Hexion Inc.

Fourth Quarter and Fiscal Year 2020 Results

March 10, 2021

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” 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, uncertainties related to COVID-19 and the impact of our responses to it 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.

This presentation contains non-GAAP financial information. Reconciliation to GAAP is included at the end of the presentation.

Hexion Inc.

Q4/FY’20 Financial Results & Strategic Focus

Craig Rogerson
Chairman, President and Chief Executive Officer

Overview of Fourth Quarter 2020 Results

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Three Months Ended December 31 *(Continuing Operations)*			
($ in millions)	**2019**	**2020**	**YoY Δ**
Total Revenue from Continuing Operations	**$ 630**	**$ 655**	**4%**
Net Loss	**(46)**	**(35)**	**nm**
Segment EBITDA from Continuing Operations (1)	**53**	**74**	**40%**

- Revenue from continuing operations totaled $655 million, an increase of 4% year over year
- Net loss for the successor three months ended December 31, 2020 totaled $35 million compared to $46 million in the successor period ended December 31, 2019
  - Q4'20 loss from continuing operations, net of taxes of $37 million compared to $48 million in the prior year period
- Fourth quarter 2020 Segment EBITDA (1) from continuing operations of $74 million, increasing 40% year-over-year
  - Favorable fourth quarter 2020 year-over-year volume trends in both segments
  - Highest fourth quarter Segment EBITDA from continuing operations in the last seven years reflecting multi-year efforts to streamline costs, while still strategically investing in the specialty portions of our business
  - Q4'20 EBITDA margins increased 290 basis points YoY
  - Strong Q4'20 free cash flow from continuing operations (2) bolstered year-end liquidity

Strong Momentum Heading into FY'21

(1) Segment EBITDA is a non-GAAP financial measure. The closest GAAP financial measure is Net 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. Segment EBITDA is defined and reconciled to Net Loss later in this presentation.

(2) Free cash flow is a non-GAAP financial measure and is a liquidity measure used by the Company. Free cash flow is defined by the Company as net cash provided by (used in) operating activities from continuing operations less capital expenditures on property, plant and equipment. Free cash flow is defined and reconciled later in this presentation.

Overview of Fiscal Year 2020 Results

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Year Ended December 31 *(Continuing Operations)*			
($ in millions)	**2019**	**2020**	**YoY Δ**
Total Revenue from Continuing Operations	**$ 2,804**	**$ 2,510**	**(10)%**
Net Income (loss)	**2,805**	**(230)**	**nm**
Segment EBITDA from Continuing Operations (1)	**340**	**294**	**(14)%**

- Revenue from continuing operations totaled $2.5 billion, a decrease of 10% year over year
- Net loss from continuing operations in 2020 was $161 million compared with net income of $2,668 in 2019
  - 2019 benefited from $2,970 million gain from the reorganization
- Fiscal Year 2020 Segment EBITDA (1) from continuing operations of $294 million, decreasing 14% year-over-year
- In September 2020, Hexion announced that it entered into a definitive agreement to sell its Phenolic Specialty Resin, Hexamine and European-based Forest Products Resins businesses for approximately $425 million to Black Diamond and Investindustrial
  - Pending sale remains on track
- Generated $92 million of free cash flow(2) in the second half of the year and positive free cash flow in 2020
- Despite the impact of the pandemic, year-end liquidity totaled $561 million

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Pending Divestiture Will Further Improve Specialty Product Mix

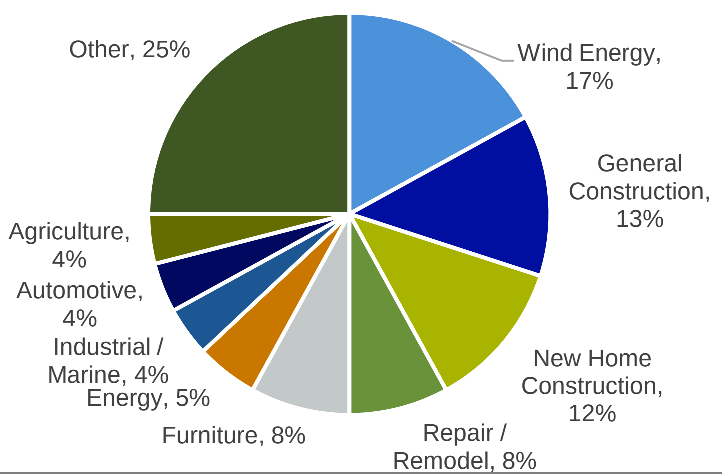
Proceeds will be used for Debt Reduction and Investing in Business

Summary

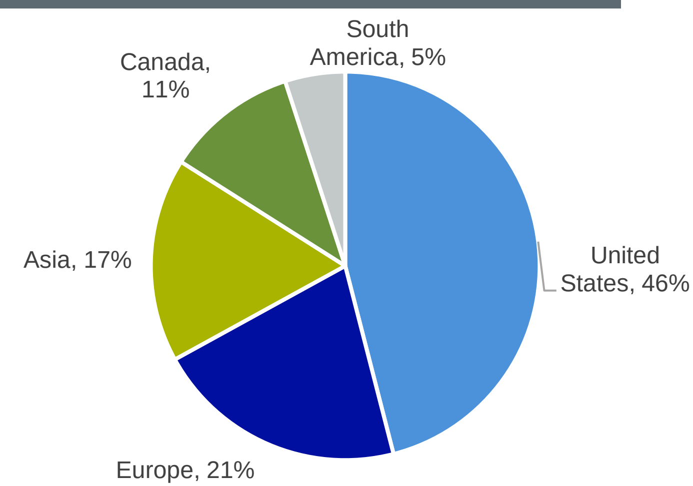
- In Q3'20, Hexion announced that it entered into a definitive agreement to sell its Phenolic Specialty Resin, Hexamine and European-based Forest Products Resins businesses for approximately $425 million, including cash consideration of $305 million, to Black Diamond and Investindustrial

- Divestiture expected to deliver:
  - "Greener" Portfolio: greater percentage of revenue now aligned with wind energy
  - Sustainability alignment: greater percentage of total revenue now aligned with the residential construction megatrend
  - Overall automotive end market exposure is reduced, but Hexion retains majority of high-margin, specialty applications
  - Geographic balance shifts with greater exposure to N. America and less cyclical Adhesives segment

Sales by End Markets (FY'20)



Sales by Geography (FY'20)



Adhesives Segment: Momentum from Ongoing Recovery from Pandemic Expected to Continue in FY’21

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Positive Demand in Americas

- Strong new residential construction and remodeling demand in N. America continues to drive positive results for forest products resins
- Long-term growth from increasing uses of cross laminated timber (CLT) in commercial building applications
- Improving demand throughout 2H’20 in Brazil and positive outlook in ’21
  - Restarting full operations at Montenegro, Brazil site

Strategic Capacity Expansions

- Hexion announced additional expansion of its Portland site to support the growing demand for ArmorBuilt™ fire resistant wrap, a new product which greatly improves fire protection when applied to a substrate
- Progress continues on the Company’s expansion of its Brimbank, Australia site to develop fire-resistant cladding materials leveraging proprietary phenolic resin technology

Innovative New Product Trials

- Extensive conversions underway at several major customers in 2020 for next generation OSB PF technology for board surface applications
- Additional “core” applications slated for 2021 as productivity gains (speed) and further reduction in resin usage positions product favorably compared to pMDI

Coatings & Composites Segment: Strategically Aligned with End-Market Growth and Megatrends

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Poised for Growth from New and Existing Products

Sustainability

Increasing **sustainability requirements** and **shifting customer preferences towards greener solutions** are driving a growing need for lighter, stronger, and higher performance materials, e.g.,

- ❑ Higher performance and lighter wind blades to reduce cost of energy production
- ❑ Lower VOC-emitting coatings

Selected Hexion Products:

- **EPIKOTE™ resin systems and EPIKURE™ curing agents for wind energy applications**
  Provides strength and fatigue performance for larger and heavier rotor blades
- **EPI-REZ™ Epoxy Waterborne Resins**
  Low-VOC emitting resins as substitutes for solvent-borne products
- **Lightweight composites for auto applications**

Performance & Safety

Increased focus on **safety and performance** standards such as fire, smoke, and toxicity performance drive the performance requirements of customers

- ❑ Lighter automotive components to increase fuel efficiency

Selected Hexion Products:

- **Battery box cover solutions for electric vehicles**
  Composite materials for lightweight and heat management
- **EPON™ FlameX Epoxy Resin System**
  Enables production of composite parts that combine resistance to fire and smoke with excellent aesthetics in marine, rail and architectural interiors, as well as aerospace interior parts

Population Growth

Population growth is expected to result in **an increasing need for the more efficient use of resources**, e.g.,

- ❑ Coatings with sustainable attributes to meet growing building applications
- ❑ New thermoset applications for growing auto transportation

Selected Hexion Products:

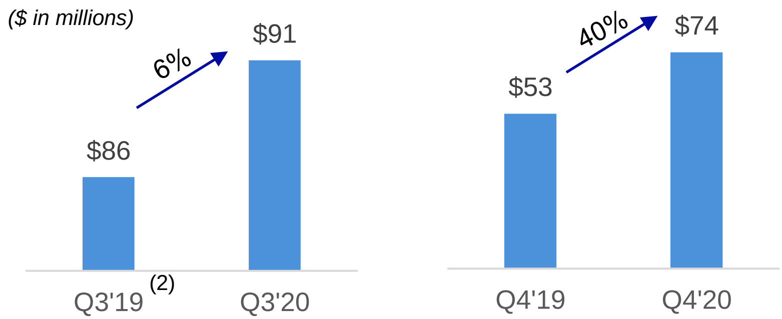
- **VeoVa™ Vinyl Esters**
  Enhances decorative paints' aesthetics and durability

FY'21 Priorities

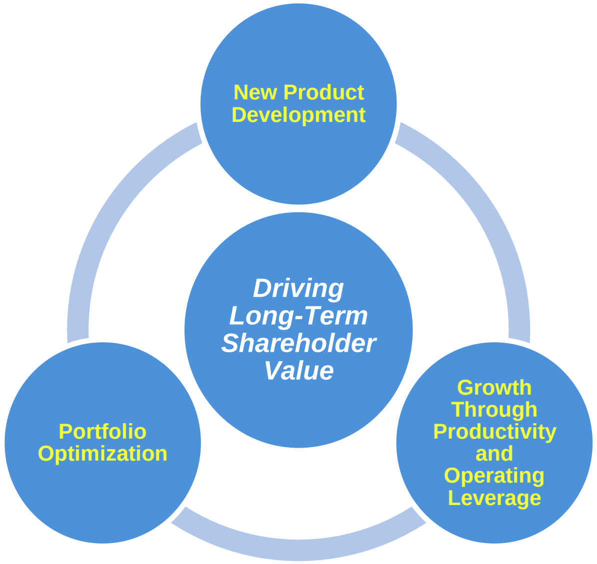
Committed to Driving Shareholder Value

- Leverage 2H'20 recovery momentum to drive topline and earnings growth in FY'21
- Maintain strong cost discipline
  - At only ~ 9%, SG&A as percentage of sales remains low
  - Ongoing Capgemini implementation
  - Only $6 million of in-process cost savings remain at 12/31/20
- Continue to drive significant cash flow from operations and expect to be free cash flow [(1)] positive in FY'21
- Leverage strategic growth cap ex, including self-help productivity investments, and new product development initiatives to continue to drive margin improvement
- Maintain a disciplined approach to capital allocation to reduce net debt; continue to target net debt to EBITDA ratio of < 3.0x
- Drive to maximize long term shareholder value through potential bolt-on and/or more transformational transactions, debt reduction, and potential opportunistic open market share repurchases in FY'21

Diversified Portfolio: Strong 2H'20 Segment EBITDA



Strategic Approach



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(2) Third Quarter 2019 excludes $18 million of Segment EBITDA related to deferred revenue that was accelerated on July 1, 2019 as part of Fresh Start accounting. Segment EBITDA is a non-GAAP financial measure. The closest GAAP financial measure is Net Loss A table that reconciles Segment EBITDA is included in Hexion's Form 10-Q for the quarterly period ended September 30, 2019.

Hexion Inc.

Fourth Quarter 2020 Financial Review

George Knight
Executive Vice President & Chief Financial Officer

Presentation Represents the Company's Continuing Operations and Excludes the Held for Sale Business

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- As previously announced, the Company entered into a Purchase Agreement for the sale of its Phenolic Specialty Resin (PSR), Hexamine and European-based Forest Products Resins businesses (together with PSR, the "Held for Sale Business" or the "Business")

- As of December 31, 2020, the Company reclassified the assets and liabilities of our Held for Sale Business as held for sale on the unaudited Condensed Consolidated Balance Sheets and reported the results of its operations for the three months and year ended December 31, 2020 as "(Loss) income from discontinued operations, net of taxes" on the unaudited Condensed Consolidated Statements of Operations.

- Amounts for prior periods have similarly been retrospectively reclassified for all periods presented.

See Addendum for Financial Statements Related to Discontinued Operations

Adhesives
Fourth Quarter 2020 Segment Results

Three Months Ended December 31 *(Continuing Operations)*			
($ in millions)	**2019**	**2020**	Δ
Total Revenue From Continuing Operations	$ 332	$ 314	(5)%
Segment EBITDA[(1)] From Continuing Operations	57	58	2%
Segment EBITDA Margin	17.2%	18.5%	1.3%

Q4'20 Revenue Comparison YoY *(Continuing Operations)*

Volume	Price/Mix	Currency Translation	Total
2%	(3)%	(4)%	(5)%

Summary

- Revenue declined primarily due to raw material price decreases contractually passed through to our customers
- Q4'20 Segment EBITDA reflected continued positive demand in North American from residential construction and repair and remodeling markets, as well as gains in global formaldehyde business

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Coatings & Composites
Fourth Quarter 2020 Segment Results

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Three Months Ended December 31 *(Continuing Operations)*			
($ in millions)	**2019**	**2020**	**Δ**
Total Revenue From Continuing Operations	$ 298	$ 341	14%
Segment EBITDA[(1)] From Continuing Operations	16	36	>100%
Segment EBITDA Margin	5.4%	10.6%	5.2%

Q4'20 Revenue Comparison YoY *(Continuing Operations)*

Volume	Price/Mix	Currency Translation	Total
19%	(7)%	2%	14%

Summary

- Sales increased due to improved volumes across our base epoxy and specialty epoxy resins, as well as Versatic Acids™ and Derivatives, despite COVID-19's global economic impact
- Within specialty epoxy, increased Segment EBITDA reflects continued positive demand driven by wind energy demand
- Versatic Acids™ and Derivatives volumes also improved year-over-year due to strength in architectural coatings and recovering automotive demand
- Strong increase in Q4'20 Segment EBITDA margins versus the prior year

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Balance Sheet Update & Financial Summary

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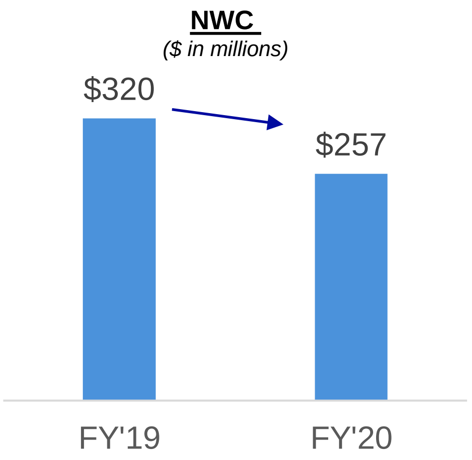
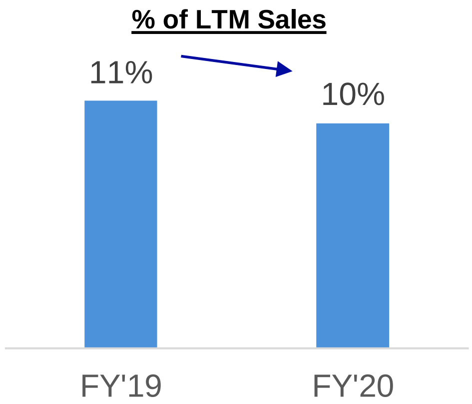
Summary

- Liquidity of $561 million, which includes $200 million of unrestricted cash and cash equivalents, as of Dec. 31, 2020
- Cash provided by operating activities from continuing operations of $116 million in FY’20
- Remain focused on prudently managing cash in 2021
  - Expect annual interest costs of ~ $85 million to $95 million
  - Anticipate 2021 capital expenditures of ~ $120 million to $140 million
  - Expect cash taxes of ~ $20 million to $30 million
  - Remain focused on managing net working capital (NWC)
- With no material debt maturities before 2026, Hexion benefits from the enhanced financial flexibility afforded by a long-dated maturity schedule

Net Working Capital (NWC) from Continuing Operations





Hexion Expects to Use the Net Sale Proceeds from Pending Divestiture to Invest in its Business and Debt Reduction

(1) Net working capital is defined as accounts receivable and inventories less accounts payable. Management believes that this non-GAAP measure is useful supplemental information. This non-GAAP measure should be considered by the reader in addition to but not instead of, the financial statements prepared in accordance with GAAP.

Despite Pandemic, Hexion Demonstrated Resiliency in FY’20

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Key Accomplishments

- ***Top Quartile EHS***: In FY’20, drove our strongest Environmental Health and Safety performance in Company’s history
- ***24x7x365 Safety Focus:*** Hexion remains focused on associate safety and operating our plants safely
- ***Solid Cash Generation:*** Despite FY’20 earnings headwinds from the pandemic, generated cash provided by operating activities from continuing operations of $116 million
- ***Driving Sustainability:*** Introduced strategic sustainability goals in FY’20 and leveraging these metrics as framework for future growth
- ***Responsible Chemistry:*** Responding to the ongoing Covid-19 crisis by supporting the communities in which we operate

Hexion is Well-Positioned To Drive Long-Term Growth

Appendices

Fresh Start Accounting Impact

- Upon emerging from Chapter 11 on July 1, 2019 ("Effective Date") and qualifying for the application of fresh-start accounting, 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.

Reconciliation of Net (Loss) Income to Segment EBITDA (Unaudited)

($ in millions)

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
Reconciliation:		
Net loss attributable to Hexion Inc.	$ (35)	$ (46)
Add: Net income attributable to noncontrolling interest	—	1
Less: Net income from discontinued operations	2	3
Net loss from continued operations	(37)	(48)
Income tax expense (benefit)	6	(4)
Interest expense, net	24	27
Depreciation and amortization	48	44
EBITDA	41	19
Adjustments to arrive at Segment EBITDA:		
Business realignment costs (1)	12	11
Transaction costs (2)	2	6
Realized and unrealized foreign currency gains	(3)	(4)
Unrealized losses on pension and OPEB plan liabilities	4	5
Other non-cash items (3)	14	9
Other (4)	4	7
Total adjustments	33	34
Segment EBITDA	$ 74	$ 53
Segment EBITDA:		
Adhesives	$ 58	$ 57
Coatings and Composites	36	16
Corporate and Other	(20)	(20)
Total	$ 74	$ 53

Reconciliation of Net (Loss) Income to Segment EBITDA (Unaudited)

($ in millions)

(1) Business realignment costs for the Successor and Predecessor periods below included:

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
Severance costs	$ 2	$ 5
In-process facility rationalizations	1	3
Contractual costs from exited business	2	—
Business services implementation	4	—
Legacy environmental reserves	1	3
Other	2	—

(2) For the Successor three months ended December 31, 2019, transaction costs included certain professional fees related to strategic projects.

(3) Other non-cash items for the Successor and Predecessor periods presented below included:

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
Fixed asset write-offs	$ 6	$ 5
Stock-based compensation costs	4	3
Long-term retention programs	2	(1)
Other	2	2

(4) Other for Successor and Predecessor periods presented below included:

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
Legacy and other non-recurring items	$ 2	$ 2
IT outage costs, net	—	1
Financing fees and other	2	4

Reconciliation of Net (Loss) Income to Segment EBITDA (Unaudited)

($ in millions)

	Successor		Predecessor	Non-GAAP Combined
	Year Ended December 31, 2020	July 2, 2019 through December 31, 2019	January 1, 2019 through July 1, 2019	Year Ended December 31, 2019
Reconciliation:				
Net (loss) income attributable to Hexion Inc.	$ (230)	$ (89)	$ 2,894	$ 2,805
Add: Net income attributable to noncontrolling interest	—	1	1	2
Less: Net (loss) income from discontinued operations	(69)	4	135	139
Net (loss) income from continued operations	$ (161)	$ (92)	$ 2,760	$ 2,668
Income tax expense (benefit)	14	(10)	201	191
Interest expense, net	100	55	89	144
Depreciation and amortization (1)	191	93	43	136
EBITDA	144	46	3,093	3,139
Adjustments to arrive at Segment EBITDA:				
Asset impairments and write-downs	$ 16	$ —	$ —	$ —
Business realignment costs (2)	69	22	14	36
Transaction costs (3)	6	11	26	37
Realized and unrealized foreign currency losses (gains)	—	4	(7)	(3)
Unrealized losses on pension and OPEB plan liabilities	4	5	—	5
Reorganization items, net (4)	—	—	(2,943)	(2,943)
Non-cash impact of inventory step-up (5)	—	27	(27)	—
Accelerated deferred revenue (6)	—	—	18	18
Other non-cash items (7)	43	10	9	19
Other (8)	12	14	18	32
Total adjustments	150	93	(2,892)	(2,799)
Segment EBITDA	$ 294	$ 139	$ 201	$ 340
Segment EBITDA:				
Adhesives	$ 214	$ 116	$ 135	$ 251
Coatings and Composites	151	60	96	156
Corporate and Other	(71)	(37)	(30)	(67)
Total	$ 294	$ 139	$ 201	$ 340

Reconciliation of Net (Loss) Income to Segment EBITDA (Unaudited)

($ in millions)

(1) For the year ended December 31, 2020, accelerated depreciation of $2 has been included in "Depreciation and amortization." There was no accelerated deprecation in either the Successor year ended December 31, 2019 or in the Predecessor period January 1, 2019 through July 1, 2019.

(2) Business realignment costs for the Successor and Predecessor periods below included:

	Successor		Predecessor	Non-GAAP Combined
	Year Ended December 31, 2020	July 2, 2019 through December 31, 2019	January 1, 2019 through July 1, 2019	Year Ended December 31, 2019
Severance costs	$ 16	$ 9	$ 8	$ 17
In-process facility rationalizations	11	5	3	8
Contractual costs from exited business	8	—	—	—
Business services implementation	22	—	—	—
Legacy environmental reserves	9	7	1	8
Other	3	1	2	3

(3) For the year ended December 31, 2020, transaction costs included certain professional fees related to strategic projects. For the Successor period from July 2, 2019 through December 31, 2019 and the Predecessor period from January 1, 2019 through July 1, 2019, transaction costs primarily included $6 and $23, respectively, of certain professional fees and other expenses related to the Company's Chapter 11 proceedings.

(4) Represents incremental costs incurred directly as a result of the Company's Chapter 11 proceedings after the date of filing, gains on settlement of liabilities under the Plan and the net impact of fresh start accounting adjustments. The amounts excludes the "Non-cash impact of inventory step-up" discussed below.

(5) Represents $27 of non-cash expense related to the step up of finished goods inventory on July 1 as part of fresh start accounting that was expensed in the successor period upon the sale of the inventory.

(6) For the Predecessor period from January 1, 2019 through July 1, 2019, $18 of deferred revenue was accelerated on July 1 as part of Fresh Start accounting.

Reconciliation of Net (Loss) Income to Segment EBITDA (Unaudited)

($ in millions)

(7) Other non-cash items for the Successor and Predecessor periods presented below included:

	Successor		Predecessor	Non-GAAP Combined
	Year Ended December 31, 2020	July 2, 2019 through December 31, 2019	January 1, 2019 through July 1, 2019	Year Ended December 31, 2019
Fixed asset write-offs	$ 13	$ 6	$ 3	$ 9
Stock-based compensation costs	17	8	—	8
Long-term retention programs	9	(2)	5	3
One-time capitalized variance impact of inventory fresh start step-up	—	(4)	—	(4)
Other	4	2	1	3

(8) Other for Successor and Predecessor periods presented below included:

	Successor		Predecessor	Non-GAAP Combined
	Year Ended December 31, 2020	July 2, 2019 through December 31, 2019	January 1, 2019 through July 1, 2019	Year Ended December 31, 2019
Legacy and other non-recurring items	$ 8	$ 7	$ 3	$ 10
IT outage (recoveries) costs, net	(4)	—	9	9
Financing fees and other	8	7	6	13

Free Cash Flow By Quarter

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($ in millions)

	Three Months Ended December 31, 2020	Three Months Ended September 30, 2020	Three Months Ended June 30, 2020	Three Months Ended March 31, 2020
Net cash provided by (used in) operating activities from continuing operations	$ 153	$ (5)	$ 67	$ (99)
Capital expenditures from continuing operations	(30)	(26)	(26)	(26)
Free Cash Flow from continuing operations [(1)]	123	(31)	41	(125)

(1) Free cash flow is a liquidity measure used by the Company and is defined by the Company as net cash provided by (used in) operating activities, less capital expenditures on property, plant and equipment.

Net Debt by Quarter

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($ in millions)

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Debt payable within one year	$ 82	$ 77	$ 76	$ 80
Long term debt	1,710	1,756	1,839	1,834
Total Debt (1)	$ 1,792	$ 1,833	$ 1,915	$ 1,914
Less: Cash and cash equivalents	(204)	(158)	(295)	(250)
Net Debt (2)	$ 1,588	$ 1,675	$ 1,620	$ 1,664

(1) Total debt represents the sum of "Debt payable within one year" and "Long-term debt" on the Condensed Consolidated Balance Sheets. Certain components of total debt are denominated in foreign currencies.

(2) Net debt represents "Total Debt" as defined above less "Cash and cash equivalents" on the Condensed Consolidated Balance Sheets.

Assets and Liabilities of Discontinued Operations

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	December 31, 2020	December 31, 2019
Carrying amounts of major classes of assets held for sale:		
Accounts receivable	$ 66	$ 49
Finished and in-process goods	18	21
Raw materials and supplies	17	18
Other current assets	12	11
Total current assets	113	99
Investment in unconsolidated entities	5	3
Deferred tax assets	2	—
Other long-term assets	7	11
Property, plant and equipment, net	310	297
Operating lease assets	13	12
Goodwill	14	14
Other intangible assets, net	61	63
Discontinued operations impairment	(75)	—
Total long-term assets	337	400
Total assets held for sale	$ 450	$ 499
Carrying amounts of major classes of liabilities held for sale:		
Accounts payable	$ 52	$ 52
Income taxes payable	1	—
Accrued payroll	3	5
Current portion of operating lease liabilities	2	2
Other current liabilities	9	10
Total current liabilities	67	69
Long-term pension and post employment benefit obligations	36	29
Deferred income taxes	22	15
Operating lease liabilities	5	4
Other long-term liabilities	8	8
Total long-term liabilities	71	56
Total liabilities held for sale	$ 138	$ 125

Financial Results of Discontinued Operations

HEXION™

	Successor		Predecessor	Successor		Predecessor
	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	July 1, 2019	Twelve Months Ended December 31, 2020	July 2, 2019 through December 31, 2019	January 1, 2019 through July 1, 2019
Major line items constituting pretax income of discontinued operations:						
Net sales	$ 133	$ 137	$ —	$ 493	$ 286	$ 309
Cost of sales (exclusive of depreciation and amortization)	111	115	—	412	245	263
Selling, general and administrative expense	9	7	—	42	15	17
Depreciation and amortization	—	10	—	26	17	9
Asset impairments	8	—	—	75	—	—
Business realignment costs	2	1	—	3	2	1
Other operating expense (income), net	—	—	—	—	1	(1)
Operating income (loss)	3	4	—	(65)	6	20
Reorganization items, net	—	—	(135)	—	—	(135)
Other non-operating expense, net	4	1	—	5	1	—
(Loss) income from discontinued operations before income tax, earnings from unconsolidated entities	(1)	3	135	(70)	5	155
Income tax (benefit) expense	(2)	—	16	1	1	21
Income (loss) from discontinued operations, net of tax	$ 1	$ 3	$ 119	$ (71)	$ 4	$ 134
Earnings from unconsolidated entities, net of tax	1	—	—	2	—	1
Net income (loss) attributable to discontinued operations	$ 2	$ 3	$ 119	$ (69)	$ 4	$ 135

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