



CABOT EARNINGS TELECONFERENCE

THIRD QUARTER – FISCAL 2022



Forward Looking Statements

This presentation contains forward-looking statements. All statements that address expectations or projections about the future, including with respect to our expectations for our performance in fiscal year 2022, including our expectations for adjusted earnings per share, the factors that we expect will impact our results of operations, including pricing, our expected fiscal 2022 EBITDA for our battery materials growth vector, our expected operating tax rate for fiscal 2022, our expected capital expenditures for fiscal 2022, our expectations for the outcome of negotiations with our tire customers for calendar 2023 contractual arrangements 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, disruption to our operations from the COVID-19 pandemic, competition from other specialty chemical companies; safety, health and environmental requirements and related constraints imposed on our business; regulatory and financial risk related to climate change developments; volatility in the price and availability of energy and raw materials, including with respect to the Russian invasion of Ukraine; a significant adverse change in a customer relationship; failure to achieve growth expectations from new products, new applications and technology developments; unanticipated delays in, or increased cost of site development projects; negative or uncertain worldwide or regional economic conditions and market opportunities, including from trade relations, global health matters or geo-political conflicts; 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, 2021, 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.

Creating for Tomorrow | Q3 2022 Highlights



Adjusted EPS up 28% year-over-year to a record of \$1.73;
Diluted EPS of \$1.69 compared to \$1.48 in the third fiscal
quarter of 2021

Reinforcement Materials EBIT increased 33% year over year to
a record high of \$113M from strong volume growth and
improved customer agreement pricing

Performance Chemicals segment EBIT increased 17% year over
year driven by disciplined pricing and product mix actions

Continued momentum in Battery Materials with 60% volume
increase year-over-year

Published 2021 Sustainability Report highlighting continued
progress towards achieving our 2025 sustainability goals

Capacity Investments Support Increased Battery Materials Demand



Financial Highlights

- ◆ Continued momentum with 60% YoY volume growth
- ◆ Achieved ~70% YoY EBITDA growth
- ◆ 2022 EBITDA forecast of \$30-\$35 million

Investment Highlights

- ◆ Xuzhou facility commenced production in the third quarter
- ◆ First phase of Tianjin upgrades and conversion on track
- ◆ Completed first phase of carbon nanotube (CNT) dispersion capacity expansion at Zuhai facility in July

Sustainability/ESG Progress



Cabot Corporation

2021 Sustainability Report



Report highlights the continued progress towards achieving our 2025 sustainability goals

91% progress achieved toward GHG intensity reduction goal

Investments in cogeneration and energy efficiency has enabled Cabot to export 157% of the energy imported to run our production processes/operations

Collaborated in a successful pilot project to test zero-emissions trucking technology

100% of new products evaluated and scored for sustainability benefits

Q3 2022 Financial Highlights



Adjusted EPS¹

\$1.73

Up 28% year-over-year

Discretionary Free Cash Flow¹

\$135 million

Cash

\$208 million

Capex

\$50 million

Fiscal '22 expected to be \$200M-\$225M

Liquidity

\$1.1 billion

Net Debt to EBITDA of 1.8x

Operating Tax Rate¹

26% YTD

FY'22 forecast of 26%

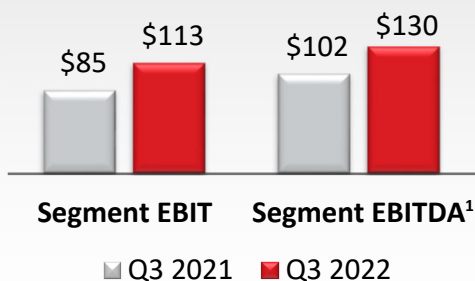
1. Non-GAAP measure – See Appendix DFCF = Operating CF less changes in NWC less Sustaining & Compliance Capex

Reinforcement Materials Segment

Operating Performance

Q3 2022 EBIT RESULTS

- ◆ Unit margins improved due to favorable pricing in the 2022 customer agreements
- ◆ Global volumes up 5% year-over-year driven by growth across all regions
- ◆ Higher fixed costs due to increased utilities



Q4 2022 OUTLOOK

- ◆ Expect strong unit margins to continue with prices adjusting for changing input costs
- ◆ Seasonally lower sequential volumes in Europe expected
- ◆ Expect seasonally higher sequential fixed costs



GROWTH HIGHLIGHTS

- ◆ Replacement tire demand remains resilient
- ◆ Calendar year customer negotiations tracking ahead of normal schedule



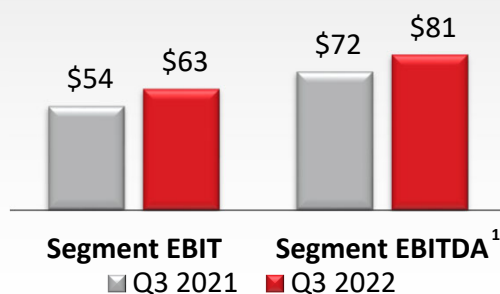
1. Non-GAAP measure – See Appendix

Performance Chemicals Segment

Operating Performance

Q3 2022 EBIT RESULTS

- ◆ Higher margins due to improved pricing and product mix in specialty carbons and fumed metal oxides product lines
- ◆ Strong demand growth for battery materials applications
- ◆ Higher fixed costs due to elevated utility costs



Q4 2022 OUTLOOK

- ◆ Expect sequential volume growth in battery materials and inkjet applications
- ◆ Seasonal volume declines in specialty carbons expected
- ◆ Higher fixed costs expected sequentially related to seasonal maintenance activity



GROWTH HIGHLIGHTS

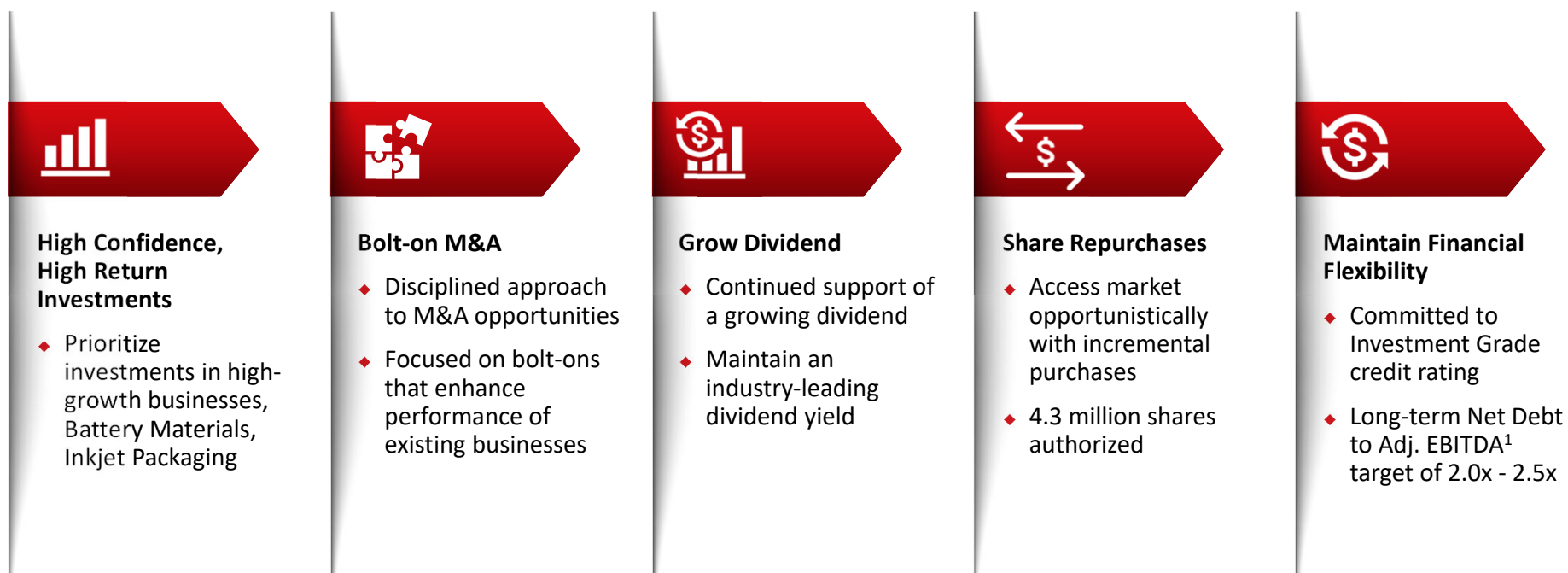
- ◆ Start-up of new Xuzhou, China plant to support growth in both Specialty Carbons and Battery Materials
- ◆ Year over-year-volume growth of 2% in Performance Additives
- ◆ 60% year-over-year volume growth in Battery Materials



1. Non-GAAP measure – See Appendix

Capital Allocation Framework

Supports *Creating for Tomorrow* Growth Strategy



Disciplined Execution with a Flexible Balance Sheet

1. Non-GAAP measure – See Appendix

2022 Outlook

- 1 **Adjusted EPS¹ guidance tightened and raised at mid-point**
\$6.10 - \$6.20 adjusted EPS expected for fiscal 2022
- 2 **Replacement tire demand remains resilient**
Supports strong Q4 and positive calendar year 2023 contract outlook for Reinforcement Materials
- 3 **Battery Materials continues to deliver strong growth**
On track for EBITDA of \$30-35M in fiscal 2022; up from \$16M in fiscal 2021
- 4 **Elevated seasonal maintenance and FX headwinds impact Q4**
Shifted maintenance from Q3 to Q4 to serve strong customer demand;
Strengthening USD unfavorably impacts foreign currency translation



Executing on Our Commitments and Driving Growth

1. Non-GAAP measure – See Appendix

Looking Ahead

1

Reinforcement Materials is structurally stronger

2

Performance Chemicals portfolio poised for growth

3

Advancing high growth vectors

4

Strong Discretionary Free Cash Flow

5

Continued ESG leadership

Executing Against our *Creating for Tomorrow* Strategy



Q&A





APPENDIX



Use of Non-GAAP Financial Measures

This presentation includes references to adjusted earnings per share (EPS), total segment EBIT, segment EBITDA, adjusted EBITDA, discretionary 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 Third quarter earnings release and filed on our Current Report on Form 8-K dated August 8, 2022. 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 tax impact of legislative changes and tax accruals on historic earnings due to changes in indefinite reinvested assertions. 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 2 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.

<i>Dollars in millions</i>	Q3 FY2022	Q3 FY2021	YTD 2022	YTD 2021
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 152	\$ 123	\$ 206	\$ 340
Less: Certain items	12	5	(185)	(7)
Less: Other Unallocated items	(36)	(27)	(93)	(87)
Total Segment EBIT	\$ 176	\$ 145	\$ 484	\$ 434
Plus: Total Depreciation & Amortization excluding corporate depreciation	35	40	110	117
Plus: Adjustments to Depreciation	-	(1)	-	1
Less: Unallocated corporate costs before corporate depreciation	14	14	44	43
Adjusted EBITDA	\$ 197	\$ 170	\$ 550	\$ 509

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.

<i>Dollars in millions</i>	Q3 FY2022	Q3 FY2021	YTD 2022	YTD 2021
Reinforcement Materials EBIT	\$ 113	\$ 85	\$ 299	\$ 262
Plus: Depreciation and amortization	17	17	53	52
Reinforcement Materials EBITDA	\$ 130	\$ 102	\$ 352	\$ 314
	Q3 FY2022	Q3 FY2021	YTD 2022	YTD 2021
Performance Chemicals EBIT	\$ 63	\$ 54	\$ 185	\$ 166
Plus: Depreciation and amortization	18	18	54	55
Performance Chemicals EBITDA	\$ 81	\$ 72	\$ 239	\$ 221

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.

<i>Dollars in millions</i>	Q3 FY2022	Q3 FY2021	YTD 2022	YTD 2021
Cash flow from operating activities ^(A)	\$ 34	\$ 71	\$ (5)	\$ 157
Less: Additions to property, plant and equipment	50	46	121	115
Free cash flow	\$ (16)	\$ 25	\$ (126)	\$ 42
Plus: Additions to property, plant and equipment	50	46	121	115
Less: Changes in net working capital ^(B)	(136)	(47)	(390)	(226)
Less: Sustaining and compliance capital expenditures	35	26	82	74
Discretionary free cash flow	\$ 135	\$ 92	\$ 303	\$ 309

(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 2022 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ (1.57)	\$ 1.84	\$ 1.69	\$ —	\$ 1.99
Less: Certain items after tax per share	(2.86)	0.15	(0.04)	—	(2.75)
Adjusted earnings (loss) per share	\$ 1.29	\$ 1.69	\$ 1.73	\$ —	\$ 4.74
	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	\$ 0.50	\$ 4.34
Less: Certain items after tax per share	(0.12)	(0.08)	0.13	(0.61)	(0.68)
Adjusted earnings (loss) per share	\$ 1.18	\$ 1.38	\$ 1.35	\$ 1.11	\$ 5.02

^(A) Per share amounts are calculated after tax.