

Third Quarter Earnings Announcement, Fiscal 2022

**CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

	Fiscal 2022 <sup>(A)</sup>				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net income (loss) per share attributable to Cabot Corporation	\$ (1.57)	\$ 1.84	\$ 1.69	\$ —	\$ 1.99
Less: Certain items after tax per share	(2.86)	0.15	(0.04)	—	(2.75)
<b>Adjusted earnings (loss) per share</b>	<b>\$ 1.29</b>	<b>\$ 1.69</b>	<b>\$ 1.73</b>	<b>\$ —</b>	<b>\$ 4.74</b>
	Fiscal 2021 <sup>(A)</sup>				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net income (loss) per share attributable to Cabot Corporation	\$ 1.06	\$ 1.30	\$ 1.48	\$ 0.50	\$ 4.34
Less: Certain items after tax per share	(0.12)	(0.08)	0.13	(0.61)	(0.68)
<b>Adjusted earnings (loss) per share</b>	<b>\$ 1.18</b>	<b>\$ 1.38</b>	<b>\$ 1.35</b>	<b>\$ 1.11</b>	<b>\$ 5.02</b>

(A) Per share amounts are calculated after tax.

	Fiscal 2022				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<i>Dollars in millions</i>					
<b>Reconciliation of Total Segment EBIT, Total Segment EBITDA and Adjusted EBITDA to Net Income and Segment EBITDA Margin</b>					
<b>Net income (loss) attributable to Cabot Corporation</b>	<b>\$ (89)</b>	<b>\$ 107</b>	<b>\$ 97</b>	<b>\$ —</b>	<b>\$ 115</b>
Net income (loss) attributable to noncontrolling interests	9	7	9	—	25
Equity in earnings of affiliated companies, net of tax	(1)	(3)	(3)	—	(7)
Provision (benefit) for income taxes	(12)	36	49	—	73
<b>Income (loss) before income taxes and equity in earnings of affiliated companies</b>	<b>\$ (93)</b>	<b>\$ 147</b>	<b>\$ 152</b>	<b>\$ —</b>	<b>\$ 206</b>
Interest expense	12	11	15	—	38
Certain items	204	(7)	(12)	—	185
Unallocated corporate costs	14	16	15	—	45
General unallocated (income) expense	(1)	1	3	—	3
Less: Equity in earnings of affiliated companies	(1)	(3)	(3)	—	(7)
<b>Total Segment EBIT</b>	<b>\$ 137</b>	<b>\$ 171</b>	<b>\$ 176</b>	<b>\$ —</b>	<b>\$ 484</b>
Depreciation and amortization excluding corporate depreciation	39	36	35	—	110
<b>Total Segment EBITDA</b>	<b>\$ 176</b>	<b>\$ 207</b>	<b>\$ 211</b>	<b>\$ —</b>	<b>\$ 594</b>
Less: Unallocated corporate costs before corporate depreciation	14	16	14	—	44
<b>Adjusted EBITDA</b>	<b>\$ 162</b>	<b>\$ 191</b>	<b>\$ 197</b>	<b>\$ —</b>	<b>\$ 550</b>

	Fiscal 2022				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<i>Dollars in millions</i>					
Reinforcement Materials EBIT	\$ 85	\$ 101	\$ 113	\$ —	\$ 299
Reinforcement Materials Depreciation and amortization	18	18	17	—	53
<b>Reinforcement Materials EBITDA</b>	<b>\$ 103</b>	<b>\$ 119</b>	<b>\$ 130</b>	<b>\$ —</b>	<b>\$ 352</b>
Reinforcement Materials Sales	\$ 541	\$ 627	\$ 707	\$ —	\$ 1,875
<b>Reinforcement Materials EBITDA Margin</b>	<b>19%</b>	<b>19%</b>	<b>18%</b>	<b>—%</b>	<b>19%</b>

	Fiscal 2022				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<i>Dollars in millions</i>					
Performance Chemicals EBIT	\$ 52	\$ 70	\$ 63	\$ —	\$ 185
Performance Chemicals Depreciation and amortization	18	18	18	—	54
<b>Performance Chemicals EBITDA</b>	<b>\$ 70</b>	<b>\$ 88</b>	<b>\$ 81</b>	<b>\$ —</b>	<b>\$ 239</b>
Performance Chemicals Sales	\$ 302	\$ 360	\$ 372	\$ —	\$ 1,034
<b>Performance Chemicals EBITDA Margin</b>	<b>23%</b>	<b>24%</b>	<b>22%</b>	<b>—%</b>	<b>23%</b>

	Fiscal 2022				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<i>Dollars in millions</i>					
Purification Solutions EBIT	\$ —	\$ —	\$ —	\$ —	\$ —
Purification Solutions Depreciation and amortization	3	—	—	—	3
<b>Purification Solutions EBITDA</b>	<b>\$ 3</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3</b>
Purification Solutions Sales	\$ 61	\$ 36	\$ —	\$ —	\$ 97
<b>Purification Solutions EBITDA Margin</b>	<b>5%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>3%</b>

	Fiscal 2022				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<i>Dollars in millions</i>					
<b>Reconciliation of Free Cash Flow and Discretionary Free Cash Flow to Cash</b>					
<b>Flow from Operating Activities</b>					
Cash flow from operating activities <sup>(B)</sup>	\$ (49)	\$ 10	\$ 34	\$ —	\$ (5)
Less: Additions to property, plant and equipment	30	41	50	—	121
<b>Free cash flow</b>	<b>\$ (79)</b>	<b>\$ (31)</b>	<b>\$ (16)</b>	<b>\$ —</b>	<b>\$ (126)</b>
Plus: Additions to property, plant and equipment	30	41	50	—	121
Less: Changes in net working capital <sup>(C)</sup>	(143)	(111)	(136)	—	(390)
Less: Sustaining and compliance capital expenditures	22	25	35	—	82
<b>Discretionary free cash flow</b>	<b>\$ 72</b>	<b>\$ 96</b>	<b>\$ 135</b>	<b>\$ —</b>	<b>\$ 303</b>

(B) As provided in the Condensed Consolidated Statements of Cash Flows.

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