





Stepan®

Third Quarter 2026 Earnings Results

October 28, 2026

Safe Harbor

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: our ability to realize cost savings or operating efficiencies associated with strategic initiatives, including Project Catalyst; accidents, unplanned production shutdowns or disruptions in manufacturing facilities; reduced demand due to customer product reformulations or new technologies; our inability to successfully develop or introduce new products; compliance with laws and other legal restrictions, including those relating to the international scope of our business; domestic and 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 changes in global trade policies, tariffs, and retaliatory measures and countermeasures; currency exchange rate fluctuations; changes in tax policy and potential adverse tax consequences due to the international scope of our business; downgrades in our credit ratings or our ability to access the credit or capital markets if and when necessary; global political, military, security or other instability and increased security regulations; costs, delays and miscalculations in capacity needs related to expansion or other capital projects; interruption or breaches of information technology systems; unfavorable resolution of litigation against us; maintaining and protecting intellectual property rights; our ability to identify suitable acquisition candidates and successfully complete and integrate acquisitions; our ability to retain executive management and key personnel; and issues relating to compliance with our debt covenants. In addition to the risks described in the Company's periodic reports, the restructuring actions described herein may involve risks related to the execution of facility closures and asset decommissioning, potential operational disruptions, impacts on employees and local communities, environmental compliance, and the realization of anticipated cost savings and efficiencies.

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, except to the extent required by applicable laws.

Use of Non-GAAP Financial Measures

This presentation includes financial measures that are not calculated or presented in accordance with accounting principles generally accepted in the United States (GAAP): adjusted net income, adjusted earnings per diluted share (adjusted EPS), EBITDA, adjusted EBITDA, trailing-twelve-month (TTM) adjusted EBITDA, free cash flow, net debt and the ratio of net debt to TTM adjusted EBITDA (leverage ratio).

Adjusted net income and adjusted EPS are net income and diluted earnings per share, the most directly comparable GAAP measures, excluding non-operational deferred compensation income/expense, certain environmental remediation costs and other significant and infrequent items, including business restructuring charges, each net of tax. EBITDA is net income before provision for income taxes, interest expense, net, and plus depreciation and amortization. Adjusted EBITDA further excludes deferred compensation, environmental remediation and business restructuring and, where applicable, asset impairment, goodwill and other intangibles impairment and cash-settled stock appreciation rights. The most directly comparable GAAP measure is net income. Free cash flow is net cash provided by operating activities less capital expenditures. Net debt is total debt less cash.

The Company believes these measures, in conjunction with comparable GAAP measures, are useful for evaluating its operating performance and financial condition. Management uses this information as an indicator of business performance and believes it provides useful supplemental information because it excludes non-operational items that affect comparability between years. Management uses net debt to show a more complete picture of the Company's overall liquidity, financial flexibility and leverage level. These measures should be considered in addition to, not as substitutes for or superior to, measures prepared in accordance with GAAP, and may differ from similarly titled measures presented by other companies.

Reconciliations to the most directly comparable GAAP measures for the three and nine months ended September 30, 2026 and 2025 are included in the Company's earnings release, 'Stepan Reports Third Quarter 2026 Results,' dated October 28, 2026, furnished as Exhibit 99.1 to the Company's Current Report on Form 8-K and available on the Investors/Press Releases page at www.stepan.com and at www.sec.gov. Reconciliations of TTM adjusted EBITDA, the leverage ratio and, for periods not reconciled in the earnings release, free cash flow and net debt are provided in the Appendix.

Q3 2026 Highlights



Adjusted EBITDA(1) of $66.3MM, up 18% YoY

Organic volume growth (+7%) in all global segments, margin recovery and Catalyst savings.

Disciplined pricing in a volatile and inflationary environment

Well-executed pricing actions and pass-through mechanisms to offset raw material volatility

Project Catalyst on track

Executing safely and in line with expectations; expect to exceed 2026 savings target

Cash and Balance Sheet deleveraging focus

Positive Free cash flow(1) despite working capital build on strong demand and raw material increases.
Net leverage ratio improved to 2.4x.

Safety Performance

Strong performance in the last 12 months

(1) Non-GAAP measures. See "Use of Non-GAAP Financial Measures" on slide 3; reconciliation in the Q3 2026 earnings release, Table VI, note (3), and in the Appendix.

Stepan is well-positioned to manage disruption from the Middle East Conflict

Acting decisively on price to protect margins

Pass-through mechanisms and targeted increases expected to offset feedstock inflation

Regional production close to our customers

Manufacturing across all key Regions/Markets. Great advantage in the U.S. with a broad Footprint.

Feedstock flexibility and prioritizing customer supply

Dual petrochemical and oleochemical raw material streams provide flexibility against disruption

Maintaining financial and operational discipline

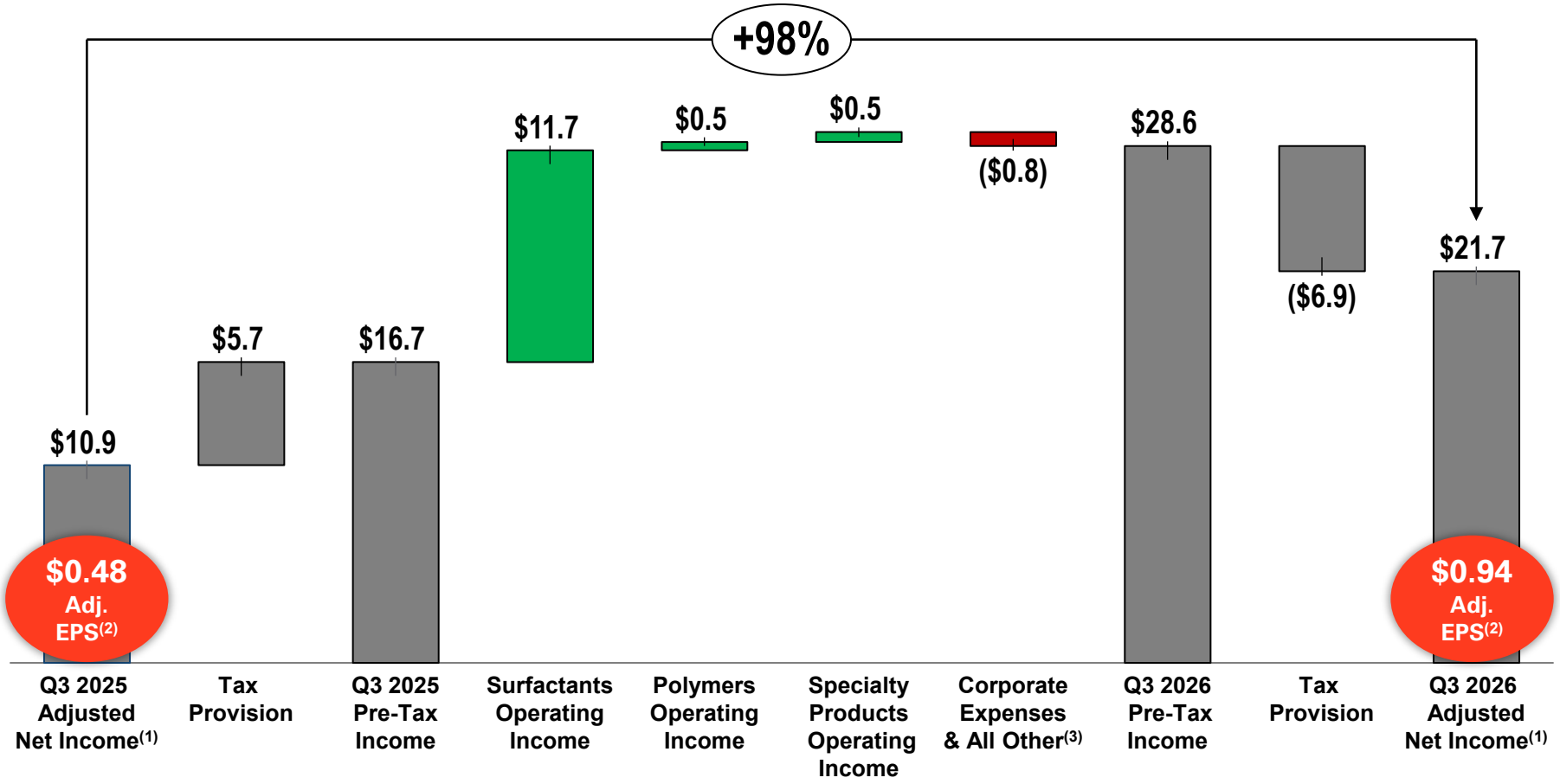
CORE FINANCIAL STRENGTH

Focused on cost reduction, working capital efficiency, and free cash flow generation



Adjusted Net Income[(1)] Bridge

Q3 2025 to Q3 2026

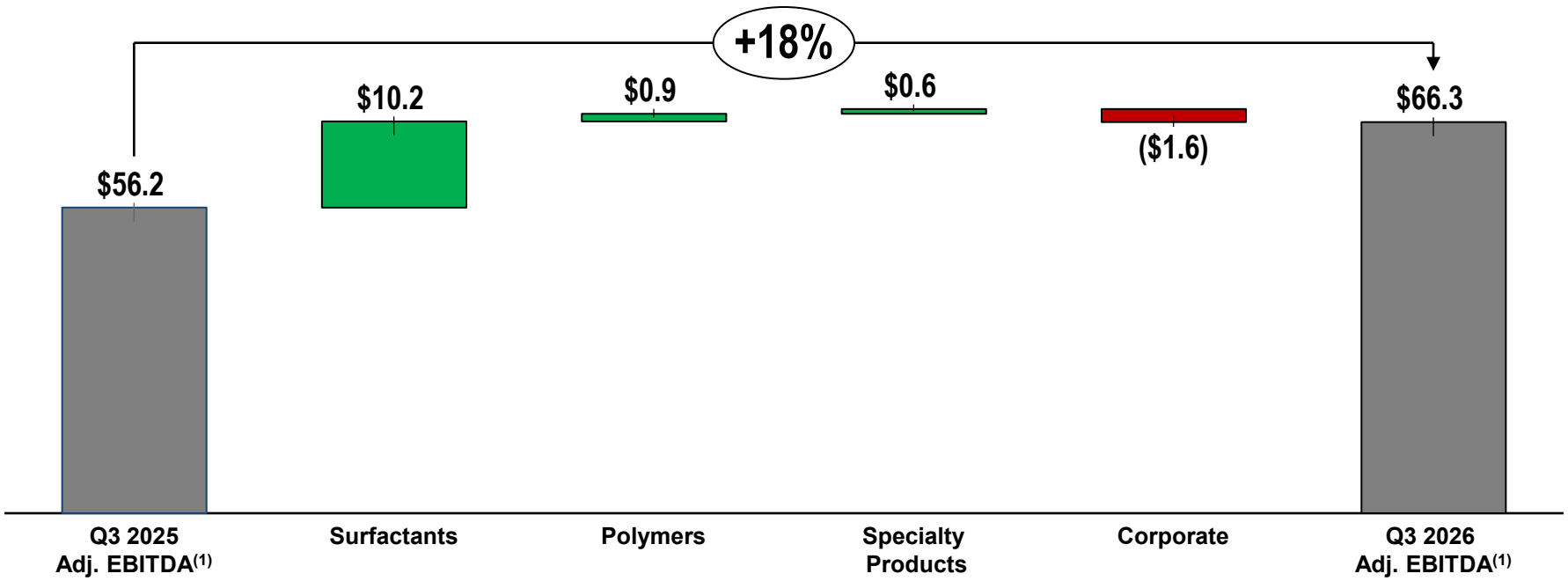


Note: All amounts are in millions of U.S. dollars.

(1) *Non-GAAP measures. See slide 3 for definitions; reconciliations in the Q3 2026 earnings release, Tables II and III.*
(2) *Non-GAAP measure; see footnote (1).*
(3) *Corporate Expenses & All Other consists of the following buckets: I. Corporate Expense of ($1.0) million, II. Other, net of ($0.3) million, and III. Interest Expense of $0.5 million.*

Adjusted EBITDA[(1)] Bridge

Q3 2025 to Q3 2026



Note: All amounts are in millions of U.S. dollars.

- **Surfactants:** **+$10.2MM (+27%)** – Driven by double-digit organic volume growth in the Consumer Products, Construction & Industrial and Oilfield end markets, partially offset by lower Crop Productivity demand.
- **Polymers:** **+$0.9MM (+4%)** – Strong North America Rigid Polyol and Phthalic Anhydride volume growth, partially offset by costs associated with the five-year regulatory-mandated maintenance turnaround at the Company's Germany site; lower Rigid Polyol volume in Europe; and softer demand in China.
- **Specialty Products:** **+$0.6MM (+5%)** – Double-digit volume growth (+20%) in the medium chain triglycerides product line, partially offset by less favorable product mix.
- **Corporate Expenses:** **($1.6MM)** – Normal inflation and higher incentive-based compensation reflecting stronger results..

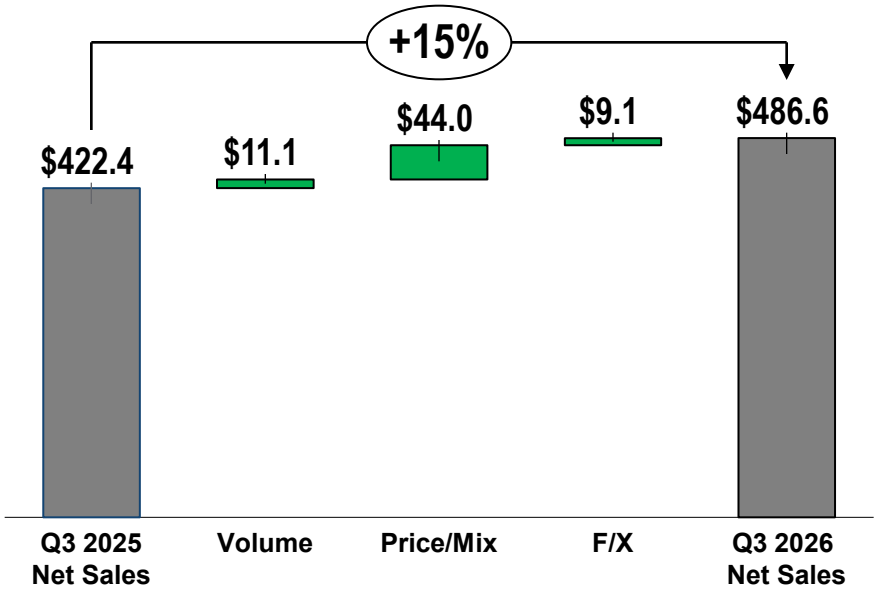
(1) *Non-GAAP measures. See "Use of Non-GAAP Financial Measures" on slide 3; reconciliation in the Q3 2026 earnings release, Table VI.*

Surfactants



Q3 2025 to Q3 2026

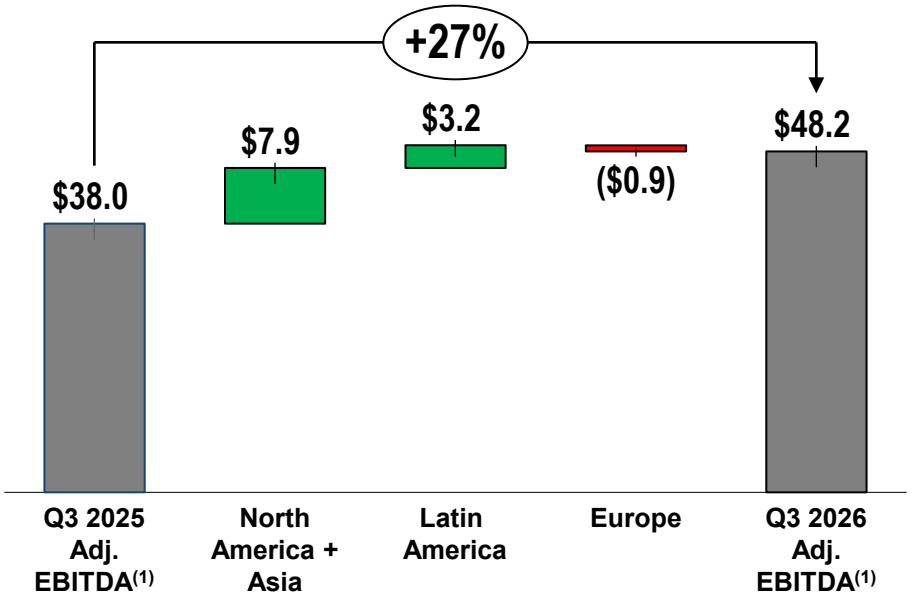
Net Sales Bridge



Note: All amounts are in millions of U.S. dollars.

- **Organic Volume** (ex-divestitures) increased 8% year-over-year; including double-digit growth in Consumer Products, Construction & Industrial and Oilfield end markets.
- **Price/Mix** increased 10%, driven by disciplined pass-through of higher raw material costs and targeted pricing actions.
- **F/X** positively impacted net sales by 2%.

Adjusted EBITDA(1) Bridge



Note: All amounts are in millions of U.S. dollars.

- **North America and Asia** earnings improved on Consumer Products, Oilfield and Construction & Industrial organic volume growth and margin recovery.
- **Latin America** earnings increased on strong double-digit organic volume growth, pricing execution and margin recovery.
- **Europe** earnings modestly lower as reduced Crop Productivity demand more than offset growth in Consumer end segments.

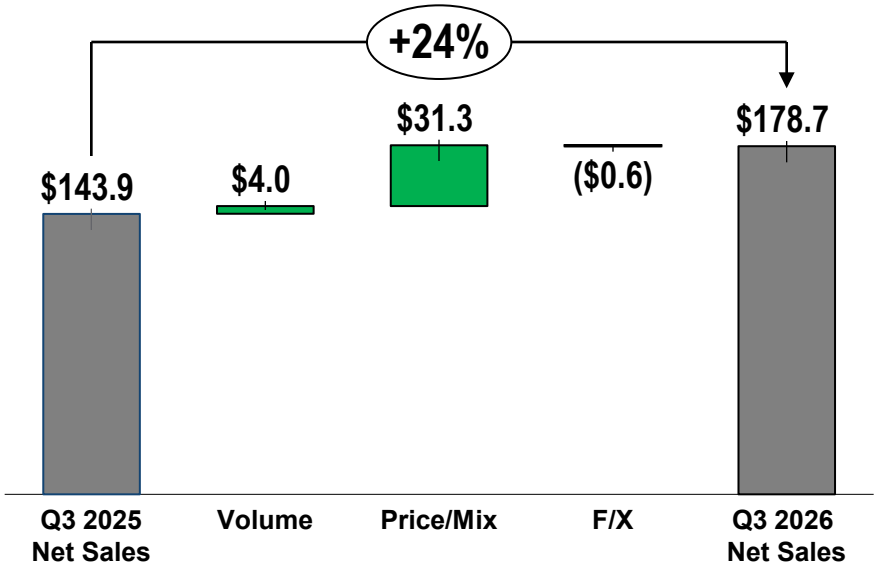
(1) *Non-GAAP measures. See "Use of Non-GAAP Financial Measures" on slide 3; reconciliation in the Q3 2026 earnings release, Table VI.*

Polymers

Q3 2025 to Q3 2026



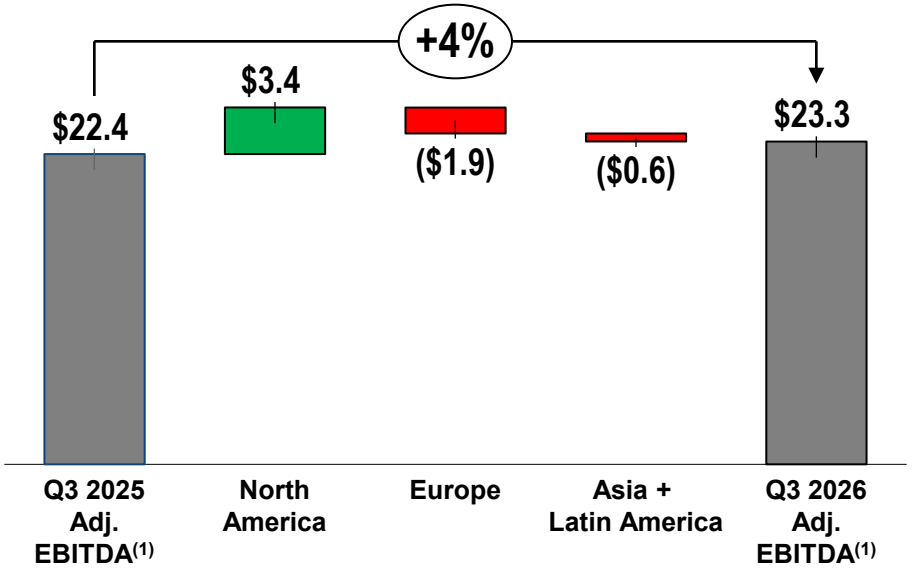
Net Sales Bridge



Note: All amounts are in millions of U.S. dollars.

- **Volume** increased 3% year-over-year; strong double-digit growth in North America Rigid Polyols and Phthalic Anhydride (PA), inclusive of significant growth in Spray Foam; partially offset by softer demand in Europe and Asia.
- **Price/Mix** increased 22% on pass-through of higher raw material costs.
- **F/X** negatively impacted net sales by 1%.

Adjusted EBITDA(1) Bridge



Note: All amounts are in millions of U.S. dollars.

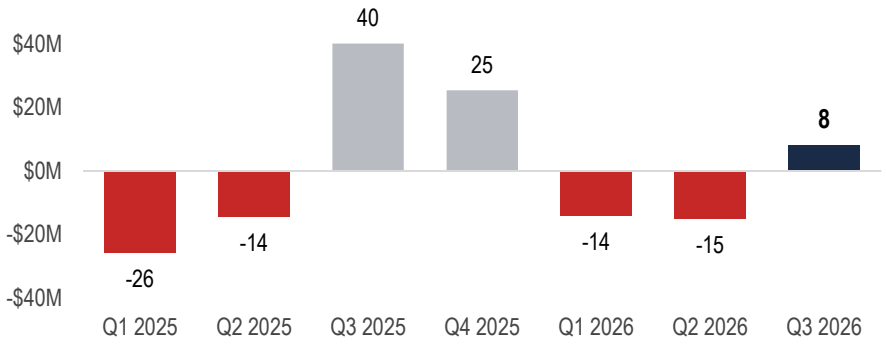
- **North America** Earnings improved on Rigid Polyol and PA volume growth and margin improvement.
- **Europe** EBITDA down $1.9MM, primarily driven by the five-year regulatory-mandated maintenance turnaround in at the Company's Germany site and continued soft construction demand
- **Asia** slightly lower on softer demand in China specialty polyols, partially offset by improved China Rigid Polyol margins.

(1) *Non-GAAP measures. See "Use of Non-GAAP Financial Measures" on slide 3; reconciliation in the Q3 2026 earnings release, Table VI.*

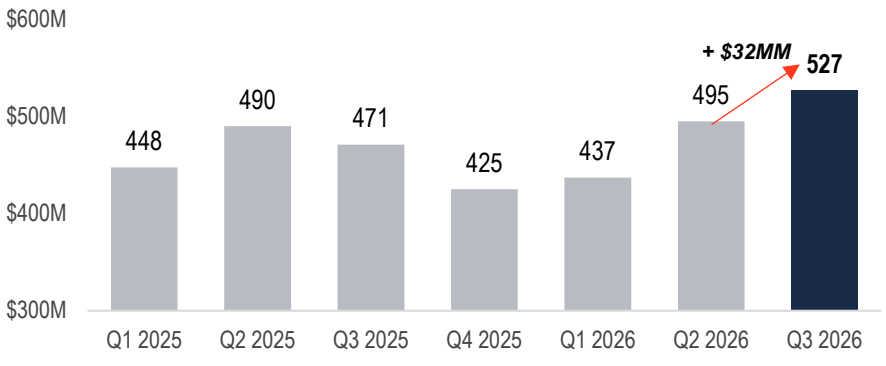
Balance Sheet & Cash Flow

Q3 2025 to Q3 2026

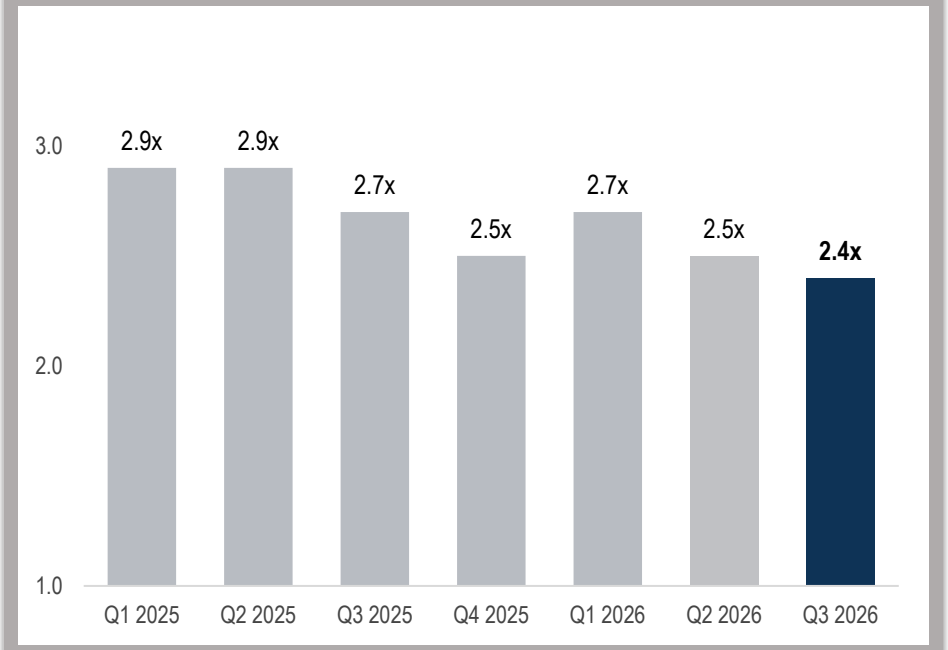
FREE CASH FLOW[5] – Quarterly



WORKING CAPITAL[4] – Quarter-End Balances



LEVERAGE RATIO — Net Debt[1] / TTM Adj. EBITDA[2]



Net Debt	TTM Adjusted EBITDA	Leverage Ratio[3]
$536MM	**$224MM**	**2.4x**
vs. $537MM Q3 2025	*vs. $200MM Q3 2025*	*vs. 2.7x Q3 2025*

[1] Non-GAAP measure. Reconciliation for September 30, June 30, and March 31, 2026 and December 31, 2025 in the Q3 2026 Earnings release; all other periods in the Appendix.
[2] Non-GAAP measure. Reconciliation in the Appendix.
[3] Non-GAAP measure, calculated as net debt divided by TTM adjusted EBITDA. Reconciliation of each period shown is in the Appendix.
[4] Includes the following major components of Working Capital: accounts receivable, inventory, accounts payable.
[5] Non-GAAP measure: net cash provided by operating activities less capital expenditures. Reconciliation of each quarter shown is in the Appendix

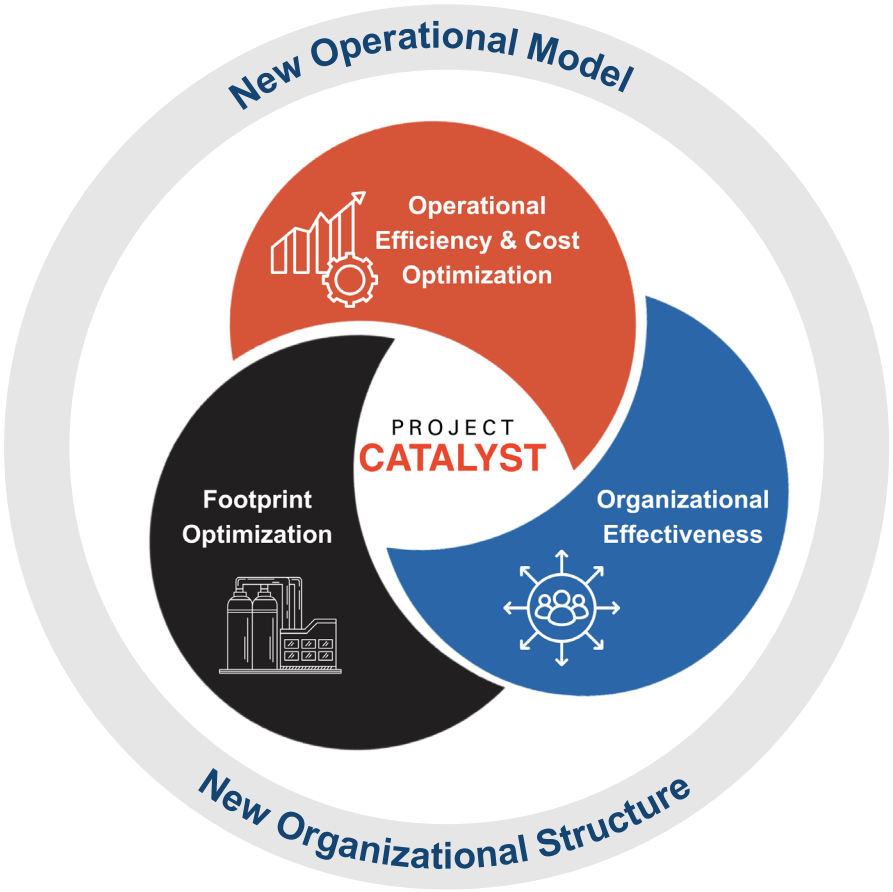
Delivering Superior Shareholder Value Through a Balanced Growth Strategy



Project Catalyst

Strengthening our Foundation for Long-Term Excellence

Project Catalyst is a comprehensive operational and efficiency initiative designed to deliver approximately **$100 million in pre-tax savings over the next two years**, with an expected ~60% realized in 2026. This program will streamline our global manufacturing footprint and strengthen the foundation for sustainable and profitable growth.



Operational Efficiency & Cost Optimization

- Capturing procurement savings while advancing productivity through end-to-end operational excellence

Footprint Optimization

- Optimize production and reduce cost by consolidating volumes into our network at efficient sites and high-performing assets, enhancing scale, reliability and productivity

Organizational Effectiveness

- Implement clear accountabilities across businesses and functions and focus resources to capture market opportunities to advance the Company's growth strategy. Around 100 salaried positions, or approximately 7 % of global salaried headcount, were reduced in Q3

Expecting to exceed 60% of the two-year $100MM pre-tax savings target in 2026

Thank You

Ruben Velasquez
Senior Vice President & Chief Financial Officer
+1-847-446-7500

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Appendix

Additional Sources of Information and Definitions

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Update on Certain Expectations



(millions USD)	2024 Actual	2025 Actual	2026 Forecast
Capital Expenditures	123	123	~105
Debt Repayments*	49	63	59
Interest Net	14	22	24 – 25
Depreciation & Amortization	112	126	125 – 130
Effective Tax Rate (%)	17%	22%	23 – 25%

* *Scheduled Principal Payments of Private Placement Notes*

Free Cash Flow (FCF)



Reconciliations

(million USD)	Q3 2026	Q3 2025
Cash Flow from Operations Before Working Capital(1)	48.6	46.9
Cash Flow from Operations	29.3	69.8
Capital Expenditures	(21.1)	(29.6)
Free Cash Flow	8.2 (2)	40.2

(million USD)	2025	2024	2023
Cash Flow from Operations	147.9	162.1	174.9
Capital Expenditures	(122.5)	(122.8)	(260.3)
Free Cash Flow	25.4	39.3	(85.5)

(1) Includes the following components of Working Capital: accounts receivable, inventory, accounts payable & other accrued liabilities and other current assets
(2) Includes $6.0 million of cash payments related to restructuring activities

Trailing Twelve Months



Reconciliations – Cont.

	09/30/2026 TTM – Adjusted EBITDA
Reported Operating Income	24.0
Depreciation & Amortization	127.9
Other Net Income (Expense)	1.5
Deferred Compensation	0.9
Environmental Remediation Expense	3.5
Goodwill and Other Intangibles Impairment Expense	6.2
Gain on Sales of Assets – Philippines	(5.1)
Gain on Sale of Assets – Lake Providence	(10.8)
Business Restructuring & Asset Impairment Expense	76.1
Adjusted EBITDA	224.2

Net Debt to Capital Trend

September 2022 – Q3 2026 (Quarterly)



(millions USD)	September 30, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	September 30, 2024	September 30, 2023	September 30, 2022
Total Debt	634.1	647.4	651.7	626.7	655.5	688.5	649.4	564.9
Cash	98.1	113.7	140.8	132.7	118.5	147.3	105.5	165.7
Net Debt	536.0	533.7	510.9	494.0	537.0	541.2	543.9	399.2
Equity	1,218.8	1,212.0	1,193.0	1,244.0	1,246.8	1,219.4	1,202.8	1,130.2
Net Debt + Equity	1,754.8	1,745.7	1,703.9	1,738.0	1,783.8	1,760.6	1,746.7	1,529.4
Net Debt / (Net Debt + Equity)	31%	31%	30%	28%	30%	31%	31%	26%

Net Debt/TTM Adjusted EBITDA Ratio = 536/224 = 2.4

Project Catalyst Update

Estimated Cash Impact – Site Closure & Select Asset

(USD millions)	Cash Q3 2026 YTD	Non-Cash Q3 2026 YTD	Cash FY 2026 Estimate(1)	Non-Cash FY 2026 Estimate(1)	Cash Expense 2027-2035 Estimate(1)
Decommissioning, Dismantling & Environmental (2)	**$7**	**-**	**$8 - $10**		**$18 -26**
Severance and People Related (3)	**$6**	**$1**	**$7 - $8**		**-**
Asset Write-Offs/Accelerated Depreciation	**-**	**$62**		**$62**	**-**
Total	**$13**	**$63**	**$15 - $18**	**$62**	**$18 - 26**

NOTE: The company anticipates recognizing restructuring charges in the range of $77 to $80 million in 2026; consistent with the February 2026 press release.

Catalyst Savings

- Catalyst Savings run-rate was approximately $23MM in Q3 2026, partially offset by inflationary pressure on Operating Expenses
- Reduction of approximately 100 salaried positions in Q3, representing approximately 7% of global salaried headcount
- In 2026, we expect to exceed 60% of the two-year $100MM pre-tax savings target
- We have identified actions that we believe will enable us to exceed the 25 million dollars per quarter goal on average during 2027.

(1) Estimates reflect a preliminary range and are subject to change. Variability within the range is primarily driven by uncertainties associated with the scope, timing and outcomes of environmental testing at the Fieldsboro, NJ facility, including the potential identification of conditions requiring additional remediation or regulatory actions.

(2) Decommissioning, dismantling and environmental costs reflect estimated cash expenditures associated with site closures, asset decommissioning and related compliance activities. Estimates are subject to variability based on the scope and timing of environmental assessments, regulatory review processes and remediation requirements.

(3) Severance and people related costs include employee separation, transition and benefit costs, as well as other costs directly related to the restructuring and organizational effectiveness actions undertaken as part of Project Catalyst. These costs exclude ongoing operating expenses and costs not directly associated with the restructuring actions described herein.