Hexion Inc.

Fourth Quarter and Fiscal Year 2017 Results

March 2, 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 Fourth Quarter and Fiscal Year 2017 Results

Craig Rogerson
Chairman, President and Chief Executive Officer

Overview of Fourth Quarter 2017 Results

Quarter Ended December 31			
($ in millions)	**2016**	**2017**	**YoY ∆**
Revenue	**$758**	**$895**	**18%**
Segment EBITDA (1)	**69**	**74**	**7%**

- Strong revenue and volume trends with increases of 18% and 10% year over year, respectively
- Net loss of $88 million compared to net loss of $97 million in the prior year period
- Fourth quarter 2017 Segment EBITDA (1) increased 7% year-over-year to $74 million
  - Fourth quarter 2017 Segment EBITDA reflected strong demand and year-over-year gains in our base epoxy resins, North American forest products resins, and global formaldehyde businesses
  - Excluding $4 million of insurance proceeds in the prior year period related to the Versatic™ Acids and Derivatives business that did not reoccur, fourth quarter 2017 Segment EBITDA increased 14%
- At December 31, 2017, Hexion had $50 million of total in-process cost savings. The Company has taken the majority of the actions and the impact will be essentially realized over the next 12 months
- Hexion continues to invest in its specialty product portfolio, such as its NextGen Epoxy™ Waterborne system and Voyager℠ mobile resin coating service
- New North American formaldehyde plants continue to meet forecast expectations and contributed $3 million in Segment EBITDA in the fourth quarter of 2017

Delivered Solid Year over Year EBITDA and Sales Growth in Q4'17

(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 Fiscal Year 2017 Results

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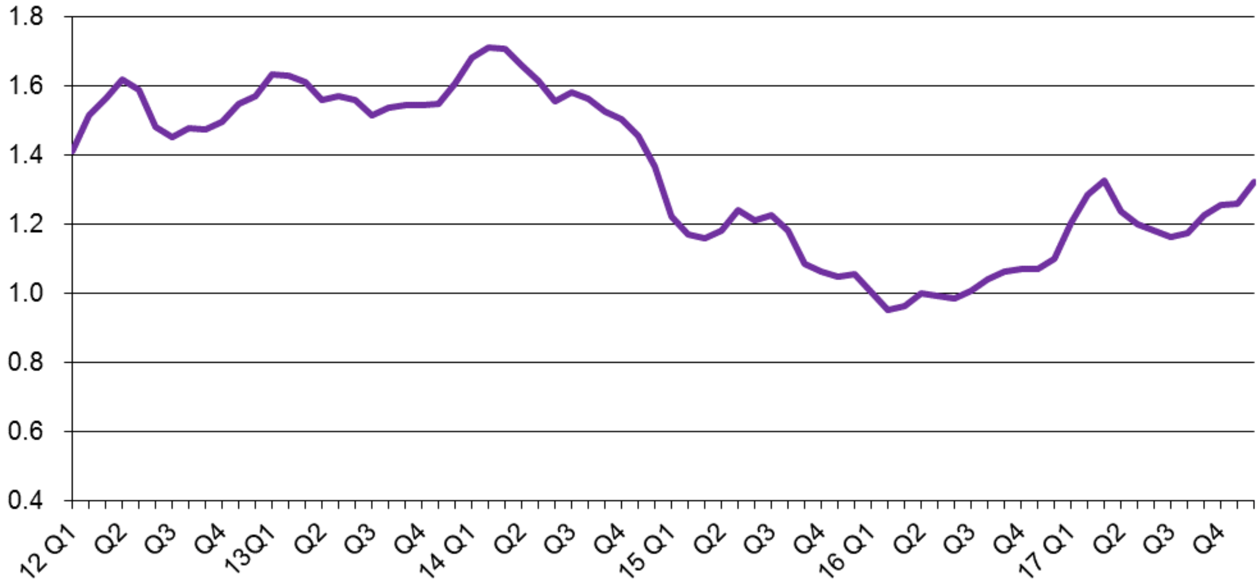
($ in millions)	2016	2016 Adjusted for Divestitures	2017	YoY Δ	YoY Δ Adjusted for Divestitures
		Year Ended December 31			
Revenue	**$3,438**	**$3,253**	**$3,591**	**4%**	**10%**
Segment EBITDA	**433**	**403**	**365**	**(16)%**	**(9)%**

- Improving revenue and strong volume trends with increases of 10% and 8% year over year, respectively
- Net loss of $234 million compared to net loss of $38 million in the prior year period
- Fiscal Year 2017 Segment EBITDA decreased 9% year-over-year reflecting softer specialty epoxy resins results, partially offset by growth in Global Forest Products resins and formaldehyde and base epoxy resins
- Hexion continues to position the Company for profitable growth by strategically managing its portfolio
  - In January 2018, Hexion sold its ATG business to MÜNZING CHEMIE GmbH. The Company received approximately $50 million in proceeds from the transaction, or approximately twelve times Segment EBITDA over the last twelve months
- Productivity savings, along with continued growth across most product lines, are expected to drive improved Segment EBITDA in 2018 versus the prior year

Future Growth Expected from Investments, Cyclical Recovery, Secular Growth and Productivity Initiatives

Overview of Raw Materials Environment

Global Raw Materials Cost Index (1)



<u>**Summary**</u>

- Q4'17 global raw material pricing increase ~ 8% on a sequential basis from Q3'17
- Total raw material pricing in 2017 versus 2016:
  – Phenol ↑ 15%; Methanol ↑ 46%; Urea: ↑ 4%

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

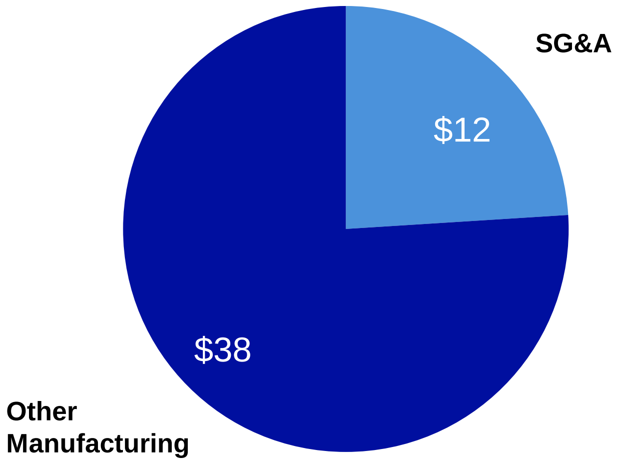
Structural Cost Savings Support Long Term Earnings Growth

Structural Cost Savings Program

- Hexion recently identified $40 million in additional structural cost savings with approximately 90% of the savings related to headcount reductions
- German phenolic specialty resins grid optimization completed in Q4'17
- Majority of actions have been completed and the full-year run rate will essentially be realized in 2018
- $50 million of structural cost savings remain in process as of 12/31/17

In-Process Cost Savings

($ in millions)



Forest Products Positioned to Benefit From Ongoing Housing Recovery and Demand for Sustainable Products

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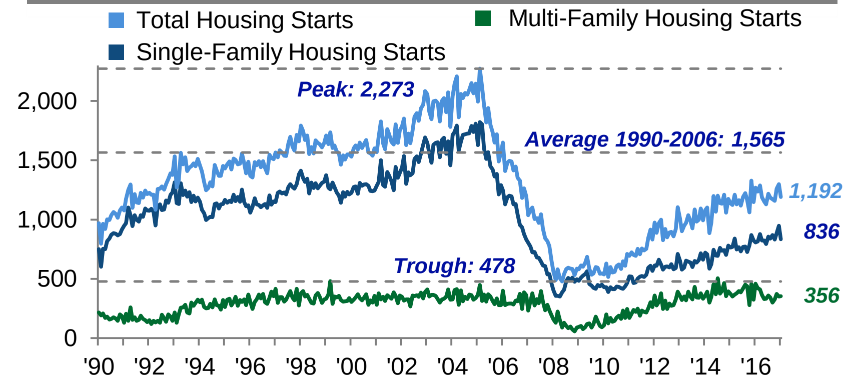
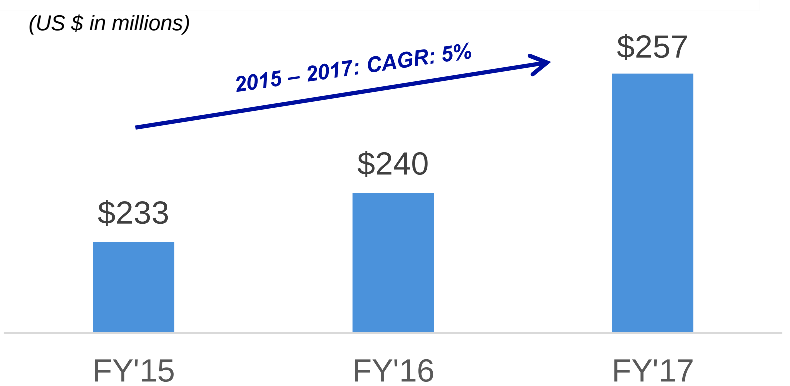
Summary

- The ongoing recovery in housing starts drives growth in North American Resins
- Significant upside operating leverage created by productivity and continued volume growth
- Long-term demand driven by population growth and Hexion's sustainable product solutions
- Strong formaldehyde demand supports overall segment growth
  - 4Q'17 formaldehyde volumes increased 12% compared to the prior year period
  - Following successful start-up, North American formaldehyde plants continue to perform well and delivered $17 million in FY'17

1990 – 2017 North American Housing Starts [1]



Forest Products Resins Segment EBITDA



Track Record of Long-Term Profitability Growth

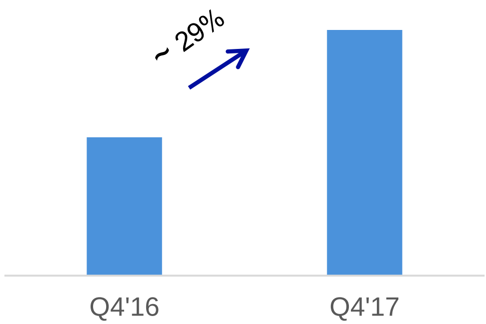
(1) Source: U.S. Census.

Strong Fundamentals in Base Epoxy and Waterborne Coatings

Base Epoxy Resins

Base Epoxy Resin Volume

(Volume kMT)

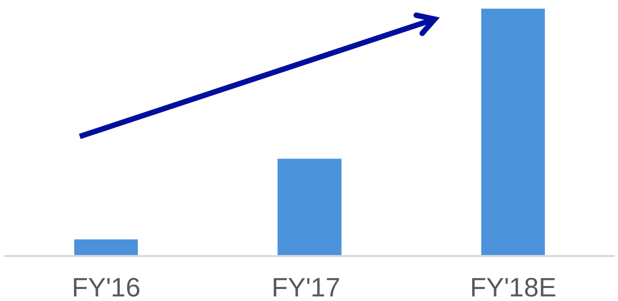


- Expected improvements in base epoxy resin industry fundamentals over next several years drives positive outlook for continued profitability
- Structural savings from Norco closure supports continued earnings improvement in FY'17 and beyond
- Significant year-over-year improvement in base epoxy resins profitability

High-growth Investment: NextGen Epoxy™

Asia Pacific Waterborne Volume

(Volume kMT)



- NextGen Epoxy™ Waterborne system offers coating performance comparable to solvent-borne systems
- Growth driven by China regulations requiring use of waterborne coatings for shipping containers
- Successfully brought on additional capacity in August '17 and in January '18

Hexion Inc.

Financial Review

George Knight
Executive Vice President
and Chief Financial Officer

Forest Product Resins
Fourth Quarter 2017 Segment Results

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($ in millions)	Quarter Ended December 31		
	2016	**2017**	**Δ**
Revenue	$ 328	$ 380	16%
Segment EBITDA (1)	56	62	11%
Segment EBITDA Margin	17.1%	16.3%	(80)bps

Q4'17 Revenue Comparison YoY

Volume	Price/Mix	Currency Translation	Total
5%	9%	2%	16%

Summary

- Revenue increased primarily due to broad based volume gains throughout the segment and the positive lead lag impact on pricing
- Segment EBITDA increased by 11% year-over-year reflecting higher segment volumes, cost efficiencies from the new North America formaldehyde facilities and strength in North American resins business

(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 Fourth Quarter 2017 Segment Results

	Quarter Ended December 31		
($ in millions)	**2016**	**2017**	**Δ**
Revenue	$ 430	$ 515	20%
Segment EBITDA [(1)]	28	31	11%
Segment EBITDA Margin	6.5%	6.0%	(50)bps

Q4'17 Revenue Comparison YoY

Volume	Price/Mix	Currency Translation	Total
9%	7%	4%	20%

Summary

- Revenue increased primarily due to strong volume gains across the segment pass through of higher raw material costs in certain businesses
- Segment EBITDA reflected:
  - Significant increase in base epoxy resins
  - Year-over-year improvement in phenolic specialty resins and oilfield proppants
  - Continued strong volume growth in NextGen Epoxy™ Waterborne system, which offers coating performance comparable to solvent-borne systems but with lower emissions

Balance Sheet Update & Financial Summary

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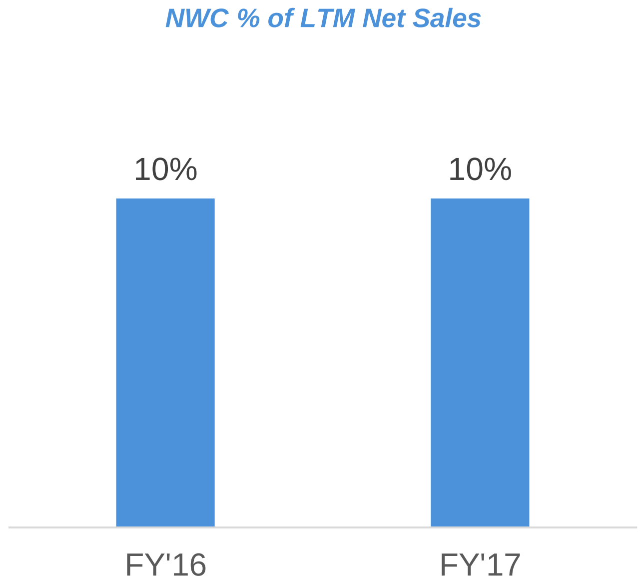
Summary

- Cash plus borrowing availability of $346 million at December 31, 2017
  – Pro forma liquidity reflecting proceeds from the ATG transaction totaled approximately $395 million
- FY'18 capital expenditures expected to be $80 million to $90 million
- Continued focus on appropriately managing working capital
  – Reduced working capital in 4Q'17 by $112 million
  – Despite a 10% increase in sales in FY'17 compared to FY'16, NWC remained flat year-over-year as a percentage of sales

Net Working Capital (NWC) (1)

(US $ in millions)



Continued Focus on Prudent Management of Balance Sheet

(1) Net working capital adjusted for the sale of Hexion's Performance Adhesives, Powder Coatings, Additives & Acrylic Coatings and Monomers businesses.

Appendices

Reconciliation of Non-GAAP Financial Measures

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(In millions)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Net loss	$ (88)	$ (97)	$ (234)	$ (38)
Income tax expense (benefit)	2	(2)	18	38
Interest expense, net	82	75	329	310
Depreciation and amortization	30	30	115	131
Accelerated depreciation	—	2	14	129
EBITDA	$ 26	$ 8	$ 242	$ 570
Items not included in Segment EBITDA:				
Asset impairments	$ —	$ —	$ 13	$ —
Business realignment costs	25	13	52	55
Realized and unrealized foreign currency losses (gains)	10	(8)	3	(11)
Gain on dispositions	—	—	—	(240)
(Gain) loss on extinguishment of debt	—	(1)	3	(48)
Unrealized (gains) losses on pension and OPEB plan liabilities	(4)	34	(4)	34
Other	17	23	56	73
Total adjustments	48	61	123	(137)
Segment EBITDA	$ 74	$ 69	$ 365	$ 433
Segment EBITDA:				
Epoxy, Phenolic and Coating Resins	$ 31	$ 28	$ 174	$ 258
Forest Products Resins	62	56	257	240
Corporate and Other	(19)	(15)	(66)	(65)
Total	74	69	365	433
Adjustment for dispositions [(1)]	—	—	—	(30)
Adjusted Segment EBITDA	$ 74	$ 69	$ 365	$ 403

(1) Adjustments for dispositions impact the Epoxy, Phenolic and Coating Resins segment.

Debt at December 31, 2017

($ in millions)

	As of December 31, 2017	As of December 31, 2016
Cash and cash equivalents	$ 115	$ 196
Debt:		
ABL Facility	$ 81	$ —
Senior Secured Notes:		
6.625% First-Priority Senior Secured Notes due 2020 (includes $2 and $3 of unamortized debt premium at December 31, 2017 and 2016, respectively)	1,552	1,553
10.00% First-Priority Senior Secured Notes due 2020	315	315
10.375% First-Priority Senior Secured Notes due 2022	560	—
8.875% Senior Secured Notes due 2018 (includes $1 of unamortized debt discount at December 31, 2016, respectively)	—	706
13.75% Senior Secured Notes due 2022	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 Term Loan Facility due 2018	50	51
Brazilian bank loans	43	40
Lease obligations	49	9
Other	38	31
Unamortized debt issuance costs	(41)	(38)
Total	$ 3,709	$ 3,504

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