ICAHN ENTERPRISES L.P.

Icahn Enterprises Responds to Self-Serving Short Seller Report

May 10, 2023

SUNNY ISLES BEACH, Fla., May 10, 2023 /PRNewswire/ -- Icahn Enterprises L.P. (Nasdaq: IEP) ("IEP" or the "Company") today issued the following statement in response to a short seller's misleading and self-serving report published on May 2, 2023:

Chairman of the Board, Carl C. Icahn, stated: "Hindenburg Research, founded by Nathan Anderson, would be more aptly named Blitzkrieg Research given its tactics of wantonly destroying property and harming innocent civilians. Mr. Anderson's modus operandi is to launch disinformation campaigns to distort companies' images, damage their reputations and bleed the hard-earned savings of individual investors. But, unlike many of its victims, we will not stand by idly. We intend to take all appropriate steps to protect our unitholders and fight back.

"We believe that the greatest paradigm for investment success is activism. We have a long-held belief that at far too many companies today there is no real corporate governance and therefore no accountability and, as a result, companies are not nearly as productive as they should be. The failure of our system presents an opportunity for activists, like us, who are willing to spend the energy, the time and the money to breach the walls that far too many corporations have built to entrench themselves. Over the years, we have generated hundreds of billions of dollars of value for stockholders through activist campaigns where we were able to guide boards and CEOs to take the steps necessary to enhance the value of their companies. Examples of these, to name a few, are Texaco, Reynolds, Netflix, Forest Labs, Apple, CVR Energy, Herbalife, eBay, Tropicana, Cheniere, and Occidental.

"In more recent years the performance of our investment segment has been lower than our historical averages. A key detractor has been our bearish view of the market, causing us to have a large net short position. We recently have taken steps to reduce the short positions in our hedge book and concentrate for the most part on activism, which has served us so well in the past. We believe our existing portfolio has considerable upside potential over the coming years.

"We expect that, over time, IEP's performance will speak for itself. We have a strong balance sheet, with $1.9 billion of cash and $4 billion of additional liquidity, and stand ready to take advantage of all opportunities. As we consider recent events, we are left asking why Mr. Anderson issued this inflammatory report, doing great harm to retail investors. He has admitted to shorting stock before issuing his report, believing that the stock price would temporarily decline. Was that his only goal? Whatever the motive, IEP intends to vigorously defend itself and its unitholders."

Mr. Icahn and his affiliates own approximately 84% of the Company's outstanding units. As a publicly traded limited partnership, IEP offers its unitholders the ability to invest *alongside* Mr. Icahn as co-owners of IEP and, in so doing, to participate in the Company's activist strategy. To be clear, Mr. Icahn receives no fees, salary or any other compensation from IEP.

The day after the report was published, IEP's market capitalization fell by $6.6 billion for our unitholders. As recently as May 4, 2023, the American Bankers Association said that "the harm caused by short selling that runs counter to economic fundamentals ultimately falls on small investors, who see value destroyed by others' predatory behavior." The good news for IEP's investors is that we have Carl, the liquidity, the strategy and the know-how to fight back.

The following response sets the record straight with respect to the misleading and self-serving claims.

IEP's Board of Directors is focused on preserving an optimal liquidity position for the benefit of all unitholders. Investors are attracted to this commitment, which includes a long-term view of the Company's liquidity needs and a willingness to return capital in a fiscally responsible manner.

- IEP's Board continuously evaluates various strategies for improving its liquidity position. As a fundamental element of this strategy, the Company seeks to raise debt and equity capital when market conditions warrant and when it believes that all of the Company's unitholders will benefit from it doing so. These capital raises are not always driven by an immediate need for liquidity, but instead with a long-term view towards maintaining a strong liquidity position and, if appropriate, making distributions to its unitholders. In this vein, since 2019, the Company has issued units to the public under its ATM program as one of a number of strategies to enhance its liquidity position. In issuing units under the ATM program, IEP welcomes new investors to the IEP family, who are excited to benefit from the core investment strategies and the visionary leadership of Mr. Icahn that IEP uniquely offers.
- Beginning in 2005, IEP's Board of Directors has issued a quarterly distribution to its unitholders. With exceptions, Mr. Icahn has generally taken distributions in units. As he takes distributions in units, it further aligns Mr. Icahn with the public unitholders. Notably, the Company issued quarterly distributions long before the ATM program was in place and the Company's units have traded at a premium to their net asset value since 2014.
- IEP is a diversified holding company that consolidates operating businesses and interests in investment funds (some of which are not wholly owned, which creates non-controlling interests). For example, IEP consolidates 100% of Viskase, of

which IEP owns 90% and there is a non-controlling interest of 10%. Due to this complex structure, IEP's consolidated cash flow statement cannot be used in isolation to determine the cash flows at the holding company segment. To increase disclosure to investors, IEP began disclosing holding company segment specific cash flows in the fiscal year 2018 Form 10-K. From 2016 to 2022, our holding company segment net increase in cash flows was $1.6 billion.

IEP's net asset value (NAV) determinations are based on accepted valuation methodologies.

- As of December 31, 2022, IEP used standard industry valuation methods in which the NAV determination for 69% of its gross assets is based on market value, the NAV determination for 14% of its gross assets is based on book value, the NAV determination for 8% of its gross assets is based on market comparable valuation techniques, and the NAV determination for 9% of its gross assets is based on the assistance of third-party valuation consultants.

	December 31, 2022		March 31, 2023	
($ in millions)	$	% of Gross	$	% of Gross
Market-valued				
Holding Company interest in Funds	4,184		4,013	
CVR Energy	2,231		2,334	
Total Market-Valued	**6,415**	**69 %**	**6,347**	**70 %**
Book Valued				
Real Estate Holdings	455		457	
WestPoint Home	156		161	
Vivus	241		237	
Other HoldCo net assets	20		130	
Automotive Parts	381		-	
Total Book-Valued	**1,253**	**14 %**	**985**	**11 %**
Third-Party Valuations				
PepBoys Owned Real estate	831		831	
Total Third-Party Valuations	**831**	**9 %**	**831**	**9 %**
Market Comparables				
Viskase	243		285	
PepBoys (excl Owned Real Estate)	490		573	
Total Market Comp. Valuations	**733**	**8 %**	**858**	**10 %**
Gross Assets	**9,232**		**9,021**	
Less: HoldCo debt	**(5,309)**		**(5,309)**	
Add: HoldCo cash and cash equivalents	**1,720**		**1,868**	
Indicative Net Asset Value	**5,643**		**5,580**	

- With respect to the specific examples the short seller identified in its report, each criticism is fundamentally flawed:
    - **Viskase** – IEP utilizes an accepted market comparable valuation technique to determine its NAV. As we have disclosed in our earnings materials, it is based on 9.0x Adjusted EBITDA for the prior twelve months. The reason we don't use the trading price of Viskase in making our NAV determination is that Viskase trades on the over-the-counter (OTC) pink sheets. As can be seen below, there are days, even weeks, where Viskase doesn't trade on the OTC.

VKSC U $ 1.35 +0.20 K1.35 / 1.40K 1x1
At 13:36 Vo 17,02 C 1.15V H 1.45V L 1.15V Va 23,536
VKSC US Equity Export Settings Page 1/6 Historical Price Table

Viskase Cos Inc
Range 05/13/2022 - 05/08/2023 Period Daily
Market Last Price Volume Currency USD
View Price Table

High	1.35 on	05/08/23
Low	.50 on	11/29/22
Average	.8343	21,945
Net Chg	.35	35.00%

Date	Last Price	Volume	Date	Last Price	Volume	Date	Last Price	Volume
Fr 05/12/23			Fr 04/21/23		35	Fr 03/31/23		
Th 05/11/23			Th 04/20/23			Th 03/30/23		
We 05/10/23			We 04/19/23			We 03/29/23		
Tu 05/09/23			Tu 04/18/23			Tu 03/28/23		
Mo 05/08/23 H	1.35	17,020	Mo 04/17/23			Mo 03/27/23		
Fr 05/05/23	1.15	3,040	Fr 04/14/23			Fr 03/24/23		
Th 05/04/23	1.02	2,750	Th 04/13/23			Th 03/23/23		
We 05/03/23	1.10	670	We 04/12/23			We 03/22/23		
Tu 05/02/23	.95	100	Tu 04/11/23			Tu 03/21/23		
Mo 05/01/23	1.00	100	Mo 04/10/23			Mo 03/20/23		
Fr 04/28/23			Fr 04/07/23			Fr 03/17/23		
Th 04/27/23			Th 04/06/23			Th 03/16/23		
We 04/26/23			We 04/05/23	1.105	100	We 03/15/23		
Tu 04/25/23			Tu 04/04/23			Tu 03/14/23		
Mo 04/24/23		10	Mo 04/03/23			Mo 03/13/23		

- **Auto Plus** – Auto Plus was valued based on its GAAP book value, which was part of the Auto Segment in IEP's audited financial statements for the year ended December 31, 2022. Additionally, we disclosed that, after the end of our fiscal year, Auto Plus filed for bankruptcy protection, which would reduce the assets and negatively impact the net sales of our Automotive segment in future periods. In connection with the March 31, 2023 financial statements, you will see that the investment in Auto Plus was deconsolidated and we recorded a non-cash charge in connection with this deconsolidation in conformity with GAAP.
- **Real Estate Segment** – The NAV for the assets held within IEP's real estate segment is determined based on accepted book value methodologies in accordance with GAAP. Three examples were provided in the report. Combined, these assets (one of which we've never owned) contribute less than 1% of gross net asset value.

- IEP NAV has had several noticeable examples where the sale price ultimately was far in excess of the previously stated NAV. The following chart compares the sales price of significant assets to the mark prior to the asset sale:

($ in millions)	NAV Before Sale	Net Consideration from Sale	Δ
PSC Metals	$141	$323	$182
Ferrous Resources	$166	$463	$297
American Railcar Industries	$547	$831	$284
Tropicana	$1,509	$1,566	$57
Federal-Mogul	$1,690	$2,000	$310
American Railcar Leasing	$1,029	$1,808	$779

IEP is a publicly traded master limited partnership.

- The comparison of IEP to closed-end funds as "peers" is a perfect example of comparing apples to oranges. The short seller report compares the publicly managed vehicles of Third Point and Pershing Square to IEP.
- Both Third Point and Pershing Square are investment advisers that manage closed-end funds. Both charge significant fees, including management, carried interest and other fees. The Hindenburg report itself notes that "Pershing Square charges a 1.5% management fee and 16% performance fee. Third Point charges a 1.25% management and 20% performance fee." The short seller report goes on to further state "We were unable to locate granular disclosure on Icahn's investment fund fees but we reached out to the company for clarification." The reason they cannot find such information is because there are no such fees – a fact the most basic due diligence and review of our public filings would have revealed to an honest reader. IEP is not encumbered by *any* fees, salary or any other compensation payable to Mr. Icahn. To repeat, there is no comparison between our activist strategy and operating businesses and the closed end funds managed by others.

IEP's unique structure and history explain why the market values its units at a premium to NAV: it provides all investors an opportunity to invest alongside a legend of Wall Street as co-owners of IEP and, in doing so, to participate in the Company's activist business management and investment strategy.

- *First*, public unitholders of IEP truly invest *alongside* the iconic Mr. Icahn as co-owners of IEP. A significant portion of Mr. Icahn's personal net worth is represented by his ownership interest in IEP. Therefore, public investors can take comfort in Mr. Icahn's true alignment with their interests.
- *Second*, IEP investors buy the same units that Mr. Icahn holds. Like any investor, Mr. Icahn may use his IEP equity as an asset in any appropriate manner. Given his alignment with unitholders and the significant amount of his net worth held through IEP, Mr. Icahn pledges IEP units as collateral for borrowings. Mr. Icahn has advised that he and his affiliates are current and in full compliance with all personal loans.
- *Third*, Mr. Icahn is deeply invested in IEP and, with his affiliates, owns 84% of all outstanding units of IEP. The remaining public 16% is held almost entirely by individual investors and not wealthy institutions. This fact highlights how the short seller report aims to destroy the hard-earned savings of retail and public investors.

IEP does not intend to abandon its unitholders – it will defend their interests in all appropriate manners.

Icahn Enterprises L.P., a master limited partnership, is a diversified holding company engaged in seven primary business segments: Investment, Energy, Automotive, Food Packaging, Real Estate, Home Fashion and Pharma.

Caution Concerning Forward-Looking Statements

This release may contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, many of which are beyond our ability to control or predict. Forward-looking statements may be identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will" or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of Icahn Enterprises and its subsidiaries. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors, including risks related to economic downturns, substantial competition and rising operating costs; risks related to the severity, magnitude and duration of the COVID-19 pandemic and its impact on the global economy, financial markets and industries in which our subsidiaries operate; the impacts from the Russia/Ukraine conflict, including economic volatility and the impacts of export controls and other economic sanctions, risks related to our investment activities, including the nature of the investments made by the private funds in which we invest, declines in the fair value of our investments as a result of the COVID-19 pandemic, losses in the private funds and loss of key employees; risks related to our ability to continue to conduct our activities in a manner so as to not be deemed an investment company under the Investment Company Act of 1940, as amended, or to be taxed as a corporation; risks related to short sellers and associated litigation and regulatory inquiries; risks related to our energy business, including the volatility and availability of crude oil, other feed stocks and refined products, declines in global demand for crude oil, refined products and liquid transportation fuels as a result of the COVID-19 pandemic, unfavorable refining margin (crack spread), interrupted access to pipelines, significant fluctuations in nitrogen fertilizer demand in the agricultural industry and seasonality of results; risks related to the success of the proposed spin-off of the fertilizer business; risks related to our automotive activities and exposure to adverse conditions in the automotive industry, including as a result of the COVID-19 pandemic and the Chapter 11 filing of our automotive parts subsidiary; risks related to our food packaging activities, including competition from better capitalized competitors, inability of our suppliers to timely deliver raw materials, and the failure to effectively respond to industry changes in casings technology; supply chain issues; inflation, including increased costs of raw materials and shipping, including as a result of the Russia/Ukraine conflict; interest rate increases; labor shortages and workforce availability; risks related to our real estate activities, including the extent of any tenant bankruptcies and insolvencies; risks related to our home fashion operations, including changes in the availability and price of raw materials, and changes in transportation costs and delivery times; and other risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission. Additionally, there may be other factors not presently known to us or which we currently consider to be immaterial that may cause our actual results to differ materially from the forward-looking statements. Past performance in our Investment segment is not indicative of future performance. We undertake no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise.

Use of 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 certain effects of impairment, restructuring costs, certain pension plan expenses, gains/losses on disposition of assets, gains/losses on extinguishment of debt and certain other non-operational charges. We present EBITDA and Adjusted EBITDA on a consolidated basis and on a basis attributable to Icahn Enterprises net of the effects 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 certain effects of impairment, restructuring costs, certain pension plan expenses, gains/losses on disposition of assets, 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.

Use of Indicative Net Asset Value Data

The Company uses indicative net asset value as an additional method for considering the value of the Company's assets, and we believe that this information can be helpful to investors. Please note, however, that the indicative net asset value does not represent the market price at which the depositary units trade. Accordingly, data regarding indicative net asset value is of limited use and should not be considered in isolation.

The Company's depositary units are not redeemable, which means that investors have no right or ability to obtain from the Company the indicative net asset value of units that they own. Units may be bought and sold on The Nasdaq Global Select Market at prevailing market prices. Those prices may be higher or lower than the indicative net asset value of the depositary units as calculated by management.

See below for more information on how we calculate the Company's indicative net asset value.

	March 31, 2023	**December 31, 2022**
	(in millions)(unaudited)	
Market-valued Subsidiaries and Investments:		
Holding Company interest in Investment Funds[(1)]	$ 4,013	$ 4,184
CVR Energy[(2)]	2,334	2,231
Total market-valued subsidiaries and investments	**$ 6,347**	**$ 6,415**
Other Subsidiaries:		
Viskase[(3)]	$ 285	$ 243
Real Estate Holdings[(1)(4)]	457	455
WestPoint Home[(1)]	161	156
Vivus[(1)]	237	241
Automotive Services[(5)]	573	490
Automotive Parts[(1)(6)]	-	381
Automotive Owned Real Estate Assets[(7)]	831	831
Icahn Automotive Group	1,404	1,702
Total other subsidiaries	**$ 2,544**	**$ 2,797**
Add: Other Holding Company net assets[(8)]	130	20
Indicative Gross Asset Value	**$ 9,021**	**$ 9,232**
Add: Holding Company cash and cash equivalents[(9)]	1,868	1,720
Less: Holding Company debt[(9)]	(5,309)	(5,309)
Indicative Net Asset Value	**$ 5,580**	**$ 5,643**

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 GAAP 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 three months ended March

31, 2023 and December 31, 2022.
(4) Subsequent to March 31, 2023, a significant tenant of a commercial high-rise property was notified of default for non-payment. The tenant stated they are unable to cure the default status and the lease has been terminated. We consider this default, along with other facts and circumstances, a triggering event for potential impairment and we will assess this long-lived asset for any non-cash impairment charges during the second quarter of 2023. As of March 31, 2023, this property had a NAV of $218 million and any potential impairment cannot be estimated at this time.
(5) Amounts based on market comparables due to lack of material trading volume, valued at 14.0x Adjusted EBITDA for the three months ended March 31, 2023 and December 31, 2022.
(6) On January 31, 2023, a subsidiary of Icahn Automotive, IEH Auto Parts Holding LLC and its subsidiaries ("Auto Plus"), an aftermarket parts distributor held within our Automotive segment, filed voluntary petitions in the United States Bankruptcy Court. As a result, IEP deconsolidated Auto Plus, writing down its remaining equity interest to zero which is offset by the recognition of a $188 million related party note receivable which is reflected in Other Holding Company net assets. The total impact to NAV for Q1 2023 was a reduction of $193 million.
(7) Management performed a valuation on the owned real-estate with the assistance of third-party consultants to estimate fair-market-value. This analysis utilized property-level market rents, location level profitability, and utilized prevailing cap rates ranging from 6.8% to 8.0% as of March 31, 2023 and December 31, 2022. The valuation assumed that triple net leases are in place for all the locations at rents estimated by management based on market conditions. There is no assurance we would be able to sell the assets on the timeline or at the prices and lease terms we estimate. Different judgments or assumptions would result in different estimates of the value of these real estate assets. Moreover, although we evaluate and provide our Indicative Net Asset Value on a regular basis, the estimated values may fluctuate in the interim, so that any actual transaction could result in a higher or lower valuation.
(8) Holding Company's balance as of each respective date, excluding non-cash deferred tax assets or liabilities. With respect to March 31, 2023, the distribution payable was adjusted to $70 million, which represents the actual distribution paid subsequent to March 31, 2023.
(9) Holding Company's balance as of each respective date.

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