EARNINGS TELECONFERENCE

SECOND QUARTER - FISCAL 2019

CABOT

FORWARD LOOKING STATEMENTS

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 our statements addressing our expectations for adjusted EPS for fiscal 2019, our performance in the third and fourth quarters and the full year of fiscal 2019, the factors we expect to impact earnings in each segment, our expectations for segment EBIT for each of our segments and our broad assumptions supporting these expectations, anticipated demand for our products; our expected uses of cash, including for capital expenditures; when we expect the sale of our Specialty Fluids business to be consummated; and when we expect our new fumed silica plant in China to commence operations 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 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 failure to develop new products or to keep pace with technological developments; unanticipated disruptions or delays in plant operations or development projects; 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; global trade policies; 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 annual report on Form 10-K for the fiscal year ended September 30, 2018.

Q2 2019 HIGHLIGHTS

- *Adjusted EPS of $0.99; Total Segment EBIT of $112M*
- *Q2 results impacted by: soft automotive demand, weak environment in China and higher feedstock costs*
- *2019 Reinforcement Materials customer agreements had a positive impact in the quarter*
- *Continue to balance growth investment with tight cost management and a sustained focus on working capital*
- *Continued commitment to return cash to shareholders with second fiscal quarter share repurchases and dividends totaling $70 million*

(in millions, except per share amounts)	**Q2 2019**	**Q2 2018**	**YoY Change**
Diluted EPS	$ 0.39	$ (2.80)	N/A
Adjusted EPS	$ 0.99	$ 1.04	(5%)
Revenue	$ 844	$ 818	3%
Total Segment EBIT	$ 112	$ 127	(12%)
Adjusted EBITDA	$ 136	$ 152	(11%)

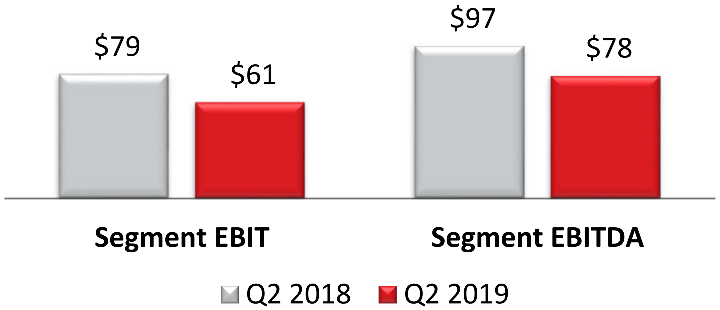


REINFORCEMENT MATERIALS SEGMENT OPERATING PERFORMANCE

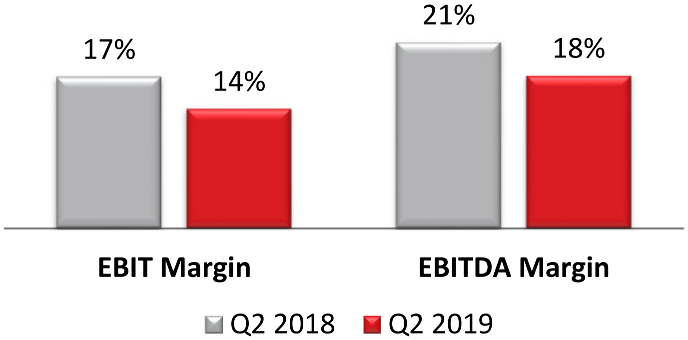
Q2 FISCAL 2019 HIGHLIGHTS

- Improved pricing from 2019 customer agreements offset by competitive pricing in Asia
- Margins impacted by higher raw material costs - both feedstock differentials and timing of flow-through
- Volumes declined by 1% driven by softer OE demand in EMEA

SEGMENT EBIT AND EBITDA ($ MILLIONS)



SEGMENT EBIT AND EBITDA MARGINS



FISCAL 2019 OUTLOOK

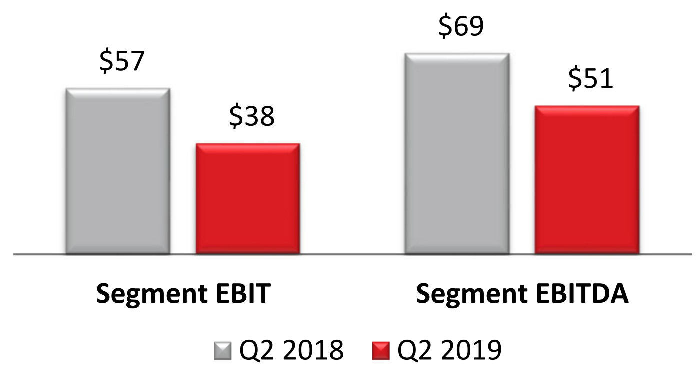
- Sequential EBIT improvement expected as high cost raw material flow-through not expected to repeat in third fiscal quarter
- Pricing environment in Asia improving but will take some time to fully recover
- Stronger fourth fiscal quarter results anticipated from higher automotive production

PERFORMANCE CHEMICALS SEGMENT OPERATING PERFORMANCE

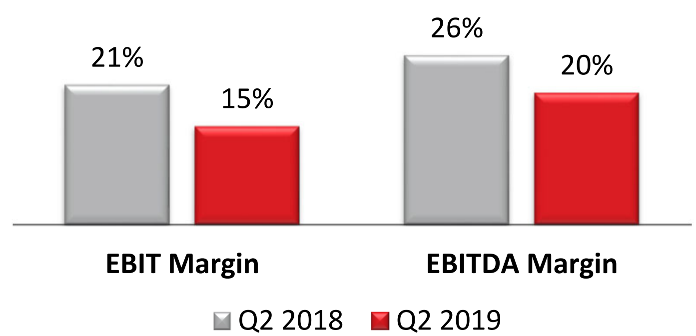
Q2 FISCAL 2019 HIGHLIGHTS

- Volumes declined 1% year-over-year in Performance Additives and 16% in Formulated Solutions due to weak auto demand and destocking
- Margins unfavorably impacted by less favorable product mix, primarily in the specialty carbons and specialty compounds product lines

SEGMENT EBIT AND EBITDA ($ MILLIONS)

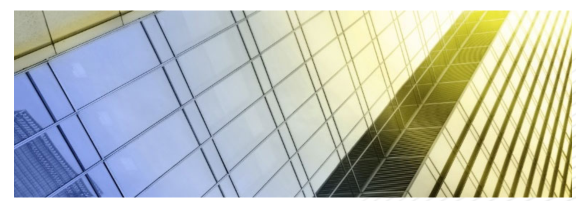


SEGMENT EBIT AND EBITDA MARGINS



FISCAL 2019 OUTLOOK

- Volumes expected to improve sequentially as automotive and plastics demand recovers and destocking abates
- Margin improvement due to mix improvement and a benefit from lower raw material costs flow-through
- Third fiscal quarter includes higher costs related to implementation of U.S. EPA environmental project

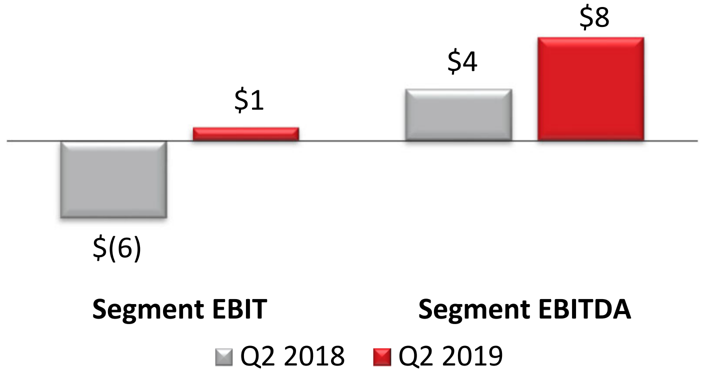


PURIFICATION SOLUTIONS SEGMENT OPERATING PERFORMANCE

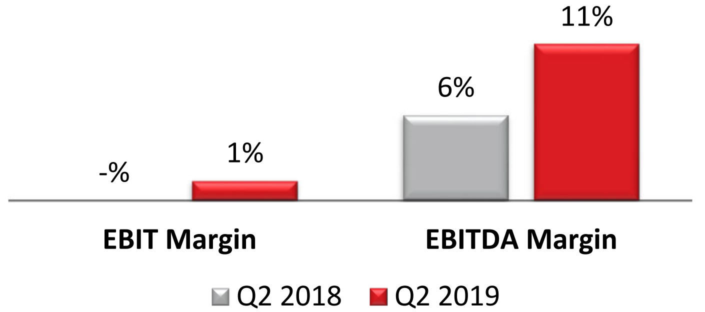
Q2 FISCAL 2019 HIGHLIGHTS

- Higher volumes in specialty applications, such as automotive, pharma, and catalyst
- Margin benefit from implementation of price increases in specialty applications
- Lower fixed costs driven by savings from the transformation plan

SEGMENT EBIT AND EBITDA ($ MILLIONS)



SEGMENT EBIT AND EBITDA MARGINS



FISCAL 2019 OUTLOOK

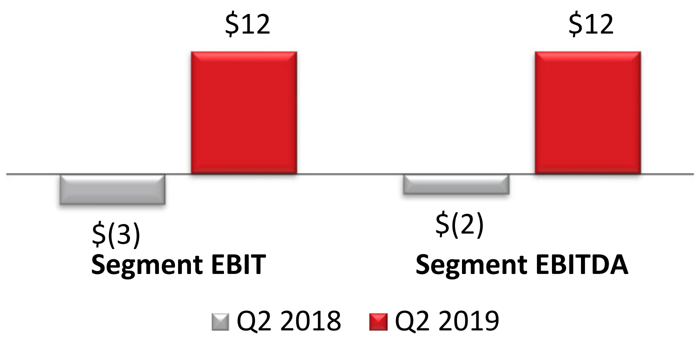
- Expect sequential improvement in third and fourth fiscal quarters from seasonally higher volumes
- Further benefit anticipated from lower fixed costs due to the transformation plan

SPECIALTY FLUIDS SEGMENT OPERATING PERFORMANCE

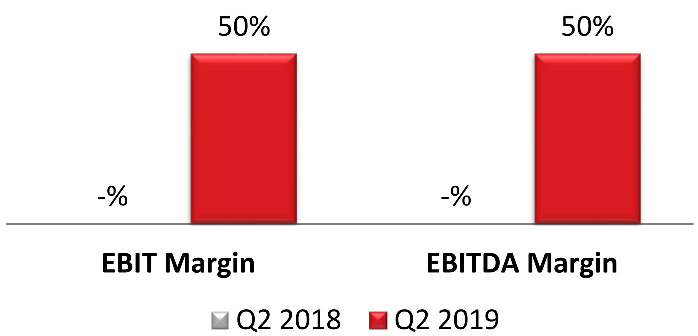
Q2 FISCAL 2019 HIGHLIGHTS

- Strong project activity in Middle East and Africa drove year-over-year EBIT improvement

SEGMENT EBIT AND EBITDA ($ MILLIONS)



SEGMENT EBIT AND EBITDA MARGINS



FISCAL 2019 OUTLOOK

- Expect to complete divestiture in third fiscal quarter

CORPORATE FINANCIAL ITEMS[1]

- Liquidity remains strong at $630 million
- Cash flow from operations of $90 million
- Capital expenditures of $43 million; $250-$275 million forecasted for fiscal 2019
- Share repurchases of $50 million and dividends of $20 million
- Year-to-date operating tax rate of 24%; forecasted 23%-25%

1. All amounts are for the second quarter fiscal 2019 or as of March 31, 2019, unless otherwise specified

FISCAL 2019 FINANCIAL PERFORMANCE OUTLOOK

- *Improving Outlook in China* – *stimulus, auto production improvement, PMI over 50*
- *Sequential improvement in Reinforcement Materials and Performance Chemicals* *due to volume and margin recovery*
- *Complete the divestiture of CSF* *in third fiscal quarter*
- *Strong fourth quarter results* *as auto production improves*
- *Confident in the fundamentals of our core business*, *our leadership positions and unparalleled geographic footprint, and the robustness of the industries we serve*

Adjusted earnings per share $4.05 - $4.30

Q&A

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USE OF NON-GAAP FINANCIAL MEASURES & DEFINITIONS OF TERMS USED

Use of Non-GAAP Financial Measures

This presentation includes references to adjusted earnings per share (EPS), total segment EBIT, segment EBITDA, adjusted EBITDA, discretionary free cash flow and operating tax rate, which are non-GAAP measures. Reconciliations of adjusted EPS to EPS from continuing operations, Total segment EBIT to Income (Loss) from continuing operations before income taxes and equity in earnings of affiliated companies, and operating tax rate to effective tax rate, the most directly comparable GAAP financial measures, are provided in the tables included in our second quarter earnings release and filed on our Current Report on Form 8-K filed on May 6, 2019.

Reconciliations for Total Segment EBIT and segment EBITDA for each segment are included in the following slides.

This presentation also includes our forecast of adjusted EPS for fiscal 2019. We do not provide a forecast for GAAP EPS or reconcile either our forecast of adjusted EPS to GAAP EPS or our expected adjusted EPS growth rate range with a GAAP EPS growth 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 GAAP EPS 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.

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 4 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.

	Q2 2019	Q2 2018
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	**$ 49**	**$ (171)**
Less: Certain items	(37)	(264)
Less: Other unallocated items	(26)	(34)
Total Segment EBIT	**$ 112**	**$ 127**
Plus: Total Depreciation & Amortization	37	41
Less: Unallocated Corporate Costs	13	16
Adjusted EBITDA	**$ 136**	**$ 152**

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.

	Q2 2019	Q2 2018
Reinforcement Materials EBIT	$ 61	$ 79
Plus: Depreciation & Amortization	17	18
Reinforcement Materials EBITDA	**$ 78**	**$ 97**
	Q2 2019	**Q2 2018**
Performance Chemicals EBIT	$ 38	$ 57
Plus: Depreciation & Amortization	13	12
Performance Chemicals EBITDA	**$ 51**	**$ 69**
	Q2 2019	**Q2 2018**
Purification Solutions EBIT	$ 1	$ (6)
Plus: Depreciation & Amortization	7	10
Purification Solutions EBITDA	**$ 8**	**$ 4**
	Q2 2019	**Q2 2018**
Specialty Fluids EBIT	$ 12	$ (3)
Plus: Depreciation & Amortization	-	1
Specialty Fluids EBITDA	**$ 12**	**$ (2)**

NON-GAAP FINANCIAL MEASURES
DISCRETIONARY FREE CASH FLOW

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.

	Q2 2019
Cash flow from operating activities (A)	$ 90
Less: Changes in net working capital (B)	22
Less: Sustaining and compliance capital expenditures	21
Discretionary Free Cash Flow	**$ 47**

(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.