
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 1/29/2021

STEPAN COMPANY

(Exact name of registrant as specified in its charter)

Commission File Number: 1-4462

Delaware
(State or other jurisdiction of
incorporation)

36-1823834
(IRS Employer
Identification No.)

22 West Frontage Road, Northfield, Illinois 60093
(Address of principal executive offices, including zip code)

(847) 446-7500
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of Each exchange on which registered
Common Stock, \$1 par value	SCL	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On January 29, 2021, Stepan Company and its wholly-owned subsidiaries Stepan Holdings Netherlands B.V. and Stepan UK Limited (collectively, “Stepan”) entered into a Stock and Asset Purchase Agreement (the “Purchase Agreement”) with Arteva Specialties B.V., INV Performance Surfaces, LLC, INVISTA Textiles (U.K.) Limited, INV Management Services, LLC, and INVISTA Equities, LLC (collectively, “INVISTA”), whereby Stepan acquired INVISTA’s aromatic polyester polyol business and certain associated assets.

Pursuant to the Purchase Agreement, in exchange for an aggregate purchase price of \$165 million (the “Purchase Price”), Stepan acquired (1) all of the outstanding shares of INVISTA Polyester B.V., which owns INVISTA’s manufacturing facility located in Vlissingen, the Netherlands, (2) INVISTA’s manufacturing facility located in Wilmington, North Carolina and certain related assets, and (3) certain intellectual property, customer and supplier relationships and inventory. The Purchase Price was paid in cash and is subject to customary adjustments based on actual working capital and inventory as of the closing date.

The Purchase Agreement contains customary representations, warranties, covenants and indemnification provisions. To further address potential breaches of INVISTA’s representations and warranties beyond the application of the indemnification provisions, Stepan has obtained a representation and warranty insurance policy, which is subject to customary terms, exclusions and retention amounts. In connection with the closing of the acquisition, the parties also entered into a transition services agreement and certain additional transitional sales and supply agreements.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby is qualified by reference to the full text of the Purchase Agreement, which Stepan Company will file as an exhibit to its Quarterly Report on Form 10-Q for the quarter ended March 31, 2021. The Purchase Agreement is not intended to provide any other information about Stepan, INVISTA or their respective subsidiaries and affiliates. The Purchase Agreement contains representations and warranties that are the product of negotiations among the parties thereto and the parties made to, and solely for the benefit of, each other as of specified dates. The assertions embodied in those representations and warranties are subject to qualifications and limitations agreed to by the respective parties and are also qualified in important part by confidential disclosure schedules delivered by the respective parties to the Purchase Agreement. The representations and warranties may have been made for the purpose of allocating contractual risk between the parties to the agreements instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On January 29, 2021, Stepan completed the acquisition of INVISTA’s aromatic polyester polyol business and certain associated assets pursuant to the Purchase Agreement. The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference into this Item 2.01.

Item 8.01 Other Events.

On January 29, 2021, Stepan Company issued a press release announcing the acquisition. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of Stepan Company dated January 29, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STEPAN COMPANY

Date: January 29, 2021

By: /s/ David G. Kabbes

David G. Kabbes

Vice President, General Counsel and Secretary

Stepan Announces Acquisition of Aromatic Polyester Polyol Business from INVISTA

NORTHFIELD, Ill., Jan. 29, 2021 -- Stepan Company (NYSE: SCL) today announced that it has purchased INVISTA's aromatic polyester polyol business and associated assets. Included in the transaction are two manufacturing sites, one in Wilmington, NC (United States) and the other in Vlissingen (the Netherlands), and intellectual property, customer relationships, inventory and working capital. The business acquired has global sales of approximately \$100 million. This acquisition was financed with cash on hand and is expected to be accretive to Stepan's EBITDA margins.

"We are excited to add INVISTA's polyester polyol capabilities to Stepan. This acquisition expands our manufacturing capability in both the United States and Europe, enhances our business continuity capabilities for the market and supports the growth of our global rigid polyol business. We expect that INVISTA's available spare capacity, plus debottlenecking opportunities in both plants, will allow Stepan to support market growth in a capital efficient way," said F. Quinn Stepan, Jr. Chairman and Chief Executive Officer of Stepan. "We believe the long-term prospects for rigid polyol use in insulation remain strong as energy conservation efforts and more stringent building codes should continue to drive market growth. Additionally, we believe the acquired technology will accelerate our product leadership initiatives, drive manufacturing efficiencies and output, and create increased value for the overall market. We look forward to providing the highest level of service to our new customers and are excited to add the new employees and the two new sites to our global polyester polyol manufacturing network."

Management will provide more perspective on this acquisition as part of Stepan Company's fourth quarter and full year 2020 results conference call on February 18, 2021.

Corporate Profile

Stepan Company is a major manufacturer of specialty and intermediate chemicals used in a broad range of industries. Stepan is a leading merchant producer of surfactants, which are the key ingredients in consumer and industrial cleaning and disinfection products and in agricultural and oilfield solutions. The Company is also a leading supplier of polyurethane polyols used in the expanding thermal insulation market, and CASE (Coatings, Adhesives, Sealants, and Elastomers) industries.

Headquartered in Northfield, Illinois, Stepan utilizes a network of modern production facilities located in North and South America, Europe and Asia.

The Company's common stock is traded on the New York Stock Exchange (NYSE) under the symbol SCL. For more information about Stepan Company please visit the Company online at www.stepan.com

More information about Stepan's sustainability program can be found on the Sustainability page at www.stepan.com

Contact: Luis E. Rojo 847-446-7500

Certain information in this news release 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 news release. 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 the impact of the COVID-19 pandemic; 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; our ability to identify suitable acquisition candidates and successfully complete and 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.

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.