



EARNINGS TELECONFERENCE

FIRST QUARTER - FISCAL 2020



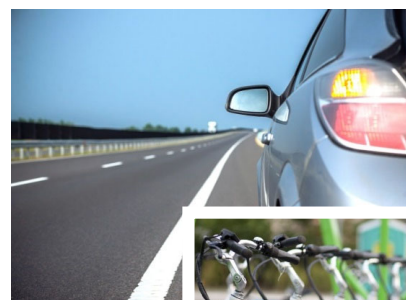
FORWARD LOOKING STATEMENTS

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 for fiscal 2020, the outlook we have for volumes and margins for each of our reporting segments for 2020, our performance in the second quarter, second half and the full year of fiscal 2020, the factors we expect to impact earnings in each segment, our expectations for segment EBIT for each of our segments and our broad assumptions supporting these expectations, anticipated demand for our products; our expected uses of cash, including for capital expenditures; when we expect the purchase of Shenzhen Sanshun Nano New Materials Co., Ltd (SUSN) to be consummated; and when we expect our new fumed silica plant in the United States to commence operations 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 or implied by forward-looking statements. Important factors that could cause our results to differ materially from those expressed or implied in the forward-looking statements include, but are not limited to, competition from other specialty chemical companies; volatility in the price of energy and raw materials; a significant adverse change in a customer relationship; safety, health and environmental requirements; unanticipated delays in site development projects; negative or uncertain worldwide or regional economic conditions and market opportunities, including from trade relations or global health matters; and fluctuations in foreign currency exchange and interest rates. These factors are discussed more fully in the reports we file with the Securities and Exchange Commission ("SEC"), particularly under the heading "Risk Factors" in our annual report on Form 10-K for our fiscal year ended September 30, 2019, filed with the SEC at www.sec.gov. We assume no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

Q1 2020 OVERVIEW

- ◆ *Delivered Total Segment EBIT¹ of \$86M; Diluted EPS of \$0.70, Adjusted EPS¹ of \$0.69*
- ◆ *Specialty Fluids segment; contributed \$10M EBIT in Q1 2019 and divested in Q3 2019*
- ◆ *Soft demand in Reinforcement Materials as customers managed their year-end working capital*
- ◆ *Positive outcome from the 2020 tire customer agreements, including the successful implementation of pricing formula adjustments for MARPOL-related feedstock differentials*
- ◆ *Performance Chemicals EBIT up 14% due to strong volumes in both Performance Additives and Formulated Solutions businesses*

	Q1 2020	Q1 2019	YoY Change
<i>(in millions, except per share amounts)</i>			
Diluted EPS	\$ 0.70	\$ 1.14	(39%)
Adjusted EPS¹	\$ 0.69	\$ 0.87	(21%)
Revenue	\$ 727	\$ 821	(11%)
Total Segment EBIT¹	\$ 86	\$ 105	(18%)
Adjusted EBITDA¹	\$ 114	\$ 128	(11%)



1. Non-GAAP measure – See Appendix

Q1 2020 OVERVIEW

- ◆ *Strong cash flow generation* driven by continued working capital improvements
- ◆ *Continued commitment to return cash to shareholders* with fiscal first quarter share repurchases and dividends totaling \$54 million
- ◆ *Established a new Global Business Services Function* to reduce costs and improve efficiency
- ◆ *Announced agreement to acquire Shenzhen Sanshun Nano* which is expected to strengthen our position in the high-growth batteries space

(in millions)	Q1 2020	Q1 2019
Cash Flow from Operations	\$ 105	\$ (39)
Capital Expenditures	\$ 68	\$ 54
Dividends	\$ 20	\$ 20
Share Repurchases	\$ 34	\$ 62



SHENZHEN SANSHUN NANO NEW MATERIALS CO., LTD

Business Overview

- ◆ \$115 million in enterprise value
- ◆ #2 producer of carbon nanotubes (CNT) globally
 - Capability to manufacture both dry powder CNTs and dispersions
 - New plant with available capacity to double the volumes without investing in growth capital
- ◆ Financials: TTM revenue of \$28MM
- ◆ Combined with Cabot's energy materials business, total sales on a TTM basis in the battery application would be approximately \$50M

Strategic Rationale

- ◆ Proven track record of commercial success in the lithium-ion battery market
- ◆ CNTs are the fastest growing conductive carbon additive in energy storage
- ◆ Blended conductive carbon additive (CCA) dispersions are increasingly being adopted to achieve the optimal performance/cost ratio
- ◆ Acquisition creates new opportunities to grow our position in the fast-growing energy storage market
- ◆ Cabot's Energy Materials business will be the only global supplier with commercially proven carbon black, CNT, carbon nanostructure and dispersion technology

LEADING IN SUSTAINABILITY

We remain committed to advancing our sustainability program and we continue to receive recognition for our performance. Some of our most recent accomplishments include:

- ◆ Named to **Newsweek's** list of **America's Most Responsible Companies 2020**
- ◆ Featured on **Corporate Responsibility Magazine's** **100 Best Corporate Citizens List**
- ◆ Achieved a **gold rating** for sustainability from **EcoVadis** for the 4th consecutive year
- ◆ **First chemical company in China** to be certified in accordance with the **Responsible Care® 14001**
- ◆ Signed the **New Plastics Economy Global Commitment**, furthering our commitment to advance a circular economy for plastics
- ◆ Signed the **CEO Action for Diversity & Inclusion™ pledge**, underscoring our focus on creating a diverse and inclusive workplace



CEO ACT!ON FOR DIVERSITY & INCLUSION

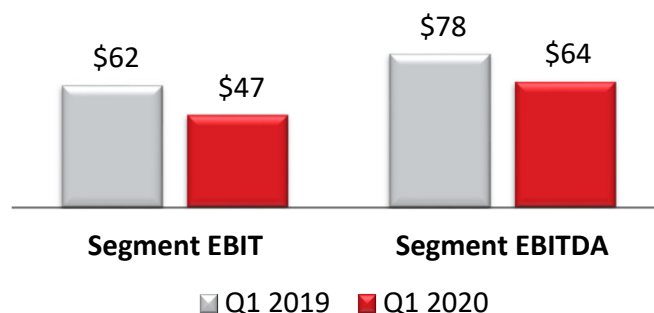
REINFORCEMENT MATERIALS SEGMENT OPERATING PERFORMANCE

Q1 FISCAL 2020 RESULTS

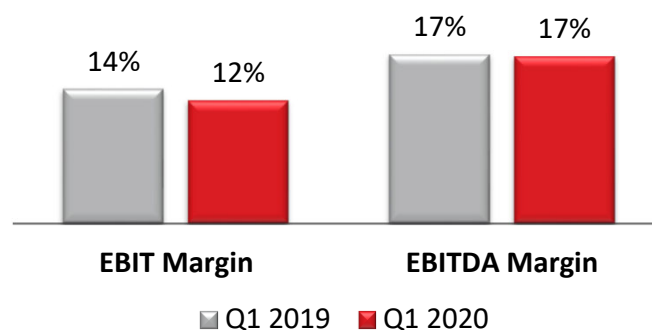
- ♦ Volumes lower due to year-end customer inventory management
- ♦ Lower volumes led to unfavorable margin impact from lower energy center revenue and slower inventory turns
- ♦ Improved pricing and product mix from calendar year 2019 tire customer agreements offset by unfavorable pricing in Asia



SEGMENT EBIT AND EBITDA (\$ MILLIONS)

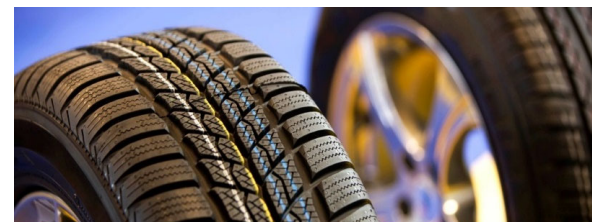


SEGMENT EBIT AND EBITDA MARGINS



FISCAL 2020 OUTLOOK

- ♦ Sequential EBIT improvement from pricing in CY 2020 customer agreements and higher volumes
- ♦ Pricing mechanisms minimize MARPOL-related feedstock differentials
- ♦ Lower European volumes and higher costs from North America environmental compliance investments



PERFORMANCE CHEMICALS SEGMENT

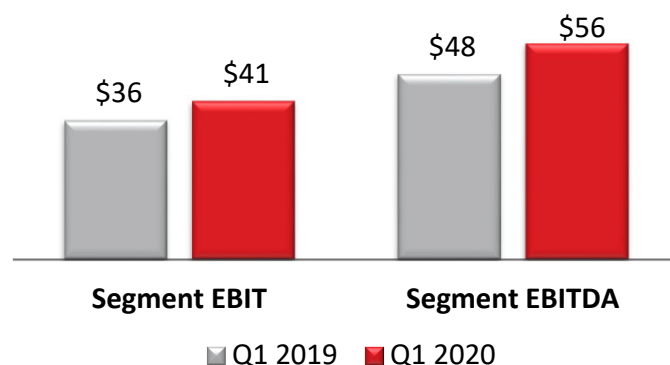
OPERATING PERFORMANCE

Q1 FISCAL 2020 RESULTS

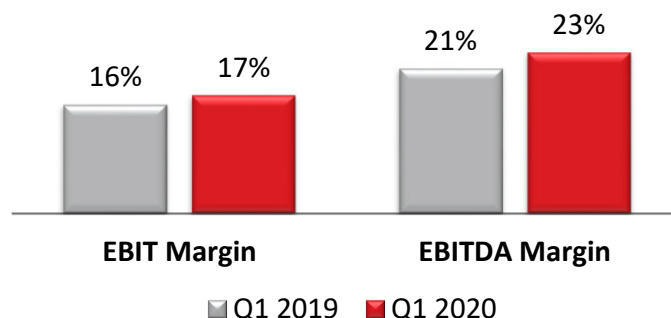
- ♦ Strong volume growth in specialty carbons and specialty compounds product lines
- ♦ Margins impacted by less favorable product mix, primarily in the specialty carbons product line
- ♦ Pricing in Metal Oxides business impacted by slowing demand in Europe and China and increased competitive intensity



SEGMENT EBIT AND EBITDA (\$ MILLIONS)

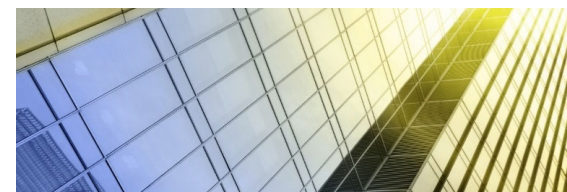


SEGMENT EBIT AND EBITDA MARGINS



FISCAL 2020 OUTLOOK

- ♦ Sequential volume increases in specialty carbons and compounds
- ♦ Positive outcome to date for specialty carbons pricing to recover rising MARPOL-related feedstock costs
- ♦ Competitive pricing in China and Europe in the fumed metal oxides product line expected to negatively impact margins



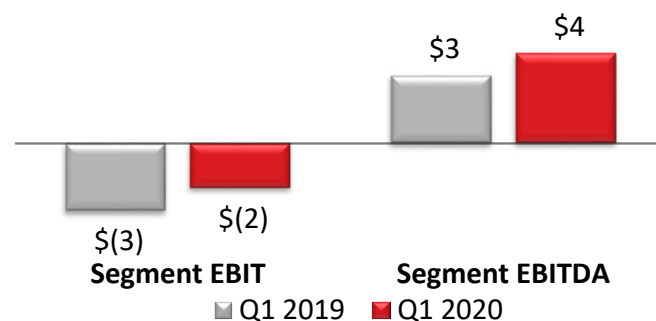
PURIFICATION SOLUTIONS SEGMENT OPERATING PERFORMANCE

Q1 FISCAL 2020 RESULTS

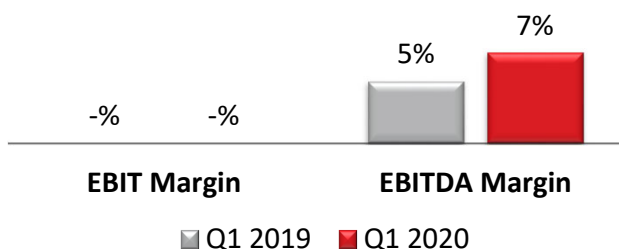
- ♦ Margin benefit from improved pricing and product mix in specialty applications
- ♦ Lower fixed costs driven by savings from the transformation plan
- ♦ Lower mercury removal volumes due to lower usage



SEGMENT EBIT AND EBITDA (\$ MILLIONS)



SEGMENT EBIT AND EBITDA MARGINS

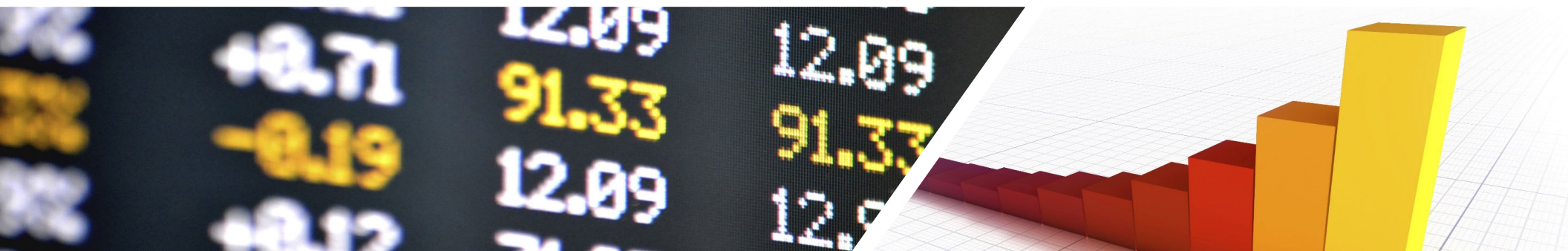


FISCAL 2020 OUTLOOK

- ♦ Seasonal sequential improvement expected in volumes
- ♦ Margin improvement from price increases
- ♦ Continued growth in specialty applications



CORPORATE FINANCIAL ITEMS¹



- ✓ Liquidity in excess of \$1B
- ✓ Cash flow from operations of \$105 million; Free Cash Flow² of \$37 million
- ✓ Capital expenditures of \$68 million; forecast for FY 2020 lowered to \$225 million
- ✓ Share repurchases of \$34 million and dividends of \$20 million
- ✓ Year-to-date operating tax rate² of 26%; forecasted 26%-27%

1. All amounts are for the first quarter fiscal 2020 or as of December 31, 2019, unless otherwise specified

2. Non-GAAP Measure – See Appendix

2020 OUTLOOK

Adjusted EPS¹ of \$3.60 - \$3.90 expected in fiscal 2020

Key Assumptions

- ◆ Margin improvement as customers transition to CY 2020 agreements in Reinforcement Materials
- ◆ Reinforcement Materials volumes return to more normalized level in fiscal Q2
- ◆ Solid volumes anticipated in specialty carbons and specialty compounds product lines
- ◆ Challenging pricing environment for fumed metal oxides product line
- ◆ Outlook does not reflect any impact from coronavirus
- ◆ Strong free cash flow to fund dividends and share repurchases



1. Non-GAAP measure – See Appendix



Q&A



USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes references to adjusted earnings per share (EPS), adjusted EPS excluding the Specialty Fluids segment, total segment EBIT, segment EBITDA, adjusted EBITDA, discretionary free cash flow, free cash flow and operating tax rate, which are non-GAAP measures. Reconciliations of Adjusted EPS to net income (loss) per share attributable to Cabot Corporation, the most directly comparable GAAP financial measure, Total Segment EBIT, Total Segment EBITDA, and Adjusted EBITDA to income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies, the most directly comparable GAAP financial measure of each such non-GAAP measure, operating tax rate to effective tax rate, the most directly comparable GAAP financial measure and Free Cash Flow and Discretionary Free Cash Flow to Cash flow from operating activities, the most directly comparable GAAP financial measure, are provided in the tables included in our first quarter earnings release and filed on our Current Report on Form 8-K dated February 3, 2020. 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 range for fiscal 2020. 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.

This presentation also includes our forecast of the range of our “operating tax rate” which represents the tax rate on our recurring operating results. This rate excludes discrete tax items, which are unusual or infrequent items that are excluded from the estimated annual effective tax rate and other tax items, including the impact of the timing of losses in certain jurisdictions, cumulative tax rate adjustments and the impact of the items of expense and income we identify as certain items on both our operating income and the tax provision. Management believes that the operating tax rate is useful supplemental information because it helps our investors compare our tax rate year to year on a consistent basis and to understand what our tax rate on current operations would be without the impact of these items. We do not provide a forecast for effective tax rate or reconcile our forecast of operating tax rate to effective tax rate 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 the effective tax rate 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. To calculate “Free Cash Flow” we deduct capital expenditures as disclosed in the consolidated statement of cash flows (as Additions to property, plant and equipment) 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 liabilities.

NON-GAAP FINANCIAL MEASURES

TOTAL SEGMENT EBIT AND ADJUSTED EBITDA

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 2020	Q1 2019
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	\$ 50	\$ 70
Less: Certain items	(11)	(10)
Less: Other unallocated items	(25)	(25)
Total Segment EBIT	\$ 86	\$ 105
Plus: Total Depreciation & Amortization	39	35
Plus: Adjustments to Depreciation	(1)	-
Less: Unallocated Corporate Costs	10	12
Adjusted EBITDA	\$ 114	\$ 128

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 2020	Q1 2019
Reinforcement Materials EBIT	\$ 47	\$ 62
Plus: Depreciation & Amortization	17	16
Reinforcement Materials EBITDA	\$ 64	\$ 78
	Q1 2020	Q1 2019
Performance Chemicals EBIT	\$ 41	\$ 36
Plus: Depreciation & Amortization	15	12
Performance Chemicals EBITDA	\$ 56	\$ 48
	Q1 2020	Q1 2019
Purification Solutions EBIT	\$ (2)	\$ (3)
Plus: Depreciation & Amortization	6	6
Purification Solutions EBITDA	\$ 4	\$ 3
	Q1 2020	Q1 2019
Specialty Fluids EBIT	\$ -	\$ 10
Plus: Depreciation & Amortization	-	1
Specialty Fluids EBITDA	\$ -	\$ 11

NON-GAAP FINANCIAL MEASURES

FREE CASH FLOW (FCF) & DISCRETIONARY FREE CASH FLOW (DFCF)

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.

	Q1 2020	Q1 2019
Cash flow from operating activities ^(A)	\$ 105	\$ (39)
Less: Additions to property, plant and equipment	68	54
Free cash flow	\$ 37	\$ (93)
Plus: Additions to property, plant and equipment	68	54
Less: Changes in net working capital ^(B)	50	(111)
Less: Sustaining and compliance capital expenditures	30	27
Discretionary free cash flow	\$ 25	\$ 45

(A) As provided in the Condensed Consolidated Statement of Cash Flows.

(B) Defined as changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Condensed Consolidated Statement of Cash Flows.

NON-GAAP FINANCIAL MEASURES

ADJUSTED EPS EXCLUDING SPECIALTY FLUIDS

	Fiscal 2019 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2019
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 1.14	\$ 0.39	\$ 0.55	\$ 0.55	\$ 2.63
Less: Certain items after tax per share	0.27	(0.60)	(0.45)	(0.50)	(1.28)
Adjusted earnings per share	\$ 0.87	\$ 0.99	\$ 1.00	\$ 1.05	\$ 3.91
Less: Specialty Fluids Adjusted earnings per share	0.14	0.15	0.02	—	0.31
Adjusted earnings per share excluding Specialty Fluids	\$ 0.73	\$ 0.84	\$ 0.98	\$ 1.05	\$ 3.60
^(A) Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.					
^(B) Specialty Fluids Adjusted earnings per share is calculated as follows (in millions except for per share amounts):					
Specialty Fluids EBIT	\$ 10	\$ 12	\$ 2	\$ —	\$ 24
Less: Specialty Fluids taxes ^(C)	2	3	1	—	6
Specialty Fluids profit after tax	\$ 8	\$ 9	\$ 1	\$ —	\$ 18
Divided by: Cabot Corporation diluted weighted average common shares outstanding	60.1	59.3	58.4	57.6	58.8
Specialty Fluids Adjusted EPS	\$ 0.14	\$ 0.15	\$ 0.02	\$ —	\$ 0.31
^(C) Specialty Fluids taxes calculated by applying Cabot's Operating tax rate for each period to Specialty Fluids EBIT. Please refer to Cabot's fiscal 2019 earnings releases for the reconciliations of the Company's operating tax rate to its effective tax rate.					