

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): December 9, 2020**



**HEXION INC.**

**(Exact Name of Registrant as Specified in Its Charter)**

**New Jersey**

**(State or Other Jurisdiction of Incorporation)**

**1-71**

**(Commission File Number)**

**13-0511250**

**(I.R.S. Employer Identification No.)**

**180 East Broad St., Columbus, Ohio**

**(Address of Principal Executive Offices)**

**43215-3799**

**(Zip Code)**

**614-225-4000**

**(Registrant's Telephone Number, Including Area Code)**

**(Former Name or Former Address, if Changed Since Last Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
None

Trading Symbol(s)

Name of each exchange on which registered  
None

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 2.02 Results of Operations and Financial Condition

On September 27, 2020, Hexion Inc. (the "Company" or "Hexion") entered into a Purchase Agreement for the sale of phenolic specialty resins ("PSR"), Hexamine and European-based Forest Products Resins businesses (together with PSR, the "Held for Sale Business" or the "Business") to Black Diamond Capital Management, LLC and Investindustrial (the "Buyers") for a purchase price of approximately \$425 million. The consideration consists of \$335 million in cash and certain assumed liabilities with the remainder in future contingent proceeds based on the performance of the Held for Sale Business. The final purchase price is subject to customary post-closing adjustments. The Held for Sale Business was formerly included in the Company's Adhesives reportable segment.

Assets included in the transaction are the Company's manufacturing sites in Barry, United Kingdom; Cowie, United Kingdom; Lantaron, Spain; Botlek, Netherlands; Iserlohn, Germany; Frielendorf, Germany; Solbiate, Italy; Kitee, Finland; Louisville, Kentucky; Acme, North Carolina; and the Company's 50% ownership interest in Hexion Schekinoazot Holding B.V. (the "Russia JV"), a joint venture that manufactures forest products resins in Russia.

In the Company's Quarterly Report on Form 10-Q as of September 30, 2020 (the "Q3 2020 10-Q"), the Company reclassified the assets and liabilities of the Held for Sale Business as held for sale on the unaudited Condensed Consolidated Balance Sheets and reported the results of the operations for the three and nine months ended September 30, 2020 as "(Loss) income from discontinued operations, net of taxes" on the unaudited Condensed Consolidated Statements of Operations. Amounts for prior periods were retrospectively reclassified for all periods presented.

This Current Report on Form 8-K includes the Company's unaudited revised net sales, Segment EBITDA (see definition below), depreciation and amortization and capital expenditures by reportable segment for continuing operations (excluding the Held for Sale Business) for the periods July 2, 2019 through December 31, 2019, January 1, 2019 through July 1, 2019 and for the year ended December 31, 2018, as well as unaudited revised net sales and Segment EBITDA for all quarters in the first half of 2020 and the fiscal years 2019 and 2018.

The information contained in this Current Report shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act.

### Segment EBITDA

Segment EBITDA is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) 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 other segments. Segment EBITDA should not be considered a substitute for net (loss) income or other results reported in accordance with U.S. GAAP. Segment EBITDA may not be comparable to similarly titled measures reported by other companies.

### Forward Looking Statements

This Current Report contains 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 Exchange Act, 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" 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 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 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 of our most recent 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.

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**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Hexion Continuing Operations Financial Results</a>
104	Cover Page Interactive Data File, formatted in Inline XBRL and included as Exhibit 101.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HEXION INC.

Date: December 9, 2020

/s/ George F. Knight

George F. Knight

Executive Vice President, Chief Financial Officer



**Hexion Continuing Operations Financial Results**  
(amounts in millions)

On September 27, 2020, Hexion Inc. (the "Company" or "Hexion") entered into a Purchase Agreement for the sale of phenolic specialty resins ("PSR"), Hexamine and European-based Forest Products Resins businesses (together with PSR, the "Held for Sale Business" or the "Business") to Black Diamond Capital Management, LLC and Investindustrial (the "Buyers") for a purchase price of approximately \$425. The consideration consists of \$335 in cash and certain assumed liabilities with the remainder in future contingent proceeds based on the performance of the Held for Sale Business. The final purchase price is subject to customary post-closing adjustments. The Held for Sale Business was formerly included in the Company's Adhesives reportable segment.

Assets included in the transaction are the Company's manufacturing sites in Barry, United Kingdom; Cowie, United Kingdom; Lantaron, Spain; Botlek, Netherlands; Iserlohn, Germany; Frielendorf, Germany; Solbiate, Italy; Kitee, Finland; Louisville, Kentucky; Acme, North Carolina; and the Company's 50% ownership interest in Hexion Schekinoazot Holding B.V. (the "Russia JV"), a joint venture that manufactures forest products resins in Russia.

In the Company's Quarterly Report on Form 10-Q as of September 30, 2020 (the "Q3 2020 10-Q"), the Company reclassified the assets and liabilities of the Held for Sale Business as held for sale on the unaudited Condensed Consolidated Balance Sheets and reported the results of the operations for the three and nine months ended September 30, 2020 as "(Loss) income from discontinued operations, net of taxes" on the unaudited Condensed Consolidated Statements of Operations. Amounts for prior periods were retrospectively reclassified for all periods presented.

In the tables below, the Company has revised its unaudited net sales, Segment EBITDA (see definition below), depreciation and amortization and capital expenditures by reportable segment for continuing operations (excluding the Held for Sale Business) for the periods July 2, 2019 through December 31, 2019, January 1, 2019 through July 1, 2019 and for the year ended December 31, 2018, as well as unaudited revised net sales and Segment EBITDA for all quarters in fiscal year 2018, 2019 and the first half of 2020. The Company previously disclosed the three and nine months ended net sales and Segment EBITDA for continuing operations and comparable periods within the Q3 2020 10-Q.

**Segment EBITDA**

Segment EBITDA is defined as EBITDA (earnings before interest, income taxes, depreciation and amortization) 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 other segments. Segment EBITDA should not be considered a substitute for net (loss) income or other results reported in accordance with U.S. GAAP. Segment EBITDA may not be comparable to similarly titled measures reported by other companies.

**Fresh Start Accounting Presentation for Fiscal Year 2019**

Upon emerging from Chapter 11 on July 1, 2019 ("Effective Date") and qualifying for the application of fresh-start accounting, at the Effective Date, Hexion's assets and liabilities were recorded at their estimated fair values which, in some cases, were significantly different than amounts included in the Company's financial statements prior to the Effective Date. Accordingly, Hexion's financial condition and results of operations on and after the Effective Date are not directly comparable to our financial condition and results of operations prior to the Effective Date. References to "Successor" or "Successor Company" relate to the financial position and results of operations of the reorganized Company subsequent to the Effective Date. References to "Predecessor" or "Predecessor Company" refer to the financial position and results of operations of the Company on or before the Effective Date.

**Revised Segment Information (unaudited):****Net Sales as previously reported <sup>(1)(2)</sup>:**

<b>(in millions)</b>	<b>Successor</b>	<b>Predecessor</b>	
	<b>July 2, 2019 to December 31, 2019</b>	<b>January 1, 2019 to July 1, 2019</b>	<b>Year Ended December 31, 2018</b>
Adhesives	\$ 966	\$ 1,060	\$ 2,304
Coatings and Composites	630	718	1,493
<b>Total</b>	<b>\$ 1,596</b>	<b>\$ 1,778</b>	<b>\$ 3,797</b>

**Net Sales revised for continuing operations <sup>(1)(3)(4)</sup>:**

<b>(in millions)</b>	<b>Successor</b>	<b>Predecessor</b>	
	<b>July 2, 2019 to December 31, 2019</b>	<b>January 1, 2019 to July 1, 2019</b>	<b>Year Ended December 31, 2018</b>
Adhesives	\$ 693	\$ 761	\$ 1,641
Coatings and Composites	630	720	1,496
<b>Total</b>	<b>\$ 1,323</b>	<b>\$ 1,481</b>	<b>\$ 3,137</b>

- (1) Intersegment sales are not significant and, as such, are eliminated within the selling segment.
- (2) Previously reported amounts (unaudited) obtained from the Current Report on Form 8-K, which was furnished with the SEC on March 11, 2020.
- (3) Amounts (unaudited) for three and nine months ended September 30, 2020 and comparable periods were previously reported for continuing operations within the Q3 2020 10-Q.
- (4) Includes sales from the Company's continuing operations to the Held for Sale Business.

**Segment EBITDA as previously reported <sup>(1)</sup>:**

<b>(in millions)</b>	<b>Successor</b>	<b>Predecessor</b>	
	<b>July 2, 2019 to December 31, 2019</b>	<b>January 1, 2019 to July 1, 2019</b>	<b>Year Ended December 31, 2018</b>
Adhesives	\$ 144	\$ 167	\$ 311
Coatings and Composites	60	96	200
Corporate and Other	(37)	(30)	(71)
<b>Total</b>	<b>\$ 167</b>	<b>\$ 233</b>	<b>\$ 440</b>

**Segment EBITDA revised for continuing operations <sup>(2)</sup>:**

<b>(in millions)</b>	<b>Successor</b>	<b>Predecessor</b>	
	<b>July 2, 2019 to December 31, 2019</b>	<b>January 1, 2019 to July 1, 2019</b>	<b>Year Ended December 31, 2018</b>
Adhesives	\$ 116	\$ 135	\$ 252
Coatings and Composites	60	96	200
Corporate and Other	(37)	(30)	(71)
<b>Total</b>	<b>\$ 139</b>	<b>\$ 201</b>	<b>\$ 381</b>

- (1) Previously reported amounts (unaudited) obtained from the Current Report on Form 8-K, which was furnished with the SEC on March 11, 2020.
- (2) Amounts (unaudited) for three and nine months ended September 30, 2020 and comparable periods were previously reported for continuing operations within the Q3 2020 10-Q.

Depreciation and Amortization expense as previously reported <sup>(1)(2)</sup> : (in millions)	Successor		Predecessor	
	July 2, 2019 to December 31, 2019		January 1, 2019 to July 1, 2019	Year Ended December 31, 2018
	Adhesives	\$	\$ 64	\$ 30
Coatings and Composites		44	20	44
Corporate and Other		2	2	4
<b>Total</b>	\$	\$ 110	\$ 52	117

Depreciation and Amortization expense revised for continuing operations <sup>(1)(3)</sup> : (in millions)	Successor		Predecessor	
	July 2, 2019 to December 31, 2019		January 1, 2019 to July 1, 2019	Year Ended December 31, 2018
	Adhesives	\$	\$ 47	\$ 21
Coatings and Composites		44	20	44
Corporate and Other		2	2	4
<b>Total</b>	\$	\$ 93	\$ 43	98

- (1) Depreciation and amortization expense amounts include accelerated depreciation.
- (2) Previously reported amounts (unaudited) obtained from the Current Report on Form 8-K, which was furnished with the SEC on March 11, 2020.
- (3) Amounts (unaudited) for three and nine months ended September 30, 2020 and comparable periods were previously reported in total for continuing operations within the Q3 2020 10-Q.

Capital Expenditures as previously reported <sup>(1)(2)</sup> : (in millions)	Successor		Predecessor	
	July 2, 2019 to December 31, 2019		January 1, 2019 to July 1, 2019	Year Ended December 31, 2018
	Adhesives	\$	\$ 31	\$ 20
Coatings and Composites		23	22	42
Corporate and Other		4	1	3
<b>Total</b>	\$	\$ 58	\$ 43	\$ 90

Capital Expenditures revised for continuing operations <sup>(1)(3)</sup> : (in millions)	Successor		Predecessor	
	July 2, 2019 to December 31, 2019		January 1, 2019 to July 1, 2019	Year Ended December 31, 2018
	Adhesives	\$	\$ 17	\$ 18
Coatings and Composites		23	22	42
Corporate and Other		4	1	3
<b>Total</b>	\$	\$ 44	\$ 41	\$ 81

- (1) Includes capitalized interest costs that are incurred during the construction of property and equipment.
- (2) Previously reported amounts (unaudited) obtained from the Current Report on Form 8-K, which was furnished with the SEC on March 11, 2020.
- (3) Amounts (unaudited) for the nine months ended September 30, 2020 and comparable periods were previously reported in total for continuing operations within the Q3 2020 10-Q.

**Revised Quarterly Segment Information (unaudited):**
**Net Sales as previously reported <sup>(1)</sup>:**

<b>(in millions)</b>	<b>June 30, 2020</b>		<b>March 31, 2020</b>	
Adhesives	\$	346	\$	468
Coatings and Composites		282		358
<b>Total</b>	<b>\$</b>	<b>628</b>	<b>\$</b>	<b>826</b>

**Net Sales revised for continuing operations <sup>(1)(2)(3)</sup>:**

<b>(in millions)</b>	<b>June 30, 2020</b>		<b>March 31, 2020</b>	
Adhesives	\$	252	\$	329
Coatings and Composites		282		358
<b>Total</b>	<b>\$</b>	<b>534</b>	<b>\$</b>	<b>687</b>

- (1) Intersegment sales are not significant and, as such, are eliminated within the selling segment.
- (2) Amounts (unaudited) for three and nine months ended September 30, 2020 and comparable periods were previously reported for continuing operations within the Q3 2020 10-Q.
- (3) Includes sales from the Company's continuing operations to the Held for Sale Business.

**EBITDA as previously reported:**

<b>(in millions)</b>	<b>June 30, 2020</b>		<b>March 31, 2020</b>	
Adhesives	\$	51	\$	71
Coatings and Composites		26		39
Other and Other		(12)		(21)
<b>Total</b>	<b>\$</b>	<b>65</b>	<b>\$</b>	<b>89</b>

**EBITDA revised for continuing operations <sup>(1)</sup>:**

<b>(in millions)</b>	<b>June 30, 2020</b>		<b>March 31, 2020</b>	
Adhesives	\$	43	\$	55
Coatings and Composites		26		39
Other and Other		(13)		(21)
<b>Total</b>	<b>\$</b>	<b>56</b>	<b>\$</b>	<b>73</b>

- (1) Amounts (unaudited) for three and nine months ended September 30, 2020 and comparable periods were previously reported for continuing operations within the Q3 2020 10-Q.

**Net Sales as previously reported <sup>(1)(2)</sup>:**

<b>(in millions)</b>	<b>Successor</b>		<b>Predecessor</b>		
	<b>Three Months Ended December 31, 2019</b>	<b>July 2, 2019 through September 30, 2019</b>	<b>Three Months Ended</b>		
			<b>July 1, 2019</b>	<b>June 30, 2019</b>	<b>March 31, 2019</b>
Adhesives	\$ 462	\$ 504	\$ —	\$ 517	\$ 543
Coatings and Composites	298	332	—	375	343
<b>Total</b>	<b>\$ 760</b>	<b>\$ 836</b>	<b>\$ —</b>	<b>\$ 892</b>	<b>\$ 886</b>

**Net Sales revised for continuing operations <sup>(1)(3)(4)</sup>:**

<b>(in millions)</b>	<b>Successor</b>		<b>Predecessor</b>		
	<b>Three Months Ended December 31, 2019</b>	<b>July 2, 2019 through September 30, 2019</b>	<b>Three Months Ended</b>		
			<b>July 1, 2019</b>	<b>June 30, 2019</b>	<b>March 31, 2019</b>
Adhesives	\$ 332	\$ 361	\$ —	\$ 374	\$ 387
Coatings and Composites	298	332	—	376	344
<b>Total</b>	<b>\$ 630</b>	<b>\$ 693</b>	<b>\$ —</b>	<b>\$ 750</b>	<b>\$ 731</b>

- (1) Intersegment sales are not significant and, as such, are eliminated within the selling segment.
- (2) Previously reported amounts (unaudited) obtained from the Current Report on Form 8-K, which was furnished with the SEC on March 11, 2020.
- (3) Amounts (unaudited) for three and nine months ended September 30, 2020 and comparable periods were previously reported for continuing operations within the Q3 2020 10-Q.
- (4) Includes sales from the Company's continuing operations to the Held for Sale Business.



Segment EBITDA as previously reported <sup>(1)</sup> : (in millions)	Successor		Predecessor		
	Three Months Ended December 31, 2019	July 2, 2019 through September 30, 2019	Three Months Ended		
			July 1, 2019 <sup>(2)</sup>	June 30, 2019	March 31, 2019
Adhesives	\$ 72	\$ 72	\$ 18	\$ 73	\$ 76
Coatings and Composites	15	44	—	52	44
Corporate and Other	(19)	(17)	—	(13)	(17)
<b>Total</b>	<b>\$ 68</b>	<b>\$ 99</b>	<b>\$ 18</b>	<b>\$ 112</b>	<b>\$ 103</b>

Segment EBITDA revised for continuing operations <sup>(3)</sup> : (in millions)	Successor		Predecessor		
	Three Months Ended December 31, 2019	July 2, 2019 through September 30, 2019	Three Months Ended		
			July 1, 2019 <sup>(2)</sup>	June 30, 2019	March 31, 2019
Adhesives	\$ 57	\$ 59	\$ 18	\$ 57	\$ 60
Coatings and Composites	16	44	—	52	44
Corporate and Other	(20)	(17)	—	(13)	(17)
<b>Total</b>	<b>\$ 53</b>	<b>\$ 86</b>	<b>\$ 18</b>	<b>\$ 96</b>	<b>\$ 87</b>

- Previously reported amounts (unaudited) obtained from the Current Report on Form 8-K, which was furnished with the SEC on March 11, 2020.
- Includes \$18 of Segment EBITDA impact related to deferred revenue that was accelerated on July 1, 2019 as part of Fresh Start accounting.
- Amounts (unaudited) for three and nine months ended September 30, 2020 and comparable periods were previously reported for continuing operations within the Q3 2020 10-Q.

Sales as previously reported <sup>(1)(2)</sup> : (in millions)	Predecessor			
	Three Months Ended			
	December 31, 2018	September 31, 2018	June 30, 2018	March 31, 2018
Sales	\$ 557	\$ 582	\$ 591	\$ 574
and Composites	347	370	404	372
<b>Total</b>	<b>\$ 904</b>	<b>\$ 952</b>	<b>\$ 995</b>	<b>\$ 946</b>

Sales revised for continuing operations <sup>(1)(3)</sup> : (in millions)	Predecessor			
	Three Months Ended			
	December 31, 2018	September 31, 2018	June 30, 2018	March 31, 2018
Sales	\$ 403	\$ 424	\$ 414	\$ 400
and Composites	348	371	404	373
<b>Total</b>	<b>\$ 751</b>	<b>\$ 795</b>	<b>\$ 818</b>	<b>\$ 773</b>

- Intersegment sales are not significant and, as such, are eliminated within the selling segment.
- Previously reported amounts (unaudited) obtained from the Current Report on Form 8-K, which was furnished with the SEC on March 11, 2020.
- Includes sales from the Company's continuing operations to the Held for Sale Business.

Segment EBITDA as previously reported <sup>(1)</sup> : (in millions)	Predecessor			
	Three Months Ended			
	December 31, 2018	September 31, 2018	June 30, 2018	March 31, 2018
Adhesives	\$ 70	\$ 81	\$ 84	\$ 76
Coatings and Composites	14	61	64	61
Corporate and Other	(18)	(14)	(20)	(19)
<b>Total</b>	<b>\$ 66</b>	<b>\$ 128</b>	<b>\$ 128</b>	<b>\$ 118</b>

Segment EBITDA revised for continuing operations: (in millions)	Predecessor			
	Three Months Ended			
	December 31, 2018	September 31, 2018	June 30, 2018	March 31, 2018
Adhesives	\$ 57	\$ 69	\$ 66	\$ 60
Coatings and Composites	14	61	64	61
Corporate and Other	(18)	(14)	(20)	(19)
<b>Total</b>	<b>\$ 53</b>	<b>\$ 116</b>	<b>\$ 110</b>	<b>\$ 102</b>

- Previously reported amounts (unaudited) obtained from the Current Report on Form 8-K, which was furnished with the SEC on March 11, 2020.