminations(2)	(381)	(431)	(1,228)	(1,465)	(391)	(442)	(391)	(416)
Provision for depreciation, depletion, and amortization(3)	(158)	(148)	(453)	(452)	(155)	(157)	(155)	(147)
Other(4)	28	40	116	212	21	28	21	48
Consolidated cost of goods sold	$ 2,469	$ 2,515	$ 7,388	$ 7,616	$ 2,404	$ 2,425	$ 2,404	$ 2,404

(1) Other largely relates to the Aluminum segment's segment’s energy product division. division and the Alumina segment’s purchases of bauxite from offtake or other supply agreements that is sold to third-parties.

(2) Represents the elimination of Cost of goods sold related to intersegment sales between Alumina and Aluminum.

(3) Provision for depreciation, depletion, and amortization is included in the operating costs used to calculate average cost for each of the alumina and aluminum product divisions (see Alumina and Aluminum above). However, for financial reporting purposes, Provision for depreciation, depletion, and amortization is presented as a separate line item on Alcoa Corporation’s Statement of Consolidated Operations.

(4) Other includes costs related to Transformation, and certain other items that are not included in the operating costs of segmen (see footnotes 1 and 3 in the Reconciliation of Total Segment Adjusted EBITDA to Consolidated Net (Loss) Income Loss Attributable to Alcoa Corporation below).

Reconciliation of Total Segment Adjusted EBITDA to Consolidated Net (Loss) Income Loss Attributable to Alcoa Corporation

	Quarter ended		Nine months ended		Quarter ended		Three months ended	
	September 30, 2023	**June 30, 2023**	**September 30, 2023**	**September 30, 2022**	**March 31, 2024**	**December 31, 2023**	**March 31, 2024**	**March 31, 2023**
Total Segment Adjusted EBITDA	$ 132	$ 143	$ 562	$ 2,199	$ 189	$ 172	$ 189	$ 287
Unallocated amounts:								
Transformation(1)	(29)	(17)	(54)	(44)	(14)	(26)	(14)	(8)

Intersegment eliminations	(4)	31	19	133	(8)	(12)	(8)	(8)
Corporate expenses[2]	(33)	(24)	(87)	(91)	(34)	(46)	(34)	(30)
Provision for depreciation, depletion, and amortization	(163)	(153)	(469)	(470)	(161)	(163)	(161)	(153)
Restructuring and other charges, net	(22)	(24)	(195)	(702)	(202)	11	(202)	(149)
Interest expense	(26)	(27)	(79)	(80)	(27)	(28)	(27)	(26)
Other (expenses) income, net	(85)	(6)	(145)	185	(59)	11	(59)	(54)
Other[3]	2	(22)	(59)	(188)	(9)	4	(9)	(39)
Consolidated (loss) income before income taxes	(228)	(99)	(507)	942				
Consolidated loss before income taxes					(325)	(77)	(325)	(180)
Benefit from (provision for) income taxes	35	(22)	(39)	(484)	18	(150)	18	(52)
Net loss (income) attributable to noncontrolling interest	25	19	45	(186)				
Consolidated net (loss) income attributable to Alcoa Corporation	$ (168)	$ (102)	$ (501)	$ 272				
Net loss attributable to noncontrolling interest					55	77	55	1
Consolidated net loss attributable to Alcoa Corporation					$ (252)	$ (150)	$ (252)	$ (231)

[1] Transformation includes, among other items, the Adjusted EBITDA of previously closed operations.
[2] Corporate expenses are composed of general administrative and other expenses of operating the corporate headquarters and other global administrative facilities, as well as research and development expenses of the corporate technical center.
[3] Other includes certain items that are not included in the Adjusted EBITDA of the reportable segments.

Environmental Matters

See the Environmental Matters section of Note Q O to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

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Liquidity and Capital Resources

Management believes that the Company's cash on hand, future operating projected cash flows, and liquidity options, combined with its strategic actions, are will be adequate to fund its short term short-term (at least 12 months) and long term long-term operating and investing needs for at least twelve months needs. The Company plans to opportunistically access liquidity sources to support its cash position and the foreseeable future thereafter. ongoing cash needs. Further, the Company has flexibility related to its use of cash; the Company has no significant debt maturities until 2027 and no significant cash contribution requirements related to its U.S. pension plan obligations for the foreseeable future. obligations.

Although management believes that Alcoa's future projected cash from operations flows and other liquidity options will provide adequate resources to fund operating and investing needs, the Company's access to, and the availability of, financing on acceptable terms in the future will be affected by many factors, including: (i) Alcoa Corporation's credit rating; (ii) the liquidity of the overall capital markets; (iii) the current state of the economy and commodity markets, and (iv) short- and long-term debt ratings. There can be no assurances that the Company will continue to have access to capital markets on terms acceptable to Alcoa Corporation.

Changes in market conditions caused by global or macroeconomic events, such as ongoing regional conflicts, high inflation, and changing global monetary policies could have adverse effects on Alcoa's ability to obtain additional financing and cost of borrowing. Inability to generate sufficient earnings could impact the Company's ability to meet the financial covenants in our outstanding debt and revolving credit facility agreements and limit our ability to access these sources of liquidity or refinance or renegotiate our outstanding debt or credit agreements on terms acceptable to the Company. Additionally, the impact on market conditions from such events could adversely affect the liquidity of Alcoa's customers, suppliers, and joint venture partners and equity method investments, which could negatively impact the collectability of outstanding receivables and our cash flows.

Cash from Operations

Cash used for operations was $107 $223 in the nine-month three-month period of 2023 2024 compared with cash provided from operations of $704 $163 in the same period of 2022. 2023. Notable changes to sources and (uses) of cash include: included:

- $(1,511) lower ($22) unfavorable change in net income generation, loss, excluding the impacts from restructuring charges, primarily due to lower aluminum pricing, higher production and raw material costs, and the absence of favorable mark-to-market derivative results, partially offset by lower energy raw material costs; and,

- $566 ($23) in certain working capital accounts, primarily an increase in inventories receivables in the nine-month three-month period of 2022 2024 on less favorable payment terms due to higher raw material prices. The a change in product mix and timing of shipments, partially offset by a decrease in accounts payable in the nine-month 2023 three-month period of 2023 is due to lower raw material prices; purchases, decreased maintenance and

- $(224) in income taxes paid on prior year earnings, as well as on lower current year earnings in the jurisdictions where taxes are paid. capital expenditures.

During 2023, 2024, AofA will continue to record its tax provision and tax liability without effect of the ATO assessment, since it expects to prevail. The tax payable will remain on AofA's balance sheet as a noncurrent liability, increased by the tax effect of subsequent periods' interest deductions, until dispute resolution, which is expected to take several years. At September 30, 2023 March 31, 2024, the noncurrent liability resulting from the cumulative interest deductions was $182 $197 (A$284) 302). See description of the tax dispute in Note Q O to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

The Company utilizes a Receivables Purchase Agreement facility to sell up to $130 of certain receivables through an SPE to a financial institution on a revolving basis. Alcoa Corporation guarantees the performance obligations of the Company subsidiaries, and unsold customer receivables are pledged as collateral to the financial institution to secure the sold receivables. At September 30, 2023 March 31, 2024, the SPE held unsold customer receivables of $91 $181 pledged as collateral against the sold receivables.

The Company continues to service the customer receivables that were transferred to the financial institution. As Alcoa collects customer payments, the SPE transfers additional receivables to the financial institution rather than remitting cash. In the nine-month three-month period of 2023, 2024, the Company sold gross customer receivables of $320, $307, and reinvested collections of $221 $291 from previously sold receivables, resulting in net cash proceeds from the financial institution of $99. $16. In the three-month period of 2023, the Company sold gross customer receivables of $76, and reinvested collections of $23 from previously sold receivables, resulting in net cash proceeds from the financial institution of $53. Cash collections from previously sold receivables yet to be reinvested of $79 $86 were included in Accounts payable, trade on the accompanying Consolidated Balance Sheet as of September 30, 2023 March 31, 2024. Cash received from sold receivables under the agreement are presented within operating activities in the Statement of Consolidated Cash Flows. See Note I to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

Financing Activities

Cash provided from financing activities was $51 $754 in the nine-month three-month period of 2023 2024 compared to cash used for financing activities of $743 with $40 in the same period of 2022. 2023.

The source of cash in the nine-month three-month period of 2023 2024 was primarily $140 $737 net proceeds from the bond issuance (see below) and $55 of net contributions from Alumina Limited (see Noncontrolling interest in Results of Operations above) and $41 primarily related to the net issuance of short-term borrowings (see below), partially offset by $54 $19 of dividends paid, $44 in financial contributions primarily related to the sale of the Warrick Rolling Mill, and $34 for payments related to tax withholding on stock-based compensation awards. paid.

Short-term Borrowings

During the nine-month period of 2023, The Company has entered into inventory repurchase agreements whereby the Company entered into multiple agreements with sold aluminum to a financial institution for the sale third party and subsequent agreed to subsequently repurchase of aluminum substantially similar inventory. The Company did not record sales upon each shipment of inventory and the net cash received of $42 $52 related to these agreements was recorded in Short-term borrowings within Other current liabilities on the Consolidated Balance Sheet.
Sheet as of March 31, 2024.

During nine-month the three-month period of 2024 the Company recorded borrowings of $21 and repurchased $25 of inventory related to these agreements. During the three-month period of 2023, the Company recorded borrowings of $80 $25 and repurchased $38 of inventory related to these agreements.

The cash received and subsequently paid under the inventory repurchase agreements is included in Cash provided from (used for) financing activities on the Statement of Consolidated Cash Flows for the nine-month period of 2023. Flows.

144A Debt

In March 2024, ANHBV, a wholly-owned subsidiary of Alcoa Corporation, completed a Rule 144A (U.S. Securities Act of 1933, as amended) debt issuance for $750 aggregate principal amount of 7.125% Senior Notes due 2031 (the 2031 Notes), which carry a green bond designation. The use net proceeds of cash this issuance were $737 reflecting a discount to the initial purchasers of the 2031 Notes, as well as issuance costs. See Note K to the Consolidated Financial Statements in the nine-month period Part I Item 1 of 2022 was primarily $169 of net cash paid to Alumina Limited, $500 from the repurchase of common stock, and $55 of dividends paid. this Form 10-Q.

Credit Facilities

Revolving Credit Facility

The Company has an unsecured a $1,250 revolving credit and letter of credit facility in place for working capital and/or other general corporate purposes (the Revolving Credit Facility). The Revolving Credit Facility, established on September 16, 2016, in September 2016, and amended and restated in June 2022 and in January 2024, is scheduled to mature in June 2027. Subject to the terms and conditions under the Revolving Credit Facility, the Company or ANHBV, a wholly-owned subsidiary of Alcoa Corporation, may borrow funds or issue letters of credit. Under the terms of the January 2024 amendment, the Company has agreed to provide collateral for its obligations under the Revolving Credit Facility. See Part II Item 8 of Alcoa Corporation's

Annual Report on Form 10-K in Note M to the Consolidated Financial Statements for the year ended December 31, 2022 December 31, 2023 for more information on the Revolving Credit Facility.

In April As of March 31, 2024, the Company was in compliance with all financial covenants. The Company may access the entire amount of commitments under the Revolving Credit Facility. There were no borrowings outstanding at March 31, 2024, and no amounts were borrowed during the three-month periods of 2024 and 2023 under the Revolving Credit Facility.

Japanese Yen Revolving Credit Facility

The Company entered into a one-year unsecured $250 revolving credit facility for $250 (available available to be drawn in Japanese yen). yen (the Japanese Yen Revolving Credit Facility) in April 2023. The Japanese Yen Revolving Credit Facility was amended and restated in January 2024 and in April 2024 (see below) and is scheduled to mature in April 2025. Subject to the terms and conditions under the facility, the Company or ANHBV may borrow funds. The facility includes covenants that are substantially the same as those included in the Revolving Credit Facility. If Under the current terms of the January 2024 amendment, the Company has agreed to provide collateral for its obligations under the Japanese Yen Revolving Credit Facility. See Part II Item 8 of Alcoa Corporation or ANHBV, as applicable, fails Corporation's Annual Report on Form 10-K in Note M to have a rating of at least Ba1 from Moody's and BB+ from S&P, then no lending party to this facility would have any commitment or obligation to lend. the Consolidated Financial Statements for the year ended December 31, 2023 for more information on the Japanese Yen Revolving Credit Facility.

As of September 30, 2023 March 31, 2024, the Company was in compliance with all covenants and financial covenants. The Company may access the entire amount of commitments under both of these facilities. the Japanese Revolving Credit Facility. There were no borrowings outstanding at September 30, 2023 and December 31, 2022, and no amounts were borrowed during March 31, 2024. During the nine-month three-month period of 2023 2024, $201 (29,686 JPY) was borrowed and 2022 under either of these facilities.

Dividend $196 (29,686 JPY) was repaid.

On July 27, 2023 April 26, 2024, the Company entered into an amendment extending the maturity of the Japanese Revolving Credit Facility to April 2025.

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Dividend

On February 22, 2024, the Board of Directors declared a quarterly cash dividend of $0.10 per share of the Company's common stock to stockholders of record as of the close of business on August 8, 2023 March 5, 2024. On August 24, 2023, In March 2024, the Company paid cash dividends of $18. $19.

Ratings

Alcoa Corporation's cost of borrowing and ability to access the capital markets are affected not only by market conditions but also by the short- and long-term debt ratings assigned to Alcoa Corporation's debt by the major credit rating agencies.

On March 6, 2024, Moody's Investor Service downgraded the rating of ANHBV's long-term debt from Baa3 to Ba1 and revised the outlook from negative to stable.

On March 4, 2024, Fitch Ratings downgraded the rating for Alcoa Corporation and ANHBV's long-term debt from BBB- to BB+ and revised the outlook from negative to stable.

On March 4, 2024, Standard and Poor's Global Ratings downgraded the rating of Alcoa Corporation's long-term debt from BB+ to BB and revised the outlook from positive to stable.

Ratings are not a recommendation to buy or hold any of our securities and they may be revised or revoked at any time at the sole discretion of the rating organization.

Investing Activities

Cash used for investing activities was $388 $117 in the nine-month three-month period of 2023 2024 compared to cash used for investing activities of $324 with $102 for the same period of 2022. 2023.

In the nine-month three-month period of 2024, the use of cash was primarily attributable to $101 related to capital expenditures and $17 of cash contributions to the ELYSIS partnership.

In the three-month period of 2023, the use of cash was primarily attributable to $343 $83 related to capital expenditures and $51 $20 of cash contributions to the ELYSIS joint venture.

In the nine-month period of 2022, the use of cash was primarily attributable to $309 related to capital expenditures and $32 of cash contributions to the ELYSIS joint venture, partially offset by the sale of the Company's interest in the MRN mine of $10.

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partnership.

Recently Adopted and Recently Issued Accounting Guidance

See Note B to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

Dissemination of Company Information

Alcoa Corporation intends to make future announcements regarding company developments and financial performance through its website, http://www.alcoa.com, as well as through press releases, filings with the Securities and Exchange Commission, conference calls, and webcasts.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

See Part II Item 7A Quantitative and Qualitative Disclosures About Market Risk of Alcoa Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. Our exposure to market risk has not changed materially since December 31, 2022 December 31, 2023. Refer to Part I Item 1 of this Form 10-Q in Note N M to the Consolidated Financial Statements under caption Derivatives for additional information.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Alcoa Corporation's Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the U.S. Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report, and they have concluded that these controls and procedures were effective as of September 30, 2023 March 31, 2024.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the third first quarter of 2023, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

In the ordinary course of its business, Alcoa is involved in a number of lawsuits and claims, both actual and potential. Various lawsuits, claims, and proceedings have been or may be instituted or asserted against Alcoa Corporation, including those pertaining to environmental, safety and health, commercial, tax, product liability, intellectual property infringement, employment, employee and retiree benefit matters, and other actions and claims arising out of the normal course of business. While the amounts claimed in these other matters may be substantial, the ultimate liability is not readily determinable because of the considerable uncertainties that exist. Accordingly, it is possible that the Company's liquidity or results of operations in a particular period could be materially affected by one or more of these other matters. However, based on facts currently available, management believes that the disposition of these other matters that are pending or asserted will not have a material adverse effect, individually or in the aggregate, on the financial position of the Company.

SEC regulations require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that Alcoa Corporation reasonably believes will exceed a specified threshold. Pursuant to these regulations, the Company uses a threshold of $1 for purposes of determining whether disclosure of any such proceedings is required.

A discussion of our material pending lawsuits and claims can be found in Part I Item 3 Legal Proceedings of Alcoa Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023. See Part I Item 1 of this Form 10-Q in Note Q O to the Consolidated Financial Statements for additional information regarding legal proceedings.

Item 1A. Risk Factors.

We face a number of risks that could materially and adversely affect our business, results of operations, cash flow, liquidity, or financial condition. A full discussion of our risk factors can be found in Part I Item 1A. Risk Factors of Alcoa Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023. The information below includes additional risks relating to the Transaction.

Alcoa will incur significant transaction costs in connection with the Transaction.

Alcoa expects to incur significant costs associated with the Transaction. Alcoa's fees and expenses related to the Transaction include financial advisor fees, filing fees, legal and accounting fees, and regulatory fees, some of which will be paid regardless of whether the Transaction is completed.

The Transaction is subject to conditions to closing that could result in the Transaction being delayed or not completed and the Agreement can be terminated in certain circumstances, each of which could negatively impact the price of Alcoa common stock and Alcoa's business and operations.

Completion of the Transaction is subject to conditions, including, among others:

- the approval of the Transaction by the Alumina Limited shareholders;
- the approval of the scheme by the Federal Court of Australia (sitting in Melbourne) (the Court);
- the issuance of a report by an independent expert (who is appointed by Alumina Limited pursuant to the Agreement) for the scheme concluding that the scheme is in the best interests of Alumina Limited shareholders and who does not change its conclusion prior to the second Court date;
- the absence of any law, order or injunction by an Australian or United States court or regulatory authority that would prohibit or make illegal the Transaction;
- the receipt of certain regulatory approvals;
- the approval for listing on the NYSE of the shares of Alcoa common stock to be issued or issuable in the Transaction and the establishment of a secondary listing on the ASX to allow shareholders of Alumina Limited to trade Alcoa CDIs on the ASX; and,
- no specified events having occurred in respect of Alumina Limited or Alcoa.

The regulatory approval processes may take a lengthy period of time to complete. There can be no assurances that any or all of such approvals will be obtained or will be obtained in a timely manner. Even if such approvals or conditional approvals are obtained, no assurances can be given as to the terms, conditions and timing of the approvals or whether they will be acceptable to Alcoa (in terms of any impact on the Transaction or the combined company's operations). In addition, Alcoa and Alumina Limited may waive certain of these conditions.

In addition, Alcoa and Alumina Limited each has the right, in certain circumstances, to terminate the Agreement. If the Agreement is terminated or any of the conditions to closing are not satisfied or, where waivable, not waived, the Transaction will not be completed.

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Failure to complete the Transaction, any delay in the completion of the Transaction or any uncertainty about the completion of the Transaction may adversely affect the price of Alcoa common stock or have an adverse impact on Alcoa's business and operations.

If the Transaction is not completed for any reason, Alcoa's ongoing business may be adversely affected and, without realizing any of the benefits of having completed the Transaction, Alcoa may be subject to a number of risks, including the following:

- negative reactions from the financial markets;
- incurring and paying significant expenses in connection with the Transaction, such as financial advisor fees, filing fees, legal and accounting fees, soliciting fees, regulatory fees and other related expenses, many of which will become due and payable regardless of whether the Transaction is completed;
- nonpayment or delay in payment of any amounts due under any shareholder loan to AWAC made pursuant to the Agreement in accordance with the terms of such loan; and,
- paying a termination fee of $20 if Alumina Limited validly terminates the Agreement on the basis that Alcoa has failed to obtain the approval of its stockholders for issuance of the Alcoa shares in connection with the Transaction, or $50 if the Agreement is terminated in certain other circumstances.

In addition, Alcoa could be subject to litigation related to any failure to complete the Transaction or litigation seeking to require Alcoa to perform its obligations under the Agreement.

Obtaining required governmental and court approvals necessary to satisfy closing conditions may delay or prevent completion of the Transaction.

Completion of the Transaction is conditioned upon the receipt of certain governmental authorizations, consents, orders or other approvals, including approvals, clearances or filings required in relation to the Transaction under the antitrust and foreign investment laws of Australia and the antitrust laws of Brazil. The Transaction must also be approved by the Court. No assurance can be given that the approvals will be obtained. Even if such approvals or conditional approvals are obtained, no assurance can be given as to the terms, conditions and timing of the approvals or that they will satisfy the terms of the Agreement.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds, and Issuer Purchases of Equity Securities. Proceeds.

Issuer Purchases of Equity Securities

The table below sets forth information regarding the repurchase of shares of our common stock during the periods indicated.

Period	Total Number of Shares Purchased	Weighted Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program (1)
July 1 to July 31	—	—	—	$ 500,000,000
August 1 to August 31	—	—	—	500,000,000
September 1 to September 30	—	—	—	500,000,000
Total	—	—	—	

Period	Total Number of Shares Purchased	Weighted Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program(1)
January 1 to January 31	—	—	—	$ 500,000,000
February 1 to February 29	—	—	—	500,000,000
March 1 to March 31	—	—	—	500,000,000
Total	—	—	—	

(1) On July 20, 2022, Alcoa Corporation announced that its Board of Directors approved a common stock repurchase program under which the Company may purchase shares of its outstanding common stock up to an aggregate transactional value of $500, depending on the Company's continuing analysis of market, financial, and other factors (the July 2022 authorization).

As of the date of this report, the Company is currently authorized to repurchase up to a total of $500, in the aggregate, of its outstanding shares of common stock under the July 2022 authorization. Repurchases under this program may be made using a variety of methods, which may include open market purchases, privately negotiated transactions, or pursuant to a Rule 10b5-1 plan. This program may be suspended or discontinued at any time and does not have a predetermined expiration date. Alcoa Corporation intends to retire repurchased shares of common stock.

REFINITIV

Item 5. Other Information.

Trading Arrangements

None of the Company's directors or "officers," as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K, during the Company's fiscal quarter ended September 30, 2023 March 31, 2024.

Item 6. Exhibits.

2.1	Transaction Process and Exclusivity Deed, by and among Alumina Limited, AAC Investments Australia Pty Ltd and Alcoa Corporation, dated as of February 26, 2024 (incorporated by referenced to Exhibit 2.1 to the Company's Current Report on Form 8-K filed February 26, 2024 (File No. 1-37816))
2.2	Share Sale Agreement, by and among Allan Gray Australia Pty Ltd, AAC Investments Australia Pty Ltd and Alcoa Corporation, dated as of February 26, 2024 (incorporated by referenced to Exhibit 2.2 to the Company's Current Report on Form 8-K filed February 26, 2024 (File No. 1-37816))
2.3	Scheme Implementation Deed, dated as of March 12, 2024, by and among Alcoa Corporation, AAC Investments Australia 2 Pty Ltd, and Alumina Limited (incorporated by referenced to Exhibit 2.1 to the Company's Current Report on Form 8-K filed March 12, 2024 (File No. 1-37816))
4.1	Indenture, dated as of March 21, 2024, among Alcoa Nederland Holding B.V., Alcoa Corporation, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by referenced to Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 21, 2024 (File No. 1-37816))
10.1	Amendment to the Amended and Restated Executive Severance Letter Agreement, dated July 22, 2023, between Roy C. Harvey Andrew Hastings and Alcoa Corporation effective September 24, 2023 (filed herewith)*
31.1	Certification of Principal Executive Officer required by Rule 13a-14(a) or 15d-14(a)
31.2	Certification of Principal Financial Officer required by Rule 13a-14(a) or 15d-14(a)
32.1	Certification of Principal Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code
32.2	Certification of Principal Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code

101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase with Embedded Linkbases Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Denotes management contracts or compensatory plans or arrangements required to be filed as Exhibits to this Form 10-Q.

48 Certain schedules exhibits, and appendices have been omitted in accordance with to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish copies of any omitted schedule, exhibit, or appendix to the Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Alcoa Corporation

October 26, 2023 May 2, 2024
Date

/s/ Molly S. Beerman
Molly S. Beerman
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

October 26, 2023 May 2, 2024 | /s/ Renee R. Henry

Date

Renee R. Henry

Senior Vice President and Controller

(Principal Accounting Officer)

Exhibit EXHIBIT 10.1

AMENDMENT TO

AMENDED AND RESTATED EXECUTIVE SEVERANCE AGREEMENT

WHEREAS, Alcoa Corporation (the "Company") currently employs Roy C. Harvey ("Executive") as President and Chief Executive Officer;

WHEREAS, the Company and Executive previously executed an Amended and Restated Executive Severance Agreement, dated and effective July 30, 2019;

WHEREAS, Executive will cease serving as President and Chief Executive Officer effective as of September 24, 2023 (the "Effective Date"), having been removed without cause from each role on that date;

WHEREAS, thereafter, Executive will remain employed by Company in the non-officer role of Strategic Advisor to the Chief Executive Officer through and including December 31, 2023; and

WHEREAS, the Company and Executive desire to have their respective rights and obligations under the Amended and Restated Executive Severance Agreement further amended as is stated below;

NOW, by this Amendment to the Amended and Restated Executive Severance Agreement, the Company and Executive, intending to be legally bound, and for good and valuable consideration, agree as follows:

The section in the Amended and Restated Executive Severance Agreement titled "Termination of Officer Status and Agreement" is amended to read as follows:

> You hereby acknowledge and agree that, in the event you cease to be the Chief Executive Officer or the Chief Financial Officer of the Company, as the case may be, as designated

by the Board or a committee thereof, and remain employed with the Company in another continuing role thereafter, this Agreement shall immediately terminate and become null and void upon such Board determination date and you shall not have any right to payments or benefits provided hereunder, *except that*, in consideration of your agreement to serve the Company in the non-officer role of Strategic Advisor from October 1, 2023 through and including December 31, 2023, your entitlement to benefits hereunder for Involuntary Termination Without Cause shall be due and payable, in accordance with the schedule set forth herein on the Six-Month Delay Date (i.e., the first business day following the date that is six months after the Executive's "separation from service"), upon completion of your non-officer role of Strategic Advisor, subject to the additional condition that you execute and return to the Company the release agreements attached to the Amendment to the Amended and Restated Executive Severance Agreement as Exhibit A ("Release Agreement I", to be executed contemporaneously with your removal from the roles of President and Chief Executive Officer) and Exhibit B ("Release Agreement II", to be later executed contemporaneously with completion of your non-officer role of Strategic Advisor).

All other provisions of the Amended and Restated Executive Severance Agreement, including your Restrictive Covenant promises, which survive termination of your employment, remain in full force and effect.

IN WITNESS WHEREOF, the Company, by its duly authorized representative, and the Executive have executed this Amendment to the Amended and Restated Executive Severance Agreement on the dates stated below, effective as of the Effective Date.

Alcoa Corp.

ALCOA | CORPORATION

201 Isabella St, Suite 500

Pittsburgh, PA 15212 USA

img157305092_0.jpg

Roy Harvey

President and Chief Executive Officer

(412) 315-2910

July 22, 2023

Andrew Hastings

Via Email

On behalf of the Company, I am pleased to offer you the position of Executive Vice President and General Counsel, employed by Alcoa Corporation, reporting to me. The employment in the United States is subject to successfully obtaining a US visa/work permit. The following outlines your total compensation package:

Salary:

Annual salary will be $575,000 USD paid on a monthly basis.

Sign-On Cash Bonus:

You will receive a one-time sign-on cash bonus totaling $100,000 USD, less any applicable tax withholding (Sign-On Cash Bonus), payable as soon as administratively possible upon hire. Should you voluntarily terminate your employment with Alcoa for any reason prior to your first anniversary date, you agree to reimburse Alcoa for the full amount of the Sign-On Cash Bonus.

Sign-On Equity Award:

You will receive a special one-time equity award of $400,000 USD awarded as 60% Performance Restricted Stock Units (PRSUs) and 40% Time-Based Restricted Stock Units (RSUs). All special awards are made on the 15th of each month following your start date or the next trading day if the 15th is a weekend or New York Stock Exchange holiday. Your award is contingent upon your actual start date and will vest three-years from the date of grant. The foregoing award is subject to the provisions of the Alcoa Stock Incentive Plan at the time of grant, which includes forfeiture if you voluntarily leave the organization or are separated for cause. Please refer to the 2019 Terms & Conditions - RSU-PRSU Awards for additional information.

Transfer and relocation:

Alcoa provides a Transfer and Relocation Policy to help facilitate your move to Pittsburgh, in case you decide to relocate until the end of 2025. Should you voluntarily elect to leave Alcoa within 12 months of using this benefit, you agree to reimburse Alcoa for the cost incurred for the Transfer and Relocation Policy. Details of your relocation package will be sent to you separately.

Alcoa's Total Reward program provides many ways for you to be rewarded for your contributions. Key highlights of the program are:

Variable Compensation:

Your 2023 Incentive Compensation (IC) target is 80% of your actual base earnings, but the actual payout may be higher or lower than target depending upon your contributions and overall Alcoa IC plan performance results.

Annual Equity Awards:

You will be eligible for an annual equity award grant in 2024 based on the guidelines for your JB90 of $1,000,000 USD, unless otherwise notified. The current JB90 annual equity awards have a mix 60% Performance Restricted Stock Units (PRSUs) and 40% Time-Based Restricted Stock Units (RSUs) both of which have a 3-year vesting period. PRSUs also have performance measures that run concurrent with the 3-year vesting period, and the results of the performance measures adjust the awards 0%-200% of the original target. The job band award level and equity mix are subject to Board of Directors review and approval. The Board also retains the right to make plan changes at its discretion.

Equity Ownership Requirements:

Consistent with Alcoa's efforts to align the company's senior leadership with the interests of shareholders, the equity ownership requirement for executives at your level is currently two (2x) times base salary. Until equity ownership requirements are met, you will be required to retain 50% of shares acquired upon vesting of restricted/performance shares or upon exercise of stock options, after deducting those used to pay for applicable taxes or the exercise price.

Benefits:

You will be eligible to participate in the Alcoa employee benefit plans offered at your location, including health care, life insurance, disability coverage, and retirement plans. Attached is a summary of the benefit plan and additional details will be sent to you shortly after joining Alcoa. The Retirement Savings Plan is a tax qualified 401(k) plan designed to help you save toward retirement. Current company contributions are immediately vested and are:

- 3% of your eligible compensation, and
- a match of your deferred pre-tax or Roth savings dollar-for-dollar up to 6% of your base pay.

Vacations:

As an exception you will be eligible for five weeks of paid vacation per year, in addition to company recognized holidays.

This offer is contingent upon the following conditions:

- Having successfully completed a pre-employment drug screen. You will need to present a photo ID at the tir of your screening.
- Providing authorization and release for Alcoa to conduct a comprehensive review of your background, t result of which is satisfactory to Alcoa. The authorization and release will also be valid for subsequent repo during your period of employment with Alcoa.
- Providing us with documentation in the original form establishing both your identity and your employme eligibility in the U.S.
- Signing the attached Acknowledgement.
- Signing the attached Confidentiality, Non-Competition, and Non-Solicitation Agreement.

This is an opportunity to join a great team at a great time in Alcoa's history. I believe that you have the leadership and experience to make a significant contribution to the success of this company and I hope that you will accept this offer to join our team.

To accept our offer, please sign and date the bottom of this letter and return it to me by Tuesday July 25, 2023. If you have any questions, please feel free to contact me.

I look forward to hearing from you soon, and I hope to have the opportunity to officially welcome you to Alcoa!

Sincerely,

/s/ Roy Harvey

Roy Harvey

President and Chief Executive Officer

Acknowledgement

I, Andrew Hastings, am pleased to accept your offer of employment dated July 22, 2023, for the position of Executive Vice President and General Counsel, on the terms detailed in the offer letter.

Furthermore, I understand Alcoa reserves the right to modify, alter or terminate any of the plans, and in no way does plan participation constitute nor should it be considered a contract for continued employment or guarantee of benefits.

I would like my start date with Alcoa to be: September 1, 2023, and will fulfill the foregoing conditions before then.

Accepted by: Date:

/s/ Andrew Hastings

Andrew Hastings

July 23, 2023

/s/ Tammi A. Jones

Executive Vice President and Chief

Human Resources Officer
September 24, 2023

ROY C. HARVEY

/s/ Roy C. Harvey

President and Chief Executive Officer

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After signing above, attach your signed letter and email your signed letter back to me.

EXHIBIT 31.1

Certifications

I, William F. Oplinger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alcoa Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a materi fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly presen all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting t designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting a the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report c conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period cover by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred durir the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) th has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control o financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or person performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize ar report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role ir registrant's internal control over financial reporting.

Date: October 26, 2023 May 2, 2024

/s/ William F. Oplinger

Name: William F. Oplinger

Title: President and Chief Executive Officer

EXHIBIT 31.2

Certifications

I, Molly S. Beerman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alcoa Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a materi fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly presen all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting t designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting a the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report c conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period cover by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred durir the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) th has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control o financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or person performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize ar report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role ir registrant's internal control over financial reporting.

Date: October 26, 2023 May 2, 2024

/s/ Molly S. Beerman

Name: Molly S. Beerman

Title: Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Alcoa Corporation, a Delaware corporation (the "Company"), does hereby certify that:

1. The Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and,
2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results operations of the Company.

Date: October 26, 2023 May 2, 2024

/s/ William F. Oplinger

Name: William F. Oplinger

Title: President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.

EXHIBIT 32.2

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Alcoa Corporation, a Delaware corporation (the "Company"), does hereby certify that:

1. The Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and,

2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results operations of the Company.

Date: October 26, 2023 May 2, 2024

/s/ Molly S. Beerman

Name: Molly S. Beerman

Title: Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.