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, 2022

or

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

Commission File Number 1-39162

ARCONIC CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**84-2745636**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
201 Isabella Street, Suite 400, Pittsburgh, Pennsylvania	**15212-5872**
(Address of principal executive offices)	**(Zip Code)**

(412)-992-2500
(Registrant's telephone number, including area code)

(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	ARNC	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 31, 2022, there were 101,484,590 shares of common stock, par value $0.01 per share, of the registrant outstanding.

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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "forecasts," "goal," "guidance," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements that reflect Arconic's expectations, assumptions, projections, beliefs or opinions about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, statements relating to the condition of, or trends or developments in, the ground transportation, aerospace, building and construction, industrial, packaging and other end markets; Arconic's future financial results, operating performance, working capital, cash flows, liquidity and financial position; cost savings and restructuring programs; Arconic's strategies, outlook, business and financial prospects; share repurchases; costs associated with pension and other postretirement benefit plans; projected sources of cash flow; and potential legal liability. These statements reflect beliefs and assumptions that are based on Arconic's perception of historical trends, current conditions and expected future developments, as well as other factors Arconic believes are appropriate in the circumstances. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and changes in circumstances, many of which are beyond Arconic's control. Such risks and uncertainties include, but are not limited to:

- continuing uncertainty regarding the duration and impact of the COVID-19 pandemic on our business and the businesses of our customers and suppliers, including labor shortages and increased quarantine rates;
- deterioration in global economic and financial market conditions generally;
- unfavorable changes in the end markets we serve;
- the inability to achieve the level of revenue growth, cash generation, cost savings, benefits of our management of legacy liabilities, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations anticipated or targeted;
- adverse changes in discount rates or investment returns on pension assets;
- competition from new product offerings, disruptive technologies, industry consolidation or other developments;
- the loss of significant customers or adverse changes in customers' business or financial condition;
- manufacturing difficulties or other issues that impact product performance, quality or safety;

- the impact of pricing volatility in raw materials and inflationary pressures on our costs of production, including energy;
- a significant downturn in the business or financial condition of a key supplier or other supply chain disruptions;
- challenges to or infringements on our intellectual property rights;
- the inability to successfully implement our re-entry into the U.S. packaging market or to realize the expected benefits of other strategic initiatives or projects;
- the inability to identify or successfully respond to changing trends in our end markets;
- the impact of potential cyber attacks and information technology or data security breaches;
- geopolitical, economic, and regulatory risks relating to our global operations, including compliance with U.S. and foreign trade and tax laws, potential expropriation of properties located outside the U.S., sanctions, tariffs, embargoes and other regulations;
- the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation and compliance matters;
- restrictions imposed by authorities on our Russian operations;
- our ability to complete the announced divestiture of our Russian operations and the impact of such divestiture on our business and operations;
- reactions to or consequences of our announcement regarding the sale of our Russian operations, including the potential for our Russian operations to be nationalized or otherwise expropriated by the Russian government;
- the impact of the ongoing conflict between Russia and Ukraine on economic conditions in general and on our business and operations, including sanctions, tariffs, and increased energy prices; and
- the other risk factors summarized in Arconic's Form 10-K for the year ended December 31, 2021 and other reports filed with the U.S. Securities and Exchange Commission.

The above list of factors is not exhaustive or necessarily in order of importance. Market projections are subject to the risks discussed above and in this report, and other risks in the market. For additional information concerning factors that could cause actual results to differ materially from the information contained in this report, reference is made to the information in Part II Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q and Part I Item 1A, "Risk Factors" in Arconic's Annual Report on Form 10-K for the fiscal year ended December 31, 2021. Arconic disclaims any intention or obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Arconic Corporation and subsidiaries
Statement of Consolidated Operations (unaudited)
(in millions, except per-share amounts)

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Sales (C and D)	$ 2,280	$ 1,890	$ 7,019	$ 5,366
Cost of goods sold (exclusive of expenses below)	2,074	1,676	6,288	4,674
Selling, general administrative, and other expenses	62	63	200	183
Research and development expenses	9	8	27	25
Provision for depreciation and amortization	59	61	181	186
Restructuring and other charges (E)	112	14	119	612
Operating (loss) income	(36)	68	204	(314)
Interest expense	27	26	78	74
Other expenses, net (F)	27	15	9	52
(Loss) Income before income taxes	(90)	27	117	(440)
(Benefit) Provision for income taxes (H)	(25)	11	25	(81)
Net (loss) income	(65)	16	92	(359)
Less: Net income attributable to noncontrolling interest	—	—	1	—
Net (loss) income attributable to Arconic Corporation	$ (65)	$ 16	$ 91	$ (359)
Earnings Per Share Attributable to Arconic Corporation Common Stockholders (I):				
Basic	$ (0.64)	$ 0.15	$ 0.87	$ (3.28)
Diluted	$ (0.64)	$ 0.15	$ 0.85	$ (3.28)

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

Arconic Corporation and subsidiaries
Statement of Consolidated Comprehensive (Loss) Income (unaudited)
(in millions)

	Arconic Corporation		Noncontrolling interest		Total	
Third quarter ended September 30,	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Net (loss) income	$ (65)	$ 16	$ —	$ —	$ (65)	$ 16
Other comprehensive (loss) income, net of tax (K):						
Change in unrecognized net actuarial loss and prior service cost/benefit related to pension and other postretirement benefits	55	45	—	—	55	45
Foreign currency translation adjustments	(72)	(11)	—	—	(72)	(11)
Net change in unrecognized losses on cash flow hedges	(17)	(13)	—	—	(17)	(13)
Total Other comprehensive (loss) income, net of tax	(34)	21	—	—	(34)	21
Comprehensive (loss) income	$ (99)	$ 37	$ —	$ —	$ (99)	$ 37

	Arconic Corporation		Noncontrolling interest		Total	
Nine months ended September 30,	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Net income (loss)	$ 91	$ (359)	$ 1	$ —	$ 92	$ (359)
Other comprehensive income, net of tax (K):						
Change in unrecognized net actuarial loss and prior service cost/benefit related to pension and other postretirement benefits	139	637	—	—	139	637
Foreign currency translation adjustments	(134)	(5)	—	—	(134)	(5)
Net change in unrecognized losses on cash flow hedges	103	(49)	—	—	103	(49)
Total Other comprehensive income, net of tax	108	583	—	—	108	583
Comprehensive income	$ 199	$ 224	$ 1	$ —	$ 200	$ 224

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

Arconic Corporation and subsidiaries
Consolidated Balance Sheet (unaudited)
(in millions)

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 312	$ 335
Receivables from customers, less allowances of $1 in both 2022 and 2021 (R)	846	922
Other receivables	170	226
Inventories (L)	1,750	1,630
Fair value of hedging instruments and derivatives (Q)	138	1
Prepaid expenses and other current assets	90	54
Total current assets	3,306	3,168
Properties, plants, and equipment	7,492	7,529
Less: accumulated depreciation and amortization	5,014	4,878
Properties, plants, and equipment, net (E)	2,478	2,651
Goodwill	294	322
Operating lease right-of-use assets (M)	110	122
Deferred income taxes	157	229
Other noncurrent assets	77	88
Total assets	$ 6,422	$ 6,580
Liabilities		
Current liabilities:		
Short-term debt (N)	$ 150	$ —
Accounts payable, trade	1,489	1,718
Accrued compensation and retirement costs	127	116
Taxes, including income taxes	74	61
Environmental remediation (P)	27	15
Operating lease liabilities (M)	31	35
Fair value of hedging instruments and derivatives (Q)	1	23
Other current liabilities	101	95
Total current liabilities	2,000	2,063
Long-term debt	1,596	1,594
Accrued pension benefits (G)	589	717
Accrued other postretirement benefits	392	411
Environmental remediation (P)	52	49
Operating lease liabilities (M)	82	90
Deferred income taxes	11	12
Other noncurrent liabilities	71	85
Total liabilities	4,793	5,021
Contingencies and commitments (P)		
Equity		
Arconic Corporation stockholders' equity:		
Common stock	1	1
Additional capital	3,377	3,368
Accumulated deficit	(461)	(552)
Treasury stock (J)	(300)	(161)
Accumulated other comprehensive loss (K)	(1,003)	(1,111)
Total Arconic Corporation stockholders' equity	1,614	1,545
Noncontrolling interest	15	14
Total equity	1,629	1,559
Total liabilities and equity	$ 6,422	$ 6,580

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

Arconic Corporation and subsidiaries
Statement of Consolidated Cash Flows (unaudited)
(in millions)

	Nine months ended September 30, 2022	2021
Operating Activities		
Net income (loss)	$ 92	$ (359)
Adjustments to reconcile net income (loss) to cash provided from (used for) operations:		
Depreciation and amortization	181	186
Deferred income taxes	(16)	(111)
Restructuring and other charges (E)	119	612
Net periodic pension benefit cost (G)	53	55
Stock-based compensation	19	15
Amortization of debt issuance costs	4	4
Other	(9)	17
Changes in assets and liabilities, excluding effects of acquisitions, divestitures, and foreign currency translation adjustments:		
Decrease (Increase) in receivables (R)	66	(307)
(Increase) in inventories	(170)	(488)
(Increase) in prepaid expenses and other current assets	(31)	(7)
(Decrease) Increase in accounts payable, trade	(143)	388
(Decrease) in accrued expenses	(25)	(55)
Increase in taxes, including income taxes	19	15
Pension contributions (G)	(22)	(456)
Decrease (Increase) in noncurrent assets	3	(5)
Increase (Decrease) in noncurrent liabilities	10	(7)
Cash provided from (used for) operations	150	(503)
Financing Activities		
Net change in short term borrowings (original maturities of three months or less) (N)	150	—
Additions to debt (original maturities greater than three months) (N)	—	319
Debt issuance costs (N)	(1)	(5)
Repurchases of common stock (J)	(139)	(106)
Other	(9)	(18)
Cash provided from financing activities	1	190
Investing Activities		
Capital expenditures	(175)	(123)
Other	4	(2)
Cash used for investing activities	(171)	(125)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(3)	—
Net change in cash and cash equivalents and restricted cash	(23)	(438)
Cash and cash equivalents and restricted cash at beginning of year	335	787
Cash and cash equivalents and restricted cash at end of period	$ 312	$ 349

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

Arconic Corporation and subsidiaries
Statement of Changes in Consolidated Equity (unaudited)
(dollars in millions)

	Common shares outstanding	Common stock	Additional capital	Accumulated deficit	Treasury stock	Accumulated other comprehensive loss	Noncontrolling interest	Total equity
Balance at June 30, 2021	109,933,436	$ 1	$ 3,351	$ (530)	$ (9)	$ (1,199)	$ 14	$ 1,628
Net income	—	—	—	16	—	—	—	16
Other comprehensive income (K)	—	—	—	—	—	21	—	21
Repurchases of common stock (J)	(2,862,694)	—	—	—	(97)	—	—	(97)
Stock-based compensation	26,844	—	8	—	—	—	—	8
Other	—	—	2	—	—	—	—	2
Balance at September 30, 2021	107,097,586	$ 1	$ 3,361	$ (514)	$ (106)	$ (1,178)	$ 14	$ 1,578
Balance at June 30, 2022	104,499,058	$ 1	$ 3,371	$ (396)	$ (214)	$ (969)	$ 15	$ 1,808
Net loss	—	—	—	(65)	—	—	—	(65)
Other comprehensive loss (K)	—	—	—	—	—	(34)	—	(34)
Repurchases of common stock (J)	(3,033,663)	—	—	—	(86)	—	—	(86)
Stock-based compensation	19,195	—	6	—	—	—	—	6
Other	—	—	—	—	—	—	—	—
Balance at September 30, 2022	101,484,590	$ 1	$ 3,377	$ (461)	$ (300)	$ (1,003)	$ 15	$ 1,629
Balance at December 31, 2020	109,205,226	$ 1	$ 3,348	$ (155)	$ —	$ (1,761)	$ 14	$ 1,447
Net loss	—	—	—	(359)	—	—	—	(359)
Other comprehensive income (K)	—	—	—	—	—	583	—	583
Repurchases of common stock (J)	(3,108,705)	—	—	—	(106)	—	—	(106)
Stock-based compensation	1,001,065	—	15	—	—	—	—	15
Other	—	—	(2)	—	—	—	—	(2)
Balance at September 30, 2021	107,097,586	$ 1	$ 3,361	$ (514)	$ (106)	$ (1,178)	$ 14	$ 1,578
Balance at December 31, 2021	105,326,885	$ 1	$ 3,368	$ (552)	$ (161)	$ (1,111)	$ 14	$ 1,559
Net income	—	—	—	91	—	—	1	92
Other comprehensive income (K)	—	—	—	—	—	108	—	108
Repurchases of common stock (J)	(4,863,672)	—	—	—	(139)	—	—	(139)
Stock-based compensation	1,021,377	—	19	—	—	—	—	19
Other	—	—	(10)	—	—	—	—	(10)
Balance at September 30, 2022	101,484,590	$ 1	$ 3,377	$ (461)	$ (300)	$ (1,003)	$ 15	$ 1,629

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

Arconic Corporation and subsidiaries
Notes to the Consolidated Financial Statements (unaudited)
(dollars in millions, except per-share amounts)

A. Basis of Presentation

The interim Consolidated Financial Statements of Arconic Corporation and its subsidiaries ("Arconic" 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 2021 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 Form 10-Q report should be read in conjunction with Arconic's Annual Report on Form 10-K for the year ended December 31, 2021, which includes all 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. Actual results could differ from those estimates upon subsequent resolution of identified matters.

References in these Notes to "ParentCo" refer to Arconic Inc., a Delaware corporation, and its consolidated subsidiaries (through March 31, 2020, at which time it was renamed Howmet Aerospace Inc. ("Howmet")). On April 1, 2020 (the "Separation Date"), ParentCo separated into two standalone, publicly-traded companies, Arconic Corporation and Howmet (the "Separation"). In connection with the Separation, as of March 31, 2020, the Company and Howmet entered into several agreements to effect the Separation, including a Separation and Distribution Agreement and a Tax Matters Agreement. See Note A to the Consolidated Financial Statements in Part II Item 8 of Arconic Corporation's Annual Report on Form 10-K for the year ended December 31, 2021 for additional information. Also, references in these Notes to "2016 Separation Transaction" refer to the November 1, 2016 separation of Alcoa Inc., a Pennsylvania corporation, into two standalone, publicly-traded companies, Arconic Inc. and Alcoa Corporation.

In the 2022 first quarter, the Company recorded a net gain of $3 in Cost of goods sold related to the unrealized impact associated with the change in the estimated fair value of natural gas supply contracts now determined to be derivatives (see Note Q). This amount was comprised of an unrealized loss of $5 for the 2022 first quarter, an unrealized gain of $6 for the 2021 annual period, and an unrealized gain of $2 for the 2020 fourth quarter. The out-of-period amounts were not material to any interim or annual period.

B. Recently Adopted and Recently Issued Accounting Guidance

Issued

In March 2020, the FASB issued guidance that provides optional expedients and exceptions for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. These expedients and exceptions may be used when applying GAAP, if certain criteria are met, to contracts, hedging relationships, and other transactions that reference London Inter-Bank Offered Rate (LIBOR) or another reference rate expected to be discontinued because of such reform. The purpose of this guidance is to provide relief to entities from experiencing unintended accounting and/or financial reporting outcomes or consequences due to reference rate reform. This guidance became effective immediately on March 12, 2020 and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022, after which time the expedients and exceptions expire. In January 2021, the FASB issued clarifying guidance to specify that certain of the optional expedients and exceptions apply to derivatives that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. This additional guidance may be applied on a full retrospective basis as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively in the manner previously described for the guidance issued on March 12, 2020. As of September 30, 2022, Arconic has not experienced any unintended outcomes or consequences of reference rate reform that would necessitate the adoption of this guidance. Additionally, the Company’s credit agreement, which previously provided a credit facility that was referenced to LIBOR in certain borrowing situations, was amended in February 2022 to replace LIBOR with the Secured Overnight Financing Rate (SOFR) (see Note N). Management will continue to closely monitor all potential instances of reference rate reform to determine if adoption of this guidance becomes necessary in the future.

In September 2022, the FASB issued guidance to enhance the transparency of supplier finance programs. Under the new guidance, a buyer in a supplier finance program must disclose at least annually qualitative and quantitative information about its supplier finance programs to allow a user of financial statements to understand the program’s nature, activity during the period, changes from period to period, and potential magnitude. These changes become effective for Arconic on January 1, 2023. The Company has an existing arrangement with a financial institution that provides for a capacity of up to $250. Other than complying with the disclosure requirements, management has determined that the adoption of this guidance will not have an impact on the Consolidated Financial Statements.

C. Revenue from Contracts with Customers

The following table disaggregates revenue by major end market served.

Third quarter ended September 30,	Rolled Products	Building and Construction Systems	Extrusions	Total
2022				
Ground Transportation	$ 758	$ —	$ 27	$ 785
Packaging	405	—	—	405
Building and Construction	63	321	—	384
Aerospace	202	—	46	248
Industrial Products and Other	433	—	25	458
Total end-market revenue	$ 1,861	$ 321	$ 98	$ 2,280
2021				
Ground Transportation	$ 681	$ —	$ 25	$ 706
Packaging	325	—	—	325
Building and Construction	70	257	—	327
Aerospace	134	—	28	162
Industrial Products and Other	349	—	21	370
Total end-market revenue	$ 1,559	$ 257	$ 74	$ 1,890

Nine months ended September 30,	Rolled Products	Building and Construction Systems	Extrusions	Total
2022				
Ground Transportation	$ 2,328	$ —	$ 84	$ 2,412
Packaging	1,320	—	—	1,320
Building and Construction	241	941	—	1,182
Aerospace	569	—	138	707
Industrial Products and Other	1,320	—	78	1,398
Total end-market revenue	$ 5,778	$ 941	$ 300	$ 7,019
2021				
Ground Transportation	$ 1,928	$ —	$ 74	$ 2,002
Packaging	820	—	—	820
Building and Construction	172	750	—	922
Aerospace	367	—	84	451
Industrial Products and Other	1,110	—	61	1,171
Total end-market revenue	$ 4,397	$ 750	$ 219	$ 5,366

D. Segment and Related Information

Arconic's profit or loss measure for its reportable segments is Segment Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization). The Company calculates Segment Adjusted EBITDA as Total sales (third-party and intersegment) minus each of (i) Cost of goods sold, (ii) Selling, general administrative, and other expenses, and (iii) Research and development expenses, plus each of (i) Stock-based compensation expense, (ii) Metal price lag, and (iii) Unrealized (gains) losses on mark-to-market hedging instruments and derivatives (see below). Arconic's Segment Adjusted EBITDA may not be comparable to similarly titled measures of other companies' reportable segments.

Effective in the first quarter of 2022, management modified the Company's definition of Segment Adjusted EBITDA to exclude the impact of unrealized gains and losses on mark-to-market hedging instruments and derivatives. This modification was deemed appropriate as Arconic is considering entering into additional hedging instruments in future reporting periods if favorable conditions exist to mitigate cost inflation. Certain of these instruments may not qualify for hedge accounting resulting in unrealized gains and losses being recorded directly to Sales or Cost of goods sold, as appropriate (i.e., mark-to-market). Additionally, this change was also applied to derivatives that do not qualify for hedge accounting for consistency purposes. The Company does not have a regular practice of entering into contracts that are treated as derivatives for accounting purposes. Ultimately, this change was made to maintain the transparency and visibility of the underlying operating performance of Arconic's reportable segments. Prior to this change, the Company had a limited number of hedging instruments and derivatives that did not qualify for hedge accounting, the unrealized impact of which was not material to Arconic's Segment Adjusted EBITDA performance measure. Accordingly, prior period information presented was not recast to reflect this change.

The operating results of Arconic's reportable segments were as follows (differences between segment totals and the Company's consolidated totals for line items not reconciled are in Corporate):

Third quarter ended September 30,	Rolled Products	Building and Construction Systems	Extrusions	Total
2022				
Sales:				
Third-party sales	$ 1,861	$ 321	$ 98	$ 2,280
Intersegment sales	10	—	—	10
Total sales	$ 1,871	$ 321	$ 98	$ 2,290
Segment Adjusted EBITDA	$ 111	$ 49	$ (13)	$ 147
Provision for depreciation and amortization	$ 48	$ 4	$ 5	$ 57
2021				
Sales:				
Third-party sales	$ 1,559	$ 257	$ 74	$ 1,890
Intersegment sales	9	—	1	10
Total sales	$ 1,568	$ 257	$ 75	$ 1,900
Segment Adjusted EBITDA	$ 155	$ 34	$ (7)	$ 182
Provision for depreciation and amortization	$ 48	$ 4	$ 6	$ 58

Nine months ended September 30,	Rolled Products		Building and Construction Systems		Extrusions		Total	
2022								
Sales:								
Third-party sales	$	5,778	$	941	$	300	$	7,019
Intersegment sales		33		—		1		34
Total sales	$	5,811	$	941	$	301	$	7,053
Segment Adjusted EBITDA	$	461	$	146	$	(30)	$	577
Provision for depreciation and amortization	$	145	$	13	$	15	$	173
2021								
Sales:								
Third-party sales	$	4,397	$	750	$	219	$	5,366
Intersegment sales		26		—		1		27
Total sales	$	4,423	$	750	$	220	$	5,393
Segment Adjusted EBITDA	$	493	$	97	$	(19)	$	571
Provision for depreciation and amortization	$	145	$	13	$	17	$	175

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

	Third quarter ended September 30,				Nine months ended September 30,			
	2022		2021		2022		2021	
Total Segment Adjusted EBITDA	$	147	$	182	$	577	$	571
Unallocated amounts:								
Corporate expenses[(1)]		(4)		(7)		(23)		(26)
Stock-based compensation expense		(6)		(8)		(19)		(15)
Metal price lag[(2)]		15		(21)		9		(27)
Unrealized (losses) gains on mark-to-market hedging instruments and derivatives (Q)		(7)		—		16		—
Provision for depreciation and amortization		(59)		(61)		(181)		(186)
Restructuring and other charges[(3)] (E)		(112)		(14)		(119)		(612)
Other[(4)]		(10)		(3)		(56)		(19)
Operating (loss) income		(36)		68		204		(314)
Interest expense		(27)		(26)		(78)		(74)
Other expenses, net (F)		(27)		(15)		(9)		(52)
Benefit (Provision) for income taxes (H)		25		(11)		(25)		81
Net income attributable to noncontrolling interest		—		—		(1)		—
Consolidated net (loss) income attributable to Arconic Corporation	$	(65)	$	16	$	91	$	(359)

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(1) Corporate expenses are composed of general administrative and other expenses of operating the corporate headquarters and other global administrative facilities.

(2) Metal price lag represents the financial impact of the timing difference between when aluminum prices included in Sales are recognized and when aluminum purchase prices included in Cost of goods sold are realized. This adjustment aims to remove the effect of the volatility in metal prices and the calculation of this impact considers applicable metal hedging transactions.

(3) In the 2022 third quarter and nine-month period, Restructuring and other charges includes a $92 asset impairment charge related to the Extrusions segment (see Note E).

(4) Other includes certain items that impact Cost of goods sold and Selling, general administrative, and other expenses on the Company's Statement of Consolidated Operations that are not included in Segment Adjusted EBITDA. In the 2022 third quarter and nine-month period, the respective amounts include costs related to environmental remediation charges of $9 and $18, respectively (see Environmental Matters in Note P). Additionally in the 2022 nine-month period, Other includes costs related to the new union labor agreement of $19 (see Note G). These charges were recorded in Cost of goods sold on the accompanying Statement of Consolidated Operations.

E. Restructuring and Other Charges

In the 2022 third quarter, Arconic recorded Restructuring and other charges of $112, which were comprised of the following components: a $92 asset impairment charge related to the Extrusions segment (see below); a $15 charge for the settlement of a certain employee retirement benefits (see Note G); and a net $5 charge for other items.

In the 2022 nine-month period, Arconic recorded Restructuring and other charges of $119, which were comprised of the following components: a $92 asset impairment charge related to the Extrusions segment (see below); a $15 charge for the settlement of certain employee retirement benefits (see Note G); a $5 charge related to several legacy non-U.S. matters, including $1 for an environmental remediation obligation related to Italy (see Environmental Matters in Note P) and $1 for the full settlement of certain employee retirement benefits related to Brazil (see Note G); a $2 charge related to idling certain operations in the Extrusions segment (actions initiated in 2021); and a net $5 charge for other items.

In the 2022 third quarter, management initiated a business review of the Extrusions segment aimed at identifying alternatives to improve the financial performance of this segment in future periods. Management continues to assess alternatives and no decisions or commitments were made as of September 30, 2022. In connection with this review, the Company updated its five-year strategic plan, the results of which indicated that there is an expected decline in the forecasted financial performance for the Extrusions segment (and asset group), including continued forecasted losses. As such, management evaluated the recoverability of the long-lived assets of the Extrusions asset group by comparing the aggregate carrying value to the undiscounted future cash flows. The result of this evaluation was that the long-lived assets were deemed to be impaired as the aggregate carrying value exceeded the undiscounted future cash flows. The impairment charge was measured as the difference between the aggregate carrying value and aggregate fair value of the long-lived assets. Fair value was determined using an orderly liquidation methodology for the machinery and equipment and a sales comparison approach for the land and structures. As a result, the Company recorded an impairment charge of $90 for Properties, plants, and equipment and $2 for intangible assets (included within Other noncurrent assets).

In the 2021 third quarter Arconic recorded Restructuring and other charges of $14, which were comprised of the following components: a $5 charge for the settlement of certain employee retirement benefits (see Note G); a $3 charge related to several legal matters, including the assumption of a related environmental remediation obligation; a $3 charge related to idling certain operations in the Extrusions segment; a $3 charge for the settlement of legacy tax matters related to Brazil; a $1 charge for other items; and a $1 credit for the reversal of reserves established in prior periods.

In the 2021 nine-month period, Arconic recorded Restructuring and other charges $612, which were comprised of the following components: a $573 charge for the settlement of certain employee retirement benefits (see Note G); a $34 charge for the impairment of several buildings and equipment due to management's decision to abandon these assets located at the Company’s primary research and development facility; a $6 charge related to idling certain operations in the Extrusions segment, including layoff costs associated with approximately 115 employees; a $4 net benefit for the settlement of legacy tax matters related to Brazil; a $3 charge related to several legal matters, including the assumption of a related environmental remediation obligation; a $3 credit for the reversal of reserves established in prior periods; a $1 additional loss on the sale of an aluminum rolling mill in Brazil; and a $2 net charge for other items.

The Company does not include Restructuring and other charges 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,	
	2022	2021	2022	2021
Rolled Products	$ 1	$ —	$ 1	$ 1
Building and Construction Systems	2	—	2	(1)
Extrusions	88	3	90	6
Segment total	91	3	93	6
Corporate	21	11	26	606
	$ 112	$ 14	$ 119	$ 612

Activity and reserve balances for restructuring charges were as follows:

	Layoff costs	Other costs	Total
Reserve balances at December 31, 2020	$ 13	$ 1	$ 14
Cash payments	(10)	(5)	(15)
Restructuring charges	3	6	9
Other[1]	(4)	(1)	(5)
Reserve balances at December 31, 2021	2	1	3
Cash payments	(3)	(2)	(5)
Restructuring charges	2	2	4
Other[1]	—	(1)	(1)
Reserve balances at September 30, 2022[2]	$ 1	$ —	$ 1

(1) Other includes reversals of previously recorded restructuring charges and the effects of foreign currency translation.

(2) The remaining reserves are expected to be paid in cash during the remainder of 2022.

F. Other Expenses, Net

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Non-service costs — Pension and OPEB (G)	$ 19	$ 13	$ 49	$ 49
Foreign currency losses (gains), net	13	2	(29)	2
Other, net	(5)	—	(11)	1
	$ 27	$ 15	$ 9	$ 52

In the 2022 third quarter and nine-month period, Foreign currency losses (gains), net includes an $11 loss and a $39 gain, respectively, for the remeasurement of monetary balances, primarily cash, related to the Company's operations in Russia from rubles to the U.S. dollar. This loss and gain were the result of a significant weakening and strengthening, respectively, of the ruble against the U.S. dollar in the respective periods.

G. Pension and Other Postretirement Benefits

The components of net periodic benefit cost for defined benefit plans were as follows:

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Pension benefits				
Service cost	$ 3	$ 5	$ 12	$ 16
Interest cost	18	15	51	48
Expected return on plan assets	(21)	(24)	(68)	(84)
Recognized net actuarial loss	18	19	56	75
Amortization of prior service cost	1	—	2	—
Settlements (1)	15	5	16	573
Net periodic benefit cost(2)	$ 34	$ 20	$ 69	$ 628
Other postretirement benefits				
Service cost	$ 1	$ 2	$ 3	$ 5
Interest cost	2	3	8	8
Recognized net actuarial loss	2	2	6	7
Amortization of prior service benefit	(2)	(2)	(6)	(5)
Net periodic benefit cost(2)	$ 3	$ 5	$ 11	$ 15

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(1) In the 2022 third quarter and nine-month period, Settlements included $15 related to the payment of lump-sum benefits (see below). Settlements included $549 in the 2021 nine-month period due to the purchase of a group annuity contract and $5 and $24 in the 2021 third quarter and nine-month period, respectively, related to the payment of lump-sum benefits (see Note H to the Consolidated Financial Statements in Part II Item 8 of Arconic's Annual Report on Form 10-K for the year ended December 31, 2021 (filed on February 22, 2022)).

(2) Service cost was reported in Cost of goods sold, Settlements were reported in Restructuring and other charges, and all other components were reported in Other expenses, net on the accompanying Statement of Consolidated Operations.

Pension Funding—In January 2021, the Company contributed a total of $200 to its two funded U.S. defined benefit pension plans, comprised of the estimated minimum required funding for 2021 of $183 and an additional $17. In April 2021, the Company contributed a total of $250 to its two funded U.S. defined benefit pension plans to maintain the funding level of the remaining plan obligations not transferred under a group annuity contract. Arconic had no minimum required funding due in the 2022 first quarter and contributed $7 in both the 2022 second quarter and third quarter to these two plans. The Company expects to contribute a total of $8 to these two plans in the remainder of 2022.

United Steelworkers Labor Agreement—On May 14, 2022, the Company and the United Steelworkers reached a tentative four-year labor agreement covering approximately 3,300 employees at four U.S. locations; the previous labor agreement expired on May 15, 2022. The tentative agreement was ratified by the union employees on June 1, 2022. In the 2022 second quarter, Arconic recognized $19 in Cost of goods sold on the accompanying Statement of Consolidated Operations primarily for a one-time signing bonus for the covered employees. Additionally, the new labor agreement provides for, among other items, established annual wage increases and higher multipliers used to calculate the union employees' future pension retirement benefits.

The change to pension benefits qualifies as a significant plan amendment to the Company's U.S. hourly defined benefit pension plan, and, as a result, Arconic was required to complete a remeasurement of this plan (generally completed as of December 31st each year), including an interim actuarial valuation of the plan obligations. Communication of the benefit change to the union employees occurred on May 15, 2022 and the effective date of this amendment was May 16, 2022. For purposes of performing an interim remeasurement of the plan, the Company applied a practical expedient to the remeasurement date and selected May 31, 2022. Accordingly, the discount rate used in calculating the plan obligations increased to 4.66% at May 31, 2022 from 2.96% at December 31, 2021. The remeasurement of this plan, together with the amendment for increased benefits, resulted in a $13 net decrease to Accrued pension benefits and a $10 (after-tax) net decrease to Accumulated other comprehensive loss (see Note K) on the accompanying Consolidated Balance Sheet. Additionally, annual net periodic benefit cost to be recognized for this plan in 2022 will increase by $8, comprised of a $2 decrease in service cost and a $10 increase in non-service costs. These amounts will be recognized ratably over the remainder of 2022 (June through December).

Lump Sum Benefit Payments—In the 2022 third quarter, management concluded that it was now probable that lump-sum benefit payments expected to be paid in 2022 under Arconic's U.S. salary defined benefit pension plan will exceed the pre-determined threshold (sum of annual service cost and interest cost) requiring settlement accounting. As a result, the Company was required to complete a remeasurement of this plan (generally completed as of December 31st each year), including an interim actuarial valuation of the plan obligations. For purposes of performing an interim remeasurement of the plan, Arconic applied a practical expedient to the remeasurement date and selected September 30, 2022. Accordingly, the discount rate used in calculating the plan obligations increased to 5.71% at September 30, 2022 from 2.82% at December 31, 2021. The remeasurement of this plan, together with the settlement of benefits, resulted in a $34 net decrease to Accrued pension benefits and a $26 (after-tax) net decrease to Accumulated other comprehensive loss (see Note K) on the accompanying Consolidated Balance Sheet. Unfavorable plan asset performance offset most of the impact of the increase in the discount rate. Also, the settlement resulted in the accelerated amortization of a portion of the existing net actuarial loss associated with this plan in the amount of $15 ($12 after-tax). This amount was reclassified to earnings through Restructuring and other charges (see Note E) from Accumulated other comprehensive loss (see Note K). Additionally, annual net periodic benefit cost to be recognized for this plan in 2022 will increase by $8, all of which relates to non-service costs. This amount will be recognized ratably over the remainder of 2022 (October through December).

H. Income Taxes

Arconic's year-to-date tax provision is comprised of the most recent estimated annual effective tax rate applied to year-to-date pretax ordinary income or loss. The tax impacts of unusual or infrequently occurring items, including changes in judgment about valuation allowances and effects of changes in tax laws or rates, are recorded discretely in the interim period in which they occur. In addition, the tax provision is adjusted for the interim period impact of non-benefited pretax losses.

For the 2022 nine-month period, the estimated annual effective tax rate, before discrete items, applied to ordinary income was 26.7%. This rate differs by 5.7 percentage points from the U.S. federal statutory rate of 21.0% primarily due to estimated U.S. tax on global intangible low-taxed income, U.S. tax on foreign earnings, non-deductible costs, and losses in jurisdictions subject to existing valuation allowances, partially offset by non-taxable income and foreign income taxed in lower rate jurisdictions.

For the 2021 nine-month period, the estimated annual effective tax rate, before discrete items, applied to ordinary loss was 17.1%. This rate differs by 3.9 percentage points from the U.S. federal statutory rate of 21.0% primarily due to estimated U.S. tax on global intangible low-taxed income, U.S. tax on foreign earnings, and non-deductible costs, partially offset by the state tax impact of domestic taxable losses.

The effective tax rate including discrete items was 27.8% and 21.4% in the 2022 third quarter and nine-month period respectively, and 40.7% and 18.4% in the 2021 third quarter and nine-month period, respectively.

The following table presents the components of (Benefit) Provision for income taxes:

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Pretax ordinary (loss) income at estimated annual effective tax rate	$ (24)	$ 5	$ 31	$ (75)
Impact of change in estimated annual effective tax rate on previous quarter's pretax income	2	7	—	—
Interim period treatment of operational losses in foreign jurisdictions for which no tax benefit is recognized*	—	—	1	(2)
Discrete items	(3)	(1)	(7)	(4)
(Benefit) Provision for income taxes	$ (25)	$ 11	$ 25	$ (81)

* The interim period impact related to operational losses in foreign jurisdictions for which no tax benefit is recognized will reverse by the end of the calendar year.

I. Earnings Per Share

Basic earnings per share (EPS) amounts are computed by dividing Net income attributable to Arconic by the weighted-average number of common shares outstanding. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive share equivalents outstanding. Specific to Arconic, such share equivalents consist of outstanding employee stock awards (excluding out-of-the-money stock options – see below). For periods in which the Company generates net income, the diluted weighted-average number of shares include common share equivalents associated with outstanding employee stock awards. For periods in which the Company generates a net loss, common share equivalents are excluded from the diluted weighted-average number of shares as their effect is anti-dilutive.

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

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Weighted-average shares outstanding – basic	102.3	108.7	104.4	109.5
Effect of dilutive share equivalents:				
Stock units	—	3.3	2.6	—
Stock options	—	0.1	0.1	—
Weighted-average shares outstanding – diluted	102.3	112.1	107.1	109.5
Anti-dilutive share equivalents:				
Stock units	2.6	—	—	3.3
Stock options*:				
In-the-money	—	—	—	0.1
Out-of-the-money	—	—	—	—
	2.6	—	—	3.4

* Stock options are in-the-money when the respective exercise price of each such option is less than the average market price of the Company's common stock during the applicable period presented. Conversely, stock options are out-of-the-money when the respective exercise price of each such option is more than the average market price of the Company's common stock during the applicable period presented. Out-of-the-money stock options never result in common share equivalents for purposes of diluted EPS regardless of whether a company generates net income or a net loss. As of September 30, 2022 and September 30, 2021, there were 0.4 million and 0.2 million, respectively, out-of-the-money stock options outstanding with a weighted-average exercise price of $28.16 and $32.73, respectively.

J. Preferred and Common Stock

On May 4, 2021, Arconic announced that its Board of Directors approved a share repurchase program authorizing the Company to repurchase shares of its outstanding common stock up to an aggregate transactional value of $300 over a two-year period expiring April 28, 2023. In the 2022 third quarter and nine-month period, Arconic repurchased 3,033,663 and 4,863,672 shares, respectively, of the Company's common stock for $86 and $139, respectively, under this program. Cumulatively, Arconic has repurchased 9,776,177 shares of the Company's common stock for $300 since the program's inception, resulting in completion of the total authorization. Repurchases under the program were made from time to time, as the Company deemed appropriate, solely through open market repurchases effected through a broker dealer, based on a variety of factors such as price, capital position, liquidity, financial performance, alternative uses of capital, and overall market conditions. This program was intended to comply with Rule 10b5-1 and all purchases were made in compliance with Rule 10b-18, including without limitation the timing, price, and volume restrictions thereof.

K. Accumulated Other Comprehensive Loss

The following table presents the activity of the three components that comprise Accumulated other comprehensive loss for Arconic (such activity for Noncontrolling interest was immaterial for all periods presented):

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Pension and other postretirement benefits (G)				
Balance at beginning of period	$ (1,037)	$ (1,199)	$ (1,121)	$ (1,791)
Other comprehensive income:				
Unrecognized net actuarial loss and prior service cost/benefit	36	34	105	178
Tax expense	(8)	(8)	(23)	(41)
Total Other comprehensive income before reclassifications, net of tax	28	26	82	137
Amortization of net actuarial loss and prior service cost/benefit(1)	34	25	74	651
Tax expense(2)	(7)	(6)	(17)	(151)
Total amount reclassified from Accumulated other comprehensive loss, net of tax(5)	27	19	57	500
Total Other comprehensive income	55	45	139	637
Balance at end of period	$ (982)	$ (1,154)	$ (982)	$ (1,154)
Foreign currency translation				
Balance at beginning of period	$ (37)	$ 35	$ 25	$ 29
Other comprehensive loss(3)	(72)	(11)	(134)	(5)
Balance at end of period	$ (109)	$ 24	$ (109)	$ 24
Cash flow hedges (Q)				
Balance at beginning of period	$ 105	$ (35)	$ (15)	$ 1
Other comprehensive income (loss):				
Net change from periodic revaluations	78	(66)	136	(160)
Tax (expense) benefit	(19)	15	(32)	37
Total Other comprehensive income (loss) before reclassifications, net of tax	59	(51)	104	(123)
Net amount reclassified to earnings:				
Aluminum(4)	(93)	50	13	98
Energy(4)	(8)	—	(15)	—
Alloying materials(4)	1	(1)	1	(2)
Sub-total	(100)	49	(1)	96
Tax benefit (expense)(2)	24	(11)	—	(22)
Total amount reclassified from Accumulated other comprehensive income, net of tax(5)	(76)	38	(1)	74
Total Other comprehensive (loss) income	(17)	(13)	103	(49)
Balance at end of period	$ 88	$ (48)	$ 88	$ (48)
Accumulated other comprehensive loss	$ (1,003)	$ (1,178)	$ (1,003)	$ (1,178)

(1) These amounts were included in the non-service component of net periodic benefit cost for pension and other postretirement benefits (see Note G). The accelerated amortization related to the settlement of certain employee retirement benefits was $15 and $16 in the 2022 third quarter and nine-month period, respectively, and $5 and $573 in the 2021 third quarter and nine-month period, respectively (see Note G).

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

(3) In all periods presented, there were no tax impacts related to rate changes and no amounts were reclassified to earnings.

(4) A portion of the amounts related to aluminum were reported in each of Sales and Cost of goods sold on the accompanying Statement of Consolidated Operations (see Note Q). The amounts related to energy and alloying materials were reported in Cost of goods sold on the accompanying Statement of Consolidated Operations (see Note Q).

(5) A positive amount indicates a corresponding charge to earnings and a negative amount indicates a corresponding benefit to earnings. These amounts were reflected on the accompanying Statement of Consolidated Operations in the line items indicated in footnotes 1 through 4.

L. Inventories

	September 30, 2022	December 31, 2021
Finished goods	$ 358	$ 350
Work-in-process	1,188	1,105
Purchased raw materials	137	109
Operating supplies	67	66
	$ 1,750	$ 1,630

M. Leases

Arconic leases certain land and buildings, plant equipment, vehicles, and computer equipment, which have been classified as operating leases. Operating lease cost, which includes short-term leases and variable lease payments and approximates cash paid, was $13 and $40 in the 2022 third quarter and nine-month period, respectively, and $15 and $45 in the 2021 third quarter and nine-month period, respectively.

Right-of-use assets obtained in exchange for operating lease obligations were $22 in the 2022 nine-month period and $13 in the 2021 nine-month period.

Future minimum contractual operating lease obligations were as follows:

	September 30, 2022
2022	$ 10
2023	34
2024	27
2025	20
2026	14
Thereafter	31
Total lease payments	$ 136
Less: imputed interest	23
Present value of lease liabilities	$ 113

The weighted-average remaining lease term and weighted-average discount rate for the Company's operating leases at September 30, 2022 and December 31, 2021 was 6.0 years and 6.1 years, respectively, and 6.0% and 5.8%, respectively.

N. Debt

2022 Activity—Arconic maintains a five-year credit agreement, dated May 13, 2020, with a syndicate of lenders named therein and Deutsche Bank AG New York Branch as administrative agent (the "ABL Credit Agreement"). The ABL Credit Agreement provides for a senior secured asset-based revolving credit facility (the "ABL Credit Facility") to be used, generally, for working capital or other general corporate purposes. See Note Q to the Consolidated Financial Statements in Part II Item 8 of Arconic's Annual Report on Form 10-K for the year ended December 31, 2021 (filed on February 22, 2022) for additional information related to the ABL Credit Agreement.

On February 16, 2022, the Company's ABL Credit Agreement was amended to increase the revolving commitments under the ABL Credit Facility to $1,200 from $800. Additionally, the accordion feature of the ABL Credit Facility was revised to provide for the Company to request a further increase to the revolving commitments in an aggregate principal amount equal to the greater of $350 and the excess of the borrowing base over the ABL Credit Facility commitments. Furthermore, the LIBOR-based floating interest rate was replaced with a term SOFR-based interest rate, plus a credit spread adjustment equal to 0.10%, 0.15% or 0.25% per annum for SOFR-based borrowings with interest periods of one month, three months, or six months, respectively, under the ABL Credit Facility. Arconic paid $1 in upfront costs associated with these amendments.

In the 2022 nine-month period, the Company borrowed $250 and repaid $100 under the ABL Credit Facility. These borrowings were designated as SOFR loans with either an initial one-month or three-month interest period. Arconic may repay early or extend a part or all of these borrowings. In the 2022 third quarter and nine-month period, the weighted-average interest rate and weighted-average days outstanding of the borrowings was 5.03% and 4.02%, respectively, and 74 days and 105 days, respectively.

Availability under the ABL Credit Facility is subject to a monthly borrowing base calculation, which, in general, is determined by applying a predetermined percentage to the amount of eligible accounts receivable and inventory, less customary reserves. As of September 30, 2022, the available balance was $1,039 (net of outstanding borrowings of $150 and letters of credit of $11).

In October 2022, the Company repaid an additional $50 of the outstanding borrowings under the ABL Credit Facility.

2021 Activity—On March 3, 2021, the Company completed a Rule 144A (U.S. Securities Act of 1933, as amended) debt offering for an additional $300 aggregate principal amount of 6.125% Senior Secured Second-Lien Notes due 2028 (the "Additional 2028 Notes"). The Additional 2028 Notes were issued under the indenture governing Arconic's existing 6.125% Senior Secured Second-Lien Notes due 2028 (the "Existing 2028 Notes"). Other than with respect to the date of issuance and issue price, the Additional 2028 Notes are treated as a single series with and have the same terms as the Existing 2028 Notes. See Note Q to the Consolidated Financial Statements in Part II Item 8 of Arconic's Annual Report on Form 10-K for the year ended December 31, 2021 (filed on February 22, 2022) for additional information related to the Existing 2028 Notes. The Additional 2028 Notes were sold at 106.25% of par (i.e., a premium) and, after reflecting a discount to the initial purchasers of the Additional 2028 Notes, the Company received $315 in net proceeds from the debt offering. Arconic used the net proceeds of this issuance to fund an annuitization of certain U.S. defined benefit pension plan obligations in April 2021. The premium ($19) and costs to complete the financing ($5) were deferred and are being amortized to interest expense over the term of the Additional 2028 Notes. The amortization of the premium is reflected as a reduction to interest expense and the amortization of the costs to complete the financing is reflected as an addition to interest expense. Interest on the Additional 2028 Notes is paid semi-annually in February and August and commenced August 15, 2021.

O. Acquisitions and Divestitures

Russia. On May 19, 2022, the Company announced that it is pursuing a sale of its operations in Russia. This decision was the result of a strategic review of alternatives performed by management with respect to Arconic's Russian operations in consideration of the sanctions and other trade restrictions levied against Russia beginning in February 2022 and preliminary injunctions imposed on the Company's operations in Russia by the Federal Antimonopoly Service of the Russian Federation in April 2020 (see Litigation in Note P), which include a prohibition on the ability of Arconic's legal entity in Russia to pay dividends to the parent company. The Company is continuing to conduct business in Russia to fulfill existing obligations in accordance with applicable laws, regulations, and international rules. Arconic has engaged with both the U.S. government and Russian government with the objective of executing a lawful sale of its Russian operations. The Company has had several interested parties in the process and is ultimately working towards completion of a sale of its Russian operations to a third party pursuant to a framework agreement, the closing of which is subject to the receipt of governmental approvals and other conditions and contingencies. The process for obtaining government approvals and executing a transaction is unusually complex given current geopolitical factors and ongoing proceedings involving the Company's operations in Russia, creating uncertainty with respect to the Company's ability to estimate the timing or likelihood of a transaction as of September 30, 2022. We continue to monitor the situation, while assessing the financial impact and outlook for our operations in this market. As such, the Company conducted an analysis during the third quarter of 2022. Based on the Company's analysis and review of current circumstances, there was no impairment recorded during the third quarter of 2022. The Company estimates that a charge of up to approximately $500 may be recognized if a sale is consummated or if we conclude that an impairment should be recorded.

The Company's operations in Russia are comprised of one principal location in Samara, which manufactures sheet, plate, extrusions, and forgings across all of Arconic's end markets. The Samara facility has continued to operate at relatively normal levels although such operations may decrease over time due to the imposed sanctions and other trade restrictions, particularly if these are further elevated, as well as supplier and customer constraints. While the imposition of sanctions and trade restrictions limit a Russian entity's ability to export goods, Samara's operations primarily serve customer demand within Russia. The Samara facility generated third-party sales of approximately $970 in 2021 and had approximately $520 in net assets (excluding intercompany balances) and approximately 2,900 employees as of September 30, 2022 (see Litigation in Note P for additional financial information).

The Company's local Russian management team continues to operate the Samara facility without undue influence imposed by any third-party, including the Russian government. Additionally, other than the prohibition on dividend payments to the parent company, Arconic has not encountered any other significant impacts related to its control over its Russian subsidiaries. As a result, the Company reported the financial results of its Russian operations in Arconic's Consolidated Financial Statements as of and for the three- and nine-month periods ended September 30, 2022, and will continue to do so until such time as circumstances warrant otherwise. Furthermore, while the Company is pursuing a sale of its operations in Russia, the related assets and liabilities will continue to be classified as held and in-use and will continue to be reported within the Rolled Products segment, as the timing and likelihood of any possible transaction is uncertain as of September 30, 2022. Moreover, Arconic has not recorded an impairment of long-lived or other assets given the relatively normal operating levels at Samara. That said, the situation is fluid and this fact pattern could change at any moment. As noted above, a charge of up to approximately $500 may be recognized if a sale is consummated or if we conclude that an impairment should be recorded.

Building and Construction Systems. On June 6, 2022, the Company announced that it is evaluating strategic options for the businesses that comprise the Building and Constructions Systems segment, including exploring a sale of its architectural systems business (Kawneer® brand). Subsequent to this announcement, Arconic initiated a sale process of its architectural systems business, which has six principal locations in the United States, Canada, and Europe. Products manufactured under the Kawneer brand include windows, doors, and curtain walls. This business generated third-party sales of approximately $740 in 2021 and had approximately 2,800 employees as of September 30, 2022.

On August 2, 2022, the Company announced a pause in the sale process of this business due to current economic conditions, particularly uncertainty in the debt markets. This business will remain classified as held and in-use in Arconic's Consolidated Financial Statements and will continue to be reported within the Building and Construction Systems segment.

P. Contingencies and Commitments

Unless specifically described to the contrary, all matters within Note P are the full responsibility of Arconic pursuant to the Separation and Distribution Agreement. Additionally, the Separation and Distribution Agreement provides for cross-indemnities between the Company and Howmet for claims subject to indemnification.

Contingencies

Environmental Matters. Arconic participates in environmental assessments and cleanups at several locations. These include owned or operating facilities and adjoining properties, previously owned or operating facilities and adjoining properties, and waste sites, including Superfund (Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)) sites.

A liability is recorded for environmental remediation when a cleanup program becomes probable and the costs can be reasonably estimated. As assessments and cleanups proceed, the liability is adjusted based on progress made in determining the extent of remedial actions and related costs. The liability can change substantially due to factors such as, among others, the nature and extent of contamination, changes in remedial requirements, and technological changes.

The Company's remediation reserve balance was $79 and $64 (of which $27 and $15, respectively, was classified as a current liability) at September 30, 2022 and December 31, 2021, respectively, and reflects the most probable costs to remediate identified environmental conditions for which costs can be reasonably estimated.

In the 2022 third quarter and nine-month period, the remediation reserve was increased by $11 and $22, respectively. The change to the remediation reserve in the 2022 third quarter and nine-month period, includes a charge of $9 and $13, respectively, for the Massena location (see below) and a charge of $2 (both periods) for other items, including incremental estimated expenditures associated with active remediation systems and/or monitoring and inspection programs at several sites.

Additionally, in the 2022 nine-month period, the Company recorded a charge of $5 for the planned removal of polychlorinated biphenyls (PCBs)-contaminated soil from certain portions of a ditch that is adjacent to the Company's facility in Lafayette, Indiana under a previously issued corrective action order with the Indiana Department of Environmental Management (remediation to be completed over a two-year period beginning in 2023) and a charge of $1 (see Note E) to reflect an estimate of Arconic's share of newly-identified costs for additional remediation work related to a recently completed project at a former site in Italy where the Company is one of several responsible parties. The additional remediation work is subject to review by Italy's Ministry of the Environment.

Payments related to remediation expenses applied against the reserve were $1 and $7, respectively, in the 2022 third quarter and nine-month period, which include expenditures currently mandated, as well as those not required by any regulatory authority or third party.

The Separation and Distribution Agreement includes provisions for the assignment or allocation of environmental liabilities between Arconic and Howmet, including certain remediation obligations associated with environmental matters. In general, the respective parties are responsible for the environmental matters associated with their operations, and with the properties and other assets assigned to each. Additionally, the Separation and Distribution Agreement lists environmental matters with a shared responsibility between the two companies with an allocation of responsibility and the lead party responsible for management of each matter. For matters assigned to Arconic and Howmet under the Separation and Distribution Agreement, the companies have agreed to indemnify each other in whole or in part for environmental liabilities arising from operations prior to the Separation Date.

The following description provides details regarding the Company's largest reserve (next largest is $7), which relates to one of Arconic's current operating locations.

Massena, NY—Arconic has an ongoing remediation project related to the Grasse River, which is adjacent to the Company's Massena plant site. Many years ago, it was determined that sediments and fish in the river contain varying levels of PCBs. The project, which was selected by the EPA in a Record of Decision issued in April 2013, is aimed at capping PCB contaminated sediments with concentration in excess of one part per million in the main channel of the river and dredging PCB contaminated sediments in the near-shore areas where total PCBs exceed one part per million. The EPA approved the final design phase of the project in March 2019. Following the EPA's approval, the actual remediation fieldwork commenced. In April 2020, the EPA approved an addendum to the final remedial design to address newly-identified matters, including river navigation issues, which resulted in changing the original remedy for a specific segment of the river to dredging from capping. The Company attained substantial completion of remedial construction activities on the Grasse River in September 2021. As a result, along with an assessment of anticipated remaining future costs, primarily for post-construction monitoring, the reserve was reduced by $11.

In March 2022, an ice jam event occurred in a section of the river where a cap was installed. The ice accumulation caused a blockage in the river that restricted flow, which resulted in high forces being placed on the bottom sediments as the river worked its way through the obstruction. Once the ice cleared and it was safe to enter the river, Arconic investigated and analyzed the cap for any damage. It was determined that certain of the cap was damaged and there was disturbance to the underlying sediments. As a result, in the 2022 second quarter, the Company submitted to the EPA, as well as other stakeholders, a proposed plan to repair the damaged cap and contain the exposed sediment. At that time, management had preliminarily estimated that the cost of the proposed plan would be $11, which contemplated completing the repair work in the second half of 2022. Arconic's existing reserve included consideration of potential future cap repairs given the magnitude and nature of this type of remediation. As a result, in the 2022 second quarter, the Company increased the reserve balance by $4 for the incremental amount needed to cover the estimated cost of the proposed plan.

In the 2022 third quarter, Arconic completed extensive environmental, geotechnical, and ice modeling investigations to determine the final design and cost of the repair remedy. Ultimately, these investigations revealed that the concept of the proposed remedy is appropriate but the design and, therefore, cost of the project need to be changed compared to the preliminary analysis and cost estimate prepared in the 2022 second quarter. Accordingly, the cost of the proposed plan increased to $22, which also considers the fact that the repair work will now extend into 2023, including a temporary work stoppage due to the upcoming winter season, and the impact of cost inflation for labor and materials. As a result, in the 2022 third quarter, the Company increased the reserve balance by $9 for the further incremental amount needed to cover the estimated cost of the proposed plan. On October 3, 2022, Arconic submitted an Analysis of Alternatives report to the EPA. The Company expects to receive the EPA's decision by no later than March 31, 2023. Arconic's proposed remedy is consistent with the Record of Decision issued for the original remediation project (see above).

As the project progresses, further changes to the reserve may be required due to factors such as, among others, additional changes in remedial requirements, increased site restoration costs, and incremental ongoing operation and maintenance costs.

At September 30, 2022 and December 31, 2021, the reserve balance associated with this matter was $38 and $30, respectively. Expenditures for the repair work related to the ice jam event are expected to be $2 in the remainder of 2022 and $17 in 2023. The other $19 in remaining expenditures, most of which relates to operations, maintenance, and monitoring work, are expected to occur between 2023 and 2027.

Litigation.

All references to ParentCo in the matters described under this section Litigation refer to Arconic Inc. only and do not include its subsidiaries, except as otherwise stated.

Federal Antimonopoly Service Of The Russian Federation Litigation—The Federal Antimonopoly Service of the Russian Federation ("FAS") filed a lawsuit on March 17, 2020 with the Arbitrazh (State Commercial) Court of Samara Region against two of the Company's subsidiaries, Arconic Rus Investment Holdings LLC ("LLC ARIH") and AlTi Forge Holding Sarl (the "Arconic Russian Holding Companies"), naming Elliott Associates L.P., Elliott International L.P., and Elliot International Capital Advisors Inc. ("Elliott") as third parties. Also named as interested parties are: Parent Co. and certain of its foreign subsidiaries; and Arconic Netherland B.V., the Company's subsidiary that directly and indirectly owns LLC ARIH, Arconic SMZ JSC and JSC AlTi Forge (the "Arconic Russian Subsidiaries"). FAS alleges that Elliott indirectly acquired control over the Arconic Russian Subsidiaries when, in May 2019, directors who had previously been nominated by Elliott and appointed or elected to Parent Co.'s board of directors pursuant to certain settlement agreements among Parent Co. and Elliott constituted a majority of that board as a result of a reduction in the size of the board. FAS claims alleged non-compliance with Russian Federal Law No. 57-FZ, which governs foreign ownership of certain Russian companies and requires certain governmental approvals for a foreign investor to acquire control over strategically important Russian companies. On April 6, 2020, the Samara Court granted preliminary injunctions against the Arconic Russian Holding Companies prohibiting the taking of certain corporate governance actions, including with respect to: (i) the disposal of shares in the Arconic Russian Subsidiaries; and (ii) the making of certain decisions with respect to the Arconic Russian Subsidiaries, including decisions regarding the payment of dividends, placement of bonds, amendment of bylaws and internal documents, the appointment, change and compensation of the Arconic Russian Subsidiaries' CEO, and the election of the Arconic Russian Subsidiaries' board of directors. On April 29, 2020, the Arconic Russian Holding Companies simultaneously filed an appeal and motion to revoke the previously issued injunctions. Both the appeal and motion to revoke were denied. A hearing on the merits of the claim has been postponed several times, most recently until December 22, 2022. As a consequence of the alleged violation, FAS is seeking removal and exclusion of the Arconic Russian Holding Companies from the affairs of the Arconic Russian Subsidiaries, resulting in the deprivation of the benefits of their ownership interests in the Arconic Russian Subsidiaries, including the rights currently restricted in the preliminary injunctions granted on April 6, 2020. We continue to operate the Samara location subject to the restrictions disclosed above, and we maintain a renewable intercompany loan facility that could be, but has not yet been, utilized.

The following table presents selected financial information related to our operations in Russia:

	September 30, 2022(1)	December 31, 2021
Cash and cash equivalents	$ 174	$ 79
Receivables from customers	98	120
Inventories	122	102
Properties, plants and equipment, net	186	200
Accounts payable, trade	27	47

	For the nine months ended September 30, 2022	For the year ended December 31, 2021
Third-party sales(2)	$ 787	$ 968
Segment Adjusted EBITDA	62	87

(1) As of September 30, 2022, our Russia operations had approximately $520 in net assets (excluding intercompany balances).

(2) In both periods presented, Third-party sales includes aluminum products manufactured at Arconic's plant in Russia and sold through the Company's international selling company located in Hungary.

At September 30, 2022 and December 31, 2021, the Cash and cash equivalents presented above were held in Russia and were not available for dividends. Cash and cash equivalents held in Russia represented 13% of Arconic's liquidity (comprised of Cash and cash equivalents of $312 and undrawn availability of $1,039 under Arconic's ABL Credit Agreement (see Note N)) at September 30, 2022. Cash and cash equivalents held in Russia increased $95 from December 31, 2021 to September 30, 2022, primarily due to increased earnings, currency appreciation, and lower aluminum prices. In addition, for the nine months ended September 30, 2022 and year ended December 31, 2021, our Samara, Russia facility generated 14% and 16% of Third-party sales (mostly packaging and industrial), respectively, and 13% of Segment Adjusted EBITDA for the Rolled Products segment. In May 2022, we announced that we would pursue the sale of our operations in Russia (see Note O). As a condition of the acquisition of the Samara facility in 2005 by our former parent company, our Samara facility has an ongoing legal obligation to manufacture semi-finished products for Russian customers for defense applications. The sale of such products represented 1% of the third-party sales generated by our Samara facility for both the nine months ended September 30, 2022 and year ended December 31, 2021.

We cannot at this time reasonably estimate the likelihood or timing of any resolution of the regulatory proceedings or underlying claims, whether such resolution would include the removal of the injunctions or the imposition of additional restrictions, or whether we will be able to successfully complete the sale of our Russian operations. The potential impacts of an unfavorable resolution of the proceedings and underlying claims, and our decision to pursue the sale of our Russian operations include:

- continued unavailability of funds for the payment of dividends to Arconic;
- a restriction on the disposition of shares or assets;
- decreases in or loss of third-party sales and Segment Adjusted EBITDA generated by our Russian operations;
- restrictions on capital investments in the facility;
- our ability to sell our Russian operations, and any losses on, and transaction expenses associated with, any such sale;
- our ability to access or repatriate the proceeds of any such sale; and
- reactions to or consequences of our announcement regarding the sale of our Russian operations, including the potential for our Russian operations to be nationalized or otherwise expropriated by the Russian government.

Any of the foregoing could have a significant indirect impact on the performance of our other locations. In addition, any impact on our ability to fulfill delivery obligations could subject us to reputational harm and potential litigation involving customers and suppliers. Increased restrictions on our operations in Russia may have a material adverse effect on our financial condition, results of operations or cash flows. Given the preliminary nature of this matter and the uncertainty of litigation and of efforts to resolve this matter with FAS, we cannot reasonably estimate at this time the likelihood of an unfavorable outcome or the possible loss or range of losses in the event of an unfavorable outcome. Additionally, our operations in Russia, and our ability to resolve the proceedings and underlying claims related to our facility in Samara, Russia, are likely to be negatively impacted by the disruption and geopolitical instability resulting from the ongoing conflict between Russia and Ukraine.

Reynobond PE—On June 13, 2017, the Grenfell Tower in London, U.K. caught fire resulting in fatalities, injuries, and damage. A French subsidiary of Arconic Corporation (of ParentCo at that time), Arconic Architectural Products SAS (AAP SAS), supplied a product, Reynobond PE, to its customer, a cladding system fabricator, which used the product as one component of the overall cladding system on Grenfell Tower. The fabricator supplied its portion of the cladding system to the facade installer, who then completed and installed the system under the direction of the general contractor. Neither ParentCo nor AAP SAS was involved in the design or installation of the system used at the Grenfell Tower, nor did it have a role in any other aspect of the building's refurbishment or original design. Regulatory investigations into the overall Grenfell Tower matter are being conducted, including a criminal investigation by the London Metropolitan Police Service (the "Police"), a Public Inquiry by the British government, and a consumer protection inquiry by a French public authority. The Public Inquiry was announced by the U.K. Prime Minister on June 15, 2017 and subsequently was authorized to examine the circumstances leading up to and surrounding the Grenfell Tower fire in order to make findings of fact and recommendations to the U.K. Government on matters such as the design, construction, and modification of the building, the role of relevant public authorities and contractors, the implications of the fire for the adequacy and enforcement of relevant regulations, arrangements in place for handling emergencies, and the handling of concerns from residents, among other things. Hearings for Phase 1 of the Public Inquiry began on May 21, 2018 and concluded on December 12, 2018. Phase 2 hearings of the Public Inquiry began in early 2020, following which a final report will be written and subsequently published. As Phase 2 of the public inquiry continues, the testimony has supported AAP SAS's position that the choice of materials and the responsibility of ensuring compliance of the cladding system with relevant U.K. building code and regulations was with those individuals or entities who designed and installed the cladding system such as the architects, fabricators, contractors and building owners. The ongoing hearings in the U.K. have revealed serious doubts about whether these third parties had the necessary qualifications or expertise to carry out the refurbishment work at Grenfell Tower, adequately oversaw the process, conducted the required fire safety testing or analysis, or otherwise complied with their obligations under U.K. regulations. AAP SAS is participating as a Core Participant in the Public Inquiry and is also cooperating with the ongoing parallel investigation by the Police. Arconic Corporation does not sell and ParentCo previously stopped selling the PE product for architectural use on buildings. Given the preliminary nature of these investigations and the uncertainty of potential future litigation, Arconic Corporation cannot reasonably estimate at this time the likelihood of an unfavorable outcome or the possible loss or range of losses in the event of an unfavorable outcome.

United Kingdom Litigation. Multiple claimant groups comprised of survivors and estates of decedents of the Grenfell Tower fire have filed claims in the U.K. arising from that fire, including as follows:

- On June 12, 2020, four claimants represented by Birnberg Peirce Ltd filed suit against AAP SAS.
- On June 12, 2020, two claimants represented by Howe & Co Solicitors filed suit against AAP SAS.
- On June 26, 2020, three claimants represented by Russell-Cooke LLP filed suit against AAP SAS.
- On December 23, 2020, several additional suits were filed by claimant groups comprised of survivors and estates of decedents. These suits were all filed against the same group of 23 defendants: AAP SAS, Arconic Corporation, Howmet Aerospace Inc., the Royal Borough of Kensington and Chelsea, the Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd, the London Fire Commissioner, the UK Home Office, The Ministry of Housing, Communities and Local Government, Rydon Maintenance Ltd, Celotex Ltd, Saint-Gobain Construction Products UK Limited, Kingspan Insulation Limited, Kingspan Group PLC (suits have since been discontinued), Studio E Architects Ltd (In liquidation), Harley Facades Ltd, Harley Curtain Wall Limited (In liquidation), CEP Architectural Facades Ltd, Exova (U.K.) Ltd, CS Stokes & Associates Ltd, Artelia Projects UK Limited (suits have since been discontinued), Whirlpool UK Appliances Limited, Whirlpool Company Polska Sp.z.o.o. and Whirlpool Corporation. These suits include as follows (represent preliminary best estimates of claimants in each suit):
    - Seven claimants represented by Deighton Pierce Glynn;
    - Six (previously five) claimants represented by SMQ Legal Services;
    - Three (previously four) claimants represented by Scott Moncrieff;
    - Thirty-one (previously twenty-seven) claimants represented by Saunders Law;

- ◦ Thirty-three (previously thirty-four) claimants represented by Russell Cooke LLP. On March 29, 2022, Russell Cooke issued a further suit against the above-mentioned 21 Defendants on behalf of one Claimant. The suits issued by Russell Cooke were consolidated;
- ◦ Forty-seven (previously forty) claimants represented by Imran Khan & Partners;
- ◦ Sixty-one (previously fifty-eight) claimants represented by Howe & Co.;
- ◦ One hundred fourteen claimants represented by Hodge Jones and Allen Solicitor. On March 29, 2022, Hodge Jones and Allen issued a further suit against the above-mentioned 21 Defendants on behalf of four (previously five) Claimants. The suits issued by Hodge Jones and Allen were consolidated;
- ◦ Twenty-three (previously nineteen) claimants represented by Hickman & Rose;
- ◦ Ten (previously five) claimants represented by Duncan Lewis Solicitors;
- ◦ One hundred thirteen (previously one hundred eighteen) claimants represented by Birnberg Peirce;
- ◦ Three hundred forty-one claimants represented by Bindmans LLP. On March 31, 2022, Bindmans issued a further suit against the above-mentioned 21 Defendants on behalf of five Claimants. The suits issued by Bindmans were consolidated;
- ◦ Seventy-six (previously eighty-two) claimants represented by Bhatt Murphy Ltd; and
- ◦ Twenty-six (previously twenty-four) claimants represented by Slater & Gordon.

Multiple claimant groups comprised of emergency responders who attended the Grenfell Tower fire have also filed claims against AAP SAS arising from that fire, including as follows:

- On June 11, 2020, 98 (previously 80) firefighters represented by Thompsons Solicitors filed suit against AAP SAS, as well as the Royal Borough of Kensington and Chelsea, the Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd, Celotex Ltd, Exova (U.K.) Ltd, Rydon Maintenance Ltd, Studio E Architects Ltd, Harley Facades Ltd, CEP Architectural Facades Ltd, CS Stokes & Associates Ltd, and the London Fire Commissioner. Since then, another 10 (previously 7) firefighters have sought to be added to the suit.
- On June 12, 2020, 36 (previously 27) police officers represented by Penningtons Manches Cooper LLP filed suit against AAP SAS, as well as the Royal Borough of Kensington and Chelsea, the Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd, Celotex Ltd, Exova (U.K.) Ltd, Rydon Maintenance Ltd, Studio E Architects Ltd, Harley Facades Ltd, CEP Architectural Facades Ltd, CS Stokes & Associates Ltd, London Fire Commissioner, and the Commissioner of the Police of the Metropolis. Since then, some claimants have withdrawn and others have sought to be added to the suit.
- On June 12, 2020, two firefighters represented by Pattinson and Brewer filed suit against AAP SAS, as well as the Royal Borough of Kensington and Chelsea, the Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd, Celotex Ltd, Exova (U.K.) Ltd, Rydon Maintenance Ltd, Studio E Architects Ltd, Harley Facades Ltd, CEP Architectural Facades Ltd, CS Stokes & Associates Ltd, and the London Fire Commissioner. A third firefighter, also represented by Pattinson and Brewer, brought a claim against the same defendants on June 15, 2020. One of the original firefighter claimants has now withdrawn from the suit.

On December 17, 2020, a claim was issued by the Royal Borough of Kensington and Chelsea and the Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd against: (1) Whirlpool Company Polska Spolka z Organiczona; and (2) AAP SAS. The Claimants seek damages in respect of their own losses and/or a contribution to the extent that they are found to be liable by the London High Court for any losses arising out of the Grenfell Tower fire on June 14, 2017. On March 29, 2022, the Royal Borough of Kensington and Chelsea and the Royal Borough of Kensington and Chelsea Tenant Management Organisation Ltd sought permission to join two further Defendants to these proceedings, namely: (i) Whirlpool EMEA S.p.A.; and (ii) Whirlpool UK Appliances Limited.

All of these claims were filed in the High Court in London. On October 2, 2020, the High Court ordered that: (a) the suits of the survivors and estates of decedents that were issued in June 2020 be stayed until a hearing scheduled by the High Court for June 9-10, 2021; and (b) that the suits of emergency responders be stayed until a hearing scheduled by the High Court for July 7-8, 2021. The hearing scheduled for June 9-10, 2021 was subsequently vacated by the Court.

The above-mentioned suits brought by: (1) the survivors and estates of decedents; (2) the emergency responders; and (3) the Royal Borough of Kensington and Chelsea for contributions, were heard together at a procedural hearing on July 7-8, 2021, before Senior Master Fontaine. At the hearing, the Senior Master made several directions for the future management of the Grenfell Tower litigation, including staying all suits against Arconic Corporation and its affiliates until the next directions hearing, which was held on April 26, 2022. On July 28, 2022, the Senior Master stayed the cases for another 12 months until the next case management conference, which will be scheduled on a date after April 27, 2023.

The stay is intended to allow Arconic Corporation, along with several other co-defendants to the above-mentioned litigations, to engage in discussions with the claimants' legal representatives in an attempt to reach a mutually agreeable settlement. The parties have agreed to overarching terms as to the form of Alternative Dispute Resolution that they are willing to participate in and discussions are ongoing.

Given the preliminary nature of these matters and the uncertainty of litigation, Arconic Corporation cannot reasonably estimate at this time the likelihood of an unfavorable outcome or the possible loss or range of losses in the event of an unfavorable outcome in any of the above-referenced disputes.

Behrens et al. v. Arconic Inc. et al. On June 6, 2019, 247 plaintiffs comprised of survivors and estates of decedents of the Grenfell Tower fire filed a complaint against "Arconic Inc., Alcoa Inc., and Arconic Architectural Products, LLC" (collectively, for purposes of the description of such proceeding, the "ParentCo Defendants"), as well as Saint-Gobain Corporation, d/b/a Celotex and Whirlpool Corporation, in the Court of Common Pleas of Philadelphia County. The complaint alleges claims under Pennsylvania state law for products liability and wrongful death related to the fire. In particular, the plaintiffs allege that the ParentCo Defendants knowingly supplied a dangerous product (Reynobond PE) for installation on the Grenfell Tower despite knowing that Reynobond PE was unfit for use above a certain height. The ParentCo Defendants removed the case to the United States District Court for the Eastern District of Pennsylvania on June 19, 2019. On August 29, 2019, the ParentCo Defendants moved to dismiss the complaint on the bases, among other things, that: (i) the case should be heard in the United Kingdom, not the United States; (ii) there is no jurisdiction over necessary parties; and (iii) Pennsylvania product liability law does not apply to manufacture and sale of product overseas. On December 23, 2019, the Court issued an order denying the motion to dismiss the complaint on bases (ii) and (iii) suggesting a procedure for limited discovery followed by further briefing on those subjects. On September 16, 2020, the Court issued an order granting Defendants' motion to dismiss on forum non conveniens grounds, subject to certain conditions, determining that the United Kingdom, and not the United States, is the appropriate place for plaintiffs to bring their case. Plaintiffs subsequently filed a motion for reconsideration, which the Court denied on November 23, 2020. Plaintiffs are appealing this judgment; ParentCo Defendants are cross-appealing one of the conditions. The briefing has now been completed and oral argument is scheduled for June 6, 2022. Oral argument was held on Plaintiffs' appeal in the Third Circuit on June 7, 2022. On July 8, 2022, the Third Circuit decided the appeal in the Behrens matter in the defendants favor. The Third Circuit affirmed the district court's dismissal of plaintiffs' case on forum non conveniens grounds. The Court also granted ParentCo Defendants' cross-appeal, invalidating one of the trial court's dismissal conditions that would have left open the possibility for Plaintiffs to return to the United States for a trial on damages if defendants were found liable in English courts and if the English court made certain other legal and factual findings. On July 22, 2022, the Plaintiffs filed a petition seeking a panel rehearing, or *en banc* rehearing, of the Third Circuit's July 8, 2022 decision, which the Third Circuit denied on October 7, 2022. Because Plaintiffs have not exhausted all appellate options and the uncertainty of litigation, Arconic Corporation cannot reasonably estimate at this time the likelihood of an unfavorable outcome or the possible loss or range of losses in the event of an unfavorable outcome.

Howard v. Arconic Inc. et al. A purported class action complaint related to the Grenfell Tower fire was filed on August 11, 2017 in the United States District Court for the Western District of Pennsylvania against ParentCo and Klaus Kleinfeld. A related purported class action complaint was filed in the United States District Court for the Western District of Pennsylvania on September 15, 2017, under the caption *Sullivan v. Arconic Inc. et al.*, against ParentCo, three former ParentCo executives, several current and former ParentCo directors, and banks that acted as underwriters for ParentCo's September 18, 2014 preferred stock offering (the "Preferred Offering"). The plaintiff in *Sullivan* had previously filed a purported class action against the same defendants on July 18, 2017 in the Southern District of New York and, on August 25, 2017, voluntarily dismissed that action without prejudice. On February 7, 2018, on motion from certain putative class members, the court consolidated *Howard* and *Sullivan*, closed *Sullivan*, and appointed lead plaintiffs in the consolidated case. On April 9, 2018, the lead plaintiffs in the consolidated purported class action filed a consolidated amended complaint. The consolidated amended complaint alleged that the registration statement for the Preferred Offering contained false and misleading statements and omitted to state material information, including by allegedly failing to disclose material uncertainties and trends resulting from sales of Reynobond PE for unsafe uses and by allegedly expressing a belief that appropriate risk management and compliance programs had been adopted while concealing the risks posed by Reynobond PE sales. The consolidated amended complaint also alleged that between November 4, 2013 and June 23, 2017 ParentCo and Kleinfeld made false and misleading statements and failed to disclose material information about ParentCo's commitment to safety, business and financial prospects, and the risks of the Reynobond PE product, including in ParentCo's Form 10-Ks for the fiscal years ended December 31, 2013, 2014, 2015, and 2016, its Form 10-Qs and quarterly financial press releases from the fourth quarter of 2013 through the first quarter of 2017, its 2013, 2014, 2015, and 2016 Annual Reports, its 2016 Annual Highlights Report, and on its official website. The consolidated amended complaint sought, among other things, unspecified compensatory damages and an award of attorney and expert fees and expenses. On June 8, 2018, all defendants moved to dismiss the consolidated amended complaint for failure to state a claim. On June 21, 2019, the Court granted the defendants' motion to dismiss in full, dismissing the consolidated amended complaint in its entirety without prejudice. On July 23, 2019, the lead plaintiffs filed a second amended complaint. The second amended complaint alleges generally the same claims as the consolidated amended complaint with certain additional allegations, as well as claims that the risk factors set forth in the registration statement for the Preferred Offering were inadequate and that certain additional statements in the sources identified above were misleading. The second amended complaint seeks, among other things, unspecified compensatory damages and an award of attorney and expert fees and expenses. On September 11, 2019, all defendants moved to dismiss the second amended complaint. Plaintiffs' opposition to that motion was filed on November 1, 2019 and all defendants filed a reply brief on November 26, 2019. On June 22, 2020, counsel for Arconic Corporation and the individual defendants filed a letter apprising the Court of a recent decision by the Third Circuit and discussing its relevance to the pending motion to dismiss. Pursuant to an Order by the Court directing the plaintiffs to respond to this letter, the plaintiffs filed a letter response on July 9, 2020. On June 23, 2021, the Court granted in part and denied in part the defendants' motion to dismiss the second amended complaint. The Court dismissed with prejudice plaintiffs' claim against ParentCo, certain officers and directors and the underwriters based on the registration statement for the Preferred Offering, with the exception of one statement and only as to purchases made before October 23, 2015. In addition, plaintiffs' claim based on ParentCo's statements in other SEC filings, in product brochures, and on websites was dismissed in its entirety as to Kleinfeld and dismissed in part and allowed in part as to ParentCo. The Court also dismissed the control-person liability claims in their entirety. On August 11, 2021, ParentCo filed a motion with the district court for certification of an interlocutory appeal and a stay pending appeal. The motion seeks to appeal the aspect of the court's June 23, 2021 opinion concerning the complaint's pleading of ParentCo's alleged scienter. Plaintiffs filed an opposition to the motion on August 17, 2021, and ParentCo filed a reply brief on August 24, 2021. On August 12, 2021, defendants filed an answer to the second amended complaint. A status conference was held before the Court on January 11, 2022 during which the Court heard argument from both parties on the pending motion for certification of an interlocutory appeal. On July 29, 2022, the Court denied the motion for certification of an interlocutory appeal and ordered the parties to submit a proposed scheduling order, which the parties jointly filed on August 29, 2022. The Court held a status conference on September 14, 2022, and the parties now await an order from the Court setting the schedule for class certification briefing and discovery. Given the preliminary nature of this matter and the uncertainty of litigation, Arconic Corporation cannot reasonably estimate at this time the likelihood of an unfavorable outcome or the possible loss or range of losses in the event of an unfavorable outcome.

Raul v. Albaugh, et al. On June 22, 2018, a derivative complaint was filed nominally on behalf of ParentCo by a purported ParentCo stockholder against the then members of ParentCo's Board of Directors and Klaus Kleinfeld and Ken Giacobbe, naming ParentCo as a nominal defendant, in the United States District Court for the District of Delaware. The complaint raises similar allegations as the consolidated amended complaint and second amended complaint in *Howard*, as well as allegations that the defendants improperly authorized the sale of Reynobond PE for unsafe uses, and asserts claims under Section 14(a) of the Securities Exchange Act of 1934, as amended, and Delaware state law. On July 13, 2018, the parties filed a stipulation agreeing to stay this case until the final resolution of the *Howard* case, the Grenfell Tower Public Inquiry in London, and the investigation by the Police and on July 23, 2018, the Court approved the stay. Given the preliminary nature of this matter and the uncertainty of litigation, Arconic Corporation cannot reasonably estimate at this time the likelihood of an unfavorable outcome or the possible loss or range of losses in the event of an unfavorable outcome.

General. While Arconic believes that all the above referenced Reynobond PE cases are without merit and intends to challenge them vigorously, there can be no assurances regarding the ultimate resolution of these matters.

Tax. Under the terms of the agreements that govern the 2016 Separation Transaction, Arconic may be entitled to future economic benefits resulting from Alcoa Corporation's utilization of certain value-added tax credits that were generated, in part, by the Company's former operations in Brazil in years prior to 2015. Because Arconic is not party to the regulatory filings with the Brazilian government and, therefore, does not have a basis to conclude on the realizability of these value-added tax credits by Alcoa Corporation, the Company will recognize income when amounts are realized, if any.

General. In addition to the matters described above, various other lawsuits, claims, and proceedings have been or may be instituted or asserted against Arconic, including those pertaining to environmental, product liability, safety and health, employment, tax, and antitrust matters. 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 reporting 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 results of operations, financial position or cash flows of Arconic.

Q. Financial Instruments

Amounts designated below as kmt are thousand metric tons and MMBtu are million British thermal units.

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.

The respective carrying value and fair value of Arconic's financial instruments were as follows:

	September 30, 2022		December 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalents	$ 312	$ 312	$ 335	$ 335
Hedging instruments and derivatives - assets	136	136	1	1
Short-term debt	150	150	—	—
Hedging instruments and derivatives - liabilities	1	1	23	23
Long-term debt	1,596	1,470	1,594	1,692

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

Cash and cash equivalents and Short-term debt. The carrying amounts approximate fair value because of the short maturity of the instruments. The fair value amounts for Cash and cash equivalents were classified in Level 1 of the fair value hierarchy and Short-term debt was classified in Level 2 of the fair value hierarchy.

Hedging instruments and derivatives. Arconic is exposed to certain risks relating to its ongoing business operations, including financial, market, political, and economic risks. Information regarding the Company's exposure to the risks of changing commodity prices is described below.

Arconic's commodity and hedging activities are subject to the management, direction, and control of the Strategic Risk Management Committee (SRMC), which consists of at least three members, including the Company's chief executive officer and chief financial officer. The remaining member(s) are other Arconic officers and/or employees as the chief executive officer may designate from time to time. Currently, the only other member of the SRMC is the Company's treasurer. The SRMC meets on a periodic basis to review hedging positions and strategy and reports to the Audit and Finance Committee of Arconic's Board of Directors on the scope of its activities.

The Company's hedging instruments are held for purposes other than trading. They are used primarily to mitigate uncertainty and volatility, and to cover underlying exposures. Specifically, these instruments hedge forward sale commitments for aluminum and forward purchase commitments for aluminum, natural gas, and certain alloying materials. Arconic is not involved in trading activities for energy, weather derivatives, or other nonexchange commodity trading activities.

The fair value of the Company's hedging instruments was based on quoted market prices (e.g., aluminum prices on the 10-year London Metal Exchange forward curve) and were classified in Level 1 of the fair value hierarchy. Most of these instruments are comprised of those that were designated as cash flow hedges while the remainder are marked-to-market as they do not qualify for hedge accounting.

The following table presents the fair value and amount of underlying by type for all hedging instruments:

	September 30, 2022				December 31, 2021			
Assets								
Cash flow hedges								
Aluminum	$	109	230	kmt	$	—	—	
Energy		10	8.6	MMBtu		—	—	
Alloying materials		(4)	5	kmt		—	—	
Marked-to-market								
Aluminum		1	17	kmt		1	14	kmt
Energy		3	0.2	MMBtu		—	—	
	$	119			$	1		
Liabilities								
Cash flow hedges								
Aluminum	$	—	—		$	18	251	kmt
Energy		—	—			2	3.3	MMBtu
Alloying materials		—	—			—	—	kmt
Marked-to-market								
Aluminum		—	—			3	19	kmt
	$	—			$	23		

The following table presents the unrealized and realized gains and losses associated with those hedging instruments designated as cash flow hedges:

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Unrealized				
Other comprehensive loss				
Aluminum	$ 66	$ (66)	$ 113	$ (161)
Energy	14	—	27	—
Alloying materials	(2)	—	(4)	1
	$ 78	$ (66)	$ 136	$ (160)
Realized*				
Sales				
Aluminum	$ 90	$ (52)	$ (17)	$ (104)
Cost of goods sold				
Aluminum	(3)	(2)	(4)	(6)
Energy	(8)	—	(15)	—
Alloying materials	1	(1)	1	(2)
	$ 100	$ (49)	$ 1	$ (96)

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* In all periods presented, these amounts were reclassified from Accumulated other comprehensive loss (see Note K).

For hedging instruments that do not qualify for hedge accounting, in the 2022 third quarter and nine-month period, the Company recognized both an unrealized loss of $5 and an unrealized gain of $1, respectively, and a realized gain of $3 and $5, respectively, in Sales for aluminum, and an unrealized loss of $1 and an unrealized gain of $2, respectively, and a realized gain of $2 (both periods) in Cost of goods sold for energy. Unrealized and realized impacts were not material in the 2021 third quarter and nine-month period.

The disclosures with respect to commodity price risk do not consider the underlying commitments or anticipated transactions. If the underlying items were included, the gains or losses on the hedging instruments may be offset. Actual results will be determined by several factors that are not under Arconic's control and could vary significantly from those factors disclosed.

The Company is exposed to credit loss in the event of nonperformance by counterparties on the above instruments, as well as credit or performance risk with respect to its hedged customers' commitments. Arconic does not anticipate nonperformance by any of these parties. Contracts are with creditworthy counterparties and are further supported by cash or irrevocable letters of credit issued by carefully chosen banks. In addition, master netting arrangements are in place with counterparties to facilitate settlement of gains and losses on these contracts.

Separately, Arconic has three natural gas supply contracts that are treated as derivatives for accounting purposes as they failed to qualify for the normal purchase normal sale exception due to net settlement provisions. These derivatives also do not qualify for hedge accounting. The Company does not have a regular practice of entering into contracts that are treated as derivatives for accounting purposes. As of September 30, 2022, Arconic's derivatives classified as assets and liabilities consisted of $16 (9.1 MMBtu) and $1 (6.0 MMBtu), respectively. Additionally, in the 2022 third quarter and nine-month period, the Company recognized an unrealized loss of $5 and an unrealized gain of $15, respectively, in Cost of goods sold for these derivatives (see Note A).

Long-term debt. The fair value was based on quoted market prices for public debt and was classified in Level 2 of the fair value hierarchy.

R. Receivables

On January 5, 2022, the Company entered into a one-year arrangement with a financial institution to sell certain customer receivables outright without recourse on a continuous basis. All such sales are at Arconic's discretion. Under this arrangement, the Company serves in an administrative capacity, including collection of the receivables from the respective customers and remittance of these cash collections to the financial institution. Accordingly, upon the sale of customer receivables to the financial institution, Arconic removes the underlying trade receivables from the Consolidated Balance Sheet and includes the reduction as a positive amount in the (Increase) in receivables line item within Operating Activities on the Statement of Consolidated Cash Flows. At no time can the outstanding balance due to the financial institution exceed $225 (increased in February from original amount of $100). In the 2022 nine-month period, the Company sold customer receivables of $963 and remitted cash collections of $805 to the financial institution. Of the total amount of customer receivables sold in the 2022 nine-month period, $77 were included in Receivables from customers on the accompanying Consolidated Balance Sheet as of December 31, 2021.

S. Subsequent Events

Management evaluated all activity of Arconic and concluded that no subsequent events have occurred that would require recognition in the Consolidated Financial Statements or disclosure in the Notes to the Consolidated Financial Statements.

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

(dollars in millions, except per-share amounts; shipments in thousands of metric tons (kmt))

References to "ParentCo" refer to Arconic Inc., a Delaware corporation, and its consolidated subsidiaries (through March 31, 2020, at which time it was renamed Howmet Aerospace Inc. ("Howmet")). On April 1, 2020 (the "Separation Date"), ParentCo separated into two standalone, publicly-traded companies, Arconic Corporation and Howmet (the "Separation"). In connection with the Separation, as of March 31, 2020, the Company and Howmet entered into several agreements to effect the Separation, including a Separation and Distribution Agreement and a Tax Matters Agreement. See Overview in the Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II Item 7 of Arconic Corporation's Annual Report on Form 10-K for the year ended December 31, 2021 for additional information.

Results of Operations

Outlook

Management has revised certain expectations for sales by major end market, from what had been previously disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in both Part I Item 2 in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2022 and in Part II Item 7 in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Consistent with the disclosure included in the Form 10-K, the revised expectations do not include the impact of changes in aluminum prices.

- Ground Transportation: we lowered our sales outlook at the end of third quarter 2022 to reflect anticipated growth of approximately 0% to 5% (versus prior expectation of 5% to 10%) in 2022 compared with 2021 due to continued supply chain challenges being experienced by original equipment manufacturers.
- Industrial Products: we lowered our sales outlook at the end of third quarter 2022 to reflect anticipated growth of approximately (10)% to 0% (versus prior expectation of 5% to 10%) in 2022 compared with 2021 due to operational issues at our Tennessee and Lancaster plants that are impacting shipments in this end market.
- Building and Construction: we raised our sales outlook at the end of first quarter 2022 (unchanged at the end of both second quarter and third quarter 2022) to reflect anticipated growth of approximately 15% to 20% (versus prior expectation of 5% to 10%) in 2022 compared with 2021, driven by growth in North American non-residential construction activity and our ability to capture meaningful price increases to address inflationary cost pressures.
- Packaging: we lowered our sales outlook at the end of third quarter 2022 to reflect anticipated growth of approximately 20% to 30% (versus prior expectation of 20% to 40%) in 2022 compared with 2021 due to lower export sales from China and Russia.
- Aerospace: we lowered our sales outlook at the end of third quarter 2022 to reflect anticipated growth of approximately 30% to 40% (versus prior expectation of 35% to 45%) in 2022 compared with 2021 due to production challenges at our Davenport plant that are impacting shipments in this end market.

Legal Proceedings Involving our Russian Operations

Our subsidiaries that own and operate our facility located in Samara, Russia are, and have been since the Separation, subject to proceedings initiated by Russian regulatory authorities as a result of alleged violations of Russian Federal Law No. 57-FZ. In connection with these proceedings, authorities have imposed preliminary injunctions prohibiting, among other actions, the disposition of shares or assets, the payment of dividends, placement of bonds, amendments to organizational documents, and changes to the subsidiaries' chief executive officer and board of directors. See Note P to the Consolidated Financial Statements in Part I, Item 1. "Financial Statements" under the caption "Contingencies and Commitments—Contingencies—Litigation—Federal Antimonopoly Service Of The Russian Federation Litigation" for additional information regarding the proceedings. The proceedings and underlying claims may not be resolved favorably, are likely to continue to be delayed, may be resolved in a manner that results in permanent injunctions similar to or more restrictive than the preliminary injunctions, and could result in a requirement by the Russian government that we divest some or all of the assets located at the Samara facility, requirements related to or restrictions on the terms of any such divestiture, or the nationalization or other expropriation of our Russian operations by the Russian government.

The following table presents selected financial information related to our operations in Russia:

	September 30, 2022[1]	December 31, 2021
Cash and cash equivalents	$ 174	$ 79
Receivables from customers	98	120
Inventories	122	102
Properties, plants and equipment, net	186	200
Accounts payable, trade	27	47

	For the nine months ended September 30, 2022	For the year ended December 31, 2021
Third-party sales[2]	$ 787	$ 968
Segment Adjusted EBITDA	62	87

(1) As of September 30, 2022, our Russia operations had approximately $520 in net assets (excluding intercompany balances).

(2) In both periods presented, Third-party sales includes aluminum products manufactured at Arconic's plant in Russia and sold through the Company's international selling company located in Hungary.

At September 30, 2022 and December 31, 2021, the Cash and cash equivalents presented above were held in Russia and were not available for dividends. Cash and cash equivalents held in Russia represented 13% of Arconic's liquidity (comprised of Cash and cash equivalents of $312 and undrawn availability of $1,039 under Arconic's ABL Credit Agreement (see Note N to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q)) at September 30, 2022. Cash and cash equivalents held in Russia increased $95 from December 31, 2021 to September 30, 2022, primarily due to increased earnings, currency appreciation, and lower aluminum prices. In addition, for the nine months ended September 30, 2022 and year ended December 31, 2021, our Samara, Russia facility generated 14% and 16% of Third-party sales (mostly packaging and industrial), respectively, and 13% of Segment Adjusted EBITDA for the Rolled Products segment. As a condition of the acquisition of the Samara facility in 2005 by our former parent company, our Samara facility has an ongoing legal obligation to manufacture semi-finished products for Russian customers for defense applications. The sale of such products represented 1% of the third-party sales generated by our Samara facility for both the nine months ended September 30, 2022 and year ended December 31, 2021.

In May 2022, we announced that we would pursue the sale of our operations in Russia. Arconic has engaged with both the U.S. government and Russian government with the objective of executing a lawful sale of its Russian operations. The Company has had several interested parties in the process and is ultimately working towards completion of a sale of its Russian operations to a third party pursuant to a framework agreement, the closing of which is subject to the receipt of governmental approvals and other conditions and contingencies. See Note O to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

We cannot at this time reasonably estimate the likelihood or timing of any resolution of the regulatory proceedings or underlying claims, whether such resolution would include the removal of the injunctions or the imposition of additional restrictions, or whether we will be able to successfully complete the sale of our Russian operations. The potential impacts of an unfavorable resolution of the proceedings and underlying claims, and our decision to pursue the sale of our Russian operations, include:

- continued unavailability of funds for the payment of dividends to Arconic;
- a restriction on the disposition of shares or assets;
- decreases in or loss of third-party sales and Segment Adjusted EBITDA generated by our Russian operations;
- restrictions on capital investments in the facility;
- our ability to sell our Russian operations and any losses on, and transaction expenses associated with, any such sale;
- our ability to access or repatriate the proceeds of any such sale; and
- reactions to or consequences of our announcement regarding the sale of our Russian operations, including the potential for our Russian operations to be nationalized or otherwise expropriated by the Russian government.

Any of the foregoing could have a significant indirect impact on the performance of our other locations. In addition, any impact on our ability to fulfill existing contractual obligations could subject us to reputational harm and potential litigation involving customers and suppliers. Increased restrictions on our operations in Russia may have a material adverse effect on our financial condition, results of operations or cash flows. Our operations in Russia, our ability to resolve the proceedings and underlying claims related to our facility in Samara, Russia, and our ability to complete the sale of our Russian operations are likely to be negatively impacted by the disruption and geopolitical instability resulting from the ongoing conflict between Russia and Ukraine. See Part II, Item 1A "Risk Factors—*The ongoing conflict between Russia and Ukraine has resulted in continued geopolitical instability and disruption, which are likely to adversely affect our business, financial condition, results of operations or cash flows and our ability to complete the sale of our Russian operations."* for additional information.

Earnings Summary

Sales. Sales were $2,280 in the 2022 third quarter compared to $1,890 in the 2021 third quarter and $7,019 in the 2022 nine-month period compared with $5,366 in the 2021 nine-month period. The increase of $390, or 21%, in the third quarter comparison was primarily due to favorable impacts from aluminum hedging activities, favorable product pricing, and favorable product mix, somewhat offset by lower aluminum prices. In the nine-month period comparison, the improvement of $1,653, or 31%, was principally due to higher aluminum prices, favorable impacts from aluminum hedging activities, favorable product pricing, and favorable product mix, all of which were slightly offset by unfavorable foreign currency movements driven by a weaker euro.

In March 2021, the Company entered into a settlement agreement with a customer related to the terms of an existing long-term contract. As a result, the customer agreed to pay Arconic $18, which will be recognized over the applicable three-year period. Accordingly, the Company's sales for each of the 2022 and 2021 third quarter included $2 and the 2022 and 2021 nine-month period included $5 and $11, respectively, associated with this settlement.

Cost of goods sold. COGS was $2,074, or 91.0% of Sales, in the 2022 third quarter compared to $1,676, or 88.7% of Sales, in the 2021 third quarter and $6,288, or 89.6% of Sales, in the 2022 nine-month period compared with $4,674, or 87.1% of Sales, in the 2021 nine-month period. In the third quarter and nine-month period comparisons the percentage was negatively impacted by higher costs for direct materials, including alloying materials, energy, and transportation, operational issues and production outages affecting the Rolled Products segment, and higher aluminum prices (underlying metal price is contractually passed-through to most customers at cost). These negative impacts were partially offset by favorable product pricing driven by pricing pressures primarily in North America as a result of inflation.

Additionally, on May 14, 2022, the Company and the United Steelworkers reached a tentative four-year labor agreement covering approximately 3,300 employees at four U.S. locations; the previous labor agreement expired on May 15, 2022. The tentative agreement was ratified by the union employees on June 1, 2022. In the 2022 nine-month period, Arconic recognized $19 in Cost of goods sold primarily for a one-time signing bonus for the covered employees.

Selling, general administrative, and other expenses. SG&A was $62 in the 2022 third quarter compared to $63 in the 2021 third quarter and $200 in the 2022 nine-month period compared to $183 in the 2021 nine-month period. The decrease of $1, or 2%, in the third quarter comparison was due to lower incentive compensation expense mostly offset by an increase in labor costs and legal fees. The increase of $17, or 9%, in the 2022 nine-month period comparison was largely attributable to higher labor costs, stock-based employee compensation expense, and legal fees. SG&A as a percentage of Sales was 2.7% in the 2022 third quarter compared to 3.3% in the 2021 third quarter and 2.8% in the 2022 nine-month period compared to 3.4% in the 2021 nine-month period.

Provision for depreciation and amortization. D&A was $59 in the 2022 third quarter compared to $61 in the 2021 third quarter and $181 in the 2022 nine-month period compared to $186 in the 2021 nine-month period. The decrease of $2, or 3%, in the third quarter comparison, and $5, or 3%, in the nine-month period was mainly caused by the absence of depreciation resulting from asset retirements and a decrease in amortization related to intangible assets.

Restructuring and other charges. Restructuring and other charges were $112 and $119 in the 2022 third quarter and nine-month period, respectively, and $14 and $612 in the 2021 third quarter and nine-month period, respectively. See Note E to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q for additional information.

Interest expense. Interest expense was $27 in the 2022 third quarter compared to $26 in the 2021 third quarter and $78 in the 2022 nine-month period compared to $74 in the 2021 nine-month period. The increase of $1, or 4%, in the third quarter comparison was principally related to $150 borrowed, of which $50 was repaid, under the ABL Credit Facility. The increase of $4, or 5%, in the nine-month period comparison was principally related to $250 borrowed, of which $100 was repaid, under the ABL Credit Facility, and additional interest associated with a $300 debt offering completed in March 2021. See Financing Activities under Liquidity and Capital Resources below for additional information related to these financing transactions.

Other expenses, net. Other expenses, net was $27 and $9 in the 2022 third quarter and nine-month period, respectively, compared to $15 and $52 in the 2021 third quarter and nine-month period, respectively. See Note F to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q for additional information.

Provision (Benefit) for income taxes. The Company's effective tax rate, including discrete items, was 27.8% and 21.4% in the 2022 third quarter and nine-month period, respectively, and 40.7% and 18.4% in the 2021 third quarter and nine-month period, respectively. See Note H to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q for additional information.

Segment Information

Arconic's profit or loss measure for its reportable segments is Segment Adjusted EBITDA (Earnings before interest, taxes, depreciation, and amortization). The Company calculates Segment Adjusted EBITDA as Total sales (third-party and intersegment) minus each of (i) Cost of goods sold, (ii) Selling, general administrative, and other expenses, and (iii) Research and development expenses, plus each of (i) Stock-based compensation expense, (ii) Metal price lag, and (iii) Unrealized (gains) losses on mark-to-market hedging instruments and derivatives (see below). Arconic's Segment Adjusted EBITDA may not be comparable to similarly titled measures of other companies' reportable segments.

Effective in the first quarter of 2022, management modified the Company's definition of Segment Adjusted EBITDA to exclude the impact of unrealized gains and losses on mark-to-market hedging instruments and derivatives. This modification was deemed appropriate as Arconic is considering entering into additional hedging instruments in future reporting periods if favorable conditions exist to mitigate cost inflation. Certain of these instruments may not qualify for hedge accounting resulting in unrealized gains and losses being recorded directly to Sales or Cost of goods sold, as appropriate (i.e., mark-to-market). Additionally, this change was also applied to derivatives that do not qualify for hedge accounting for consistency purposes. The Company does not have a regular practice of entering into contracts that are treated as derivatives for accounting purposes. Ultimately, this change was made to maintain the transparency and visibility of the underlying operating performance of Arconic's reportable segments. Prior to this change, the Company had a limited number of hedging instruments and derivatives that did not qualify for hedge accounting, the unrealized impact of which was not material to Arconic's Segment Adjusted EBITDA performance measure. Accordingly, prior period information presented was not recast to reflect this change.

Rolled Products

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Third-party sales	$ 1,861	$ 1,559	$ 5,778	$ 4,397
Intersegment sales	10	9	33	26
Total sales	$ 1,871	$ 1,568	$ 5,811	$ 4,423
Segment Adjusted EBITDA	$ 111	$ 155	$ 461	$ 493
Third-party aluminum shipments (kmt)	345	345	1,067	1,043

Third-party sales for the Rolled Products segment increased $302, or 19%, in the 2022 third quarter and $1,381, or 31%, in the 2022 nine-month period compared to the same periods in 2021. In the third quarter comparison, the increase was primarily due to favorable impacts from aluminum hedging activities, price increases for the pass-through of certain inflation impacts, and favorable product mix, somewhat offset by lower aluminum prices (see below). The improvement in the nine-month period comparison was largely the result of higher aluminum prices (see below), favorable impacts from aluminum hedging activities, price increases for the pass-through of certain inflation impacts, favorable product mix, and a net increase in volumes (see below).

In the third quarter comparison, the lower aluminum prices were mostly driven by an 11% decrease in the average LME aluminum price and a decline in regional premiums, including a 21% decrease in the average Midwest premium (United States). The higher aluminum prices in the nine-month period comparison were largely driven by a 19% rise in the average LME aluminum price and increases in regional premiums, including a 31% increase in the average Midwest premium (United States).

The net increase in volumes in the nine-month period comparison was mostly due to improvements in the packaging, aerospace, and automotive component of ground transportation end markets. Volume related to the packaging end market increased significantly as the can sheet operation at the Tennessee rolling mill essentially reached full capacity by the end of the

2022 second quarter. Higher volume associated with the aerospace end market was driven by continued recovery from the COVID-19 pandemic. An improvement in volume for the automotive component of ground transportation was due to slow recovery from the global semiconductor chip shortage. These higher volumes were partially offset by a decline in both industrial products and the commercial transportation component of ground transportation end markets, both of which were impacted by supply chain disruptions. Additionally, the Rolled Products segment experienced operational challenges and production outages associated with electrical and mechanical issues at the Tennessee rolling mill and disruptions in both the Tennessee and Davenport casting operations.

In March 2021, the Company entered into a settlement agreement with a customer related to the terms of an existing long-term contract. As a result, the customer agreed to pay Arconic $18, which will be recognized over the applicable three-year period. Accordingly, the Company's sales for each of the 2022 and 2021 third quarter included $2 and the 2022 and 2021 nine-month period included $5 and $11, respectively, associated with this settlement.

Segment Adjusted EBITDA for this segment decreased $44, or 28%, and $32, or 6%, in the 2022 third quarter and nine-month period, respectively, compared with the corresponding periods in 2021. The decline in both comparisons was principally related to higher costs for alloying materials, energy, maintenance, and transportation all due to inflation, the impact of the previously mentioned operational challenges and production outages, and increased expenses for labor as this segment increases its workforce to address current and future volume growth. These higher costs were partially offset by customer price increases due to adjustments for inflation impacts and, in the nine-month period comparison, a benefit derived from the absence of below normal absorption of fixed costs that occurred in the 2021 first quarter.

The Company is working towards completion of a sale of its operations in Russia. See "—Legal Proceedings Involving our Russian Operations" and Note O to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q for additional information.

Building and Construction Systems

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Third-party sales	$ 321	$ 257	$ 941	$ 750
Segment Adjusted EBITDA	$ 49	$ 34	$ 146	$ 97

Third-party sales for the Building and Construction Systems segment increased $64, or 25%, in the 2022 third quarter and $191, or 25%, in the 2022 nine-month period, compared to the same periods in 2021. In both comparisons, the improvement was mostly attributable to multiple product price increases implemented since March 2021 across the entire portfolio to address inflationary cost pressures.

Segment Adjusted EBITDA for this segment increased $15, or 44%, and $49, or 51%, in the 2022 third quarter and nine-month period, respectively, compared with the corresponding periods in 2021. In both comparisons, the improvement was primarily related to favorable product pricing, partially offset by higher costs for aluminum, alloying materials, maintenance, and transportation, all due to inflation.

The Company is evaluating strategic options for the businesses that comprise the Building and Construction Systems segment. See Note O to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q for additional information.

Extrusions

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Third-party sales	$ 98	$ 74	$ 300	$ 219
Segment Adjusted EBITDA	$ (13)	$ (7)	$ (30)	$ (19)
Third-party aluminum shipments (kmt)	9	9	28	26

Third-party sales for the Extrusions segment increased $24, or 32%, in the 2022 third quarter and $81, or 37%, in the 2022 nine-month period compared to the same periods in 2021. In both comparisons, the improvement was principally the result of favorable product mix, primarily due to higher volumes for aerospace and automotive; price increases, due to adjustments for inflation impacts and higher aluminum prices; and a net increase in volumes, mostly driven by aerospace due to the lessened impact of the COVID-19 pandemic.

Segment Adjusted EBITDA for this segment decreased $6, or 86%, and $11, or 58%, in the 2022 third quarter and nine-month period, respectively, compared with the corresponding periods in 2021. The decrease in both comparisons was mainly attributable to higher costs for aluminum, transportation, outside services, and energy. The higher costs were the result of both increased pricing due to inflation and usage due to operational issues. These negative impacts were mostly offset by customer price increases due to adjustments for inflation impacts. Overall, operational issues are driving underperformance in this segment.

In the 2022 third quarter, management initiated a business review of the Extrusions segment aimed at identifying alternatives to improve the financial performance of this segment in future periods. Management continues to assess alternatives and no decisions or commitments were made as of September 30, 2022. In connection with this review, the Company updated its five-year strategic plan, the results of which indicated that there is an expected decline in the forecasted financial performance for the Extrusions segment (and asset group), including continued forecasted losses. As such, management evaluated the recoverability of the long-lived assets of the Extrusions asset group by comparing the aggregate carrying value to the undiscounted future cash flows. The result of this evaluation was that the long-lived assets were deemed to be impaired as the aggregate carrying value exceeded the undiscounted future cash flows. The impairment charge was measured as the difference between the aggregate carrying value and aggregate fair value of the long-lived assets. Fair value was determined using an orderly liquidation methodology for the machinery and equipment and a sales comparison approach for the land and structures. As a result, the Company recorded an impairment charge of $92, composed of $90 for Properties, plants, and equipment and $2 for intangible assets (included within Other noncurrent assets), in Restructuring and other charges on the Company's Statement of Consolidation Operations (see Note E to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q). This charge was not included in Extrusion's Segment Adjusted EBITDA.

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

	Third quarter ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Total Segment Adjusted EBITDA	$ 147	$ 182	$ 577	$ 571
Unallocated amounts:				
Corporate expenses[(1)]	(4)	(7)	(23)	(26)
Stock-based compensation expense	(6)	(8)	(19)	(15)
Metal price lag[(2)]	15	(21)	9	(27)
Unrealized (losses) gains on mark-to-market hedging instruments and derivatives	(7)	—	16	—
Provision for depreciation and amortization	(59)	(61)	(181)	(186)
Restructuring and other charges[(3)]	(112)	(14)	(119)	(612)
Other[(4)]	(10)	(3)	(56)	(19)
Operating (loss) income	(36)	68	204	(314)
Interest expense	(27)	(26)	(78)	(74)
Other expenses, net	(27)	(15)	(9)	(52)
Benefit (Provision) for income taxes	25	(11)	(25)	81
Net income attributable to noncontrolling interest	—	—	(1)	—
Consolidated net (loss) income attributable to Arconic Corporation	$ (65)	$ 16	$ 91	$ (359)

(1) Corporate expenses are composed of general administrative and other expenses of operating the corporate headquarters and other global administrative facilities.

(2) Metal price lag represents the financial impact of the timing difference between when aluminum prices included in Sales are recognized and when aluminum purchase prices included in Cost of goods sold are realized. This adjustment aims to remove the effect of the volatility in metal prices and the calculation of this impact considers applicable metal hedging transactions.

(3) In the 2022 third quarter and nine-month period, Restructuring and other charges includes a $92 asset impairment charge related to the Extrusions segment (see Extrusions above).

(4) Other includes certain items that impact Cost of goods sold and Selling, general administrative, and other expenses on the Company's Statement of Consolidated Operations that are not included in Segment Adjusted EBITDA. In the 2022 third quarter and nine-month period, the respective amounts include costs related to environmental remediation charges of $9 and $18, respectively. Additionally in the 2022 nine-month period, Other includes costs related to the new union labor agreement of $19. These charges were recorded in Cost of goods sold on Arconic's Statement of Consolidated Operations. See Note G and Environmental Matters in Note P, respectively, to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q.

Environmental Matters

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

Liquidity and Capital Resources

At September 30, 2022, the Company's Cash and cash equivalents were $312, of which $174, or 56%, was held in Russia. Cash and cash equivalents held in Russia represented 13% of Arconic's total liquidity at September 30, 2022. Cash and cash equivalents held in Russia increased $95 from December 31, 2021 to September 30, 2022, primarily due to increased earnings, currency appreciation, and lower aluminum prices. Cash and cash equivalents held in Russia are currently subject to preliminary injunctions imposed by regulatory authorities that, among other things, prohibit the distribution of dividends. We cannot at this time reasonably estimate the likelihood or timeline of a resolution involving the removal of these injunctions, and accordingly cannot reasonably estimate when, if at all, the funds will be available for the payment of dividends to Arconic. We maintain a renewable intercompany loan facility that could be utilized but we have as yet not utilized this facility. In addition, Arconic has a number of commitments and obligations related to the Company's operations in various foreign jurisdictions, resulting in the need for cash outside the United States. Management continuously evaluates the Company's local and global cash needs for future business operations, which may influence future repatriation decisions.

Operating Activities

Cash provided from operations was $150 in the 2022 nine-month period compared with cash used for operations of $503 in the 2021 nine-month period.

In the 2022 nine-month period, cash provided from operations was mostly comprised of a positive add-back for non-cash transactions in earnings of $351 and net income of $92, partially offset by an unfavorable change in working capital of $284. The change in working capital was largely driven by higher aluminum prices due to an increase in both the average LME price and regional premiums. Additionally, the unfavorable change in working capital includes a benefit of $158 related to customer receivables sold to a financial institution where the underlying trade receivables were uncollected as of September 30, 2022 (see Note R to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q).

In the 2021 nine-month period, cash used for operations was mostly comprised of pension contributions of $456 (see below), an unfavorable change in working capital of $454, and a net loss of $359, partially offset by a positive add-back for non-cash transactions in earnings of $778. The impact in working capital was partially driven by higher aluminum prices due to an increase in both the average LME price and regional premiums.

In January 2021, the Company contributed a total of $200 to its two funded U.S. defined benefit pension plans, comprised of the estimated minimum required funding for 2021 of $183 and an additional $17. Additionally, in April 2021, Arconic contributed a total of $250 to its two funded U.S. defined benefit pension plans to maintain the funding level of the remaining plan obligations not transferred under a group annuity contract. This contribution was funded with the net proceeds from a March 2021 debt offering (see 2021 Debt Activity in Financing Activities below). The Company had no minimum required funding due in the 2022 first quarter and contributed $7 in both the 2022 second quarter and third quarter to these two plans. Arconic expects to contribute a total of $8 to these two plans in the remainder of 2022.

The Company received $5 and $11 in the 2022 and 2021 nine-month period, respectively, related to a settlement agreement reached with a customer in March 2021. See Sales under Results of Operations above for additional information.

Financing Activities

Cash provided from financing activities was $1 in the 2022 nine-month period compared with $190 in the 2021 nine-month period. The source of cash in the 2022 nine-month period was principally due to $150 in net borrowings under the ABL Credit

Facility (see 2022 Debt Activity below) mostly offset by the repurchase of 4,863,672 shares of the Company's common stock for $139 (see Share Repurchase Program below). In the 2021 nine-month period, the source of cash reflects $314 in net proceeds from the issuance of new indebtedness (see 2021 Debt Activity below), somewhat offset by $106 for the repurchase of 3,108,705 shares of the Company's common stock (see Share Repurchase Program below).

2022 Debt Activity—Arconic maintains a five-year credit agreement, dated May 13, 2020, with a syndicate of lenders named therein and Deutsche Bank AG New York Branch as administrative agent (the "ABL Credit Agreement"). The ABL Credit Agreement provides for a senior secured asset-based revolving credit facility (the "ABL Credit Facility") to be used, generally, for working capital or other general corporate purposes. See Note Q to the Consolidated Financial Statements in Part II Item 8 of Arconic's Annual Report on Form 10-K for the year ended December 31, 2021 (filed on February 22, 2022) for additional information related to the ABL Credit Agreement.

On February 16, 2022, the Company's ABL Credit Agreement was amended to increase the revolving commitments under the ABL Credit Facility to $1,200 from $800 (available balance as of September 30, 2022 was $1,039 – see Note N to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q). Additionally, the accordion feature of the ABL Credit Facility was revised to provide for the Company to request a further increase to the revolving commitments in an aggregate principal amount equal to the greater of $350 and the excess of the borrowing base over the ABL Credit Facility commitments. Furthermore, the LIBOR-based floating interest rate was replaced with a term SOFR-based interest rate, plus a credit spread adjustment equal to 0.10%, 0.15% or 0.25% per annum for SOFR-based borrowings with interest periods of one month, three months, or six months, respectively, under the ABL Credit Facility. Arconic paid $1 in upfront costs associated with these amendments.

In the 2022 nine-month period, the Company borrowed $250 and repaid $100 under the ABL Credit Facility. These borrowings were designated as SOFR loans with either an initial one-month or three-month interest period. Arconic may repay early or extend a part or all of these borrowings. In the 2022 third quarter and nine-month period, the weighted-average interest rate and weighted-average days outstanding of the borrowings was 5.03% and 4.02%, respectively, and 74 days and 105 days, respectively.

In October 2022, the Company repaid an additional $50 of the outstanding borrowings under the ABL Credit Facility.

2021 Debt Activity—On March 3, 2021, the Company completed a Rule 144A (U.S. Securities Act of 1933, as amended) debt offering for an additional $300 aggregate principal amount of 6.125% Senior Secured Second-Lien Notes due 2028 (the "Additional 2028 Notes"). The Additional 2028 Notes were issued under the indenture governing Arconic's existing 6.125% Senior Secured Second-Lien Notes due 2028 (the "Existing 2028 Notes"). Other than with respect to the date of issuance and issue price, the Additional 2028 Notes are treated as a single series with and have the same terms as the Existing 2028 Notes. See Note Q to the Consolidated Financial Statements in Part II Item 8 of Arconic's Annual Report on Form 10-K for the year ended December 31, 2021 (filed on February 22, 2022) for additional information related to the Existing 2028 Notes. The Additional 2028 Notes were sold at 106.25% of par (i.e., a premium) and, after reflecting a discount to the initial purchasers of the Additional 2028 Notes, the Company received $315 in net proceeds from the debt offering. Arconic used the net proceeds of this issuance to fund an annuitization of certain U.S. defined benefit pension plan obligations in April 2021. The premium ($19) and costs to complete the financing ($5) were deferred and are being amortized to interest expense over the term of the Additional 2028 Notes. The amortization of the premium is reflected as a reduction to interest expense and the amortization of the costs to complete the financing is reflected as an addition to interest expense. Interest on the Additional 2028 Notes is paid semi-annually in February and August and commenced August 15, 2021.

Share Repurchase Program—On May 4, 2021, Arconic announced that its Board of Directors approved a share repurchase program authorizing the Company to repurchase shares of its outstanding common stock up to an aggregate transactional value of $300 over a two-year period expiring April 28, 2023. In the 2022 and 2021 nine-month periods, Arconic repurchased 4,863,672 and 3,108,705, respectively, shares of the Company's common stock for $139 and $106, respectively, under this program (see Part II Item 2 in this Form 10-Q for additional information).

Investing Activities

Cash used for investing activities was $171 in the 2022 nine-month period compared with $125 in the 2021 nine-month period. The use of cash in the 2022 nine-month period was due to $175 in capital expenditures, mostly due to growth spend at the U.S. rolling mills. The use of cash in the 2021 nine-month period was due to $123 in capital expenditures, largely attributable to sustaining spend at the U.S. rolling mills.

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.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not material.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Arconic'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 Securities Exchange Act of 1934, as of the end of the period covered by this report, and they have concluded that these controls and procedures are effective.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the third quarter of 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

The information set forth in “Litigation” in Note P to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors.

The ongoing conflict between Russia and Ukraine has resulted in continued geopolitical instability and disruption, which are likely to adversely affect our business, financial condition, results of operations or cash flows and our ability to complete the sale of our Russian operations.

The conflict between Russia and Ukraine has resulted in, and is expected to continue to result in, disruption and instability in global markets and various industries that are likely to negatively impact our business, financial condition, results of operations or cash flows. The U.S. government and the governments of other countries have announced trade restrictions, export controls, sanctions and other actions, and have threatened additional actions, against Russia. In response, Russia has taken actions that have further restricted various business, commercial and other activities in or involving Russia. These actions have resulted in, and will likely continue to result in, among other things, significant or complete restrictions on exports to and imports from, banking, and other commerce and business dealings involving, Russia, certain regions of Ukraine, and Belarus, as well as specifically identified companies and individuals, and the withdrawal from or reductions of operations in Russia of customers and suppliers. Any significant escalation of the conflict or expansion of the actions of governments will further exacerbate the instability and disruption, and the impact on our business, financial condition, results of operations or cash flows.

We continue to fulfill existing obligations in accordance with applicable laws, regulations and international rules. In May 2022 we announced our intention to pursue a sale of our operations in Russia. Arconic has engaged with both the U.S. government and Russian government with the objective of executing a lawful sale of its Russian operations. The Company has had several interested parties in the process and is ultimately working towards completion of a sale of its Russian operations to a third party pursuant to a framework agreement, the closing of which is subject to the receipt of governmental approvals and other conditions and contingencies. See "Management's Discussion and Analysis—Results of Operations—Legal Proceedings Involving our Russian Operations" and Note O to the Consolidated Financial Statements in Part I Item 1 of this Form 10-Q. The extent of the impact of the reduction in our operations and the sale of our Russian operations, or of current or future actions taken by Russia, the U.S. or other governments, is not reasonably possible to predict, but could include, among other impacts: embargoes; expropriation or other loss (whether partial or full) of assets or property; restrictions on our operations, including plant idling or closure; an inability to obtain raw materials, equipment, parts, and other key supplies and services; continued reduction or cessation of our customers' operations in Russia causing a decrease in demand for our products; increased inflationary pressures on raw materials and other supply chain costs; shipping and trade route restrictions; an increase in the frequency and severity of cyber attacks; volatility in currency exchange and interest rates; negative developments in the ongoing legal proceedings involving our facility in Samara, Russia; and additional adverse legal proceedings in Russia. The completion and timing of the sale of our Russian operations is subject to a number of risks, including, among other risks: our or the buyer's ability to obtain necessary regulatory approvals to complete the sale, or any conditions imposed in connection with regulatory approval of the sale; our or the buyer's ability to satisfy the conditions and contingencies related to the sale; and the ability of the buyer to access funding to timely complete the sale. In addition, the terms of the sale transaction may not reflect the fair value of the assets associated with our Russian operations, including the Samara facility, we may be unable to access or repatriate some or all of the proceeds of the sale or may incur significant taxes, fees or penalties associated with repatriation, and we may recognize significant charges related to the sale.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Legal Proceedings Involving our Russian Operations" for additional information regarding the proceedings involving our facility in Samara and the potential impact of the proceedings, or of a sale of our Russian operations, on our business.

In addition, the effects of the ongoing conflict between Russia and Ukraine, and the actions taken by governments or companies in response, could increase the likelihood or impact of any risks to our business, financial condition, results of operations or cash flows described in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K, including risks related to ongoing legal proceedings involving our facility in Samara, Russia; inflation, volatility in aluminum prices, energy prices and currency exchange rates; global operations; loss of customers; reduction in demand; intellectual property; disruption of facility operations; and cyber-security.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Issuer Purchases of Equity Securities

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs*	Approximate dollar value of shares that may yet be purchased under the plans or programs*
July 1 - July 31, 2022	1,776,471	$ 28.35	1,776,471	$ 36,000,000
August 1 - August 31, 2022	1,257,192	$ 28.56	1,257,192	$ —
September 1 - September 30, 2022	—	$ —	—	$ —
Total for quarter ended September 30, 2022	3,033,663		3,033,663	

* On May 4, 2021, Arconic announced that its Board of Directors approved a share repurchase program authorizing the Company to repurchase shares of its outstanding common stock up to an aggregate transactional value of $300 million over a two-year period expiring April 28, 2023. Repurchases under the program were made from time to time, as the Company deemed appropriate, solely through open market repurchases effected through a broker dealer, based on a variety of factors such as price, capital position, liquidity, financial performance, alternative uses of capital, and overall market conditions. This program was intended to comply with Rule 10b5-1 and all purchases were made in compliance with Rule 10b-18, including without limitation the timing, price, and volume restrictions thereof.

Item 6. Exhibits.

10.1	Employment Letter Agreement between Arconic Corporation and Diana B. Perreiah, dated as of August 5, 2022
10.2	Employment Letter Agreement between Arconic Corporation and Robert L. Woodall, dated as of August 5, 2022
31	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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.

	Arconic Corporation
November 1, 2022	*/s/ Erick R. Asmussen*
Date	Erick R. Asmussen
	Executive Vice President,
	Chief Financial Officer
	(Principal Financial Officer)
November 1, 2022	*/s/ Mary E. Zik*
Date	Mary E. Zik
	Vice President, Controller
	(Principal Accounting Officer)

Exhibit 10.1

Arconic
201 Isabella Street
Pittsburgh, PA
15212-5858

Tim Myers
CEO, Arconic Corporation

August 5, 2022

Diana Perreiah
95 Club Court
Alpharetta, GA 30005

Dear Diana:

On behalf of Arconic Corporation (the "Company"), I am pleased to offer you the position of Executive Vice President, Arconic Rolled Products North America reporting directly to me, effective August 4, 2022.

During your employment with the Company, you will devote substantially all of your working time and attention to the business and affairs of the Company (excluding any vacation, family leave or other leave to which you are entitled) and you will comply with the Company's policies and rules, as applicable to all employees and those additionally applicable or your position.

Set forth below is your updated total compensation package for this new role, together with other important information. Please note that any designation as an executive officer of the Company and your compensation package is subject to final approval by the Board of Directors and its Compensation and Benefits Committee respectively.

Base Salary:

Your annual base salary will be adjusted to $530,000 as of the effective date of your new position, paid on a monthly basis in accordance with the Company's normal payroll practices, and subject to all applicable taxes and withholdings.

Incentive Compensation:

In your new position, you will be eligible for a target annual cash incentive compensation opportunity of 70% of your base salary (i.e., $371,000 based on your base salary) for a full year, if individual and business and individual performance targets are met. Actual payouts could be higher or lower than target depending on individual and business performance. Your annual cash incentive compensation opportunity and award for 2022 will also be prorated to reflect base salary earned and target percentage applicable to each portion of the year that you were in each position with the Company.

Annual Equity Awards:

You will be eligible for annual equity compensation awards in connection with the Company's regular annual grant cycles. Your next such award will be granted in 2023 with a target value of $700,000 and will be based on the closing stock price on the date of grant.

Of this award, (i) 50% will be time-based and will vest on the third anniversary of the grant date, and (ii) 50% will be performance-based, actual performance-based shares earned could be higher or lower than target depending on business performance over the three-year performance period. Equity awards will be subject to the provisions of the Arconic Stock Incentive Plan at the time of grant.

For each subsequent calendar year (starting in 2024) in which you are employed by the Company, you shall be eligible to receive additional grants of equity-based and other long-term incentives offered to employees generally, at a level, and on terms and conditions, that are commensurate with your position and responsibilities at the Company, and appropriate in light of your performance and of corresponding awards (if any) to other senior executives of the Company (in all cases, as determined in good faith by the Board or a committee thereof). The design of the program is reviewed each year and is subject to change.

Equity Ownership Requirements:

The Company has adopted equity ownership requirements for senior Arconic executives. You will be subject to these requirements, currently 3.0 times base salary for Executive Vice Presidents during your employment with the Company. Until equity ownership requirements are met, you are required to retain 50% of shares acquired upon vesting of restricted stock units and performance-based restricted stock units or upon exercise of stock options, after deducting those used to pay for applicable taxes and/or the exercise price.

Relocation:

Arconic provides a Transfer and Relocation Plan to help facilitate your move to your new location. Normally, if a transferee chooses not to relocate from their current home location to their new work location, Arconic does not reimburse commuting expenses between those locations. However, for twelve months, Arconic will cover your mileage plus we will reimburse through T&E for up to $24,000 over 12 months to cover the temporary living cost for you to work in Tennessee and continue to reside in GA.

Confidentiality, Developments, Non-Competition and Non-Solicitation Agreement:

In consideration of your new position with the Company, you agree to execute the Confidentiality, Developments, Non-Competition and Non-Solicitation Agreement attached hereto as Exhibit A.

Severance:

You will be designated as a Tier II Employee under each of the Company's Executive Severance Plan and Change in Control Severance Plan (together, the "Severance Plans"). 1X base pay + target bonus under the former and 2X base pay + target bonus under the latter, continuation of health benefits and lump sum equal to additional years of retirement amounts). In keeping with Company practice, payment of any severance is contingent upon your execution of a release and waiver of claims as provided by the Company.

Indemnification:

You will be covered as an insured officer under the Company's director and officer liability insurance policy, as in effect from time to time, to the same extent, and on the same terms, as other executive officers of the Company, and the Company will indemnify you (and advance expenses) to the fullest extent permitted by the Bylaws of the Company and the General Corporation Law of the State of

Delaware. The terms of such indemnification and advancement of expenses will be set forth in an Indemnification Agreement between you and the Company.

Section 409A:

The payments and benefits provided under this letter are intended to comply with, or be exempt from, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the provisions of this letter shall be interpreted and applied consistently with such intent. All reimbursements under this letter that constitute deferred compensation within the meaning of Section 409A will be made or provided in accordance with the requirements of Section 409A, including, without limitation, that (i) in no event will any reimbursement payments be made later than the end of the calendar year next following the calendar year in which the applicable expenses were incurred; (ii) the amount of reimbursement payments that the Company is obligated to pay in any given calendar year shall not affect the amount of reimbursement payments that the Company is obligated to pay in any other calendar year; and (iii) your right to have the Company pay such reimbursements may not be liquidated or exchanged for any other benefit.

Miscellaneous:

Your employment with the Company will at all times be at-will. Subject to your rights to the payments and benefits upon certain termination of employment in accordance with the terms of the Executive Severance Plan and the Change in Control Severance Plan, in each case, as in effect from time to time, and this letter, nothing herein will confer upon you any right to continue in the employment of the Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or you to terminate your employment at any time and for any reason, with or without cause. Upon your termination of employment for any reason and as a condition to any payments and benefits to which you may become entitled under the Company's Executive Severance Plan, Change in Control Severance Plan, or this letter, at the request of the Board you will immediately resign your position as an officer of the Company and all offices and directorships of all subsidiaries and affiliates of the Company. Any waiver of any breach of this letter shall not be construed to be a continuing waiver or consent to any subsequent breach on the part of either you or the Company. All payments hereunder shall be subject to applicable tax withholding.

Entire Agreement:

Except as otherwise contemplated herein, this letter contains the entire agreement between you and the Company with respect to the subject matter hereof. No modification or termination of this letter may be made orally but must be made in writing and signed by you and the Company.

Governing Law; Jurisdiction:

This letter will be governed and interpreted in accordance with the laws of the State of Delaware without reference to its choice of law principles. Any action arising out of or related to this letter will be brought in the state or federal courts with jurisdiction in Delaware, and you and the Company consent to the jurisdiction and venue of such courts.

[Signature page follows.]

To accept our offer, please sign and date the bottom of this letter and return it to me by August 5, 2022.

Best Regards,

/s/ Tim Myers
Tim Myers
CEO, Arconic Corporation

cc: Melissa Miller

Attachments:
Confidentiality, Developments, Non-Competition and Non-Solicitation Agreement

I, Diana Perreiah, am pleased to accept your offer for the position of Executive Vice President, Arconic Rolled Products North America on the terms detailed in the offer letter.

Accepted by:	Date:
/s/ Diana B. Perreiah	August 4, 2022
Diana Perreiah	

Exhibit A

Confidentiality, Developments, Non-Competition, and Non-Solicitation Agreement

As an employee of Arconic Corporation ("Arconic") or one of its subsidiaries (Arconic collectively with its subsidiaries, the "Company"), you ("you" or "Employee") will have access to or may develop confidential and proprietary information (as defined below) of the Company. Therefore, in consideration of your continued employment and increases to your compensation package, and recognizing the highly competitive nature of the Company's business, you enter into this Confidentiality, Non-Competition, and Non-Solicitation Agreement (this "Agreement") intending to be legally bound.

Confidentiality

You acknowledge that, as an employee of the Company, you have access, and are privy, to information which is confidential and proprietary to the Company, and which is not generally available to the public from sources outside of the Company.

You agree to regard and preserve as confidential any and all Confidential Information pertaining to the Company's operations and affairs and all information which is either learned or obtained by you during your employment, and which you know, or have reason to believe, includes Confidential Information. You agree that you will use Confidential Information only for the performance of your duties for the Company and you agree not to disclose any Confidential Information you acquire, except as expressly permitted below. You understand and agree that this obligation of confidentiality shall continue indefinitely following the termination of your employment with the Company.

Nothing in this Agreement shall prohibit or restrict you from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement, or as required by law or legal process; or (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or reporting possible violations or providing information to, any governmental agency or legislative body regarding this Agreement or the Company, including, but not limited to, the Company's Legal Department, the Securities & Exchange Commission, and/or pursuant to the Dodd-Frank Act (including without limitations the whistleblower provisions thereof) or Sarbanes-Oxley Act; provided that, other than with respect to providing information to a governmental agency and to the extent permitted by law, upon receipt of any subpoena, court order or other legal process compelling the disclosure of any such information or documents, you will give the General Counsel of the Company prompt written notice so as to permit the Company to protect its interests in confidentiality to the fullest extent possible. Notwithstanding any provision of this Agreement to the contrary, the provisions of this Agreement are not intended to, and shall be interpreted in a manner that does not, limit or restrict you from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934, as amended).

Upon termination of your employment or at any time requested by the Company, you will deliver promptly to the Company all memoranda, notes, records, reports and other documents (whether in paper or electronic form and all copies thereof) relating to the business of the Company and all other Company property which you obtained or developed while employed by, or otherwise serving or acting on behalf of, the Company and which you may then possess or have under your control, whether directly or indirectly.

Disclosure of Developments and Other Inventions

Without disclosing any third-party confidential information, Employee shall promptly disclose to Company all Developments and any inventions or developments that Employee believes do not constitute a Development, so that Company can make an independent assessment. Employee represents and warrants that if Employee developed, conceived or created any Development or other Intellectual Property prior to the date hereof that relates to Company's Business, Employee has listed such Intellectual Property on Appendix 1 in a manner that does not violate any third-party rights or disclose any third party confidential information.

Ownership of Developments

Ownership: All right, title and interest (including all Intellectual Property rights of any sort throughout the world) relating to any and all Developments (other than Employee Statutorily Exempt Developments) shall be the exclusive property of Company.

Assignment of Rights: In consideration of Employee's employment by Company as set forth in the Employment Agreement, Employee hereby assigns to Company or its designee any and all right, title and/or interest (including all Intellectual Property rights of any sort throughout the world) in and to any Developments that Employee has or may in the future acquire with respect to any Developments, provided that this section shall not apply to any Employee Statutorily Exempt Developments.

Further Assistance and Assurances: Employee shall, both during and after his/her employment by Company, at the expense of Company, perform all lawful acts requested by, or on behalf of, Company to enable Company to obtain, perfect, sustain, and enforce its ownership interest in any Development(s) in accordance with this Section and to obtain and maintain patents, copyrights and other Intellectual Property rights for such Development(s) throughout the world.

Attorney-In-Fact: Employee hereby irrevocably designates and appoints Company as Employee's agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and on Employee's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by Employee.

Acknowledgement of Employee Statutorily Exempt Developments: Employee acknowledges and agrees that, by executing this Agreement, nothing in this Agreement is intended to expand the scope of protection provided to Employee by Sections 2870 through 2872 of the California Labor Code or any other statute of like effect. Employee agrees to promptly advise the Company in writing of any developments that Employee believes may qualify under Sections 2870 through 2872 of the California Labor Code or any other statute of like effect.

Records: Employee agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings, and in any other form that may be required by the Company) of all Developments made, written, conceived and/or reduced to practice by Employee during the period of employment by Company, which records shall be available to and remain the sole property of the Company at all times.

Employee IP – Ownership and Restrictions; License: Any discovery, invention, improvement, computer program and related documentation or other work that (i) is created during the term of Employee's employment with the Company and does not fall within the definition of the term "Development" as defined herein, (ii) is an Employee Statutorily Exempt Development, or (iii) was developed, created, or conceived prior to Employee's employment with Company shall, as between Company and Employee, belong to Employee and shall not be used by Employee in his or her performance on behalf of the Company. Without limiting Company's other rights and remedies, if, when acting within the scope of Employee's employment or otherwise on behalf of Company, Employee uses or discloses Employee's own or any third party's confidential information or other Intellectual Property in violation of this Agreement (or if any Development cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Employee hereby: (a) grants to Company a perpetual, irrevocable, worldwide, fully-paid, royalty-free, non-exclusive, sub-licensable right and license to use, exploit and exercise all such confidential information and/or Intellectual Property rights; and (b) warrants that he/she is entitled to grant such license to the extent the confidential information or Intellectual Property used by Employee in violation of this Section belongs to a third party.

Restrictive Covenants

Non-Competition: During your employment and for a period of one year thereafter (regardless of whether the termination of your employment is voluntary or involuntary), you will not directly or indirectly (i) engage in, carry on, or provide services (paid or unpaid) whether as a director, officer, partner, owner, employee, inventor, consultant, advisor, or agent, to any Competitive Business (as defined below) or (ii) hold any economic interest in any Competitive Business. However, notwithstanding the foregoing, you may own up to five percent (5%) of the outstanding securities of any publicly traded company that has an investment in a Competitive Business as long as you have no involvement whatsoever with such Competitive Business (including the formation, planning, or acquisition of, or investment in, any such Competitive Business).

It is not the Company's intention to restrict or limit your activities following your termination of employment with the Company unless it is believed that there is a substantial possibility that your future services or activities in any of the lines of business in which the Company is engaged may be detrimental to the Company. So as to not unduly restrict your future employment, if you desire to enter into any employment arrangement or relationship with any potential Competitive Business within the one-year restricted period, please consult with the Executive Vice President, Chief Human Resources Officer of the Company to discuss your intended relationship with the entity. Due to the many different businesses in which the Company presently engages, or which in the future the Company may engage, we will discuss your desire to enter into a business or professional relationship with any manufacturer or firm which is a Competitive Business. The Company's consent will not be unreasonably withheld.

Also, as a reminder, Arconic stock incentive awards and cash incentive awards continue to be subject to forfeiture, under the terms of applicable programs, to the extent you become associated with, employed by, render services to, or own any interest in any Competitive Business. In addition, stock incentive awards and cash incentive awards are subject to forfeiture or repayment to the extent you engage in conduct prohibited under the terms of applicable incentive programs or of the Company's Compensation Recovery Policy (or any similar policies that may be adopted from time to time.

Non-Solicitation: During your employment and for a period of one year thereafter (regardless of whether the termination of your employment was voluntary or involuntary), you will not directly or indirectly (i) solicit, induce or attempt to solicit or induce any employee of the Company to leave the Company for any reason; (ii) hire or attempt to hire any employee of the Company; or (iii) solicit business from, or engage in business with, any customer or supplier of the Company that you met and/or dealt with during your employment with the Company for any purpose. In the event that you become aware that any employee of the Company has been hired by any business or firm with which you are then affiliated, you will immediately notify the Executive Vice President, Chief Human Resources Officer to confirm your non-solicitation of said employee

You acknowledge and agree that given the nature of the Company's business, which is conducted throughout the world, the unique and extraordinary services you will be providing to the Company and your position of confidence and trust with the Company, the scope and duration of the covenants included in this Agreement (the "Restrictive Covenants") are reasonable and necessary to protect the legitimate business interests of the Company. You further acknowledge that you have received substantial consideration from the Company and that your general skills and abilities are such that you can be gainfully employed in noncompetitive employment, and that this Agreement will in no way prevent you from earning a living following your employment with the Company.

You also recognize and agree that any breach or threatened or anticipated breach of any part of these Restrictive Covenants will result in irreparable harm to the Company, and that the remedy at law for any such breach or threatened breach will be inadequate. Accordingly, in addition to any other legal or equitable remedies that may be available to the Company, you agree that the Company will be entitled to obtain an injunction, without posting a bond, to prevent any breach or threatened breach of any part of these Restrictive Covenants.

In the event that any court of competent jurisdiction finds that the limitations set forth in these Restrictive Covenants are overly broad with respect to duration, geographic scope or scope of prohibited activities, such court will have the authority to reduce the duration, area or activities of such provisions so as to be enforceable to the maximum extent compatible with applicable law, and such provisions will then be enforced as modified.

<u>Notice of Immunity – Defend Trade Secrets Act of 2016</u>

Company employees, contractors, and consultants may disclose Trade Secrets in confidence, either directly or indirectly, to a Federal, State, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, Company employees, contractors, and consultants who file retaliation lawsuits for reporting a suspected violation of law may disclose related Trade Secrets to their attorney and use them in related court proceedings, as long as the individual files documents containing the Trade Secret under seal and does not otherwise disclose the Trade Secret except pursuant to court order.

<u>Definitions for Purposes of this Agreement</u>

"Business" means areas of actual or demonstrably anticipated research and development conducted (or to be conducted) by, or for the benefit of, Company as well as all products or services sold by, on behalf of, or for the benefit of Company worldwide.

"Competitive Business" means any domestic or international business or firm (including any business in the process of being formed or planned) that is engaged, or has active plans to become engaged, in any line of business of the Company with which you have had direct functional accountability, or for which you provided leadership or support, during your last eighteen (18) months of employment with the Company.

“Confidential Information” includes, but is not limited to strategic plans, trade secrets, inventions, discoveries, technical and operating know-how, accounting information, product information, marketing and sales data, business strategies, customer information, and employee data of the Company that is proprietary in nature, and any similar information, data or materials of third parties that the Company has a duty to keep confidential.

“Developments” means all discoveries, inventions, innovations, improvements, computer programs and related documentation, and other works of authorship, mask works, designs, know-how, ideas and information made, written, conceived and/or reduced to practice, in whole or in part, (whether or not patentable or subject to other forms of protection) by Employee, individually or with any other person, during and after the period of Employee’s employment by Company that: (a) relate in any manner to the Business or activities of Company; and/or (b) are created: (i) at any time using Company resources, including, but not limited to, Company computers, cellphones, smartphones, etc.; (ii) during working hours; (iii) at a Company facility; (iv) by, or on behalf of, Company; and/or (v) using Confidential Information.

“Employee Statutorily Exempt Developments” means any Developments which qualify fully under the provisions of any applicable statute (including, e.g., Section 2870 of the California Labor Code) that prohibits the assignment to Company of Employee’s rights in any inventions developed entirely on Employee’s own time without using the Company’s equipment, supplies, facilities, resources, trade secrets or Confidential Information (i.e., excluding inventions that either (i) relate at the time of conception or reduction to practice of the invention to the Company’s Business, or actual or demonstrably anticipated research or development; or (ii) result from any work performed by Employee for the Company).

“Intellectual Property” means any intellectual and industrial property and all rights thereof, including, but not limited to, patents, utility models, semi-conductor topography rights; copyrights, mask works, authors’ rights, registered and unregistered trademarks, brands, domain names, trade secrets, know-how and other rights in information, drawings, logos, plans, database rights, technical notes, prototypes, processes, methods, algorithms, any technical-related documentation, any software, registered designs and other designs, in each case, whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world.

Governing Law; Jurisdiction

This Agreement will be governed and interpreted in accordance with the laws of the State of Delaware without reference to its choice of law principles. Any action arising out of or related to this Agreement will be brought in the state or Federal courts located in Delaware, and you and the Company consent to the jurisdiction and venue of such courts.

Amendment; Waiver

No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification or discharge is in writing. Any failure by you or the Company to enforce any of the provisions of this Agreement should not be construed to be a waiver of such provisions or any right to enforce each and every provision in the future. A waiver of any breach of this Agreement will not be construed as a waiver of any other or subsequent breach.

Successors; Binding Agreement

The Company has the right to assign its rights and obligations under this Agreement to any entity that acquires all or substantially all of the assets of the business for which you work and continues your employment. The rights and obligations of the Company under this Agreement will inure to the benefit and be binding upon the successors and assigns of the Company

Severability

In the event that any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will not in any way be affected or impaired thereby.

This Agreement is the entire agreement between the parties with respect to the matters covered by this Agreement and it replaces all previous agreements, oral or written, between the parties regarding such matters. PROVISIONS OF THIS AGREEMENT MAY NOT BE WAIVED OR CHANGED EXCEPT BY A SUBSEQUENT AGREEMENT SIGNED BY YOU AND THE COMPANY.

If you agree to the terms of this Agreement, please sign on the line provided below and return two signed copies. A fully executed copy will be returned to you for your files after it is signed by the Company.

ARCONIC CORPORATION

By: /s/ Timothy D. Myers
Timothy D. Myers

AGREED TO AND ACCEPTED AS OF THIS 4th DAY OF AUGUST, 2022:

/s/ Diana B. Perreiah
Diana Perreiah

Exhibit 10.2

Arconic
201 Isabella Street
Pittsburgh, PA
15212-5858

Tim Myers
CEO, Arconic Corporation

August 5, 2022

Rob Woodall
4511 Old Ivy Court
Bettendorf, IA 52722

Dear Rob:

On behalf of Arconic Corporation (the "Company"), I am pleased to offer you the position of Executive Vice President, Arconic Rolled Products International and Extrusions reporting directly to me, effective August 4, 2022.

During your employment with the Company, you will devote substantially all of your working time and attention to the business and affairs of the Company (excluding any vacation, family leave or other leave to which you are entitled) and you will comply with the Company's policies and rules, as applicable to all employees and those additionally applicable or your position.

Set forth below is your updated total compensation package for this new role, together with other important information. Please note that any designation as an executive officer of the Company and your compensation package is subject to final approval by the Board of Directors and its Compensation and Benefits Committee respectively.

<u>Base Salary</u>:

Your annual base salary will be adjusted to $500,000 as of the effective date of your new position, paid on a monthly basis in accordance with the Company's normal payroll practices, and subject to all applicable taxes and withholdings.

<u>Incentive Compensation</u>:

In your new position, you will be eligible for a target annual cash incentive compensation opportunity of 70% of your base salary (i.e., $350,000 based on your base salary) for a full year, if individual and business and individual performance targets are met. Actual payouts could be higher or lower than target depending on individual and business performance. Your annual cash incentive compensation opportunity and award for 2022 will also be prorated to reflect base salary earned and target percentage applicable to each portion of the year that you were in each position with the Company.

Annual Equity Awards:

You will be eligible for annual equity compensation awards in connection with the Company's regular annual grant cycles. Your next such award will be granted in 2023 with a target value of $600,000 and will be based on the closing stock price on the date of grant. Of this award, (i) 50% will be time-based and will vest on the third anniversary of the grant date, and (ii) 50% will be performance-based, actual performance-based shares earned could be higher or lower than target depending on business performance over the three-year performance period. Equity awards will be subject to the provisions of the Arconic Stock Incentive Plan at the time of grant.

For each subsequent calendar year (starting in 2024) in which you are employed by the Company, you shall be eligible to receive additional grants of equity-based and other long-term incentives offered to employees generally, at a level, and on terms and conditions, that are commensurate with your position and responsibilities at the Company, and appropriate in light of your performance and of corresponding awards (if any) to other senior executives of the Company (in all cases, as determined in good faith by the Board or a committee thereof). The design of the program is reviewed each year and is subject to change.

Equity Ownership Requirements:

The Company has adopted equity ownership requirements for senior Arconic executives. You will be subject to these requirements, currently 3.0 times base salary for Executive Vice Presidents during your employment with the Company. Until equity ownership requirements are met, you are required to retain 50% of shares acquired upon vesting of restricted stock units and performance-based restricted stock units or upon exercise of stock options, after deducting those used to pay for applicable taxes and/or the exercise price.

Confidentiality, Developments, Non-Competition and Non-Solicitation Agreement:

In consideration of your new position with the Company, you agree to execute the Confidentiality, Developments, Non-Competition and Non-Solicitation Agreement attached hereto as Exhibit A.

Severance:

You will be designated as a Tier II Employee under each of the Company's Executive Severance Plan and Change in Control Severance Plan (together, the "Severance Plans"). 1X base pay + target bonus under the former and 2X base pay + target bonus under the latter, continuation of health benefits and lump sum equal to additional years of retirement amounts). In keeping with Company practice, payment of any severance is contingent upon your execution of a release and waiver of claims as provided by the Company.

Indemnification:

You will be covered as an insured officer under the Company's director and officer liability insurance policy, as in effect from time to time, to the same extent, and on the same terms, as other executive officers of the Company, and the Company will indemnify you (and advance expenses) to the fullest extent permitted by the Bylaws of the Company and the General Corporation Law of the State of Delaware. The terms of such indemnification and advancement of expenses will be set forth in an Indemnification Agreement between you and the Company.

Section 409A:

The payments and benefits provided under this letter are intended to comply with, or be exempt from, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the provisions of this letter shall be interpreted and applied consistently with such intent. All reimbursements under this letter that constitute deferred compensation within the meaning of Section 409A will be made or provided in accordance with the requirements of Section 409A, including, without limitation, that (i) in no event will any reimbursement payments be made later than the end of the calendar year next following the calendar year in which the applicable expenses were incurred; (ii) the amount of reimbursement payments that the Company is obligated to pay in any given calendar year shall not affect the amount of reimbursement payments that the Company is obligated to pay in any other calendar year; and (iii) your right to have the Company pay such reimbursements may not be liquidated or exchanged for any other benefit.

Miscellaneous:

Your employment with the Company will at all times be at-will. Subject to your rights to the payments and benefits upon certain termination of employment in accordance with the terms of the Executive Severance Plan and the Change in Control Severance Plan, in each case, as in effect from time to time, and this letter, nothing herein will confer upon you any right to continue in the employment of the Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or you to terminate your employment at any time and for any reason, with or without cause. Upon your termination of employment for any reason and as a condition to any payments and benefits to which you may become entitled under the Company's Executive Severance Plan, Change in Control Severance Plan, or this letter, at the request of the Board you will immediately resign your position as an officer of the Company and all offices and directorships of all subsidiaries and affiliates of the Company. Any waiver of any breach of this letter shall not be construed to be a continuing waiver or consent to any subsequent breach on the part of either you or the Company. All payments hereunder shall be subject to applicable tax withholding.

Entire Agreement:

Except as otherwise contemplated herein, this letter contains the entire agreement between you and the Company with respect to the subject matter hereof. No modification or termination of this letter may be made orally but must be made in writing and signed by you and the Company.

Governing Law; Jurisdiction:

This letter will be governed and interpreted in accordance with the laws of the State of Delaware without reference to its choice of law principles. Any action arising out of or related to this letter will be brought in the state or federal courts with jurisdiction in Delaware, and you and the Company consent to the jurisdiction and venue of such courts.

[Signature page follows.]

To accept our offer, please sign and date the bottom of this letter and return it to me by August 5, 2022.

Best Regards,

/s/ Tim Myers
Tim Myers
CEO, Arconic Corporation

cc: Melissa Miller

Attachments:
Confidentiality, Developments, Non-Competition and Non-Solicitation Agreement

I, Rob Woodall, am pleased to accept your offer for the position of Executive Vice President, Arconic Rolled Products International & Extrusions on the terms detailed in the offer letter.

Accepted by:	Date:
/s/ Robert L. Woodall	August 4, 2022
Rob Woodall	

Exhibit A

Confidentiality, Developments, Non-Competition, and Non-Solicitation Agreement

As an employee of Arconic Corporation ("Arconic") or one of its subsidiaries (Arconic collectively with its subsidiaries, the "Company"), you ("you" or "Employee") will have access to or may develop confidential and proprietary information (as defined below) of the Company. Therefore, in consideration of your continued employment and increases to your compensation package, and recognizing the highly competitive nature of the Company's business, you enter into this Confidentiality, Non-Competition, and Non-Solicitation Agreement (this "Agreement") intending to be legally bound.

Confidentiality

You acknowledge that, as an employee of the Company, you have access, and are privy, to information which is confidential and proprietary to the Company, and which is not generally available to the public from sources outside of the Company.

You agree to regard and preserve as confidential any and all Confidential Information pertaining to the Company's operations and affairs and all information which is either learned or obtained by you during your employment, and which you know, or have reason to believe, includes Confidential Information. You agree that you will use Confidential Information only for the performance of your duties for the Company and you agree not to disclose any Confidential Information you acquire, except as expressly permitted below. You understand and agree that this obligation of confidentiality shall continue indefinitely following the termination of your employment with the Company.

Nothing in this Agreement shall prohibit or restrict you from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement, or as required by law or legal process; or (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or reporting possible violations or providing information to, any governmental agency or legislative body regarding this Agreement or the Company, including, but not limited to, the Company's Legal Department, the Securities & Exchange Commission, and/or pursuant to the Dodd-Frank Act (including without limitations the whistleblower provisions thereof) or Sarbanes-Oxley Act; provided that, other than with respect to providing information to a governmental agency and to the extent permitted by law, upon receipt of any subpoena, court order or other legal process compelling the disclosure of any such information or documents, you will give the General Counsel of the Company prompt written notice so as to permit the Company to protect its interests in confidentiality to the fullest extent possible. Notwithstanding any provision of this Agreement to the contrary, the provisions of this Agreement are not intended to, and shall be interpreted in a manner that does not, limit or restrict you from exercising any legally protected whistleblower rights (including pursuant to Rule 21F under the Securities Exchange Act of 1934, as amended).

Upon termination of your employment or at any time requested by the Company, you will deliver promptly to the Company all memoranda, notes, records, reports and other documents (whether in paper or electronic form and all copies thereof) relating to the business of the Company and all other Company property which you obtained or developed while employed by, or otherwise serving or acting on behalf of, the Company and which you may then possess or have under your control, whether directly or indirectly.

Disclosure of Developments and Other Inventions

Without disclosing any third-party confidential information, Employee shall promptly disclose to Company all Developments and any inventions or developments that Employee believes do not constitute a Development, so that Company can make an independent assessment. Employee represents and warrants that if Employee developed, conceived or created any Development or other Intellectual Property prior to the date hereof that relates to Company's Business, Employee has listed such Intellectual Property on Appendix 1 in a manner that does not violate any third-party rights or disclose any third party confidential information.

Ownership of Developments

Ownership: All right, title and interest (including all Intellectual Property rights of any sort throughout the world) relating to any and all Developments (other than Employee Statutorily Exempt Developments) shall be the exclusive property of Company.

Assignment of Rights: In consideration of Employee's employment by Company as set forth in the Employment Agreement, Employee hereby assigns to Company or its designee any and all right, title and/or interest (including all Intellectual Property rights of any sort throughout the world) in and to any Developments that Employee has or may in the future acquire with respect to any Developments, provided that this section shall not apply to any Employee Statutorily Exempt Developments.

Further Assistance and Assurances: Employee shall, both during and after his/her employment by Company, at the expense of Company, perform all lawful acts requested by, or on behalf of, Company to enable Company to obtain, perfect, sustain, and enforce its ownership interest in any Development(s) in accordance with this Section and to obtain and maintain patents, copyrights and other Intellectual Property rights for such Development(s) throughout the world.

Attorney-In-Fact: Employee hereby irrevocably designates and appoints Company as Employee's agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and on Employee's behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by Employee.

Acknowledgement of Employee Statutorily Exempt Developments: Employee acknowledges and agrees that, by executing this Agreement, nothing in this Agreement is intended to expand the scope of protection provided to Employee by Sections 2870 through 2872 of the California Labor Code or any other statute of like effect. Employee agrees to promptly advise the Company in writing of any developments that Employee believes may qualify under Sections 2870 through 2872 of the California Labor Code or any other statute of like effect.

Records: Employee agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings, and in any other form that may be required by the Company) of all Developments made, written, conceived and/or reduced to practice by Employee during the period of employment by Company, which records shall be available to and remain the sole property of the Company at all times.

Employee IP – Ownership and Restrictions; License: Any discovery, invention, improvement, computer program and related documentation or other work that (i) is created during the term of Employee's employment with the Company and does not fall within the definition of the term "Development" as defined herein, (ii) is an Employee Statutorily Exempt Development, or (iii) was developed, created, or conceived prior to Employee's employment with Company shall, as between Company and Employee, belong to Employee and shall not be used by Employee in his or her performance on behalf of the Company. Without limiting Company's other rights and remedies, if, when acting within the scope of Employee's employment or otherwise on behalf of Company, Employee uses or discloses Employee's own or any third party's confidential information or other Intellectual Property in violation of this Agreement (or if any Development cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Employee hereby: (a) grants to Company a perpetual, irrevocable, worldwide, fully-paid, royalty-free, non-exclusive, sub-licensable right and license to use, exploit and exercise all such confidential information and/or Intellectual Property rights; and (b) warrants that he/she is entitled to grant such license to the extent the confidential information or Intellectual Property used by Employee in violation of this Section belongs to a third party.

Restrictive Covenants

Non-Competition: During your employment and for a period of one year thereafter (regardless of whether the termination of your employment is voluntary or involuntary), you will not directly or indirectly (i) engage in, carry on, or provide services (paid or unpaid) whether as a director, officer, partner, owner, employee, inventor, consultant, advisor, or agent, to any Competitive Business (as defined below) or (ii) hold any economic interest in any Competitive Business. However, notwithstanding the foregoing, you may own up to five percent (5%) of the outstanding securities of any publicly traded company that has an investment in a Competitive Business as long as you have no involvement whatsoever with such Competitive Business (including the formation, planning, or acquisition of, or investment in, any such Competitive Business).

It is not the Company's intention to restrict or limit your activities following your termination of employment with the Company unless it is believed that there is a substantial possibility that your future services or activities in any of the lines of business in which the Company is engaged may be detrimental to the Company. So as to not unduly restrict your future employment, if you desire to enter into any employment arrangement or relationship with any potential Competitive Business within the one-year restricted period, please consult with the Executive Vice President, Chief Human Resources Officer of the Company to discuss your intended relationship with the entity. Due to the many different businesses in which the Company presently engages, or which in the future the Company may engage, we will discuss your desire to enter into a business or professional relationship with any manufacturer or firm which is a Competitive Business. The Company's consent will not be unreasonably withheld.

Also, as a reminder, Arconic stock incentive awards and cash incentive awards continue to be subject to forfeiture, under the terms of applicable programs, to the extent you become associated with, employed by, render services to, or own any interest in any Competitive Business. In addition, stock incentive awards and cash incentive awards are subject to forfeiture or repayment to the extent you engage in conduct prohibited under the terms of applicable incentive programs or of the Company's Compensation Recovery Policy (or any similar policies that may be adopted from time to time.

Non-Solicitation: During your employment and for a period of one year thereafter (regardless of whether the termination of your employment was voluntary or involuntary), you will not directly or indirectly (i) solicit, induce or attempt to solicit or induce any employee of the Company to leave the Company for any reason; (ii) hire or attempt to hire any employee of the Company; or (iii) solicit business from, or engage in business with, any customer or supplier of the Company that you met and/or dealt with during your employment with the Company for any purpose. In the event that you become aware that any employee of the Company has been hired by any business or firm with which you are then affiliated, you will immediately notify the Executive Vice President, Chief Human Resources Officer to confirm your non-solicitation of said employee

You acknowledge and agree that given the nature of the Company's business, which is conducted throughout the world, the unique and extraordinary services you will be providing to the Company and your position of confidence and trust with the Company, the scope and duration of the covenants included in this Agreement (the "Restrictive Covenants") are reasonable and necessary to protect the legitimate business interests of the Company. You further acknowledge that you have received substantial consideration from the Company and that your general skills and abilities are such that you can be gainfully employed in noncompetitive employment, and that this Agreement will in no way prevent you from earning a living following your employment with the Company.

You also recognize and agree that any breach or threatened or anticipated breach of any part of these Restrictive Covenants will result in irreparable harm to the Company, and that the remedy at law for any such breach or threatened breach will be inadequate. Accordingly, in addition to any other legal or equitable remedies that may be available to the Company, you agree that the Company will be entitled to obtain an injunction, without posting a bond, to prevent any breach or threatened breach of any part of these Restrictive Covenants.

In the event that any court of competent jurisdiction finds that the limitations set forth in these Restrictive Covenants are overly broad with respect to duration, geographic scope or scope of prohibited activities, such court will have the authority to reduce the duration, area or activities of such provisions so as to be enforceable to the maximum extent compatible with applicable law, and such provisions will then be enforced as modified.

Notice of Immunity – Defend Trade Secrets Act of 2016

Company employees, contractors, and consultants may disclose Trade Secrets in confidence, either directly or indirectly, to a Federal, State, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, Company employees, contractors, and consultants who file retaliation lawsuits for reporting a suspected violation of law may disclose related Trade Secrets to their attorney and use them in related court proceedings, as long as the individual files documents containing the Trade Secret under seal and does not otherwise disclose the Trade Secret except pursuant to court order.

Definitions for Purposes of this Agreement

"Business" means areas of actual or demonstrably anticipated research and development conducted (or to be conducted) by, or for the benefit of, Company as well as all products or services sold by, on behalf of, or for the benefit of Company worldwide.

"Competitive Business" means any domestic or international business or firm (including any business in the process of being formed or planned) that is engaged, or has active plans to become engaged, in any line of business of the Company with which you have had direct functional accountability, or for which you provided leadership or support, during your last eighteen (18) months of employment with the Company.

"Confidential Information" includes, but is not limited to strategic plans, trade secrets, inventions, discoveries, technical and operating know-how, accounting information, product information, marketing and sales data, business strategies, customer information, and employee data of the Company that is proprietary in nature, and any similar information, data or materials of third parties that the Company has a duty to keep confidential.

"Developments" means all discoveries, inventions, innovations, improvements, computer programs and related documentation, and other works of authorship, mask works, designs, know-how, ideas and information made, written, conceived and/or reduced to practice, in whole or in part, (whether or not patentable or subject to other forms of protection) by Employee, individually or with any other person, during and after the period of Employee's employment by Company that: (a) relate in any manner to the Business or activities of Company; and/or (b) are created: (i) at any time using Company resources, including, but not limited to, Company computers, cellphones, smartphones, etc.; (ii) during working hours; (iii) at a Company facility; (iv) by, or on behalf of, Company; and/or (v) using Confidential Information.

"Employee Statutorily Exempt Developments" means any Developments which qualify fully under the provisions of any applicable statute (including, e.g., Section 2870 of the California Labor Code) that prohibits the assignment to Company of Employee's rights in any inventions developed entirely on Employee's own time without using the Company's equipment, supplies, facilities, resources, trade secrets or Confidential Information (i.e., excluding inventions that either (i) relate at the time of conception or reduction to practice of the invention to the Company's Business, or actual or demonstrably anticipated research or development; or (ii) result from any work performed by Employee for the Company).

"Intellectual Property" means any intellectual and industrial property and all rights thereof, including, but not limited to, patents, utility models, semi-conductor topography rights; copyrights, mask works, authors' rights, registered and unregistered trademarks, brands, domain names, trade secrets, know-how and other rights in information, drawings, logos, plans, database rights, technical notes, prototypes, processes, methods, algorithms, any technical-related documentation, any software, registered designs and other designs, in each case, whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world.

<u>Governing Law; Jurisdiction</u>

This Agreement will be governed and interpreted in accordance with the laws of the State of Delaware without reference to its choice of law principles. Any action arising out of or related to this Agreement will be brought in the state or Federal courts located in Delaware, and you and the Company consent to the jurisdiction and venue of such courts.

<u>Amendment; Waiver</u>

No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification or discharge is in writing. Any failure by you or the Company to enforce any of the provisions of this Agreement should not be construed to be a waiver of such provisions or any right to enforce each and every provision in the future. A waiver of any breach of this Agreement will not be construed as a waiver of any other or subsequent breach.

Successors; Binding Agreement

The Company has the right to assign its rights and obligations under this Agreement to any entity that acquires all or substantially all of the assets of the business for which you work and continues your employment. The rights and obligations of the Company under this Agreement will inure to the benefit and be binding upon the successors and assigns of the Company

Severability

In the event that any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement will not in any way be affected or impaired thereby.

This Agreement is the entire agreement between the parties with respect to the matters covered by this Agreement and it replaces all previous agreements, oral or written, between the parties regarding such matters. PROVISIONS OF THIS AGREEMENT MAY NOT BE WAIVED OR CHANGED EXCEPT BY A SUBSEQUENT AGREEMENT SIGNED BY YOU AND THE COMPANY.

If you agree to the terms of this Agreement, please sign on the line provided below and return two signed copies. A fully executed copy will be returned to you for your files after it is signed by the Company.

ARCONIC CORPORATION

By: /s/ Timothy D. Myers
Timothy D. Myers

AGREED TO AND ACCEPTED AS OF THIS 4th DAY OF AUGUST, 2022:

/s/ Robert L. Woodall
Rob Woodall

Exhibit 31

Certifications

I, Timothy D. Myers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Arconic Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not 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 present in 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 (as 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 to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and 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 our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered 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 during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that 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 over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons 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 and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 1, 2022

/s/ Timothy D. Myers

Timothy D. Myers

Chief Executive Officer

I, Erick R. Asmussen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Arconic Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not 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 present in 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 (as 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 to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and 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 our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered 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 during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that 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 over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons 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 and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2022

/s/ Erick R. Asmussen

Erick R. Asmussen

Executive Vice President and Chief Financial Officer

Exhibit 32

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), each of the undersigned officers of Arconic Corporation, a Delaware corporation (the "Company"), does hereby certify that:

The Quarterly Report on Form 10-Q for the period ended September 30, 2022 (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 information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	November 1, 2022	*/s/ Timothy D. Myers*
		Timothy D. Myers
		Chief Executive Officer
Date:	November 1, 2022	*/s/ Erick R. Asmussen*
		Erick R. Asmussen
		Executive Vice President, 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.