

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, DC 20549

**FORM 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended March 31, 2026  
or  
 **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 1-5667

**Cabot Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**Two Seaport Lane, Suite 1400**  
**Boston, Massachusetts**  
(Address of principal executive offices)

**04-2271897**  
(I.R.S. Employer  
Identification No.)

**02210-2019**  
(Zip Code)

**Registrant's telephone number, including area code: (617) 345-0100**

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$1 par value per share	CBT	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The Company had 51,621,417 shares of common stock, \$1.00 par value per share, outstanding as of May 1, 2026.

## INDEX

### Part I. [Financial Information](#)

Item 1.	<a href="#">Financial Statements (unaudited)</a>	3
	<a href="#">Consolidated Statements of Operations</a>	4
	<a href="#">Consolidated Statements of Comprehensive Income (Loss)</a>	4
	<a href="#">Consolidated Balance Sheets</a>	5
	<a href="#">Consolidated Statements of Cash Flows</a>	7
	<a href="#">Consolidated Statements of Changes in Stockholders' Equity</a>	8
	<a href="#">Notes to the Consolidated Financial Statements</a>	10
Item 2.	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	23
Item 3.	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	29
Item 4.	<a href="#">Controls and Procedures</a>	29

### Part II. [Other Information](#)

Item 2.	<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	30
Item 5.	<a href="#">Other Information</a>	30
Item 6.	<a href="#">Exhibits</a>	31

**Part I. Financial Information**  
**Item 1. Financial Statements**

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**UNAUDITED**

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions, except per share amounts)			
Net sales and other operating revenues	\$ 904	\$ 936	\$ 1,753	\$ 1,891
Cost of sales	694	695	1,332	1,415
Gross profit	210	241	421	476
Selling and administrative expenses	67	64	136	130
Research and technical expenses	14	15	27	29
Income (loss) from operations	129	162	258	317
Interest and dividend income	7	7	14	13
Interest expense	(18)	(19)	(36)	(37)
Other income (expense)	2	1	2	2
Income (loss) from operations before income taxes and equity in earnings of affiliated companies	120	151	238	295
(Provision) benefit for income taxes	(44)	(49)	(81)	(90)
Equity in earnings of affiliated companies, net of tax	2	3	3	4
Net income (loss)	78	105	160	209
Net income (loss) attributable to noncontrolling interests, net of tax	10	11	19	22
Net income (loss) attributable to Cabot Corporation	<u>\$ 68</u>	<u>\$ 94</u>	<u>\$ 141</u>	<u>\$ 187</u>
<b>Weighted-average common shares outstanding:</b>				
Basic	52.0	54.0	52.3	54.2
Diluted	52.2	54.4	52.6	54.7
<b>Earnings (loss) per common share:</b>				
Basic	\$ 1.27	\$ 1.71	\$ 2.65	\$ 3.40
Diluted	\$ 1.27	\$ 1.69	\$ 2.64	\$ 3.36

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**UNAUDITED**

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Net income (loss)	\$ 78	\$ 105	\$ 160	\$ 209
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustment, net of tax	(6)	34	20	(70)
Derivatives: net investment hedges				
(Gains) losses reclassified to interest expense, net of tax	(1)	(1)	(2)	(2)
(Gains) losses excluded from effectiveness testing and amortized to interest expense, net of tax	1	—	1	1
Pension and other post-retirement benefit liability adjustments, net of tax	—	—	3	—
Other comprehensive income (loss), net of tax (provision) benefit of \$(1), \$3, \$(2), \$(1)	(6)	33	22	(71)
Comprehensive income (loss)	<u>72</u>	<u>138</u>	<u>182</u>	<u>138</u>
Net income (loss) attributable to noncontrolling interests, net of tax	10	11	19	22
Foreign currency translation adjustment attributable to noncontrolling interests, net of tax	—	3	3	(4)
Comprehensive income (loss) attributable to noncontrolling interests	<u>10</u>	<u>14</u>	<u>22</u>	<u>18</u>
Comprehensive income (loss) attributable to Cabot Corporation	<u>\$ 62</u>	<u>\$ 124</u>	<u>\$ 160</u>	<u>\$ 120</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**ASSETS**  
**UNAUDITED**

	<u>March 31, 2026</u>	<u>September 30, 2025</u>
	(In millions)	
Current assets:		
Cash and cash equivalents	\$ 252	\$ 258
Accounts and notes receivable, net of reserve for doubtful accounts of \$5 and \$5	657	671
Inventories:		
Raw materials	144	134
Finished goods	310	303
Other	68	67
Total inventories	<u>522</u>	<u>504</u>
Prepaid expenses and other current assets	116	106
Total current assets	<u>1,547</u>	<u>1,539</u>
Property, plant and equipment	4,514	4,405
Accumulated depreciation	(2,763)	(2,694)
Net property, plant and equipment	<u>1,751</u>	<u>1,711</u>
Goodwill	136	134
Equity affiliates	18	16
Intangible assets, net	53	55
Deferred income taxes	198	180
Other assets	194	180
Total assets	<u>\$ 3,897</u>	<u>\$ 3,815</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND STOCKHOLDERS' EQUITY**  
**UNAUDITED**

	<u>March 31, 2026</u>	<u>September 30, 2025</u>
	(In millions, except share and per share amounts)	
<b>Current liabilities:</b>		
Short-term borrowings	\$ 175	\$ 14
Accounts payable and accrued liabilities	598	648
Income taxes payable	34	35
Current portion of long-term debt	261	260
Total current liabilities	<u>1,068</u>	<u>957</u>
Long-term debt	863	856
Deferred income taxes	40	39
Other liabilities	239	258
Contingencies (Note F)		
<b>Stockholders' equity:</b>		
Preferred stock:		
Authorized: 2,000,000 shares of \$1 par value, Issued and Outstanding: None and none	—	—
Common stock:		
Authorized: 200,000,000 shares of \$1 par value, Issued: 51,694,096 and 52,962,353 shares, Outstanding: 51,579,624 and 52,842,481 shares	52	53
Less cost of 115,063 and 119,872 shares of common treasury stock	(3)	(3)
Additional paid-in capital	—	—
Retained earnings	1,835	1,835
Accumulated other comprehensive income (loss)	(316)	(335)
Total Cabot Corporation stockholders' equity	<u>1,568</u>	<u>1,550</u>
Noncontrolling interests	119	155
Total stockholders' equity	<u>1,687</u>	<u>1,705</u>
Total liabilities and stockholders' equity	<u>\$ 3,897</u>	<u>\$ 3,815</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**UNAUDITED**

	Six Months Ended March 31	
	2026	2025
	(In millions)	
<b>Cash Flows from Operating Activities:</b>		
Net income (loss)	\$ 160	\$ 209
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation and amortization	90	75
Deferred tax provision (benefit)	(14)	8
Equity in earnings of affiliated companies	(3)	(4)
Share-based compensation	7	14
Other non-cash (income) expense	6	7
Cash dividends received from equity affiliates	1	12
Changes in assets and liabilities:		
Accounts and notes receivable	37	(30)
Inventories	—	(8)
Prepaid expenses and other assets	(25)	(17)
Accounts payable and accrued liabilities	(51)	(76)
Income taxes payable	(2)	—
Other liabilities	(3)	7
Cash provided by (used in) operating activities	<u>203</u>	<u>197</u>
<b>Cash Flows from Investing Activities:</b>		
Additions to property, plant and equipment	(114)	(149)
Cash paid for asset acquisition	—	(27)
Cash paid for acquisition of business, net of cash acquired \$2	(66)	—
Other	2	2
Cash provided by (used in) investing activities	<u>(178)</u>	<u>(174)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from short-term borrowings (original maturities greater than 90 days)	15	—
Repayments of short-term borrowings (original maturities greater than 90 days)	(8)	—
Proceeds from (repayments of) short-term borrowings, net (original maturities 90 days or less)	12	—
Proceeds from issuance (repayments) of commercial paper, net	142	145
Proceeds from long-term debt	—	6
Repayments of long-term debt	(4)	(4)
Purchases of common stock	(101)	(89)
Proceeds from sales of common stock	—	2
Cash dividends paid to noncontrolling interests	(47)	(20)
Cash dividends paid to common stockholders	(48)	(47)
Cash provided by (used in) financing activities	<u>(39)</u>	<u>(7)</u>
Effects of exchange rate changes on cash and cash equivalents	8	(26)
Increase (decrease) in cash and cash equivalents	(6)	(10)
Cash and cash equivalents at beginning of period	258	223
Cash and cash equivalents at end of period	<u>\$ 252</u>	<u>\$ 213</u>

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**UNAUDITED**

(In millions, except shares in thousands and per share amounts)

	Common Stock, Net of Treasury Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive Income (Loss)	Total Cabot Corporation Stockholders'	Noncontrolling	Total Stockholders'
	Shares	Cost	Capital	Earnings		Equity	Interests	Equity
Balance at September 30, 2025	52,842	\$ 50	\$ —	\$ 1,835	\$ (335)	\$ 1,550	\$ 155	\$ 1,705
Net income (loss)				73		73	9	82
Total other comprehensive income (loss), net of tax					25	25	3	28
Cash dividends paid on Common stock, \$0.45 per share				(24)		(24)		(24)
Cash dividends declared to noncontrolling interests							(13)	(13)
Issuance of stock under equity compensation plans	170	—	—					
Share-based compensation			3			3		3
Purchase and retirement of common stock	(796)	(1)	(3)	(48)		(52)		(52)
Balance at December 31, 2025	52,216	\$ 49	\$ —	\$ 1,836	\$ (310)	\$ 1,575	\$ 154	\$ 1,729
Net income (loss)				68		68	10	78
Total other comprehensive income (loss), net of tax					(6)	(6)	—	(6)
Cash dividends paid on Common stock, \$0.45 per share				(24)		(24)		(24)
Cash dividends declared to noncontrolling interests							(45)	(45)
Issuance of stock under equity compensation plans	15	—	—					
Share-based compensation			4			4		4
Purchase and retirement of common stock	(651)	—	(4)	(45)		(49)		(49)
Balance at March 31, 2026	51,580	\$ 49	\$ —	\$ 1,835	\$ (316)	\$ 1,568	\$ 119	\$ 1,687

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**UNAUDITED**

(In millions, except shares in thousands and per share amounts)

	Common Stock, Net of Treasury Stock		Additional Paid-in	Retained	Accumulate d Other Comprehensive Income (Loss)	Total Cabot Corporation Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Cost	Capital	Earnings				
Balance at September 30, 2024	54,297	\$ 51	\$ —	\$ 1,734	\$ (360)	\$ 1,425	\$ 165	\$ 1,590
Net income (loss)				93		93	11	104
Total other comprehensive income (loss), net of tax					(97)	(97)	(7)	(104)
Cash dividends paid on Common stock, \$0.43 per share				(24)		(24)		(24)
Cash dividends declared to noncontrolling interests							(20)	(20)
Issuance of stock under equity compensation plans	308	—	2			2		2
Share-based compensation			8			8		8
Purchase and retirement of common stock	(390)	—	(10)	(31)		(41)		(41)
Balance at December 31, 2024	54,215	\$ 51	\$ —	\$ 1,772	\$ (457)	\$ 1,366	\$ 149	\$ 1,515
Net income (loss)				94		94	11	105
Total other comprehensive income (loss), net of tax					30	30	3	33
Cash dividends paid on Common stock, \$0.43 per share				(23)		(23)		(23)
Cash dividends declared to noncontrolling interests								
Issuance of stock under equity compensation plans	16	—	—					
Share-based compensation			6			6		6
Purchase and retirement of common stock	(530)	—	(6)	(40)		(46)		(46)
Balance at March 31, 2025	53,701	\$ 51	\$ —	\$ 1,803	\$ (427)	\$ 1,427	\$ 163	\$ 1,590

The accompanying notes are an integral part of these consolidated financial statements.

**CABOT CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2026**  
**UNAUDITED**

**A. Basis of Presentation**

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“U.S.”) (“GAAP”) and include the accounts of Cabot Corporation (“Cabot” or the “Company”) and its wholly-owned subsidiaries and majority-owned and controlled U.S. and non-U.S. subsidiaries. Additionally, Cabot considers consolidation of entities over which control is achieved through means other than voting rights. Intercompany transactions have been eliminated in consolidation.

The consolidated financial statements have been prepared in accordance with the requirements of Form 10-Q and consequently do not include all disclosures required by Form 10-K. Additional information may be obtained by referring to Cabot’s Annual Report on Form 10-K for its fiscal year ended September 30, 2025 (the “2025 10-K”).

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial information submitted herewith is unaudited and reflects all adjustments which are, in the opinion of management, necessary to provide a fair statement of the results for the interim periods ended March 31, 2026 and 2025. All such adjustments are of a normal recurring nature. The results for interim periods are not necessarily indicative of the results expected for the fiscal year.

**B. Significant Accounting Policies**

Full details on the Company’s significant accounting policies may be obtained by referring to Note A in the 2025 10-K.

***Recently Adopted Accounting Standards:***

In December 2023, the FASB issued a new standard, Improvements to Income Tax Disclosures. The new guidance requires, on an annual basis, additional disaggregation in the rate reconciliation, disclosure of income (loss) from continuing operations before income taxes, and disclosure of income tax expense and cash taxes paid by jurisdiction (federal, state, and foreign). The Company adopted the new standard on October 1, 2025 and will provide the disclosures required by the standard in the fiscal 2026 Form 10-K. The adoption of the standard is not expected to have a material impact on the Company’s Consolidated Financial Statements.

In November 2023, the FASB issued a new standard, Improvement to Reportable Segment Disclosures. The new guidance enhances the disclosure of significant reportable segment expenses. The Company adopted the standard for the fiscal year ended September 30, 2025 and for interim reporting periods beginning with the quarter ended December 31, 2025. See Note L for disclosures related to the Company’s reportable segments. The adoption of the standard did not have a material impact on the Company’s Consolidated Financial Statements.

***Recent Tax Legislation***

On July 4, 2025, the U.S. federal government enacted the One Big Beautiful Bill Act (“OBBBA”). The OBBBA contains significant changes to federal tax law, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The provisions in the legislation are generally effective for the Company beginning in fiscal year 2026. The impact of these changes was not material to the Company’s Consolidated Financial Statements for its interim period ending March 31, 2026.

***Recently Issued Accounting Standards Not Yet Adopted***

In November 2024, the FASB issued a new standard, Expense Disaggregation Disclosures. The new guidance requires quantitative and qualitative disclosure of certain cost and expense categories in the notes to the financial statements for interim and annual reporting periods. The new standard is effective for the Company’s fiscal 2028 annual and interim reporting periods, with early adoption permitted. The Company is currently evaluating the timing of adoption and the impact of the adoption of this standard on the Company’s Consolidated Financial Statements.

In December 2025, the FASB issued amendments to the interim reporting guidance: Interim Reporting — Narrow-Scope Improvements. The guidance improves the navigability of the required interim disclosures and clarifies when that guidance is applicable. The guidance is effective for the Company’s interim reporting periods beginning on October 1, 2028. The amendments

can be applied either (1) prospectively or (2) retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of the adoption of this amendment on the Company's Consolidated Financial Statements.

In September 2025, the FASB issued a new standard, Intangibles—Goodwill and Other—Internal-Use Software: Targeted Improvements to the Accounting for Internal-Use Software, which is intended to modernize the accounting for the costs of internal use software given the evolution of software development to the incremental and iterative development method. The amendments remove all references to prescriptive and sequential development stages and require an entity to start capitalizing software costs when management has authorized and committed to funding the software project, it is probable that the project will be completed, and the software will be used to perform the function intended. The amendments are effective for annual and interim reporting periods beginning on October 1, 2028. Early adoption is permitted as of the beginning of an annual reporting period with the amendments to be applied using a prospective, modified retrospective, or retrospective transition approach. The Company is currently evaluating the timing of adoption and the impact of the adoption of this standard on the Company's Consolidated Financial Statements.

In December 2025, the FASB issued a new standard, Accounting for Government Grants Received by Business Entities. The standard establishes authoritative guidance on the accounting for government grants received by business entities, including guidance for a grant related to an asset and a grant related to income. The new standard allows for a number of accounting policy elections to be made upon adoption and be applied to the subsequent grants received on a prospective basis. The new standard is effective for the Company's annual and interim reporting period beginning on October 1, 2029. The new standard provides entities with a choice of modified prospective, modified retrospective, and retrospective adoption approach. The Company is currently evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

## C. Acquisitions

### **Business acquisition**

On January 31, 2026, the Company purchased 100% of the registered capital of Mexico Carbon Manufacturing, S.A. de C.V. ("MXCB"), a carbon black manufacturing facility in Tamaulipas, Mexico, for a purchase price of \$68 million, which included \$2 million of cash acquired. The Company incurred acquisition and integration costs of \$1 million through March 31, 2026 associated with the transaction, which are included in Selling and administrative expenses in the Consolidated Statements of Operations.

The operating results of MXCB were included in the results of the Company's Reinforcement Materials segment beginning in the second quarter of 2026, including approximately \$12 million of revenue in the quarter.

The provisional estimates of the fair value of assets and liabilities acquired as of January 31, 2026 are set forth below based on the cash consideration.

	<u>(In millions)</u>
<b>Fair value of asset acquired</b>	
Cash	\$ 2
Accounts and notes receivable	16
Inventories	20
Other assets	12
Property, plant and equipment	34
Intangible Assets	<u>2</u>
Total assets acquired	<u>86</u>
<b>Fair value of liabilities assumed</b>	
Accounts payable and accrued liabilities	(12)
Other liabilities	<u>(6)</u>
Total liabilities assumed	<u>(18)</u>
<b>Total identifiable net assets</b>	<u>\$ 68</u>
<b>Cash consideration paid</b>	<u>\$ 68</u>

### Asset acquisition

In October 2024, the Company completed the purchase of certain assets and licensed related technology, which the Company uses to manufacture products for its battery materials product line. The Company paid \$27 million, which was allocated to the identifiable assets on a relative fair value basis, with \$19 million allocated to property, plant and equipment and \$8 million to intangible assets.

### D. Goodwill and Intangible Assets

The carrying amount of goodwill attributable to each reportable segment and the changes in those balances during the six months ended March 31, 2026 are as follows:

	Reinforcement Materials	Performance Chemicals (In millions)	Total
Balance at September 30, 2025	\$ 50	\$ 84	\$ 134
Foreign currency impact	—	2	2
Balance at March 31, 2026	\$ 50	\$ 86	\$ 136

The following table provides information regarding the Company's intangible assets:

	March 31, 2026			September 30, 2025		
	Gross Carrying Value	Accumulate d Amortizatio n	Net Intangible Assets	Gross Carrying Value	Accumulate d Amortizatio n	Net Intangible Assets
	(In millions)					
Intangible assets with finite lives						
Developed technologies	\$ 42	\$ (16)	\$ 26	\$ 41	\$ (14)	\$ 27
Trademarks	2	(1)	1	2	(1)	1
Customer relationships	64	(38)	26	63	(36)	27
Total intangible assets <sup>(1)</sup>	\$ 108	\$ (55)	\$ 53	\$ 106	\$ (51)	\$ 55

<sup>(1)</sup> Total intangible assets as of March 31, 2026 includes \$2 million of intangible assets from the acquisition of MXCB.

Intangible assets are amortized over their estimated useful lives, which range between ten and twenty-five years, with a weighted average amortization period of approximately sixteen years. Amortization expense was \$2 million for both the three months ended March 31, 2026 and 2025. Amortization expense was \$3 million for both the six months ended March 31, 2026 and 2025. Amortization expense is included in Cost of sales, Selling and administrative expenses and Research and technical expenses in the Consolidated Statements of Operations. Total amortization expense is estimated to be approximately \$7 million each year for the next five fiscal years.

## E. Accumulated Other Comprehensive Income (Loss) (“AOCI”)

Comprehensive income combines net income (loss) and other comprehensive income items, which are reported as components of stockholders’ equity in the accompanying Consolidated Balance Sheets.

Changes in each component of AOCI, net of tax, were as follows:

	Currency Translation Adjustment	Pension and Other Post-retirement Benefit Liability Adjustments (In millions)	Total
Balance at September 30, 2025, attributable to Cabot Corporation	\$ (316)	\$ (19)	\$ (335)
Other comprehensive income (loss) before reclassifications	26	3	29
Amounts reclassified from AOCI	(1)	—	(1)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	3	—	3
Balance at December 31, 2025, attributable to Cabot Corporation	<u>\$ (294)</u>	<u>\$ (16)</u>	<u>\$ (310)</u>
Other comprehensive income (loss) before reclassifications	(6)	—	(6)
Amounts reclassified from AOCI	—	—	—
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	—	—
Balance at March 31, 2026, attributable to Cabot Corporation	<u>\$ (300)</u>	<u>\$ (16)</u>	<u>\$ (316)</u>

	Currency Translation Adjustment	Pension and Other Post-retirement Benefit Liability Adjustments (In millions)	Total
Balance at September 30, 2024, attributable to Cabot Corporation	\$ (342)	\$ (18)	\$ (360)
Other comprehensive income (loss) before reclassifications	(104)	—	(104)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(7)	—	(7)
Balance at December 31, 2024, attributable to Cabot Corporation	<u>\$ (439)</u>	<u>\$ (18)</u>	<u>\$ (457)</u>
Other comprehensive income (loss) before reclassifications	34	1	35
Amounts reclassified from AOCI	(1)	(1)	(2)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	3	—	3
Balance at March 31, 2025, attributable to Cabot Corporation	<u>\$ (409)</u>	<u>\$ (18)</u>	<u>\$ (427)</u>

The amounts reclassified out of AOCI and into the Consolidated Statements of Operations in each of the three and six months ended March 31, 2026 and 2025 are as follows:

	Affected Line Item in the Consolidated Statements of Operations	Three Months Ended March 31		Six Months Ended March 31	
		2026	2025	2026	2025
(In millions)					
Derivatives: net investment hedges					
(Gains) losses reclassified to interest expense	Interest expense	\$ (2)	\$ (2)	\$ (3)	\$ (3)
(Gains) losses excluded from effectiveness testing and amortized to interest expense	Interest expense	1	—	1	1
Pension and other postretirement					
Amortization of actuarial losses and prior service cost (credit)	Other income (expense)	—	(1)	—	(1)
Total before tax		<u>\$ (1)</u>	<u>\$ (3)</u>	<u>\$ (2)</u>	<u>\$ (3)</u>

## F. Contingencies

### Respirator Liabilities

Cabot has exposure in connection with a safety respiratory products business that a subsidiary acquired from American Optical Corporation ("AO") in an April 1990 asset purchase transaction. The subsidiary manufactured respirators under the AO brand and disposed of that business in July 1995. In connection with its acquisition of the business, the subsidiary agreed, in certain circumstances, to assume a portion of AO's liabilities, including costs of legal fees together with amounts paid in settlements and judgments, allocable to AO respiratory products used prior to the 1990 purchase by the Cabot subsidiary. In exchange for the subsidiary's assumption of certain of AO's respirator liabilities, AO agreed to provide to the subsidiary the benefits of: (i) AO's insurance coverage for the period prior to the 1990 acquisition and (ii) a former owner's indemnity of AO holding it harmless from any liability allocable to AO respiratory products used prior to May 1982. As more fully described in the 2025 10-K, the respirator liabilities generally involve claims for personal injury, including asbestosis, silicosis and coal worker's pneumoconiosis, allegedly resulting from the use of respirators that are alleged to have been negligently designed and/or labeled. At no time did this respiratory product line represent a significant portion of the respirator market. In addition to Cabot's subsidiary, other parties are responsible for significant portions of the costs of these respirator liabilities (as defined in the 2025 10-K, the "Payor Group"), leaving Cabot's subsidiary with a portion of the liability in only some of the pending cases.

As of March 31, 2026 and September 30, 2025, the Company had \$32 million and \$33 million, respectively, reserved for its estimated share of liability for pending and future respirator claims and for defense costs, the majority of which the Company expects to incur over the next ten years. The reserve is included in Other liabilities and Accounts payable and accrued liabilities on the Consolidated Balance Sheets.

The Company's current estimate of the cost of its share of pending and future respirator liability claims is based on facts and circumstances existing at this time, including the number and nature of the remaining claims. Developments that could affect the Company's estimate include, but are not limited to, (i) significant changes in the number of future claims, (ii) changes in the rate of dismissals without payment of pending claims, (iii) significant changes in the average cost of resolving claims, including potential settlements of groups of claims, (iv) significant changes in the legal costs of defending these claims, (v) changes in the nature of claims received or changes in the Company's assessment of the viability of these claims, (vi) trial and appellate outcomes, (vii) changes in the law and procedure applicable to these claims, (viii) the financial viability of the parties that contribute to the payment of respirator claims, (ix) exhaustion or changes in the recoverability of the insurance coverage maintained by certain members of the Payor Group, or a change in the availability of the indemnity provided by a former owner of AO, (x) changes in the allocation of costs among the various parties paying legal and settlement costs, and (xi) a determination that the assumptions that were used to estimate Cabot's share of liability are no longer reasonable. The Company cannot determine the impact of these potential developments on its current estimate of its share of liability for existing and future claims. Because reserves are limited to amounts that are probable and estimable as of a relevant measurement date, and there is inherent difficulty in projecting the impact of potential developments on Cabot's share of liability for these existing and future claims, it is reasonably possible that the liabilities for existing and future claims could change in the near term and that change could be material.

### Other Matters

The Company has various other lawsuits, claims, and contingent liabilities arising in the ordinary course of its business and with respect to its divested businesses. The Company does not believe that any of these matters will have a material adverse effect on its financial position; however, litigation is inherently unpredictable. Cabot could incur judgments, enter into settlements, or revise its expectations regarding the outcome of certain matters, and such developments could have a material impact on its results of operations in the period in which the amounts are accrued or its cash flows in the period in which the amounts are paid.

## G. Income Tax

### Effective Tax Rate

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(Dollars in millions)			
(Provision) benefit for income taxes	\$ (44)	\$ (49)	\$ (81)	\$ (90)
Effective tax rate	37%	32%	34%	30%

For the three and six months ended March 31, 2026, the provision for income taxes included a net discrete tax expense of \$7 million and \$11 million, respectively, primarily related to withholding taxes on dividend distribution. For the three and six months ended March 31, 2025, the provision for income taxes included a net discrete tax expense of \$7 million and \$9 million, respectively.

### Income tax in Interim Periods

The Company records its tax provision or benefit on an interim basis using an estimated annual effective tax rate. This rate is applied to the current period ordinary income or loss to determine the income tax provision or benefit allocated to the interim period. The income tax effects of unusual or infrequent items are excluded from the estimated annual effective tax rate and are recognized in the impacted interim period. Losses from jurisdictions for which no benefit can be recognized are excluded from the overall computations of the estimated annual effective tax rate and a separate estimated annual effective tax rate is computed and applied to ordinary income or loss in the loss jurisdiction.

Valuation allowances are provided against the future tax benefits that arise from the deferred tax assets in jurisdictions for which the Company expects that no benefit can be recognized. The estimated annual effective tax rate may be significantly impacted by non-deductible expenses and the Company's projected earnings mix by tax jurisdiction. Adjustments to the estimated annual effective income tax rate are recognized in the period when such estimates are revised.

### Uncertainties

Cabot and certain subsidiaries are under audit in a number of jurisdictions. In addition, certain statutes of limitations are scheduled to expire in the near future. It is reasonably possible that a change in the unrecognized tax benefits may also occur within the next twelve months related to the settlement of one or more of these audits or the lapse of applicable statutes of limitations. However, an estimated range of the impact on the unrecognized tax benefits cannot be quantified at this time.

Cabot files U.S. federal and state and non-U.S. income tax returns in jurisdictions with varying statutes of limitations. The 2022 through 2024 tax years generally remain subject to examination by the IRS and various tax years from 2019 through 2024 remain subject to examination by the respective state tax authorities. In foreign jurisdictions, various tax years from 2006 through 2025 remain subject to examination by their respective tax authorities.

## H. Earnings Per Share

The following tables summarize the components of the basic and diluted earnings (loss) per common share ("EPS") computations:

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
(In millions, except per share amounts)				
<b>Basic EPS:</b>				
Net income (loss) attributable to Cabot Corporation	\$ 68	\$ 94	\$ 141	\$ 187
Less: Dividends and dividend equivalents to participating securities	—	1	—	1
Less: Undistributed earnings allocated to participating securities <sup>(1)</sup>	1	1	2	2
Earnings (loss) allocated to common stockholders (numerator)	<u>\$ 67</u>	<u>\$ 92</u>	<u>\$ 139</u>	<u>\$ 184</u>
Weighted average common shares and participating securities outstanding	52.8	54.8	53.1	55.0
Less: Participating securities <sup>(1)</sup>	0.8	0.8	0.8	0.8
Adjusted weighted average common shares (denominator)	<u>52.0</u>	<u>54.0</u>	<u>52.3</u>	<u>54.2</u>
Earnings (loss) per common share - basic:	\$ 1.27	\$ 1.71	\$ 2.65	\$ 3.40
<b>Diluted EPS:</b>				
Earnings (loss) allocated to common stockholders	\$ 67	\$ 92	\$ 139	\$ 184
Plus: Earnings allocated to participating securities	1	2	2	3
Less: Adjusted earnings allocated to participating securities <sup>(2)</sup>	1	2	2	3
Earnings (loss) allocated to common stockholders (numerator)	<u>\$ 67</u>	<u>\$ 92</u>	<u>\$ 139</u>	<u>\$ 184</u>
Adjusted weighted average common shares outstanding	52.0	54.0	52.3	54.2
Effect of dilutive securities:				
Common shares issuable <sup>(3)</sup>	0.2	0.4	0.3	0.5
Adjusted weighted average common shares (denominator)	<u>52.2</u>	<u>54.4</u>	<u>52.6</u>	<u>54.7</u>
Earnings (loss) per common share - diluted:	\$ 1.27	\$ 1.69	\$ 2.64	\$ 3.36

- (1) Participating securities consist of shares underlying unvested time-based restricted stock units (the "TSUs"), earned and unvested performance-based restricted stock units (the "PSUs", and referred to in this note collectively with the TSUs as the "RSUs"), stock units accounted for under the Supplemental 401(k) Plan portion of the Company's Deferred Compensation and Supplemental Retirement Plan, and stock units and phantom stock units accounted for under the Company's Non-Employee Directors' Deferral Plan. The holders of RSUs are entitled to receive dividend equivalents, payable in cash, to the extent dividends are paid on the outstanding shares of Common Stock, and equal in value to the dividends that would have been paid in respect of the Common Stock underlying the RSU. The accounts of holders of stock units and phantom stock units are credited with dividend equivalents, which are payable, in stock or cash, as the case may be, with the distribution of account balances.

Undistributed earnings are the earnings which remain after dividends declared during the period are assumed to be distributed to the common shares and participating securities. Undistributed earnings are allocated to common stockholders and participating security holders on the same basis as dividend distributions. The calculation of undistributed earnings is as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
<b>Calculation of undistributed earnings (loss):</b>				
Net income (loss) attributable to Cabot Corporation	\$ 68	\$ 94	\$ 141	\$ 187
Less: Dividends declared on common stock	24	22	48	46
Less: Dividends declared on participating securities	—	1	—	1
Undistributed earnings (loss)	<u>\$ 44</u>	<u>\$ 71</u>	<u>\$ 93</u>	<u>\$ 140</u>
<b>Allocation of undistributed earnings (loss):</b>				
Undistributed earnings (loss) allocated to common stockholders	\$ 43	\$ 70	\$ 91	\$ 138
Undistributed earnings allocated to participating security holders	1	1	2	2
Undistributed earnings (loss)	<u>\$ 44</u>	<u>\$ 71</u>	<u>\$ 93</u>	<u>\$ 140</u>

- (2) Undistributed earnings are adjusted for the assumed distribution of dividends to the dilutive securities, which are described in <sup>(3)</sup> below, and then reallocated to participating securities.
- (3) Represents incremental shares of common stock from the assumed exercise of stock options issued under Cabot's equity incentive plans. For the three and six months ended March 31, 2026, 593,320 and 602,401 incremental shares of common stock, respectively, were excluded from the calculation of diluted earnings per share because the inclusion of these shares would have been antidilutive. For the three and six months ended March 31, 2025, 174,689 and 86,010 incremental shares of common stock, respectively, were excluded from the calculation of diluted earnings per share because the inclusion of these shares would have been antidilutive.

## I. Restructuring

### 2026 Restructuring

During the first quarter of fiscal 2026, the Company initiated restructuring activities in its Performance Chemicals segment ("2026 PC Plan") primarily associated with the fumed metal oxide product line. As part of the plan, the Company intends to cease production of fumed silica at its manufacturing plant in Barry, Wales in the third quarter of fiscal 2026. Cabot will continue operations to post-treat fumed silica at the site. During the three and six months ended March 31, 2026, the Company recorded charges of \$6 million and \$13 million, respectively, primarily related to estimated severance costs, asset impairments, and accelerated depreciation. The Company expects to record additional restructuring charges of \$12 million related to this plan during the remainder of fiscal 2026 and in fiscal 2027, of which \$5 million is for accelerated depreciation and \$7 million is for site demolition costs. Of the total charges of \$25 million related to the 2026 PC Plan, the Company expects \$11 million will be cash, with \$7 million of cash payments expected during fiscal 2026 and \$4 million during fiscal 2027.

During the second quarter of fiscal 2026, the Reinforcement Materials segment, along with associated support functions, reorganized to better align resources with business needs. The Company recorded \$2 million of severance charges associated with these actions during the quarter ended March 31, 2026 which is expected to be paid in fiscal 2026.

## 2025 Reorganizations

In fiscal 2025, the Company undertook various actions to enable the more efficient operation of the Company and reduce ongoing operational costs. These restructuring actions have resulted in reductions in workforce across business and functional teams. Cumulative expense recorded under the 2025 Reorganizations was \$9 million through December 31, 2025, primarily related to severance costs. No additional charges have been or are expected to be recorded under this plan. The Company expects to make cash payments of \$7 million related to this plan during fiscal 2026.

Details of all restructuring activities and related reserves during the three and six months ended March 31, 2026 were as follows:

	Severance and Employee Benefits	Non-Cash Asset Impairment and Accelerated Depreciation	Other	Total
	(In millions)			
Reserve at September 30, 2025	\$ 7	\$ —	\$ 1	\$ 8
Charges	4	3	—	7
Cost charged against assets	—	(3)	—	(3)
Cash paid	(3)	—	(1)	(4)
Reserve at December 31, 2025	<u>\$ 8</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8</u>
Charges	3	5	—	8
Cost charged against assets	—	(5)	—	(5)
Cash paid	(2)	—	—	(2)
Reserve at March 31, 2026	<u>\$ 9</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9</u>

Cabot's severance and employee benefits reserves are reflected in Accounts payable and accrued liabilities on the Company's Consolidated Balance Sheets.

Cabot's restructuring expense was recorded in the Consolidated Statement of Operations for the three and six months ended March 31, 2026 and 2025 as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Cost of sales	\$ 7	\$ 2	\$ 13	\$ 2
Selling and administrative expenses	1	—	2	—
Research and technical expenses	—	1	—	1
Total	<u>\$ 8</u>	<u>\$ 3</u>	<u>\$ 15</u>	<u>\$ 3</u>

Restructuring expense is considered a Certain item, which is further discussed in Note L.

## J. Financial Instruments and Fair Value Measurements

The FASB authoritative guidance on fair value measurements defines fair value, provides a framework for measuring fair value, and requires certain disclosures about fair value measurements. The required disclosures focus on the inputs used to measure fair value. The guidance establishes the following hierarchy for categorizing these inputs:

- Level 1 — Quoted market prices in active markets for identical assets or liabilities
- Level 2 — Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs)
- Level 3 — Significant unobservable inputs

There were no transfers of financial assets or liabilities measured at fair value between Level 1 and Level 2 and there were no Level 3 investments during the first six months of either fiscal 2026 or 2025.

At March 31, 2026 and September 30, 2025, the fair values of cash and cash equivalents, accounts and notes receivable, accounts payable and accrued liabilities, and short-term borrowings and short-term variable rate debt approximated their carrying values due to the short-term nature of these instruments. Cash and cash equivalents are classified as Level 1 within the fair value hierarchy.

At March 31, 2026 and September 30, 2025, Cabot had derivatives relating to foreign currency risks, including a net investment hedge and forward foreign currency contracts, carried at fair value. At March 31, 2026, the fair value of the net investment hedge was a net liability of \$7 million and was included in Prepaid expenses and other current assets and Accounts payable and accrued liabilities on the Consolidated Balance Sheet. At September 30, 2025, the fair value of the net investment hedge was a net liability of \$12 million and was included in Prepaid expenses and other current assets and Other liabilities on the Consolidated Balance Sheet. As of March 31, 2026 and September 30, 2025, the fair value of the forward currency contracts was a net liability of less than \$1 million and a net asset of less than \$1 million, respectively, and was included in Prepaid expenses and other current assets and Accounts payable and accrued liabilities on the Consolidated Balance Sheets. These derivatives are classified as Level 2 instruments within the fair value hierarchy as the fair value determination was based on observable inputs.

At both March 31, 2026 and September 30, 2025, the fair value of guaranteed investment contracts included in Other assets on the Consolidated Balance Sheets was \$9 million. Guaranteed investment contracts were classified as Level 2 instruments within the fair value hierarchy as the fair value determination was based on observable inputs.

The carrying value of the long-term fixed rate debt was \$1.09 billion as of both March 31, 2026 and September 30, 2025. The fair value of the long-term fixed rate debt was \$1.08 billion and \$1.09 billion, respectively, as of March 31, 2026 and September 30, 2025. The fair values of Cabot's fixed rate long-term debt are estimated based on comparable quoted market prices at the respective period ends. The carrying amounts of Cabot's floating rate long-term debt and finance and operating lease obligations approximate their fair values. All such measurements are based on observable inputs and are classified as Level 2 within the fair value hierarchy.

## **K. Supplier Financing Programs**

The Company maintains supply chain finance agreements with third-party financial institutions. These agreements allow the Company's participating suppliers to sell their receivables to such third-party financial institutions to receive payment earlier than the negotiated commercial terms between the supplier and the Company. Such sales are at the sole discretion of the supplier, and on terms and conditions that are negotiated between the supplier and the respective financial institution. The terms and conditions of the supplier invoice, including payment terms and amounts due, are not impacted by a supplier's participation in the program. Pursuant to the supply chain finance agreements, the Company has agreed to pay financial institutions on the original due date of the applicable invoice. There are no guarantees associated with these programs. The Company's outstanding payment obligations to financial institutions related to supplier financing programs were \$12 million and \$13 million as of March 31, 2026 and September 30, 2025, respectively, and are included within Accounts payable and accrued liabilities on the Consolidated Balance Sheets.

## **L. Financial Information by Segment**

### ***Segment Information***

The Company identifies a product line as an operating segment if: i) it engages in business activities from which it may earn revenues and incur expenses; ii) its operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM"), who is Cabot's President and Chief Executive Officer, to make decisions about resources to be allocated to the segment and assess its performance; and iii) it has available discrete financial information.

Operating segments are aggregated into a reportable segment if the operating segments are determined to have similar economic characteristics and if the operating segments are similar in the following areas: i) nature of products and services; ii) nature of production processes; iii) type or class of customer for their products and services; iv) methods used to distribute the products or provide services; and v) if applicable, the nature of the regulatory environment. The Company has two reportable segments: Reinforcement Materials and Performance Chemicals. The Performance Chemicals reporting segment aggregates the specialty carbons, specialty compounds, fumed metal oxides, battery materials, inkjet colorants and aerogel product lines.

The CODM reviews Segment earnings before interest and taxes ("Segment EBIT") at the operating segment level to allocate resources and to assess operating results and financial performance. The CODM reviews the change in the actual results compared to the same period forecast, the same period year-ago, and the preceding period on a quarterly basis. Segment EBIT includes all items that are controlled by the business segment and those management considers are representative of the fundamental on-going segment results.

Details of Segment EBIT including segment revenue and significant segment expenses regularly reviewed by the CODM are as follows:

	<u>Reinforcement Materials</u>	<u>Performance Chemicals</u>	<u>Segment Total</u>
<b>Three Months Ended March 31, 2026</b>			
Segment revenues from external customers	\$ 544	\$ 328	\$ 872
Segment cost of sales <sup>(1)</sup>	(420)	(234)	(654)
Segment operating expenses <sup>(1)(2)</sup>	(32)	(36)	(68)
Other Segment Items <sup>(3)</sup>	1	1	2
Segment EBIT	<u>\$ 93</u>	<u>\$ 59</u>	<u>\$ 152</u>
	<u>Reinforcement Materials</u>	<u>Performance Chemicals</u>	<u>Segment Total</u>
<b>Three Months Ended March 31, 2025</b>			
Segment revenues from external customers	\$ 594	\$ 311	\$ 905
Segment cost of sales <sup>(1)</sup>	(430)	(229)	(659)
Segment operating expenses <sup>(1)(2)</sup>	(34)	(34)	(68)
Other Segment Items <sup>(3)</sup>	1	2	3
Segment EBIT	<u>\$ 131</u>	<u>\$ 50</u>	<u>\$ 181</u>
	<u>Reinforcement Materials</u>	<u>Performance Chemicals</u>	<u>Segment Total</u>
<b>Six Months Ended March 31, 2026</b>			
Segment revenues from external customers	\$ 1,064	\$ 628	\$ 1,692
Segment cost of sales <sup>(1)</sup>	(802)	(452)	(1,254)
Segment operating expenses <sup>(1)(2)</sup>	(68)	(71)	(139)
Other Segment Items <sup>(3)</sup>	1	2	3
Segment EBIT	<u>\$ 195</u>	<u>\$ 107</u>	<u>\$ 302</u>
	<u>Reinforcement Materials</u>	<u>Performance Chemicals</u>	<u>Segment Total</u>
<b>Six Months Ended March 31, 2025</b>			
Segment revenues from external customers	\$ 1,205	\$ 622	\$ 1,827
Segment cost of sales <sup>(1)</sup>	(877)	(459)	(1,336)
Segment operating expenses <sup>(1)(2)</sup>	(69)	(70)	(139)
Other Segment Items <sup>(3)</sup>	2	2	4
Segment EBIT	<u>\$ 261</u>	<u>\$ 95</u>	<u>\$ 356</u>

(1) Segment cost of sales and Segment operating expenses exclude the items described in the reconciliation of segment earnings before interest and income taxes to Income (loss) from operations before income taxes and equity in earnings of affiliated companies.

(2) Segment operating expenses include Selling and administrative expenses and Research and technical expenses.

(3) Other segment items include Equity in earnings of affiliated companies, net of tax.

Reconciliation of Segment earnings before interest and income taxes to Income (loss) from operations before income taxes and equity in earnings of affiliated companies is as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Segment EBIT	\$ 152	\$ 181	\$ 302	\$ 356
Interest Expense	(18)	(19)	(36)	(37)
Certain items <sup>(1)</sup>	(9)	(4)	(16)	(10)
Unallocated corporate costs <sup>(2)</sup>	(15)	(13)	(27)	(26)
General unallocated income (expense) <sup>(3)</sup>	12	9	18	16
Less: Equity in earnings of affiliated companies, net of tax <sup>(4)</sup>	2	3	3	4
Income (loss) from operations before income taxes and equity in earnings of affiliated companies	<u>\$ 120</u>	<u>\$ 151</u>	<u>\$ 238</u>	<u>\$ 295</u>

(1) Certain items are items of expense and income that management does not consider representative of the Company's fundamental on-going segment results and they are, therefore, excluded from Segment EBIT.

Details of certain items for the three and six months ended March 31, 2026 and 2025 are as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)		(In millions)	
Global restructuring activities (Note I)	\$ (8)	\$ (3)	\$ (15)	\$ (3)
Acquisition and integration-related charges (Note C)	(1)	—	(1)	—
Legal and environmental matters and reserves	—	(1)	—	(6)
Other certain items	—	—	—	(1)
Total certain items	<u>\$ (9)</u>	<u>\$ (4)</u>	<u>\$ (16)</u>	<u>\$ (10)</u>

(2) Unallocated corporate costs are not controlled by the segments and primarily benefit corporate interests.

(3) General unallocated income (expense) consists of gains (losses) arising from foreign currency transactions, net of other foreign currency risk management activities, interest and dividend income, the profit or loss related to the corporate adjustment for unearned revenue, and unrealized holding gains (losses) for investments. This does not include items of income or expense that are separately treated as Certain items.

(4) Equity in earnings of affiliated companies, net of tax is included in Segment EBIT and is removed to reconcile to Income (loss) from operations before taxes and equity in earnings of affiliated companies.

Financial information by reportable segment is as follows:

	Reinforcement Materials	Performance Chemicals	Segment Total (In millions)	Unallocated and Other	Consolidated Total
<b>Three Months Ended March 31, 2026</b>					
Revenues from external customers <sup>(1)</sup>	\$ 544	\$ 328	\$ 872	\$ 32	\$ 904
<b>Three Months Ended March 31, 2025</b>					
Revenues from external customers <sup>(1)</sup>	\$ 594	\$ 311	\$ 905	\$ 31	\$ 936
<b>Six Months Ended March 31, 2026</b>					
Revenues from external customers <sup>(2)</sup>	\$ 1,064	\$ 628	\$ 1,692	\$ 61	\$ 1,753
<b>Six Months Ended March 31, 2025</b>					
Revenues from external customers <sup>(2)</sup>	\$ 1,205	\$ 622	\$ 1,827	\$ 64	\$ 1,891

(1) Consolidated Total Revenues from external customers reconciles to Net sales and other operating revenues on the Consolidated Statements of Operations. Revenues from external customers that are categorized as Unallocated and Other are summarized as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Shipping and handling fees	\$ 32	\$ 29	\$ 57	\$ 57
Other	—	2	4	7
<b>Total</b>	<b>\$ 32</b>	<b>\$ 31</b>	<b>\$ 61</b>	<b>\$ 64</b>

### Geographic Information

The Company's segments operate globally. In addition to presenting Revenue from external customers by reportable segment, the following tables further disaggregate Revenues from external customers by geographic region.

	Three Months Ended March 31, 2026		
	Reinforcement Materials	Performance Chemicals	Consolidated Total
	(In millions)		
Americas	\$ 219	\$ 95	\$ 314
Asia Pacific	200	141	341
Europe, Middle East and Africa	125	92	217
Segment revenues from external customers	544	328	872
Unallocated and other			32
Net sales and other operating revenues			<b>\$ 904</b>

	Three Months Ended March 31, 2025		
	Reinforcement Materials	Performance Chemicals	Consolidated Total
	(In millions)		
Americas	\$ 240	\$ 95	\$ 335
Asia Pacific	213	124	337
Europe, Middle East and Africa	141	92	233
Segment revenues from external customers	594	311	905
Unallocated and other			31
Net sales and other operating revenues			<b>\$ 936</b>

	Six Months Ended March 31, 2026		
	Reinforcement Materials	Performance Chemicals	Consolidated Total
	(In millions)		
Americas	\$ 416	\$ 176	\$ 592
Asia Pacific	398	292	690
Europe, Middle East and Africa	250	160	410
Segment revenues from external customers	1,064	628	1,692
Unallocated and other			61
Net sales and other operating revenues			<b>\$ 1,753</b>

	Six Months Ended March 31, 2025		
	Reinforcement Materials	Performance Chemicals	Consolidated Total
	(In millions)		
Americas	\$ 484	\$ 185	\$ 669
Asia Pacific	460	268	728
Europe, Middle East and Africa	261	169	430
Segment revenues from external customers	1,205	622	1,827
Unallocated and other			64
Net sales and other operating revenues			<b>\$ 1,891</b>

**M. Subsequent Events**

On May 1, 2026, the Company committed to a restructuring plan to better align its carbon black production to current demand conditions. Under this restructuring plan, the Company: (i) expects to cease all operations at its plant in Campana, Argentina by the end of calendar year 2026; and (ii) subject to local works council consultations, intends to close multiple manufacturing units at its plant in Botlek, The Netherlands over the course of fiscal 2026 and 2027.

The Company expects this restructuring will result in pre-tax charges to earnings of approximately \$79 million, with approximately \$63 million of this amount expected to be recorded during fiscal year 2026 and \$16 million during fiscal 2027. The charges primarily related to severance and employee benefit costs, accelerated depreciation, and asset impairment charges. Future cash outlays related to these actions are expected to be \$24 million.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Recently Issued Accounting Pronouncements

Refer to the discussion under the heading "Recent Accounting Pronouncements" in Note B of our Notes to the unaudited Consolidated Financial Statements.

### Results of Operations

The Company has two reportable segments: Reinforcement Materials and Performance Chemicals. The Performance Chemicals reporting segment aggregates the specialty carbons, specialty compounds, fumed metal oxides, battery materials, inkjet colorants and aerogel product lines.

Our measure of business segment earnings is Segment earnings before interest and taxes ("Segment EBIT") and is the measure utilized by the Chief Operating Decision Maker ("CODM") to allocate resources and to assess operating results and financial performance. The CODM reviews the change in the actual results compared to the same period forecast, the same period year-ago, and the preceding period on a quarterly basis. Segment EBIT includes all items that are controlled by the business segment and those management considers are representative of the fundamental on-going segment results.

The Company is also organized for operational purposes into three geographic regions: the Americas; Europe, Middle East and Africa ("EMEA"); and Asia Pacific. The discussion of our results of operations for the periods presented reflects these structures.

### Definition of Terms

When discussing our results of operations, we use the term "product mix", which refers to the mix of types and grades 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 and/or segment.

### Overview

During the second quarter of fiscal 2026, Income (loss) before income taxes and equity in earnings of affiliated companies decreased as compared to the second quarter of fiscal 2025. The decrease was primarily due to lower segment EBIT in our Reinforcement Materials segment, partially offset by higher segment EBIT in our Performance Chemicals segment.

### Second quarter of Fiscal 2026 versus Second quarter of Fiscal 2025—Consolidated

#### Net Sales and Other Operating Revenues and Gross Profit

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Net sales and other operating revenues	\$ 904	\$ 936	\$ 1,753	\$ 1,891
Gross profit	\$ 210	\$ 241	\$ 421	\$ 476

For the three and six months ended March 31, 2026, Net sales and other operating revenue decreased by \$32 million and \$138 million, respectively, compared to the same periods of fiscal 2025.

The decrease in Net sales and other operating revenue in the second quarter of fiscal 2026 compared to the same period of fiscal 2025 was driven by less favorable pricing and product mix in our Reinforcement Materials segment (\$95 million), partially offset by the favorable impact from foreign currency translation in both our Reinforcement Materials and Performance Chemicals segments (\$43 million combined) and higher volumes in our Reinforcement Materials segment (\$21 million). The less favorable pricing and product mix in our Reinforcement Materials segment was driven by lower raw material costs which are generally passed through to our customers, less favorable pricing and product mix in our 2026 calendar year customer agreements and lower pricing from increased competitive intensity in Asia Pacific. The higher volumes in our Reinforcement Materials segment were primarily due to higher demand in Asia Pacific and EMEA and increased sales volume from our acquisition of MXCB that closed in the second quarter of fiscal 2026.

The decrease in Net sales and other operating revenue in the first six months of fiscal 2026 compared to the same period of fiscal 2025 was primarily driven by less favorable pricing and product mix (\$162 million combined), primarily in our Reinforcement Materials segment, and lower volumes (\$30 million combined), primarily in our Reinforcement Material segment, partially offset by the favorable impact from foreign currency translation in both our Reinforcement Materials and Performance Chemicals segments (\$58 million combined). The less favorable pricing and product mix in our Reinforcement Materials segment was driven by lower raw material costs which are generally passed through to our customers, less favorable pricing and product mix in our 2026 calendar year customer agreements and lower pricing from increased competitive intensity in Asia Pacific. The lower volumes in our Reinforcement Materials segment were primarily due to lower volumes in the Americas and Asia Pacific. Volumes were impacted by lower production levels at our tire customers and year-end inventory management in our first fiscal quarter by our customers in the Americas and increased competitive intensity in Asia Pacific.

For the three and six months ended March 31, 2026, gross profit decreased by \$31 million and \$55 million, respectively, compared to the same periods of fiscal 2025.

The decrease in Gross profit in the second quarter of fiscal 2026 as compared to the same period of fiscal 2025 was driven primarily by lower gross profit per ton in our Reinforcement Materials segment (\$53 million), partially offset by higher volumes in both our Reinforcement Materials and Performance Chemicals segments (\$13 million combined) and higher gross profit per ton in our Performance Chemicals segment (\$5 million). The lower gross profit per ton in our Reinforcement Materials segment was primarily driven by less favorable pricing and product mix in our 2026 calendar year customer agreements and lower pricing from increased competitive intensity in Asia Pacific. The higher volumes in our Reinforcement Materials segment were primarily driven by higher demand in Asia Pacific and EMEA and increased sales volume from our acquisition of MXCB that closed in the second quarter of fiscal 2026. The higher volumes in our Performance Chemicals segment were primarily driven by higher volumes in our battery materials and specialty carbons product lines from higher demand. The higher gross profit per ton in our Performance Chemicals segment was primarily due to a more favorable product mix and optimization efforts.

The decrease in Gross profit in the first six months of fiscal 2026 as compared to the same period of fiscal 2025 was driven primarily by lower gross profit per ton in our Reinforcement Materials segment (\$65 million) and lower volumes in both our Reinforcement Materials and Performance Chemicals segments (\$13 million combined), partially offset by higher gross profit per ton in our Performance Chemicals segment (\$16 million). The lower gross profit per ton in our Reinforcement Materials segment was primarily driven by less favorable pricing and product mix in our 2026 calendar year customer agreements and lower pricing from increased competitive intensity in Asia Pacific. The lower volumes in our Reinforcement Materials segment were primarily due to lower volumes in the Americas and Asia Pacific. Volumes in our Reinforcement Materials segment were impacted by lower production levels at our tire customers and year-end inventory management in our first fiscal quarter by our customers in the Americas and increased competitive intensity in Asia Pacific. The lower volumes in our Performance Chemicals segment were primarily due to weaker demand in Europe. The higher gross profit per ton in our Performance Chemicals segment was primarily driven by a favorable product mix and from lower spending from overall cost management efforts and optimization measures across the segment.

#### *Selling and Administrative Expenses*

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Selling and administrative expenses	\$ 67	\$ 64	\$ 136	\$ 130

Selling and administrative expenses increased by \$3 million and \$6 million, respectively, for the three and six months ended March 31, 2026, compared to the same periods of fiscal 2025. The higher selling and administrative expenses for the three months ended March 31, 2026 compared to the same period of fiscal 2025 was primarily due to an increase in the valuation of deferred compensation expense and the higher selling and administrative expenses in the six months ended March 31, 2026 compared to the same period of fiscal 2025 was primarily due to higher legal expenses.

#### *Research and Technical Expenses*

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Research and technical expenses	\$ 14	\$ 15	\$ 27	\$ 29

Research and technical expenses decreased by \$1 million and \$2 million, respectively, for the three and six months ended March 31, 2026 compared to the same periods of fiscal 2025 primarily due to cost management efforts.

#### *Interest and Dividend Income, Interest Expense and Other Income (Expense)*

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Interest and dividend income	\$ 7	\$ 7	\$ 14	\$ 13
Interest expense	\$ (18)	\$ (19)	\$ (36)	\$ (37)
Other income (expense)	\$ 2	\$ 1	\$ 2	\$ 2

Interest and dividend income was unchanged and increased by \$1 million, respectively, for the three and six months ended March 31, 2026 compared to the same periods of fiscal 2025. The \$1 million increase was primarily due to higher average cash balances, partially offset by lower average interest rates.

Interest expense decreased by \$1 million for both the three and six months ended March 31, 2026 compared to the same periods of fiscal 2025 primarily due to lower average interest rates on short-term borrowings.

Other income (expense) improved by \$1 million in the second quarter of fiscal 2026 compared to the same period of fiscal 2025, primarily due to foreign exchange gains in Argentina and Colombia. Other income (expense) was unchanged for the six months ended March 31, 2026, as compared to the same period of fiscal 2025.

*(Provision) Benefit for Income Taxes and Effective Tax Rate*

Dollars in millions	Three Months Ended March 31			
	2026		2025	
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
Effective tax rate	\$ (44)	37%	\$ (49)	32%

Dollars in millions	Six Months Ended March 31			
	2026		2025	
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
Effective tax rate	\$ (81)	34%	\$ (90)	30%

For the second quarter of fiscal 2026, the (Provision) benefit for income taxes was a provision of \$44 million compared to a provision of \$49 million for the same period in fiscal 2025, with the change primarily due to lower earnings and change in the mix of earnings. Our income taxes are affected by the mix of earnings in the tax jurisdictions in which we operate, and by the presence of valuation allowances in certain tax jurisdictions.

For the six months ended March 31, 2026, the (Provision) benefit for income taxes was a provision of \$81 million compared to a provision of \$90 million for the same period in fiscal 2025, with the change primarily due to lower earnings and change in the mix of earnings. Our income taxes are affected by the mix of earnings in the tax jurisdictions in which we operate, and by the presence of valuation allowances in certain tax jurisdictions.

*Equity in Earnings of Affiliated Companies and Net Income (Loss) Attributable to Noncontrolling Interests*

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Equity in earnings of affiliated companies, net of tax	\$ 2	\$ 3	\$ 3	\$ 4
Net income (loss) attributable to noncontrolling interests, net of tax	\$ 10	\$ 11	\$ 19	\$ 22

Equity in earnings of affiliated companies, net of tax, decreased by \$1 million for both the three and six months ended March 31, 2026 compared to the same periods of fiscal 2025, primarily due to lower profitability of our equity affiliate in Venezuela.

Net income (loss) attributable to noncontrolling interests, net of tax, decreased by \$1 million and \$3 million, respectively for the three and six months ended March 31, 2026 compared to the same periods of fiscal 2025 primarily due to lower profitability of our joint venture in the Czech Republic.

**Net Income Attributable to Cabot Corporation**

In the second quarter of fiscal 2026 and 2025, we reported Net income (loss) attributable to Cabot Corporation of \$68 million (\$1.27 per diluted common share) and \$94 million (\$1.69 per diluted common share), respectively. The lower Net income in the second quarter of fiscal 2026 compared with the same period in fiscal 2025 was primarily due to lower EBIT in our Reinforcement Materials segment (\$38 million), partially offset by higher EBIT in our Performance Chemicals segment (\$9 million).

In the first six months of fiscal 2026 and 2025, we reported Net income (loss) attributable to Cabot Corporation of \$141 million (\$2.64 per diluted common share) and \$187 million (\$3.36 per diluted common share), respectively. The lower Net income in the first six months of fiscal 2026 compared with the same period in fiscal 2025 was primarily due to lower EBIT in our Reinforcement Materials segment (\$66 million), partially offset by higher EBIT in our Performance Chemicals segment (\$12 million).

### **Second quarter of Fiscal 2026 versus Second quarter of Fiscal 2025—By Business Segment**

#### **Reinforcement Materials**

Sales and EBIT for Reinforcement Materials for the second quarter of fiscal 2026 and 2025 were as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Reinforcement Materials Sales	\$ 544	\$ 594	\$ 1,064	\$ 1,205
Reinforcement Materials EBIT	\$ 93	\$ 131	\$ 195	\$ 261

Sales in Reinforcement Materials decreased by \$50 million in the second quarter of fiscal 2026 compared to the same period of fiscal 2025 primarily due to less favorable pricing and product mix (\$95 million), partially offset by higher volumes (\$21 million) and the favorable impact from foreign currency translation (\$28 million). The less favorable pricing and product mix was driven by lower raw material costs which are generally passed through to our customers, less favorable pricing and product mix in our 2026 calendar year customer agreements and lower pricing from increased competitive intensity in Asia Pacific. The higher volumes were primarily due to higher demand in Asia Pacific and EMEA and increased sales volume from our acquisition of MXCB that closed in the second quarter of fiscal 2026.

Sales in Reinforcement Materials decreased by \$141 million in the first six months of fiscal 2026 compared to the same period of fiscal 2025 primarily due to less favorable pricing and product mix (\$157 million) and lower volumes (\$22 million), partially offset by the favorable impact from foreign currency translation (\$38 million). The less favorable pricing and product mix was driven by lower raw material costs which are generally passed through to our customers, less favorable pricing and product mix in our 2026 calendar year customer agreements and lower pricing from increased competitive intensity in Asia Pacific. The lower volumes were primarily due to lower volumes in the Americas and Asia Pacific. Volumes were impacted by lower production levels at our tire customers and year-end inventory management in the first fiscal quarter by our customers in the Americas and increased competitive intensity in Asia Pacific.

EBIT in Reinforcement Materials in the second quarter of fiscal 2026 decreased by \$38 million compared to the same period of fiscal 2025. The decrease in EBIT was primarily driven by lower gross profit per ton (\$53 million), partially offset by higher volumes (\$9 million). The lower gross profit per ton was primarily due to less favorable pricing and product mix in our 2026 calendar year customer agreements and lower pricing from increased competitive intensity in Asia Pacific. The higher volumes were primarily due to higher demand in Asia Pacific and EMEA and increased sales volume from our acquisition of MXCB that closed in the second quarter of fiscal 2026.

EBIT in Reinforcement Materials decreased by \$66 million in the first six months of fiscal 2026 compared to the same period of fiscal 2025. The decrease in EBIT was primarily driven by lower gross profit per ton (\$65 million) and lower volumes (\$8 million), partially offset by the favorable impact of foreign currency translation (\$6 million). The lower gross profit per ton was primarily due to less favorable pricing and product mix in our 2026 calendar year customer agreements and lower pricing from increased competitive intensity in Asia Pacific. The lower volumes were primarily due to lower volumes in the Americas and Asia. Volumes were impacted by lower production levels at our tire customers and year-end inventory management in the first fiscal quarter by our customers in the Americas and increased competitive intensity in Asia Pacific.

As we look to the third quarter of the fiscal year, we expect Reinforcement Materials segment EBIT to improve sequentially from the second quarter of fiscal 2026 primarily due to higher gross profit per ton from a more favorable product mix and yield improvements and a full fiscal quarter of operations from our acquisition of MXCB that closed in the second quarter of fiscal 2026.

#### **Performance Chemicals**

Sales and EBIT for Performance Chemicals for the second quarter of fiscal 2026 and 2025 were as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
	(In millions)			
Performance Chemicals Sales	\$ 328	\$ 311	\$ 628	\$ 622
Performance Chemicals EBIT	\$ 59	\$ 50	\$ 107	\$ 95

Sales in Performance Chemicals increased by \$17 million in the second quarter of fiscal 2026 compared to the same period of fiscal 2025 primarily due to the favorable impact from foreign currency translation (\$15 million) and higher volumes.

Sales in Performance Chemicals increased by \$6 million in the first six months of fiscal 2026 compared to the same period of fiscal 2025 primarily due to the favorable impact from foreign currency translation (\$20 million), partially offset by lower volumes (\$8 million) and less favorable pricing and product mix (\$5 million). The lower volumes were primarily due to lower volumes in our fumed metal oxides product line from lower demand and the less favorable pricing and product mix was primarily due to lower raw material costs which, in certain instances, are passed through to our customers through formulas and other market-based adjustments.

EBIT in Performance Chemicals increased by \$9 million in the second quarter of fiscal 2026 compared to the same period of fiscal 2025 primarily due to higher gross profit per ton (\$5 million) and from higher volumes (\$4 million). The higher gross profit per ton was primarily driven by a more favorable product mix and optimization efforts. The higher volumes were primarily due to higher volumes in our battery materials and specialty carbons product lines from higher demand.

EBIT in Performance Chemicals increased by \$12 million in the first six months of fiscal 2026 compared to the same period of fiscal 2025 primarily due to a higher gross profit per ton (\$16 million), partially offset by lower volumes (\$5 million). The higher gross profit per ton was primarily driven by a more favorable product mix and from lower spending from overall cost management efforts and optimization measures across the segment. The lower volumes in our Performance Chemicals segment were primarily due to weaker demand in Europe.

As we look to the third quarter of the fiscal year, we expect the Performance Chemicals segment EBIT to be relatively flat sequentially from the second quarter of fiscal 2026 on stable sequential volumes and flat sequential gross profit per ton.

## Liquidity and Capital Resources

### Overview

Our liquidity position, as measured by cash and cash equivalents plus borrowing availability, decreased by \$153 million during the first six months of fiscal 2026, largely reflecting a higher commercial paper balance at March 31, 2026 due in part from our funding of our acquisition of MXCB. As of March 31, 2026, we had cash and cash equivalents of \$252 million and borrowing availability under our revolving credit agreements of \$1.1 billion.

We have access to borrowings under the following two credit agreements:

- \$1 billion unsecured revolving credit agreement (the "U.S. Credit Agreement") with JPMorgan Chase Bank, N.A., as Administrative Agent, Citibank, N.A., as Syndication Agent, and the other lenders party thereto, which matures in August 2027. The U.S. Credit Agreement supports our issuance of commercial paper, and borrowings under it may be used for working capital, letters of credit and other general corporate purposes.
- €300 million unsecured revolving credit agreement (the "Euro Credit Agreement", and together with the U.S. Credit Agreement, the "Credit Agreements"), with PNC Bank, National Association, as Administrative Agent, and the other lenders party thereto, which matures in August 2027. Borrowings under the Euro Credit Agreement may be used for the repatriation of earnings of our foreign subsidiaries to the United States, the repayment of indebtedness of our foreign subsidiaries owing to us or any of our subsidiaries and for working capital and general corporate purposes.

As of March 31, 2026, we were in compliance with the debt covenants under the Credit Agreements, which, with limited exceptions, require us to comply on a quarterly basis with a leverage test requiring the ratio of consolidated net debt to consolidated EBITDA not to exceed 3.50 to 1.00. Consolidated net debt is defined as consolidated debt offset by the lesser of (i) unrestricted cash and cash equivalents and (ii) \$150 million.

A significant portion of our business occurs outside the U.S. and our cash generation does not always align geographically with our cash needs. The vast majority of our cash and cash equivalent holdings tend to be held outside the U.S. We generally use a combination of U.S. earnings, repatriation of certain foreign earnings, commercial paper issuances and borrowings under our U.S. Credit Agreement to meet our U.S. cash needs. With the exception of Argentina, which has some currency controls that prevent the distribution of cash, we are generally able to move cash throughout the Company through our cash pooling structures, intercompany accounts and/or distributions, as needed. Although we repatriate certain foreign earnings, cash held by foreign subsidiaries is generally considered permanently reinvested and is used to finance the subsidiaries' operational activities and future investments. We usually reduce our commercial paper balance and, if applicable, borrowings under our Credit Agreements, at quarter-end using cash derived from customer collections, including the utilization of customer supply chain financing programs, settlement of intercompany balances and short-term intercompany loans. If additional funds are needed in the U.S., we expect to be able to repatriate cash, including cash from China, while paying any withholding or other taxes. Changes in regulations and tax laws in the U.S. or foreign countries could restrict our ability to transfer funds or impose material costs on such transfers.

As of March 31, 2026 and September 30, 2025, we had \$126 million and \$130 million, respectively, of borrowings under the Euro Credit Agreement and no outstanding borrowings under the U.S. Credit Agreement at either date. There was \$148 million and \$6 of commercial paper outstanding as of March 31, 2026 and September 30, 2025, respectively.

We anticipate sufficient liquidity from (i) cash on hand; (ii) cash flows from operating activities; and (iii) cash available from the Credit Agreements and our commercial paper program to meet our operational and capital investment needs and financial obligations for both the next twelve months and the foreseeable future. The liquidity we derive from cash flows from operations is, to a large degree, predicated on our ability to collect our receivables in a timely manner, the cost of our raw materials, and our ability to manage inventory levels.

The following discussion of the changes in our cash balance refers to the various sections of our Consolidated Statements of Cash Flows.

### ***Cash Flows from Operating Activities***

Cash provided by operating activities, which consists of net income adjusted for the various non-cash items included in income, changes in working capital and changes in certain other balance sheet accounts, totaled \$203 million in the first six months of fiscal 2026 compared to \$197 million of cash provided by operating activities during the same period of fiscal 2025.

Cash provided by operating activities in the first six months of fiscal 2026 was driven by business earnings excluding the non-cash impacts of depreciation and amortization of \$90 million and an increase in net working capital of \$14 million. The increase in net working capital was largely driven by a decrease in Accounts payable and accrued liabilities, which was partially offset by a decrease in Accounts and notes receivable.

Cash provided by operating activities in the first six months of fiscal 2025 was driven by business earnings excluding the non-cash impacts of depreciation and amortization of \$75 million and cash dividends received from one of our equity investments of \$12 million, which was offset by an increase in net working capital of \$114 million. The increase in net working capital was largely driven by a decrease in Accounts Payable and accrued liabilities, and an increase in Accounts and notes receivable.

### ***Cash Flows from Investing Activities***

Investing activities consumed \$178 million of cash in the first six months of fiscal 2026 compared to \$174 million of cash consumed during the same period of fiscal 2025.

In the first six months of fiscal 2026 and 2025, investing activities included \$114 million and \$149 million, respectively, of capital expenditures for sustaining and compliance capital projects at our operating facilities as well as growth-related capital. In addition, in the second quarter of fiscal 2026, investing activities included \$66 million of cash paid, net of cash acquired, for the acquisition of MXCB and in the first quarter of fiscal 2025, investing activities included \$27 million for cash paid for an asset acquisition, both of which are described in Note C of our Notes to the Consolidated Financial Statements.

Capital expenditures for fiscal 2026 are expected to be between \$200 million and \$230 million. Our planned capital spending program for fiscal 2026 is for sustaining, compliance and improvement capital projects at our operating facilities.

### ***Cash Flows from Financing Activities***

Financing activities consumed \$39 million of cash in the first six months of fiscal 2026 compared to \$7 million of cash consumed during the same period of fiscal 2025.

In the first six months of fiscal 2026, financing activities primarily consisted of repurchases of common stock of \$101 million and dividend payments of \$48 million and \$47 million to common stockholders and noncontrolling interest, respectively. These payments were partially offset by net proceeds from the issuance of commercial paper of \$142 million and net proceeds from short-term borrowing of \$19 million.

In the first six months of fiscal 2025, financing activities primarily consisted of repurchases of common stock of \$89 million, dividend payments of \$47 million and \$20 million to common stockholders and noncontrolling interest, respectively. These payments were partially offset by net proceeds from the issuance of commercial paper of \$145 million.

## **Forward-Looking Information**

This report on Form 10-Q contains “forward-looking statements” under the Federal securities laws. These forward-looking statements address expectations or projections about the future, including our expectations regarding our future business performance and overall prospects, including for EBIT in our business segments in the third quarter of fiscal 2026, and the principal assumptions underlying these expectations, including demand for our products, the sufficiency of our cash on hand, cash provided from operations and cash available under our credit and commercial paper facilities to fund our cash requirements in both the next twelve months and the foreseeable future; anticipated capital spending; cash requirements and uses of available cash, including future cash outlays associated with respirator liabilities and reorganization activity and the timing of such outlays; amortization expenses; the amounts and timing of the charges we expect to record and the estimates of the total costs of restructuring plans and expected cash outlays in connection with reorganization activities; our operating tax rate; the cessation of production of fumed silica at our manufacturing plant in Barry, Wales beginning in the third quarter of fiscal 2026; and the possible outcome of legal and environmental proceedings. From time to time, we also provide forward-looking statements in other materials we release to the public and in oral statements made by authorized officers.

Forward-looking 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 or difficult to predict. If known or unknown risks materialize, our actual results could differ materially from those expressed in the forward-looking statements.

In addition to factors described elsewhere in this report, the following are some of the factors that could cause our actual results to differ materially from those expressed in our forward-looking statements: industry capacity utilization, shifts in the geographic area of tire production, and competition from other specialty chemical companies; safety, health and environmental requirements and related constraints imposed on our business; regulatory and financial risks 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 or the conflict in the Middle East; a significant adverse change in a customer or joint venture relationship or the failure of a customer or joint venture partner to perform its obligations under agreements with us; failure to achieve growth expectations from new products, applications and technology developments; failure to realize benefits from acquisitions, alliances, or joint ventures or achieve our portfolio management objectives; in connection with our restructuring activities in Campana and The Netherlands, finalization of employee severance arrangements, finalization of the accounting impact of the closures, higher than expected demolition, site clearing, environmental remediation or asset retirement costs, and our ability to successfully consolidate production in fewer plants, and to maintain customer volumes as we consolidate production; unanticipated delays in or increased costs 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; litigation or legal proceedings; interest rates, tax rates, tariffs, currency exchange controls, and fluctuations in foreign currency; and the accuracy of the assumptions we used in establishing reserves for our share of liability for respirator claims. These other factors and risks are discussed more fully in our 2025 10-K.

### ***Item 3. Quantitative and Qualitative Disclosures About Market Risk***

Information about market risks for the period ended March 31, 2026 does not differ materially from that discussed under Item 7A of our 2025 10-K.

### ***Item 4. Controls and Procedures***

As of March 31, 2026, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of that date.

There were no changes in our internal controls over financial reporting that occurred during our fiscal quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## Part II. Other Information

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Issuer Purchases of Equity Securities

The table below sets forth information regarding Cabot's purchases of its equity securities during the quarter ended March 31, 2026:

Period	Total Number of Shares Purchased <sup>(1)(2)</sup>	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
January 1, 2026 - January 31, 2026	—		—	8,718,467
February 1, 2026 - February 28, 2026	400,000	\$ 75.58	400,000	8,318,467
March 1, 2026 - March 31, 2026	249,147	\$ 71.31	249,147	8,069,320
Total	649,147		649,147	

(1) On December 3, 2024, Cabot publicly announced that the Board of Directors authorized the Company to repurchase up to an additional ten million shares of its common stock on the open market or in privately negotiated transactions. The authorization does not have a set expiration date.

(2) Total number of shares purchased does not include 1,497 shares withheld to pay taxes on the vesting of equity awards made under the Company's equity incentive plans or to pay the exercise price of options exercised during the period.

### Item 5. Other Information

#### Rule 10b5-1 Trading Plans

During our fiscal quarter ended March 31, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, entered into, modified (as to amount, price or timing of trades) or terminated (i) contracts, instructions or written plans for the purchase or sale of our securities that are intended to satisfy the conditions specified in Rule 10b5-1(c) under the Exchange Act for an affirmative defense against liability for trading in securities on the basis of material nonpublic information or (ii) non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

#### Costs Associated with Exit Activities at Campana, Argentina and Botlek, The Netherlands

On May 1, 2026, the board of directors of Cabot Corporation committed to a plan to better align its carbon black production to current demand conditions. Under this restructuring plan, the Company: (i) expects to cease all operations at its plant in Campana, Argentina by the end of calendar year 2026; and (ii) subject to local works council consultations, intends to close multiple manufacturing units at its plant in Botlek, The Netherlands over the course of fiscal 2026 and 2027. The Company believes these plans will allow the Company to respond to market conditions, while building a more efficient and optimized manufacturing network to meet the Company's customer supply needs.

The Company expects this restructuring will result in pre-tax charges to earnings of approximately \$79 million, with approximately \$63 million of this amount expected to be recorded during fiscal year 2026 and \$16 million during fiscal 2027. These charges are principally comprised of: (i) severance and post-employment benefits of \$11 million, (ii) non-cash charges related to accelerated depreciation and impairment of facility assets of \$45 million and \$10 million, respectively, (iii) demolition, site clearing, and environmental-related costs of \$7 million, and (iv) post closure operating costs of \$6 million.

Future cash outlays related to these actions are expected to be \$24 million, approximately \$10 million of which is expected to be paid during fiscal 2026 and the balance during fiscal 2027.

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
Exhibit 3.1	<a href="#">Restated Certificate of Incorporation of Cabot Corporation effective January 9, 2009 (incorporated herein by reference to Exhibit 3.1 of Cabot's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2008, file reference 1-5667, filed with the SEC on February 9, 2009).</a>
Exhibit 3.2	<a href="#">The By-laws of Cabot Corporation as amended May 11, 2023 (incorporated herein by reference to Exhibit 3.1 of Cabot Corporation's Current Report on Form 8-K, file reference 1-5667, filed with the SEC on May 15, 2023).</a>
Exhibit 31.1*	<a href="#">Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.</a>
Exhibit 31.2*	<a href="#">Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.</a>
Exhibit 32**	<a href="#">Certifications of the Principal Executive Officer and the Principal Financial Officer pursuant to 18 U.S.C. Section 1350.</a>
Exhibit 101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Document.
Exhibit 104*	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline XBRL (included in Exhibit 101).

\* Filed herewith.

\*\* Furnished herewith.



**Principal Executive Officer Certification**

I, Sean D. Keohane, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cabot Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/ SEAN KEOHANE  
**Sean D. Keohane**  
**President and**  
**Chief Executive Officer**

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**Principal Financial Officer Certification**

I, Erica McLaughlin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cabot Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

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/s/ ERICA McLAUGHLIN  
**Erica McLaughlin**  
**Executive Vice President and**  
**Chief Financial Officer**

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**Certifications Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the  
Sarbanes-Oxley Act of 2002**

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 (the "Report") by Cabot Corporation (the "Company"), each of the undersigned hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2026

/s/ SEAN D. KEOHANE

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**Sean D. Keohane**  
**President and Chief Executive Officer**

Date: May 6, 2026

/s/ ERICA McLAUGHLIN

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**Erica McLaughlin**  
**Executive Vice President and**  
**Chief Financial Officer**

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