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MPM HOLDINGS INC. ("Momentive")
Second Quarter 2017 Earnings Conference Call
August 8, 2017



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 Quarterly Report on Form 10-Q 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, difficulties with the realization of cost savings in connection with our global restructuring, transformation and strategic initiatives, including transactions with our affiliate, Hexion Inc., pricing actions by our competitors that could affect our operating margins, 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.

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OVERVIEW OF SECOND QUARTER 2017 RESULTS



Overview of Second Quarter 2017 Results

- Segment EBITDA increased 12% year-over-year reflecting leverage from strategic growth investments, benefits of restructuring initiatives, and raw material deflation
- Overall Segment EBITDA margin was 12.5%, an increase of 120 bps year-over-year
- Net sales increased 1% year-over-year including the impact of intentional reduction of siloxane derivative sales

Summary Financials

(\$ in millions)	2Q'16	2Q'17	YoY Δ
Net sales	\$586	\$594	1%
Net (loss) income	(10)	19	Nm*
Segment EBITDA			
Silicones	70	75	7%
Quartz	6	10	67%
Corporate	(10)	(11)	(10)%
Total Segment EBITDA	\$66	\$74	12%
Segment EBITDA margin	11.3 %	12.5 %	

Strong 2Q'17 Results Reflect Investments in Specialty Growth Platform, Product Rationalization, Growth Investments and Cost Control

* Not meaningful

Second Quarter 2017 Silicones Results

- 2Q'17 Silicones segment EBITDA improved 7% year-over-year
 - Strong growth in automotive, consumer products, and electronics end markets
- 2Q'17 Silicones segment EBITDA margins improved by 80bps year-over-year
- 2Q'17 Silicones segment net sales increased 1% year-over-year
- Specialty silicones volume increased 4% year-over-year while commodity segments decreased 19% reflecting our intentional product mix shift

Quarter Ended			
(\$ in millions)	2Q'16	2Q'17	YoY Δ
Silicones Net Sales	\$ 539	\$ 542	1%
Silicones EBITDA	70	75	7%
Silicones EBITDA Margin	13.0%	13.8%	

Net Sales Comparison Year-on-Year				
	<u>Volume</u>	<u>Price/Mix</u>	<u>Foreign Exchange</u>	<u>Total</u>
2Q'17	(3)%	5%	(1)%	1%

Strong EBITDA Growth Driven by Intentional Product Mix Shift

Second Quarter 2017 Quartz Results

- 2Q'17 Quartz segment EBITDA improved significantly over prior-year reflecting higher sales, cost controls, and substantially improved manufacturing efficiencies
- 2Q'17 Quartz segment EBITDA margins improved 640bps year-over-year reflecting stable manufacturing environment and restructuring initiatives
- 2Q'17 Quartz segment net sales increased 11% year-over-year primarily reflecting improved demand in electronics

Quarter Ended			
(\$ in millions)	2Q'16	2Q'17	YoY Δ
Quartz Net Sales	\$ 47	\$ 52	11%
Quartz EBITDA	6	10	67%
Quartz EBITDA Margin	12.8%	19.2%	

Net Sales Comparison Year-on-Year				
	<u>Volume</u>	<u>Price/Mix</u>	<u>Foreign Exchange</u>	<u>Total</u>
2Q'17	11%	—	—	11%

Improved Results from Increased Sales, Cost Controls and Improved Manufacturing Efficiencies

Continuing to Strategically Invest in Growth

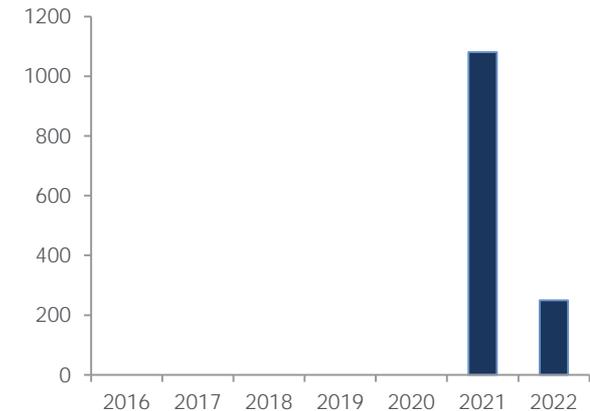
- Integration of the Sea Lion Technology acquisition successfully completed in 2Q'17 and expansion of the facility's capacity
- Ongoing strategic investments in high-growth end markets:
 - Silquest* A-Link 35* reactor commissioning and start up at Sistersville, W. Va. facility
 - Started up new Fluoro Elastomer mixer at Waterford, NY facility
 - NXT* expansion in Leverkusen remains on pace for startup by the end of 2017
- Also continue to systematically invest throughout the network to improve operations and drive productivity

Continuing to Invest in our Differentiated Specialty Portfolio

Balance Sheet Update & Financial Summary

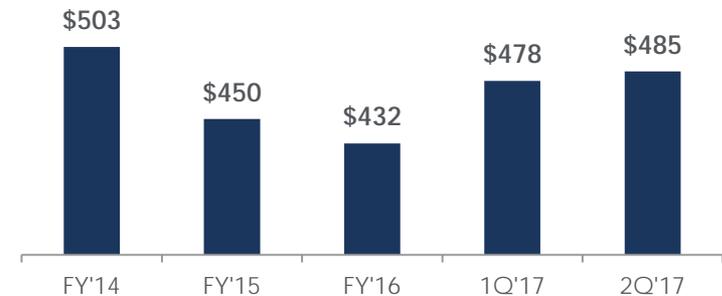
- Momentive had cash plus borrowing availability of \$342 million at June 30, 2017
 - No significant debt maturities until 2021
 - Not currently subject to any financial maintenance covenants
- Growth and capital investment program remains on track
 - Invested \$77 million in capital expenditures during 1H'17
 - Expect capital expenditures of approx. \$150 million in FY 2017
 - Run-rate maintenance capital expenditures are \$65 to \$75 million
- Net working capital was impacted in the first half primarily by construction seasonality and the strike. The Company expects net working capital to be a source of cash in 2017

Long-Term Debt Maturity Schedule



Net Working Capital

(\$ in millions)



Second Quarter 2017 Closing Remarks

- Strong business and operational performance with 2Q 2017 Segment EBITDA totaling \$74 million, a 12% increase year-over-year
- Continued investments in cost structure, while focusing capital investments on growth of specialty portfolio and operations
- Strong momentum in business due to growth initiatives, investments in operations, and global restructuring program supported by a solid balance sheet



Investing in Growth, Transforming Manufacturing Footprint, and Driving Cost Reductions

APPENDICES

Reconciliation of Non-GAAP Financial Measures

(in millions)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net income (loss)	\$ 19	\$ (10)	\$ (11)	\$ (28)
Interest expense, net	20	19	39	38
Income tax expense (benefit)	4	4	5	(4)
Depreciation and amortization	37	42	75	84
Gain on extinguishment and exchange of debt	—	—	—	(9)
Items not included in Segment EBITDA:				
Non-cash charges and other income and expense	\$ (2)	\$ 7	\$ 4	\$ 11
Unrealized losses on pension and postretirement benefits	—	—	1	5
Restructuring and other costs	(4)	4	30	9
Reorganization items, net	—	—	—	1
Segment EBITDA	<u>\$ 74</u>	<u>\$ 66</u>	<u>\$ 143</u>	<u>\$ 107</u>
Segment EBITDA:				
Silicones	\$ 75	\$ 70	\$ 146	\$ 120
Quartz	10	6	17	7
Corporate	<u>(11)</u>	<u>(10)</u>	<u>(20)</u>	<u>(20)</u>
Total	<u>\$ 74</u>	<u>\$ 66</u>	<u>\$ 143</u>	<u>\$ 107</u>

Debt at June 30, 2017

(in millions)

	<u>June 30, 2017</u>		<u>December 31, 2016</u>	
	<u>Long-Term</u>	<u>Due Within One Year</u>	<u>Long-Term</u>	<u>Due Within One Year</u>
Senior Secured Credit Facilities:				
ABL Facility	\$ —	\$ —	\$ —	\$ —
Secured Notes:				
3.88% First-Priority Senior Secured Notes due 2021 (includes \$95 and \$105 of unamortized debt discount, respectively)	1,005	—	995	—
4.69% Second-Priority Senior Secured Notes due 2022 (includes \$28 and \$30 of unamortized debt discount, respectively)	174	—	172	—
Other Borrowings:				
China bank loans	—	36	—	36
Total debt ⁽¹⁾	<u>\$ 1,179</u>	<u>\$ 36</u>	<u>\$ 1,167</u>	<u>\$ 36</u>

(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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