

MEDIA RELEASE

BUILDING TRUST



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STRONG START TO THE YEAR WITH 10.7% SALES GROWTH IN THE FIRST QUARTER OF 2017

- **10.7% sales growth in local currencies to CHF 1,389.0 million**
- **Dynamic growth in all regions**
- **Opening of one new factory, acquisition of one company**
- **Sales to exceed CHF 6 billion in 2017**

With double-digit sales growth in the first quarter, a new sales record of CHF 1,389.0 million was set. This equates to an increase of 10.7% in local currencies (previous year: 8.3%). A moderate currency effect (-1.7%) led to strong sales growth in Swiss francs of 9.0%. High organic growth of 8.5% was recorded. The solid growth in all regions was boosted by additional working days compared with the previous year.

Jan Jenisch, CEO: "The strong start to the year is the result of our successful strategy implementation. Our investments in new products, national subsidiaries and factories are paying off, enabling us to exploit the potential of growth markets for Sika quickly. We will be implementing our growth model with raised targets for 2020, and opening eight new factories and a further three national subsidiaries in 2017."

GROWTH IN ALL REGIONS

Sales in the EMEA region (Europe, Middle East, Africa) increased by 9.9% (previous year: 8.7%). The core markets Germany, France, Switzerland, Spain and Italy achieved solid growth rates. Strong above-average growth was seen in the UK, Eastern Europe and Africa. Bitbau Dörr, a leading manufacturer of waterproofing systems, was acquired in Austria.

At 19.2%, it was the North America region that posted the strongest growth (previous year: 12.6%), of which 9.7% was through acquisitions. Sika boosted its business volume significantly in the USA, achieving strong double-digit growth of over 20%. Investments in expanding the supply

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chain and sales force in fast-growing metropolitan areas, and the upswing in the construction sector, contributed substantially to this successful business performance.

With a sales increase of 6.7% in the first quarter of this financial year, growth in the Latin America region exceeded the 4.0% achieved in the equivalent period of the previous year. Mexico, Argentina and Uruguay produced above-average performance, but the consequences of the economic crisis continued to have an impact on business in Brazil. In the southeast of Mexico, a new mortar production facility came into operation.

Growth in the Asia/Pacific region increased to 6.8% (previous year: 4.3%). The markets in South-east Asia and the Pacific area achieved the highest growth rates, recording substantial rates of increase. Business in China developed well, with double-digit sales growth in the first quarter.

OUTLOOK: SALES TO EXCEED CHF 6 BILLION IN 2017

The strong start to the year supports the outlook for the business year 2017. Sika targets a 6-8% rise in sales to more than CHF 6 billion for the first time. Volatile and rising commodity prices present a key challenge in the current financial year. EBIT and net profit should continue to increase at a disproportionately high rate. The growth strategy will be pursued in 2017 with the opening of eight new factories and the founding of a further three national subsidiaries.

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NET SALES IN THE FIRST THREE MONTHS OF 2017

in CHF million	1/1/2016- 3/31/2016	1/1/2017- 3/31/2017	Year-on-year change (+/- in %)			
			in CHF	in local currencies ¹	Currency effect	Acquisition effect
By region						
EMEA	604.2	631.1	4.5	9.9	-5.4	1.2
North America	184.1	222.2	20.7	19.2	1.5	9.7
Latin America	130.7	144.4	10.5	6.7	3.8	0
Asia/Pacific	234.6	253.6	8.1	6.8	1.3	1.4
Other segments and activities	120.8	137.7	14.0	14.0	0	0
Net sales consolidated	1,274.4	1,389.0	9.0	10.7	-1.7	2.2
Products for the construction industry	969.1	1,059.4	9.3	11.2	-1.9	2.9
Products for industrial manufacturing	305.3	329.6	8.0	8.9	-0.9	0

¹ including acquisitions

FINANCIAL CALENDAR

49th Annual General Meeting	Tuesday, April 11, 2017, 1 p.m.
Half-Year Report 2017	Thursday, July 27, 2017
Results first nine months 2017	Thursday, October 26, 2017
Net sales 2017	Tuesday, January 9, 2018
Media conference/analyst presentation on full-year results	Friday, February 23, 2018
50th Annual General Meeting	Tuesday, April 17, 2018

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SIKA CORPORATE PROFILE

Sika is a specialty chemicals company with a leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing and protecting in the building sector and automotive industry. Sika has subsidiaries in 97 countries around the world and manufactures in over 190 factories. Its more than 17,000 employees generated annual sales of CHF 5.75 billion in 2016.