



CABOT EARNINGS TELECONFERENCE

Second Quarter - Fiscal 2025



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 the third quarter of and fiscal year 2025, including our expectations for performance and growth in our businesses and for adjusted earnings per share ("EPS") and adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") in fiscal year 2025 and our assumptions underlying such expectations, including our expectations concerning the direct and indirect impact to our business from tariffs, the amount of cost savings we expect to record in fiscal 2025 from the fixed cost and procurement initiatives we have undertaken, our expectations for operating cash flow for fiscal 2025, our expectations for capital expenditures and share repurchases in fiscal 2025 and our capital allocation priorities, our expected operating tax rate for fiscal 2025, 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 and U.S.-China trade relationship; 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; interest rates, tax rates, currency exchange controls, tariffs and fluctuations in foreign currency 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, 2024, 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.

Q2 2025 Highlights

1

Diluted EPS of \$1.69; Adjusted EPS¹ of \$1.90 up 7% year over year

2

Reinforcement Materials segment EBIT of \$131 million; up 1% sequentially; down 12% year over year

3

Performance Chemicals segment EBIT of \$50 million; up 11% sequentially; up 61% year over year

4

Returned \$70 million to shareholders through dividends and share repurchases

5

Increased quarterly dividend by 5% from \$0.43 to \$0.45 per share

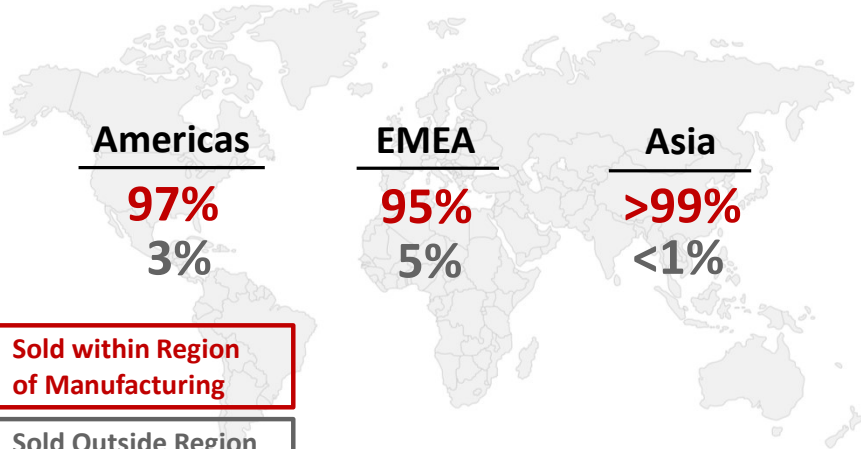
1. Non-GAAP measure – See Appendix



Direct Impacts from Tariffs Limited, Indirect Impact Related to Customer Demand

Direct Impact

Cabot's External Volumes



Sold within Region of Manufacturing

Sold Outside Region of Manufacturing

Limited Amount of Cross-Border Sales

Indirect Impact

Uncertain Macroeconomic Conditions

Weaker GDP Outlook

Customers Cautious About Inventory Levels



Tariff Policies Driving Cautious Customer Demand Outlook

Cabot Data – Based on FY24 External Volume, Excludes OQ

Continued Focus On Execution To Deliver Shareholder Value

Actions We Are Taking

- ◆ Support customers with volumes across our global network as their supply chains adjust to tariffs
- ◆ Pass through tariffs in formula and spot pricing
- ◆ Product & grade optimization across our global plant network
- ◆ Executing fixed cost and procurement initiatives with approximately ~\$30M¹ of savings forecasted in FY25
- ◆ Adjusting timing of capital projects, reduced CapEx forecast range to \$250M - \$275M

Our Competitive Advantages

- ◆ Largely “make in, sell in region” business with customer preference for local suppliers
- ◆ Market leader with global asset base to support customers and capture growth
- ◆ Strong balance sheet with robust cash flow
- ◆ Commitment to returning cash to shareholders
 - Increased dividend by 5%
 - Continued share repurchases expected to be between \$100-\$200 million in fiscal 2025
- ◆ Management with a track record of execution

1. Costs are Net of COLA, Inflation & Excludes New Assets

Q2 2025 Financial Highlights



Adjusted EPS¹

\$1.90

Diluted EPS \$1.69



Cash Flow from Operations

\$73 million

Discretionary Free Cash Flow¹ of \$110M



Cash and Cash Equivalents

\$213 million



Capex

\$72 million

FY25 expected to be in the range of \$250M - \$275M



Debt Balance

\$1.3 billion

Liquidity

\$1.2 billion



YTD Operating Tax Rate¹

28%

FY25 forecast range of 27% - 29%

1. Non-GAAP measure – See Appendix

Reinforcement Materials Segment

Operating Performance

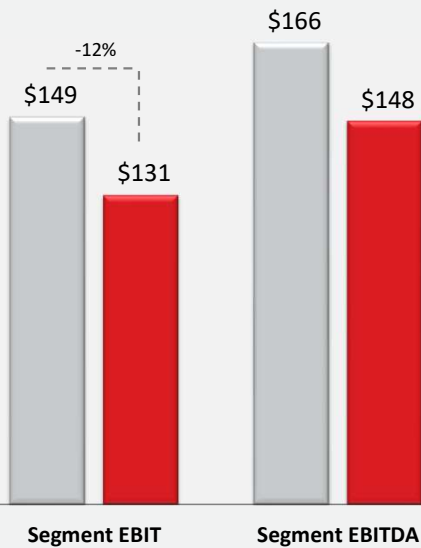
Q2 2025 RESULTS

- ◆ Global volumes down 7% year-over-year primarily due to lower tire demand and contract outcomes in South America



SEGMENT EBIT & EBITDA

(\$ in millions)



■ Q2 2024 ■ Q2 2025

Q3 2025 OUTLOOK

- ◆ Global macroeconomic uncertainty causing customers to be cautious about orders and inventory levels
- ◆ Expect sequential EBIT to decline modestly due to sequentially lower volumes given the uncertain macroeconomic backdrop



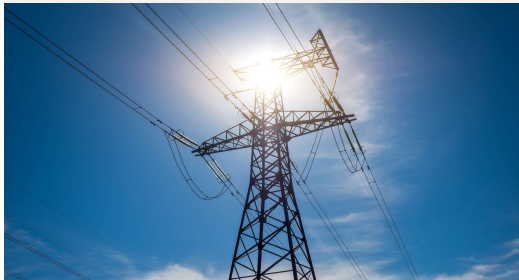
1. Non-GAAP measure – See Appendix

Performance Chemicals Segment

Operating Performance

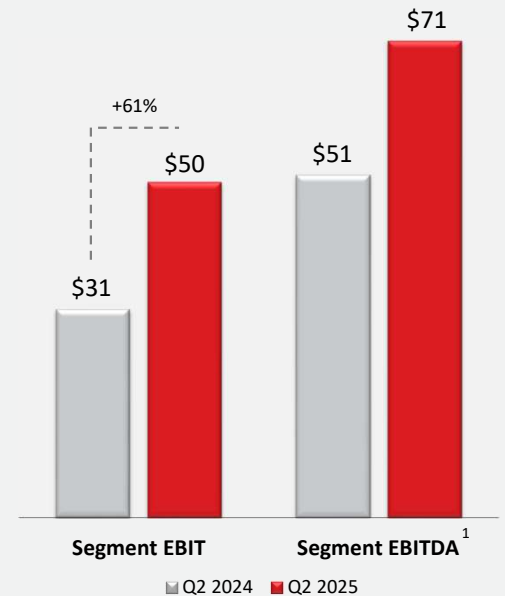
Q2 2025 RESULTS

- ◆ Volumes up 4% year-over-year driven primarily by fumed metal oxides sales into construction and semiconductor applications
- ◆ Higher gross profit per ton driven by targeted price increases & cost savings and optimization measures across the segment



SEGMENT EBIT & EBITDA

(\$ in millions)



Q3 2025 OUTLOOK

- ◆ Global macroeconomic uncertainty causing customers to be cautious about orders and inventory levels
- ◆ Expect relatively consistent sequential EBIT as seasonal increases are largely offset by customer destocking in China



1. Non-GAAP measure – See Appendix

Tariff Policy has Weakened 2H Volume Outlook

November Earnings Guidance

- ◆ Reinforcement Materials volume growth expected year-over-year of low single digits
- ◆ Performance Chemicals volume growth expected year-over-year of mid-single digits
- ◆ Foreign Exchange Rates and the forward curve for Energy Prices as of November

Change in Assumptions

- Uncertain macroeconomic conditions impacting customer demand
- Weaker Global GDP Outlook
- Energy Prices
- Interest Expense
- + Executing procurement and cost savings initiatives
- + Foreign Exchange Rates

Revised Earnings Guidance

- ◆ Reinforcement Materials volume decline expected year-over-year in the low single digits
- ◆ Performance Chemicals volume growth expected year-over-year in low single digits
- ◆ April Foreign Exchange Rates and the forward curve for Energy Prices

Fiscal 2025 Outlook



Strong Results in First Half of Fiscal Year

- ◆ Adjusted EPS¹ up 10% YTD in FY25 versus the prior year
- ◆ Adjusted EBITDA¹ up 7% YTD in FY25 versus the prior year



Revising Adjusted EPS¹ Guidance Range

- ◆ \$7.15 to \$7.50 Adjusted EPS¹ expected for fiscal 2025
- ◆ Guidance impacted by uncertainty around trade policy, which is causing cautious customer order patterns



Operating Cash Flow Outlook Remains Strong

- ◆ Cash flow from operations expected to support growth investments and robust level of cash return to shareholders



Continue Disciplined Capital Allocation Framework

- ◆ Announced a 5% increase to our quarterly dividend
- ◆ Continuing to buy back shares; expect \$100M to \$200M in share repurchases in FY25



Q&A





Appendix



FY25 Guidance & Modeling Assumptions

Full Year Modeling Assumptions	
Adjusted Earnings per Share ¹	~\$7.15 to \$7.50
Interest Expense	~(\$72M) to (\$74M)
General Unallocated Income (Expense)	~\$22M to \$26M
Capital Expenditures	~\$250M to \$275M
Shares Repurchases	~\$100M to \$200M
Operating Tax Rate ¹	~27% to 29%
Forecast FX Rates	April Rates

1. Non-GAAP measure – See 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 2025 earnings release and filed on our Current Report on Form 8-K dated May 5, 2025. 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 we expect our “operating tax rate”, which represents the tax rate on our recurring operating results, to fall within. 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

Adjusted EPS

	Fiscal 2025 ^(A)		
	Dec. Q	Mar. Q	Q2 YTD
Reconciliation of Adjusted EPS to GAAP EPS			
Net income (loss) per share attributable to Cabot Corporation	\$ 1.67	\$ 1.69	\$ 3.36
Less: Certain items after tax per share	(0.09)	(0.21)	(0.30)
Adjusted earnings (loss) per share	\$ 1.76	\$ 1.90	\$ 3.66
	Fiscal 2024 ^(A)		
	Dec. Q	Mar. Q	Q2 YTD
Reconciliation of Adjusted EPS to GAAP EPS			
Net income (loss) per share attributable to Cabot Corporation	\$ 0.88	\$ 1.49	\$ 2.37
Less: Certain items after tax per share	(0.68)	(0.29)	(0.96)
Adjusted earnings (loss) per share	\$ 1.56	\$ 1.78	\$ 3.33
(A) Per share amounts are calculated after tax.			

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>	Fiscal 2024			Fiscal 2025		
	Q1	Q2	Q2 YTD	Q1	Q2	Q2 YTD
Reconciliation of Total Segment EBIT, Total Segment EBITDA and Adjusted EBITDA to Net Income and Segment						
Net income (loss) attributable to Cabot Corporation	\$ 50	\$ 84	\$ 134	\$ 93	\$ 94	\$ 187
Net income (loss) attributable to noncontrolling interests	11	13	24	11	11	22
Equity in earnings of affiliated companies, net of tax	(1)	(2)	(3)	(1)	(3)	(4)
Provision (benefit) for income taxes	34	47	81	41	49	90
Income (loss) from operations before income taxes and equity in earnings of affiliated companies	\$ 94	\$ 142	\$ 236	\$ 144	\$ 151	\$ 295
Interest expense	22	21	43	18	19	37
Certain items	42	12	54	6	4	10
Unallocated corporate costs	17	18	35	13	13	26
General unallocated (income) expense	(13)	(15)	(28)	(7)	(9)	(16)
Less: Equity in earnings of affiliated companies	(1)	(2)	(3)	(1)	(3)	(4)
Total Segment EBIT	\$ 163	\$ 180	\$ 343	\$ 175	\$ 181	\$ 356
Depreciation and amortization excluding corporate depreciation and amortization	35	37	72	37	38	75
Total Segment EBITDA	\$ 198	\$ 217	\$ 415	\$ 212	\$ 219	\$ 431
Less: Unallocated corporate costs before corporate depreciation and amortization	17	18	35	13	13	26
Adjusted EBITDA	\$ 181	\$ 199	\$ 380	\$ 199	\$ 206	\$ 405

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>	Fiscal 2024	Fiscal 2025
	Mar. Q	Mar. Q
Reinforcement Materials EBIT	\$ 149	\$ 131
Reinforcement Materials Depreciation and amortization	17	17
Reinforcement Materials EBITDA	\$ 166	\$ 148
Reinforcement Materials Sales	\$ 676	\$ 594
Reinforcement Materials EBITDA Margin	25%	25%

<i>Dollars in millions</i>	Fiscal 2024	Fiscal 2025
	Mar. Q	Mar. Q
Performance Chemicals EBIT	\$ 31	\$ 50
Performance Chemicals Depreciation and amortization	20	21
Performance Chemicals EBITDA	\$ 51	\$ 71
Performance Chemicals Sales	\$ 311	\$ 311
Performance Chemicals EBITDA Margin	16%	23%

Non-GAAP Financial Measures

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

<i>Dollars in millions</i>		Fiscal 2025				
Reconciliation of Free Cash Flow and Discretionary Free						
Cash Flow to Cash provided by (used in) operating activities	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2025	
Cash provided by (used in) operating activities ^(B)	\$ 124	\$ 73	\$ —	\$ —	\$ 197	
Less: Additions to property, plant and equipment	77	72	—	—	149	
Free cash flow	\$ 47	\$ 1	\$ —	\$ —	\$ 48	
Plus: Additions to property, plant and equipment	77	72	—	—	149	
Less: Changes in net working capital ^(C)	(38)	(76)	—	—	(114)	
Less: Sustaining and compliance capital expenditures	48	39	—	—	87	
Discretionary free cash flow	\$ 114	\$ 110	\$ —	\$ —	\$ 224	

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

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

Non-GAAP Financial Measures

Operating Tax Rate

TABLE 3: RECONCILIATION OF EFFECTIVE TAX RATE TO OPERATING TAX RATE				
Three months ended March 31				
	2025		2024	
	<i>(Provision) / Benefit for</i>		<i>(Provision) / Benefit</i>	
<i>Dollars in millions (unaudited)</i>	<i>Income Taxes</i>	<i>Rate</i>	<i>for Income Taxes</i>	<i>Rate</i>
Effective Tax Rate	\$ (49)	32%	\$ (47)	33%
Less: Non-GAAP tax adjustments ^(A)	(7)		(4)	
Operating tax rate ^{(C) (D)}	\$ (42)	27%	\$ (43)	28%
Six months ended March 31				
	2025		2024	
	<i>(Provision) / Benefit for</i>		<i>(Provision) / Benefit</i>	
<i>Dollars in millions (unaudited)</i>	<i>Income Taxes</i>	<i>Rate</i>	<i>for Income Taxes</i>	<i>Rate</i>
Effective Tax Rate	\$ (90)	30%	\$ (81)	34%
Less: Non-GAAP tax adjustments ^(A)	(6)		—	
Operating tax rate ^{(C) (D)}	\$ (84)	28%	\$ (81)	28%

^(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.

^(C) 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.

^(D) Our operating tax rate for fiscal 2025 is expected to be in the range of 27% to 29%.