

MPM HOLDINGS INC. ("Momentive")
First Quarter 2018
Earnings Conference Call
May 8, 2018



Forward Looking Statements

MPM Holdings Inc. (“Momentive”)

Certain statements in this presentation are forward-looking statements within the meaning of and made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements related to our transformation and restructuring activities, growth and productivity initiatives, anticipated cost savings, growth, and market recovery, the impact of work stoppage and other incidents on our operations and competitiveness. In addition, our management may from time to time make oral forward-looking statements. All statements, other than statements of historical facts, are forward-looking statements. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “project,” “plan,” “estimate,” “may,” “will,” “could,” “should,” “seek” or “intend” and similar expressions. Forward-looking statements reflect our current expectations and assumptions regarding our business, the economy and other future events and conditions and are based on currently available financial, economic and competitive data and our current business plans. Actual results could vary materially depending on risks and uncertainties that may affect our operations, markets, services, prices and other factors as discussed in the Risk Factors section of our most recent Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission (the “SEC”). While we believe our assumptions are reasonable, we caution you against relying on any forward-looking statements as it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: a weakening of global economic and financial conditions, interruptions in the supply of or increased cost of raw materials, the impact of work stoppage and other incidents on our operations, changes in governmental regulations or interpretations thereof and related compliance and litigation costs, adverse rulings in litigation, difficulties with transformation and strategic initiatives, including transactions with our affiliate, Hexion Inc, pricing actions by our competitors that could affect our operating margins, the impact of our growth and productivity investments, our ability to realize the benefits there from, and the timing thereof, our ability to obtain additional financing, and the other factors listed in the Risk Factors section of our SEC filings. All forward-looking statements are expressly qualified in their entirety by this cautionary notice. The forward-looking statements made by us speak only as of the date on which they are made. Factors or events that could cause our actual results to differ may emerge from time to time. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

**This presentation contains non-GAAP financial information. Reconciliation to GAAP is included at the end of the presentation.
Note: our results are preliminary and unaudited.**

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OVERVIEW OF FIRST QUARTER 2018 RESULTS



Overview of First Quarter 2018 Results

- Strong net sales growth across the specialty portfolio with 21% consolidated year-over-year improvement due to pricing actions and volume gains
- Segment EBITDA growth of 36% also driven by pricing actions and volume growth across all segments, as well as contributions from recent strategic capital investments
- Strong Segment EBITDA growth partially offset by approximately \$10 million of weather related disruptions in January; half of this negative impact is expected to reverse in 2H-2018
- Segment EBITDA margins increased 160bps reflecting improved profitability from pricing, cost actions, and volume leverage
- NXT* capacity expansion in Leverkusen has started commissioning and is expected to ramp up production throughout 2018 as qualifications are completed
- Robust order backlog across all business units and expected continued momentum into Q2'18

Summary Financials

(\$ in millions)

	1Q'17	1Q'18	YoY Δ
Net Sales	\$544	\$657	21%
Net (Loss) Income	(30)	20	--
Total Segment EBITDA	\$69	\$94	36%
<i>Segment EBITDA margin</i>	<i>12.7%</i>	<i>14.3%</i>	<i>160bps</i>

Q1'18 Results Delivered 21% Revenue and 36% Segment EBITDA Growth Year-over-Year

* NXT is a trademark of Momentive Performance Materials Inc.

First Quarter 2018 Performance Additives Results

- Continued strong volume growth across the portfolio driven by automotive, agriculture, and personal care end markets with net sales up 13% in Q1'18
- Performance Additives Segment EBITDA was \$54 million in Q1'18, an increase of 15% over prior year, reflecting volume growth and contributions from strategic investments
- Continuing to implement pricing actions announced in Q4'17
- Order book remains very robust supporting continued margin expansion throughout FY'18

Segment Financials			
(\$ in millions)	1Q'17	1Q'18	YoY Δ
Net Sales	\$220	\$248	13%
Total Segment EBITDA	\$47	\$54	15%
<i>Segment EBITDA margin</i>	21.4%	21.8%	40bps

Net Sales Comparison (YoY)				
	Volume	Price / Mix	Foreign Ex.	Total
1Q'18	8%	(1)%	6%	13%

Continued Growth in High Margin Performance Additives Segment

First Quarter 2018 Formulated and Basic Silicones Results

- Net sales increase of 30% in Q1'18 reflecting strong volume growth in specialties and basic silicones driven by increased demand in electronic materials, coatings, and industrial end markets
- Significant Segment EBITDA growth and margin expansion in the quarter driven by the same factors impacting net sales and prior strategic capital investments
- Successfully implemented ~ 75% of the broad-based pricing actions across the entire product line, which are expected to benefit FY'18
- Order book remains very robust supporting continued margin expansion throughout FY'18

Segment Financials			
(\$ in millions)			
	1Q'17	1Q'18	YoY Δ
Net Sales	\$275	\$357	30%
Total Segment EBITDA	\$24	\$41	71%
<i>Segment EBITDA margin</i>	8.7%	11.5%	280bps

Net Sales Comparison (YoY)				
	Volume	Price / Mix	Foreign Ex.	Total
1Q'18	13%	12%	5%	30%

Significantly Improved Results Due to Strategic Actions to Improve Segment Profitability

First Quarter 2018 Quartz Technologies Results

- Net sales up 6% in Q1'18 driven by continued strong semiconductor demand
- Quartz Technologies Segment EBITDA up 29% in Q1'18 driven by the increase in net sales and operating leverage
 - Improved yields in quartz production processes and volume leverage
 - Benefits from LEAN and other continuous improvement initiatives
- Continued positive outlook for balance of FY'18 supported by end market demand and expected yield improvements

Segment Financials			
(\$ in millions)			
	1Q'17	1Q'18	YoY Δ
Net Sales	\$49	\$52	6%
Total Segment EBITDA	\$7	\$9	29%
Segment EBITDA margin	14.3%	17.3%	300bps

Net Sales Comparison (YoY)				
	Volume	Price / Mix	Foreign Ex.	Total
1Q'18	4%	2%	--	6%

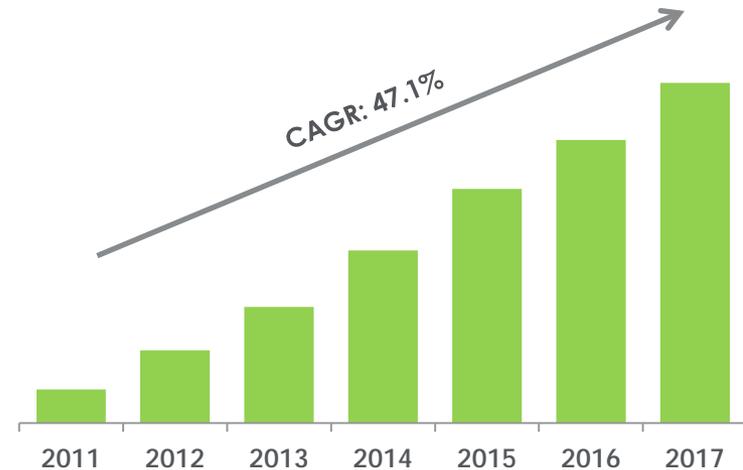
Improved Results from Increased Sales, Cost Controls, and Volume Leverage

Specialty Portfolio Investments Underpin Global Growth Strategy

Strategic Leverkusen Investment

- Momentive has invested ~ \$50 million in the past few years in NXT* silane solutions for the passenger tire industry
- Recently completed NXT* silane expansion at Leverkusen is key part of Momentive's global initiative to expand production capabilities serving the automotive markets
 - NXT* helps global tire producers improve product performance, such as improved rolling resistance without the loss of wet traction
 - Improving fuel economy standards support global demand
- Commissioning process is proceeding as planned and production is expected to steadily ramp up throughout 2018
 - Strong intellectual property position
 - Expansion doubles current NXT* availability
 - Enables additional new product development

NXT Volume Growth



* NXT is a trademark of Momentive Performance Materials Inc.

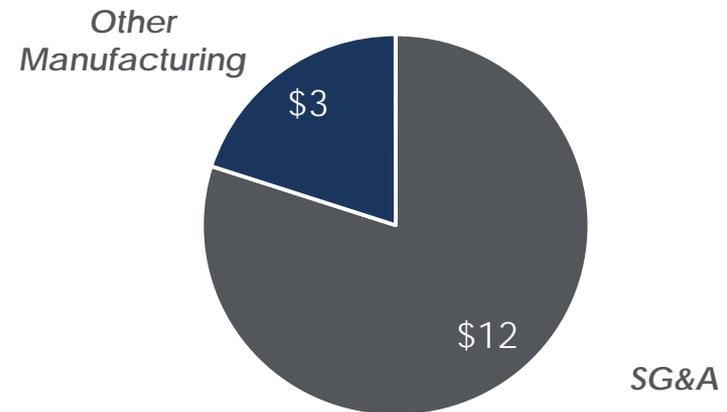
Continued Focus on Cost Structure Optimization Supports Earnings Momentum

2018 Restructuring Initiatives

■ Restructuring initiatives

- Continue to streamline cost structure to become more competitive and implementing a \$15 million cost reduction initiative; expect to realize \$8 million of savings in 2018
- The implementation is expected to be completed by mid-2018 and the cash cost to achieve will be ~\$10 million

In Process Cost Savings (\$mm)



\$15 million estimated savings

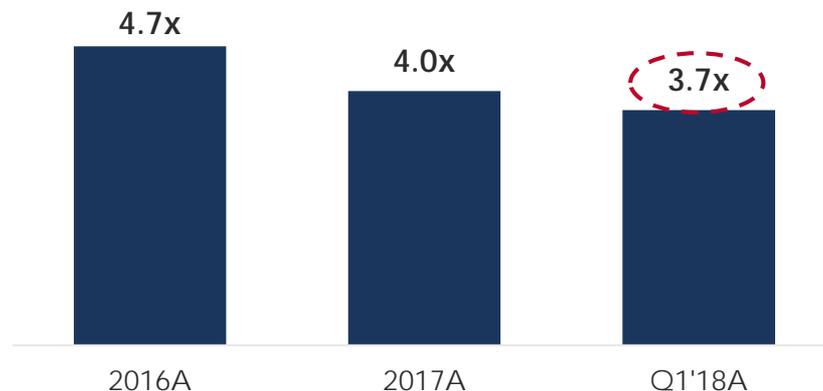
\$15 million of Total Run Rate Savings Expected by End of 2018

Balance Sheet Update

Summary

- Net leverage of 3.7x as of March 31, 2018; Momentive has a proven track record of deleveraging
- Successfully extended the Company's senior secured asset-based revolving credit facility (ABL Facility) to March 2023 subject to the terms outlined in the Amendment Agreement, and increased the commitments under the ABL Facility by \$30 million to total \$300 million
- Significant liquidity of \$417 million as of March 31, 2018, up from \$387 million as of December 31, 2017
- Total capital investments are expected to be \$125 million in FY' 18, of which \$45 million are growth and productivity
 - Momentive has significant flexibility over its capital expenditures, with annual maintenance requirements of \$65-75 million per annum

Net Debt / LTM Segment EBITDA (x) ⁽¹⁾



Liquidity (\$MM)

Continue to Maintain Significant Liquidity and Financial Flexibility



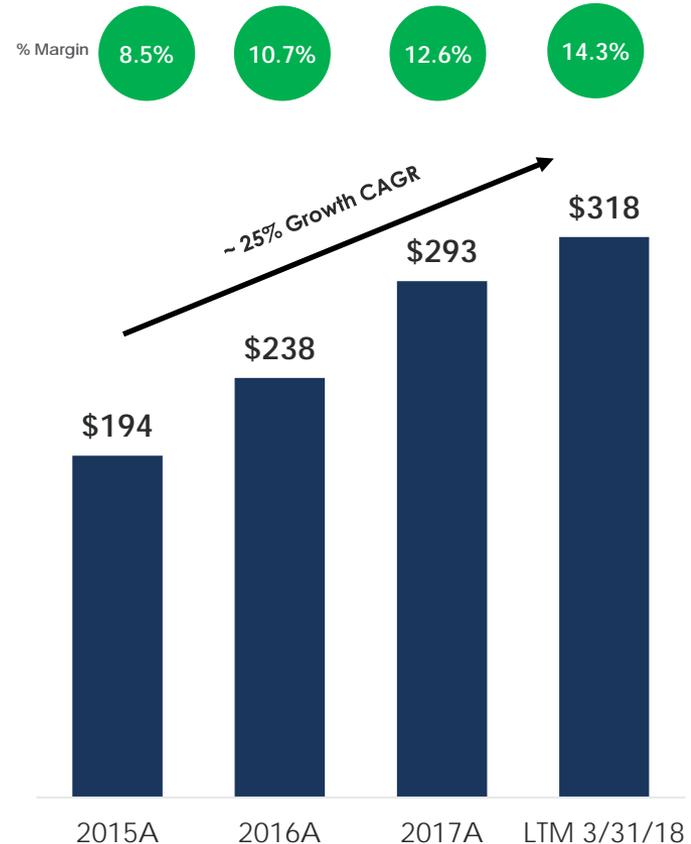
¹ Based on Segment EBITDA

Momentive: First Quarter 2018 Closing Remarks

Summary

- Continued earnings momentum demonstrates the success of a clearly defined competitive strategy focused on driving growth in higher-margin specialty applications, while optimizing the basics business and improving overall cost structure
- Q1'18 restructuring initiatives further streamline SG&A and are expected to deliver \$15 million of run-rate structural cost savings
- Strong balance sheet with significant financial flexibility with net leverage⁽¹⁾ and liquidity of 3.7x and \$417 million as of March 31, 2018, respectively
- Positive industry fundamentals with robust outlook for balance of FY'18 driven by strong demand, high industry operating rates, and embedded upside from growth investments

Segment EBITDA ⁽²⁾ (\$MM)



Multi-faceted Strategy Driving Significant Growth and Margin Expansion

¹ Defined as total principal value of debt less cash and cash equivalents divided by Segment EBITDA

² Segment EBITDA is a non-GAAP financial measure. The closest GAAP financial measure is Net Income (Loss). A table that reconciles Segment EBITDA is at the end of this presentation. Segment EBITDA is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) adjusted for certain non-cash and other income and expenses. Segment EBITDA is the primary performance measure used by the Company's senior management, the chief operating decision-maker and the board of directors to evaluate operating results and allocate capital resources among segments.

APPENDICES



Reconciliation of Non-GAAP Financial Measures

(in millions)

	Three Months Ended March 31,	
	2018	2017
Net income (loss)	\$ 20	\$ (30)
Interest expense, net	20	19
Income tax expense	6	1
Depreciation and amortization	40	38
Items not included in Segment EBITDA:		
Non-cash charges and other income and expense	\$ 6	\$ 6
Unrealized losses on pension and postretirement benefits	—	1
Restructuring and discrete costs	1	34
Reorganization items, net	1	—
Segment EBITDA	<u>\$ 94</u>	<u>\$ 69</u>

Debt at March 31, 2018

(in millions)

	March 31, 2018		December 31, 2017	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
Senior Secured Credit Facilities:				
ABL Facility	\$ —	\$ —	\$ —	\$ —
Secured Notes:				
3.88% First-Priority Senior Secured Notes due 2021 (includes \$80 and \$85 of unamortized debt discount, respectively)	1,020	—	1,015	—
4.69% Second-Priority Senior Secured Notes due 2022 (includes \$24 and \$25 of unamortized debt discount, respectively)	178	—	177	—
Other Borrowings:				
China bank loans	—	36	—	36
Total debt ⁽¹⁾	\$ 1,198	\$ 36	\$ 1,192	\$ 36

(1) Momentive Performance Materials Inc. ("MPM") is the issuer of all debt obligations and the secured notes are fully and unconditionally guaranteed by certain subsidiaries of MPM.

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