

[<< Back](#)

Hexion Inc. Announces Agreement for Sale of Phenolic Specialty Resins, Hexamine and European-based Forest Products Resins Businesses to Black Diamond and Investindustrial

September 28, 2020 at 9:30 AM EDT

COLUMBUS, Ohio - (September 28, 2020) - Hexion Inc. (“Hexion” or the “Company”) today announced that it has 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. The consideration consists of \$335 million in cash and certain assumed liabilities with the remainder in future proceeds based on the performance of the business.

Together, these businesses posted sales of approximately \$530 million for the last twelve months ended June 30, 2020. The transaction includes approximately 900 associates and 11 manufacturing facilities globally where phenolic specialty resins and engineered thermoset molding compounds are produced for a wide range of end markets including building and construction, industrial, automotive, electronics, agriculture and consumer.

The Company expects to use the sale proceeds to invest in its business and further reduce its debt. The transaction is intended to close in the first quarter of 2021, subject to regulatory approvals and other customary closing conditions, including Works Council consultation.

Commenting on the transaction, Craig Rogerson, Chairman, President and Chief Executive Officer, said: "We continue to strategically manage our portfolio providing us the ability to further strengthen our balance sheet and maintain a strong business going forward. As we proceed, we will leverage our differentiated technology and global manufacturing footprint to serve the diversified customers of our remaining businesses. On behalf of everyone at Hexion, I would like to thank our associates within our Phenolic Specialty Resins, Hexamine and European-based Forest Products Resins businesses for their many contributions. I am confident they will have exciting opportunities ahead."

Black Diamond and Investindustrial added, "We are pleased to acquire these strategic assets as these businesses boast globally recognizable brands and trademarks, including Bakelite®, Durite™, Cellobond™, and Resonance™, as well as world-class facilities and a leading research and development and technical service platform. Black Diamond and Investindustrial have successfully partnered in the past on their collective investment in Polynt/Reichold and we are excited to be working together again. Finally, Black Diamond has prior experience investing in phenolic specialty resin businesses and looks forward to bringing that experience to the acquired businesses."

Credit Suisse is acting as Hexion's financial advisor, and Paul, Weiss, Rifkind, Wharton & Garrison LLP as legal counsel.

Forward Looking Statements

Certain statements in this press release 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 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.

About the Company

Based in Columbus, Ohio, Hexion Inc. is a global leader in thermoset resins. Hexion Inc. serves the global adhesive, coatings, composites and industrial markets through a broad range of thermoset technologies, specialty products and technical support for customers in a diverse range of applications and industries. Additional information about Hexion Inc. and its products is available at www.hexion.com.

About Black Diamond

Founded in 1995, Black Diamond is a leading investment firm with over \$8 billion assets under management across complementary private equity and credit platforms operating from offices in Greenwich, CT and London, UK.

About Investindustrial

Investindustrial is a leading European group of independently managed investment, holding and advisory companies with €11 billion of raised fund capital. With ESG principles deeply embedded into the Firm's core approach, Investindustrial has a 30 year history of providing mid-market companies capital, industrial expertise, operational focus and global platforms to accelerate sustainable value creation and international expansion. Certain companies of the Investindustrial group are authorized by, and subject to regulatory supervision of the FCA in the United Kingdom and the CSSF in Luxembourg. Investindustrial's investment companies act independently from each other and each Investindustrial fund. Additional information is available at www.investindustrial.com (<http://www.investindustrial.com/>).

Hexion Media and Investor Contact:

John Kompa

+1 614-225-2223

john.kompa@hexion.com (<mailto:john.kompa@hexion.com>)