

Fourth Quarter Earnings Announcement, Fiscal 2021

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

	Fiscal 2021 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
Reconciliation of Adjusted EPS to GAAP EPS					
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
	Fiscal 2020 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2020
Net income (loss) per share attributable to Cabot Corporation	\$ 0.70	\$ (0.01)	\$ (0.12)	\$ (4.81)	\$ (4.21)
Less: Certain items after tax per share	0.01	(0.78)	(0.05)	(5.49)	(6.29)
Adjusted earnings (loss) per share	\$ 0.69	\$ 0.77	\$ (0.07)	\$ 0.68	\$ 2.08

(A) Per share amounts are calculated after tax.

	Fiscal 2021				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
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	\$ 60	\$ 75	\$ 86	\$ 29	\$ 250
Net income (loss) attributable to noncontrolling interests	10	10	9	7	36
Equity in earnings of affiliated companies, net of tax	—	(1)	(2)	—	(3)
Provision (benefit) for income taxes	29	34	30	30	123
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 99	\$ 118	\$ 123	\$ 66	\$ 406
Interest expense	12	13	12	12	49
Certain items	11	1	(5)	27	34
Unallocated corporate costs	13	16	14	15	58
General unallocated (income) expense	5	—	(1)	(4)	—
Less: Equity in earnings of affiliated companies	—	(1)	(2)	—	(3)
Total Segment EBIT	\$ 140	\$ 149	\$ 145	\$ 116	\$ 550
Depreciation and amortization	39	38	40	43	160
Adjustments to depreciation ^(B)	—	2	(1)	(2)	(1)
Total Segment EBITDA	\$ 179	\$ 189	\$ 184	\$ 157	\$ 709
Less: Unallocated corporate costs before corporate depreciation	13	16	14	14	57
Adjusted EBITDA	\$ 166	\$ 173	\$ 170	\$ 143	\$ 652

(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.

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Reinforcement Materials EBIT	\$ 88	\$ 89	\$ 85	\$ 67	\$ 329
Reinforcement Materials Depreciation and amortization	17	18	17	18	70
Reinforcement Materials EBITDA	\$ 105	\$ 107	\$ 102	\$ 85	\$ 399
Reinforcement Materials Sales	\$ 375	\$ 434	\$ 479	\$ 493	\$ 1,781
Reinforcement Materials EBITDA Margin	28%	25%	21%	17%	22%

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Performance Chemicals EBIT	\$ 54	\$ 58	\$ 54	\$ 45	\$ 211
Performance Chemicals Depreciation and amortization	18	19	18	18	73
Performance Chemicals EBITDA	\$ 72	\$ 77	\$ 72	\$ 63	\$ 284
Performance Chemicals Sales	\$ 267	\$ 294	\$ 303	\$ 284	\$ 1,148
Performance Chemicals EBITDA Margin	27%	26%	24%	22%	25%

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Purification Solutions EBIT	\$ (2)	\$ 2	\$ 6	\$ 4	\$ 10
Purification Solutions Depreciation and amortization	4	3	4	5	16
Purification Solutions EBITDA	\$ 2	\$ 5	\$ 10	\$ 9	\$ 26
Purification Solutions Sales	\$ 59	\$ 63	\$ 69	\$ 66	\$ 257
Purification Solutions EBITDA Margin	3%	8%	14%	14%	10%

	Fiscal 2021				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Reconciliation of Free Cash Flow and Discretionary Free Cash Flow to Cash Flow from Operating Activities					
Cash flow from operating activities ^(C)	\$ 21	\$ 65	\$ 71	\$ 100	\$ 257
Less: Additions to property, plant and equipment	29	40	46	80	195
Free cash flow	\$ (8)	\$ 25	\$ 25	\$ 20	\$ 62
Plus: Additions to property, plant and equipment	29	40	46	80	195
Less: Changes in net working capital ^(D)	(99)	(80)	(47)	4	(222)
Less: Sustaining and compliance capital expenditures	21	27	26	52	126
Discretionary free cash flow	\$ 99	\$ 118	\$ 92	\$ 44	\$ 353

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

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