



Cabot Corporation

Annual Meeting of Stockholders

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March 8, 2018

Forward Looking Statements

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

This presentation includes references to the following non-GAAP financial measures: adjusted EPS (earnings per share), adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), and adjusted EBITDA margins. The definitions of adjusted EPS, adjusted EBITDA, and EBITDA margins and a reconciliation of adjusted EPS and adjusted EBITDA to the most comparable GAAP financial measures are provided at the end of this presentation or in our latest annual report on Form 10-K.

Agenda

- ◆ 2017 Highlights
- ◆ Strategic Progress
- ◆ Positioned for the Future

Fiscal 2017 Highlights

Enhanced focus on sustainability



Strategic asset expansions



Successfully delivered strategy and financial targets



Delivering strong financial and cash results



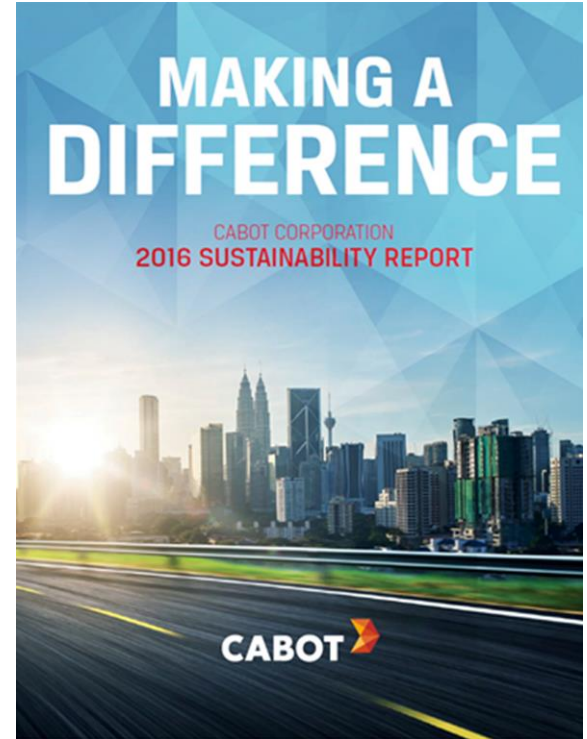
Executed key business initiatives



Safety, Health and Environmental Performance

Responsible Leader – Making a Difference

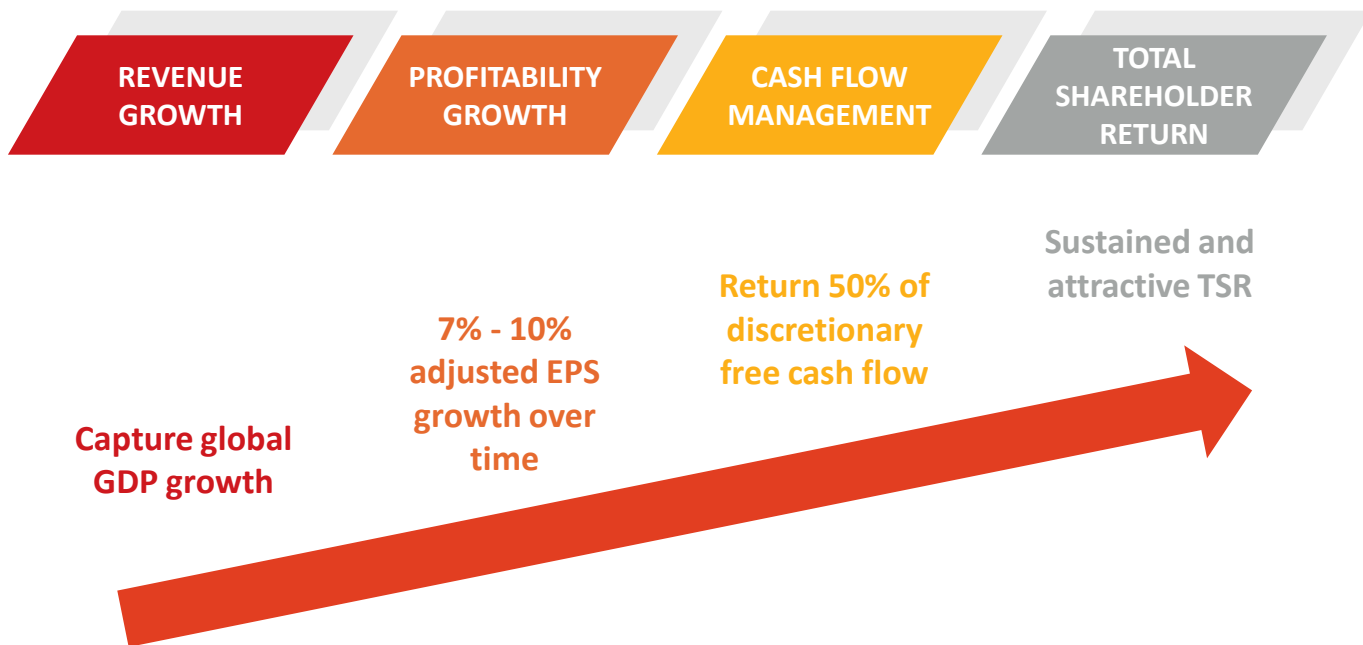
- ◆ World-class safety and environmental performance
 - Total Recordable Injury Rate: 0.45
- ◆ Completed a materiality assessment to sharpen focus on priorities most important to our stakeholders
- ◆ Recognized as one of the most responsible companies in the Materials sector according to *Corporate Responsibility (CR) Magazine*.



Strategic Progress

Corporate Strategy: *Advancing the Core*

Strong Fundamentals Deliver Sustained Value Creation



Successful Strategy Delivery

Continuing to Deliver Exceptional Returns



Corporate Strategy: *Advancing the Core*

Extend our leadership in performance materials by

investing for **growth in our core** businesses,

driving **application innovation** with our customers, and

generating strong cash flows through **efficiency and optimization**.

GROWTH IN OUR CORE

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

APPLICATION INNOVATION

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

EFFICIENCY AND OPTIMIZATION

- ◆ Deliver world-class operational effectiveness
- ◆ Drive capital efficiency
- ◆ Manage working capital rigorously
- ◆ Lead in cost competitiveness

Strategic Investments

Supporting Growth in Our Core

- ◆ Reinforcement Materials and Performance Chemicals growth in-line or better than market
- ◆ Fumed silica investments
 - Joint venture with HYC in Wuhai, China
 - Joint venture with Dow in Carrollton, Kentucky
- ◆ Focus on conductive compounds and formulations
 - TechBlend acquisition
 - New capacity in Pepinster



Application Innovation

Portfolio of Carbon Additives for Li-ion Batteries

- ◆ LITX[®] carbon conductive additives deliver electrode conductivity enabling:
 - High energy density
 - Superior power
 - Enhanced cycle life
- ◆ LITX[®] additives provide improved balance between conductivity and processing:
 - Dispersions & pastes
 - Electrode adhesion
 - Mechanical properties
- ◆ Conductive additives
 - Market size ~ \$600M in 2023
 - CAGR 15% to 20%



Efficiency and Optimization

Rigorous capital expenditure management process

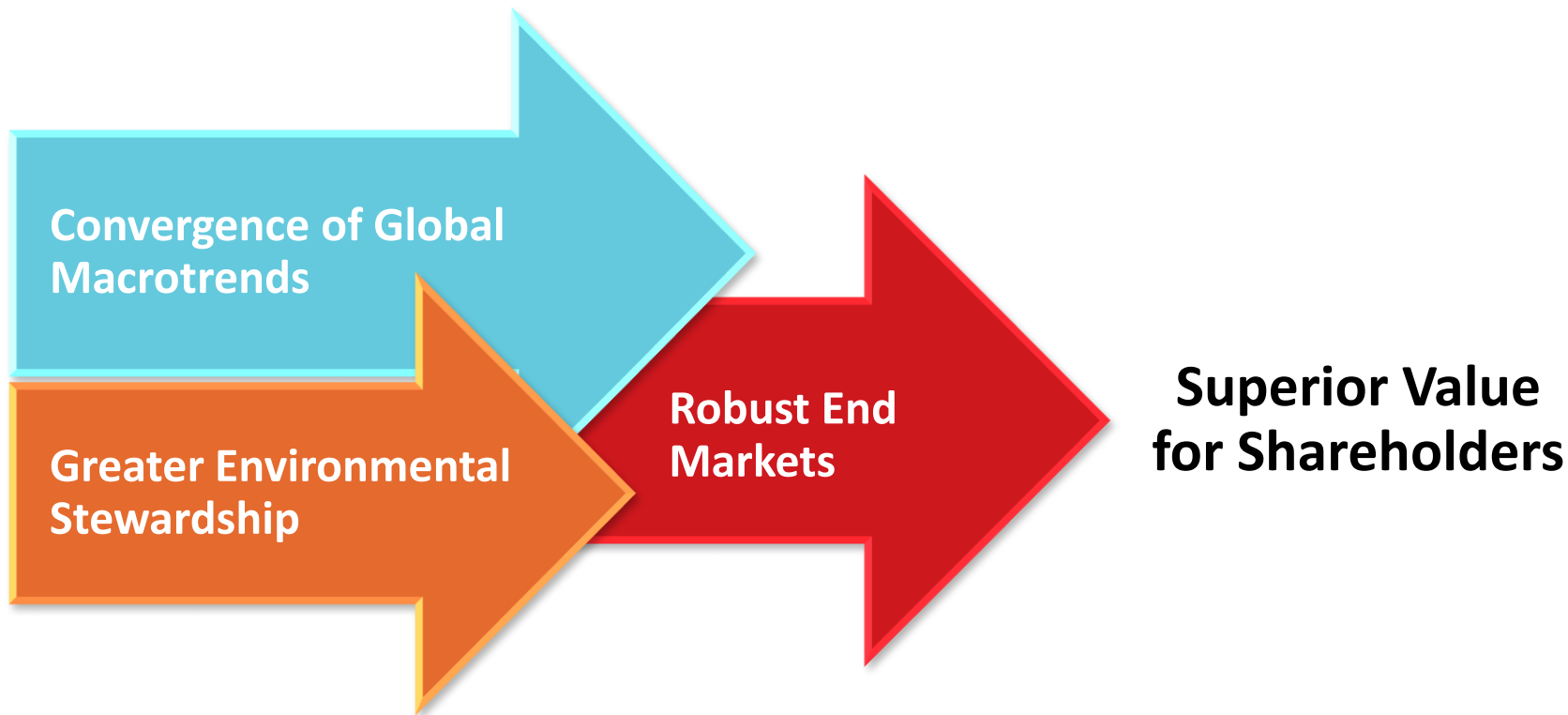
- ◆ Laser focus on capital efficiency
- ◆ Smart & efficient debottleneck projects to support capacity growth
- ◆ Employ engineering best practices to all projects
 - Value engineering
 - Total cost of ownership
- ◆ Operate assets with the highest level of reliability and maximum energy recovery



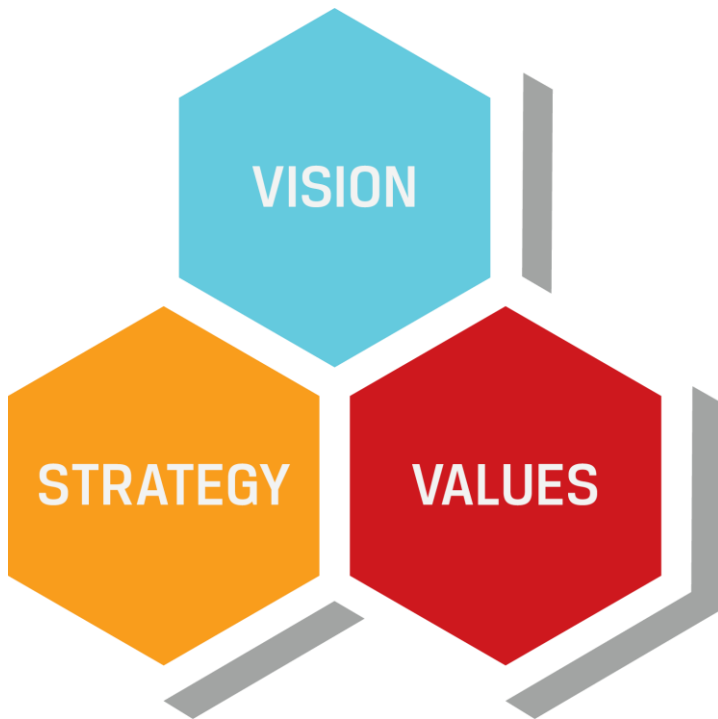
Strengthening our Leadership for Continued Sustainable Growth

Positioned for the Future

Positive Fundamental Trends



Cabot Corporation



VISION

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

STRATEGY

Extend our leadership in performance materials by investing for **growth in our core** businesses, driving **application innovation** with our customers, and generating strong cash flows through **efficiency and optimization.**

VALUES

As Cabot employees, we value **integrity, respect, excellence** and **responsibility.**



Use of Non-GAAP Financial Measures & Definitions of Terms Used

Use of Non-GAAP Financial Measures

This presentation includes references to adjusted earnings per share (EPS), Adjusted EBIT and discretionary free cash flow, which are non-GAAP measures. Reconciliations of adjusted EPS to EPS from continuing operations, Adjusted EBIT to Income (Loss) from continuing operations before income taxes and equity in earnings of affiliated companies, and discretionary free cash flow to cash flow from operating activities, the most directly comparable GAAP financial measures, are provided in the tables included in our first quarter earnings release and filed on our Current Report on Form 8-K dated February 1, 2017.

Explanation of Terms Used

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

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

Non-GAAP Financial Measures

Adjusted EPS, Adjusted EBIT, Discretionary Free Cash Flow

Adjusted EPS, adjusted EBIT and discretionary free cash flow are not measures of financial performance under U.S. generally accepted accounting principles (GAAP) and should not be considered in isolation from, or as replacements for, earnings per share from continuing operations or income from continuing operations before taxes determined in accordance with GAAP, nor as substitutes for measures of profitability or performance reported in accordance with GAAP. These non-GAAP measures exclude certain items of expense or income that management does not consider representative of our ongoing performance. The following tables reconcile non-GAAP measures used in this report to the closest GAAP measure, or explain our calculations.

Reconciliation of Adjusted Earnings Per Share (EPS)			
Per Share / Fiscal Year	2015	2016	2017
Net income (loss) per share attributable to Cabot Corporation	(\$5.27)	\$2.36	\$3.80
Less: Net income (loss) per share from discontinued operations	\$0.02	\$0.02	\$0.00
Net income (loss) per share from continuing operations	(\$5.29)	\$2.34	\$3.80
Less: Certain items per share and dilutive impact of shares	(\$8.00)	(\$0.80)	\$0.38
Adjusted earnings per share	\$2.71	\$3.14	\$3.43

Reconciliation of Discretionary Free Cash Flow			
Dollars in Millions / Fiscal Year	2015	2016	2017
Cash flow from operating activities	\$499	\$392	\$340
Less: Changes in net working capital	\$137	\$49	(\$23)
Less: Sustaining and compliance capital expenditures	\$102	\$91	\$119
Discretionary Free Cash Flow	\$260	\$252	\$244

Reconciliation of Adjusted EBIT			
Dollars in Millions / Fiscal Year	2015	2016	2017
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	(\$377)	\$194	\$288
Interest expense	\$53	\$54	\$53
Certain items	\$617	\$81	\$3
General unallocated expense	(\$11)	(\$7)	\$8
Equity in earnings of affiliated companies	\$4	\$3	\$7
Adjusted EBIT	\$286	\$325	\$359