Cabot Corporation Completes Sale of Specialty Fluids Business

June 28, 2019

BOSTON--(BUSINESS WIRE)--Jun. 28, 2019-- Cabot Corporation (NYSE: CBT) today announced that the Company has successfully closed the previously announced transaction to divest its Specialty Fluids business to Sinomine (Hong Kong) Rare Metals Resources Co. Limited, a wholly owned subsidiary of Sinomine Resource Group Co., Ltd., a joint stock public company based in China, principally engaged in the provision of geological exploration, mining investment and base metal chemical manufacturing.

“We are pleased to have completed the sale of the Specialty Fluids business to Sinomine at an attractive value for our shareholders. I would like to thank the Specialty Fluids team for their hard work over the years to generate strong performance for the Company, and those efforts are reflected in this transaction,” said Sean Keohane, Cabot president and chief executive officer. “This transaction enables us to better focus our efforts on advantaged growth opportunities in our core businesses and further execute on our ‘Advancing the Core’ strategy.”

At closing, Cabot received $135 million with additional cash considerations that could include royalties of up to $5 million for lithium products, payable over a ten-year period. There is not expected to be any material cash tax impact to the proceeds.

In fiscal 2018, earnings before interest, tax, depreciation and amortization (EBITDA) reported for the Specialty Fluids segment was $10 million.

ABOUT CABOT CORPORATION
Cabot Corporation (NYSE: CBT) is a global specialty chemicals and performance materials company, headquartered in Boston, Massachusetts. The company is a leading provider of rubber and specialty carbons, activated carbon, inkjet colorants, masterbatches and conductive compounds, fumed silica and aerogel. For more information on Cabot, please visit the company’s website at: http://www.cabotcorp.com.

ABOUT SINOMINE RESOURCE GROUP
Sinomine Resource Group (Shenzhen Stock Exchange: 002738) is a public company, headquartered in Beijing, China. Sinomine has more than twenty subsidiaries globally. The company’s main businesses include geological exploration, mining investment and base metals chemicals manufacturing. For more information on Sinomine, please visit the following website at: http://www.nfmec.com.

FORWARD-LOOKING STATEMENTS
Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release involving the Company that are not statements of historical fact, including our expectations regarding the cash tax impact to the proceeds, are forward-looking statements and are subject to risks and uncertainties. For a discussion of the risks and uncertainties that could cause results to differ from those expressed in the forward-looking statements, see “Risk Factors” in the Company’s Annual Report on Form 10-K.

USE OF NON-GAAP FINANCIAL MEASURE
This press release includes a discussion of EBITDA for the Specialty Fluids segment for fiscal year 2018, which is a non-GAAP financial measure. EBITDA is not computed in accordance with generally accepted accounting principles (“GAAP”) and should not be considered as an alternative to financial measures computed in accordance with GAAP. A reconciliation of Specialty Fluids EBITDA to Specialty Fluids EBIT, the most directly comparable GAAP financial measure, is provided with the Non-GAAP Reconciliations for Q4 2018 on the Investors section of the Cabot Corporation website.

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Source: Cabot Corporation

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