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MPM HOLDINGS INC. ("Momentive")
Second Quarter 2016 Earnings Conference Call
August 9, 2016



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, 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, 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 2016 RESULTS



Second Quarter 2016 Results Reflect Benefit from Strategic Initiatives

- Net sales increased 9% sequentially but declined 3% year-over-year
- Segment EBITDA increased 10% year-over-year and 61% sequentially
 - Constant currency Segment EBITDA growth of 15%
- Overall Segment EBITDA margin was 11.3%, an increase of 130 bps year-over-year and 370 bps sequentially
- Momentive continues to invest in higher-value-added specialty products, reduce costs and improve production reliability

Summary Financials						
(\$ in millions)	Q2'15	Q1'16	Q2'16	YoY Δ	YoY Δ Ex Fx	QoQ Δ
Net sales	\$602	\$536	\$586	(3)%	(4)%	9%
Segment EBITDA						
Silicones	60	50	70	17%	23%	40%
Quartz	9	1	6	(33)%	(30)%	600%
Corporate	(9)	(10)	(10)	(11)%	(11)%	--
Total Segment EBITDA	\$60	\$41	\$66	10%	15%	61%
Segment EBITDA margin	<u>10.0%</u>	<u>7.6%</u>	<u>11.3%</u>			

Q2'16 Silicones Results – Strong Margin Improvement

- Silicones segment net sales improved by 8% sequentially due to gains in essentially all specialty sub segments, but declined 4% year-over-year because of lower volumes primarily due to softer demand in the Asia Pacific region

	Quarter Ended					
	Q2'15	Q1'16	Q2'16	YoY Δ	YoY Δ Ex Fx	QoQ Δ
(\$ in millions)						
Silicones Net Sales	\$ 559	\$ 500	\$ 539	(4)%	(5)%	8%
Silicones EBITDA	60	50	70	17%	23%	40%
Silicones EBITDA Margin	10.7%	10.0%	13.0%			

- Silicones segment EBITDA improved 17% year-over-year as a result of ongoing growth investments, cost reduction initiatives, and the benefit of raw material deflation

- Silicones segment EBITDA and EBITDA margins improved by 180bps year-over-year and by 300bps sequentially

Q2'16 Net Sales Comparison Year on Year			
Volume	Price/Mix	Foreign Exchange	Total
(5)%	0%	1%	(4)%

Q2'16 Quartz Results

- Quartz segment net sales increased 31% sequentially and 9% year-over-year
- Quartz segment EBITDA declined 33% year-over-year as a result of ongoing recovery from negative production impacts in Q1'16 related to reduced semiconductor volumes
- Restructuring Quartz operations; expected to result in ~ \$5 million of annual cost savings when fully implemented in 2017

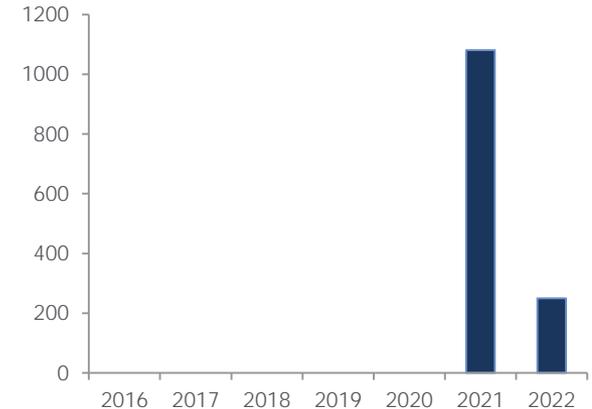
	Quarter Ended					
	Q2'15	Q1'16	Q2'16	YoY Δ	YoY Δ Ex Fx	QoQ Δ
(\$ in millions)						
Quartz Net Sales	\$ 43	\$ 36	\$ 47	9%	7%	31%
Quartz EBITDA	9	1	6	(33)%	(30)%	600%
Quartz EBITDA Margin	20.9%	2.8%	12.8%			

Q2'16 Net Sales Comparison Year on Year			
Volume	Price/Mix	Foreign Exchange	Total
7%	0%	2%	9%

Strong Balance Sheet and Significant Liquidity

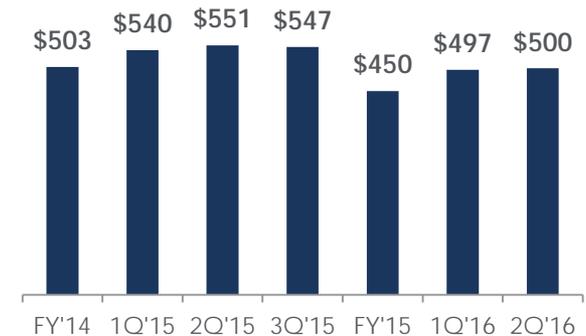
- Liquidity: Cash plus borrowing availability of \$415 million at 6/30/16
 - No significant debt maturities until 2021
 - No financial maintenance covenants
- Operating cash flow was \$54 million in the first half of 2016 compared with \$8 million in the prior year period
- Growth and capital investment program remains on track
 - Invested \$52 million in capital expenditures in first half of 2016
 - Maintaining FY'16 capital expenditure budget of \$135 million
- Momentive remains focused on driving free cash flow and optimizing net working capital in FY'16 and expects net working capital to be a source of cash in 2016

Long-Term Debt Maturity Schedule



Net Working Capital

(\$ in millions)



Focused on Growing Our Specialty Portfolio and Reducing Costs

We are seeing solid momentum in our business due to our growth initiatives, investments in operational reliability, and our global restructuring program. We believe that our strategic investments and restructuring actions will position us well as end markets improve

2016 Priorities Remain On Track:

– Driving Cost Reductions

- \$35 million annual of structural cost reduction initiatives have been implemented and are beginning to deliver savings (\$7 million achieved in Q2'16 and \$11 million in 1H'16)
- Siloxane production transformation at our facility in Germany remains on track (incremental savings of ~ \$10 million per year beginning in 2017)

– Investing in Growth while Maintaining Strong Liquidity

- Continuing to progress with our investments in various growth, reliability and stability projects
- Leveraging healthy balance sheet and significant liquidity

– Driving Free Cash Flow

- Remain focused on driving positive free cash flow in FY'16 through global cost control initiatives and aggressive management of net working capital

APPENDICES

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Segment EBITDA:				
Silicones	\$ 70	\$ 60	\$ 120	\$ 112
Quartz	6	9	7	20
Corporate	(10)	(9)	(20)	(20)
Total	\$ 66	\$ 60	\$ 107	\$ 112
Reconciliation:				
Items not included in Segment EBITDA:				
Non-cash charges	\$ (7)	\$ —	\$ (11)	\$ (3)
Unrealized actuarial gains (losses) from pensions and other post retirement liabilities	—	13	(5)	13
Restructuring and other costs	(4)	(5)	(9)	(9)
Reorganization items, net	—	(2)	(1)	(7)
Total adjustments	(11)	6	(26)	(6)
Interest expense, net	(19)	(20)	(38)	(39)
Income tax (expense) benefit	(4)	5	4	(5)
Depreciation and amortization	(42)	(39)	(84)	(76)
Gain on extinguishment of debt	—	—	9	—
Net (loss) income	\$ (10)	\$ 12	\$ (28)	\$ (14)

(1) This presentation contains non-GAAP financial information. Adjusted EBITDA is a non-GAAP financial measure as defined by SEC rules. Adjusted EBITDA is not intended to represent any measure of earnings or cash flow in accordance with US GAAP and the calculation and use of this measure may differ from other companies. Adjusted EBITDA should not be used in isolation or as a substitute for measures of performance or liquidity. Adjusted EBITDA should not be considered an alternative to operating income or net income (loss) under US GAAP to evaluate results of operations or as an alternative to cash flows as a measure of liquidity. Adjusted EBITDA excludes the EBITDA of our subsidiaries that are designated as Unrestricted Subsidiaries under our debt documents. Adjusted EBITDA includes pro forma cost savings.

(2) The Company believes that Adjusted EBITDA provides additional information to investors about the Company's ability to comply with its financial covenant and to obtain additional debt in the future.

Debt at June 30, 2016

	June 30, 2016		December 31, 2015	
	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 \$114 and \$123 of unamortized debt discount, respectively)	986	—	977	—
4.69% Second-Priority Senior Secured Notes due 2022 (includes \$32 and \$38 of unamortized debt discount, respectively)	170	—	192	—
Other Borrowings:				
China bank loans	—	37	—	33
Other	—	—	—	3
Total debt	\$ 1,156	\$ 37	\$ 1,169	\$ 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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