Stepan

Third Quarter 2025 Earnings Results

October 29, 2025

Safe Harbor

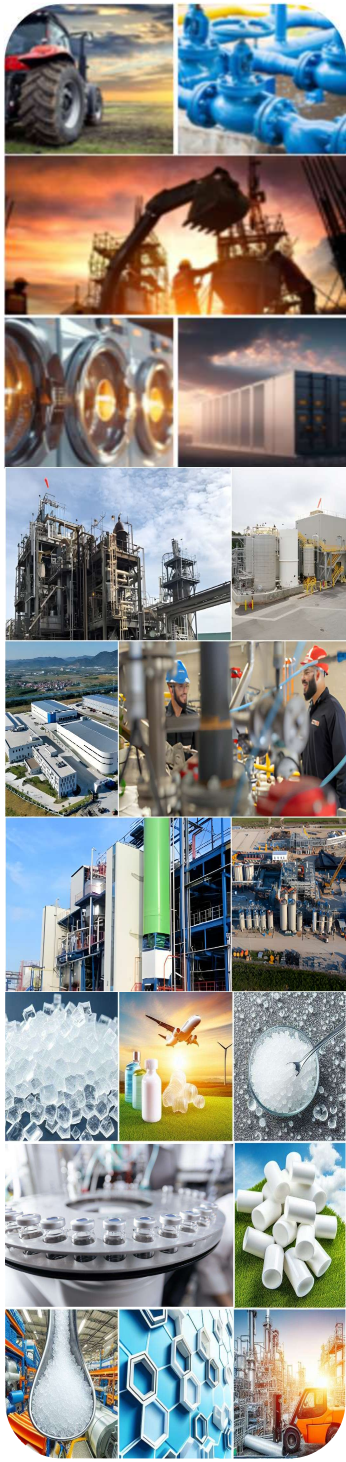
Certain information in this presentation consists of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These 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 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.

AGENDA

1 | 2025 Third Quarter Highlights
2 | 2025 Third Quarter Financial Results
3 | Strategic Outlook
4 | Q&A
5 | Closing Remarks



Third Quarter - Highlights

NET INCOME DOWN

- The decrease in earnings was mainly driven by a higher effective tax rate and higher interest net.

EBITDA GROWTH

- Earnings growth was driven by improved results within our Crop Productivity and Specialty Products businesses, which was partially offset by continued escalation of raw material costs (oleochemicals).

VOLUME GROWTH

- Global sales volume grew 1% year-over-year. Strong growth across Polymers, Crop Productivity, Industrial Cleaning, and our MCT business was partially offset by decline in Global commodity Consumer Surfactants.

POSITIVE FREE CASH FLOW[3]

- Free cash flow (FCF)[3] was $40.2 million compared to a negative ($4.0) million in the prior year, driven by reductions in working capital.

STRATEGIC UPDATE

- Our Pasadena, Texas site continue to ramp up production following the start up earlier in the year. We remain on track to close the sale of our Philippines assets in Q4 and are actively evaluating asset optimization opportunities.

Reported Net Income
$10.8MM
-54% YoY

Adjusted Net Income[1]
$10.9MM
-54% YoY

EBITDA[2]
$56.1MM
+6% YoY

Adjusted EBITDA[2]
$56.2MM
+6% YoY

Cash From Operations
$69.8MM
+207% YoY

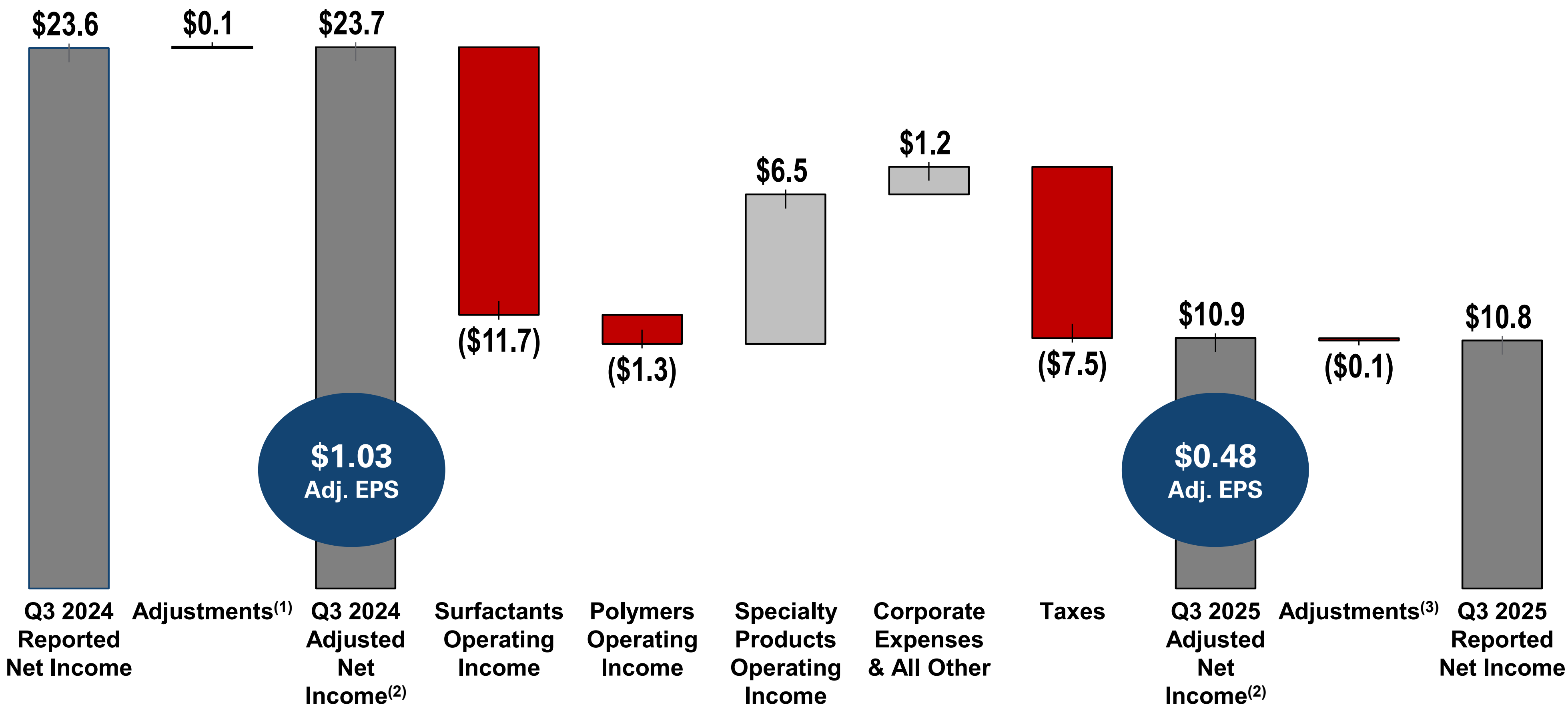
Free Cash Flow[3]
$40.2MM

Sales Volume
+1% YoY

(1) Adjusted Net Income is a Non-GAAP measure. See Appendix II for a GAAP reconciliation.
(2) EBITDA and Adjusted EBITDA are Non-GAAP measures. See Appendices III and VII for GAAP reconciliations.
(3) Free Cash Flow is a Non-GAAP measure. See Appendix V for GAAP reconciliations.

Net Income Bridge

Q3 2024 to Q3 2025



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

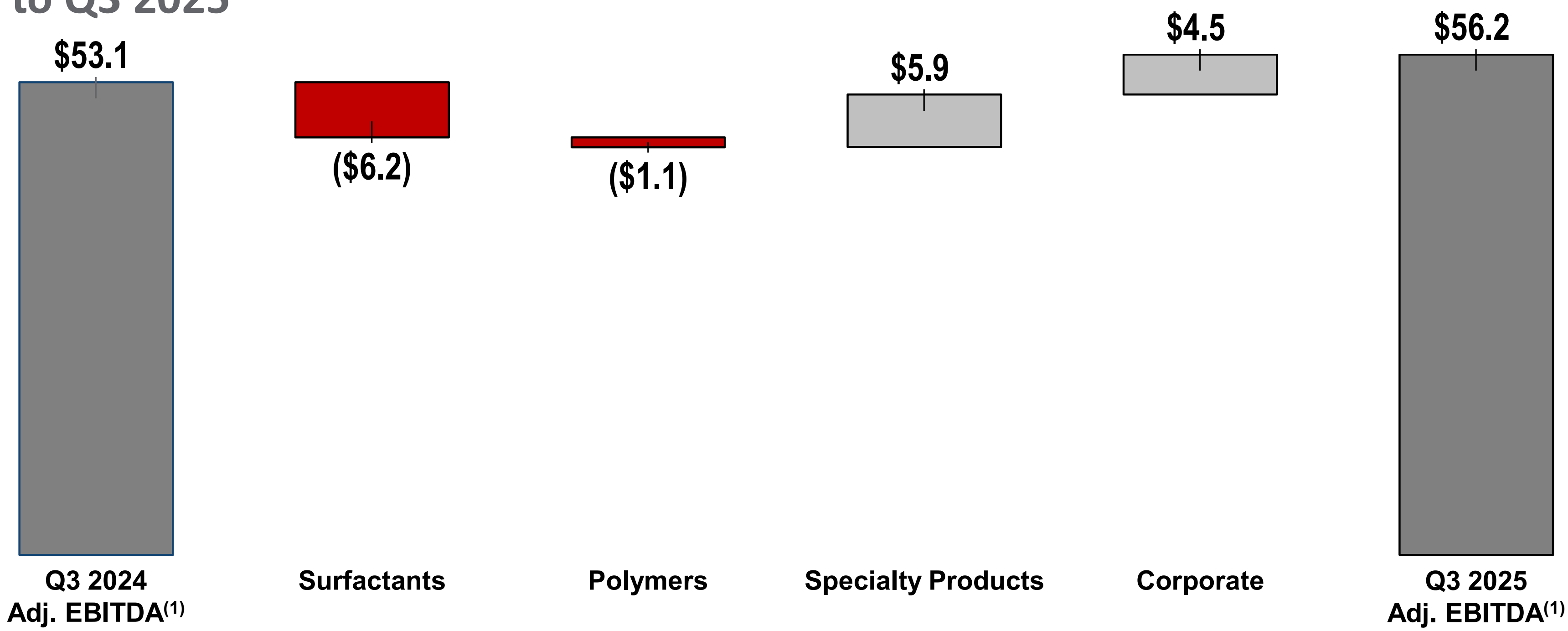
(1) The adjustments to Reported Net Income in Q3 2024 consisted of deferred compensation income $0.4 million and environmental remediation expense of $0.4 million.

(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 Q3 2025 consisted of deferred compensation income of $0.1 million and environmental remediation expense of $0.3 million.

Adjusted EBITDA[1] Bridge

Q3 2024 to Q3 2025



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

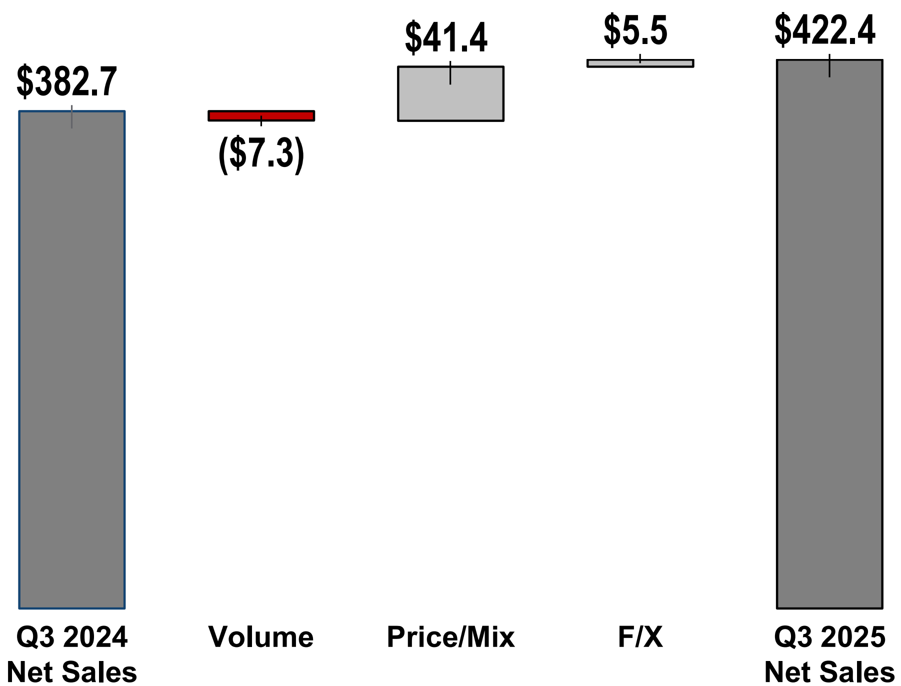
- **Surfactants** Adjusted EBITDA[1] decreased $6.2 million, or 14%, compared to prior year primarily due to higher expenses associated with the start up of our Pasadena site, a 2% decrease in sales volume, and higher Oleochemicals raw material costs. Lower demand in Commodity Consumer end markets, largely offset by double digit sales volume growth within Agricultural and Industrial Cleaning end markets.
- **Polymers** Adjusted EBITDA[1] decreased by $1.1 million, or 4%, year-over-year driven by lower unit margins and unfavorable product mix, largely offset by double digit sales volume growth across North America Rigid Polyols and Phthalic Anhydride.
- **Specialty Products** Adjusted EBITDA[1] increased by $5.9 million primarily due to order timing fluctuations between the second and third quarter within the pharmaceutical business, in addition to volume growth in our Medium-Chain Triglycerides (MCT) product line.
- **Corporate expenses** were down 22% year-over-year primarily driven by the non-recurrence of expenses associated with an externally generated criminal social engineering fraud event in 2024.

[1] Adjusted EBITDA is a Non-GAAP measure. See Appendices III and VII for GAAP reconciliations.

Surfactants

Q3 2024 to Q3 2025

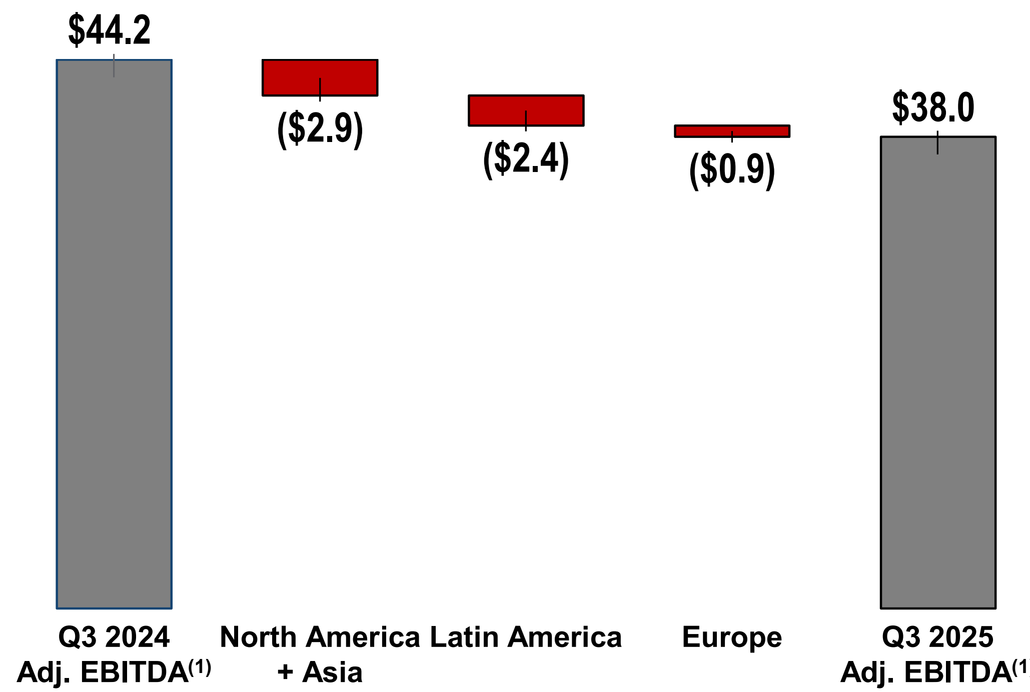
Net Sales Bridge



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

- **Volume** was down 2% year-over-year primarily due to lower demand within the Commodity Consumer end markets, largely offset by double digit growth within the Agricultural and Industrial Cleaning end markets.
- **Price/Mix** benefited from improved product and customer mix and pass through of higher raw material costs.
- **F/X** positively impacted net sales by 1%.

Adjusted EBITDA[1] Bridge



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

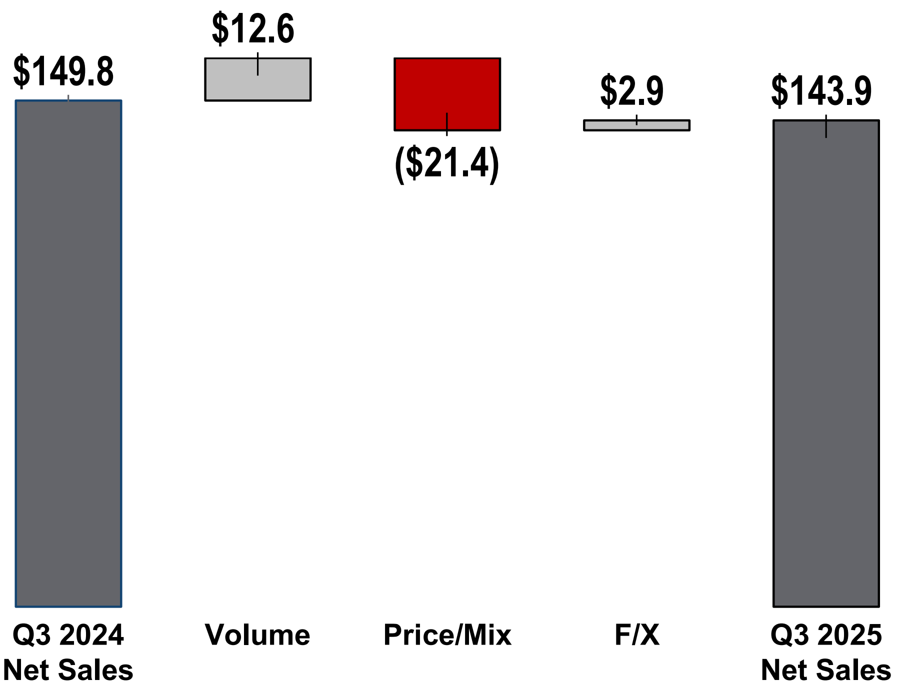
- **North America and Asia** adversely impacted by lower demand within Commodity Consumer end markets, higher expenses associated with the start up of our Pasadena site, and raw material (oleochemicals) cost escalation. This was partially offset by double-digit growth across Agricultural Chemicals and Oilfield end markets.
- **Latin America** results were impacted by softer demand on Commodity Consumer end market and lower sales with our Distribution partners.
- **Europe** results were driven by lower Commodity Consumer demand, partially offset by margin improvements and stronger end-market demand in Agricultural Chemicals.

[1] Adjusted EBITDA is a Non-GAAP measure. See Appendices III and VII for GAAP reconciliations.

Polymers

Q3 2024 to Q3 2025

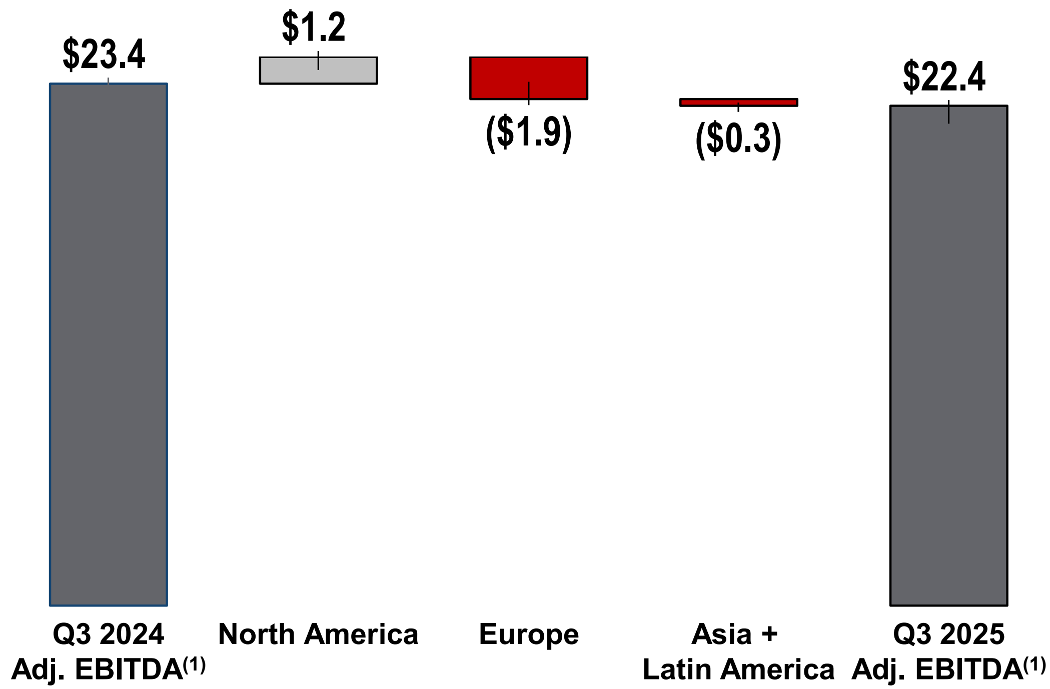
Net Sales Bridge



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

- **Volume** was up 8% driven by growth across our North America Rigid Polyol and Commodity Phthalic Anhydride businesses.
- **Price/Mix** was impacted by the contracted pass-through of lower raw material costs, competitive pressures, and less favorable product mix.
- **F/X** positively impacted net sales by 2%.

Adjusted EBITDA[(1)] Bridge



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

- **North America** results benefited from sales volume growth in the Rigid Polyols and Commodity Phthalic Anhydride businesses, which was partially offset by less favorable product mix.
- **Europe** results were impacted by lower Rigid Polyols demand and continued competitive pressures.
- **Asia** results were driven by lower Rigid Polyols end market demand, which was partially offset by growth in our Specialties Polyols business.

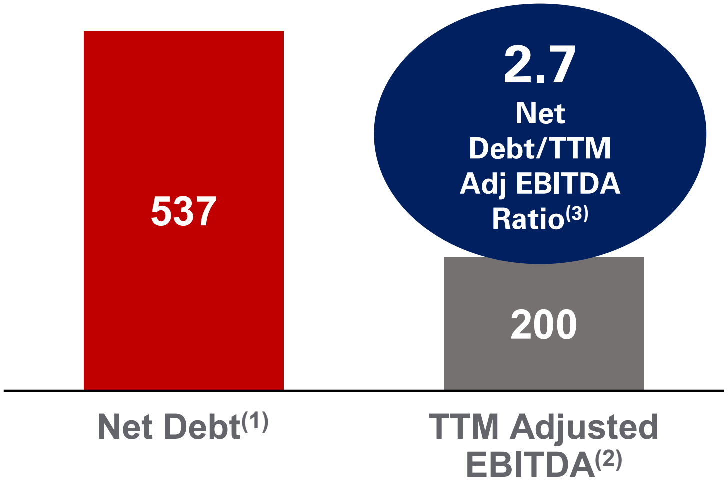
Stepan

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

Balance Sheet & Cash Flow

Q3 2024 to Q3 2025

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



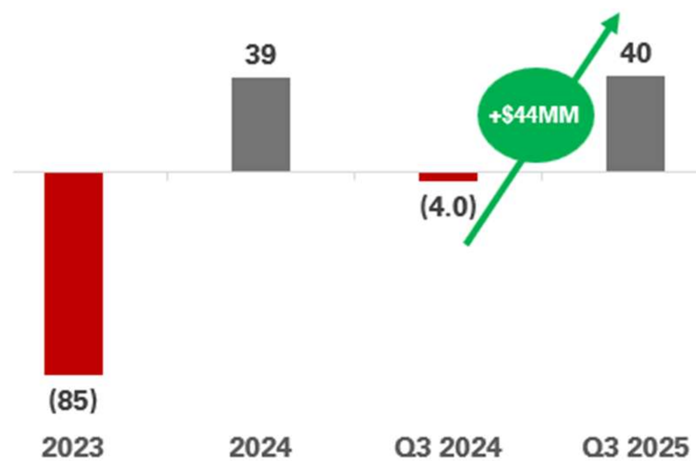
Capital Expenditures

	$MM
2023	260
2024	123
Q3 2024	26.7
Q3 2025	29.6
2025 Est.	118 - 123

2025 Working Capital[5]

	$MM
2023	455
Q3 2024	474
Q3 2025	471

Free Cash Flow[4] ($MM)



[1] *Net Debt is a Non-GAAP measure. See Appendix VI for a GAAP reconciliation.*
[2] *TTM Adjusted EBITDA is a Non-GAAP measure. See Appendix IV for a GAAP reconciliation.*
[3] *Net Debt / TTM Adjusted EBITDA Ratio is a Non-GAAP measure. See Appendix VI for a GAAP reconciliation.*
[4] *Free Cash Flow is a Non-GAAP measure. See Appendix V for GAAP reconciliations.*
[5] *Includes the following components of Working Capital: accounts receivable, inventory, accounts payable*

Stepan

Strategic Priorities and Growth Drivers

Creating and Delivering Shareholder Value

High-Margin / Growth Priority Markets

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

Customer-Centric Innovation & Extended Reach

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

Key Strategic Investments

- Investments in Organic Growth
- M&A Opportunities

Cost & Operational Excellence

- Safe & Efficient Manufacturing
- Asset Reliability/Optimization
- Cost Reduction & Productivity Gains
- Cash Flow Management

Strategic Capital Investments Update

New Alkoxylation Capacity: Pasadena, Texas – Summary and Benefits

- **Alkoxylates are a core surfactant technology consumed across Stepan's key agricultural, oilfield, construction, and household end markets**
- **Continued sales volume growth during the third quarter of 2025 across multiple end use markets and applications**
- **Pasadena is Stepan's third alkoxylation site, providing strategically located capacity for growth in ethoxylates and propoxates**

Site is operational and ramping up

Thank You

Ruben Velasquez
Vice President & Chief Financial Officer
+1-224-716-4673

Stepan

Appendix

Additional Sources of Information and Definitions

Stepan

Update on Certain Expectations

(millions USD)	2022 Actual	2023 Actual	2024 Actual	2025 Forecast
Capital Expenditures	301	260	123	118 - 123
Debt Repayments	38	38	49	69
Interest Net	10	12	14	23 - 25
Depreciation & Amortization	95	105	112	125 – 130
Effective Tax Rate[(1)] (%)	22%	17%	17%	24 - 26%

[(1)] *Effective Tax Rate (ETR) increase related to new US tax legislation enacted on July 4, 2025, and lower R&D tax credits estimates.*

Reconciliations

Reconciliation of Non-GAAP Adjusted Net Income and Earnings Per Diluted Share[1]

	Three Months Ended September 30,				Nine Months Ended September 30,			
($ in thousands, except per share amounts)	**2025**	**EPS**	**2024**	**EPS**	**2025**	**EPS**	**2024**	**EPS**
Net Income Reported	$ 10,839	$ 0.47	$ 23,606	$ 1.03	$ 41,891	$ 1.83	$ 47,020	$ 2.05
Deferred Compensation (Income)	$ (149)	$ -	$ (350)	$ (0.02)	$ (549)	$ (0.02)	$ (1,043)	$ (0.05)
Environmental Remediation Expense	$ 258	$ 0.01	$ 405	$ 0.02	$ 869	$ 0.03	$ 1,736	$ 0.08
Adjusted Net Income	$ 10,948	$ 0.48	$ 23,661	$ 1.03	$ 42,211	$ 1.84	$ 47,713	$ 2.08

[1] *All amounts in this table are presented after-tax*

Reconciliation of Pre-Tax to After-Tax Adjustments

	Three Months Ended September 30,				Nine Months Ended September 30,			
($ in thousands, except per share amounts)	**2025**	**EPS**	**2024**	**EPS**	**2025**	**EPS**	**2024**	**EPS**
Pre-Tax Adjustments								
Deferred Compensation (Income)	$ (198)		$ (466)		$ (732)		$ (1,390)	
Environmental Remediation Expense	$ 344		$ 541		$ 1,158		$ 2,315	
Total Pre-Tax Adjustments	$ 146		$ 75		$ 426		$ 925	
Cumulative Tax Effect on Adjustments	$ (37)		$ (20)		$ (106)		$ (232)	
After-Tax Adjustments	$ 109	$ 0.01	$ 55	$ -	$ 320	$ 0.01	$ 693	$ 0.03

Adjusted EBITDA and EBITDA

Reconciliations Q3 2025 and Q3 2024[(1)]

Adjusted EBITDA and EBITDA Reconciliations Q3 2025 and Q3 2024[(1)]

Three Months Ended September 30, 2025

($ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	$ 15.7	$ 14.1	$ 9.6	$ (17.7)	$ 21.8
Depreciation and Amortization	$ 22.3	$ 8.3	$ 1.5	$ 0.7	$ 32.8
Other, Net Income	$ -	$ -	$ -	$ 1.5	$ 1.5
EBITDA					$ 56.1
Deferred Compensation	$ -	$ -	$ -	$ (0.2)	$ (0.2)
Environmental Remediation	$ -	$ -	$ -	$ 0.3	$ 0.3
Adjusted EBITDA	$ 38.0	$ 22.4	$ 11.1	$ (15.3)	$ 56.2

Three Months Ended September 30, 2024

($ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	$ 26.3	$ 15.2	$ 3.7	$ (21.3)	$ 23.9
Depreciation and Amortization	$ 17.9	$ 8.2	$ 1.5	$ 0.5	$ 28.1
Other, Net Income	$ -	$ -	$ -	$ 1.0	$ 1.0
EBITDA					$ 53.0
Deferred Compensation	$ -	$ -	$ -	$ (0.4)	$ (0.4)
Environmental Remediation	$ -	$ -	$ -	$ 0.5	$ 0.5
Adjusted EBITDA	$ 44.2	$ 23.4	$ 5.2	$ (19.7)	$ 53.1

(1) Refer to Income Statement on appendix VII for a bridge between Operating Income and Net Income.

Trailing Twelve Months

Adjusted EBITDA Reconciliation

	9/30/2025 TTM – Adjusted EBITDA
Reported Operating Income	75.7
Depreciation & Amortization	121.8
Other Net Income (Expense)	2.9
Deferred Compensation	(1.7)
Cash Settled SARS	0.0
Goodwill and Other Intangibles Impairment Expense	0.0
Business Restructuring & Asset Impairment Expense	0.0
Environmental Remediation Expense	1.4
Adjusted EBITDA	200.1

Free Cash Flow (FCF)

Reconciliations

(million USD)	Q3 2025	Q3 2024
Cash Flow from Operations	69.8	22.7
Capital Expenditures	(29.6)	(26.7)
Free Cash Flow	40.2	(4.0)

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

Net Debt to Total Capitalization Ratio

(millions USD)	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	September 30, 2023	September 30, 2022	September 30, 2021	September 30, 2020
Total Debt	655.5	658.0	659.3	625.4	688.5	649.4	564.9	279.8	207.9
Cash	118.5	88.9	107.5	99.7	147.3	105.5	165.7	105.3	310.4
Net Debt	537.0	569.1	551.8	525.7	541.2	543.9	399.2	174.5	(102.5)
Equity	1,246.8	1,241.7	1,200.5	1,169.9	1,219.4	1,202.8	1,130.2	1,057.3	938.2
Net Debt + Equity	1,783.8	1,810.8	1,752.3	1,695.6	1,760.6	1,746.7	1,529.4	1,231.8	835.7
Net Debt / (Net Debt + Equity)	30%	31%	31%	31%	31%	31%	26%	14%	(12%)

Net Debt/TTM Adjusted EBITDA Ratio = 537/200 = 2.7

Income Statement

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Net Sales	$ 590,284	$ 546,842	$ 1,778,228	$ 1,654,665
Cost of Sales	519,261	471,157	1,559,857	1,439,147
Gross Profit	71,023	75,685	218,371	215,518
Operating Expenses:				
Selling	11,299	11,394	38,064	34,610
Administrative	22,864	26,254	67,079	73,513
Research, Development and Technical Services	14,225	13,532	43,575	41,881
Deferred Compensation Expense	841	556	1,606	2,729
	49,229	51,736	150,324	152,733
Operating Income	21,794	23,949	68,047	62,785
Other Income (Expense):				
Interest, Net	(6,815)	(3,621)	(16,426)	(9,353)
Other, Net	1,536	989	3,344	4,551
	(5,279)	(2,632)	(13,082)	(4,802)
Income Before Provision for Income Taxes	16,515	21,317	54,965	57,983
Provision for Income Taxes	5,676	(2,289)	13,074	10,963
Net Income	10,839	23,606	41,891	47,020
Net Income Per Common Share				
Basic	$ 0.47	$ 1.03	$ 1.83	$ 2.06
Diluted	$ 0.47	$ 1.03	$ 1.83	$ 2.05
Shares Used to Compute Net Income Per Common Share				
Basic	22,875	22,836	22,869	22,829
Diluted	22,893	22,923	22,888	22,936