# Stepan Co.

**SCL**

NYSE; chemicals; SIC 2840, Soap, Detergents, Cleang Preparations, Perfumes, Cosmetics; CIK 0000094049

**E**

**weakest fifth of 330 graded peers in the pooled industrial gro...**

rank 276 of 330; percentile 85.7; sampling error 2.7 points; lower is stronger

A B C D E

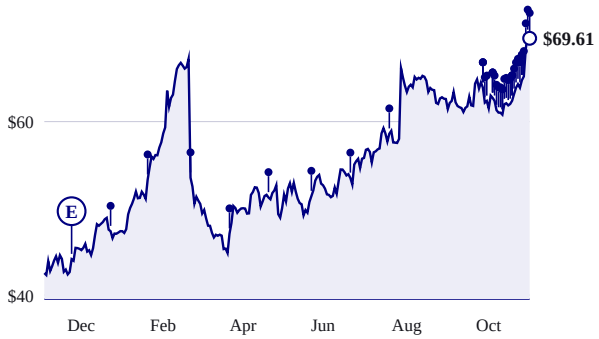
**E, the bear**



## Scoreboard

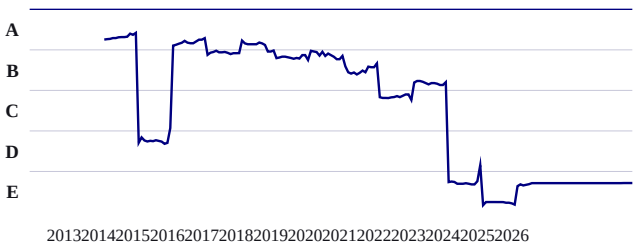
| | | |
|---|---|---|
| **Profitability** | C/D | percentile 62.5 |
| **Solvency** | D | percentile 74.2 |
| **Growth and financing** | C/D | percentile 59.8 |
| **Reliability** | 0.91 AUC | filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 1.01% a year | Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $591M to $2.67B assets | total assets $2.4B |
| **Standard universe** | inside | revenue above $1M and assets above $10M |
| **Warnings** | none triggered | not computable: distress |
| **Inputs computable** | 10 of 14 | |
| **Graded from** | filings received through Feb 26, 2026 | 249 days before the rescan; latest periodic filing 10-Q received Aug 5, 2026 |
| **Last close** | $69.48 | 2026-10-30; market equity $1.6B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Feb 26, 2026*

Stepan Company, which was incorporated under the laws of the state of Delaware on February 19, 1959, and its subsidiaries produce specialty and intermediate chemicals, which are sold to other manufacturers and used in a variety of end products. The Company has three reportable segments: Surfactants, Polymers and Specialty Products. Surfactants are chemical agents that affect the interaction between two surfaces; they can provide actions such as detergency (i.e., the ability of water to remove soil from another surface), wetting and foaming, dispersing, emulsification (aiding two dissimilar liquids to mix), demulsification, viscosity modifications and biocidal disinfectants.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

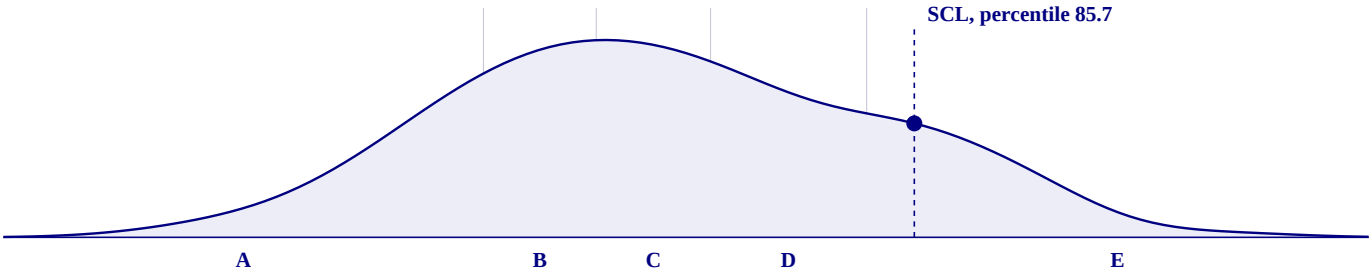
| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 62.5** | | | | | | |
| Gross profitability | 11.4% | 21.4% | | 79.1 | 359 | 2025-12-31 |
| Return on invested capital | 3.6% | 9.3% | | 76.0 | 126 | 2025-12-31 |

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (4.3%) | (4.2%) | 48.9 | 398 | 2025-12-31 |
| Gross margin stability, five years | 2.1 pts | 2.2 pts | 46.2 | 300 | 2025-12-31 |
| **Solvency, sleeve percentile 74.2** | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | |
| *liabilities and a nearby cover-page share count are required at 2026-06-30* | | | | | |
| Altman Z double-prime | not computable | 3.41 | | | |
| *one or more required annual facts are missing* | | | | | |
| Net debt to EBITDA | 2.41x | 1.88x | 67.1 | 150 | 2025-12-31 |
| Interest coverage | not computable | 4.16x | | | |
| *latest aligned inputs end 2014-12-31; latest annual assets end 2025-12-31* | | | | | |
| Current ratio | 1.29x | 2.20x | 81.2 | 421 | 2025-12-31 |
| **Growth and financing, sleeve percentile 59.8** | | | | | |
| Revenue growth, three-year compound | (5.6%) | 1.2% | 79.0 | 349 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 12.5% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | 77.3% | 21.8% | 21.3 | 170 | 2025-12-31 |
| Asset growth, three years | (1.0%) | 2.9% | 69.0 | 366 | 2025-12-31 |
| Net share issuance, one year | 0.6% | 0.0% | 69.9 | 317 | 2026-01-31 |

## Among 330 peers

*chemicals; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 271 | O-I Glass, Inc. (OI) | 84.6 | E | |
| 272 | Kronos Worldwide Inc. (KRO) | 84.8 | E | |
| 273 | Sifco Industries Inc. (SIF) | 85.0 | E | fortress balance sheet |
| 274 | Avient Corp. (AVNT) | 85.4 | E | |
| 275 | Clearwater Paper Corp. (CLW) | 85.4 | E | |
| 276 | Stepan Co. (SCL) | 85.7 | E | |
| 277 | Smurfit Westrock plc (SW) | 85.8 | E | |
| 278 | FMC Corp. (FMC) | 86.0 | E | |
| 279 | Worthington Enterprises, Inc. (WOR) | 86.2 | E | |
| 280 | IT Tech Packaging, Inc. (ITP) | 86.6 | E | late filer, fortress balance sheet |
| 281 | LSB Industries, Inc. (LXU) | 86.6 | E | |

## What the price implies

*at the 2026-10-30 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 47.4% | 11.0% | 83 |
| Distance from 52-week high | (0.5%) | (24.7%) | 97 |
| EBIT to enterprise value | 3.7% | 3.8% | 49 |
| Free cash flow yield | 1.6% | 3.4% | 32 |
| Book value to price | 0.77 | 0.38 | 76 |

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| | | | |
|---|---|---|---|
| Sales to price | 1.47 | 0.55 | 78 |
| Composite equity issuance, five years | (9.1%) | (10.0%) | 53 |
| Relative strength against the sector, log excess return | 0.25 | 0.00 | 78 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 5 of 9, period end 2025-12-31** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | fail |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | pass |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $113.7M |
| Operating cash flow, four quarters | $155.0M |
| Months of runway | not finite |
| Days since last periodic filing | 89 (10-Q received Aug 5, 2026) |
| Median daily dollar volume, 63 sessions | $8.2M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | gross profit | us-gaap:GrossProfit | $269.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 2 | assets | us-gaap:Assets | $2.4B | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $78.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $59.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $13.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 6 | total debt | us-gaap:LongTermDebt | $626.7M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 7 | book equity | us-gaap:StockholdersEquity | $1.2B | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $132.7M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 9 | total debt | us-gaap:LongTermDebt | $625.4M | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 10 | book equity | us-gaap:StockholdersEquity | $1.2B | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $99.7M | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 12 | net income | us-gaap:NetIncomeLoss | $46.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $147.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 14 | assets | us-gaap:Assets | $2.3B | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.3B | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 16 | gross profit | us-gaap:GrossProfit | $272.2M | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.2B | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 18 | gross profit | us-gaap:GrossProfit | $277.6M | 2023-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.3B | 2023-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 20 | gross profit | us-gaap:GrossProfit | $427.1M | 2022-12-31 | 2025-02-27 | 10-K | 25-029079 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.8B | 2022-12-31 | 2025-02-27 | 10-K | 25-029079 |
| 22 | gross profit | us-gaap:GrossProfit | $395.8M | 2021-12-31 | 2024-02-29 | 10-K | 24-022778 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.3B | 2021-12-31 | 2024-02-29 | 10-K | 24-022778 |
| 24 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $126.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 25 | operating income | us-gaap:OperatingIncomeLoss | $90.7M | 2014-12-31 | 2017-02-24 | 10-K | 17-002324 |
| 26 | interest expense | us-gaap:InterestExpense | $11.4M | 2014-12-31 | 2015-02-27 | 10-K | 15-001079 |
| 27 | current assets | us-gaap:AssetsCurrent | $859.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 28 | current liabilities | us-gaap:LiabilitiesCurrent | $666.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $122.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 30 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $162.1M | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $122.8M | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $174.9M | 2023-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $260.3M | 2023-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $160.8M | 2022-12-31 | 2025-02-27 | 10-K | 25-029079 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $301.6M | 2022-12-31 | 2025-02-27 | 10-K | 25-029079 |
| 36 | current assets | us-gaap:AssetsCurrent | $810.4M | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 37 | current liabilities | us-gaap:LiabilitiesCurrent | $669.0M | 2024-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 38 | assets | us-gaap:Assets | $2.4B | 2023-12-31 | 2026-02-26 | 10-K | 26-074976 |
| 39 | assets | us-gaap:Assets | $2.4B | 2022-12-31 | 2025-02-27 | 10-K | 25-029079 |
| 40 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 22,635,277 | 2026-01-31 | 2026-02-26 | 10-K | 26-074976 |
| 41 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 22,504,117 | 2025-01-31 | 2025-02-27 | 10-K | 25-029079 |

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