



SIKA AS ENABLER FOR A SUSTAINABLE CONSTRUCTION INDUSTRY

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SIKA CAPITAL MARKETS DAY 2021

BUILDING TRUST



SIKA AS ENABLER FOR A SUSTAINABLE CONSTRUCTION INDUSTRY

WINNING TOGETHER – BUILDING THE FUTURE

**Profitable Growth
Strategy**

**Innovation
Power –
Building the
Future**

**Digitalization and
Strong Customer
Focus**

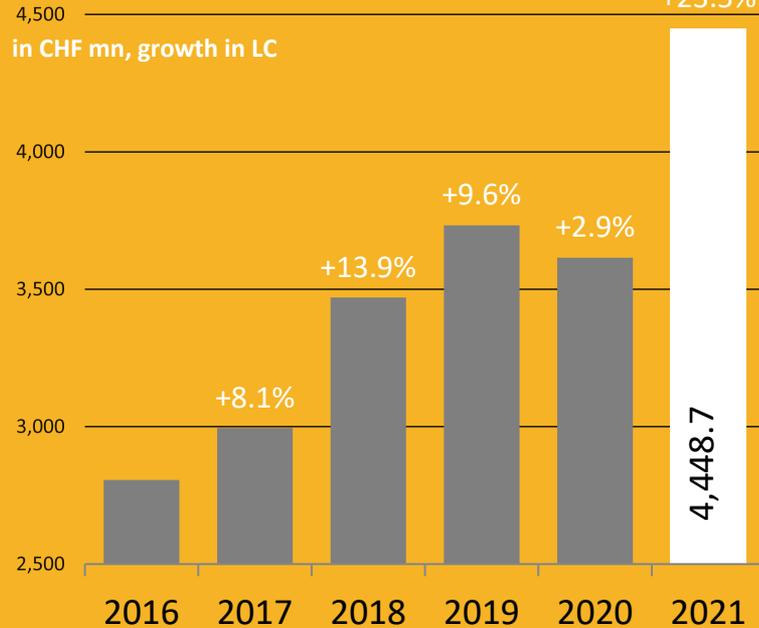
**Sika as Enabler
for Sustainability**



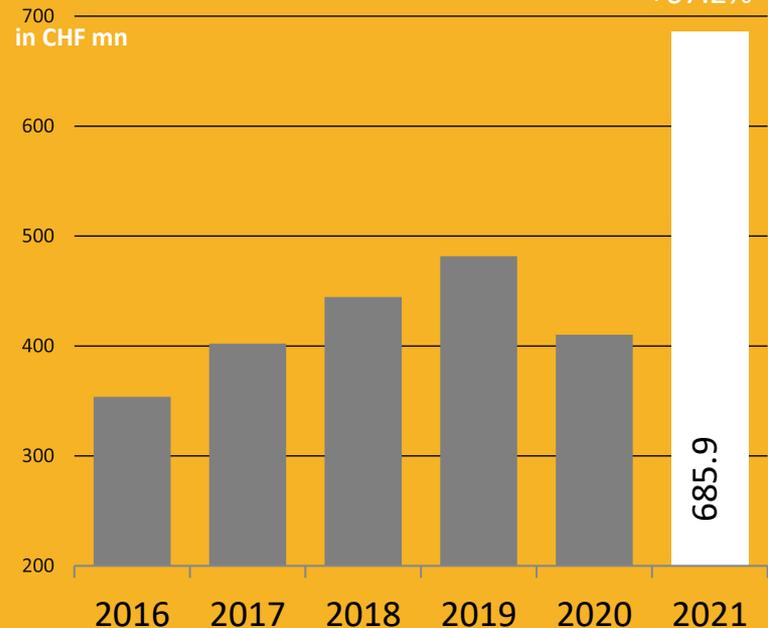
1. PROFITABLE GROWTH STRATEGY 2023

SIKA'S GROWTH MODEL DELIVERS RECORD RESULTS IN THE FIRST HALF OF 2021

Net Sales



EBIT



RESILIENT STRATEGY – MAJOR MEGATRENDS SUPPORTING GROWTH FURTHER ACCELERATION



Technological
Progress



Climate Change and
Scarcity of Resources



Digitalization



Demographic
Change



Dynamic
Economy



Urbanization

RESILIENT GROWTH STRATEGY 2023

STRATEGIC TARGETS CONFIRMED

SUSTAINABILITY

Market Penetration

Innovation

Operational Efficiency

Acquisitions

Values

6-8%
annual growth

25%
of sales with new
products

0.5%
pts non-material
cost improvement
as % of net sales

15-18%
EBIT margin
Until 2020: <15%

>10%
Operating free cash
flow per year as % of
net sales

>25%
ROCE by 2023

12% CO₂ emission reduction per ton sold

MARKET PENETRATION – STRONG GROWTH OPPORTUNITIES

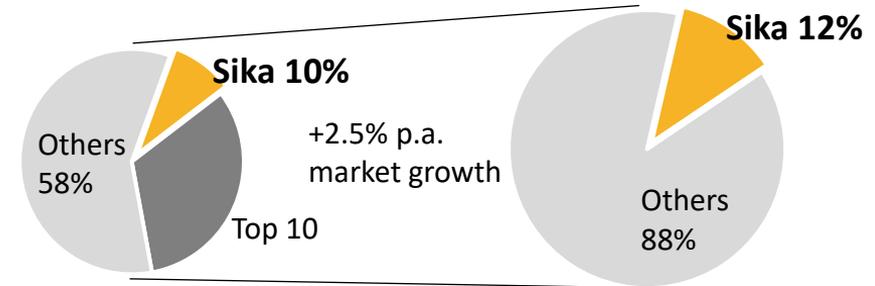
INCREASE MARKET SHARE TO 12%

Driver for future growth:
How Sika increases market share

Initiatives

- 1 Market Penetration
- 2 Key Project Management
- 3 Cross-Selling
- 4 Channel Penetration
- 5 Strong Sika Brand

Construction chemicals
market 2021
approx. CHF 70 billion



INNOVATION

MORE PERFORMANCE – MORE SUSTAINABLE

Drive increase of productivity and sustainability in construction and industry

More
Performance
More
Sustainable

- 1 Focus on Sika's **five core technologies**
- 2 **25% of sales** with new products
- 3 Shift in construction to 3D printing and modular construction
- 4 Increased focus on product sustainability **more performance - more sustainable**

Drive impact innovation to lead market transformation

FIVE CORE TECHNOLOGIES

Concrete Technology



Cementitious Systems



Coating Systems



Adhesive Systems



Thermoplastic Systems



83

new patents in 2020

123

inventions in 2020

OPERATIONAL EFFICIENCY DRIVES MARGIN IMPROVEMENT

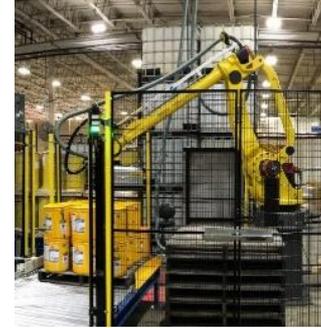
LEVERAGE, AUTOMATION, DIGITALIZATION, AND CLUSTER APPROACH

Initiatives to
increase
operational
efficiency

Sika's footprint significantly
expanded over the years

- 1 Operations / Factory Efficiency
- 2 Formulation Efficiency
- 3 Logistics
- 4 Procurement
- 5 Sales and admin costs in %

50bps non-material cost savings every year

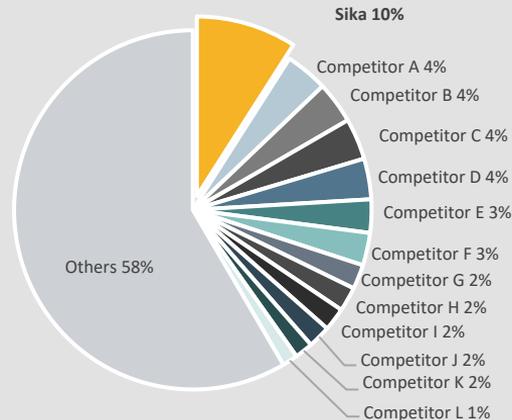


ACQUISITIONS AS GROWTH PLATFORMS

REINFORCEMENTS IN ALL REGIONS AND TECHNOLOGIES

- 1 Fragmentation offers acquisition opportunities
- 2 Sika acting as market consolidator
- 3 More than 70 bolt-on acquisitions in the last 14 years
- 4 Acquisitions as growth platforms
- 5 Solid pipeline

**Construction chemicals market
2020 approx. CHF 70 billion**



VALUES AND PRINCIPLES

PEOPLE, PEOPLE, PEOPLE

Values and Principles

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

Our People – Our Success:

- Engage and develop a strong, diverse pool of talents
- Employees are proud to work for Sika

25,000
employees

6.4%
employee turnover
rate in 2020

**HIGH
COMMITMENT
OF EMPLOYEES
DURING
PANDEMIC**

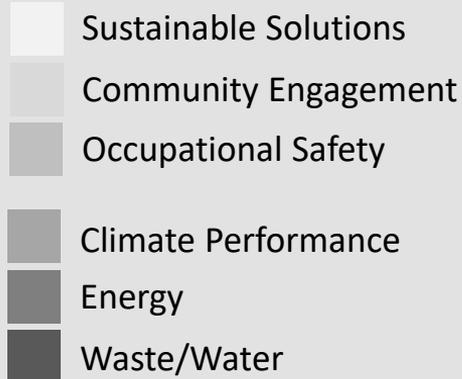


SUSTAINABILITY

70% OF SIKA PRODUCTS WITH POSITIVE SUSTAINABLE IMPACT

- 70% of Sika products with a **positive, sustainable impact**
- Sika products help to reduce the CO₂ footprint of our customers

Our
More Value
Less Impact
Targets



Overall target (scope 1 & 2)

12% CO₂ emission reduction per ton sold by 2023



2. INNOVATION POWER – BUILDING THE FUTURE

BUILDING TRUST



INNOVATION POWER – BUILDING THE FUTURE

UNLIMITED OPPORTUNITIES

A perfect platform based on:

- Positive megatrends
- Market leading position
- Strong global footprint
- Best committed organization

Drivers for Sika's innovation power:

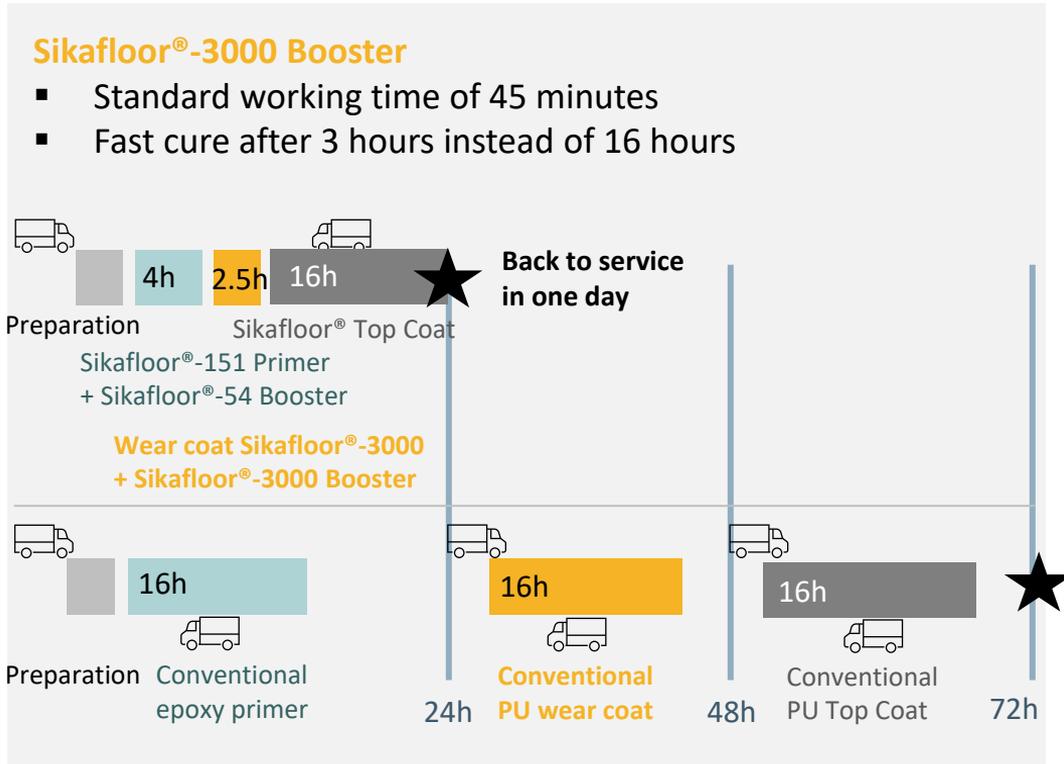
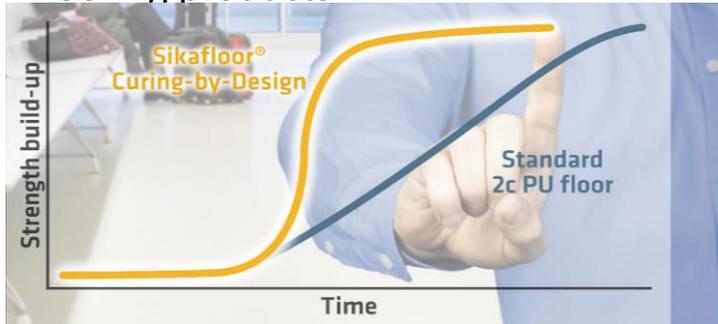
- Curiosity
- Empowerment
- Collaboration
- Competence



CURING-BY-DESIGN TRANSFORMS FLOORING

Sikafloor®-3000 SAVES TIME AND COST

- Technology transfer from adhesive to flooring
- Patent application filed for curing-by-design technology
- Improved productivity by fast curing
- Flexibility in terms of working processes
- Concept can be adopted across other flooring products



HIGH GROWTH IN MODULAR BUILDING FROM FACTORY TO CONSTRUCTION SITE

Industrial know-how

Building Elements

Made in factory



- Windows, doors
- Precast
- Insulated panels
- Facade elements

Modular Building

Made in factory



- Manufactured housing
- Modular volumes
- Panelized construction

Construction solutions

Construction Site



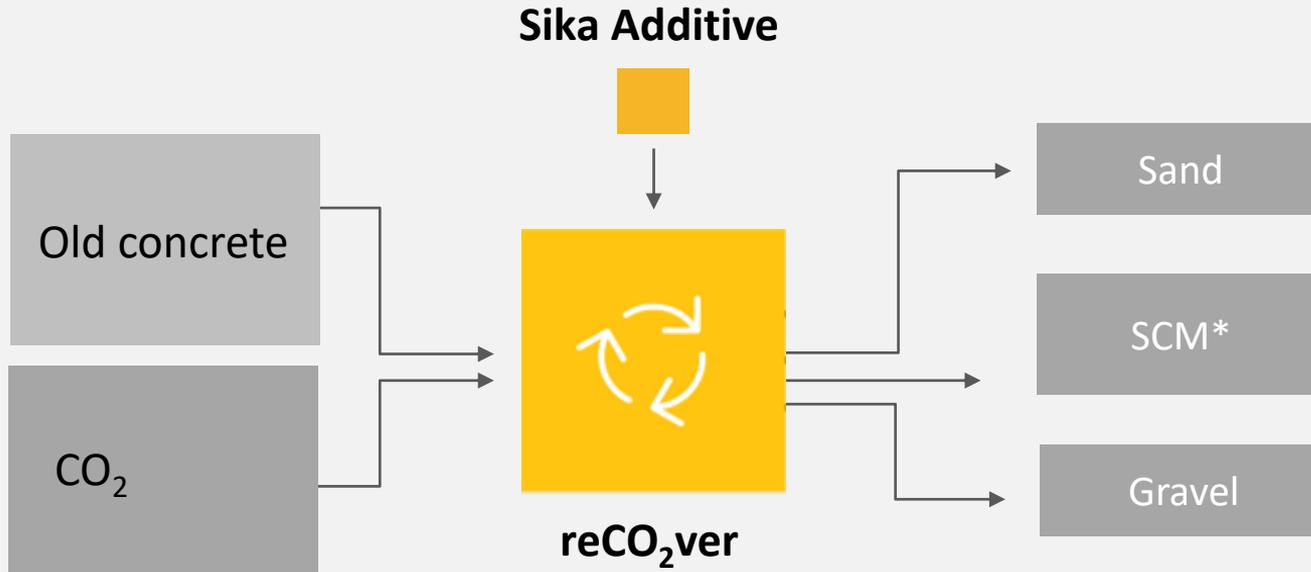
- Sika full range of solutions from basement to roof

Modular construction projected **to grow 6%** annually compared to 2.5% for the construction market

BREAKTHROUGH IN CONCRETE RECYCLING

STRONG MODEL FOR THE CIRCULAR ECONOMY

Sika's new patented recycling process for concrete demolition waste



* SCM: Supplementary cementitious materials

BREAKTHROUGH IN CONCRETE RECYCLING

reCO₂ver – SIKA AS ENABLER



Sika's recycling process for old concrete segregates concrete in its original ingredients to be re-used for new high-grade concrete

The unique process produces high quality SCM powder which allows reduction of cement in new concrete

The circular process reduces environmental footprint of building structures and saves natural resources

reCO₂ver enables transformation to circular economy of concrete

3. DIGITALIZATION AND STRONG CUSTOMER FOCUS

DIGITALIZATION AND STRONG CUSTOMER FOCUS

FAST GROWING OPPORTUNITY

01

Digital Board

- Digital **customer** centricity
- Operational excellence (Industry 4.0)
- Innovation and new business models
- Efficient knowledge worker

02

Digital Design

- Strong online recognition
- Best **customer**/user experience

03

E-Commerce

- New global e-commerce organization
- Strong incremental growth for new channels

04

Big Data

- Data driven organization and activities

DIGITALIZATION AND STRONG CUSTOMER FOCUS

E-COMMERCE – A STRONG GROWING NEW CHANNEL TO MARKET

SIKAFLEX 11fc white SIKA 300 ml

★ 6 reviews | Ask a question



8.10 €

Or 26.13 € / Liter

Delivery in 3 working days in relay point | from 2.90 €

Delivery in 2 working days at home | from 2.90 €

Delivery in France excluding D.O.M. and T.O.M.

Sold by LEROY MERLIN

Quantity

Quantity controls: minus, 1, plus, Add to cart, and heart icon.

In your shop in Morschwiller-le-Bas - Mulhouse

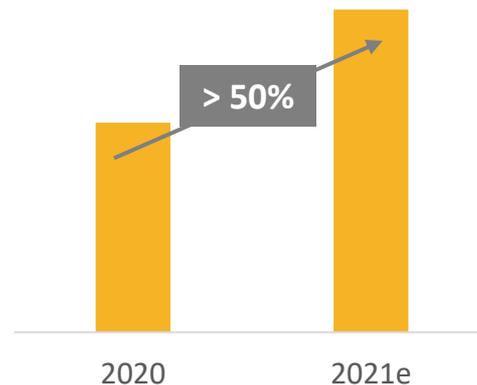
77 units in stock

[Change stores](#)

Delivery

Click&Collect

E-Commerce



With higher margins
than in traditional
distribution business

DIGITALIZATION AND STRONG CUSTOMER FOCUS

THE SIKA BRAND



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- Pricing power as clear market leader
- Strong push and pull
- Sika as number one brand in construction and industry
- Brand value of «The Sika Brand»

2013	CHF 191 million
2021	CHF 4,187 million

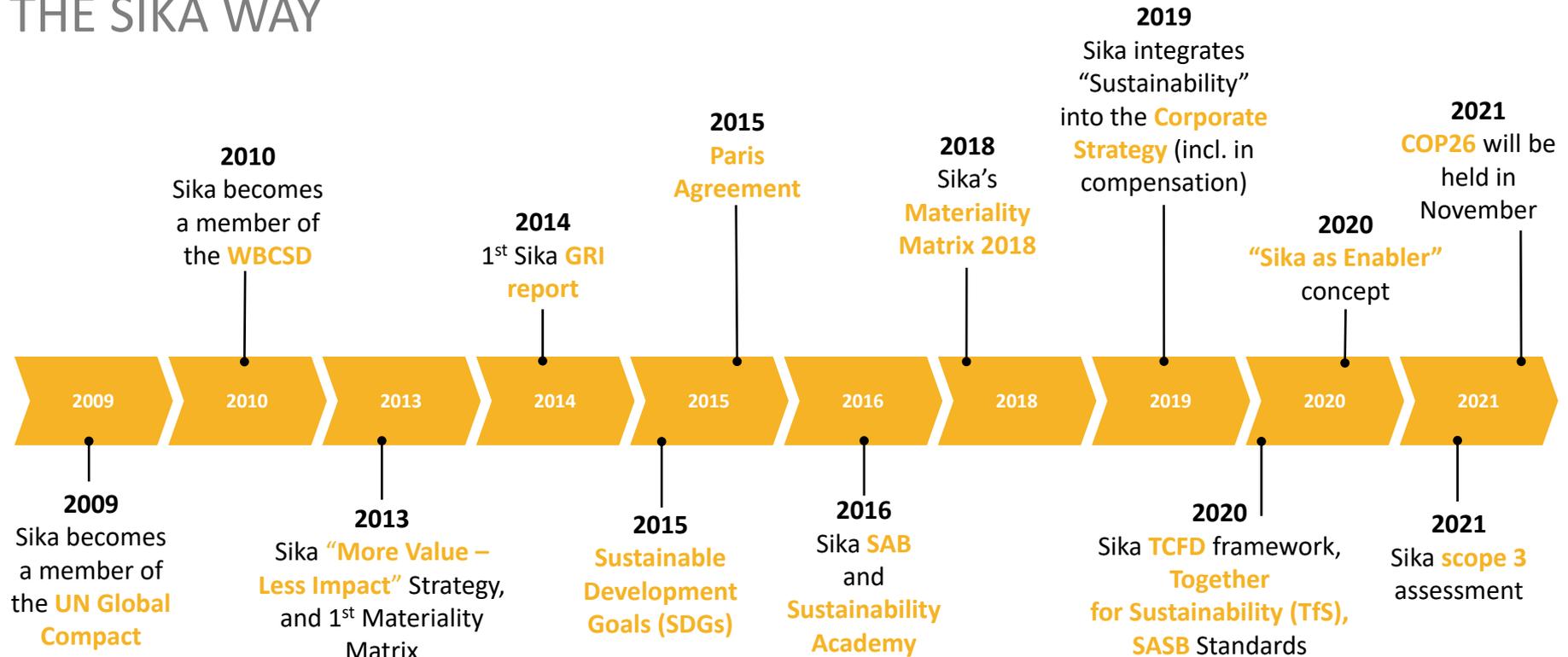
Strong market penetration with Sika Brand as # 1 player in the industry



4. SIKA'S SUSTAINABILITY JOURNEY

SUSTAINABILITY MILESTONES

THE SIKA WAY



SIKA ROADMAP TO NET ZERO

INTEGRATING SUSTAINABILITY INTO THE BUSINESS STRATEGY



Sustainability as great opportunity, the more demanding it gets, the better for Sika

SIKA AS ENABLER

SOLUTIONS TO DRIVE A SUSTAINABLE FUTURE

Durability



By **increasing the lifespan of buildings**, Sika solutions contribute to carbon footprint reduction

Clinker reduction



Sika solutions enable high clinker reduction in cement and concrete, even when using more challenging Supplementary Cementitious Materials. Ensuring **high performance** and **less environmental impact**

Roofing



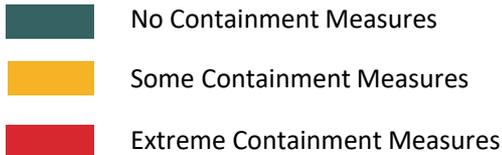
Sika's wide range of durable and long-lasting roofing solutions contribute to the **reduction of energy consumption** and **greening of cities**

5. TOP TOPICS: THE IMPACT OF THE PANDEMIC

THE IMPACT OF THE PANDEMIC

MARCH 2020 TO SEPTEMBER 2021

- COVID-19 and resulting containments continue to affect global market
- Especially global supply chain strained
- Impact going forward, strong push in:
 - Regionalization
 - Digitalization



Country	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dez 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21
Argentina	48	95	83	65	58	66	58	43	30	35	35	30	20	45	66	64	64	54	39
Australia	46	76	55	43	43	43	43	43	38	38	43	40	38	38	38	52	67	67	60
Austria	48	83	55	29	19	19	24	36	69	71	86	68	62	62	48	31	19	22	24
Belgium	35	81	69	53	36	33	31	53	62	62	62	62	62	62	52	38	26	19	19
Brazil	4	46	84	73	55	52	48	38	33	38	28	28	36	46	40	31	22	14	14
Canada	53	83	75	53	49	44	46	54	64	67	69	66	57	66	66	57	48	38	52
China	47	30	19	14	14	14	10	14	14	19	22	29	22	14	14	14	14	24	24
Denmark	43	76	57	43	41	33	33	33	33	50	72	71	62	52	31	24	19	19	8
Finland	35	67	65	43	36	24	24	27	38	43	50	52	67	64	52	43	34	29	26
France	43	81	69	31	19	19	29	38	76	64	62	62	64	81	64	36	29	29	22
Germany	41	74	53	29	19	19	24	38	52	69	81	78	60	72	66	34	19	19	24
India	29	92	86	67	67	67	62	55	52	52	52	54	59	66	76	74	71	58	50
Indonesia	15	48	52	43	19	19	22	24	24	24	29	29	24	24	43	50	67	64	60
Italy	100	100	74	62	48	48	33	43	67	67	57	52	64	67	48	36	24	14	14
Japan	33	38	41	36	27	29	27	19	19	19	29	29	26	28	33	31	31	33	33
Mexico	4	50	81	72	53	43	43	42	40	40	43	36	29	29	24	19	14	16	19
Netherlands	38	76	72	48	38	33	29	45	52	66	81	76	67	62	54	40	33	33	30
Norway	46	90	72	50	38	29	33	38	43	43	48	46	43	46	43	33	33	31	24
Romania	48	90	77	41	38	38	33	48	67	67	64	57	67	67	46	29	24	24	26
Russia	15	59	67	38	34	20	20	20	24	24	22	20	19	19	19	14	14	14	14
Saudi Arabia	39	76	76	53	48	48	46	43	43	43	52	60	62	57	52	48	48	48	38
South Africa	37	71	71	52	43	39	22	14	14	24	38	28	14	19	24	24	48	24	22
South Korea	45	45	38	30	30	10	10	10	10	10	10	10	10	10	30	30	10	10	10
Spain	49	95	76	62	43	43	33	41	52	52	52	54	57	57	50	36	29	29	29
Sweden	24	43	48	46	41	38	33	33	36	40	48	48	48	48	48	43	34	29	32
Switzerland	41	74	55	26	22	24	24	31	43	54	62	67	52	45	38	24	14	14	19
Turkey	35	59	69	38	33	38	38	38	38	52	52	52	43	64	76	36	24	24	19
United Kingdom	44	86	86	67	52	48	38	41	67	64	86	86	76	58	46	38	22	5	5
United States	45	78	63	50	48	48	48	49	54	60	56	50	40	29	22	12	5	5	10

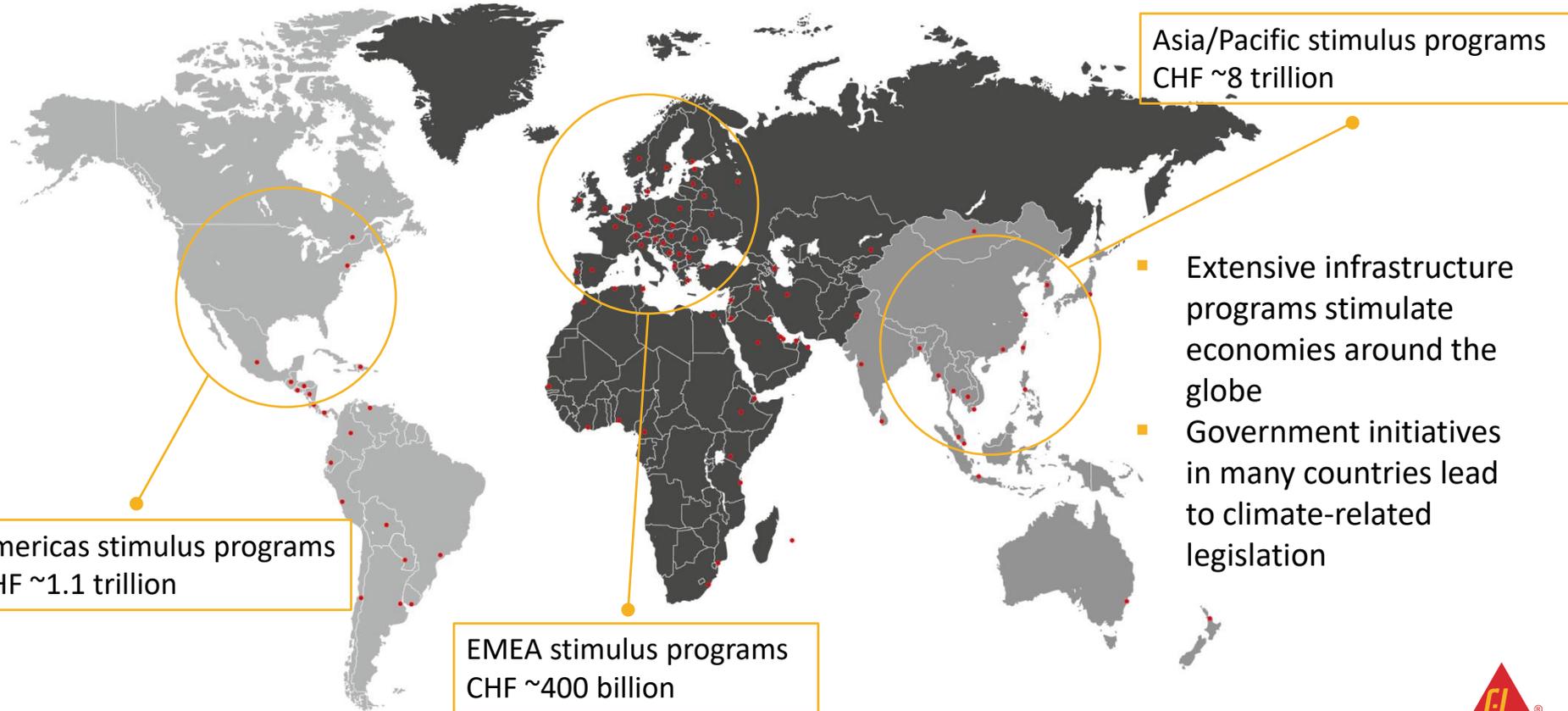
Source: IHS Markit

Pandemic with significant, lasting impact while demand remains strong

6. TOP TOPICS: GOVERNMENT INCENTIVE PROGRAMS – HIGH POTENTIAL IN INFRASTRUCTURE AND REFURBISHMENT

GOVERNMENT INCENTIVE PROGRAMS

CHF ~10 TRILLION PLANNED STIMULI FOR INFRASTRUCTURE



7. OUTLOOK

ANNUAL TARGET FOR FISCAL YEAR 2021

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Outlook for 2021 fiscal year
 - Sales growth in local currencies between 13 and 17% (previous: double-digit sales growth in local currencies)
 - Over-proportional EBIT increase
 - The EBIT margin will reach 15% for the first time, despite a challenging raw material price development
- Confirmation of 2023 strategic targets for sustainable, profitable growth



WINNING TOGETHER – BUILDING THE FUTURE

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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 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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