



EARNINGS TELECONFERENCE

THIRD QUARTER - FISCAL 2021



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 with respect to our expectations for demand for our products, the factors that will impact our results in the fourth quarter of fiscal 2021, our expectations for adjusted earnings per share for fiscal 2021, when we expect to recover the feedstock differentials that we expect to impact results in our Reinforcement Materials segment in the fourth quarter of fiscal 2021, our expectations for capital expenditures and our operating tax rate for fiscal 2021, 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. Importantly, as we cannot predict the duration or scope of the COVID-19 pandemic, the negative impact to our results cannot be estimated with certainty. Factors that will influence the impact on our business and operations include the duration and extent of the pandemic, the virulence and spread of different strains of the virus and the level and timing of vaccine distribution around the world and their impact on the economic recovery and growth, the degree of disruption in our supply chain from global logistics matters resulting from the COVID-19 pandemic, and the general economic consequences of the pandemic. Further, the COVID-19 pandemic has also contributed to increased costs and decreased availability of labor and materials for construction projects, and these factors may increase the costs of our capital improvement projects and delay our completion of such projects. Other 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, 2020 and subsequent SEC filings, 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.

Q3 2021 OVERVIEW

- ◆ *Adjusted EPS⁽¹⁾ of \$1.35 compared to a loss of (\$0.07) in the third fiscal quarter of 2020; Diluted EPS of \$1.48 compared to a loss of (\$0.12)*
- ◆ *Exceptional operating results for the third consecutive quarter in the fiscal year*
- ◆ *Robust demand across our diverse set of applications and geographies*
- ◆ *Continued momentum in our energy materials business with new adoptions by leading lithium-ion battery customers*
- ◆ *Operating cash flow of \$71M; liquidity of \$1.3B; \$1B ESG-linked Corporate Credit facility renewed for five years with attractive terms*

<i>(in \$ millions)</i>	Q3 2021	Q3 2020
Total Segment EBIT¹	\$ 145	\$ 18
Adjusted EBITDA¹	\$ 170	\$ 46
Dividends	\$ 20	\$ 20
Operating Cash Flow	\$ 71	\$ 149



1. Non-GAAP measure – See Appendix

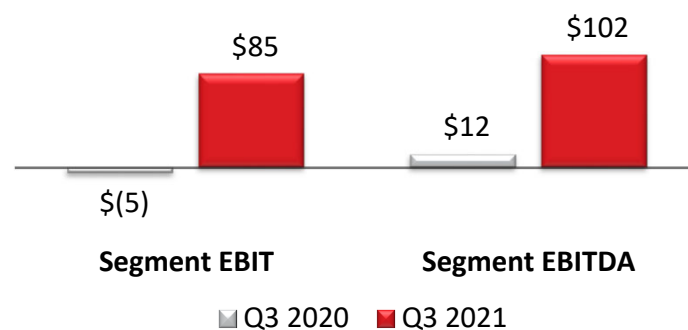
REINFORCEMENT MATERIALS SEGMENT OPERATING PERFORMANCE

Q3 2021 RESULTS

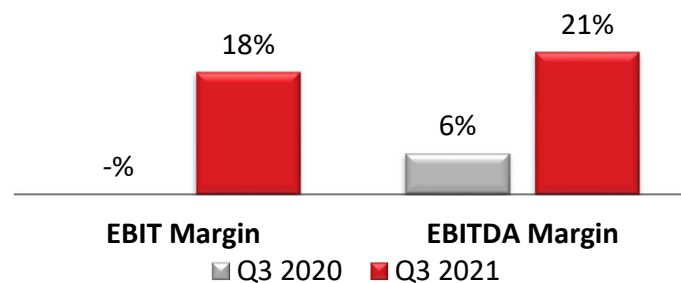
- ◆ Global volumes up 71% year-over-year; regional volume increases led by the Americas up 146% and Europe up 100%
- ◆ Margins improved year-over-year driven by favorable Asia pricing



SEGMENT EBIT AND EBITDA (\$ MILLIONS)



SEGMENT EBIT AND EBITDA MARGINS



Q4 2021 OUTLOOK

- ◆ Strong volumes expected to continue
- ◆ Higher sequential spending expected due to timing of plant maintenance
- ◆ Plant outage expected to unfavorably impact the fourth quarter
- ◆ Higher feedstock differentials sequentially; expected to be recovered in Q1 2022



PERFORMANCE CHEMICALS SEGMENT

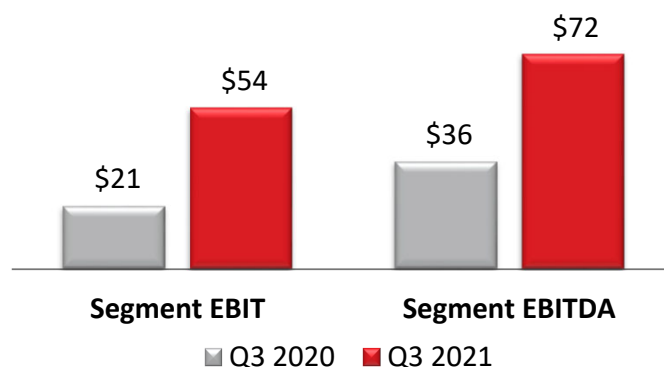
OPERATING PERFORMANCE

Q3 2021 RESULTS

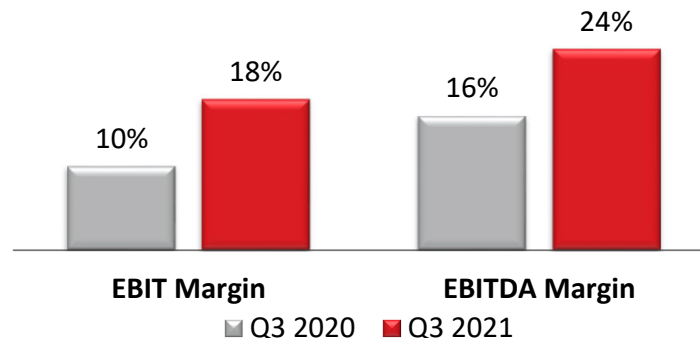
- Volume increases of 17% in Performance Additives and 20% in Formulated Solutions businesses
- Improved product mix driven by higher demand in automotive applications and targeted growth initiatives



SEGMENT EBIT AND EBITDA (\$ MILLIONS)

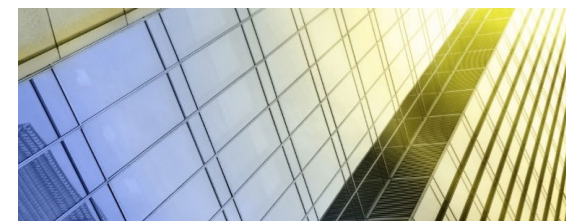


SEGMENT EBIT AND EBITDA MARGINS



Q4 2021 OUTLOOK

- Strong volumes expected to continue, but with some lower seasonal demand
- Higher sequential spending expected due to timing of plant maintenance
- Plant outages expected to unfavorably impact the fourth quarter
- Continued momentum in battery applications



PURIFICATION SOLUTIONS SEGMENT OPERATING PERFORMANCE

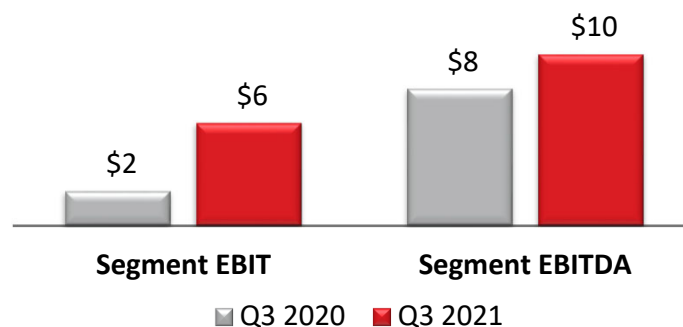
Q3 2021 RESULTS

- ♦ Higher volumes from growth in specialty applications
- ♦ Insurance reimbursement from plant outage in Q1 2021

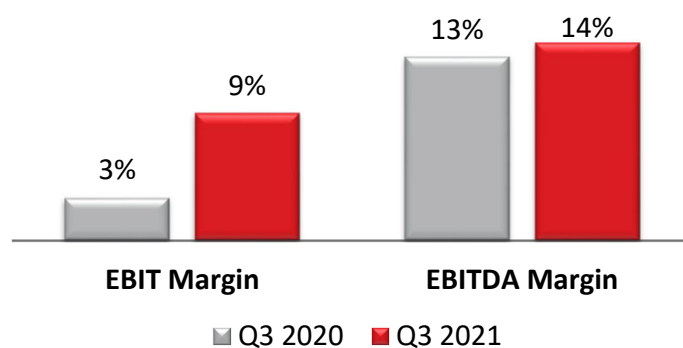


CABOT CORPORATION

SEGMENT EBIT AND EBITDA (\$ MILLIONS)



SEGMENT EBIT AND EBITDA MARGINS



Q4 2021 OUTLOOK

- ♦ Lower sequential volumes expected in mercury removal applications
- ♦ Insurance proceeds received in the third quarter do not repeat



CORPORATE FINANCIAL ITEMS¹



- ✓ Cash of \$173M and liquidity of \$1.3B
- ✓ Cash flow from operations of \$71M in Q3 2021; \$157M year-to-date
- ✓ Capital expenditures of \$46M; forecast for FY 2021 of ~\$200M
- ✓ Dividends of \$20M
- ✓ Year-to-date operating tax rate² of 28%; forecast for FY 2021 27%-28%

1. All amounts are for the third quarter fiscal 2021 or as of June 30, 2021, unless otherwise specified

2. Non-GAAP Measure – See Appendix

FINANCIAL OUTLOOK

- ◆ Increased outlook for fiscal 2021 adjusted EPS⁽¹⁾. Expected to be between \$4.85 and \$5.05
- ◆ Strong underlying performance of our businesses and customer demand expected to remain robust in Q4
- ◆ Continued momentum of our growth investments position us well for fiscal 2022 and the coming years



1. Non-GAAP measure – See Appendix



Q&A





SAVE THE DATE

2021 INVESTOR DAY

BOSTON, MA



DECEMBER 2021

2



APPENDIX



USE OF NON-GAAP FINANCIAL MEASURES

This presentation includes references to adjusted earnings per share (EPS), total segment EBIT, segment EBITDA, adjusted EBITDA, 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 third quarter earnings release and filed on our Current Report on Form 8-K dated August 9, 2021. Reconciliations for Total Segment EBIT and segment EBITDA for each segment are included in the following slides.

Cabot does not provide an expected GAAP EPS range or reconciliation of the Adjusted EPS range with an expected GAAP EPS 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 included in the effective tax rate. Discrete tax items are comprised of (i) unusual or infrequent items, (ii) items related to uncertain tax positions, and (iii) other tax items, such as the impact from the timing of losses in certain jurisdictions and cumulative tax rate adjustments. The operating tax rate also excludes 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.

Cabot does not provide a forward-looking reconciliation of the operating tax rate range with an effective tax 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 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 3 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.

Income (loss) before income taxes and equity in earnings of affiliated companies	Q3 FY2021	Q3 FY2020	YTD 2021	YTD 2020
	\$ 123	\$ (11)	\$ 340	\$ 51
Less: Certain items	5	(7)	(7)	(74)
Less: Other Unallocated items	(27)	(22)	(87)	(74)
Total Segment EBIT	\$ 145	\$ 18	\$ 434	\$ 199
Plus: Total Depreciation & Amortization	40	39	117	117
Plus: Adjustments to Depreciation	(1)	(1)	1	(2)
Less: Unallocated Corporate Costs	14	10	43	32
Adjusted EBITDA	\$ 170	\$ 46	\$ 509	\$ 282

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.

	Q3 FY2021	Q3 FY2020
Reinforcement Materials EBIT	\$ 85	\$ (5)
Plus: Depreciation and amortization	17	17
Reinforcement Materials EBITDA	\$ 102	\$ 12
	Q3 FY2021	Q3 FY2020
Performance Chemicals EBIT	\$ 54	\$ 21
Plus: Depreciation and amortization	18	15
Performance Chemicals EBITDA	\$ 72	\$ 36
	Q3 FY2021	Q3 FY2020
Purification Solutions EBIT	\$ 6	\$ 2
Plus: Depreciation and amortization	4	6
Purification Solutions EBITDA	\$ 10	\$ 8

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.

	Q3 FY2021	Q3 FY2020
Cash flow from operating activities ^(A)	\$ 71	\$ 149
Less: Additions to property, plant and equipment	46	43
Free cash flow	\$ 25	\$ 106
Plus: Additions to property, plant and equipment	46	43
Less: Changes in net working capital ^(B)	(47)	126
Less: Sustaining and compliance capital expenditures	26	24
Discretionary free cash flow	\$ 92	\$ (1)

(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

		Fiscal 2021 ^(A)				
		Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
Reconciliation of Adjusted EPS to GAAP EPS						
Net income (loss) per share attributable to Cabot Corporation		\$ 1.06	\$ 1.30	\$ 1.48	\$ —	\$ 3.84
Less: Certain items after tax per share		(0.12)	(0.08)	0.13	—	(0.07)
Adjusted earnings (loss) per share		\$ 1.18	\$ 1.38	\$ 1.35	\$ —	\$ 3.91
		Fiscal 2020 ^(A)				
		Dec. Q	Mar. Q	June Q	Sept. Q	FY 2020
Reconciliation of Adjusted EPS to GAAP EPS						
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)
Adjusted earnings (loss) per share		\$ 0.69	\$ 0.77	\$ (0.07)	\$ 0.68	\$ 2.08
^(A) Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.						