Hexion Inc.

First Quarter 2018 Results

May 14, 2018

Forward-Looking Statements
Hexion Inc.

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," "might," "plan," "estimate," "may," "will," "could," "should," "seek," "intend" or 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 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 loss of, or difficulties with the further realization of, cost savings in connection with our strategic initiatives, the impact of our substantial indebtedness, our failure to comply with financial covenants under our credit facilities or other debt, pricing actions by our competitors that could affect our operating margins, changes in governmental regulations and related compliance and litigation costs 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 Quarterly Report on Form 10-Q 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.

Hexion Inc.

Overview of First Quarter 2018 Results

Craig Rogerson
Chairman, President and Chief Executive Officer

Overview of First Quarter 2018 Results

	Quarter Ended March 31				
($ in millions)	2017	2017 Adjusted for Divestitures	2018	YoY Δ	YoY Δ Adjusted for Divestitures
Revenue	**$ 870**	**$ 866**	**$ 946**	**9%**	**9%**
Segment EBITDA	**95**	**94**	**118**	**24%**	**26%**

- Strong revenue growth with increase of 9% year over year
- Net loss of $13 million compared to net loss of $42 million in the prior year period
- First quarter 2018 Segment EBITDA [(1)] increased 24% year-over-year to $118 million
  - Results reflected solid demand and year-over-year gains in our base epoxy resins, phenolic specialty resins, and global formaldehyde and forest products resins businesses, as well as the impact of our cost savings initiatives
  - Segment EBITDA in the first quarter of 2018 increased by $24 million, or 26%, when adjusted for divestitures
- Hexion realized $13 million of cost savings in Q1'18. As of March 31, 2018, Hexion had $39 million of annualized pro forma cost savings that it expects to realize essentially by year-end 2018
- The Company continues to expect that cost savings, along with continued strength across the product portfolio, will drive significant Segment EBITDA growth in 2018

Delivered Strong Year over Year EBITDA and Sales Growth in Q1'18

(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.

Overview of Raw Materials Environment

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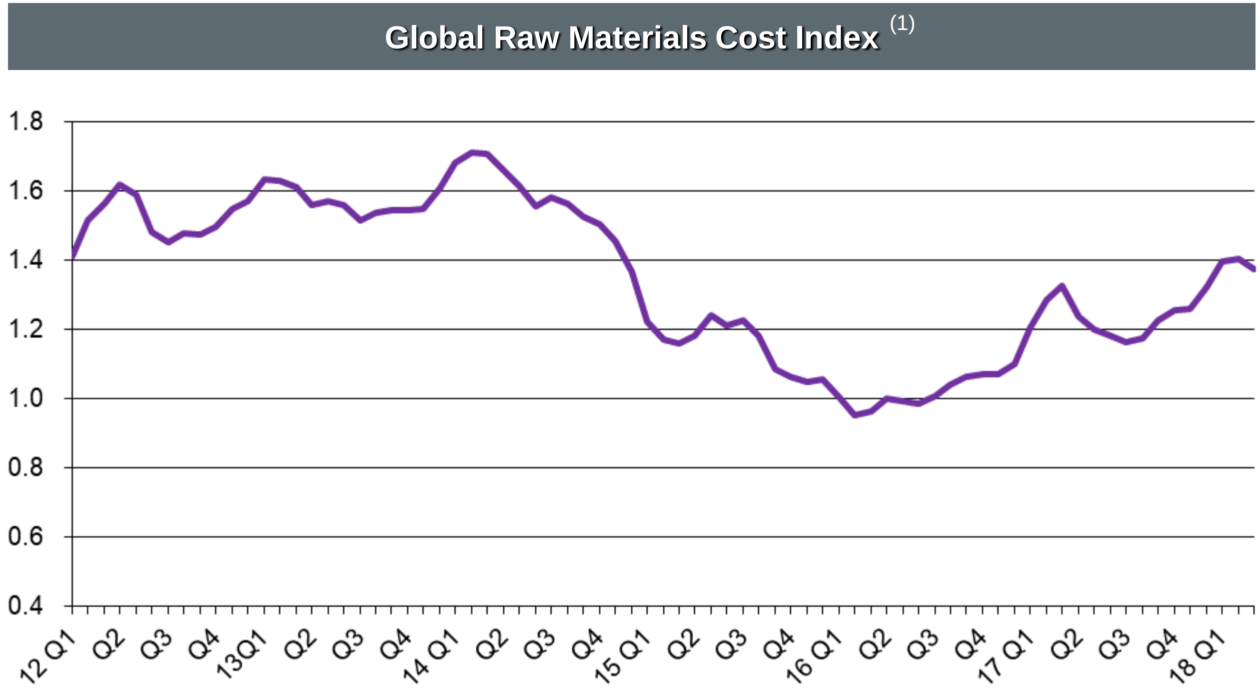

Summary

- Q1’18 global raw material pricing increased ~ 9% on a sequential basis from Q4’17
- Total raw material pricing in Q1’18 versus Q1’17:
  - Phenol ↓ 3%; Methanol ↑ 10%; Urea: ↑ 3%

(1) Source: *Includes content supplied by IHS Chemical, Copyright © IHS Chemical 2013; ICIS, Copyright © ICIS 2013. All rights reserved*

Continued Strong Fundamentals in Base Epoxy Resins in First Quarter 2018

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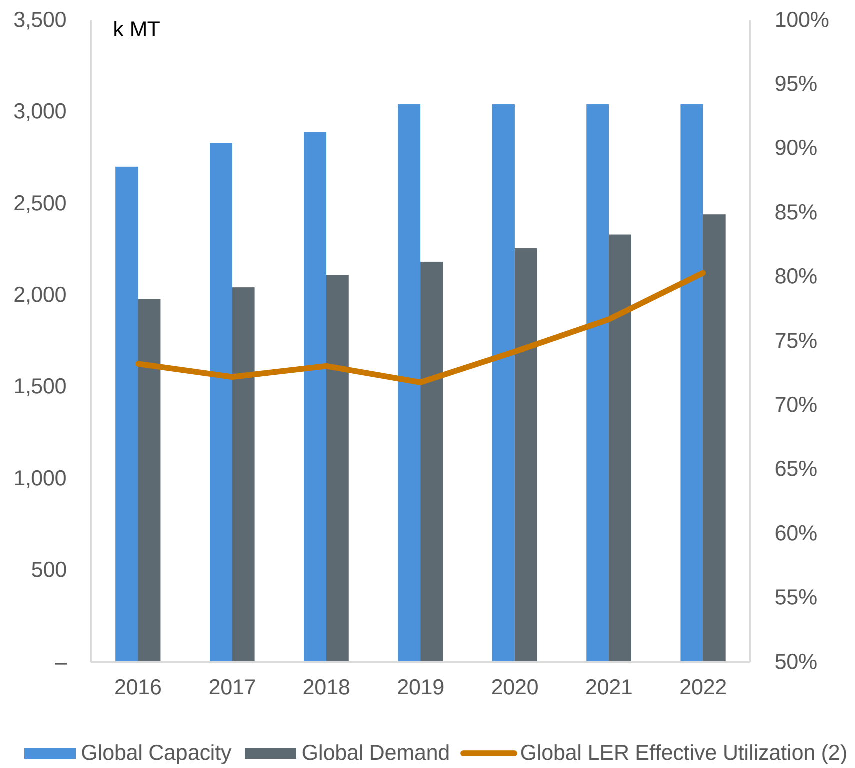
LER Supply / Demand 2016-2022 (1)



Strong Growth in Base Epoxy Resins

- Epoxy resins supply / demand dynamics expected to remain favorable for the foreseeable future supporting continued profitability
  - No significant known planned capacity additions
- ECH/ BPA tightening driving expansion in liquid epoxy resin pricing
  - Global capacity expected to remain tight as environmental regulation curtails Chinese production

Continued Improvement in Epoxy Resin Industry Fundamentals Drives Positive Outlook for Profitability

(1) Roland Berger market study
(2) Utilization rate assuming effective capacity – Effective capacity is defined as 90% of nameplate capacity

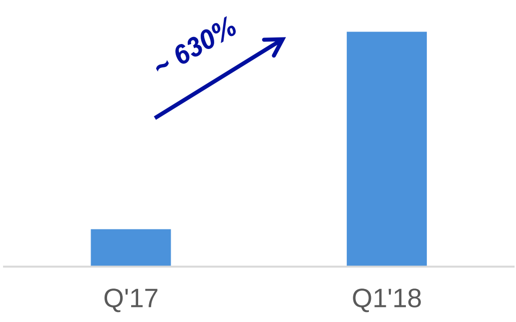
Continued Growth in Waterborne Coatings and VoyagerSM Mobile Resin Coating Service Gaining Traction

Strong Growth in Waterborne Coatings

- NextGen Epoxy™ Waterborne system offers coating performance comparable to solvent-borne systems
- Growth driven by Chinese regulations mandating use of waterborne coatings for shipping containers
  - Anticipate that regulations will drive conversion to low VOC waterborne coatings in other end markets and applications
- To continue to meet customer demand, successfully brought on additional NextGen Epoxy™ Waterborne coatings capacity in January 2018

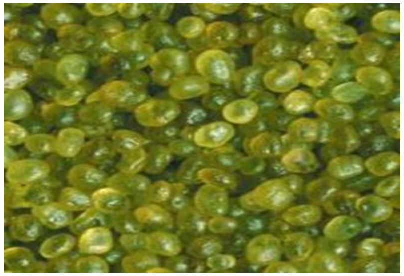
Asia Pacific Waterborne Volume

(kMT)



VoyageurSM Mobile Resin Coating

- Hexion recently introduced its new VoyagerSM mobile resin coating service
- Initially located in the Permian Basin, the innovative Voyager service is the first mobile manufacturing solution that provides in-basin resin coated proppant manufacturing for application in the oil and gas industry
  - Mobility enables strategic and efficient placement near transload sites and sand mines
  - Significantly reduces freight costs and delivery time for resin coated proppants
- New Voyager unit has been well received by customers and drove significant growth in U.S. volumes in Q1'18



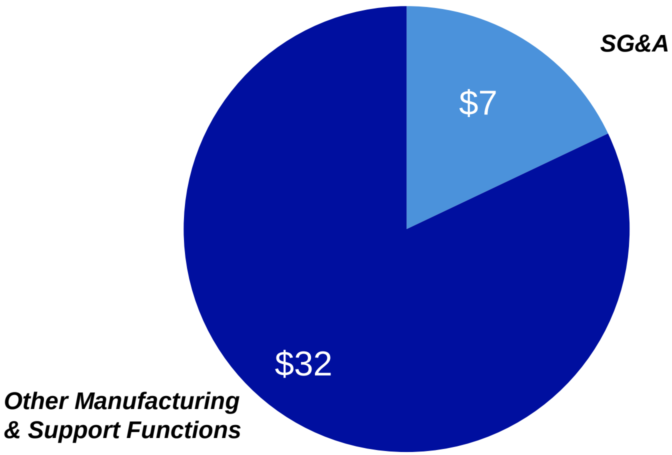
Structural Cost Savings Support Long Term Earnings Growth

Structural Cost Savings Program

- Hexion recently identified $40 million in additional structural cost savings with approximately 90% of the savings related to headcount reductions
- Nearly all actions have been completed and the full-year run rate will essentially be realized by year-end 2018
- Hexion realized $13 million of cost savings in Q1’18. As of 3/31/18, $39 million of structural cost savings remain in process
- Restructuring actions support Hexion’s overall Segment EBITDA margin gains
  - Q1’18 Segment EBITDA margin improved 150bps compared to the prior year period

In-Process Cost Savings

($ in millions)



Hexion Inc.
Financial Review

George Knight
Executive Vice President
and Chief Financial Officer

Forest Product Resins
First Quarter 2018 Segment Results

($ in millions)	Quarter Ended March 31				
	2017	**2017 Adjusted for Dispositions**	**2018**	**YoY Δ**	**YoY Δ Adj. for Dispositions**
Revenue	$ 378	$ 374	$ 406	7%	9%
Segment EBITDA [(1)]	61	60	67	10%	12%
Segment EBITDA Margin	16.1%	16.0%	16.5%	40bps	50bps

Q1'18 Revenue Comparison YoY

Volume	Price/Mix	Currency Translation	Impact of Dispositions	Total
(1)%	7%	2%	(1)%	7%

Summary

- Revenue increased across-the-board geographically and reflected the contractual pass through of higher raw material costs, partially offset by slightly lower volumes due to weather-related customer shutdowns
- Segment EBITDA increased by 10% year-over-year reflecting volume gains in the Company's Latin America and European businesses, as well as cost efficiencies from the new North America formaldehyde facilities

(1) Segment EBITDA excludes in-process synergies. Segment EBITDA is defined as EBITDA adjusted to exclude certain non-cash and non-recurring 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 segments. Segment EBITDA is also the profitability measure used to set management and executive incentive compensation goals. Corporate and Other primarily represents certain corporate, general and administrative expenses that are not allocated to the segments. Segment EBITDA is defined and reconciled to Net Income later in this presentation

Epoxy, Phenolic and Coating Resins First Quarter 2018 Segment Results

($ in millions)	Quarter Ended March 31		
	2017	**2018**	**Δ**
Revenue	$ 492	$ 540	10%
Segment EBITDA	52	70	35%
Segment EBITDA Margin	10.6%	13.0%	240bps

Q1'18 Revenue Comparison YoY

Volume	Price/Mix	Currency Translation	Total
(5)%	7%	8%	10%

Summary

- Revenue increased primarily due to pass through of higher raw material costs and price actions in certain businesses
- Strong Segment EBITDA gains reflected:
  - Significant increase in base epoxy resins driven by strong market fundamentals
  - Year-over-year improvement in phenolic specialty resins due to diversified portfolio and recent cost actions
  - Continued strong volume growth in NextGen Epoxy™ Waterborne system

Balance Sheet Update & Financial Summary

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Summary

- Cash plus borrowing availability of $282 million at March 31, 2018
- Hexion continues to position the Company for profitable growth by strategically managing its portfolio and sold its Additives Technology Group (ATG) business in January 2018
- Q1'18 capital expenditures of $25 million; FY'18 capital expenditures expected to be $80 million to $90 million
- Continued focus on appropriately managing net working capital (NWC)
  - Expect working capital to increase only modestly in FY'18 compared to the prior year with an increase in 1H'18 and decrease in 2H'18, consistent with historical trends

Continued Focus on Prudent Management of Balance Sheet

Appendices

Reconciliation of Non-GAAP Financial Measures

(In millions)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Reconciliation:		
Net loss	$ (13)	$ (42)
Income tax expense	8	8
Interest expense, net	83	83
Depreciation and amortization	30	28
EBITDA	$ 108	$ 77
Items not included in Segment EBITDA:		
Asset impairments	$ 25	$ —
Business realignment costs	9	7
Gain on disposition	(44)	—
Realized and unrealized foreign currency losses (gains)	7	(1)
Loss on extinguishment of debt	—	3
Other	13	9
Total adjustments	10	18
Segment EBITDA	$ 118	$ 95
Segment EBITDA:		
Epoxy, Phenolic and Coating Resins	$ 70	$ 52
Forest Products Resins	67	61
Corporate and Other	(19)	(18)
Total	$ 118	$ 95

(In millions)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Segment EBITDA	118	95
Adjustment for disposition(1)	—	(1)
Adjusted Segment EBITDA	118	94

(1) Adjustment for disposition impacts the Forest Product Resins segment.

Debt at March 31, 2018

($ in millions)

	March 31, 2018		December 31, 2017	
	Long-Term	Due Within One Year	Long-Term	Due Within One Year
ABL Facility	$ 160	$ —	$ 81	$ —
Senior Secured Notes:				
6.625% First-Priority Senior Secured Notes due 2020 (includes $2 of unamortized debt premium at both March 31, 2018 and December 31, 2017)	1,552	—	1,552	—
10.00% First-Priority Senior Secured Notes due 2020	315	—	315	—
10.375% First-Priority Senior Secured Notes due 2022	560	—	560	—
13.75% Senior Secured Notes due 2022	225	—	225	—
9.00% Second-Priority Senior Secured Notes due 2020	574	—	574	—
Debentures:				
9.2% debentures due 2021	74	—	74	—
7.875% debentures due 2023	189	—	189	—
Other Borrowings:				
Australia Facility due 2021[(1)]	36	4	—	50
Brazilian bank loans	12	35	9	34
Lease obligations	42	6	44	5
Other	3	21	2	36
Unamortized debt issuance costs	(39)	—	(41)	—
Total	$ 3,703	$ 66	$ 3,584	$ 125

(1) In February 2018, the Company extended its Australian Term Loan Facility through January 2021.

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