

Stepan (SCL: \$50.72)

Stepan lifts 1.8% after finding support Tuesday August 05, 2025 16:00 EDT

Stepan Company's (NYSE: SCL \$50.72) stock price lifted 1.8% after hitting the lower Bollinger Band three times in the last ten days. This is a bullish signal. The lower Bollinger Band marks the trajectory of support on a stock price.

Stepan's stock price lifted 89.0c (1.8%) from its previous trading session to close at \$50.72.

Compared with the S&P 500 Index which fell 30.8 points (0.5%) in the day, the relative price increase was 2.3%.

There were 148,100 shares worth \$7.5 million traded today. Tuesday's price rise was propped up by firm volume of 1.2 times the average daily volume of 120,868 shares.

QUARTERLY REPORT

Stepan (NYSE:SCL), announced net profit of \$19.7m for the quarter-ended 31 March 2025 [Q1/2025], up 488% from the previous quarter [Q4/2024] and up 42% from the year-earlier period [Q1/2024]. Earnings per share (EPS) were up 473.3% sequentially from 15.0c in Q4/2024 to 86.0c in Q1/2025.

Quarterly Report (Q1 2025)

Quarter-ended	31 Mar [Q1/2025]	31 Dec [Q4/2024]	30 Sep [Q3/2024]
EPS, c	86	15.0	103
Sequential growth in EPS %	473	-85	145
Revenue, \$ million	593	526	547
Sequential growth in Revenue %	12.9	-3.9	-1.7
Net Profit, \$ million	19.7	3.4	23.6
Sequential growth in Net Profit %	488	-86	148

Compared with the Previous Corresponding Period [PCP; Q1/2024], year-over-year [y.o.y.] EPS was up 41%, Revenue was up 7.6% and Net Profit was up 41.9%.

Quarter-ended	31 Mar [Q1/2025]	31 Mar [Q1/2024]
EPS, c	86	61
PCP growth in EPS %	41	-14
Revenue, \$ million	593	551
PCP growth in Revenue %	7.6	-15.4
Net Profit, \$ million	19.7	13.9
PCP growth in Net Profit %	41.9	-13.9

Bullish Turning Point

Price/Earnings of 20.6 close to historical low
The P/E of 20.6 is 0.4 times the highest average P/E of 54.2 in the last five years. This is a value criterion, according to Benjamin Graham who described as a value criterion "A P/E ratio down to less than four-tenth of the highest average P/E ratio the stock attained in the most recent five years".

Figure 1: Stock Summary

52-Week Range	\$43.92-\$80.59
Market Cap	\$1.1 billion
EPS Growth % (y.o.y)	41.0
EPS Growth % (q.o.q)	473.3
Shares Outstanding	22,580,000
Relative Strength (3 mo)	18

Fig 2: Technical Indicators

Name	Value	Comment
RSI	28.8	Buy
William % R	-73.0	Neutral
MFI	43.2	Neutral

Fig 3: Financials Summary

Year ended Dec 31	FY2024	FY2023	FY2022
Sales (\$ B)	2.2	2.3	2.8
Pretax (\$ M)	60.4	48.4	188.7
Net (\$ M)	50.4	40.2	147.2
EPS (\$)	2.21	1.77	6.46

EPS up 24.9% to \$2.21 in FY2024 [y.e. 31 Dec 2024]
Net profit was up 25.3% from \$40.2 million in FY2023 to \$50.4 million in FY2024. Earnings Per Share (EPS) was up 24.9% from \$1.77 in FY2023 to \$2.21 in FY2024.

Bullish Signals

Undervaluation [compared with sector average]

Price/Earnings and Earnings Yield:
- Price/Earnings of 20.6 [47.5]. We estimate Stepan stock is trading at a current year P/E of 25.8 and a forward year P/E of 29.3.
- Earnings yield of 4.8% is 1.1 times the 10-year bond yield of 4.38%.

Dividend Yield:
- The relative yield of SCL, defined by its yield of 3%, divided by average yield of dividend yielding stocks in the S&P 500 Index of 1.0% is 314.6%. This suggests Stepan stock is undervalued in dividend yield terms.

Price to Sales:
- Price/Sales of 0.5 [1.5]. We estimate Stepan stock is trading at a current year Price/Sales of 0.6 and a forward year Price/Sales of 0.6.

Price to Book:
- Price to Book of 1.1 [5.9]. We estimate Stepan stock is trading at a current year Price to Book of 1.1 and a forward year Price to Book of 1.1.

MCap/Total Assets:
- Tobin's Q Ratio, defined as MCap divided by Total Assets, is 0.5. Compared with the rest of the market the stock is undervalued.

Undervaluation Indicators and rank of Stepan in the NYSE market:

Description	Value	Rank In Market
* EV/EBITDA	29.3	In Top 2%
Price to Sales	0.5	In Top 18%

* Enterprise value of \$1.8 billion is divided by Earnings before interest tax depreciation and amortization of \$60.4 million.