

STEPAN CO  
Form 10-K/A  
March 12, 2013

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A**

Amendment No. 1

(MARK ONE)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

**Commission File Number 1-4462**

**STEPAN COMPANY**

(Exact name of registrant as specified in its charter)

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|                                                                                                  |                                                                 |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>Delaware</b><br>(State or other jurisdiction of<br>incorporation or organization)             | <b>36-1823834</b><br>(I.R.S. Employer<br>Identification Number) |
| <b>Edens and Winnetka Road, Northfield, Illinois</b><br>(Address of principal executive offices) | <b>60093</b><br>(Zip Code)                                      |
| <b>Registrant's telephone number including area code: 847-446-7500</b>                           |                                                                 |

**Securities registered pursuant to Section 12 (b) of the Act:**

| <b>Title of Each Class</b>                              | <b>Name of Each Exchange<br/>on Which Registered</b> |
|---------------------------------------------------------|------------------------------------------------------|
| <b>Common Stock, \$1 par value</b>                      | <b>New York Stock Exchange</b>                       |
|                                                         | <b>Chicago Stock Exchange</b>                        |
| <b>5 1/2% Convertible Preferred Stock, no par value</b> | <b>New York Stock Exchange</b>                       |
|                                                         | <b>Chicago Stock Exchange</b>                        |

**Securities registered pursuant to Section 12 (g) of the Act:**

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act: Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in part III of this Form 10-K or any amendment to this Form 10-K: ☐.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files): Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

Aggregate market value at June 30, 2012, of voting and non-voting common stock held by nonaffiliates of the registrant: \$812,371,804\*

Number of shares outstanding of each of the registrant's classes of common stock as of January 31, 2013:

| Class                       | Outstanding at January 31, 2013 |
|-----------------------------|---------------------------------|
| Common Stock, \$1 par value | 21,965,972                      |

### Documents Incorporated by Reference

**Part of Form 10-K**  
Part III, Items 10-14

**Document Incorporated**  
Portions of the Proxy Statement for Annual  
Meeting of Stockholders to be held  
April 30, 2013.

\* Based on reported ownership by all directors, officers and beneficial owners of more than 5% of registrant's voting stock. However, this determination does not constitute an admission of affiliate status for any of these holders.

**EXPLANATORY NOTE**

Stepan Company (the Company) is filing this Amendment No. 1 on Form 10-K/A (this Amendment) for the sole purpose of correcting a typographical error in the 2012 Per Diluted Share row included in the Selected Financial Data table of Item 6 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as filed with the U.S. Securities and Exchange Commission on February 27, 2013 (the Original Filing). The Per Diluted Share amount reported for 2012 in the Selected Financial Data table of the Original Filing was inadvertently reported as \$3.71. The correct amount of \$3.49 has been corrected herein. Except as described above, no other amendments are being made to the Original Filing. This Amendment does not modify or update in any way the disclosures contained in the Original Filing.

As required by Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, the Company's principal executive officer and principal financial officer are providing Rule 13a-14(a) certifications in connection with this Form 10-K/A (but otherwise identical to their prior certifications) and are also furnishing, but not filing, Rule 13a-14(b) certifications in connection with this Form 10-K/A (but otherwise identical to their prior certifications).

The corrected Selected Financial Data table is included below:

**Item 6. Selected Financial Data***(In thousands, except per share data)*

| <i>For the Year</i>                                                 | <i>2012</i>         | <i>2011</i>  | <i>2010</i>  | <i>2009</i>  | <i>2008</i>  |
|---------------------------------------------------------------------|---------------------|--------------|--------------|--------------|--------------|
| Net Sales                                                           | <b>\$ 1,803,737</b> | \$ 1,843,092 | \$ 1,431,122 | \$ 1,276,382 | \$ 1,600,130 |
| Operating Income                                                    | <b>128,716</b>      | 118,456      | 107,897      | 104,888      | 70,680       |
| Percent of Net Sales                                                | <b>7.1%</b>         | 6.4%         | 7.5%         | 8.2%         | 4.4%         |
| Income Before Provision for Income Taxes                            |                     |              |              |              |              |
| Taxes                                                               | <b>115,722</b>      | 104,894      | 101,479      | 97,131       | 54,878       |
| Percent of Net Sales                                                | <b>6.4%</b>         | 5.7%         | 7.1%         | 7.6%         | 3.4%         |
| Provision for Income Taxes                                          | <b>36,035</b>       | 32,292       | 35,888       | 34,028       | 17,615       |
| Net Income Attributable to Stepan Company                           | <b>79,396</b>       | 71,976       | 65,427       | 63,049       | 37,172       |
| Per Diluted Share <sup>(a) (b)</sup>                                | <b>3.49</b>         | 3.21         | 2.95         | 2.92         | 1.76         |
| Percent of Net Sales                                                | <b>4.4%</b>         | 3.9%         | 4.6%         | 4.9%         | 2.3%         |
| Percent to Total Stepan Company Stockholders' Equity <sup>(c)</sup> | <b>18.0%</b>        | 19.2%        | 20.5%        | 25.3%        | 17.9%        |
| Cash Dividends Paid                                                 | <b>12,757</b>       | 11,513       | 10,570       | 9,557        | 8,863        |
| Per Common Share <sup>(a)</sup>                                     | <b>0.5800</b>       | 0.5300       | 0.4900       | 0.4500       | 0.4250       |
| Depreciation and Amortization                                       | <b>51,294</b>       | 47,099       | 40,351       | 37,171       | 36,928       |
| Capital Expenditures                                                | <b>83,159</b>       | 83,166       | 73,748       | 42,631       | 49,778       |
| Weighted-average Common Shares Outstanding (Diluted) <sup>(a)</sup> | <b>22,730</b>       | 22,440       | 22,180       | 21,592       | 21,098       |
| <i>As of Year End</i>                                               |                     |              |              |              |              |
| Working Capital                                                     | <b>\$ 275,911</b>   | \$ 246,516   | \$ 222,199   | \$ 186,297   | \$ 116,288   |
| Current Ratio                                                       | <b>2.1</b>          | 2.1          | 2.1          | 2.1          | 1.5          |
| Property, Plant and Equipment, net                                  | <b>422,022</b>      | 383,983      | 353,585      | 248,618      | 238,166      |
| Total Assets                                                        | <b>985,478</b>      | 901,118      | 811,431      | 634,203      | 611,897      |
| Long-term Debt Obligations, Less Current Maturities                 | <b>149,564</b>      | 164,967      | 159,963      | 93,911       | 104,725      |
| Total Stepan Company Stockholders' Equity                           | <b>478,985</b>      | 401,211      | 349,491      | 289,285      | 208,144      |

<sup>(a)</sup> Reflects the two-for-one common stock split that was effective December 14, 2012.<sup>(b)</sup> Based on weighted-average number of common shares outstanding during the year.<sup>(c)</sup> Based on average equity.

**SIGNATURES**

**Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.**

STEPAN COMPANY

By: /s/ James E. Hurlbutt  
James E. Hurlbutt  
Vice President and Chief Financial Officer

March 12, 2013

**EXHIBIT INDEX**

- (31.1) Certification of President and Chief Executive Officer
- (31.2) Certification of Vice President and Chief Financial Officer (Principal Financial Officer)
- (32) Certification of President and Chief Executive Officer (Principal Executive Officer) and Vice President and Chief Financial Officer (Principal Financial Officer) pursuant to Section 906 of the Sarbanes-Oxley Act of 2002