# Icahn Enterprises L.P.
# Q2 2019 Earnings Presentation

August 6, 2019

# Safe Harbor Statement

**Forward-Looking Statements and Non-GAAP Financial Measures**

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements we make in this presentation, including statements regarding our future performance and plans for our businesses and potential acquisitions. These forward-looking statements involve risks and uncertainties that are discussed in our filings with the Securities and Exchange Commission, including economic, competitive, legal and other factors. Accordingly, there is no assurance that our expectations will be realized. We assume no obligation to update or revise any forward-looking statements should circumstances change, except as otherwise required by law. This presentation also includes certain non-GAAP financial measures. A reconciliation of such non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the back of this presentation.

## Q2 2019 Highlights and Recent Developments

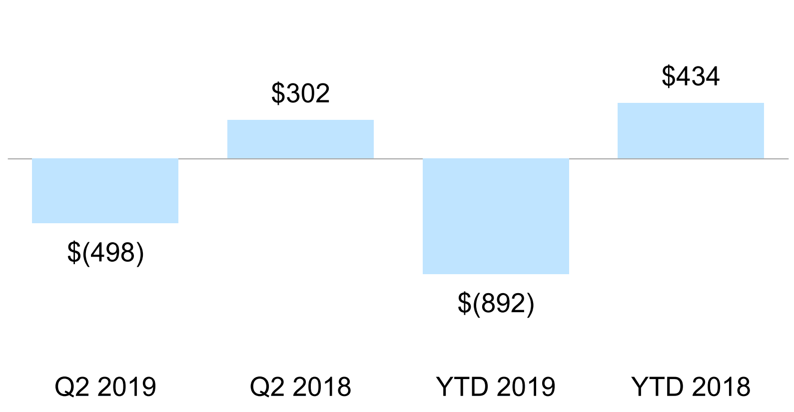
- Net loss attributable to Icahn Enterprises for Q2 2019 was $498 million, or a loss of $2.49 per depositary unit
- Board declared $2.00 quarterly distribution payable in either cash or additional units
- In May 2019, IEP announced the commencement of its "at-the-market" offering pursuant to its Open Market Sale Agreement, pursuant to which Icahn Enterprises may sell its depositary units, from time to time, for up to $400 million in aggregate sale proceeds
- In May and June 2019, IEP issued $1.250 billion in aggregate principal amount of 6.250% senior unsecured notes due 2026.
  - On August 1, 2019, proceeds from the notes plus cash on hand were used to repay in full our 6.000% senior unsecured notes due 2020
- On August 1, 2019, we closed on the previously announced sale of Ferrous Resources to Vale S.A. for total consideration of approximately $550 million (including repaid indebtedness)

# Consolidated Results

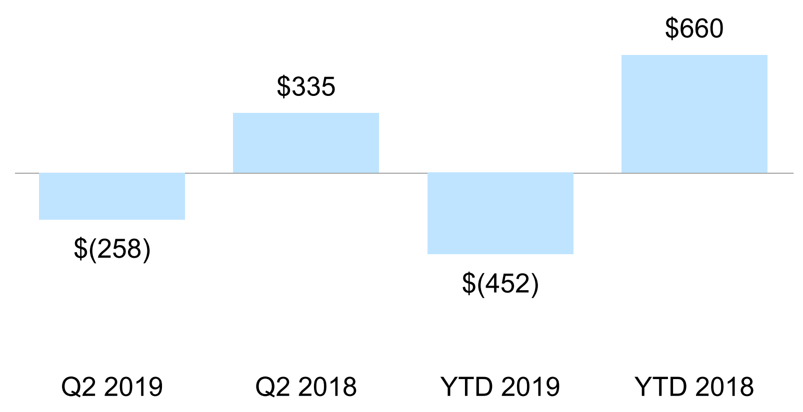
| Consolidated Results ($ millions) | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|---|---|
| **Select Income Statement Data:** | | | | |
| Revenues | $ 2,196 | $ 3,423 | $ 4,051 | $ 6,406 |
| Expenses | 2,761 | 3,029 | 5,274 | 5,628 |
| **(Loss) income from continuing operations before income tax expense** | **(565)** | **394** | **(1,223)** | **778** |
| Income tax (expense) benefit | (8) | 16 | (14) | (1) |
| (Loss) income from continuing operations | (573) | 410 | (1,237) | 777 |
| (Loss) income from discontinued operations | (24) | 167 | (24) | 212 |
| **Net (loss) income** | **(597)** | **577** | **(1,261)** | **989** |
| Less: net (loss) income attributable to non-controlling interests | (99) | 275 | (369) | 555 |
| **Net (loss) income attributable to Icahn Enterprises** | **$ (498)** | **$ 302** | **$ (892)** | **$ 434** |
| | | | | |
| **Net (loss) income attributable to Icahn Enterprises from:** | | | | |
| Continuing operations | $ (474) | $ 148 | $ (868) | $ 246 |
| Discontinued operations | (24) | 154 | (24) | 188 |
| | **$ (498)** | **$ 302** | **$ (892)** | **$ 434** |

# Financial Performance

## Net Income Attributable to Icahn Enterprises




## Adjusted EBITDA Attributable to Icahn Enterprises




| ($ millions) | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|---|---|
| **Net (loss) income attributable to Icahn Enterprises:** | | | | |
| Investment | $ (148) | $ 157 | $ (443) | $ 318 |
| Energy | 76 | 35 | 142 | 85 |
| Automotive | (38) | (18) | (80) | (52) |
| Food Packaging | — | — | (3) | (3) |
| Metals | (3) | 3 | (6) | 7 |
| Real Estate | 1 | 7 | 5 | 14 |
| Home Fashion | (4) | (3) | (8) | (8) |
| Mining | 28 | 4 | 33 | — |
| Railcar | — | (4) | — | 1 |
| Holding Company | (386) | (33) | (508) | (116) |
| Discontinued Operations | (24) | 154 | (24) | 188 |
| **Net (loss) income attributable to Icahn Enterprises** | **$ (498)** | **$ 302** | **$ (892)** | **$ 434** |

| ($ millions) | Three Months Ended June 30, 2019 | Three Months Ended June 30, 2018 | Six Months Ended June 30, 2019 | Six Months Ended June 30, 2018 |
|---|---|---|---|---|
| **Adjusted EBITDA attributable to Icahn Enterprises:** | | | | |
| Investment | $ (138) | $ 157 | $ (424) | $ 329 |
| Energy | 165 | 98 | 316 | 213 |
| Automotive | (4) | 10 | (26) | — |
| Food Packaging | 12 | 14 | 21 | 22 |
| Metals | 1 | 8 | 3 | 16 |
| Real Estate | 5 | 12 | 11 | 25 |
| Home Fashion | (1) | — | (3) | (1) |
| Mining | 32 | 4 | 40 | 5 |
| Railcar | — | (2) | — | (2) |
| Holding Company | (330) | 34 | (390) | 53 |
| **Adjusted EBITDA attributable to Icahn Enterprises** | **$ (258)** | **$ 335** | **$ (452)** | **$ 660** |

# Segment: Investment

## Segment Description

- IEP invests its proprietary capital through various private investment funds (the "Funds") managed by the Investment segment
- Fair value of IEP's interest in the Funds was approximately $4.6 billion as of June 30, 2019

## Summary Segment Financial Results

| Investment Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| ($ millions) | 2019 | 2018 | 2019 | 2018 |
| **Select Income Statement Data:** | | | | |
| Total revenue | $ (271) | $ 399 | $ (839) | $ 827 |
| Adjusted EBITDA | (274) | 398 | (844) | 825 |
| Net (loss) income | (295) | 397 | (883) | 798 |
| Adjusted EBITDA attributable to IEP | $ (138) | $ 157 | $ (424) | $ 329 |
| Net (loss) income attributable to IEP | (148) | 157 | (443) | 318 |
| **Returns** | **(3.1)%** | **4.9%** | **(8.8)%** | **10.5%** |

## Highlights and Recent Developments

- Return of (3.1)% for Q2 2019
- From inception in November 2004, the Funds' gross return is approximately 117.1%, representing an annualized rate of return of approximately 5.4% through June 30, 2019

| Significant Holdings | | |
|---|---|---|
| As of June 30, 2019 (1) | | |
| Company | Mkt. Value ($mm)(2) | % Ownership(3) |
| Caesars Entertainment | $2,201 | 27.7% |
| OXY | $1,672 | 4.4% |
| Herbalife | $1,506 | 23.3% |
| Cheniere | $1,477 | 8.4% |
| Xerox | $831 | 10.4% |

(1) Aggregate ownership held directly by the Funds, as well as Carl Icahn and his affiliates. Based on most recent 13F Holdings Reports, 13D flings or other public filings.
(2) Based on closing share price as of specified date.
(3) Total economic ownership as a percentage of common shares issued and outstanding.

# Segment: Energy

## Segment Description

- CVR Energy, Inc. (NYSE:CVI) is a diversified holding company primarily engaged in the petroleum refining and nitrogen fertilizer manufacturing businesses through its interests in CVR Refining, LP and CVR Partners, LP (NYSE:UAN)
  - CVR Refining is an independent petroleum refiner and marketer of high-value transportation fuels in the mid-continent of the United States
  - CVR Partners is a manufacturer of ammonia and urea ammonium nitrate solution fertilizer products

## Summary Segment Financial Results

| Energy Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| ($ millions) | 2019 | 2018 | 2019 | 2018 |
| **Select Income Statement Data:** | | | | |
| Net sales | $ 1,687 | $ 1,914 | $ 3,173 | $ 3,451 |
| Adjusted EBITDA | 273 | 179 | 503 | 384 |
| Net income | 116 | 57 | 206 | 138 |
| Adjusted EBITDA attributable to IEP | $ 165 | $ 98 | $ 316 | $ 213 |
| Net income attributable to IEP | 76 | 35 | 142 | 85 |
| **Capital Expenditures** | $ 26 | $ 23 | $ 55 | $ 43 |

## Highlights and Recent Developments

- In January 2019, CVR Energy purchased the remaining common units of CVR Refining not already owned by CVR Energy for $241 million, excluding the amount paid to us
- CVR Energy Q2 2019 Highlights
  - Announced Q2 2019 cash dividend of $0.75 per share
- Petroleum Q2 2019 Results
  - Q2 2019 total throughput was approximately 216k bpd
  - EBITDA of $216 million compared to $164 million in Q2 2018(1)
- Nitrogen Q2 2019 Results
  - EBITDA of $60 million compared to $20 million in Q2 2018(1)
  - Consolidated average realized plant gate prices for UAN in Q2 2019 was $217 per ton, compared to $191 per ton in Q2 2018
  - Announced Q2 2019 cash distribution of $0.14 per unit

*(1) Refer to CVI 8-K filed 7/24/19 for the Adjusted EBITDA reconciliations.*

# Segment: Automotive

## Segment Description

- We conduct our Automotive segment through our wholly owned subsidiary Icahn Automotive Group LLC ("Icahn Automotive")
- Icahn Automotive is engaged in the retail and wholesale distribution of automotive parts in the aftermarket as well as providing automotive repair and maintenance services to its customers

## Summary Segment Financial Results

| Automotive Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| ($ millions) | 2019 | 2018 | 2019 | 2018 |
| **Select Income Statement Data:** | | | | |
| Net sales and other revenues from operations | $ 744 | $ 737 | $ 1,437 | $ 1,423 |
| Adjusted EBITDA | (4) | 10 | (26) | — |
| Net loss | (38) | (18) | (80) | (52) |
| Adjusted EBITDA attributable to IEP | $ (4) | $ 10 | $ (26) | $ — |
| Net loss attributable to IEP | (38) | (18) | (80) | (52) |
| **Capital Expenditures** | $ 9 | $ 18 | $ 22 | $ 37 |

## Highlights and Recent Developments

- Icahn Automotive is implementing a multi-year plan to separate its aftermarket parts and automotive service businesses into two separate operating companies. The plan includes streamlining Icahn Automotive's corporate and field support teams; facility closures, consolidations and conversions; inventory optimization actions; and re-focusing its automotive parts business on certain core markets.
- Our Automotive segment's priorities include:
  - Positioning the service business to take advantage of opportunities in the do-it-for-me market and vehicle fleets;
  - Optimizing the value of the commercial parts distribution business in certain high-volume core markets;
  - Exiting the automotive parts distribution business in certain low volume, non-core markets;
  - Improving inventory management across Icahn Automotive's parts and tire distribution network;
  - Business process improvements, including investments in our supply chain and information technology capabilities.
- Q2 2019 Adjusted EBITDA was $(4) million compared to $10 million in Q2 2018
  - Elevated expense related to transformation plan and investments in commercial parts business

# Segment: Food Packaging

## Segment Description

- Viskase Companies, Inc (OTCPK:VKSC) is a worldwide leader in the production and sale of cellulosic, fibrous and plastic casings for the processed meat and poultry industry
  - Leading worldwide manufacturer of non-edible cellulosic casings for small-diameter meats (hot dogs and sausages)
  - Leading manufacturer of non-edible fibrous casings for large-diameter meats (sausages, salami, hams and deli meats)

## Highlights and Recent Developments

- Q2 2019 net sales decreased by $7 million as compared to the corresponding prior year period
- Consolidated adjusted EBITDA of $16 million for Q2 2019, compared to $17 million in Q2 2018
- Viskase's cash balance as of June 30, 2019 was $22 million

## Summary Segment Financial Results

| Food Packaging Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| ($ millions) | 2019 | 2018 | 2019 | 2018 |
| **Select Income Statement Data:** | | | | |
| Net sales | $ 97 | $ 104 | $ 192 | $ 201 |
| Adjusted EBITDA | 16 | 17 | 27 | 28 |
| Net gain (loss) | 1 | (1) | (4) | (4) |
| Adjusted EBITDA attributable to IEP | $ 12 | $ 14 | $ 21 | $ 22 |
| Net loss attributable to IEP | — | — | (3) | (3) |
| **Capital Expenditures** | $ 3 | $ 6 | $ 10 | $ 11 |

# Segment: Metals

## Segment Description

- PSC Metals LLC is one of the largest independent metal recycling companies in the U.S.
- Collects industrial and obsolete scrap metal, processes it into reusable forms and supplies the recycled metals to its customers
- Strong regional footprint (Upper Midwest, St. Louis Region and the South)

## Summary Segment Financial Results

| Metals Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| ($ millions) | 2019 | 2018 | 2019 | 2018 |
| **Select Income Statement Data:** | | | | |
| Net sales | $ 95 | $ 132 | $ 188 | $ 250 |
| Adjusted EBITDA | 1 | 8 | 3 | 16 |
| Net (loss) income | (3) | 3 | (6) | 7 |
| Adjusted EBITDA attributable to IEP | $ 1 | $ 8 | $ 3 | $ 16 |
| Net (loss) income attributable to IEP | (3) | 3 | (6) | 7 |
| **Capital Expenditures** | $ 12 | $ 1 | $ 17 | $ 2 |

## Highlights and Recent Developments

- Q2 2019 net sales decreased by $37 million compared to the comparable prior year period primarily due to lower shipment volumes and lower average selling prices for most grades of metal, particularly non-ferrous residue material
- Adjusted EBITDA was $1 million in Q2 2019 compared to $8 million in Q2 2018
- Committed to improving buying practices to improve materials margins

# Segment: Real Estate

## Segment Description

- Consists of rental real estate, property development and club operations
- Rental real estate consists primarily of retail, office and industrial properties leased to single corporate tenants
- Property development is focused on the construction and sale of single and multi-family houses, lots in subdivisions and planned communities and raw land for residential development
- Club operations focus on operating golf club and related activities

## Summary Segment Financial Results

| Real Estate Segment | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| ($ millions) | 2019 | | 2018 | | 2019 | | 2018 | |
| **Select Income Statement Data:** | | | | | | | | |
| Net sales and other revenues from operations | $ | 27 | $ | 28 | $ | 48 | $ | 50 |
| Adjusted EBITDA | | 5 | | 12 | | 11 | | 25 |
| Net income | | 1 | | 7 | | 5 | | 14 |
| Adjusted EBITDA attributable to IEP | $ | 5 | $ | 12 | $ | 11 | $ | 25 |
| Net income attributable to IEP | | 1 | | 7 | | 5 | | 14 |
| **Capital Expenditures** | $ | 10 | $ | 4 | $ | 16 | $ | 7 |

## Highlights and Recent Developments

- Business strategy is based on long-term investment outlook and operational expertise

### Rental Real Estate Operations

- Maximize value of commercial lease portfolio through effective management of existing properties
  - Seek to sell assets on opportunistic basis

### Property Development & Club Operations

- New Seabury in Cape Cod, Massachusetts and Grand Harbor in Vero Beach, Florida include land for future residential development of approximately 219 and 1,114 units, respectively
- Club operations in New Seabury, Cape Cod and Grand Harbor, Vero Beach focus on operating golf club and related activities
- Includes hotel, timeshare and casino resort property in Aruba and Plaza Hotel and Casino in Atlantic City, NJ, which ceased operations in 2014

# Segment: Home Fashion

## Segment Description

- WestPoint Home LLC is engaged in manufacturing, sourcing, marketing, distributing and selling home fashion consumer products
- WestPoint Home owns many of the most well-know brands in home textiles including Martex, Grand Patrician, Luxor and Vellux
- WPH also licenses brands such as IZOD, Under the Canopy, Southern Tide and Hanes

## Summary Segment Financial Results

| Home Fashion Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| ($ millions) | 2019 | 2018 | 2019 | 2018 |
| **Select Income Statement Data:** | | | | |
| Net sales | $ 44 | $ 45 | $ 83 | $ 87 |
| Adjusted EBITDA | (1) | — | (3) | (1) |
| Net loss | (4) | (3) | (8) | (8) |
| Adjusted EBITDA attributable to IEP | $ (1) | $ — | $ (3) | $ (1) |
| Net loss attributable to IEP | (4) | (3) | (8) | (8) |
| **Capital Expenditures** | $ 1 | $ 2 | $ 2 | $ 3 |

## Highlights and Recent Developments

- Q2 2019 net sales decreased by $1 million compared to the comparably prior year period due to lower sales volumes
- Adjusted EBITDA was a loss of $1 million for Q2 2019, compared to breakeven for Q2 2018
- Streamlined merchandising, sales and customer service divisions
- Focus on core profitable customers and product lines
- Acquired Vision Support Services ("VSS") in June, 2019. VSS produces bedding and bath products for hospitality and healthcare sectors with strong presence in Europe and Middle East. VSS sources from a global network of 50 manufacturers

# Segment: Mining

## Segment Description

- Ferrous Resources has certain rights to iron ore mineral resources in Brazil and develops mining operations and related infrastructure to produce and sell iron ore products to the global steel industry
  - Significant iron ore assets in the State of Minas Gerais, Brazil, known as Viga, Viga Norte, Esperança, Serrinha and Santanense
  - Mineral rights near Jacuípe in the State of Bahia, Brazil

## Summary Segment Financial Results

| Mining Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| ($ millions) | 2019 | 2018 | 2019 | 2018 |
| **Select Income Statement Data:** | | | | |
| Net sales | $ 66 | $ 26 | $ 101 | $ 46 |
| Adjusted EBITDA | 40 | 5 | 51 | 6 |
| Net income (loss) | 35 | 5 | 41 | (1) |
| Adjusted EBITDA attributable to IEP | $ 32 | $ 4 | $ 40 | $ 5 |
| Net income attributable to IEP | 28 | 4 | 33 | — |
| **Capital Expenditures** | $ 6 | $ 10 | $ 10 | $ 23 |

## Highlights and Recent Developments

- Mining segment has been concentrating on sales in Brazil, where the best margins are being captured
  - Lower discounts on impurities have been offset by higher ocean freight rates
  - Continued investment in processing plants to produce higher quality iron ore product that currently sells at significant premium
- In Q2 2019, Consolidated adjusted EBITDA was $40 million compared to $5 million in Q2 2018
- On August 1, 2019, we closed on the previously announced sale of Ferrous Resources to Vale S.A. for total consideration of approximately $550 million (including repaid indebtedness)

# Financial Performance

# Liquidity Serves as a Competitive Advantage

($ Millions)

- The Company and its subsidiaries maintain ample liquidity to take advantage of attractive opportunities for their respective businesses

| Liquidity | | As of 6/30/2019 |
|---|---|---|
| **Liquid Assets:** | | |
| Hold Co. Cash & Cash Equivalents | $ | 3,337 |
| IEP Interest in Investment Funds | | 4,614 |
| Subsidiaries Cash & Cash Equivalents | | 671 |
| **Total** | **$** | **8,622** |
| | | |
| **Subsidiary Revolver Availability:** | | |
| Energy | | 441 |
| Automotive | $ | 95 |
| Food Packaging | | 7 |
| Metals | | 38 |
| Home Fashion | | 20 |
| **Total** | **$** | **601** |
| | | |
| **Total Liquidity** | **$** | **9,223** |

# IEP Summary Financial Information

($ Millions)

- Significant Valuation demonstrated by market value of IEP's public subsidiaries and Holding Company interest in Funds and book value or market comparables of other assets

| | Actual As of | | | | |
|---|---|---|---|---|---|
| | Jun 30 2018 | Sep 30 2018 | Dec 31 2018 | Mar 31 2019 | Jun 30 2019 |
| **Market-valued Subsidiaries and Investments:** | | | | | |
| Holding Company interest in Funds[1] | $ 3,354 | $ 3,003 | $ 5,066 | $ 4,772 | $ 4,624 |
| CVR Energy[2] | 2,634 | 2,864 | 2,455 | 2,933 | 3,559 |
| CVR Refining - direct holding[2] | 129 | 113 | 60 | — | — |
| American Railcar Industries[2] | 469 | 547 | — | — | — |
| Tenneco Inc.[2] | — | — | 806 | 652 | 327 |
| Total market-valued subsidiaries and investments | $ 6,585 | $ 6,527 | $ 8,387 | $ 8,357 | $ 8,510 |
| **Other Subsidiaries:** | | | | | |
| Tropicana[3] | $ 1,509 | $ 1,566 | $ — | $ — | $ — |
| Viskase[4] | 198 | 185 | 147 | 141 | 123 |
| Federal-Mogul[5] | 2,094 | 2,041 | — | — | — |
| Real-Estate Holdings[1] | 843 | 915 | 465 | 444 | 452 |
| PSC Metals[1] | 177 | 179 | 177 | 174 | 170 |
| WestPoint Home[1] | 137 | 134 | 133 | 129 | 155 |
| ARL[6] | 1 | — | — | — | — |
| Ferrous Resources[7] | 154 | 166 | 423 | 428 | 455 |
| Icahn Automotive Group[1] | 1,877 | 1,891 | 1,747 | 1,832 | 1,844 |
| Total other subsidiaries | $ 6,990 | $ 7,077 | $ 3,092 | $ 3,148 | $ 3,199 |
| Add: Holding Company cash and cash equivalents[8] | 79 | 97 | 1,834 | 2,139 | 3,337 |
| Less: Holding Company debt[8] | (5,505) | (5,505) | (5,505) | (5,505) | (6,755) |
| Add: Other Holding Company net assets[9] | 273 | 448 | 344 | 50 | (33) |
| **Indicative Net Asset Value** | **$ 8,422** | **$ 8,644** | **$ 8,152** | **$ 8,189** | **$ 8,258** |

*Note: Indicative net asset value does not purport to reflect a valuation of IEP. The calculated Indicative net asset value does not include any value for our Investment Segment other than the fair market value of our investment in the Investment Funds. A valuation is a subjective exercise and Indicative net asset value does not necessarily consider all elements or consider in the adequate proportion the elements that could affect the valuation of IEP. Investors may reasonably differ on what such elements are and their impact on IEP. No representation or assurance, express or implied is made as to the accuracy and correctness of indicative net asset value as of these dates or with respect to any future indicative or prospective results which may vary.*

*(1) Represents equity attributable to us as of each respective date.*

*(2) Based on closing share price on each date (or if such date was not a trading day, the immediately preceding trading day) and the number of shares owned by the Holding Company as of each respective date.*

*(3) Amounts based on market comparables due to lack of material trading volume, valued at 9.0x Adjusted EBITDA for the twelve months ended June 30, 2018. September 30, 2018 value is pro-forma the announced sale of Tropicana.*

*(4) Amounts based on market comparables due to lack of material trading volume, valued at 9.0x Adjusted EBITDA for the twelve months ended June 30, 2018, September 30, 2018, December 31, 2018, March 31, 2019 and June 30, 2019.*

*(5) June 30, 2018 and September 30, 2018 value is pro-forma the announced sale to Tenneco Inc.*

*(6) Represents the option purchase price of the remaining cars not sold in the initial ARL sale, plus working capital as of that date.*

*(7) Represents equity attributable to us as of each respective data, except for December 31, 2018, March 31, 2019 and June 30, 2019 which represent the estimated proceeds based on the sale agreement signed during December 2018.*

*(8) Holding Company's balance as of each respective date.*

*(9) Holding Company's balance as of each respective date. For March 31, 2019, the distribution payable was adjusted to $27 million, which represents the actual distribution paid subsequent to March 21, 2019*

# Appendix
# Adjusted EBITDA

# Non-GAAP Financial Measures

The Company uses certain non-GAAP financial measures in evaluating its performance. These include non-GAAP EBITDA and Adjusted EBITDA. EBITDA represents earnings from continuing operations before interest expense, income tax (benefit) expense and depreciation and amortization. We define Adjusted EBITDA as EBITDA excluding the effects of impairment, restructuring costs, certain pension plan expenses, certain share-based compensation, discontinued operations, gains/losses on extinguishment of debt and certain other non-operational charges. We present EBITDA and Adjusted EBITDA a consolidated basis and attributable to Icahn Enterprises net of the effect of non-controlling interests. We conduct substantially all of our operations through subsidiaries. The operating results of our subsidiaries may not be sufficient to make distributions to us. In addition, our subsidiaries are not obligated to make funds available to us for payment of our indebtedness, payment of distributions on our depositary units or otherwise, and distributions and intercompany transfers from our subsidiaries to us may be restricted by applicable law or covenants contained in debt agreements and other agreements to which these subsidiaries currently may be subject or into which they may enter into in the future. The terms of any borrowings of our subsidiaries or other entities in which we own equity may restrict dividends, distributions or loans to us.

We believe that providing EBITDA and Adjusted EBITDA to investors has economic substance as these measures provide important supplemental information of our performance to investors and permits investors and management to evaluate the core operating performance of our business without regard to interest, taxes and depreciation and amortization and the effects of impairment, restructuring costs, certain pension plan expenses, certain gains/losses on disposition of assets, certain share-based compensation, discontinued operations, gains/losses on extinguishment of debt and certain other non-operational charges. Additionally, we believe this information is frequently used by securities analysts, investors and other interested parties in the evaluation of companies that have issued debt. Management uses, and believes that investors benefit from referring to these non-GAAP financial measures in assessing our operating results, as well as in planning, forecasting and analyzing future periods. Adjusting earnings for these charges allows investors to evaluate our performance from period to period, as well as our peers, without the effects of certain items that may vary depending on accounting methods and the book value of assets. Additionally, EBITDA and Adjusted EBITDA present meaningful measures of performance exclusive of our capital structure and the method by which assets were acquired and financed.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under generally accepted accounting principles in the United States, or U.S. GAAP. For example, EBITDA and Adjusted EBITDA:

- do not reflect our cash expenditures, or future requirements for capital expenditures, or contractual commitments;
- do not reflect changes in, or cash requirements for, our working capital needs; and
- do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments on our debt.

Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized often will have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements. Other companies in the industries in which we operate may calculate EBITDA and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures. In addition, EBITDA and Adjusted EBITDA do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations.

EBITDA and Adjusted EBITDA are not measurements of our financial performance under U.S. GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with U.S. GAAP or as alternatives to cash flow from operating activities as a measure of our liquidity. Given these limitations, we rely primarily on our U.S. GAAP results and use EBITDA and Adjusted EBITDA only as a supplemental measure of our financial performance.

# Adjusted EBITDA Reconciliation by Segment – Three Months Ended June 30, 2019

($ Millions)

| | Investment | Automotive | Energy | Metals | Mining | Food Packaging | Real Estate | Home Fashion | Holding Company | Consolidated |
|---|---|---|---|---|---|---|---|---|---|---|
| **Adjusted EBITDA:** | | | | | | | | | | |
| Net (loss) income | $ (295) | $ (38) | $ 116 | $ (3) | $ 35 | $ 1 | $ 1 | $ (4) | $ (386) | $ (573) |
| Interest expense, net | 21 | 5 | 27 | — | 1 | 5 | — | — | 77 | 136 |
| Income tax (benefit) expense | — | (10) | 37 | — | 1 | 2 | (1) | — | (21) | 8 |
| Depreciation, depletion and amortization | — | 24 | 94 | 5 | — | 8 | 5 | 1 | — | 137 |
| **EBITDA before non-controlling interests** | **$ (274)** | **$ (19)** | **$ 274** | **$ 2** | **$ 37** | **$ 16** | **$ 5** | **$ (3)** | **$ (330)** | **$ (292)** |
| Impairment of assets | — | — | — | — | — | 1 | — | — | — | 1 |
| Restructuring costs | — | 2 | — | 2 | — | — | — | — | — | 4 |
| Non-service cost of U.S. based pension | — | — | — | — | — | — | — | — | — | — |
| Gain on disposition of assets, net | — | — | — | (1) | — | — | — | — | — | (1) |
| Other | — | 13 | (1) | (2) | 3 | (1) | — | 2 | — | 14 |
| **Adjusted EBITDA before non-controlling interests** | **$ (274)** | **$ (4)** | **$ 273** | **$ 1** | **$ 40** | **$ 16** | **$ 5** | **$ (1)** | **$ (330)** | **$ (274)** |
| | | | | | | | | | | |
| **Adjusted EBITDA attributable to IEP:** | | | | | | | | | | |
| Net income (loss) | $ (148) | $ (38) | $ 76 | $ (3) | $ 28 | $ — | $ 1 | $ (4) | $ (386) | $ (474) |
| Interest expense, net | 10 | 5 | 12 | — | — | 4 | — | — | 77 | 108 |
| Income tax (benefit) expense | — | (10) | 27 | — | 1 | 2 | (1) | — | (21) | (2) |
| Depreciation, depletion and amortization | — | 24 | 51 | 5 | — | 6 | 5 | 1 | — | 92 |
| **EBITDA attributable to Icahn Enterprises** | **$ (138)** | **$ (19)** | **$ 166** | **$ 2** | **$ 29** | **$ 12** | **$ 5** | **$ (3)** | **$ (330)** | **$ (276)** |
| Impairment of assets | — | — | — | — | — | 1 | — | — | — | 1 |
| Restructuring costs | — | 2 | — | 2 | — | — | — | — | — | 4 |
| Non-service cost of U.S. based pension | — | — | — | — | — | — | — | — | — | — |
| Gain on disposition of assets, net | — | — | — | (1) | — | — | — | — | — | (1) |
| Other | — | 13 | (1) | (2) | 3 | (1) | — | 2 | — | 14 |
| **Adjusted EBITDA attributable to Icahn Enterprises** | **$ (138)** | **$ (4)** | **$ 165** | **$ 1** | **$ 32** | **$ 12** | **$ 5** | **$ (1)** | **$ (330)** | **$ (258)** |

# Adjusted EBITDA Reconciliation by Segment – Three Months Ended June 30, 2018

($ Millions)

| | Investment | Automotive | Energy | Metals | Railcar | Mining | Food Packaging | Real Estate | Home Fashion | Holding Company | Consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Adjusted EBITDA:** | | | | | | | | | | | |
| Net income (loss) | $ 397 | $ (18) | $ 57 | $ 3 | $ (4) | $ 5 | $ (1) | $ 7 | $ (3) | $ (33) | $ 410 |
| Interest expense, net | 1 | 5 | 27 | — | — | — | 3 | — | — | 82 | 118 |
| Income tax (benefit) expense | — | (12) | 10 | — | 2 | 1 | — | — | — | (17) | (16) |
| Depreciation, depletion and amortization | — | 25 | 86 | 4 | — | 2 | 6 | 5 | 2 | — | 130 |
| **EBITDA before non-controlling interests** | **$ 398** | **$ —** | **$ 180** | **$ 7** | **$ (2)** | **$ 8** | **$ 8** | **$ 12** | **$ (1)** | **$ 32** | **$ 642** |
| Impairment of assets | — | 3 | — | — | — | — | — | — | — | — | 3 |
| Restructuring costs | — | — | — | — | — | — | — | — | 1 | — | 1 |
| Non-service cost of U.S. based pension | — | — | — | — | — | — | 1 | — | — | — | 1 |
| Gain on disposition of assets, net | — | — | — | — | (1) | — | — | — | — | — | (1) |
| Other | — | 7 | (1) | 1 | 1 | (3) | 8 | — | — | 2 | 15 |
| **Adjusted EBITDA before non-controlling interests** | **$ 398** | **$ 10** | **$ 179** | **$ 8** | **$ (2)** | **$ 5** | **$ 17** | **$ 12** | **$ —** | **$ 34** | **$ 661** |
| | | | | | | | | | | | |
| **Adjusted EBITDA attributable to IEP:** | | | | | | | | | | | |
| Net income (loss) | $ 157 | $ (18) | $ 35 | $ 3 | $ (4) | $ 4 | $ — | $ 7 | $ (3) | $ (33) | $ 148 |
| Interest expense, net | — | 5 | 11 | — | — | — | 2 | — | — | 82 | 100 |
| Income tax (benefit) expense | — | (12) | 9 | — | 2 | 1 | — | — | — | (17) | (17) |
| Depreciation, depletion and amortization | — | 25 | 43 | 4 | — | 1 | 5 | 5 | 2 | — | 85 |
| **EBITDA attributable to Icahn Enterprises** | **$ 157** | **$ —** | **$ 98** | **$ 7** | **$ (2)** | **$ 6** | **$ 7** | **$ 12** | **$ (1)** | **$ 32** | **$ 316** |
| Impairment of assets | — | 3 | — | — | — | — | — | — | — | — | 3 |
| Restructuring costs | — | — | — | — | — | — | — | — | 1 | — | 1 |
| Non-service cost of U.S. based pension | — | — | — | — | — | — | 1 | — | — | — | 1 |
| Gain on disposition of assets, net | — | — | — | — | (1) | — | — | — | — | — | (1) |
| Other | — | 7 | — | 1 | 1 | (2) | 6 | — | — | 2 | 15 |
| **Adjusted EBITDA attributable to Icahn Enterprises** | **$ 157** | **$ 10** | **$ 98** | **$ 8** | **$ (2)** | **$ 4** | **$ 14** | **$ 12** | **$ —** | **$ 34** | **$ 335** |

# Adjusted EBITDA Reconciliation by Segment – Six Months Ended June 30, 2019

($ Millions)

| | Investment | Automotive | Energy | Metals | Mining | Food Packaging | Real Estate | Home Fashion | Holding Company | Consolidated |
|---|---|---|---|---|---|---|---|---|---|---|
| **Adjusted EBITDA:** | | | | | | | | | | |
| Net (loss) income | $ (883) | $ (80) | $ 206 | $ (6) | $ 41 | $ (4) | $ 5 | $ (8) | $ (508) | $ (1,237) |
| Interest expense, net | 39 | 10 | 53 | — | 2 | 9 | — | — | 149 | 262 |
| Income tax (benefit) expense | — | (22) | 68 | — | 2 | (2) | (1) | — | (31) | 14 |
| Depreciation, depletion and amortization | — | 48 | 177 | 9 | — | 14 | 9 | 3 | — | 260 |
| **EBITDA before non-controlling interests** | **$ (844)** | **$ (44)** | **$ 504** | **$ 3** | **$ 45** | **$ 17** | **$ 13** | **$ (5)** | **$ (390)** | **$ (701)** |
| Impairment of assets | — | — | — | — | — | 1 | — | — | — | 1 |
| Restructuring costs | — | 2 | — | 2 | — | 7 | — | — | — | 11 |
| Non-service cost of U.S. based pension | — | — | — | — | — | 1 | — | — | — | 1 |
| Loss (gain) on disposition of assets, net | — | 2 | — | (1) | — | — | — | — | — | 1 |
| Other | — | 14 | (1) | (1) | 6 | 1 | (2) | 2 | — | 19 |
| **Adjusted EBITDA before non-controlling interests** | **$ (844)** | **$ (26)** | **$ 503** | **$ 3** | **$ 51** | **$ 27** | **$ 11** | **$ (3)** | **$ (390)** | **$ (668)** |
| | | | | | | | | | | |
| **Adjusted EBITDA attributable to IEP:** | | | | | | | | | | |
| Net (loss) income | $ (443) | $ (80) | $ 142 | $ (6) | $ 33 | $ (3) | $ 5 | $ (8) | $ (508) | $ (868) |
| Interest expense, net | 19 | 10 | 24 | — | — | 7 | — | — | 149 | 209 |
| Income tax (benefit) expense | — | (22) | 52 | — | 2 | (1) | (1) | — | (31) | (1) |
| Depreciation, depletion and amortization | — | 48 | 99 | 9 | — | 11 | 9 | 3 | — | 179 |
| **EBITDA attributable to Icahn Enterprises** | **$ (424)** | **$ (44)** | **$ 317** | **$ 3** | **$ 35** | **$ 14** | **$ 13** | **$ (5)** | **$ (390)** | **$ (481)** |
| Impairment of assets | — | — | — | — | — | 1 | — | — | — | 1 |
| Restructuring costs | — | 2 | — | 2 | — | 5 | — | — | — | 9 |
| Non-service cost of U.S. based pension | — | — | — | — | — | 1 | — | — | — | 1 |
| Loss (gain) on disposition of assets, net | — | 2 | — | (1) | — | — | — | — | — | 1 |
| Other | — | 14 | (1) | (1) | 5 | — | (2) | 2 | — | 17 |
| **Adjusted EBITDA attributable to Icahn Enterprises** | **$ (424)** | **$ (26)** | **$ 316** | **$ 3** | **$ 40** | **$ 21** | **$ 11** | **$ (3)** | **$ (390)** | **$ (452)** |

# Adjusted EBITDA Reconciliation by Segment – Six Months Ended June 30, 2018

($ Millions)

| | Investment | Automotive | Energy | Metals | Railcar | Mining | Food Packaging | Real Estate | Home Fashion | Holding Company | Consolidated |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Adjusted EBITDA:** | | | | | | | | | | | |
| Net income (loss) | $ 798 | $ (52) | $ 138 | $ 7 | $ 1 | $ (1) | $ (4) | $ 14 | $ (8) | $ (116) | $ 777 |
| Interest expense, net | 27 | 8 | 54 | — | — | 2 | 7 | 1 | — | 166 | 265 |
| Income tax (benefit) expense | — | (27) | 24 | — | 2 | 2 | (2) | — | — | 2 | 1 |
| Depreciation, depletion and amortization | — | 49 | 169 | 9 | — | 4 | 13 | 10 | 4 | — | 258 |
| **EBITDA before non-controlling interests** | **$ 825** | **$ (22)** | **$ 385** | **$ 16** | **$ 3** | **$ 7** | **$ 14** | **$ 25** | **$ (4)** | **$ 52** | **$ 1,301** |
| Impairment of assets | — | 3 | — | — | — | — | — | — | — | — | 3 |
| Restructuring costs | — | — | — | — | — | — | — | — | 3 | — | 3 |
| Non-service cost of U.S. based pension | — | — | — | — | — | — | 8 | — | — | — | 8 |
| Gain on disposition of assets, net | — | — | — | — | (5) | — | — | — | — | — | (5) |
| Other | — | 19 | (1) | — | — | (1) | 6 | — | — | 1 | 24 |
| **Adjusted EBITDA before non-controlling interests** | **$ 825** | **$ —** | **$ 384** | **$ 16** | **$ (2)** | **$ 6** | **$ 28** | **$ 25** | **$ (1)** | **$ 53** | **$ 1,334** |
| **Adjusted EBITDA attributable to IEP:** | | | | | | | | | | | |
| Net income (loss) | $ 318 | $ (52) | $ 85 | $ 7 | $ 1 | $ — | $ (3) | $ 14 | $ (8) | $ (116) | $ 246 |
| Interest expense, net | 11 | 8 | 22 | — | — | 1 | 5 | 1 | — | 166 | 214 |
| Income tax (benefit) expense | — | (27) | 22 | — | 2 | 2 | (2) | — | — | 2 | (1) |
| Depreciation, depletion and amortization | — | 49 | 84 | 9 | — | 2 | 11 | 10 | 4 | — | 169 |
| **EBITDA attributable to Icahn Enterprises** | **$ 329** | **$ (22)** | **$ 213** | **$ 16** | **$ 3** | **$ 5** | **$ 11** | **$ 25** | **$ (4)** | **$ 52** | **$ 628** |
| Impairment of assets | — | 3 | — | — | — | — | — | — | — | — | 3 |
| Restructuring costs | — | — | — | — | — | — | — | — | 3 | — | 3 |
| Non-service cost of U.S. based pension | — | — | — | — | — | — | 6 | — | — | — | 6 |
| Gain on disposition of assets, net | — | — | — | — | (5) | — | — | — | — | — | (5) |
| Other | — | 19 | — | — | — | — | 5 | — | — | 1 | 25 |
| **Adjusted EBITDA attributable to Icahn Enterprises** | **$ 329** | **$ —** | **$ 213** | **$ 16** | **$ (2)** | **$ 5** | **$ 22** | **$ 25** | **$ (1)** | **$ 53** | **$ 660** |