

Third Quarter Earnings Announcement, Fiscal 2021

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

	Fiscal 2021 <sup>(A)</sup>				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net income (loss) per share attributable to Cabot Corporation	\$ 1.06	\$ 1.30	\$ 1.48	\$ —	\$ 3.84
Less: Certain items after tax per share	(0.12)	(0.08)	0.13	—	(0.07)
<b>Adjusted earnings (loss) per share</b>	<b>\$ 1.18</b>	<b>\$ 1.38</b>	<b>\$ 1.35</b>	<b>\$ —</b>	<b>\$ 3.91</b>
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Fiscal 2020 <sup>(A)</sup>					
	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)
<b>Adjusted earnings (loss) per share</b>	<b>\$ 0.69</b>	<b>\$ 0.77</b>	<b>\$ (0.07)</b>	<b>\$ 0.68</b>	<b>\$ 2.08</b>

(A) Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

	Fiscal 2021				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<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	\$ 60	\$ 75	\$ 86	\$ —	\$ 221
Net income (loss) attributable to noncontrolling interests	10	10	9	—	29
Equity in earnings of affiliated companies, net of tax	—	(1)	(2)	—	(3)
Provision (benefit) for income taxes	29	34	30	—	93
<b>Income (loss) before income taxes and equity in earnings of affiliated companies</b>	<b>\$ 99</b>	<b>\$ 118</b>	<b>\$ 123</b>	<b>\$ —</b>	<b>\$ 340</b>
Interest expense	12	13	12	—	37
Certain items	11	1	(5)	—	7
Unallocated corporate costs	13	16	14	—	43
General unallocated (income) expense	5	—	(1)	—	4
Less: Equity in earnings of affiliated companies	—	(1)	(2)	—	(3)
<b>Total Segment EBIT</b>	<b>\$ 140</b>	<b>\$ 149</b>	<b>\$ 145</b>	<b>\$ —</b>	<b>\$ 434</b>
Depreciation and amortization	39	38	40	—	117
Adjustments to depreciation <sup>(B)</sup>	—	2	(1)	—	1
<b>Total Segment EBITDA</b>	<b>\$ 179</b>	<b>\$ 189</b>	<b>\$ 184</b>	<b>\$ —</b>	<b>\$ 552</b>
Less: Unallocated corporate costs before corporate depreciation	13	16	14	—	43
<b>Adjusted EBITDA</b>	<b>\$ 166</b>	<b>\$ 173</b>	<b>\$ 170</b>	<b>\$ —</b>	<b>\$ 509</b>

(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	\$ —	\$ 262
Reinforcement Materials Depreciation and amortization	17	18	17	—	52
<b>Reinforcement Materials EBITDA</b>	<b>\$ 105</b>	<b>\$ 107</b>	<b>\$ 102</b>	<b>\$ —</b>	<b>\$ 314</b>
Reinforcement Materials Sales	\$ 375	\$ 434	\$ 479	\$ —	\$ 1,288
<b>Reinforcement Materials EBITDA Margin</b>	<b>28%</b>	<b>25%</b>	<b>21%</b>	<b>—%</b>	<b>24%</b>

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Performance Chemicals EBIT	\$ 54	\$ 58	\$ 54	\$ —	\$ 166
Performance Chemicals Depreciation and amortization	18	19	18	—	55
<b>Performance Chemicals EBITDA</b>	<b>\$ 72</b>	<b>\$ 77</b>	<b>\$ 72</b>	<b>\$ —</b>	<b>\$ 221</b>
Performance Chemicals Sales	\$ 267	\$ 294	\$ 303	\$ —	\$ 864
<b>Performance Chemicals EBITDA Margin</b>	<b>27%</b>	<b>26%</b>	<b>24%</b>	<b>—%</b>	<b>26%</b>

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
Purification Solutions EBIT	\$ (2)	\$ 2	\$ 6	\$ —	\$ 6
Purification Solutions Depreciation and amortization	4	3	4	—	11
<b>Purification Solutions EBITDA</b>	<b>\$ 2</b>	<b>\$ 5</b>	<b>\$ 10</b>	<b>\$ —</b>	<b>\$ 17</b>
Purification Solutions Sales	\$ 59	\$ 63	\$ 69	\$ —	\$ 191
<b>Purification Solutions EBITDA Margin</b>	<b>3%</b>	<b>8%</b>	<b>14%</b>	<b>—%</b>	<b>9%</b>

	Fiscal 2021				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2021
<i>Dollars in millions</i>					
<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>	\$ 21	\$ 65	\$ 71	\$ —	\$ 157
Less: Additions to property, plant and equipment	29	40	46	—	115
<b>Free cash flow</b>	<b>\$ (8)</b>	<b>\$ 25</b>	<b>\$ 25</b>	<b>\$ —</b>	<b>\$ 42</b>
Plus: Additions to property, plant and equipment	29	40	46	—	115
Less: Changes in net working capital <sup>(D)</sup>	(99)	(80)	(47)	—	(226)
Less: Sustaining and compliance capital expenditures	21	27	26	—	74
<b>Discretionary free cash flow</b>	<b>\$ 99</b>	<b>\$ 118</b>	<b>\$ 92</b>	<b>\$ —</b>	<b>\$ 309</b>

(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.