

Second Quarter Earnings Announcement, Fiscal 2023

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

	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.

	Fiscal 2023				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
<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	\$ 54	\$ 75	\$ —	\$ —	\$ 129
Net income (loss) attributable to noncontrolling interests	12	7	—	—	19
Equity in earnings of affiliated companies, net of tax	(2)	(1)	—	—	(3)
Provision (benefit) for income taxes	20	29	—	—	49
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 84	\$ 110	\$ —	\$ —	\$ 194
Interest expense	22	23	—	—	45
Certain items	4	2	—	—	6
Unallocated corporate costs	15	16	—	—	31
General unallocated (income) expense	(4)	(2)	—	—	(6)
Less: Equity in earnings of affiliated companies	(2)	(1)	—	—	(3)
Total Segment EBIT	\$ 123	\$ 150	\$ —	\$ —	\$ 273
Depreciation and amortization excluding corporate depreciation	34	36	—	—	70
Total Segment EBITDA	\$ 157	\$ 186	\$ —	\$ —	\$ 343
Less: Unallocated corporate costs before corporate depreciation	15	16	—	—	31
Adjusted EBITDA	\$ 142	\$ 170	\$ —	\$ —	\$ 312

	Fiscal 2023				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
<i>Dollars in millions</i>					
Reinforcement Materials EBIT	\$ 94	\$ 122	\$ —	\$ —	\$ 216
Reinforcement Materials Depreciation and amortization	17	18	—	—	35
Reinforcement Materials EBITDA	\$ 111	\$ 140	\$ —	\$ —	\$ 251
Reinforcement Materials Sales	\$ 643	\$ 672	\$ —	\$ —	\$ 1,315
Reinforcement Materials EBITDA Margin	17%	21%	—%	—%	19%

	Fiscal 2023				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
<i>Dollars in millions</i>					
Performance Chemicals EBIT	\$ 29	\$ 28	\$ —	\$ —	\$ 57
Performance Chemicals Depreciation and amortization	17	18	—	—	35
Performance Chemicals EBITDA	\$ 46	\$ 46	\$ —	\$ —	\$ 92
Performance Chemicals Sales	\$ 286	\$ 326	\$ —	\$ —	\$ 612
Performance Chemicals EBITDA Margin	16%	14%	—%	—%	15%

	Fiscal 2023				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
<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 ^(B)	\$ 52	\$ 162	\$ —	\$ —	\$ 214
Less: Additions to property, plant and equipment	35	51	—	—	86
Free cash flow	\$ 17	\$ 111	\$ —	\$ —	\$ 128
Plus: Additions to property, plant and equipment	35	51	—	—	86
Less: Changes in net working capital ^(C)	(34)	59	—	—	25
Less: Sustaining and compliance capital expenditures	23	27	—	—	50
Discretionary free cash flow	\$ 63	\$ 76	\$ —	\$ —	\$ 139

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

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