



RECORD RESULTS IN 2017

SIKA MEDIA AND INVESTOR PRESENTATION

FEBRUARY 23, 2018

BUILDING TRUST



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1. HIGHLIGHTS

PAUL SCHULER, CEO

HIGHLIGHTS 2017

1. Record results

- +9.0% sales growth in local currencies to CHF 6,248.3 million
- CHF 896.3 million EBIT (+12.7%)
- CHF 649.0 million net profit (+14.5%)
- 29.8% ROCE (2016: 28.7 %)

2. Key investments

- 3 new national subsidiaries
- 9 new factories
- 7 acquisitions

3. Strategy

- Strategic targets for 2020 confirmed

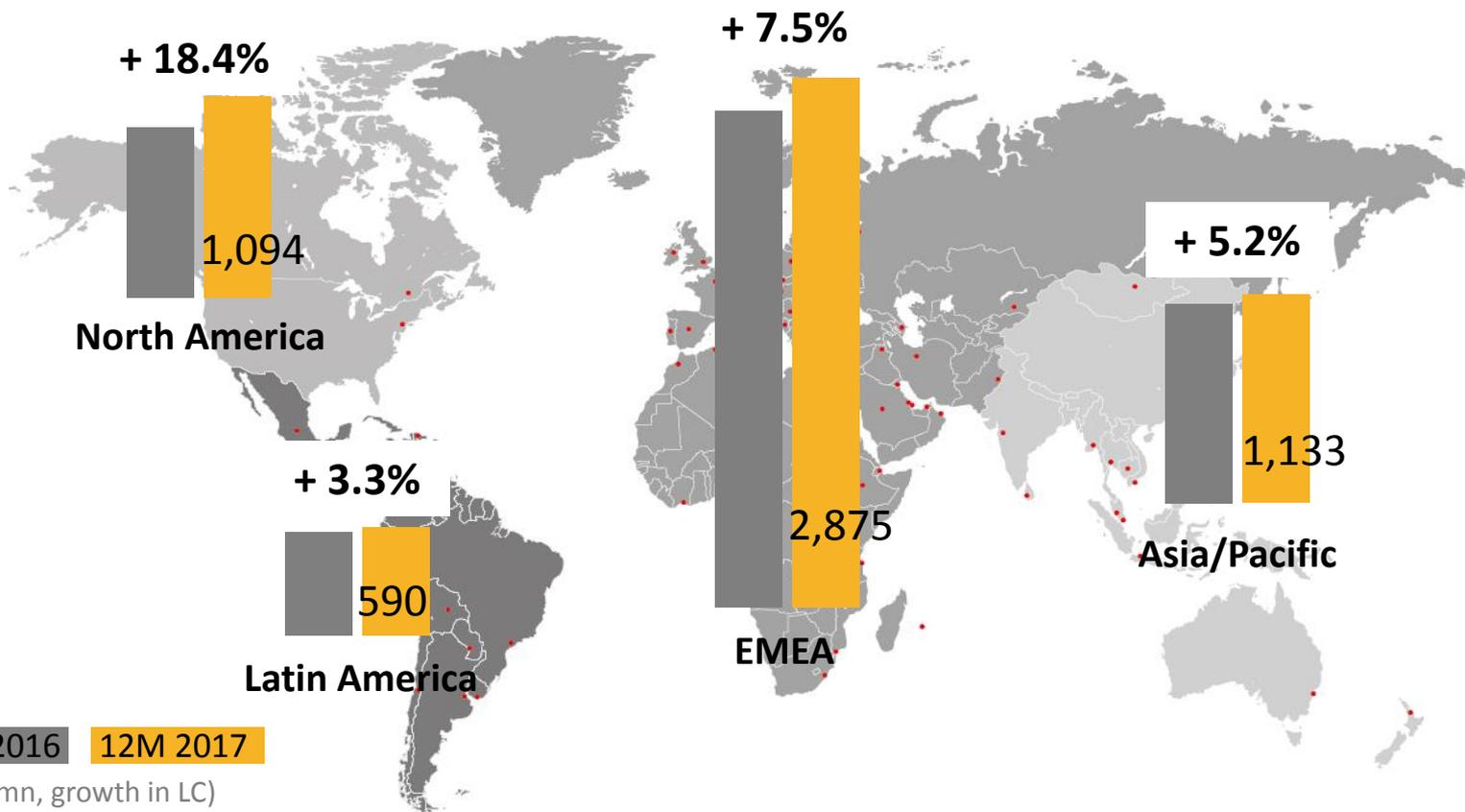
KEY FIGURES

RECORD RESULTS

in CHF mn	2016	2017	Δ %
Net sales	5,747.7	6.248.3	+ 8.7%
EBIT	795.3	896.3	+ 12.7%
Net profit	566.6	649.0	+ 14.5%
ROCE	28.7%	29.8%	

GROWTH MOMENTUM CONTINUES IN 2017

9.0% SALES GROWTH (8.7% IN CHF)



12M 2016 12M 2017

(in CHF mn, growth in LC)

KEY INVESTMENTS IN 2017

EXPANSION IN EMERGING MARKETS

Opening of Sika plants:

- **5th plant in Mexico** (Coatzacoalcos, March 2017)
- **New and expanded site in Kazakhstan** (Almaty, May 2017)
- **1st plant in Tanzania** (Dar es Salaam, June 2017)
- **5th plant in Russia** (Lobnya, July 2017)
- **New and expanded site in Pakistan** (Lahore, October 2017)
- **2nd plant in Angola** (Luanda, October 2017)
- **New fiber plant for EMEA** (Troisdorf, Germany, November 2017)
- **1st plant in Cameroon** (Douala, December 2017)
- **22nd plant in the USA** (Houston, December 2017)



New production for PVC membranes in Russia



New fiber plant in Troisdorf, Germany



New plant for admixtures and mortars in Houston

KEY INVESTMENTS IN 2017

EXPANSION IN EMERGING MARKETS

New subsidiaries:

- Senegal (April 2017)
- El Salvador (September 2017)
- Bangladesh (December 2017)

Now present in 100 countries with own national subsidiaries



SIKA'S 100 SUBSIDIARIES

SWITZERLAND - 1910	GERMANY - 1921	CANADA - 1926	UK - 1926	FRANCE - 1928	ITALY - 1928	SPAIN - 1931	JAPAN - 1932	CZECH REPUBLIC - 1933	POLAND - 1933
AUSTRIA - 1934	BRAZIL - 1934	USA - 1936	ARGENTINA - 1938	CHILE - 1942	ALGERIA - 1947	BELGIUM - 1949	SWEDEN - 1950	COLOMBIA - 1951	TUNISIA - 1958
URUGUAY - 1958	NEW ZEALAND - 1959	DENMARK - 1960	MEXICO - 1963	NORWAY - 1968	AUSTRALIA - 1976	IRAN - 1977	HONG KONG - 1978	MOROCCO - 1979	NETHERLANDS - 1980
SAUDI-ARABIA - 1980	MAURITIUS - 1981	SOUTH AFRICA - 1984	EGYPT - 1985	FINLAND - 1985	ECUADOR - 1986	INDIA - 1986	INDONESIA - 1987	MALAYSIA - 1988	THAILAND - 1988
KOREA - 1990	PORTUGAL - 1990	SINGAPORE - 1990	TURKEY - 1990	TAIWAN - 1991	HUNGARY - 1993	PHILIPPINES - 1993	SLOVAKIA - 1993	VIETNAM - 1993	BAHRAIN - 1994
BOLIVIA - 1994	CHINA - 1994	IRELAND - 1994	PERU - 1994	GREECE - 1995	SLOVENIA - 1995	VENEZUELA - 1997	COSTA RICA - 1998	CROATIA - 1998	LEBANON - 1998
GUATEMALA - 2001	PANAMA - 2001	BULGARIA - 2002	CAMBODIA - 2002	ROMANIA - 2002	SERBIA - 2002	RUSSIA - 2003	DOMINICAN REPUBLIC - 2004	AZERBAIJAN - 2005	KAZAKHSTAN - 2005
UKRAINE - 2005	LATVIA - 2007	UNITED ARAB EMIRATES - 2008	PAKISTAN - 2010	JORDAN - 2011	IRAQ - 2012	KENYA - 2012	MONGOLIA - 2012	QATAR - 2012	ANGOLA - 2013
BELARUS - 2013	OMAN - 2013	PARAGUAY - 2013	ALBANIA - 2014	BOSNIA-HERZEGOVINA - 2014	IVORY COAST - 2014	MOZAMBIQUE - 2014	NIGERIA - 2014	SRI LANKA - 2014	ETHIOPIA - 2015
MYANMAR - 2015	TANZANIA - 2015	CAMEROON - 2016	DJIBOUTI - 2016	ESTONIA - 2016	KUWAIT - 2016	NICARAGUA - 2016	SENEGAL - 2017	EL SALVADOR - 2017	BANGLADESH - 2017

CONTINUING HIGH OPERATING SPEED 2017/2018

ACQUISITIONS

Company	Country	Target Market
Bitbau Dörr	Austria	Waterproofing
ABC Sealants	Turkey	Sealing & Bonding
KVK	Czech Republic	Roofing, Waterproofing, Refurbishment
Butterfield	USA	Concrete
Faist ChemTec	Global	Industry, Automotive
Grupo Industrial Alce	Mexico	Roofing, Waterproofing
Emseal Joint Systems	USA	Sealing & Bonding, Refurbishment
Index Construction Systems and Products	Italy	Roofing, Waterproofing

Total annual sales: CHF 482 million



11 Grupo Industrial Alce



KVK



Faist ChemTec

KEY INVESTMENTS IN 2017

ACQUISITIONS AS GROWTH PLATFORM

Acquisition of Faist ChemTec, Global

- Leading manufacturer of high-performance engineered, structure-borne acoustic solutions for automotive industry
- Faist ChemTec's innovations are driven by megatrends, such as increased need for comfort and lightweight construction of vehicles
- Manufacturing footprint supports the aim to achieve global reach combined with local presence when serving customers worldwide
- CHF 190 million additional sales

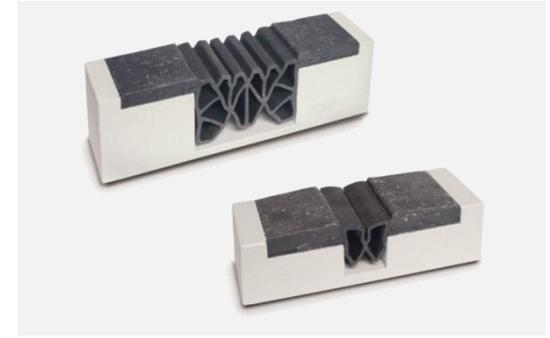


KEY INVESTMENTS IN 2017

ACQUISITIONS AS GROWTH PLATFORM

Acquisition of Emseal Joint Systems, USA

- US-based market leader in development and manufacturing of structural expansion joint products for new construction and refurbishment
- Extensive cross-selling opportunities for other Sika technologies
- Reach new contractor customers and better penetrate key projects - perfect fit with Sika's existing growth strategy in North America
- CHF 40 million additional sales



KEY INVESTMENTS IN 2018

ACQUISITIONS AS GROWTH PLATFORM

Acquisition of Index Construction Systems and Products, Italy

- Leading manufacturer of roofing and waterproofing systems with annual sales of CHF 115 million
- Acquisition leads to strong number one position in Italian roofing market
- New site will function as Sika's Southern European production hub for bituminous systems, with potential to serve Middle East and Africa



2. FINANCIAL RESULTS 2017

ADRIAN WIDMER, CFO

FINANCIAL HIGHLIGHTS 2017

- **New and all time records in:**
 - **Net Sales: CHF 6,248.3 million (+9.0% in LC, 8.7% in CHF)**
 - **EBIT: CHF 896.3 million (+12.7%) reaching 14.3% of net sales, +CHF 101 million in absolute terms**
 - **Net Profit: CHF 649.0 million (+14.5%)**
- **Tax rate further improved to 24.7%**
- **Continued improvement in capital efficiency (ROCE) to 29.8%** driven by strong profitability and efficient capital management
- **Ongoing investments of CHF 163 million (2016: CHF 155 million)**

REVENUES 2017

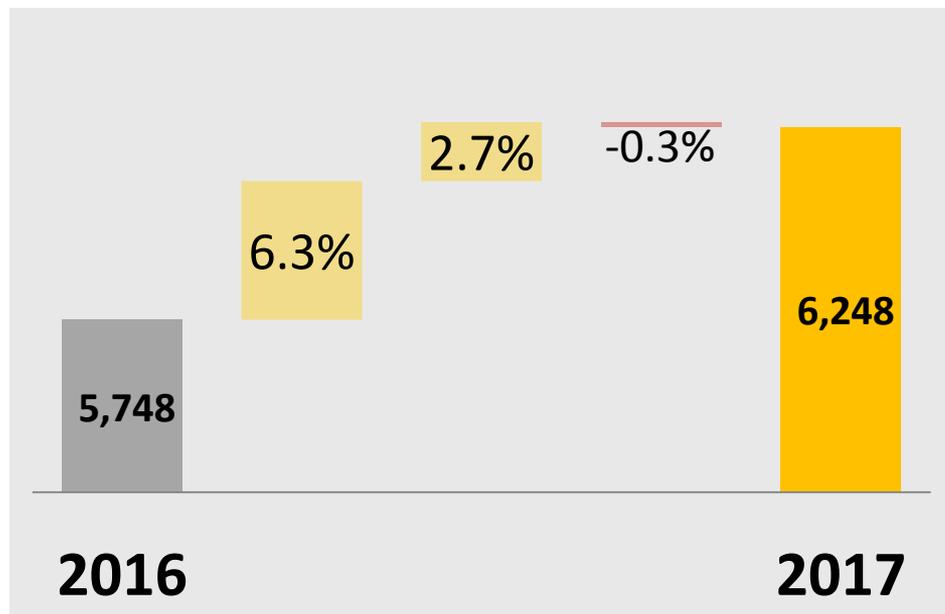
9.0% GROWTH IN LOCAL CURRENCIES

in CHF mn	2016	2017
Net sales	5,747.7	6,248.3

Organic growth	+360.5
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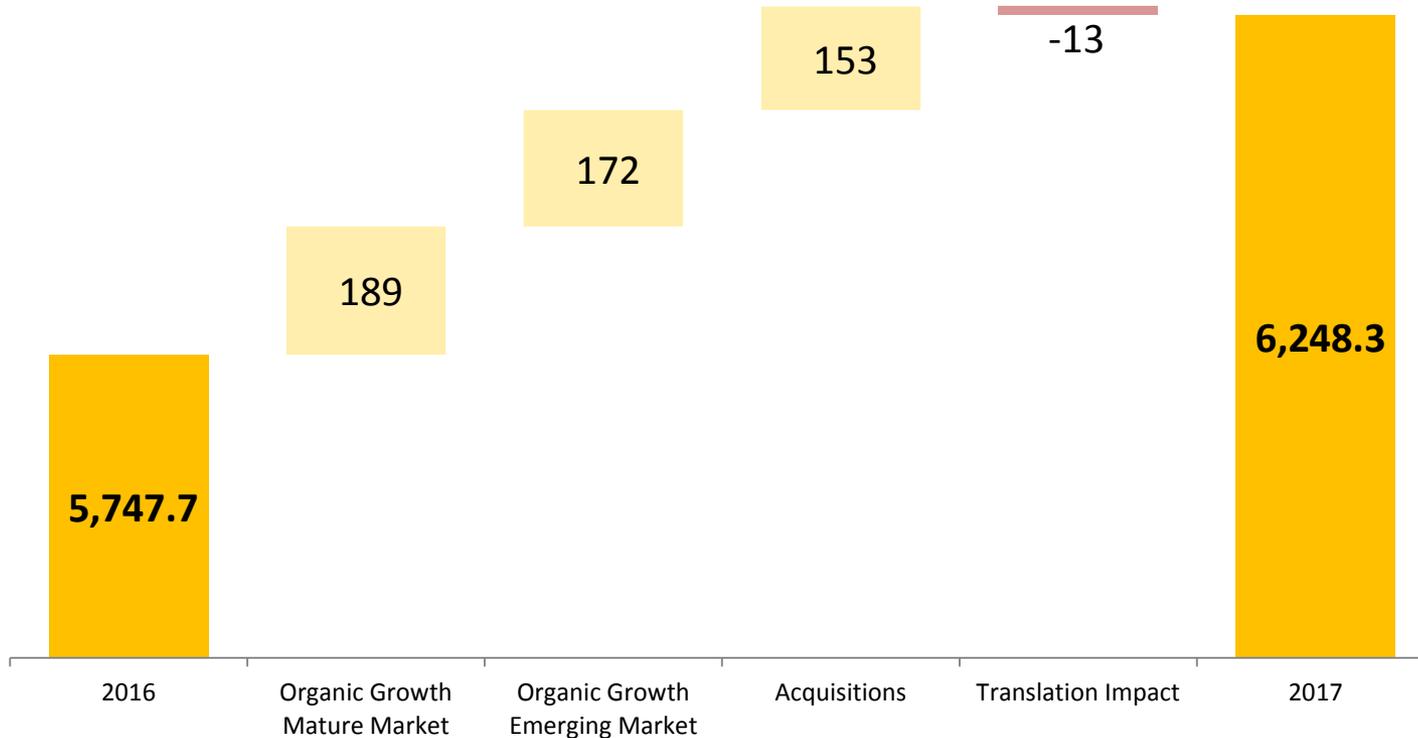
Acquisition effect	+153.1
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Currency effect	-13.0
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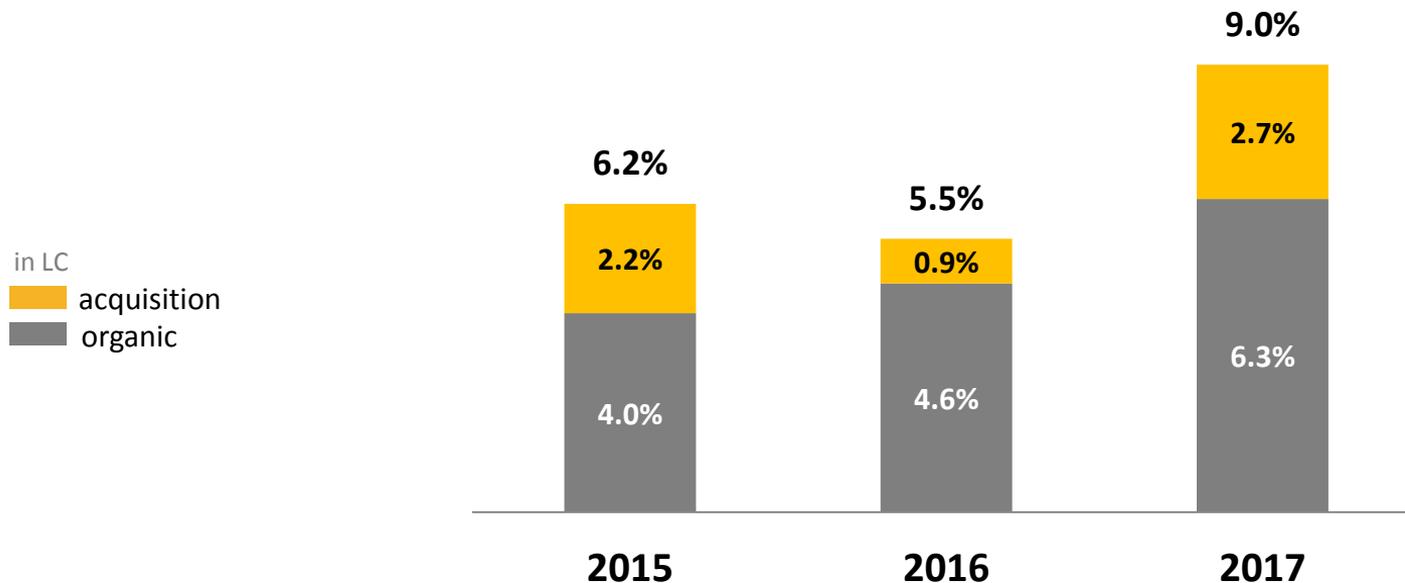
REVENUES 2017

EXECUTION ON ALL PILLARS OF THE STRATEGY



SALES GROWTH 2015 TO 2017

STRONG ORGANIC GROWTH



in CHF mn

Sales

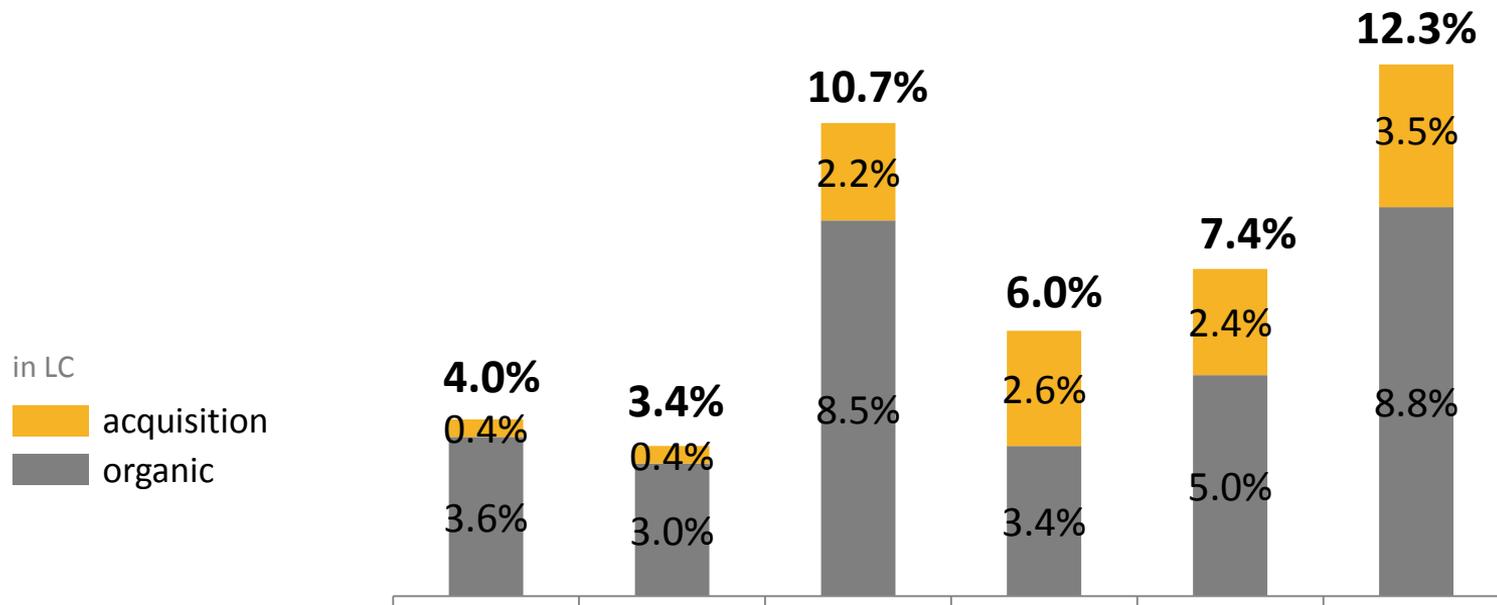
5,489.2

5,747.7

6,248.3

SALES GROWTH BY QUARTER

DYNAMIC GROWTH MOMENTUM



in CHF mn	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
Quarterly sales	1,525.6	1,415.9	1,389.0	1,605.9	1,632.6	1,620.8

INCOME STATEMENT

ANOTHER YEAR OF STRONG PROFIT GROWTH

in CHF mn	2016	NS	2017	NS	Growth
Net sales	5,747.7	100%	6,248.3	100%	8.7%
Gross result	3,181.1	55.3%	3,399.1	54.4%	6.9%
Personnel costs	-1,159.1	-20.1%	-1,212.1	-19.4%	4.6%
Other OPEX	-1,056.3	-18.4%	-1,118.5	-17.9%	5.9%
Depreciation and amortization	-170.4	-3.0%	-172.2	-2.8%	1.1%
EBIT	795.3	13.8%	896.3	14.3%	12.7%
Financial expense	-39.5		-34.2		
Income taxes	-189.2		-213.1		
Net profit	566.6	9.9%	649.0	10.4%	14.5%
Tax rate		25.0%		24.7%	
Non-material costs	-2,385.8	-41.5%	-2,502.8	-40.1%	4.9%

CONSOLIDATED BALANCE SHEET

STRONG BALANCE SHEET AND IMPROVED EQUITY RATIO OF 58.9%

in CHF mn	31.12.2016	31.12.2017	Δ %
Cash and cash equivalents	1,155.0	1,037.9	-10.1
Other current assets	1,742.0	2,046.5	17.5
Current assets	2,897.0	3,084.4	6.5
Non-current assets	2,202.2	2,707.8	23.0
Total assets	5,099.2	5,792.2	13.6
Current liabilities	968.0	1,200.0	24.0
Bonds (current)	0.0	150.0	
Bonds (non-current)	698.7	549.0	
Other non-current liabilities	484.8	482.1	-0.6
Total liabilities	2,151.5	2,381.1	10.7
Equity incl. minorities	2,947.7	3,411.1	15.7
Total liabilities and equity	5,099.2	5,792.2	13.6
Net cash	415.6	293.8	

CASH FLOW STATEMENT

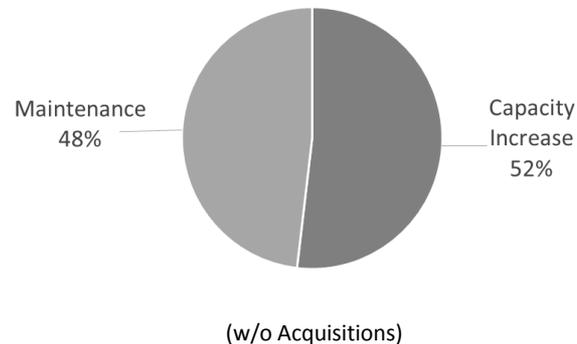
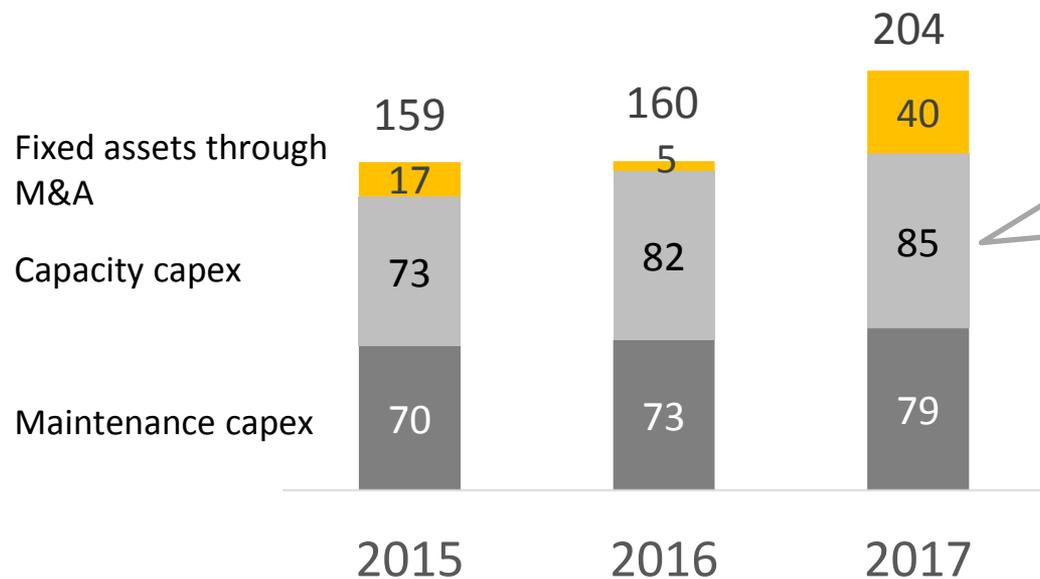
in CHF mn	2016	2017
Cash flow from operating activities	735.7	651.9
CapEx/sale of assets/acquisitions	-172.7	-478.2
Free cash flow	563.0	173.7
Acquisitions/financial assets	23.5	323.1
Operating free cash flow	586.5	496.8
Free cash flow	563.0	173.7
Cash flow from financing activities	-473.3	-289.2
Exchange differences	-9.1	-1.6
Net change in liquid funds	80.6	-117.1

INVESTMENTS

EFFICIENT CAPITAL MANAGEMENT

9 new Factories

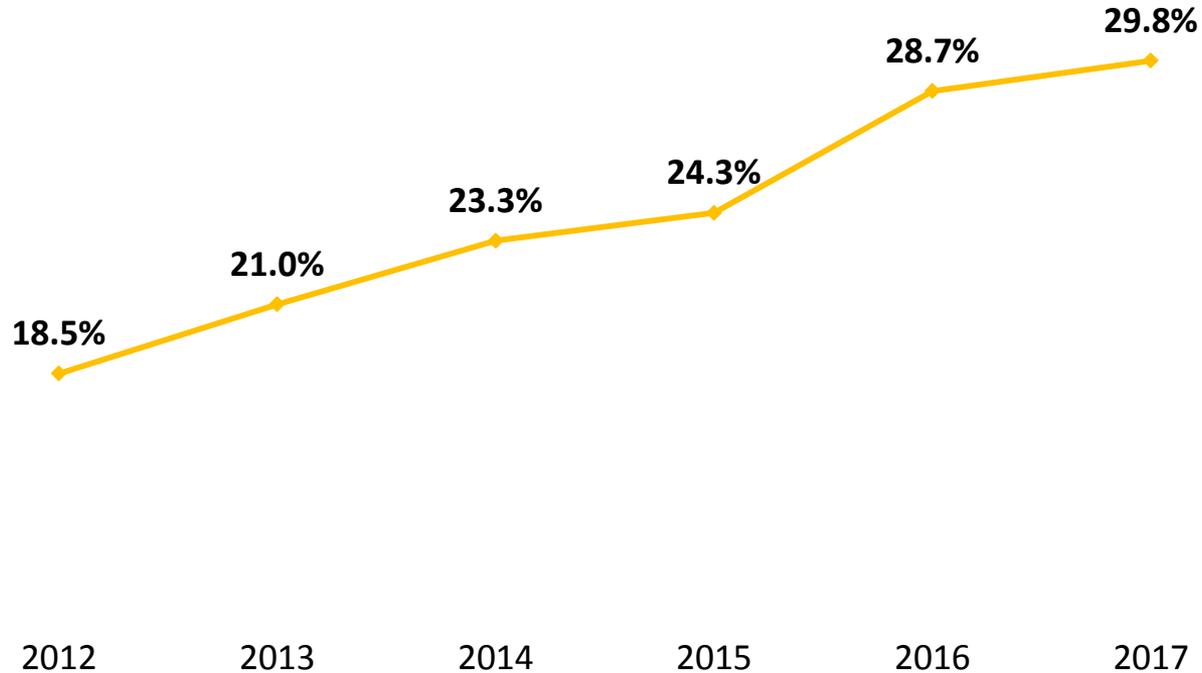
- 5th plant in Mexico
- New and expanded plant in Kazakhstan
- 1st plant in Tanzania
- 5th plant in Russia
- New and expanded site in Pakistan
- 2nd plant in Angola
- New fiber plant in Germany
- 1st plant in Cameroon
- 22nd plant in the USA



Capex (% NS)	2.6%	2.7%	2.6%
Fixed Assets through M&A (%NS)	0.3%	0.1%	0.7%

RETURN ON CAPITAL EMPLOYED (ROCE 2012 – 2017)

CONTINUED INCREASE IN SPITE OF GROWTH INVESTMENTS



RECORD DIVIDEND PROPOSAL OF THE BOARD OF DIRECTORS

Dividend payment CHF 111.00 per bearer share
CHF 18.50 per registered share

in CHF mn	2016	2017
Group profit (after minorities)	563.1	643.5
Dividend out of retained earnings	243.7	281.8
Total payout ratio	43.3%	43.8%

3. SUCCESSFUL STRATEGY EXECUTION

STRATEGIC TARGETS CONFIRMED FOR 2020

SIKA'S GROWTH MODEL WILL DELIVER

- 1) Performance
- 2) Market Penetration
- 3) Innovation
- 4) Accelerated build-up of Emerging Markets
- 5) Acquisitions
- 6) Values
- 7) Targets

1) PERFORMANCE

SIKA'S GROWTH MODEL DELIVERS KEY INVESTMENTS SINCE 2015

Market Penetration



- Successful Target Market concept
- Megatrends driving growth

Innovation



- 217 new patents filed
- 20 Global Technology Centers

Emerging Markets



- 26 new plants opened
- 10 new national subsidiaries

Acquisitions



- 17 acquisitions in all regions
- CHF 705 million sales added

Values

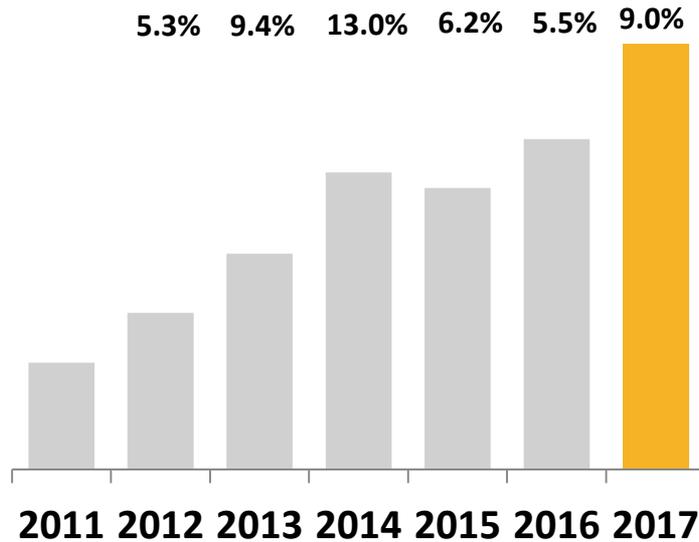


- Strong corporate culture
- High employee loyalty

SIKA'S GROWTH MODEL DELIVERS CONTINUED GROWTH IN SALES AND PROFIT (FULL YEAR)

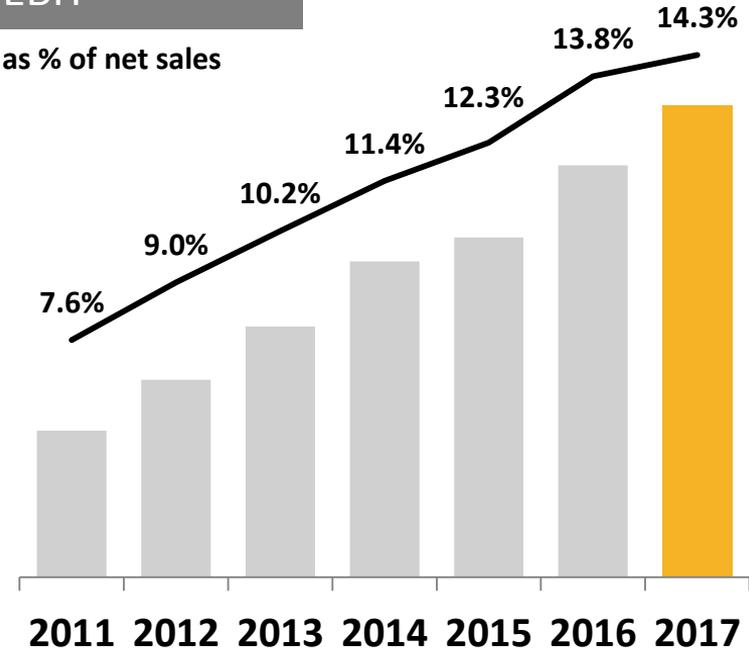
NET SALES

% growth in local currencies



EBIT

as % of net sales



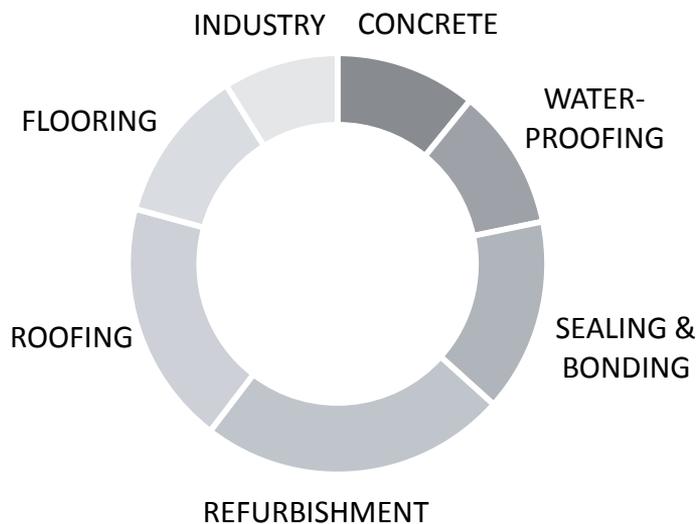
2) MARKET PENETRATION

SIKA'S MARKET POTENTIAL

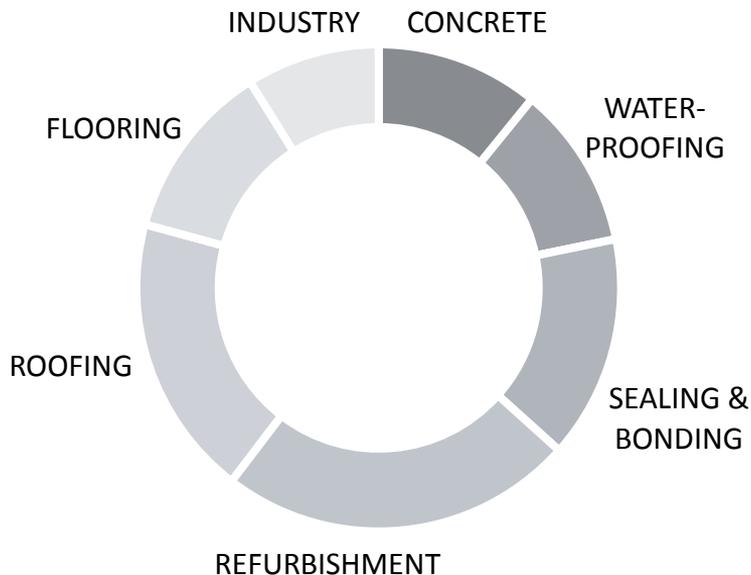
LARGE AND GROWING MARKET SEGMENTS

TOTAL MARKET SIZE

2017
> CHF 70 BILLION



2020
CHF 80 BILLION



MEGATRENDS DRIVE OUR GROWTH

URBANIZATION, NEW VEHICLE DESIGN AND SUSTAINABILITY

New modular vehicle manufacturing concepts need fast, high strength bonding systems

Increasing world population with urbanization and megacities

Increased safety, fire, water, earthquake and quality requirements

Rising demand for high performance concrete, sealing and waterproofing

Sustainability: Increasing demand for safe-to-use and low-emission products

New vehicle design with material mix requires bonding solutions

Higher demand for infrastructure and refurbishment solutions

MARKET PENETRATION - FOCUS ON ATTRACTIVE MARKETS: CROSS-SELLING, LIFE-CYCLE MANAGEMENT, A STRONG BRAND



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding

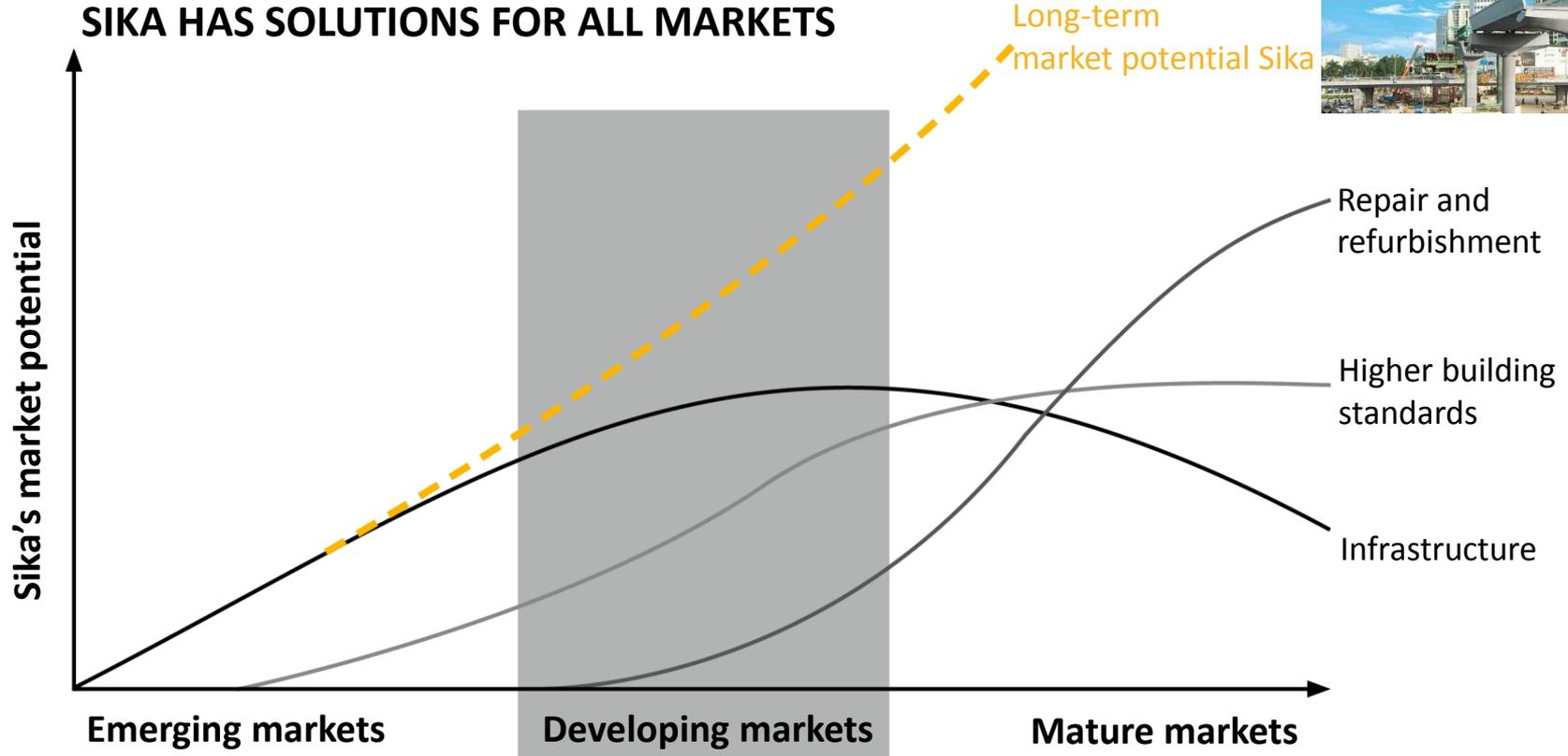


Refurbishment



Industry

GROWTH MODEL WITH EARLY MARKET PENETRATION FROM NEW BUILD TO REFURBISHMENT



3) INNOVATION

INNOVATION

STRONG TRACK RECORD

217

patents were
filed since
2015

More than

900

employees are
dedicated to
Research and
Development

283

invention
disclosures
Since 2015

20

Technology
Centers
worldwide

FROM PATENTS TO WORLD CLASS PRODUCTS INNOVATION INCREASES SALES AND PROFIT



NEW PATENTS
SINCE 2015



NEW PRODUCTS
LAUNCHED SINCE
2015



+20%

ANNUAL ORGANIC
SALES GROWTH
INCREASE

30%

ANNUAL EBIT
CONTRIBUTION

SIKA INNOVATIONS DRIVE GROWTH

E.G. TIME AND COST EFFECTIVENESS IN FIRE PROTECTION



Sika® Unitherm® Platinum-120
FIRE PROTECTION COATING DELAYS HEAT
BUILD-UP AND PROLONGS EVACUATION TIME
BY UP TO

150 MINUTES

FAST CURING AND ROBUST
SURFACE ALLOW
TRANSPORTATION AND ASSEMBLY
WITHIN

24 HOURS



- INCREASED SAFETY
- SHORT CONSTRUCTION TIME
- LOWER PROJECTS COSTS
- FIRE AND CORROSION PROTECTION IN ONE

SIKA INNOVATIONS DRIVE GROWTH

E.G. REDUCING APPLICATION TIME IN FLOORING



SikaScreed® HardTop INCREASES
PRODUCTIVITY AND EFFICIENCY
ALLOWING FOR SHORT SHUT-DOWN
PERIODS AND COST SAVINGS FOR
HEAVY-DUTY FLOORS

3 INSTEAD OF **13** DAYS

IS HOW LONG IT TAKES TO REFURBISH
1,000m² OF FLOORING WITH SikaScreed®
HardTop, COMPARED TO REFURBISHMENT
WITH CONVENTIONAL PRODUCTS



UNIQUE WORLDWIDE:

- FEWER WORKING STEPS
- RAPID CURING
- HIGH DURABILITY

4) ACCELERATED BUILD-UP OF EMERGING MARKETS

EMERGING MARKETS BUILD-UP SINCE 2015

CAPTURING GROWTH POTENTIAL IN NEW MARKETS

26

new
plants
opened

5

acquisitions

10

new
national
subsidiaries

36%

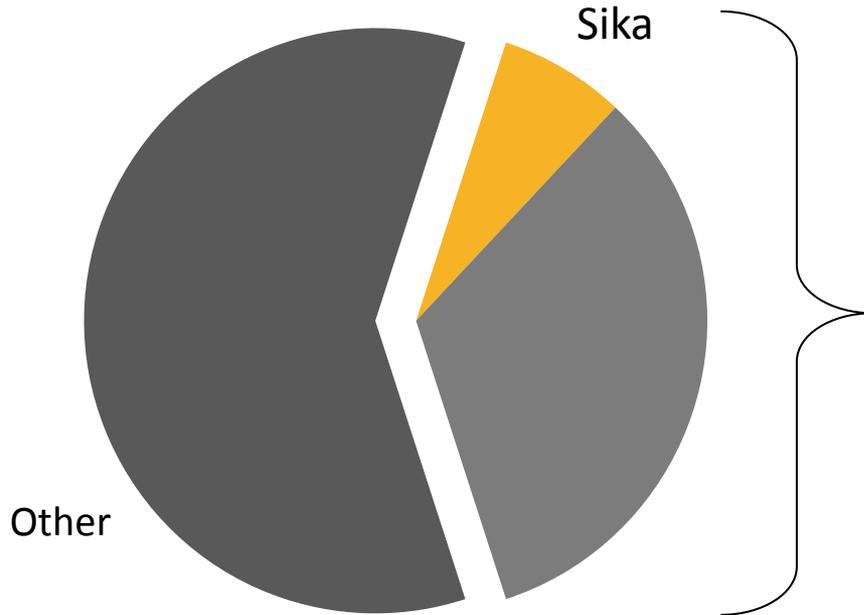
of sales in
emerging markets

5) ACQUISITIONS

SIKA'S MARKET POTENTIAL

FRAGMENTATION OFFERS ACQUISITION OPPORTUNITIES

CONSTRUCTION CHEMICAL MARKET 2017
> CHF 60 BILLION



**Top 10 companies with a
combined market share of 40%**

ACQUISITIONS SINCE 2015

GROWTH PLATFORMS FOR THE FUTURE

17

acquisitions

705

million CHF
additional
turnover

In all

7

Target
Markets

In all

4

regions

6) VALUES AND PRINCIPLES

SIKA'S VALUES AND PRINCIPLES

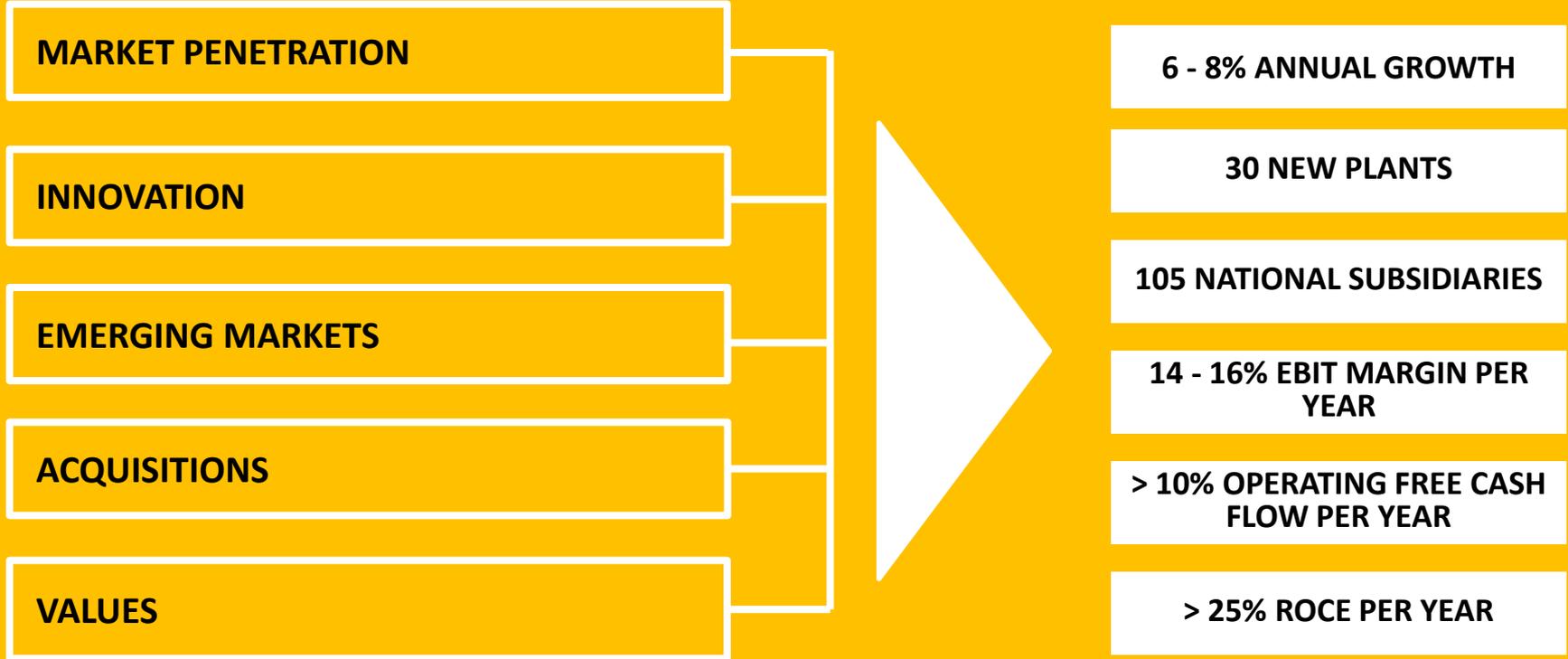
STRONG CORPORATE CULTURE

- Customer first
- Courage for innovation
- Sustainability & integrity
- Empowerment and respect
- Manage for results



7) TARGETS 2020

SIKA'S GROWTH MODEL WILL DELIVER STRATEGIC TARGETS 2020



4. OUTLOOK

PAUL SCHULER, CEO,

IVO SCHÄDLER, EMEA

CHRISTOPH GANZ, AMERICAS

MIKE CAMPION, ASIA/PACIFIC

THOMAS HASLER, INDUSTRY & AUTOMOTIVE

OUTLOOK

EMEA

- Positive outlook for EMEA
- Over-proportional growth in Africa and strong growth in Eastern Europe
- Middle East: well positioned in major projects such as new Istanbul Airport and Dubai Creek Harbour Tower Project
- Good position in mature markets driven by substantial infrastructure project wins: Grand Paris, France; Battersea Power Station, London, UK; Gubrist Tunnel, Switzerland; Brenner Tunnel, Italy; Stuttgart 21, Germany
- Opening of new production sites to increase local footprint and capacities
- Using synergies from newly acquired companies
- Further strengthen Distribution Channels, especially Eastern Europe, Germany and Middle East

OUTLOOK

AMERICAS

- Positive Market environment expected for the US and Canada (US infrastructure, tax reform etc.)
- Positive outlook for Mexico and Argentina, still challenging situations in Brazil, Peru and Chile
- Major business opportunities in North America: Data and distribution center boom, repair works from hurricanes in the South, from heavy rain falls in the West and from a strong winter in the East/Central US and Canada
- Distribution business focus in Latin American markets where we face a lack of large projects
- Big City focus: cross- and project selling, on-boarding of new plants (Houston, Los Angeles, Lima)
- Supply chain and procurement opportunities in new Region Americas
- Acquisitions: sales integration of Butterfield and EMSEAL into Sika US, of Alkoat into Sika Mexico; well filled acquisition projects pipeline in all of Region Americas
- Digitalization: from a strong position in off-line markets to an strong position in on-line markets

OUTLOOK

ASIA/PACIFIC

- The market in Asia/Pacific remains strong with huge growth potential in all Target Markets
- Double digit growth in Greater China and Pacific Areas
- Continued development of large infrastructure projects throughout Southeast Asia and India
- Tokyo 2020 Olympics will continue to be a major focus in Japan
- Continued expansion of our production base and supply chain with the completion of 4 more production sites
- Continuation of acquisition activity in our key market to spur additional growth

OUTLOOK

AUTOMOTIVE & INDUSTRY

- Dynamic and positive market conditions with growth in all key markets. Global car production is forecasting a 2% base growth rate
- Additional growth potential fueled by increased needs for light weight, multi-material concepts, comfort and safety
- Full electric and hybrid vehicles (car, bus and truck) offer additional 20% market potential in dielectric, thermal conductive and fire/safety protection solutions
- Expansion of global supply footprint with new or extended workshops in all key markets (Japan, China, EU, US, Brazil, Mexico)
- Leveraging of full range of acoustic solutions for the automotive, transportation and appliance industry by fast integration of Faist ChemTec

STRONG OUTLOOK 2018 FOR SIKA

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Sales increase of more than 10% expected in 2018
- Volatile and rising commodity prices will continue to be a challenge
- Disproportionally high growth in profit expected for the year 2018 as a whole

5. QUESTIONS AND ANSWERS



THANK YOU FOR YOUR ATTENTION

FORWARD-LOOKING STATEMENT

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 ability to obtain adequate protection for intellectual property rights
- Litigation
- Loss of key executives or other employees
- Adverse publicity and news coverage.

Any statements regarding earnings per share growth are not a profit forecast and should not be interpreted to mean that Sika's earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Sika.

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