

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended June 30, 2025

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 1-5667

**Cabot Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**Two Seaport Lane, Suite 1400**  
**Boston, Massachusetts**  
(Address of principal executive offices)

**04-2271897**  
(I.R.S. Employer  
Identification No.)

**02210-2019**  
(Zip Code)

**Registrant's telephone number, including area code: (617) 345-0100**

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$1 par value per share	CBT	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The Company had 53,203,624 shares of common stock, \$1.00 par value per share, outstanding as of July 31, 2025.

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**Part I. Financial Information**  
**Item 1. Financial Statements**

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**UNAUDITED**

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions, except per share amounts)			
Net sales and other operating revenues	\$ 923	\$ 1,016	\$ 2,814	\$ 2,993
Cost of sales	679	760	2,094	2,273
Gross profit	244	256	720	720
Selling and administrative expenses	62	68	192	210
Research and technical expenses	15	16	44	46
Income (loss) from operations	167	172	484	464
Interest and dividend income	7	8	20	25
Interest expense	(19)	(19)	(56)	(62)
Other income (expense)	—	(3)	2	(33)
Income (loss) from operations before income taxes and equity in earnings of affiliated companies	155	158	450	394
(Provision) benefit for income taxes	(43)	(40)	(133)	(121)
Equity in earnings of affiliated companies, net of tax	1	2	5	5
Net income (loss)	113	120	322	278
Net income (loss) attributable to noncontrolling interests, net of tax	12	11	34	35
Net income (loss) attributable to Cabot Corporation	<u>\$ 101</u>	<u>\$ 109</u>	<u>\$ 288</u>	<u>\$ 243</u>
<b>Weighted-average common shares outstanding:</b>				
Basic	53.5	55.1	53.9	55.3
Diluted	53.8	55.7	54.4	55.8
<b>Earnings (loss) per common share:</b>				
Basic	\$ 1.87	\$ 1.96	\$ 5.27	\$ 4.34
Diluted	\$ 1.86	\$ 1.94	\$ 5.22	\$ 4.30

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**UNAUDITED**

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
Net income (loss)	\$ 113	\$ 120	\$ 322	\$ 278
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustment, net of tax	76	(66)	6	(19)
Derivatives: net investment hedges				
(Gains) losses reclassified to interest expense, net of tax	(1)	(1)	(3)	(3)
(Gains) losses excluded from effectiveness testing and amortized to interest expense, net of tax	1	1	2	2
Pension and other post-retirement benefit liability adjustments, net of tax	—	—	—	(1)
Other comprehensive income (loss), net of tax (provision) benefit of \$4, \$(1), \$3, \$11	76	(66)	5	(21)
Comprehensive income (loss)	189	54	327	257
Net income (loss) attributable to noncontrolling interests, net of tax	12	11	34	35
Foreign currency translation adjustment attributable to noncontrolling interests, net of tax	4	(1)	—	(1)
Comprehensive income (loss) attributable to noncontrolling interests	16	10	34	34
Comprehensive income (loss) attributable to Cabot Corporation	\$ 173	\$ 44	\$ 293	\$ 223

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**ASSETS**  
**UNAUDITED**

	<u>June 30, 2025</u>	<u>September 30, 2024</u>
	(In millions)	
Current assets:		
Cash and cash equivalents	\$ 239	\$ 223
Accounts and notes receivable, net of reserve for doubtful accounts of \$5 and \$5	689	733
Inventories:		
Raw materials	145	150
Finished goods	322	333
Other	64	69
Total inventories	<u>531</u>	<u>552</u>
Prepaid expenses and other current assets	114	97
Total current assets	<u>1,573</u>	<u>1,605</u>
Property, plant and equipment	4,330	4,082
Accumulated depreciation	(2,658)	(2,548)
Net property, plant and equipment	<u>1,672</u>	<u>1,534</u>
Goodwill	133	133
Equity affiliates	15	23
Intangible assets, net	56	53
Deferred income taxes	207	216
Other assets	181	172
Total assets	<u>\$ 3,837</u>	<u>\$ 3,736</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND STOCKHOLDERS' EQUITY**  
**UNAUDITED**

	<u>June 30, 2025</u>	<u>September 30, 2024</u>
	(In millions, except share and per share amounts)	
<b>Current liabilities:</b>		
Short-term borrowings	\$ 100	\$ 45
Accounts payable and accrued liabilities	596	676
Income taxes payable	34	43
Current portion of long-term debt	10	8
Total current liabilities	<u>740</u>	<u>772</u>
Long-term debt	1,105	1,087
Deferred income taxes	40	42
Other liabilities	269	245
Contingencies (Note F)		
<b>Stockholders' equity:</b>		
Preferred stock:		
Authorized: 2,000,000 shares of \$1 par value, Issued and Outstanding: None and none	—	—
Common stock:		
Authorized: 200,000,000 shares of \$1 par value, Issued: 53,334,316 and 54,430,316 shares, Outstanding: 53,203,216 and 54,297,251 shares	53	54
Less cost of 131,100 and 133,065 shares of common treasury stock	(3)	(3)
Additional paid-in capital	—	—
Retained earnings	1,846	1,734
Accumulated other comprehensive income (loss)	(355)	(360)
Total Cabot Corporation stockholders' equity	<u>1,541</u>	<u>1,425</u>
Noncontrolling interests	142	165
Total stockholders' equity	<u>1,683</u>	<u>1,590</u>
Total liabilities and stockholders' equity	<u>\$ 3,837</u>	<u>\$ 3,736</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**UNAUDITED**

	Nine Months Ended June 30	
	2025	2024
	(In millions)	
<b>Cash Flows from Operating Activities:</b>		
Net income (loss)	\$ 322	\$ 278
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation and amortization	114	114
Deferred tax provision (benefit)	9	7
Equity in earnings of affiliated companies	(5)	(5)
Share-based compensation	19	19
Other non-cash (income) expense	15	60
Cash dividends received from equity affiliates	13	1
Changes in assets and liabilities:		
Accounts and notes receivable	47	(47)
Inventories	19	27
Prepaid expenses and other assets	(25)	(14)
Accounts payable and accrued liabilities	(79)	38
Income taxes payable	(10)	(6)
Other liabilities	7	16
Cash provided by (used in) operating activities	<u>446</u>	<u>488</u>
<b>Cash Flows from Investing Activities:</b>		
Additions to property, plant and equipment	(210)	(149)
Cash paid for asset acquisition	(27)	—
Other	(2)	3
Cash provided by (used in) investing activities	<u>(239)</u>	<u>(146)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance (repayments) of commercial paper, net	52	(123)
Proceeds from short-term borrowings	14	—
Repayments of short-term borrowings	(11)	(1)
Proceeds from long-term debt	15	14
Repayments of long-term debt	(5)	(29)
Purchases of common stock	(129)	(106)
Proceeds from sales of common stock	2	15
Cash dividends paid to noncontrolling interests	(57)	(27)
Cash dividends paid to common stockholders	(71)	(69)
Cash provided by (used in) financing activities	<u>(190)</u>	<u>(326)</u>
Effects of exchange rate changes on cash	(1)	(57)
Increase (decrease) in cash and cash equivalents	16	(41)
Cash and cash equivalents at beginning of period	223	238
Cash and cash equivalents at end of period	<u>\$ 239</u>	<u>\$ 197</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**UNAUDITED**

(In millions, except shares in thousands and per share amounts)

	Common Stock, Net of Treasury Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive Income (Loss)	Total Cabot Corporation Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Cost	Capital	Earnings				
Balance at September 30, 2024	54,297	\$ 51	\$ —	\$ 1,734	\$ (360)	\$ 1,425	\$ 165	\$ 1,590
Net income (loss)				93		93	11	104
Total other comprehensive income (loss)					(97)	(97)	(7)	(104)
Cash dividends paid:								
Common stock, \$0.43 per share				(24)		(24)		(24)
Cash dividends declared to noncontrolling interests							(20)	(20)
Issuance of stock under equity compensation plans	308	—	2			2		2
Share-based compensation			8			8		8
Purchase and retirement of common stock	(390)	—	(10)	(31)		(41)		(41)
Balance at December 31, 2024	<u>54,215</u>	<u>\$ 51</u>	<u>\$ —</u>	<u>\$ 1,772</u>	<u>\$ (457)</u>	<u>\$ 1,366</u>	<u>\$ 149</u>	<u>\$ 1,515</u>
Net income (loss)				94		94	11	105
Total other comprehensive income (loss)					30	30	3	33
Cash dividends paid:								
Common stock, \$0.43 per share				(23)		(23)		(23)
Cash dividends declared to noncontrolling interests								
Issuance of stock under equity compensation plans	16	—	—					
Share-based compensation			6			6		6
Purchase and retirement of common stock	(530)	—	(6)	(40)		(46)		(46)
Balance at March 31, 2025	<u>53,701</u>	<u>\$ 51</u>	<u>\$ —</u>	<u>\$ 1,803</u>	<u>\$ (427)</u>	<u>\$ 1,427</u>	<u>\$ 163</u>	<u>\$ 1,590</u>
Net income (loss)				101		101	12	113
Total other comprehensive income (loss)					72	72	4	76
Cash dividends paid:								
Common stock, \$0.45 per share				(24)		(24)		(24)
Cash dividends declared to noncontrolling interests							(37)	(37)
Issuance of stock under equity compensation plans	38	—	—					
Share-based compensation			5			5		5
Purchase and retirement of common stock	(536)	(1)	(5)	(34)		(40)		(40)
Balance at June 30, 2025	<u>53,203</u>	<u>\$ 50</u>	<u>\$ —</u>	<u>\$ 1,846</u>	<u>\$ (355)</u>	<u>\$ 1,541</u>	<u>\$ 142</u>	<u>\$ 1,683</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**UNAUDITED**

(In millions, except shares in thousands and per share amounts)

	Common Stock, Net of Treasury Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive Income (Loss)	Total Cabot Corporation Stockholders' Equity	Noncontrolling	Total Stockholders' Equity
	Shares	Cost	Capital	Earnings			Interests	Equity
Balance at September 30, 2023	55,244	\$ 52	\$ —	\$ 1,574	\$ (362)	\$ 1,264	\$ 143	\$ 1,407
Net income (loss)				50		50	11	61
Total other comprehensive income (loss)					57	57	4	61
Cash dividends paid:								
Common stock, \$0.40 per share				(22)		(22)		(22)
Cash dividends declared to noncontrolling interests							(12)	(12)
Issuance of stock under equity compensation plans	441	—	7			7		7
Share-based compensation			6			6		6
Purchase and retirement of common stock	(260)	—	(13)	(20)		(33)		(33)
Balance at December 31, 2023	<u>55,425</u>	<u>\$ 52</u>	<u>\$ —</u>	<u>\$ 1,582</u>	<u>\$ (305)</u>	<u>\$ 1,329</u>	<u>\$ 146</u>	<u>\$ 1,475</u>
Net income (loss)				84		84	13	97
Total other comprehensive income (loss)					(12)	(12)	(4)	(16)
Cash dividends paid:								
Common stock, \$0.40 per share				(23)		(23)		(23)
Cash dividends declared to noncontrolling interests							(15)	(15)
Issuance of stock under equity compensation plans	122	—	6			6		6
Share-based compensation			7			7		7
Purchase and retirement of common stock	(289)	—	(13)	(11)		(24)		(24)
Balance at March 31, 2024	<u>55,258</u>	<u>\$ 52</u>	<u>\$ —</u>	<u>\$ 1,632</u>	<u>\$ (317)</u>	<u>\$ 1,367</u>	<u>\$ 140</u>	<u>\$ 1,507</u>
Net income (loss)				109		109	11	120
Total other comprehensive income (loss)					(65)	(65)	(1)	(66)
Cash dividends paid:								
Common stock, \$0.43 per share				(24)		(24)		(24)
Cash dividends declared to noncontrolling interests							—	—
Issuance of stock under equity compensation plans	57	1	1			2		2
Share-based compensation			6			6		6
Purchase and retirement of common stock	(498)	(1)	(7)	(41)		(49)		(49)
Balance at June 30, 2024	<u>54,817</u>	<u>\$ 52</u>	<u>\$ —</u>	<u>\$ 1,676</u>	<u>\$ (382)</u>	<u>\$ 1,346</u>	<u>\$ 150</u>	<u>\$ 1,496</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2025**  
**UNAUDITED**

**A. Basis of Presentation**

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“U.S.”) (“GAAP”) and include the accounts of Cabot Corporation (“Cabot” or the “Company”) and its wholly-owned subsidiaries and majority-owned and controlled U.S. and non-U.S. subsidiaries. Additionally, Cabot considers consolidation of entities over which control is achieved through means other than voting rights. Intercompany transactions have been eliminated in consolidation.

The unaudited consolidated financial statements have been prepared in accordance with the requirements of Form 10-Q and consequently do not include all disclosures required by Form 10-K. Additional information may be obtained by referring to Cabot’s Annual Report on Form 10-K for its fiscal year ended September 30, 2024 (the “2024 10-K”).

The financial information submitted herewith is unaudited and reflects all adjustments which are, in the opinion of management, necessary to provide a fair statement of the results for the interim periods ended June 30, 2025 and 2024. All such adjustments are of a normal recurring nature. The results for interim periods are not necessarily indicative of the results to be expected for the fiscal year.

**B. Significant Accounting Policies**

Full detail on the Company’s significant accounting policies may be obtained by referring to Note A in the 2024 10-K.

***Argentinian Government Actions***

The Company’s wholly-owned Argentinian subsidiary operates in a highly inflationary economy and, as a result, the functional currency of the subsidiary is Cabot’s reporting currency, the U.S. dollar. During the three and nine months ended June 30, 2025, the Company recorded foreign exchange losses of \$3 million and \$5 million, respectively, related to the revaluation of non-functional currency denominated monetary asset and liability balances. During the three and nine months ended June 30, 2024, the Company recorded foreign exchange losses of \$2 million and \$42 million, respectively, related to the revaluation of non-functional currency denominated monetary asset and liability balances. Of the \$42 million of foreign exchange losses in the nine months ended June 30, 2024, \$33 million related to a single devaluation action in December 2023 by the Argentine government. The Company invests cash in money market funds and recorded investment income of \$1 million and \$2 million for the three and nine months ended June 30, 2025, respectively, and nil and \$16 million, respectively, for the three and nine months ended June 30, 2024. The foreign exchange losses and investment gains are recorded in Other income (expense) in the Consolidated Statement of Operations.

During the three months ended March 31, 2024, the Company purchased \$30 million in BOPREAL bonds (standing for “Bond for the Reconstruction of a Free Argentina” in Spanish), which are U.S. dollar-denominated securities issued by the Central Bank of Argentina, as part of an Argentine government program to settle foreign payables for importers with debts for goods with customs registration and/or services, incurred on or prior to December 12, 2023. The Company subsequently sold the bonds for \$22 million and utilized the proceeds to partially repay its foreign payables in Argentina. The purchase and proceeds of BOPREAL bonds are included in the Changes in Prepaid expenses and other assets in the Consolidated Statement of Cash Flows. The \$8 million investment loss is included in Other non-cash (income) expense in the Consolidated Statement of Cash Flows and in Other income (expense) in the Consolidated Statement of Operations. In accordance with Argentine government regulations, the Company purchased an additional \$8 million of U.S. dollars in the third quarter of fiscal 2024 at a foreign exchange loss of \$2 million and utilized the funds to complete the settlement of outstanding foreign payables incurred on or prior to December 12, 2023. Payables incurred after December 12, 2023 are not subject to payment through the BOPREAL bond program and the Company has settled these payables through regular operations. As such, there has been no BOPREAL bond activity in fiscal 2025.

***Recent Accounting Pronouncements and Tax Legislation***

On July 4, 2025, the U.S. federal government enacted the One Big Beautiful Bill Act (“OBBBA”). The OBBBA contains significant changes to federal tax law, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions, and numerous effective dates, all of which the Company is evaluating. The Company expects to complete its evaluation of the impact of the OBBBA on the realizability of the Company’s U.S. net deferred tax assets to reflect the results of this assessment in the Company’s Consolidated Financial Statements for its fiscal year ending September 30, 2025.

In November 2024, the FASB issued a new standard, Expense Disaggregation Disclosures. The new guidance requires quantitative and qualitative disclosure of certain cost and expense categories in the notes to the financial statements for interim and annual reporting periods. The new standard is effective for the Company's fiscal years and interim periods beginning October 1, 2027, with early adoption permitted. The Company is currently evaluating the timing of adoption and evaluating the impact of the potential adoption of this standard on the Company's Consolidated Financial Statements.

In December 2023, the FASB issued a new standard, Improvements to Income Tax Disclosures. The new guidance requires additional disclosures primarily related to the income tax rate reconciliation and income taxes paid. The new standard is effective for the Company's fiscal years and interim periods beginning October 1, 2025. The Company is currently evaluating the impact of the adoption of this standard on the Company's Consolidated Financial Statements.

In November 2023, the FASB issued a new standard, Improvement to Reportable Segment Disclosures. The new guidance requires enhanced disclosure of significant reportable segment expenses. The new standard is effective for the Company's current fiscal year which began October 1, 2024, and for interim periods beginning October 1, 2025. The Company is currently evaluating the impact of the adoption of this standard on the Company's Consolidated Financial Statements.

### C. Acquisitions

In October 2024, the Company completed the purchase of certain assets and licensed related technology, which the Company expects to use to manufacture certain products for its Battery Materials product line. The Company paid \$27 million, which was allocated to the identifiable assets on a relative fair value basis, with \$19 million allocated to property, plant and equipment and \$8 million to intangible assets.

### D. Goodwill and Intangible Assets

The carrying amount of goodwill attributable to each reportable segment and the changes in those balances during the nine months ended June 30, 2025 are as follows:

	Reinforcement Materials	Performance Chemicals (In millions)	Total
Balance at September 30, 2024	\$ 48	\$ 85	\$ 133
Foreign currency impact	1	(1)	—
Balance at June 30, 2025	<u>\$ 49</u>	<u>\$ 84</u>	<u>\$ 133</u>

The following table provides information regarding the Company's intangible assets:

	June 30, 2025			September 30, 2024		
	Gross Carrying Value	Accumulate d Amortizatio n	Net Intangible Assets	Gross Carrying Value	Accumulate d Amortizatio n	Net Intangible Assets
	(In millions)					
Intangible assets with finite lives						
Developed technologies <sup>(1)</sup>	\$ 41	\$ (14)	\$ 27	\$ 34	\$ (12)	\$ 22
Trademarks	2	(1)	1	2	(1)	1
Customer relationships	62	(34)	28	60	(30)	30
Total intangible assets	<u>\$ 105</u>	<u>\$ (49)</u>	<u>\$ 56</u>	<u>\$ 96</u>	<u>\$ (43)</u>	<u>\$ 53</u>

<sup>(1)</sup> Included within Developed technologies as of June 30, 2025 is \$8 million of intangible assets acquired during the first quarter of fiscal 2025 as discussed in Note C above.

Intangible assets are amortized over their estimated useful lives, which range between ten and twenty-five years, with a weighted average amortization period of approximately sixteen years. Amortization expense was \$2 million and \$1 million for the three months ended June 30, 2025 and 2024, respectively. Amortization expense was \$5 million and \$4 million for the nine months ended June 30, 2025 and 2024, respectively. Amortization expense is included in Cost of sales, Selling and administrative expenses and Research and technical expenses in the Consolidated Statements of Operations. Total amortization expense is estimated to be approximately \$6 million each year for the next five fiscal years.

## E. Accumulated Other Comprehensive Income (Loss) (“AOCI”)

Comprehensive income combines net income (loss) and other comprehensive income items, which are reported as components of stockholders’ equity in the accompanying Consolidated Balance Sheets.

Changes in each component of AOCI, net of tax, were as follows:

	Currency Translation Adjustment	Pension and Other Post-retirement Benefit Liability Adjustments (In millions)	Total
Balance at September 30, 2024, attributable to Cabot Corporation	\$ (342)	\$ (18)	\$ (360)
Other comprehensive income (loss) before reclassifications	(104)	—	(104)
Amounts reclassified from AOCI	—	—	—
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(7)	—	(7)
Balance at December 31, 2024, attributable to Cabot Corporation	\$ (439)	\$ (18)	\$ (457)
Other comprehensive income (loss) before reclassifications	34	1	35
Amounts reclassified from AOCI	(1)	(1)	(2)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	3	—	3
Balance at March 31, 2025, attributable to Cabot Corporation	\$ (409)	\$ (18)	\$ (427)
Other comprehensive income (loss) before reclassifications	76	—	76
Amounts reclassified from AOCI	—	—	—
Less: Other comprehensive income (loss) attributable to noncontrolling interests	4	—	4
Balance at June 30, 2025, attributable to Cabot Corporation	\$ (337)	\$ (18)	\$ (355)

	Currency Translation Adjustment	Pension and Other Post-retirement Benefit Liability Adjustments (In millions)	Total
Balance at September 30, 2023, attributable to Cabot Corporation	\$ (353)	\$ (9)	\$ (362)
Other comprehensive income (loss) before reclassifications	62	—	62
Amounts reclassified from AOCI	(1)	—	(1)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	4	—	4
Balance at December 31, 2023, attributable to Cabot Corporation	\$ (296)	\$ (9)	\$ (305)
Other comprehensive income (loss) before reclassifications	(15)	—	(15)
Amounts reclassified from AOCI	—	(1)	(1)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(4)	—	(4)
Balance at March 31, 2024, attributable to Cabot Corporation	\$ (307)	\$ (10)	\$ (317)
Other comprehensive income (loss) before reclassifications	(66)	—	(66)
Amounts reclassified from AOCI	—	—	—
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(1)	—	(1)
Balance at June 30, 2024, attributable to Cabot Corporation	\$ (372)	\$ (10)	\$ (382)

The amounts reclassified out of AOCI and into the Consolidated Statements of Operations in each of the three and nine months ended June 30, 2025 and 2024 are as follows:

	Affected Line Item in the Consolidated Statements of Operations	Three Months Ended June 30		Nine Months Ended June 30	
		2025	2024	2025	2024
(In millions)					
Derivatives: net investment hedges					
(Gains) losses reclassified to interest expense	Interest expense	\$ (1)	\$ (1)	\$ (4)	\$ (4)
(Gains) losses excluded from effectiveness testing and amortized to interest expense	Interest expense	1	1	2	2
Pension and other postretirement					
Amortization of actuarial losses and prior service cost (credit)	Other income (expense)	—	—	(1)	(1)
Total before tax		<u>\$ —</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ (3)</u>

## F. Contingencies

### Respirator Liabilities

Cabot has exposure in connection with a safety respiratory products business that a subsidiary acquired from American Optical Corporation (“AO”) in an April 1990 asset purchase transaction. The subsidiary manufactured respirators under the AO brand and disposed of that business in July 1995. In connection with its acquisition of the business, the subsidiary agreed, in certain circumstances, to assume a portion of AO’s liabilities, including costs of legal fees together with amounts paid in settlements and judgments, allocable to AO respiratory products used prior to the 1990 purchase by the Cabot subsidiary. In exchange for the subsidiary’s assumption of certain of AO’s respirator liabilities, AO agreed to provide to the subsidiary the benefits of: (i) AO’s insurance coverage for the period prior to the 1990 acquisition and (ii) a former owner’s indemnity of AO holding it harmless from any liability allocable to AO respiratory products used prior to May 1982. As more fully described in the 2024 10-K, the respirator liabilities generally involve claims for personal injury, including asbestosis, silicosis and coal worker’s pneumoconiosis, allegedly resulting from the use of respirators that are alleged to have been negligently designed and/or labeled. At no time did this respiratory product line represent a significant portion of the respirator market. In addition to Cabot’s subsidiary, other parties are responsible for significant portions of the costs of these respirator liabilities (as defined in the 2024 10-K, the “Payor Group”).

Cabot has a reserve to cover its expected share of liabilities for pending and future respirator liability claims, which is included in Other liabilities and Accounts payable and accrued liabilities on the Consolidated Balance Sheets. The Company expects these liabilities to be incurred over a number of years. The reserve balance was \$34 million and \$35 million at June 30, 2025 and September 30, 2024, respectively.

The Company’s current estimate of the cost of its share of pending and future respirator liability claims is based on facts and circumstances existing at this time, including the number and nature of the remaining claims. Developments that could affect the Company’s estimate include, but are not limited to, (i) significant changes in the number of future claims, (ii) changes in the rate of dismissals without payment of pending claims, (iii) significant changes in the average cost of resolving claims, including potential settlements of groups of claims, (iv) significant changes in the legal costs of defending these claims, (v) changes in the nature of claims received or changes in our assessment of the viability of these claims, (vi) trial and appellate outcomes, (vii) changes in the law and procedure applicable to these claims, (viii) the financial viability of the parties that contribute to the payment of respirator claims, (ix) exhaustion or changes in the recoverability of the insurance coverage maintained by certain members of the Payor Group, or a change in the availability of the indemnity provided by a former owner of AO, (x) changes in the allocation of costs among the various parties paying legal and settlement costs, and (xi) a determination that the assumptions that were used to estimate Cabot’s share of liability are no longer reasonable. The Company cannot determine the impact of these potential developments on its current estimate of its share of liability for existing and future claims. Because reserves are limited to amounts that are probable and estimable as of a relevant measurement date, and there is inherent difficulty in projecting the impact of potential developments on Cabot’s share of liability for these existing and future claims, it is reasonably possible that the liabilities for existing and future claims could change in the near term and that change could be material.

## Other Matters

The Company has various other lawsuits, claims and contingent liabilities arising in the ordinary course of its business and with respect to its divested businesses. The Company does not believe that any of these matters will have a material adverse effect on its financial position; however, litigation is inherently unpredictable. Cabot could incur judgments, enter into settlements or revise its expectations regarding the outcome of certain matters, and such developments could have a material impact on its results of operations in the period in which the amounts are accrued or its cash flows in the period in which the amounts are paid.

## G. Income Tax

### Effective Tax Rate

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(Dollars in millions)			
(Provision) benefit for income taxes	\$ (43)	\$ (40)	\$ (133)	\$ (121)
Effective tax rate	28%	25%	29%	31%

For the three and nine months ended June 30, 2025, the provision for income taxes included a net discrete tax expense of \$1 million and \$10 million, respectively. For the three and nine months ended June 30, 2024, the provision for income taxes included a net discrete tax benefit of \$1 million and an expense of \$14 million, respectively.

### Income tax in Interim Periods

The Company records its tax provision or benefit on an interim basis using an estimated annual effective tax rate. This rate is applied to the current period ordinary income or loss to determine the income tax provision or benefit allocated to the interim period. The income tax effects of unusual or infrequent items are excluded from the estimated annual effective tax rate and are recognized in the impacted interim period. Losses from jurisdictions for which no benefit can be recognized are excluded from the overall computations of the estimated annual effective tax rate and a separate estimated annual effective tax rate is computed and applied to ordinary income or loss in the loss jurisdiction.

Valuation allowances are provided against the future tax benefits that arise from the deferred tax assets in jurisdictions for which the Company expects that no benefit can be recognized. The estimated annual effective tax rate may be significantly impacted by non-deductible expenses and the Company's projected earnings mix by tax jurisdiction. Adjustments to the estimated annual effective income tax rate are recognized in the period when such estimates are revised.

### Uncertainties

Cabot and certain subsidiaries are under audit in a number of jurisdictions. In addition, certain statutes of limitations are scheduled to expire in the near future. It is reasonably possible that a change in the unrecognized tax benefits may also occur within the next twelve months related to the settlement of one or more of these audits or the lapse of applicable statutes of limitations. However, an estimated range of the impact on the unrecognized tax benefits cannot be quantified at this time.

Cabot files U.S. federal and state and non-U.S. income tax returns in jurisdictions with varying statutes of limitations. The 2021 through 2024 tax years generally remain subject to examination by the IRS and various tax years from 2021 through 2024 remain subject to examination by the respective state tax authorities. In foreign jurisdictions, various tax years from 2006 through 2024 remain subject to examination by their respective tax authorities.

During the three and nine month periods ended June 30, 2025, Cabot released uncertain tax positions of \$1 million and \$3 million, respectively, due to the expiration of statutes of limitations in various jurisdictions. During the three and nine month periods ended June 30, 2024, Cabot released uncertain tax positions of nil and \$1 million, respectively, due to the expiration of statutes of limitations in various jurisdictions.

## H. Earnings Per Share

The following tables summarize the components of the basic and diluted earnings (loss) per common share ("EPS") computations:

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
(In millions, except per share amounts)				
<b>Basic EPS:</b>				
Net income (loss) attributable to Cabot Corporation	\$ 101	\$ 109	\$ 288	\$ 243
Less: Dividends and dividend equivalents to participating securities	—	—	1	—
Less: Undistributed earnings allocated to participating securities <sup>(1)</sup>	1	1	3	3
Earnings (loss) allocated to common stockholders (numerator)	<u>\$ 100</u>	<u>\$ 108</u>	<u>\$ 284</u>	<u>\$ 240</u>
Weighted average common shares and participating securities outstanding	54.2	55.9	54.7	56.2
Less: Participating securities <sup>(1)</sup>	0.7	0.8	0.8	0.9
Adjusted weighted average common shares (denominator)	<u>53.5</u>	<u>55.1</u>	<u>53.9</u>	<u>55.3</u>
Earnings (loss) per common share - basic:	\$ 1.87	\$ 1.96	\$ 5.27	\$ 4.34
<b>Diluted EPS:</b>				
Earnings (loss) allocated to common stockholders	\$ 100	\$ 108	\$ 284	\$ 240
Plus: Earnings allocated to participating securities	1	1	4	3
Less: Adjusted earnings allocated to participating securities <sup>(2)</sup>	1	1	4	3
Earnings (loss) allocated to common stockholders (numerator)	<u>\$ 100</u>	<u>\$ 108</u>	<u>\$ 284</u>	<u>\$ 240</u>
Adjusted weighted average common shares outstanding	53.5	55.1	53.9	55.3
Effect of dilutive securities:				
Common shares issuable <sup>(3)</sup>	0.3	0.6	0.5	0.5
Adjusted weighted average common shares (denominator)	<u>53.8</u>	<u>55.7</u>	<u>54.4</u>	<u>55.8</u>
Earnings (loss) per common share - diluted:	\$ 1.86	\$ 1.94	\$ 5.22	\$ 4.30

<sup>(1)</sup> Participating securities consist of shares underlying unvested time-based restricted stock units (the "TSUs"), earned and unvested performance-based restricted stock units (the "PSUs", and referred to in this note collectively with the TSUs as the "RSUs"), stock units accounted for under the Supplemental 401(k) Plan portion of the Company's Deferred Compensation and Supplemental Retirement Plan, and stock units and phantom stock units accounted for under the Company's Non-Employee Directors' Deferral Plan. The holders of RSUs are entitled to receive dividend equivalents, payable in cash, to the extent dividends are paid on the outstanding shares of Common Stock, and equal in value to the dividends that would have been paid in respect of the Common Stock underlying the RSU. The accounts of holders of stock units and phantom stock units are credited with dividend equivalents, which are payable, in stock or cash, as the case may be, with the distribution of account balances.

Undistributed earnings are the earnings which remain after dividends declared during the period are assumed to be distributed to the common and participating stockholders. Undistributed earnings are allocated to common and participating stockholders on the same basis as dividend distributions. The calculation of undistributed earnings is as follows:

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
<b>Calculation of undistributed earnings (loss):</b>				
Net income (loss) attributable to Cabot Corporation	\$ 101	\$ 109	\$ 288	\$ 243
Less: Dividends declared on common stock	24	24	70	69
Less: Dividends declared on participating securities	—	—	1	—
Undistributed earnings (loss)	<u>\$ 77</u>	<u>\$ 85</u>	<u>\$ 217</u>	<u>\$ 174</u>
<b>Allocation of undistributed earnings (loss):</b>				
Undistributed earnings (loss) allocated to common stockholders	\$ 76	\$ 84	\$ 214	\$ 171
Undistributed earnings allocated to participating stockholders	1	1	3	3
Undistributed earnings (loss)	<u>\$ 77</u>	<u>\$ 85</u>	<u>\$ 217</u>	<u>\$ 174</u>

- (2) Undistributed earnings are adjusted for the assumed distribution of dividends to the dilutive securities, which are described in (3) below, and then reallocated to participating securities.
- (3) Represents incremental shares of common stock from the assumed exercise of stock options issued under Cabot's equity incentive plans. For the three and nine months ended June 30, 2025, 284,730 and 93,576 incremental shares of common stock, respectively, were excluded from the calculation of diluted earnings per share because the inclusion of these shares would have been antidilutive. For the three and nine months ended June 30, 2024, nil and 209,478 incremental shares of common stock, respectively, were excluded from the calculation of diluted earnings per share because the inclusion of these shares would have been antidilutive.

## I. Financial Instruments and Fair Value Measurements

The FASB authoritative guidance on fair value measurements defines fair value, provides a framework for measuring fair value, and requires certain disclosures about fair value measurements. The required disclosures focus on the inputs used to measure fair value. The guidance establishes the following hierarchy for categorizing these inputs:

- Level 1 — Quoted market prices in active markets for identical assets or liabilities
- Level 2 — Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs)
- Level 3 — Significant unobservable inputs

There were no transfers of financial assets or liabilities measured at fair value between Level 1 and Level 2 and there were no Level 3 investments during the first nine months of either fiscal 2025 or 2024.

At June 30, 2025 and September 30, 2024, the fair values of cash and cash equivalents, accounts and notes receivable, accounts payable and accrued liabilities, and short-term borrowings and variable rate debt approximated their carrying values due to the short-term nature of these instruments. Cash and cash equivalents are classified as Level 1 within the fair value hierarchy.

At June 30, 2025 and September 30, 2024, Cabot had derivatives relating to foreign currency risks, including a net investment hedge and forward foreign currency contracts, carried at fair value. At June 30, 2025, the fair value of the net investment hedge was a net liability of \$13 million and was included in Prepaid expenses and Other Liabilities on the Consolidated Balance sheets. At September 30, 2024, the fair value of the net investment hedge was an asset of \$1 million and was included in Prepaid expenses and other current assets and Other Assets on the Consolidated Balance sheets. At both June 30, 2025 and September 30, 2024, the fair value of the forward currency contracts was a liability of less than \$1 million and was included in Accounts payable and accrued liabilities on the Consolidated Balance Sheets. These derivatives are classified as Level 2 instruments within the fair value hierarchy as the fair value determination was based on observable inputs.

At June 30, 2025 and September 30, 2024, the fair value of guaranteed investment contracts included in Other assets on the Consolidated Balance Sheets was \$9 million and \$8 million, respectively. Guaranteed investment contracts were classified as Level 2 instruments within the fair value hierarchy as the fair value determination was based on observable inputs.

The carrying value and fair value of the long-term fixed rate debt were \$1.09 billion and \$1.10 billion, respectively, as of June 30, 2025, and \$1.08 billion and \$1.08 billion, respectively, as of September 30, 2024. The fair values of Cabot's fixed rate long-term debt are estimated based on comparable quoted market prices at the respective period ends. The carrying amounts of Cabot's floating rate long-term debt and finance and operating lease obligations approximate their fair values. All such measurements are based on observable inputs and are classified as Level 2 within the fair value hierarchy. The valuation technique used is the discounted cash flow model.

#### **J. Supplier Financing Programs**

The Company maintains supply chain finance agreements with third-party financial institutions. These agreements allow the Company's participating suppliers to sell their receivables to such third-party financial institutions to receive payment earlier than the negotiated commercial terms between the supplier and the Company. Such sales are at the sole discretion of the supplier, and on terms and conditions that are negotiated between the supplier and the respective financial institution. The terms and conditions of the supplier invoice, including payment terms and amounts due, are not impacted by a supplier's participation in the program. Pursuant to the supply chain finance agreements, the Company has agreed to pay financial institutions on the original due date of the applicable invoice. There are no guarantees associated with these programs. The Company's outstanding payment obligations to financial institutions related to supplier financing programs were \$13 million and \$16 million as of June 30, 2025 and September 30, 2024, respectively, and are included within Accounts payable and accrued liabilities on the Consolidated Balance Sheets.

#### **K. Financial Information by Segment**

The Company identifies a product line as an operating segment if: i) it engages in business activities from which it may earn revenues and incur expenses; ii) its operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM"), who is Cabot's President and Chief Executive Officer, to make decisions about resources to be allocated to the segment and assess its performance; and iii) it has available discrete financial information. The CODM reviews financial information at the operating segment level to allocate resources and to assess the operating results and financial performance for each operating segment. Operating segments are aggregated into a reportable segment if the operating segments are determined to have similar economic characteristics and if the operating segments are similar in the following areas: i) nature of products and services; ii) nature of production processes; iii) type or class of customer for their products and services; iv) methods used to distribute the products or provide services; and v) if applicable, the nature of the regulatory environment.

The Company has two reportable segments: Reinforcement Materials and Performance Chemicals. The Reinforcement Materials segment combines the reinforcing carbons and engineered elastomer composites product lines. The Performance Chemicals segment aggregates the specialty carbons, specialty compounds, fumed metal oxides, battery materials, inkjet colorants and aerogel product lines.

Income (loss) before income taxes ("Segment EBIT") is presented for each reportable segment in the table below. Segment EBIT excludes Interest expense, General unallocated income (expense), Unallocated corporate costs and Certain items, meaning items management does not consider representative of on-going operating segment results. In addition, Segment EBIT includes Equity in earnings of affiliated companies, net of tax, Net income attributable to noncontrolling interests, net of tax, and discounting charges for certain Notes receivable.

Financial information by reportable segment is as follows:

	Reinforcement Materials	Performance Chemicals	Segment Total (In millions)	Unallocated and Other <sup>(1)</sup>	Consolidated Total
<b>Three Months Ended June 30, 2025</b>					
Revenues from external customers <sup>(2)</sup>	\$ 573	\$ 320	\$ 893	\$ 30	\$ 923
Income (loss) before income taxes <sup>(3)</sup>	\$ 128	\$ 57	\$ 185	\$ (30)	\$ 155
<b>Three Months Ended June 30, 2024</b>					
Revenues from external customers <sup>(2)</sup>	\$ 649	\$ 332	\$ 981	\$ 35	\$ 1,016
Income (loss) before income taxes <sup>(3)</sup>	\$ 136	\$ 55	\$ 191	\$ (33)	\$ 158
<b>Nine Months Ended June 30, 2025</b>					
Revenues from external customers <sup>(2)</sup>	\$ 1,778	\$ 942	\$ 2,720	\$ 94	\$ 2,814
Income (loss) before income taxes <sup>(3)</sup>	\$ 389	\$ 152	\$ 541	\$ (91)	\$ 450
<b>Nine Months Ended June 30, 2024</b>					
Revenues from external customers <sup>(2)</sup>	\$ 1,966	\$ 928	\$ 2,894	\$ 99	\$ 2,993
Income (loss) before income taxes <sup>(3)</sup>	\$ 414	\$ 120	\$ 534	\$ (140)	\$ 394

(1) Unallocated and Other includes certain items and eliminations necessary to reflect management's reporting of operating segment results. These items are reflective of the segment reporting presented to the CODM.

(2) Consolidated Total Revenues from external customers reconciles to Net sales and other operating revenues on the Consolidated Statements of Operations. Revenues from external customers that are categorized as Unallocated and Other reflect external shipping and handling fees, the impact of unearned revenue, and discounting charges for certain Notes receivable. Details are provided in the table below:

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
Shipping and handling fees	\$ 28	\$ 31	\$ 85	\$ 93
Other	2	4	9	6
Total	<u>\$ 30</u>	<u>\$ 35</u>	<u>\$ 94</u>	<u>\$ 99</u>

(3) Consolidated Total Income (loss) before income taxes reconciles to Income (loss) before income taxes and equity in earnings of affiliated companies on the Consolidated Statements of Operations. Income (loss) before income taxes that are categorized as Unallocated and Other includes:

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
Interest expense	\$ (19)	\$ (19)	\$ (56)	\$ (62)
Certain items <sup>(a)</sup>				
Global restructuring activities	(3)	(1)	(6)	(13)
Legal and environmental matters and reserves	—	—	(6)	(1)
Argentina controlled currency devaluation and other losses (Note B)	—	(2)	—	(43)
Other certain items	—	1	(1)	1
Total certain items	<u>(3)</u>	<u>(2)</u>	<u>(13)</u>	<u>(56)</u>
Unallocated corporate costs <sup>(b)</sup>	(13)	(16)	(39)	(51)
General unallocated income (expense) <sup>(c)</sup>	6	6	22	34
Less: Equity in earnings of affiliated companies, net of tax <sup>(d)</sup>	1	2	5	5
Total	<u>\$ (30)</u>	<u>\$ (33)</u>	<u>\$ (91)</u>	<u>\$ (140)</u>

- (a) Certain items are items of expense and income that management does not consider representative of the Company's fundamental on-going segment results and they are, therefore, excluded from Segment EBIT.
- (b) Unallocated corporate costs are costs that are not controlled by the segments and primarily benefit corporate interests.
- (c) General unallocated income (expense) consists of gains (losses) arising from foreign currency transactions, net of other foreign currency risk management activities, Interest and dividend income, the profit or loss related to the corporate adjustment for unearned revenue and unrealized holding gains (losses) for investments. This does not include items of income or expense that are separately treated as Certain items.
- (d) Equity in earnings of affiliated companies, net of tax, is included in Segment EBIT and is removed in Unallocated and other to reconcile to Income (loss) from operations before income taxes and equity in earnings from affiliated companies.

The Company's segments operate globally. In addition to presenting Revenue from external customers by reportable segment, the following tables further disaggregate Revenues from external customers by geographic region.

	<b>Three Months Ended June 30, 2025</b>		
	<b>Reinforcement Materials</b>	<b>Performance Chemicals</b>	<b>Consolidated Total</b>
	(In millions)		
Americas	\$ 230	\$ 98	\$ 328
Asia Pacific	199	132	331
Europe, Middle East and Africa	144	90	234
Segment revenues from external customers	573	320	893
Unallocated and other			30
Net sales and other operating revenues			<u>\$ 923</u>

	<b>Three Months Ended June 30, 2024</b>		
	<b>Reinforcement Materials</b>	<b>Performance Chemicals</b>	<b>Consolidated Total</b>
	(In millions)		
Americas	\$ 265	\$ 103	\$ 368
Asia Pacific	245	132	377
Europe, Middle East and Africa	139	97	236
Segment revenues from external customers	649	332	981
Unallocated and other			35
Net sales and other operating revenues			<u>\$ 1,016</u>

	<b>Nine Months Ended June 30, 2025</b>		
	<b>Reinforcement Materials</b>	<b>Performance Chemicals</b>	<b>Consolidated Total</b>
	(In millions)		
Americas	\$ 714	\$ 283	\$ 997
Asia Pacific	659	400	1,059
Europe, Middle East and Africa	405	259	664
Segment revenues from external customers	1,778	942	2,720
Unallocated and other			94
Net sales and other operating revenues			<u>\$ 2,814</u>

	Nine Months Ended June 30, 2024		
	Reinforcement Materials	Performance Chemicals (In millions)	Consolidated Total
Americas	\$ 793	\$ 284	\$ 1,077
Asia Pacific	760	372	1,132
Europe, Middle East and Africa	413	272	685
Segment revenues from external customers	1,966	928	2,894
Unallocated and other			99
Net sales and other operating revenues			<u>\$ 2,993</u>

#### L. Subsequent Event

On August 4, 2025, Cabot entered into agreements with Bridgestone Corporation to purchase its carbon black manufacturing facility in Tamaulipas, Mexico, Mexico Carbon Manufacturing, S.A. de C.V., for approximately \$70 million, which will be subject to customary closing adjustments. The acquisition is expected to close in the first half of fiscal 2026, subject to regulatory approval.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Recently Issued Accounting Pronouncements**

Refer to the discussion under the heading "Recent Accounting Pronouncements" in Note B of our Notes to the Consolidated Financial Statements.

### **Results of Operations**

The Company has two reportable segments: Reinforcement Materials and Performance Chemicals. Cabot is also organized for operational purposes into three geographic regions: the Americas; Europe, Middle East and Africa ("EMEA"); and Asia Pacific. The discussion of our results of operations for the periods presented reflects these structures.

Our analysis of our financial condition and operating results should be read with our consolidated financial statements and accompanying notes.

### **Definition of Terms and Non-GAAP Financial Measures**

When discussing our results of operations, we use several terms as described below.

The term "product mix" refers to the mix of types and grades 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 and/or segment.

Our discussion under the heading "(Provision) Benefit for Income Taxes and Reconciliation of Effective Tax Rate to Operating Tax Rate" includes a discussion and reconciliation of our "effective tax rate" and our "operating tax rate" for the periods presented, as well as management's projection of our operating tax rate range for the full fiscal year. Our operating tax rate is a non-GAAP financial measure and should not be considered as an alternative to our effective tax rate, the most comparable GAAP financial measure. The operating tax rate is calculated based upon management's forecast of the annual operating tax rate for the fiscal year applied to adjusted pre-tax earnings. The operating tax rate excludes income tax (expense) benefit on certain items, discrete tax items, and, on a quarterly basis, the timing of losses in certain jurisdictions. The income tax (expense) benefit on certain items is determined using the applicable rates in the taxing jurisdictions in which the certain items occurred and includes both current and deferred income tax (expense) benefit based on the nature of the certain items. Discrete tax items include, but are not limited to, changes in valuation allowance, uncertain tax positions, and other tax items, such as the tax impact of legislative changes and tax accruals on historic earnings due to changes in indefinite reinvestment assertions. Our definition of the operating tax rate may not be comparable to the definition used by other companies. Management believes that this non-GAAP financial measure 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.

Our discussion under the heading "Third Quarter of Fiscal 2025 versus Third Quarter of Fiscal 2024—By Business Segment" includes a discussion of Total segment EBIT, which is a non-GAAP financial measure defined as Income (loss) from operations before income taxes and equity in earnings from affiliated companies less certain items and other unallocated items. Our Chief Operating Decision Maker, who is our President and Chief Executive Officer, uses 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 reportable segments, provides useful supplemental information for our investors as it is an important indicator of our 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 should not be considered an alternative for Income (loss) from operations before income taxes and equity in earnings of affiliated companies, which is the most directly comparable U.S. GAAP financial measure. A reconciliation of Total segment EBIT to Income (loss) from operations before income taxes and equity in earnings of affiliated companies is provided under the heading "Third quarter of Fiscal 2025 versus Third quarter of Fiscal 2024—By Business Segment". 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.

In calculating Total segment EBIT, we exclude from our Income (loss) from 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 differences that would not otherwise be apparent on a GAAP basis and also facilitates an evaluation of our operating performance without the impact of these costs or benefits. The items of income and expense that we have excluded from

Total segment EBIT, as applicable, but that are included in our GAAP Income (loss) from operations before income taxes and equity in earnings of affiliated companies, as applicable, are described below.

- Argentina controlled currency devaluation loss related to the foreign exchange loss from government-controlled currency devaluations on our net monetary assets denominated in the Argentine peso and investment losses related to the utilization of government bond programs established for the settlement of certain foreign payables.
- Global restructuring activities, which include costs or benefits associated with cost reduction initiatives or plant closures and are primarily related to (i) employee termination costs, (ii) asset impairment charges associated with restructuring actions, (iii) costs to close facilities, including environmental costs and contract termination penalties, and (iv) gains realized on the sale of land or equipment associated with restructured plants or locations.
- Legal and environmental matters and reserves, which consist of costs or benefits for matters typically related to former businesses or that are otherwise incurred outside of the ordinary course of business.
- Acquisition and integration-related charges, which include transaction costs, redundant costs incurred during the period of integration, and costs associated with transitioning certain management and business processes to Cabot's processes.
- Asset impairment charges, which primarily include charges associated with an impairment of goodwill, other long-lived assets or assets held for sale.
- Gains (losses) on sale of a business.
- Employee benefit plan settlements, which consist of either charges or benefits associated with the termination of a pension plan or the transfer of a pension plan to a multi-employer plan.

### Overview

During the third quarter of fiscal 2025, Income (loss) before income taxes and equity in earnings of affiliated companies decreased as compared to the third quarter of fiscal 2024. The decrease was primarily due to lower segment EBIT in Reinforcement Materials, partially offset by lower Unallocated corporate costs and higher segment EBIT in Performance Chemicals.

### Third quarter of Fiscal 2025 versus Third quarter of Fiscal 2024—Consolidated

#### Net Sales and Other Operating Revenues and Gross Profit

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
Net sales and other operating revenues	\$ 923	\$ 1,016	\$ 2,814	\$ 2,993
Gross profit	\$ 244	\$ 256	\$ 720	\$ 720

For the three and nine months ended June 30, 2025, Net sales and other operating revenue decreased by \$93 million and \$179 million, respectively, compared to the same periods of fiscal 2024.

The decrease in Net sales and other operating revenues in the third quarter of fiscal 2025 compared to the third quarter of fiscal 2024 was driven by lower volumes in both our Reinforcement Materials and Performance Chemicals segments (\$66 million combined) and less favorable pricing and product mix in Reinforcement Materials (\$27 million). The lower volumes in both Reinforcement Materials and Performance Chemicals were primarily due to lower customer demand driven by uncertainty from tariffs and a weaker global macroeconomic environment. The less favorable pricing and product mix in Reinforcement Materials was driven by lower raw material costs which, in certain instances, are passed through to our customers through formulas and other market-based adjustments.

The decrease in Net sales and other operating revenues in the first nine months of fiscal 2025 compared to the first nine months of fiscal 2024 was driven by lower volumes in Reinforcement Materials (\$94 million), less favorable pricing and product mix in both our Reinforcement Materials and Performance Chemicals segments (\$92 million combined), and the unfavorable impact from foreign currency translation in Reinforcement Materials (\$23 million), partially offset by higher volumes in Performance Chemicals (\$35 million). The lower volumes in Reinforcement Materials were primarily due to lower customer demand driven by uncertainty from tariffs and a weaker global macroeconomic environment. The less favorable pricing and product mix was driven by lower raw material costs which, in certain instances, are passed through to our customers through formulas and other market-based adjustments. The higher volumes in Performance Chemicals were primarily in our Fumed Metal Oxides, Inkjet Colorants and Battery Materials product lines from higher demand.

For the three and nine months ended June 30, 2025, gross profit decreased by \$12 million and remained flat, respectively, compared to the same periods of fiscal 2024.

The decrease in Gross profit in the third quarter of fiscal 2025 as compared to the third quarter of fiscal 2024 was driven primarily by lower volumes in both our Reinforcement Materials and Performance Chemical segments (\$25 million combined) which

were partially offset by higher gross profit per ton in both our Reinforcement Materials and Performance Chemicals segments (\$9 million combined). The lower volumes in both our Reinforcement Materials and Performance Chemicals segments were primarily due to lower customer demand driven by uncertainty from tariffs and a weaker global macroeconomic environment. The higher gross profit per ton in both our Reinforcement Materials and Performance Chemicals segments was primarily driven by optimization actions and lower spending from cost management efforts.

#### *Selling and Administrative Expenses*

	<u>Three Months Ended June 30</u>		<u>Nine Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(In millions)			
Selling and administrative expenses	\$ 62	\$ 68	\$ 192	\$ 210

Selling and administrative expenses decreased by \$6 million and \$18 million for the three and nine months ended June 30, 2025, respectively, compared to the same periods of fiscal 2024, primarily from cost management efforts.

#### *Research and Technical Expenses*

	<u>Three Months Ended June 30</u>		<u>Nine Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(In millions)			
Research and technical expenses	\$ 15	\$ 16	\$ 44	\$ 46

Research and technical expenses decreased by \$1 million in the third quarter of fiscal 2025 and decreased by \$2 million for the nine months ended June 30, 2025, respectively, compared to the same periods of fiscal 2024.

#### *Interest and Dividend Income, Interest Expense and Other Income (Expense)*

	<u>Three Months Ended June 30</u>		<u>Nine Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(In millions)			
Interest and dividend income	\$ 7	\$ 8	\$ 20	\$ 25
Interest expense	\$ (19)	\$ (19)	\$ (56)	\$ (62)
Other income (expense)	\$ —	\$ (3)	\$ 2	\$ (33)

Interest and dividend income decreased by \$1 million and \$5 million in the three and nine months ended June 30, 2025, respectively, compared to the same periods of fiscal 2024, primarily due to lower average interest rates, partially offset by higher average cash balances.

Interest expense remained flat and decreased by \$6 million in the three and nine months ended June 30, 2025, respectively, compared to the same periods of fiscal 2024, due to lower average interest rates on short term borrowings.

Other income (expense) was \$3 million in the third quarter of fiscal 2024, with no such amounts in the third quarter of fiscal 2025, and \$35 million less expense for the nine months ended June 30, 2025. The change in both periods was primarily due to lower foreign exchange losses primarily in Argentina.

(Provision) Benefit for Income Taxes and Reconciliation of Effective Tax Rate to Operating Tax Rate

Dollars in millions	Three Months Ended June 30			
	2025		2024	
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
Effective tax rate	\$ (43)	28%	\$ (40)	25%
Less: Non-GAAP tax adjustments <sup>(1)</sup>	—		3	
Operating tax rate	<u>\$ (43)</u>	<u>28%</u>	<u>\$ (43)</u>	<u>27%</u>

Dollars in millions	Nine Months Ended June 30			
	2025		2024	
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
Effective tax rate	\$ (133)	29%	\$ (121)	31%
Less: Non-GAAP tax adjustments <sup>(1)</sup>	(6)		3	
Operating tax rate	<u>\$ (127)</u>	<u>28%</u>	<u>\$ (124)</u>	<u>28%</u>

<sup>(1)</sup> Non-GAAP tax adjustments made to arrive at the operating tax provision include the income tax (expense) benefit on certain items, discrete tax items, and, on a quarterly basis, the timing of losses in certain jurisdictions, as further described above under the heading "Definition of Terms and Non-GAAP Financial Measures".

For the three months ended June 30, 2025, the (Provision) benefit for income taxes was a provision of \$43 million compared to a provision of \$40 million for the same period in fiscal 2024, with the change primarily due to the mix of earnings. Our income taxes are affected by the mix of earnings in the tax jurisdictions in which we operate, and by the presence of valuation allowances in certain tax jurisdictions.

For the nine months ended June 30, 2025, the (Provision) benefit for income taxes was a provision of \$133 million compared to a \$121 million provision for the same period in fiscal 2024, primarily due to higher earnings in the current period.

For fiscal 2025, we expect the Operating tax rate to be in the range of 27% to 29%. We are not providing 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.

Net Income (Loss) Attributable to Noncontrolling Interests

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
Equity in earnings of affiliated companies, net of tax	\$ 1	\$ 2	\$ 5	\$ 5
Net income (loss) attributable to noncontrolling interests, net of tax	\$ 12	\$ 11	\$ 34	\$ 35

Equity in earnings of affiliated companies, net of tax, decreased by \$1 million and remained flat during the three and nine months ended June 30, 2025, respectively, compared to the same periods of fiscal 2024 primarily due to lower profitability of our equity affiliate in Venezuela.

Net income (loss) attributable to noncontrolling interests, net of tax, increased by \$1 million in the three months ended June 30, 2025, compared to the same period of fiscal 2024 primarily due to higher earnings of our joint ventures in the Czech Republic and China. Net income (loss) attributable to noncontrolling interests, net of tax, decreased by \$1 million in the first nine months of fiscal 2025 compared to the same period of fiscal 2024 primarily due to lower earnings of our joint venture in the Czech Republic.

### Net Income Attributable to Cabot Corporation

In the third quarter of fiscal 2025 and fiscal 2024, we reported Net income (loss) attributable to Cabot Corporation of \$101 million (\$1.86 per diluted common share) and \$109 million (\$1.94 per diluted common share), respectively. The lower Net income in the third quarter of fiscal 2025 compared with the same period in fiscal 2024 was primarily due to lower Segment EBIT in Reinforcement Materials (\$8 million).

In the first nine months of fiscal 2025 and fiscal 2024, we reported Net income (loss) attributable to Cabot Corporation of \$288 million (\$5.22 per diluted common share) and \$243 million (\$4.30 per diluted common share), respectively. The higher Net income in the first nine months of fiscal 2025 compared with the same period in fiscal 2024 was primarily due to lower Argentina controlled currency devaluation and other losses (\$43 million).

### Third quarter of Fiscal 2025 versus Third quarter of Fiscal 2024—By Business Segment

Income (loss) before income taxes and equity in earnings of affiliated companies, Certain items, Other unallocated items and Total segment EBIT for the three and nine months ended June 30, 2025 and 2024 are included in the following table, and details of each item is set forth in the sections below.

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 155	\$ 158	\$ 450	\$ 394
Less: Certain items	(3)	(2)	(13)	(56)
Less: Other unallocated items	(27)	(31)	(78)	(84)
Total segment EBIT	<u>\$ 185</u>	<u>\$ 191</u>	<u>\$ 541</u>	<u>\$ 534</u>

#### Certain Items

Details of the certain items for the three and nine months ended June 30, 2025 and 2024 are as follows:

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
Global restructuring activities	\$ (3)	\$ (1)	\$ (6)	\$ (13)
Legal and environmental matters and reserve	—	—	(6)	(1)
Argentina controlled currency devaluation and other losses (Note B)	—	(2)	—	(43)
Other certain items	—	1	(1)	1
Total certain items	<u>\$ (3)</u>	<u>\$ (2)</u>	<u>\$ (13)</u>	<u>\$ (56)</u>

#### Other Unallocated Items

	Three Months Ended June 30		Nine Months Ended June 30	
	2025	2024	2025	2024
	(In millions)			
Interest expense	\$ (19)	\$ (19)	\$ (56)	\$ (62)
Unallocated corporate costs	(13)	(16)	(39)	(51)
General unallocated income (expense)	6	6	22	34
Less: Equity in earnings of affiliated companies, net of tax	1	2	5	5
Total other unallocated items	<u>\$ (27)</u>	<u>\$ (31)</u>	<u>\$ (78)</u>	<u>\$ (84)</u>

Total other unallocated items decreased by \$4 million and \$6 million for the three and nine months ended June 30, 2025, respectively, when compared to the same periods in fiscal 2024.

A discussion of items that we refer to as “other unallocated items” can be found under the heading “Definition of Terms and Non-GAAP Financial Measures”. The balances of unallocated corporate costs are primarily comprised of expenditures related to managing a public company that are not allocated to the segments and corporate business development costs related to ongoing corporate projects. The balances of General unallocated income (expense) consist of gains (losses) arising from foreign currency transactions, net of other foreign currency risk management activities, interest and dividend income, the profit or loss related to the corporate adjustment for unearned revenue and unrealized holding gains (losses) for investments. This does not include items of income or expense from the items that are separately treated as Certain items.

### **Reinforcement Materials**

Sales and EBIT for Reinforcement Materials for the third quarter of fiscal 2025 and 2024 were as follows:

	<u>Three Months Ended June 30</u>		<u>Nine Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(In millions)			
Reinforcement Materials Sales	\$ 573	\$ 649	\$ 1,778	\$ 1,966
Reinforcement Materials EBIT	\$ 128	\$ 136	\$ 389	\$ 414

Sales in Reinforcement Materials decreased by \$76 million in the third quarter of fiscal 2025 compared to the same period of fiscal 2024 primarily due to lower volumes (\$51 million) and less favorable pricing and product mix (\$27 million). The lower volumes were primarily due to lower customer demand in the Americas and Asia Pacific driven by uncertainty from tariffs and a weaker global macroeconomic environment. The less favorable pricing and product mix was primarily due to lower raw materials costs that are generally passed through to our customers.

In the first nine months of fiscal 2025, sales in Reinforcement Materials decreased by \$188 million as compared to the first nine months of fiscal 2024 primarily due to lower volumes (\$94 million), less favorable pricing and product mix (\$66 million) and the less favorable impact from foreign currency translation (\$23 million). The lower volumes were primarily due to lower customer demand driven by uncertainty from tariffs and a weaker global macroeconomic environment. The less favorable pricing and product mix was primarily due to lower raw materials costs that are generally passed through to our customers.

EBIT in Reinforcement Materials in the third quarter of fiscal 2025 decreased by \$8 million compared to the same period of fiscal 2024. The decrease in EBIT was primarily driven by lower volumes (\$21 million), partially offset by lower selling and administrative expenses (\$6 million) and higher gross profit per ton (\$5 million). The lower volumes were primarily due to lower customer demand in the Americas and Asia Pacific driven by uncertainty from tariffs and a weaker global macroeconomic environment. The lower selling and administrative expenses and higher gross profit per ton were primarily due to cost management efforts.

In the first nine months of fiscal 2025, EBIT in Reinforcement Materials decreased by \$25 million compared to the same period of fiscal 2024. The decrease was primarily driven by lower volumes (\$39 million), partially offset by lower selling and administrative expenses (\$8 million) and the favorable impact from foreign currency translation (\$5 million). The lower volumes were primarily due to lower customer demand driven by uncertainty from tariffs and a weaker global macroeconomic environment. The lower selling and administrative expenses were primarily due to cost management efforts.

As we look to the fourth quarter of the fiscal year, we expect the Reinforcement Materials segment EBIT to modestly decline from the third quarter of fiscal 2025 primarily due to expected higher costs sequentially, partially offset by expected higher volumes in Asia Pacific.

### **Performance Chemicals**

Sales and EBIT for Performance Chemicals for the third quarter of fiscal 2025 and 2024 were as follows:

	<u>Three Months Ended June 30</u>		<u>Nine Months Ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(In millions)			
Performance Chemicals Sales	\$ 320	\$ 332	\$ 942	\$ 928
Performance Chemicals EBIT	\$ 57	\$ 55	\$ 152	\$ 120

Sales in Performance Chemicals decreased by \$12 million in the third quarter of fiscal 2025 as compared to the same period of fiscal 2024 as lower volumes (\$15 million) were partially offset by the favorable impact from foreign currency translation (\$3 million). The lower volumes were primarily due to lower customer demand driven by uncertainty from tariffs and a weaker global macroeconomic environment, particularly in auto-related applications.

In the first nine months of fiscal 2025, sales in Performance Chemicals increased by \$14 million as compared to the first nine months of fiscal 2024 primarily due to higher volumes (\$35 million), partially offset by less favorable pricing and product mix (\$25

million). The higher volumes were primarily in our fumed metal oxides product line and the less favorable pricing and product mix were primarily due to lower raw material costs which, in certain instances, are passed through to our customers through formulas and other market-based adjustments.

EBIT in Performance Chemicals increased by \$2 million in the third quarter of fiscal 2025 as compared to the same period of fiscal 2024 primarily due to higher gross profit per ton (\$4 million). The higher gross profit per ton was primarily driven by lower spending from overall cost management efforts, targeted price increases and optimization measures across the segment.

In the first nine months of fiscal 2025, EBIT in Performance Chemicals increased by \$32 million as compared to the same period of fiscal 2024. The increase was driven primarily by higher volumes (\$25 million) and higher gross profit per ton (\$5 million). The higher volumes were driven by higher demand primarily in our fumed metal oxides product line. The higher gross profit per ton was primarily from overall cost management efforts, targeted price increases and optimization measures across the segment.

In July 2025, Dow, our fence-line partner at our fumed metal oxides facility in Barry, Wales, announced that it would be ceasing its polysiloxane operations at their site by mid-calendar year 2026. Dow currently supplies our operations with chlorosilane feedstock, which we convert into fumed silica, under an agreement with a term through the end of calendar year 2028. We are in discussions with Dow about how they will satisfy performance under the terms of our contract.

As we look to the fourth quarter of the fiscal year, we expect the Performance Chemicals segment EBIT to decline from the third quarter of fiscal 2025 primarily due to expected lower seasonal volumes and expected higher costs sequentially.

## Liquidity and Capital Resources

### Overview

Our liquidity position, as measured by cash and cash equivalents plus borrowing availability, decreased by \$36 million during the first nine months of fiscal 2025, which was largely due to a higher outstanding commercial paper balance partially offset by a higher cash balance at the end of the period. As of June 30, 2025, we had cash and cash equivalents of \$239 million and borrowing availability under our revolving credit agreements of \$1.1 billion. We have access to borrowings under the following two credit agreements:

- \$1 billion unsecured revolving credit agreement (the "U.S. Credit Agreement") with JPMorgan Chase Bank, N.A., as Administrative Agent, Citibank, N.A., as Syndication Agent, and the other lenders party thereto, which matures in August 2027. The U.S. Credit Agreement supports our issuance of commercial paper, and borrowings under it may be used for working capital, letters of credit and other general corporate purposes.
- €300 million unsecured revolving credit agreement (the "Euro Credit Agreement", and together with the U.S. Credit Agreement, the "Credit Agreements"), with PNC Bank, National Association, as Administrative Agent, and the other lenders party thereto, which matures in August 2027. Borrowings under the Euro Credit Agreement may be used for the repatriation of earnings of our foreign subsidiaries to the United States, the repayment of indebtedness of our foreign subsidiaries owing to us or any of our subsidiaries and for working capital and general corporate purposes.

As of June 30, 2025, we were in compliance with the debt covenants under the Credit Agreements, which, with limited exceptions, require us to comply on a quarterly basis with a leverage test requiring the ratio of consolidated net debt to consolidated EBITDA not to exceed 3.50 to 1.00. Consolidated net debt is defined as consolidated debt offset by the lesser of (i) unrestricted cash and cash equivalents and (ii) \$150 million.

A significant portion of our business occurs outside the U.S. and our cash generation does not always align geographically with our cash needs. The vast majority of our cash and cash equivalent holdings tend to be held outside the U.S. We generally use a combination of U.S. earnings, repatriation of certain foreign earnings, commercial paper issuances and borrowings under our U.S. Credit Agreement to meet our U.S. cash needs. With the exception of Argentina, which has some currency controls that prevent the distribution of cash, we are generally able to move cash throughout the Company through our cash pooling structures, intercompany accounts and/or distributions, as needed. Although we repatriate certain foreign earnings, cash held by foreign subsidiaries is generally considered permanently reinvested and is used to finance the subsidiaries' operational activities and future investments. We usually reduce our commercial paper balance and, if applicable, borrowings under our Credit Agreements, at quarter-end using cash derived from customer collections, including the utilization of customer supply chain financing programs, settlement of intercompany balances and short-term intercompany loans. If additional funds are needed in the U.S., we expect to be able to repatriate cash, including cash from China, while paying any withholding or other taxes. Changes in regulations and tax laws in the U.S. or foreign countries could restrict our ability to transfer funds or impose material costs on such transfers.

As of each of June 30, 2025 and September 30, 2024, we had \$130 million and \$113 million, respectively, of borrowings under the Euro Credit Agreement and no outstanding borrowings under the U.S. Credit Agreement at either date. There was \$98 million and \$45 million of commercial paper outstanding as of June 30, 2025 and September 30, 2024, respectively.

We anticipate sufficient liquidity from (i) cash on hand; (ii) cash flows from operating activities; and (iii) cash available from the Credit Agreements and our commercial paper program to meet our operational and capital investment needs and financial obligations for both the next twelve months and the foreseeable future. The liquidity we derive from cash flows from operations is, to a large degree, predicated on our ability to collect our receivables in a timely manner, the cost of our raw materials, and our ability to manage inventory levels.

The following discussion of the changes in our cash balance refers to the various sections of our Consolidated Statements of Cash Flows.

### **Cash Flows from Operating Activities**

Cash provided by operating activities, which consists of net income adjusted for the various non-cash items included in income, changes in working capital and changes in certain other balance sheet accounts, totaled \$446 million in the first nine months of fiscal 2025 compared to \$488 million of cash provided by operating activities during the same period of fiscal 2024.

Cash provided by operating activities in the first nine months of fiscal 2025 was driven by business earnings excluding the non-cash impacts of depreciation and amortization of \$114 million and cash dividends received from our equity investments of \$13 million, which was offset by an increase in net working capital of \$13 million. The increase in net working capital was largely driven by a decrease in Accounts Payable and accrued liabilities offset by a decrease in Accounts and notes receivable and Inventories.

Cash provided by operating activities in the first nine months of fiscal 2024 was driven by business earnings excluding the non-cash impacts of depreciation and amortization of \$114 million, foreign exchange losses of \$38 million, and a decrease in net working capital of \$18 million. The decrease in net working capital was largely driven by an increase in Accounts Payable and accrued liabilities and a decrease in inventories, partially offset by an increase in Accounts and notes receivable.

### **Cash Flows from Investing Activities**

Investing activities consumed \$239 million of cash in the first nine months of fiscal 2025 compared to \$146 million of cash consumed in the first nine months of fiscal 2024.

In the first nine months of fiscal 2025 and 2024, investing activities included \$210 million and \$149 million, respectively, of capital expenditures for sustaining and compliance capital projects at our operating facilities as well as growth-related capital. In addition, in the first nine months of fiscal 2025, investing activities included \$27 million for cash paid for the asset acquisition described in Note C of our Notes to the Consolidated Financial Statements.

Capital expenditures for fiscal 2025 are expected to be between \$250 million and \$275 million. Our planned capital spending program for fiscal 2025 is for sustaining, compliance and improvement capital projects at our operating facilities as well as capacity expansion capital expenditures.

### **Cash Flows from Financing Activities**

Financing activities consumed \$190 million of cash in the first nine months of fiscal 2025 compared to \$326 million of cash consumed during the same period of fiscal 2024.

In the first nine months of fiscal 2025, financing activities primarily consisted of share repurchases of \$129 million, dividend payments to stockholders of \$71 million, and cash dividends paid to noncontrolling interests of \$57 million. There were also net proceeds from the issuance of commercial paper of \$52 million and net proceeds from short-term borrowings of \$3 million, which includes proceeds of \$14 million partially offset by repayments of \$11 million.

In the first nine months of fiscal 2024, financing activities primarily consisted of net repayment of commercial paper of \$123 million, share repurchases of \$106 million, dividend payments to stockholders of \$69 million, cash dividends paid to noncontrolling interests of \$27 million, and net repayment of \$12 million under our Euro Credit Agreement, which includes repayments of \$26 million partially offset by proceeds of \$14 million. These payments were partially offset by proceeds from sales of common stock of \$15 million from stock option exercises.

## Forward-Looking Information

This report on Form 10-Q contains “forward-looking statements” under the Federal securities laws. These forward-looking statements address expectations or projections about the future, including our expectations regarding our future business performance and overall prospects, including for EBIT, volumes and costs in our business segments in the fourth quarter of fiscal 2025, and the principal assumptions underlying these expectations, including the possible impact of the OBBA and our relationship with DOW on our operations, and demand for our products, the sufficiency of our cash on hand, cash provided from operations and cash available under our credit and commercial paper facilities to fund our cash requirements in both the next twelve months and the foreseeable future; anticipated capital spending; regulatory developments, including regulatory compliance costs and potential impact on our operations; cash requirements and uses of available cash, including future cash outlays associated with respirator liabilities and the timing of such outlays; amortization expenses; our operating tax rate; timing of the expected closing of our acquisition in Mexico; and the possible outcome of legal and environmental proceedings. From time to time, we also provide forward-looking statements in other materials we release to the public and in oral statements made by authorized officers.

Forward-looking 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 or difficult to predict. If known or unknown risks materialize, our actual results could differ materially from those expressed in the forward-looking statements.

In addition to factors described elsewhere in this report, the following are some of the factors that could cause our actual results to differ materially from those expressed in our forward-looking statements: industry capacity utilization and competition from other specialty chemical companies; safety, health and environmental requirements and related constraints imposed on our business; regulatory and financial risks 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 and the U.S.-China trade relationship; a significant adverse change in a customer or joint venture relationship or the failure of a customer or joint venture partner to perform its obligations under agreements with us; failure to achieve growth expectations from new products, applications and technology developments; failure to realize benefits from acquisitions, alliances, or joint ventures or achieve our portfolio management objectives; negative or uncertain worldwide or regional economic conditions and market opportunities, including from trade relations, global health matters or geo-political conflicts; litigation or legal proceedings; interest rates, tax rates, tariffs, currency exchange controls, and fluctuations in foreign currency; our inability to complete capacity expansions or other development projects; and the accuracy of the assumptions we used in establishing reserves for our share of liability for respirator claims. These other factors and risks are discussed more fully in our 2024 10-K.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Information about market risks for the period ended June 30, 2025 does not differ materially from that discussed under Item 7A of our 2024 10-K.

### **Item 4. Controls and Procedures**

As of June 30, 2025, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of that date.

There were no changes in our internal controls over financial reporting that occurred during our fiscal quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## Part II. Other Information

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Issuer Purchases of Equity Securities

The table below sets forth information regarding Cabot's purchases of its equity securities during the quarter ended June 30, 2025:

Period	Total Number of Shares Purchased <sup>(1)(2)</sup>	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
April 1, 2025 - April 30, 2025				10,489,092
May 1, 2025 - May 31, 2025	510,000	\$ 75.06	510,000	9,979,092
June 1, 2025 - June 30, 2025	23,333	\$ 73.74	23,333	9,955,759
Total	<u>533,333</u>		<u>533,333</u>	

<sup>(1)</sup> On July 13, 2018, Cabot publicly announced that the Board of Directors authorized the Company to repurchase up to an additional ten million shares of its common stock on the open market or in privately negotiated transactions, increasing the balance of shares then available for repurchase at that time to approximately eleven million shares. More recently, on December 3, 2024, Cabot publicly announced that the Board of Directors authorized the Company to repurchase up to an additional ten million shares of its common stock on the open market or in privately negotiated transactions. Neither of these authorizations have a set expiration date.

<sup>(2)</sup> Total number of shares purchased does not include 1,612 shares withheld to pay taxes on the vesting of equity awards made under the Company's equity incentive plans or to pay the exercise price of options exercised during the period.

### Item 5. Other Information

During our fiscal quarter ended June 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, entered into, modified (as to amount, price or timing of trades) or terminated (i) contracts, instructions or written plans for the purchase or sale of our securities that are intended to satisfy the conditions specified in Rule 10b5-1(c) under the Exchange Act for an affirmative defense against liability for trading in securities on the basis of material nonpublic information or (ii) non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
Exhibit 3.1	<a href="#">Restated Certificate of Incorporation of Cabot Corporation effective January 9, 2009 (incorporated herein by reference to Exhibit 3.1 of Cabot's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2008, file reference 1-5667, filed with the SEC on February 9, 2009).</a>
Exhibit 3.2	<a href="#">The By-laws of Cabot Corporation as amended May 11, 2023 (incorporated herein by reference to Exhibit 3.1 of Cabot Corporation's Current Report on Form 8-K, file reference 1-5667, filed with the SEC on May 15, 2023).</a>
Exhibit 31.1*	<a href="#">Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.</a>
Exhibit 31.2*	<a href="#">Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.</a>
Exhibit 32**	<a href="#">Certifications of the Principal Executive Officer and the Principal Financial Officer pursuant to 18 U.S.C. Section 1350.</a>
Exhibit 101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Document.
Exhibit 104*	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL (included in Exhibit 101).

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\* Filed herewith.

\*\* Furnished herewith.



**Principal Executive Officer Certification**

I, Sean D. Keohane, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cabot Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

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/s/ SEAN KEOHANE  
**Sean D. Keohane**  
**President and**  
**Chief Executive Officer**

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**Principal Financial Officer Certification**

I, Erica McLaughlin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cabot Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

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/s/ ERICA McLAUGHLIN  
**Erica McLaughlin**  
**Executive Vice President and**  
**Chief Financial Officer**

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**Certifications Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the  
Sarbanes-Oxley Act of 2002**

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 (the "Report") by Cabot Corporation (the "Company"), each of the undersigned hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2025

/s/ SEAN D. KEOHANE

**Sean D. Keohane**  
President and Chief Executive Officer

Date: August 5, 2025

/s/ ERICA McLAUGHLIN

**Erica McLaughlin**  
Executive Vice President and  
Chief Financial Officer

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