## CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

		Fiscal 2018 <sup>(A)</sup>								
	Dec. Q		Mar. Q		Jun. Q		Sept. Q		FY 2018	
Reconciliation of Adjusted EPS to GAAP EPS										
Net income (loss) per share attributable to Cabot Corporation	\$	(1.98)	\$	(2.80)	\$	1.40	\$	_	\$	(3.36)
Less: Certain items after tax		(2.89)		(3.82)		0.34		_		(6.37)
Less: Dilutive impact of shares <sup>(B)</sup>		(0.02)		(0.02)		_		_		(0.02)
Adjusted earnings per share	\$	0.93	\$	1.04	\$	1.06	\$	-	\$	3.03

<sup>(A)</sup> Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

(B) Due to the Company's Net Loss position, GAAP EPS for all periods in fiscal 2018, except for the three months ended June 30, 2018, has been calculated using basic weighted average shares only to avoid anti-dilution. However, in order to provide an Adjusted Non-GAAP EPS with a weighted average share figure that is consistent with all other periods presented, the Company has included this reconciling item to quantify the difference between basic and diluted weighted average shares. This reconciling item is applicable to individual periods presented but does not sum cumulatively. The net loss for the nine months ended June 30, 2018 is driven by a discrete tax item and impairment charges so the Company believes this approach provides the most comparable presentation possible.

Dollars in millions				Fis	cal 2018			
	D	ec. Q	Mar. Q		Jun. Q	Sept. Q	FY 2	2018
Reconciliation of Segment EBIT to Net Income and Segment EBITDA Margin								
Net income (loss) attributable to Cabot Corporation	\$	(122)	\$ (173)	\$	88	\$ —	\$	(207
Net income (loss) attributable to noncontrolling interests		10	10		11	_		31
Equity in earnings of affiliated companies, net of tax		(1)	(1)		_	_		(2
Income from discontinued operations, net of tax		_	_		_	_		_
Provision (benefit) for income taxes		205	(7)		(4)	—		194
Income (loss) from continuing operations before income taxes and equity in								
earnings of affiliated companies	\$	92	\$ (171)	\$	95	\$ —	\$	16
Interest expense		13	14		14	_		4
Certain items		(7)	264		3	_		260
Unallocated corporate costs		14	16		15	_		45
General unallocated (income) expense		_	3		_	_		:
Equity in earnings of affiliated companies	*	1		\$	407	<u> </u>	¢	
Total Segment EBIT	\$	<u>113</u> 39	\$ 127 40	Þ	<u>127</u> 38	» —	\$	367
Plus: Total Depreciation & Amortization		39				_		117
Plus: Adjustments to Depreciation <sup>(C)</sup>	*	152	1	*	(1)		¢	
Total Segment EBITDA	\$		\$ 168	\$	164	\$ —	\$	484
Less: Unallocated Corporate Costs	*	(14) <b>138</b>	(16) \$ 152		(15)		\$	(45
Adjusted EBITDA (C) Adjustments to depreciation includes the addition of the depreciation expense of	\$			\$	149	\$ —	· ·	439
depreciation expense not allocated to a business. Dollars in millions	D	ec. Q	Mar. Q		Jun. Q	Sept. Q	FY	2018
Reinforcement Materials EBIT	\$	62	\$ 79	\$	74	<u>\$</u>	\$	215
Plus: Depreciation & Amortization	+	17	18	•	18	-	*	53
Reinforcement Materials EBITDA	\$	79	\$ 97	\$	92	\$ —	\$	268
Reinforcement Materials Sales	\$	387	\$ 454	\$	466	\$ —	\$	1,307
Reinforcement Materials EBITDA Margin		20%	21%	,	20%	—%		21%
Dollars in millions	D	ec. Q	Mar. Q		Jun. Q	Sept. Q	EV (	2018
					Jun. Q			
Performance Chemicals FBIT					56			160
Performance Chemicals EBIT Plus: Depreciation & Amortization	\$	47	\$ 57	\$	56 12	\$	\$	
Performance Chemicals EBIT Plus: Depreciation & Amortization Performance Chemicals EBITDA					56 12 <b>68</b>			36
Plus: Depreciation & Amortization	\$ \$	47 12 <b>59</b>	\$ 57 12 \$ 69	\$ \$	12	\$ — <b>\$</b> —	\$	36 196
Plus: Depreciation & Arnortization Performance Chemicals EBITDA	\$	47 12	\$ 57 12 \$ 69	\$ \$	12 68	\$	\$ \$ \$	36 <b>196</b> 771
Plus: Depreciation & Amortization Performance Chemicals EBITDA Performance Chemicals Sales Performance Chemicals EBITDA Margin	\$ \$	47 12 <b>59</b> 229 <b>26%</b>	\$ 57 12 \$ 69 \$ 268 26%	\$ \$	12 68 274 25%	\$	\$ \$	36 196 771 25%
Plus: Depreciation & Amortization Performance Chemicals EBITDA Performance Chemicals Sales Performance Chemicals EBITDA Margin Dollars in millions	\$ \$ \$	47 12 <b>59</b> 229 <b>26%</b> ec. Q	\$ 57 12 <b>\$ 69</b> \$ 268 <b>26%</b> Mar. Q	\$ \$ \$	12 68 274 25% Jun. Q	\$ — <b>\$</b> — <b>\$</b> — <b>\$</b> — Sept. Q	\$ \$ FY 2	36 <b>196</b> 771 <b>25</b> % 2018
Plus: Depreciation & Amortization Performance Chemicals EBITDA Performance Chemicals Sales Performance Chemicals EBITDA Margin Dollars in millions Purification Solutions EBIT	\$ \$	47 12 <b>59</b> 229 <b>26%</b> ec. Q 6	\$ 57 12 <b>\$ 69</b> \$ 268 <b>26%</b> Mar. Q \$ (6)	\$ \$ \$	12 68 274 25% Jun. Q (6)	\$ — <b>\$</b> — <b>\$</b> — <b>\$</b> — Sept. Q	\$ \$	36 196 771 259 2018 (6
Plus: Depreciation & Amortization         Performance Chemicals EBITDA         Performance Chemicals Sales         Performance Chemicals EBITDA Margin         Dollars in millions         Purification Solutions EBIT         Plus: Depreciation & Amortization	\$ \$ \$ \$	47 12 <b>59</b> 229 <b>26%</b> ec. Q 6 10	\$ 57 12 <b>\$ 69</b> \$ 268 <b>26%</b> Mar. Q \$ (6) 10	\$ \$ \$	12 68 274 25% Jun. Q (6) 7	\$ <b>\$</b> <b>\$</b> % <u>Sept. Q</u> <b>\$</b>	\$ \$ FY 2 \$	36 196 771 25% 2018 (6 27
Plus: Depreciation & Amortization Performance Chemicals EBITDA Performance Chemicals Sales Performance Chemicals EBITDA Margin Dollars in millions Purification Solutions EBIT Plus: Depreciation & Amortization Purification Solutions EBITDA	\$ \$ \$ \$	47 12 59 229 26% ec. Q 6 10 16	\$ 57 12 <b>\$ 69</b> \$ 268 <b>26%</b> Mar. Q \$ (6) 10 <b>\$ 4</b>	\$ \$ \$ \$ \$	12 68 274 25% Jun. Q (6) 7 1	\$	\$ \$ FY 2 \$ \$	36 196 771 259 2018 (6 27 21
Plus: Depreciation & Amortization Performance Chemicals EBITDA Performance Chemicals Sales Performance Chemicals EBITDA Margin Dollars in millions Purification Solutions EBIT Plus: Depreciation & Amortization Purification Solutions EBITDA Purification Solutions Sales	\$ \$ \$ \$	47 12 59 229 26% ec. Q 6 10 16 70	\$ 57 12 <b>\$ 69</b> \$ 268 <b>26%</b> Mar. Q \$ (6) 10 <b>\$ 4</b> \$ 66	\$ \$ \$ \$ \$	12 68 274 25% Jun. Q (6) 7 1 70	\$	\$ \$ FY 2 \$ \$	36 196 771 25% 2018 (6 27 21 206
Plus: Depreciation & Amortization Performance Chemicals EBITDA Performance Chemicals Sales Performance Chemicals EBITDA Margin Dollars in millions Purification Solutions EBIT Plus: Depreciation & Amortization Purification Solutions EBITDA Purification Solutions Sales Purification Solutions EBITDA Margin	\$ \$ \$ \$ \$	47 12 59 229 26% ec. Q 6 10 16 70 23%	\$ 57 12 \$ 69 \$ 268 26% Mar. Q \$ (6) 10 \$ 4 \$ 66 6%	\$ \$ \$ \$ \$	12 68 274 25% Jun. Q (6) 7 1 70 1%	\$	\$ \$ FY 2 \$ \$	36 196 771 25% 2018 (6 27 21 206 10%
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Plus: Depreciation & Amortization Performance Chemicals EBITDA Performance Chemicals Sales Performance Chemicals EBITDA Margin Dollars in millions Purification Solutions EBIT Plus: Depreciation & Amortization Purification Solutions EBITDA Pollars in millions Specialty Fluids EBIT Plus: Depreciation & Amortization Specialty Fluids EBITDA Spe	\$ \$ \$ \$ \$ \$ \$	47 12 59 229 26% ec. Q 6 10 16 70 23% ec. Q (2)  (2) 6 (33)% ec. Q 45	\$ 57 12 \$ 69 \$ 268 26% Mar. Q \$ (6) \$ (7) \$ (7)	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	12 68 274 25% Jun. Q (6) 7 1 70 1% Jun. Q 3 1 4 12 33% ccal 2018 Jun. Q 62	\$	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	366 196 771 255 2018 (6( 27 21 206 2018 (22 2018 (22 2018 (22 2018 2018 (22 2018 143
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(E) Defined as changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Condensed Consolidated Statements of Cash Flows.