Forward Looking Statements and Non-GAAP Measures

Certain information contained in this presentation should be considered “forward-looking statements” as defined by Section 21E of the Private Securities Litigation Reform Act of 1995. All statements in this presentation other than historical information may be deemed forward-looking statements. These statements present (without limitation) the expectations, beliefs, plans and objectives of management and future financial performance and assumptions underlying, or judgments concerning, the matters discussed in the statements. The words “believe,” “estimate,” “anticipate,” “future,” “goal,” “could,” “will,” “continue,” “can,” “potential,” “should,” “project,” and “expect,” and similar expressions, are intended to identify forward-looking statements. Forward-looking statements involve certain risks, estimates, assumptions and uncertainties, including with respect to future sales and activity levels, cash flows, contract performance, future reductions or changes in U.S. government spending, achieving anticipated costs savings and other benefits of the Company’s Competitive Improvement Program, failure to secure contracts, the outcome of litigation and contingencies, environmental remediation and anticipated costs of capital. A variety of factors could cause actual results or outcomes to differ materially from those expected and expressed in our forward-looking statements. Important risk factors that could cause actual results or outcomes to differ from those expressed in the forward-looking statements are described in the section “Risk Factors” in Item 1A of our Annual Report to the Securities Exchange Commission on Form 10-K for the fiscal year ended December 31, 2018 and on our Quarterly Report on Form 10-Q for the period ended June 30, 2019. Additional risk factors may be described from time to time in our future filings with the Securities and Exchange Commission. Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

Financial data presented is derived from audited financial statements and/or unaudited quarterly reports on Form 10-Q. This presentation also contains non-GAAP financial measures. A reconciliation of these financial measures to the nearest GAAP measure is included in this presentation.
At a Glance

Technology-based manufacturing company providing innovative solutions to aerospace and defense customers

- NYSE: AJRD
- LTM 6/30/19 revenue: $1.9B
- Diversified portfolio of programs and markets served
- Strongly aligned with customers’ priorities
- Monetization opportunities from significant real estate holdings
Strong Defense Portfolio

Propulsion Capabilities
- Liquid | Solid | Air-Breathing

Uses
- Strategic, tactical and precision missile
- Missile defense systems
- Maneuvering propulsion systems
- Precision warfighting systems

AR Top Customers
- NASA
- Lockheed Martin*
- ULA
- Raytheon
- Other

Top Programs
- RS25
- Std Msl
- THAAD
- Other

LTM AJRD: $1.9B

* Primarily Defense

Performing a major role in providing national and global security
Strong Space Portfolio

Propulsion Capabilities
- Liquid
- Solid
- Chemical
- Electrical

Uses
- Deep space exploration
- Launch vehicle propulsion
- Satellite propulsion

AR Top Customers
- NASA
- ULA
- Lockheed Martin
- Raytheon
- Other

LTM AJRD: $1.9B

Top Programs
- RS-25
- Std Msl
- THAAD
- Other

Supporting military space capabilities, deep space exploration, and putting astronauts on the moon in 2024
First Half 2019 Sales and Profit Growth

**Net Sales YTD June**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>765</td>
</tr>
<tr>
<td>2017</td>
<td>865</td>
</tr>
<tr>
<td>2018</td>
<td>959</td>
</tr>
<tr>
<td>2019</td>
<td>977</td>
</tr>
</tbody>
</table>

Note: Effective 1/1/2018, the Company adopted the FASB's amended revenue recognition standards (ASC 606) using the modified retrospective approach. Revenue in 2016 and 2017 recognized on an ASC 605 basis; revenue 2018 forward recognized on an ASC 606 basis.

**Adjusted EBITDAP* YTD June**

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDAP ($ in millions)</th>
<th>Adjusted EBITDAP as a % of Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>91</td>
<td>11.8%</td>
</tr>
<tr>
<td>2017</td>
<td>111</td>
<td>12.8%</td>
</tr>
<tr>
<td>2018</td>
<td>123</td>
<td>12.8%</td>
</tr>
<tr>
<td>2019</td>
<td>149</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

* Non-GAAP Measure. See reconciliation in appendix.
Cash Flow

Free Cash Flow* YTD June

($ in millions)

 Focus on Free Cash Flow greater than Net Income

Driving working capital improvement

Capex focused on facility expansion

Cash pension contributions will resume in 2020

* Non-GAAP Measure. See reconciliation in appendix.
Investing in *Today’s* Aerojet Rocketdyne

- Strong Macro Fundamentals
- Solid Industry Foundation and Technical Leadership
- Diversified, Well-Balanced Portfolio to Compete Effectively in Today’s Market
- Significant Operational Improvements to Drive New and Existing Programs
- Focused on Revenue and Profitability Growth to Enhance Shareholder Value
Appendix
Reconciliation of Non-GAAP Measures

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>$ 82.8</td>
<td>$ 48.8</td>
<td>$ 30.2</td>
<td>$ 11.0</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td>18.2</td>
<td>16.4</td>
<td>15.2</td>
<td>21.5</td>
</tr>
<tr>
<td><strong>Interest Income</strong></td>
<td>(8.0)</td>
<td>(3.6)</td>
<td>(1.3)</td>
<td>(0.3)</td>
</tr>
<tr>
<td><strong>Income tax provision</strong></td>
<td>28.4</td>
<td>17.2</td>
<td>15.2</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>Depreciation and Amortization</strong></td>
<td>35.0</td>
<td>35.4</td>
<td>35.4</td>
<td>30.5</td>
</tr>
<tr>
<td><strong>GAAP retirement benefits expense</strong></td>
<td>13.0</td>
<td>28.8</td>
<td>36.6</td>
<td>34.4</td>
</tr>
<tr>
<td><strong>CAS recoverable retirement benefits expense</strong></td>
<td>(20.3)</td>
<td>(20.0)</td>
<td>(19.7)</td>
<td>(15.9)</td>
</tr>
<tr>
<td><strong>Unusual items</strong></td>
<td>0.3</td>
<td>-</td>
<td>(0.9)</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Adjusted EBITDAP</strong></td>
<td>$ 149.4</td>
<td>$ 123.0</td>
<td>$ 110.7</td>
<td>$ 90.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$ 31.2</td>
<td>$ 24.5</td>
<td>$ 37.7</td>
<td>$ 4.1</td>
</tr>
<tr>
<td><strong>Capital expenditures</strong></td>
<td>(6.9)</td>
<td>(12.2)</td>
<td>(6.1)</td>
<td>(19.5)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$ 24.3</td>
<td>$ 12.3</td>
<td>$ 31.6</td>
<td>$(15.4)</td>
</tr>
</tbody>
</table>

Adjusted EBITDAP is used to measure our operating performance. We believe that to effectively compare our core performance from period to period, the metric should exclude items that are not indicative of, or are unrelated to, results from our ongoing business operations. Accordingly, we define Adjusted EBITDAP as GAAP net income adjusted to exclude interest expense, interest income, income taxes, depreciation and amortization, retirement benefits net of amounts that are recoverable under our U.S. government contracts, and unusual items which we do not believe are reflective of such ordinary, ongoing and customary activities.

Free cash flow provides supplemental information to assist investors in viewing the business using the same tools that management uses to evaluate progress against our goals. Free cash flow is defined as cash flow from operating activities less capital expenditures. Free cash flow should not be considered in isolation, as a measure of residual cash flow available for discretionary purposes, or as an alternative to cash flows from operations presented in accordance with GAAP.