

CABOT EARNINGS TELECONFERENCE

SECOND QUARTER – FISCAL 2023



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 year 2023, including our expectations for adjusted earnings per share and the assumptions supporting our expectations, the factors that we expect will impact our results of operations, including for volumes and demand for our products, including for improved volumes in the third quarter of fiscal 2023 in both our Reinforcement Materials and Performance Chemicals segments, our expectations for record results and capacity utilization in our Reinforcement Materials segment in fiscal 2023, for sequential EBIT improvement in our Performance Chemicals segment in the third and fourth quarters of fiscal 2023, for an increase in demand for products offered by our growth vectors, for fiscal 2023 EBITDA for our battery materials product line and for volumes in that product line to improve and for growth in Battery Materials in fiscal 2023 to be faster than market growth, our expected operating tax rate for fiscal 2023, our expected capital expenditures for fiscal 2023, our expectations for increased interest expense and foreign currency impacts in fiscal 2023 as compared with fiscal 2022, and with respect to the ability of our EVOLVE Sustainable Solutions Technology Platform to provide sustainable reinforcing carbons 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, disruption to our operations from the COVID-19 pandemic, 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 geo-political 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, 2022, 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.

Creating for Tomorrow

Q2 2023 Highlights

Second quarter results in line with expectations; diluted EPS of \$1.29 and adjusted EPS¹ of \$1.33

Record Reinforcement Materials segment EBIT of \$122 million; up 21% compared to the same quarter in the prior year

Cash Flow from Operations of \$162 million supported return of \$37 million to shareholders through dividends and share repurchases

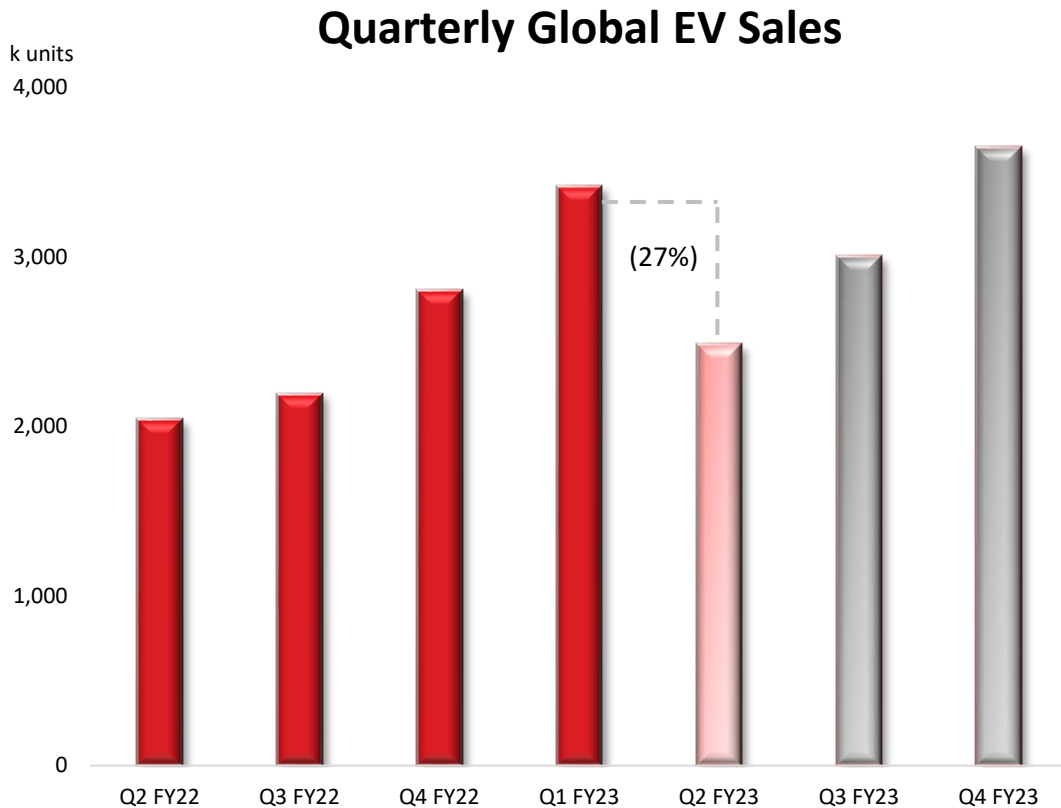
Increased quarterly dividend to \$0.40 per share; up 8% over the prior dividend

Battery Materials year-over-year volume growth of 45%; new customer win results with sales now to nine of the top ten battery manufacturers



Global EV and Lithium-ion Battery (LiB) Market Update

Expect EV and LiB Demand to Improve Sequentially



Source: Bloomberg New Energy Finance (BNEF), April 2023

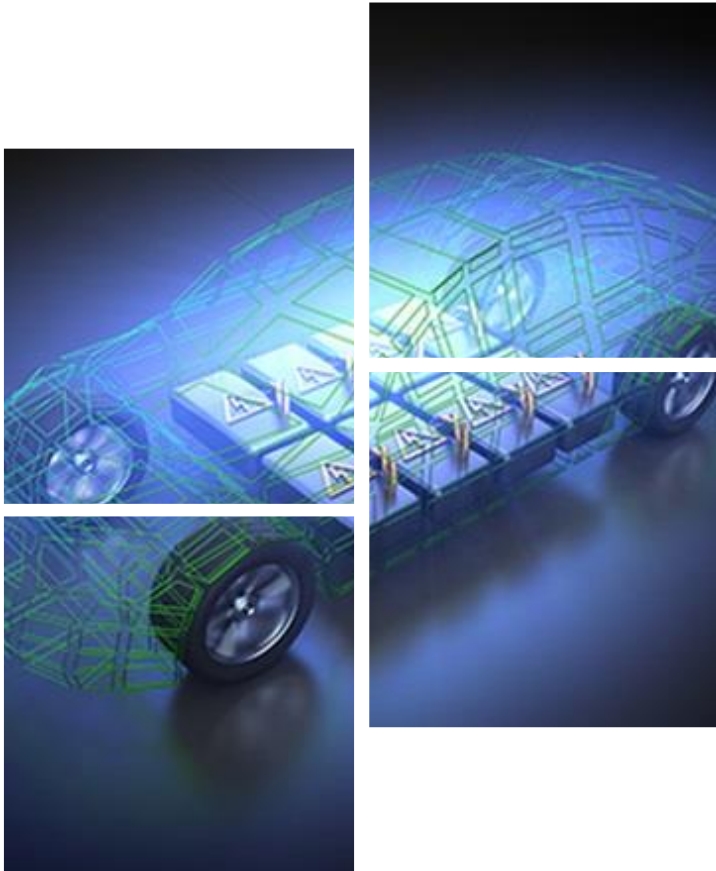
Electric Vehicles (EV) Market Update

- ◆ Significant sequential decline in EVs in March quarter; decreased 27% from December quarter
 - Impacted by COVID-19 outbreaks in China
 - Significant destocking in the battery value chain driven by key raw material price declines
- ◆ Expect volumes to improve sequentially through remainder of the fiscal year

Cabot Update

- ◆ Expect sequential volume improvement beginning in Q3 FY23
- ◆ Key US EV manufacturer ramping battery production slower than forecast, impacting fiscal year results
- ◆ Remain confident in long-term outlook for battery materials

Advancing our Sustainability Strategy



EVOLVE™ Sustainable Solutions Technology Platform

- ◆ Focused on advancing sustainable reinforcing carbons that offer sustainable content with reliable performance at industrial scale
- ◆ Cabot's first ISCC PLUS certified solutions



ENTERA™ Aerogel Particles for EV Batteries

- ◆ Launched ENTERA™ aerogel particles that provide formulation flexibility to develop a range of thermal barrier forms for electric vehicle batteries



Received Platinum Rating from EcoVadis for Third Consecutive Year

- ◆ Recognizes our ESG efforts and places Cabot among the top 1% of companies assessed by EcoVadis



Q2 2023 Financial Highlights



Adjusted EPS¹

\$1.33

Diluted EPS \$1.29

Discretionary Free Cash Flow¹

\$76 million

Cash flow from operations of \$162M

Cash

\$205 million

Capex

\$51 million

Fiscal '23 expected to be approximately \$250-300M

Liquidity

\$1.2 billion

Net Debt to EBITDA of 1.8x

Operating Tax Rate¹

25% YTD

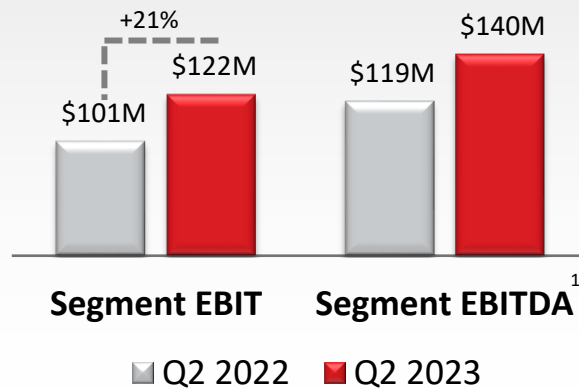
FY'23 forecast range of 24%-26%

Reinforcement Materials Segment

Operating Performance

Q2 2023 EBIT RESULTS

- ◆ Unit margins improved due to favorable pricing and product mix in calendar year 2023 customer agreements
- ◆ Global volumes down 7% year-over-year largely on COVID-19 outbreaks in China



1

Q3 2023 OUTLOOK

- ◆ Volumes expected to improve sequentially, especially in Asia as demand strengthens after impact of COVID-19 outbreaks



FY 2023 OUTLOOK

- ◆ Record results expected from improved price and product mix in annual customer agreements
- ◆ Expect no change in supply and demand fundamentals with high utilizations in the Americas and EMEA

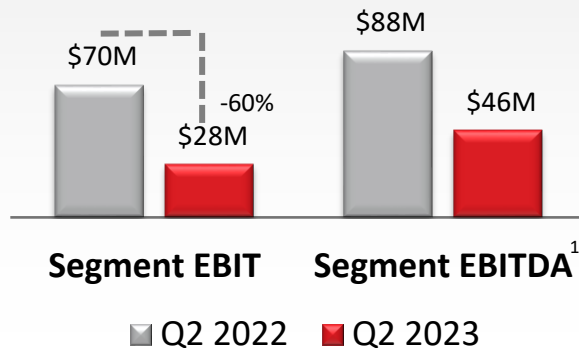


Performance Chemicals Segment

Operating Performance

Q2 2023 EBIT RESULTS

- ◆ Volumes declined 5% driven by key end market softness and COVID-19 outbreaks in China
- ◆ Lower margins driven by fumed metal oxides
- ◆ 45% volume growth in Battery Materials



Q3 2023 OUTLOOK

- ◆ Sequential volume improvement expected as key end markets recover
- ◆ Year-over-year volume growth in Battery Materials expected to remain strong



Fiscal 2023 OUTLOOK

- ◆ Sequential EBIT improvement expected in both Q3 and Q4
- ◆ 2H EBIT forecast points to strong momentum heading into fiscal 2024
- ◆ Demand outlook in our growth vectors is expected to increase



1. Non-GAAP measure – See Appendix

2023 Outlook

Adjusted EPS¹ Expected to be \$6.10-\$6.50 in Fiscal 2023

Key Assumptions



Volumes

- ◆ Reinforcement Materials - 2H FY23 YOY return to normalized volume levels expected
- ◆ Performance Chemicals - 2H FY23 volumes expected to be improve as we move through the year
- ◆ Expect EV sales to improve sequentially through the remainder of FY23



Margins

- ◆ Reinforcement Materials - expect year over year benefits from higher pricing and product mix in 2023 customer agreements to continue
- ◆ Performance Chemicals - margins expected to remain stable from Q2 2023 levels



Foreign Exchange

- ◆ Unfavorable YTD foreign currency impacts of \$19 million; minimal impacts expected going forward in 2H FY23



Interest Expense

- ◆ Higher net interest expense expected of approximately \$20 million as compared to fiscal 2022

2023 Outlook

- ◆ Another year of strong double-digit EBIT growth expected for Reinforcement Materials
- ◆ Expect sequential EBIT growth in Q3 and a return to year-over-year EBIT growth in Performance Chemicals in Q4 2023
- ◆ Battery Materials EBITDA estimated to be in the range of \$30-35M in fiscal 2023
- ◆ Expect strong 2H FY23 operating cash flows based on EBITDA and net working capital assumptions

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 Flow¹ to fund growth investments and return cash to shareholders

5

Continued ESG leadership

Executing Against our *Creating for Tomorrow* Strategy



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 second quarter fiscal year 2023 earnings release and filed on our Current Report on Form 8-K dated May 8, 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 of our “operating tax rate” which represents the tax rate on our recurring operating results. 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>	Q2 FY2023	Q2 FY2022	YTD 2023	YTD 2022
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 110	\$ 147	\$ 194	\$ 54
Less: Certain items	(2)	7	(6)	(197)
Less: Other Unallocated items	(38)	(31)	(73)	(57)
Total Segment EBIT	\$ 150	\$ 171	\$ 273	\$ 308
Plus: Total Depreciation & Amortization excluding corporate depreciation	36	36	70	75
Less: Unallocated corporate costs before corporate depreciation	16	16	31	30
Adjusted EBITDA	\$ 170	\$ 191	\$ 312	\$ 353
Net sales and other operating revenues	\$ 1,033	\$ 1,092	\$ 1,998	\$ 2,060
Adjusted EBITDA Margin	16%	17%	16%	17%

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>	Q2 FY2023	Q2 FY2022	YTD 2023	YTD 2022
Reinforcement Materials EBIT	\$ 122	\$ 101	\$ 216	\$ 186
Plus: Depreciation and amortization	18	18	35	36
Reinforcement Materials EBITDA	\$ 140	\$ 119	\$ 251	\$ 222
	Q2 FY2023	Q2 FY2022	YTD 2023	YTD 2022
Performance Chemicals EBIT	\$ 28	\$ 70	\$ 57	\$ 122
Plus: Depreciation and amortization	18	18	35	36
Performance Chemicals EBITDA	\$ 46	\$ 88	\$ 92	\$ 158
	Q2 FY2023	Q2 FY2022	YTD 2023	YTD 2022
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>	Q2 FY2023	Q2 FY2022	YTD 2023	YTD 2022
Cash flow from operating activities ^(A)	\$ 162	\$ 10	\$ 214	\$ (39)
Less: Additions to property, plant and equipment	51	41	86	71
Free cash flow	\$ 111	\$ (31)	\$ 128	\$ (110)
Plus: Additions to property, plant and equipment	51	41	86	71
Less: Changes in net working capital ^(B)	59	(111)	25	(254)
Less: Sustaining and compliance capital expenditures	27	25	50	47
Discretionary free cash flow	\$ 76	\$ 96	\$ 139	\$ 168

(A) As provided in the Condensed Consolidated Statement of Cash Flows.

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

Non-GAAP Financial Measures

Adjusted EPS

	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	\$ —	\$ —	\$ 2.23
Less: Certain items after tax per share	(0.05)	(0.04)	—	—	(0.08)
Adjusted earnings (loss) per share	\$ 0.98	\$ 1.33	\$ —	\$ —	\$ 2.31
	Fiscal 2022 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
Reconciliation of Adjusted EPS to GAAP EPS					
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

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