

Stepan Co. (SCL)

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

Stepan Co. SCL; chemicals	
Grade	E A B C D E weakest fifth of 331 graded peers percentile 85.8; sampling error 2.7 points; lower is stronger
Rank	277 of 331
Profitability	C/D percentile 62.5
Solvency	D percentile 74.0
Growth and financing	C/D percentile 59.7
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 active not computable: distress
Inputs computable	10 of 14
Graded from	filings received through Feb 26, 2026 225 days before the rescans; latest periodic filing 10-Q received Aug 5, 2026
Last close	\$60.95 2026-10-08; market equity \$1.4B
Price used in grade	None

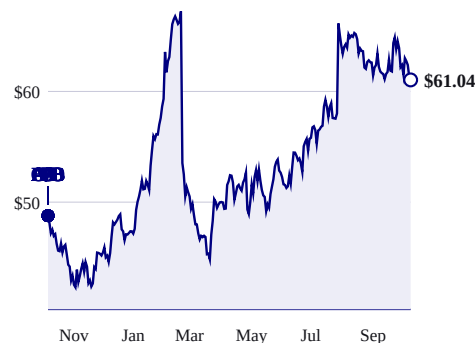


E, the bear

weakest fifth of its sector;
letters are fifths of the 331
graded peers

Share price, twelve months to the rescans

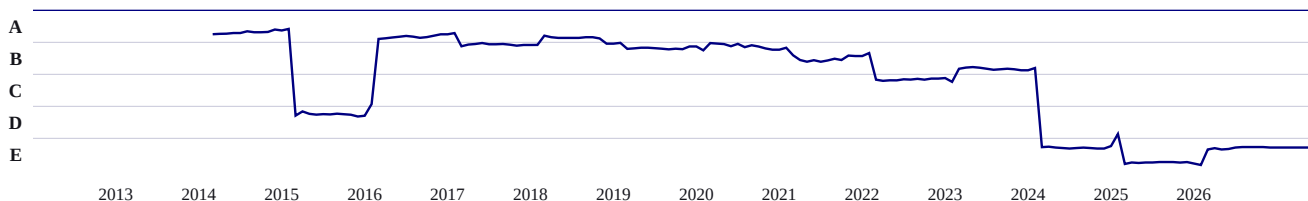
split-adjusted close; the letter is fixed at the rescans that set it



Rescans on file: B from Feb 21, 2024, E from Mar 21, 2024, D from Feb 21, 2025, E from Mar 21,

Letter at every rescans

Jan 21, 2012 to Oct 9, 2026; sector percentile, 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.

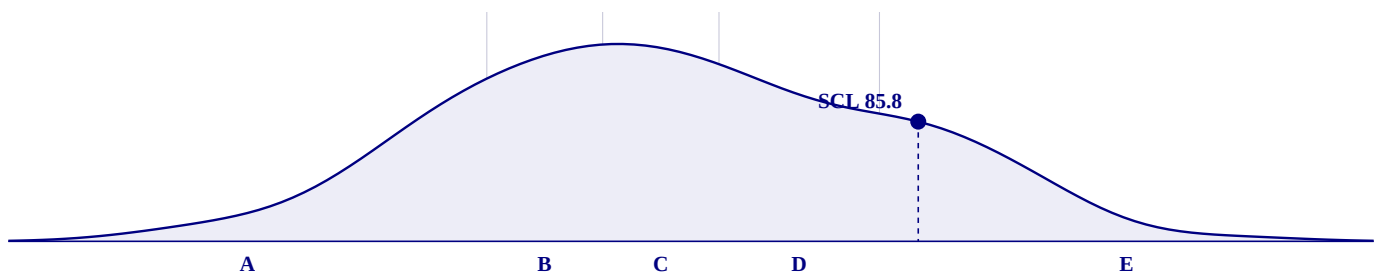
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 62.5						
Gross profitability		11.4%	21.3%	79.1	359	2025-12-31
Return on invested capital		3.6%	9.5%	76.4	124	2025-12-31
Accruals ratio		(4.3%)	(4.2%)	48.9	400	2025-12-31
Gross margin stability, five years		2.1 pts	2.2 pts	45.7	301	2025-12-31
Solvency, sleeve percentile 74.0						
Twelve-month failure probability		not computable	0.05%			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	80.8	423	2025-12-31
Growth and financing, sleeve percentile 59.7						
Revenue growth, three-year compound		(5.6%)	1.2%	79.1	350	2025-12-31
Free cash flow growth, three-year compound		not computable	12.6%			current FCF must be positive and base FCF must exceed \$100,000
Reinvestment rate		77.3%	24.3%	21.3	170	2025-12-31
Asset growth, three years		(1.0%)	2.9%	69.0	369	2025-12-31
Net share issuance, one year		0.6%	0.0%	69.4	321	2026-01-31

Among 331 peers

chemicals; letters are fifths of this list



Rank	Company	Percentile	Letter	Warnings
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272	Sifco Industries Inc. (SIF)	84.6	E	fortress balance sheet
273	Kronos Worldwide Inc. (KRO)	84.8	E	
274	Clearwater Paper Corp. (CLW)	85.0	E	
275	Avient Corp. (AVNT)	85.2	E	
276	MasterCraft Boat Holdings, Inc. (MCFT)	85.4	E	dilution
277	Stepan Co. (SCL) <	85.8	E	
278	Smurfit Westrock plc (SW)	85.8	E	
279	FMC Corp. (FMC)	86.1	E	
280	Worthington Enterprises, Inc. (WOR)	86.2	E	
281	IT Tech Packaging, Inc. (ITP)	86.6	E	late filer, fortress balance sheet
282	cbdMD, Inc. (YCBD)	86.7	E	

What the price implies

at the 2026-10-08 close; none enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	33.6%	13.8%	68
Distance from 52-week high	(9.2%)	(24.2%)	87
EBIT to enterprise value	4.1%	3.9%	52
Free cash flow yield	1.8%	3.2%	35
Book value to price	0.87	0.39	83
Sales to price	1.68	0.57	82
Composite equity issuance, five years	(9.1%)	(9.9%)	53
Relative strength against the sector, log excess return	0.12	(0.02)	65

Diagnostics

not in 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	65 (10-Q received Aug 5, 2026)
Median daily dollar volume, 63 sessions	\$8.0M

Sources

each row links to the 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	0001193125-26-074976
2	assets	us-gaap:Assets	\$2.4B	2025-12-31	2026-02-26	10-K	0001193125-26-074976
3	operating income	us-gaap:OperatingIncomeLoss	\$78.5M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$59.9M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$13.0M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
6	total debt	us-gaap:LongTermDebt	\$626.7M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
7	book equity	us-gaap:StockholdersEquity	\$1.2B	2025-12-31	2026-02-26	10-K	0001193125-26-074976

8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$132.7M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
9	total debt	us-gaap:LongTermDebt	\$625.4M	2024-12-31	2026-02-26	10-K	0001193125-26-074976
10	book equity	us-gaap:StockholdersEquity	\$1.2B	2024-12-31	2026-02-26	10-K	0001193125-26-074976
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$99.7M	2024-12-31	2026-02-26	10-K	0001193125-26-074976
12	net income	us-gaap:NetIncomeLoss	\$46.9M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$147.9M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
14	assets	us-gaap:Assets	\$2.3B	2024-12-31	2026-02-26	10-K	0001193125-26-074976
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.3B	2025-12-31	2026-02-26	10-K	0001193125-26-074976
16	gross profit	us-gaap:GrossProfit	\$272.2M	2024-12-31	2026-02-26	10-K	0001193125-26-074976
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.2B	2024-12-31	2026-02-26	10-K	0001193125-26-074976
18	gross profit	us-gaap:GrossProfit	\$277.6M	2023-12-31	2026-02-26	10-K	0001193125-26-074976
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.3B	2023-12-31	2026-02-26	10-K	0001193125-26-074976
20	gross profit	us-gaap:GrossProfit	\$427.1M	2022-12-31	2025-02-27	10-K	0000950170-25-029079
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.8B	2022-12-31	2025-02-27	10-K	0000950170-25-029079
22	gross profit	us-gaap:GrossProfit	\$395.8M	2021-12-31	2024-02-29	10-K	0000950170-24-022778
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.3B	2021-12-31	2024-02-29	10-K	0000950170-24-022778
24	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$126.0M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
25	operating income	us-gaap:OperatingIncomeLoss	\$90.7M	2014-12-31	2017-02-24	10-K	0001564590-17-002324
26	interest expense	us-gaap:InterestExpense	\$11.4M	2014-12-31	2015-02-27	10-K	0001564590-15-001079
27	current assets	us-gaap:AssetsCurrent	\$859.0M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
28	current liabilities	us-gaap:LiabilitiesCurrent	\$666.5M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$122.5M	2025-12-31	2026-02-26	10-K	0001193125-26-074976
30	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$162.1M	2024-12-31	2026-02-26	10-K	0001193125-26-074976
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$122.8M	2024-12-31	2026-02-26	10-K	0001193125-26-074976
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$174.9M	2023-12-31	2026-02-26	10-K	0001193125-26-074976
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$260.3M	2023-12-31	2026-02-26	10-K	0001193125-26-074976
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$160.8M	2022-12-31	2025-02-27	10-K	0000950170-25-029079
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$301.6M	2022-12-31	2025-02-27	10-K	0000950170-25-029079
36	current assets	us-gaap:AssetsCurrent	\$810.4M	2024-12-31	2026-02-26	10-K	0001193125-26-074976
37	current liabilities	us-gaap:LiabilitiesCurrent	\$669.0M	2024-12-31	2026-02-26	10-K	0001193125-26-074976
38	assets	us-gaap:Assets	\$2.4B	2023-12-31	2026-02-26	10-K	0001193125-26-074976
39	assets	us-gaap:Assets	\$2.4B	2022-12-31	2025-02-27	10-K	0000950170-25-029079
40	shares outstanding	dei:EntityCommonStockSharesOutstanding	22,635,277	2026-01-31	2026-02-26	10-K	0001193125-26-074976
41	shares outstanding	dei:EntityCommonStockSharesOutstanding	22,504,117	2025-01-31	2025-02-27	10-K	0000950170-25-029079