

POSITIONED FOR ADVANTAGED GROWTH

MAY 24, 2018



SAFE HARBOR STATEMENT

This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, product and application development, market position, expected financial performance and results, and total shareholder return, how we expect to achieve our growth targets, our expected use of cash, and when we expect our capacity expansions to be completed are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. Forward-looking statements are based on our current expectations, assumptions, estimates and projections about Cabot's businesses and strategies, market trends and conditions, economic conditions and other factors. 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 in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our inability to complete capacity expansions or other development projects; the timing of implementation and the enforcement of environmental regulations; our failure to develop new products or to keep pace with technological developments; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations. These factors are discussed more fully in the reports we file with the Securities and Exchange Commission, particularly our latest annual report on Form 10-K.

Non-GAAP Financial Measures and Explanations of Terms Used

This presentation includes references to the following non-GAAP financial measures: adjusted EPS (earnings per share), adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted EBIT (earnings before interest, taxes), adjusted EBITDA and EBIT margins, adjusted ROIC (return on invested capital), adjusted RONA (return on net assets), DFCF (discretionary free cash flow) and operating tax rate. The definitions of these non-GAAP financial measures, reconciliations to the most comparable GAAP financial measures, and explanations of other terms used are provided in the Appendix to this presentation.

EXPERIENCED, PASSIONATE LEADERSHIP TEAM



Sean Keohane

President & Chief Executive Officer

16+ Years at Cabot



Erica McLaughlin

SVP & Chief Financial Officer

16+ Years



Nick Cross

EVP & President, Performance Chemicals & EMEA Region

9+ Years



Bart Kalkstein

SVP & President, Reinforcement Materials & Americas Region

13+ Years



Patricia Hubbard

SVP & Chief Technology Officer

Joined in 2018



Brian Berube

SVP, General Counsel

23+ Years



Jay Doubman

SVP, Corporate Strategy & Development; President, Specialty Fluids

12+ Years



Art Wood

SVP & Chief Human Resources Officer

1+ Years



Martin O'Neill

SVP, Safety, Health & Environment and Government Affairs

16+ Years



Friedrich Von Gottenberg

SVP & President, Purification Solutions

21+ Years



Jeff Zhu

SVP & President, Asia Pacific Region

6+ Years

AGENDA

Welcome, Safe Harbor and Introduction

Steve Delahunt, VP, Investor Relations & Treasurer

Cabot Business and Strategy

Sean Keohane, President & CEO

Technology

Patricia Hubbard, SVP & CTO

Reinforcement Materials

Bart Kalkstein, SVP & President, Reinforcement Materials & Americas Region

Break

Performance Chemicals

Nick Cross, EVP & President, Performance Chemicals & EMEA Region

Performance Chemicals | Energy Materials

Jim Makuc, VP and General Manager, Energy Materials

Financial Framework and Capital Allocation Strategy

Erica McLaughlin, SVP & CFO

Closing Remarks and Q&A

Sean Keohane, President & CEO

Executive Luncheon



CABOT BUSINESS AND STRATEGY

SEAN KEOHANE
PRESIDENT & CEO



KEY MESSAGES

1

Extending Leadership Position

Cabot is a specialty chemicals company with leading market positions and global footprint

2

Navigated Value Chain Disruption

Fundamental shifts occurred in our key value chains; Cabot is advantaged and positioned to grow

3

Delivering on Commitments

Management team committed to meet or exceed long-term strategic goals

4

Advantaged Growth Investments

Drive growth through application innovation and smart capacity additions in our core businesses

5

Executing Disciplined Capital Allocation Strategy

Strong balance sheet management and returning cash to shareholders

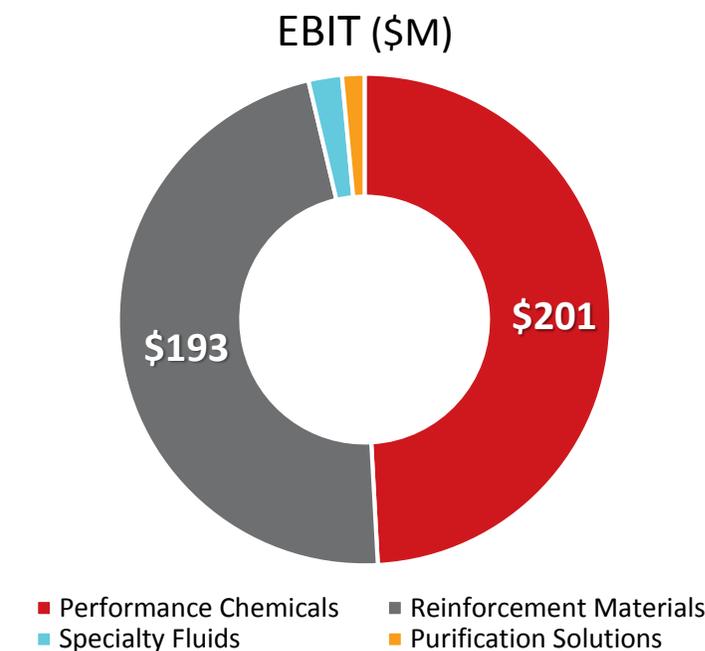
CABOT AT A GLANCE¹

FOUNDED	MARKET CAP ²	HEADQUARTERS	EMPLOYEES	PLANT LOCATIONS	DIVIDEND HISTORY
1882	~\$3.8B	BOSTON, MA	~4,500	45	50 YEARS

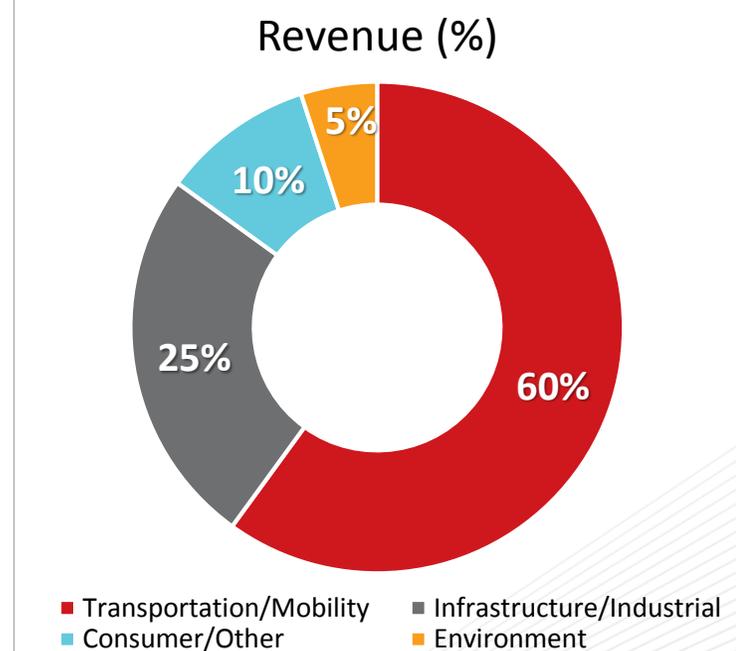
FY'17 FINANCIAL HIGHLIGHTS

\$2.7B Revenue	\$241M Net Income	19% Adj. EBITDA Margin ³
#1 or #2 Business Positions	~80% Revenue Outside U.S.	13% Adj. ROIC ³

BUSINESS SEGMENTS



END MARKET SECTORS



1. Data as of year ended September 30, 2017

2. Market cap as of May 15, 2018

3. Non-GAAP measure – See Appendix

SUCCESSFUL EXECUTION OF OUR ADVANCING THE CORE STRATEGY SINCE 2016 INVESTOR DAY

GOALS AND FINANCIAL FRAMEWORK

- ✓ Capture global GDP growth
- ✓ Invest for growth in our core businesses
- ✓ 7-10% adjusted EPS¹ CAGR over time
- ✓ Deliver strong cash flow generation
- ✓ Return 50% of discretionary free cash flow¹
- ✓ Sustained and attractive TSR

SUCCESSFUL EXECUTION IN 2017



Delivering on Our Commitments to Shareholders

1. Non-GAAP measure – See Appendix; does not reflect the retrospective impact of “last-in, first-out” inventory recast effective October 1, 2017

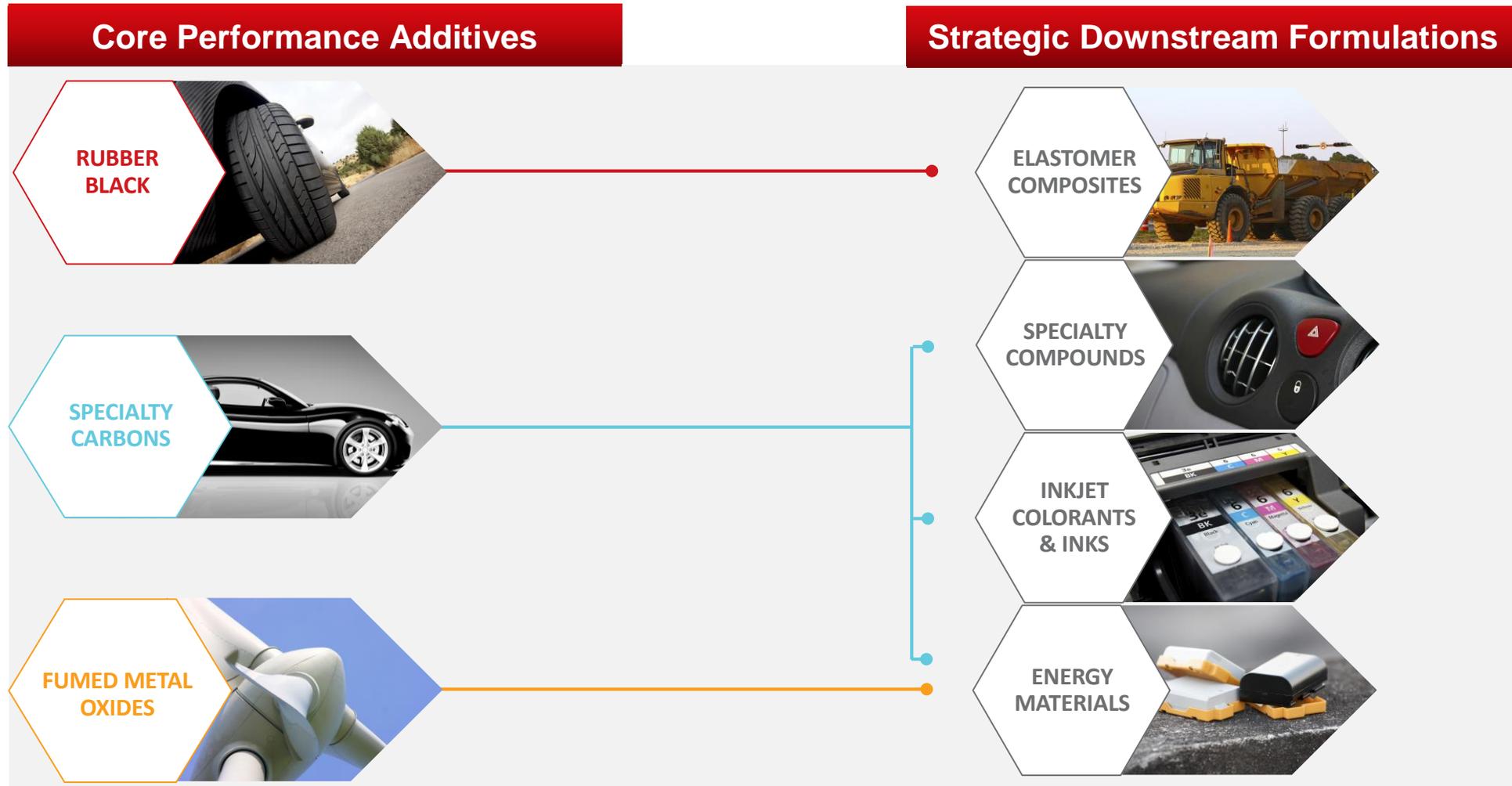
SEGMENT OVERVIEW

96% of FY'17 EBIT

REINFORCEMENT MATERIALS	PERFORMANCE CHEMICALS	PURIFICATION SOLUTIONS	SPECIALTY FLUIDS
Rubber Black; Elastomer Composites	Specialty Carbons and Formulations; Metal Oxides	Activated Carbon	Cesium Formate Brines; Fine Cesium Chemicals
EBIT: \$193M	\$201M	\$6M	\$9M
EBITDA MARGIN ¹ : 19%	27%	16%	27%
<ul style="list-style-type: none"> ◆ #1 Rubber black ◆ Unmatched global footprint with 20 manufacturing facilities worldwide 	<ul style="list-style-type: none"> ◆ #1 Black masterbatch ◆ #2 Specialty carbons ◆ #2 Fumed metal oxides ◆ Attractive, diverse set of applications 	<ul style="list-style-type: none"> ◆ Global footprint: 9 manufacturing facilities ◆ Widest range of applications 	<ul style="list-style-type: none"> ◆ #1 Cesium formate drilling and completion fluids ◆ High-margin, niche products
			

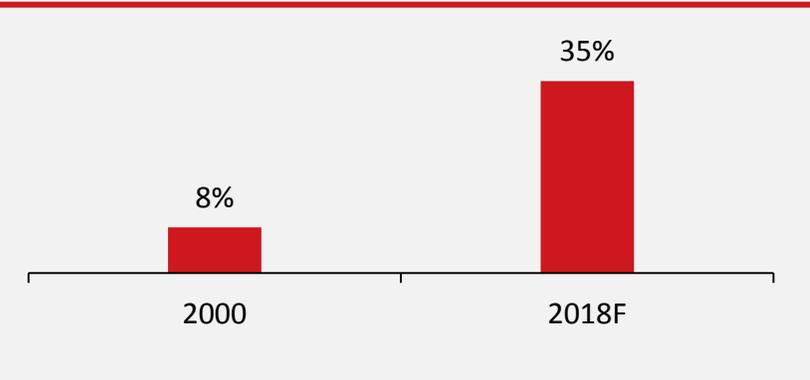
1. Non-GAAP measure – See Appendix
CABOT CORPORATION

BROAD PORTFOLIO OF SOLUTIONS THAT ENABLE APPLICATION INNOVATION



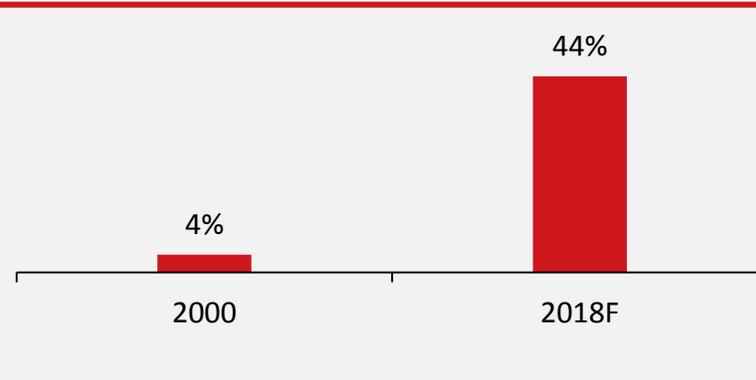
DRAMATIC CHANGES IN CABOT'S GLOBAL VALUE CHAINS

China Share of Global Tire Production¹



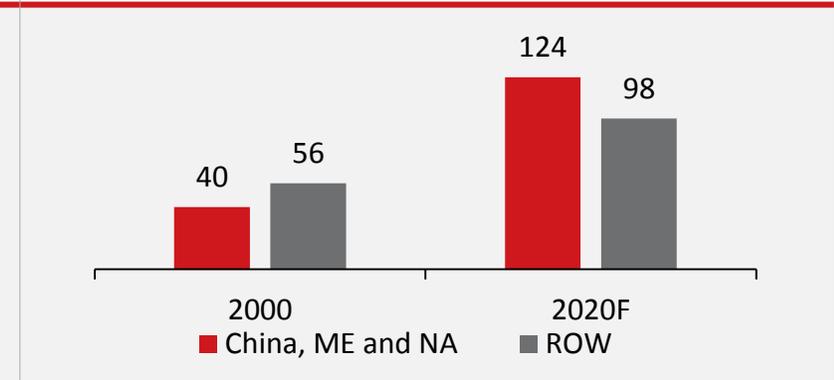
- ◆ China emerged as #1 tire manufacturer
- ◆ Realignment of global carbon black value chain

China Share of Global Silicones Production²



- ◆ Greater than 40% of global silicones production now in China
- ◆ Fumed silica has realized similar rapid growth in China

Global Polyolefins Capacity³ (Millions of Tons)



- ◆ Majority of polyolefins growth coming from China, Middle East and North America
- ◆ Low-cost plastics driving downstream regional compounding and converting

Successfully Navigated Changing Landscape to Position Key Businesses for Growth and Leadership

1. LMC World Tyre Forecast Service
 2. IHS and Cabot estimates
 3. GPCA and Cabot estimates
 CABOT CORPORATION

BEST POSITIONED TO MEET GLOBAL DEMAND

Reinforcement Materials

- ◆ Repositioned capacity to capture tire customers' production shift to Asia
- ◆ Adapted business and emerged as winner in new market dynamic
- ◆ Improved profitability and returns through more efficient assets



Fumed Metal Oxides (FMO)

- ◆ Built #1 position in China and invested in new capacity to extend leadership
- ◆ Expanded strategic partnerships to further enhance leadership in China
- ◆ Strengthened existing partnerships in U.S. and EMEA with continued advantaged investments



Specialty Carbons and Compounds

- ◆ Established industry's first specialty carbons production in China
- ◆ Developed unique strategic synergy of upstream and downstream link
- ◆ Repositioned global assets to win in China and Middle East
- ◆ Deployed best-in-class technology to maximize profitability and returns



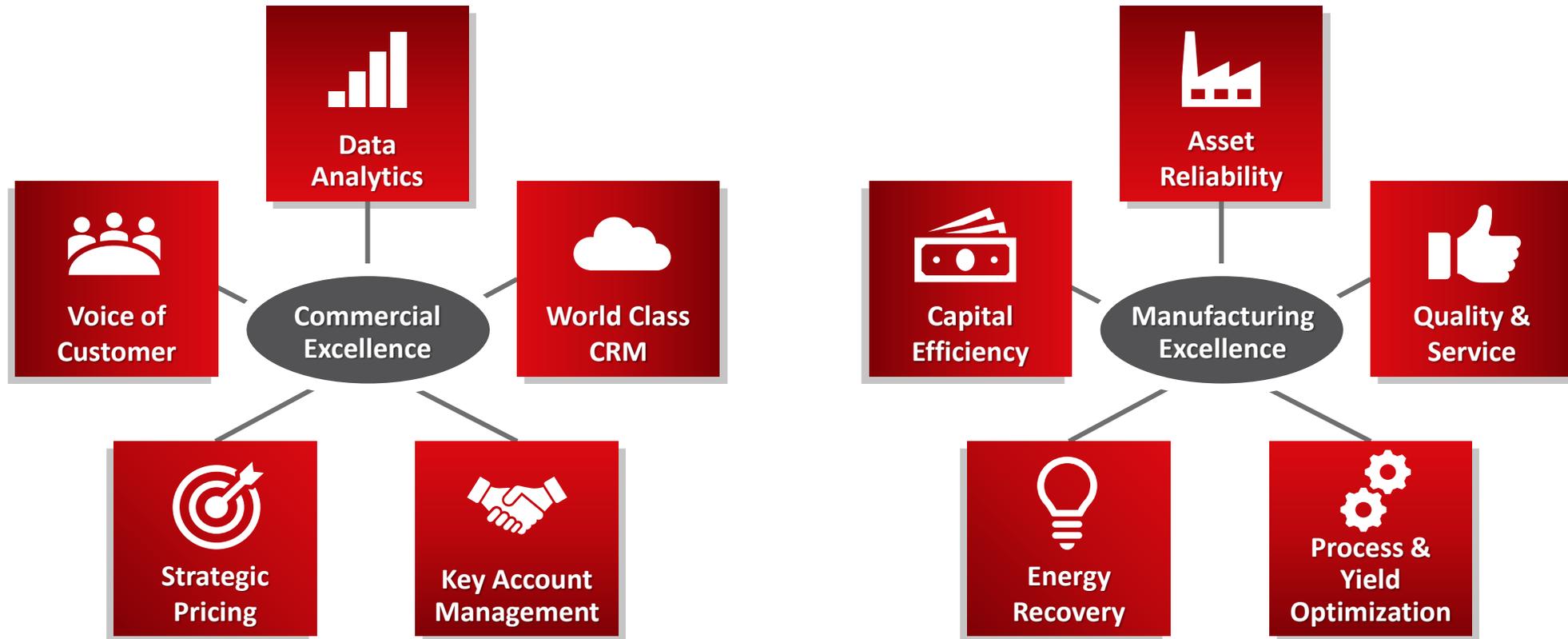
Our Strategic Investments Have Built a Durable and Advantaged Position

OUR VISION

**We will be the most innovative, respected and responsible leader in our markets –
delivering performance that makes a difference.**



OUR OPERATING PLATFORM



SH&E¹ Excellence ◆ **Talent Management** ◆ **Culture of Continuous Improvement**

A STRONG CULTURE OF SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Drives competitive advantage in operations and enables expansion

- ◆ Setting the standard for outstanding performance in sustainability
 - First chemical company in China to be certified in accordance with the RC 14001
 - Achieved gold rating for sustainability from EcoVadis for the 2nd consecutive year
- ◆ Enabling a differentiated level of reliability and security of supply for customers
- ◆ Intense focus on maximizing value of waste streams to promote a circular economy
- ◆ Developing innovative products to bring resource conservation benefits in customer applications



Further Enhances Cabot's Market Leadership Position

LEVERAGING OUR SUSTAINABLE COMPETITIVE ADVANTAGES

Global Leadership	<ul style="list-style-type: none">◆ Geographic footprint is a differentiator◆ Global perspective with local expertise; management teams understand unique market needs◆ Unparalleled flexibility through global manufacturing network and resources
Technical Expertise	<ul style="list-style-type: none">◆ Long history of innovation and strong brands positioned well in favorable end market applications◆ Specialized particle and formulation expertise enables ability to meet complex customer application requirements
Deep Customer and Partner Relationships	<ul style="list-style-type: none">◆ Long-term partnerships with key industry leaders◆ Global and local industry insights with support structures in place to drive customer success
Operational Excellence	<ul style="list-style-type: none">◆ Leverage innovation and best practices across network to drive scale benefits◆ Drive efficiency through asset reliability, yield and resource conservation

LEVERAGING STRONG FOUNDATION TO CAPITALIZE ON FAVORABLE MACRO TRENDS



MOBILITY



MIDDLE CLASS GROWTH



GLOBAL DEVELOPMENT



SUSTAINABILITY

<p>Reinforcement Materials</p>	<p>Growth in global miles driven</p>	<p>Higher demand for new cars</p>	<p>Truck and off-the-road (OTR) tire growth in emerging markets</p>	<p>Tire development to drive fuel efficiency</p>
<p>Performance Chemicals</p>	<p>Light weighting of vehicles Automotive electrification</p>	<p>Increased demand for consumer goods Digitization</p>	<p>Construction and infrastructure development</p>	<p>Alternative energy sources Resource conservation</p>

Well Positioned with Our Products and Solutions to Address Favorable Macro Trends

ADVANCING THE CORE TO EXTEND OUR LEADERSHIP

**Investing for Growth in
Core Businesses**

**Driving Application
Innovation with
Customers**

**Generating Strong Cash
Flows Through Efficiency
and Optimization**

INVESTING FOR GROWTH IN CORE BUSINESSES

STRATEGIC GOALS

- ◆ Capture market growth
- ◆ Enhance portfolio with new, differentiated products
- ◆ Strengthen positions through bolt-on acquisitions

ACCOMPLISHMENTS

- ◆ Reinforcement Materials and Performance Chemicals growth in-line or better than market rates
- ◆ Fumed silica investments
 - JV with HYC¹ in Wuhai, China
 - Partnership with Dow in Carrollton, KY
- ◆ Bolt-on acquisition of Tech Blend to extend leadership in black masterbatch and compounds

OPPORTUNITIES

- ◆ Invest in capacity
 - Debottlenecks at existing facilities
 - Brownfield investments in Asia region
 - Inorganic opportunities to drive scale
- ◆ Upgrade mix through new products
- ◆ Grow volumes at or above market
- ◆ Leverage the compelling value proposition of global reach, reliability and industry leading sustainability

DRIVING APPLICATION INNOVATION WITH CUSTOMERS

STRATEGIC GOALS

- ◆ Focus on attractive applications
- ◆ Invest to develop application and formulation solutions
- ◆ Create maximum value in the supply chain
- ◆ Foster long-lasting, multi-layered customer relationships

ACCOMPLISHMENTS

- ◆ Launched the Asia Technology Center to enhance application development capabilities in the region
- ◆ Customer program wins drove ~3x increase in energy materials sales since 2015
- ◆ Leveraged innovative new formulations to drive profitability growth of 73% in specialty compounds since 2015

OPPORTUNITIES

- ◆ Specially formulated elastomer composites that deliver advanced performance in tire and industrial product applications
- ◆ Advanced carbon solutions to improve performance in tires, plastics and energy materials
- ◆ Conductive additives: lithium-ion battery products and formulated dispersions

GENERATING STRONG CASH FLOWS THROUGH EFFICIENCY AND OPTIMIZATION

STRATEGIC GOALS	ACCOMPLISHMENTS	OPPORTUNITIES
<ul style="list-style-type: none">◆ Deliver world-class operational effectiveness◆ Drive capital efficiency◆ Manage working capital rigorously◆ Lead in cost competitiveness	<ul style="list-style-type: none">◆ Enhanced supply chain flexibility and global sourcing optimization◆ Continuing to improve our industry-leading manufacturing yields and energy capture◆ Improved profit per ton in Reinforcement Materials◆ Reduced net working capital by 11 days over the last three years	<ul style="list-style-type: none">◆ Capital-efficient debottlenecks for increased capacity◆ Stretch installed capacity by increasing throughput rates and optimizing unit loading across the global network◆ Yield and energy efficiency investments to continue to reduce costs◆ Increase usage of recycled materials

OUTLOOK

1

Consistent financial framework

2

Advantaged growth investments

3

Return 50% of discretionary free cash flow¹ to shareholders

4

Expect to outperform in the near- to medium-term

2019-2021 Outlook

- ◆ **Supportive market environment and positive macro trends**
- ◆ **Volume growth of 4-5% with capacity additions**
- ◆ **DFCF¹ growing from ~\$250M/yr to \$300M-\$400M/yr while continuing to return 50% to shareholders**
- ◆ **Expect adj. EPS¹ performance >10% CAGR in near- to medium-term**

Well Positioned to Deliver Attractive Financial Performance



TECHNOLOGY

PATRICIA HUBBARD
SVP & CTO



TECHNOLOGY KEY MESSAGES

1

Innovating New Products and Processes

Supporting all elements of the 'Advancing the Core' strategy

2

Expanding Applications Expertise

Capturing greater value by focusing on voice of customer

3

Investing in High Growth Areas in the Right Spaces

Focusing where we have the right-to-win and a supportive macro environment

4

Driving Cross-functional Portfolio Management

Ensuring accountability for results

ADVANCING THE CORE THROUGH INNOVATION

Investing for Growth in Core Businesses

Driving Application Innovation with Customers

Generating Strong Cash Flows Through Efficiency and Optimization

Develop differentiated, new products for our core markets

Build application expertise to enable new particles and formulations to address unmet needs

PRODUCT

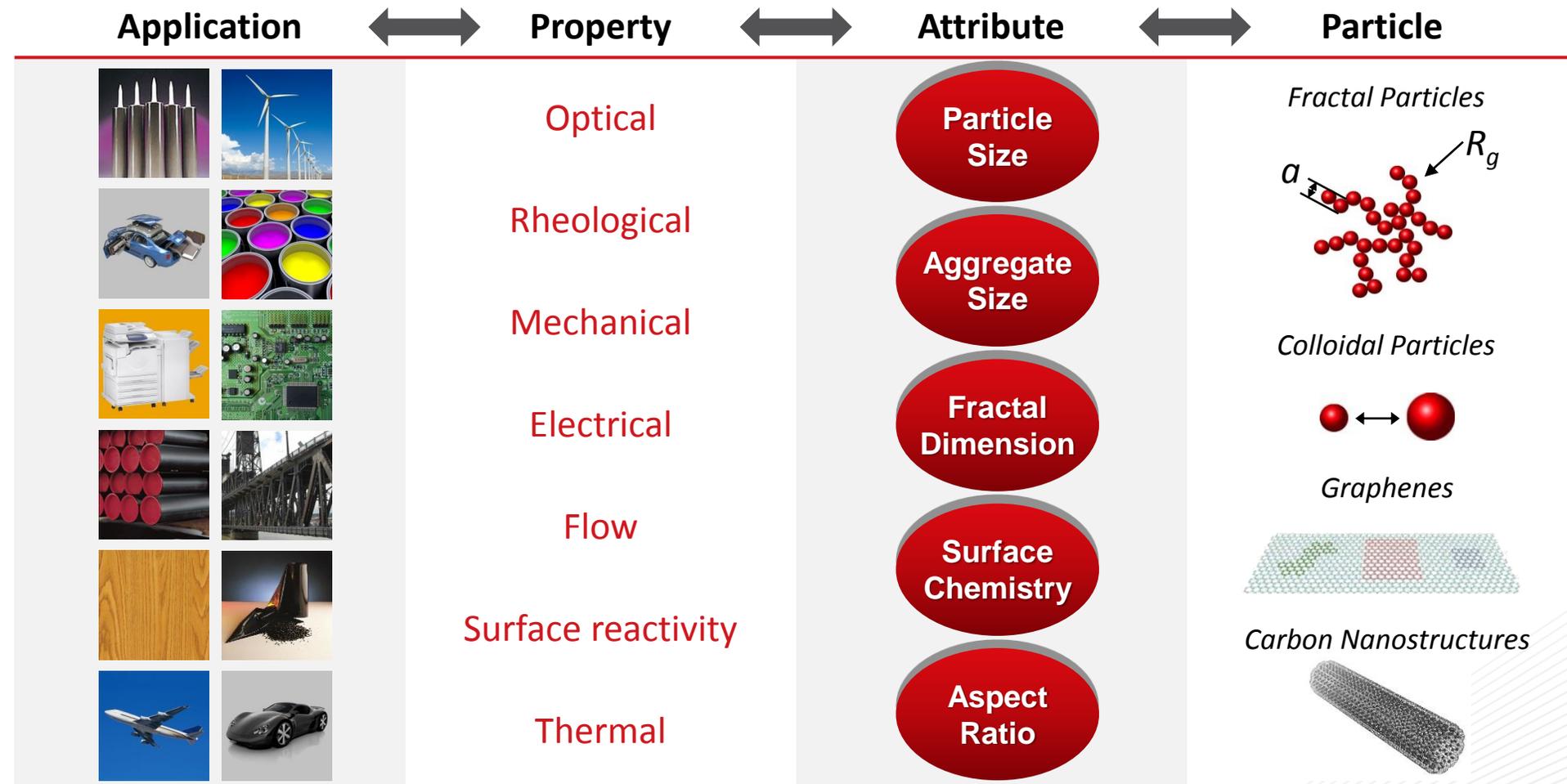
Extend our capability in dispersions, formulations and compounds

Develop process technology to enable lower cost through rate and yield improvements

PROCESS

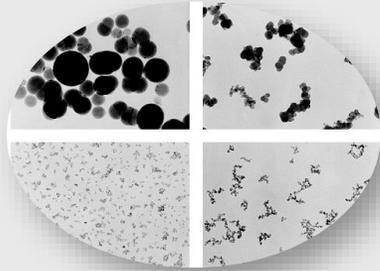
APPLICATION-CENTRIC APPROACH

- ◆ Beginning with application to identify unmet needs through voice of customer
- ◆ Controlling performance using both the particle and its interaction with formulation ingredients and processes
- ◆ Optimizing particles to meet application and formulation requirements



APPLICATIONS INNOVATION SPECTRUM

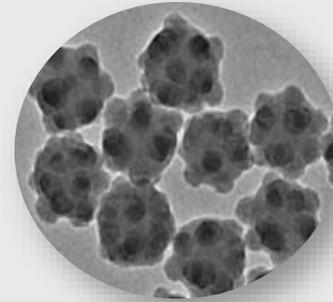
Performance Additives



Performance additives designed based on deep understanding of performance in formulated solutions

- ◆ Engineered carbon black structures for deep black color applications
- ◆ Treated silica for toughening epoxy adhesives

Strategic Downstream Formulations



Semi-finished materials to enable efficient and effective use by customers

- ◆ Colloidal composite for toner charge control
- ◆ Elastomer composites to drive better durability and lower heat build-up in tires and industrial products



Formulated products for end user customers

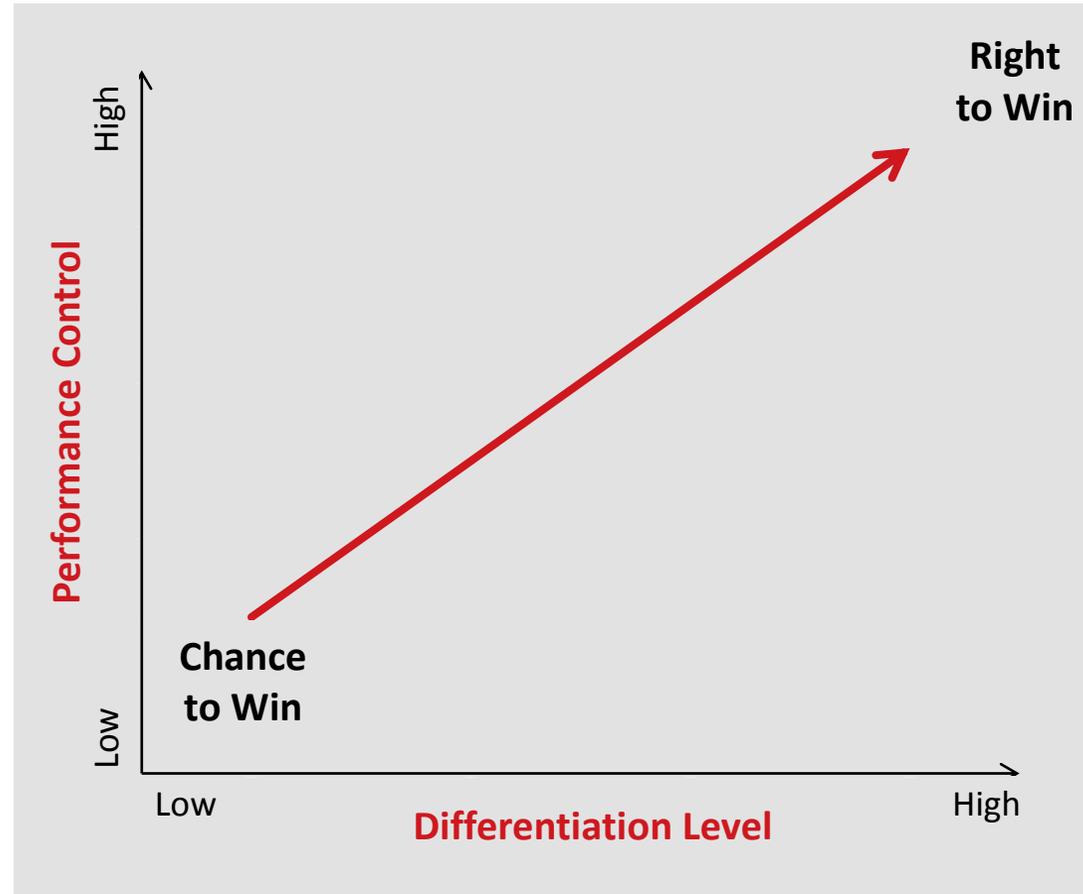
- ◆ Conductive compounds to provide electrostatic discharge in automotive and electronics applications
- ◆ Inkjet formulations for digital printing

Applications Expertise to Drive Performance from Performance Additives to Formulation

OUR RIGHT-TO-WIN FRAMEWORK

Cabot control point from:

- ◆ Formulation control
- ◆ Deep understanding of application
- ◆ Control of end performance
- ◆ Delivery of various forms
 - Examples: formulated compound, intermediate or particle



Differentiation from multiple sources:

- ◆ Technology
- ◆ Market position, scale and scope
- ◆ Brand and reputation
- ◆ Intellectual property

Technology Focused on Areas Where We Control Performance and Are Highly Differentiated

MACRO TREND: MOBILITY

Example: Cabot Opportunities for Conductive Materials in Mobility



VEHICLE ELECTRIFICATION

FUEL EFFICIENCY



LIGHTWEIGHTING



LOW ROLLING RESISTANCE

CONNECTIVITY



AUTONOMOUS DRIVING

CHALLENGE

Increased energy density required for longer drive time between charging

New materials lack inherent metal conductivity

Silica based rubber builds up charge, impacting car operation

Complex sensors and computers require EMI¹ shielding to enable error free operation

CABOT OPPORTUNITY

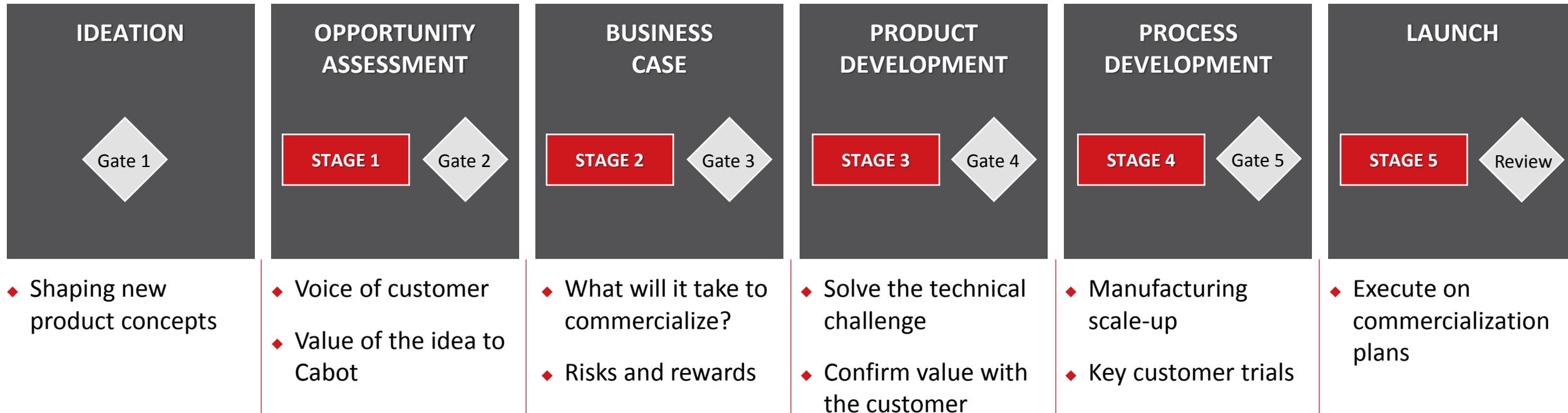
Conductive carbon provides long range conductivity that increases capacity

Conductive compounds manage local charge build-up

Conductive compounds dissipate charge while maintaining tire strength

Advanced conductivity carbons based EMI shielding lightweight composite materials

NEW PRODUCT INNOVATION PROCESS



KEY PERFORMANCE INDICATORS

- ✓ Conversion to Projects
- ✓ Timeline Milestones
- ✓ Portfolio Value
- ✓ Vitality Index
- ✓ Variable Margin from New Products
- ✓ Return on Development

CASE STUDY: STRUCTURAL BONDING OF VEHICLE GLASS



**Understand
market**



**Understand
application**



**Product
Development**

Customer Need:

- ◆ 1K urethane driven by production speed and complexity at OEM
- ◆ Eliminate plasticizers due to environmental concerns
- ◆ Lower cost in use while meeting performance demands

Cabot Approach:

- ◆ Stage gate to understand underlying trend and opportunity
- ◆ Collaborated with customer to understand performance challenge and formulation approach
- ◆ Optimization of carbon black particle surface energy, structure and size to fit preferred formulation approach

RESULT

- ✓ Balance of flow, stability and strength achieved within cost in use targets
- ✓ Eliminated environmental concerns



TECHNOLOGY KEY TAKEAWAYS





REINFORCEMENT MATERIALS

BART KALKSTEIN

SVP & PRESIDENT, REINFORCEMENT MATERIALS & AMERICAS REGION



REINFORCEMENT MATERIALS KEY MESSAGES

1

Global Assets Well Positioned

Right assets in the right places with positive macro trends

2

Improving Mix and Value of Business

Tightening industry utilizations and limited supply-side expansions announced

3

Making Selective and Advantaged Investments

Expanding capacity to serve growing demand

4

Extending Our #1 Leadership Position

Capacity increases, technical innovations, efficiency improvements and bolt-on M&A

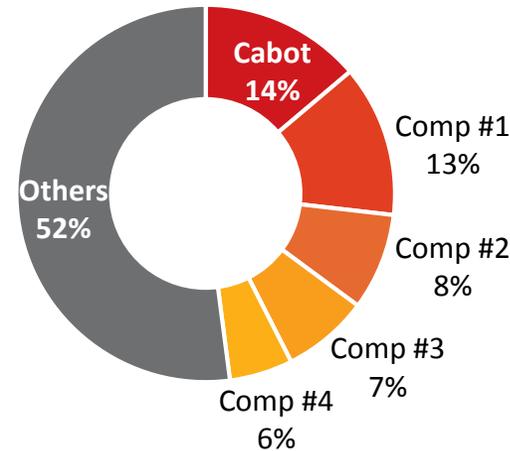
REINFORCEMENT MATERIALS AT A GLANCE

INDUSTRY ENVIRONMENT

- ◆ Rubber black demand growth of 2-3% CAGR globally, with the strongest growth rates in Asia at 4-5% annually¹
- ◆ Limited supply-side capacity expansions announced
- ◆ Stricter environmental enforcement in China resulting in closure of capacity and limiting new expansions
- ◆ Tightening industry utilizations globally

COMPETITIVE LANDSCAPE¹

Cabot is the Industry Leader
(Capacity kMT)



COMPETITIVE ADVANTAGES

- ◆ Global footprint allows us to serve multinational companies and help regional customers expand
- ◆ Technology platform enables broad range of products to meet customer needs
- ◆ Energy investments have enhanced margins
- ◆ Advanced environmental investments support secure supply

KEY APPLICATIONS

TIRES



AUTO WEATHER-STRIPPING



BELTS, HOSES, SEALS

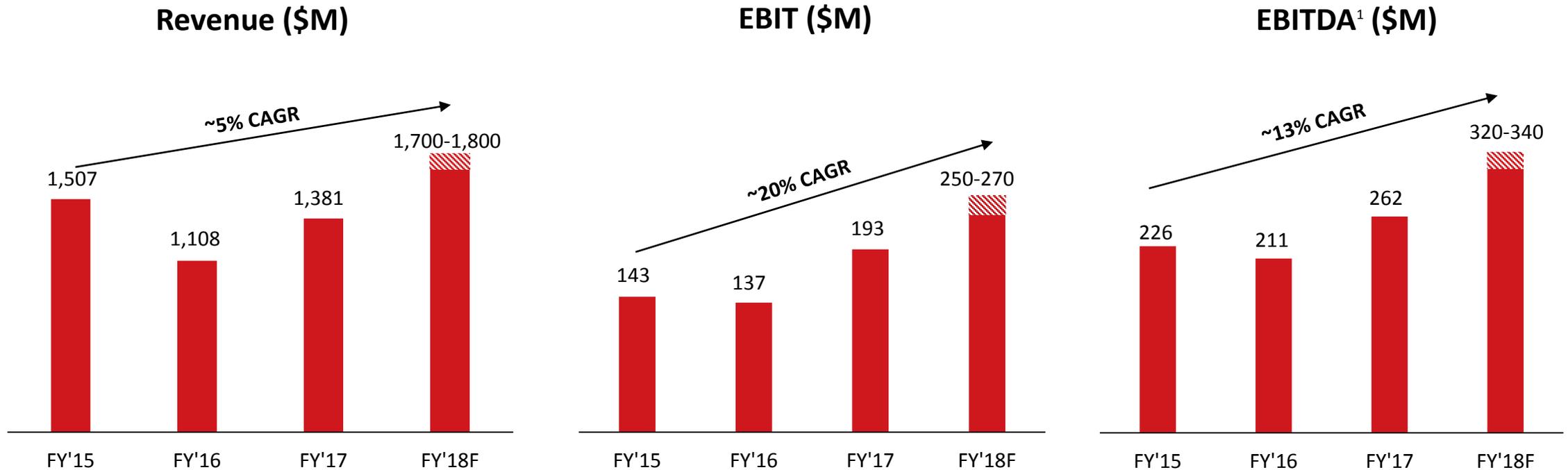


CONSUMER PRODUCTS



1. Source: Notch Carbon Black World Data Book; Cabot estimates

REINFORCEMENT MATERIALS FINANCIAL TRENDS

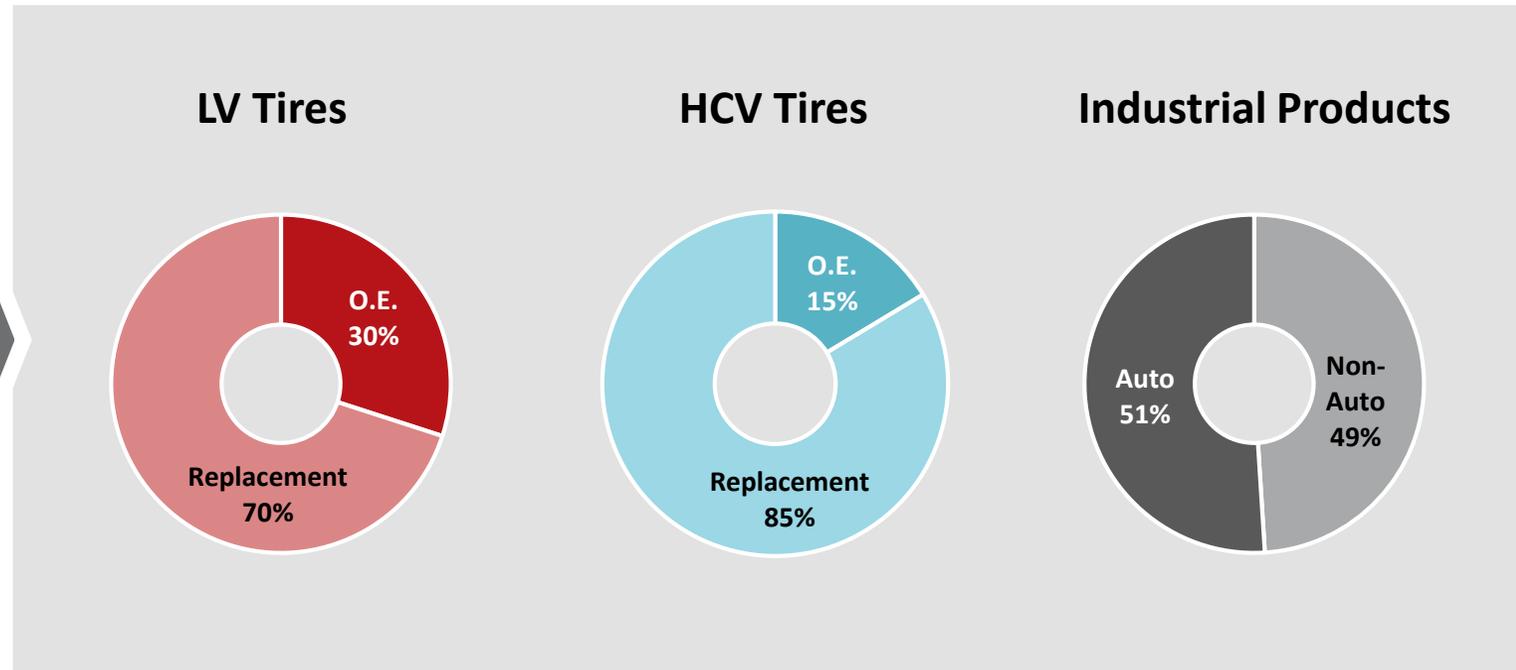
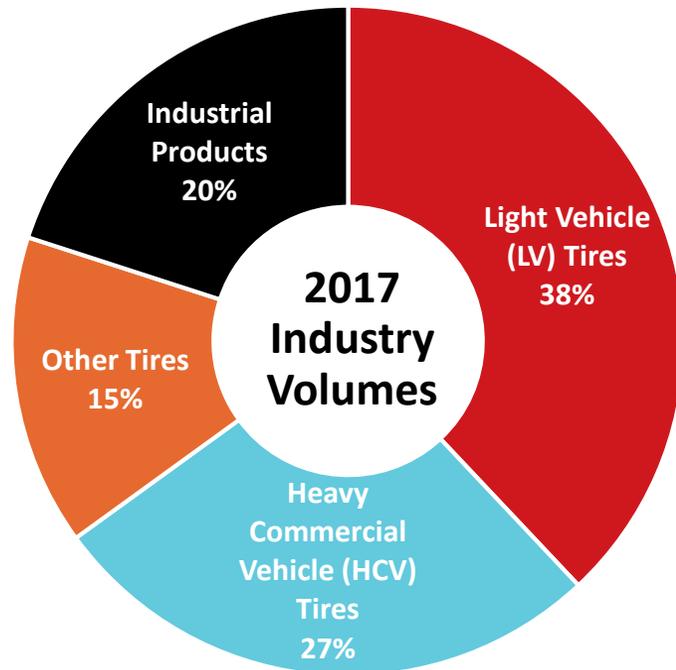


Significantly Improved Financial Performance

1. Non-GAAP measure – See Appendix

REINFORCEMENT MATERIALS APPLICATIONS LANDSCAPE

Rubber Black Segments¹



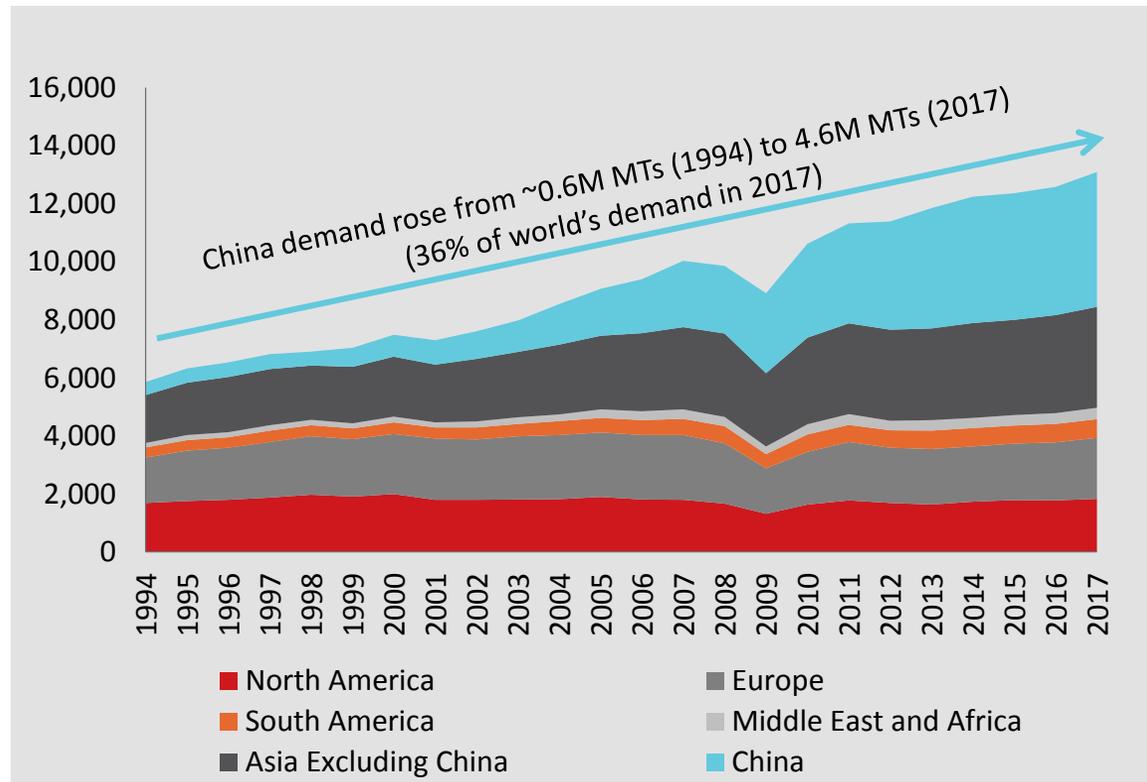
Replacement Segment Key Driver for Tire Applications; New Auto Builds Primary Driver for Industrial Products

1. Source: LMC World Tyre Forecast Service; Cabot estimates

CARBON BLACK DEMAND AND PRODUCTION: A LOOK BACK AT THE MIGRATION TO CHINA

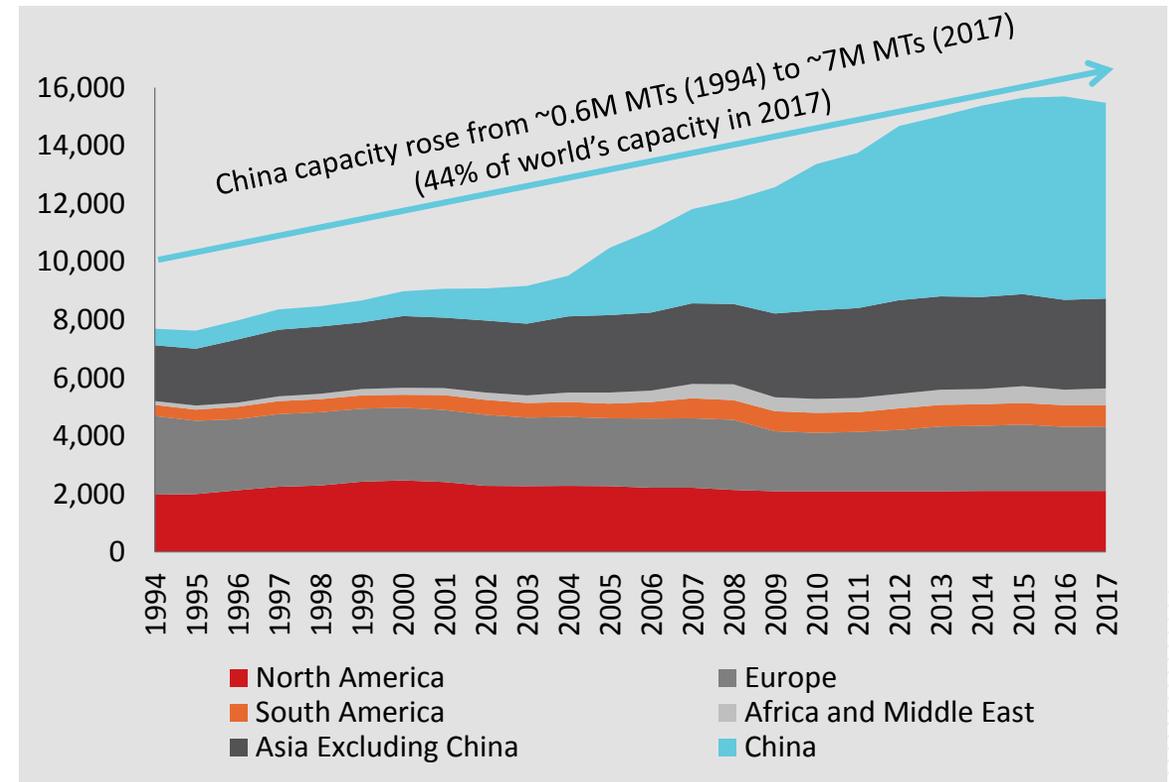
Carbon Black Demand¹

- ◆ Demand grew in China driven by increases in automotive and tire production in the country



Carbon Black Capacity¹

- ◆ Capacity grew substantially in China driven by favorable feedstock economics, demand growth and limited environmental enforcement



1. Source: Notch Carbon Black World Data Book

CABOT RECOGNIZED THE MIGRATION TREND EARLY AND RESPONDED PROACTIVELY

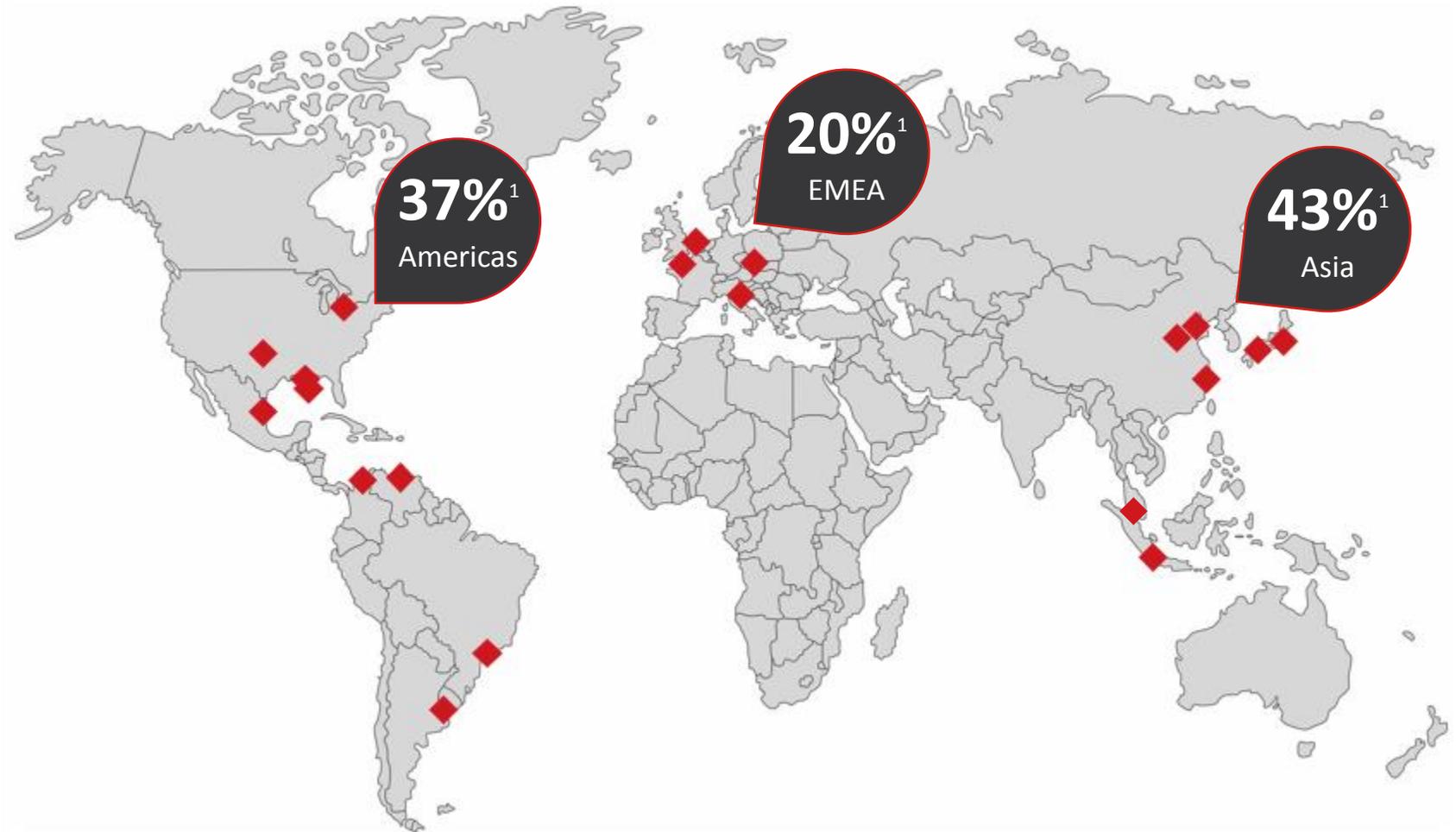
- ◆ Cabot repositioned assets in developing regions expanding in places such as China, Brazil and Mexico and closing sub-scale assets
- ◆ Cabot recognized and followed this trend in China; today has over 550,000 MTs of carbon black capacity in China

Capacity Additions



ATTRACTIVE NETWORK OF GLOBAL ASSETS

- ◆ 20 plants globally
- ◆ Aligned with customers and world carbon black growth
- ◆ Significant economies of scale; superior cost competitiveness



The Right Assets in the Right Places

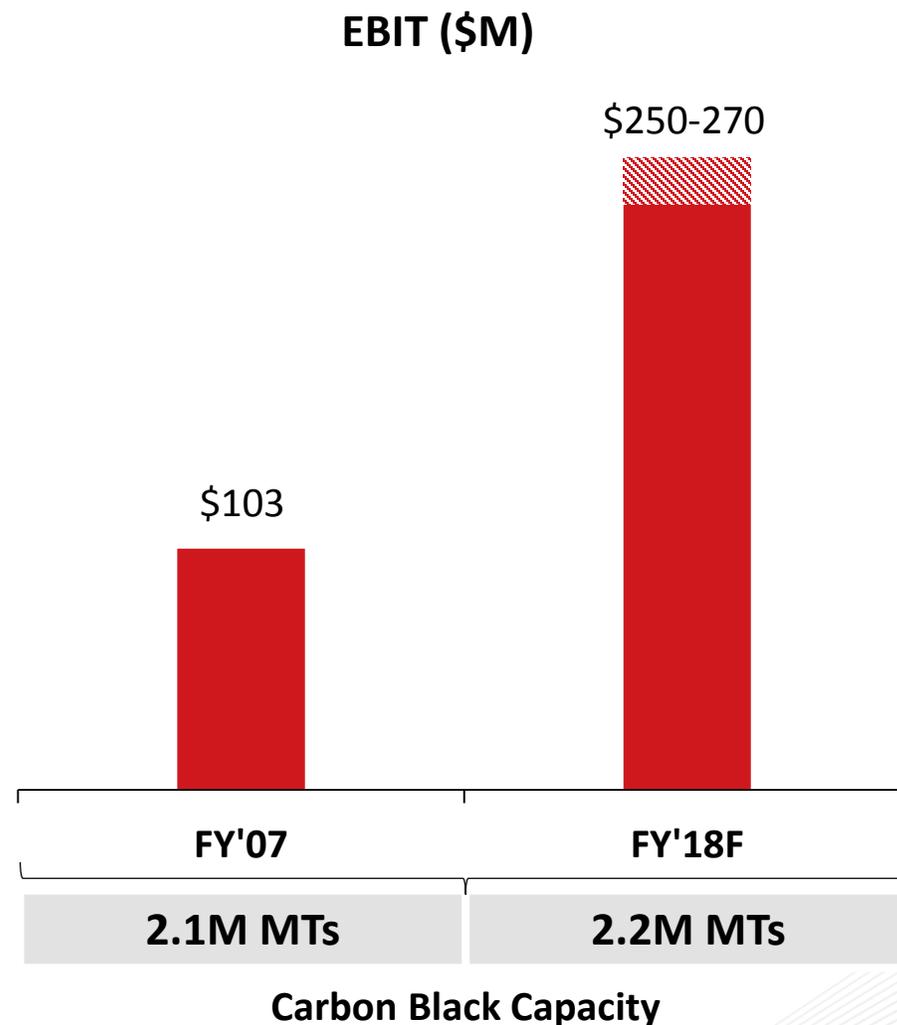
STRUCTURAL IMPROVEMENTS HAVE RESULTED IN A STRONGER BUSINESS

EBIT improvement driven by:

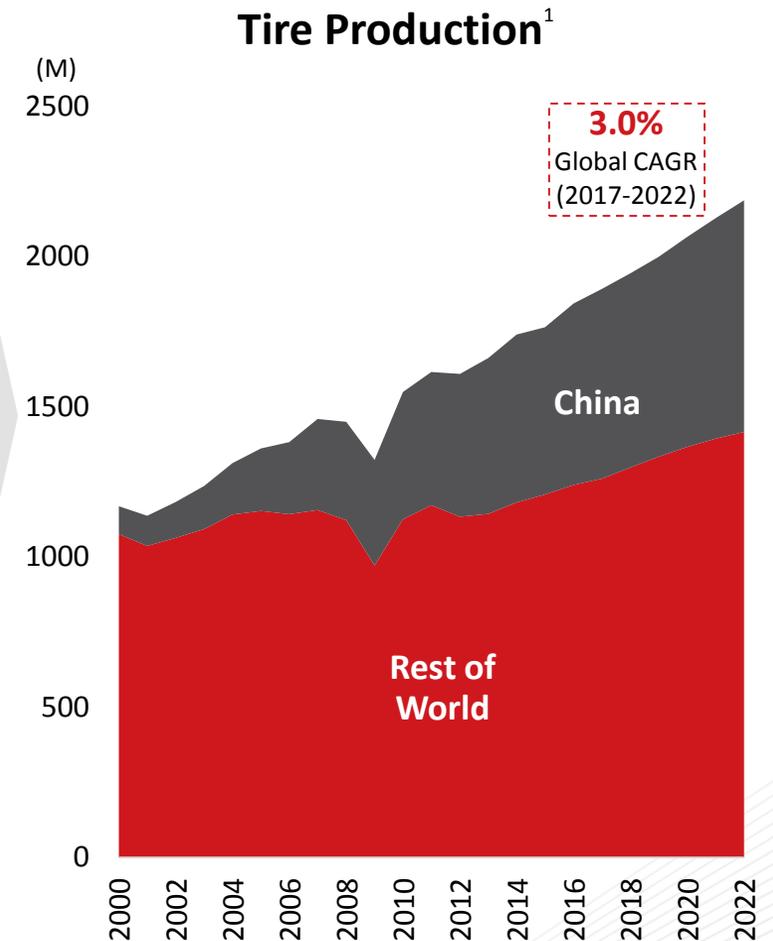
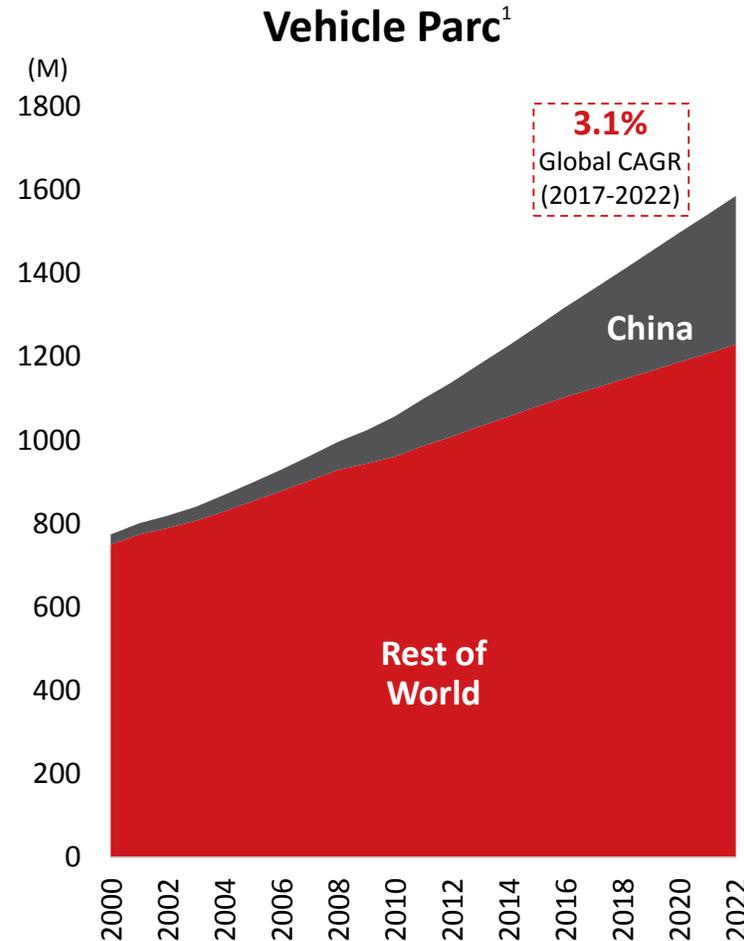
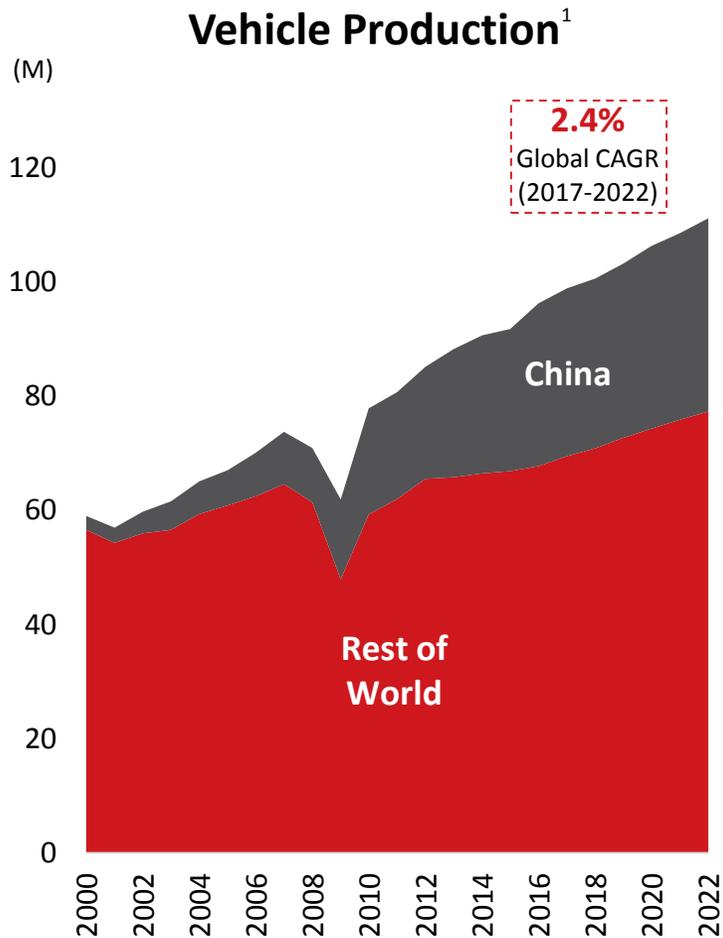
- ◆ Repositioning to larger-scale assets
- ◆ Growth in high-value products
- ◆ Value pricing
- ◆ Continuous efficiency improvements
- ◆ Increased environmental enforcement

EBIT more than doubled over 10-year period while our global capacity remained roughly flat

- ◆ Dramatic improvement in EBIT generated per metric ton



STRONG DEMAND DRIVERS SHOWING CONSISTENT GROWTH



Further Global Development and Increasing Mobility Support Continued Carbon Black Growth

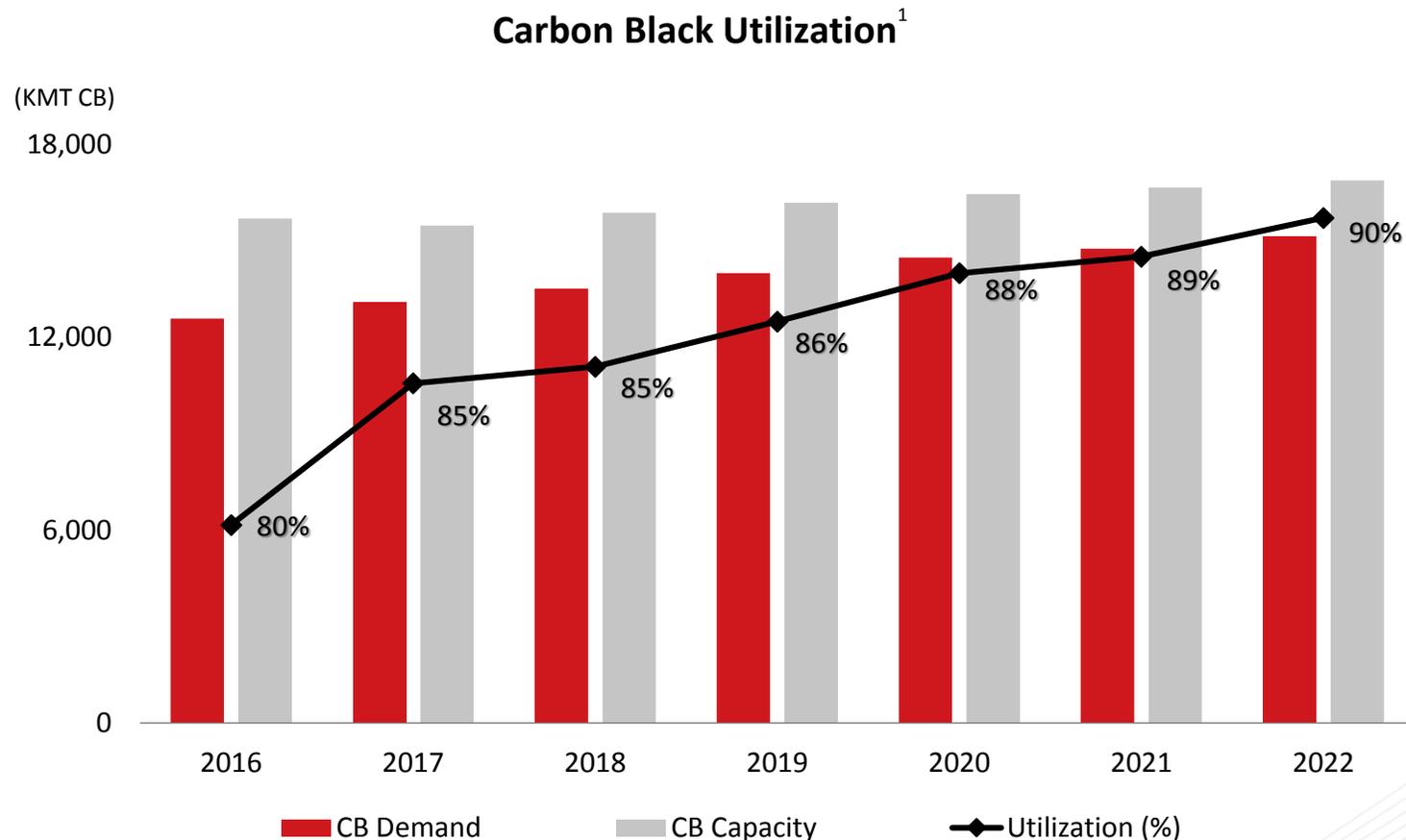
TIGHTENING UTILIZATION DRIVES A SUPPORTIVE CARBON BLACK ENVIRONMENT

Strong long-term carbon black demand outlook

- ◆ Volume growth aligned with tire and auto growth

Limited capacity expansion planned

- ◆ Stricter environmental regulations and enforcement
- ◆ Increased cost of capacity build
- ◆ Permitting increasingly difficult
- ◆ Feedstock access key determinant



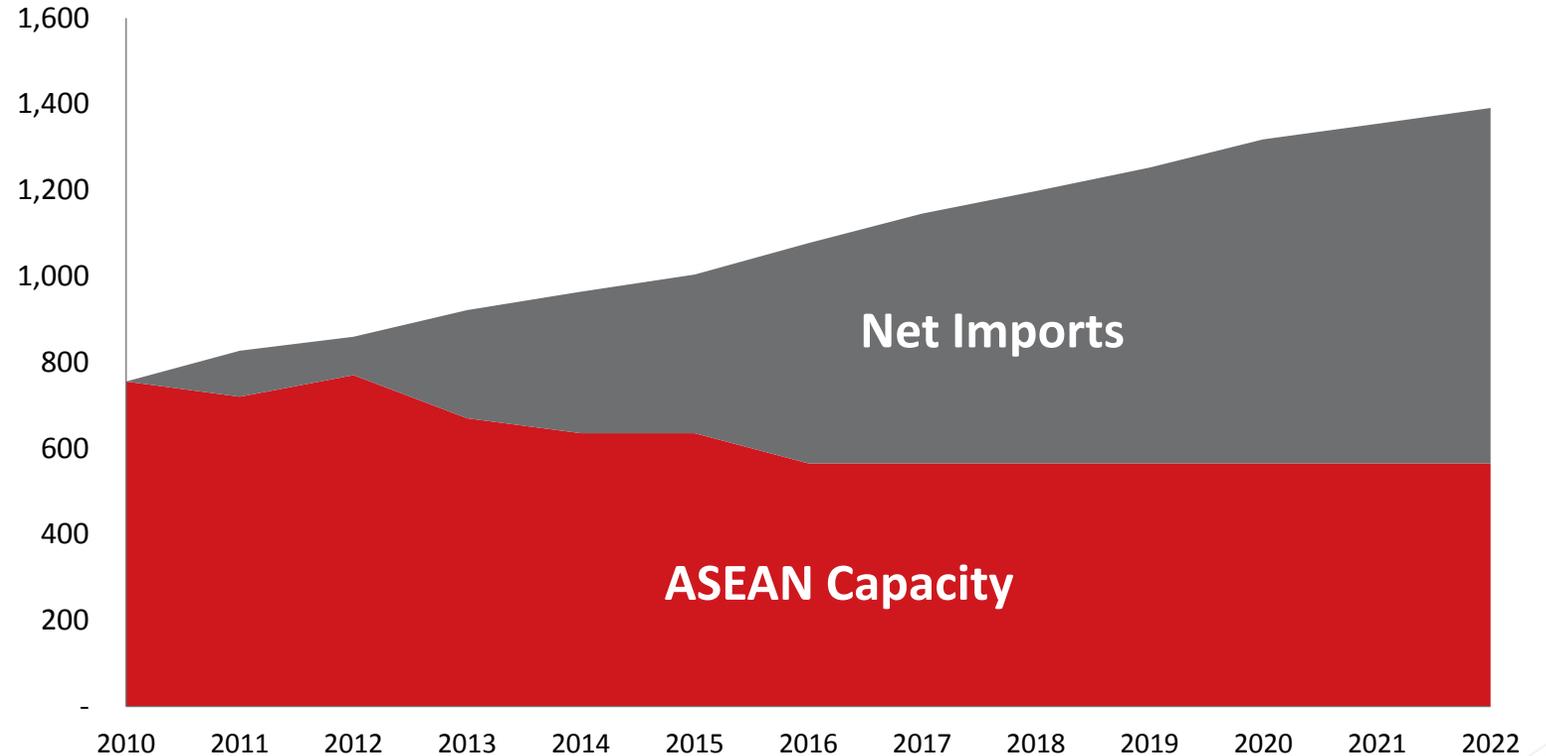
As the #1 Global Player, We Benefit from an Improving Environment

1. Source: Notch Carbon Black World Data Book; Cabot estimates

ASEAN REGION SHORT OF LOCAL CARBON BLACK SUPPLY

- ✓ Increased demand from new and expanding ASEAN tire factories
- ✓ Fastest growing region for carbon black demand
- ✓ Chinese carbon black imports no longer competitive

ASEAN Carbon Black Supply and Demand¹



Creates Opportunity for Advantaged Cabot Investments

REINFORCEMENT MATERIALS IS INVESTING IN CAPACITY TO DELIVER 'GROWTH IN THE CORE'

Two New Units in Cilegon, Indonesia

- ◆ 160,000 metric tons of additional capacity (\$120M)
- ◆ Fastest growing region, structurally short of carbon black, competitive cost structure

Debottlenecks at Existing Facilities

- ◆ >150,000 metric tons of capacity increases (\$50M)
- ◆ Globally distributed, low capital cost, improves economies of scale

Inorganic Opportunities

- ◆ Assessing attractive acquisition targets
- ◆ Must be advantaged assets with attractive payback and provide long-term value

REINFORCEMENT MATERIALS IS DRIVING APPLICATION INNOVATION

CABOT ELASTOMER COMPOSITES (CEC)

Conventional Compound



Achieve high levels of dispersion quality to...



...deliver step-change improvement in key material properties...

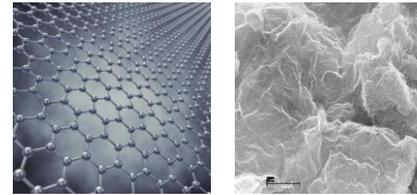


...and enable transformational application performance in tires and industrial products

Cabot Elastomer Composite



ADVANCED CARBONS



A family of very high aspect ratio carbon particles...



...which improve the balance of rubber properties...



...and result in better strength, rolling resistance, conductivity, permeability and processing



Higher mileage & better fuel efficiency tires



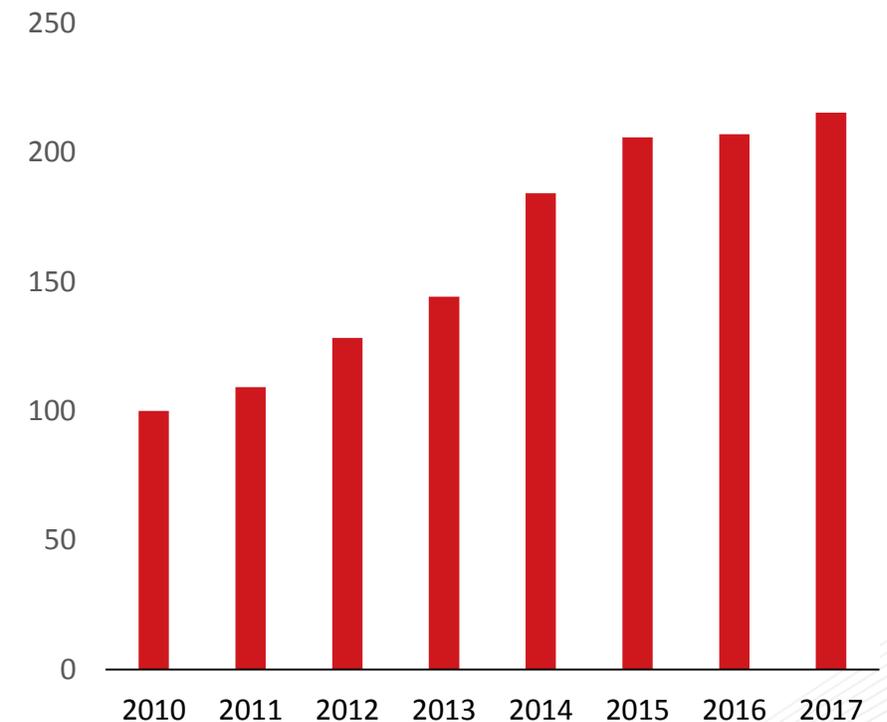
Longer lasting industrial parts

REINFORCEMENT MATERIALS CONTINUES TO EXECUTE EFFICIENCY IMPROVEMENTS

- ✓ Rigorous preventative maintenance programs to extend equipment life
- ✓ Feedstock sourcing optimization for the right performance and production yield
- ✓ Waste heat capture and reduction in purchased energy inputs
- ✓ New equipment designs for greater production efficiency



Index of Captured Value from Waste Heat¹
(2010=100)



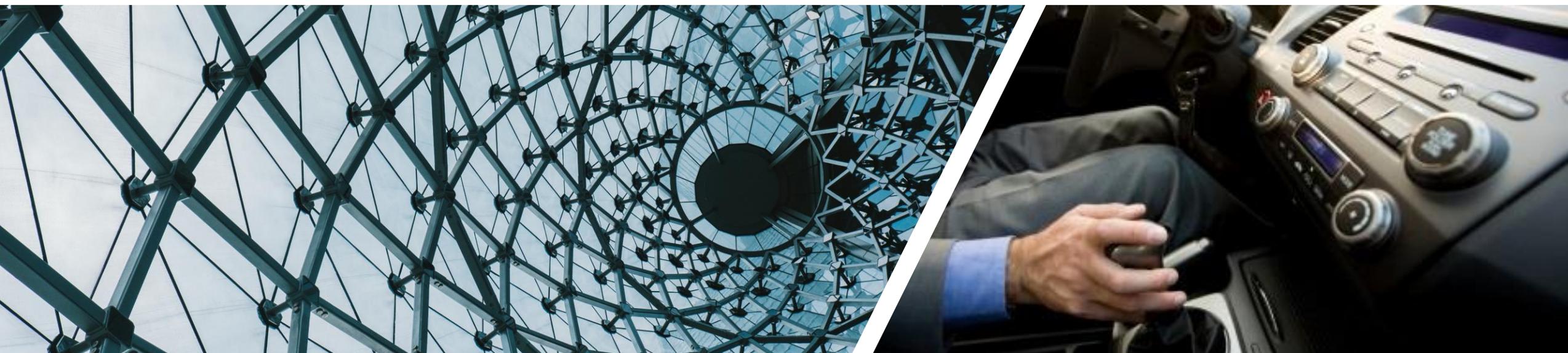
REINFORCEMENT MATERIALS KEY TAKEAWAYS





BREAK

CABOT 



PERFORMANCE CHEMICALS

NICK CROSS

EVP & PRESIDENT, PERFORMANCE CHEMICALS & EMEA REGION



PERFORMANCE CHEMICALS KEY MESSAGES

1

Portfolio of Connected Specialty Businesses

Leading market positions, attractive growth rates with distinctive value drivers

2

Innovation Across the Value Chain

Strengths in application understanding and both particle and formulation development

3

Close Customer Relationships

Value chain integration enables differentiated offerings in high-growth markets

4

Operating Discipline and Business Integration

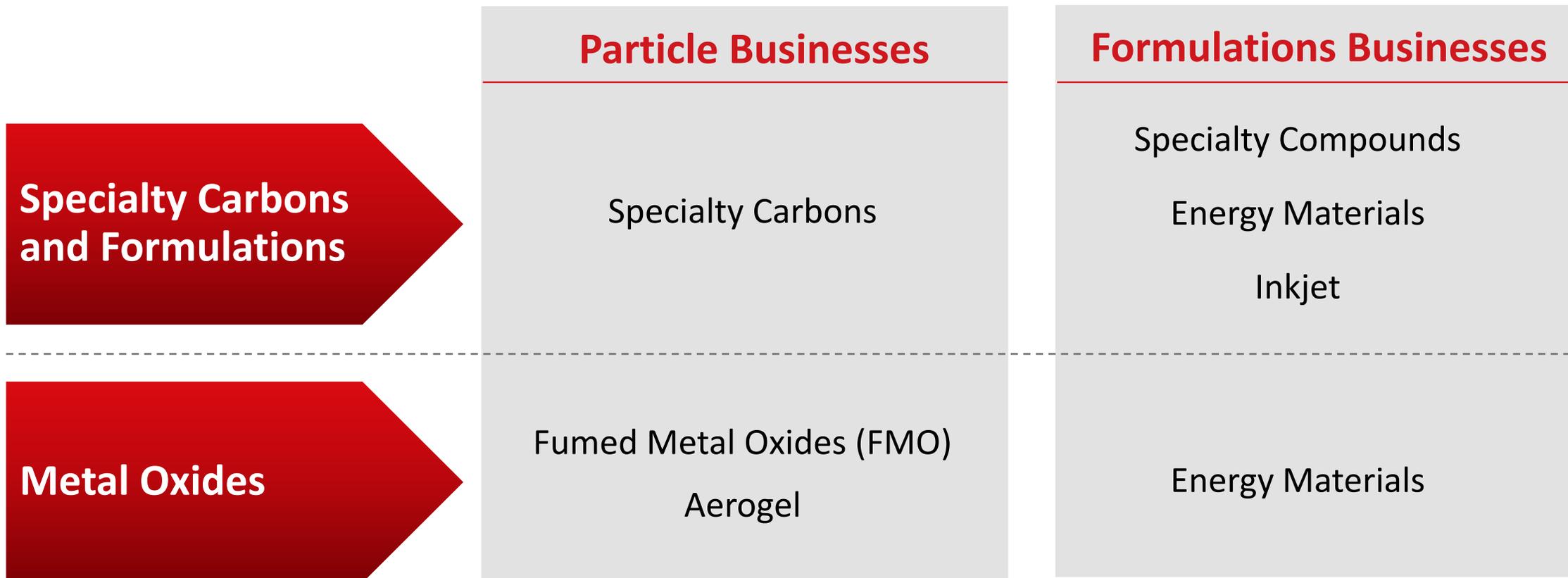
Economies of scale and cost competitiveness

5

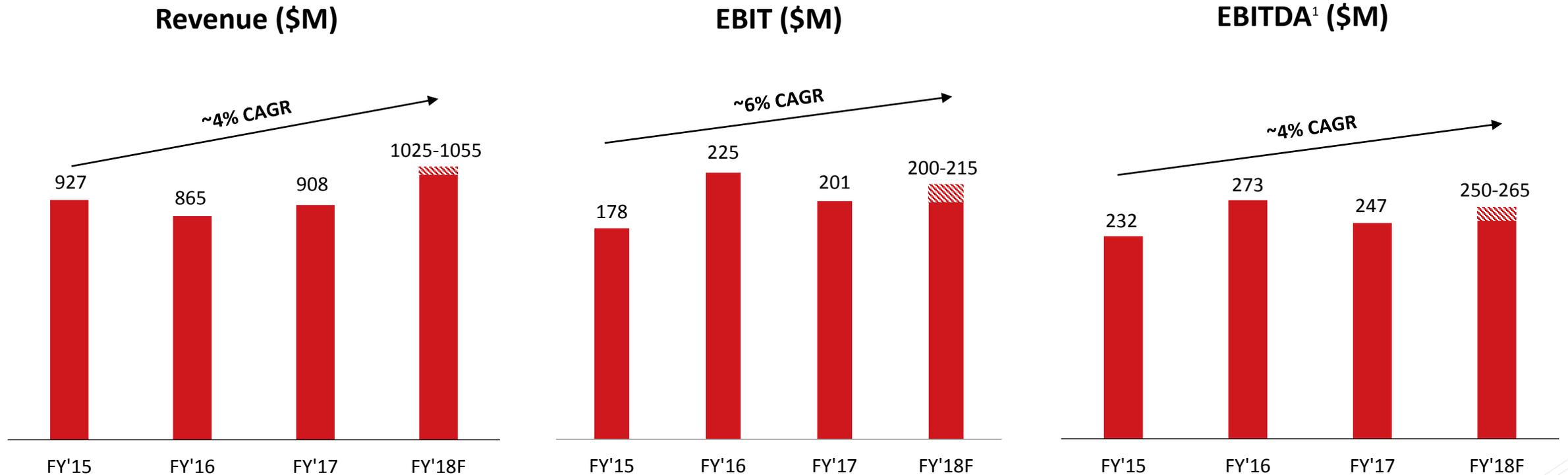
Consistent, Strong Financial Results

Investing for accelerated growth

PORTFOLIO OF LEADING PARTICLE AND FAST-GROWING FORMULATIONS BUSINESSES



PERFORMANCE CHEMICALS FINANCIAL TRENDS



Delivering Volume Growth to Drive Strong Financial Performance

STRONG PORTFOLIO OF BUSINESSES WITH HEALTHY RETURNS

	EBITDA Margin¹	Adj. RONA¹
Fumed Metal Oxides	>30%	30-35%
Specialty Carbons	>25%	20-25%
Specialty Compounds	>15%	25-30%

High-margin, High-return Businesses

SERVING DIVERSE, HIGH-PERFORMANCE APPLICATIONS



1 Batteries
Carbon black, fumed silica and graphenes



2 Molded Plastics
Specialty carbon blacks and masterbatch



3 Structural and Semi-Structural Adhesives
Fumed silica



4 Silicone Sealants
Fumed silica



5 Electronic Displays
Specialty carbon blacks



6 Fibers
Specialty carbon blacks



7 Tablet Productions
Fumed silica

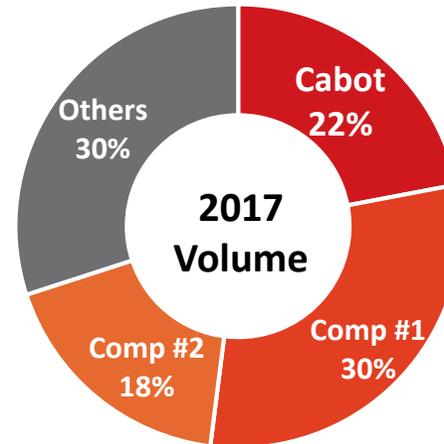
Cabot Performance Chemicals Materials Are In Products All Around Us

FUMED METAL OXIDES AT A GLANCE

INDUSTRY ENVIRONMENT

- ◆ High-margin business with attractive industry structure – three global players make up 70% of market¹
- ◆ Scarcity of feedstock, expertise and scale create significant barriers to entry
- ◆ Diverse set of GDP+ growth end markets

COMPETITIVE LANDSCAPE¹



COMPETITIVE ADVANTAGES

- ◆ Fence-line relationships with silicones industry leaders
- ◆ Market leadership positions in high-growth countries; #1 in China, India and North America¹
- ◆ Industry-leading manufacturing capabilities

KEY APPLICATIONS

BUILDING SEALANTS



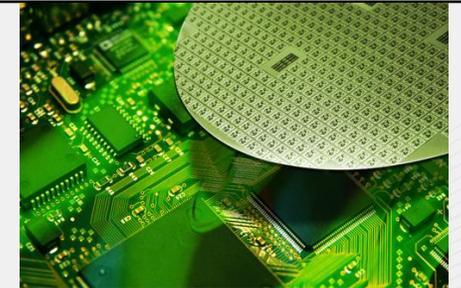
EPOXY ADHESIVES



AUTOMOTIVE COATINGS



SEMICONDUCTOR POLISHING



FUMED METAL OXIDES DETERMINANTS OF SUCCESS

1

Long-term feedstock partnerships with leading silicone manufacturers

2

High-value, differentiated product and application capabilities

3

Established global manufacturing footprint with leadership in growth markets

4

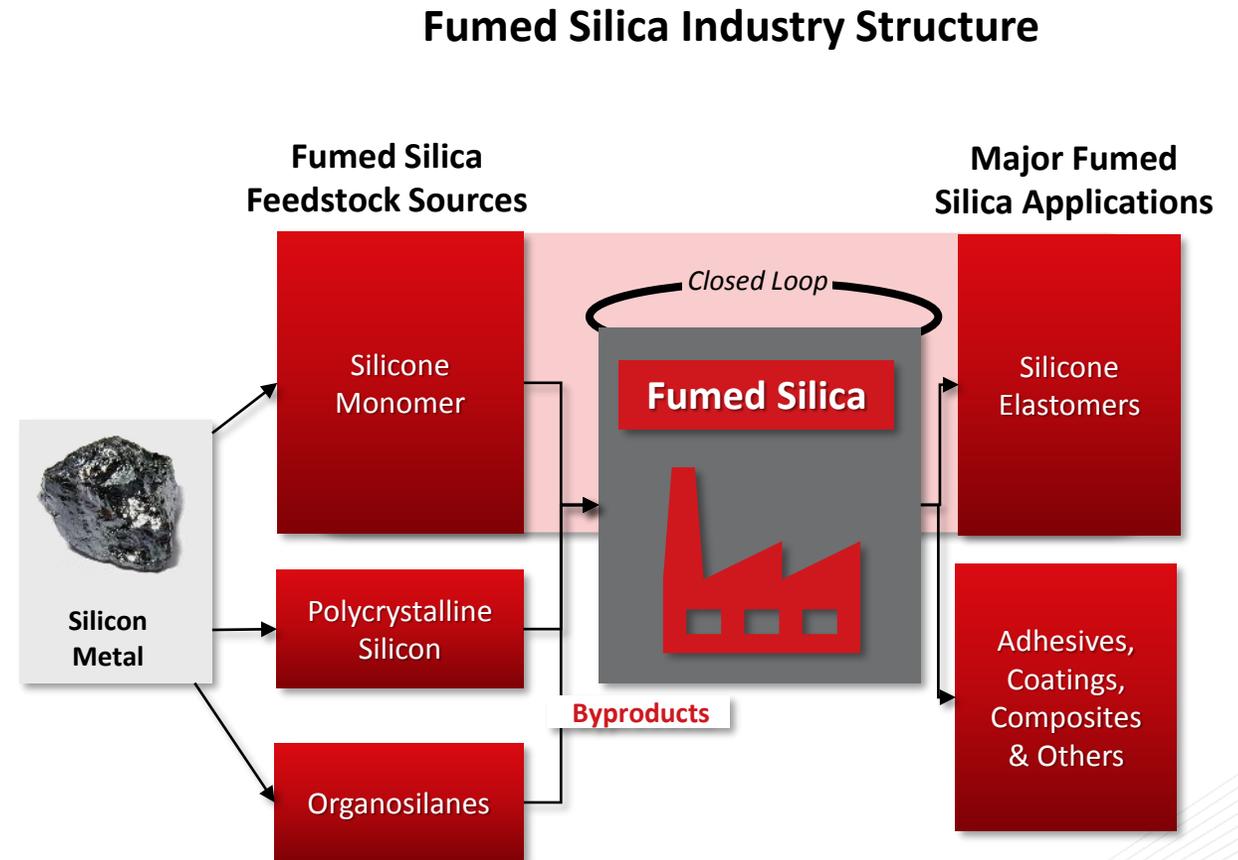
Investment roadmap for advantaged growth

5

Capital and operational efficiency

FUMED SILICA: NICHE MARKET WITH HIGH BARRIERS TO ENTRY

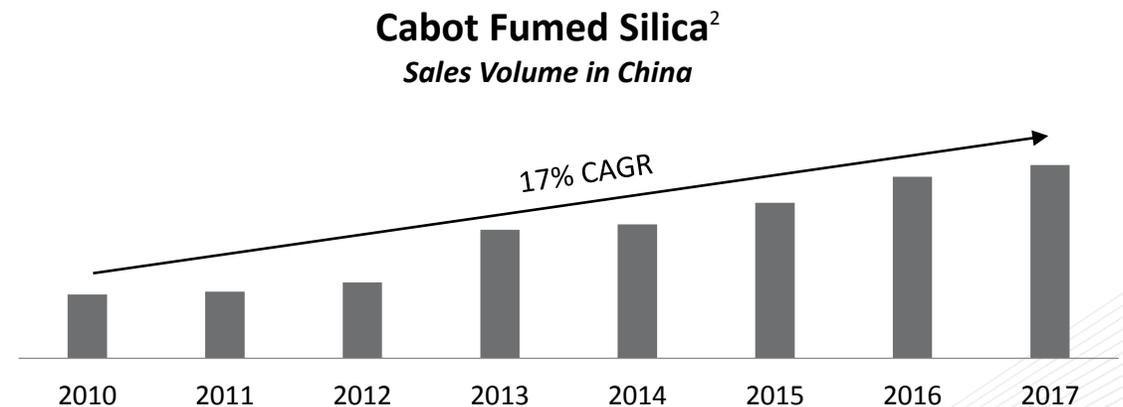
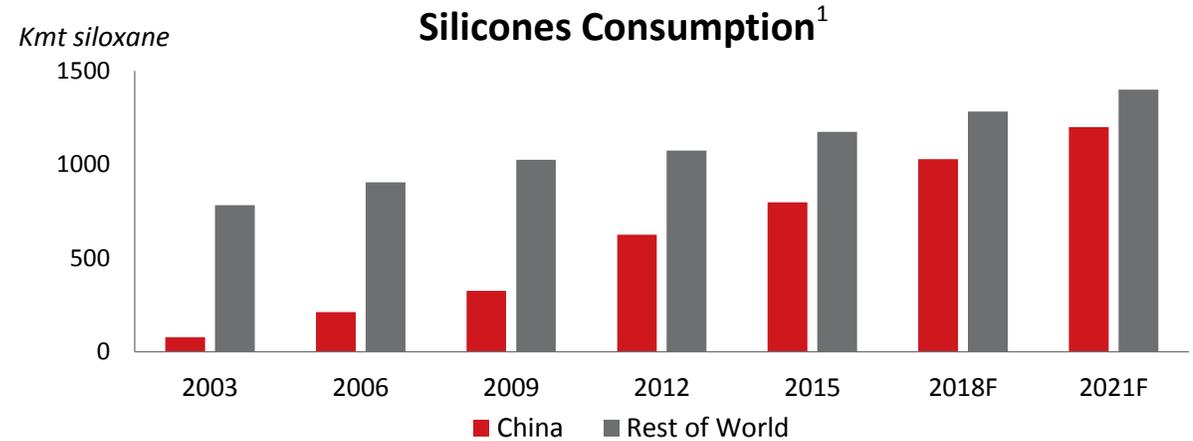
- ◆ Silicones industry contributes nearly 50% of global silica feedstock and silica demand¹
- ◆ Primary feedstock from three upstream industries:
 - Silicone Monomer
 - Polycrystalline Silicon
 - Organosilanes
- ◆ Fumed silica plants operate in a closed-loop with partners in the upstream and downstream
 - Fumed silica plants consume byproducts & return high-value materials
 - Cabot's quality, reliability and strong global customer base are key strengths
- ◆ Cabot's position based on strong upstream relationships with leading players



Cabot's Strategic Partnerships Ensure Critical Access to Feedstock

CABOT FUMED METAL OXIDES: EXTENDING OUR LEADERSHIP POSITION IN CHINA

- ◆ Since 2007, growth in silicone capacity add has been almost exclusively in China
- ◆ Cabot took advantage of this shift:
 - First western manufacturer to build asset in China
 - Now #1 fumed silica manufacturer in China with 20% share
- ◆ Cabot's investment in Wuhai further extends this leadership position
- ◆ Application innovation also a key strategy component in China

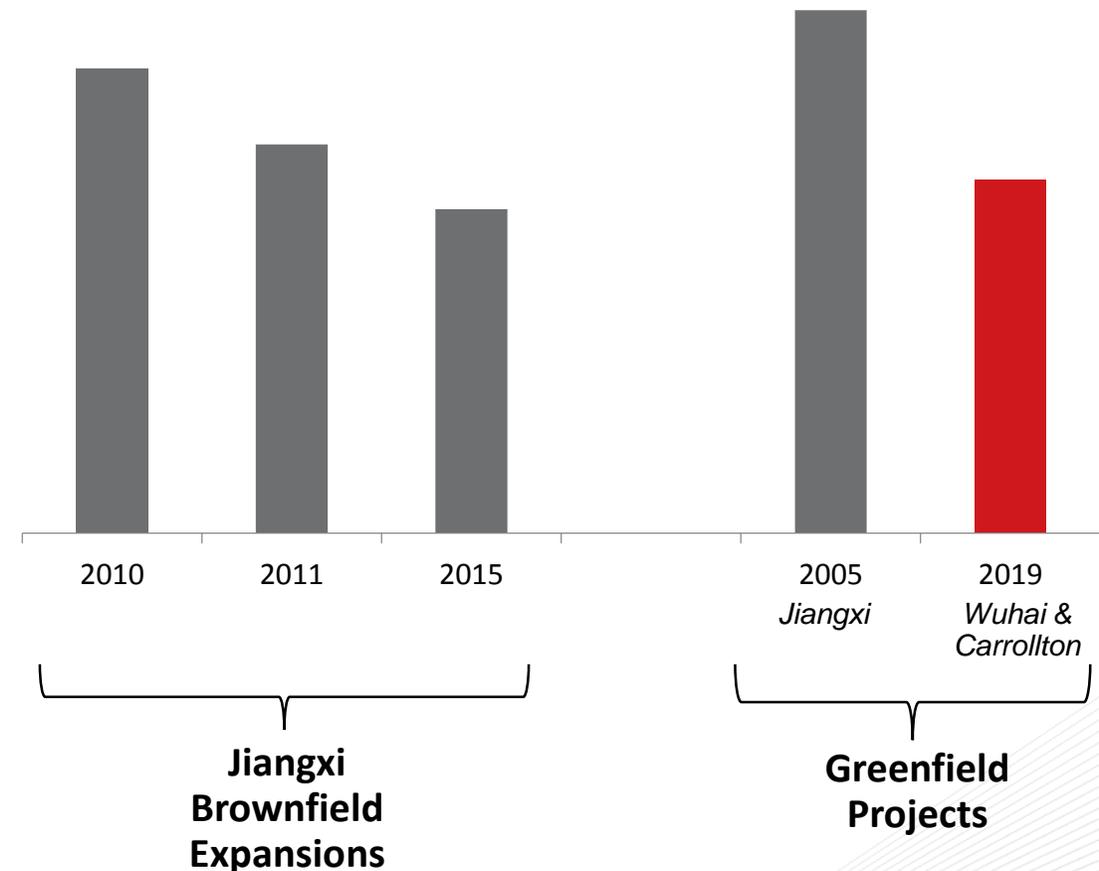


CONSISTENTLY IMPROVING CAPITAL EFFICIENCY

- ◆ Reduced greenfield cost per metric ton of capacity by over 30% between 2005 – 2019
- ◆ Reduction based primarily on implementation of new manufacturing technologies
- ◆ Greenfield assets in Carrollton and Wuhai are highly capital-efficient investments
- ◆ Focus on capital efficiency maintains long-term competitiveness

Cabot Fumed Silica Cost of Capacity

Inflation adjusted \$/mt



CABOT FMO NETWORK – POSITIONED FOR GROWTH

- ◆ Global network with strength in growth markets
- ◆ Recent investments extend positions in China and North America
- ◆ Investment criteria:
 - Risk-adjusted returns exceeding cost of capital
 - Long-term feedstock supply at competitive prices
 - Partner competitiveness and stability
 - Potential for future expansion



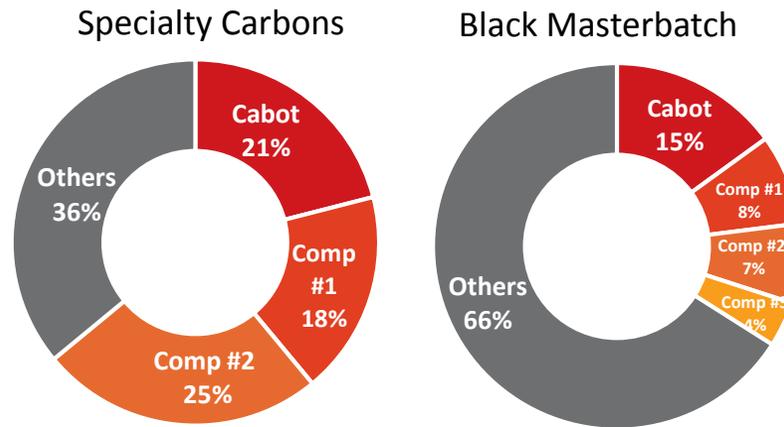
Long-term Agreements with Key Industry Leaders Support Growing Profitability

SPECIALTY CARBONS AND FORMULATIONS AT A GLANCE

INDUSTRY ENVIRONMENT

- ◆ Global, GDP+ growth driven by transportation, infrastructure and middle class growth
- ◆ Customers continue to demand expanded additive performance and functionality in existing and emerging applications
- ◆ High industry utilizations

COMPETITIVE LANDSCAPE¹



COMPETITIVE ADVANTAGES

- ◆ Leadership positions in major segments
- ◆ Global footprint with deep local application expertise
- ◆ Forward integrated in fast-growing formulations businesses
- ◆ Positioned for growth in macro trends such as energy storage

KEY APPLICATIONS

FIBERS



DISPLAYS



AUTOMOTIVE PLASTICS



BATTERIES



SPECIALTY CARBONS AND FORMULATIONS

DETERMINANTS OF SUCCESS

1

Strong global commercial and manufacturing base

2

High value, differentiated product and application capabilities

3

Forward integration in strategic fast-growing formulations businesses

4

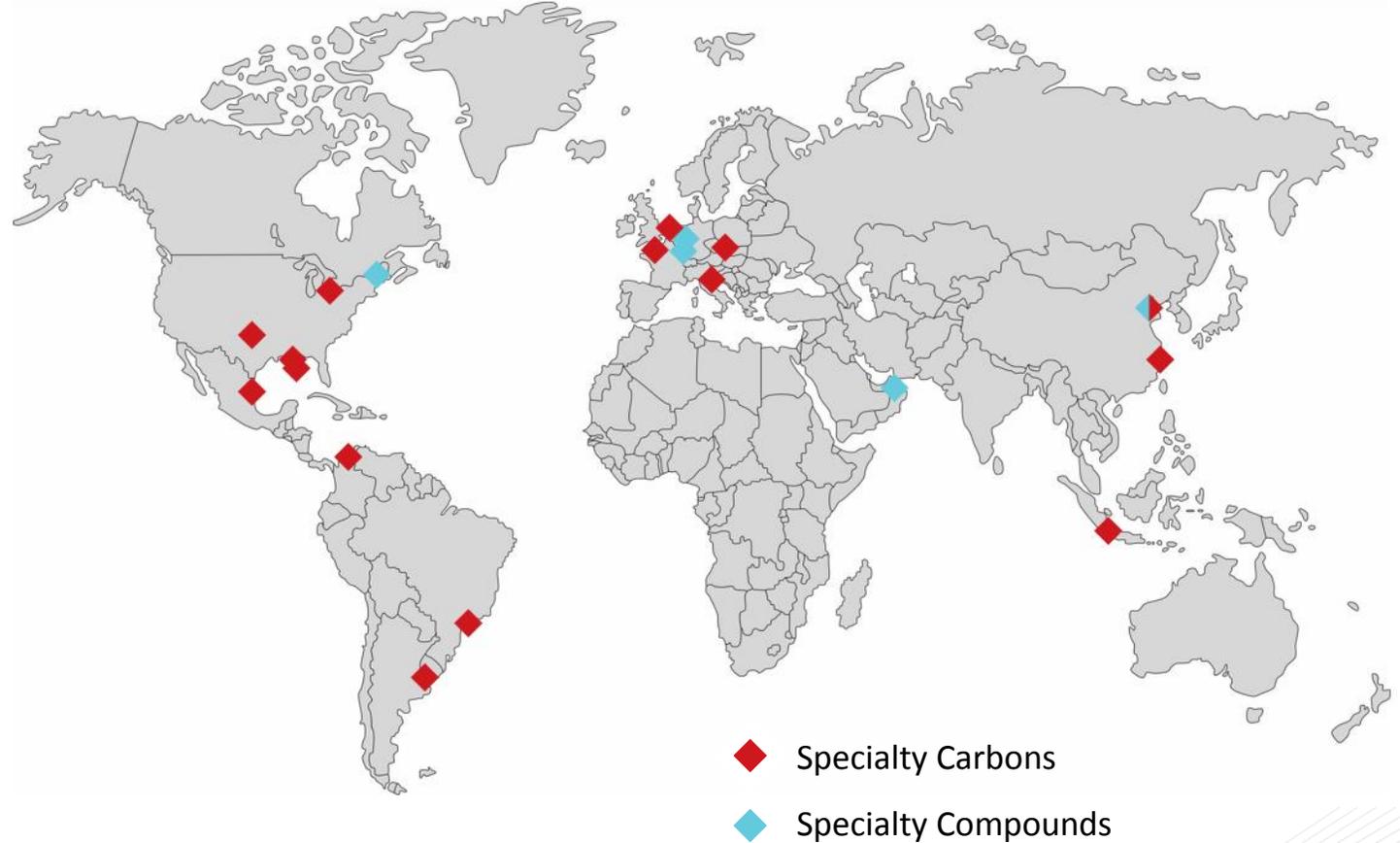
Customer and OEM partnerships in high growth applications

5

Commercial and operational agility to maximize returns

GLOBAL MANUFACTURING FOOTPRINT

- ◆ Cost-advantaged footprint and regional presence serving both global customers and regional/local players
- ◆ Tech Blend acquisition extends Cabot's black masterbatch and compounds footprint to include North America
- ◆ Specialty Compounds network is well-positioned to take advantage of polyethylene growth in North America, China and Middle East



Global Presence with Local Expertise

DEEP APPLICATION EXPERTISE IN KEY END USE APPLICATIONS

- ◆ Technical team with extensive experience in applications we serve
- ◆ Broad capability to model customer formulations and processing techniques
- ◆ Ability to analyze the material and performance attributes that matter most to our customers
- ◆ Global application lab network

Cabot Specialty Carbons Set the Standard

Pipe

Pioneer in developing specialty carbons for UV resistance in plastic pipe



Molding

BLACK PEARLS® 800 carbon black is the industry standard for color in plastics



Food Contact

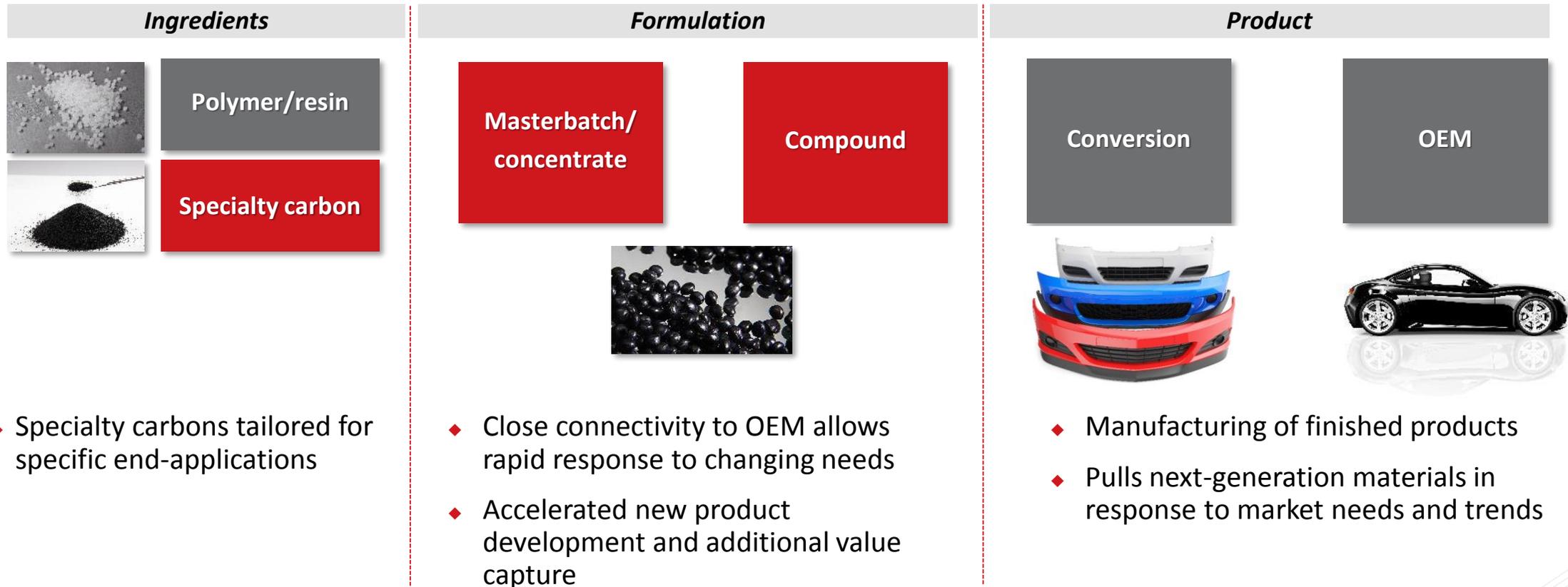
Only producer with FDA-approved carbon blacks that have no loading limitations



CABOT IS THE ONLY SPECIALTY CARBONS PLAYER THAT IS FORWARD INTEGRATED IN PLASTICS

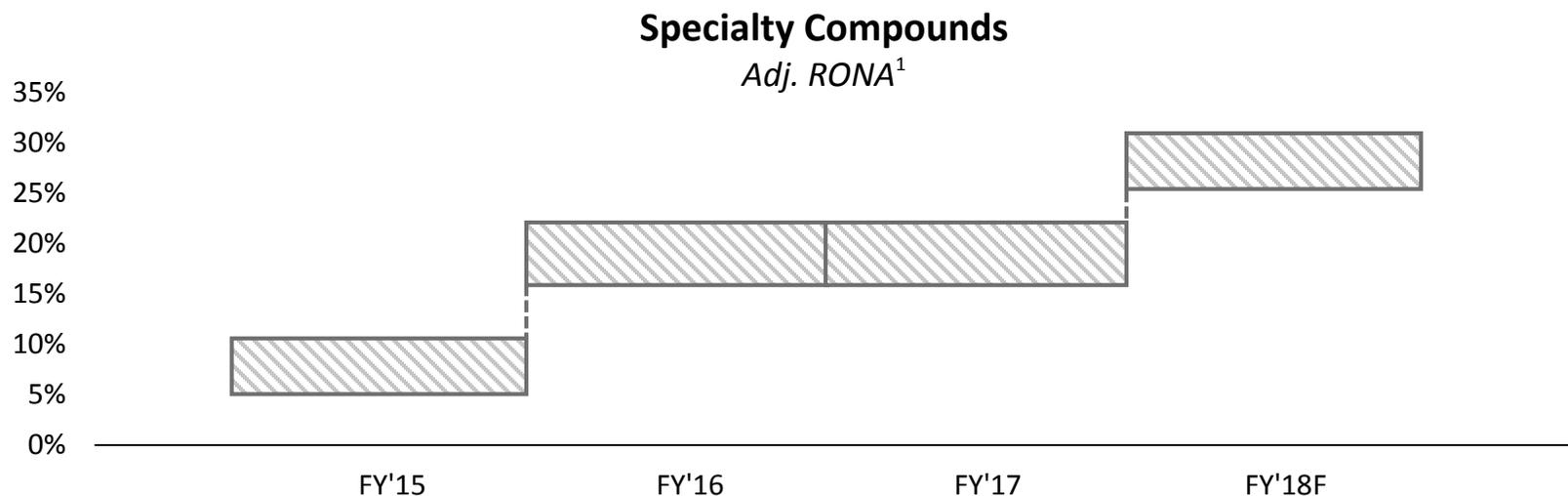
Plastics Value Chain

 Cabot Participation



Cabot is Uniquely Positioned to Deliver Solutions to Downstream Market Needs

ACCELERATING RETURNS IN SPECIALTY COMPOUNDS



Repositioning

- ◆ Two new sites
- ◆ >85% of capacity new or converted
- ◆ Customer portfolio optimization

Returns

- ◆ Customer and application focus
- ◆ Rapid product development
- ◆ Prioritized manufacturing excellence

Acceleration

- ◆ New capacity and capabilities in Europe
- ◆ Expansion into North America
- ◆ Growth in conductive portfolio

Unique and Powerful Value Proposition Driving Accelerated Growth



PERFORMANCE CHEMICALS | ENERGY MATERIALS

JIM MAKUC

VP & GENERAL MANAGER, ENERGY MATERIALS



THREE MACRO TRENDS DRIVE ENERGY STORAGE MARKET GROWTH

Consumer Device Mobility

10-year CAGR¹: 8-10%



Transportation Electrification

20-30%



Renewable Storage

30%+



Market Needs

**Higher
Capacity**

**More
Power**

**Longer
Cycle Life**

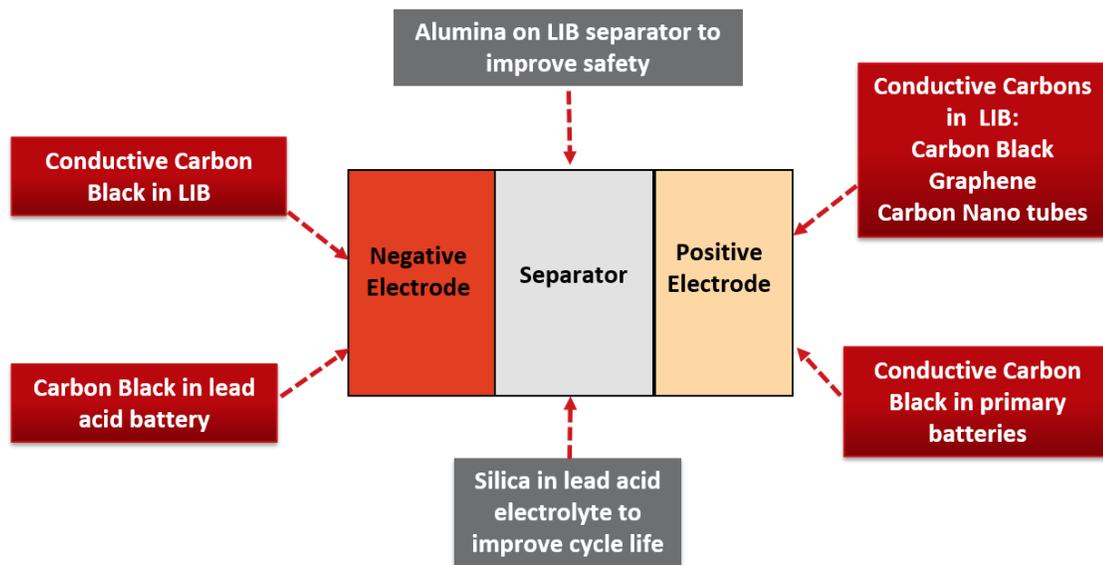
**Better
Safety**

**Lower
Cost**

**Higher
Processability**

CABOT ENERGY MATERIALS OFFER UNIQUE SOLUTIONS FOR BATTERIES

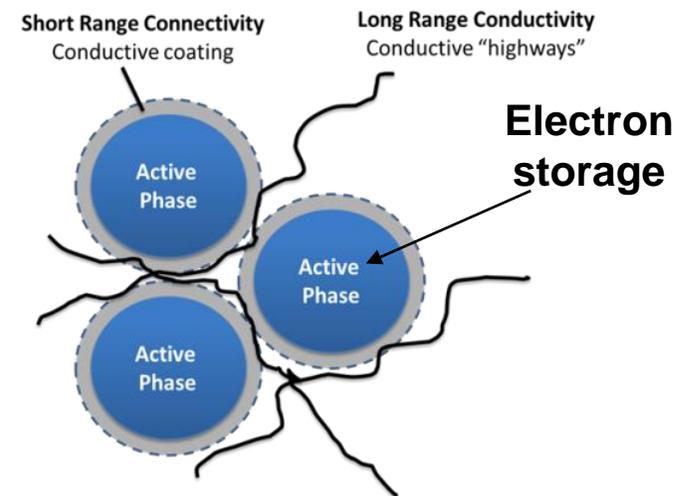
Variety of Cabot's Materials Are Used in Battery Applications



Cabot Materials

- ◆ Conductive Carbon Additives
 - Carbon black
 - Graphene
 - Carbon nanostructures
- ◆ Non Carbon Additives
 - Silica
 - Alumina

Specialty Carbon Additives Provide Conductive Network



- ◆ Carbons provide conductive network to move electrons within the battery during charging/ discharging

WHY CABOT WILL WIN IN THIS MARKET

Broad Portfolio

Our solutions leverage a broad portfolio of materials to deliver formulated solutions

Blue-chip Customers

Active programs with all Top 10 global battery OEMs

Innovation Approach

Extensive customer engagement to understand problems and propose solutions based on our applications expertise

Customer Engagement

Global technology teams to engage and closely support the customer

Global Manufacturing Footprint

Global footprint in Asia, Europe and North America to support customer needs in the region

CASE STUDY: APPLICATION INNOVATION FOR TOP 10 OEM



Customer Need:

- ◆ Increased energy density of battery → improved conductive additive

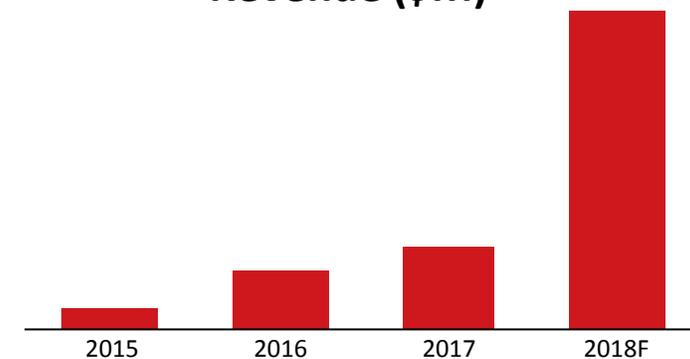
Cabot Approach:

- ◆ Engaged at all levels of the organization across business, technical and procurement
- ◆ Close customer engagement to optimize performance from carbon additives

RESULT

- ✓ LITX[®] 200 conductive additive enabled lower loading and was easier to process leading to lower costs for customer
- ✓ Business started with supply to Korea and subsequently has grown to both China and European battery manufacturing plants

Revenue (\$M)



Cabot's Proven Ability to Win

CABOT TECHNOLOGY CREATES DIFFERENTIATED CONDUCTIVE NETWORK PERFORMANCE

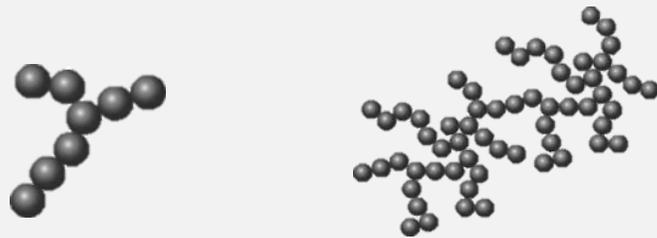
Performance

Carbon Network

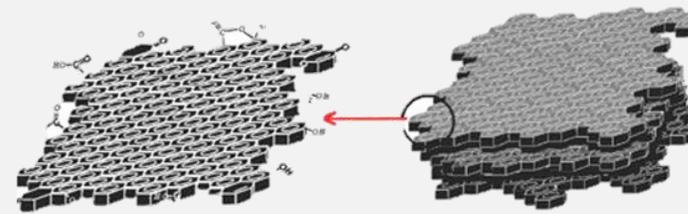


Carbon Conductivity

Particle Characteristics
(Size, Structure, Distribution)



Surface Properties
(Reactivity, Stability)



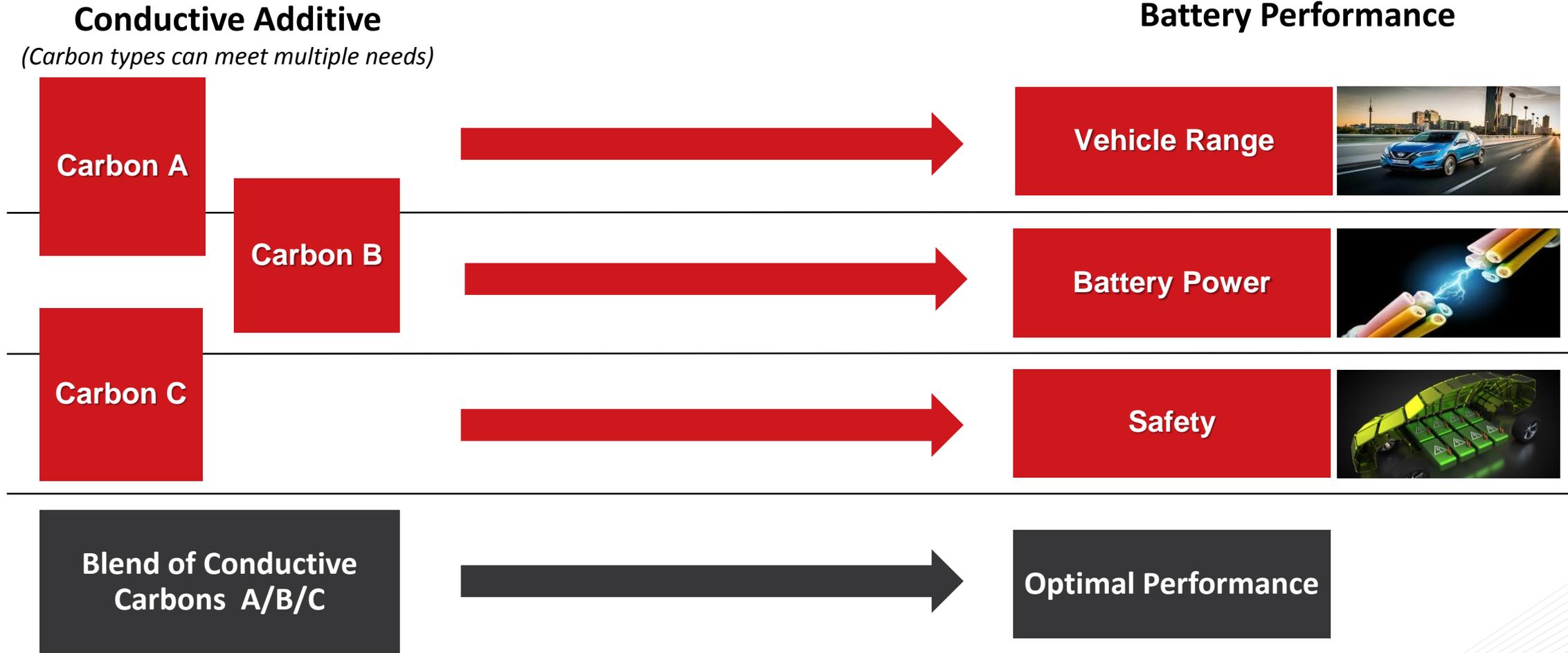
Size of arrow
Indicates range



Proprietary technology enables broad range of materials with varying particle characteristics to meet multiple application requirements

Process allows for discrete control of surface properties to enhance processing and conductivity performance

BENEFITS OF FORMULATIONS FOR LITHIUM-ION BATTERY

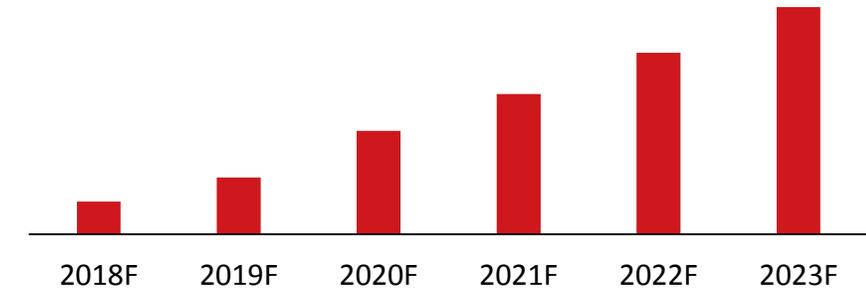


Cabot Optimizes Blend of Conductive Carbons to Meet All Requirements

CABOT REVENUE GROWTH IN ENERGY STORAGE

- ◆ Conductive additives market size projected to be ~\$700M in 2023 with annual growth rates of up to 20% per year
- ◆ LITX[®] carbon conductive additives deliver electrode conductivity enabling:
 - High energy density
 - Superior power
 - Enhanced cycle life

Revenue (\$M)



ENERGY MATERIALS PROGRESS AND OPPORTUNITIES

STRATEGIC GOALS

- ◆ Targeting leadership in key sectors in all three regions
- ◆ Technology leader in conductive additive formulations for energy storage market

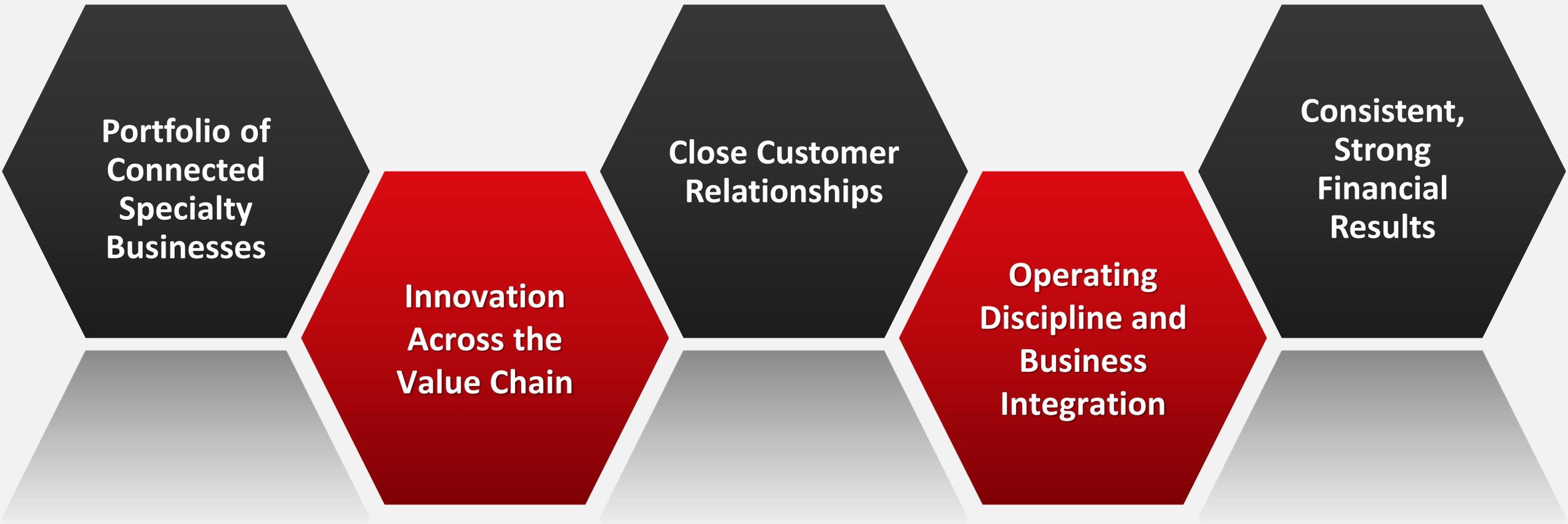
ACCOMPLISHMENTS

- ◆ Technology leader with PBX[®] conductive additives for lead acid batteries
- ◆ Adoption of LITX[®] conductive additive grades with major LIB OEMs
- ◆ Opening of Asia Technology Center to support customers in the region

OPPORTUNITIES

- ◆ Further growth in formulated solutions
- ◆ Market share leader in European Union/North America as market expands from Asia
- ◆ Establish incumbent position for new energy storage technologies

PERFORMANCE CHEMICALS KEY TAKEAWAYS





FINANCIAL FRAMEWORK AND CAPITAL ALLOCATION STRATEGY

ERICA MCLAUGHLIN
SVP & CFO



FINANCIAL KEY MESSAGES

1

**Generating
Strong and
Consistent Cash
Flows**

Robust business performance and disciplined capital management

2

**Maintaining
Solid and
Flexible Balance
Sheet**

Investment grade debt rating

3

**Deploying
Disciplined
Capital
Allocation
Strategy**

Funding high-return capex, M&A and cash return to shareholders

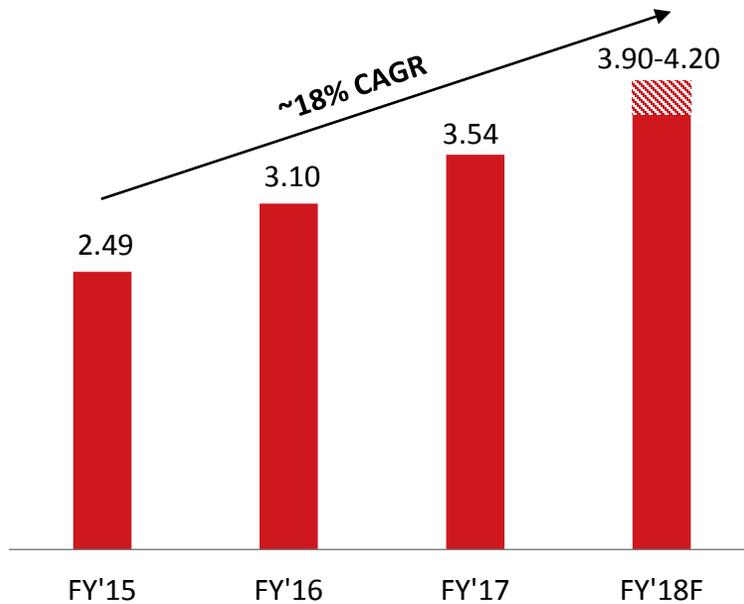
4

**Delivering
Attractive TSR**

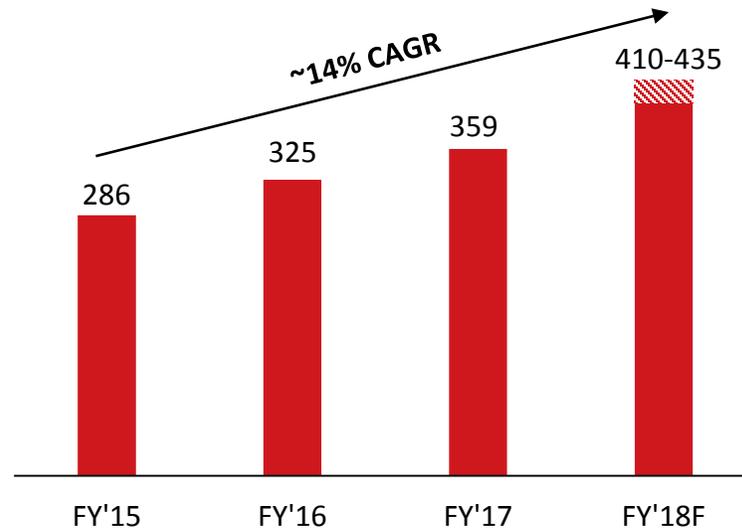
Objective for sustainable and attractive performance

CABOT THREE YEAR FINANCIAL PERFORMANCE

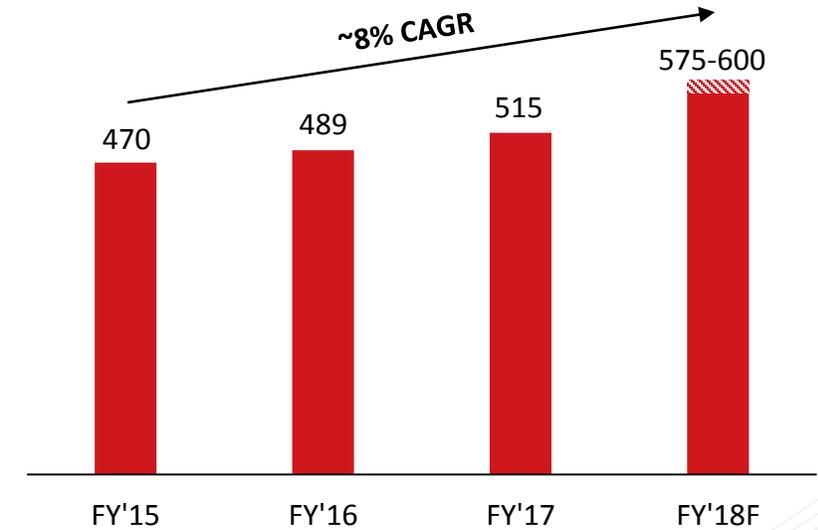
Adj. EPS¹ (\$)



Adj. EBIT¹ (\$M)



Adj. EBITDA¹ (\$M)

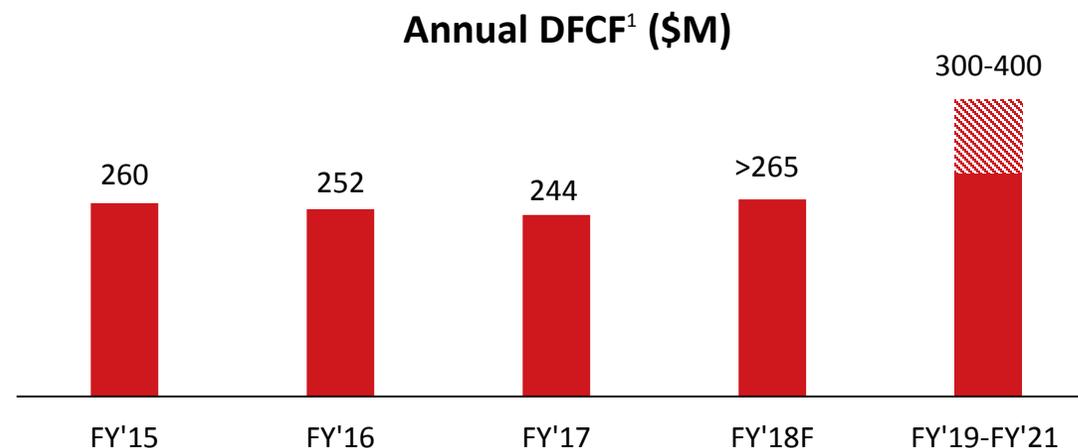


Successful Execution of Strategy Drives Strong Financial Performance

DISCRETIONARY FREE CASH FLOW (DFCF)¹

Consistent and robust DFCF¹ generation

- ◆ Generated ~\$250M of DFCF¹ on average per year from 2015-2017
- ◆ Strong underlying Adj. EBITDA¹ and cash flow generation
- ◆ Expect annual DFCF¹ to increase to \$300M - \$400M per year in FY'19-FY'21



	FY'15	FY'16	FY'17	Average FY'15-FY'17
Cash Flow from Operating Activities	\$499	\$386	\$340	\$408
Excluding: Changes in net working capital	\$(137)	\$(43)	\$23	\$(52)
Excluding: Sustaining & compliance capital expenditures	\$(102)	\$(91)	\$(119)	\$(104)
Discretionary Free Cash Flow (DFCF)¹	\$260	\$252	\$244	\$252

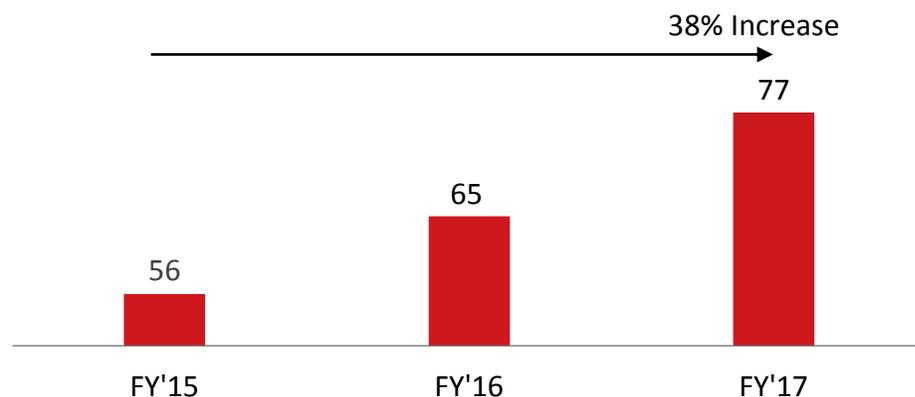
Cash Return to Shareholders Expected to Increase Along with Increased DFCF¹ Generation

1. Non-GAAP measure – See Appendix; FY15-FY17 amounts do not reflect the retrospective impact of “last-in, first-out” inventory recast effective October 1, 2017

DIVIDENDS AND SHARE REPURCHASES

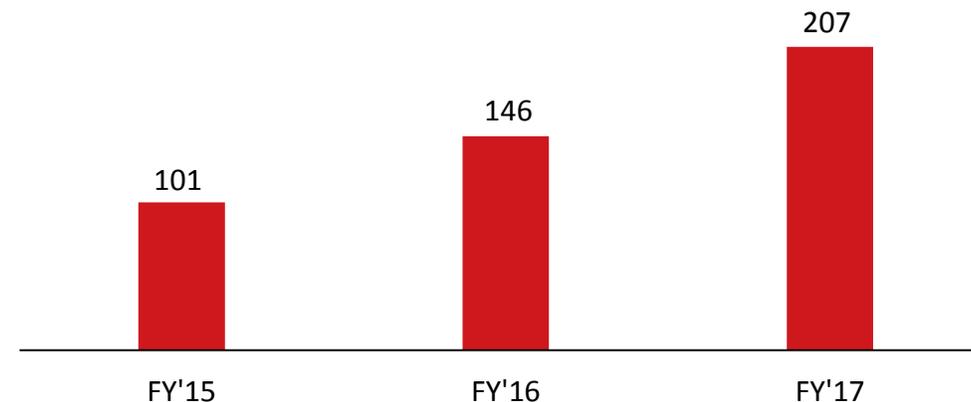
Returned over \$400M from 2015-2017

Annual Dividends (\$M)



- ◆ Consistently paid dividend since becoming a public company
- ◆ Strong dividend yield and dividend payout ratio
- ◆ 2.3% average dividend yield from 2015-2017¹
- ◆ Announced in May 2018 an increase of 5%
- ◆ Intend to continue to grow going forward

Cumulative Share Repurchases (\$M)



- ◆ 54% payout of DFCF² from 2015-2017
- ◆ On track to deliver 50% total payout of DFCF in FY 2018
- ◆ Targeting 50% total payout of DFCF² going forward

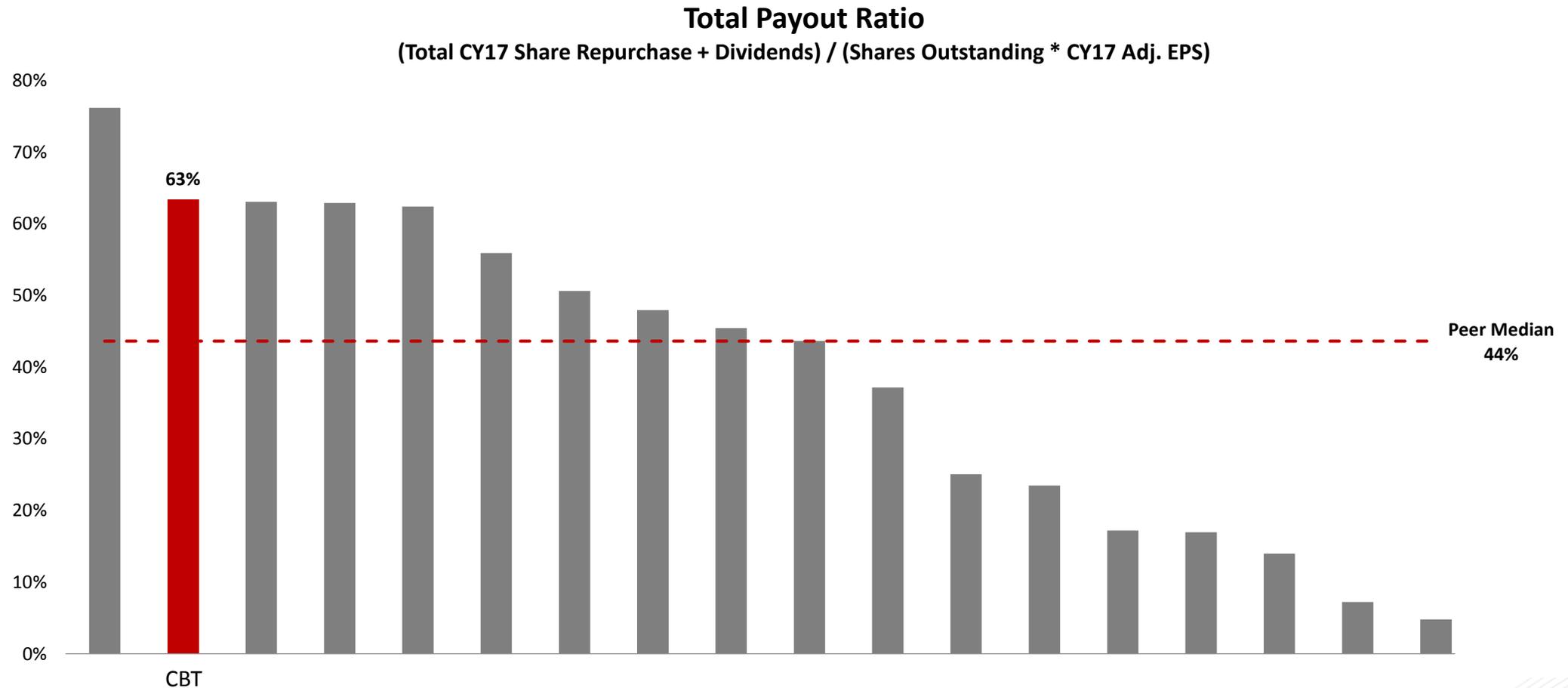
Remain Committed to Returning Cash to Shareholders

1. Calculated using the closing market share price on September 30 of each respective year

2. Non-GAAP measure – See Appendix

PAYOUT RATIO

Strong performance relative to peers



Reflects Commitment to Returning Cash to Shareholders Aligned with Our Capital Allocation Strategy

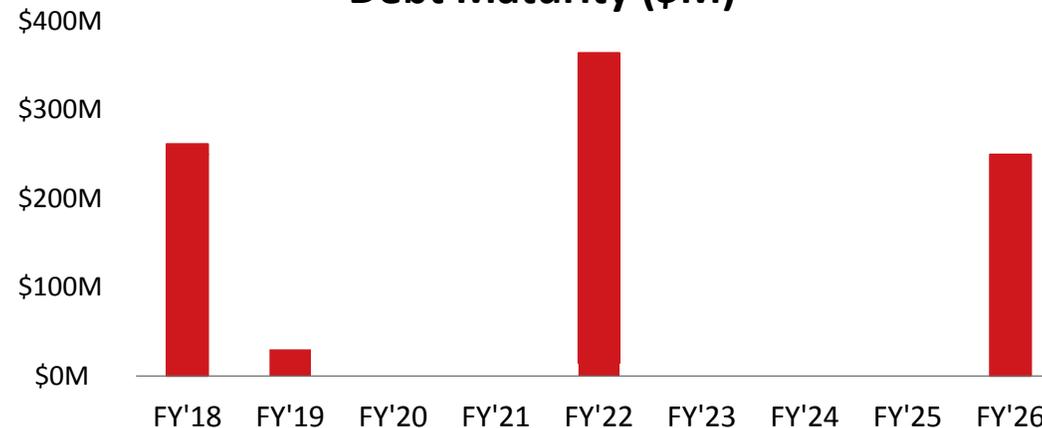
1. Peer median includes ALB, ASH, CC, CCC, CE, EMN, FMC, FUL, GRA, HUN, MTX, OEC, POL, RPM, SCL, SHLM and WLK

DEBT

Strong investment grade credit rating

- ◆ Intend to maintain investment grade rating going forward
 - BBB (S&P)
 - Baa2 (Moody's)
- ◆ FY'18F Debt to Adj. EBITDA of 1.7x¹
- ◆ Liquidity of ~\$1B

Debt Maturity (\$M)



	FY'15	FY'16	FY'17	FY'18F
Debt to Adj. EBITDA¹	2.1x	1.9x	1.8x	1.7x
Net Debt to Adj. EBITDA¹	1.9x	1.5x	1.2x	1.3x

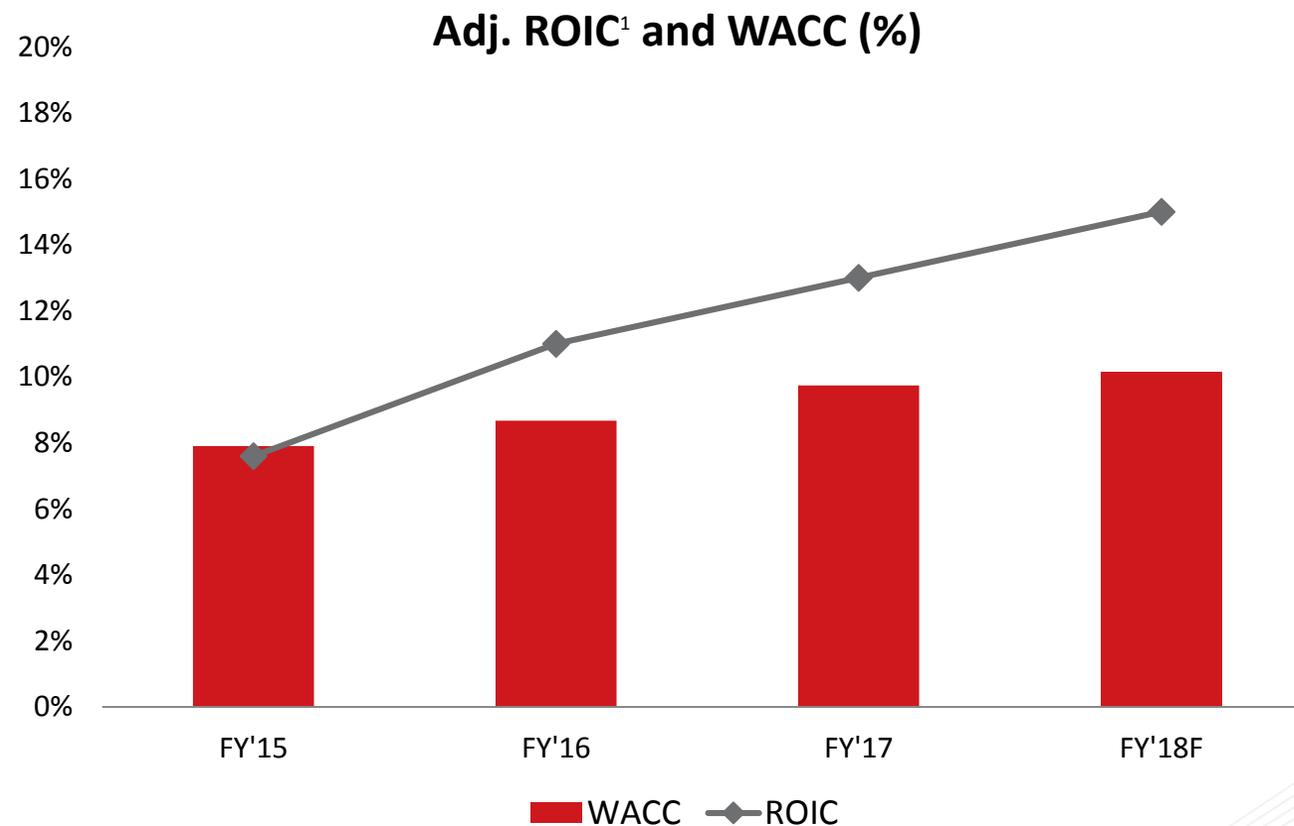
Solid Balance Sheet to Support Growth Investments

1. Non-GAAP measure – See Appendix

ADJUSTED RETURN ON INVESTED CAPITAL (ROIC)¹

Growing spread between Adjusted ROIC and WACC

- ◆ Fiscal 2018 Adj. ROIC¹ greater than WACC² by ~5%
- ◆ Increase in Adj. ROIC driven by robust business performance
- ◆ Focus on quality investments in excess of WACC



Focused on Advantaged Investments that Will Continue to Increase Shareholder Value

1. Non-GAAP measure – See Appendix; FY15-FY17 amounts do not reflect the retrospective impact of “last-in, first-out” inventory recast effective October 1, 2017

2. Weighted Average Cost of Capital

CAPITAL EXPENDITURES

Reinvesting in our core, advantaged business positions

- ◆ Anticipate ~\$125M - \$150M per year of sustaining and compliance capital spending
- ◆ Investments made to fund growth in our core businesses
- ◆ Ensure we maintain our world class assets for reliable supply to our customers
- ◆ Focused on high-return projects where we have an advantaged position
- ◆ Total capex spend expected to be \$250M - \$300M per year for the next three years

KEY GROWTH PROJECTS

Expansion of FMO Capacity

**16,000 metric tons of capacity;
secure long-term source of feedstock**

Capex 2018-2020: ~\$150M

**Two new carbon black units in Indonesia
160,000 metric tons of additional capacity**

Capex 2018-2021: ~\$120M

Debottlenecks at existing facilities

>150,000 metric tons of capacity

Capex 2017-2021: ~\$50M

High-return Investments in Our Core Businesses Fuel Growth

CAPITAL ALLOCATION STRATEGY

REINVEST

In Our Core

Strengthen existing businesses through disciplined capex management, investing in high-confidence, high-return projects

RETURN

Cash to Shareholders

Return ~50% of discretionary free cash flow¹ to shareholders through dividends and share repurchases

MAINTAIN

Strong, Flexible Balance Sheet

Retain investment grade credit rating and healthy balance sheet

ACQUIRE

Value-creative Assets

Target bolt-on M&A to strengthen existing businesses

Disciplined Capital Allocation Strategy Focused on Reinvestment and Returning Cash to Shareholders

1. Non-GAAP metric – See Appendix

ADVANCING THE CORE STRATEGY

	Strategic Goals
Volume Growth	Grow with GDP
Profitability	7-10% Adj. EPS ¹ CAGR over time
Capital Allocation	\$200-\$250M DFCF ¹ /Yr (return ~50% to shareholders)
Total Shareholder Return (TSR)	Attractive TSR

1. Non-GAAP measure – See Appendix

ADVANCING THE CORE STRATEGY

	Strategic Goals	2016 – 2018 Actual/Forecast
Volume Growth	Grow with GDP	Volume CAGR = 3%
Profitability	7-10% Adj. EPS ¹ CAGR over time	Adj. EPS ¹ CAGR = 18%
Capital Allocation	\$200-\$250M DFCF ¹ /Yr (return ~50% to shareholders)	\$250M DFCF ¹ /year (avg) (50%+ return)
Total Shareholder Return (TSR)	Attractive TSR	19% TSR since 2016 Investor Day

1. Non-GAAP measure – See Appendix

ADVANCING THE CORE STRATEGY

	Strategic Goals	2016 – 2018 Actual/Forecast		2019 – 2021 Outlook
Volume Growth	Grow with GDP	Volume CAGR = 3%	✓	Volume CAGR = 4-5%
Profitability	7-10% Adj. EPS ¹ CAGR over time	Adj. EPS ¹ CAGR = 18%	✓	Adj. EPS ¹ CAGR >10%
Capital Allocation	\$200-\$250M DFCF ¹ /Yr (return ~50% to shareholders)	\$250M DFCF ¹ /year (avg) (50%+ return)	✓	\$300-400M DFCF ¹ /year (50% return)
Total Shareholder Return (TSR)	Attractive TSR	19% TSR since 2016 Investor Day	✓	Attractive TSR performance

Robust Business Outlook Drives Strong Financial Performance

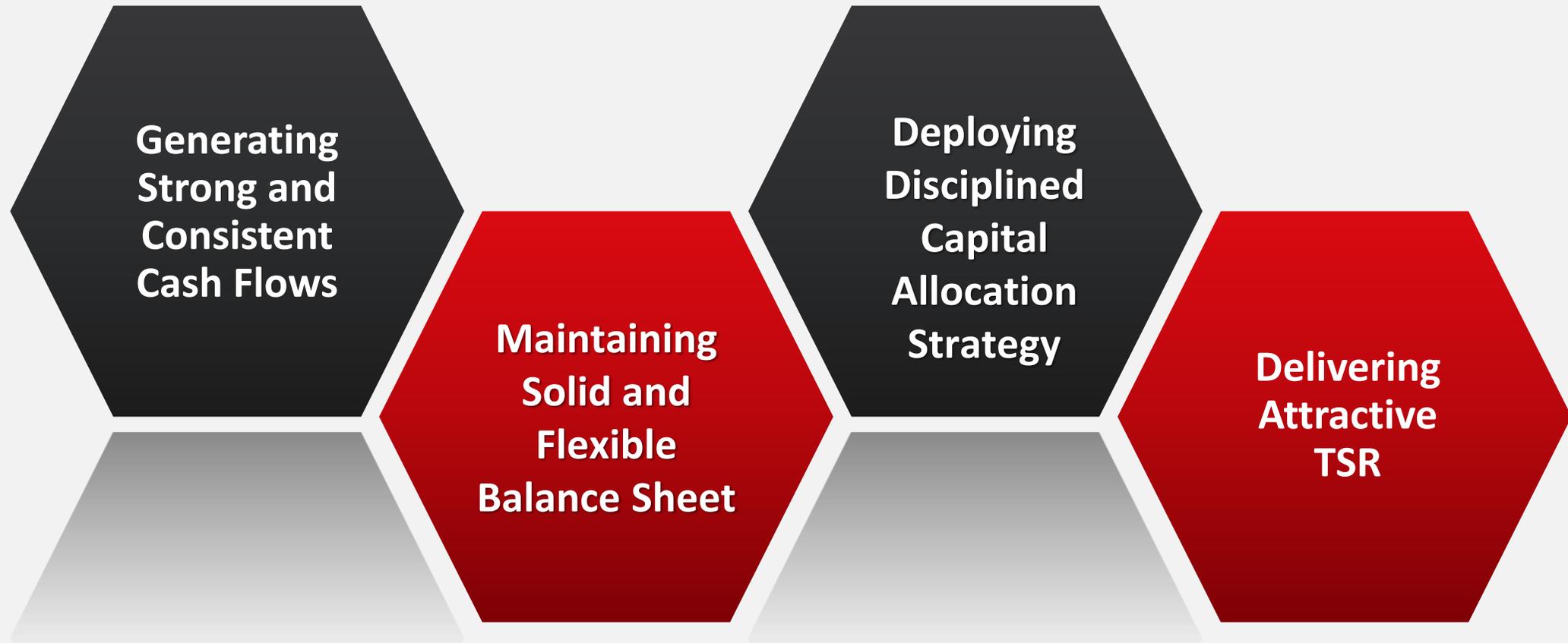
ASSUMPTIONS

KEY MACRO DRIVERS		CABOT ASSUMPTIONS	
◆ Global GDP ¹	3-4%	◆ Operating Tax Rate ²	21-24%
◆ Tire Production	2-4%	◆ Sustaining/Compliance Capex	\$125-\$150M/yr
◆ Auto Builds	2-3%	◆ Total Capex	\$250-\$300M/yr
◆ Polymer Demand (Plastics)	2-4%	◆ Dividend	Intend to grow
◆ Oil Prices	Forward curve		
◆ Foreign Currency Exchange Rates	Current rates		

1. Source: Bloomberg

2. Non-GAAP measure: See Appendix

FINANCIAL KEY TAKEAWAYS





CLOSING REMARKS



CABOT POSITIONED FOR ATTRACTIVE GROWTH

FAVORABLE MACRO TRENDS

- ◆ Mobility
- ◆ Middle Class Growth
- ◆ Global Development
- ◆ Sustainability

GROWTH AND INNOVATION THROUGHOUT OUR ATTRACTIVE VALUE CHAINS

- ◆ Increasing vehicle parc and miles driven globally drive growth in products for the auto and tire sectors
- ◆ Higher level of consumerism and digitization drive demand for our performance additives
- ◆ Investments in infrastructure lead to growth and advancements in silicones and plastics
- ◆ Fuel efficiency trend creates need for innovations in light weighting vehicles, fuel efficient tires and the electrification of fleets

CABOT POSITIONED TO WIN

- ◆ Global leader positioned for advantaged growth
- ◆ Strong technology platform innovating across performance additives and formulated solutions
- ◆ Partner of choice for the leading customers in our value chains
- ◆ Foundation of operational and commercial excellence

INVESTMENT SUMMARY

**Extending
Leadership
Position**

**Navigated
Value Chain
Disruption**

**Delivering on
Commitments**

**Advantaged
Growth
Investments**

**Executing
Disciplined
Capital
Allocation
Strategy**



Q&A

CABOT 



APPENDIX



NON-GAAP RECONCILIATIONS

Use of Non-GAAP Financial Measures

Adjusted EPS, adjusted EBIT, adjusted EBITDA, adjusted EBITDA margin, segment EBITDA, adjusted return on invested capital (ROIC), operating tax rate and discretionary free cash flow are not measures of financial performance under U.S. generally accepted accounting principles (GAAP) and should not be considered in isolation from, or as replacements for, earnings per share from continuing operations or income from continuing operations before taxes determined in accordance with GAAP, nor as substitutes for measures of profitability or performance reported in accordance with GAAP. In certain cases, these non-GAAP measures exclude certain items of expense or income that management does not consider representative of our ongoing performance. These certain items are described in detail in our Form 10-K and Form 10-Q SEC filings. The tables on the following slides reconcile these non-GAAP financial measures to the most comparable GAAP financial measure.

NON-GAAP RECONCILIATIONS

Explanation of Terms Used

EBITDA Margin by product line presented for the Performance Chemicals segment is calculated by dividing estimated net income (loss), including depreciation and amortization, by estimated revenues

Adjusted return on net assets (“adjusted RONA”) by product line presented for the Performance Chemicals segment is calculated by dividing the twelve months’ estimated adjusted net income (loss) (a non-GAAP numerator) by adjusted net assets (a non-GAAP denominator). In the numerator, we estimate the product line’s portion of Segment EBIT, a GAAP measure, and reduce that by estimated allocations of interest income and expense, unallocated corporate costs and general unallocated income and expense. The denominator consists of estimates of our year-end operating assets for the product line, which are: net property, plant and equipment; adjusted net working capital; and investments in equity affiliates.

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

NON-GAAP RECONCILIATIONS

ADJUSTED EPS

Per Share/Fiscal Year	FY 2015 ¹	FY 2016 ¹	FY 2017 ¹	Low	High
				FY 2018F	
Net Income (Loss) per Share Attributable to Cabot Corporation ²	\$ (5.49)	\$ 2.32	\$ 3.91	\$ (2.89)	\$ (2.59)
Less: Net Income (Loss) per Share from Discontinued Operations	0.02	0.02	-	-	-
Net Income (Loss) per Share from Continuing Operations ²	(5.51)	2.30	3.91	(2.89)	(2.59)
Less: Certain Items per Share and Dilutive Impact of Shares ²	(8.00)	(0.80)	0.37	(6.79)	(6.79)
Adjusted Earnings per Share	\$ 2.49	\$ 3.10	\$ 3.54	\$ 3.90	\$ 4.20

1. Amounts have been recast to reflect the retrospective application of the Company's election to change its inventory valuation method of accounting for its U.S. carbon black inventories from the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method as of October 1, 2017.

2. Fiscal 2015 and fiscal 2018 earnings and certain items include the impact of impairment charges in the Purification Solutions segment.

NON-GAAP RECONCILIATIONS

ADJUSTED EBIT, ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

(\$M)/Fiscal Year	FY 2015 ¹	FY 2016 ¹	FY 2017 ¹	Low	High
				FY 2018F	
Income (Loss) from Continuing Operations Before Income Taxes and Equity in Earnings of Affiliated Companies ²	\$ (399)	\$ 190	\$ 299	\$ 107	\$ 132
Interest Expense	53	54	53	43	43
Certain Items ²	617	81	3	261	261
General Unallocated Income (Expense)	11	(3)	(3)	(5)	(5)
Equity in Earnings of Affiliated Companies	4	3	7	4	4
Adjusted EBIT	286	325	359	410	435
Total Depreciation and Amortization	183	161	155	165	165
Adjustments to Depreciation ³	1	3	1	-	-
Adjusted EBITDA	\$ 470	\$ 489	\$ 515	\$ 575	\$ 600
Net Sales and Other Operating Revenues	2,871	2,411	2,717	N/A	N/A
Adjusted EBITDA Margin	16%	20%	19%	N/A	N/A

1. Amounts have been recast to reflect the retrospective application of the Company's election to change its inventory valuation method of accounting for its U.S. carbon black inventories from the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method.

2. Fiscal 2015 and fiscal 2018 earnings and certain items include the impact of impairment charges in the Purification Solutions segment.

3. Adjustments to depreciation include the addition of the depreciation expense of a contractual joint venture in Purification Solutions segment less accelerated depreciation expense not allocated to a business.

NON-GAAP RECONCILIATIONS

SEGMENT EBITDA AND SEGMENT EBITDA MARGIN

(\$M)/Fiscal Year	FY 2015	FY 2016	FY 2017	Low	High
				FY 2018F	
Reinforcement Materials EBIT	\$ 143	\$ 137	\$ 193	\$ 250	\$ 270
Plus: Depreciation and Amortization	83	74	69	70	70
Reinforcement Materials EBITDA	\$ 226	\$ 211	\$ 262	\$ 320	\$ 340
Reinforcement Materials Sales	1,507	1,108	1,381	1,700	1,800
Reinforcement Materials EBITDA Margin	15%	19%	19%	19%	19%

(\$M)/Fiscal Year	FY 2015	FY 2016	FY 2017	Low	High
				FY 2018F	
Performance Chemicals EBIT	\$ 178	\$ 225	\$ 201	\$ 200	\$ 215
Plus: Depreciation and Amortization	54	48	46	50	50
Performance Chemicals EBITDA	\$ 232	\$ 273	\$ 247	\$ 250	\$ 265
Performance Chemicals Sales	927	865	908	1,025	1,055
Performance Chemicals EBITDA Margin	25%	32%	27%	24%	25%

(\$M)/Fiscal Year	FY 2017
Purification Solutions EBIT	\$ 6
Plus: Depreciation and Amortization	39
Purification Solutions EBITDA	\$ 45
Purification Solutions Sales	281
Purification Solutions EBITDA Margin	16%

(\$M)/Fiscal Year	FY 2017
Specialty Fluids EBIT	\$ 9
Plus: Depreciation and Amortization	2
Specialty Fluids EBITDA	\$ 11
Specialty Fluids Sales	41
Specialty Fluids EBITDA Margin	27%

NON-GAAP RECONCILIATIONS

DISCRETIONARY FREE CASH FLOW (DFCF)

(\$M)/Fiscal Year	FY 2015²	FY 2016²	FY 2017²
Cash Flow from Operating Activities ¹	\$ 499	\$ 392	\$ 340
Less: Changes in Net Working Capital	137	49	(23)
Less: Sustaining and Compliance Capital Expenditures	102	91	119
Discretionary Free Cash Flow	\$ 260	\$ 252	\$ 244

1. As provided in the Consolidated Statement of Cash Flows included in the Company's Reports on Form 10-K for the periods presented.

2. Amounts have not been recast to reflect the retrospective application of the Company's election to change its inventory valuation method of accounting for its U.S. carbon black inventories from the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method as of October 1, 2017.

NON-GAAP RECONCILIATIONS

ADJUSTED RETURN ON INVESTED CAPITAL (ROIC)

(\$M)/Fiscal Year	FY 2015 ¹	FY 2016 ¹	FY 2017 ¹	FY 2018F
<i>Numerator - Adjusted Net Income (Loss):</i>				
Net Income (Loss) Attributable to Cabot Corporation ²	\$ (334)	\$ 149	\$ 241	\$ (161)
Less: Certain Items, Net of Tax Benefit (Provision) ²	(510)	(50)	23	(421)
Less: Net Income Attributable to Noncontrolling Interests	(8)	(15)	(25)	(36)
Less: Net Interest Income and Expense, Net of Tax ³	(36)	(37)	(36)	(34)
Adjusted Net Income (Loss)	\$ 220	\$ 251	\$ 279	\$ 330
<i>Denominator - Adjusted Invested Capital:⁴</i>				
Total Cabot Corporation Stockholders' Equity	\$ 1,604	\$ 1,243	\$ 1,324	\$ 1,347
Plus: Noncontrolling Interests	113	97	102	127
Plus: Total Debt	1,095	970	925	931
Plus: Purification Solutions Impairment Charges, Net of Tax	(193)	-	-	(134)
Less: Cash and Cash Equivalents	82	152	200	155
Less: Certain Items, Net of Tax ¹	(212)	(35)	9	(155)
Adjusted Invested Capital	\$ 2,749	\$ 2,193	\$ 2,142	\$ 2,271
Adjusted Return on Invested Capital	8%	11%	13%	15%

1. Amounts have not been recast to reflect the retrospective application of the Company's election to change its inventory valuation method of accounting for its U.S. carbon black inventories from the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method.

2. Fiscal 2015 and fiscal 2018 earnings and certain items include the impact of impairment charges related to the Purification Solutions segment.

3. Tax on interest expense and interest income is calculated using the Company's fiscal 2015, 2016 and 2017 actual and 2018 forecasted operating tax rates of 26%, 24%, 19%, and 21% respectively.

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

NON-GAAP RECONCILIATIONS

OPERATING TAX RATE, DEBT TO EBITDA & NET DEBT TO EBITDA

(\$M)/Fiscal Year	FY 2015	FY 2016	FY 2017	FY 2018F
Current Portion of Long-term Debt	\$ 1	\$ 1	\$ 256	\$ 250
Long-term Debt	970	914	661	750
Total Debt	971	915	917	1,000
Adjusted EBITDA	470	489	515	575
Debt To Adjusted EBITDA	2.1	1.9	1.8	1.7

(\$M)/Fiscal Year	FY 2015	FY 2016	FY 2017	FY 2018F
Current portion of long-term debt	\$ 1	\$ 1	\$ 256	\$ 250
Long-term debt	970	914	661	750
Total Debt	971	915	917	1,000
Less: Cash	77	200	280	265
Net Debt	894	715	637	735
Adjusted EBITDA	470	489	515	575
Debt to Adjusted EBITDA	1.9	1.5	1.2	1.3

	FY 2018F
Effective Tax Rate	224%
Impact of Discrete Tax Items:	
Unusual or Infrequent Items	(180%)
Items Related to Uncertain Tax Positions	(1%)
Other Discrete Tax Items	0%
Impact of Certain Items	(22%)
Operating Tax Rate	21%

SPEAKER BIOGRAPHIES



SEAN KEOHANE

PRESIDENT & CHIEF EXECUTIVE OFFICER

Sean Keohane is president and chief executive officer of Cabot Corporation and a member of the Board of Directors. Since joining Cabot in 2002, Sean has held numerous key management positions including president of the Reinforcement Materials segment, president of the Performance Chemicals segment and president of the Asia Pacific region. Prior to joining Cabot, Sean worked for Pratt & Whitney, a division of United Technologies, in a variety of general management positions. Sean earned his MBA from Harvard University and a BS in Finance from Providence College. Sean currently serves on the Board of Directors of The Chemours Company (NYSE: CC) and the American Chemistry Council and is a Trustee of Dexter Southfield School and the Boston Latin School Association.



PATRICIA HUBBARD

SVP & CHIEF TECHNOLOGY OFFICER

Patricia Hubbard joined Cabot in 2018. Prior to joining Cabot, Patricia worked for Avery Dennison as vice president of R&D for the Label and Graphic Materials division in North America. Prior to Avery Dennison, she worked for PolyOne Corporation and General Electric. Throughout her career, she has garnered extensive knowledge of materials science and formulated solutions that have driven new product development and technology innovation. Patricia is a certified Lean Six Sigma Black Belt, and earned her PhD in polymer science from the University of Akron and a BS in Chemistry from Case Western Reserve University.

SPEAKER BIOGRAPHIES



BART KALKSTEIN

SVP & PRESIDENT, REINFORCEMENT MATERIALS; PRESIDENT, AMERICAS REGION

Bart Kalkstein joined Cabot in 2005 and has been president, Reinforcement Materials segment since 2016. Prior to his current role, Bart held several key management positions within the company, including vice president of corporate strategy and development. He was also vice president of global business operations and general manager of global emission control solutions for the Purification Solutions segment, vice president of business operations and executive director of marketing and business strategy for the Performance Chemicals segment, and general manager of the aerogel business. Prior to joining Cabot, Bart worked for Boston Consulting Group. Bart earned his MBA from Harvard University and a BSE in Civil Engineering and Operations Research at Princeton University.



NICK CROSS

EVP & PRESIDENT, PERFORMANCE CHEMICALS; PRESIDENT, EMEA REGION

Nick Cross joined Cabot in 2009 as vice president and general manager for the EMEA region and was appointed executive vice president and president, Performance Chemicals segment in 2014. During his tenure, he has also held a variety of leadership positions, including president of the Specialty Fluids segment. Prior to Cabot, Nick worked for BP plc for almost 25 years and held leadership roles across the breadth of the company, primarily in the chemicals business. He held senior management roles in BP's chemicals, oil and gas businesses, including chief operating officer of a chemicals joint venture based in Jakarta, Indonesia, director of business development for BP's exploration business in Cairo, Egypt, director of chemicals strategy during the spin-off of BP's olefins and derivatives, and country manager in BP's gas business in Italy. Nick graduated from Trinity Hall, Cambridge in 1984 with an MA in Engineering and Management.

SPEAKER BIOGRAPHIES



JIM MAKUC

VP & GENERAL MANAGER, ENERGY MATERIALS

Jim Makuc, vice president and general manager for the Energy Materials business, joined Cabot in 2004 and has held a variety of roles within Cabot's global businesses. He joined the Energy Materials business in November 2016. Jim began his Cabot career in the inkjet business as a senior product line engineer and then became the facility general manager for Cabot's inkjet manufacturing facility in Haverhill, MA. He then assumed the role of technology director for the Purification Solutions segment, and later also held the role of marketing director. Prior to Cabot, he began his career working in materials development for Hyperion Catalysis, Novacor Chemicals and Rohm & Haas. Jim has a Bachelor's Degree in Chemical Engineering from Cornell University.



ERICA MCLAUGHLIN

SVP & CHIEF FINANCIAL OFFICER

Erica McLaughlin joined Cabot in 2002 and was appointed CFO in 2018. Prior to her current role, Erica was the vice president of business operations for the Reinforcement Materials segment and general manager of the tire business from 2016 to 2018. Erica has held a variety of finance and business roles while at Cabot, including vice president of investor relations and corporate communications, as well as global director of strategy, planning and finance for Cabot's core segment. Prior to joining Cabot, Erica worked for KPMG, LLP in their audit services division. She is a Certified Public Accountant and earned an MBA and a BS in accounting from Boston College.