



CABOT EARNINGS TELECONFERENCE

FOURTH QUARTER – FISCAL 2022

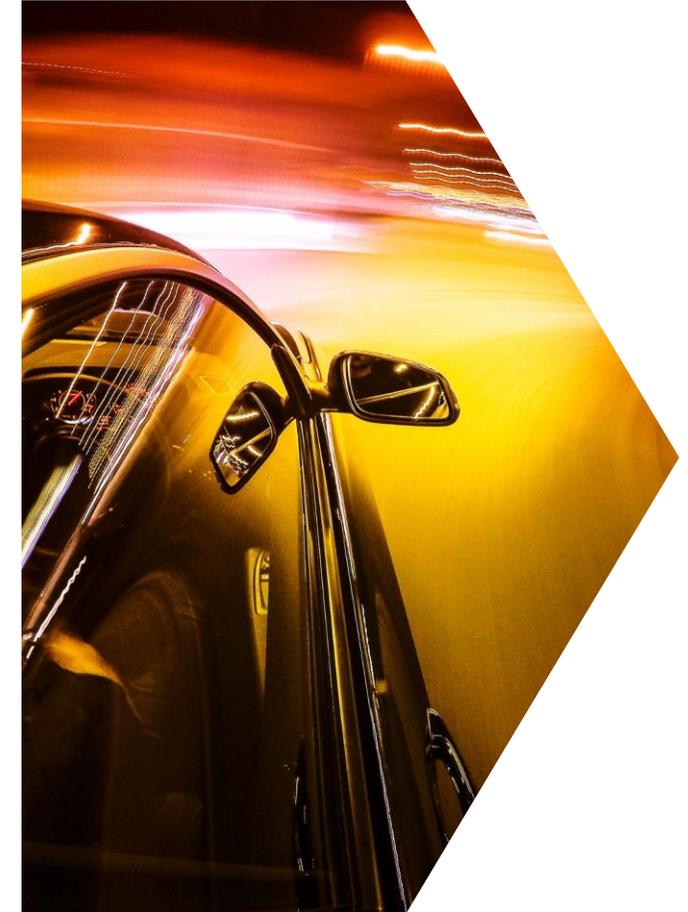


Forward Looking Statements

This presentation contains forward-looking statements. All statements that address expectations or projections about the future, including with respect to our expectations for our performance in fiscal year 2023, including our expectations for adjusted earnings per share, operating cash flow and EBITDA, the factors that we expect will impact our results of operations, our ability to deliver value across a variety of economic environments, our ability to execute on projects and strategies, our net zero emissions goal, and our expected operating tax rate for fiscal 2023 are forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, potentially inaccurate assumptions, and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed or implied by forward-looking statements. Important factors that could cause our results to differ materially from those expressed or implied in the forward-looking statements include, but are not limited to, disruption to our operations from the COVID-19 pandemic, competition from other specialty chemical companies; safety, health and environmental requirements and related constraints imposed on our business; regulatory and financial risk related to climate change developments; volatility in the price and availability of energy and raw materials, including with respect to the Russian invasion of Ukraine; a significant adverse change in a customer relationship; failure to achieve growth expectations from new products, new applications and technology developments; unanticipated delays in, or increased cost of, site development projects; negative or uncertain worldwide or regional economic conditions and market opportunities, including from trade relations, global health matters or geo-political conflicts; and fluctuations in foreign currency exchange and interest rates. These factors are discussed more fully in the reports we file with the Securities and Exchange Commission (“SEC”), particularly under the heading “Risk Factors” in our annual report on Form 10-K for our fiscal year ended September 30, 2021 and in our quarterly report on Form 10-Q for our fiscal quarter ended March 31, 2022, which are filed with the SEC at www.sec.gov. We assume no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

2022 Highlights

- 1 > **Record FY22 adjusted EPS¹ of \$6.28, up 25% year over year**
- 2 > **Significant progress made on strategic growth investments**
- 3 > **Sustained ESG leadership with continued third-party recognition**
- 4 > **Continued momentum in Battery Materials**
- 5 > **On track to meet 2021 investor day objectives for adjusted EPS growth and discretionary free cash flow**



Our Strategy | *Creating for Tomorrow*

We will leverage our strengths to lead in performance and sustainability — today and into the future.



GROW

Investing for advantaged growth.



INNOVATE

Developing innovative products and processes that enable a better future.



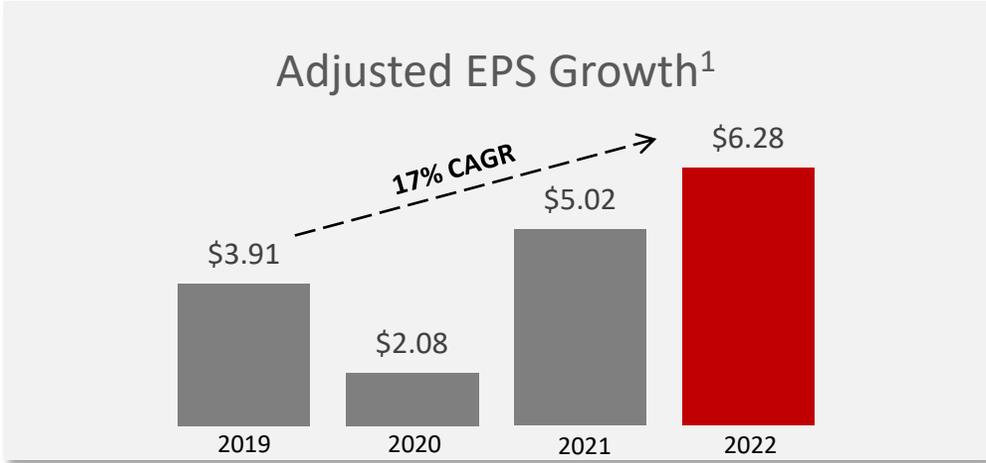
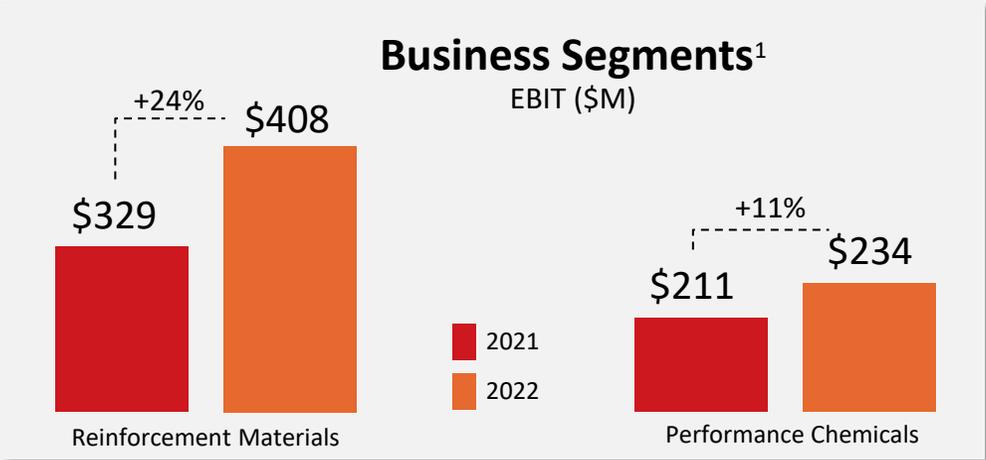
OPTIMIZE

Driving continuous improvement in everything we do.

Executing our “Creating for Tomorrow” Strategy

Record Fiscal Year 2022 Financial Results

FY'22 Financial Highlights	
\$4.3B Revenue	\$6.28 Adjusted EPS ¹
\$ 395M DFCF ¹	\$728M Adjusted EBITDA ¹
17% Adj. EBITDA Margin ¹	20% Adj. ROIC ¹



1. Non-GAAP measure – See Appendix

DFCF = Operating CF less changes in NWC less Sustaining & Compliance Capex

Executing our “Creating for Tomorrow” Strategy

Significant progress made on key growth investments in fiscal 2022

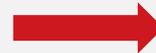
KEY GROWTH PROJECTS

STATUS

Battery Materials and Specialty Carbons

Xuzhou, China Commissioning

50,000 metric tons of additional capacity



Plant operational during Q3 FY22. Frees-up additional conductive carbon capacity in our global network to support the growth of battery materials.

Battery Materials

Tianjin, China Acquisition

50,000 metric tons of carbon black annually

Investing to upgrade capabilities to produce battery grades



First phase of upgrades and conversion on track to come online in fiscal 2024.

Battery Materials

Zhuhai, China Expansion

More than doubling CNT dispersion capacity



Completed first phase of carbon nanotube (CNT) dispersion capacity expansion in July (25% capacity increase)

Inkjet for Packaging

Haverhill, MA, USA Inkjet Expansion

More than double capacity to support digital printing demand



Phase 1 expected to commission by mid FY23 with the remaining capacity additions expected to be completed by 2025

Investments to Support Growth Funded from Operating Cash Flow

Executing our “Creating for Tomorrow” Strategy

Continued recognition for our commitment to ESG leadership

Awards and Recognition	
	Named one of America’s Most Responsible Companies 2022 by <i>Newsweek</i> magazine; This is the third consecutive year of recognition for Cabot
	Recognized as one of <i>Investor's Business Daily's</i> 100 Best ESG Companies of 2022; placed in top three in the Chemicals category
	Achieved Platinum rating for sustainability from EcoVadis in 2022; Cabot ranked among top 1% of chemical companies for second consecutive year
	E2C™ solutions named to <i>European Rubber Journal's</i> “Top 10 Elastomers for Sustainability” List for second time



Announced our ambition to achieve net zero emissions by 2050 in alignment with the Paris Climate Agreement



Published 2021 Sustainability Report

Continuing Momentum in Battery Materials

Strategy Progress and Financial Highlights

Outstanding Financial Performance

- ◆ FY22 volume growth up 58%; revenue up 74% to \$132M
- ◆ FY22 EBITDA² up 81% to \$29M

Strong Commercial Position

- ◆ Commercial sales to 6 of the top 8 battery manufacturers
 - ◆ Commercial programs progressing with all of the top 8 battery manufacturers
- ◆ Key win for conductive carbon additive blend with a top 5 battery manufacturer
- ◆ Broad product offerings with conductive carbons, CNTs, CNS, conductive blends, fumed alumina

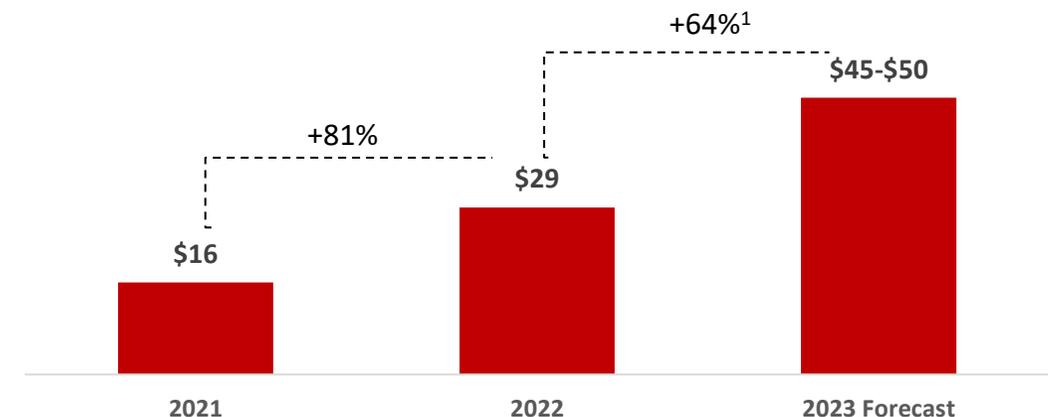
Strategic Investments progressing on schedule

- ◆ On track to tripling capacity by 2024

Outlook

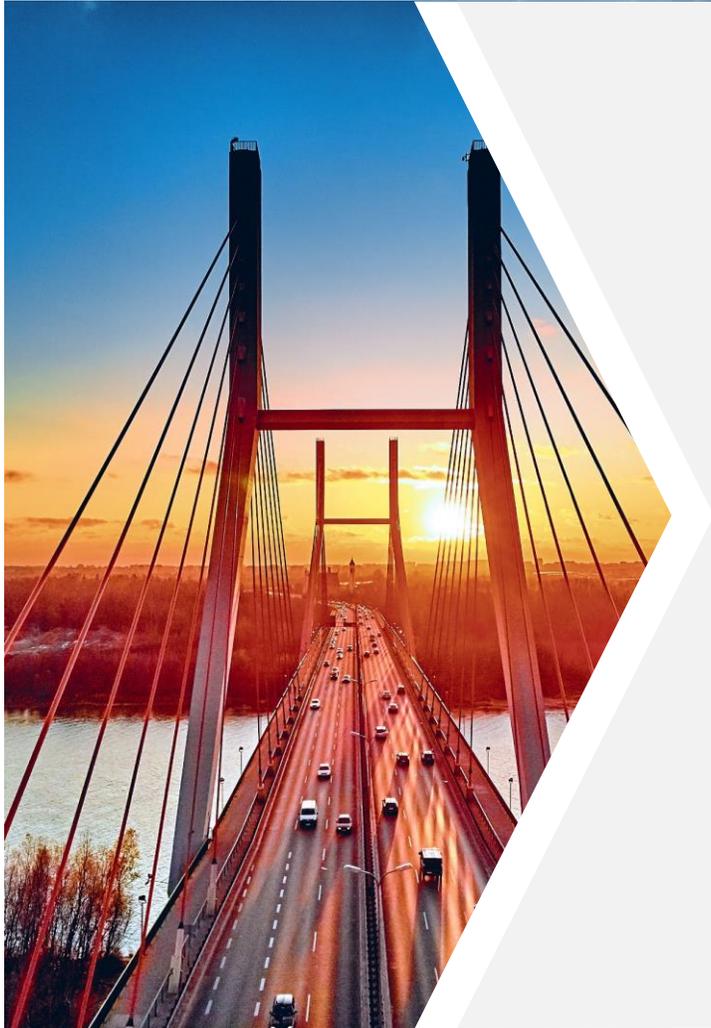
- ◆ Qualified in new platforms with top 2 Chinese battery producers, with sales expected to ramp up in 2023
- ◆ Final stages of qualifications with several key auto OEM's underway
 - ◆ Multi-year agreement with American multinational automotive company signed in fiscal 2022 with first commercial sales expected in fiscal Q1 2023
- ◆ FY23 EBITDA² of \$45-\$50M expected

BATTERY MATERIALS EBITDA² (\$M)



1. Calculated using mid-point of the range
2. Non-GAAP measure – See Appendix

Creating for Tomorrow | Q4 2022 Highlights



Adjusted EPS¹ up 40% year-over-year to \$1.55; Diluted EPS of \$1.64 compared to \$0.50 in the fourth fiscal quarter of 2021

Reinforcement Materials EBIT increased 63% year-over-year to \$109M from strong volume growth and improved pricing and product mix

Performance Chemicals segment EBIT increased 9% year-over-year driven by disciplined pricing and product mix actions

Strong results despite FX headwinds (\$10M) and higher interest expense (\$6M)

Operating cash flow of \$105M; liquidity of \$1.1B

Creating for Tomorrow | Fiscal Year 2022

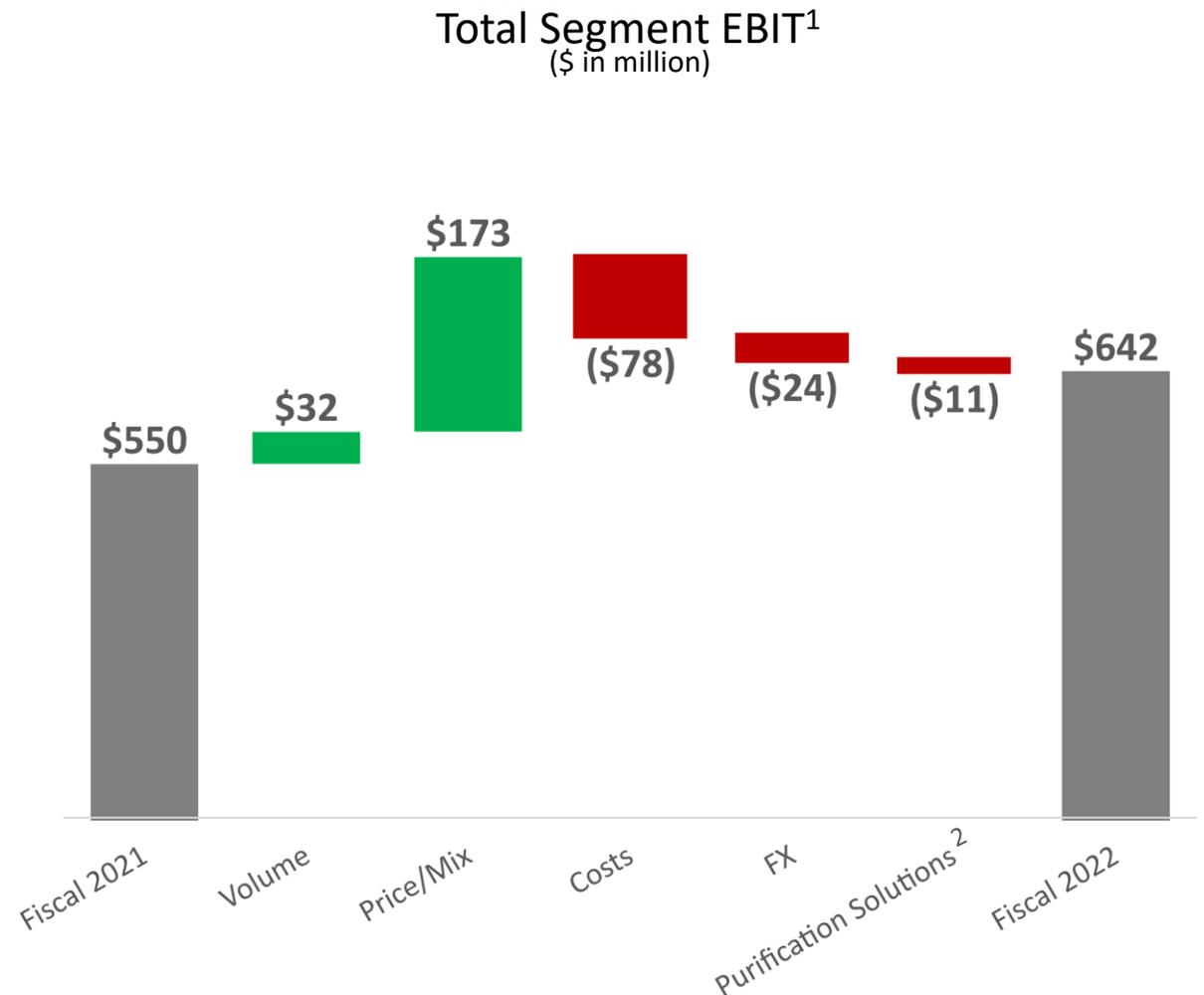
Volume increase across both Reinforcement Materials and Performance Chemicals

Price and mix benefit in both Reinforcement Materials and Performance Chemicals

Higher costs due to utilities, inflationary pressures and growth investments

FX impact from strengthening U.S. dollar

Divestiture of the Purification Solutions business



1. Non-GAAP measure – See Appendix

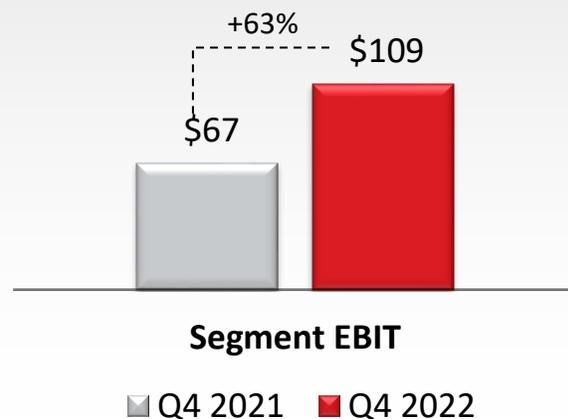
2. Divested Q2 FY22

Reinforcement Materials Segment

Operating Performance

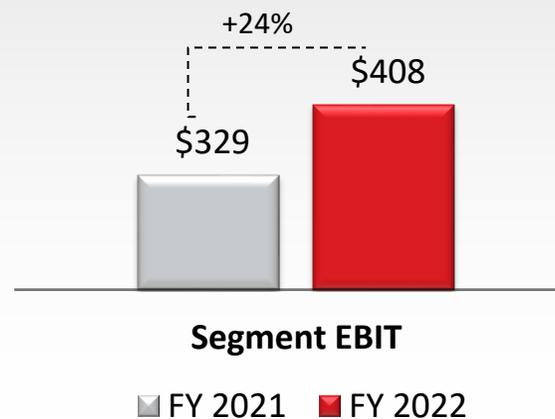
Q4 2022 EBIT RESULTS

- ◆ Unit margins improved due to favorable pricing in the 2022 customer agreements
- ◆ Global volumes up 4% year-over-year driven by growth across all regions
- ◆ Higher fixed costs due to increased utilities



FISCAL 2022 HIGHLIGHTS

- ◆ Record EBIT driven by favorable outcomes to the calendar year 2022 customer agreements
- ◆ Volume growth of 4% reflects contract gains and resiliency of replacement tire market



Q1 2023 OUTLOOK

- ◆ Expect price/mix to remain strong sequentially
- ◆ Decline in European energy prices expected to impact energy center revenue sequentially
- ◆ Expect lower sequential volumes
- ◆ Negative impact from foreign currency translation expected



Performance Chemicals Segment

Operating Performance

Q4 2022 EBIT RESULTS

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

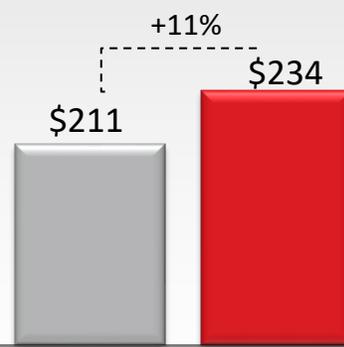


Segment EBIT

■ Q4 2021 ■ Q4 2022

FISCAL 2022 HIGHLIGHTS

- ◆ Key customer adoptions support 81% EBITDA growth¹ in Battery Materials
- ◆ Continued progress on capacity additions to support high growth businesses
- ◆ Successfully implemented price increases across the segment to recover rising costs



Segment EBIT

■ FY 2021 ■ FY 2022

Q1 2023 OUTLOOK

- ◆ Expect Battery Materials demand to remain strong
- ◆ Outside of Battery Materials, lower sequential volumes expected from inventory destocking and demand softness in Europe



1. Non-GAAP measure – See Appendix

Q4 and FY 2022 Financial Highlights



Q4 2022

- ✓ **Operating Cash Flow** \$105 million; **Discretionary Free Cash Flow**¹ \$92 million
- ✓ **Net working capital:** (\$41 million)
- ✓ **Capex:** \$90 million
- ✓ **Dividends** \$21 million; **Share repurchases** \$5 million
- ✓ **Liquidity:** \$1.1 billion; Net Debt to EBITDA of 1.8x

Fiscal 2022

- ✓ **Operating Cash Flow** \$100 million; **Discretionary Free Cash Flow**¹ \$395 million
- ✓ **Net working capital:** (\$431 million)
- ✓ **Capex:** \$211 million
- ✓ **Dividends** \$84 million; **Share repurchases** \$53 million
- ✓ **Operating Tax Rate**¹: 26%

2023 Outlook

Adjusted EPS¹ of \$6.25-\$6.75 expected in fiscal 2023

Key Assumptions

Volumes



- ◆ Above market growth in Battery Materials
- ◆ Reinforcement Materials in line with market
- ◆ Performance Chemicals, excluding Battery Materials, impacted by economic softness in Europe and China, particularly in the 1H FY2023

Pricing



- ◆ Favorable outcome of Reinforcement Materials CY2023 customer agreements
- ◆ Stable margins with price increases offsetting input costs in Performance Chemicals

Foreign Exchange



- ◆ Unfavorable currency impact expected to be approximately \$30 million

Interest Expense



- ◆ Higher net interest expense expected of approximately \$20 million as compared to fiscal 2022

2023 Outlook

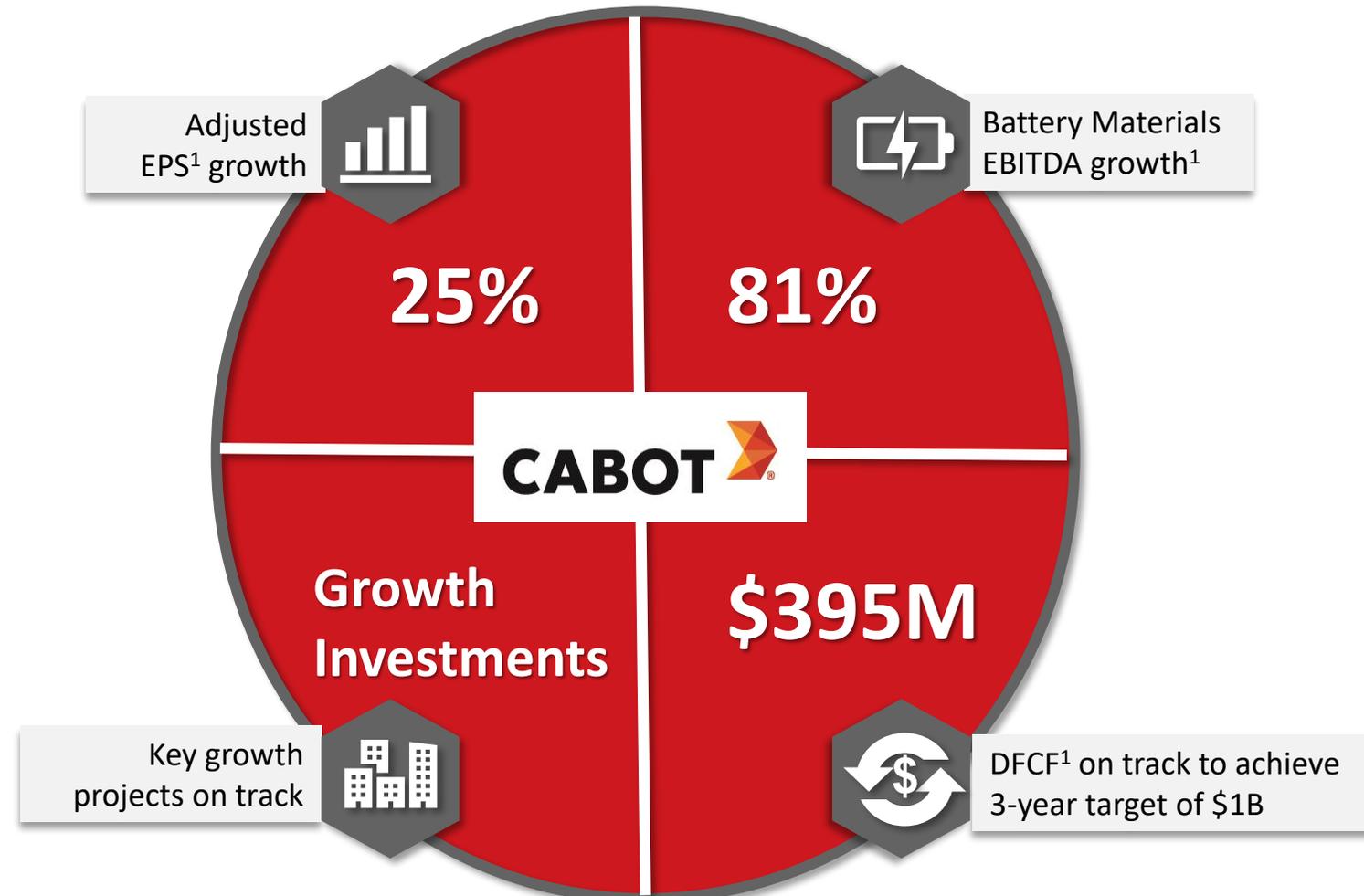
- ◆ Adjusted EPS¹ up 4% year-over-year at the midpoint; +14% excluding FX and interest expense headwinds
- ◆ Expect year-over-year EBIT increase in Reinforcement Materials
- ◆ First half EBIT in Performance Chemicals expected to be below same period in fiscal 2022; normalized order pattern expected to return in second half
- ◆ Robust operating cash flow to fund capital expenditures plan, dividends and share repurchases

On Track to Meet 2021 Investor Day Objectives

2021-2024 KEY OBJECTIVES

- ✓ Adjusted EPS CAGR of 8% - 12%
- ✓ Battery Materials EBIT CAGR of 50%+
- ✓ Over \$1B of DFCF to support growth and return cash to shareholders
- ✓ Focus capex on high growth businesses

SUCCESSFUL EXECUTION IN 2022



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



Q&A





APPENDIX



Use of Non-GAAP Financial Measures

This presentation includes references to adjusted earnings per share (EPS), total segment EBIT, segment EBITDA, adjusted EBITDA, adjusted ROIC, discretionary free cash flow, and operating tax rate, which are non-GAAP measures. Reconciliations of Adjusted EPS to net income (loss) per share attributable to Cabot Corporation, the most directly comparable GAAP financial measure, Total Segment EBIT, Total Segment EBITDA, and Adjusted EBITDA to income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies, the most directly comparable GAAP financial measure of each such non-GAAP measure, operating tax rate to effective tax rate, the most directly comparable GAAP financial measure and Free Cash Flow and Discretionary Free Cash Flow to Cash flow from operating activities, the most directly comparable GAAP financial measure, are provided in the tables included in our fourth quarter and fiscal year 2022 earnings release and filed on our Current Report on Form 8-K dated November 7, 2022. Reconciliations for Total Segment EBIT and segment EBITDA for each segment are included in the following slides.

Cabot does not provide an expected GAAP EPS range or reconciliation of the Adjusted EPS range with an expected GAAP EPS range because, without unreasonable effort, we are unable to predict with reasonable certainty the matters we would allocate to “certain items,” including unusual gains and losses, costs associated with future restructurings, acquisition-related expenses and litigation outcomes. These items are uncertain, depend on various factors, and could have a material impact on GAAP EPS in future periods.

This presentation also includes our forecast of the range of our “operating tax rate” which represents the tax rate on our recurring operating results. This rate excludes discrete tax items, which are included in the effective tax rate. Discrete tax items are comprised of (i) unusual or infrequent items, (ii) items related to uncertain tax positions, and (iii) other tax items, such as the impact from the timing of losses in certain jurisdictions and cumulative tax rate adjustments, the tax impact of legislative changes and tax accruals on historic earnings due to changes in indefinite reinvested assertions. The operating tax rate also excludes the impact of the items of expense and income we identify as certain items on both our operating income and the tax provision. Management believes that the operating tax rate is useful supplemental information because it helps our investors compare our tax rate year to year on a consistent basis and to understand what our tax rate on current operations would be without the impact of these items.

Cabot does not provide a forward-looking reconciliation of the operating tax rate range with an effective tax rate range because, without unreasonable effort, we are unable to predict with reasonable certainty the matters we would allocate to “certain items,” including unusual gains and losses, costs associated with future restructurings, acquisition-related expenses and litigation outcomes. These items are uncertain, depend on various factors, and could have a material impact on the effective tax rate in future periods.

To calculate “Discretionary Free Cash Flow” we deduct sustaining and compliance capital expenditures and changes in Net Working Capital from cash flow from operating activities. To calculate “Free Cash Flow” we deduct capital expenditures as disclosed in the consolidated statement of cash flows (as Additions to property, plant and equipment) from cash flow from operating activities.

Explanation of Terms Used

Product Mix. The term “product mix” refers to the mix of types and grade of products sold or the mix of geographic regions where products are sold, and the positive or negative impact this has on the revenue or profitability of the business or segment.

Net Working Capital. The term “net working capital” includes accounts receivable, inventory and accounts payable and accrued liabilities.

Non-GAAP Financial Measures

Total Segment EBIT and Adjusted EBITDA

Our Chief Operating Decision Maker uses segment income (loss) from continuing operations before interest and taxes (which we refer to as segment “EBIT”) to evaluate the operating results of each segment and to allocate resources to the segments. We believe Total segment EBIT, which reflects the sum of EBIT from our 2 reportable segments, provides useful supplemental information for our investors as it is an important indicator of the Company’s operational strength and performance, allows investors to see our results through the eyes of management, and provides context for our discussion of individual business segment performance. Total segment EBIT is a non-GAAP financial measure and should not be considered an alternative for Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies, which is the most directly comparable GAAP financial measure. In calculating Total segment EBIT, we exclude from our income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies: (i) items of expense and income that management does not consider representative of our fundamental on-going segment results, which we refer to as “certain items”, and (ii) items that, because they are not controlled by the business segments and primarily benefit corporate objectives, are not allocated to our business segments, such as interest expense and other corporate costs, which include unallocated corporate overhead expenses such as certain corporate salaries and headquarter expenses, plus costs related to special projects and initiatives, which we refer to as “other unallocated items”. Management believes excluding the items identified as certain items facilitates operating performance comparisons from period to period by eliminating the differences caused by the existence and timing of certain expenses and income items that would not otherwise be apparent on a GAAP basis. Investors should consider the limitations associated with this non-GAAP measure, including the potential lack of comparability of this measure from one company to another. A reconciliation of Total segment EBIT to Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies is below.

<i>Dollars in millions</i>	Q4 FY2022	Q4 FY2021	Fiscal 2022	Fiscal 2021
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 129	\$ 66	\$ 335	\$ 406
Less: Certain items	2	(27)	(183)	(34)
Less: Other Unallocated items	(31)	(23)	(124)	(110)
Total Segment EBIT	\$ 158	\$ 116	\$ 642	\$ 550
Plus: Total Depreciation & Amortization excluding corporate depreciation	35	43	145	160
Plus: Adjustments to Depreciation	-	(2)	-	(1)
Less: Unallocated corporate costs before corporate depreciation	15	14	59	57
Adjusted EBITDA	\$ 178	\$ 143	\$ 728	\$ 652
Net sales and other operating revenues	\$ 1,112	\$ 904	\$ 4,321	\$ 3,409
Adjusted EBITDA Margin	16%	16%	17%	19%

Non-GAAP Financial Measures

Segment EBITDA

Segment EBITDA is comprised of Segment EBIT plus depreciation and amortization. Management believes that Segment EBITDA is useful supplemental information because it provides investors with a view of the cash generated by each of the Company's segments, which is available to fund operating needs such as working capital and capital expenditures as well as the cost of financing the Company's capital needs and returning cash to shareholders.

<i>Dollars in millions</i>	Q4 FY2022	Q4 FY2021	Fiscal 2022	Fiscal 2021
Reinforcement Materials EBIT	\$ 109	\$ 67	\$ 408	\$ 329
Plus: Depreciation and amortization	17	18	70	70
Reinforcement Materials EBITDA	\$ 126	\$ 85	\$ 478	\$ 399
	Q4 FY2022	Q4 FY2021	Fiscal 2022	Fiscal 2021
Performance Chemicals EBIT	\$ 49	\$ 45	\$ 234	\$ 211
Plus: Depreciation and amortization	18	18	72	73
Performance Chemicals EBITDA	\$ 67	\$ 63	\$ 306	\$ 284

Non-GAAP Financial Measures

Free cash flow (FCF) & Discretionary free cash flow (DFCF)

To calculate “Discretionary Free Cash Flow” we deduct sustaining and compliance capital expenditures and changes in Net Working Capital from cash flow from operating activities.

<i>Dollars in millions</i>	Q4 FY2022	Q4 FY2021	Fiscal 2022	Fiscal 2021
Cash flow from operating activities ^(A)	\$ 105	\$ 100	\$ 100	\$ 257
Less: Additions to property, plant and equipment	90	80	211	195
Free cash flow	\$ 15	\$ 20	\$ (111)	\$ 62
Plus: Additions to property, plant and equipment	90	80	211	195
Less: Changes in net working capital ^(B)	(41)	4	(431)	(222)
Less: Sustaining and compliance capital expenditures	54	52	136	126
Discretionary free cash flow	\$ 92	\$ 44	\$ 395	\$ 353

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

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

Non-GAAP Financial Measures

Adjusted EPS

	Fiscal 2022 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ (1.57)	\$ 1.84	\$ 1.69	\$ 1.64	\$ 3.62
Less: Certain items after tax per share	(2.86)	0.15	(0.04)	0.09	(2.66)
Adjusted earnings (loss) per share	\$ 1.29	\$ 1.69	\$ 1.73	\$ 1.55	\$ 6.28
	Fiscal 2021 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 1.06	\$ 1.30	\$ 1.48	\$ 0.50	\$ 4.34
Less: Certain items after tax per share	(0.12)	(0.08)	0.13	(0.61)	(0.68)
Adjusted earnings (loss) per share	\$ 1.18	\$ 1.38	\$ 1.35	\$ 1.11	\$ 5.02

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

Non-GAAP Reconciliations

Adjusted Return on Invested Capital (ROIC)

Return on invested capital ("ROIC") is not a measure of financial performance under GAAP and may not be defined and calculated by other companies in the same manner we calculate ROIC. Further, in calculating "adjusted ROIC" we exclude "certain items", which are items management does not consider representative of the Company's segment results. Management believes adjusted ROIC is useful to investors as a measure of performance and the effectiveness of our use of capital.

Dollars in Millions / Fiscal Year	<u>2022</u>
<u>Numerator - Adjusted net income (loss):</u>	
Net income (loss) attributable to Cabot Corporation	\$ 209
Less: Certain items, net of tax benefit (provision)	(151)
Less: Net income attributable to noncontrolling interests	(34)
Less: Net Interest income and expense, net of tax ^(A)	(33)
Adjusted net income (loss)	427
<u>Denominator - Adjusted invested capital^(B):</u>	
Total Cabot Corporation stockholders' equity	890
Plus: Noncontrolling interests	145
Plus: Total Debt	1,334
Plus: Purification Solutions impairment charges, net of tax	(167)
Less: Cash and cash equivalents	195
Less: Certain items, net of tax ^(C)	(156)
Adjusted invested capital	\$ 2,163
Adjusted return on invested capital	20%

(A) Tax on interest expense and interest income is calculated using the Company's fiscal 2022 actual operating tax rate of 26%.

(B) Each component of adjusted invested capital is calculated by averaging the previous five quarter ending balances.

(C) Four quarter certain items rolling average