

Second Quarter Earnings Announcement, Fiscal 2022

**CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

	Fiscal 2022 <sup>(A)</sup>				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net income (loss) per share attributable to Cabot Corporation	\$ (1.57)	\$ 1.84	\$ —	\$ —	\$ 0.30
Less: Certain items after tax per share	(2.86)	0.15	—	—	(2.70)
<b>Adjusted earnings (loss) per share</b>	<b>\$ 1.29</b>	<b>\$ 1.69</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3.00</b>
	Fiscal 2021 <sup>(A)</sup>				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
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)
<b>Adjusted earnings (loss) per share</b>	<b>\$ 1.18</b>	<b>\$ 1.38</b>	<b>\$ 1.35</b>	<b>\$ 1.11</b>	<b>\$ 5.02</b>

<sup>(A)</sup> Per share amounts are calculated after tax.

	Fiscal 2022				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<i>Dollars in millions</i>					
<b>Reconciliation of Total Segment EBIT, Total Segment EBITDA and Adjusted EBITDA to Net Income and Segment EBITDA Margin</b>					
Net income (loss) attributable to Cabot Corporation	\$ (89)	\$ 107	\$ —	\$ —	\$ 18
Net income (loss) attributable to noncontrolling interests	9	7	—	—	16
Equity in earnings of affiliated companies, net of tax	(1)	(3)	—	—	(4)
Provision (benefit) for income taxes	(12)	36	—	—	24
<b>Income (loss) before income taxes and equity in earnings of affiliated companies</b>	<b>\$ (93)</b>	<b>\$ 147</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 54</b>
Interest expense	12	11	—	—	23
Certain items	204	(7)	—	—	197
Unallocated corporate costs	14	16	—	—	30
General unallocated (income) expense	(1)	1	—	—	—
Less: Equity in earnings of affiliated companies	(1)	(3)	—	—	(4)
<b>Total Segment EBIT</b>	<b>\$ 137</b>	<b>\$ 171</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 308</b>
Depreciation and amortization	39	36	—	—	75
Adjustments to depreciation <sup>(B)</sup>	—	—	—	—	—
<b>Total Segment EBITDA</b>	<b>\$ 176</b>	<b>\$ 207</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 383</b>
Less: Unallocated corporate costs before corporate depreciation	14	16	—	—	30
<b>Adjusted EBITDA</b>	<b>\$ 162</b>	<b>\$ 191</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 353</b>

<sup>(B)</sup> 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 2022
<i>Dollars in millions</i>					
Reinforcement Materials EBIT	\$ 85	\$ 101	\$ —	\$ —	\$ 186
Reinforcement Materials Depreciation and amortization	18	18	—	—	36
<b>Reinforcement Materials EBITDA</b>	<b>\$ 103</b>	<b>\$ 119</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 222</b>
Reinforcement Materials Sales	\$ 541	\$ 627	\$ —	\$ —	\$ 1,168
<b>Reinforcement Materials EBITDA Margin</b>	<b>19%</b>	<b>19%</b>	<b>—%</b>	<b>—%</b>	<b>19%</b>

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<i>Dollars in millions</i>					
Performance Chemicals EBIT	\$ 52	\$ 70	\$ —	\$ —	\$ 122
Performance Chemicals Depreciation and amortization	18	18	—	—	36
<b>Performance Chemicals EBITDA</b>	<b>\$ 70</b>	<b>\$ 88</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 158</b>
Performance Chemicals Sales	\$ 302	\$ 360	\$ —	\$ —	\$ 662
<b>Performance Chemicals EBITDA Margin</b>	<b>23%</b>	<b>24%</b>	<b>—%</b>	<b>—%</b>	<b>24%</b>

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<i>Dollars in millions</i>					
Purification Solutions EBIT	\$ —	\$ —	\$ —	\$ —	\$ —
Purification Solutions Depreciation and amortization	3	—	—	—	3
<b>Purification Solutions EBITDA</b>	<b>\$ 3</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3</b>
Purification Solutions Sales	\$ 61	\$ 36	\$ —	\$ —	\$ 97
<b>Purification Solutions EBITDA Margin</b>	<b>5%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>3%</b>

	Fiscal 2022				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
<b>Reconciliation of Free Cash Flow and Discretionary Free Cash Flow to Cash Flow from Operating Activities</b>					
Cash flow from operating activities <sup>(C)</sup>	\$ (49)	\$ 10	\$ —	\$ —	\$ (39)
Less: Additions to property, plant and equipment	30	41	—	—	71
<b>Free cash flow</b>	<b>\$ (79)</b>	<b>\$ (31)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (110)</b>
Plus: Additions to property, plant and equipment	30	41	—	—	71
Less: Changes in net working capital <sup>(D)</sup>	(143)	(111)	—	—	(254)
Less: Sustaining and compliance capital expenditures	22	25	—	—	47
<b>Discretionary free cash flow</b>	<b>\$ 72</b>	<b>\$ 96</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 168</b>

<sup>(C)</sup> As provided in the Condensed Consolidated Statements of Cash Flows.

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