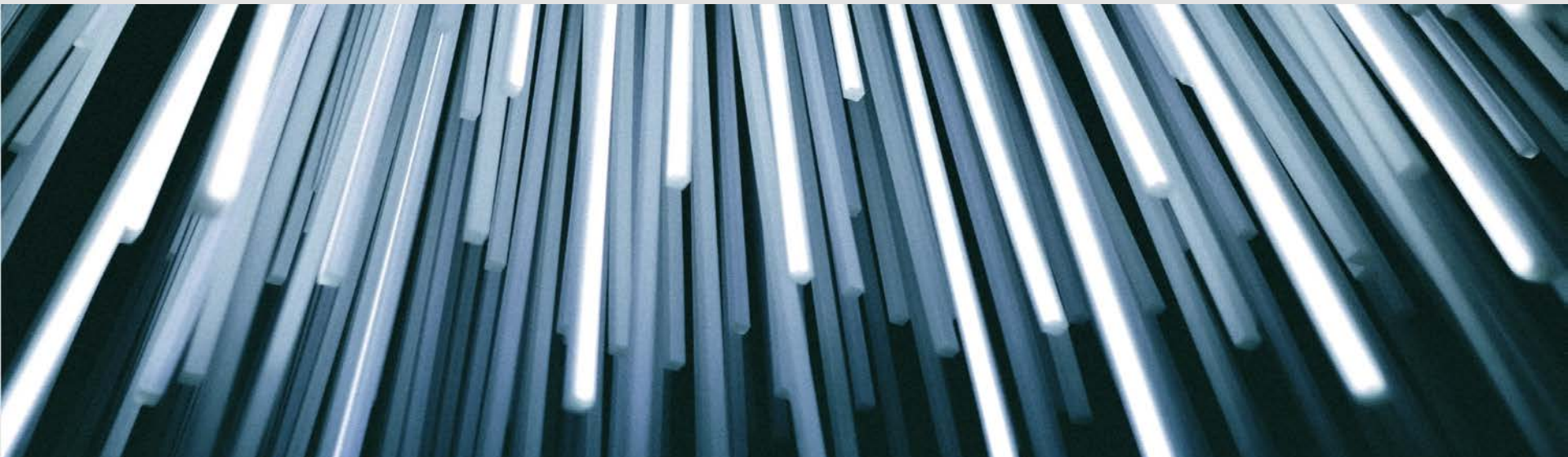




First Quarter 2024 Earnings Results

April 30, 2024

Providing innovative chemical solutions for a cleaner, healthier, more energy efficient world.



Cautionary Statement

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. 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," "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 its 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.

Earnings Conference Call Agenda

2024 First Quarter Highlights

» Scott R. Behrens, President & Chief Executive Officer

2024 First Quarter Financial Results

» Luis E. Rojo, Vice President & Chief Financial Officer

Strategic Outlook

» Scott R. Behrens, President & Chief Executive Officer

» Analysts Q&A Session

Closing Remarks

» Scott R. Behrens, President & Chief Executive Officer

First Quarter 2024 Highlights

NET INCOME DOWN

Reported Net Income was \$13.9 million and Adjusted Net Income⁽¹⁾ was \$14.7 million, down 11% year-over-year mainly due to a higher effective tax rate.

EBITDA⁽²⁾ GROWTH

EBITDA⁽²⁾ of \$50.2 million and Adjusted EBITDA⁽²⁾ of \$51.2 million, up 5% year-over-year.

VOLUME GROWTH

Volume grew 1% year-over-year with growth in several end markets being offset by continued destocking in Agricultural Chemicals. Excluding declines in Agricultural Chemicals and Commodity Phthalic Anhydride, Volume was up +4%.

POSITIVE CASH FLOW

Generated Cash from Operations of \$41.6 million and Positive Free Cash Flow (FCF⁽³⁾) of \$11.4 million, up \$175.6 million versus Q1 2023 as capital expenditures returned to historical levels.

COST OUT ON TRACK

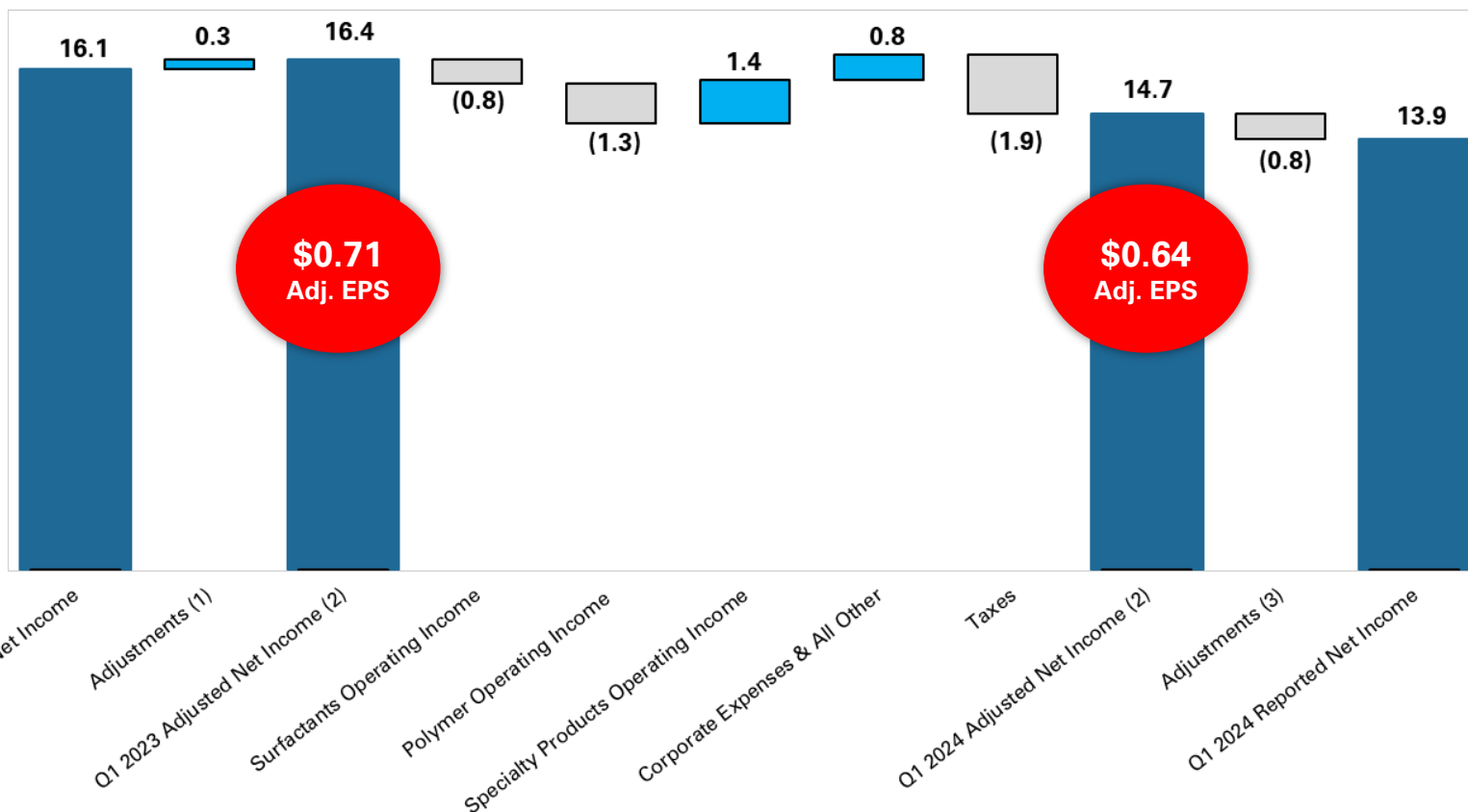
Company is on track to deliver the \$50 million cost reduction goal for 2024 through disciplined efforts in supply chain, and the benefit of the Q4 2023 workforce productivity actions.

⁽¹⁾ Adjusted Net Income is a Non-GAAP measure that excludes certain significant, non-recurring items. See Appendix II for a GAAP reconciliation.

⁽²⁾ EBITDA and Adjusted EBITDA are Non-GAAP measures. See Appendix III for GAAP reconciliations.

⁽³⁾ Free Cash Flow is a Non-GAAP measure. See Appendix V for a GAAP reconciliation.

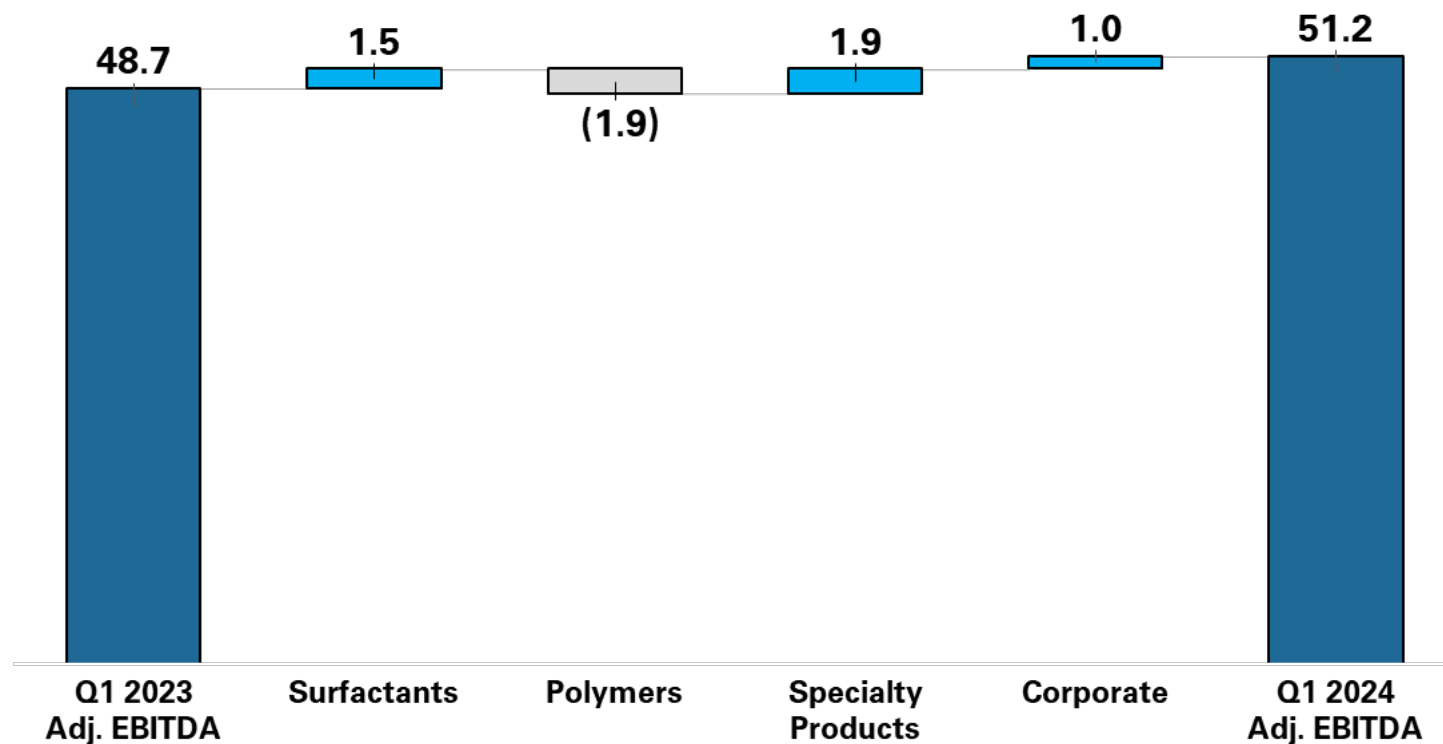
Net Income Bridge – Q1 2023 to Q1 2024



Note: All amounts are in millions of U.S. dollars and are reported after-tax.

- (1) The adjustments to Reported Net Income in Q1 2023 consisted of environmental remediation expense and restructuring costs of \$0.4 million, deferred compensation expense and cash-settled SARs income of \$0.1 million.
- (2) Adjusted Net Income and Adjusted EPS are Non-GAAP measures that exclude certain significant, non-recurring items. See Appendix II for GAAP reconciliations.
- (3) The adjustments to Reported Net Income in Q1 2024 consisted of environmental remediation expense of \$1.2 million and deferred compensation income of \$0.4 million.

Adjusted EBITDA⁽¹⁾ Bridge – Q1 2023 to Q1 2024



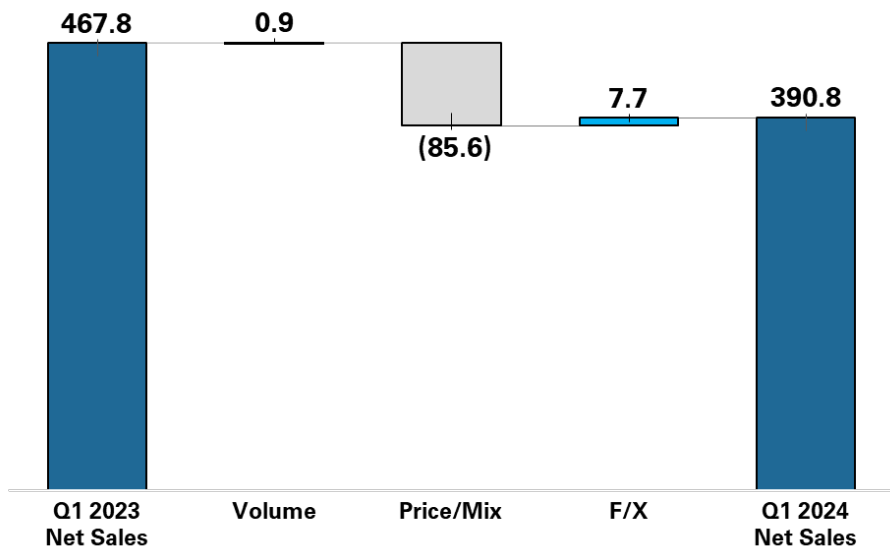
Note: All amounts are in millions of U.S. dollars.

⁽¹⁾ Adjusted EBITDA is a Non-GAAP measure. See Appendix III for GAAP reconciliations.

- » **Surfactants** Adjusted EBITDA growth was driven by margin improvement, partially offset by higher expenses associated with our Pasadena facility and expenses associated with operational interruptions at the Millsdale plant site
- » **Polymers** results decreased mainly as a result of expenses associated with operational interruptions at our Millsdale site
- » **Specialty Products** results increased due to margin recovery and higher MCT product line end market demand
- » **Corporate** expenses were down primarily due to cost reduction activities, partially offset by higher incentive-based compensation accruals

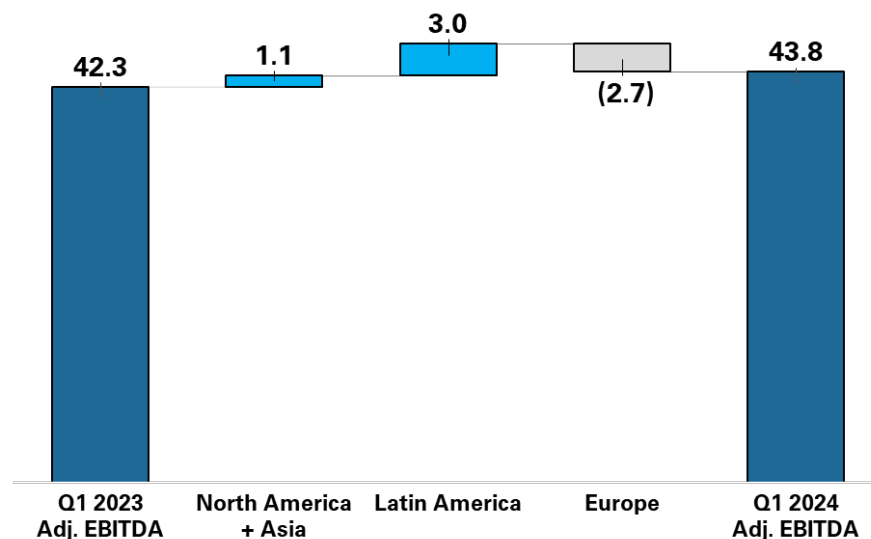
Global Surfactants

Q1 2023 to Q1 2024 Net Sales Bridge



- » **Volume** was driven by share recovery in Mexico and double-digit growth in Personal Care, Oilfield, and to our Distribution partners, offset by continued Agricultural Chemicals destocking.
- » **Price/Mix** was impacted by the pass-through of lower raw material cost, less favorable product and mix, and competitive pressure in Latin America and Europe.
- » **F/X** positively impacted net sales by 2%.

Q1 2023 to Q1 2024 Adjusted EBITDA⁽¹⁾ Bridge

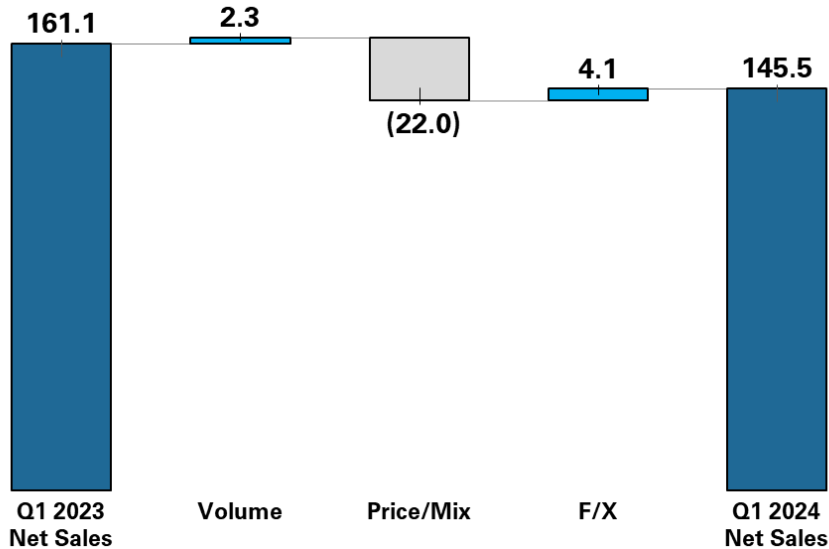


⁽¹⁾ Adjusted EBITDA is a Non-GAAP measure. See Appendix III for GAAP reconciliations.

- » **North America and Asia** benefitted from improved margins and higher Personal Care (including Low 1,4 Dioxane products) and Oilfield end market demand. This was offset by continued destocking in Agricultural Chemicals and overall lower demand in commodity Laundry end markets. Higher expenses related to our Pasadena facility and expenses and the impact of operational interruptions at the Millsdale site adversely impacted results.
- » **Latin America** results were driven by business recovery in Mexico and new contracted business for amphoteric, partially offset by continued destocking in Agricultural Chemicals and competitive pressure in Brazil.
- » **Europe** results decreased primarily due to destocking in Agricultural Chemicals. Lower commodity Laundry end market demand and competitive pressure also contributed to the lower results.

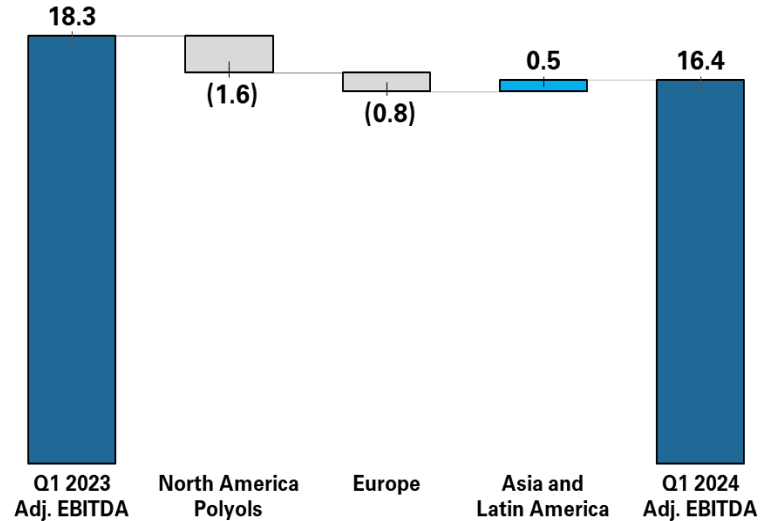
Global Polymers

Q1 2023 to Q1 2024 Net Sales Bridge



- » **Volume** growth was driven by Rigid and Specialty Polyols, up 4% and 7% respectively. Growth was geographically broad (US, Europe and Asia).
- » **Price/Mix** was impacted by the contracted pass-through of lower raw material costs and the impact of lower commodity PA volume.
- » **F/X** positively impacted net sales by 3%.

Q1 2023 to Q1 2024 Adjusted EBITDA⁽¹⁾ Bridge

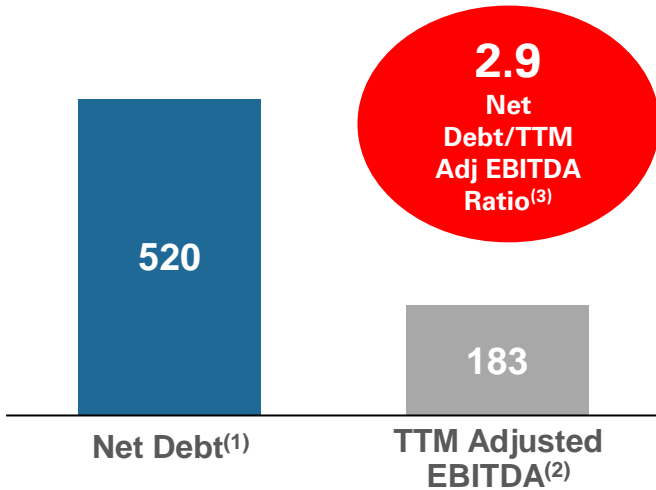


⁽¹⁾ Adjusted EBITDA is a Non-GAAP measure. See Appendix III for GAAP reconciliations.

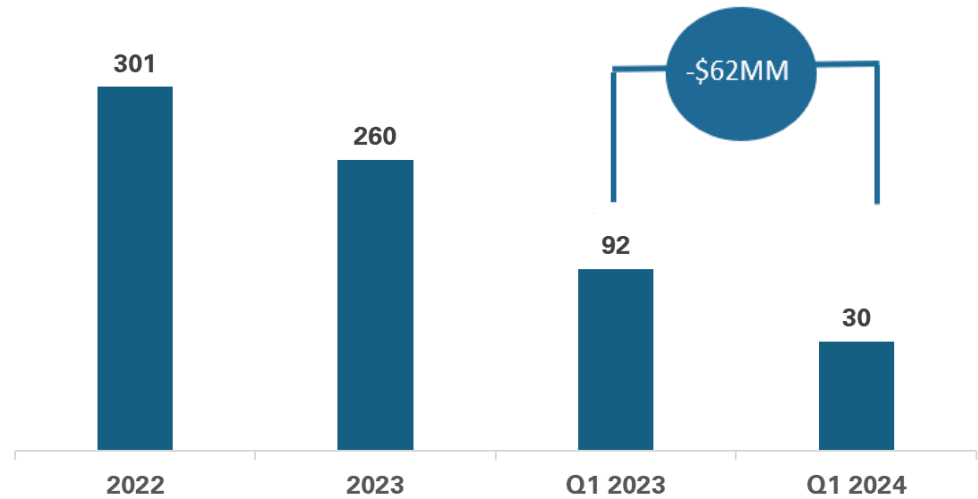
- » **North America** results were driven by higher volume in the Rigid Polyol and Specialty Polyol businesses and improved margins, which was mostly offset by lower Phthalic Anhydride volume and higher expenses related to the impact from operational interruptions at the Millsdale site.
- » **Europe** results decreased due to slightly lower margins, partially offset by higher sales volume in the Rigid Polyol and Specialty Polyol businesses.
- » **Asia** results benefitted from double-digit volume growth and margin expansion.

Balance Sheet & Cash Flow

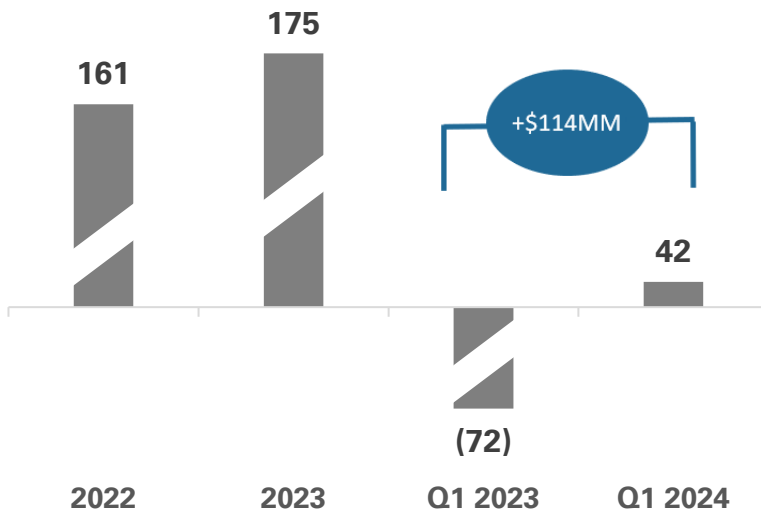
Net Debt⁽¹⁾ / TTM Adjusted EBITDA⁽²⁾ (\$MM)



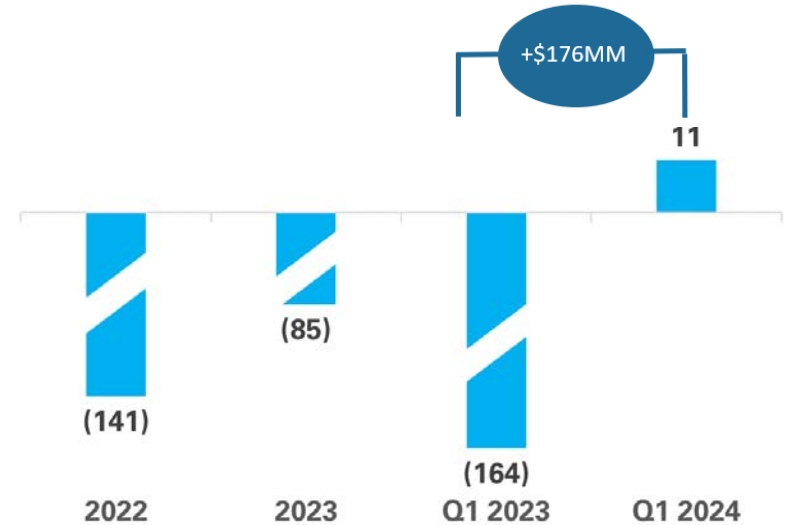
Capital Expenditures (\$MM)



Cash from Operations (\$MM)



Free Cash Flow⁽⁴⁾ (\$MM)



Stepan Strategic Priorities & Growth Strategy

Creating and Delivering Shareholder Value

Efficient Capital Allocation

- Continue Investing for Long Term Growth
- Returning Cash to Shareholders
- Inorganic Growth (M&A)



Cost & Operational Excellence

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



Customer Intimacy & Extended Reach

- Focused Growth with Strategic Tier 1 Customers
- Grow Share of Wallet and expand Tier 2 & 3 Customer Base



Priority Market Diversification

- Agricultural Chemicals
- Oilfield Chemicals
- HI&I
- Specialty Alkoxylation
- Rigid Polyol including Spray Foam



Innovation & Sustainability

- World Class R&D Capabilities
- Broad Portfolio of Sustainable Technologies & Products
- Strategic Development Programs with Customers



Strategic Capital Investments Update

New Alkoxylation Capacity: Pasadena, Texas

\$265MM
Estimated CapEx

75KTA
Annual
Alkoxylation
Capacity

Startup now
expected in
Q4 2024

Summary & Benefits

- » Alkoxylates are a core surfactant technology consumed across Stepan's key agricultural, oilfield, construction and household end use markets
- » Business continued volume growth in 2023 across multiple end use markets and applications
- » This will become Stepan's third alkoxylation site, providing strategically located capacity for growth in ethoxylates and propoxylates



COMPLETED: Low 1,4-Dioxane Capabilities: Multiple US Locations

Q4 2023
All Sites
Completed

3
Facilities with 1,4
Dx Removal
Capabilities

Leader
Installed Production
Capacity to NA
Market

Summary & Benefits

- » Legislation banning the sale of consumer products containing certain 1,4 dioxane levels is in effect in the State of New York. Customers have made long-term commitments to Low 1,4 Dioxane Ether Sulfates.
- » Investment in 1,4 Dioxane removal enables us to maintain and grow our North American Sulfonation business
- » New contracted business started during the second half of 2023 and will continue to ramp up in 2024. First Quarter 2024 volume grew double-digits.



Thank You

Luis E. Rojo

VP and CFO

847-446-7500

APPENDIX

Financials and GAAP Reconciliations

Appendix I

Update on Certain Expectations

(millions USD)	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
Capital Expenditures	195	301	260	120 - 140
Debt Repayments	38	38	38	54
Interest Net	6	10	12	18-20
Depreciation & Amortization	91	95	105	123-127
Effective Tax Rate (%)	20%	22%	17%	34 - 36% ^(*)

(*) Higher Effective Tax Rate due to the anticipated disallowance of the GILTI deduction and Foreign Tax Credits resulting from the expected election of Bonus Depreciation for our Pasadena capital investment. Projected cash payment for Federal U.S. Taxes is zero.

Appendix II

Reconciliation of Non-GAAP Adjusted Net Income and Earnings Per Diluted Share

(\$ in thousands, except per share amounts)	Three Months Ended March 31,			
	2024	EPS	2023	EPS
Net Income Reported	\$ 13,893	\$ 0.61	\$ 16,142	\$ 0.70
Deferred Compensation (Income) Expense	\$ (388)	\$ (0.02)	\$ (104)	\$ -
Business Restructuring Expense	\$ -	\$ -	\$ 115	\$ -
Cash-Settled SARs Income	\$ -	\$ -	\$ (40)	\$ -
Environmental Remediation Expense	\$ 1,151	\$ 0.05	\$ 306	\$ 0.01
Adjusted Net Income	<u>\$ 14,656</u>	<u>\$ 0.64</u>	<u>\$ 16,419</u>	<u>\$ 0.71</u>

Reconciliation of Pre-Tax to After-Tax Adjustments

(\$ in thousands, except per share amounts)	Three Months Ended March 31,			
	2024	EPS	2023	EPS
<u>Pre-Tax Adjustments</u>				
Deferred Compensation (Income) Expense	\$ (517)		\$ (137)	
Business Restructuring Expense	\$ -		\$ 157	
Cash-Settled SARs Income	\$ -		\$ (53)	
Environmental Remediation Expense	\$ 1,534		\$ 409	
Total Pre-Tax Adjustments	\$ 1,017		\$ 376	
Cumulative Tax Effect on Adjustments	\$ (254)		\$ (99)	
After-Tax Adjustments	<u>\$ 763</u>	<u>\$ 0.03</u>	<u>\$ 277</u>	<u>\$ 0.01</u>

Appendix III

Adjusted EBITDA and EBITDA Reconciliations Q1 2024 and Q1 2023

Three Months Ended March 31, 2024

<i>(\$ in millions)</i>	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	\$ 26.1	\$ 8.4	\$ 4.3	\$ (18.6)	\$ 20.2
Depreciation and Amortization	\$ 17.7	\$ 8.0	\$ 1.5	\$ 0.4	\$ 27.6
Other, Net Income				\$ 2.4	\$ 2.4
EBITDA	\$ 43.8	\$ 16.4	\$ 5.8	\$ (15.8)	\$ 50.2
Deferred Compensation	\$ -	\$ -	\$ -	\$ (0.5)	\$ (0.5)
Environmental Remediation	\$ -	\$ -	\$ -	\$ 1.5	\$ 1.5
Adjusted EBITDA	\$ 43.8	\$ 16.4	\$ 5.8	\$ (14.8)	\$ 51.2

Three Months Ended March 31, 2023

<i>(\$ in millions)</i>	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	\$ 27.1	\$ 10.0	\$ 2.5	\$ (18.5)	\$ 21.1
Depreciation and Amortization	\$ 15.3	\$ 8.3	\$ 1.4	\$ 0.5	\$ 25.5
Other, Net Income	\$ -	\$ -	\$ -	\$ 1.7	\$ 1.7
EBITDA	\$ 42.4	\$ 18.3	\$ 3.9	\$ (16.3)	\$ 48.3
Deferred Compensation	\$ -	\$ -	\$ -	\$ (0.1)	\$ (0.1)
Cash Settled SARs	\$ (0.1)	\$ -	\$ -	\$ -	\$ (0.1)
Business Restructuring	\$ -	\$ -	\$ -	\$ 0.2	\$ 0.2
Environmental Remediation	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.4
Adjusted EBITDA	\$ 42.3	\$ 18.3	\$ 3.9	\$ (15.8)	\$ 48.7

Appendix IV

Trailing Twelve Months Adjusted EBITDA Reconciliation

	3/31/2024 TTM – Adjusted EBITDA
Reported Operating Income	57.7
Depreciation & Amortization	107.4
Other Net Income (Expense)	2.6
EBITDA	167.7
Deferred Compensation	(1.1)
Cash Settled SARS	(0.0)
Goodwill and Other Intangibles Impairment Expense	2.0
Business Restructuring & Asset Impairment Expense	12.0
Environmental Remediation Expense	2.1
Adjusted EBITDA	182.5

Appendix V

Free Cash Flow (FCF) Reconciliation

(million USD)	Q1 2024	Q1 2023
Cash Flow from Operations	41.6	(72.1)
Capital Expenditures	(30.2)	(92.2)
Free Cash Flow	11.4	(164.2)

Appendix VI

Net Debt to Total Capitalization Ratio

(millions USD)	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Total Debt	646.0	654.1	711.0	537.1	248.4	222.1
Cash	125.8	129.8	127.0	236.0	150.7	254.3
Net Debt	520.2	524.3	584.0	301.1	97.7	(32.2)
Equity	1,214.5	1,216.5	1,189.9	1,116.7	1,002.3	866.8
Net Debt + Equity	1,734.7	1,740.8	1,773.9	1,417.8	1,100.0	834.6
Net Debt / (Net Debt + Equity)	30%	30%	33%	21%	9%	(4%)

Net Debt/TTM Adjusted EBITDA Ratio = 520/183 = 2.9