MP MATERIALS

Q2 2023 Results

August 3, 2023

Safe Harbor

This presentation contains certain statements that are not historical facts and are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “will,” “target,” or similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding the market for rare earth materials, future demand for electric vehicles and magnets, estimates and forecasts of our results of operations and other financial and performance metrics, including NdPr oxide production and shipments in the 2023 third quarter, and the Company’s Stage II and Stage III projects, including the Company’s ability to achieve run rate production of separated rare earth materials and production of magnetic alloy and magnets. Such statements are all subject to risks, uncertainties and changes in circumstances that could significantly affect the Company’s future financial results and business.

Accordingly, the Company cautions that the forward-looking statements contained herein are qualified by important factors that could cause actual results to differ materially from those reflected by such statements. These forward-looking statements are subject to a number of risks and uncertainties, including fluctuations and uncertainties related to demand for and pricing of rare earth products; changes in domestic and foreign business, market, financial, political and legal conditions; changes in demand for NdFeB magnets; the effects of competition on the Company’s future business; risks related to the rollout of the Company’s business strategy, including Stage II and Stage III, and the timing of achieving expected business milestones in Stage II and Stage III including producing NdPr oxide and shipments in the 2023 third quarter; risks related to the Company’s long-term agreement with General Motors, including the Company’s ability to produce and supply NdFeB magnets; the impact of the global COVID-19 pandemic, on any of the foregoing risks; risks related to current and future governmental environmental laws, regulations, licenses or legal requirements; and those risk factors discussed in the Company’s filings with the Securities and Exchange Commission, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed by the Company with the Securities and Exchange Commission. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. The Company does not intend to update publicly any forward-looking statements except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation may not occur.

Use of Non-GAAP Financial Measures

This presentation references certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted EPS, Production Costs, and Free Cash Flow, which have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP").

We define Adjusted EBITDA as our GAAP net income before interest expense, net; income tax expense or benefit; and depreciation, depletion and amortization; further adjusted to eliminate the impact of stock-based compensation expense; start-up costs; transaction-related and other non-recurring costs; accretion of asset retirement and environmental obligations; gain or loss on sale or disposal of long-lived assets; and other income or loss. We define Adjusted EBITDA Margin as our Adjusted EBITDA divided by our total revenue. Adjusted Net Income is defined as our GAAP net income excluding the impact of stock-based compensation expense; start-up costs; transaction-related and other non-recurring costs; gain or loss on sale or disposal of long-lived assets; and other items that we do not consider representative of our underlying operations; adjusted to give effect to the income tax impact of such adjustments; and the release of valuation allowance. Adjusted Diluted EPS is defined as GAAP diluted earnings per share ("EPS") excluding the per share impact, using adjusted diluted weighted-average shares outstanding, of stock-based compensation expense; start-up costs; transaction-related and other non-recurring costs; gain or loss on sale or disposal of long-lived assets; and other items that we do not consider representative of our underlying operations; adjusted to give effect to the income tax impact of such adjustments; and the release of valuation allowance. Our key performance indicator, realized price per REO MT, is calculated as the quotient of: (i) our GAAP product sales for a given period and (ii) our REO sales volume for the same period. Production Costs, which we use to calculate our key performance indicator, production cost per REO MT, is defined as our GAAP cost of sales (excluding depreciation, depletion and amortization), less stock-based compensation expense included in cost of sales, shipping and freight costs, and costs attributable to certain other sales, for a given period. Production cost per REO MT is calculated as the quotient of: (i) our Production Costs for a given period and (ii) our REO sales volume for the same period. We define Free Cash Flow as net cash provided by operating activities less additions to property, plant and equipment, net of proceeds from government awards used for construction. You can find the reconciliation of these measures to the most directly comparable GAAP measures in the Appendix.

MP Materials' management uses Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS to compare MP Materials' performance to that of prior periods for trend analyses and for budgeting and planning purposes. MP Materials believes Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS provide useful information to management and investors regarding certain financial and business trends relating to MP Materials' financial condition and results of operations. MP Materials believes that the use of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Diluted EPS provide an additional tool for investors to use in evaluating projected operating results and trends. MP Materials believes realized price per REO MT is an important measure of the market price of the Company's concentrate product. Furthermore, MP Materials believes production cost per REO MT sold, which utilizes the non-GAAP financial measure, Production Costs, is a key indicator of the Company's concentrate production efficiency. As we evolve as a business and transition from a producer of rare earth concentrate to a producer of separated rare earth products upon completing the commissioning of our Stage II project, the metrics that management anticipates using to evaluate the business may change or be revised. For example, in completing the transition to separated rare earth products, we may determine that production cost per REO MT, which is a metric focused solely on Stage I concentrate operations, and consequently, Production Costs, are no longer meaningful in evaluating and understanding our business or operating results. We believe Free Cash Flow is useful for comparing our ability to generate cash with that of our peers. Free Cash Flow is not meant to be considered in isolation or as an alternative to cash flows from operating activities and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. MP Materials' method of determining these non-GAAP measures may be different from other companies' methods and, therefore, may not be comparable to those used by other companies and MP Materials does not recommend the sole use of these non-GAAP measures to assess its financial performance. Management does not consider non-GAAP measures in isolation or as an alternative or to be superior to financial measures determined in accordance with GAAP. The principal limitation of non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in MP Materials' financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures.

Highlights

Stage I

Upstream

- Record production achieved in a quarter with a planned maintenance outage
- Strong Adjusted EBITDA margins despite difficult pricing comparisons

Stage II

Midstream

- Commenced production of separated rare earth products
- Initial NdPr oxide shipments expected in Q3

Stage III

Downstream

- Metal and alloy production equipment being installed
- R&D and product development equipment being installed
- Engineering and manufacturing team strengthening

Operations and Financial Overview

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Stage I Operating Metrics

Highest concentrate production in a quarter with a planned maintenance shutdown.

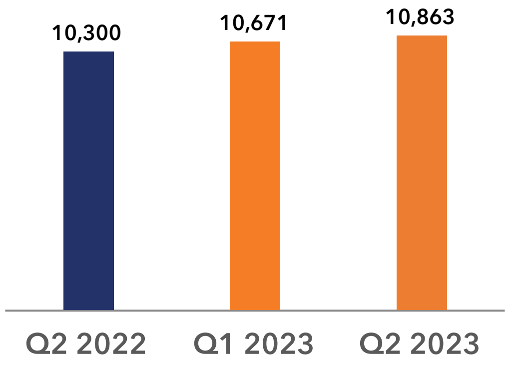
Sales volumes driven by higher production offset by the charging of additional Stage II circuits; ~1/3 of expected concentrate consumption into midstream circuits occurred as of June 30.

Realized pricing impacted by decline in market prices for NdPr; expect low teens percent decline in sequential realized price in Q3.

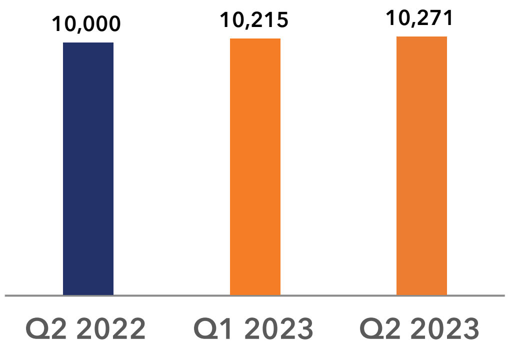
Cost control in Stage I remains robust, with incremental investment in Stage II preparation and headcount as commissioning progresses.

Comparable Operational Metrics – Sequential and Year-over-Year

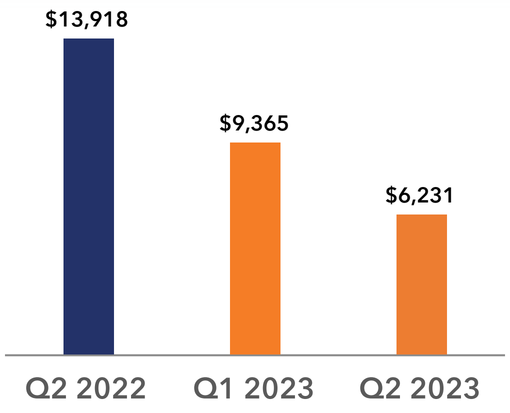
REO Production Volumes (MT)



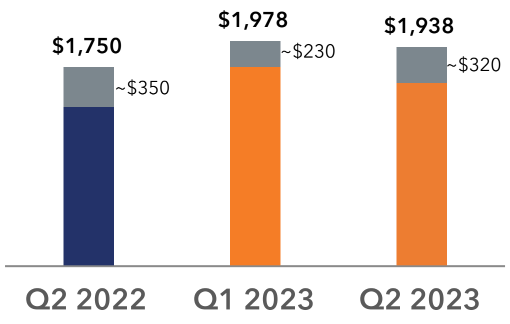
REO Sales Volumes (MT)



Realized Price[1] ($/MT REO)



Production Cost[2] ($/MT REO)



2022 2023 Stage II Related

1. Realized price per REO MT is calculated as the quotient of: (i) our GAAP product sales for a given period and (ii) our REO sales volume for the same period.
2. See Appendix for calculation of production cost per REO MT, which includes the non-GAAP financial measure, Production Costs. See Appendix for a reconciliation of Production Costs (non-GAAP) to Cost of sales (GAAP). In completing the transition to separated rare earth products, we may determine that production cost per REO MT, which is a metric focused solely on Stage I concentrate operations, and consequently, Production Costs, are no longer meaningful in evaluating and understanding our business or operating results.

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Financial Metrics

Change in revenue reflects market pricing for rare earth materials.

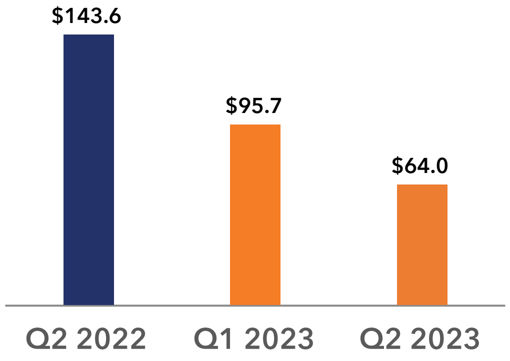
Adjusted EBITDA similarly reflects market prices offset by continued cost control.

Demonstrated margin resilience despite difficult pricing compares.

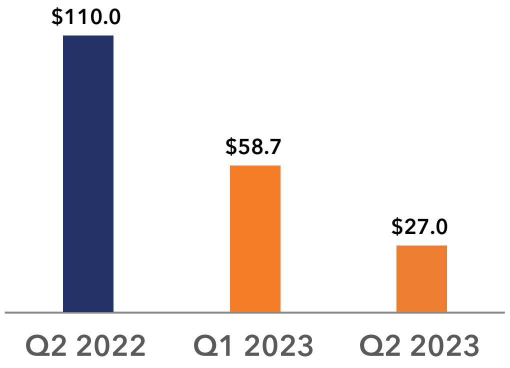
Comparisons impacted by flow-through of earnings and updated full year tax rate.

Comparable Financial Metrics – Sequential and Year-over-Year[1]

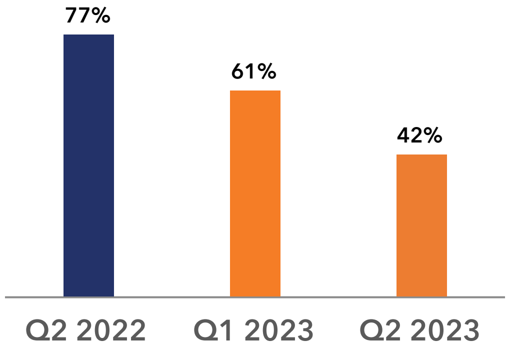
Revenues



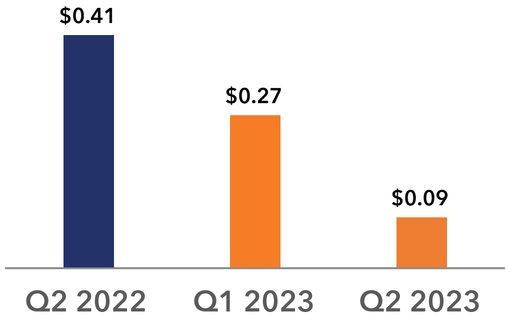
Adjusted EBITDA[2]



Adjusted EBITDA Margin



Adjusted Diluted EPS[2]



2022 2023

1. All figures in millions except for margins and per share amounts
2. See Appendix for reconciliation of Adjusted EBITDA and Adjusted Diluted EPS to the most directly comparable financial measure prepared in accordance with U.S. GAAP

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Stage II Update

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Appendix

P&L

MP Materials Corp. and Subsidiaries
Condensed Consolidated Statements of Operations

(in thousands, except share and per share data, unaudited)	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the three months ended March 31, 2023
Revenue:			
Product sales	$ 64,001	$ 139,183	$ 95,666
Other sales	23	4,379	34
Total revenue	64,024	143,562	95,700
Operating costs and expenses:			
Cost of sales (excluding depreciation, depletion and amortization)	22,704	22,092	24,216
Selling, general and administrative	18,865	18,120	19,403
Advanced projects, start-up, development and other	7,222	1,769	8,280
Depreciation, depletion and amortization	12,203	5,407	8,122
Accretion of asset retirement and environmental obligations	227	419	227
Loss on sale or disposal of long-lived assets, net	2,320	1	2,490
Total operating costs and expenses	63,541	47,808	62,738
Operating income	483	95,754	32,962
Interest expense, net	(1,392)	(1,326)	(1,359)
Other income, net	13,821	2,212	13,693
Income before income taxes	12,912	96,640	45,296
Income tax expense	(5,517)	(23,371)	(7,849)
Net income	**$ 7,395**	**$ 73,269**	**$ 37,447**
Earnings per share:			
Basic	$ 0.04	$ 0.42	$ 0.21
Diluted	$ 0.04	$ 0.38	$ 0.20
Weighted-average shares outstanding:			
Basic	176,984,917	176,527,570	176,881,723
Diluted	177,859,118	193,414,563	193,613,539

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Reconciliation: Net Income to Adjusted EBITDA

(in thousands, unaudited)	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the three months ended March 31, 2023
Net income	$ 7,395	$ 73,269	$ 37,447
Adjusted for:			
Depreciation, depletion and amortization	12,203	5,407	8,122
Interest expense, net	1,392	1,326	1,359
Income tax expense	5,517	23,371	7,849
Stock-based compensation expense[1]	5,730	7,440	7,013
Start-up costs[2]	3,828	812	4,564
Transaction-related and other non-recurring costs[3]	2,160	119	3,322
Accretion of asset retirement and environmental obligations	227	419	227
Loss on sale or disposal of long-lived assets, net[4]	2,320	1	2,490
Other income, net[5]	(13,821)	(2,212)	(13,693)
Adjusted EBITDA	$ 26,951	$ 109,952	$ 58,700

1. Principally included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.
2. Relates to certain costs included in "Advanced projects, start-up, development and other" within our unaudited Condensed Consolidated Statements of Operations that do not qualify for capitalization incurred in connection with the initial commissioning and starting up of our separations capability at Mountain Pass and our metal alloy and magnet-making capabilities at Fort Worth prior to the achievement of commercial production. These costs include payroll of employees directly involved in such commissioning activities, training costs, costs of testing and commissioning the new circuits and processes, and other related costs. Given the nature and scale of the related costs and activities, management does not view these as normal, recurring operating expenses, but rather as non-recurring investments to develop such capabilities. Therefore, we believe it is useful and necessary for investors to understand our core operating performance in current and future periods by excluding the impact of these start-up costs.
3. The majority of the amounts for the three months ended June 30, 2023, and March 31, 2023, are included in "Advanced projects, start-up, development and other" within our unaudited Condensed Consolidated Statements of Operations, and pertain to legal, professional services, and other costs associated with non-recurring transactions.
4. Amounts for the three months ended June 30, 2023, and March 31, 2023, principally relate to demolition costs incurred in connection with demolishing and removing certain out-of-use older facilities and infrastructure from the Mountain Pass site to accommodate future expansion in rare earth processing.
5. Principally comprised of interest and investment income.

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Reconciliation: Net Income to Adjusted Net Income

(in thousands, unaudited)	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the three months ended March 31, 2023
Net income	$ 7,395	$ 73,269	$ 37,447
Adjusted for:			
Stock-based compensation expense[1]	5,730	7,440	7,013
Start-up costs[2]	3,828	812	4,564
Transaction-related and other non-recurring costs[3]	2,160	119	3,322
Loss on sale or disposal of long-lived assets, net[4]	2,320	1	2,490
Other	(21)	(30)	(20)
Tax impact of adjustments above[5]	(4,389)	(2,002)	(3,489)
Adjusted Net Income	$ 17,023	$ 79,609	$ 51,327

1. Principally included in "Selling, general and administrative" within our unaudited Condensed Consolidated Statements of Operations.
2. Relates to certain costs included in "Advanced projects, start-up, development and other" within our unaudited Condensed Consolidated Statements of Operations that do not qualify for capitalization incurred in connection with the initial commissioning and starting up of our separations capability at Mountain Pass and our metal alloy and magnet-making capabilities at Fort Worth prior to the achievement of commercial production. These costs include payroll of employees directly involved in such commissioning activities, training costs, costs of testing and commissioning the new circuits and processes, and other related costs. Given the nature and scale of the related costs and activities, management does not view these as normal, recurring operating expenses, but rather as non-recurring investments to develop such capabilities. Therefore, we believe it is useful and necessary for investors to understand our core operating performance in current and future periods by excluding the impact of these start-up costs.
3. The majority of the amounts for the three months ended June 30, 2023, and March 31, 2023, are included in "Advanced projects, start-up, development and other" within our unaudited Condensed Consolidated Statements of Operations, and pertain to legal, professional services, and other costs associated with non-recurring transactions.
4. Amounts for the three months ended June 30, 2023, and March 31, 2023, principally relate to demolition costs incurred in connection with demolishing and removing certain out-of-use older facilities and infrastructure from the Mountain Pass site to accommodate future expansion in rare earth processing.
5. Tax impact of adjustments is calculated using an adjusted effective tax rate, which excludes the impact of discrete tax costs and benefits, to each adjustment. The adjusted effective tax rates were 31.3%, 24.0% and 20.1% for the three months ended June 30, 2023 and 2022, and for the three months ended March 31, 2023, respectively.

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Reconciliation: Diluted EPS to Adjusted Diluted EPS

(unaudited)	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the three months ended March 31, 2023
Diluted EPS	$ 0.04	$ 0.38	$ 0.20
Adjusted for:			
Stock-based compensation expense	0.03	0.04	0.04
Start-up costs	0.02	–	0.02
Transaction-related and other non-recurring costs	0.01	–	0.02
Loss on sale or disposal of long-lived assets, net	0.01	–	0.01
Tax impact of adjustments above[1]	(0.02)	(0.01)	(0.02)
Adjusted Diluted EPS	$ 0.09	$ 0.41	$ 0.27
Basic Weighted-Average Shares Outstanding	176,984,917	176,527,570	176,881,723
Assumed conversion of Convertible Notes[2]	–	15,584,409	15,584,409
Assumed conversion of restricted stock	555,282	845,450	723,145
Assumed conversion of restricted stock units	318,919	457,134	424,262
Diluted Weighted-Average Shares Outstanding	177,859,118	193,414,563	193,613,539
Assumed conversion of Convertible Notes[2]	15,584,409	–	–
Adjusted Diluted Weighted-Average Shares Outstanding	193,443,527	193,414,563	193,613,539

1. Tax impact of adjustments is calculated using an adjusted effective tax rate, which excludes the impact of discrete tax costs and benefits, to each adjustment. The adjusted effective tax rates were 31.3%, 24.0% and 20.1% for the three months ended June 30, 2023 and 2022, and for the three months ended March 31, 2023, respectively.
2. The Convertible Notes were antidilutive for GAAP purposes for the three months ended June 30, 2023. For purposes of calculating Adjusted Diluted EPS, we have added back the assumed conversion of the Convertible Notes since they would not be antidilutive when using Adjusted Net Income as the numerator in the calculation of Adjusted Diluted EPS.

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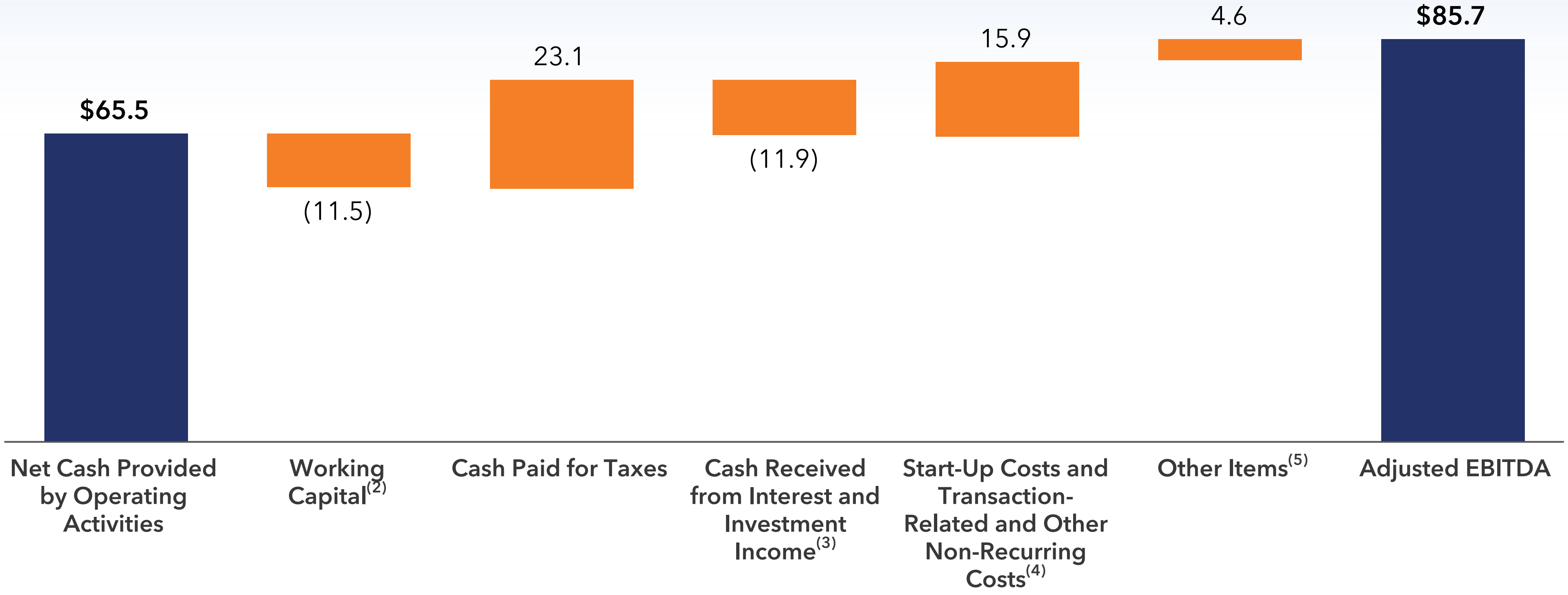
Year-to-Date 2023 Cash Flow Bridge[1]



1. All figures in millions. May not recompute as presented due to rounding.
2. Amount includes ore stockpile inventory.
3. Amount is net of cash paid for interest.
4. Excludes items that were accrued but not yet paid.
5. Principally relates to demolition costs.

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Reconciliation: Net Cash Provided by Operating Activities to Free Cash Flow

(in thousands, unaudited)		For the six months ended June 30, 2023
Net cash provided by operating activities	$	65,459
Additions to property, plant and equipment		(130,236)
Free Cash Flow	$	**(64,777)**

Reconciliation and Calculation: Production Cost KPI

(in thousands, unless otherwise stated, unaudited)	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the three months ended March 31, 2023
Cost of sales (excluding depreciation, depletion and amortization)	$ 22,704	$ 22,092	$ 24,216
Adjusted for:			
Stock-based compensation expense[1]	(795)	(506)	(1,122)
Shipping and freight	(1,995)	(3,508)	(2,288)
Other	(11)	(580)	(603)
Production Costs[2]	19,903	17,498	20,203
Divided by:			
REO sales volume (in MTs)	10,271	10,000	10,215
Production cost per REO MT (in dollars)[2]	$ 1,938	$ 1,750	$ 1,978

1. Pertains only to the amount of stock-based compensation expense included in cost of sales.
2. See "Use of Non-GAAP Financial Measures" for definition and further information.

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