



# TRI-ARROWS ALUMINUM INC.

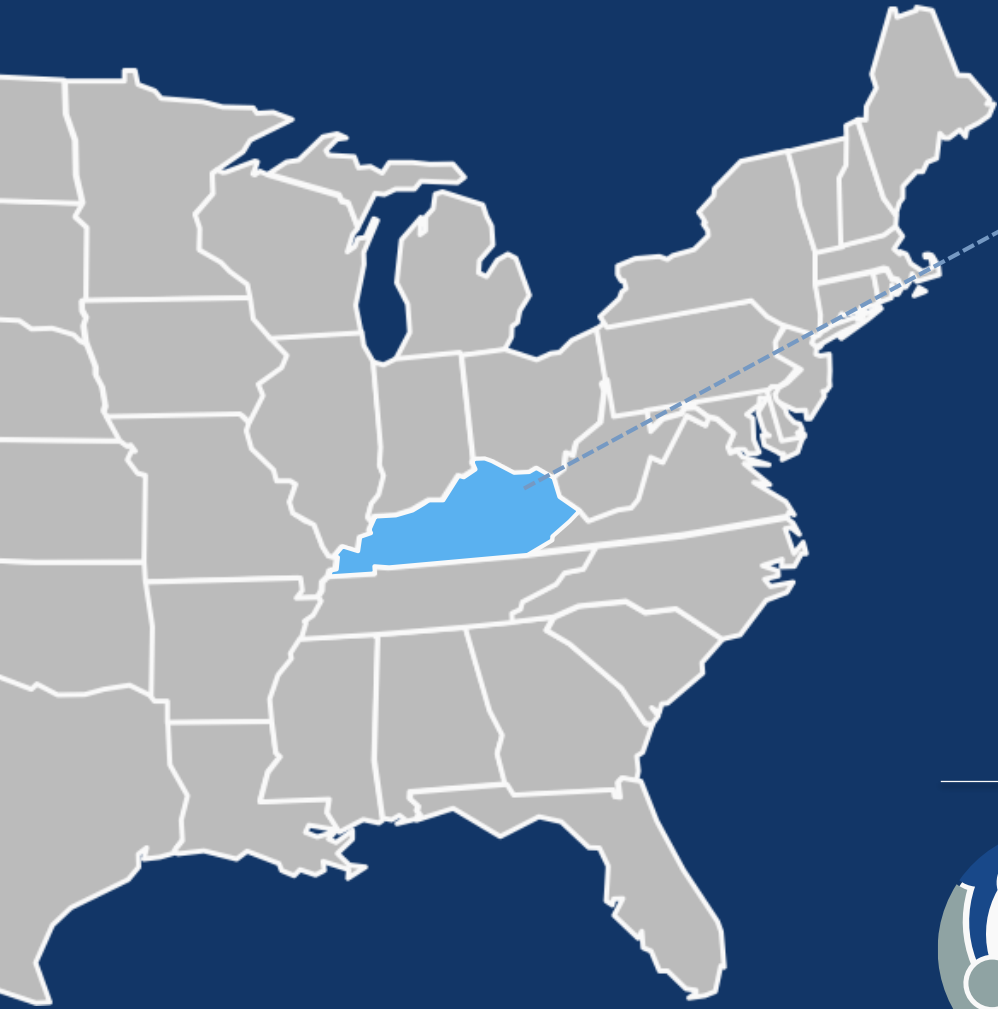
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# TRI-ARROWS ALUMINUM

## Investor Relations Day

*May 28, 2024*

# Tri-Arrows Aluminum



**Logan Plant**  
*Russellville, KY*  
*1,500 Employees*



World Class **Productivity**  
**Low-Cost** Producer



Over **490 kt** sold annually  
Business Focused on **Can Sheet**  
**Preferred** Supplier



**JV Production** Facility driven by **Safety,**  
**Sustainability,** and **Partnerships**

**TAA Headquarters**  
*Louisville, KY*  
*70+ Employees*

# TAA Mission and Strategy

## Our Mission

Create value and opportunities for growth **through partnerships** that are forward-thinking and dependable.

## Our Strategy

Be the **supplier of choice** to the can sheet market while **strengthening our economic base** and **expanding our capabilities and infrastructure**.



# Big Picture and Landscape

## Market

- The North America can sheet market is coming out of a period of inventory destocking, and **demand for Can Sheet has returned** with a healthy outlook for growth.
- Trade protections against imports from non-market-based economies are in effect
- Broader inflation fears have subsided.
- Macro trends driving consumer preference for the aluminum package remain.
- Industry-wide focus **to improve scrap availability and recycled content.**

## Tri-Arrows

- Focus is on asset optimization and broader organizational “**Readiness**” to scale the business in the future when the opportunity arises.
- Business maintains a **cost-advantaged position** in the market and is actively engaged in efforts to sustain and improve this competitive position.
- Production is sold out with a broad customer portfolio that is **intentionally constructed for future.**
- Balance sheet and cash flows remain very healthy.
- **Leading Sustainability position** and environmental footprint in the marketplace.

# Key Accomplishments

“We are creating a more durable company that is prepared to compete and provide value over the next decade.”

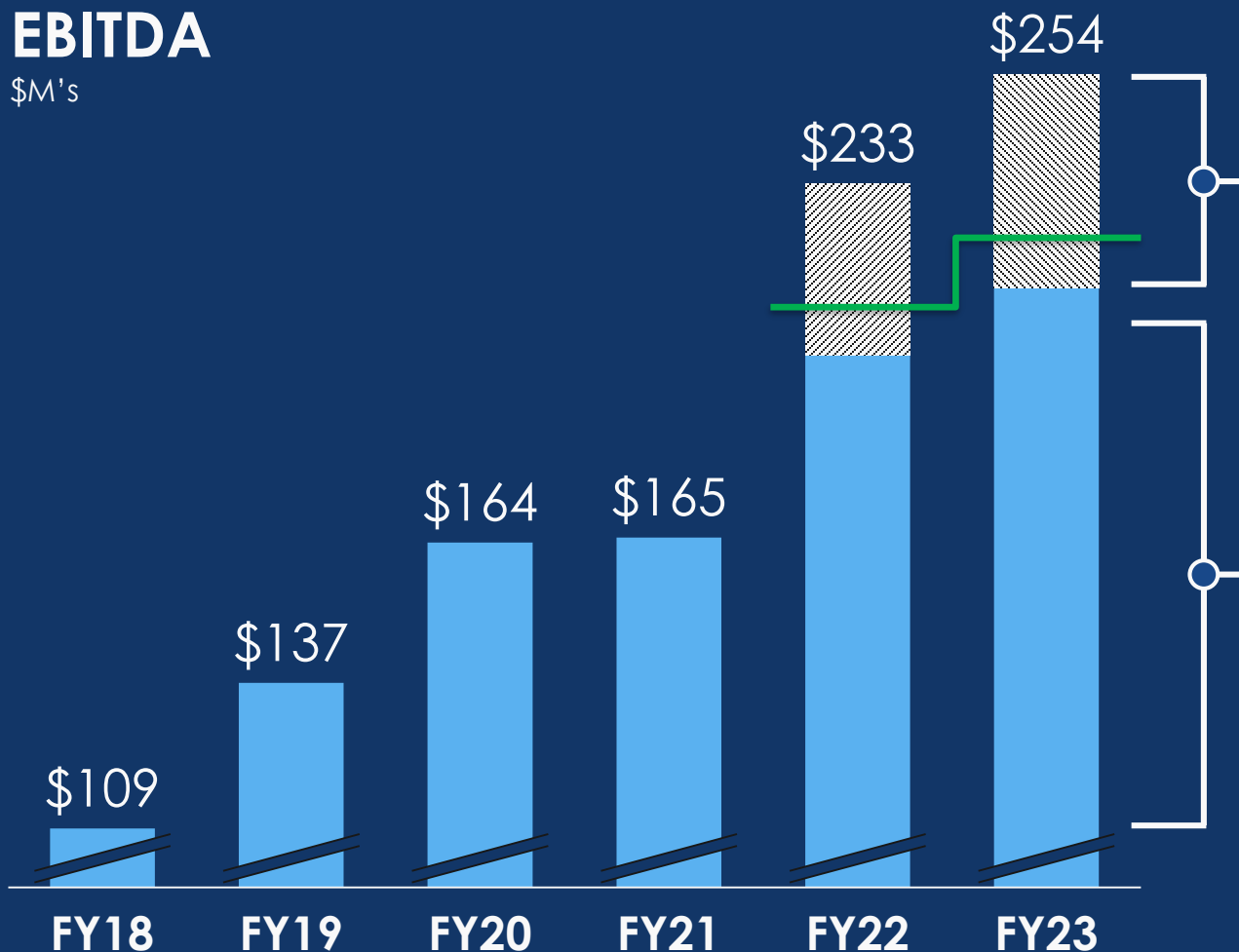
- Creating a “**Culture of Connectivity**” to drive economic outcomes that balance near-term opportunities with long-term objectives and promote next-generation Leadership Development.
- Tremendous efforts to advance **data systems, information platforms, and data lake analytics** for business outcomes and rapid decision making
- Developed **integrated work systems** across functional areas to streamline work.
- Continued **debt reduction** with appropriate liquidity to meet working capital needs.
- Strengthened **governance** framework.
- Demonstrating **exceptional cost controls**, managing to less than inflation.
- Executing sales agreements through 2028 with **preferred supplier status**.
- Managing Capital Investments **on-time and on-budget**
- Realizing gains through **asset optimization** and **continuous improvement** to expand efficiencies.

# FY23 Delivers Six Consecutive Years of Earnings Growth

FY23 Record EBITDA of \$254M

## EBITDA

\$M's



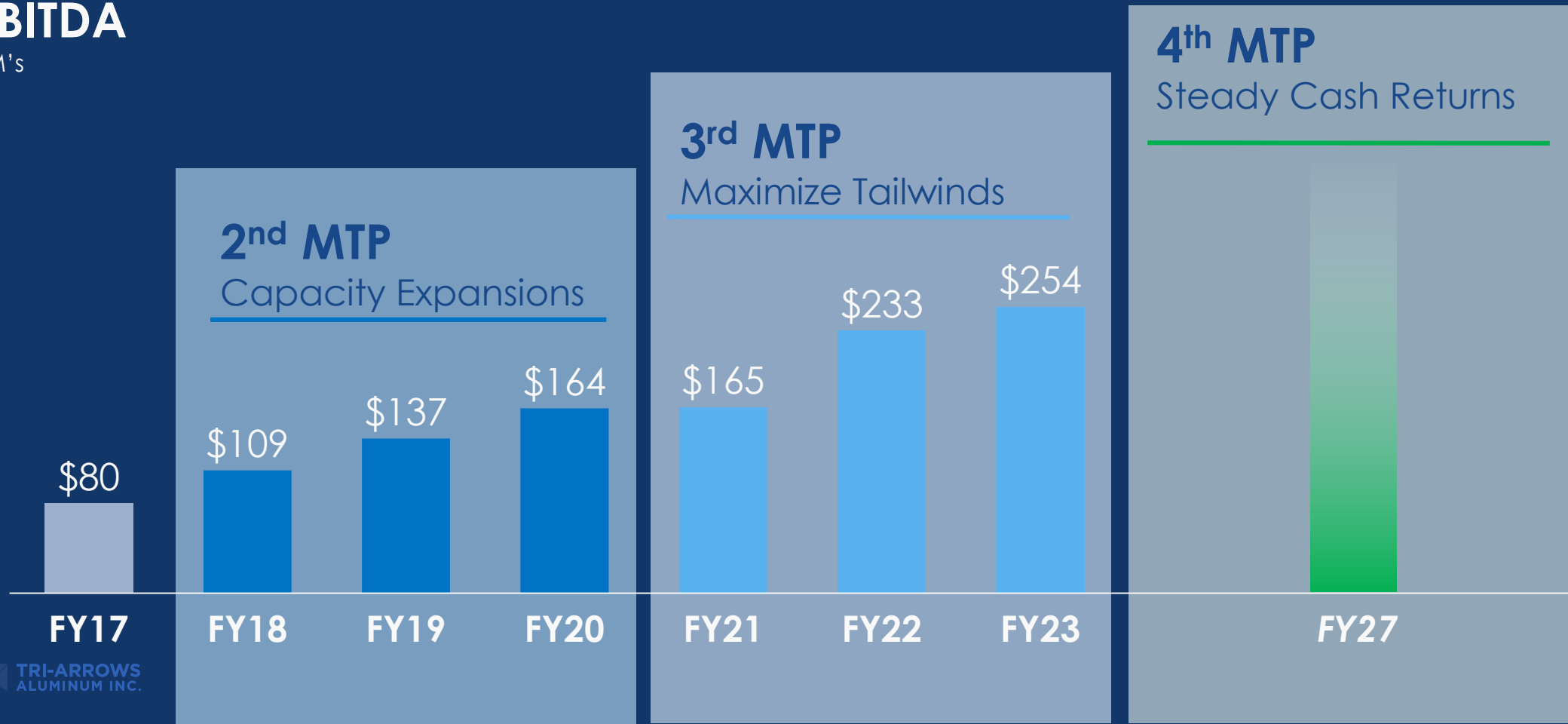
- Historically favorable scrap market
- Variable adjustments to base pricing.
- Strong management of year-over-year manufacturing costs.
- Optimized material mix to reduce primary aluminum and high-cost hardener (Mg) usage.
- Maintained full production during a period of softer than expected demand.

# 4<sup>th</sup> Mid-Term Plan Focus is to Deliver Steady Returns and Position the Business for Future Opportunities

“The priorities in our Mid-Term Plan Provide the framework from which the business will be ready to adapt, respond, and win in an evolving marketplace.”

## EBITDA

\$M's



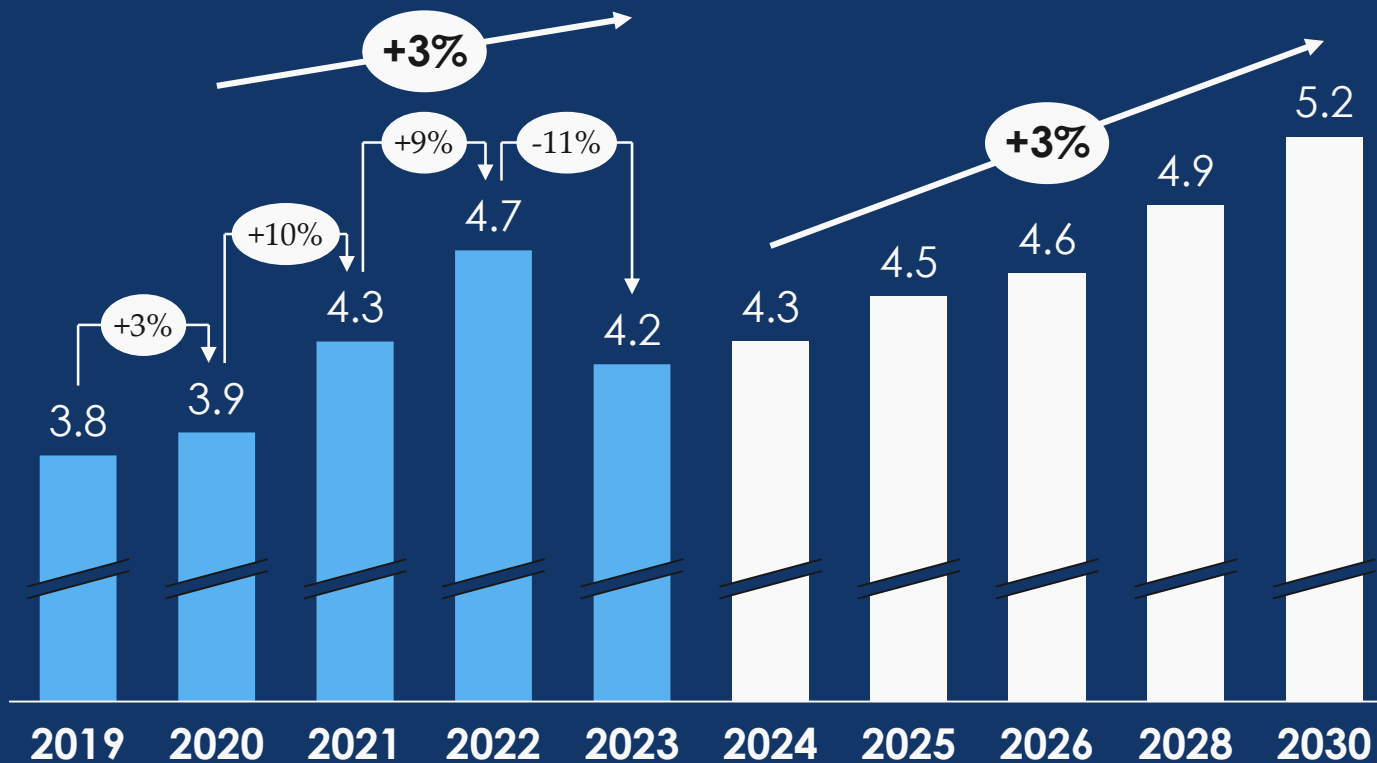


# U.S. Can Sheet Long-Term Demand Outlook Healthy as Destocking has Concluded

Consumer Preference Remains Key Growth Driver

## US Can Sheet Demand\*

(B Lbs.)



- **Destocking** concluded in 2023 - Strong CY24 Q1 demand
- Strong demand driven by preference for sustainability packaging driving **+3% CAGR** through 2030
- Expect some degree of year over year imbalance with supply as new capacity comes on-line.

# Manufacturing Focus Strengthen our Low-Cost Position through Debottlenecking and Continuous Improvement

Hot Mill production is **fully loaded** over the 4<sup>th</sup> Mid-Term Plan

We are investing for Growth Capital in FY24-FY26

## Increasing Coil Capacity

- 13% production gain by 2026
- New technologies to improve reliability and capability

## Increasing Recycling Capacity

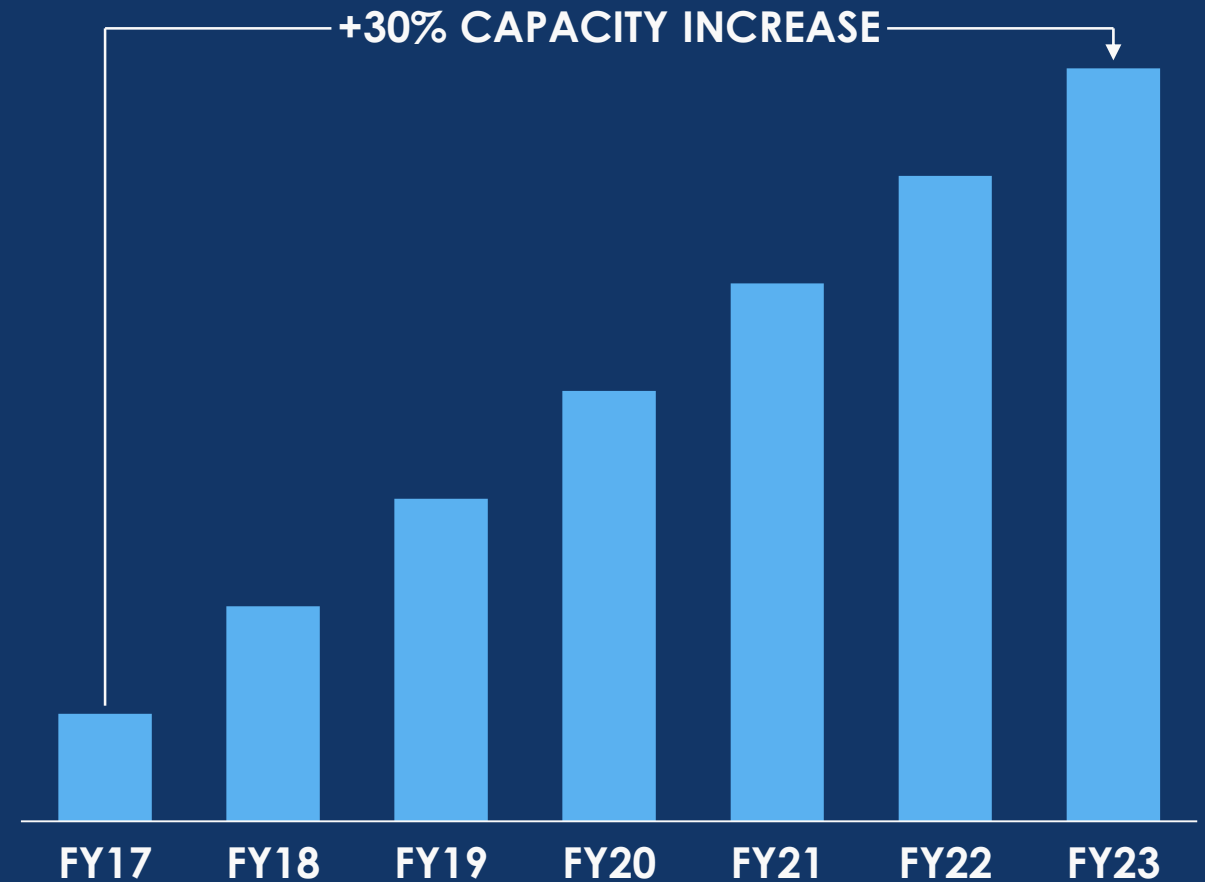
- Significant increase in scrap processing capacity
- Production gains support increased ingot production
- Improved reliability and utilization

## Continuous Improvement

- Plantwide focus on Continuous Improvement is yielding productivity increases in Cold Rolling, Slitting, and Coating operations and broader system optimization.

# Sustainability Environmental Focus

- **Scope 1 and 2 emissions at industry-leading levels** due to plant efficiencies and low carbon electrical power mix
- **Investigation and support of evolving technologies** including **hydrogen and electric fork trucks** (trial), **oxyfuel burner** in direct chill caster (trial) and **heat capture and reuse** study.
- **Partnership for New Processing Facility** will minimize dross and return RSI freight distance (positively impacting Scope 3 emissions) and utilize efficient furnace technology.
- **Aggressive recycled scrap consumption** resulting in **high recycle content aluminum sheet** (76.4%) - a driver of lower Scope 3 emissions.



**Carbon Emission Intensity held flat** on a per mt basis, while capacity increased 30%+ with expansion projects.

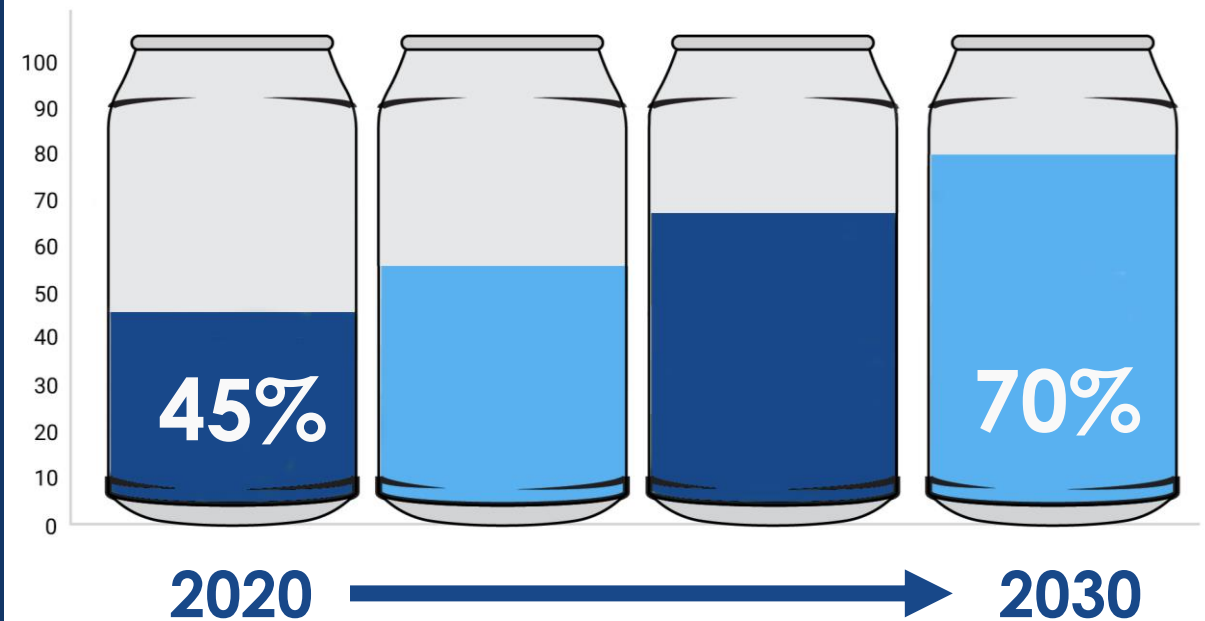
# Sustainability North American Scrap Focus

- Consumer demand is increasing for products with high recycled content.
- Increasing scrap availability is critical to support decarbonization and sustainability goals and to achieve business objectives.

## Our Efforts Include:

- Pursuing Federal and State legislative efforts with the U.S. Aluminum Association & CMI
- Supporting the new scrap sorting technologies with our partners.
- Cultivating a coalition of stakeholders.
- Developing financial/operational models for recycling.

## Recycling Rate Targets



Increase would yield ~757 million additional pounds of metal for can sheet production. It is expected that ~2.5 billion pounds of “new” metal will be required to meet 2030 can sheet demand requirements.

# Summary/Outlook

We are relentlessly focused on building an evermore durable culture that identifies and realizes long-term value creation for our stakeholders.

- The North America can sheet market has destocked inventory and **demand has returned** with healthy long-term growth.
- TAA will maintain focus on **production, cost management and recycling**.
- Investments have positioned TAA to withstand current and future market challenges.
- **TAA remains a preferred supplier**, supplying coil to all major North American can makers and brands.
- The company is prepared to compete in a changing marketplace.