

CABOT EARNINGS TELECONFERENCE

THIRD QUARTER – FISCAL 2023



Forward Looking Statements

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

Creating for Tomorrow

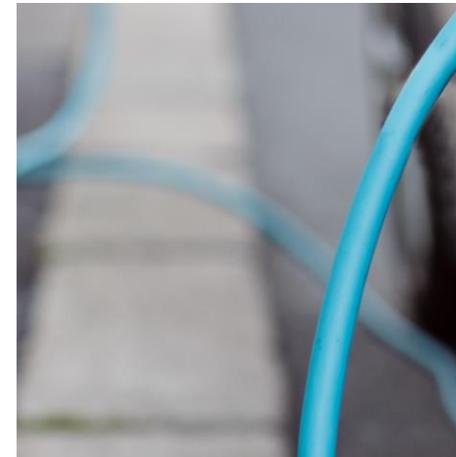
Q3 2023 Highlights

Third quarter Diluted EPS of \$1.43. Adjusted EPS¹ of \$1.42, up 7% sequentially

Record Reinforcement Materials segment EBIT in the third fiscal quarter of \$132 million, up 17% year-over-year

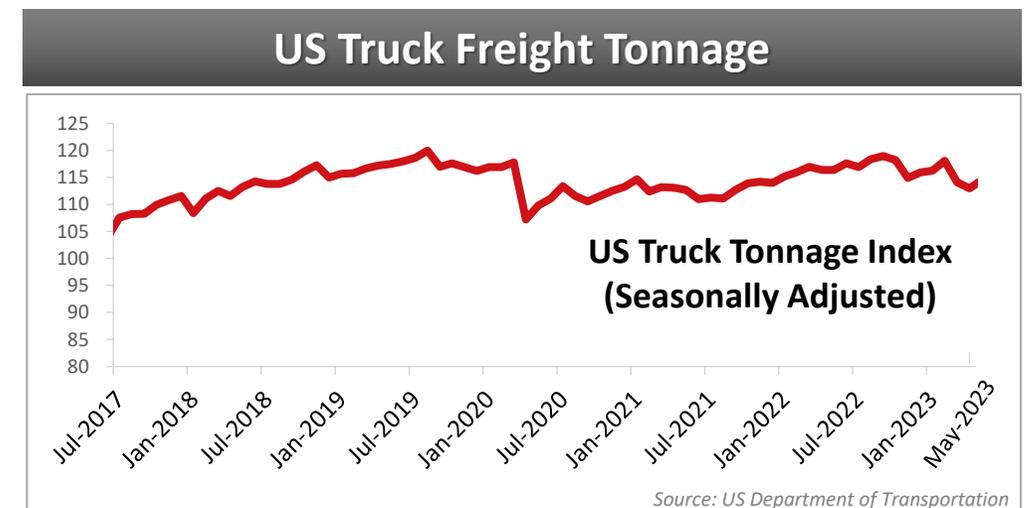
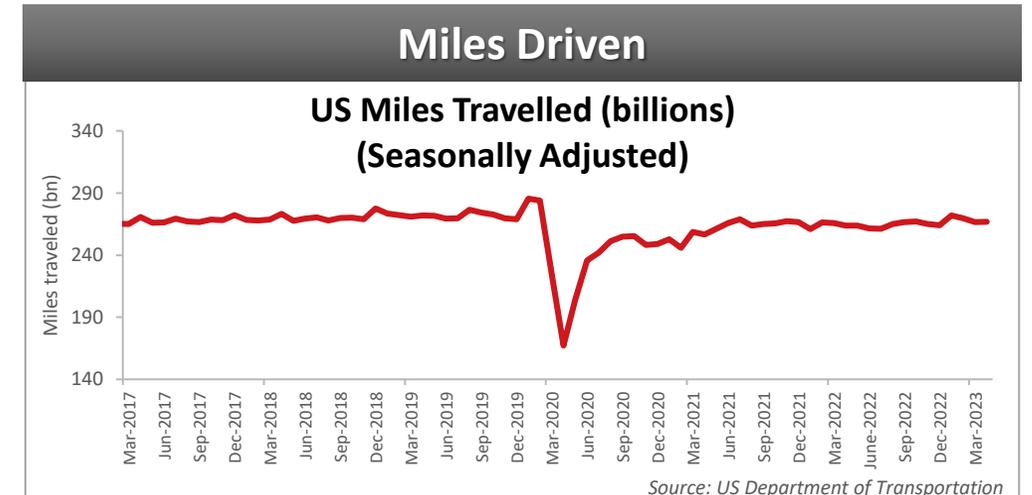
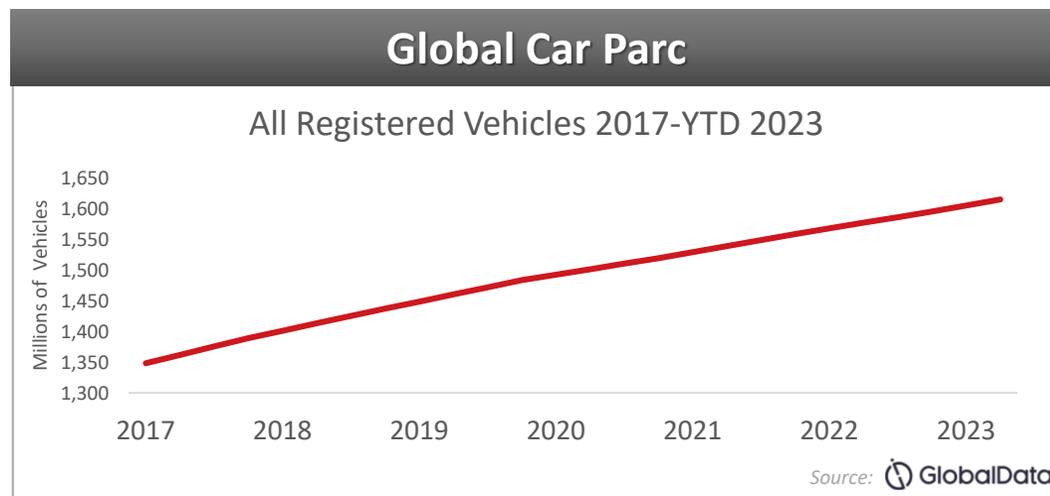
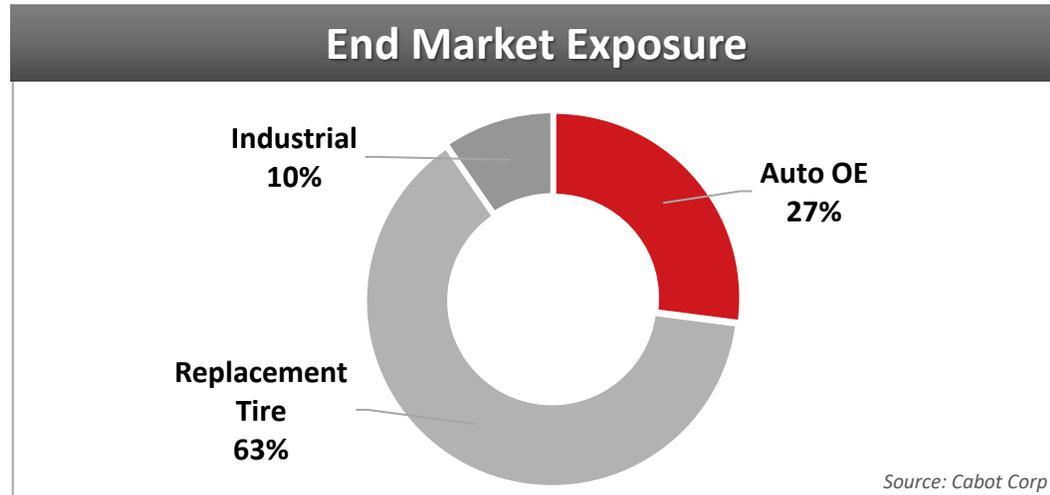
Strong Cash Flow from Operations of \$243 million supported the return of \$38 million to shareholders through dividends and share repurchases

Liquidity remains strong at approximately \$1.3 billion; Net Debt to EBITDA of 1.7 times as of June 30, 2023



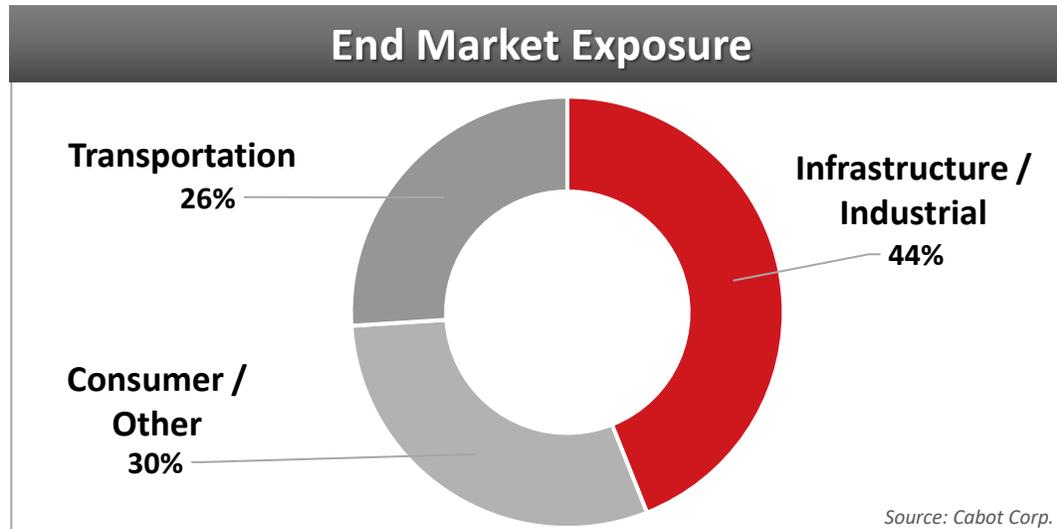
Reinforcement Materials Market Update

Long term demand drivers remain solid

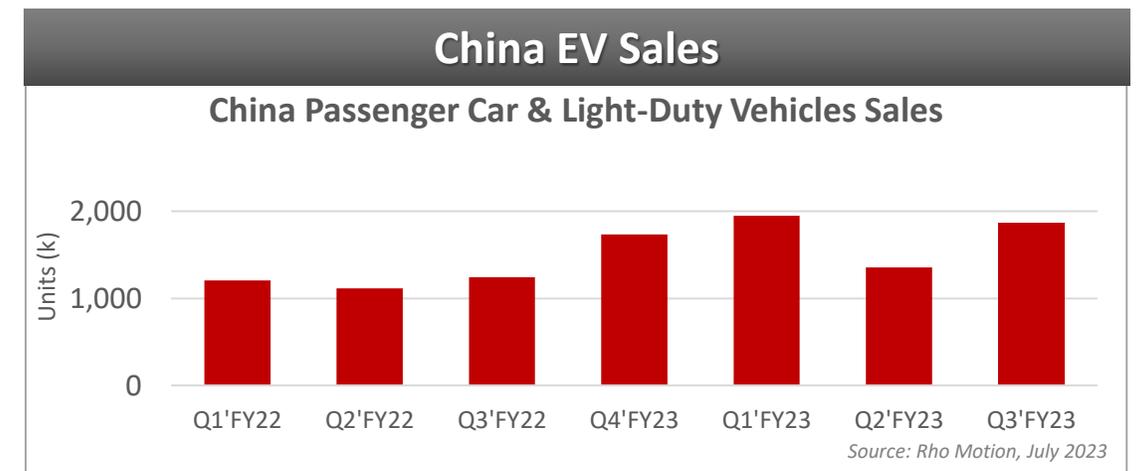
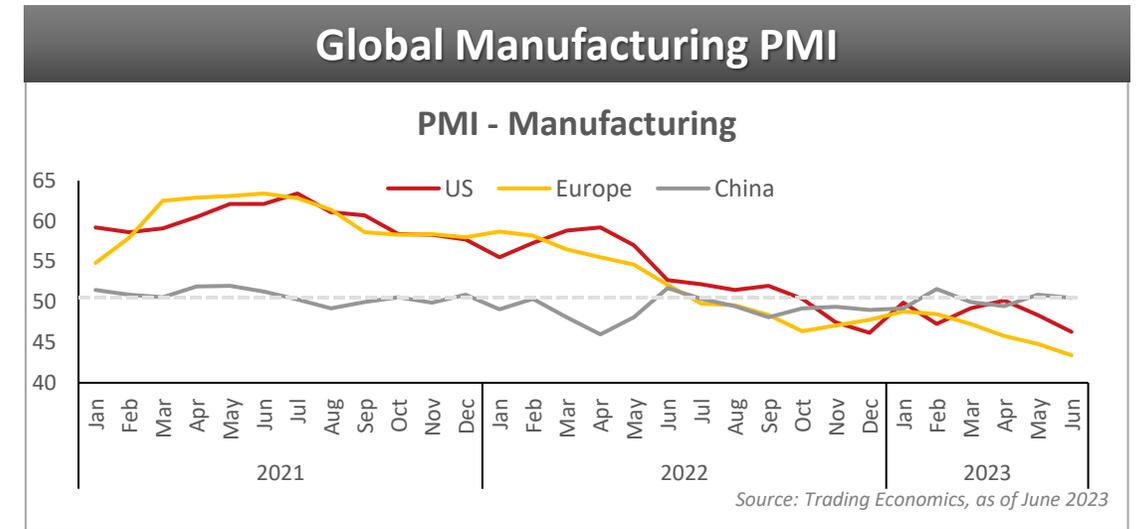


Performance Chemicals Market Update

Key end markets remain challenging



- ### Market Overview
- ◆ PMI remains at or below 50 across all key geographies
 - ◆ Infrastructure and Industrial activity remains weak, particularly within the construction and housing markets
 - ◆ China EV sales grow YoY and sequentially in fiscal Q3 with sequential growth expected in fiscal Q4
 - ◆ Pricing pressure in China across EV value chain



Q3 2023 Financial Highlights



Adjusted EPS¹

\$1.42

Diluted EPS \$1.43

Discretionary Free Cash Flow¹

\$128 million

Cash flow from operations of \$243m

Free Cash Flow¹

\$163 million

Capex

\$ 80 million

Fiscal '23 expected to be approximately \$250M

Cash

\$220 million

Liquidity

\$1.3 billion

Operating Tax Rate¹

28% YTD

FY'23 forecast range of 27%-29%

Reinforcement Materials Segment

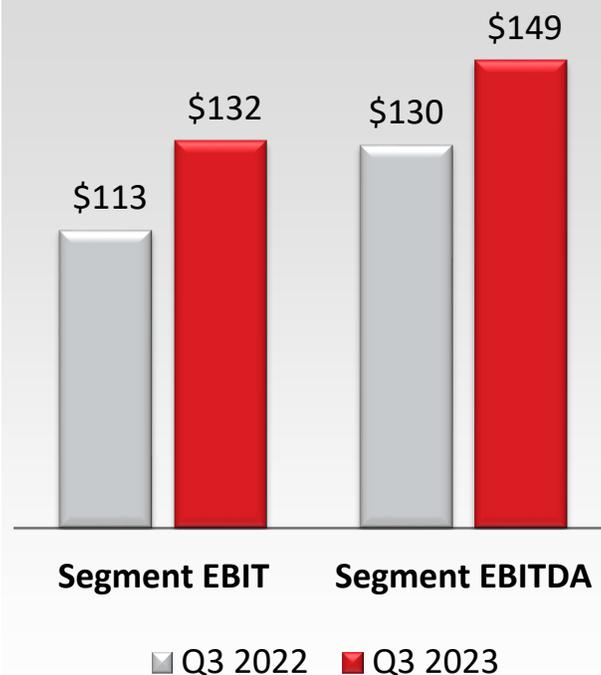
Operating Performance

Q3 2023 RESULTS

- ◆ Margins improved due to favorable pricing and product mix in calendar year 2023 customer agreements
- ◆ Global volumes down 8% year-over-year due to demand softness in all regions



SEGMENT EBIT & EBITDA



Q4 2023 OUTLOOK

- ◆ Relatively flat volumes expected sequentially across most regions, with lower seasonal volumes anticipated in Europe
- ◆ Higher fixed costs expected sequentially due to the timing of spend



Performance Chemicals Segment

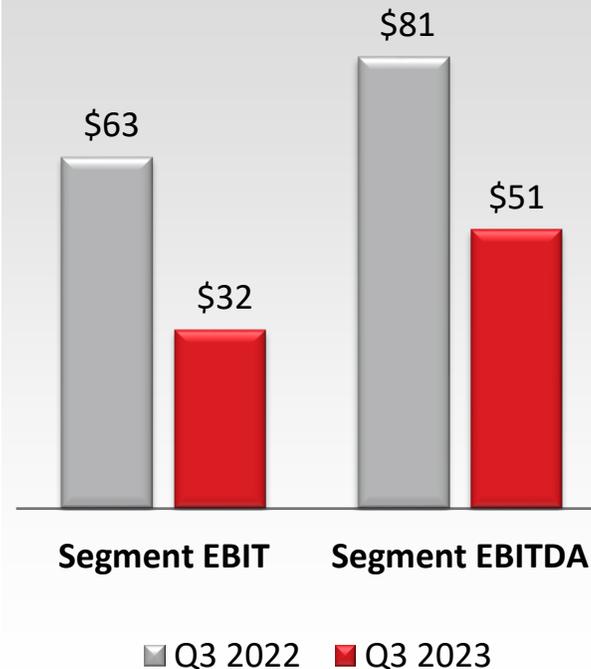
Operating Performance

Q3 2023 RESULTS

- ◆ Lower volumes were driven by continued softness in key end markets, most notably in fumed metals oxides
- ◆ Less favorable product mix in specialty carbons and battery materials product lines



SEGMENT EBIT & EBITDA



Q4 2023 OUTLOOK

- ◆ Volumes expected to be consistent sequentially in larger product lines and improve sequentially in battery materials and Inkjet
- ◆ Pricing pressures in the EV value chain in China expected in the near-term will impact Battery Materials results



Strong Operating Cash Flow

Outlook for continued strong cash generation enables growth investments, dividends and share repurchases

STRONG HISTORICAL PERFORMANCE

\$457 million

YTD'23 operating cash flows

~\$166 million

YTD FY'23 capital expenditures

\$65 million

YTD dividends; increased dividend by 8% in May 2023

\$48 million

YTD'23 share repurchases

Q4 OUTLOOK



Expect continued strength in operating cash flow



Net Debt to EBITDA ratio is expected to remain steady



Continue to fund attractive growth investments paced with demand expectations



Full Year Capex expected to be approximately \$250M



Anticipate increase in Q4 share repurchases

2023 Outlook

1



Adjusted EPS¹ guidance

\$1.40 to \$1.55 adjusted EPS expected for fiscal fourth quarter; equates to \$5.13 - \$5.28 for fiscal 2023

2



Reinforcement Materials results remain strong despite lower volumes

Expecting the continuation of year over year EBIT growth for Q4

3



Sequential improvement expected in Performance Chemicals EBIT

Volumes expected to increase in battery materials and inkjet

4



Operating cash flow remains strong

Supports capital allocation priorities



1. Non-GAAP measure – See Appendix

OUR STRATEGY

Creating for Tomorrow

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



GROW

Investing for advantaged growth.



INNOVATE

Developing innovative products and processes that enable a better future.



OPTIMIZE

Driving continuous improvement in everything we do.



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 third quarter fiscal year 2023 earnings release and filed on our Current Report on Form 8-K dated August 7, 2023. Reconciliations for Total Segment EBIT and segment EBITDA for each segment are included in the following slides.

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

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

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

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

Explanation of Terms Used

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

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

Non-GAAP Financial Measures

Total Segment EBIT and Adjusted EBITDA

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

<i>Dollars in millions</i>	Q3 FY2023	Q3 FY2022	YTD 2023	YTD 2022
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 130	\$ 152	\$ 324	\$ 206
Less: Certain items	(1)	12	(7)	(185)
Less: Other Unallocated items	(33)	(36)	(106)	(93)
Total Segment EBIT	\$ 164	\$ 176	\$ 437	\$ 484
Plus: Total Depreciation & Amortization excluding corporate depreciation	36	35	106	110
Less: Unallocated corporate costs before corporate depreciation	11	14	42	44
Adjusted EBITDA	\$ 189	\$ 197	\$ 501	\$ 550
Net sales and other operating revenues	\$ 968	\$ 1,149	\$ 2,966	\$ 3,209
Adjusted EBITDA Margin	20%	17%	17%	17%

Non-GAAP Financial Measures

Segment EBITDA

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

<i>Dollars in millions</i>	Q3 FY2023	Q3 FY2022	YTD 2023	YTD 2022
Reinforcement Materials EBIT	\$ 132	\$ 113	\$ 348	\$ 299
Plus: Depreciation and amortization	\$ 17	17	\$ 52	53
Reinforcement Materials EBITDA	\$ 149	\$ 130	\$ 400	\$ 352
	Q3 FY2023	Q3 FY2022	YTD 2023	YTD 2022
Performance Chemicals EBIT	\$ 32	\$ 63	\$ 89	\$ 185
Plus: Depreciation and amortization	\$ 19	18	\$ 54	54
Performance Chemicals EBITDA	\$ 51	\$ 81	\$ 143	\$ 239
	Q3 FY2023	Q3 FY2022	YTD 2023	YTD 2022
Purification Solutions EBIT	\$ -	\$ -	\$ -	\$ -
Plus: Depreciation and amortization	-	-	-	3
Purification Solutions EBITDA	\$ -	\$ -	\$ -	\$ 3

Non-GAAP Financial Measures

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

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

<i>Dollars in millions</i>	Q3 FY2023	Q3 FY2022	YTD 2023	YTD 2022
Cash flow from operating activities ^(A)	\$ 243	\$ 34	\$ 457	\$ (5)
Less: Additions to property, plant and equipment	80	50	166	121
Free cash flow	\$ 163	\$ (16)	\$ 291	\$ (126)
Plus: Additions to property, plant and equipment	80	50	166	121
Less: Changes in net working capital ^(B)	71	(136)	96	(390)
Less: Sustaining and compliance capital expenditures	44	35	94	82
Discretionary free cash flow	\$ 128	\$ 135	\$ 267	\$ 303

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

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

Non-GAAP Financial Measures

Adjusted EPS

	Fiscal 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	\$ —	\$ 3.65
Less: Certain items after tax per share	(0.05)	(0.04)	0.01	—	(0.08)
Adjusted earnings (loss) per share	\$ 0.98	\$ 1.33	\$ 1.42	\$ —	\$ 3.73
	Fiscal 2022 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ (1.57)	\$ 1.84	\$ 1.69	\$ 1.64	\$ 3.62
Less: Certain items after tax per share	(2.86)	0.15	(0.04)	0.09	(2.66)
Adjusted earnings (loss) per share	\$ 1.29	\$ 1.69	\$ 1.73	\$ 1.55	\$ 6.28

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