

Gabelli Funds

28th Annual Aerospace & Defense Symposium



September 8, 2022

Forward Looking Statements



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,” “project” and “expect,” and similar expressions, are generally 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, 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, 2021 and on our Quarterly Report on Form 10-Q for the period ended June 30, 2022. 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 on Form 10-K and/or unaudited quarterly reports on Form 10-Q.

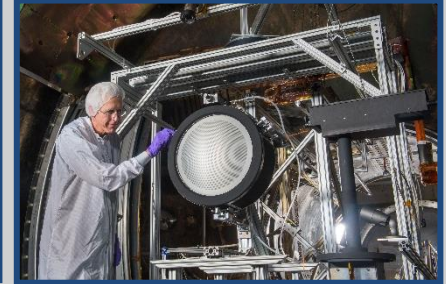
At a Glance

We Deliver Innovative and Affordable Propulsion & Power Solutions Creating Value For Our Customers and Shareholders

- NYSE: AJRD
- LTM 6/30/22 revenue of \$2.2B
- Q2 2022 Backlog of \$6.9B
- Diversified portfolio of programs and markets served
- Investing in line with our Nation's Space and Defense priorities
- Monetization opportunities from significant real estate holdings



Space and Launch Systems



In-space Propulsion



Missile Defense and Strategic Systems



Tactical Systems



Advanced Programs



EASTON

Strong Defense Portfolio



Liquid, solid and air-breathing propulsion systems for use in strategic, tactical and precision missile systems

Strong alignment with Department of Defense priorities with existing portfolio of programs

Critical technology and capability for next generation programs



Standard Missile



THAAD



Patriot



Hypersonics



Sentinel (GBSD)



Next Generation Interceptor

Performing a major role in providing national and global security

Strong Space Portfolio

Liquid, solid, chemical and electric propulsion capabilities for use in space launch and in-space propulsion

Supporting the re-establishment of U.S. based human space flight and NASA's deep space exploration program

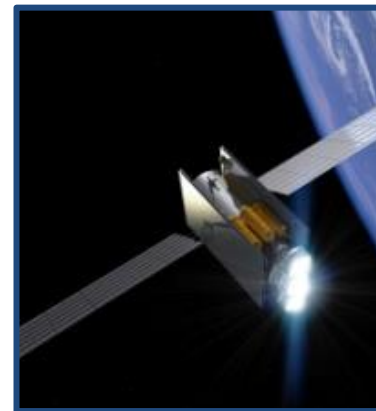
Proven leader in advanced in-space propulsion technologies



Space Launch System



RL10



In-Space Propulsion



Commercial Space

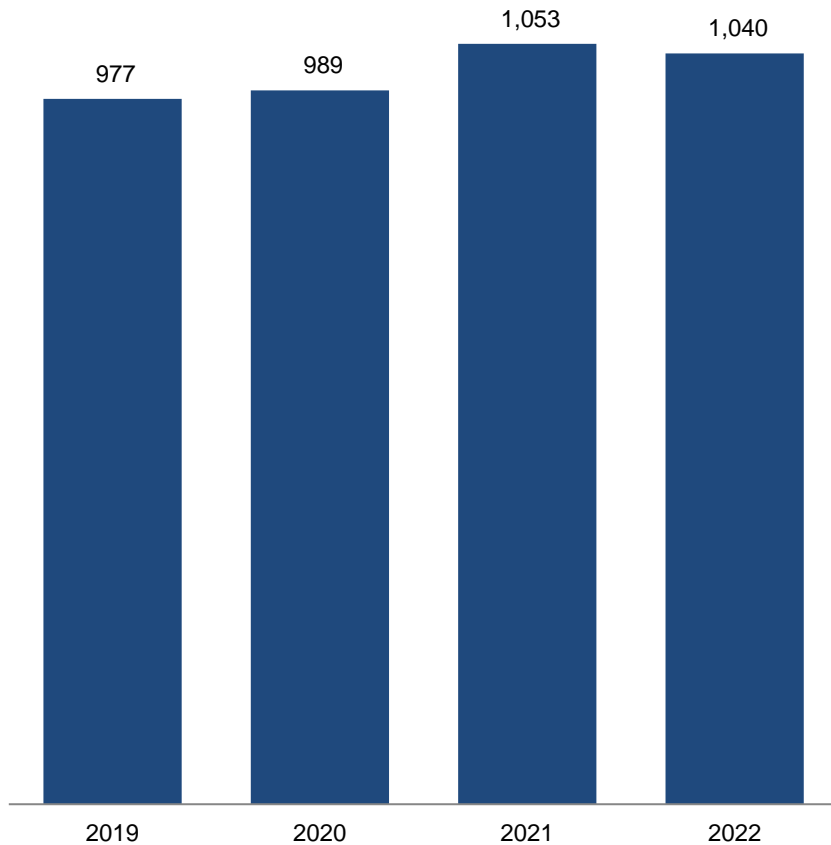
Supporting military space capabilities, deep space exploration, and putting astronauts on the moon

First Half Sales and Profit

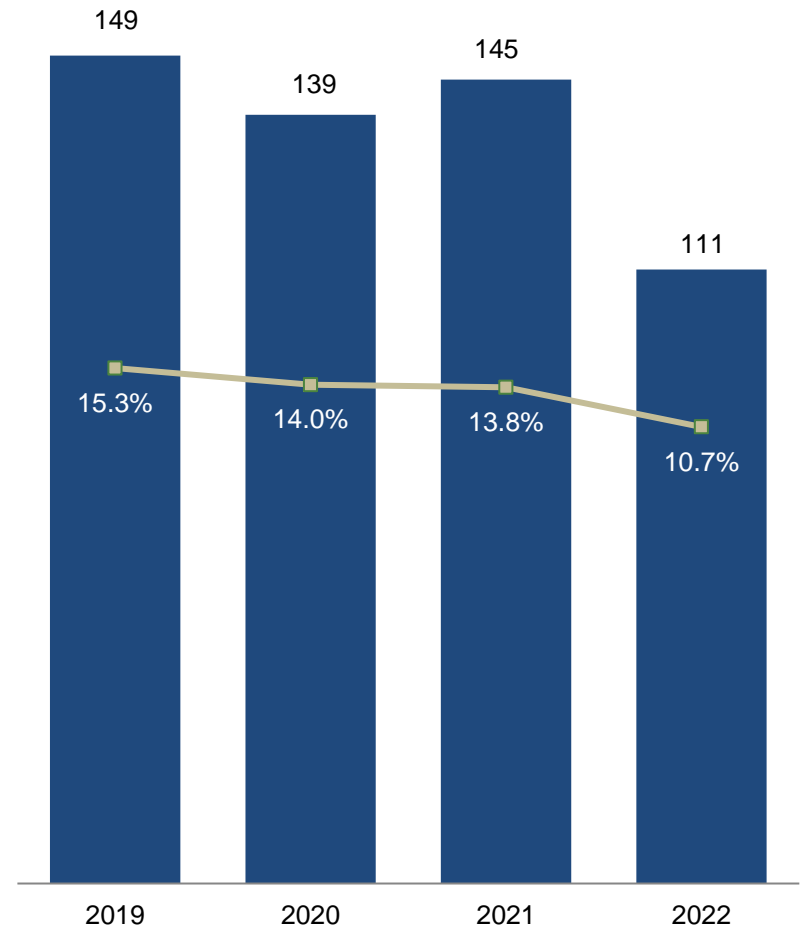


Net Sales YTD June

(\$ in millions)



Adjusted EBITDAP* YTD June



Adjusted EBITDAP as a % of Net Sales

EAC adjustments**	39	18	22	(32)
Excluding EACs:	110	121	123	143

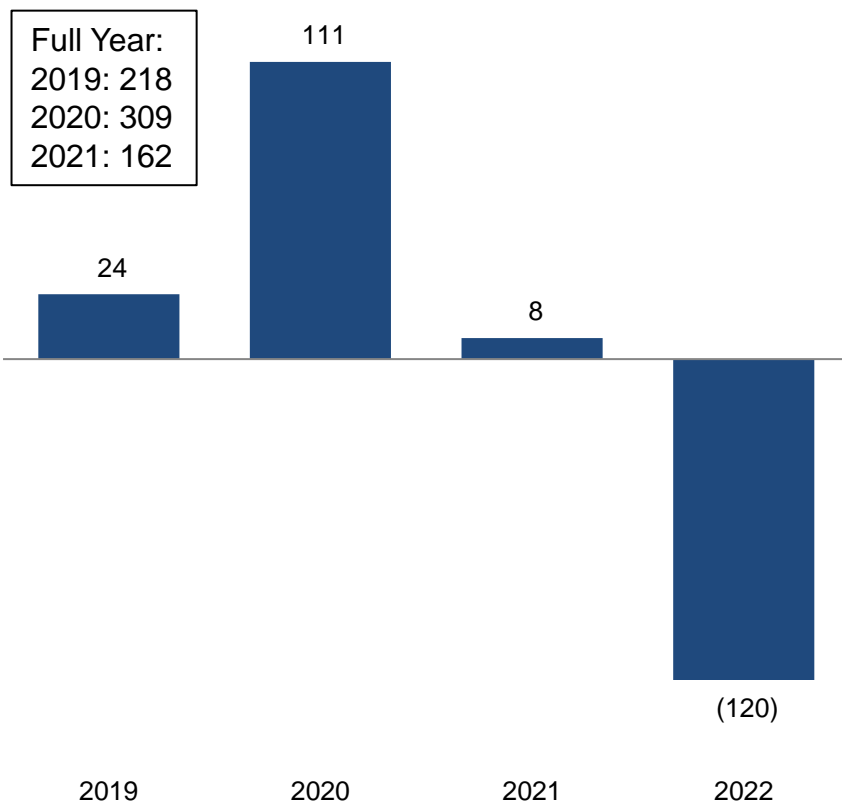
* Non-GAAP Measure. See reconciliation in appendix.

** EAC: Estimate at Completion

Cash Flow

Free Cash Flow* YTD June

(\$ in millions)



Working capital growth in 2022: driven by timing of multi-year programs

Goal remains Free Cash Flow greater than Net Income – pressure in 2022 and 2023

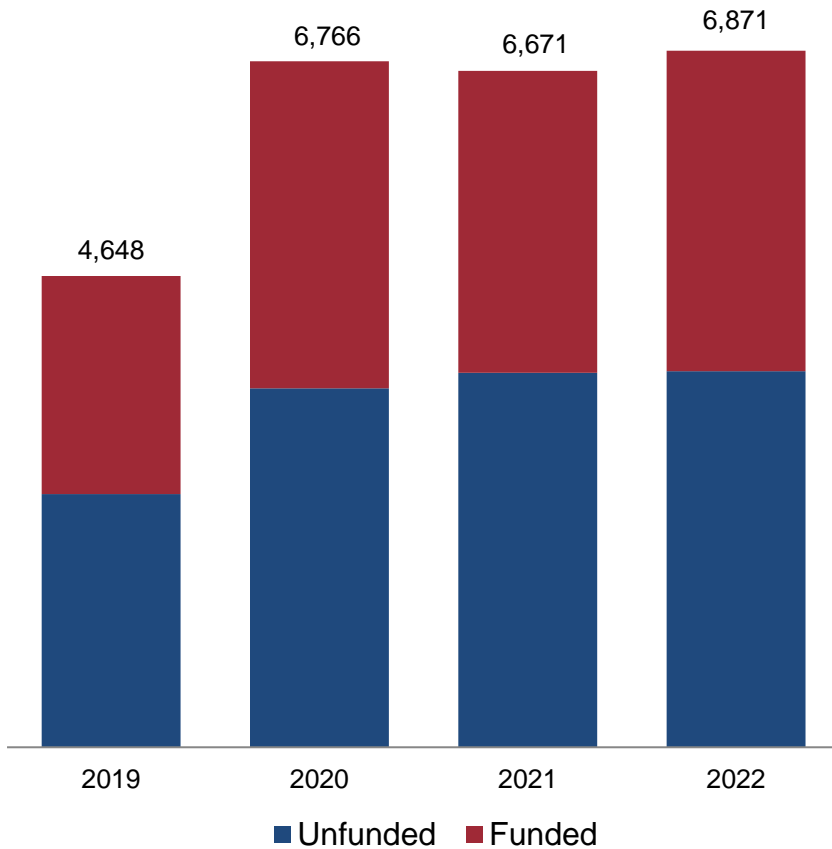
Capex focused on facility expansion for next generation development program wins

• Non-GAAP Measure. See reconciliation in appendix.

Q2 Backlog

Backlog

(\$ in millions)



Large, Multi-Year Awards

- RS25
- RL10
- Standard Missile
- PAC-3
- THAAD

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 Stakeholder Value



Appendix

Reconciliation of Non-GAAP Measures



(\$ in millions)

	Six Months Ended June 30,			
	2022	2021	2020	2019
Income before income taxes	\$ 62.0	\$ 84.7	\$ 96.2	\$ 111.2
Interest, net	8.4	8.9	11.6	10.2
Depreciation and amortization	28.2	30.9	34.6	35.0
GAAP retirement benefits expense	0.5	16.9	18.3	13.0
CAS recoverable retirement benefits expense	(18.9)	(19.5)	(23.8)	(20.3)
Unusual items	30.6	23.2	1.8	0.3
Adjusted EBITDAP	\$ 110.8	\$ 145.1	\$ 138.7	\$ 149.4

	Six Months Ended June 30,			
	2022	2021	2020	2019
Net cash (used in) provided by operating activities	\$ (108.8)	\$ 20.2	\$ 127.6	\$ 31.2
Capital expenditures	(11.5)	(12.3)	(16.2)	(6.9)
Free Cash Flow	\$ (120.3)	\$ 7.9	\$ 111.4	\$ 24.3

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.