



Stepan
Annual
Report

'21

Delivering Our Future Now

Financial Highlights

(in thousands, except per share and stockholder amounts)	2021	2020	% CHANGE (2021 VS. 2020)	2019	% CHANGE (2020 VS. 2019)
Net Sales	\$2,345,966	\$1,869,750	+ 25	\$1,858,745	+ 1
Net Income Attributable to Stepan Company	137,804	126,770	+ 9	103,129	+ 23
Per Diluted Share	5.92	5.45	+ 9	4.42	+ 23
Percent of Net Sales	5.9%	6.8%	- 13	5.5%	+ 24
Percent Return on Average Equity	13.4%	13.5%	- 1	12.1%	+ 12
Depreciation and Amortization	90,876	81,860	+ 11	78,701	+ 4
Capital Expenditures	194,482	125,792	+ 55	105,572	+ 19
Dividends Per Common Share	\$ 1.25	\$ 1.13	+ 11	\$ 1.03	+ 10
Working Capital	412,892	489,097	- 16	479,675	+ 2
Current Ratio	1.8	2.2	- 18	2.4	- 8
Long-Term Debt, Less Current Maturities	322,862	160,812	+ 101	198,532	- 19
Total Stepan Company Stockholders' Equity	1,074,193	986,693	+ 9	891,783	+ 11
Total Stepan Company Stockholders' Equity Per Share	47.91	43.91	+ 9	39.61	+ 11
Average Common Shares Outstanding (Diluted)	23,287	23,256	-	23,316	-
Number of Stockholders	1,770	1,738	+ 2	1,730	-

STOCK INFORMATION

New York Stock Exchange, Symbol SCL

	2021	2020
Stock Price Range	\$109.75-\$137.95	\$71.35-\$129.16
Dividend (Common)	\$ 1.25	\$ 1.13
Earnings Per Diluted Share	\$ 5.92	\$ 5.45
Return on Equity	13.4%	13.5%
Book Value	\$ 47.91	\$ 43.91
Shares Outstanding	22,419,985	22,472,790

Certain information in this annual report consists of forward-looking statements, which are not historical facts. These statements are subject to risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including without limitation, those described in the Company's Form 10-K, Form 10-Q and Form 8-K reports filed with the Securities and Exchange Commission, and risks and uncertainties related to the impact of the Covid-19 pandemic; 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 executive management and key personnel; and our debt covenants.

All photos were taken under strict Covid-19 guidelines.

Cover Photo: **Faith Savanhu**, Senior Research Chemist, Northfield, Illinois; **Jacob Cogar**, PTD Specialist II, Millsdale, Illinois

Dear Fellow Shareholders

2021 was another difficult year for our world, our country and our industry as Covid-19 and weather events created employee, raw material and transportation challenges that impacted global supply chains. At Stepan, our employees' commitment and agility allowed us to meet customer requirements and grow income while taking significant steps to *Deliver Our Future Now*.

In 2021 we utilized our strong balance sheet to buy INVISTA's Polyester Polyol business, initiated the most significant capital project in our history, a \$220 million specialty alkoxylation facility at our Pasadena, Texas site and advanced our development of biosurfactants with the acquisition of a world-scale fermentation plant and the construction of a new laboratory dedicated to fermentation. Each of these projects will have a significant impact on the future growth and profitability of Stepan Company.

DELIVERING RESULTS

Reported net income for 2021 was \$137.8 million and adjusted net income was \$143.5 million, up 9% from last year, both records. Earnings per share were \$5.92, up 9% from 2020; adjusted earnings per share were \$6.16, up 9% from 2020. Our Surfactant business benefited from sequential growth of our Functional business. Polymer results increased primarily as a result of the INVISTA acquisition. Specialty Product results were up slightly from 2020. Our adjusted EBITDA margin declined 235 basis points due to rapid raw material price inflation and lower margins in our US Rigid Polyol business. Net sales of \$2.3 billion increased 25% over 2020 due to the INVISTA acquisition, a 2% increase in volume and higher selling prices due to the significant raw material and transportation cost inflation. Based on continued strong operating cash flows, our Board of Directors approved a 9.8% increase in our quarterly dividend, marking the 54th consecutive year of increased shareholder dividends.

Surfactants made \$166.0 million in operating income in 2021, down 2% from 2020. Sales volume declined 5% due to lower demand from peak pandemic volumes for cleaning, disinfecting and personal wash products and supply chain disruptions that impacted our ability to fulfill market demand. Despite the supply chain challenges, we experienced strong growth within our Functional markets with Agriculture, Oilfield and Construction Additives volumes growing. Our Oilfield business benefited from increased demand in production chemicals, including biocides. A highlight for the year was the opening of our new Agriculture Innovation Center located in Winder, Georgia. The \$9 million state-of-the-art facility includes greenhouses in which we develop and test prototype formulations and additives for improved crop productivity and soil health.

We are expanding amphoteric capacity in Mexico and the United States to meet growing demand from our Consumer Product customers. The recently completed biocidal quaternary capacity expansions in Mexico and the United States ensure we have capacity to meet growing demand in Consumer, Industrial and Institutional disinfection products and for use in the production and stimulation segments in the Oilfield market. Our Rhamnolipid development plan remains on track including the opening of a new fermentation lab in Northfield, Illinois. We see wide and growing interest for bio-based surfactants and believe Rhamnolipids are a sustainable solution for both our Functional and Consumer Product customer needs.

Customer diversification remains a key growth driver and we added for the second year in a row over 1,000 new customers globally. Our customers rely on our formulation knowledge and extensive product portfolio to assist them in the development of their next generation products. Delivering this value-added service in the new, more virtual world remains a priority. To that end, we further enhanced our digital customer engagement last year with the redesign and launch of our updated website which brought new on-demand technical performance and formulation videos to our customers across the globe. We also created and hosted over 100 live virtual video training sessions for our customers' R&D teams. We believe our technical team, with their capabilities and customer first mindset, is a differentiating factor for the Company and is integral to our success.

2021 Polymer operating income was \$73.6 million, up 8% from 2020, primarily due to the successful integration of the INVISTA acquisition and recovery in the building construction market. The INVISTA acquisition strengthened our leading position in the US and European rigid and flex faced insulation board markets while providing capacity to meet 4 to 5% projected market growth. We successfully developed and sold our first aromatic polyester polyol incorporating recycled materials. We remain committed to developing polyols with more bio-based content and assisting our customers in developing circularity within their value chains.

Our Specialty Products business delivered \$14.2 million of operating income in 2021, up 2%, from the previous year. Raw material and global logistic constraints due to COVID-19 impacted Medium Chain Triglycerides (MCTs) raw material supply throughout 2021. We should see MCT sales recover as raw material supply improves. Underlying market demand for MCTs remains robust and we expect attractive market growth driven by greater use of MCTs in pharmaceutical and consumer based applications.

“Over the last 36 years I have been fortunate to work with many talented people who have been passionate about Stepan Company’s success. I am proud not only of the opportunities and value that we have created for employees, customers and shareholders but how we have delivered those results.”

We continued to invest in improving productivity within operations through the implementation of our Stepan Way program. Our Continuous Improvement Team worked closely with our Millsdale production site to identify inefficiencies within our standard work processes which resulted in over \$12 million of cash savings and annualized productivity gains using new diagnostic tools and work streams. Productivity gains remain an important enabler towards improved profitability.

We are proud of what we accomplished last year as a team. We deployed a record \$195 million (excluding acquisitions) across multiple investment projects to add capacity, new manufacturing and R&D capabilities and to renew infrastructure. Our team also successfully completed the acquisition and integration of INVISTA’s polyester polyol business, the largest acquisition in our history. We invested and enhanced our information systems in Operations, Environmental, Health & Safety, Human Resources and Marketing to meet the growing needs of our employees and customers.

Our employees continue to put our values into action by sharing success and inspiring one another to higher levels of performance. We are particularly proud of the feedback that we received in our employee engagement survey, which highlighted strong personal connections to the Company’s vision and purpose, a culture of respect and dignity as well as a collective commitment to safety and well-being.

We continued to make progress towards our 2025 Sustainability targets. 40% of our global energy purchases are now sourced sustainably and we have reduced global water

usage by 20% versus 2016 through multiple process improvements. We have used our Materiality Assessment, which includes both internal and external stakeholder perspectives, to develop the next steps on our sustainability journey. We continue working towards an innovation portfolio, which will direct 80% of our R&D investment toward sustainable solutions and products that deliver value to our customers. Our EcoVadis rating improved from Silver to Gold, putting Stepan in the top 6% of the chemical industry and for the second consecutive year Stepan was identified by the Wall Street Journal as one of the Top 100 Most Sustainably Managed Companies in the World.

2022 will bring changes to our Board of Directors as we announce the retirement of Mike Boyce. Mike has served on Stepan’s Board since 2010 and the Company has benefitted from his wise counsel and advice. Scott Behrens, who will become our next CEO, has been nominated to join the Board.

2022 will continue to challenge our team. Covid will impact the availability of the workforce within the supply chain, raw materials will remain tight but availability should improve from 2021 and transportation will remain difficult and more expensive. We have opportunities to grow with an engaged workforce that is aligned with our values and purpose.

Over the last 36 years I have been fortunate to work with many talented people who have been passionate about Stepan Company’s success. I am proud not only of the opportunities and value that we have created for employees, customers and shareholders but how we have delivered those results. I firmly believe the best is yet to come for Stepan Company. Now is a good time for me to retire. Scott is ready, the team is ready.

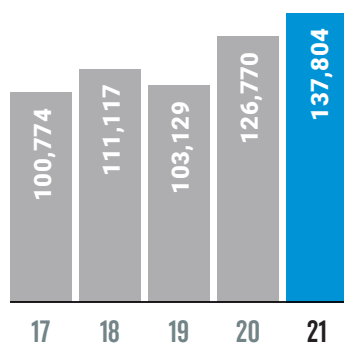
Thank you for your support of our team and ownership in Stepan Company.



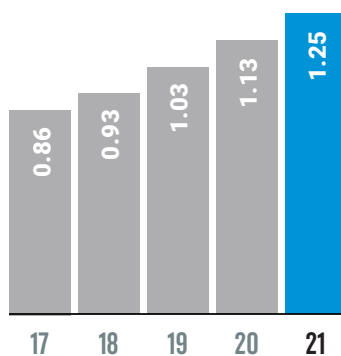
**F. Quinn Stepan, Jr.
Chairman & CEO**



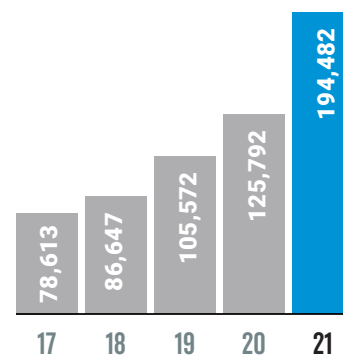
Net Income Attributable to Stepan Company
(dollars in thousands)



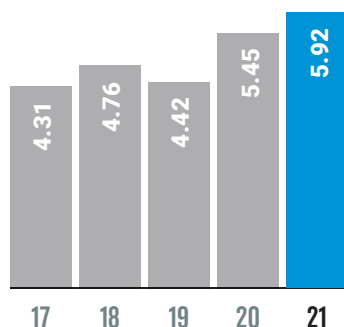
Dividends Per Common Share
(dollars)



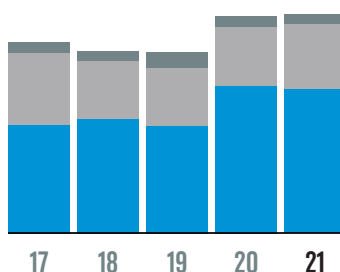
Capital Expenditures
(dollars in thousands)



Net Income Attributable to Stepan Company Per Common Share (Diluted) (dollars)

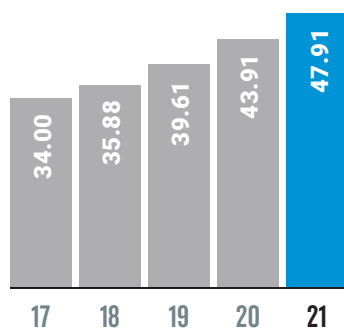


Operating Income by Segment 2017-2021
(dollars in thousands)

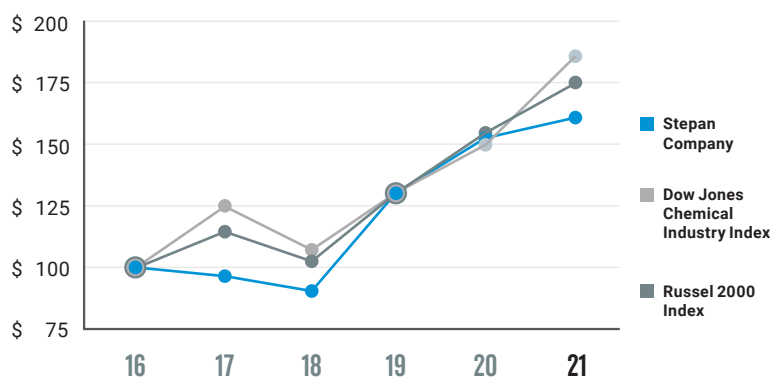


	Surfactants	Polymers	Specialty Products
2017	125,712	85,745	9,965
2018	133,518	66,373	11,661
2019	122,780	69,567	16,415
2020	169,101	68,214	13,966
2021	165,999	73,591	14,178

Total Stepan Company Equity Per Share (dollars)



Stock Performance* (dollars)



*Assumes \$100.00 invested on December 31, 2016, in Stepan Company Common Stock, Dow Jones Chemical Industry Index and Russell 2000 Index.

Investing With Foresight and Impact

GROWTH & INVESTMENTS

Stepan made significant advancements in 2021 to deepen its market leadership and growth, notably our investments in new production capacity and capabilities which will help ensure that our customers have the products they need in the days and years ahead.

EXPANDING CAPACITY

In 2021, we completed the acquisition of INVISTA's aromatic polyester polyol business and associated assets located in Wilmington, NC and Vlissingen, the Netherlands. This acquisition, our largest to date, expands US and European manufacturing capacity and capability to support continued growth of our global rigid polyol business. INVISTA products complement our existing line with a highly thermally efficient polyol for roofing, offering excellent fire protection and are a good foundation from which we plan to develop lower carbon intensity polyol offerings for our customers.

We believe the long-term prospects for rigid polyol use in building insulation remain strong as energy conservation efforts and more stringent building codes continue to drive market growth. In fact, we believe market growth rates will exceed GDP despite the global supply chain challenges in 2021. The acquired technology will accelerate our product leadership initiatives, drive manufacturing efficiencies and create increased value for the overall market.

We are proud to have announced our plan to build and operate a state-of-the-art alkoxylation plant at our existing facility in Pasadena, Texas. Alkoxyates are a core surfactant technology critical to the agricultural, oilfield, construction and household end-use markets. Our investment is intended to efficiently serve our growing global demand. The new site will provide 75,000 metric tons per year of capacity to produce specialty alkoxyates. The new investment is expected to begin production in late 2023 and will be capable of both ethoxylation and propoxylation with flexibility to produce Stepan's range of over 100 specialty alkoxyate products.

LATIN AMERICA: A CORE GROWTH ENGINE

Latin America remains a key investment region for surfactants driven by opportunities to grow in both consumer and functional markets. To support these opportunities, we completed an expansion of our amphoteric and blending capacity at our site located in Salto, Brazil. The new multi-purpose reactor will help us meet increased demand for agricultural adjuvants and provide opportunities to grow in the consumer liquid cleansing markets.

We also completed the expansion of sulfonation capacity at our Ecatepec, Mexico facility, which allows for growth across Mexico and Central America. Additionally, we



\$20M

Our people successfully integrated the business acquired from INVISTA, delivering more than \$20M of EBITDA in 2021.

have investments underway at Ecatepec to expand capacity for both betaine and amine oxide production which should be completed in early 2023. These investments coupled with our recent biocide expansion at Matamoros enable Stepan to respond to evolving consumer needs shaped by the pandemic and continue to support growth in our targeted functional markets.

EXPANDING INTO BIOSURFACTANTS

The demand for more sustainable products has driven interest in biosurfactants. Biosurfactants are manufactured by fermentation and possess a wide range of useful benefits including favorable biodegradability, low toxicity, and in some cases, unique antimicrobial properties. In the years to come, biosurfactants will increasingly present a sustainable alternative or complement to conventional surfactants in end-use consumer and industrial applications.

With the opportunity to expand the use of fermentation technology and commercialize next-generation biosurfactants, in 2021 Stepan acquired an industrial-scale fermentation plant in Lake Providence, Louisiana. This acquisition follows our 2020 acquisition of the NatSurFact® business and will help advance process technology and product development for environmentally sustainable applications. Stepan's initial products will focus on rhamnolipids for use in crop protection as well as applications in oilfield, personal care, household, industrial and institutional cleaning markets.



Pictured above: **Guido Lipske**, Senior Research Chemist; Northfield, Illinois
Pictured below: **Helio Levra**, Plant Manager, and **Claudia Benevides**, HR Coordinator Mercosul; Salto, Brazil



A new reactor was commissioned in Salto, Brazil responding to growing local demand in the agricultural and industrial markets.



EcoVadis ranked Stepan in the top 6% of our industry encompassing a composite scoring on sustainable procurement, ethics, human & labor rights and environment.

Partnering to Deliver a Better Tomorrow

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Advancing sustainability for our industry and our customers has never been more important. As one of our values, we incorporate sustainability into how we act, how we innovate and how we operate our business. We believe chemistry can provide solutions that benefit the environment, promote human well-being and meet the needs of a growing population.

Key to this commitment is the alignment of our R&D programs to sustainability. By 2023, we are targeting 80% of Stepan's R&D investment in innovation and development to focus on sustainable processes and products. This will include evaluation of technologies that will integrate bio-based, circular and/or recycled raw materials.

UNDERSTANDING OUR IMPACT

Lowering carbon intensity in processes and products is a top priority to reduce our environmental impact. Stepan's Sustainability and EHS&S teams are leading an ongoing effort to use new assessment tools to collect environmental,

efficiency and safety data at each site, and integrate sustainability metrics. For incoming raw materials and services, Stepan has partnered with EcoVadis, a global ESG assessment platform which uses international standards to conduct sustainability performance evaluations of our supply chain partners. We believe that with our customers' and suppliers' collaboration and efforts, we can positively contribute to our world's climate change effort.





INVESTMENTS ALIGNED WITH SUPPORTING THE ENVIRONMENT

In 2021, Stepan opened its new Agricultural Innovation Center in Barrow County, Georgia, located adjacent to the Company's Winder manufacturing site. The Innovation Center will further facilitate collaboration with customers and foster R&D initiatives, reflecting our commitment to productive and sustainable agriculture. Research conducted at the site will include technologies to increase plant uptake and improve soil health. Silver LEED-certified for construction and design, the Center includes a greenhouse for product application testing and agronomic research, a training center for customer collaboration and labs for formulation development.

FORMULATING EXCELLENCE TOGETHER

We invited all our employees globally to share their voice and shape the future by participating in our 2021 engagement survey. Employees answered with more than 1,400 comments received. Stepan outperformed the industry benchmark in the three essential areas for high performance (engagement, manager effectiveness and having the necessary skills and tools to deliver). We were also pleased that we outperformed benchmarks in all 17 dimensions measured. We are particularly proud that our employees told us that the Company's vision and purpose for the future motivates them, they see a clear link between the vision and their individual work, they are treated with respect and dignity, and they recognize the Company values their contributions and they appreciate the commitment to safety and well-being.

Providing our employees with opportunities to continue to develop their skills and build new capabilities is important for future success. We believe learning happens on the job through stretch assignments, peers and mentors as well as on-demand and facilitator-led sessions. We have adopted technologies that enable us to deliver training live and then share recorded sessions for on-demand learning or reference. This year we piloted Leading@Stepan, a modular program with tools for leading change, accelerating individual performance and building inclusive high-performing teams. We also introduced a Learning Management System which simplifies access to training resources from across the Company including safety, ethics and compliance, operations, information technology and sales.

BUILDING A HEALTHIER WORLD

Every day, Stepan takes action to build a healthier world by offering products that support human health, hygiene and food security for populations across the world. Our commitment extends to the communities we serve. In 2021, we helped expand our vision for a cleaner and healthier world by naming Clean the World Foundation as the recipient of our annual Community Outreach Grant. Clean the World Foundation, a global organization, is committed to improving the quality of life for vulnerable communities by providing needed soap and cleaning supplies, as well as programming and education focused on clean water, and improving sanitation and hygiene. Stepan is a leading manufacturer of surfactants used in cleaning and disinfection products. This grant aligns with our mission for a cleaner and healthier world.



Addressing Emerging Needs

IMPROVING PRODUCTIVITY

An ongoing shift in customer preferences is evident, with business and research increasingly being conducted virtually or online. The pandemic accelerated remote work and the need for companies to enhance their capabilities around virtual customer engagement. At Stepan, our marketing and sales teams made digital connection and content delivery an integral part of our customer experience. We expanded our social media platforms and redesigned our website to enhance delivery of technical content through new online formats for our customers. A 52% increase in the customer response rate led to increased leads and ultimately sales to over 1,000 new customers in 2021.

INFORMATION TECHNOLOGY CAPABILITIES

We continue to invest in cloud-based IT platforms that enable us to achieve a globally connected enterprise that strengthens our people-first and continuous improvement values. We implemented new software platforms in Human Resources and Environmental, Health and Safety while developing new data and analytic capabilities within Operations and Maintenance to deliver improved productivity. Information Technology remains a key enabler for our Company's future growth.

THE STEPAN WAY

We created a Continuous Improvement Team to lead the transformation of how we manage and operate our manufacturing sites. A new disciplined management program called "The Stepan Way" will maximize operational effectiveness, consistency and efficiency across our global network of 22 manufacturing sites. Our efforts in 2021 were focused on implementation at Millsdale, our largest site located in Illinois. We successfully re-organized Millsdale's team to better align and streamline work plans and processes. We also implemented new analytical tools that will help drive and sustain increased productivity, reduce costs while improving reliability and service to our customers. Successful execution will ensure Stepan's competitive position in the markets we serve while creating value for our customers and shareholders.

\$12M

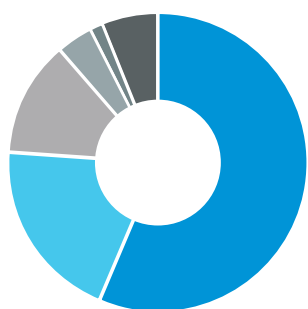
Generated over \$12M of cash savings and annualized productivity gains using new diagnostic tools and work streams.

Pictured top left: [Steve Gajcak](#), Senior Construction Manager, Distribution Center, and [Brian Rehor](#), Production Shift Leader; Millsdale, Illinois
Pictured bottom left: [Jorina Fontelera](#), Global Marketing Communications Manager; Northbrook, Illinois



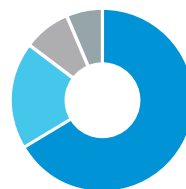
" Stepan employees are excited about new technology capabilities, such as global collaboration, hybrid work, and performance analytics."

Hasan Abid
Senior Manager IT Solutions
Northbrook, Illinois



2021 Sales Dollar Distribution (dollars in thousands)

Material	1,325,527	56.50%
Other Expense	462,607	19.73%
Payroll & Fringes	294,510	12.55%
Depreciation & Amortization	90,876	3.87%
Income Taxes	34,642	1.48%
Net Income	137,804	5.87%



2021 Long Lived Assets (dollars in thousands)

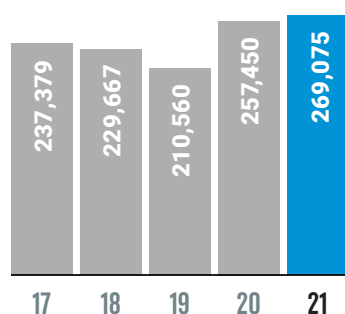
North America	668,903
Europe	191,238
Latin America	85,158
Asia Pacific	63,276



2021 Global Sales (dollars in thousands)

North America	1,328,312
Europe	600,024
Latin America	304,542
Asia Pacific	113,088

EBITDA* (dollars in thousands)



*EBITDA is a non-GAAP measure.

Adjusted EBITDA Margin Reconciliation (dollars in thousands)

	2021	2020
Net Sales	\$2,345,966	\$1,869,750
EBITDA	269,075	257,450
Deferred Compensation Expense	1,952	5,268
Cash-Settled SARs Expense	217	440
Business Restructuring Expense	3,353	1,212
Environmental Remediation Expense	1,977	–
Early Debt Repayment	–	–
Interest Adjustment	–	–
Adjusted EBITDA	\$ 276,574	\$ 264,370
Adjusted EBITDA Margin	11.8%	14.1%

EBITDA Reconciliation (dollars in thousands)

	2021	2020	2019	2018	2017
Net Sales	\$2,345,966	\$1,869,750	\$1,858,745	\$1,993,857	\$1,925,007
Net Income Attributable to Stepan Company	137,804	126,770	103,129	111,117	100,774
Provision for Income Taxes	34,642	43,411	22,798	26,664	46,139
Income Attributable to Stepan Company Before Provision for Income Taxes*	172,446	170,181	125,927	137,781	146,913
Interest, Net	5,753	5,409	5,932	10,771	11,444
EBIT	178,199	175,590	131,859	148,552	158,357
Depreciation & Amortization	90,876	81,860	78,701	81,115	79,022
EBITDA	\$ 269,075	\$ 257,450	\$ 210,560	\$ 229,667	\$ 237,379

*Excluding Net (Gain) Loss Attributable to Noncontrolling Interest

Reconciliation Of Non-GAAP Adjusted Net Income* (dollars in thousands, except per share amounts)

	2021	EPS	2020	EPS
Net Income Reported	\$ 137,804	\$ 5.92	\$ 126,770	\$ 5.45
Deferred Compensation (Income) Expense	\$ 1,484	\$ 0.06	\$ 4,004	\$ 0.17
Business Restructuring Expense	\$ 2,543	\$ 0.11	\$ 905	\$ 0.04
Cash-Settled SARs (Income) Expense	\$ 165	\$ 0.01	\$ 335	\$ 0.02
Environmental Remediation Expense	\$ 1,503	\$ 0.06	\$ –	\$ –
Voluntary Debt Prepayment	\$ –	\$ –	\$ –	\$ –
Adjusted Net Income	\$143,499	\$ 6.16	\$132,014	\$ 5.68

*All amounts in this table are presented after-tax

Five-Year Summary 2017–2021

(in thousands, except per share)

FOR THE YEAR	2021	2020	2019	2018	2017
Net Sales	\$2,345,966	\$1,869,750	\$1,858,745	\$1,993,857	\$1,925,007
Operating Income	170,781	171,522	127,260	149,265	154,840
Percent of Net Sales	7.3%	9.2%	6.8%	7.5%	8.0%
Income Before Provision for Income Taxes	172,537	171,067	125,899	137,769	146,882
Percent of Net Sales	7.4%	9.1%	6.8%	6.9%	7.6%
Provision for Income Taxes	34,642	43,411	22,798	26,664	46,139
Net Income Attributable to Stepan Company	137,804	126,770	103,129	111,117	100,774
Per Diluted Share	5.92	5.45	4.42	4.76	4.31
Percent of Net Sales	5.9%	6.8%	5.5%	5.6%	5.2%
Percent to Total Stepan Company Stockholders' Equity ¹	13.4%	13.5%	12.1%	14.1%	14.2%
Cash Dividends Paid	28,083	25,405	23,097	20,857	18,907
Per Common Share	1.25	1.13	1.03	0.93	0.86
EBITDA ²	269,075	257,450	210,560	229,667	237,379
Capital Expenditures	194,482	125,792	105,572	86,647	78,613
Weighted-Average Common Shares Outstanding (Diluted)	23,287	23,256	23,316	23,325	23,377

AS OF YEAR END

Working Capital	\$ 412,892	\$ 489,097	\$ 479,675	\$ 495,311	\$ 502,000
Current Ratio	1.8	2.2	2.4	2.5	2.6
Property, Plant and Equipment, Net	850,604	682,667	639,317	608,892	598,443
Total Assets	2,065,612	1,752,336	1,579,367	1,514,614	1,502,892
Long-Term Debt Obligations, Less Current Maturities	322,862	160,812	198,532	239,022	268,299
Total Stepan Company Stockholders' Equity	1,074,193	986,693	891,783	807,425	765,400

(1) Based on weighted-average number of common shares outstanding during the year.

(2) EBITDA is a non-GAAP measure. A GAAP reconciliation is set forth in the table on page 10 of this Annual Report.

The selected financial data included herein has not been audited. The information was derived from the Company's audited financial statements for the respective years, which were presented in accordance with accounting principles generally accepted in the United States of America and which were audited in accordance with the standards of the United States Public Company Accounting Oversight Board. Copies of the full consolidated financial statements and of the independent registered public accountants' report that expressed an unqualified opinion (dated February 25, 2022, are included in the Company's 2021 Annual Report on Form 10-K filed with the United States Securities and Exchange Commission, which is available on request or via our Website at stepan.com.

Board of Directors



F. QUINN STEPAN, JR.

Chairman and
Chief Executive Officer



MICHAEL R. BOYCE

Former Chairman,
PQ Corporation



LORINDA BURGESS

Vice President, Finance and
Chief Financial Officer,
Americas Region of Medtronic Inc.



RANDALL S. DEARTH

Senior Director,
SK Capital Partners, LP



JOAQUIN DELGADO, PhD

Former Executive
Vice President, Consumer
Business Group, 3M Company



GREGORY E. LAWTON

Former President and Chief
Executive Officer, Johnson
Diversey, Inc.



JAN STERN REED

Former Senior Vice President,
General Counsel and Corporate
Secretary, Walgreens Boots
Alliance, Inc.



EDWARD J. WEHMER

Founder and Chief
Executive Officer, Wintrust
Financial Corporation

OFFICERS

F. QUINN STEPAN, JR.

Chairman and Chief Executive Officer

SCOTT R. BEHRENS

President and Chief Operating Officer

JANET A. CATLETT

Vice President and Chief Human Resources Officer

DAVID G. KABBES

Vice President, General Counsel and Secretary

JASON S. KEIPER, PhD

Vice President and Chief Technology and Sustainability Officer

ARTHUR W. MERGNER

Executive Vice President, Supply Chain

SEAN T. MORIARTY

Vice President and General Manager, Surfactants

LUIS E. ROJO

Vice President and Chief Financial Officer

DEBRA A. STEFANIAK

Vice President, Business Enablement

RICHARD F. STEPAN

Vice President and General Manager, Polymers

Corporate Information

DEPARTMENTAL VICE PRESIDENTS

BUSINESS ENABLEMENT

Joseph Whitney
Vice President, Information Technology

ETHICS & COMPLIANCE

David B. Mattingly
Chief Compliance Officer

FINANCE

Matthew J. Eaken
Vice President & Corporate Controller

LEGAL

Stefan Svensson
Vice President, Global Environmental, Health,
Safety & Security

POLYMERS

Michael A. McCurrie
Vice President, Americas

Roger Stubbs
Vice President, Europe

PROCUREMENT

Daniel Bertholf
Vice President, Strategic Planning, Platform
and Asset Management

Brett Ruthberg
Vice President, Product Supply

Richard H. Wehman, Jr.
Vice President, Strategic Purchasing

RESEARCH & DEVELOPMENT

Matthew I. Levinson, PhD
Vice President, Global Process Development

SUPPLY CHAIN

Cliff Hardaway
Vice President, North America Manufacturing

SURFACTANTS

Eduardo Lopes Do Couto
Vice President & General Manager, Mercosul

Cassandra Fricke
Vice President, Global Channel Management

Adriano Galimberti
Vice President & General Manager, North America

Tom Giese
Vice President, Surfactant Commercial Development

Rafael Monroy Pedraza
Vice President & General Manager, LatAm

Mark F. Mydlach
Vice President, Sales

Didier Ray
Vice President, Europe

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP, Chicago, Illinois

TRANSFER AGENT AND REGISTRAR

Computershare
P.O. Box 505000
Louisville, KY 40233-5000
877-373-6374

Contact the Transfer Agent and Registrar concerning stock certificates, dividend checks, transfer of ownership or other matters pertaining to your stock.

STOCK LISTING

New York Stock Exchange: SCL

INVESTOR RELATIONS

Luis E. Rojo
847-446-7500

FORM 10-K

Copies of the Company's annual report on Form 10-K, filed with the Securities and Exchange Commission, will be available without charge to stockholders and interested parties upon written request to the Secretary of the Company or may be obtained on our website at stepan.com.

ANNUAL MEETING

The 2022 Annual Meeting of the Stockholders of the Company will be held at 9:00 a.m., Tuesday, April 26, 2022, at the Company's headquarters in Northbrook, Illinois.

CORPORATE GOVERNANCE

The Company's Corporate Governance Guidelines and Code of Conduct are provided on our website at stepan.com within the Investors section of the site. Our website also provides contact information for the Company's Ethics Hotline, which allows employees, stockholders and other interested parties to communicate with the Company (on an anonymous basis, if desired) through an independent third-party hotline by telephone or online.

Design: Daniel J. Edelman Inc.



Northbrook, IL 60062

847.446.7500

stepan.com