



CABOT EARNINGS TELECONFERENCE

First Quarter - Fiscal 2024



Forward Looking Statements

This presentation contains forward-looking statements. All statements that address expectations or projections about the future, including with respect to our expectations for our performance in fiscal 2024, including for adjusted EPS, with respect to anticipated growth in our Reinforcement Materials segment and the factors that will drive that growth, including the fiscal 2024 EBIT benefit we expect from our calendar 2024 customer agreements, and the structural improvements in this business, for increased volumes and higher costs in our Performance Chemicals segment and the upside potential in this reporting segment, with respect to the strategic positions we are building in our Battery Materials and Inkjet growth vectors, for strong cash flows from operations, for general unallocated income in the fiscal year, with respect to our expected capital expenditures for fiscal 2024 and where we expect to make capital investments in new capacity and our expected operating tax rate for fiscal 2024, with respect to our achievement of the growth targets we communicated at our Investor Day in 2021, with respect to growing dividends and our expectations regarding share repurchases, are forward-looking statements. 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 or implied by forward-looking statements. Important factors that could cause our results to differ materially from those expressed or implied in the forward-looking statements include, but are not limited to, industry capacity utilization, competition from other specialty chemical companies; safety, health and environmental requirements and related constraints imposed on our business; regulatory and financial risk 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 and U.S.-China trade relationship; a significant adverse change in a customer relationship; failure to achieve growth expectations from new products, new applications and technology developments; unanticipated delays in, or increased cost 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; interest rates, tax rates, currency exchange controls and fluctuations in foreign currency rates, such as the recent currency movements in Argentina. These factors are discussed more fully in the reports we file with the Securities and Exchange Commission (“SEC”), particularly under the heading “Risk Factors” in our annual report on Form 10-K for our fiscal year ended September 30, 2023, filed with the SEC at www.sec.gov. We assume no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by securities and other applicable laws.

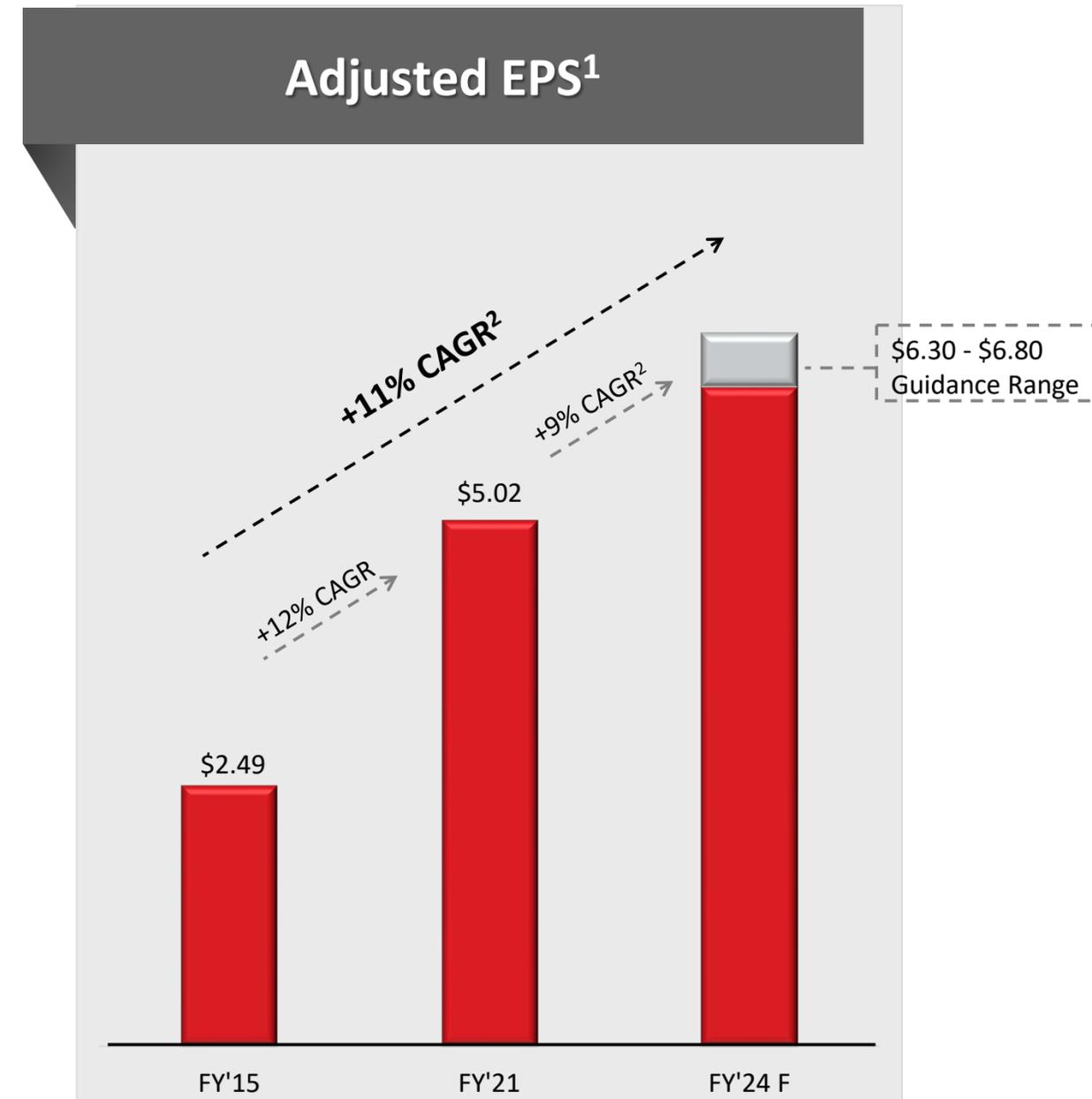
Q1 2024 Highlights

- 1** Q1 GAAP EPS of \$0.88; Adjusted EPS¹ of \$1.56
- 2** Reinforcement Materials segment EBIT of \$129 million; up 37% year over year
- 3** Finalized 2024 Reinforcement Materials customer agreements with price and mix benefits across all regions
- 4** Performance Chemicals segment EBIT of \$34 million; up 17% year over year
- 5** Cash Flows from Operations of \$105 million; Returned \$55 million to shareholders
- 6** Recognized by Newsweek as one of America's Most Responsible Companies 2024 for the fifth consecutive year



Executing Against our Creating for Tomorrow Strategy

- 1 Reinforcement Materials: Resilient and growing business with structural improvements**
- 2 Performance Chemicals: Portfolio of growth businesses with upside potential**
- 3 Building strategic positions in Battery Materials and Inkjet growth vectors**



1. Non-GAAP measure – See Appendix
2. 2024 CAGR calculated using the midpoint of \$6.30-\$6.80 adjusted EPS guidance range

Key Cash Flow Metrics (TTM)

Cash Flow Highlights

- ◆ Strong execution resulting in robust cash flow
- ◆ Continuous and growing dividend reflecting confidence in long-term cash flow outlook
- ◆ Expect to be opportunistic with share repurchases based on cash flow outlook and the timing of growth investment opportunities



Cash Generation

Operating Cash Flow
\$648M

Free Cash Flow Yield^{1,3}
8.3%



Cash Return

Cash Returned to Shareholders
\$203M²

Total Payout Ratio^{1,4}
61%

Healthy cash flow metrics reflect the underlying strength of the businesses

1. Non-GAAP measure – See Appendix

2. Includes \$89 million of dividends and \$114 of share purchases

3. Free Cash Flow Yield defined as Free Cash Flow divided by market capitalization. Calculations based on Market Cap Data as of December 31, 2023-per Capital IQ

4. Total Payout Ratio defined as (Total TTM Share Repurchase + Dividends) / (Shares Outstanding * TTM Adj. EPS)

Q1 2024 Financial Highlights



Adjusted EPS¹

\$1.56

Diluted EPS \$0.88

Cash flow from Operations

\$105 million

Discretionary Free Cash Flow¹ of \$118M

Cash

\$244 million

Liquidity

\$1.2 billion

Capex

\$54 million

FY'24 expected to be approximately \$250-\$275M

Debt Balance

\$1.3 billion

Net debt to EBITDA¹ 1.5x

Operating Tax Rate¹

28% YTD

FY'24 forecast range of 28%-30%

Reinforcement Materials Segment

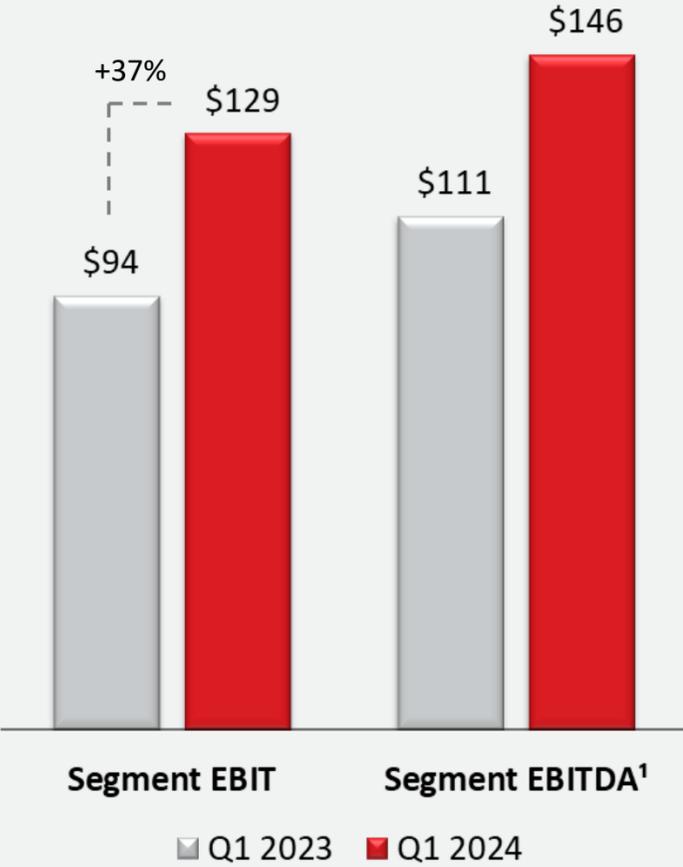
Operating Performance

Q1 2024 RESULTS

- ◆ Favorable pricing and product mix from calendar year 2023 customer agreements
- ◆ Global volumes up 2% year-over-year from growth in Europe and Asia



SEGMENT EBIT & EBITDA



Q2 2024 OUTLOOK

- ◆ Expect EBIT to increase sequentially from improved pricing and product mix in calendar year 2024 customer agreements
- ◆ Modest sequential volume improvement expected



1. Non-GAAP measure – See Appendix

Performance Chemicals Segment

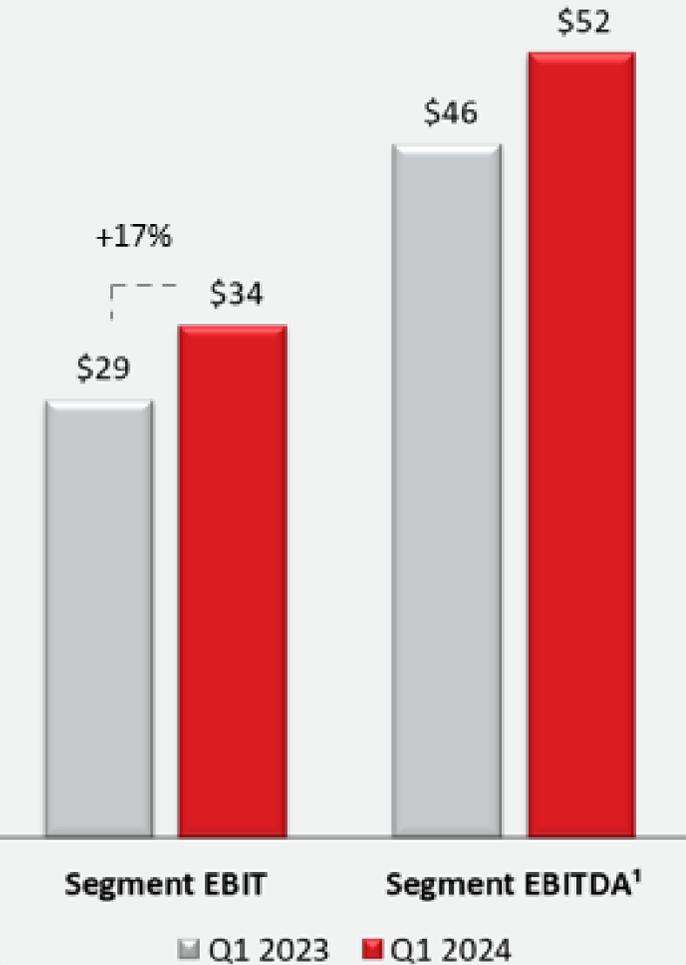
Operating Performance

Q1 2024 RESULTS

- ◆ Volumes up 10% driven by the specialty carbons, specialty compounds and fumed metal oxides product lines as destocking impacts diminish



SEGMENT EBIT & EBITDA



Q2 2024 OUTLOOK

- ◆ Sequential volume increase expected driven by seasonality
- ◆ Higher costs sequentially, including \$4 million of costs associated with maintenance and a reduction in inventory levels



1. Non-GAAP measure – See Appendix

2024 Outlook

1

Adjusted EPS¹ guidance re-affirmed

\$6.30 to \$6.80 adjusted EPS expected for fiscal 2024; up 22% year-over-year at the midpoint

2

Reinforcement Materials outlook remains strong

Price and product mix benefit from 2024 customer contracts
Modest volume increase aligned with demand growth expected

3

Performance Chemicals stabilized

Modest volume increase expected from less destocking impact in fiscal 2024

4

Operating cash flow outlook remains strong

Supports growth investments and cash returned to shareholders

1. Non-GAAP measure – See Appendix



Q&A



APPENDIX



Use of Non-GAAP Financial Measures

This presentation includes references to adjusted earnings per share (EPS), total segment EBIT, segment EBITDA, adjusted EBITDA, free cash flow, discretionary free cash flow, and operating tax rate, which are non-GAAP measures. Reconciliations of Adjusted EPS to net income (loss) per share attributable to Cabot Corporation, the most directly comparable GAAP financial measure, Total Segment EBIT, Total Segment EBITDA, and Adjusted EBITDA to income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies, the most directly comparable GAAP financial measure of each such non-GAAP measure, operating tax rate to effective tax rate, the most directly comparable GAAP financial measure and Free Cash Flow and Discretionary Free Cash Flow to Cash flow from operating activities, the most directly comparable GAAP financial measure, are provided in the tables included in our fourth quarter and fiscal year 2023 earnings release and filed on our Current Report on Form 8-K dated November 6, 2023. Reconciliations for Total Segment EBIT and segment EBITDA for each segment are included in the following slides.

Cabot does not provide an expected GAAP EPS range or reconciliation of the Adjusted EPS range with an expected GAAP EPS range because, without unreasonable effort, we are unable to predict with reasonable certainty the matters we would allocate to “certain items,” including unusual gains and losses, costs associated with future restructurings, acquisition-related expenses and litigation outcomes. These items are uncertain, depend on various factors, and could have a material impact on GAAP EPS in future periods.

This presentation also includes our forecast of the range we expect our “operating tax rate”, which represents the tax rate on our recurring operating results, to fall within. This rate excludes discrete tax items, which are included in the effective tax rate. Discrete tax items are comprised of (i) unusual or infrequent items, (ii) items related to uncertain tax positions, and (iii) other tax items, such as the impact from the timing of losses in certain jurisdictions and cumulative tax rate adjustments, the tax impact of legislative changes and tax accruals on historic earnings due to changes in indefinite reinvested assertions. The operating tax rate also excludes the impact of the items of expense and income we identify as certain items on both our operating income and the tax provision. Management believes that the operating tax rate is useful supplemental information because it helps our investors compare our tax rate year to year on a consistent basis and to understand what our tax rate on current operations would be without the impact of these items.

Cabot does not provide a forward-looking reconciliation of the operating tax rate range with an effective tax rate range because, without unreasonable effort, we are unable to predict with reasonable certainty the matters we would allocate to “certain items,” including unusual gains and losses, costs associated with future restructurings, acquisition-related expenses and litigation outcomes. These items are uncertain, depend on various factors, and could have a material impact on the effective tax rate in future periods.

To calculate “Discretionary Free Cash Flow” we deduct sustaining and compliance capital expenditures and changes in Net Working Capital from cash flow from operating activities. To calculate “Free Cash Flow” we deduct capital expenditures as disclosed in the consolidated statement of cash flows (as Additions to property, plant and equipment) from cash flow from operating activities.

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 liabilities.

Non-GAAP Financial Measures

Total Segment EBIT and Adjusted EBITDA

Our Chief Operating Decision Maker uses segment income (loss) from continuing operations before interest and taxes (which we refer to as segment “EBIT”) to evaluate the operating results of each segment and to allocate resources to the segments. We believe Total segment EBIT, which reflects the sum of EBIT from our 2 reportable segments, provides useful supplemental information for our investors as it is an important indicator of the Company’s operational strength and performance, allows investors to see our results through the eyes of management, and provides context for our discussion of individual business segment performance. Total segment EBIT is a non-GAAP financial measure and should not be considered an alternative for Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies, which is the most directly comparable GAAP financial measure. In calculating Total segment EBIT, we exclude from our income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies: (i) items of expense and income that management does not consider representative of our fundamental on-going segment results, which we refer to as “certain items”, and (ii) items that, because they are not controlled by the business segments and primarily benefit corporate objectives, are not allocated to our business segments, such as interest expense and other corporate costs, which include unallocated corporate overhead expenses such as certain corporate salaries and headquarter expenses, plus costs related to special projects and initiatives, which we refer to as “other unallocated items”. Management believes excluding the items identified as certain items facilitates operating performance comparisons from period to period by eliminating the differences caused by the existence and timing of certain expenses and income items that would not otherwise be apparent on a GAAP basis. Investors should consider the limitations associated with this non-GAAP measure, including the potential lack of comparability of this measure from one company to another. A reconciliation of Total segment EBIT to Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies is below.

<i>Dollars in millions</i>	Fiscal 2024		Fiscal 2023	
	Dec. Q		Dec. Q	
<u>Reconciliation of Total Segment EBIT, Total Segment EBITDA and Adjusted EBITDA to Net Income and Segment EBITDA Margin</u>				
Net income (loss) attributable to Cabot Corporation	\$	50	\$	54
Net income (loss) attributable to noncontrolling interests		11		12
Equity in earnings of affiliated companies, net of tax		(1)		(2)
Provision (benefit) for income taxes		34		20
Income (loss) before income taxes and equity in earnings of affiliated companies	\$	94	\$	84
Interest expense		22		22
Certain items		42		4
Unallocated corporate costs		17		15
General unallocated (income) expense		(13)		(4)
Less: Equity in earnings of affiliated companies		(1)		(2)
Total Segment EBIT	\$	163	\$	123
Depreciation and amortization excluding corporate depreciation		35		34
Total Segment EBITDA	\$	198	\$	157
Less: Unallocated corporate costs before corporate depreciation		17		15
Adjusted EBITDA	\$	181	\$	142

Non-GAAP Financial Measures

Adjusted EPS

	Fiscal 2024 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2024
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.88	\$ —	\$ —	\$ —	\$ 0.88
Less: Certain items after tax per share	(0.68)	—	—	—	(0.68)
Adjusted earnings (loss) per share	\$ 1.56	\$ —	\$ —	\$ —	\$ 1.56
	Fiscal 2023 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.93	\$ 1.29	\$ 1.43	\$ 4.10	\$ 7.73
Less: Certain items after tax per share	(0.05)	(0.04)	0.01	2.45	2.35
Adjusted earnings (loss) per share	\$ 0.98	\$ 1.33	\$ 1.42	\$ 1.65	\$ 5.38

(A) Per share amounts are calculated after tax.

	Fiscal 2021 ^(A)
	FY 2021
Reconciliation of Adjusted EPS to GAAP EPS	
Net income (loss) per share attributable to Cabot Corporation	\$ 4.34
Less: Certain items after tax per share	(0.68)
Adjusted earnings (loss) per share	\$ 5.02

(A) Per share amounts are calculated after tax.

	Fiscal 2015 ^(A)
	FY 2015
Reconciliation of Adjusted EPS to GAAP EPS	
Net income (loss) per share attributable to Cabot Corporation	\$ (5.49)
Less: Net Income (loss) per share from discontinued operations	0.02
Net income (loss) per share from continuing operations	\$ (5.51)
Less: Certain items per share and dilutive impact of shares	(8.00)
Adjusted earnings per share	\$ 2.49

(A) Amounts have been recast to reflect the retrospective application of the Company's election to change its inventory valuation method of accounting for its U.S. carbon black inventories from the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method.

Non-GAAP Financial Measures

Segment EBITDA

Segment EBITDA is comprised of Segment EBIT plus depreciation and amortization. Management believes that Segment EBITDA is useful supplemental information because it provides investors with a view of the cash generated by each of the Company's segments, which is available to fund operating needs such as working capital and capital expenditures as well as the cost of financing the Company's capital needs and returning cash to shareholders.

<i>Dollars in millions</i>	Fiscal 2024	Fiscal 2023
	Dec. Q	Dec. Q
Reinforcement Materials EBIT	\$ 129	\$ 94
Reinforcement Materials Depreciation and amortization	17	17
Reinforcement Materials EBITDA	\$ 146	\$ 111

<i>Dollars in millions</i>	Dec. Q	Dec. Q
	Performance Chemicals EBIT	\$ 34
Performance Chemicals Depreciation and amortization	18	17
Performance Chemicals EBITDA	\$ 52	\$ 46

Non-GAAP Financial Measures

Operating Tax Rate

TABLE 3: RECONCILIATION OF EFFECTIVE TAX RATE TO OPERATING TAX RATE					
Three months ended December 31					
<i>Dollars in millions (unaudited)</i>	2023		2022		
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate	
Effective Tax Rate	\$ (34)	36%	\$ (20)	24%	
Less: Non-GAAP tax adjustments ^(A)	4		1		
Operating tax rate ^{(C) (D)}	\$ (38)	28%	\$ (21)	25%	

^(A) Non-GAAP tax adjustments are made to arrive at the operating tax provision. It includes the income tax (expense) benefit on certain items, discrete tax items, and, on a quarterly basis the timing of losses in certain jurisdictions. The income tax (expense) benefit on certain items is determined using the applicable rates in the taxing jurisdictions in which the certain items occurred and includes both current and deferred income tax (expense) benefit based on the nature of the certain items. Discrete tax items include, but are not limited to, changes in valuation allowance, uncertain tax positions, and other tax items, such as the tax impact of legislative changes and tax accruals on historic earnings due to changes in indefinite reinvestment assertions.

^(B) This table indicates the line items where certain items are recorded in the Consolidated Statements of Operations.

^(C) The operating tax rate is calculated based upon management's forecast of the annual operating tax rate for the fiscal year applied to adjusted pre-tax earnings. The operating tax rate excludes income tax (expense) benefit on certain items, discrete tax items and, on a quarterly basis the timing of losses in certain jurisdictions.

^(D) Our operating tax rate for fiscal 2024 is expected to be in the range of 28% to 30%

^(E) Per share amounts are calculated after tax.