

First Quarter Earnings Announcement, Fiscal 2019

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

	Fiscal 2019 ^(A)				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2019
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 1.14	\$ —	\$ —	\$ —	\$ 1.14
Less: Certain items after tax	0.27	—	—	—	0.27
Adjusted earnings per share	\$ 0.87	\$ —	\$ —	\$ —	\$ 0.87

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

	Fiscal 2019				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2019
<i>Dollars in millions</i>					
Reconciliation of Segment EBIT to Net Income and Segment EBITDA Margin					
Net income (loss) attributable to Cabot Corporation	\$ 69	\$ —	\$ —	\$ —	\$ 69
Net income (loss) attributable to noncontrolling interests	8	—	—	—	8
Equity in earnings of affiliated companies, net of tax	—	—	—	—	—
Provision (benefit) for income taxes	(7)	—	—	—	(7)
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	\$ 70	\$ —	\$ —	\$ —	\$ 70
Interest expense	15	—	—	—	15
Certain items	10	—	—	—	10
Unallocated corporate costs	12	—	—	—	12
General unallocated (income) expense	(2)	—	—	—	(2)
Equity in earnings of affiliated companies	—	—	—	—	—
Total Segment EBIT	\$ 105	\$ —	\$ —	\$ —	\$ 105
Plus: Total Depreciation & Amortization	35	—	—	—	35
Plus: Adjustments to Depreciation ^(B)	—	—	—	—	—
Total Segment EBITDA	\$ 140	\$ —	\$ —	\$ —	\$ 140
Less: Unallocated Corporate Costs	(12)	—	—	—	(12)
Adjusted EBITDA	\$ 128	\$ —	\$ —	\$ —	\$ 128

(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 2019
<i>Dollars in millions</i>					
Reinforcement Materials EBIT	\$ 62	\$ —	\$ —	\$ —	\$ 62
Plus: Depreciation & Amortization	16	—	—	—	16
Reinforcement Materials EBITDA	\$ 78	\$ —	\$ —	\$ —	\$ 78
Reinforcement Materials Sales	\$ 457	\$ —	\$ —	\$ —	\$ 457
Reinforcement Materials EBITDA Margin	17%	—%	—%	—%	17%

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2019
<i>Dollars in millions</i>					
Performance Chemicals EBIT	\$ 36	\$ —	\$ —	\$ —	\$ 36
Plus: Depreciation & Amortization	12	—	—	—	12
Performance Chemicals EBITDA	\$ 48	\$ —	\$ —	\$ —	\$ 48
Performance Chemicals Sales	\$ 231	\$ —	\$ —	\$ —	\$ 231
Performance Chemicals EBITDA Margin	21%	—%	—%	—%	21%

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2019
<i>Dollars in millions</i>					
Purification Solutions EBIT	\$ (3)	\$ —	\$ —	\$ —	\$ (3)
Plus: Depreciation & Amortization	6	—	—	—	6
Purification Solutions EBITDA	\$ 3	\$ —	\$ —	\$ —	\$ 3
Purification Solutions Sales	\$ 65	\$ —	\$ —	\$ —	\$ 65
Purification Solutions EBITDA Margin	5%	—%	—%	—%	5%

	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2019
<i>Dollars in millions</i>					
Specialty Fluids EBIT	\$ 10	\$ —	\$ —	\$ —	\$ 10
Plus: Depreciation & Amortization	1	—	—	—	1
Specialty Fluids EBITDA	\$ 11	\$ —	\$ —	\$ —	\$ 11
Specialty Fluids Sales	\$ 19	\$ —	\$ —	\$ —	\$ 19
Specialty Fluids EBITDA Margin	58%	—%	—%	—%	58%

	Fiscal 2019				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2019
<i>Dollars in millions</i>					
Reconciliation of Discretionary Free Cash Flow					
Cash flow from operating activities ^(C)	\$ (39)	\$ —	\$ —	\$ —	\$ (39)
Less: Changes in net working capital ^(D)	(111)	—	—	—	(111)
Less: Sustaining and compliance capital expenditures	27	—	—	—	27
Discretionary Free Cash Flow	\$ 45	\$ —	\$ —	\$ —	\$ 45

(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.