

Correcting the Many Misstatements and Fabrications in the Lichtenstein / Steel Report

June 10th, 2022

Important: These materials are provided by Eileen P. Drake, General Kevin Chilton, USAF (Ret.), General Lance Lord, USAF (Ret.) and Thomas Corcoran on their own behalf, and not on behalf of Aerojet Rocketdyne Holdings, Inc.

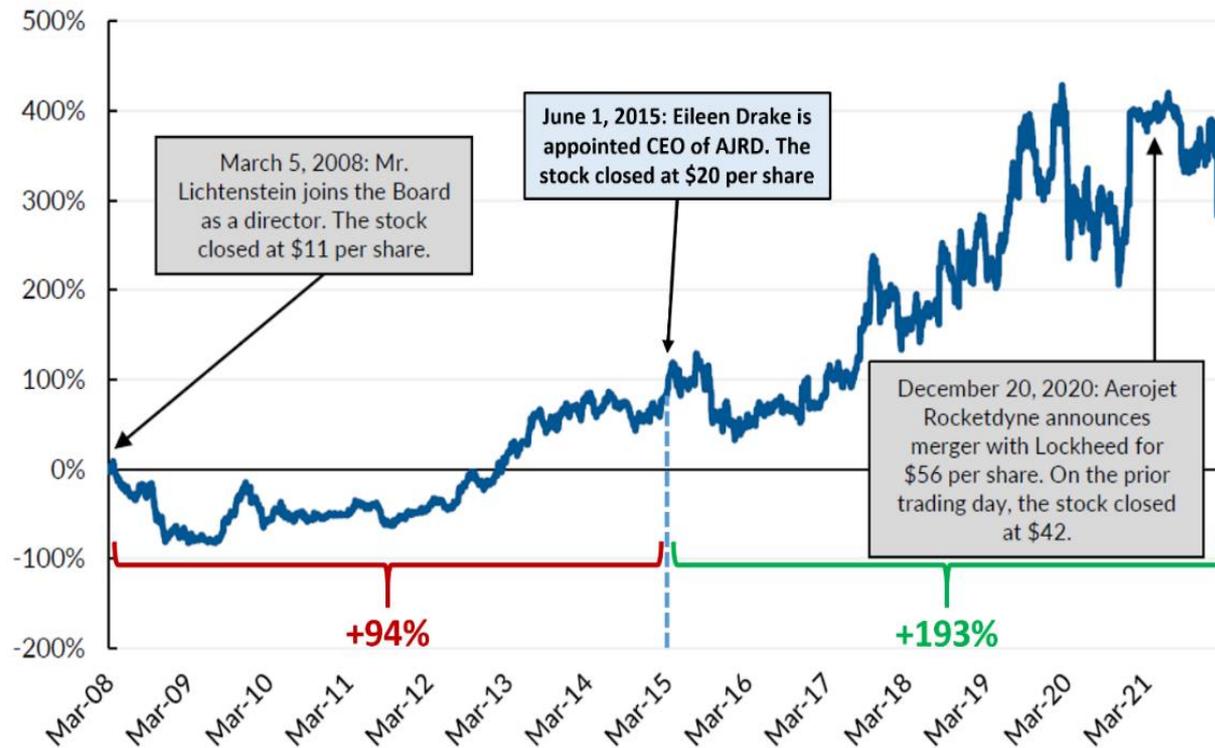
Important Information, Forward Looking Statements and Non-GAAP Measures

These materials are provided by Eileen P. Drake, General Kevin Chilton, USAF (Ret.), General Lance Lord, USAF (Ret.) and Thomas Corcoran (the “Non-Steel Directors”) on their own behalf, and not on behalf of Aerojet Rocketdyne Holdings, Inc. (the “Company”). On June 1, 2022, the Non-Steel Directors filed a definitive proxy statement with the Securities and Exchange Commission (the “SEC”) in connection with the solicitation of proxies for the Company’s special meeting of stockholders. **Stockholders are advised to read the proxy statement because it contains important information.** Stockholders may obtain a free copy of the proxy statement, any amendments or supplements to the proxy statement and other documents that the Non-Steel Directors file with the SEC from the SEC’s website at www.sec.gov.

These materials contain certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements in these materials are based on current expectations and are subject to risks, uncertainty and changes in circumstances, which could cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words “believe,” “could,” “expect,” and similar expressions are generally intended to identify forward-looking statements. A variety of factors could cause actual results or outcomes to differ materially from those expected and expressed in the forward-looking statements. Financial data presented is derived from audited financial statements. These materials also contains non-GAAP financial measures. A reconciliation of these financial measures to the nearest GAAP measure is included in these materials.

Aerojet's Value Creation Has Been Driven Mainly by Ms. Drake, Not Mr. Lichtenstein

Mr. Lichtenstein's presentation included a slide touting value creation during his tenure...



When in fact...

More than two-thirds of the value generated during Mr. Lichtenstein's tenure was created after Ms. Drake became CEO

Of the 287% TSR since Mr. Lichtenstein joined the Board in March 2008 (~10% CAGR), ~193% was created after Ms. Drake became CEO in June 2015 (~17% CAGR)

Mr. Tucker Does Not Have the Experience or Expertise to Serve as Aerojet's CEO

Mr. Lichtenstein's presentation included a slide touting Mr. Tucker as a great CEO candidate...

Mr. Tucker, who served as Aerojet Rocketdyne COO and held senior roles at Northrop Grumman, has deep organization knowledge and a vision for fixing morale, delivery, production and operational issues threatening shareholder value. He is ready to do the blocking and tackling needed to once again position the Company for long-term stability, innovation and value creation.

The Facts Speak for Themselves



**AEROJET
ROCKETDYNE**

- 2013 – Joins Company as Senior Vice President of enterprise operations and engineering division shortly after the close of the Rocketdyne acquisition and is primarily responsible for integrating major functions post-close.
- 2013–2015 – Leads Project Connect, which successfully transferred Rocketdyne functions onto the Aerojet Rocketdyne system on time and under budget.
- 2014 – Developed the competitive improvement plan (“CIP”) which was approved by the Board.
- 2015 – Promoted to COO, replacing Ms. Drake, who became CEO on June 1.
- 2015-2019 – After architecting CIP in 2014, he executes it in two phases. The program implementation reduced the Company's costs by more than \$230 million, enabling growth through more competitive bid positions and margin expansion.
 - Reduced factory footprint and office space, closed under-utilized facilities, relocated corporate headquarters, oversaw significant infrastructure upgrades at manufacturing facilities, implemented a product affordability process to drive down costs and implemented rigorous budget management discipline.
 - Developed and implemented a streamlined organizational restructure that consolidated six business units into two and ran both the Space and Defense businesses while searching for permanent leaders.

During Mr. Tucker's tenure as COO, when he was awarded multiple retention bonuses, he oversaw significant growth that helped drive a more than 175% increase in free cash flow and total shareholder returns of approximately 150%.

When in fact...

Mr. Tucker spent the last 2 years since leaving Aerojet Rocketdyne as a consultant to a Steel Partners affiliate

He has not been hired by any company as an executive since leaving Aerojet Rocketdyne

He has also never served as a director of any public company

While Mr. Tucker had been with the Company since 2013, the Board conducted an external CEO search in 2015 and ultimately hired Ms. Drake. Mr. Tucker was never considered by the Board

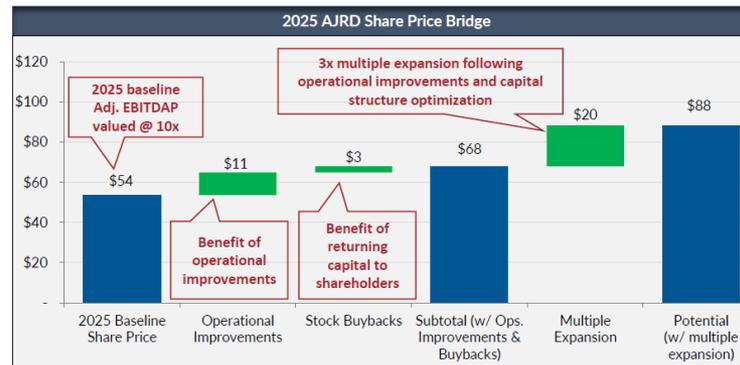
After Serving on the Board for 16 Years, Mr. Lichtenstein Now Has a “Plan” for Aerojet Rocketdyne

Mr. Lichtenstein’s presentation included a slide touting his “plan” to create value...

Operational improvements and capital structure optimization should drive meaningful appreciation in the Company’s stock price.

- Baseline unlevered free cash flow based on illustrative 50% EBITDAP conversion.
- Operational improvements include \$150 million excess working capital release and \$150 million monetization of non-core assets by 2025.
- Additional value from stock buybacks assumes \$1.4 billion of capital returned to shareholders through 2024 at an 11x EV / LTM EBITDAP multiple (~\$46 per share in 2022, ~\$55 per share in 2023 and ~\$65 per share in 2024).
 - Buybacks funded in part with \$336 million of net proceeds from equity recapitalization in late 2022 (2.0x pro forma opening leverage, declining in each year to 1.5x in 2025).

2025 Share Price (units in mm, except per share figures)			
	Baseline Projections	(+) Operational Improvements & Buybacks	(+) EBITDAP Multiple Expansion
Adj. EBITDAP	\$357	\$412	\$412
(x) Multiple	10	10	13
Enterprise Value	\$3,566	\$4,116	\$5,351
(-) Debt	(282)	(618)	(618)
(+) Cash	1,316	608	608
Equity Value	\$4,600	\$4,106	\$5,341
(/) Shares Out.	86	60	60
Share Price	\$53.67	\$67.99	\$88.44
<i>Memo:</i>			
Stock Buybacks	-	\$1,400	\$1,400
Equity Value + Buybacks	4,600	5,506	6,741



When in fact...

Mr. Lichtenstein has never presented a strategic plan to the Board during his time as a director, and has collected ~\$7mm per year as Executive Chair without proposing a plan

Releasing \$150 million of excess working capital is not an “operational improvement”

The Board and the Independent Slate have previously identified potential real estate assets that could be monetized

Mr. Lichtenstein’s plan includes a mysterious 3x multiple expansion with no basis or support

Mr. Lichtenstein's Stewardship of the Company's Pension Fund Has Been Disastrous

Mr. Lichtenstein's presentation attempts to blame Ms. Drake for deterioration in the pension...

	2016-2021 Total	(As of December 31st)						Pension Benefits (Year Ended November 30)									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
Fair value (beg of year)		\$ 957.00	\$ 932.50	\$ 894.80	\$ 931.20	\$ 925.10	\$ 931.40	\$ 1,163.10	\$ 1,249.20	\$ 1,243.10	\$ 1,296.80	\$ 1,374.30	\$ 1,335.50	\$ 1,543.30	\$ 1,712.20	\$ 1,705.70	
Actual gain/loss (return) on plan assets	\$ 530.30	\$ 135.70	\$ 117.10	\$ 144.80	\$ (57.80)	\$ 96.80	\$ 93.70	\$ (64.20)	\$ 63.50	\$ 150.20	\$ 81.20	\$ 54.50	\$ 172.30	\$ (46.60)	\$ (29.50)	\$ 145.50	
Return as %		14.18%	12.56%	16.18%	-6.21%	10.46%	10.06%	-5.52%	5.08%	12.08%	6.26%	3.97%	12.90%	-3.02%	-1.72%	8.53%	
Employer contributions	\$ 280.20	\$ 18.80	\$ 15.60	\$ 1.40	\$ 133.10	\$ 77.20	\$ 34.10	\$ 1.30	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.50	\$ 1.20	\$ 5.80	\$ 1.70	\$ 1.90	
Benefits Paid	\$ (599.50)	\$ (106.50)	\$ (108.20)	\$ (108.50)	\$ (11.70)	\$ (133.20)	\$ (131.40)	\$ (136.10)	\$ (133.70)	\$ (136.10)	\$ (136.10)	\$ (133.50)	\$ (134.70)	\$ (167.00)	\$ (144.10)	\$ (140.90)	
Funded status of the plans	\$ (247.30)	\$ (424.50)	\$ (417.30)	\$ (393.50)	\$ (511.70)	\$ (567.00)	\$ (585.40)	\$ (503.20)	\$ (280.20)	\$ (474.60)	\$ (253.60)	\$ (192.30)	\$ (226.10)	\$ (61.60)	\$ 89.00		
Discount Rate (benefit obligations)		2.52%	3.28%	4.27%	3.59%	4.02%	4.36%	4.26%	3.96%	4.54%	3.68%	4.95%	5.21%	5.65%	7.10%	6.40%	
Discount Rate (net periodic benefit expense)		3.28%	4.27%	3.59%	4.02%	4.36%	4.26%	3.96%	4.54%	3.68%	4.95%	5.21%	5.65%	7.60%	6.40%	6.00%	
(in millions)																	
Estimated future benefit payments (in millions)																	
	Form 10K 2021																
	2022	\$ 104.70															
	2023	\$ 101.50															
	2024	\$ 93.10															
	2025	\$ 94.50															
	2026	\$ 90.70															
	2027-2031	\$ 395.10															

When in fact...

Since Mr. Lichtenstein began overseeing the Company's pension fund in 2008 on the Benefits Management Committee, the fund has deteriorated from an overfunded position of over \$60 million to a currently underfunded position of over (\$200 million)

And Mr. Lichtenstein has continued to avoid an audit of the pension fund

Absent Board approval, you lack the authority to engage an auditor to engage in analyses outside the ordinary course of business at this time. Additionally, I believe that your doing so will violate the TRO – which you would understand if Company counsel had prepared a memo for the Board, Officers and employees explaining the serious nature of the Court's Order and its meaning. If you persist with unilateral unauthorized actions, I intend to raise these issues with neutral counsel, and if it should be determined that your efforts are intended to influence the proxy contest, I am confident that my counsel will be raising this with the Court.

Respectfully,
Warren

Subject: RE: [EXTERNAL] Follow up on February Financial Package

Warren,

Are you suggesting the auditors shouldn't examine why the pension plan is underfunded by more than \$200M dollars?

I strongly disagree.

Eileen

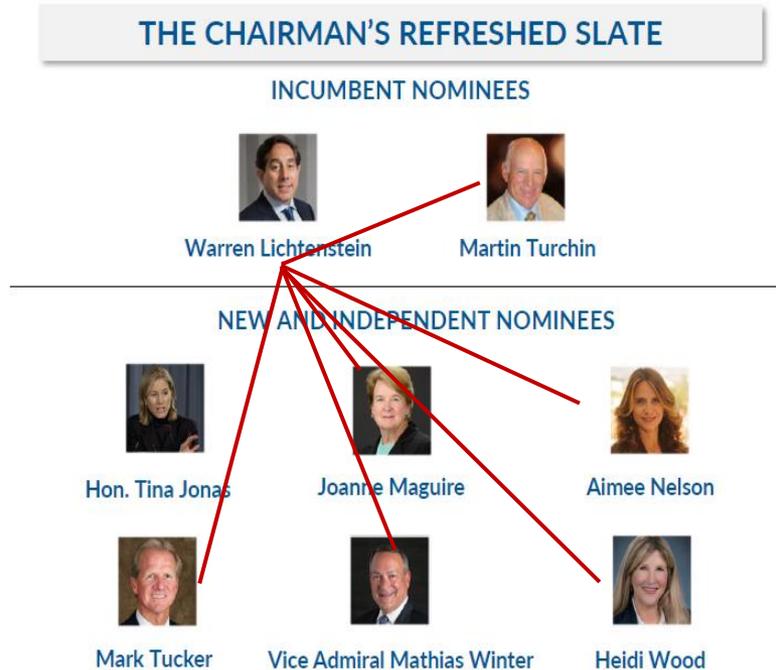
In His Presentation, Mr. Lichtenstein Confirms That He Does Not Understand AJRD's Business



**Why are they using a picture of a Russian rocket?
Do Mr. Lichtenstein and Mr. Tucker want to "save Aerojet" with Russian rockets rather than Aerojet Rocketdyne products?**

Should someone that out of touch with the business really be leading the company?

Mr. Lichtenstein's Slate Consists of Selected "Friends" Who Lack Relevant Experience and/or Independence



Tucker

- No prior experience serving on a public company board
- No prior CEO experience and since 2020 has been a paid consultant for Steel Partners



Wood

- Lacks any relevant A&D sector experience or public company executive experience
- No prior experience serving on a public company board
- Personal friend of Mr. Lichtenstein¹



Maguire

- While on CommScope board, TSR underperformed the S&P 500 by 196%²
- Personal friend of Mr. Lichtenstein¹



Nelson

- No prior experience serving on a public company board
- Personal friend of Mr. Lichtenstein¹



Winter

- No prior experience serving on a public company board
- Consultant to affiliates of Steel Partners



Jonas

- While on Virgin Galactic board, TSR underperformed the S&P 500 by 79%²



Turchin

- Grandfather of Mr. Lichtenstein's Chief of Staff at Steel Partners
- Sons are longtime friends of Mr. Lichtenstein¹

Mr. Henderson and Ms. McNiff (two friends of Lichtenstein on the Board) continue to be named in proxy materials when they are no longer part of Mr. Lichtenstein's slate—***do they expect to be re-named to the Board following the Special Meeting?***

Source: WSJ, SEC filings, BoardEx, FactSet, Steel Partners' investor presentation titled *The Path to Improved Value Creation at Aerojet Rocketdyne* (page 7)

1. Per Mr. Lichtenstein's testimony in Delaware Court
2. Reflects performance from when nominee first joined the company board to 6/3/22

Mr. Lichtenstein Attempts to Criticize Ms. Drake's Leadership, But Credible Third Parties Take the Opposite View

- “**Eileen Drake and the AJRD management team have delivered an incredible corporate turnaround** since they were installed by the Chairman who is currently saying they did a terrible job. The **company's financials are a thing of beauty** if you know what beauty looks like in leveraged finance. So if Drake and co emerge from the pad fire badly burned but still alive? We're in. **No Drake and co? We're not in.**” (emphasis added) – **Cestrian Capital Research, 2/16/22**
- Named **2022 Woman of the Year** by THE MUSES of the California Science Center Foundation, which recognizes women who have made outstanding contributions in the fields of science, technology, engineering, mathematics (STEM) and business
- In 2021 Gabelli Funds named Eileen Drake to their **Management Hall of Fame** for creating shareholder wealth, earning a superior rate of return over the long term, practicing the virtues of capital accumulation and enhancing Gabelli's clients' investment success
- Recipient of the **2020 John W. Dixon Award** by the Association of the United States Army (AUSA), its highest award for a leader in industry, recognizing distinguished service resulting in outstanding contributions to national defense by a member of the industrial community
- Appointed in 2020 to the **National Space Council Users' Advisory Group (UAG)**, a federal advisory committee that advises the National Space Council
- Recognized as one of **2019's Most Influential Corporate Directors** by WomenInc. Magazine
- Appointed to the **2019 Executive Committee of the Aerospace Industries Association (AIA)**, the leading U.S. aerospace and defense trade association
- Presented with the **2017 CEO of the Year Award** by the Federal Law Enforcement Foundation (FLEF) in honor of her service to the nation as a U.S. Army aviator and as a leader in the aerospace and defense sectors