



CABOT EARNINGS TELECONFERENCE

Second Quarter - Fiscal 2024



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 2024, including for adjusted EPS, with respect to anticipated earnings growth in our Reinforcement Materials segment and the price and product mix benefits we expect to realize in our calendar 2024 tire customer agreements, as well as for expected volume improvement in the third quarter of fiscal 2024, and for higher plant maintenance and lower energy pricing, and with respect to anticipated earnings growth in our Performance Chemicals segment for fiscal 2024 and expectations for volumes and margins in the third quarter for fiscal 2024, for strong cash flows from operations, with respect to our expected capital expenditures for fiscal 2024 and our expected operating tax rate for fiscal 2024, with respect to our achievement of the growth targets we communicated at our Investor Day in 2021, with respect to growing dividends and our expectations regarding share repurchases, 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, industry capacity utilization, 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 and U.S.-China trade relationship; 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; interest rates, tax rates, currency exchange controls and fluctuations in foreign currency rates, such as the recent currency movements in Argentina. 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, 2023, 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.

Q2 2024 Highlights

- 1** Q2 GAAP EPS of \$1.49; Adjusted EPS¹ of \$1.78
- 2** Reinforcement Materials segment EBIT of \$149 million; up 22% year over year
- 3** Performance Chemicals segment EBIT of \$31 million; up 11% year over year
- 4** Cash Flows from Operations of \$176 million; Returned \$47 million to shareholders
- 5** Increased quarterly dividend by 8% from \$0.40 to \$0.43 per share

1. Non-GAAP measure – See Appendix



Balanced Capital Allocation Framework

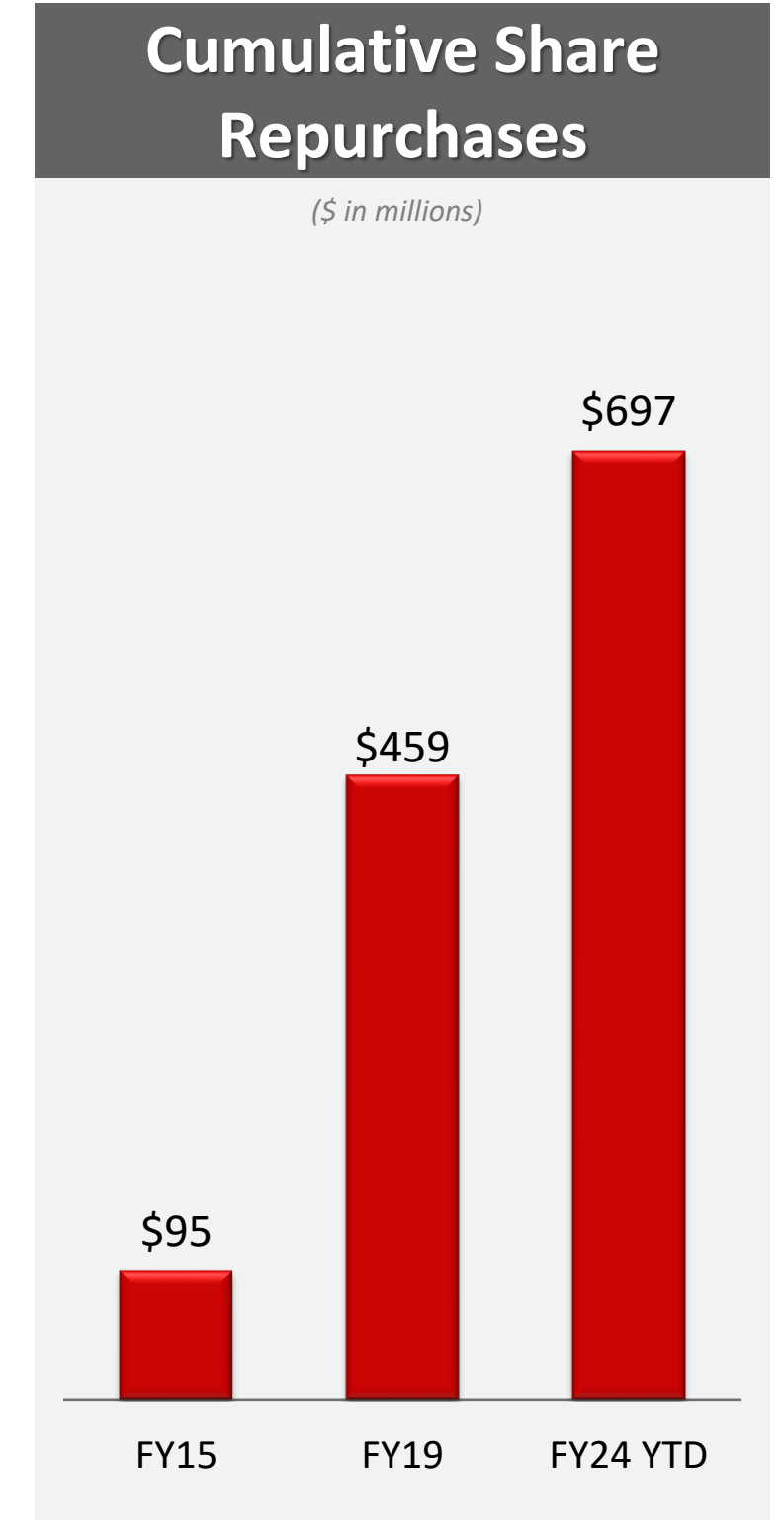
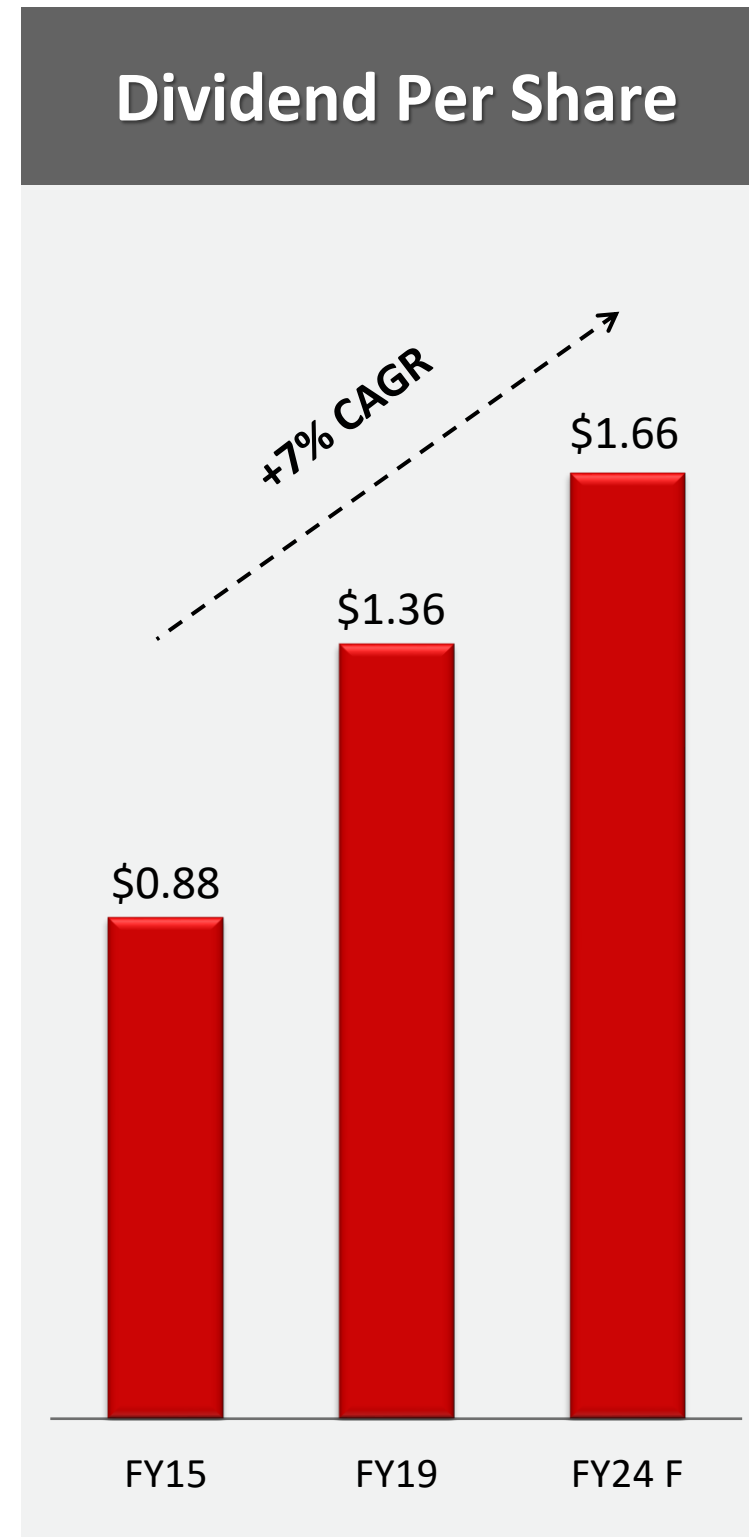
Continue to Return Robust Cash to Shareholders

Strong cash generation to fund high growth investments while returning cash to shareholders

Announced an 8% dividend increase yesterday; remain committed to an industry competitive and growing dividend

YTD share repurchases of \$57 million and cumulative share repurchases of \$697 million since fiscal 2015

Dividends and share repurchases remain a core part of our capital allocation framework

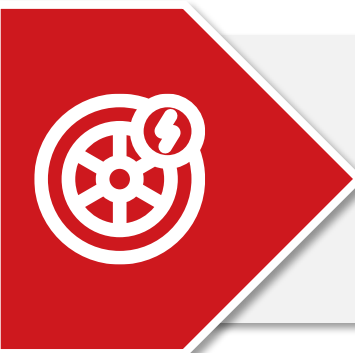




Product Innovation Enables Sustainability



E2C[®] DX9660 won the Tire Technology International 2024 Awards for Innovation and Excellence recognizing advances in tire technology and progress toward a more sustainable industry



Launched PROPEL[®] E8 engineered reinforcing carbon black - promoting better efficiency and increased durability for EV and high-performance tire formulations



Awarded \$5M U.S. Department of Energy research grant to support development of innovative, scalable manufacturing processes for producing carbon catalyst supports for fuel cells

Q2 2024 Financial Highlights



Adjusted EPS¹

\$1.78

Diluted EPS \$1.49

Cash flow from Operations

\$176 million

Discretionary Free Cash Flow¹ of \$128M

Cash

\$206 million

Liquidity

\$1.3 billion

Capex

\$43 million

FY'24 expected to be in the range of \$250M - \$275M

Debt Balance

\$1.2 billion

Net debt to EBITDA¹ 1.3x

Operating Tax Rate¹

28% YTD

FY'24 forecast range of 27% - 29%

Reinforcement Materials Segment

Operating Performance

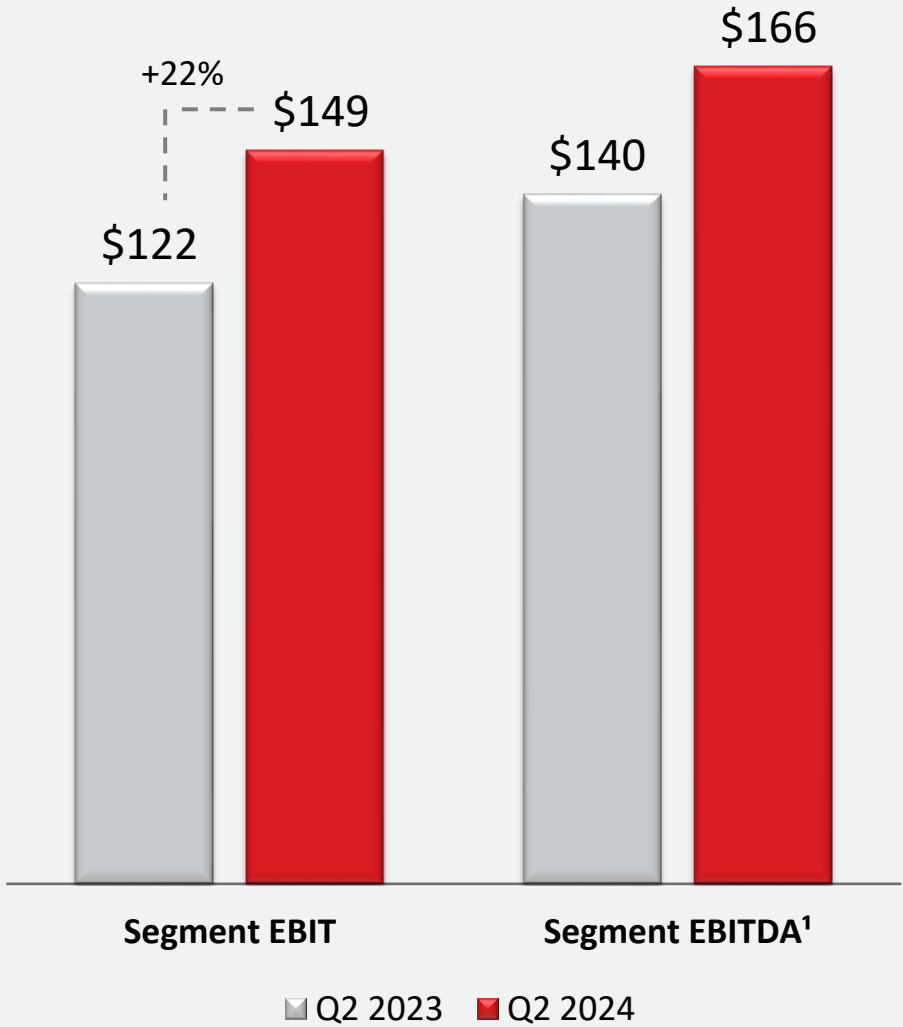
Q2 2024 RESULTS

- ◆ Favorable pricing and product mix from calendar year 2024 customer agreements
- ◆ Global volumes up 6% year-over-year from growth in Asia and Europe



SEGMENT EBIT & EBITDA

(\$ in millions)



Q3 2024 OUTLOOK

- ◆ Expect EBIT in line with Q2 2024
- ◆ Higher plant maintenance costs and lower energy pricing
- ◆ Modest sequential volume improvement expected with higher volumes in the Americas



1. Non-GAAP measure – See Appendix

Performance Chemicals Segment

Operating Performance

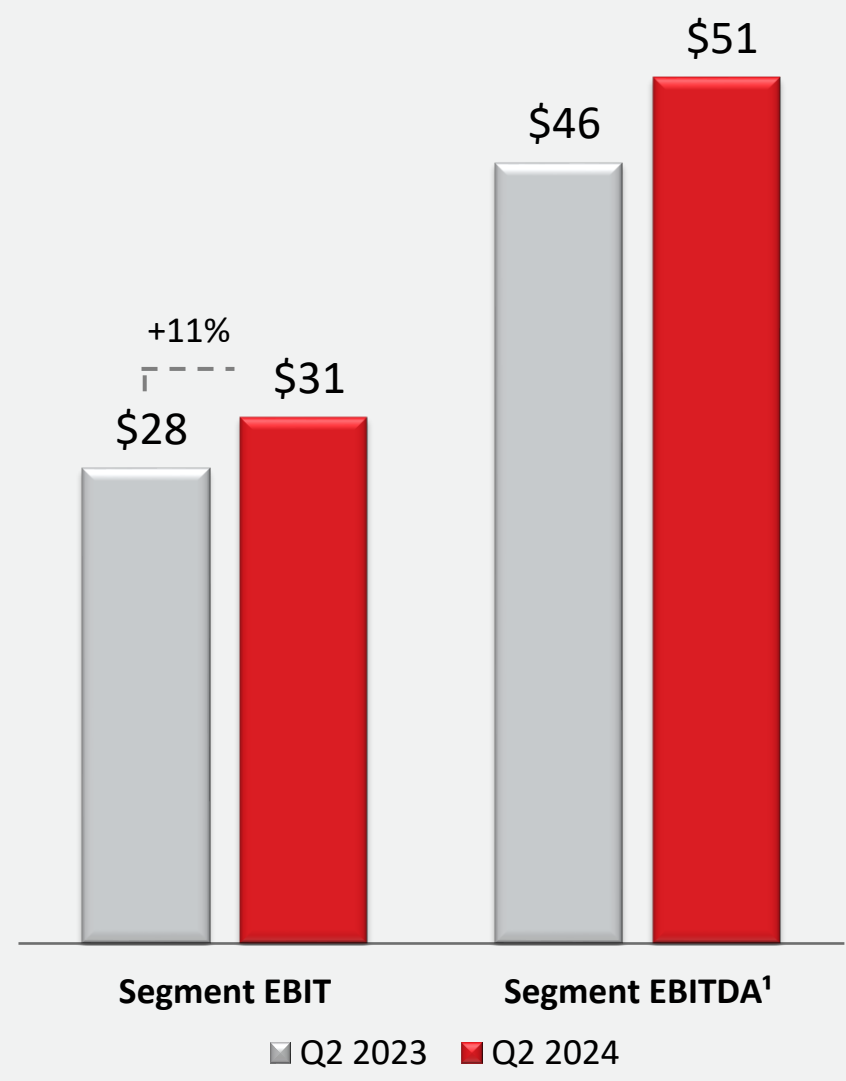
Q2 2024 RESULTS

- ◆ Volumes up 6% driven by specialty carbons and specialty compounds product lines



SEGMENT EBIT & EBITDA

(\$ in millions)



Q3 2024 OUTLOOK

- ◆ Modest volume improvement expected sequentially
- ◆ Margins expected to hold as costs move in line with pricing



1. Non-GAAP measure – See Appendix

2024 Outlook

1

Adjusted EPS¹ guidance increased

\$6.65 to \$6.85 adjusted EPS expected for fiscal 2024; up 25% year-over-year at the midpoint

2

Reinforcement Materials outlook remains strong

Price and product mix benefit from 2024 customer contracts
Modest sequential volume increase expected

3

Performance Chemicals seeing signs of improvement

Modest sequential volume improvement expected in specialty carbons and specialty compounds

4

Operating cash flow outlook remains strong

Supports growth investments and robust level of cash return to shareholders



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, free cash flow, 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 second quarter and fiscal year 2024 earnings release and filed on our Current Report on Form 8-K dated May 6, 2024. 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 we expect our “operating tax rate”, which represents the tax rate on our recurring operating results, to fall within. 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

Adjusted EPS

	Fiscal 2024 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2024
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.88	\$ 1.49	\$ —	\$ —	\$ 2.37
Less: Certain items after tax per share	(0.68)	(0.29)	—	—	(0.96)
Adjusted earnings (loss) per share	\$ 1.56	\$ 1.78	\$ —	\$ —	\$ 3.33
	Fiscal 2023 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.93	\$ 1.29	\$ 1.43	\$ 4.10	\$ 7.73
Less: Certain items after tax per share	(0.05)	(0.04)	0.01	2.45	2.35
Adjusted earnings (loss) per share	\$ 0.98	\$ 1.33	\$ 1.42	\$ 1.65	\$ 5.38
^(A) Per share amounts are calculated after tax.					

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>	Fiscal 2024 Mar. Q	Fiscal 2023 Mar. Q
<u>Reconciliation of Total Segment EBIT, Total Segment EBITDA and Adjusted EBITDA to Net Income and Segment EBITDA Margin</u>		
Net income (loss) attributable to Cabot Corporation	\$ 84	\$ 75
Net income (loss) attributable to noncontrolling interests	13	7
Equity in earnings of affiliated companies, net of tax	(2)	(1)
Provision (benefit) for income taxes	47	29
Income (loss) from operations before income taxes and equity in earnings of affiliated companies	\$ 142	\$ 110
Interest expense	21	23
Certain items	12	2
Unallocated corporate costs	18	16
General unallocated (income) expense	(15)	(2)
Less: Equity in earnings of affiliated companies	(2)	(1)
Total Segment EBIT	\$ 180	\$ 150
Depreciation and amortization excluding corporate depreciation	37	36
Total Segment EBITDA	\$ 217	\$ 186
Less: Unallocated corporate costs before corporate depreciation	18	16
Adjusted EBITDA	\$ 199	\$ 170

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>	Fiscal 2024	Fiscal 2023
	Mar. Q	Mar. Q
Reinforcement Materials EBIT	\$ 149	\$ 122
Reinforcement Materials Depreciation and amortization	17	18
Reinforcement Materials EBITDA	\$ 166	\$ 140

<i>Dollars in millions</i>	Fiscal 2024	Fiscal 2023
	Mar. Q	Mar. Q
Performance Chemicals EBIT	\$ 31	\$ 28
Performance Chemicals Depreciation and amortization	20	18
Performance Chemicals EBITDA	\$ 51	\$ 46

Non-GAAP Financial Measures

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

<i>Dollars in millions</i>	Fiscal 2024				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2024
Reconciliation of Free Cash Flow and Discretionary Free Cash Flow to Cash provided by (used in) operating activities					
Cash provided by (used in) operating activities ^(B)	\$ 105	\$ 176	\$ —	\$ —	\$ 281
Less: Additions to property, plant and equipment	54	43	—	—	97
Free cash flow	\$ 51	\$ 133	\$ —	\$ —	\$ 184
Plus: Additions to property, plant and equipment	54	43	—	—	97
Less: Changes in net working capital ^(C)	(46)	21	—	—	(25)
Less: Sustaining and compliance capital expenditures	33	27	—	—	60
Discretionary free cash flow	\$ 118	\$ 128	\$ —	\$ —	\$ 246

^(B) As provided in the Condensed Consolidated Statements of Cash Flows.

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

Non-GAAP Financial Measures

Operating Tax Rate

TABLE 3: RECONCILIATION OF EFFECTIVE TAX RATE TO OPERATING TAX RATE				
Three months March 31	2024		2023	
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
<i>Dollars in millions (unaudited)</i>				
Effective Tax Rate	\$ (47)	33%	\$ (29)	26%
Less: Non-GAAP tax adjustments ^(A)	(4)		—	
Operating tax rate ^{(C) (D)}	\$ (43)	28%	\$ (29)	25%
Six months ended March 31	2024		2023	
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
<i>Dollars in millions (unaudited)</i>				
Effective Tax Rate	\$ (81)	34%	\$ (49)	25%
Less: Non-GAAP tax adjustments ^(A)	—		1	
Operating tax rate ^{(C) (D)}	\$ (81)	28%	\$ (50)	25%

(A) Non-GAAP tax adjustments are made to arrive at the operating tax provision. It includes the 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.

(B) This table indicates the line items where certain items are recorded in the Consolidated Statements of Operations.

(C) 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.

(D) Our operating tax rate for fiscal 2024 is expected to be in the range of 27% to 29%

(E) Per share amounts are calculated after tax.