



# CABOT EARNINGS TELECONFERENCE

Fourth 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 first quarter of and fiscal year 2026, including our expectations for performance in our businesses and for adjusted earnings per share ("EPS") in fiscal year 2026 and our assumptions underlying such expectations, 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; 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](http://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.



# Fiscal 2025 Financial Highlights

1

Diluted EPS of \$6.02; Adjusted EPS<sup>1</sup> of \$7.25, which represents a 3% increase year-over-year

2

Segment EBIT decreased 5% in Reinforcement Materials and increased 18% in Performance Chemicals year-over-year

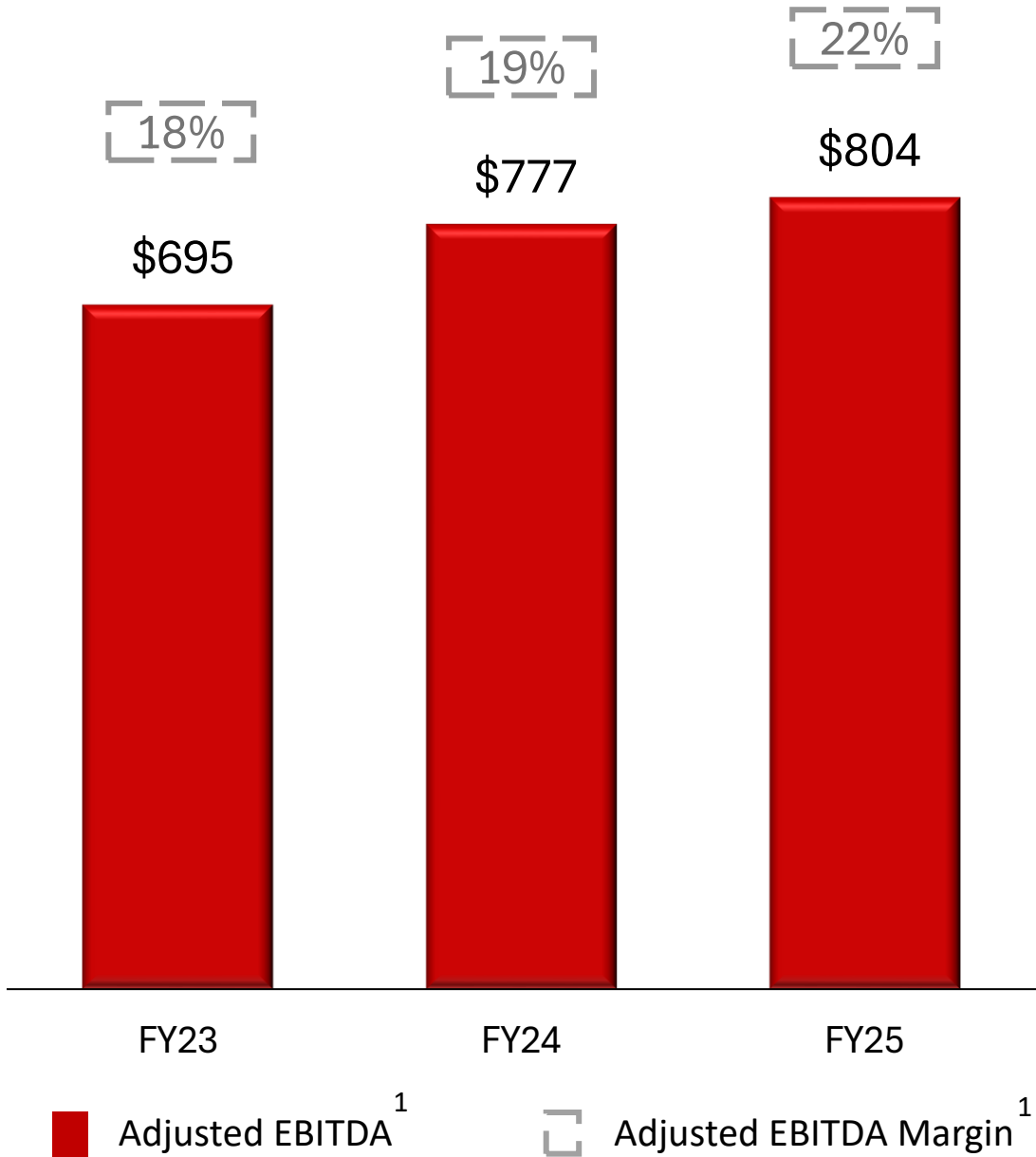
3

Cash Flows from Operations of \$665 million supported \$96 million in dividends and \$168 million in share repurchases

# Grew Adjusted EBITDA & Margins While Balance Sheet and Cash Metrics Remain Strong

## Adjusted EBITDA & Adjusted EBITDA Margins

(\$ in millions except Adjusted EBITDA Margins)



## Fiscal 2025 Metrics

**Net Debt / EBITDA<sup>1,2</sup>**  
**1.2x**

**Adjusted ROIC<sup>1</sup>**  
**18%**

**Liquidity**  
**\$1.5B**

**Operating Cash Flow**  
**\$665M**

1. Non-GAAP measure – See Appendix. 2. Calculated in accordance with the terms of the debt covenant calculation in Cabot’s revolving credit facility.

# Significant Cash Generation in Fiscal 2025

\$665 million of operating cash flow and \$391 million of free cash flow<sup>1</sup>



## **Invested in sustaining world class assets and in high-confidence growth projects**

\$274 million of Capital Expenditures



## **Maintained industry-competitive dividend**

Increased dividend by 5% and paid \$96 million of dividends



## **Significant return to shareholders through share repurchases**

\$168 million in share repurchases



## **Maintained strong balance sheet and liquidity position to fund future growth opportunities**

Liquidity available of \$1.5 billion; Net debt to EBITDA<sup>1,2</sup> ratio of 1.2x

Continued with our disciplined capital allocation framework

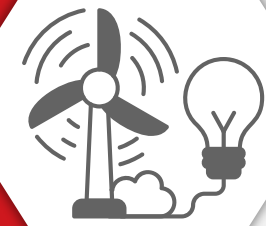
1. Non-GAAP measure – See Appendix. 2. Calculated in accordance with the terms of the debt covenant calculation in Cabot's revolving credit facility.



# Fiscal 2025 Strategic Highlights



Announced an agreement to acquire  
Bridgestone's reinforcing carbons plant in Mexico



Progress in targeted growth applications in  
Performance Chemicals



EcoVadis platinum rating for sustainability  
performance and launch of 2030 sustainability  
goals



Strong strategic execution and financial  
performance in Battery Materials



# Strategic Progress in Battery Materials

Solid progress with a strong outlook, supported by energy storage and electrification mobility trends



**Fiscal 2025 performance:** contribution margin increase year over year of 20% through growth in differentiated products and optimization in China

**Growth in energy storage and EV applications:** Launched new LITX® 95F conductive carbon engineered for energy storage systems and strong adoption of high performing dispersion blends for current and next generation batteries

**Robust market outlook:** Expecting lithium-ion battery growth of 20%+<sup>1</sup> over the next three years driven by growth in both energy storage systems and EVs

1. Source: Rho Motion, June 2025

# Q4 2025 Financial Highlights



## Adjusted EPS<sup>1</sup>

**\$1.70**

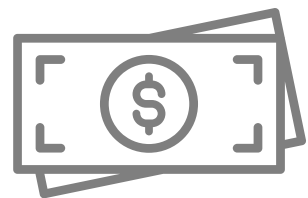
Diluted EPS \$0.79



## Cash Flow from Operations

**\$219 million**

Free Cash Flow<sup>1</sup> of \$155M



## Cash and Cash Equivalents

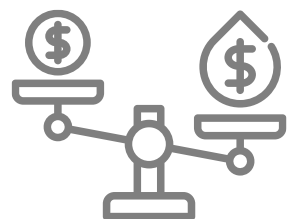
**\$258 million**



## Capex

**\$64 million**

Full Year CapEx of \$274M



## Debt Balance

**\$1.1 billion**

## Liquidity

**\$1.5 billion**



## Operating Tax Rate<sup>1</sup>

**27% FY25**

FY'26 forecast range of 27% - 29%



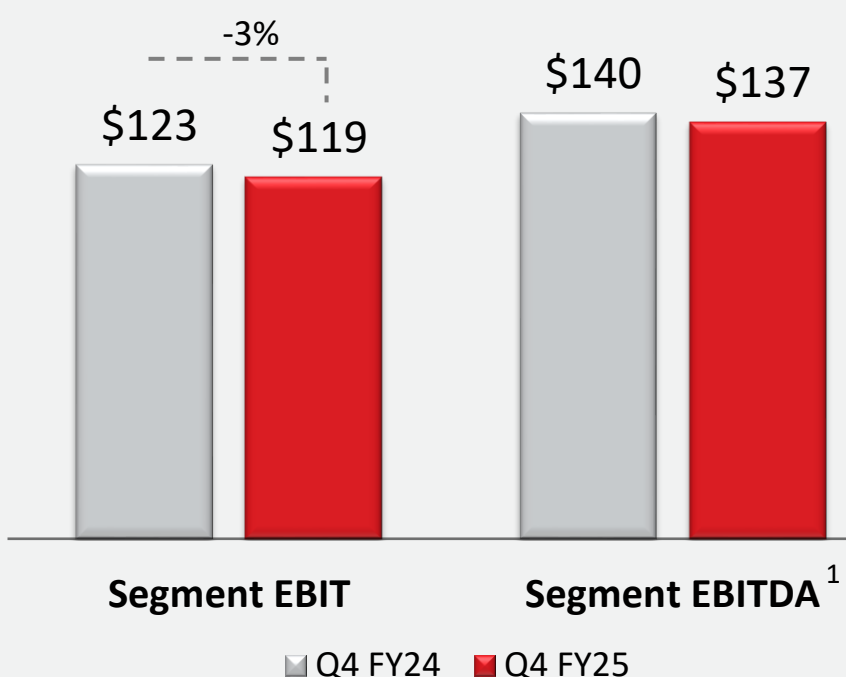
# Reinforcement Materials Segment

## Operating Performance

### Q4 2025 Results

(\$ in millions)

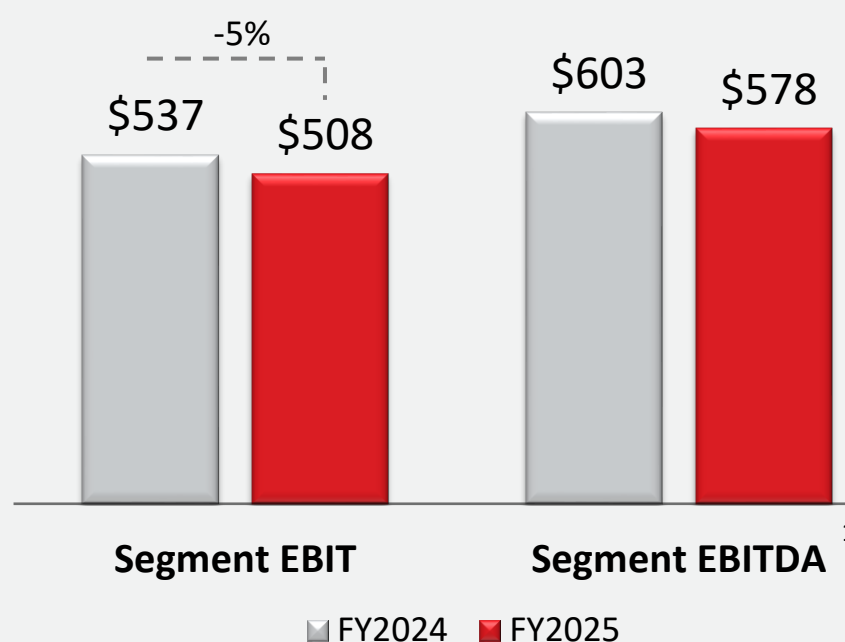
- ◆ Volumes down 5% year-over-year due to lower volumes in the Americas and Asia
- ◆ Partially offset by continued optimization and cost reduction efforts



### FY 2025 Results

(\$ in millions)

- ◆ Fiscal 2025 EBIT declined \$29 million
- ◆ Volumes decline 5% year-over-year due to lower volumes in the Americas and Asia
- ◆ Partially offset by continued optimization and cost reduction efforts



### Q1 2026 OUTLOOK

- ◆ Lower sequential EBIT projection driven by expected lower volumes in the Americas and Europe and increased competitive intensity in Asia
- ◆ Expected lower sequential volumes in Americas and Europe negatively impact regional mix



1. Non-GAAP measure – See Appendix

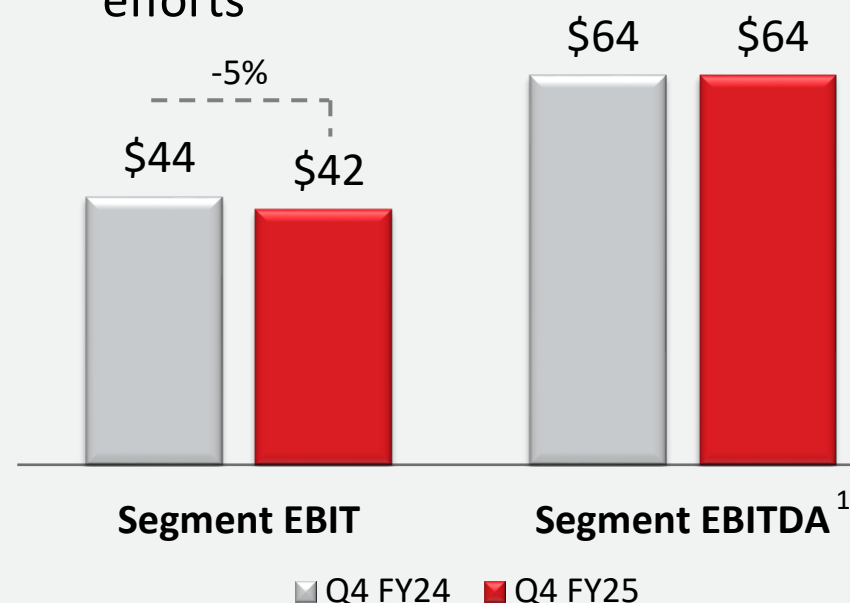
# Performance Chemicals Segment

## Operating Performance

### Q4 2025 Results

(\$ in millions)

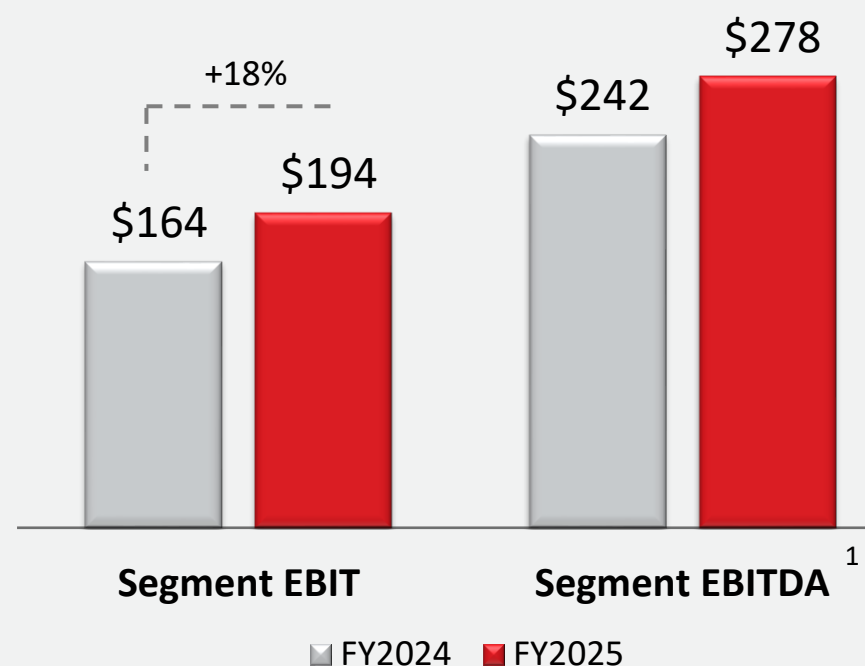
- ◆ Global volumes down 5% year-over-year due to lower volumes in Europe, particularly in construction-related applications
- ◆ Partially offset by strength in Battery Materials and continued optimization and cost reduction efforts



### FY 2025 Results

(\$ in millions)

- ◆ EBIT improved by \$30 million
- ◆ Volumes increased in the fumed metal oxides and battery materials product lines
- ◆ Benefits from continued optimization and cost reduction efforts



### Q1 2026 OUTLOOK

- ◆ Segment EBIT forecasted to be relatively consistent sequentially
- ◆ Modest sequential volume improvement expected to be largely offset by higher costs



# Outlook



## Establishing Adjusted EPS<sup>1</sup> Guidance Range for Fiscal 2026

- ◆ Adjusted EPS<sup>1</sup> expected to be \$6.00 to \$7.00 in fiscal 2026
- ◆ Challenging economic conditions and high competitive intensity expected to continue



## Challenging Macroeconomic Backdrop

- ◆ Expecting the third straight year of LV Auto Production contraction in NA & EU<sup>2</sup>
- ◆ Stagnant global manufacturing PMI
- ◆ European manufacturing PMI persistently below 50 for three years



## Segment EBIT Outlook for Fiscal 2026

- ◆ Reinforcement Materials outlook impacted by dynamics of Asian tire trade flows
- ◆ Improving demand in key growth areas and continued optimization expected to drive EBIT growth in Performance Chemicals



## Cash Flow and Balance Sheet Outlook Remain Strong

- ◆ Net debt to EBITDA ratio and liquidity expected to remain similar to 2025 levels
- ◆ Cash flows expected to fund growth investments and cash return to shareholders

Given the current outlook, we do not expect to meet the 2024 Investor Day financial targets.



# Well Positioned to Navigate the Uncertainty



## **Strong Operator**

Proven track record of excellence in manufacturing and commercial platforms



## **Leader with Global Scale**

Global network of competitive assets with leading technology enables optimization to best serve customers and maximize returns



## **Financial Strength**

Expected strong liquidity and cash flow to fund strategic initiatives



## **Capital Allocation Discipline**

Positioned to deploy growth capital while maintaining cash return to shareholders



# Q&A





# Appendix





# FY26 Guidance & Modeling Assumptions

Full Year Modeling Assumptions	
Adjusted Earnings per Share <sup>1</sup>	~\$6.00 to \$7.00
Interest Expense	~(\$73M) to (\$77M)
General Unallocated Income (Expense)	~\$18M to \$22M
Capital Expenditures	~\$200M to \$250M
Shares Repurchases	~\$100M to \$200M
Operating Tax Rate <sup>1</sup>	~27% to 29%
Forecast FX Rates	October Rates

# 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 fourth quarter 2025 earnings release and filed on our Current Report on Form 8-K dated November 3, 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 <sup>(A)</sup>				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2025
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net income (loss) per share attributable to Cabot Corporation	\$ 1.67	\$ 1.69	\$ 1.86	\$ 0.79	\$ 6.02
Less: Certain items after tax per share	(0.09)	(0.21)	(0.04)	(0.91)	(1.23)
Adjusted earnings (loss) per share	\$ 1.76	\$ 1.90	\$ 1.90	\$ 1.70	\$ 7.25
	Fiscal 2024 <sup>(A)</sup>				
	Dec. Q	Mar. Q	June Q	Sept. Q	FY 2024
<b>Reconciliation of Adjusted EPS to GAAP EPS</b>					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.88	\$ 1.49	\$ 1.94	\$ 2.43	\$ 6.72
Less: Certain items after tax per share	(0.68)	(0.29)	0.02	0.63	(0.34)
Adjusted earnings (loss) per share	\$ 1.56	\$ 1.78	\$ 1.92	\$ 1.80	\$ 7.06
<sup>(A)</sup> 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>	FY2024		FY2025	
	Sept. Q	Full Year	Sept. Q	Full Year
<b><u>Reconciliation of Total Segment EBIT, Total Segment EBITDA and Adjusted EBITDA to Net Income and Segment EBITDA Margin</u></b>				
<b>Net income (loss) attributable to Cabot Corporation</b>	<b>\$ 137</b>	<b>\$ 380</b>	<b>\$ 43</b>	<b>\$ 331</b>
Net income (loss) attributable to noncontrolling interests	9	44	11	45
Equity in earnings of affiliated companies, net of tax	(1)	(6)	(2)	(7)
Provision (benefit) for income taxes	(10)	111	63	196
<b>Income (loss) from operations before income taxes and equity in earnings of affiliated companies</b>	<b>\$ 135</b>	<b>\$ 529</b>	<b>\$ 115</b>	<b>\$ 565</b>
Interest expense	19	81	20	76
Certain items	3	59	17	30
Unallocated corporate costs	17	68	13	52
General unallocated (income) expense	(8)	(42)	(6)	(28)
Less: Equity in earnings of affiliated companies	(1)	(6)	(2)	(7)
<b>Total Segment EBIT</b>	<b>\$ 167</b>	<b>\$ 701</b>	<b>\$ 161</b>	<b>\$ 702</b>
Depreciation and amortization excluding corporate depreciation and amortization	36	144	40	154
<b>Total Segment EBITDA</b>	<b>\$ 203</b>	<b>\$ 845</b>	<b>\$ 201</b>	<b>\$ 856</b>
Less: Unallocated corporate costs before corporate depreciation and amortization	17	68	13	52
<b>Adjusted EBITDA</b>	<b>\$ 186</b>	<b>\$ 777</b>	<b>\$ 188</b>	<b>\$ 804</b>

# Non-GAAP Financial Measures

## Adjusted EBITDA Margins

<i>Dollars in millions</i>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<u>Numerator - Adjusted EBITDA</u>			
Adjusted EBITDA	\$ 695	\$ 777	\$ 804
<u>Denominator - Net sales and other operating revenues</u>			
Net Sales and other operating revenues	\$ 3,931	\$ 3,994	\$ 3,713
<b>Adjusted EBITDA Margins</b>	<b>18%</b>	<b>19%</b>	<b>22%</b>

# 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>	FY2024		FY2025	
	Sept. Q	Full Year	Sept. Q	Full Year
<b>Reinforcement Materials EBIT</b>	<b>\$ 123</b>	<b>\$ 537</b>	<b>\$ 119</b>	<b>\$ 508</b>
Reinforcement Materials Depreciation and amortization	17	66	18	70
<b>Reinforcement Materials EBITDA</b>	<b>\$ 140</b>	<b>\$ 603</b>	<b>\$ 137</b>	<b>\$ 578</b>
Reinforcement Materials Sales	\$ 644	\$ 2,610	\$ 563	\$ 2,341
<b>Reinforcement Materials EBITDA Margin</b>	<b>22%</b>	<b>23%</b>	<b>24%</b>	<b>25%</b>

<i>Dollars in millions</i>	FY2024		FY2025	
	Sept. Q	Full Year	Sept. Q	Full Year
<b>Performance Chemicals EBIT</b>	<b>\$ 44</b>	<b>\$ 164</b>	<b>\$ 42</b>	<b>\$ 194</b>
Performance Chemicals Depreciation and amortization	20	78	22	84
<b>Performance Chemicals EBITDA</b>	<b>\$ 64</b>	<b>\$ 242</b>	<b>\$ 64</b>	<b>\$ 278</b>
Performance Chemicals Sales	\$ 322	\$ 1,250	\$ 308	\$ 1,250
<b>Performance Chemicals EBITDA Margin</b>	<b>20%</b>	<b>19%</b>	<b>21%</b>	<b>22%</b>



# Non-GAAP Financial Measures

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

<i>Dollars in millions</i>		Fiscal 2025				
<b>Reconciliation of Free Cash Flow and Discretionary Free Cash Flow to Cash provided by (used in) operating activities</b>		Dec. Q	Mar. Q	June Q	Sept. Q	FY 2025
<b>Cash provided by (used in) operating activities <sup>(B)</sup></b>		<b>\$ 124</b>	<b>\$ 73</b>	<b>\$ 249</b>	<b>\$ 219</b>	<b>\$ 665</b>
Less: Additions to property, plant and equipment		77	72	61	64	274
<b>Free cash flow</b>		<b>\$ 47</b>	<b>\$ 1</b>	<b>\$ 188</b>	<b>\$ 155</b>	<b>\$ 391</b>
Plus: Additions to property, plant and equipment		77	72	61	64	274
Less: Changes in net working capital <sup>(C)</sup>		(38)	(76)	101	69	56
Less: Sustaining and compliance capital expenditures		48	39	34	41	162
<b>Discretionary free cash flow</b>		<b>\$ 114</b>	<b>\$ 110</b>	<b>\$ 114</b>	<b>\$ 109</b>	<b>\$ 447</b>
<sup>(B)</sup> As provided in the Condensed Consolidated Statements of Cash Flows.						
<sup>(C)</sup> 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

## Adjusted Return on Invested Capital (ROIC)

<i>Dollars in millions</i>	<b>FY 2025</b>
<u>Numerator - Adjusted net income (loss):</u>	
Net Income (loss) attributable to Cabot Corporation	\$ 331
Less: Certain Items, net of tax benefit (provision)	(68)
Less: Net income attributable to noncontrolling interests	(45)
Less: Net Interest income and expense, net of tax <sup>1</sup>	(36)
<b>Adjusted net income (loss)</b>	<b>\$ 480</b>
<u>Denominator - Adjusted invested capital <sup>2</sup></u>	
Total Cabot Corporation stockholders equity	\$ 1,462
Plus: Noncontrolling interests	155
Plus: Total Debt	1,194
Less: Cash and cash equivalents	223
Less: Certain items, net of tax <sup>3</sup>	(17)
<b>Adjusted invested capital</b>	<b>\$ 2,605</b>
<b>Adjusted return on invested capital</b>	<b>18%</b>

1. Tax on interest expense and interest income is calculated using the Company's fiscal 2025 actual operating tax rate of 27%.
2. Each component of adjusted invested capital is calculated by averaging the previous five quarter ending balances.
3. Four quarter certain item rolling average.

# Non-GAAP Financial Measures

## Operating Tax Rate

TABLE 3: RECONCILIATION OF EFFECTIVE TAX RATE TO OPERATING TAX RATE				
Three months ended September 30				
	2025		2024	
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
<i>Dollars in millions (unaudited)</i>				
Effective Tax Rate	\$ (63)	55%	\$ 10	-7%
Less: Non-GAAP tax adjustments <sup>(B)</sup>	(30)		37	
Operating tax rate <sup>(D) (E)</sup>	\$ (33)	25%	\$ (27)	20%
Twelve months ended September 30				
	2025		2024	
	(Provision) / Benefit for Income Taxes	Rate	(Provision) / Benefit for Income Taxes	Rate
<i>Dollars in millions (unaudited)</i>				
Effective Tax Rate	\$ (196)	35%	\$ (111)	21%
Less: Non-GAAP tax adjustments <sup>(B)</sup>	(36)		40	
Operating tax rate <sup>(D) (E)</sup>	\$ (160)	27%	\$ (151)	26%

<sup>(B)</sup> 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.

<sup>(D)</sup> 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.

<sup>(E)</sup> Our operating tax rate for fiscal 2026 is expected to be in the range of 27% to 29%.