STRONG GROWTH IN SALES AND EBIT IN FIRST HALF YEAR

SIKA COMPANY PRESENTATION
JULY 25, 2019
1. New records in sales and profit
   - +9.6% sales growth in local currencies (7.6% in CHF) to CHF 3,732.4 million
   - Higher gross result – EBIT increase of 8.3% to CHF 481.7 million

2. Key investments
   - Conclusion of Parex acquisition provides boost to growth, takeover of King Packaged Materials in Canada and Belineco in Belarus
   - Opening of three new factories in Senegal, Egypt, Qatar

3. Outlook and Strategy
   - Outlook: sales of over CHF 8 billion and double-digit EBIT growth for 2019
   - Presentation of new Strategy 2023 at Sika Capital Market Day on October 3, 2019
# KEY FIGURES FIRST HALF 2019

**RECORD RESULTS – STRONG MOMENTUM CONTINUES**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>3,470.1</td>
<td>3,732.4</td>
<td>+7.6%</td>
</tr>
<tr>
<td>Gross results as % of net sales</td>
<td>53.6</td>
<td>53.8</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>544.8</td>
<td>623.8</td>
<td>+14.5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>444.6</td>
<td>481.7</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Net profit</td>
<td>318.2</td>
<td>330.7</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Operating free cash flow</td>
<td>11.5</td>
<td>179.7</td>
<td></td>
</tr>
<tr>
<td>ROCE in %</td>
<td>26.2</td>
<td>17.0</td>
<td></td>
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</table>
FIRST HALF SALES GROWTH
9.6% SALES GROWTH IN THE FIRST HALF 2019

in LC
- acquisition
- organic

<table>
<thead>
<tr>
<th></th>
<th>1 HY 2017</th>
<th>1 HY 2018</th>
<th>1 HY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,994.9</td>
<td>3,470.1</td>
<td>3,732.4</td>
</tr>
</tbody>
</table>

Sales growth in the first half of 2019 is 9.6%.

In local currency (LC), sales growth is composed of 8.1% acquisitions and 5.7% organic growth.

In CHF million (mn), sales growth is:
- 2.4% in CHF mn
- 7.1% in CHF mn
- 9.6% in CHF mn

The acquisition growth is 5.7%, organic growth is 6.8%, and the total growth is 6.5%.

The table shows the sales in CHF million for each half year.
SALES FIRST HALF 2019
GROWTH IN ALL REGIONS

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth in CHF</th>
<th>Growth in LC</th>
<th>FX impact</th>
<th>Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>+3.8%</td>
<td>+12.0%</td>
<td>+14.8%</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Americas</td>
<td>+7.7%</td>
<td>+11.4%</td>
<td>+15.6%</td>
<td>+4.9%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>-3.9%</td>
<td>+0.6%</td>
<td>-0.8%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Global Business</td>
<td>+4.2%</td>
<td>+7.1%</td>
<td>+12.9%</td>
<td>+5.2%</td>
</tr>
</tbody>
</table>

+77% Growth in construction
+23% Growth in industry
STRONG GROWTH MOMENTUM CONTINUES IN 2019
9.6% SALES GROWTH (7.6% IN CHF)

<table>
<thead>
<tr>
<th>Region</th>
<th>6M 2018</th>
<th>6M 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>996</td>
<td>1,617</td>
</tr>
<tr>
<td>EMEA</td>
<td></td>
<td>642</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Business</td>
<td></td>
<td>478</td>
</tr>
</tbody>
</table>

(in CHF mn, growth in LC)
SIKA’S GROWTH MODEL DELIVERS
CONTINUED GROWTH IN EBIT AND PROFIT (HALF YEAR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales in CHF mn</th>
<th>EBIT in CHF mn</th>
<th>Net Profit in CHF mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>481.7</td>
<td>330.7</td>
<td>148.9</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
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<td>2017</td>
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<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>481.7</td>
<td>330.7</td>
</tr>
</tbody>
</table>
HIGH OPERATING SPEED CONTINUES IN 2019
INVESTMENTS IN NEW PLANTS

Opening of Sika plants:
- Mortar plant in Senegal
  (Dakar, March 2019)
- Expansion of mortar plant in Egypt
  (Alexandria, April 2019)
- Concrete admixture plant in Qatar
  (Doha, May 2019)
- Expansion of mortar plant in Serbia
  (Belgrade, July 2019)
HIGH OPERATING SPEED CONTINUED IN 2019
3 ACQUISITIONS IN 2019

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Target Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parex</td>
<td>Global</td>
<td>Refurbishment, Waterproofing, Flooring</td>
</tr>
<tr>
<td>King Packaged Materials Company</td>
<td>Canada</td>
<td>Concrete, Refurbishment</td>
</tr>
<tr>
<td>Belineco</td>
<td>Eastern Europe</td>
<td>Sealing &amp; Bonding</td>
</tr>
</tbody>
</table>

Total annual sales: CHF 1,288 million
KEY INVESTMENTS IN 2019
ACQUISITIONS AS GROWTH PLATFORM

Acquisition of King Packaged Materials Company (Canada)

- Large manufacturer of dry shotcrete and mortars for concrete repair
- Products for the construction and mining industry as well as for the home improvement distribution channel
- King operates three large state-of-the-art plants
- CHF 61 million annual sales
KEY INVESTMENTS IN 2019
ACQUISITIONS AS GROWTH PLATFORM

Acquisition of Belineco, Belarus

- Manufacturer of polyurethane foam systems
- Further expansion of production capacity and know-how for polyurethane foam systems
- Cross-selling opportunities in Eastern Europe
UPDATE ON PAREX
TRANSACTION HIGHLIGHTS (1/2)

- Parex, an excellent company
  - A leading mortar manufacturer – great expertise in facade, tile adhesives, waterproofing
  - Impressive track record of profitable growth (7 year growth CAGR of 7%; 2018E sales: CHF 1.2 billion, EBITDA 16%)
  - Strong position in distribution (80% of sales)
  - Present in 23 countries with key position in 8 markets
- Key benefits
  - Very good strategic fit without overlaps
  - Boost Sika’s position in mortars and distribution
  - Sika and Parex with strong brands and position in complementary channels, therefore multiplier potential for Sika and Parex products
  - Rollout Parex’s facade business in Sika world
  - Leverage potential in technology and operations
- Cultural fit
  - Highly decentralized organization
  - Management by empowerment
TRANSACTION HIGHLIGHTS (2/2)

- Financial parameters
  - Enterprise value of CHF 2.5 billion
  - Annual synergies of CHF 80 – 100 million expected
- Multi-step transaction
  - Sika signed exclusive put option agreement, announcement January 8, 2019
  - SPA signed on February 12, 2019
  - Closing May 23, 2019
### PAREX – A LEADING MORTAR COMPANY

80% OF SALES THROUGH DISTRIBUTION CHANNEL

<table>
<thead>
<tr>
<th>Category</th>
<th>Key Figures 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>CHF 1,204 million</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>CHF 195 million</td>
</tr>
<tr>
<td><strong>Sales by products</strong></td>
<td></td>
</tr>
<tr>
<td>1. Waterproofing &amp; Tech. Solutions</td>
<td>26%</td>
</tr>
<tr>
<td>2. Facade Protection &amp; Decoration</td>
<td>34%</td>
</tr>
<tr>
<td>3. Tile Setting Materials</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Sales by region</strong></td>
<td></td>
</tr>
<tr>
<td>1. Asia</td>
<td>42%</td>
</tr>
<tr>
<td>2. Americas</td>
<td>25%</td>
</tr>
<tr>
<td>3. EMEA</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Sites</strong></td>
<td>74 plants across 23 countries</td>
</tr>
<tr>
<td><strong>R&amp;D centers</strong></td>
<td>13 R&amp;D centers</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>4,600 employees worldwide</td>
</tr>
</tbody>
</table>

(Key figures 2018)
SIKA AND PAREX: 1+1=3
EXPAND HIGHLY PROFITABLE MORTAR BUSINESS

Combined

Adhesive Systems 23%
Concrete Systems 14%
Thermoplastic Systems 24%
Mortars 27%

SIKA

PAREX

CHF 8.3 bn

Mortars 100%

CHF 7.1 bn

CHF 1.2 bn

Adhesive Systems 26%
Concrete Systems 17%
Coating Systems 14%
Thermoplastic Systems 28%
Mortars 15%

SIKA AND PAREX: 1+1=3
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Mortars 15%
SIKA AND PAREX: 1+1=3
EXCITING SYNERGY OPPORTUNITIES

- Cross-selling Sika products through Parex’ distribution network
- Parex gain access to Sika’s direct sales channels
- Parex products included in Sika specifications
- Optimized utilization of warehouses, logistics and production network

Access to Distribution Network

Expand Mortar Plant Network

Parex Davco Distribution Store in Guanzhou, China

Parex Mortar Plant in Santiago, Chile
REVENUE AND COST SYNERGIES
EXPECTED RUN-RATE SYNERGIES OF CHF 80-100M

- Cross-selling of Sika products through Parex distribution channels (Acrytics, PUs, Epoxies etc.)
- Leverage Sika’s direct access to jobsites for Parex products
- Sale of Parex products through Sika's presence in >70 countries currently not covered by Parex

- Economies of scale in purchasing
- Optimization of production and logistics cost
- Operating leverage and increased efficiency in support functions

- Expected run-rate synergies of CHF 80-100m p.a.
- Synergies expected to ramp-up over coming years and to be fully realized in year 4 post closing
- Expected transaction and integration costs of CHF 70m spread over the next three years

In addition, CapEx savings of CHF 35m spread over the next three years
SUCCESSFUL STRATEGY EXECUTION
SIKA’S GROWTH MODEL DELIVERS
STRATEGIC TARGETS 2020

MARKET PENETRATION

- 6 - 8% ANNUAL GROWTH

INNOVATION

- 30 NEW PLANTS

EMERGING MARKETS

- 105 NATIONAL SUBSIDIARIES

ACQUISITIONS

- 14 - 16% EBIT MARGIN PER YEAR

VALUES

- > 10% OPERATING FREE CASH FLOW PER YEAR

- > 25% ROCE PER YEAR
MARKET PENETRATION - FOCUS ON ATTRACTIVE MARKETS:
CROSS-SELLING, LIFE-CYCLE MANAGEMENT, A STRONG BRAND

Concrete  Waterproofing  Roofing  Flooring & Coating

Sealing & Bonding  Refurbishment  Industry
MEGATRENDS DRIVE OUR GROWTH
URBANIZATION, NEW VEHICLE DESIGN AND SUSTAINABILITY

- Increased safety, fire, earthquake and quality requirements
- Rising demand for high-performance concrete, sealing and waterproofing
- New modular vehicle manufacturing concepts need fast, high-strength bonding systems
- Sustainability: Increasing demand for safe-to-use and low-emission products
- Lightweight vehicle construction with multi-material design requires bonding solutions
- Higher demand for repair and refurbishment solutions
- Functional sealing of building envelopes
SIKA WILL ACT AS MARKET CONSOLIDATOR
FRAGMENTATION OFFERS ACQUISITION OPPORTUNITIES

CONSTRUCTION CHEMICAL MARKET 2019
> CHF 60 BILLION

Top 10 companies with a combined market share of 40%
GROWTH MODEL WITH EARLY MARKET PENETRATION
FROM NEW-BUILD TO REFURBISHMENT

SIKA HAS SOLUTIONS FOR ALL MARKETS

Emerging markets  Developing markets  Mature markets

Sika’s market potential

Long-term market potential Sika

Repair and refurbishment

Higher building standards

Infrastructure

Sika’s market potential

Emerging markets

Developing markets

Mature markets
Projected +1,200% in 20 years. Sika solutions are the driving force of this trend.

Source: http://www.skyscrapercenter.com
URBANIZATION DRIVES GROWTH

CONCRETE – NO. 1 STRUCTURAL MATERIAL FOR HIGH-RISE BUILDINGS

Source: http://www.skyscrapercenter.com
SIKA’S GROWTH MODEL DELIVERS
KEY INVESTMENTS SINCE 2015

Market Penetration
- Successful Target Market concept
- Megatrends driving growth

Innovation
- 302 new patents filed
- 20 Global Technology Centers

Emerging Markets
- 41 new plants opened
- 11 new national subsidiaries

Acquisitions
- 23 acquisitions in all regions
- CHF 2,086 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**

in CHF mn, % growth in local currencies

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth (%)</th>
<th>Net Sales (CHF mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5.3%</td>
<td>7,085.4</td>
</tr>
<tr>
<td>2013</td>
<td>9.4%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>13.0%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>6.2%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>9.0%</td>
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<td>2018</td>
<td>13.6%</td>
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</tr>
</tbody>
</table>

**EBIT**

in CHF mn

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (CHF mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>765.9</td>
</tr>
<tr>
<td>2013</td>
<td>817.4</td>
</tr>
<tr>
<td>2014</td>
<td>863.0</td>
</tr>
<tr>
<td>2015</td>
<td>904.0</td>
</tr>
<tr>
<td>2016</td>
<td>925.0</td>
</tr>
<tr>
<td>2017</td>
<td>945.9</td>
</tr>
<tr>
<td>2018</td>
<td>945.9</td>
</tr>
</tbody>
</table>
OUTLOOK
STRONG OUTLOOK 2019
CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Sales expected to exceed CHF 8 billion
- Double-digit EBIT growth for 2019
- Opening of seven to nine new factories
- Strategy 2023 to be communicated at Capital Markets Day on October 3, 2019
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:

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- 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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