

Second Quarter Earnings Announcement, Fiscal 2021

**CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

	Fiscal 2021 <sup>(A)</sup>				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net income (loss) per share attributable to Cabot Corporation	\$ 1.06	\$ 1.30	\$ —	\$ —	\$ 2.36
Less: Certain items after tax per share	(0.12)	(0.08)	—	—	(0.20)
<b>Adjusted earnings (loss) per share</b>	<b>\$ 1.18</b>	<b>\$ 1.38</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 2.56</b>
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Fiscal 2020 <sup>(A)</sup>					
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2020
Net income (loss) per share attributable to Cabot Corporation	\$ 0.70	\$ (0.01)	\$ (0.12)	\$ (4.81)	\$ (4.21)
Less: Certain items after tax per share	0.01	(0.78)	(0.05)	(5.49)	(6.29)
<b>Adjusted earnings (loss) per share</b>	<b>\$ 0.69</b>	<b>\$ 0.77</b>	<b>\$ (0.07)</b>	<b>\$ 0.68</b>	<b>\$ 2.08</b>

<sup>(A)</sup> Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

	Fiscal 2021				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
<b>Reconciliation of Total Segment EBIT, Total Segment EBITDA and Adjusted EBITDA to Net Income and Segment EBITDA Margin</b>					
Net income (loss) attributable to Cabot Corporation	\$ 60	\$ 75	\$ —	\$ —	\$ 135
Net income (loss) attributable to noncontrolling interests	10	10	—	—	20
Equity in earnings of affiliated companies, net of tax	—	(1)	—	—	(1)
Provision (benefit) for income taxes	29	34	—	—	63
<b>Income (loss) before income taxes and equity in earnings of affiliated companies</b>	<b>\$ 99</b>	<b>\$ 118</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 217</b>
Interest expense	12	13	—	—	25
Certain items	11	1	—	—	12
Unallocated corporate costs	13	16	—	—	29
General unallocated (income) expense	5	—	—	—	5
Less: Equity in earnings of affiliated companies	—	(1)	—	—	(1)
<b>Total Segment EBIT</b>	<b>\$ 140</b>	<b>\$ 149</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 289</b>
Depreciation and amortization	39	38	—	—	77
Adjustments to depreciation <sup>(B)</sup>	—	2	—	—	2
<b>Total Segment EBITDA</b>	<b>\$ 179</b>	<b>\$ 189</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 368</b>
Less: Unallocated corporate costs before corporate depreciation	13	16	—	—	29
<b>Adjusted EBITDA</b>	<b>\$ 166</b>	<b>\$ 173</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 339</b>

<sup>(B)</sup> Adjustments to depreciation includes the addition of the depreciation expense of a contractual joint venture in Purification Solutions less accelerated depreciation expense not allocated to a business.

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Reinforcement Materials EBIT	\$ 88	\$ 89	\$ —	\$ —	\$ 177
Reinforcement Materials Depreciation and amortization	17	18	—	—	35
<b>Reinforcement Materials EBITDA</b>	<b>\$ 105</b>	<b>\$ 107</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 212</b>
Reinforcement Materials Sales	\$ 375	\$ 434	\$ —	\$ —	\$ 809
<b>Reinforcement Materials EBITDA Margin</b>	<b>28%</b>	<b>25%</b>	<b>—%</b>	<b>—%</b>	<b>26%</b>

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Performance Chemicals EBIT	\$ 54	\$ 58	\$ —	\$ —	\$ 112
Performance Chemicals Depreciation and amortization	18	19	—	—	37
<b>Performance Chemicals EBITDA</b>	<b>\$ 72</b>	<b>\$ 77</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 149</b>
Performance Chemicals Sales	\$ 267	\$ 294	\$ —	\$ —	\$ 561
<b>Performance Chemicals EBITDA Margin</b>	<b>27%</b>	<b>26%</b>	<b>—%</b>	<b>—%</b>	<b>27%</b>

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Purification Solutions EBIT	\$ (2)	\$ 2	\$ —	\$ —	\$ —
Purification Solutions Depreciation and amortization	4	3	—	—	7
<b>Purification Solutions EBITDA</b>	<b>\$ 2</b>	<b>\$ 5</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 7</b>
Purification Solutions Sales	\$ 59	\$ 63	\$ —	\$ —	\$ 122
<b>Purification Solutions EBITDA Margin</b>	<b>3%</b>	<b>8%</b>	<b>—%</b>	<b>—%</b>	<b>6%</b>

	Fiscal 2021				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
<b>Reconciliation of Free Cash Flow and Discretionary Free Cash Flow to Cash Flow from Operating Activities</b>					
Cash flow from operating activities <sup>(C)</sup>	\$ 21	\$ 65	\$ —	\$ —	\$ 86
Less: Additions to property, plant and equipment	29	40	—	—	69
<b>Free cash flow</b>	<b>\$ (8)</b>	<b>\$ 25</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 17</b>
Plus: Additions to property, plant and equipment	29	40	—	—	69
Less: Changes in net working capital <sup>(D)</sup>	(99)	(80)	—	—	(179)
Less: Sustaining and compliance capital expenditures	21	27	—	—	48
<b>Discretionary free cash flow</b>	<b>\$ 99</b>	<b>\$ 118</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 217</b>

<sup>(C)</sup> As provided in the Condensed Consolidated Statements of Cash Flows.

<sup>(D)</sup> Defined as changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Condensed Consolidated Statements of Cash Flows.