Stepan

Second Quarter 2026 Earnings Results

July 29, 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.

Q2 2026 Highlights

Adjusted EBITDA[1] of $74.4MM, up 45% YoY

Broad-based organic volume growth (+6%), margin recovery and Catalyst savings

Solid pricing execution in an inflationary market

Well-executed price increases and pass-through mechanisms offsetting raw material inflation from global supply chain disruption

Project Catalyst on track

Savings ramping as planned; workforce reduction announced for the second half of 2026

Cash and Balance Sheet deleveraging focus

Working capital build on raw material costs and strong demand, offset by solid cash from operations before working capital. Net leverage ratio at 2.5X

Safety Performance

Record Performance in the last 12 months

(1) *EBITDA and Adjusted EBITDA are Non-GAAP measures. See Appendices IV and V for GAAP reconciliations.*

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.

Securing feedstocks and prioritizing customer supply

Dual petrochemical and oleochemical raw material streams provide flexibility against disruption

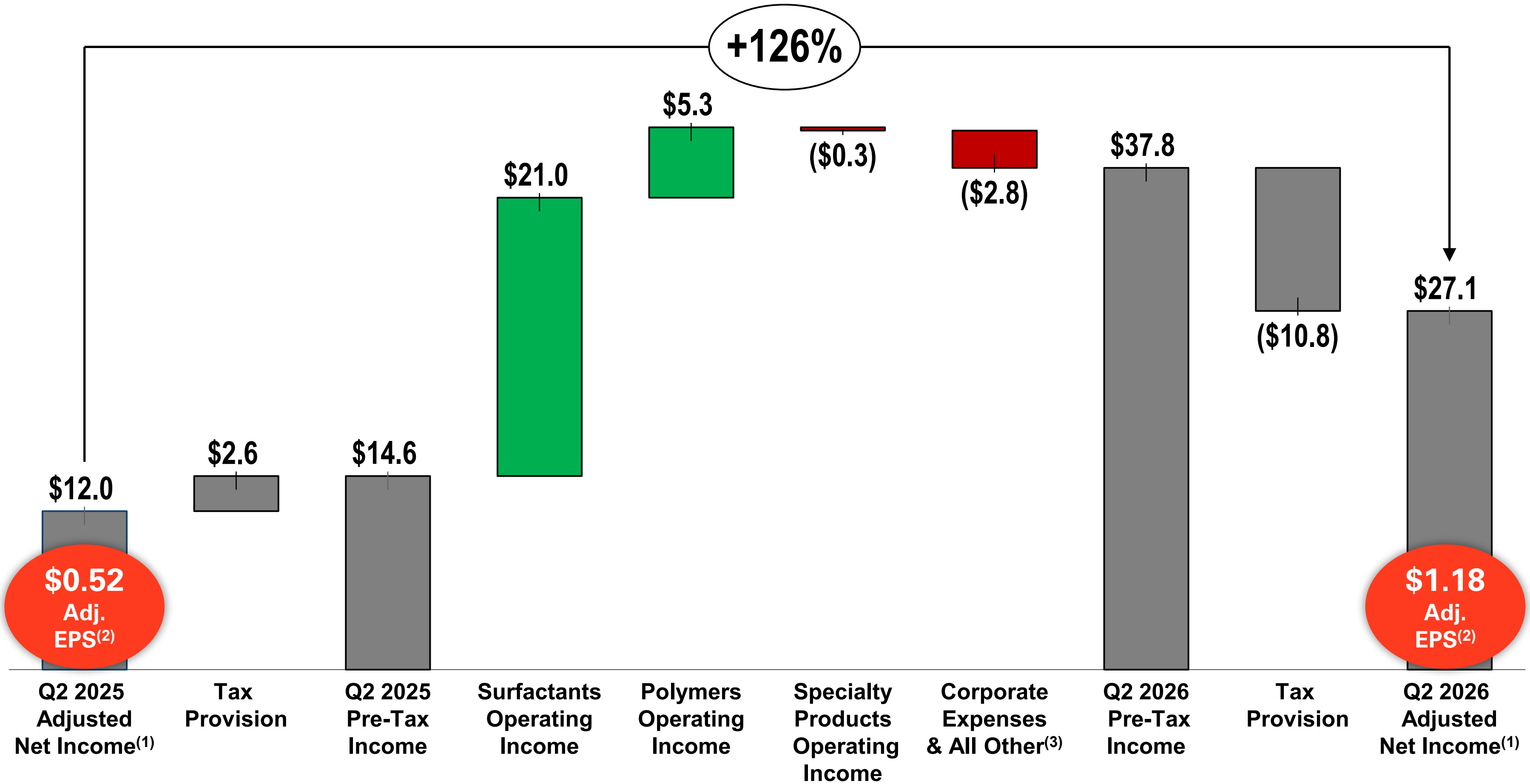
Maintaining financial and operational discipline

CORE FINANCIAL STRENGTH

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

Adjusted Net Income(1) Bridge

Q2 2025 to Q2 2026



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

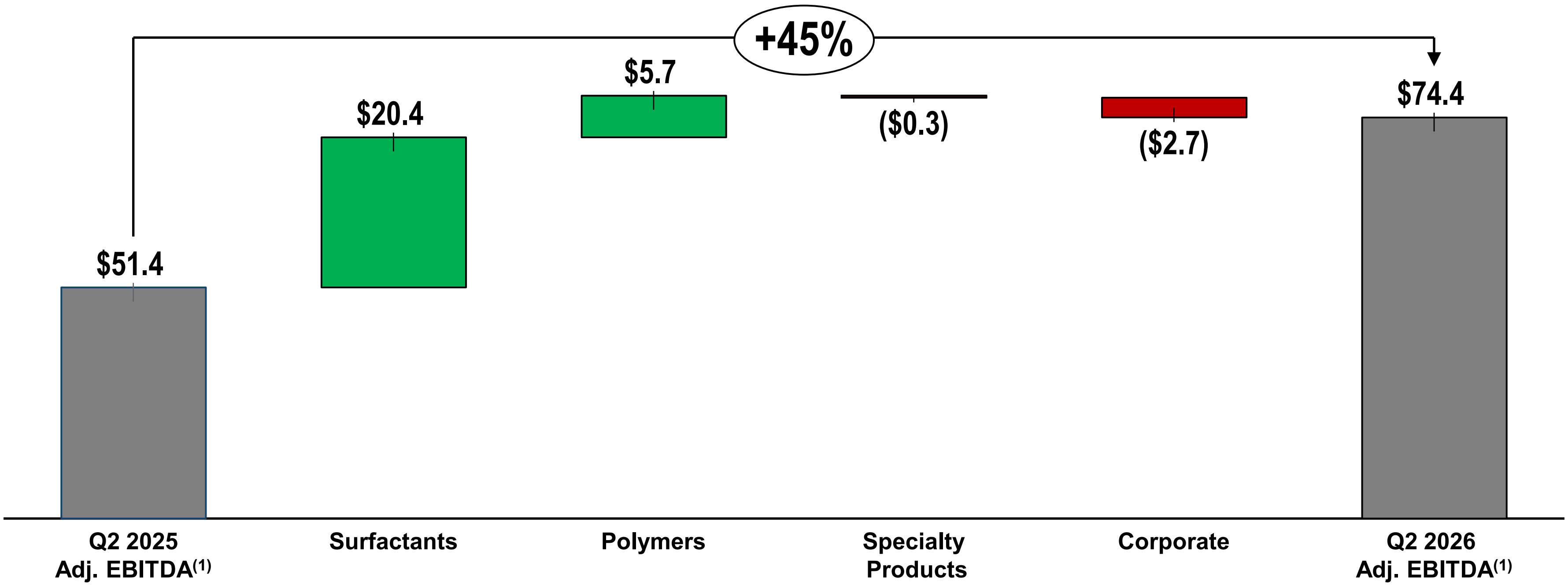
(1) Adjusted Net Income/Loss and Adjusted EPS are Non-GAAP measures that exclude certain significant, non-recurring items. See Appendix II for GAAP reconciliations.

(2) See Appendix III for Adjustments Details.

(3) Corporate Expenses & All Other consists of the following buckets: I. Corporate Expense of ($2.7) million, II. Other, net of $0.0 million, and III. Interest Expense of ($0.2) million.

Adjusted EBITDA[1] Bridge

Q2 2025 to Q2 2026



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

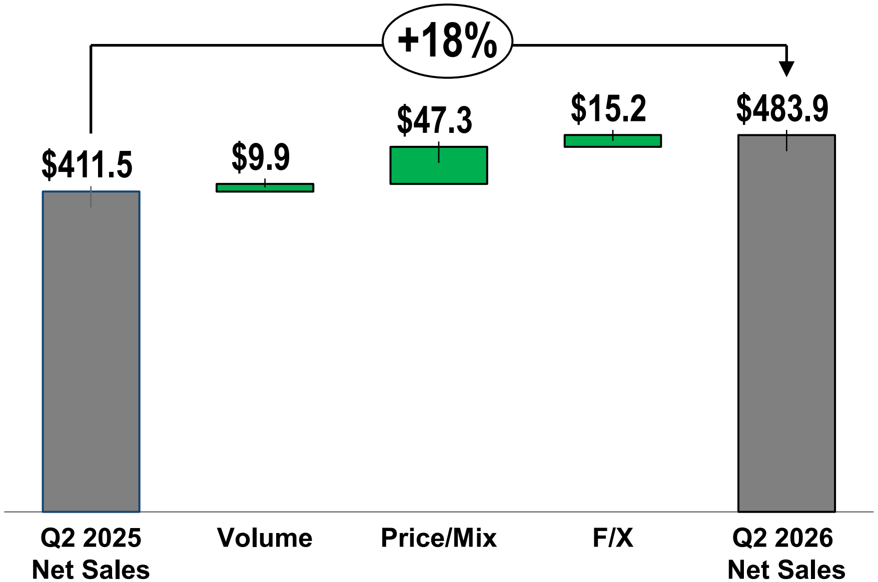
- **Surfactants:** +$20.4MM (+59%) – Broad-based organic volume growth and margin recovery; strategic end markets (Tier 2 / Tier 3, Oilfield services, and Crop Productivity) combined grew high single digits.
- **Polymers:** +$5.7MM (+22%) – Volume growth and global margin improvement. North American Rigid and Phthalic Anhydride businesses delivered double digit growth.
- **Specialty Products:** ($0.3MM) (-3%) – Volume growth; margin impacted by less favorable product mix within MCT product line, mostly offset by stronger food & flavor earnings.
- **Corporate Expenses:** ($2.7MM) – Normal inflation and higher incentive-based compensation reflecting stronger results.

(1) *EBITDA and Adjusted EBITDA are Non-GAAP measures. See Appendices IV and V for GAAP reconciliations.*

Surfactants

Q2 2025 to Q2 2026

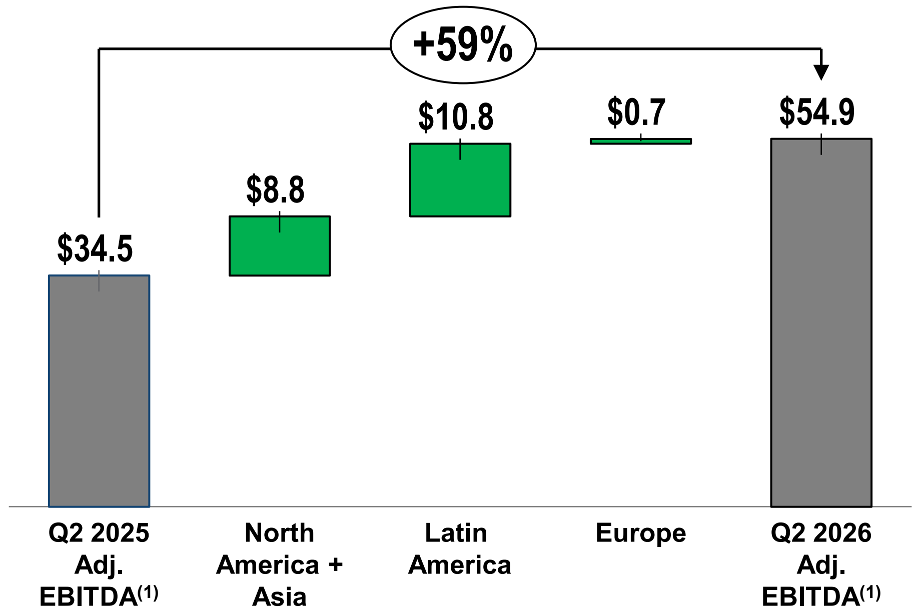
Net Sales Bridge



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

- **Organic Volume** (ex-divestitures) increased 7% year-over-year; broad-based organic growth across all end markets and regions; led by Industrial Cleaning, Laundry, Construction and Industrial and Oilfield.
- **Price/Mix** increased 12%, driven by disciplined pass-through of higher raw material costs, improved product and customer mix, and pricing actions.
- **F/X** positively impacted net sales by 4%.

Adjusted EBITDA(1) Bridge



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

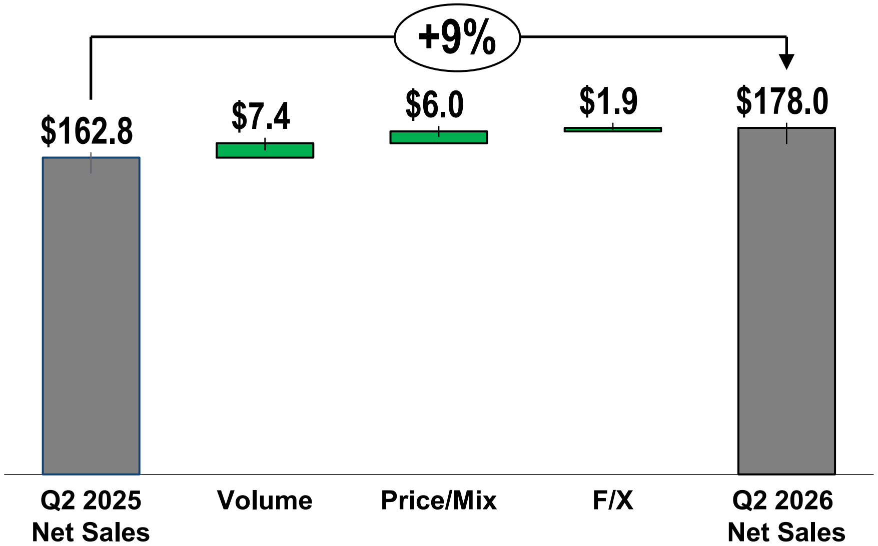
- **North America and Asia** earnings improved on Industrial Cleaning and Oilfield growth and recovery of Q1 production timing and absorption.
- **Latin America** earnings increase driven by double-digit organic volume growth, pricing execution and margin recovery.
- **Europe** earnings up modestly on organic growth in the quarter; anchored in Laundry, HI&I, and Construction & Industrial segments.

(1) EBITDA and Adjusted EBITDA are Non-GAAP measures. See Appendices IV and V for GAAP reconciliations.

Polymers

Q2 2025 to Q2 2026

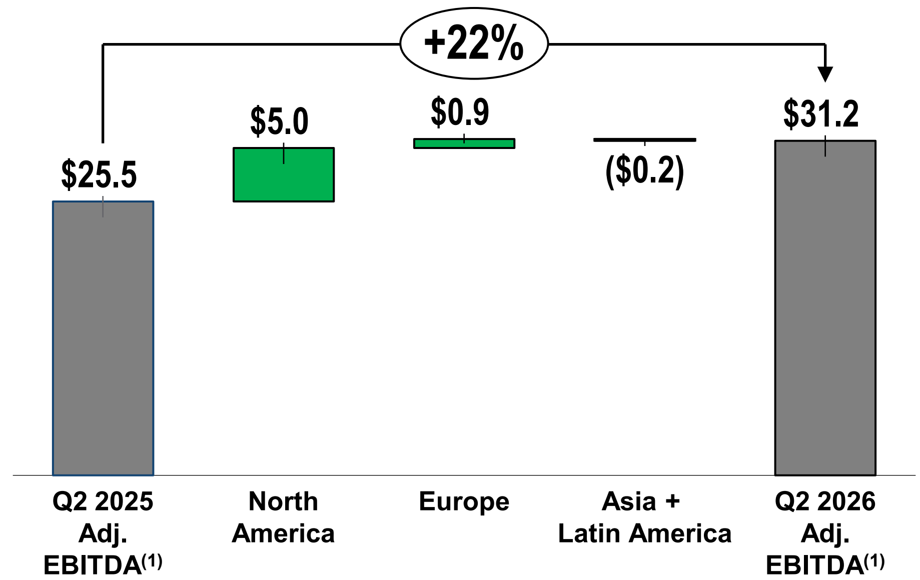
Net Sales Bridge



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

- **Volume** increased 5% year-over-year — North America up strong double-digit driven by Rigid Polyol and Phthalic Anhydride, partially offset by Europe and Asia.
- **Price/Mix** increased 4% on pass-through of higher raw material costs and margin recovery.
- **F/X** positively impacted net sales by 1%.

Adjusted EBITDA[1] Bridge



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

- **North America** EBITDA up $5.0MM on strong Rigid Polyol and Phthalic Anhydride volume growth and margin improvement. Spray foam product line volume growth of >3X year on year.
- **Europe** improved modestly as margin recovery offset continued soft construction demand.
- **Asia** and **Latin America** slightly lower on softer demand in China.

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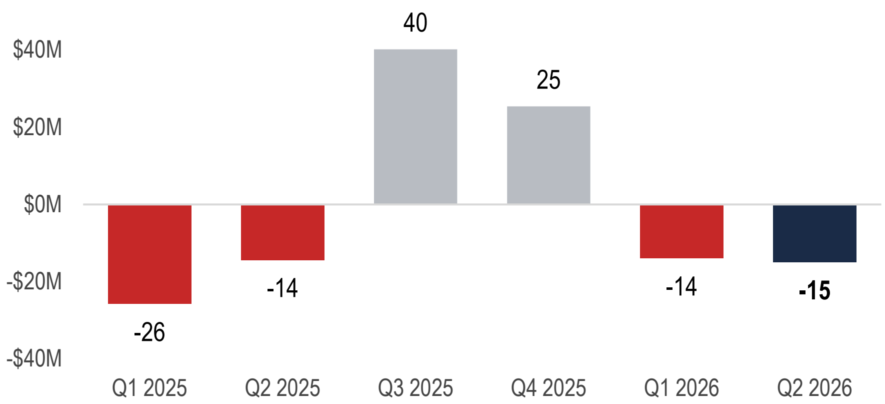
(1) EBITDA and Adjusted EBITDA are Non-GAAP measures. See Appendices IV and V for GAAP reconciliations.

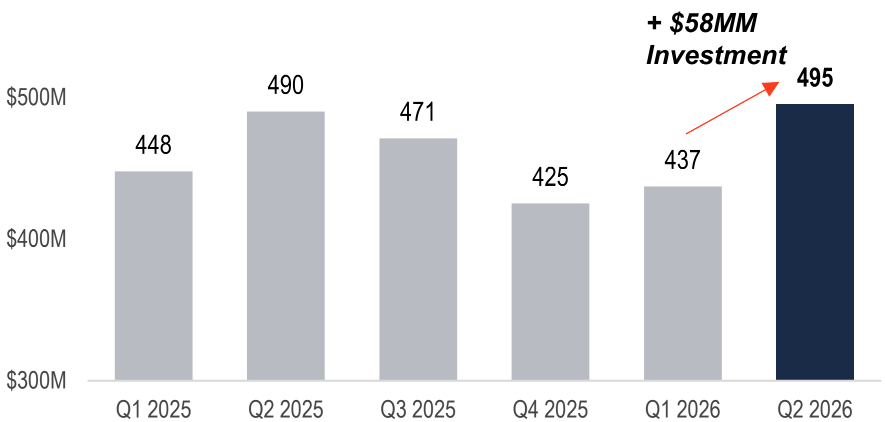
Balance Sheet & Cash Flow

Q2 2025 to Q2 2026

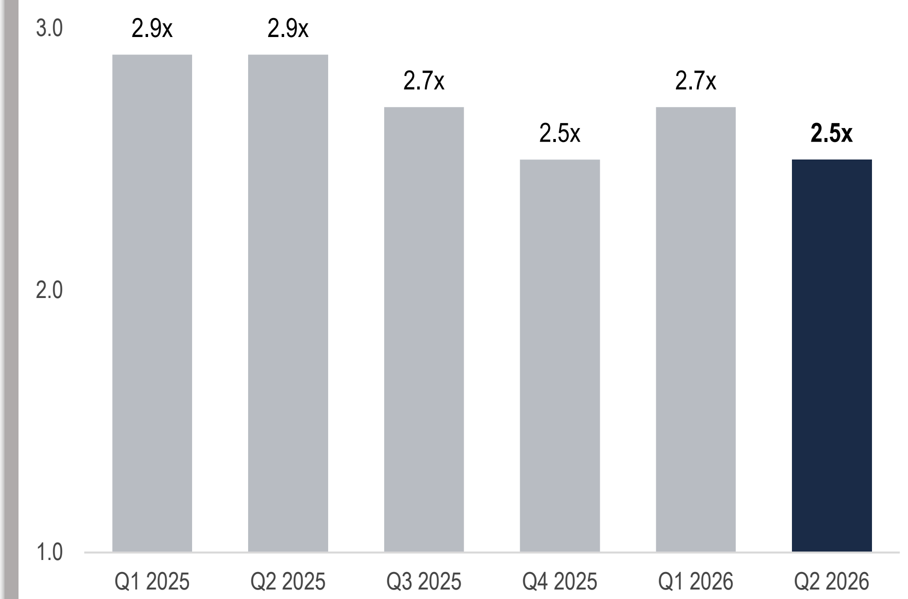
FREE CASH FLOW[5] – Quarterly



WORKING CAPITAL[4] – Quarter-End Balances



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



Net Debt
$534MM
vs. $569MM Q2 2025

TTM Adjusted EBITDA
$214MM
vs. $197MM Q2 2025

Leverage Ratio[3]
2.5x
vs. 2.9x Q2 2025

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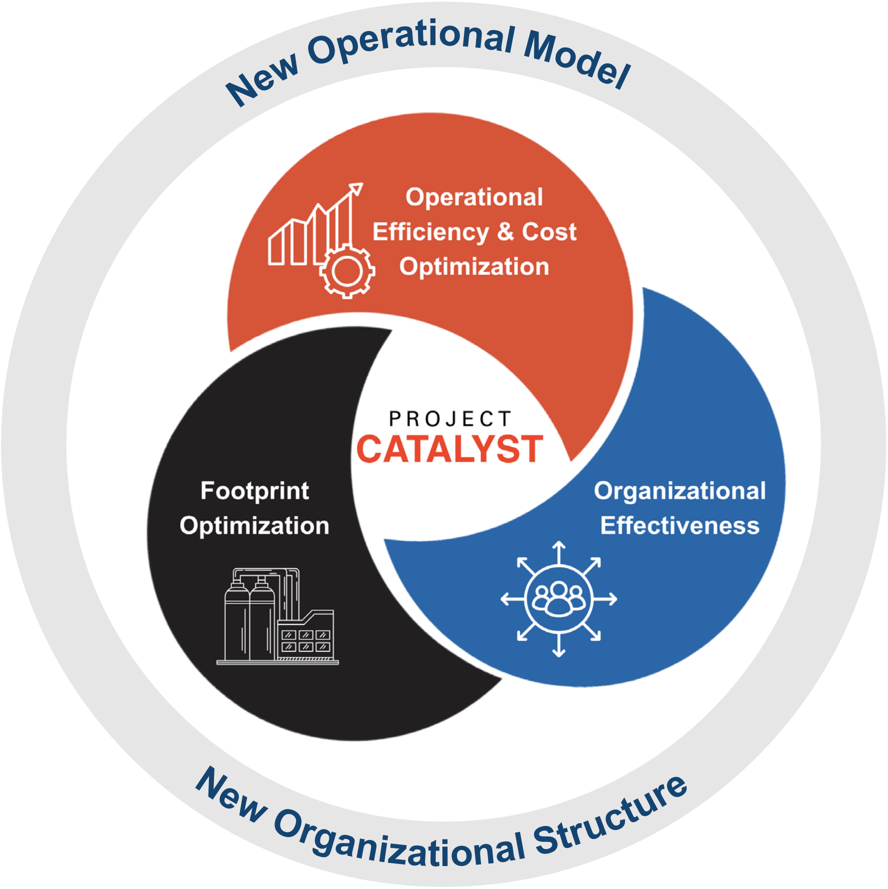
[1] Net Debt is a Non-GAAP measure. See Appendix VII for a GAAP reconciliation.
[2] TTM Adjusted EBITDA is a Non-GAAP measure. See Appendix VIII for a GAAP reconciliation.
[3] Net Debt / TTM Adjusted EBITDA Ratio is a Non-GAAP measure. See Appendix VII for a GAAP reconciliation.
[4] Includes the following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

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 roles of salaried workforce to be reduced by end of year.

$~100MM In Pre-Tax Savings

Thank You

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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	100 – 110
Debt Repayments*	49	63	59
Interest Net	14	22	24 – 26
Depreciation & Amortization	112	126	125 – 130
Effective Tax Rate (%)	17%	22%	24 – 26%

* *Scheduled Principal Payments of Private Placement Notes*

Reconciliations

Q2 2025 to Q2 2026

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

	Three Months Ended June 30,				Six Months Ended June 30,			
($ in thousands, except per share amounts)	2026	EPS	2025	EPS	2026	EPS	2025	EPS
Net Income Reported	$ 22,911	$ 1.00	$ 11,341	$ 0.50	$ (18,495)	$ (0.81)	$ 31,052	$ 1.36
Deferred Compensation (Income) Expense	$ 52	$ -	$ 69	$ -	$ 529	$ 0.02	$ (401)	$ (0.02)
Environmental Remediation Expense	$ 92	$ -	$ 542	$ 0.02	$ 170	$ 0.01	$ 611	$ 0.03
Business Restructuring	$ 3,997	$ 0.18	$ -	$ -	$ 55,161	$ 2.41	$ -	$ -
Adjusted Net Income	$ 27,052	$ 1.18	$ 11,952	$ 0.52	$ 37,365	$ 1.63	$ 31,262	$ 1.37

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

Reconciliation of Pre-Tax to After-Tax Adjustments

	Three Months Ended June 30,				Six Months Ended June 30,			
($ in thousands, except per share amounts)	2026	EPS	2025	EPS	2026	EPS	2025	EPS
Pre-Tax Adjustments								
Deferred Compensation (Income) Expense	$ 68		$ 92		$ 696		$ (534)	
Environmental Remediation Expense	$ 121		$ 722		$ 223		$ 814	
Business Restructuring	$ 5,106		$ -		$ 70,545		$ -	
Total Pre-Tax Adjustments	$ 5,295		$ 814		$ 71,464		$ 280	
Cumulative Tax Effect on Adjustments	$ (1,154)		$ (203)		$ (15,604)		$ (70)	
After-Tax Adjustments	$ 4,141	$ 0.18	$ 611	$ 0.02	$ 55,860	$ 2.44	$ 210	$ 0.01

Reconciliations – Cont.

Q2 2025 to Q2 2026

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

($ in thousands, except per share amounts)	Three Months Ended June 30, 2026	EPS	Three Months Ended June 30, 2025	EPS	Six Months Ended June 30, 2026	EPS	Six Months Ended June 30, 2025	EPS
Net Income Reported	$ 22,911	$ 1.00	$ 11,341	$ 0.50	$ (18,495)	$ (0.81)	$ 31,052	$ 1.36
Deferred Compensation (Income) Expense	$ 52	$ -	$ 69	$ -	$ 529	$ 0.02	$ (401)	$ (0.02)
Environmental Remediation Expense	$ 92	$ -	$ 542	$ 0.02	$ 170	$ 0.01	$ 611	$ 0.03
Business Restructuring	$ 3,997	$ 0.18	$ -	$ -	$ 55,161	$ 2.41	$ -	$ -
Adjusted Net Income	$ 27,052	$ 1.18	$ 11,952	$ 0.52	$ 37,365	$ 1.63	$ 31,262	$ 1.37

(1) *All amounts in this table are presented after-tax*

Summary of Second Quarter 2026 Adjusted Net Income Items

Adjusted net income excludes non-operational deferred compensation income/expense, certain environmental remediation costs and other significant and infrequent or non-recurring items.

- **Deferred Compensation:** The second quarter of 2026 reported net income includes $0.1 million of after-tax expense versus $0.1 million of after-tax expense in the prior year.
- **Environmental Remediation:** The second quarter of 2026 reported net income includes $0.1 million of after-tax expense versus $0.5 million of after-tax expense in the prior year.
- **Business Restructuring:** The second quarter of 2026 reported net income includes $4.0 million of after-tax expense related to restructuring charges. There were no restructuring charges recognized in the prior year quarter.

Reconciliations – Cont.

Q2 2025 to Q2 2026

Adjusted EBITDA and EBITDA Reconciliations Q2 2026 and Q2 2025[1]

	Three Months Ended June 30, 2026				
($ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	$ 34.4	$ 22.5	$ 5.0	$ (24.6)	$ 37.2
Depreciation and Amortization	20.5	8.7	1.5	0.2	30.9
Other, Net Income	-	-	-	1.0	1.0
EBITDA					$ 69.1
Deferred Compensation	-	-	-	0.1	0.1
Environmental Remediation	-	-	-	0.1	0.1
Business Restructuring	-	-	-	5.1	5.1
Adjusted EBITDA	$ 54.9	$ 31.2	$ 6.5	$ (18.1)	$ 74.4

	Three Months Ended June 30, 2025				
($ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	$ 13.4	$ 17.2	$ 5.2	$ (17.8)	$ 18.0
Depreciation and Amortization	21.1	8.4	1.5	0.3	31.3
Other, Net Income	-	-	-	1.3	1.3
EBITDA					$ 50.6
Deferred Compensation	-	-	-	0.1	0.1
Environmental Remediation	-	-	-	0.7	0.7
Adjusted EBITDA	$ 34.5	$ 25.6	$ 6.7	$ (15.4)	$ 51.4

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[1] *Refer to Income Statement on appendix V for a bridge between Operating Income and Net Income.*

Income Statement

Q2 2025 to Q2 2026

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net Sales	$ 684,109	$ 594,689	$ 1,288,618	$ 1,187,944
Cost of Sales	584,127	522,804	1,123,785	1,040,596
Gross Profit	99,982	71,885	164,833	147,348
Operating Expenses:				
Selling	14,866	14,657	27,032	26,765
Administrative	24,203	22,801	45,516	44,215
Research, Development and Technical Services	17,195	14,701	32,188	29,350
Deferred Compensation Expense	1,402	1,761	1,964	765
	57,666	53,920	106,700	101,095
Business Restructuring	5,106	-	70,545	-
Operating Income	37,210	17,965	(12,412)	46,253
Other Income (Expense):				
Interest, Net	(5,682)	(5,485)	(10,693)	(9,611)
Other, Net	1,021	1,306	1,165	1,808
	(4,661)	(4,179)	(9,528)	(7,803)
Income Before Provision for Income Taxes	32,549	13,786	(21,940)	38,450
Provision for Income Taxes	9,638	2,445	(3,445)	7,398
Net Income	22,911	11,341	(18,495)	31,052
Net Income Per Common Share				
Basic	$ 1.00	$ 0.50	$ (0.81)	$ 1.36
Diluted	$ 1.00	$ 0.50	$ (0.81)	$ 1.36
Shares Used to Compute Net Income Per Common Share				
Basic	22,897	22,865	22,893	22,866
Diluted	22,924	22,879	22,893	22,885

Free Cash Flow (FCF)

Reconciliations – Cont.

(million USD)	Q2 2026	Q2 2025
Cash Flow from Operations Before Working Capital[1]	56.1	44.9
Cash Flow from Operations	8.4	11.2
Capital Expenditures	(23.4)	(25.6)
Free Cash Flow	(15.0)[2]	(14.4)

(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

Net Debt to Capital Trend

June 2022 – Q2 2026 (Quarterly)

(millions USD)	June 30, 2026	March 31, 2026	December 31, 2025	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
Total Debt	647.4	651.7	626.7	658.0	646.0	711.0	537.1
Cash	113.7	140.8	132.7	88.9	125.8	127.0	236.0
Net Debt	533.7	510.9	494.0	569.1	520.2	584.0	301.1
Equity	1,212.0	1,193.0	1,244.0	1,241.7	1,214.5	1,189.9	1,116.7
Net Debt + Equity	1,745.7	1,703.9	1,738.0	1,810.8	1,734.7	1,773.9	1,417.8
Net Debt / (Net Debt + Equity)	31%	30%	28%	31%	30%	33%	21%

Net Debt/TTM Adjusted EBITDA Ratio = 534/214 = 2.5

Trailing Twelve Months

Reconciliations – Cont.

	06/30/2026 TTM – Adjusted EBITDA
Reported Operating Income	19.9
Depreciation & Amortization	129.3
Other Net Income (Expense)	2.8
Deferred Compensation	0.6
Cash Settled SARS	0.0
Goodwill and Other Intangibles Impairment Expense	6.2
Business Restructuring & Asset Impairment Expense	70.5
Environmental Remediation Expense	0.7
Adjusted EBITDA	214.2

Estimated Cash Impact – Site Closure & Select Asset Decommissioning (Project Catalyst)

(USD millions)	Total Cash Impact Estimate [1]		Non-Cash Impact 2026	Cash Expense 2026 Q2 YTD	Cash Expense Full Year 2026	Cash Expense 2027-2035	
	Low	High				Low	High
Decommissioning, Dismantling & Environmental [2]	$24	$34	-	$3	$6 - $8	$18	$26
Severance and People Related [3]	$8	$10	-	$4	$8 - $10	-	-
Asset Write-Offs/Accelerated Depreciation	-	-	$62	-	-	-	-
Total	$32	$44	$62	$7	$14 - $18	$18	$26

NOTE: The company anticipates recognizing restructuring charges in the range of $75 to $80 million in 2026; consistent with the February 2026 press release.

[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.*