



# DYNAMIC GROWTH AND RECORD MARGINS IN FIRST HALF OF 2016

SIKA INVESTOR PRESENTATION  
JULY 29, 2016

BUILDING TRUST



# DYNAMIC GROWTH AND RECORD MARGINS IN FIRST HALF OF 2016

- Sales growth of 7.6% (6.9% in CHF) to CHF 2,806 million
- Growth in all regions: Double-digit in the USA, Canada, Argentina, Chile, UK, Africa, Southeast Asia, the Pacific area, and Automotive
- High growth in profitability: EBIT +22.6%, net profit +24.8% leading to record margins: EBIT margin 12.6%, net profit margin 8.8%
- 6 new production plants in Greece, Myanmar, Cambodia, Canada, Thailand and Ecuador
- New national subsidiaries in Kuwait and Nicaragua – now 95 countries with own Sika operations
- Acquisition of L.M. Scofield in the USA
- Confirmation of annual targets of 6–8% sales growth and disproportionately higher growth in profitability

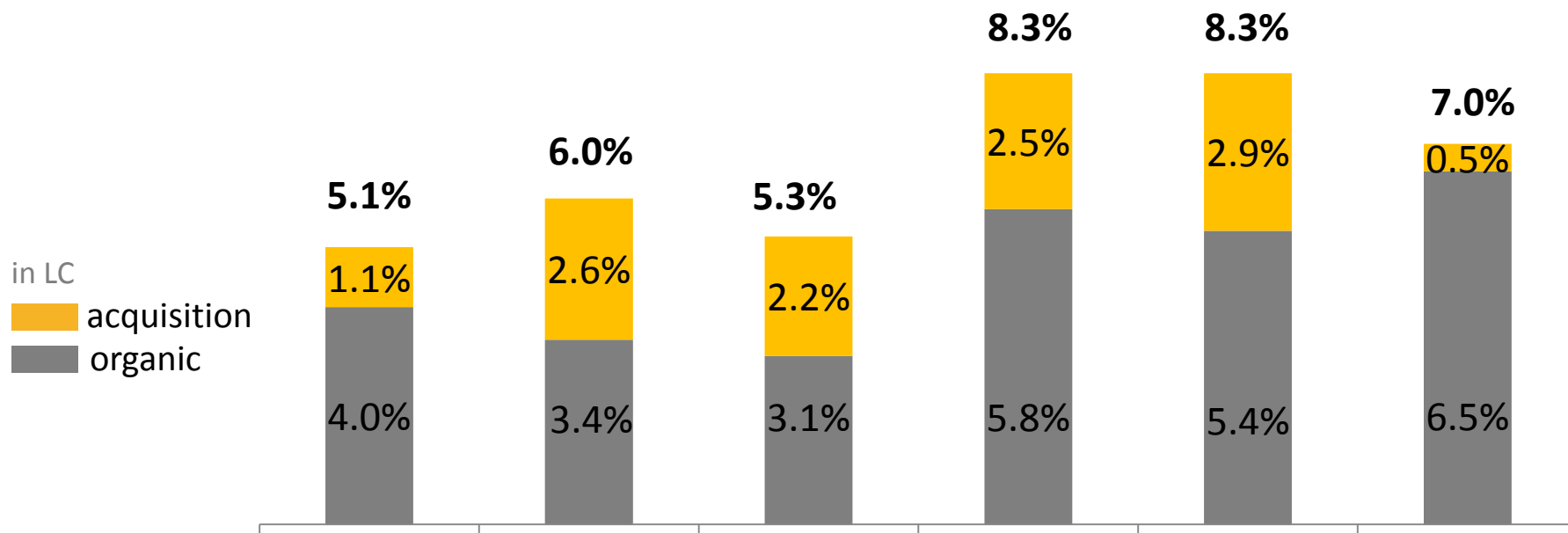
# KEY FIGURES HALF-YEAR 2016

## ABOVE-AVERAGE INCREASE IN PROFIT

in CHF mn	2015	2016	Δ %
<b>Net sales</b>	<b>2,625.2</b>	<b>2,806.2</b>	<b>6.9%</b>
Gross results as % of net sales	54.4	55.6	
EBITDA	370.2	439.7	+18.8%
<b>EBIT</b>	<b>288.6</b>	<b>353.7</b>	<b>+22.6%</b>
Net profit	197.3	246.3	+24.8%
<b>Operating free cash flow</b>	<b>43.0</b>	<b>106.0</b>	
<b>ROCE in %</b>	<b>22.8</b>	<b>25.5</b>	

# SALES GROWTH BY QUARTER

## STRONG ORGANIC GROWTH WITH 6.5%




in CHF mn

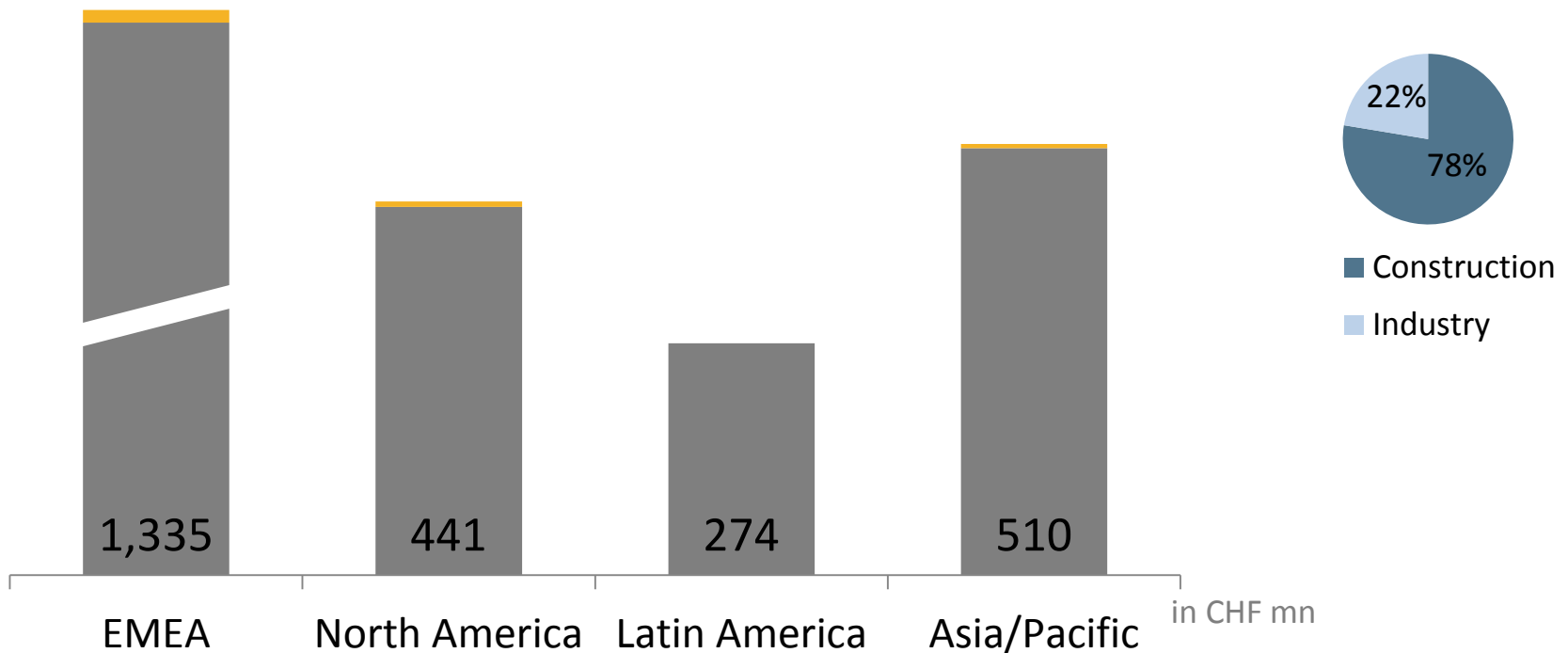
Quarterly sales

	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16
Quarterly sales	1,195.3	1,429.9	1,469.8	1,394.2	1,274.4	1,531.8

# SALES HALF-YEAR 2016

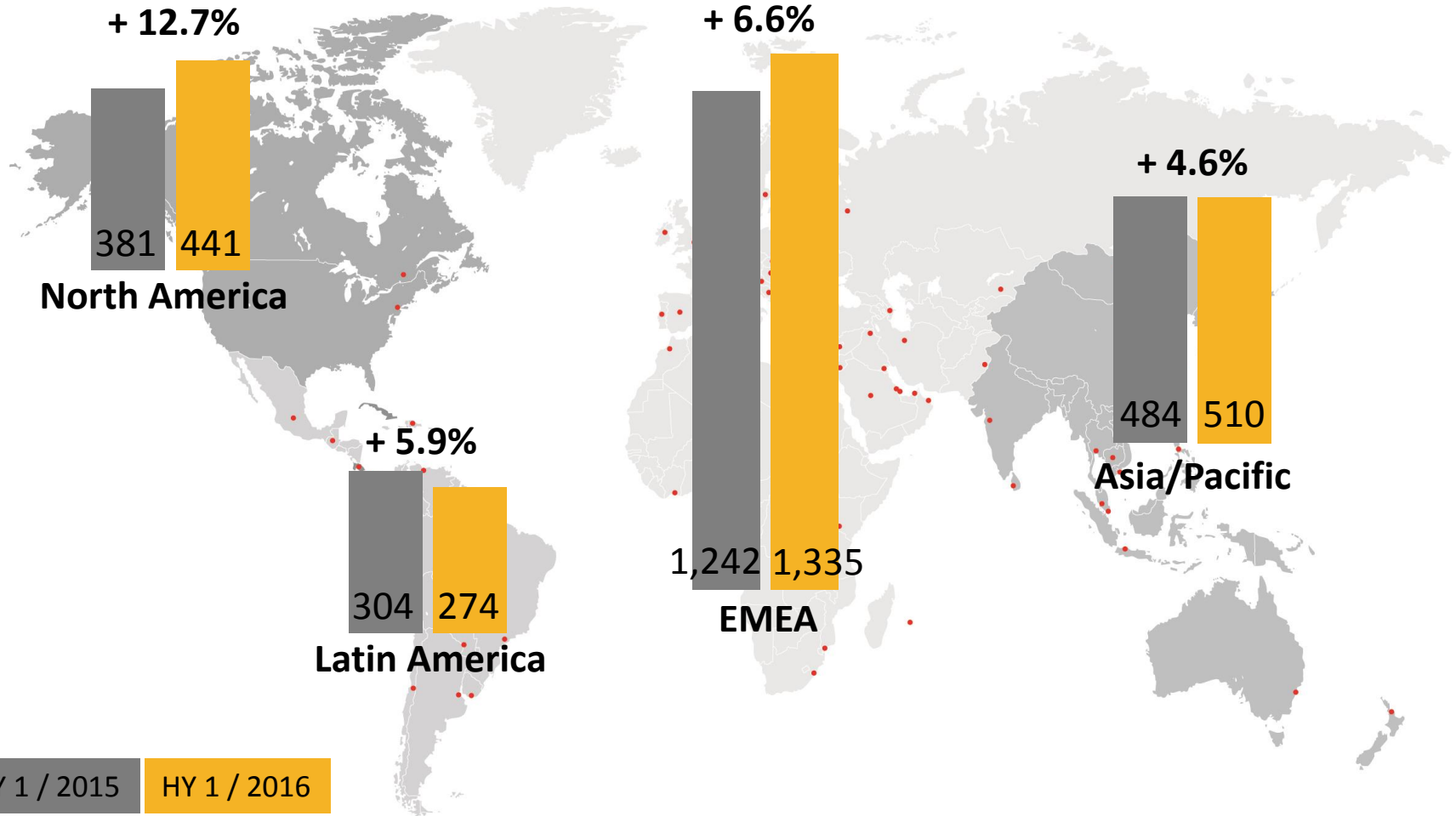
## GROWTH IN ALL REGIONS

+ 7.5 %	+15.9 %	- 9.8 %	+ 5.3 %	Growth in CHF
+ 6.6 %	+12.7 %	+ 5.9 %	+ 4.6 %	Growth in LC
+ 0.9 %	+ 3.2 %	- 15.7 %	+ 0.7 %	FX impact
+ 2.4 %	+ 1.7 %	+ 0.0 %	+ 1.1 %	Acquisition 



# GROWTH MOMENTUM CONTINUES HALF-YEAR 2016

## 7.6% SALES GROWTH (6.9% IN CHF)

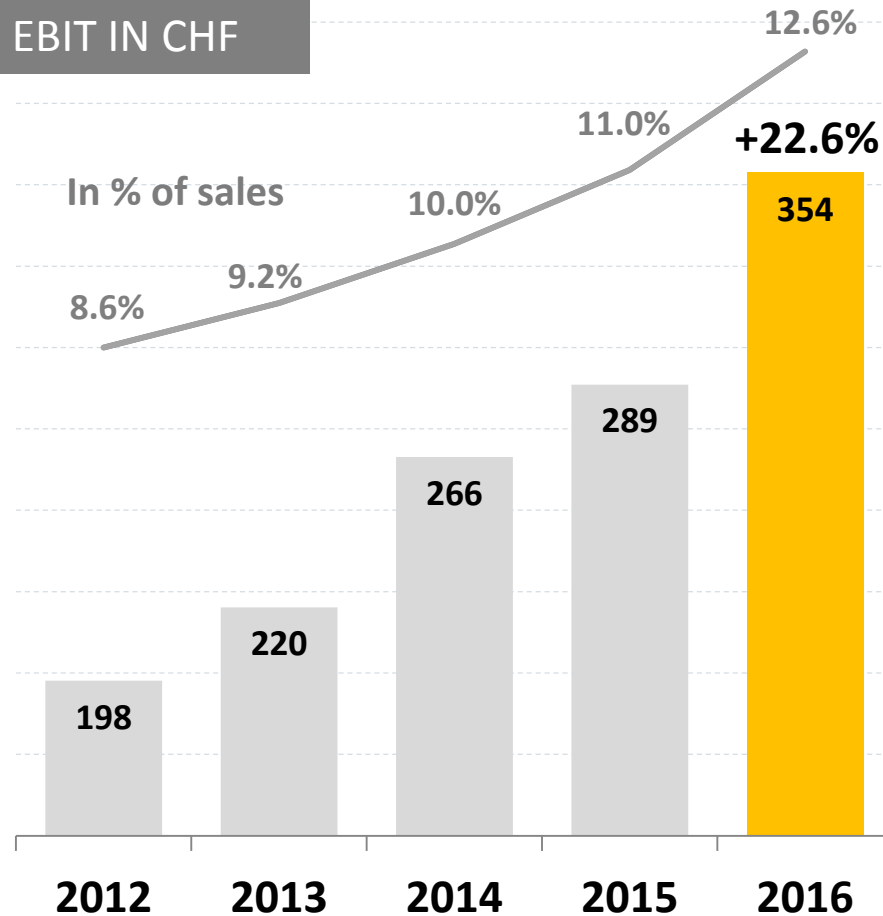


HY 1 / 2015    HY 1 / 2016  
(in CHF million, growth in LC)

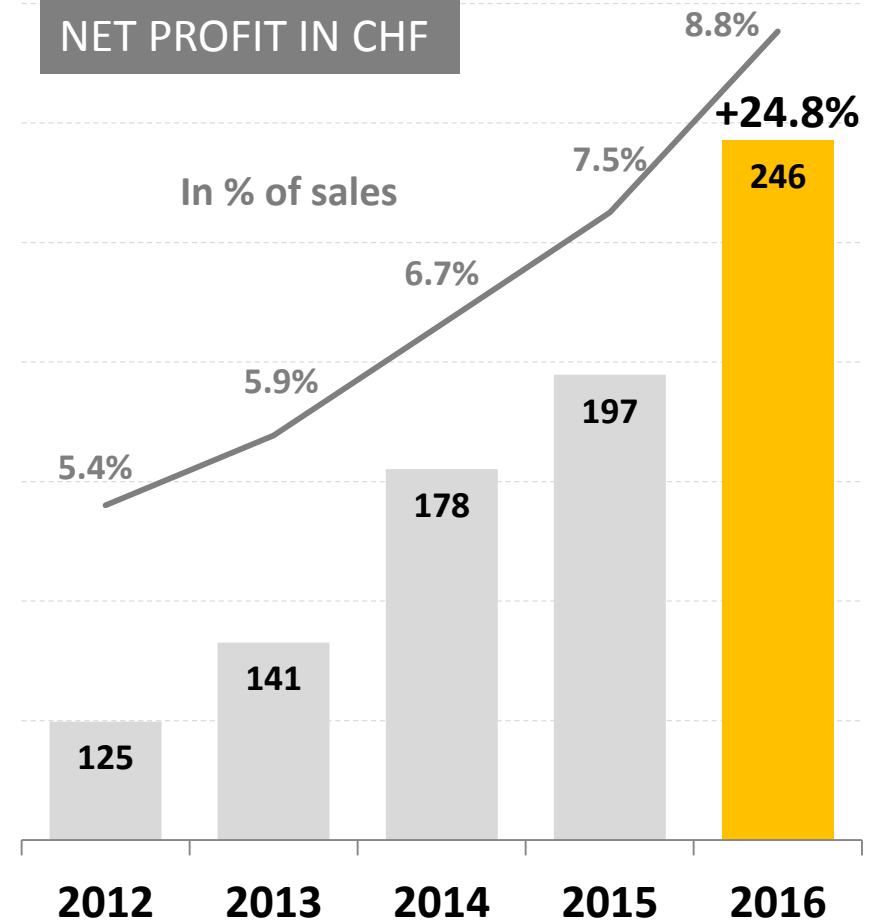
# FIVE-YEAR OVERVIEW – HALF-YEAR FIGURES

## CONTINUOUSLY IMPROVING MARGINS

### EBIT IN CHF



### NET PROFIT IN CHF



# ACCELERATED BUILD-UP OF GROWTH MARKETS

## INVESTMENTS IN FIRST HALF YEAR 2016

### Opening of Sika plants:

- **2<sup>nd</sup> plant in Greece** (Kryoneri (Athens), January 2016)
- **1<sup>st</sup> plant in Myanmar** (Yangon, February 2016)
- **1<sup>st</sup> plant in Cambodia** (Phnom Penh, February 2016)
- **4<sup>th</sup> plant in Canada** (Vancouver, March 2016)
- **2<sup>nd</sup> plant in Thailand** (Saraburi, June 2016)
- **2<sup>nd</sup> plant in Ecuador** (Guayaquil, June 2016)

### New subsidiaries:

- **Kuwait** (March 2016)
- **Nicaragua** (June 2016)



Sika Thailand



# ACCELERATED BUILD-UP OF GROWTH MARKETS

## ACQUISITION IN FIRST HALF YEAR 2016

### L.M. Scofield, USA

- US-based market leader for concrete color additives (ready-mixed concrete) and decorative treatments for refurbishment
- Buying new technology and spreading it out to Sika's existing customer base
- Continued strong execution of Sika's growth strategy in North America



# OUTLOOK

## CONFIRMATION OF 2016 ANNUAL TARGETS

- 6-8% sales growth
- Disproportionately higher rise in margins
- Opening of 8 to 10 new factories
- 3 to 4 new national subsidiaries
- Unknown outcome of Saint-Gobain's hostile takeover attempt

# FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as 'expects', 'believes', 'estimates', 'anticipates', 'projects', 'intends', 'should', 'seeks', 'future' or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation, among others:

- Fluctuations in currency exchange rates and general financial market conditions
- Interruptions in production
- Legislative and regulatory developments and economic conditions
- Delay or inability in obtaining regulatory approvals or bringing products to market
- Pricing and product initiatives of competitors
- Uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of research projects, unexpected side-effects of pipeline or marketed products
- Increased government pricing pressures
- Loss of inability to obtain adequate protection for intellectual property rights
- Litigation
- Loss of key executives or other employees
- Adverse publicity and news coverage.

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