



Stepan



Fourth Quarter 2025 Earnings Results

February 23, 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 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, changes in global trade policies, including tariffs; 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. 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.

AGENDA

- 1 | 2025 Fourth Quarter Financial Results
- 2 | 2025 Full Year Financial Results
- 3 | Strategic Outlook – Project Catalyst
- 4 | Q&A
- 5 | Closing Remarks



CEO Remarks - 2025 Full Year Highlights

- Record Year on Safety Performance.
- Delivered Adjusted EBITDA growth despite a challenging operating environment.
- Delivered strong volume growth in all Strategic Segments (e.g. Crop Productivity, Oilfield, Tier 2/3, NA Polymers, among others).
- Successfully commissioned our Pasadena, TX facility.
- Delivered Positive Free Cash Flow generation and Net Leverage Ratio improved from 2.8x to 2.5x.
- Established the framework for Project Catalyst, strengthening the foundation for sustainable and profitable growth.

Reported Net Income

\$46.9MM

-7% YoY

Adjusted Net Income⁽¹⁾

\$41.7MM

-17% YoY

EBITDA⁽²⁾

\$208.0MM

+11% YoY

Adjusted EBITDA⁽²⁾

\$198.9MM

+6% YoY

Cash From Operations

\$147.9MM

-9% YoY

Free Cash Flow⁽³⁾

\$25.4MM

-35% YoY

Organic Sales Volume

+2% YoY



Fourth Quarter - Highlights

ADJUSTED NET INCOME DOWN

- Reported net income was \$5.0 million, up 49% versus the prior year. Adjusted net income⁽¹⁾ was a \$0.5 million loss, down 119% versus the prior year. The decrease in earnings was mainly driven by higher interest expense, a less favorable effective tax rate, higher expenses at Pasadena and lower Surfactant earnings.

ADJUSTED EBITDA DOWN

- EBITDA⁽²⁾ was \$43.3 million, up 21% year-over-year, while Adjusted EBITDA⁽²⁾ was \$33.8 million, down 3%.

FLAT ORGANIC SALES VOLUME

- Global Organic sales volume, excluding divestitures, was flat. Double digit growth across Polymers and Specialty Products was offset by weaker end-market demand in Functional and Global Commodity Consumer Surfactants.

POSITIVE FREE CASH FLOW⁽³⁾

- Free cash flow (FCF)⁽³⁾ was \$25.4 million compared to (\$0.2) million in the prior year, driven by reductions in working capital.

STRATEGIC UPDATE

- Production in Pasadena continues to ramping up as planned and the divestiture of our Philippines and Lake Providence assets was completed.

Reported Net Income

\$5.0MM

+49% YoY

Adjusted Net Loss⁽¹⁾

(\$0.5MM)

EBITDA⁽²⁾

\$43.3MM

+21% YoY

Adjusted EBITDA⁽²⁾

\$33.8MM

-3% YoY

Cash From Operations

\$60.0MM

+103% YoY

Free Cash Flow⁽³⁾

\$25.4MM

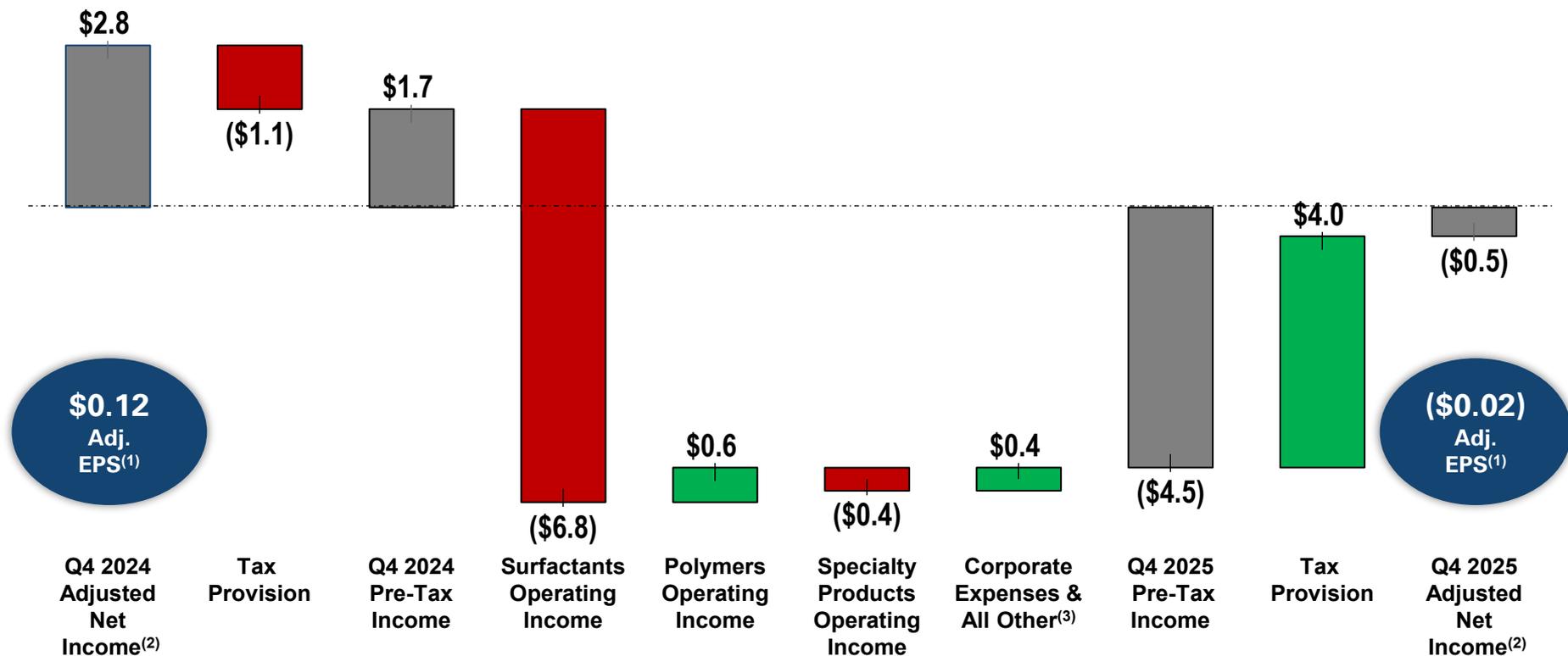
Organic Sales Volume

Flat YoY



Adj. Net Income Bridge

Q4 2024 to Q4 2025



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

(1) See Appendix VIII for Adjustments Details.

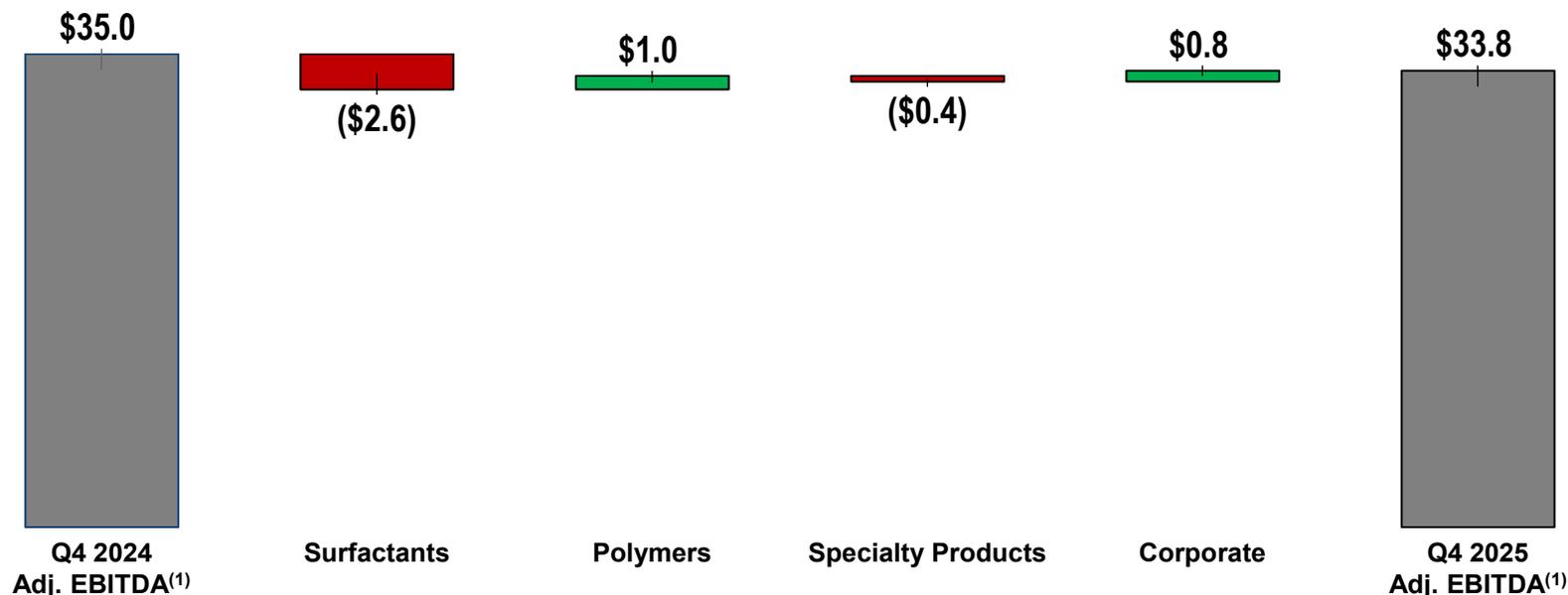
(2) Adjusted Net Income/Loss and Adjusted EPS are Non-GAAP measures that exclude certain significant, non-recurring items. See Appendix II for GAAP reconciliations.

(3) Corporate Expenses & All Other consists of the following buckets: I. Corporate Expense reduction of \$0.8 million, II. Other, net of \$0.5 million, and III. Interest Expense increase of (\$0.9) million.

Adjusted EBITDA⁽¹⁾ Bridge



Q4 2024 to Q4 2025



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

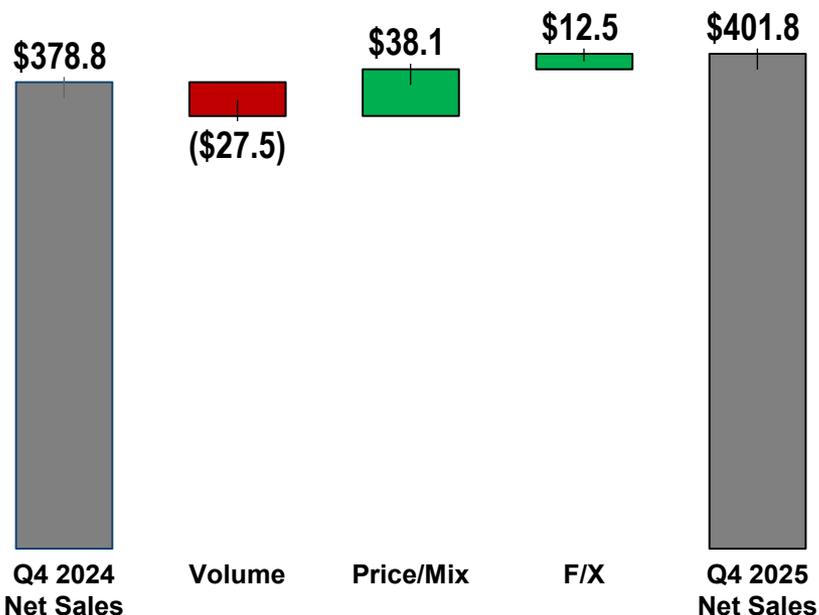
- Surfactants** Adjusted EBITDA⁽¹⁾ decreased 7%, compared to prior year. Organic (ex-divestitures) sales volume decreased by 3% year-over-year due to lower demand across Commodity Consumer and Construction & Industrial Solutions end-markets; partially offset by double-digit growth in Household Institutional & Industrial solutions end-markets.
- Polymers** Adjusted EBITDA⁽¹⁾ increased by \$1.0 million, or 9%, year-over-year driven by strong sales volume growth of 11%, primarily in North America & Asia Rigid Polyols and Phthalic Anhydride; partially offset by lower unit margins and unfavorable product mix.
- Specialty Products** Adjusted EBITDA⁽¹⁾ decreased by \$0.4 million primarily due to order timing fluctuations within the pharmaceutical business; largely offset by double digit sales volume growth in our Medium-Chain Triglycerides (MCT) product line.
- Corporate expenses** were down 4% year-over-year primarily driven by the non-recurrence of CEO transition expenses in the fourth quarter of 2024.

Surfactants

Q4 2024 to Q4 2025



Net Sales Bridge



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

Adjusted EBITDA⁽¹⁾ Bridge



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

- **Organic Volume** (ex-divestitures) was down 3% year-over-year primarily due to lower organic demand across Commodity Consumer and Construction & Industrial Solutions end-markets.
- **Price/Mix** benefited from pass through of higher raw material costs, improved product and customer mix, and pricing actions.
- **F/X** positively impacted net sales by 3%.

- **North America and Asia** adversely impacted by lower organic demand within Commodity Consumer and Functional end markets and raw material (oleochemicals) cost escalation, nearly offset by pricing actions.
- **Latin America** results were impacted by softer demand in Functional Products end markets and lower sales with our Distribution partners; partially offset by organic growth in Commodity Consumer end markets.
- **Europe** results benefited by single digit organic growth across Commodity Consumer & Functional Products end markets; largely offset by lower sales with our Distribution partners.

Polymers

Q4 2024 to Q4 2025



Net Sales Bridge



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

- **Volume** was up 11% driven by growth across our North America & Asia Rigid Polyol and Commodity Phthalic Anhydride businesses.
- **Price/Mix** was impacted by the contracted pass-through of lower raw material costs and competitive pressures.
- **F/X** positively impacted net sales by 2%.

Adjusted EBITDA⁽¹⁾ Bridge

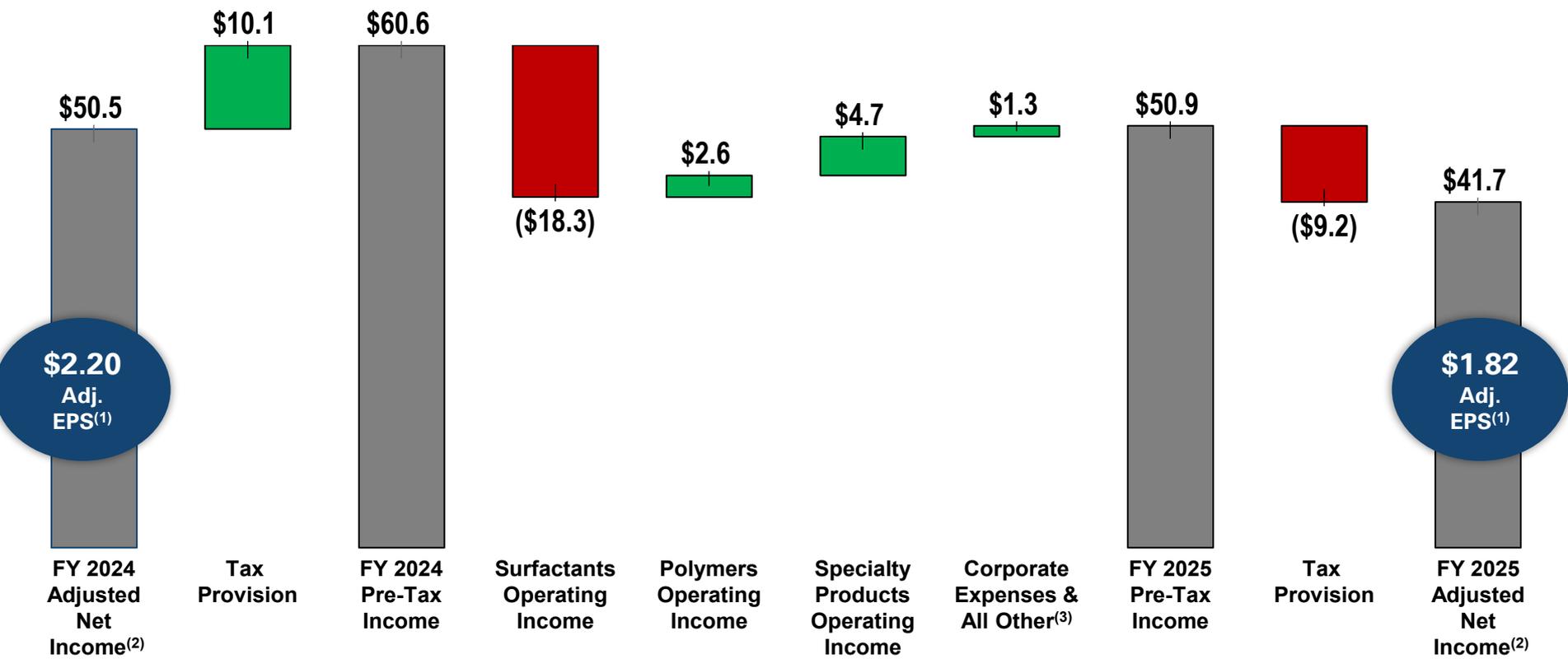


Note: All amounts are in millions of U.S. dollars.

- **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 Polyol demand and continued competitive pressures.
- **Asia** results were driven by higher Rigid Polyols and Specialties Polyols end market demand.

Adj. Net Income Bridge

FY 2024 to FY 2025



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

(1) See Appendix VIII for Adjustments Details
 (2) Adjusted Net Income/Loss and Adjusted EPS are Non-GAAP measures that exclude certain significant, non-recurring items. See Appendix II for GAAP reconciliations.
 (3) Corporate Expenses & All Other consists of the following buckets: I. Corporate Expense reduction of \$8.0 million, II. Other, net of \$1.1 million, and III. Interest Expense increase of (\$7.9) million.

Adjusted EBITDA⁽¹⁾ Bridge



FY 2024 to FY 2025



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

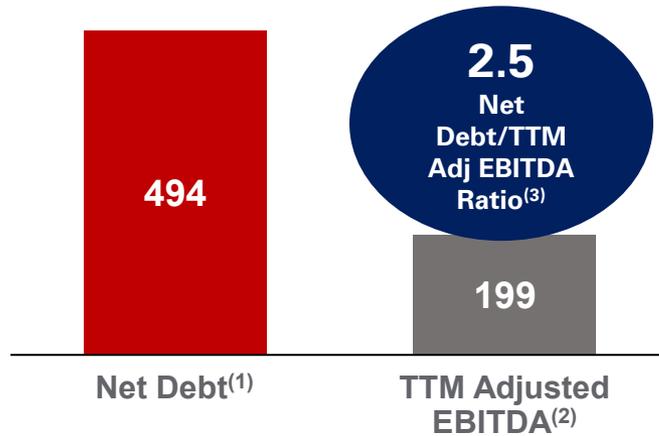
- Surfactants** Adjusted EBITDA⁽¹⁾ declined 3%, year-over-year, largely driven by higher start-up expenses associated with our new alkoxylation site in Pasadena, Texas, lower sales volume within Global Commodity Laundry & Cleaning end-markets, and elevated Oleochemicals raw material costs. These were partially offset by improved product and customer mix, pricing actions, and double-digit volume growth in Agricultural and Oilfield end-markets.
- Polymers** Adjusted EBITDA⁽¹⁾ increased by 5%, compared to prior year, driven by strong sales volume growth across North America Rigid Polyols, Global Specialty Polyols, and commodity Phthalic Anhydride. Higher volumes and improved operating leverage more than offset lower selling prices, unfavorable product mix, and higher cost inventory carryover earlier in the year.
- Specialty Products** Adjusted EBITDA⁽¹⁾ increased by 17%, year-over-year, primarily due to both, volume growth and margin recovery in our Medium-Chain Triglycerides (MCT) product line.
- Corporate expenses** were down 12% year-on-year, largely due to the non-recurrence of expenses associated with an externally generated criminal social engineering fraud event in 2024 and expenses related to our CEO transition in 2024.

Balance Sheet & Cash Flow

Q4 2024 to Q4 2025



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



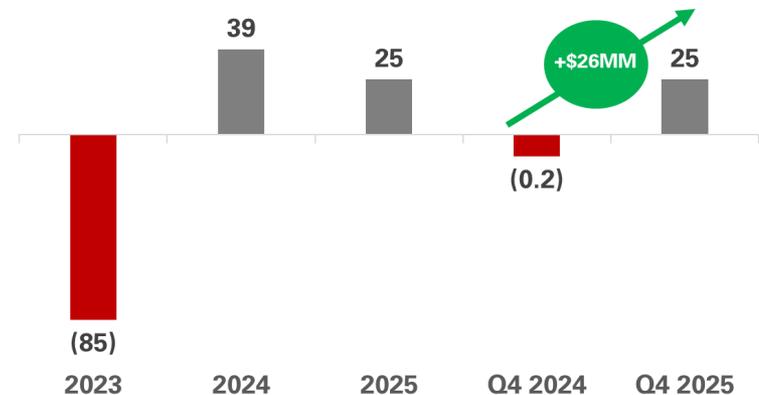
Capital Expenditures

	\$MM
2023	260
2024	123
Q4 2024	29.7
Q4 2025	34.6
2025	122.5

2025 Working Capital⁽⁴⁾

	\$MM
2023	455
Q4 2024	418
Q4 2025	425

Free Cash Flow⁽⁵⁾ (\$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⁾ Includes the following components of Working Capital: accounts receivable, inventory, accounts payable

⁽⁵⁾ Free Cash Flow is a Non-GAAP measure. See Appendix V for GAAP reconciliations.

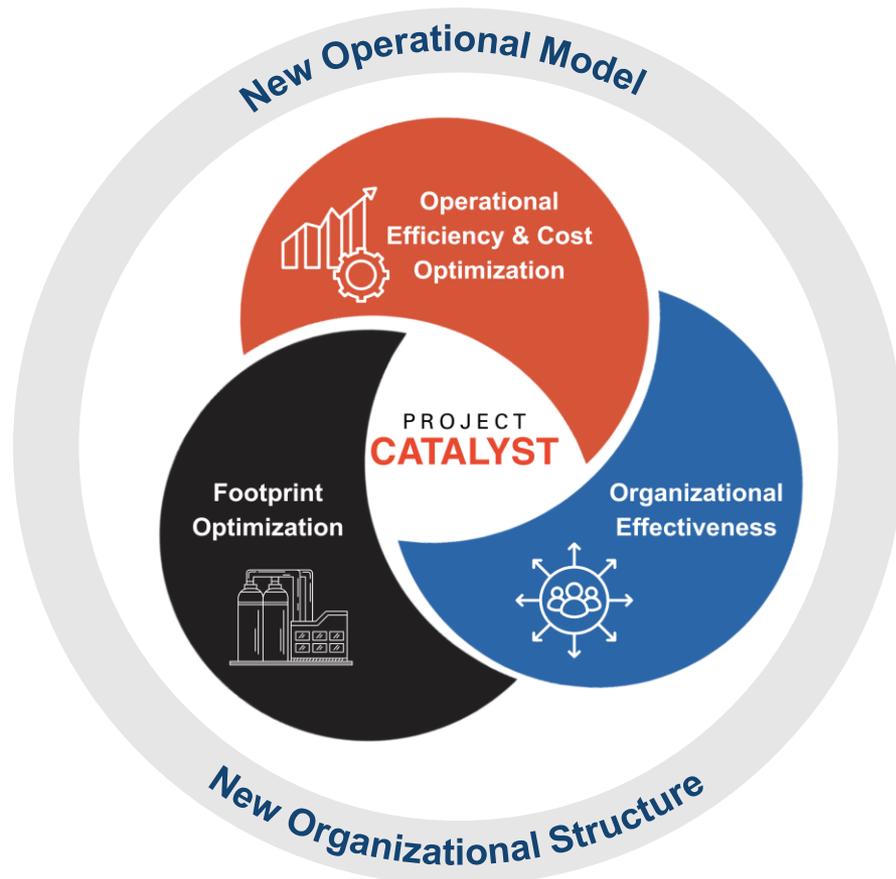
Delivering Superior Shareholder Value Through a Balanced Growth Strategy



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



Footprint Optimization

These initiatives are intended to optimize production and reduce cost by consolidating volumes into our network at efficient sites and high-performing assets, enhancing scale, reliability and productivity. These actions follow the previously announced sale of the Philippines and Lake Providence sites at the end of 2025. We will continue looking for opportunities to optimize our asset base.

»»» Fieldsboro, New Jersey – Site Closure¹

The **Fieldsboro site** provides sulfonation, betaine, and specialty-tolled products. Consolidating production into our broader network better aligns capacity with demand and is expected to reduce structural costs, streamline operations and strengthen supply reliability. This is in response to continued lower demand in commodity surfactants used in the production of laundry detergents.

»»» Stalybridge, UK – Organics, Asset Decommissioning¹

The **Stalybridge organics assets** face high operating costs and decreased utilization. As a result, we are consolidating volumes into other more efficient assets across our network. In parallel, we are exiting a small, unprofitable, capital-intensive business to enhance the site's overall cash profitability.

»»» Elwood (Millsdale) IL – Alkoxylation Asset Decommissioning¹

The **Millsdale alkoxylation assets** are being decommissioned and products previously manufactured here will be consolidated across our broader network with a primary shift to our new, modern and more efficient facility in Pasadena, Texas. This transition leverages scale advantages that are expected to reduce structural costs, improve reliability, and support long-term growth in high-value market segments.

¹ Refer to Appendix IX for a summary of the cash impact resulting from the actions above.

Thank You

Ruben Velasquez
Vice President & Chief Financial Officer
+1-847-446-7500

Stepan 

Appendix

Additional Sources of Information and Definitions





Update on Certain Expectations

(millions USD)	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Forecast
Capital Expenditures	301	260	123	122.5	105 - 115
Debt Repayments	38	38	49	63	59
Interest Net	10	12	14	22	27 – 29
Depreciation & Amortization	95	105	112	126	125 – 130
Effective Tax Rate ⁽¹⁾ (%)	22%	17%	17%	22%	25 - 27%

⁽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⁾

(\$ in thousands, except per share amounts)	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2025	EPS	2024	EPS	2025	EPS	2024	EPS
Net Income Reported	\$ 5,004	\$ 0.22	\$ 3,350	\$ 0.15	\$ 46,895	\$ 2.05	\$ 50,370	\$ 2.20
Deferred Compensation (Income)	\$ 76	\$ 0.01	\$ (762)	\$ (0.03)	\$ (473)	\$ (0.02)	\$ (1,805)	\$ (0.08)
Environmental Remediation Expense	\$ 65	\$ 0.00	\$ 169	\$ -	\$ 934	\$ 0.04	\$ 1,905	\$ 0.08
Goodwill Impairment	\$ 6,245	\$ 0.27	\$ -	\$ -	\$ 6,245	\$ 0.27	\$ -	\$ -
Gain on Sale of Assets	\$ (11,921)	\$ (0.52)	\$ -	\$ -	\$ (11,921)	\$ (0.52)	\$ -	\$ -
Adjusted Net Income	\$ (531)	\$ (0.02)	\$ 2,757	\$ 0.12	\$ 41,680	\$ 1.82	\$ 50,470	\$ 2.20

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

Reconciliation of Pre-Tax to After-Tax Adjustments

(\$ in thousands, except per share amounts)	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2025	EPS	2024	EPS	2025	EPS	2024	EPS
Pre-Tax Adjustments								
Deferred Compensation (Income)	\$ 101		\$ (1,016)		\$ (631)		\$ (2,406)	
Environmental Remediation Expense	\$ 87		\$ 225		\$ 1,245		\$ 2,540	
Goodwill Impairment	\$ 6,245		\$ -		\$ 6,245		\$ -	
Gain on Sale of Assets	\$ (15,895)		\$ -		\$ (15,895)		\$ -	
Total Pre-Tax Adjustments	\$ (9,462)		\$ (791)		\$ (9,036)		\$ 134	
Cumulative Tax Effect on Adjustments	\$ 3,927		\$ 198		\$ 3,821		\$ (34)	
After-Tax Adjustments	\$ (5,535)	\$ (0.24)	\$ (593)	\$ (0.03)	\$ (5,215)	\$ (0.23)	\$ 100	\$ 0.00



Adjusted EBITDA and EBITDA

Reconciliations Q4 2025 and Q4 2024⁽¹⁾

Adjusted EBITDA and EBITDA Reconciliations Q4 2025 and Q4 2024⁽¹⁾

Three Months Ended
December 31, 2025

(\$ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	\$ 9.4	\$ 4.0	\$ 5.2	\$ (8.1)	\$ 10.5
Depreciation and Amortization	22.7	8.4	1.5	0.1	32.7
Other, Net Income	-	-	-	0.1	0.1
EBITDA					\$ 43.3
Deferred Compensation	-	-	-	0.1	0.1
Environmental Remediation	-	-	-	0.1	0.1
Goodwill Impairment	-	-	-	6.2	6.2
Gain on Sale of Assets	-	-	-	(15.9)	(15.9)
Adjusted EBITDA	\$ 32.1	\$ 12.4	\$ 6.7	\$ (17.4)	\$ 33.8

Three Months Ended
December 31, 2024

(\$ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	\$ 16.2	\$ 3.4	\$ 5.6	\$ (17.5)	\$ 7.7
Depreciation and Amortization	18.5	8.0	1.5	0.5	28.5
Other, Net Income	-	-	-	(0.4)	(0.4)
EBITDA					\$ 35.8
Deferred Compensation	-	-	-	(1.0)	(1.0)
Environmental Remediation	-	-	-	0.2	0.2
Adjusted EBITDA	\$ 34.7	\$ 11.4	\$ 7.1	\$ (18.2)	\$ 35.0



2025 and 2024 Full Year

Adjusted EBITDA Reconciliation

Adjusted EBITDA and EBITDA Reconciliations 2025 and 2024 Full Year⁽¹⁾

Twelve Months Ended
December 31, 2025

(\$ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	\$ 67.4	\$ 43.3	\$ 25.6	\$ (57.8)	\$ 78.5
Depreciation and Amortization	85.6	33.1	5.9	1.4	126.0
Other, Net Income	-	-	-	3.5	3.5
EBITDA					\$ 208.0
Deferred Compensation	-	-	-	(0.6)	(0.6)
Environmental Remediation	-	-	-	1.2	1.2
Goodwill Impairment	-	-	-	6.2	6.2
Gain on Sale of Assets	-	-	-	(15.9)	(15.9)
Adjusted EBITDA	\$ 153.0	\$ 76.4	\$ 31.5	\$ (62.0)	\$ 198.9

Twelve Months Ended
December 31, 2024

(\$ in millions)	Surfactants	Polymers	Specialty Products	Unallocated Corporate	Consolidated
Operating Income	\$ 85.6	\$ 40.6	\$ 20.9	\$ (76.6)	\$ 70.5
Depreciation and Amortization	72.0	32.4	6.0	1.9	112.3
Other, Net Income	-	-	-	4.1	4.1
EBITDA					\$ 186.9
Deferred Compensation	-	-	-	(2.4)	(2.4)
Environmental Remediation	-	-	-	2.5	2.5
Adjusted EBITDA	\$ 157.6	\$ 73.0	\$ 26.9	\$ (70.5)	\$ 187.0

Free Cash Flow (FCF) Reconciliations



(million USD)	Q4 2025	Q4 2024
Cash Flow from Operations	60.0	29.5
Capital Expenditures	(34.6)	(29.7)
Free Cash Flow	25.4	(0.2)

(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)

Net Debt to Total Capitalization Ratio



(millions USD)	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Total Debt	626.7	655.5	658.0	659.3	625.4	654.1	587.1	363.6	198.7
Cash	132.7	118.5	88.9	107.5	99.7	129.8	173.8	159.2	349.9
Net Debt	494.0	537.0	569.1	551.8	525.7	524.3	413.3	204.4	(151.2)
Equity	1,244.0	1,246.8	1,241.7	1,200.5	1,169.9	1,216.5	1,166.1	1,074.2	986.7
Net Debt + Equity	1,738.0	1,783.8	1,810.8	1,752.3	1,695.6	1,740.8	1,579.4	1,278.6	835.5
Net Debt / (Net Debt + Equity)	28%	30%	31%	31%	31%	30%	26%	16%	(18%)

Net Debt/TTM Adjusted EBITDA Ratio = 494/199 = 2.5



Income Statement

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2025	2024	2025	2024
Net Sales	\$ 553,886	\$ 525,609	\$ 2,332,114	\$ 2,180,274
Cost of Sales	502,369	468,913	2,062,226	1,908,060
Gross Profit	51,517	56,696	269,888	272,214
Operating Expenses:				
Selling	10,703	11,018	48,767	45,628
Administrative	23,710	24,764	90,789	98,277
Research, Development and Technical Services	15,703	13,793	59,278	55,674
Deferred Compensation Expense	549	(574)	2,155	2,155
	50,665	49,001	200,989	201,734
Goodwill Impairment	6,245	-	6,245	-
Gain on sale of assets	(15,895)	-	(15,895)	-
Operating Income	10,502	7,695	78,549	70,480
Other Income (Expense):				
Interest, Net	(5,689)	(4,829)	(22,115)	(14,182)
Other, Net	126	(410)	3,470	4,141
	(5,563)	(5,239)	(18,645)	(10,041)
Income Before Provision for Income Taxes	4,939	2,456	59,904	60,439
Provision for Income Taxes	(65)	(894)	13,009	10,069
Net Income	5,004	3,350	46,895	50,370
Net Income Per Common Share				
Basic	\$ 0.22	\$ 0.15	\$ 2.05	\$ 2.21
Diluted	\$ 0.22	\$ 0.15	\$ 2.05	\$ 2.20
Shares Used to Compute Net Income Per Common Share				
Basic	22,878	22,841	22,872	22,832
Diluted	22,891	22,912	22,890	22,931

Adjustments Details



Reconciliation of Non-GAAP Adjusted Net Income and Earnings Per Diluted Share⁽¹⁾

(\$ in thousands, except per share amounts)	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2025	EPS	2024	EPS	2025	EPS	2024	EPS
Net Income Reported	\$ 5,004	\$ 0.22	\$ 3,350	\$ 0.15	\$ 46,895	\$ 2.05	\$ 50,370	\$ 2.20
Deferred Compensation (Income)	\$ 76	\$ 0.01	\$ (762)	\$ (0.03)	\$ (473)	\$ (0.02)	\$ (1,805)	\$ (0.08)
Environmental Remediation Expense	\$ 65	\$ 0.00	\$ 169	\$ -	\$ 934	\$ 0.04	\$ 1,905	\$ 0.08
Goodwill Impairment	\$ 6,245	\$ 0.27	\$ -	\$ -	\$ 6,245	\$ 0.27	\$ -	\$ -
Gain on Sale of Assets	\$ (11,921)	\$ (0.52)	\$ -	\$ -	\$ (11,921)	\$ (0.52)	\$ -	\$ -
Adjusted Net Income	\$ (531)	\$ (0.02)	\$ 2,757	\$ 0.12	\$ 41,680	\$ 1.82	\$ 50,470	\$ 2.20

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

Summary of Fourth Quarter 2025 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 fourth quarter of 2025 reported net income includes \$0.1 million of after-tax expense versus \$0.8 million of after-tax income in the prior year.
- **Environmental Remediation:** The fourth quarter of 2025 reported net income includes \$0.1 million of after-tax expense versus \$0.2 million of after-tax expense in the prior year.
- **Goodwill Impairment:** The fourth quarter of 2025 reported net income includes \$6.2 million of after-tax expense related to a goodwill impairment charge taken for the Company's Mexican reporting unit. There were no impairment charges taken in the prior year.
- **Gain on Sale of Assets:** The fourth quarter of 2025 reported net income includes \$11.9 million of after-tax income related to the previously announced Philippines and Lake Providence, LA asset sales.

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

(USD millions)	Total Cash Impact Estimate ¹		Non-Cash Impact	Cash Expense Q1 2026	Cash Expense Full Year 2026	Cash Expense 2027-2035	
	Low	High				Low	High
<i>Decommissioning, Dismantling & Environmental</i> ²	\$24	\$37	-	\$0.4	\$8	\$16	\$29
<i>Severance and People Related</i>	\$6	\$7	-	\$3	\$6	-	-
<i>Asset Write-Offs/Accelerated Depreciation</i> ³	-	-	\$58 - \$62	-	-	-	-
Total	\$29	\$44	\$58 - \$62	\$3	\$14	\$16	\$29

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.