



CABOT EARNINGS INVESTOR PRESENTATION

May 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, for volumes in our Performance Chemicals segment, for strong cash flows from operations, with respect to our expected capital expenditures for fiscal 2024 and where we expect to make capital investments in new capacity, our expectations to maintaining and industry competitive dividend yield and with respect to our achievement of the growth targets we communicated at our Investor Day in 2021 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; 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 geopolitical conflicts; and fluctuations in foreign currency exchange and interest rates. 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.

Cabot Corporation At-A-Glance

Global specialty chemicals and performance materials company

1882
Founded

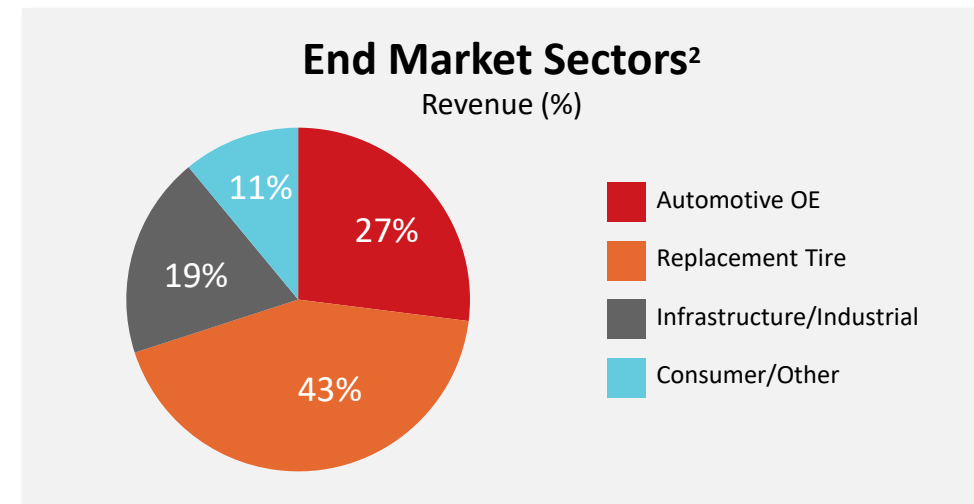
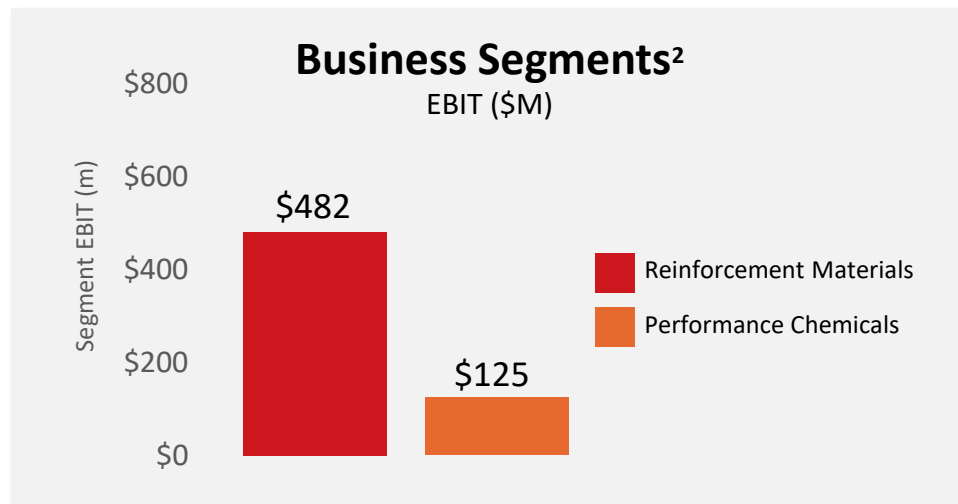
Boston, MA
Headquarters

~\$5.1B
Market Cap¹

~4,300
Employees

37
Plant Locations

50+ Years
Dividend History



1. Data as of March 31, 2024
2. Data for fiscal year ended September 30, 2023

Strong Earnings Growth with High ROIC

Adjusted EPS¹
(\$)

+8%
CAGR

\$3.43

\$5.38

FY2017

FY2023

Adjusted EBIT¹
(\$M)

+9%
CAGR

\$359

\$607

FY2017

FY2023

Adjusted EBITDA¹
(\$M)

+5%
CAGR

\$515

\$695

FY2017

FY2023

Adjusted ROIC¹
(\$M)

13%

17%

FY2017

FY2023

Driven by Successful Execution of Strategy



OUR PURPOSE

Creating materials that improve daily life and enable a more sustainable future



Our Strategy | *Creating for Tomorrow*

*Leveraging our strengths to lead in performance and sustainability—
today and into the future*



GROW

Investing for advantaged growth

- ◆ Leverage and expand global reach to support customers and capture growth
- ◆ Enhance product portfolio to drive improved margin profile
- ◆ Execute strategic, tuck-in acquisitions in key growth markets
- ◆ Invest in differentiated capacity expansions
- ◆ Investments guided by ROIC discipline



INNOVATE

Developing innovative products and processes that enable a better future

- ◆ Develop new products and processes that address sustainability opportunities
- ◆ Advance product portfolio to capture sales in higher margin, higher growth applications
- ◆ Focus on key areas of value chain to create maximum value
- ◆ Advance our application and formulation capabilities to deliver customer value



OPTIMIZE

Driving continuous improvement in everything we do

- ◆ Support customers through world-class manufacturing with an improved environmental footprint
- ◆ Deploy capital efficiently
- ◆ Lead in cost competitiveness
- ◆ Leverage digital technologies to improve efficiency and business performance
- ◆ Deliver effective global business services through scale, end-to-end process management and digital enablement

Leveraging Sustainable Competitive Advantages

How We Win



Unparalleled Global Footprint

- ◆ Exceptional Talent: global perspective with local expertise
- ◆ Leading Assets: Broad flexibility through global manufacturing network
- ◆ Local teams with proven track record of being great operators



Leadership in Sustainability

- ◆ Collaborate with customers to develop innovative, sustainable solutions
- ◆ Commitment to circularity in our operations
- ◆ *Newsweek* magazine “America’s Most Responsible Companies 2023”
- ◆ *Investor’s Business Daily’s* 100 Best ESG Companies of 2022



Innovative Product Leadership

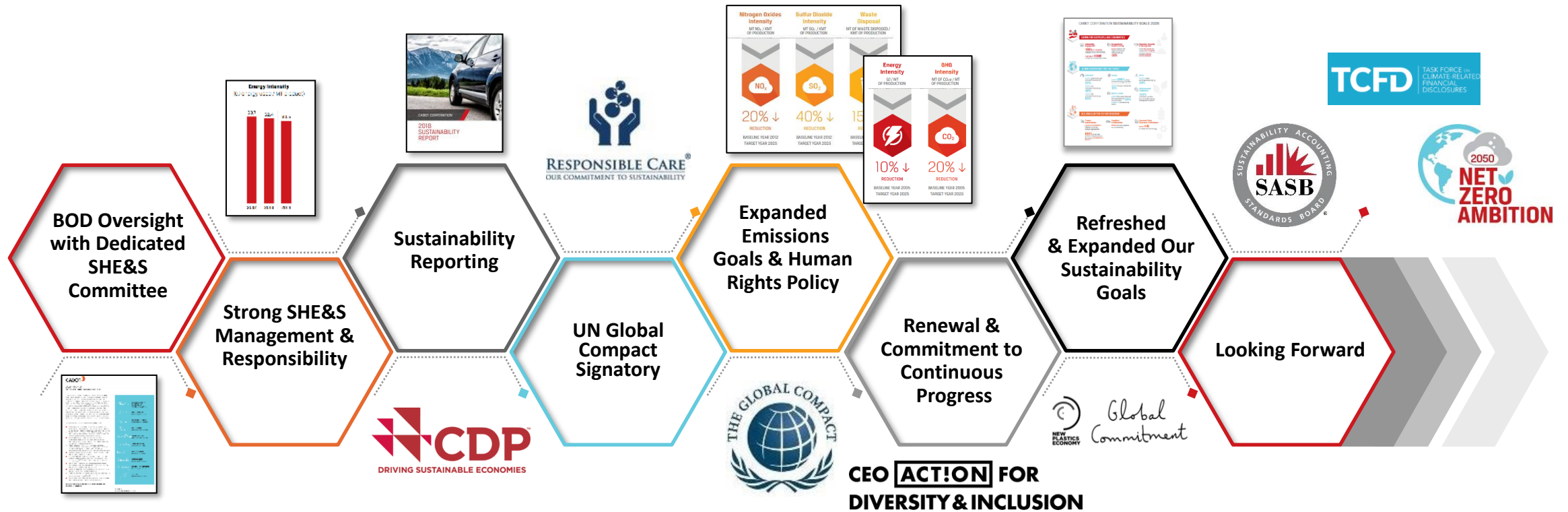
- ◆ Long history of innovation and strong brands aligned with favorable end markets
- ◆ Deep application knowledge to meet complex customer requirements
- ◆ Complementary upstream and downstream positions



Ability to Capitalize on High-Growth Markets

- ◆ Uniquely positioned with conductive additive technology
- ◆ Well-positioned to capture high-growth opportunities
 - Lithium-ion batteries
 - Digital conversion of industrial printing applications
 - Evolving mobility landscape

Cabot is a Recognized Leader in Sustainability



Sustainability is Integrated into Every Facet of Our Business



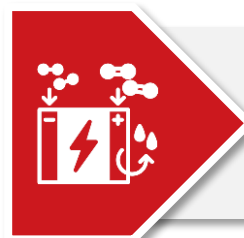
Product Innovation Enables Sustainability



E2C® DX9660 won the Tire Technology International 2024 Awards for Innovation and Excellence recognizing advances in tire technology and progress toward a more sustainable industry



Launched PROPEL® E8 engineered reinforcing carbon black - promoting better efficiency and increased durability for EV and high-performance tire formulations



Awarded \$5M U.S. Department of Energy research grant to support development of innovative, scalable manufacturing processes for producing carbon catalyst supports for fuel cells

EVOLVE[®] Sustainable Solutions

Holistic approach to delivering sustainable materials



RENEWABLE



RECOVERED



REDUCED

EVOLVE[®] Sustainable Solutions

is a technology platform for developing and delivering more sustainable reinforcing carbons

Products powered by EVOLVE[®] Sustainable Solutions focused on sustainable content with reliable performance at industrial scale

Segment Overview

Broad range of products used in a wide variety of applications



REINFORCEMENT MATERIALS

Global leader with durable, growing earnings, and robust cash generation

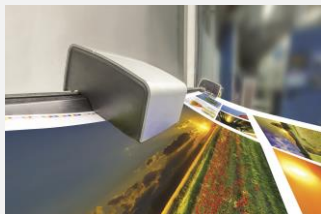
- ◆ **Reinforcing carbons:** industrial rubber products, tires
- ◆ **Engineered elastomer composites (E2C®):** industrial rubber products, tires



PERFORMANCE CHEMICALS

Portfolio of high-growth, high-margin product lines, aligned with favorable macro trends

- ◆ **Specialty carbons:** adhesives, batteries, coatings, displays, inks, toners, plastics
- ◆ **Fumed metals oxides:** adhesives, batteries, coatings, cosmetics, inks, pharmaceuticals, polishing slurries, sealants, silicone elastomers, toners
- ◆ **Battery materials:** lithium-ion batteries, lead acid batteries
- ◆ **Aerogel:** batteries, coatings, industrial insulation, specialty chemicals, subsea pipelines
- ◆ **Specialty compounds:** agriculture, automotive, consumer products, electronics, packaging, plastics
- ◆ **Inkjet colorants & inks:** commercial and industrial printing, corrugated packaging, inkjet printing



Reinforcement Materials at a Glance

Key Applications

Tires



Auto Weather-Stripping



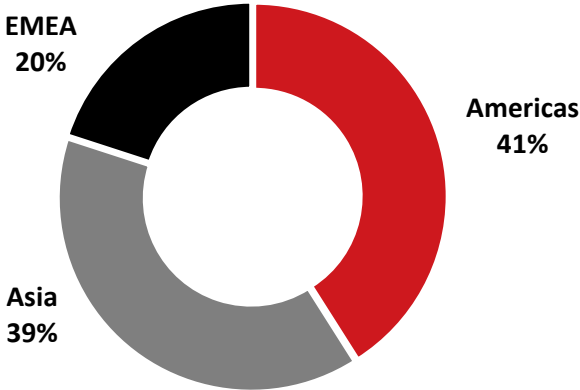
Belts, Hoses, Seals



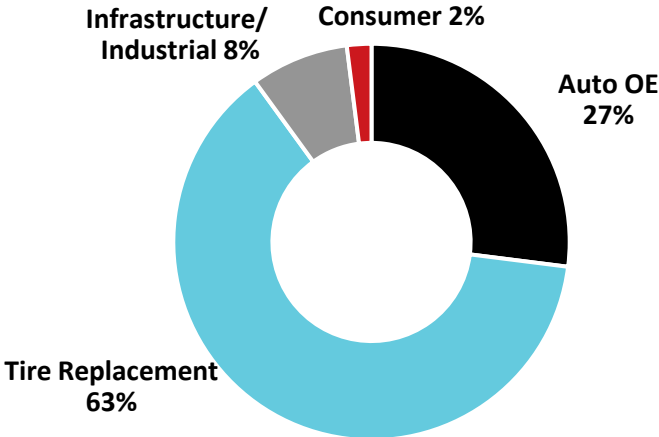
Mining Equipment



FY2023 NET SALES BY REGION



KEY END MARKETS (% OF SALES)




- ◆ Reinforcing carbon demand remains resilient: CAGR of 2-3% globally
- ◆ Limited supply-side capacity expansions announced
- ◆ Business is largely make-in-region, sell-in-region, thus insulated from global supply chain disruptions
- ◆ Broad global footprint to best serve global customers and help regional customers expand
- ◆ Technology leadership for efficient production and high-performance products


Performance Chemicals at a Glance

Key Applications

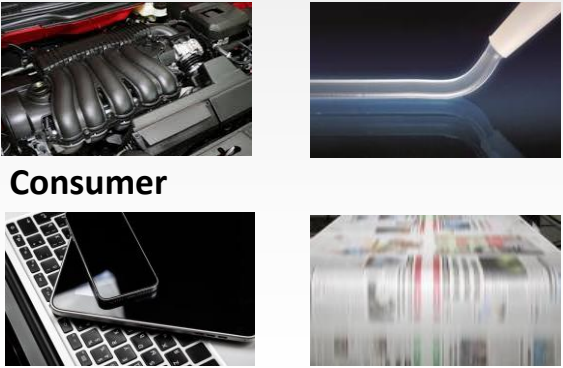
Industrial/Infrastructure



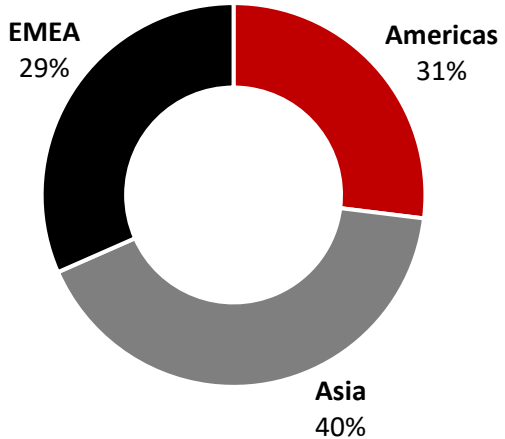
Automotive



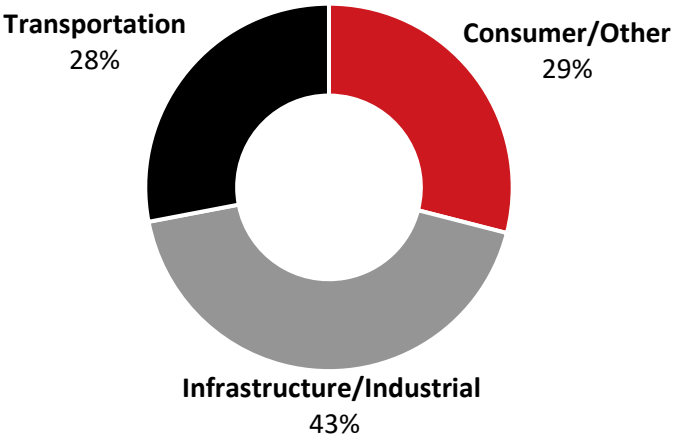
Consumer



FY2023 NET SALES BY REGION



KEY END MARKETS (% OF SALES)



- ◆ Attractive end markets aligned with high-growth macro trends, such as EV production, sustainability and digitalization
- ◆ A leader in conductive carbons for lithium-ion batteries with wide range of conductive products
- ◆ Products enable wide range of key functionalities in various applications that are ubiquitous in everyday life
- ◆ Diverse customer base: 3,000+ customers globally
- ◆ Global end markets and applications: 1,000+ products

Positioned to Capitalize on Key Macro Trends

Portfolio of High Growth Emerging Businesses



Changing Mobility Landscape



Increasing Focus on Sustainability



Becoming a More Connected World

Trends

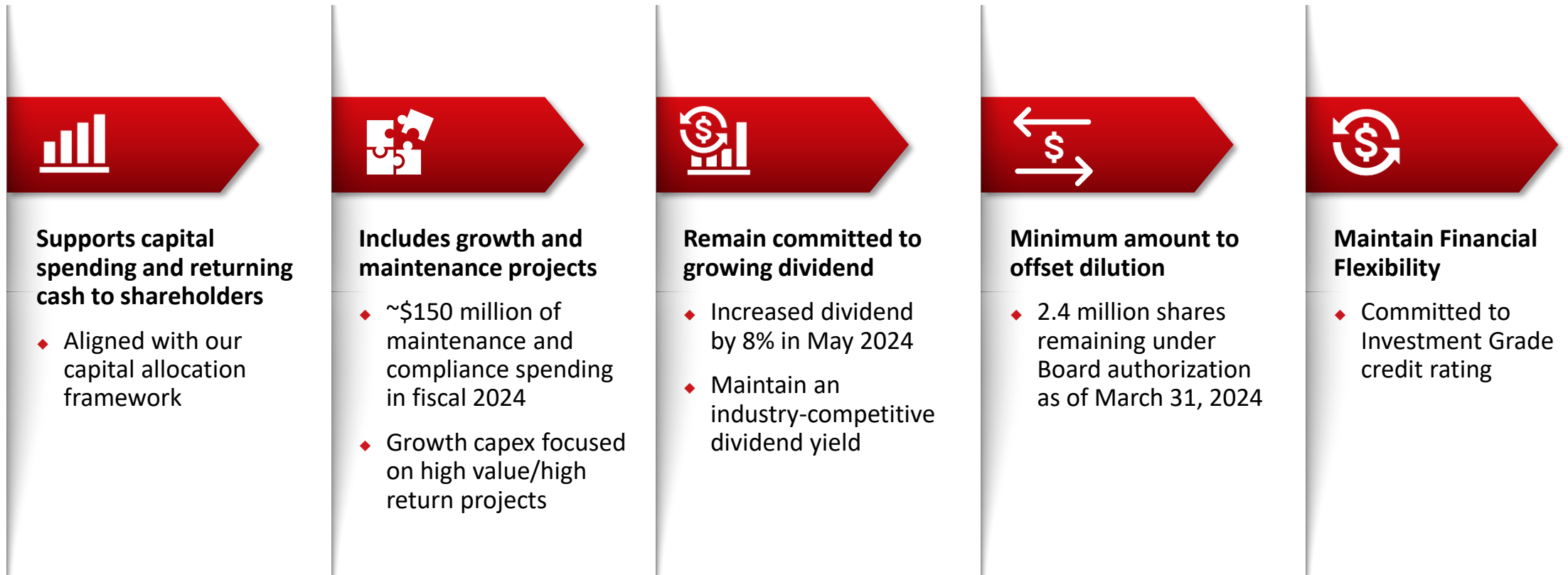
- ◆ Shift to electric vehicles
 - ◆ Growth in global miles driven
 - ◆ Light-weighting to drive fuel economy & EV range
 - ◆ Sensors to enhance vehicle safety and capability
-
- ◆ Customers are innovating to deliver more sustainable products
 - ◆ Increasing circularity of supply chains
-
- ◆ Digitalization of everything
 - ◆ Growth and upgrade of the power distribution infrastructure

Cabot Solutions

- ◆ **Battery materials** for EV li-ion batteries
 - ◆ **Specialty compounds** for EMI shielding
 - ◆ **E2C®** solutions for longer life tires
-
- ◆ **Specialty compounds** for drip irrigation pipe
 - ◆ **Specialty carbons** for environmentally friendly dope dyed fiber
 - ◆ **Fumed silica** for structural adhesives for wind turbine blades
-
- ◆ **Inkjet colorants** for digital printing in packaging and commercial applications
 - ◆ **Specialty carbons** for high resolution displays and touchscreen applications
 - ◆ **Specialty carbons** for reliable power cables

Capital Allocation Framework

Supports *Creating for Tomorrow* Growth Strategy



Disciplined Execution with a Flexible Balance Sheet

Balanced Capital Allocation Framework

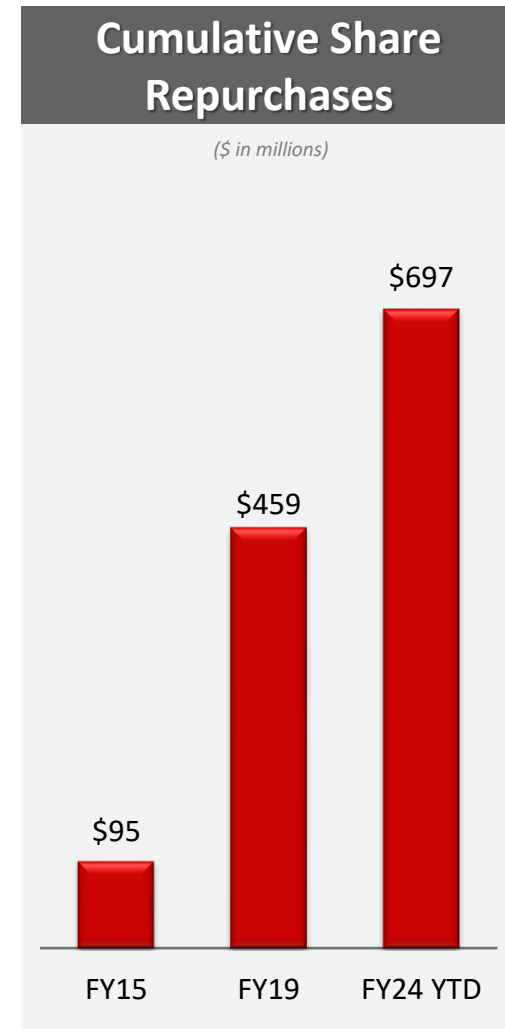
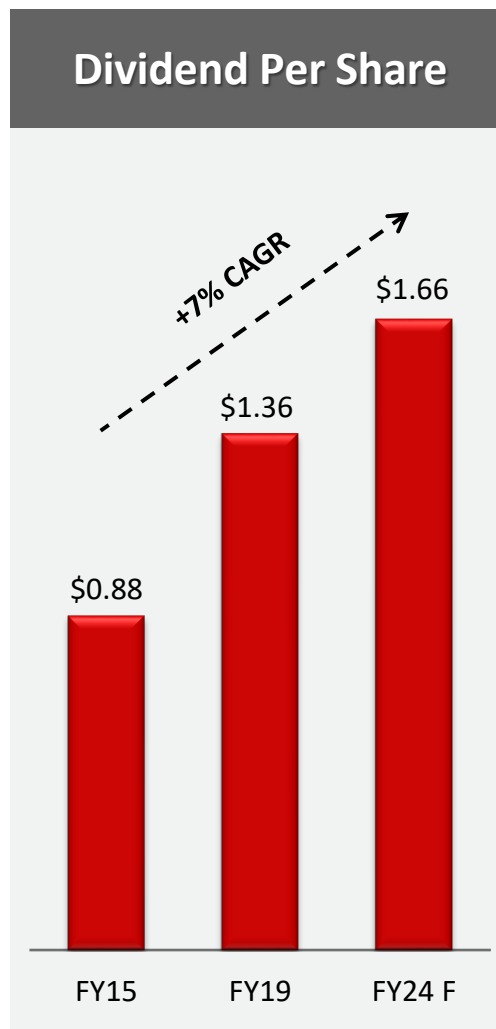
Continue to Return Robust Cash to Shareholders

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

Announced an 8% dividend increase in May 2024; remain committed to an industry competitive and growing dividend

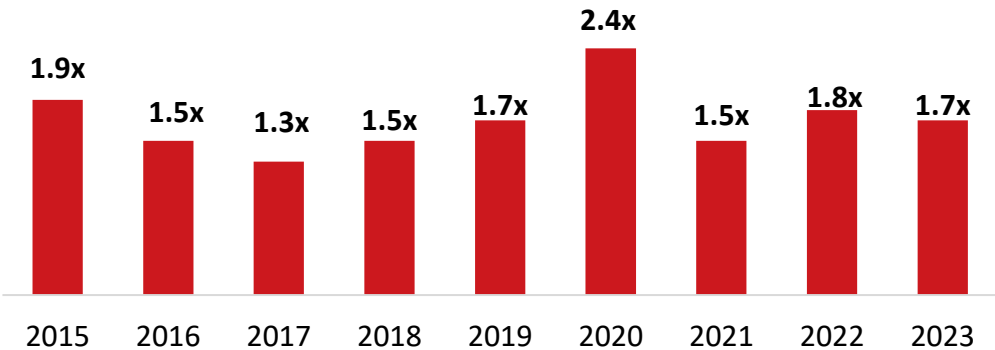
YTD share repurchases of \$57 million and cumulative share repurchases of \$697 million since fiscal 2015

Dividends and share repurchases remain a core part of our capital allocation framework



Disciplined Balance Sheet Management

Net Debt/Adjusted EBITDA¹



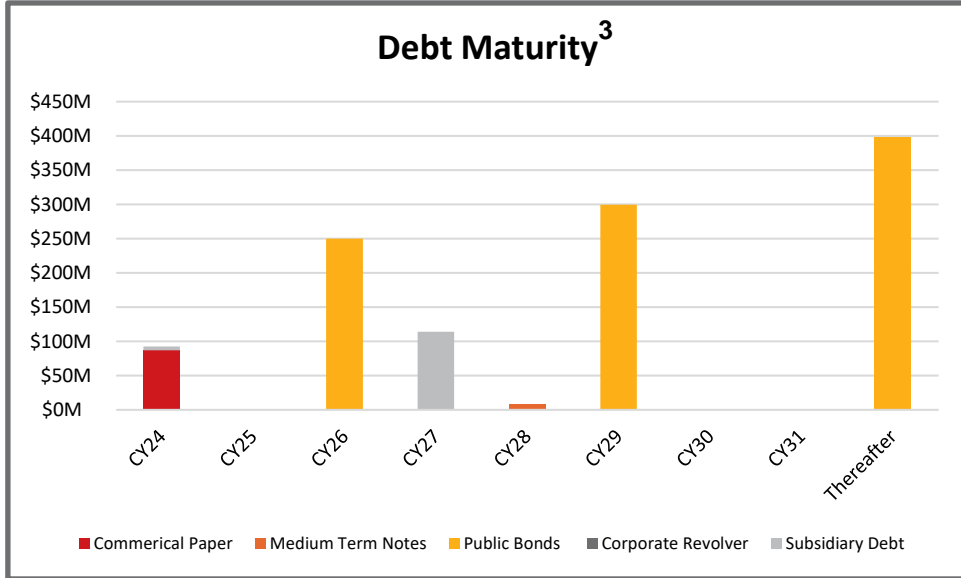
Key Financial Metrics³

TTM Adjusted EBITDA ¹	\$763M
Cash Balance	\$206M
Gross Debt	\$1,184M
TTM DFCF ¹	\$462M

Liquidity/Credit Ratings

- ◆ Significant liquidity (\$1.3B); \$1.1B untapped on corporate credit facility³
- ◆ No Bond maturities until 2026
- ◆ Committed to maintaining Investment Grade credit rating (S&P: BBB Stable; Moody's: Baa2 Stable)

Debt Maturity³



1. Based on the Net Debt to EBITDA covenant calculation as defined in Cabot's Corporate Credit Agreement
 2. Non-GAAP measure – See Appendix 3. As of 3.31.24

Q2 2024 Highlights

- 1** Q2 GAAP EPS of \$1.49; Adjusted EPS¹ of \$1.78
- 2** Reinforcement Materials segment EBIT of \$149 million; up 22% year over year
- 3** Performance Chemicals segment EBIT of \$31 million; up 11% year over year
- 4** Cash Flows from Operations of \$176 million; Returned \$47 million to shareholders
- 5** Increased quarterly dividend by 8% in May 2024 from \$0.40 to \$0.43 per share

1. Non-GAAP measure – See Appendix



2024 Outlook

1

Adjusted EPS¹ guidance increased

\$6.65 to \$6.85 adjusted EPS expected for fiscal 2024; up 25% year-over-year at the midpoint

2

Reinforcement Materials outlook remains strong

Price and product mix benefit from 2024 customer contracts
Modest sequential volume increase expected

3

Performance Chemicals seeing signs of improvement

Modest sequential volume improvement expected in specialty carbons and specialty compounds

4

Operating cash flow outlook remains strong

Supports growth investments and robust level of cash return to shareholders

On Track to Achieve Corporate Investor Day Objectives

Overcoming significant macro headwinds



Adjusted EPS⁶ CAGR of 8% - 12%



Over \$1B of DFCF⁶ to support growth and return cash to shareholders



Capital expenditures of \$200 - \$300 million per year, with a focus on projects related to our high-growth vectors

Investor Day 2021 Assumptions

3-Year Consolidated Financial Targets

Reflect new level of Earnings and Cash Flow

Adjusted EPS ⁶ CAGR	8-12%
Discretionary Free Cash Flow (DFCF) ⁶	\$1B+ over 3 years
Average Capex Per Year	\$200M-300M

KEY MACRO DRIVERS & CAGR ASSUMPTIONS

Global GDP ¹	3-4%
Tire Production ²	3%
Auto Builds ³	8%
Polymer Demand (Plastics) ⁴	5-6%
Lithium-ion Battery Demand ⁵	30%+
Inkjet Packaging	50%+
Oil Prices	Forward curve
Foreign Currency Exchange Rates	Current rates
Operating Tax Rate ⁶	26-29%

Driven by Strong Base Businesses and High Margin Growth Opportunities

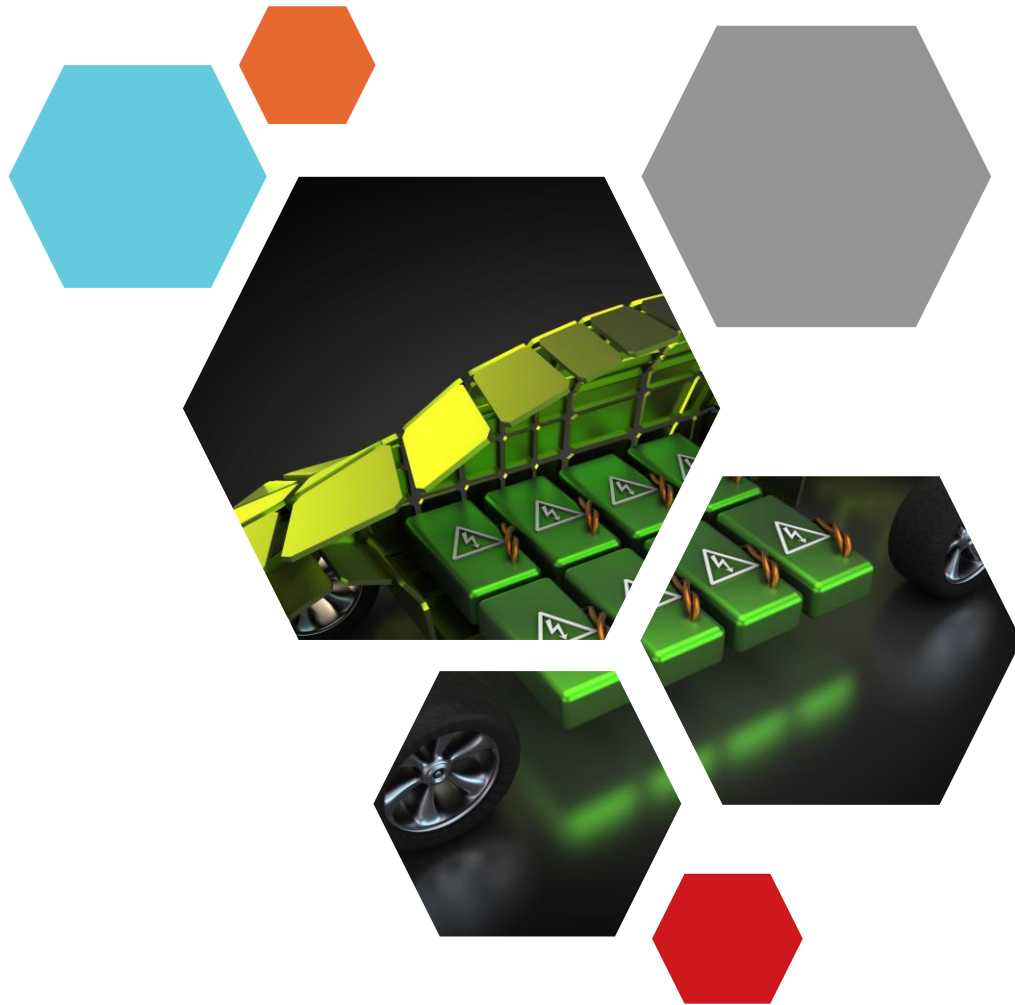
Cabot Corporation | Investor Day 2021 1. Source: IMF; 2. Source: LMC; 3. Source: IHS; 4. Source: AMI; 5. Source: Bloomberg; 6. Non-GAAP measure – See Appendix

100

DFCF = Operating CF less changes in NWC less Sustaining & Compliance Capex

1. Source: IMF; 2. Source: LMC; 3. Source: IHS; 4. Source: AMI; 5. Source: Bloomberg; 6. Non-GAAP measure – See Appendix

Strategic Priorities



Deliver financial objectives

- ◆ Year-over-year growth in adjusted EPS
- ◆ Strong operating cash flow to support capital plans and shareholder returns

Invest for advantaged growth

- ◆ Strategic investments in Battery Materials in the US and Europe to leverage regionalized supply chains and the growing EV market
- ◆ Expand capacity for Reinforcement Materials in Indonesia to meet the growing demand in Southeast Asia
- ◆ Debottleneck inkjet capacity for packaging growth

Continued execution of commercial and operational excellence

- ◆ Pricing and margin discipline
- ◆ OEE improvement and asset reliability

Maintain our leadership in sustainability

- ◆ Expand our product range for sustainable materials, including our EVOLVE® solutions
- ◆ Invest in sustainable process technologies to drive environmentally responsible operations

Cabot: A Compelling Investment Thesis

1

Reinforcement Materials is structurally stronger

2

Performance Chemicals poised for recovery and growth

3

Advancing high growth vectors of Batteries and Inkjet

4

Strong Discretionary Free Cash Flow to fund growth investments and return cash to shareholders

5

Continued ESG leadership

Executing Against our *Creating for Tomorrow* Strategy

Appendix

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 differences that would not otherwise be apparent on a GAAP basis and facilitates an evaluation of our operating performance without the impact of these costs or benefits. 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.

	Year							
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 194	\$ 288	\$ 117	\$ 255	\$ (33)	\$ 406	\$ 335	\$ 451
Interest expense	54	53	54	59	53	49	56	90
Certain items	81	3	248	87	218	34	183	29
Unallocated corporate costs	45	50	61	50	41	58	59	54
General unallocated (income) expense	(7)	8	(2)	(8)	1	—	(1)	(22)
Less: Equity in earnings of affiliated companies	(3)	(7)	(2)	(1)	(3)	(3)	(10)	(5)
Total Segment EBIT	\$ 370	\$ 409	\$ 480	\$ 444	\$ 283	\$ 550	\$ 642	\$ 607
Depreciation and amortization excluding corporate depreciation	\$ 161	\$ 155	\$ 149	\$ 148	\$ 158	\$ 160	\$ 145	\$ 142
Plus: Adjustments to Depreciation(B)	3	—	3	(1)	(2)	(1)	—	—
Total Segment EBITDA	\$ 534	\$ 564	\$ 632	\$ 591	\$ 439	\$ 709	\$ 787	\$ 749
Less: Unallocated corporate costs before corporate depreciation	45	50	61	50	40	57	59	54
Adjusted EBITDA	\$ 489	\$ 514	\$ 571	\$ 541	\$ 399	\$ 652	\$ 728	\$ 695
Net sales and other operating revenues	\$ 2,411	\$ 2,717	\$ 3,242	\$ 3,337	\$ 2,614	\$ 3,409	\$ 4,321	\$ 3,931
Adjusted EBITDA Margin	20%	19%	18%	16%	15%	19%	17%	18%

(B) Adjustments to depreciation includes the addition of the depreciation expense of a contractual joint venture in Purification Solutions less accelerated depreciation expense not allocated to a business.

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>	FY2023	FY2022
Reinforcement Materials EBIT	\$ 482	408
Reinforcement Materials Depreciation and amortization	70	70
Reinforcement Materials EBITDA	\$ 552	478

<i>Dollars in millions</i>	FY2023	FY2022
Performance Chemicals EBIT	\$ 125	234
Performance Chemicals Depreciation and amortization	72	72
Performance Chemicals EBITDA	\$ 197	306

<i>Dollars in millions</i>	FY2023	FY2022
Purification Solutions EBIT	\$ —	\$ —
Plus: Depreciation and amortization	—	3
Purification Solutions EBITDA	\$ —	\$ 3

Non-GAAP Financial Measures

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

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.

<i>Dollars in millions</i>	Quarter		Year							
	F4Q23	F4Q22	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Reconciliation of Free Cash Flow and Discretionary Free Cash Flow to Cash Flow from Operating Activities										
Cash flow from operating activities ^(A)	\$ 138	\$ 105	\$ 386	\$ 340	\$ 299	\$ 361	\$ 377	\$ 257	\$ 100	\$ 595
Less: Additions to property, plant and equipment	78	90				224	200	195	211	244
Free cash flow	\$ 60	\$ 15				\$ 137	\$ 177	\$ 62	\$ (111)	\$ 351
Plus: Additions to property, plant and equipment	78	90				224	200	195	211	244
Less: Changes in net working capital ^(B)	1	(41)	43	(23)	(110)	25	185	(222)	(431)	97
Less: Sustaining and compliance capital expenditures	49	54	91	119	155	114	102	126	136	143
Discretionary free cash flow	\$ 88	\$ 92	\$ 252	\$ 244	\$ 254	\$ 222	\$ 90	\$ 353	\$ 395	\$ 355
(A) As provided in the Condensed Consolidated Statements of Cash Flows.										
(B) Defined as changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Condensed Consolidated Statements of Cash Flows.										

Non-GAAP Financial Measures

Adjusted EPS

Cabot does not provide an expected GAAP EPS range or Reconciliation of the expected 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.

	Fiscal 2023 (A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
<u>Reconciliation of Adjusted EPS to GAAP EPS</u>					
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
	Fiscal 2022 (A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<u>Reconciliation of Adjusted EPS to GAAP EPS</u>					
Net income (loss) per share attributable to Cabot Corporation	\$ (1.57)	\$ 1.84	\$ 1.69	\$ 1.64	\$ 3.62
Less: Certain items after tax per share	(2.86)	0.15	(0.04)	0.09	(2.66)
Adjusted earnings (loss) per share	\$ 1.29	\$ 1.69	\$ 1.73	\$ 1.55	\$ 6.28
	Fiscal 2021 (A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<u>Reconciliation of Adjusted EPS to GAAP EPS</u>					
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)
Adjusted earnings (loss) per share	\$ 1.18	\$ 1.38	\$ 1.35	\$ 1.11	\$ 5.02

(A) Per share amounts are calculated after tax.

Non-GAAP Financial Measures

Operating Tax Rate

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.

RECONCILIATION OF EFFECTIVE TAX RATE TO OPERATING TAX RATE						
Three months ended September 30 <i>Dollars in millions (unaudited)</i>	2023			2022		
	(Provision) / Benefit for Income Taxes	Rate		(Provision) / Benefit for Income Taxes	Rate	
Effective Tax Rate	\$ 118	-93%	\$	(29)	23%	
Less: Non-GAAP tax adjustments ^(A)	158			3		
Operating tax rate ^{(C) (D)}	\$ (40)	27%	\$	(32)	25%	
Twelve months ended September 30						
<i>Dollars in millions (unaudited)</i>						
	2023			2022		
	(Provision) / Benefit for Income Taxes	Rate		(Provision) / Benefit for Income Taxes	Rate	
Effective Tax Rate	\$ 28	-6%	\$	(102)	30%	
Less: Non-GAAP tax adjustments ^(A)	161			32		
Operating tax rate ^{(C) (D)}	\$ (133)	28%	\$	(134)	26%	

^(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) 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.

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

Non-GAAP Reconciliations

Adjusted Return on Invested Capital (ROIC)

(\$M)/Fiscal Year	FY2017 ¹	FY2023
Numerator - Adjusted net income (loss):		
Net income (loss) attributable to Cabot Corporation	\$ 241	\$ 445
Less: Net income attributable to noncontrolling interests	(25)	(39)
Less: Certain Items net of tax benefit (provision) ⁴	23	132
Less: Net Interest income and expense net of tax ⁽²⁾	(36)	(43)
Adjusted net income (loss)	\$ 279	\$ 395
Denominator - Adjusted invested capital⁽³⁾:		
Total Cabot Corporation stockholders' equity	\$ 1,324	\$ 1,080
Plus: Noncontrolling interests	102	139
Plus: Total Debt	925	1,342
Plus: Purification Solutions impairment charges net of tax	—	(37)
Less: Cash and cash equivalents	200	212
Less: Certain items net of tax	9	(6)
Adjusted invested capital	\$ 2,142	\$ 2,318
Adjusted return on invested capital	13%	17%

1. Amounts have not 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.
2. Tax on interest expense and interest income is calculated using the Company's fiscal 2017 and 2023 actual operating tax rates of 19% and 28% respectively.
3. Each component of adjusted invested capital is calculated by averaging the previous five quarter ending balances.
4. Four quarter certain items rolling average