



# Stepan



**Investor Presentation**  
**NYSE : SCL**

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March 2025

# Safe Harbor

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Certain information in this presentation consists of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These statements include statements about Stepan Company's plans, objectives, strategies, financial performance and outlook, trends, the amount and timing of future cash distributions, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, Stepan Company's actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "aim," "anticipate," "believe," "estimate," "guidance," "predict," "potential," "continue," "likely," "will," "would," "should," "illustrative" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by Stepan Company and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. These statements are not guarantees of future performance, and stockholders should not place undue reliance on forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond Stepan Company's control, that could cause actual results to differ materially from the forward-looking statements contained in this presentation. Such risks, uncertainties and other important factors include, among other factors, the risks, uncertainties and factors described in Stepan Company's Form 10-K, Form 10-Q and Form 8-K reports and exhibits to those reports, and include (but are not limited to) risks and uncertainties related to disruptions in production or accidents at manufacturing facilities; reduced demand due to customer product reformulations or new technologies; our inability to successfully develop or introduce new products; compliance with laws; our ability to make acquisitions of suitable candidates and successfully integrate acquisitions; global competition; volatility of raw material and energy costs and supply; disruptions in transportation or significant changes in transportation costs; downturns in certain industries and general economic downturns; international business risks, including currency exchange rate fluctuations, legal restrictions and taxes; unfavorable resolution of litigation against us; maintaining and protecting intellectual property rights; our ability to access capital markets; global political, military, security or other instability; costs related to expansion or other capital projects; interruption or breaches of information technology systems; our ability to retain our executive management and key personnel; and our debt covenants.

These forward-looking statements are made only as of the date hereof, and Stepan Company undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

# INNOVATIVE CHEMICAL SOLUTIONS FOR A CLEANER, HEALTHIER, MORE ENERGY EFFICIENT WORLD



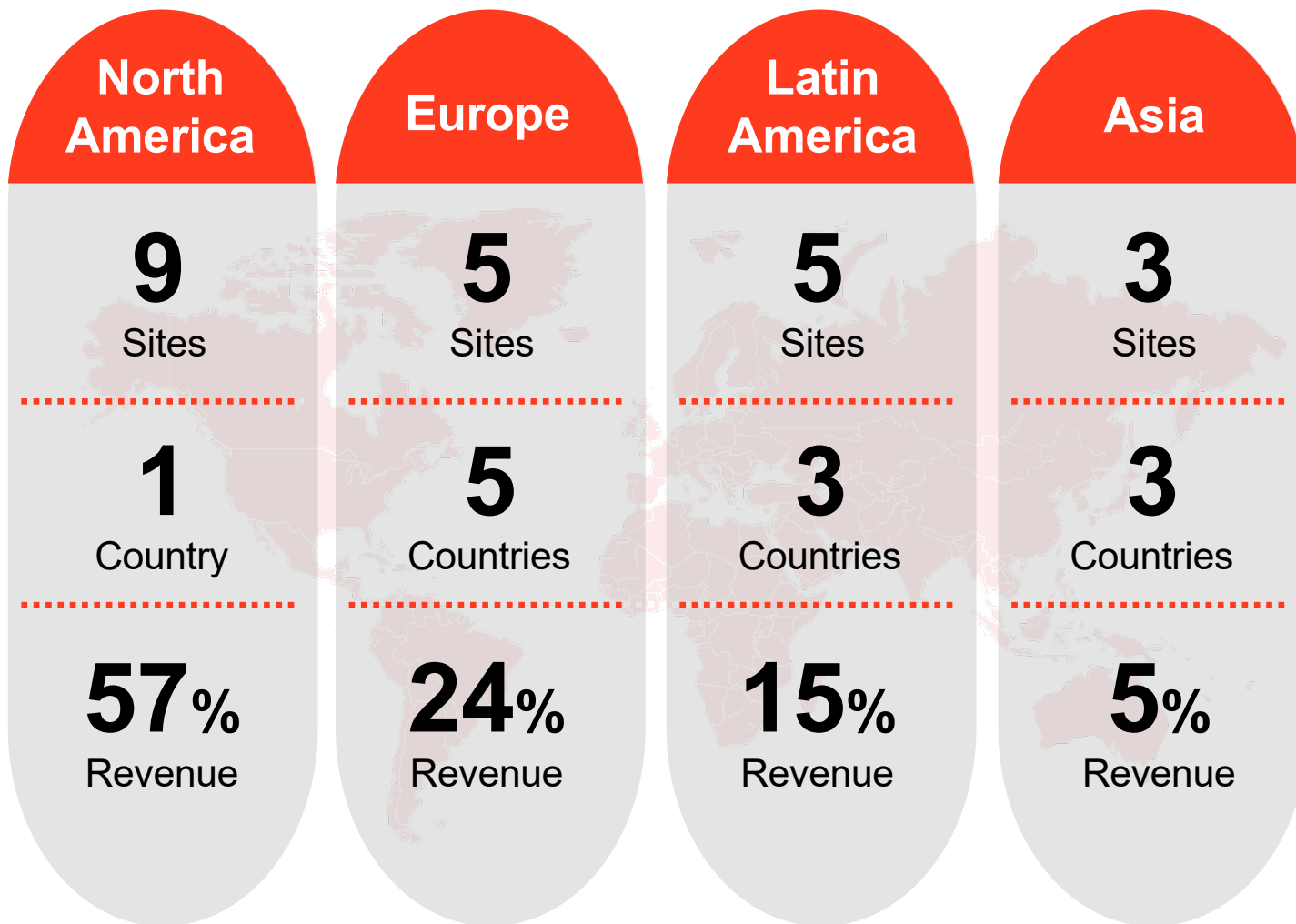
Focus on Priority Market Growth

Customer-Centric Innovation

Customer Intimacy & Extended Reach

Leverage Key Strategic Investments

Operational Excellence

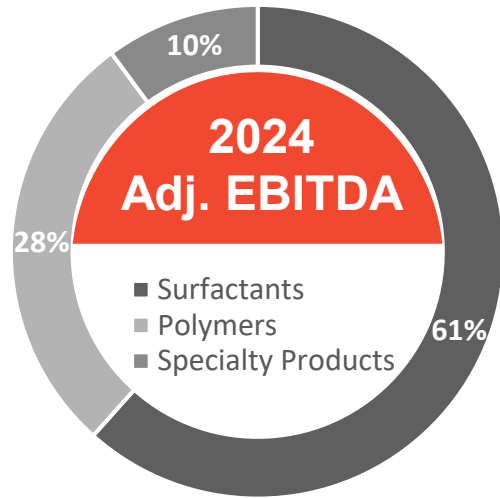
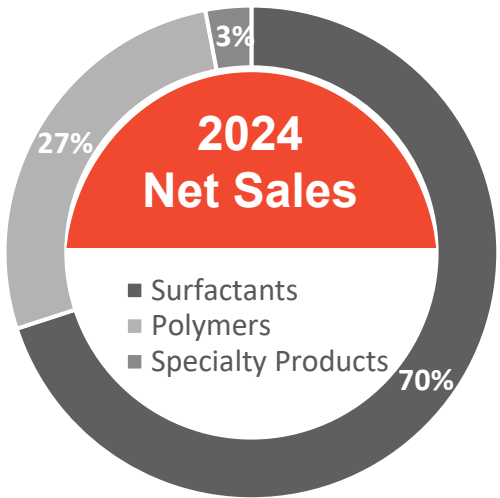


### Our Platform:

- Diverse Product Portfolio
- Prominent Standing in Appealing & Expanding End-Markets
- Innovation & Sustainability
- Strong & Resilient Financial Performance
- Strategic Cost Management
- Expansion & Diversification

*Note: As of Financial Year 2024*





**Agricultural Chemicals**



**Oilfield Chemicals**



**Construction & Industrial Solutions**



**Personal Care Specialties**



**Rigid - Polyols**



**Rigid - Spray Foam**

**Market Drivers**

Food Security, Sustainability

**GDP+**  
Growth

Productivity, Energy Efficiency

**GDP+**  
Growth

Government Investment, Technological Infrastructure

**GDP**  
Growth

Wellness, Urbanization, Natural Ingredients

**GDP+**  
Growth

Energy Conservation, Regulatory Requirements

**GDP+**  
Growth

Energy Conservation, Regulatory Requirements

**GDP++**  
Growth

# Stepan's EBITDA & FCF Growth Drivers

- Greater Than GDP Growth
- Accretive Margins
- Limited Global Risk Exposure

High-Margin /  
Growth Priority  
Markets

- Customer Intimacy
- Expand Tier 2 & 3 Customer Base
- World Class R&D & Sustainability

Customer-Centric  
Innovation &  
Extended Reach

Key Strategic  
Investments

- Investments in Organic Growth
- M&A Opportunities

Cost & Operational  
Excellence

- Safe & Efficient Manufacturing
- Asset Reliability
- Cost Reduction & Productivity Gains

# High-Margin / Growth Priority Markets



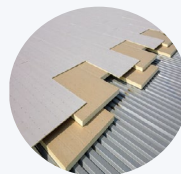
## Agricultural Chemicals

- \$19B TAM
- Growth > GDP
- Accretive Margins



## Oilfield Solutions

- \$10B TAM
- Growth > GDP
- Accretive Margins



## Rigid Polyols

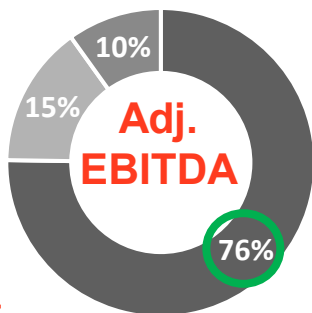
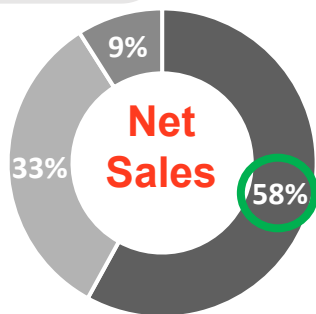
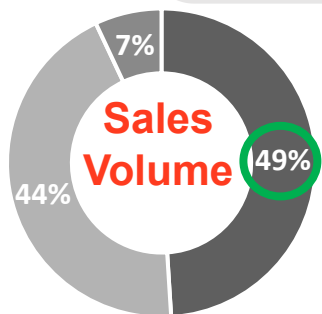
- \$1Tn+ North America Gov. Spending
- Growth > GDP
- Accretive Margins



## Other Key Growth Drivers

- Construction & Industrial Solutions Growth
- Tier 2 & 3 Customer Diversification
- Specialty Alkoxylation Growth
- Personal Care Specialties
- Stay-to-Play Investments in Core Consumer Business

### Current Positioning

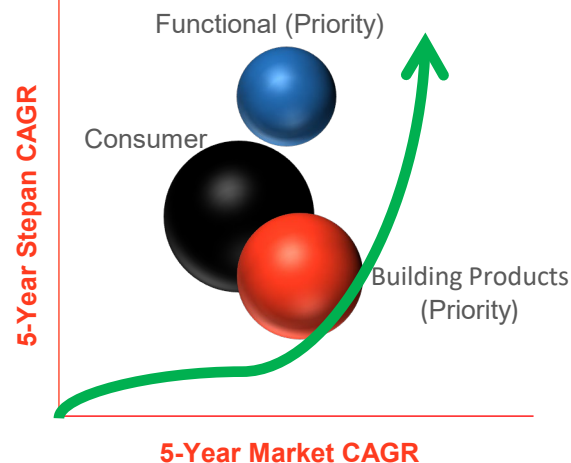


- Priority Markets
- Surfactants Commodity
- All Other

### Strategy Alignment



### Strategy Focus:



# Customer-Centric Innovation & Extended Reach

# 230

Scientists,  
Engineers & Staff

# 14

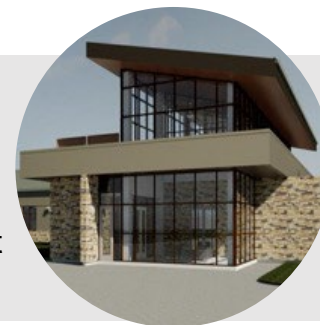
Application Centers

# 33

New Products in  
2024

# 10%

Revenue from Recent Product  
Launches



**Technical  
Service**



**Chemistry &  
Biology**



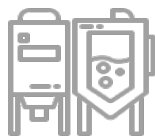
**Partnership  
Ecosystem**

## Customer Centric Innovation

**Formulation &  
Application**



**Process  
Technology**



**Analysis &  
Testing**



## New Products & Solutions

ROOFING INSULATION: New polyol TERATE® 5503-FE with Superior Burn Performance and Optimal Processing

SPRAYFOAM: New Range of Core and Differentiated Polyols to Meet Emerging Needs for Cost-Efficiency and Building Code Standards

SULFATE-FREE SOLUTIONS through a Broad Portfolio of Anionic and Nonionic surfactants, Blends and Formulations for Personal Care

PETROSTEP® Demulsifiers and Resins for Superior Separation for Oil and Sediment Removal

# Customer Intimacy & Extended Reach

→ Collaboration Focus to Grow with Customers of all Sizes



## Strategic Partnerships with Global Tier 1 Customers

Collaborate and Execute Growth Programs with Strategic Global Tier 1 Customers

Deliver Unmatched Responsiveness to Customers' Technical and Service Needs

Engage with Customers on Sustainability Transition (Carbon Reduction)



## Global Tier 2 and Tier 3 Customer Base Growth

Growing our Tier 2 and Tier 3 Customer Base a Key Priority

Increase Reach Through Digitalization

Diversify Customer Base Across Multiple End Markets



Added  
**1,760+**  
New Global Surfactant Customers in 2024

Sold  
**3,500+**  
New Customer/Product Combinations in 2024

Targeting to Cross Sell our Products to  
**20,000+**  
New and Existing Customers

**Surfactant Customer Mix:**

	# Active Global Customers	Average # Products Sold
Tier 1		
Tier 2		
Tier 3		

# Customer-Centric Innovation & Extended Reach

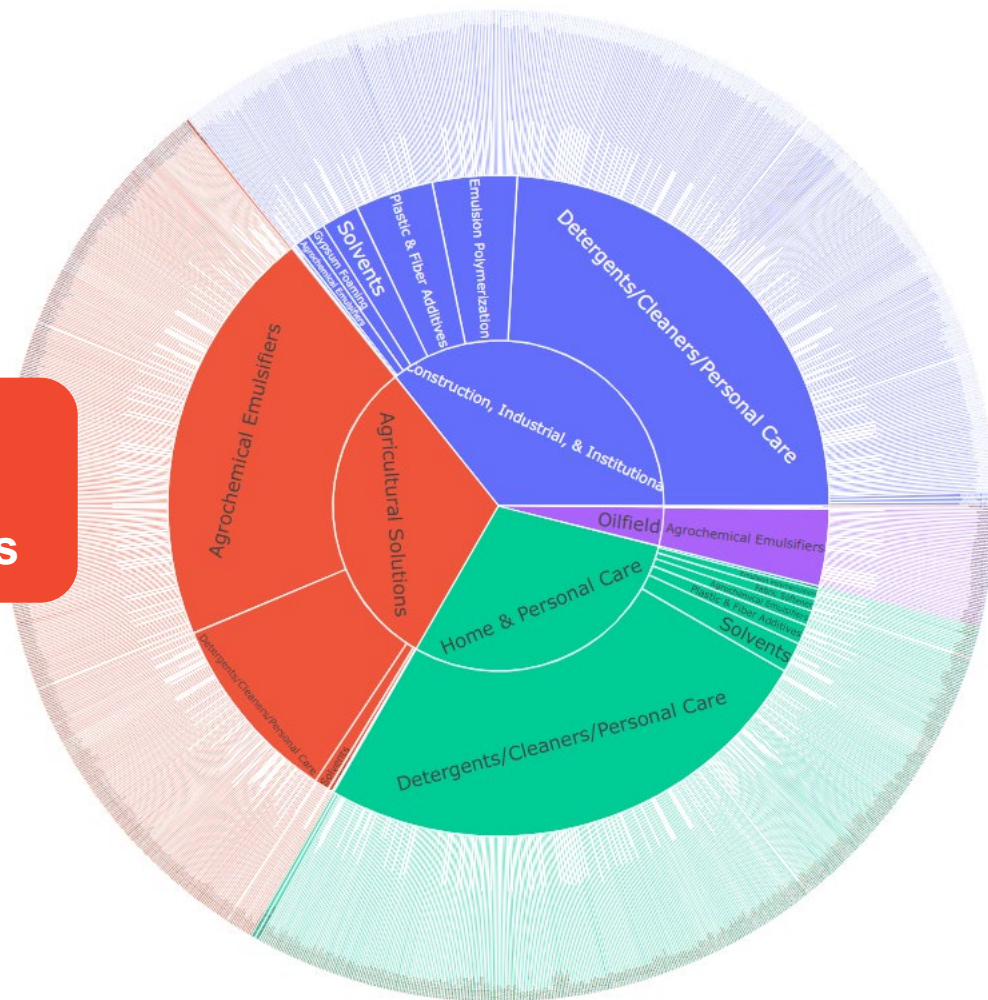
**Stepan Company** is the One-Stop Shop for Surfactant Solutions, Boasting an Impressive Portfolio of Products with Versatile Functionality and Exceptional Chemistry Expertise Across Diverse End-Markets

**788**  
**Total Products**

**32**  
**Unique Functions**

**14**  
**End-Markets**

- **Product Diversity:** Comprehensive Range of Surfactants for Home & Personal Care, Industrial, and Construction Markets
- **Functional Offerings:** Specialized Solutions for Plastic Additives and Cleaning Agents, Tailored to Customer Needs (Including **Low 1, 4 Dioxane, Sulfate Free**, and **Ether Sulfates**)
- **Expertise:** Backed by 92 years of Innovation and Leadership in Surfactant Technology
- **Global Reach:** Trusted Worldwide Partner, Providing Localized Solutions Globally



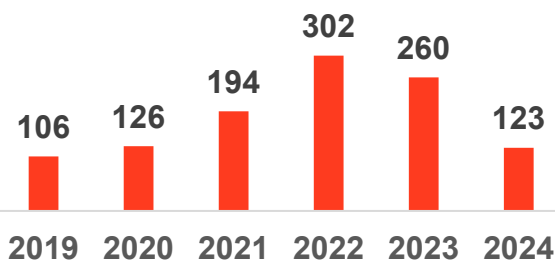
# Key Strategic Investments

## Investment Impact:

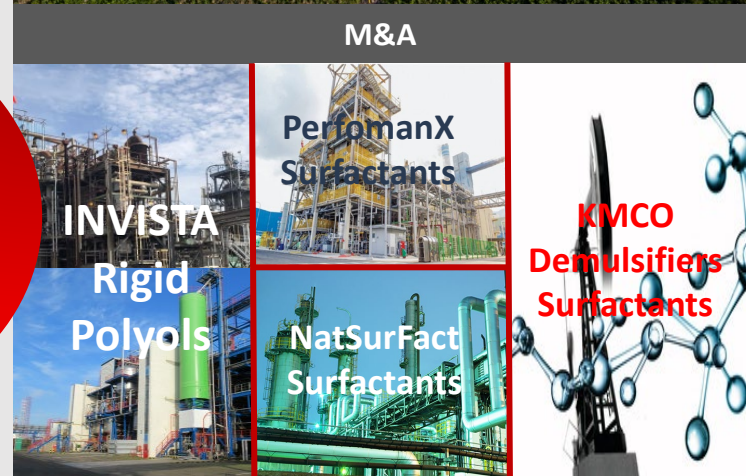
- Improve Operational Efficiency & Performance
- Improve Operational Reliability
- Increase Capacity

Invested **\$220MM+** in M&A 2019-2024

Investment in Infrastructure, EHS, and Strategic Growth Projects (\$MM)



Alkoxylation Investment



M&A

INVISTA  
Rigid  
Polyols

PerformanX  
Surfactants

NatSurFact  
Surfactants

KMCO  
Demulsifiers  
Surfactants

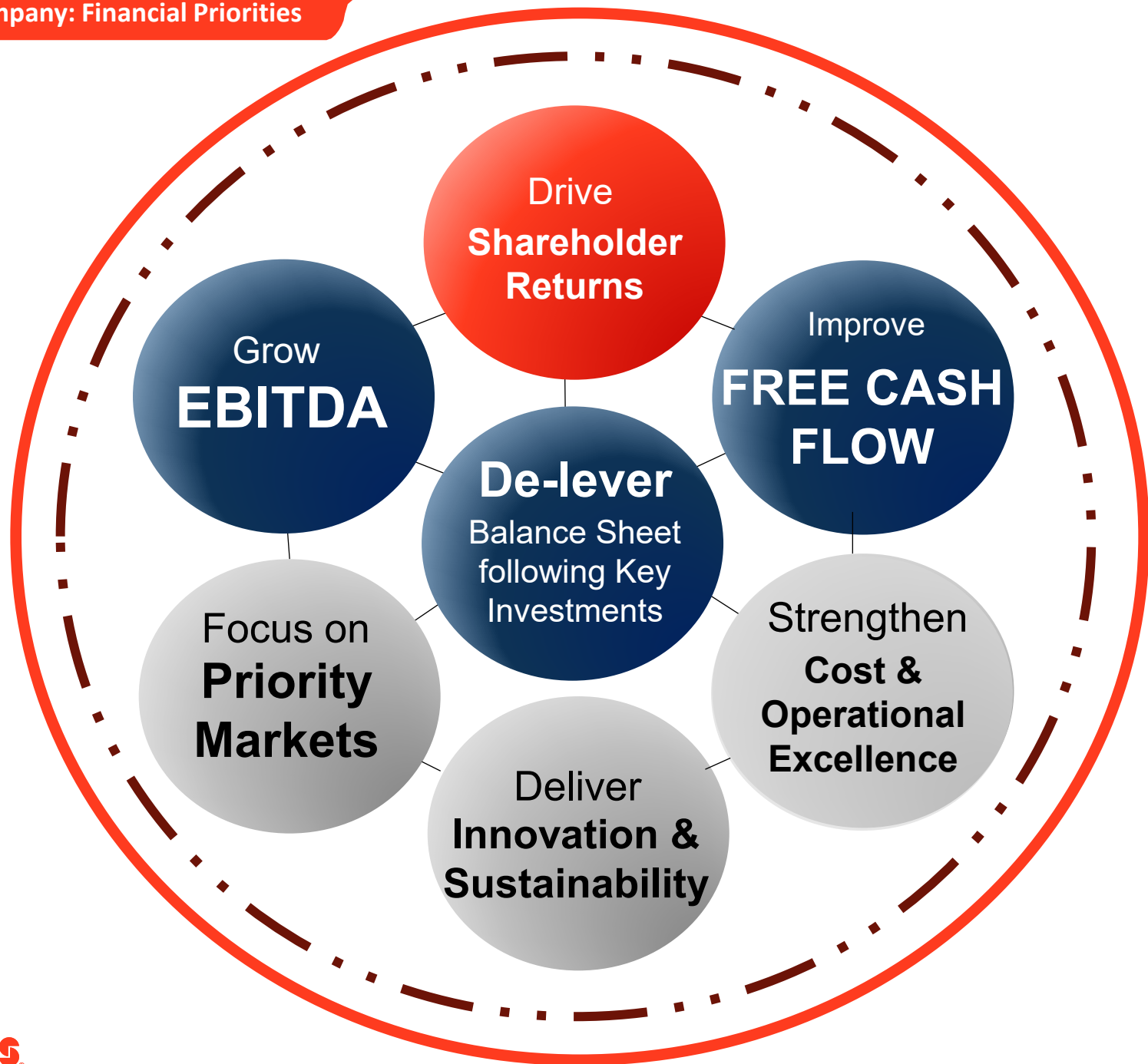
Low 1,4 Dioxane Investment



## Operational Excellence



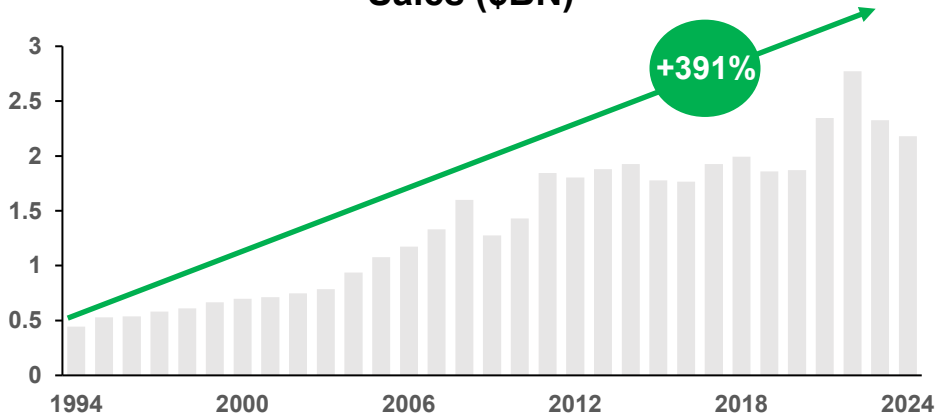
- Strengthen Continuous Improvement **Culture & Mindset**
- Drive Throughput **Productivity Gains**
- Improve **Reliability**
- Reduce **Cost**
- Limit **Overhead** Growth
- Help **Offset Inflation**
- Invest in **Automation**
- **Data Analytics** Roadmap
- Optimize **Asset Base**



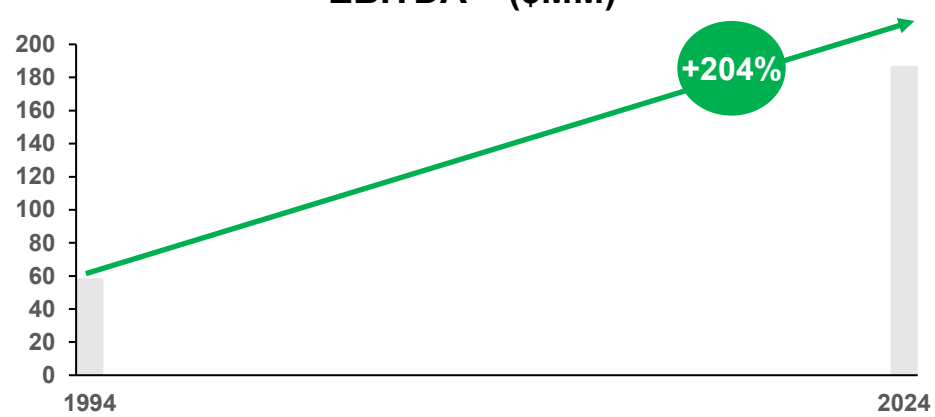
# Ready to Capture the Next Growth Cycle



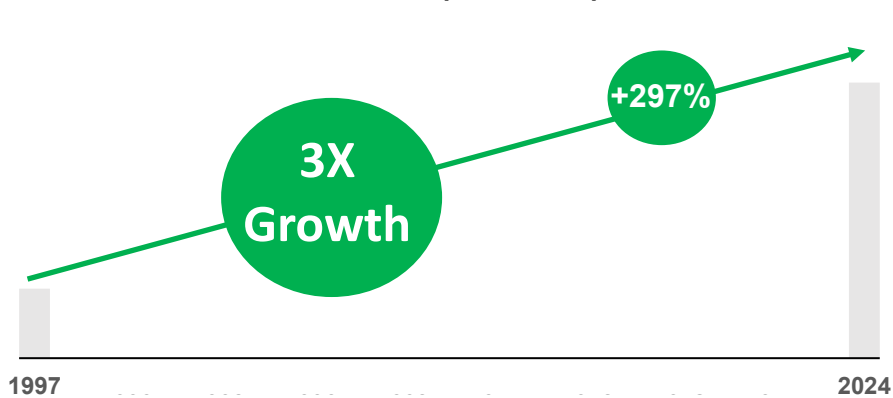
Sales (\$BN)



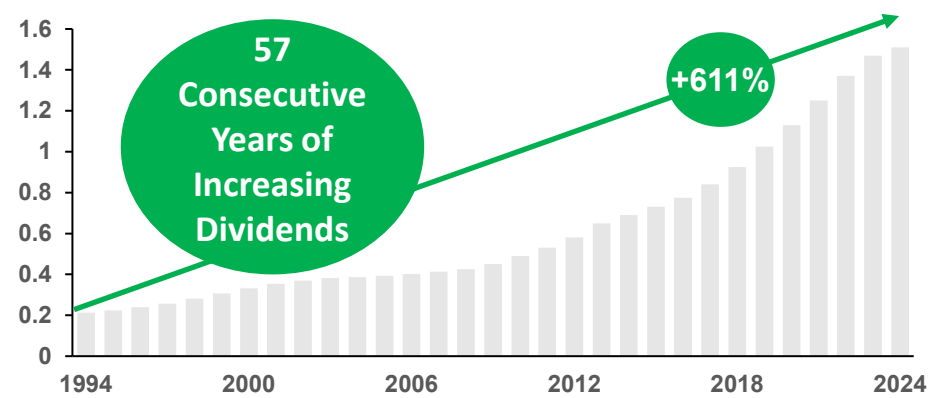
EBITDA<sup>(1)</sup> (\$MM)



Volume (Lbs, BN)



Dividends (\$)



# Sustainability Achievements & Recognition

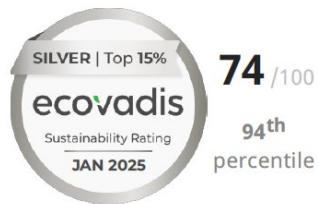
Recognized as “The Most Sustainable Chemical Company” by *World Magazine* in 2023



Stepan Company Issued its 5<sup>th</sup> annual Sustainability Report in 2024 highlighting its Advancements for a Resilient Future. Key Highlights Include:

- Advancements in Innovation
- Progress on Sustainability Goals
- Supplier Engagement
- ISCC PLUS Certifications

## Partnerships & Collaborations



Stepan Ranks in the **Top 94%** of Chemical Industry Manufacturers Assessed by EcoVadis



Stepan has Attained **International Sustainability & Carbon Certification (ISCC+)** for Multiple Manufacturing Sites, Enabling Intake and Production of Certified Bio-Based and Sustainable Materials



Stepan **Joined ASD** to Support Industry Efforts to Monitor and Engage on Emerging Supply Chain Risks



Through CO<sub>2</sub> Value Europe and Renewable Carbon Initiative, Stepan Engages and Seeks **Partnerships for New Raw Material Options** Converted from Emissions and Alternative Carbon Streams



# Surfactants - Growth Engines



## Agricultural Chemicals



## Oilfield Chemicals



## Construction & Industrial Solutions



## Personal Care Specialties



Market Growth Rate	GDP+	GDP+	GDP	GDP+
Market Size (TAM/SAM)	\$19B / \$3B	\$10B / \$2B	\$1B / \$1B	\$26B / \$8B
Estimated Market Share	~7%	~2%	~2%	~4%
Market Attractiveness	<ul style="list-style-type: none"> <li>Above GDP Growth Rates</li> <li>Long Term Macro Drivers for Growth are in Place</li> <li>Low Market Share Outside US</li> </ul>	<ul style="list-style-type: none"> <li>Above GDP Growth Rates</li> <li>Large Market Potential</li> <li>High Share Growth Potential for Stepan</li> </ul>	<ul style="list-style-type: none"> <li>Above GDP growth rates</li> <li>Aligns with Key Macro Trends</li> </ul>	<ul style="list-style-type: none"> <li>Personal Care has Robust Demand and has Held up well in the Market Environment</li> </ul>
Reason to Believe	<ul style="list-style-type: none"> <li>We Have a Strong Position with Tier 1 Crop Protection Companies</li> <li>Proven Partner to Crop Productivity Companies Through Formulation Services</li> <li>Agile Team in Brazil with Good Channel Partner Access</li> <li>EU Diversification Paying Off</li> </ul>	<ul style="list-style-type: none"> <li>Strong and Capable New Team, Supported by Industry Expertise and Experience</li> <li>Dedicated Laboratory Testing and Application Serving Global Customers</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrating GDP Growth Levels Through Portfolio Expansion (&gt;178% Growth of Platform in Past 5 Years)</li> <li>Stepan Caters to These Specialty Applications with Broad Expertise in Formulation Science</li> <li>High Application Know-How</li> </ul>	<ul style="list-style-type: none"> <li>Diverse Sulfate-Free Portfolio, Including Alpha Olefin Sulfonate (AOS), Sulfonated Methyl Esters and Amino Acid Surfactants</li> <li>Strong Position in AOS Manufacturing</li> </ul>

# Polymers - Growth Engines



## Rigid - Polyols



## Rigid - Spray Foam



	Rigid - Polyols	Rigid - Spray Foam
<b>Market Growth Rate</b>	GDP+	GDP++
<b>Market Size (TAM/SAM)</b>	\$23B / \$13B	\$2B / \$2B
<b>Estimated Market Share</b>	~60%	~2%
<b>Market Attractiveness</b>	<ul style="list-style-type: none"> <li>Above GDP Growth Rates</li> <li>Long Term Macro Drivers for Growth are in Place</li> <li>Market Share Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Above GDP Growth Rates</li> <li>Large Market Potential</li> <li>High Share Growth Potential for Stepan</li> </ul>
<b>Reason to Believe</b>	<ul style="list-style-type: none"> <li><b>Global Demand:</b> Insulation is vital for protecting food cold chains, managing data center temperatures, and coping with erratic weather.</li> <li><b>Energy Efficiency:</b> Insulation reduces energy use and carbon emissions, with the built environment contributing nearly 50% of global emissions.</li> <li><b>Polyiso's Position:</b> Polyiso offers top R-value insulation, providing economic benefits to contractors and building owners.</li> <li><b>Industry Stability:</b> The Polyiso industry invests in innovation and capacity, ensuring stability and high switching costs for partners.</li> <li><b>Sustainability:</b> Lower Carbon Footprint Future Including Bio and Recycled Raw Materials</li> </ul>	<ul style="list-style-type: none"> <li><b>Superior Insulation:</b> Spray foam offers excellent thermal resistance (R-value), reducing energy costs more effectively than traditional materials.</li> <li><b>Air-Tight Seal:</b> It expands to fill cracks and crevices, enhancing energy efficiency and reducing moisture, pests, and allergens.</li> <li><b>Durability:</b> Spray foam maintains its shape and effectiveness over time, providing long-term benefits.</li> <li><b>Environmental Benefits:</b> It helps reduce greenhouse gas emissions by improving energy efficiency, aligning with government regulations and sustainability goals.</li> </ul>



**Stepan** 

**Business Segment Review**



# Stepan Surfactants

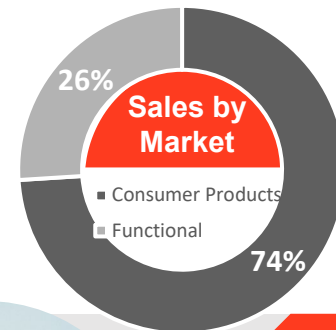
## MARKETS WE SERVE

- Agriculture
- Oilfield
- Construction & Industrial Solutions
- Personal Care
- Laundry & Cleaning
- Household, Industrial & Institutional Cleaning
- Antimicrobials
- Emulsion Polymerization

*Innovative chemical solutions for a cleaner, healthier, more energy efficient world.*

# Surfactants

One of the World's Largest Merchant Producers of Surfactants



**\$1.5B**

Net Sales

**10.3%**

Adj. EBITDA Margin\*



40+ years of Tier 1 customer relationships with growth emphasis on Tier 2/3 expansion and retention

**Customer Intimacy**

**Innovation & Growth**

Continued Expansion of Innovation Efforts with Growth Focus in Functional Markets - Agriculture, Oilfield, & Industrial

Relentless focus on fixed cost reduction, asset effectiveness and plant optimization

**Operational Excellence**

**Diversification**

Execute on Expansion of Global Alkoxylation Platform, Sulfate-Free Toolbox, New Markets Entry Through Strategic M&A and Partnerships

# Consumer Products

Broad Product Offerings and Expertise



## Personal Care

- Sulfate-Free Toolbox
- Expanding Specialty Portfolio
- Naturally Derived Ingredients
- Customized Formulation Support
- Low 1,4 Dioxane Ether Sulfates

**GDP+**  
Growth



## Laundry

- Process Efficiencies
- Flexible Feedstocks
- Low 1,4 Dioxane Ether Sulfates
- Alternative Chemistries

**GDP-**  
Growth



## HI&I

- Concentrated/ Solid Formats
- Green Certifications
- No/Low Volatile Organic Compounds (VOC)
- Low Foam, Film and Streak
- Bio-Based
- Low 1,4 Dioxane Ether Sulfates

**GDP**  
Growth

# Personal Care - Sulfate-Free

Stepan Makes Formulating with Sulfate-Free Surfactants Seamless, Adding the Much-Desired Consumer Benefits these Chemistries Provide such as Mildness and Super-Soft Feel to the Hair and Skin.



## Broad Portfolio

Wide Range of Offerings from Alpha Olefin Sulfonates to 90+% Bio-Based Surfactants



## Solve Challenges

Solutions for Thickening Sulfate-Free Systems, a Known Hurdle for Formulators vs. Sulfated Systems



## Meet Claims

SLS/SLES-Free  
"True" Sulfate-Free with Amino-Acid Based Surfactants

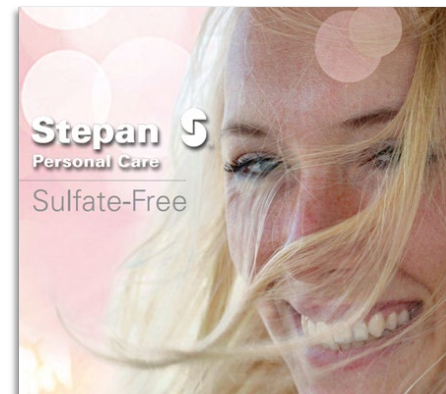


## Product Forms

Dry/Powdered Products  
Structured Liquids with Polymer-Free Suspension Power

Exceptionally Mild Glutamate Surfactant: MAPROSYL® 25G-HP is Well-Suited for Skin Cleansing Where Safety and "Baby Soft" Skin Feel are Priorities.

Best-in-Class Cleansing Performance: BIO-TERGE® AS-40 Provides Excellent Viscosity, Foam Characteristics, and Mildness Making it Well-Suited for a Variety of Applications.



# Consumer

Delivering on Investments in our Core While Expanding Customer Reach Aggressively

## \$37B

Total Addressable Market

## GDP-

Market Growth



Personal Care



Laundry



Household Industrial & Institutional

Stepan Supplies Some of the Largest Cleaning Companies in the World with a Broad Platform Commodity and Specialty Surfactants

Large Production Network Paired with Cost Control, Operational Excellence and Regulatory Compliance Enables Security of Supply, Stability & Scale

Continual Deepening of our Reach into Broad, Fragmented Segments to Access Fast-Moving, Agile, Growing Customers

Innovation Efforts Emphasize Sustainability, Ranging from Biobased to Sulfate-Free

Critical, Regulatory-Driven Investments at 3 Separate Sites Mark Stepan's Commitment to the Consumer Market



Stepan's Winder, Georgia Surfactant Plant, One of the Locations of Strategic 1,4-Dioxane Mitigation Investment

# Functional Products

Broad Product Offerings and Expertise



## Agricultural Chemicals

- Environmentally Friendly and Sustainable Solutions
- Improved Safety and Ecotox Profile
- Formulation Expertise & Services
- Customer Training
- World-Class Research & Development Facility

**GDP+**  
Growth



## Oilfield

- Serving Drilling, Production, and Stimulation Market Segments
- R&D and Sales Center located in Houston, Texas
- Focus on Reducing Operator Costs
- Enabling Freshwater Reuse
- Reducing Formation Damage
- One of three U.S. EPA registered Quaternary Technical Active Owners

**GDP+**  
Growth



## Construction & Industrial

- Serving a Variety of Construction and Industrial End Markets
- Broad Portfolio of Chemistries for a Multitude of Applications:
  - Alkylbenzene Sulfonic Acids
  - Ether Sulfates
  - Nonionic Surfactants
  - Esters and Cationic Surfactants
  - Emulsifiers
- Proprietary Blends & Developmental Chemicals

**GDP**  
Growth

# Agricultural Chemicals

Expanding Crop Protection Solutions with Growth in Soil Health

**\$3B** **GDP+**

CAGR

Current  
Addressable Market



Agricultural  
Chemicals

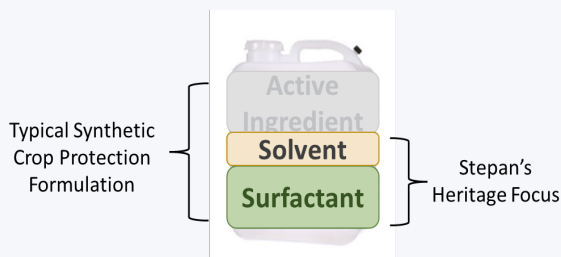


**\$19B**

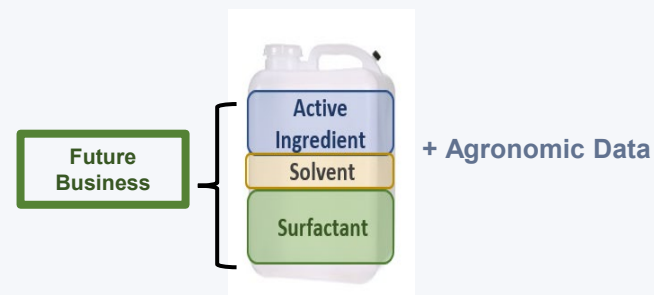
Total  
Addressable Market

*Traditional Agricultural Surfactants Business  
Focused on Formulation Efficacy for  
Fungicides, Insecticides, Herbicides and  
Tank Mix Adjuvants.*

*Future Formulations Emphasize Plant and Soil,  
Utilizing a Broader Toolbox of Chemistry and Biology  
to Create a Valuable Optimization of the Sustainable  
Growth of Food, Fiber and Energy for the World.*



Enhancing Efficacy & Application of  
Synthetic Pesticides

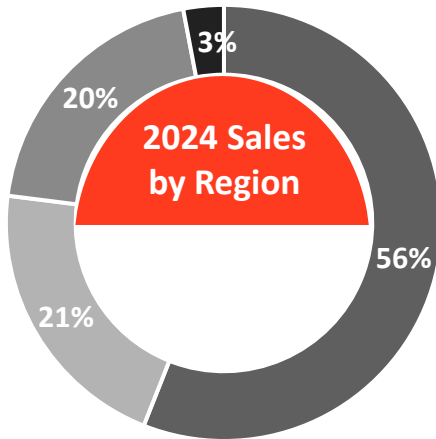


Enhancing Plant and Soil Health Through  
Synergistic Benefits of Chemistry, Biology  
and Application Technology

# Agricultural Chemicals

## Food Production Growth is Fueling Agricultural Chemical Demand

Stepan's Ag Segment Sales Growth



■ North America ■ Europe ■ LATAM ■ ASIA

“Food demand is expected to increase by 50% by 2050.”  
Source: Nature, July 21, 2021

“Tank Mix Adjuvants have shown to positively impact yield and generate sizable ROI (up to 39x) based on crop and location.”  
Source: Crop Life and Winfield United, February 2022

“Brazil projected to bring an additional 49 million acres into crop production by 2031.” Source: U.S. Department of Agriculture, September 2022

For reference: 49 million acres represents ~50% of corn planted acres in the US (2023)



*Key Player in the North American Market and an Established, Fast-Growing Presence in the South American Breadbasket. Stepan Continues to Commit to Innovation Investments Aimed at Addressing the World's Ever-Increasing Need for Food and Energy.*

# Oilfield Solutions

Diversified Upstream Market Portfolio for Global Use in Stimulation and Production



# \$10B

Total Addressable Market

# GDP+

CAGR

Core Chemistries From Other Segments Create Significant Value in Production and Stimulation

Oilfield Chemical Usage  
>> Stepan's Current Penetration, Offering Huge Opportunity For Future Growth

Expanded Alkoxylates Platform (Startup Late 2024) Adds Valuable Chemistry Toolkit to Grow Hydraulic Fracturing and Production Segments

Heavy North America Emphasis Today, but with Huge Market Opportunities in Other Regions

Through Focused Regulatory Support and EPA Registrations, Stepan is a Market Leader in Biocidal Components

*Stepan Oilfield Solutions Validates its Optimized Product Performance in Field Applications, Enabling Further Product Development Efforts Focused on the Dynamic Needs of the Industry.*



Demulsifiers



Production Enhancement



Registered Biocides



Flowback Aids

**\$2B  
Global  
Market  
Size<sup>1</sup>**

# Construction and Industrial Solutions (CIS)

Extensive Reach into Specialty Applications Across Broad End Markets

## \$1.4B

Total Addressable Market

## GDP

CAGR



Paints & Coatings



Construction



Other Industrial

Small Platform of Specialty Applications; Growing Rapidly

### Emulsion Polymerization & CASE

- Stepan's Alkoxyate Investment Enables Disproportionate Growth
- Activity Fueled by Paint and Coatings Market; Formulation Expertise Valued

Overall Market Growth Fueled by Housing Starts and Renovations

### Gypsum Wallboard

- Continued Growth Driven by Housing Starts, Projected to be >3% in 2024-2025
- Stepan is an Established Leader in Critical Drywall Components

Demonstrating >> GDP Growth Levels Through Portfolio Expansion (>178% Growth of Platform in Past 5 Years)

### Lubes & Textiles

Stepan Caters to These Specialty Applications with Broad Expertise in Formulation Science, Bringing Value via System Solutions

- Developing Key Industry Relationships
- Expanding Reach and Intimacy in Lubes Through Partnership Development

High Application Know-How Enables Strong Customer Relationships

### Mining & Firefighting

- Developing New Products for Environmentally-Preferred Fluor Surfactant Replacements

# Specialty Alkoxylates Expansion


Enabling Strategically-Targeted Growth Across our Surfactants Segment

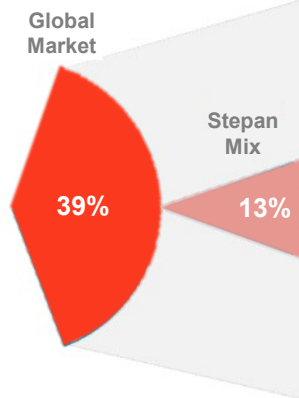
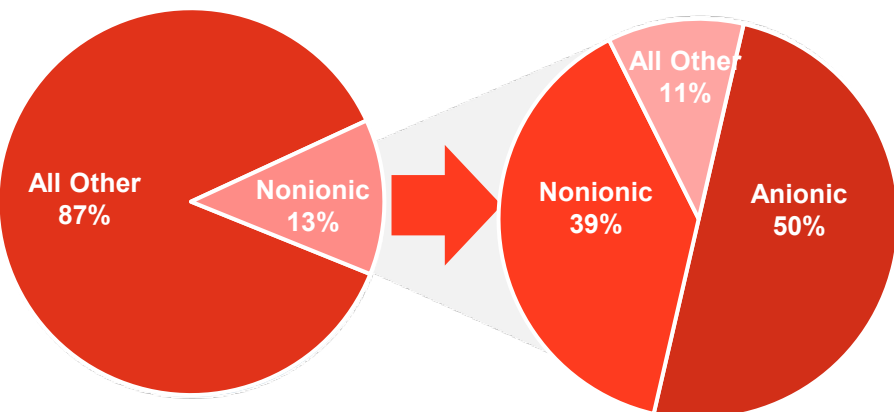
Stepan  
Global Surfactants

Global  
Surfactants Market

Global  
Market

Stepan  
Mix

End Market	Solutions for Customers
 <b>Personal Hygiene</b>	Naturally-derived ingredients
 <b>Cleaning &amp; Disinfection</b>	Low Foam, Degreasers, Direct Release, Low Film Streak Products
 <b>Agricultural Chemicals</b>	Adjuvants and Compatibility Aids, Emulsifiers for Active Ingredients, Active Stabilizers
 <b>Oilfield Solutions</b>	Stimulation Flowback Modifiers, Friction Reducer Boosters, Demulsifiers
 <b>Construction &amp; Industrial Solutions</b>	Phosphate Esters, Dispersants, and Wetting Agents for Paint Additives and CASE



Pasadena will be Stepan's Third Alkoxylation Site, Providing Strategically Located Redundancy and Long-Term Capacity for Growth in Ethoxylates and Propoxates

Alkoxylates are a Core Surfactant Technology Consumed Across Stepan's Key End Use Markets

State of the Art, Flexible, Multi-Reactor Facility with Approximately 75KTA of Annual Alkoxylation Capacity

Business Continued growing volume in 2024

## New Alkoxylation Operation in Pasadena, Texas



Pasadena, Texas, United States

# BioSolutions

Stepan's Innovation Incubator to Access Higher Value Solutions and End Markets



## Crop Productivity

Biocontrol



Biostimulants



**GDP+**

Growth



## Skin Care

Dandruff benefits



Acne benefits



**GDP+**

Growth



## Health Care

Wound Care



Infection Control



**GDP+**

Growth

Stepan Capabilities are Growing and Enhanced by Strategic Partnerships

# Stepan Polymers

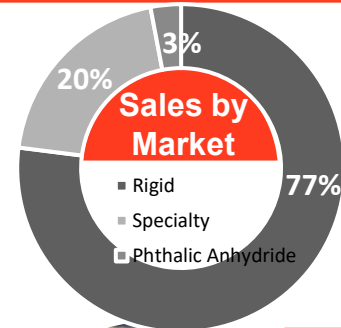
## MARKETS WE SERVE

- Rigid Polyols
- Spray Foam
- C.A.S.E. Polyols
- Powder Coating Resins
- Phthalic Anhydride

*Innovative chemical solutions for a cleaner,  
healthier, more energy efficient world.*

# Polymers

A Leading Manufacturer of Polyester Polyols Used in Rigid Foam Insulation with Ample Capacity to Support Future Demand Growth



**\$0.6B**

**12.5%**

Net Sales

Adj. EBITDA Margin\*



Provide Best-in-Class Technical Service to Deliver Value to our Global Customers

**Customer Intimacy**

**Innovation & Growth**

Superior Performance Through Leading Products Including Sustainability (Rigid Polyol) and Explore Options in the Building Envelope (M&A)

Complete Strategic Projects to Increase Business Continuity and Capacity and Manufacture at a Lower Cost

**Operational Excellence**

**Diversification**

Capture Growth in Spray Foam, Increase Penetration in Specialty Polyol, and Further PA Integration to Scale and Expand Global Network

# Polymers Focus Area

Attractive Solutions for High-Growth Markets



## Rigid Polyols

Insulation Performance for Commercial Space:

- High Insulation Energy Efficiency
- Emission Reduction
- Lower Carbon Footprint

**GDP+**  
Growth



## Spray Foam

Insulation Performance for Residential Space:

- Insulation
- Air Barrier
- Moisture Barrier

**GDP++**  
Growth



## Specialty Polyols

- Coatings
- Adhesives
- Sealants
- Elastomers (CASE)
- Powder Resins

**GDP**  
Growth



## Phthalic Anhydride

Prominent Manufacturer and Supplier of Phthalic Anhydride (PA), with Over 50 Years of Experience in the Industry.

- Vertically Integrated to Support Increased Rigid Polyol Demand
- Complex and Challenging Chemistry Leads to Market Exclusivity within PA's Additional Revenue Stream, the Merchant Market
- Diverse Applications of PA in Polyester Resins, Alkyd Resins, Plasticizers, and Engineered Plastics Across Multiple, Targeted, Growth End-Markets

**GDP-**  
Growth

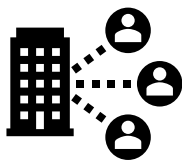
# Polymers

## Reason to Believe in Insulation and Polyiso Growth

### Megatrends and The Built Environment



Climate Change



Urbanization



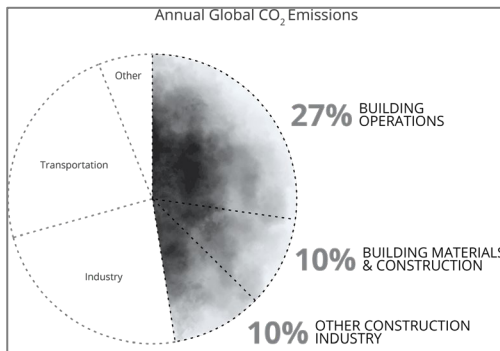
Demographic Shift



Emerging Wealth



Technology Shifts



The Built Environment is Responsible for About 42% of Annual Global CO<sub>2</sub> Emissions

Source: **BlackRock** architecture 2030

### Polyisocyanurate: Performance & Savings



Re-Roofing and Retrofits Offsets Cyclical Construction Downturns



Familiarity Within Architectural, Engineering & Contractor (AEC) Community



Applied Economics to Owner, Established Practices & Ease of Use/Installation



Long Term Warranties Ensure Replacement Pipeline



Size & Scale of Supply Chain, Distribution and Contractor Network



Investments in Capacity, Capability, Innovation & Sustainability

# Global Building Insulation Market

Developing Next Generation Polyols to Meet Increasing Energy Conservation Efforts and Regulatory Requirements

**\$37B**

Market Size

**GDP+**

CAGR<sup>1</sup>

**7%**

Historical CAGR<sup>2</sup>



Global Energy Conservation Efforts and Growth in Construction

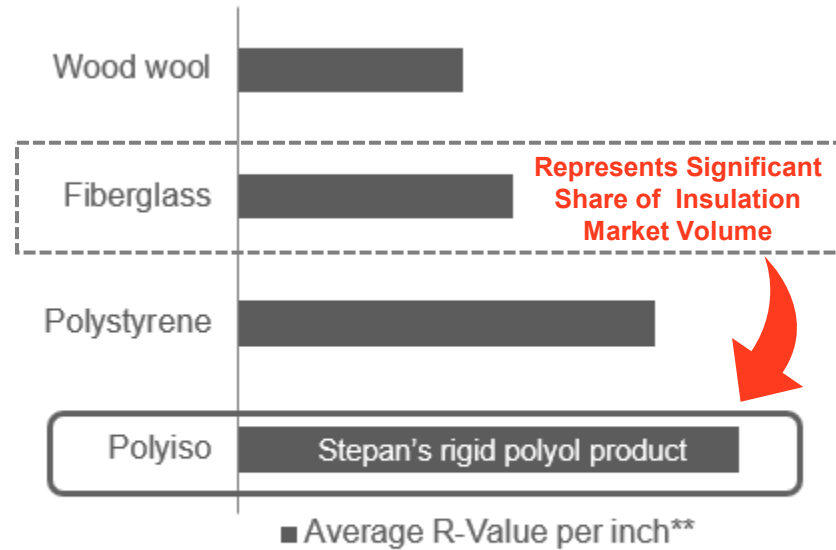
Government Mandated or Recommended Higher Insulation Levels in Buildings

Relative to Cost, our Polyiso (PIR) Polyols Impart Superior Insulation Performance and Versus Alternative Commercial Insulation Boards

Innovation in Product Technologies and Service Solutions to Lead Industry Productivity and Sustainability

Stapan Polyols Benefitting from Growth into Spray Polyurethane Foam (SPF) Insulation Where Superior Thermal, Air Sealing, and Structural Performance is Penetrating Residential Applications

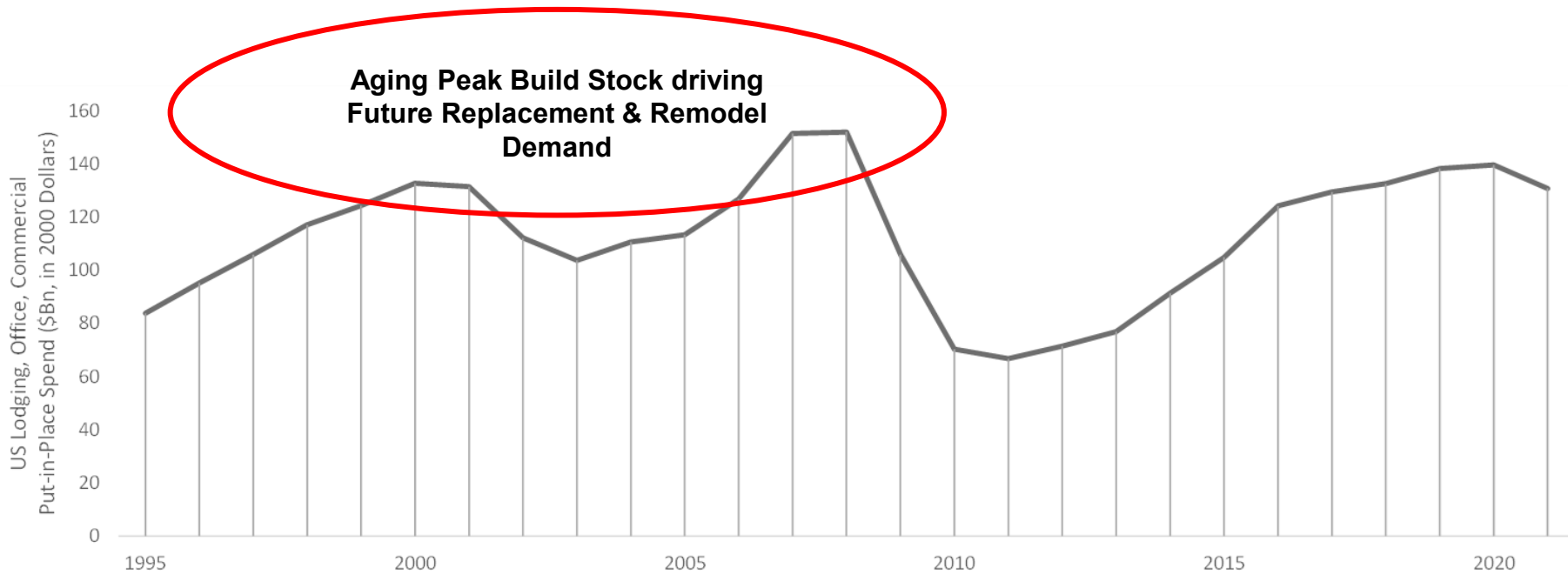
Opportunity



\*\*R-Value = measures the effectiveness of insulating materials; a higher R-value represents greater insulation performance

# Rigid Polyol US Re-Roofing – Growth Drivers

The US Building Stock has Aging Commercial Roofs that will Need to be Replaced



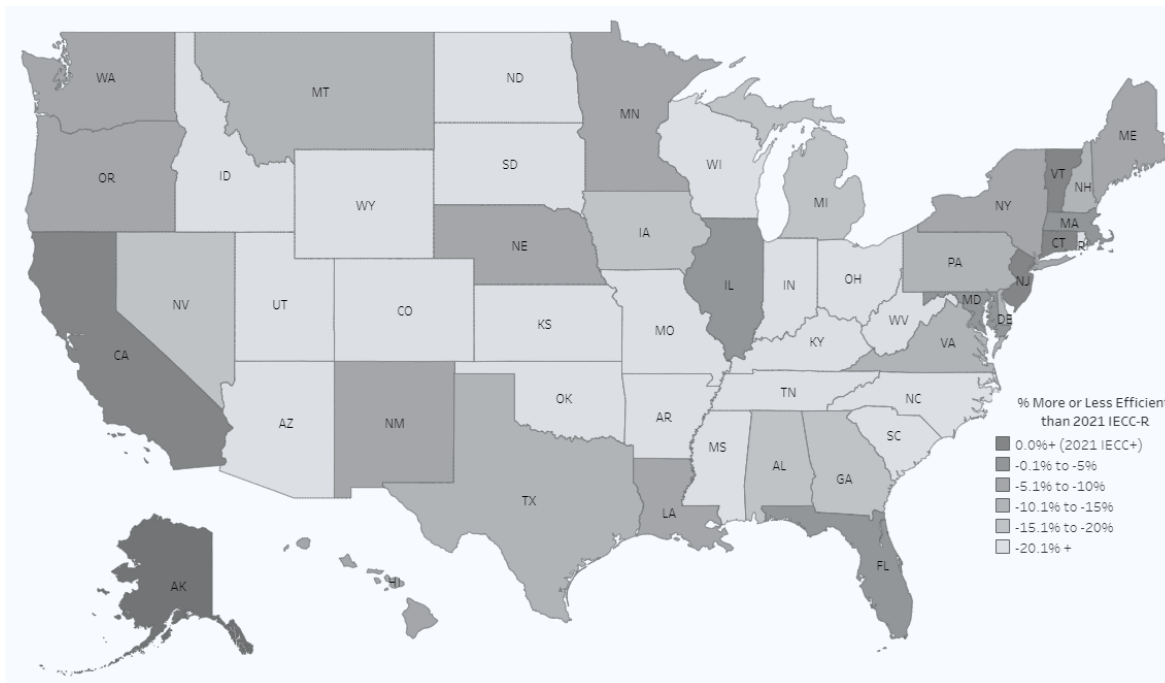
**Steady Increase in Re-roofing Demand as the Average Age of Roofs Continues to Increase**

**Polyiso Manufacturers are Investing in New Capacity, Signaling Higher Future Demand**

# Rigid Polyol U.S. Market Trend

State Adoptions of Updates to Model Energy Code Provide Growth Opportunities

## Room to Grow Into Latest Energy Codes



Source: ICC, BECP



The Amount of Insulation Required by the Model Energy Code **Doubled** From 2003 to 2019

# Rigid Polyol European Market Trend

## Strong Historical and Projected Market Growth

The Revised Energy Performance of Buildings Directive (EPBD) Aims to Accelerate Building Renovation Rates in 2024.

It Mandates Zero-Emission Standards for New Buildings by 2030 (2028 for New Public Buildings) and Targets Zero Emissions for all Existing Buildings by 2050.

Member States will reduce average primary energy use in residential buildings by 16% by 2030 and 20-22% by 2035.

At least 55% of this reduction must come from renovating the worst-performing buildings.

For non-residential buildings, revised rules target renovating 16% of the worst-performing buildings by 2030 and 26% by 2033.

### National Energy Efficiency Renovation Targets Examples

**Belgium** – Houses/Apartments Purchased in 2023 with Label E or F Require Renovations to >Label D, Within 5 Years of Purchase

**Netherlands** – Objective to Renovate 200k Homes/Year by 2030

**France** – Objective to Renovate 370k Residential Buildings/Year by 2030, MaPrimeRénov' Grant Renovation Program

**Germany** – €17bn for Spending on More Efficient Buildings, with a Focus on the Renovation of Existing Buildings

**UK** – £7bn Would be Spent on Energy Efficiency in Next 2-3 Years, ECO+ Program (2023 to 2026)

Amount of Polyol Required by Building Codes



# Rigid Polyol China Market Trend

Strong Historical and Projected Market Growth

## China Market Growth Highlights

China Rigid Polyol Growth is Driven by the Dynamics of the Cold Storage Industry

China Cold Storage Capacity is Expected to Grow Annually by 5%, Attributing to the Significant Increase in Demand for Fresh Food and Produce

Higher Energy Efficiency Requirements and New Building Codes Secure Polyurethane Panel as the Predominate Insulation Solution (>90%) in the Cold Storage Industry



Nanjing, China

## Amount of Polyol Required by Cold Storage Space



0.5 Kg Polyol / M<sup>2</sup>  
( Year 2017 )

1.7 Kg Polyol / M<sup>2</sup>  
( Year 2023 )

# Spray Foam's (SPF) Rise in North America

SPF Provides Powerful Insulation Advantages to Home and Building Owners



Spray Foam Coalition to Drive Greater Adoption vs. Fiberglass



## Spray Foam Insulation Driven by Strong Tailwinds:

- Closed & Open Cell CAGR in Low Double Digits
- Adoption of Spray Foam vs. Fiberglass is Increasing
- Key Customers Advancing Investments in Spray Foam Mid-to-Long Term
- Increasing Number of Market Entrants Illustrates Attractiveness

### Performance Benefits

Vs.

### Other Insulations



Well Insulating



Air Tightness



Prevents Moisture Intrusion



Durable & Resilient



The Preferred Platform for Spray Foam Insulation



Tactics

### Phase 1:

- Market Entry with Stable Industry Equivalent Products

### Phase 2:

- Develop Differentiated Products that Offer Improved Fire Properties or Reduced Customer Formula Cost
- Project Pipeline Fill Through the Technology Roadmap Process

# Polymers – Rigid Polyol Innovation

Advancing Product and Service Leadership in the Rigid Polyurethane Insulation Market

## Next Generation Polyols

- Commercialized New Polyol with Enhanced Thermal Insulation Performance Across a Wide Range of Temperatures
- New TERATE® Polyols for North American Spray Foam Market to Improve Formulation Flexibility and Performance
- New Polyols Under Development to Improve Embodied and Operational Carbon Along with Performance Enhancements by Integrating STEPANPOL® and TERATE® Technology Know-How



## Sustainability Innovations

### Decarbonization of Building Materials

- Polyols Derived from Bio-Based and Recycled Content to Reduce Scope 3 Emissions and Product Carbon Footprint
- Developing Advanced Chemical Recycling Technology to Enable Circularity Polyurethane/Polyisocyanurate Foam
- Progressed ISCC+ Certification in 2023 for Mass-Balanced Low Embodied Carbon Polyols Commercialization



## Digitalization in the Polyisocyanurate Production Process

- Introduction of Patented ‘Smart Laydown’ Technology Utilizing Computer Vision Hardware and Software to Optimize Foam Distribution in the Production Process
- Development of Smart Laydown and Rapid Quality Control Tools to Enable an Autonomous Process Through Machine Learning
- Data Science Based Advanced Technical Service Solutions to Improve Product Quality and Production Economics

# Polymers Specialties

## Key Component of Polymers Diversification Plans

Specialties Include Polyester Polyols Used to Formulate Polyurethane Coatings, Adhesives, Sealants and Elastomers (CASE)



Flexible Packaging Adhesive



Floor Coatings

CASE Assets are Positioned in Major Regions to Allow Supply to a Global Customer Base



Powder Coatings on Agriculture Equipment



Elastomers for Conveyor Belts

Regional Powder Resins Business Brings Additional Diversification for North America

### Trends

- Low VOC Coatings
- Functional Adhesives to Replace Mechanical Fasteners
- Circular Economy Leading to Increased Recycled Content
- Non-Isocyanate/Non-Amine Curing



### Customer Needs

- Polyurethane Formulating Experience
- Sustainable Solutions with Reduced Carbon Footprint



### Stepan Focus

- Service Excellence
- Technical Service with Targeted Solutions
- Hybrid Technology (PEEPs)



# Stepan Specialty Products

## MARKETS WE SERVE

- Beverages
- Dietary Supplements
- Flavors
- Food
- Nutrition
- Nutritional Powders
- Pharmaceutical

*Innovative chemical solutions for a cleaner,  
healthier, more energy efficient world.*

# Specialty Products

Producer of Natural Ingredients Used in Food, Nutrition & Pharmaceutical Industries



**\$63MM**

Net Sales

**42.5%**

Adj. EBITDA Margin\*



Maintain Service to Existing Business and Evaluate Long-Term Growth Strategy in the Food and Nutrition Segment

**Customer Intimacy**

**Innovation & Growth**

Leverage Patented Technology to Continue Growth in Multiple Product Lines In Addition to Formula Mix

Expand Margin While Optimizing Supply Chain

**Operational Excellence**

**Diversification**

Diversify Medium-Chain Triglycerides (MCTs) into Higher Margin Products (Beauty Care)

# Medium-Chain Triglycerides (MCTs)

Driving Growth Through Focused Excellence and Providing Customers with Value-Added Solutions

**\$1B+**

Market Size

**GDP+**

Market CAGR



Market and Share Growth with our **NEOBEE®** Product Line. White Space Expansion Opportunities.



# Thank You

Samuel S. Hinrichsen  
VP and Interim Chief Financial Officer  
847-446-7500

**Stepan** 

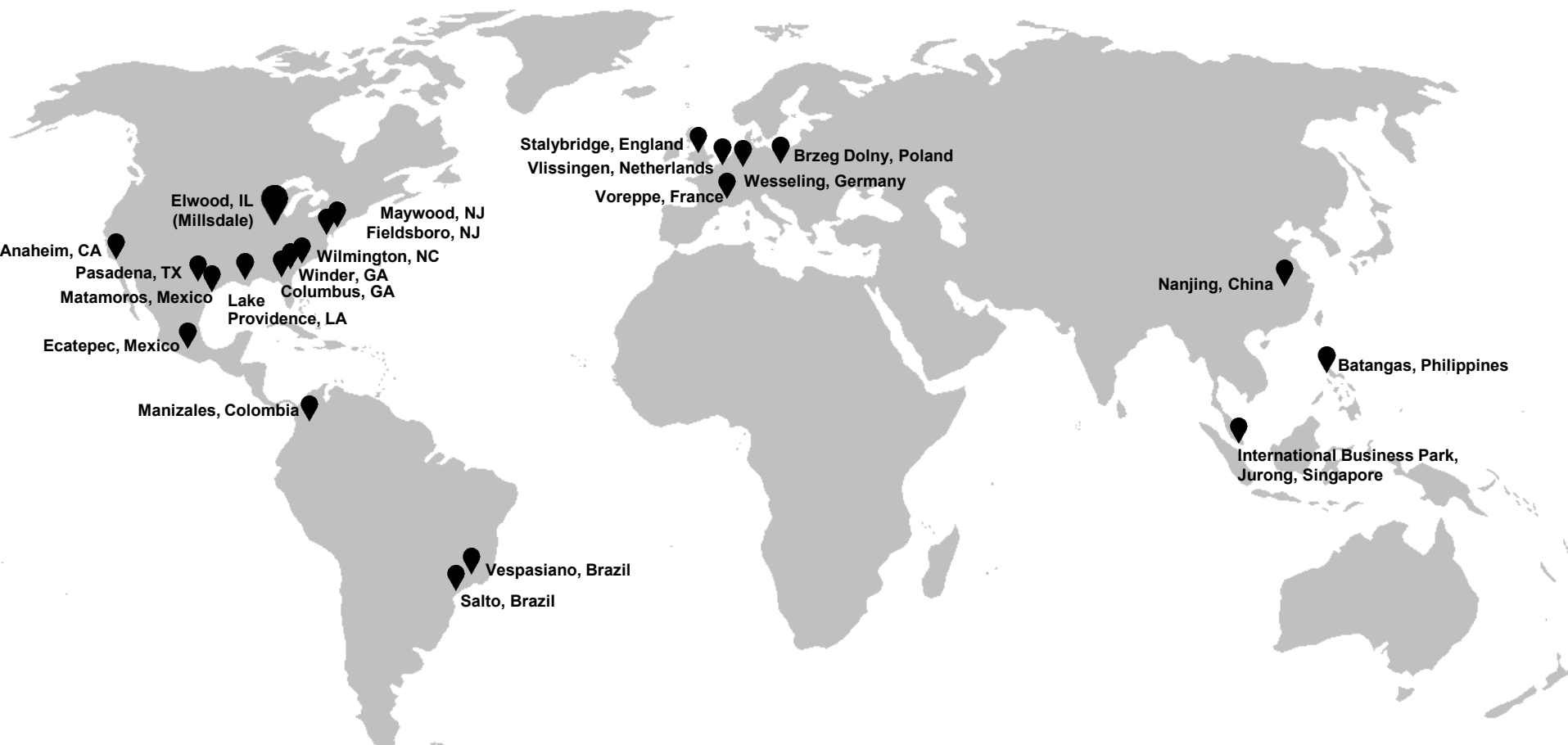
# Appendix

Additional Sources of Information and Definitions



# Stepan Network

Strong Global Network to Provide Exceptional  
Technical and Sales Support for Our Customers



**22 Manufacturing Sites Across 12 Countries**

# Financials



# Financials

Consolidated Statements of Income for the Years Ended December 31, 2024, 2023, and 2022

*(In thousands, except per share amounts)*

	2024	2023	2022
<b>Net Sales</b> (Note 1)	<b>\$ 2,180,274</b>	\$ 2,325,768	\$2,773,270
Cost of Sales	<b>1,908,060</b>	2,048,170	2,346,201
Gross Profit	<b>272,214</b>	277,598	427,069
Operating Expenses:			
Selling (Note 1)	<b>45,628</b>	48,367	59,030
Administrative (Note 1)	<b>98,277</b>	93,202	102,177
Research, development and technical services (Note 1)	<b>55,674</b>	59,039	66,633
Deferred compensation (income) expense (Note 12)	<b>2,155</b>	4,371	(9,393)
	<b>201,734</b>	204,979	218,447
Goodwill and other intangibles impairment (Note 4)	—	2,038	978
Business restructuring and assets impairment (Note 22)	—	11,968	308
Operating Income	<b>70,480</b>	58,613	207,336
Other Income (Expense):			
Interest, net (Note 6)	<b>(14,182)</b>	(12,103)	(9,809)
Other, net (Note 8)	<b>4,141</b>	1,881	(8,824)
	<b>(10,041)</b>	(10,222)	(18,633)
Income Before Provision for Income Taxes	<b>60,439</b>	48,391	188,703
Provision for Income Taxes (Note 9) <sup>1</sup>	<b>10,069</b>	8,187	41,550
Net Income	<b>50,370</b>	40,204	147,153
Net Income Per Common Share (Note 18):			
Basic	<b>\$ 2.21</b>	\$ 1.77	\$ 6.46
Diluted	<b>\$ 2.20</b>	\$ 1.75	\$ 6.38
Shares Used to Compute Net Income Per Common Share (Note 18):			
Basic	<b>22,832</b>	22,777	22,781
Diluted	<b>22,931</b>	22,946	23,064

# Financials

## Consolidated Balance Sheets December 31, 2024, and 2023

<i>(Dollars in thousands)</i>	2024	2023
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 99,665	\$ 129,823
Receivables, less allowances of \$10,827 in 2024 and \$11,143 in 2023	388,027	422,050
Inventories (Note 5)	288,722	265,558
Other current assets	34,015	34,452
Total current assets	<u>810,429</u>	<u>851,883</u>
<b>Property, Plant and Equipment:</b>		
Land	54,464	52,842
Buildings and improvements	399,226	335,033
Machinery and equipment	1,917,196	1,796,820
Construction in progress	275,045	400,363
	<u>2,645,931</u>	<u>2,585,058</u>
Less: Accumulated depreciation	<u>(1,447,477)</u>	<u>(1,378,393)</u>
Property, plant and equipment, net	<u>1,198,454</u>	<u>1,206,665</u>
Goodwill, net (Note 4)	91,368	97,442
Other intangible assets, net (Note 4)	42,673	52,571
Long-term investments (Note 2)	25,558	26,804
Operating lease assets (Note 7)	71,477	70,646
Other non-current assets	64,689	57,343
Total Assets	<u>\$ 2,304,648</u>	<u>\$ 2,363,354</u>
<b>Liabilities and Equity</b>		
<b>Current Liabilities:</b>		
Current maturities of debt (Note 6)	\$ 292,807	\$ 252,898
Accounts payable	258,787	233,031
Accrued liabilities (Note 14)	117,440	121,941
Total current liabilities	<u>669,034</u>	<u>607,870</u>
Deferred income taxes (Note 9)	9,612	10,373
Long-term debt, less current maturities (Note 6)	332,632	401,248
Non-current operating lease liability (Note 7)	57,392	58,026
Other non-current liabilities (Note 15)	66,044	69,347
<b>Commitments and Contingencies (Note 16)</b>		
<b>Equity (Note 10):</b>		
Common stock, \$1 par value; 60,000,000 authorized shares; 27,156,436 issued shares in 2024 and 27,005,852 issued shares in 2023	27,156	27,006
Additional paid-in capital	253,779	247,032
Accumulated other comprehensive loss (Note 19)	(196,838)	(130,602)
Retained earnings	1,273,886	1,257,466
Less: Common treasury stock, at cost, 4,655,798 shares in 2024 and 4,628,072 shares in 2023	<u>(188,049)</u>	<u>(184,412)</u>
Total Stepan Company stockholders' equity	<u>1,169,934</u>	<u>1,216,490</u>
Total Liabilities and Equity	<u>\$ 2,304,648</u>	<u>\$ 2,363,354</u>

# Financials

Reconciliations of Non-GAAP Adjusted Net Income and Adjusted Diluted Earnings per Share

(\$ in thousands, except per share amounts)	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2024	EPS	2023	EPS	2024	EPS	2023	EPS
Net Income Reported	\$ 3,350	\$ 0.15	\$ (1,193)	\$ (0.05)	\$ 50,370	\$ 2.20	\$ 40,204	\$ 1.75
Deferred Compensation (Income) Expense	\$ (762)	\$ (0.03)	\$ 2,243	\$ 0.10	\$ (1,805)	\$ (0.08)	\$ (551)	\$ (0.02)
Business Restructuring and Asset Impairment Expense	\$ -	\$ -	\$ 4,564	\$ 0.20	\$ -	\$ -	\$ 8,929	\$ 0.39
Goodwill and Other Intangibles Impairment Expense	\$ -	\$ -	\$ 1,422	\$ 0.06	\$ -	\$ -	\$ 1,422	\$ 0.06
Cash-Settled SARs (Income) Expense	\$ -	\$ -	\$ 71	\$ -	\$ -	\$ -	\$ (74)	\$ -
Environmental Remediation Expense	\$ 169	\$ -	\$ 378	\$ 0.02	\$ 1,905	\$ 0.08	\$ 762	\$ 0.03
Adjusted Net Income	<u>\$ 2,757</u>	<u>\$ 0.12</u>	<u>\$ 7,485</u>	<u>\$ 0.33</u>	<u>\$ 50,470</u>	<u>\$ 2.20</u>	<u>\$ 50,692</u>	<u>\$ 2.21</u>

# Financials

Reported Operating Income to Adjusted Operating Income<sup>(1)</sup>

2024					
	Surfactants	Polymers	Specialty Products	Corporate	Total Stepan
Reported Operating Income	85.6	40.6	20.9	-	147.1
Cash Settled SARS	-	-	-	-	0.0
Corporate Expenses	-	-	-	(72)	(72)
Adjusted Operating Income	85.6	40.6	20.9	(72)	75.2

2023					
	Surfactants	Polymers	Specialty Products	Corporate	Total Stepan
Reported Operating Income	72.4	60.8	11.5	-	144.7
Cash Settled SARS	(0.1)	(0.0)	0.0	-	(0.1)
Corporate Expenses	-	-	-	(67)	(67)
Adjusted Operating Income	72.4	60.8	11.5	(67)	77.9

2022					
	Surfactants	Polymers	Specialty Products	Corporate	Total Stepan
Reported Operating Income	162.7	82.9	29.9	-	275.5
Cash Settled SARS	(0.2)	(0.1)	0.0	-	(0.3)
Corporate Expenses	-	-	-	(66)	(66)
Adjusted Operating Income	162.5	82.8	29.9	(66)	209.4

# Financials

## Operating Income to Non – GAAP Adjusted EBITDA<sup>(1)</sup>

### Twelve Months Ended December 31, 2024

(\$ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	\$ 85.6	\$ 40.6	\$ 20.9	\$ (76.6)	\$ 70.5
Interest, Net	\$ -	\$ -	\$ -	\$ (14.2)	\$ (14.2)
Other, Net	\$ -	\$ -	\$ -	\$ 4.1	\$ 4.1
Provision for Income Taxes	\$ -	\$ -	\$ -	\$ (10.1)	\$ (10.1)
Net Income	\$ 85.6	\$ 40.6	\$ 20.9	\$ (96.7)	\$ 50.4
Depreciation and Amortization	\$ 72.0	\$ 32.4	\$ 6.0	\$ 1.9	\$ 112.3
Interest, Net	\$ -	\$ -	\$ -	\$ 14.2	\$ 14.2
Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 10.1	\$ 10.1
EBITDA	\$ -	\$ -	\$ -	\$ (70.6)	\$ 186.9
Deferred Compensation	\$ -	\$ -	\$ -	\$ (2.4)	\$ (2.4)
Environmental Remediation	\$ -	\$ -	\$ -	\$ 2.5	\$ 2.5
Adjusted EBITDA	\$ 157.6	\$ 73.0	\$ 26.9	\$ (70.5)	\$ 187.0

### Twelve Months Ended December 31, 2023

(\$ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	\$ 72.4	\$ 60.8	\$ 11.5	\$ (86.0)	\$ 58.6
Depreciation and Amortization	\$ 64.4	\$ 32.4	\$ 5.8	\$ 2.7	\$ 105.3
Other, Net Income (Expense)	\$ -	\$ -	\$ -	\$ 1.9	\$ 1.9
EBITDA					\$ 165.8
Deferred Compensation	\$ -	\$ -	\$ -	\$ (0.7)	\$ (0.7)
Cash Settled SARs	\$ (0.1)	\$ -	\$ -	\$ -	\$ (0.1)
Goodwill and Other Intangibles Impairment	\$ -	\$ -	\$ -	\$ 2.0	\$ 2.0
Business Restructuring/ Asset Impairment	\$ -	\$ -	\$ -	\$ 12.0	\$ 12.0
Environmental Remediation	\$ -	\$ -	\$ -	\$ 1.0	\$ 1.0
Adjusted EBITDA	\$ 136.7	\$ 93.2	\$ 17.3	\$ (67.2)	\$ 180.0

# Financials

Calculation of Adjusted EBITDA Margin<sup>(1)</sup>, 2024 – 2018

<i>(in millions)</i>	<b>2024<sup>(2)</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net Sales	2,180.3	2,325.8	2,773.3	2,346.0	1,869.8	1,858.7	1,993.9
Net Income Attributable to Stepan Company	50.4	40.2	147.2	137.8	126.8	103.1	111.1
Provision for Income Taxes	10.1	8.2	41.6	34.6	43.4	22.8	26.7
Income Before Provision for Income taxes	60.4	48.4	188.7	172.4	170.2	125.9	137.8
Interest, Net	14.2	12.1	9.8	5.8	5.4	5.9	10.8
<b>EBIT</b>	<b>74.6</b>	<b>60.5</b>	<b>198.5</b>	<b>178.2</b>	<b>175.6</b>	<b>131.9</b>	<b>148.6</b>
Depreciation & Amortization	112.3	105.3	94.7	90.9	81.9	78.7	81.1
<b>EBITDA</b>	<b>186.9</b>	<b>165.8</b>	<b>293.2</b>	<b>269.1</b>	<b>257.4</b>	<b>210.6</b>	<b>229.7</b>
Pre-tax Adjustments							
Deferred Compensation	(2.4)	(0.7)	(2.4)	2.0	5.3	10.5	(1.0)
Cash Settled SARs		(0.1)	(0.3)	0.2	0.4	2.7	(0.7)
Goodwill and Other Intangibles Impairment		2.0					
Business Restructuring		12.0	0.2	3.4	1.2	2.7	2.6
Environmental Remediation	2.6	1.0	8.7	2.0		4.3	
Early Debt Repayment						1.2	
Interest Adjustment						(1.2)	
<b>Adjusted EBITDA</b>	<b>187.0</b>	<b>180.0</b>	<b>301.5</b>	<b>276.6</b>	<b>264.4</b>	<b>230.8</b>	<b>230.5</b>
<b>Adjusted EBITDA Margin</b>	<b>8.6%</b>	<b>7.7%</b>	<b>10.9%</b>	<b>11.8%</b>	<b>14.1%</b>	<b>12.4%</b>	<b>11.6%</b>

Adjusted EBITDA Margin Calculation: [Adjusted EBITDA / Net Sales = Adjusted EBITDA Margin]

# Financials

Reconciliation of Non-GAAP Adjusted EBITDA and Adjusted EBITDA Margin by Segment, 2024<sup>(1)</sup>

**Twelve Months Ended  
December 31, 2024**

<i>(\$ in millions)</i>	<b>Surfactants</b>	<b>Polymers</b>	<b>Specialty Products</b>	<b>Unallocated Corporate</b>	<b>Consolidated</b>
Net Sales	\$ 1,532.1	\$ 584.9	\$ 63.3	N/A	\$ 2,180.3
Net Income	\$ 85.6	\$ 40.6	\$ 20.9	\$ (96.7)	\$ 50.4
Depreciation and Amortization	\$ 72.0	\$ 32.4	\$ 6.0	\$ 1.9	\$ 112.3
Interest, Net	\$ -	\$ -	\$ -	\$ 14.2	\$ 14.2
Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 10.1	\$ 10.1
EBITDA	\$ -	\$ -	\$ -	\$ (70.6)	\$ 186.9
Deferred Compensation	\$ -	\$ -	\$ -	\$ (2.4)	\$ (2.4)
Environmental Remediation	\$ -	\$ -	\$ -	\$ 2.5	\$ 2.5
Adjusted EBITDA	\$ 157.6	\$ 73.0	\$ 26.9	\$ (70.5)	\$ 187.0
Adjusted EBITDA Margins	10.3%	12.5%	42.5%	N/A	8.6%

Adjusted EBITDA Margin Calculation: [Adjusted EBITDA / Net Sales = **Adjusted EBITDA Margin**]

# Financials

Quarterly Non-GAAP Adjusted EBITDA and Adjusted EBITDA Margin, 2023 - 2024

Adjusted EBITDA Total Stepan (millions USD)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Net Sales	651	580	562	532	551	556	547	526
Net Income	16	13	13	11	14	9	24	4
Depreciation & Amortization	26	27	26	27	28	28	28	29
Interest, Net	(3)	(4)	(3)	(2)	(3)	(3)	(4)	(5)
Provision for Income Taxes	4	3	3	1	6	8	(2)	(1)
Other Adjustments	6	7	9	1	6	6	7	8
Adjusted EBITDA	49	46	48	38	51	48	53	35
Adjusted EBITDA Margin	7.5%	7.9%	8.5%	7.0%	9.3%	8.6%	9.7%	6.7%

Adjusted EBITDA Margin Calculation: [Adjusted EBITDA / Net Sales = **Adjusted EBITDA Margin**]

# Financials

Total Debt to Net Debt<sup>(1)</sup>

(millions USD)	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Total Debt	625.4	654.1	587.1	363.6	198.7	222.1
Cash	99.7	129.8	173.8	159.2	349.9	315.4
Net Debt	525.7	524.3	413.3	204.4	(151.2)	(93.3)
Equity	1,169.9	1,216.5	1,166.1	1,074.2	986.7	891.8
Net Debt + Equity	1,695.6	1,740.8	1,579.4	1,278.6	835.5	798.5
Net Debt / (Net Debt + Equity)	31%	30%	26%	16%	(18%)	(12%)

Net Debt/TTM Adjusted EBITDA Ratio = 526/187 = 2.8

# Financials

Consolidated Statement of Income for the Year Ended December 31, 1994

Net Income to Non – GAAP Adjusted EBITDA<sup>(1)</sup>

<i>(In thousands, except per share amounts)</i>	<b>Twelve Months Ended December 31, 1994</b>
<b>Net Sales</b>	\$ 443,948
<b>Cost of Sales</b>	362,848
<b>Gross Profit</b>	81,100
<b>Operating Expenses:</b>	
Marketing	16,972
Administrative	17,082
Research, Development and Technical Services	12,281
Other Operating Expense	5,117
	51,452
Goodwill and Other Intangibles Impairment	-
Business Restructuring and Asset Impairment	-
<b>Operating Income</b>	29,648
<b>Other Income (Expense):</b>	
Interest, Net	(7,136)
Other, Net	(7,136)
<b>Income Before Provision for Income Taxes</b>	22,512
<b>Provision for Income Taxes</b>	8,667
<b>Net Income</b>	13,845
<b>Net Income Per Common Share</b>	
Basic	\$ 1.29
Diluted	\$ 1.26
<b>Shares Used to Compute Net Income Per Common Share</b>	
Basic	10,733
Diluted	10,988

<i>(\$ in millions)</i>	<b>Twelve Months Ended December 31, 1994</b>	
	<b>Consolidated</b>	
Operating Income	\$	29.6
Interest, Net	\$	(7.1)
Other, Net		
Provision for Income Taxes	\$	(8.7)
<b>Net Income</b>	<b>\$</b>	<b>13.8</b>
Depreciation and Amortization	\$	28.9
Interest, Net	\$	7.1
Provision for Income Taxes	\$	8.7
<b>EBITDA</b>	<b>\$</b>	<b>58.6</b>
Deferred Compensation	\$	-
Environmental Remediation	\$	-
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>58.6</b>

## Slide 8 – Market Sizes

- SP Global 2024 data; Spears & Associated January 2024; The Freedonia Group, Global Insulation, 2024

## Slide 18 and 19 – Market Growth and Size

- Stepan Projections, SP Global 2024 data; Spears & Associated January 2024; The Freedonia Group, Global Insulation, 2024

## Slide 27 – Agricultural Chemical Markets CAGR and Size

- SP Global 2024 data

## Slide 29 – Oilfield Chemical Market CAGR and Size

- Spears & Associates January 2024

## Slide 31 – Surfactants Market

- Stepan Projections, IHS Markit, Wood Mackenzie

## Slide 36 – Market CAGR, Size and Maps

- The Freedonia Group, Global Insulation, 2024

## Slide 37 - US Building Spend and Age

- US Census ([www.census.gov](http://www.census.gov))

## Slide 38 – US Commercial Energy Code Adoption Maps

- US Department of Energy

## Slide 39 – Rigid Polyol European Market Trends and Green Deal Information

- Document 2018/844/EU: Energy Performance of Buildings Directive as published by the European Commission
- Document ISBN 978-92-76-13831-0: The European Green Deal as published by the European Commission
- Document SWD(2020) 550 final: A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives

## Slide 40 – Rigid Polyol China Market Trend

- Cold Chain Association of China Federation of Logistics & Purchasing

## Slide 46 – MCT Markets CAGR and Size

- DataIntel

The information contained herein is provided for informational purposes only and is not intended to be all-inclusive. The information is based on Stepan Company's own knowledge at such time it is given and on the works of others and is subject to change without prior notice.

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