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MPM HOLDINGS INC. (“Momentive”)
Second Quarter 2015 Earnings Conference Call
August 14, 2015



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. 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 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: our ability to obtain additional financing, increased legal costs related to the Chapter 11 proceedings and other potential litigation, a weakening of global economic and financial conditions, interruptions in the supply of or increased cost of raw materials, changes in governmental regulations and related compliance and litigation costs, difficulties with the realization of cost savings in connection with our strategic initiatives, including transactions with our affiliate, Hexion Inc., pricing actions by our competitors that could affect our operating margins and the other factors listed in the Risk Factors section of our SEC filings. For a more detailed discussion of these and other risk factors, see the Risk Factors section in our most recent Annual Report on Form 10-K and our other filings made with the SEC. 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. ⁽¹⁾

(1)

As a result of the application of fresh start accounting, as well as the effects of implementing the Company’s plan of reorganization, the Consolidated Financial Statements and results reported on or after October 24, 2014 reflected a different basis of accounting than the Consolidated Financial Statements prior to that date. References to “Successor” or “Successor Company” relate to the financial position and results of operations of the reorganized Company.

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OVERVIEW OF SECOND QUARTER 2015 RESULTS



Overview Second Quarter 2015 Results

Commentary

- Core business trends remained stable in 2Q'15
 - Despite volume gains, net sales decreased 5% due to strengthening of the U.S. dollar against other currencies. On a constant currency basis, net sales would have increased by 2%
- Diversified portfolio and disciplined cost controls drove a reported Segment EBITDA⁽¹⁾ increase of 2% to \$60 million
 - Excluding currency, Segment EBITDA improved 8% year on year
- Executing against strategic investment plan
- Continue to leverage new balance sheet and strong liquidity position

Summary Financials

(\$ in millions)	2Q'14	2Q'15	Δ	Ex FX
Net sales	\$637	\$602	(5)%	2%
Segment EBITDA				
Silicones	67	60	(10)%	(3)%
Quartz	5	9	80%	84%
Corporate	(13)	(9)	(31)%	(30)%
Total Segment EBITDA	\$59	\$60	2%	8%
Segment EBITDA margin	<u>9.3 %</u>	<u>10.0 %</u>	70bps	60 bps



Despite Market Headwinds, Momentive Posted Year on Year and Sequential Segment EBITDA Improvement

(1) Segment EBITDA is a non-GAAP financial measure. Segment EBITDA should not be considered a substitute for net income (loss) or other results reported in accordance with GAAP. 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 an important measure used by the Company's senior management and board of directors to evaluate operating results and allocate capital resources among businesses.

Silicones

Second Quarter 2015 Segment Results

(\$ in millions)	2Q Quarter Ended			
	2014	2015	Δ	Ex FX
Net Sales	\$ 592	\$ 559	(6)%	2%
Segment EBITDA	67	60	(10)%	(3)%
Segment EBITDA Margin	11.3%	10.7%	(60)bps	(70)bps

2Q'15 Net Sales Comparison Year on Year			
Volume	Price/Mix	Foreign Exchange	Total
7%	(5)%	(8)%	(6)%

Summary

- Sales reflected higher volumes offset primarily by currency headwinds and negative mix
- Segment EBITDA reflects softer results in certain specialty products
- Remain focused on investing behind specialty technologies and improving our cost structure

Quartz

Second Quarter 2015 Segment Results

(\$ in millions)	2Q Quarter Ended			
	2014	2015	Δ	Ex FX
Net Sales	\$ 45	\$ 43	(4)%	2%
Segment EBITDA	5	9	80%	84%
Segment EBITDA Margin	11.1%	20.9%	980bps	890 bps

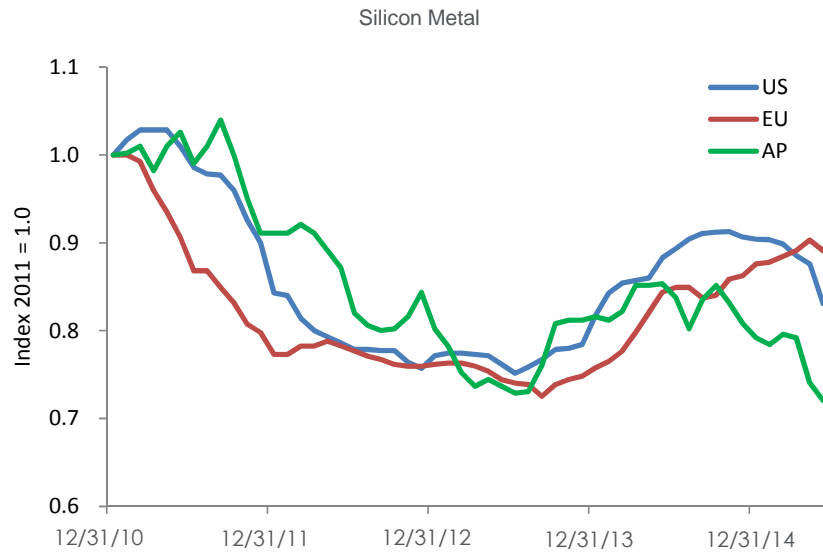
Summary

- Sales reflected higher volumes offset by currency headwinds
- Segment EBITDA reflected improved processing costs and manufacturing efficiencies, as well as raw material productivity
- EBITDA margin improvement driven by production productivity

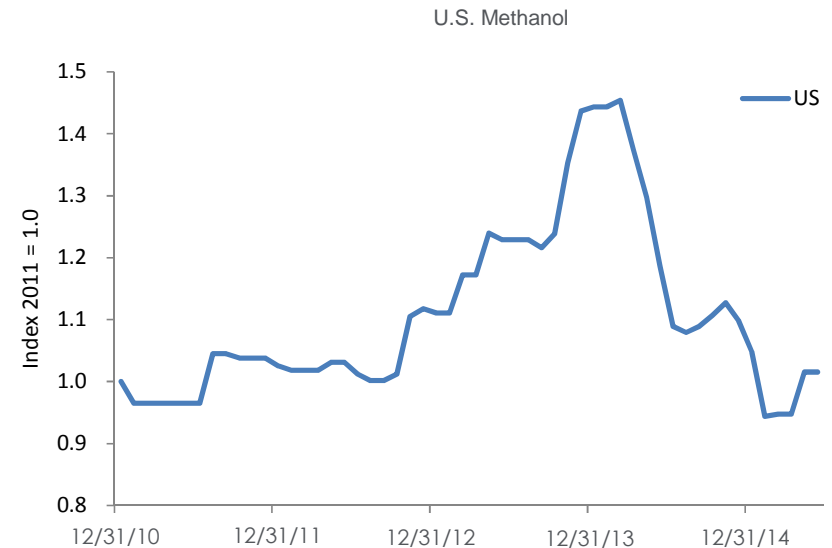
2Q'15 Net Sales Comparison Year on Year

Volume	Price/Mix	Foreign Exchange	Total
2%	–	(6)%	(4)%

Update on Raw Materials Environment Through June 30, 2015



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Summary

- Global silicon metal prices declined 2% sequentially in the second quarter of 2015
- Global methanol pricing increased 3% sequentially in the second quarter of 2015
- While Momentive expects a modest positive impact on silicones profitability from declining oil prices, more than 70% of raw material inputs are not petroleum-based

2Q'15 Strategic Investments Strengthen Global Footprint

Investing in Key Specialty Products

- Expanded Liquid Silicone Rubber (LSR) capacity at Leverkusen, Germany in June 2015
- Leverkusen site serves as key global resource in serving global LSR customers
- LSR expansion serves varied key end markets and applications, including:
 - Automotive: seals and connectors
 - Healthcare: seals and connectors
 - Energy: insulators and cable accessories for high voltage applications



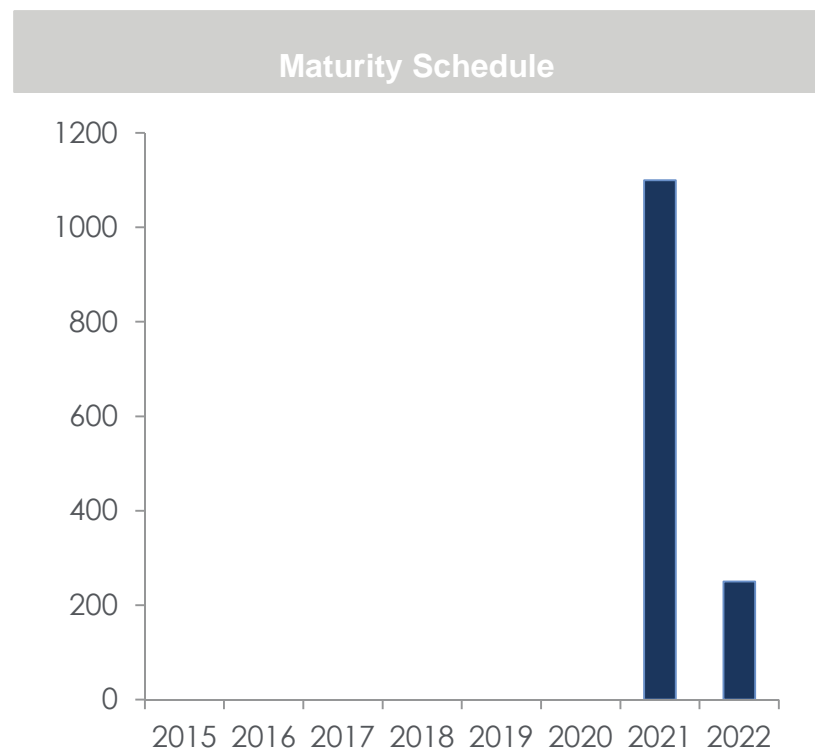
Strengthening IMEA Footprint

- Opened new Logistics Center in Dubai, UAE, in June '15, which complements an existing Sales and Technical Services Lab in Jebel Ali, UAE
- Strengthens regional capabilities by combining local fulfillment with technology resources to serve high growth regional market segments and customers in India, Middle East & Africa (IMEA)
- Part of long-standing commitment to IMEA
 - Finishing plant in Chennai, India (2010)
 - Bangalore regional HQ and global research center (2012)



Balance Sheet Update & Financial Summary

- Liquidity: cash plus borrowing availability of \$380 million at 6/30/15 with no significant maturities until 2021
- Improved cash flow from operations by \$118 million during 1H'15 versus prior year
- Strong balance sheet and significant liquidity provides meaningful financial flexibility
 - YTD'15 capital expenditures total \$54 million; focused on operational investments and growth of specialty portfolio
 - Net debt of \$1.2 billion as of June 30, 2015
- Remain focused on optimizing working capital and positioning inventories in 2015



Focused on Maintaining Strong Liquidity while
Strategically Leveraging Balance Sheet to Drive Key Growth Projects

Closing Remarks

- Despite volatility in certain end markets, core business trends remained stable in 2Q'15
 - Momentive posted higher volume in both segments and net sales grew 2% on a constant currency basis
 - Segment EBITDA gained 8% on a constant currency basis
- Significant year-on-year improvement in Quartz Segment EBITDA and margins
- Aggressive execution of strategic global growth initiatives
 - Expanded LSR capacity further strengthens specialty product portfolio
- Leveraging new balance sheet and strong liquidity position to invest throughout global network



Momentive Remains Well Positioned to Drive Future Growth Initiatives

APPENDICES

Reconciliation of Non-GAAP Financial Measures

		MPM HOLDINGS INC.			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2015	2014	2015	2014
		Successor	Predecessor	Successor	Predecessor
Segment EBITDA:					
Silicones	\$ 60	\$ 67		\$ 112	\$ 125
Quartz	9	5		20	12
Corporate	(9)	(13)		(20)	(23)
Total	\$ 60	\$ 59		\$ 112	\$ 114
Reconciliation:					
Items not included in Segment EBITDA:					
Non-cash charges	\$ —	\$ 11		\$ (3)	\$ 29
Unrealized actuarial and curtailment gains from pension liabilities	13	—		13	—
Restructuring and other costs	(5)	(10)		(9)	(14)
Reorganization items, net	(2)	(70)		(7)	(70)
Total adjustments	6	(69)		(6)	(55)
Interest expense, net	(20)	(41)		(39)	(117)
Income tax benefit (expense)	5	(13)		(5)	(21)
Depreciation and amortization	(39)	(42)		(76)	(83)
Net income (loss)	\$ 12	\$ (106)		\$ (14)	\$ (162)

- (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.

Reconciliation of Non-GAAP Financial Measures

	June 30, 2015
	LTM Period
Net income	\$ 1,773
Interest expense, net	99
Income tax expense	21
Depreciation and amortization	163
EBITDA	<u>2,056</u>
Adjustments to EBITDA	
Restructuring and other costs ^(a)	20
Reorganization items, net ^(b)	(2,032)
Unrealized loss on pension and postretirement benefits ^(c)	2
Non-cash charges and other income and expense ^(d)	188
Exclusion of Unrestricted Subsidiary results ^(e)	(15)
Adjusted EBITDA	<u>\$ 219</u>
Pro forma fixed charges ^(f)	<u>\$ 58</u>
Ratio of Adjusted EBITDA to Fixed Charges ^(g)	<u>3.78</u>

Footnotes for Reconciliation of Non-GAAP Financial Measures

- (a) Relates primarily to one-time payments for services and integration expenses, as well as costs related to restructuring our capital structure incurred prior to the Bankruptcy Filing.
- (b) Represents incremental costs incurred directly as a result of the Bankruptcy Filing, including certain professional fees, the Backstop Commitment Premium and financing fees related to the debtor-in-possession credit facilities. Also includes the impact of reorganization and fresh start accounting adjustments recorded on the Emergence Date.
- (c) Represents non-cash actuarial losses resulting from pension and postretirement liability curtailment and remeasurements.
- (d) Non-cash charges and other income and expenses includes the effects of unrealized foreign exchange transaction losses related to certain intercompany arrangements, unrealized derivative gains and losses, losses on asset disposals and stock-based compensation expense.
- (e) Reflects the exclusion of the EBITDA of our subsidiaries that are designated as Unrestricted Subsidiaries under the ABL Facility.
- (f) Reflects pro forma interest expense based on outstanding indebtedness and interest rates at June 30, 2015.
- (g) The Company's ability to incur additional indebtedness, among other actions, is restricted under the indentures governing our notes, unless the Company has an Adjusted EBITDA to Fixed Charges ratio of 2.0 to 1.0. As of June 30, 2015, we were able to satisfy this test and incur additional indebtedness under these indentures.

Debt at June 30, 2015

	<u>June 30, 2015</u>		<u>December 31, 2014</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 \$132 and \$140 of unamortized debt discount, respectively)	968	—	960	—
4.69% Second-Priority Senior Secured Notes due 2022 (includes \$44 and \$47 of unamortized debt discount, respectively)	206	—	203	—
Other Borrowings:				
China bank loans	—	33	—	32
Other	—	4	—	6
Total debt	<u>\$ 1,174</u>	<u>\$ 37</u>	<u>\$ 1,163</u>	<u>\$ 38</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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