

Third 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	\$ 1.43	\$ —	\$ 3.65
Less: Certain items after tax per share	(0.05)	(0.04)	0.01	—	(0.08)
Adjusted earnings (loss) per share	\$ 0.98	\$ 1.33	\$ 1.42	\$ —	\$ 3.73
Reconciliation of Adjusted EPS to GAAP EPS					
Fiscal 2022 ^(A)					
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2022
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	\$ 82	\$ —	\$ 211
Net income (loss) attributable to noncontrolling interests	12	7	8	—	27
Equity in earnings of affiliated companies, net of tax	(2)	(1)	(1)	—	(4)
Provision (benefit) for income taxes	20	29	41	—	90
Income (loss) before income taxes and equity in earnings of affiliated companies	\$ 84	\$ 110	\$ 130	\$ —	\$ 324
Interest expense	22	23	24	—	69
Certain items	4	2	1	—	7
Unallocated corporate costs	15	16	11	—	42
General unallocated (income) expense	(4)	(2)	(3)	—	(9)
Less: Equity in earnings of affiliated companies	(2)	(1)	(1)	—	(4)
Total Segment EBIT	\$ 123	\$ 150	\$ 164	\$ —	\$ 437
Depreciation and amortization excluding corporate depreciation	34	36	36	—	106
Total Segment EBITDA	\$ 157	\$ 186	\$ 200	\$ —	\$ 543
Less: Unallocated corporate costs before corporate depreciation	15	16	11	—	42
Adjusted EBITDA	\$ 142	\$ 170	\$ 189	\$ —	\$ 501

	Fiscal 2023				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
<i>Dollars in millions</i>					
Reinforcement Materials EBIT	\$ 94	\$ 122	\$ 132	\$ —	\$ 348
Reinforcement Materials Depreciation and amortization	17	18	17	—	52
Reinforcement Materials EBITDA	\$ 111	\$ 140	\$ 149	\$ —	\$ 400
Reinforcement Materials Sales	\$ 643	\$ 672	\$ 624	\$ —	\$ 1,939
Reinforcement Materials EBITDA Margin	17%	21%	24%	—%	21%

	Fiscal 2023				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2023
<i>Dollars in millions</i>					
Performance Chemicals EBIT	\$ 29	\$ 28	\$ 32	\$ —	\$ 89
Performance Chemicals Depreciation and amortization	17	18	19	—	54
Performance Chemicals EBITDA	\$ 46	\$ 46	\$ 51	\$ —	\$ 143
Performance Chemicals Sales	\$ 286	\$ 326	\$ 307	\$ —	\$ 919
Performance Chemicals EBITDA Margin	16%	14%	17%	—%	16%

	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	\$ 243	\$ —	\$ 457
Less: Additions to property, plant and equipment	35	51	80	—	166
Free cash flow	\$ 17	\$ 111	\$ 163	\$ —	\$ 291
Plus: Additions to property, plant and equipment	35	51	80	—	166
Less: Changes in net working capital ^(C)	(34)	59	71	—	96
Less: Sustaining and compliance capital expenditures	23	27	44	—	94
Discretionary free cash flow	\$ 63	\$ 76	\$ 128	\$ —	\$ 267

^(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.