Earnings Teleconference

First Quarter / Fiscal 2018

CABOT

Forward Looking Statements

This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including our statements addressing our expectations for adjusted EPS growth, the factors we expect to impact earnings in each segment, our expectations for segment EBIT for each of our segments and for adjusted EPS for fiscal 2018 and our broad assumptions supporting these expectations, anticipated demand for our products; our expected uses of cash, including for capital expenditures; and our expectations for the cash impact of U.S. tax reform and our expected tax rate for fiscal 2018, are forward looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, potentially inaccurate assumptions, and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our failure to develop new products or to keep pace with technological developments; unanticipated disruptions or delays in plant operations or development projects; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations. These factors are discussed more fully in the reports we file with the Securities and Exchange Commission, particularly our annual report on Form 10-K for the fiscal year ended September 30, 2017.

Q1 2018 Operating Performance

Operating Performance

	Q1 2018	Q1 2017
Diluted EPS	($1.98)	$0.86
Adjusted EPS	$0.93	$0.85
Revenue (in millions)	$720	$611
Total Segment EBIT (in millions)	$113	$95
Cash flows from operations (in millions)	$45	$107

- Strong year over year results; segment EBIT up 19%, adjusted EPS up 9%
- Reinforcement Materials EBIT up 55% due to a favorable spot pricing environment in Asia and calendar 2017 customer agreements
- Favorable outcome from 2018 tire customer negotiations
- Solid quarter in Performance Chemicals despite feedstock headwinds
- GAAP results impacted by U.S. tax reform; minimal cash impact expected

Reinforcement Materials Segment

Operating Performance

In millions	Q1 2018	Q1 2017	Q4 2017
Segment EBIT	$62	$40	$48
EBIT Margin	16%	14%	13%
Segment EBITDA	$79	$57	$66
EBITDA Margin	20%	19%	18%

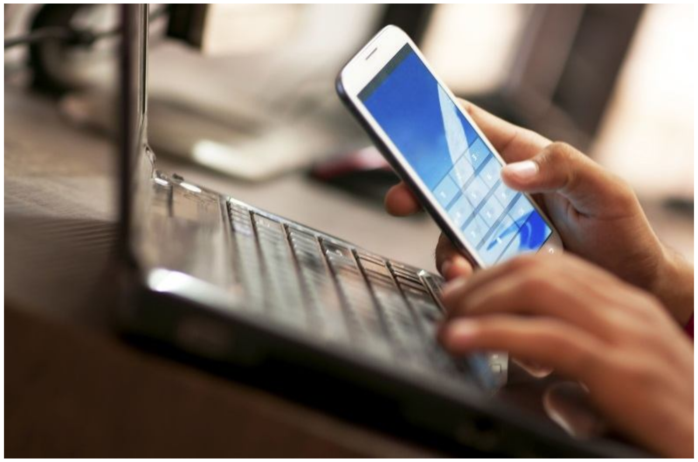
Q1 Key Highlights

- Higher unit margins from spot pricing in Asia and 2017 calendar year customer agreements
- Margins also benefitted from price realization in China prior to higher feedstock costs
- Volumes up in Americas and Europe

Segment Outlook

- Margin improvement and volume growth as customers transition to CY 2018 agreements
- Unfavorable impact from Chinese New Year in Q2

Performance Chemicals Segment



Operating Performance

In millions	Q1 2018	Q1 2017	Q4 2017
Segment EBIT	$47	$49	$55
EBIT Margin	21%	24%	22%
Segment EBITDA	$59	$60	$67
EBITDA Margin	26%	29%	27%

Q1 Key Highlights

- Volumes increased year-over-year in Specialty Carbons and Formulations (+9%) and Metal Oxides (+4%)
- Lower margins due to rising feedstock costs partially offset by increased prices
- Higher costs to drive long term growth

Segment Outlook

- Volume pickup in Q2
- Margins impacted by higher feedstock and fixed costs
- Continue to implement pricing actions to recover rising feedstock costs

Purification Solutions Segment

Operating Performance

In millions	Q1 2018	Q1 2017	Q4 2017
Segment EBIT	$6	$4	$2
EBIT Margin	9%	6%	3%
Segment EBITDA	$16	$13	$12
EBITDA Margin	23%	19%	16%

Q1 Key Highlights

- Higher volumes in Specialty applications
- Lower seasonal MATS and North America water purification volumes
- Receipt of accelerated royalty payments

Segment Outlook

- Continued higher volumes from Specialty applications
- MATS environment impacting price and volume

Specialty Fluids Segment

Operating Performance

In millions	Q1 2018	Q1 2017	Q4 2017
Segment EBIT	($2)	$2	$3
EBIT Margin	- %	18%	27%
Segment EBITDA	($2)	$3	$3
EBITDA Margin	- %	27%	27%

Q1 Key Highlights

- Lower level of project activity in North Sea and Asia, Middle East and Africa
- Weaker quarter in Fine Cesium Chemicals (FCC) year over year

Segment Outlook

- North Sea environment remains challenging
- Oil & Gas project activity levels increase in second half of year
- Growing FCC business

Q1 2018 Corporate Financial Items

- Inventory costing change to FIFO from LIFO
- Liquidity remained strong at $1.2 billion
- Cash from operations of $45M
- Capital expenditures of $52 million in Q1; full year forecast of $250 million
- Dividends of $20 million, share repurchases of $16 million
- Year-to-date and forecasted operating tax rate of 21% and tax charge of $205 million primarily related to the U.S. tax reform.

Fiscal 2018 Outlook

Driving our *Advancing the Core* strategy

Reinforcement Materials

- $230-$250 million EBIT
  - China environment; global spot pricing
  - Utilization rates
  - 2018 tire customer agreements

Performance Chemicals

- $200-$215 million EBIT
  - Feedstock costs in Specialty Carbons
  - Price realization
  - Investing for growth

Purification Solutions

- $10-$15 million EBIT
  - Growth in specialty applications
  - North American mercury and water applications

Specialty Fluids

- $0-$10 million EBIT
  - Oil and Gas project timing
  - Fine Cesium Chemical growth

Adjusted EPS

$3.80 - $4.20

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Appendix

Use of Non-GAAP Financial Measures & Definitions of Terms Used

Use of Non-GAAP Financial Measures

This presentation includes references to adjusted earnings per share (EPS), total segment EBIT, segment EBITDA, discretionary free cash and operating tax rate, which are non-GAAP measures. Reconciliations of adjusted EPS to EPS from continuing operations, Total segment EBIT to Income (Loss) from continuing operations before income taxes and equity in earnings of affiliated companies, and operating tax rate to effective tax rate, the most directly comparable GAAP financial measures, are provided in the tables included in our first quarter earnings release and filed on our Current Report on Form 8-K dated February 6, 2018.

Reconciliations for Total Segment EBIT and segment EBITDA for each segment are included in the following slides.

This presentation also includes our forecast of adjusted EPS for fiscal 2018. We do not provide a forecast for GAAP EPS or reconcile either our forecast of adjusted EPS to GAAP EPS or our expected adjusted EPS growth rate range with a GAAP EPS growth rate range because, without unreasonable effort, we are unable to predict with reasonable certainty the matters we would allocate to "certain items," including unusual gains and losses, costs associated with future restructurings, acquisition-related expenses and litigation outcomes. These items are uncertain, depend on various factors, and could have a material impact on GAAP EPS in future periods.

To calculate "Discretionary Free Cash Flow" we deduct sustaining and compliance capital expenditures and changes in Net Working Capital from cash flow from operating activities.

Explanation of Terms Used

Product Mix. The term "product mix" refers to the mix of types and grade of products sold or the mix of geographic regions where products are sold, and the positive or negative impact this has on the revenue or profitability of the business or segment.

Net Working Capital. The term "net working capital" includes accounts receivable, inventory and accounts payable and accrued expenses.

Non-GAAP Financial Measures
Total Segment EBIT

Our Chief Operating Decision Maker uses segment income (loss) from continuing operations before interest and taxes (which we refer to as segment "EBIT") to evaluate the operating results of each segment and to allocate resources to the segments. We believe Total segment EBIT, which reflects the sum of EBIT from our 4 reportable segments, provides useful supplemental information for our investors as it is an important indicator of the Company's operational strength and performance, allows investors to see our results through the eyes of management, and provides context for our discussion of individual business segment performance. Total segment EBIT is a non-GAAP financial measure, and should not be considered an alternative for Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies, which is the most directly comparable GAAP financial measure. In calculating Total segment EBIT, we exclude from our income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies : (i) items of expense and income that management does not consider representative of our fundamental on-going segment results, which we refer to as "certain items", and (ii) items that, because they are not controlled by the business segments and primarily benefit corporate objectives, are not allocated to our business segments, such as interest expense and other corporate costs , which include unallocated corporate overhead expenses such as certain corporate salaries and headquarter expenses, plus costs related to special projects and initiatives, which we refer to as "other unallocated items". Management believes excluding the items identified as certain items facilitates operating performance comparisons from period to period by eliminating the differences caused by the existence and timing of certain expenses and income items that would not otherwise be apparent on a GAAP basis . Investors should consider the limitations associated with this non-GAAP measure, including the potential lack of comparability of this measure from one company to another. A reconciliation of Total segment EBIT to Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies is below.

	Q1 2018	Q1 2017
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	**$ 92**	**$ 75**
Less: Certain items	7	-
Less: Other unallocated items	(28)	(20)
Total Segment EBIT	**$ 113**	**$ 95**

Non-GAAP Financial Measures
Segment EBITDA

Segment EBITDA is comprised of Segment EBIT plus depreciation and amortization. Management believes that Segment EBITDA is useful supplemental information because it provides investors with a view of the cash generated by each of the Company's segments, which is available to fund operating needs such as working capital and capital expenditures as well as the cost of financing the Company's capital needs and returning cash to shareholders.

	Q1 2018	Q1 2017	Q4 2017
Reinforcement Materials EBIT	$ 62	$ 40	$ 48
Plus: Depreciation & Amortization	17	17	18
Reinforcement Materials EBITDA	**$ 79**	**$ 57**	**$ 66**

	Q1 2018	Q1 2017	Q4 2017
Performance Chemicals EBIT	$ 47	$ 49	$ 55
Plus: Depreciation & Amortization	12	11	12
Performance Chemicals EBITDA	**$ 59**	**$ 60**	**$ 67**

	Q1 2018	Q1 2017	Q4 2017
Purification Solutions EBIT	$ 6	$ 4	$ 2
Plus: Depreciation & Amortization	10	9	10
Purification Solutions EBITDA	**$ 16**	**$ 13**	**$ 12**

	Q1 2018	Q1 2017	Q4 2017
Specialty Fluids EBIT	$ (2)	$ 2	$ 3
Plus: Depreciation & Amortization	-	1	-
Specialty Fluids EBITDA	**$ (2)**	**$ 3**	**$ 3**

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