



CABOT EARNINGS TELECONFERENCE

First Quarter - Fiscal 2025



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 the second quarter of and fiscal year 2025, including our expectations for performance and growth in our businesses and for adjusted earnings per share ('EPS') and adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") in fiscal year 2025, our expectations for operating cash flow for fiscal 2025, our expectations for capital expenditures and our capital allocation priorities, our expected operating tax rate for fiscal 2025, and our adjusted EPS CAGR target for the three-year performance period ending September 30, 2027, 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, 2024, 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 2025 Highlights

1

Q1 GAAP EPS of \$1.67; Adjusted EPS¹ of \$1.76 up 13% year over year

2

Reinforcement Materials segment EBIT of \$130 million; up 1% year over year

3

Performance Chemicals segment EBIT of \$45 million; up 32% year over year

4

Cash Flows from Operations of \$124 million; returned \$66 million to shareholders through dividends and share repurchases

5

Hosted Investor Day highlighting growth strategy and 3-Year financial targets

1. Non-GAAP measure – See Appendix

Robust Levels of Cash Generation Supports Growth Investments and Cash Return to Shareholders



Strong cash generation to fund high growth investments while returning cash to shareholders

Capital expenditures of \$77 million in Q1 FY25 which included high confidence, high-return investments

Paid \$24 million in dividends to shareholders in Q1 FY25; have grown the dividend per share at an 8% CAGR since fiscal 2015

Repurchased \$42 million of shares in Q1 FY25; have reduced outstanding shares by 13% since fiscal 2015

Investor Day Takeaways



Right Strategy "*Creating for Tomorrow*"

- ◆ Grow
- ◆ Innovate
- ◆ Optimize



Technology Aligned with Key Macro-trends

- ◆ Changing Mobility Landscape
- ◆ Global Infrastructure Build-out
- ◆ The Sustainability Transition



Growth Objectives

- ◆ Targeting 3-year Adj. EPS¹ CAGR of 7-10%
- ◆ Growth driven by expectation of strong results in both segments
- ◆ Management team with a proven track record of execution



Capital Allocation

- ◆ Strong cash flow generation
- ◆ Balanced capital allocation focused on funding advantaged growth and returning capital to shareholders

Q1 2025 Financial Highlights



Adjusted EPS¹

\$1.76

Diluted EPS \$1.67



Cash Flow from Operations

\$124 million

Discretionary Free Cash Flow¹ of \$114M



Cash and Cash Equivalents

\$183 million



Capex

\$77 million

FY25 expected to be in the range of \$250M - \$300M



Debt Balance

\$1.2 billion

Liquidity

\$1.3 billion



Operating Tax Rate¹

28%

FY25 forecast range of 27% - 29%

1. Non-GAAP measure – See Appendix

Reinforcement Materials Segment

Operating Performance

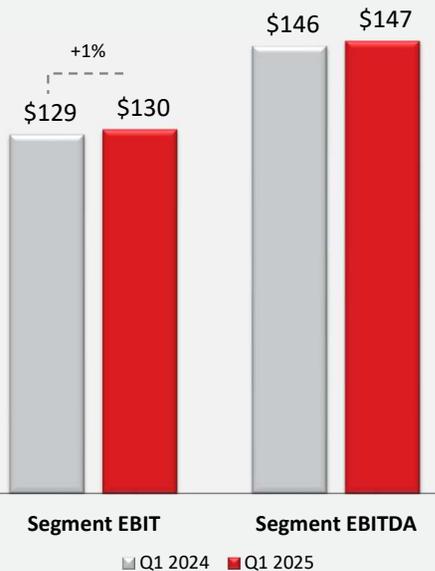
Q1 2025 RESULTS

- ◆ Global volumes up 1% year-over-year from growth in Asia Pacific and EMEA
- ◆ Favorable pricing and product mix from our calendar year 2024 customer agreements partially offset by less favorable mix and lower energy center revenue



SEGMENT EBIT & EBITDA

(\$ in millions)



Q2 2025 OUTLOOK

- ◆ Expect modest sequential EBIT improvement from improved geographic mix
- ◆ Anticipate flat volumes sequentially, with seasonal improvement and contract gains in EMEA and Asia lower due to Lunar New Year



Performance Chemicals Segment

Operating Performance

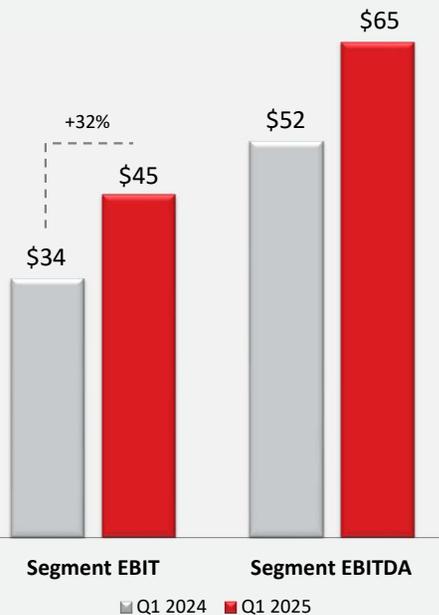
Q1 2025 RESULTS

- ◆ Volumes up 8% year-over-year as volumes reconnected to underlying demand drivers in key end markets
- ◆ Higher costs associated with maintenance spend and new assets



SEGMENT EBIT & EBITDA

(\$ in millions)



Q2 2025 OUTLOOK

- ◆ Expect modest sequential EBIT improvement
- ◆ Volume growth expected due to higher seasonal demand in North America and Europe



Fiscal 2025 Outlook



Reaffirming Adjusted EPS¹ Guidance Range

- ◆ \$7.40 to \$7.80 adjusted EPS¹ expected for fiscal 2025
- ◆ Assumes current FX rates and forecasted interest rates as of the end of January; does not incorporate any potential impact from tariffs



Operating Cash Flow Outlook Remains Strong

- ◆ Higher year-over-year Adjusted EBITDA¹ anticipated



Continue Disciplined Capital Allocation Framework

- ◆ Support growth investments and robust level of cash return to shareholders
- ◆ Recent 10 million share repurchase authorization by the Board; Expect to remain active in the share repurchase market



Growth Projects Remain on Track

- ◆ Reinforcing carbons capacity expansion in Indonesia and carbon nanotube powder expansion in China



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 first quarter 2025 earnings release and filed on our Current Report on Form 8-K dated February 3, 2025. 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

Adjusted EPS

	Fiscal 2025 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2025
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 1.67	\$ —	\$ —	\$ —	\$ 1.67
Less: Certain items after tax per share	(0.09)	—	—	—	(0.09)
Adjusted earnings (loss) per share	\$ 1.76	\$ —	\$ —	\$ —	\$ 1.76
	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	\$ 1.49	\$ 1.94	\$ 2.43	\$ 6.72
Less: Certain items after tax per share	(0.68)	(0.29)	0.02	0.63	(0.34)
Adjusted earnings (loss) per share	\$ 1.56	\$ 1.78	\$ 1.92	\$ 1.80	\$ 7.06
^(A) Per share amounts are calculated after tax.					

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 2025	
	Dec. Q		Dec. Q	
Reconciliation of Total Segment EBIT, Total Segment EBITDA and Adjusted EBITDA to Net Income and Segment EBITDA Margin				
Net income (loss) attributable to Cabot Corporation	\$	50	\$	93
Net income (loss) attributable to noncontrolling interests		11		11
Equity in earnings of affiliated companies, net of tax		(1)		(1)
Provision (benefit) for income taxes		34		41
Income (loss) from operations before income taxes and equity in earnings of affiliated companies	\$	94	\$	144
Interest expense		22		18
Certain items		42		6
Unallocated corporate costs		17		13
General unallocated (income) expense		(13)		(7)
Less: Equity in earnings of affiliated companies		(1)		(1)
Total Segment EBIT	\$	163	\$	175
Depreciation and amortization excluding corporate depreciation and amortization		35		37
Total Segment EBITDA	\$	198	\$	212
Less: Unallocated corporate costs before corporate depreciation and amortization		17		13
Adjusted EBITDA	\$	181	\$	199

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 2025	
	Dec. Q		Dec. Q	
Reinforcement Materials EBIT	\$	129	\$	130
Reinforcement Materials Depreciation and amortization		17		17
Reinforcement Materials EBITDA	\$	146	\$	147
Reinforcement Materials Sales	\$	641	\$	611
Reinforcement Materials EBITDA Margin		23%		24%
<hr/>				
<i>Dollars in millions</i>	Fiscal 2024		Fiscal 2025	
	Dec. Q		Dec. Q	
Performance Chemicals EBIT	\$	34	\$	45
Performance Chemicals Depreciation and amortization		18		20
Performance Chemicals EBITDA	\$	52	\$	65
Performance Chemicals Sales	\$	285	\$	311
Performance Chemicals EBITDA Margin		18%		21%

Non-GAAP Financial Measures

Free cash flow (FCF) & Discretionary free cash flow (DFCF)

<i>Dollars in millions</i>	Fiscal 2025
<u>Reconciliation of Free Cash Flow and Discretionary Free Cash Flow to Cash provided by (used in) operating activities</u>	Dec. Q
Cash provided by (used in) operating activities ^(B)	\$ 124
Less: Additions to property, plant and equipment	77
Free cash flow	\$ 47
Plus: Additions to property, plant and equipment	77
Less: Changes in net working capital ^(C)	(38)
Less: Sustaining and compliance capital expenditures	48
Discretionary free cash flow	\$ 114
^(B) As provided in the Condensed Consolidated Statements of Cash Flows. ^(C) Defined as changes in Accounts and notes receivable, Inventories, and Accounts payable and accrued liabilities as presented on the Condensed Consolidated Statements of Cash Flows.	

Non-GAAP Financial Measures

Operating Tax Rate

TABLE 3: RECONCILIATION OF EFFECTIVE TAX RATE TO OPERATING TAX RATE

Three months ended December 31	2024		2023	
<i>Dollars in millions (unaudited)</i>	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
Effective Tax Rate	\$ (41)	28%	\$ (34)	36%
Less: Non-GAAP tax adjustments ^(A)	1		4	
Operating tax rate ^{(C) (D)}	\$ (42)	28%	\$ (38)	28%

^(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.

^(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 2025 is expected to be in the range of 27% to 29%.