

**MOMENTIVE™**  
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MPM HOLDINGS INC. ("Momentive")  
Third Quarter 2017 Earnings Conference Call  
October 31, 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, 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.**

# MOMENTIVE

OVERVIEW OF THIRD QUARTER 2017 RESULTS



# Overview of Third Quarter 2017 Results

- Strong net sales growth across the specialty portfolio with 5% consolidated year-over-year improvement
- Segment EBITDA <sup>(1)</sup> growth of 2% driven by an increase in net sales, partially offset primarily by the timing of production facility turnarounds year-over-year. Year to date Segment EBITDA and margins up 21% and 190bps, respectively
  - Timing of turnarounds year-over-year had a \$7 million impact on EBITDA in the quarter, approximately half of which was residual one-time strike related costs
  - Facilities have all started up in normal course and are at full production.
  - Strategic capital investment program remains on track
- Recently raised prices across silicones portfolio and the financial impact will be realized in Q4'17 and Q1'18 driving improved margins
- Strong order book and momentum across all business units. Expect year-over-year improvement in Segment EBITDA in Q4'17

Summary Financials						
(\$ in millions)	Q3'16	Q3'17	YoY Δ	YTD 9/30/16	YTD 9/30/17	YoY Δ
	Net sales	\$567	\$594	5%	\$1,689	\$1,732
Net (loss) income	(17)	(8)	–	(45)	(19)	–
Total Segment EBITDA <sup>(1)</sup>	\$66	\$67	2%	\$173	\$210	21%
Segment EBITDA margin	11.6 %	11.3 %		10.2%	12.1%	

## Solid 3Q'17 Results Driven by Specialty Growth Platforms

(1) 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.

# Third Quarter 2017 Performance Additives Results

- Continued strong volume growth across the portfolio driven by specialty fluids, urethane additives, and silanes with net sales up 4% in the quarter and 5% year to date
- Segment EBITDA margins impacted by one-time hurricane Harvey, turnarounds, and temporary raw material lead-lag
  - Operations have started up in normal course and are at full production
  - Price increases have been implemented and will be realized in Q4'17 and early Q1'18
- Order book and outlook remains strong with margins expected to normalize in Q4'17 and our NXT\* expansion in Leverkusen on-track to start-up in Q1'18

Quarter Ended						
(\$ in millions)						
	Q3'16	Q3'17	YoY Δ	YTD 9/30/16	YTD 9/30/17	YoY Δ
Performance Additives Net Sales	\$ 215	\$ 223	4%	\$ 638	\$ 670	5%
Performance Additives EBITDA	49	45	(8)%	138	140	1%
Performance Additives EBITDA Margin	22.8%	20.2%		21.6%	20.9%	

Net Sales Comparison Year-on-Year				
	Volume	Price/Mix	Foreign Exchange	Total
3Q'17	4%	(1)%	1%	4%
YTD 9/30/17	5%	—	—	5%

**Strong Demand and Revenue Performance  
Margins Expected to Normalize in Q4'17**

\* NXT is a trademark of Momentive Performance Materials Inc.

# Third Quarter 2017 Formulated and Basic Silicones Results

- Net sales up 4% in Q3 reflected growth in specialty formulated products, partially offset by an intentional reduction in basic silicone products
  - Specialty formulated product growth driven by strong demand in electronic materials, elastomers, and sealants and coatings markets
  - Leverkusen transformation in Q4'16 that reduced basics portfolio is part of a broader focus on asset optimization and downstream specialties
- Segment EBITDA was flat reflecting growth in specialties and a reduction in basics, offset by turnaround expenses and temporary raw material lead-lag
  - Operations have started up in normal course and are at full production
  - Price increases have been implemented and will be realized in Q4'17 and early Q1'18
  - YTD Segment EBITDA and margins up 39% and 230bps, respectively
- Order book and outlook remains strong driven by demand in automotive, consumer products, and industrial end markets

	Quarter Ended					
	Q3'16	Q3'17	YoY Δ	YTD 9/30/16	YTD 9/30/17	YoY Δ
(\$ in millions)						
Formulated and Basic Silicones Net Sales	\$ 309	\$ 320	4%	\$ 925	\$ 910	(2)%
Formulated and Basic Silicones EBITDA	20	20	—	51	71	39%
Formulated and Basic Silicones EBITDA Margin	6.5%	6.3%		5.5%	7.8%	
<b>Net Sales Comparison Year-on-Year</b>						
	<b>Volume</b>	<b>Price/Mix</b>	<b>Foreign Exchange</b>	<b>Total</b>		
3Q'17	(8)%	11%	1%	4%		
YTD 9/30/17	(9)%	7%	—	(2)%		

**Solid Growth In Specialty Businesses**

# Third Quarter 2017 Quartz Technologies Results

- Net sales up 19% in Q3 and 21% YTD driven by improved demand in semiconductor and aerospace end markets
- Segment EBITDA up 117% in Q3 and 131% YTD driven by the increase in net sales, operating leverage, and manufacturing efficiencies
- Continued strong outlook heading into Q4 and FY'18 due to continued strong volumes from semiconductor and aerospace markets

Quarter Ended						
(\$ in millions)						
	Q3'16	Q3'17	YoY Δ	YTD 9/30/16	YTD 9/30/17	YoY Δ
Quartz Technologies Net Sales	\$ 43	\$ 51	19%	\$ 126	\$ 152	21%
Quartz Technologies EBITDA	6	13	117%	13	30	131%
Quartz Technologies EBITDA Margin	14.0%	25.5%		10.3%	19.7%	

## Net Sales Comparison Year-on-Year

	<u>Volume</u>	<u>Price/Mix</u>	<u>Foreign Exchange</u>	<u>Total</u>
3Q'17	19%	—	—	19%
YTD 9/30/17	21%	—	—	21%

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

# Growth Capital and Restructuring Initiative Update

## Strategic Coatings Investment

- Momentive produces construction sealants, adhesives, and coatings that are used in some of the world's most sophisticated building applications
- Momentive recently completed installation of a state-of-the-art extruder and automated packaging line to increase its silicone sealants coatings and roof coat capacity at its Waterford, U.S. facility
- Momentive is the exclusive global licensee of GE-branded silicone products



## Global Restructuring Program

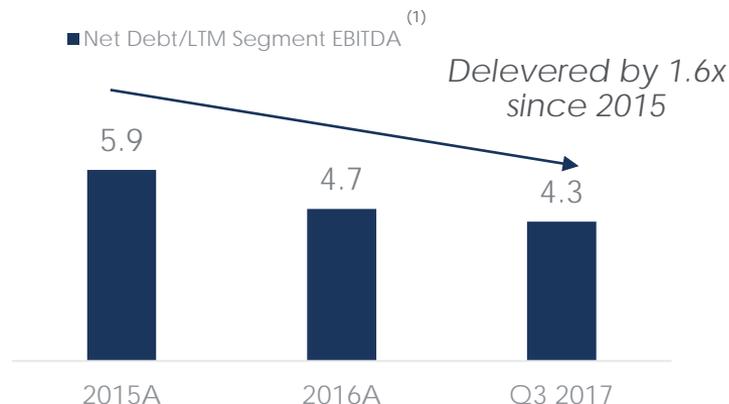
- As previously announced, Momentive's global restructuring programs and siloxane production transformation are completed and expected to generate approximately \$48 million in annual savings
- Pro forma cost savings of \$6 million remain as of September 30, 2017
- The Company continues to evaluate additional structural cost savings opportunities focused on asset optimization and expanding downstream specialties

**Momentive Continues to Strategically Invest and Transform its Assets to Drive Growth**

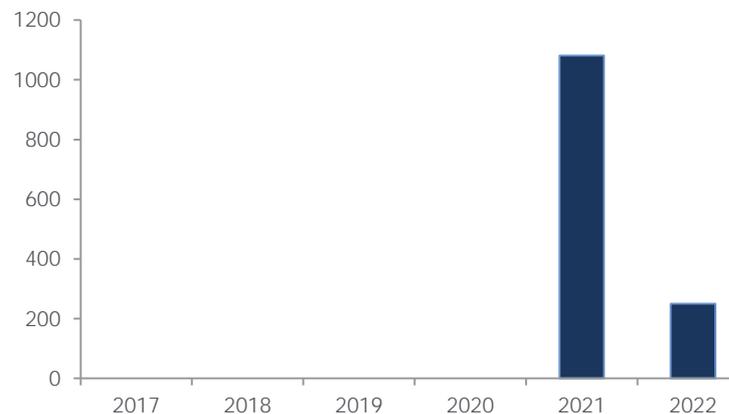
# Balance Sheet Update & Financial Summary

- Momentive continues to delever and has reduced its leverage from 5.9x at FY 2015 to 4.3x at Q3'17
- Solid liquidity with cash plus borrowing availability of \$358 million at September 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 \$123 million in capital expenditures during first nine months of 2017
  - Expect capital expenditures of approx. \$160 million in FY 2017 and growth investments made during the year will drive net sales and Segment EBITDA growth in FY'18
  - Annual run-rate maintenance capital expenditures of \$70 million

## Track Record of Deleveraging



## Long-Term Debt Maturity Schedule



(1) Net Debt is defined as total debt less cash.

# Third Quarter 2017 Closing Remarks

- Continued strong financial and operational performance
  - Q3 net sales and Segment EBITDA up 5% and 2%, respectively. Q3 Segment EBITDA and comparability impacted by turnaround expenses
  - YTD net sales and Segment EBITDA up 3% and 21%, respectively
  - Recently raised prices across silicones portfolio
- Order book and outlook remain strong and expect continued year-over-year growth in Segment EBITDA in Q4
- Growth investments remain on-track and will drive growth in FY 2018 and beyond. NXT expansion scheduled to come online in Q1-2018
- Strong balance sheet: Net leverage 4.3x and liquidity of \$358 million



# APPENDICES

# Reconciliation of Non-GAAP Financial Measures

(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net loss	\$ (8)	\$ (17)	\$ (19)	\$ (45)
Interest expense, net	21	19	60	57
Income tax expense	6	8	11	4
Depreciation and amortization	42	48	117	132
Gain on extinguishment and exchange of debt	—	—	—	(9)
Items not included in Segment EBITDA:				
Non-cash charges and other income and expense	\$ —	\$ 4	\$ 4	\$ 15
Unrealized losses on pension and postretirement benefits	—	—	1	5
Restructuring and discrete costs	6	4	36	13
Reorganization items, net	—	—	—	1
Segment EBITDA	<u>\$ 67</u>	<u>\$ 66</u>	<u>\$ 210</u>	<u>\$ 173</u>

# Debt at September 30, 2017

(in millions)

	September 30, 2017		December 31, 2016	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
<b>Senior Secured Credit Facilities:</b>				
ABL Facility	\$ —	\$ —	\$ —	\$ —
<b>Secured Notes:</b>				
3.88% First-Priority Senior Secured Notes due 2021 (includes \$90 and \$105 of unamortized debt discount, respectively)	1,010	—	995	—
4.69% Second-Priority Senior Secured Notes due 2022 (includes \$27 and \$30 of unamortized debt discount, respectively)	175	—	172	—
<b>Other Borrowings:</b>				
China bank loans	—	36	—	36
<b>Total debt</b> <sup>(1)</sup>	<b>\$ 1,185</b>	<b>\$ 36</b>	<b>\$ 1,167</b>	<b>\$ 36</b>

(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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