



# DYNAMIC GROWTH AND RECORD MARGINS IN FIRST HALF OF 2016

SIKA INVESTOR PRESENTATION  
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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

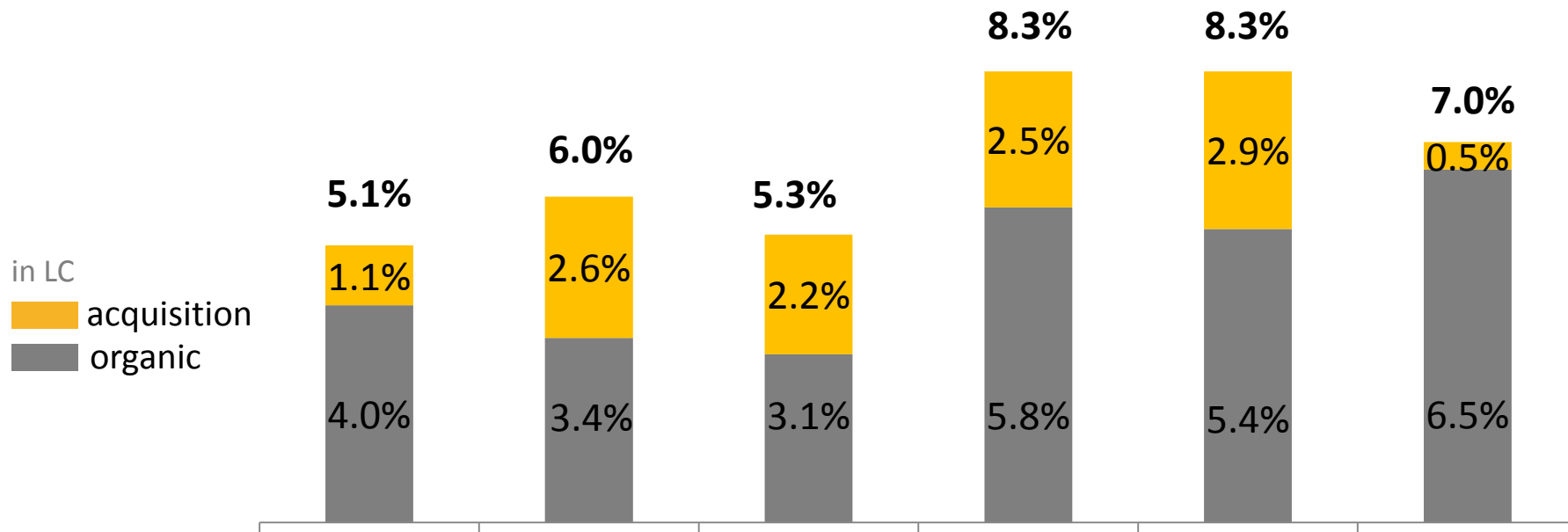
# KEY FIGURES HALF-YEAR 2016

## 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

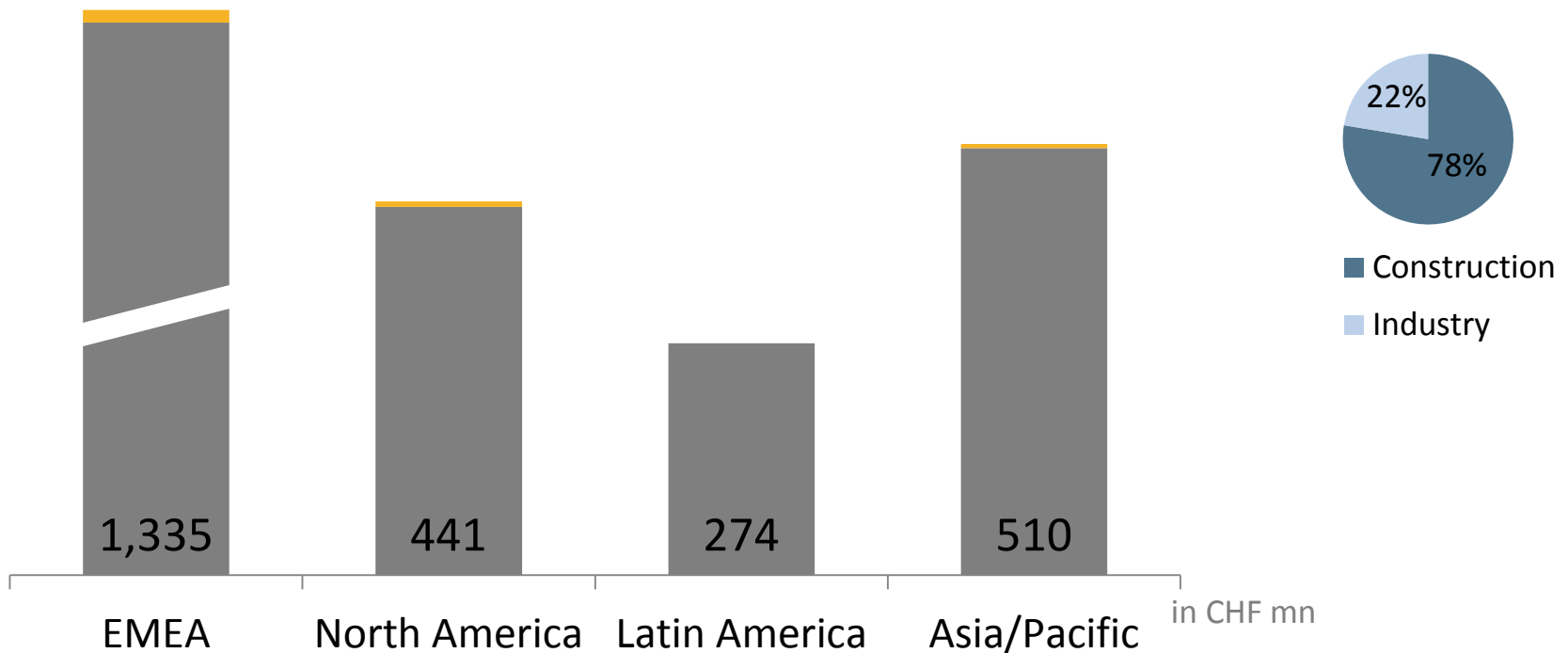
Quarterly sales

	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

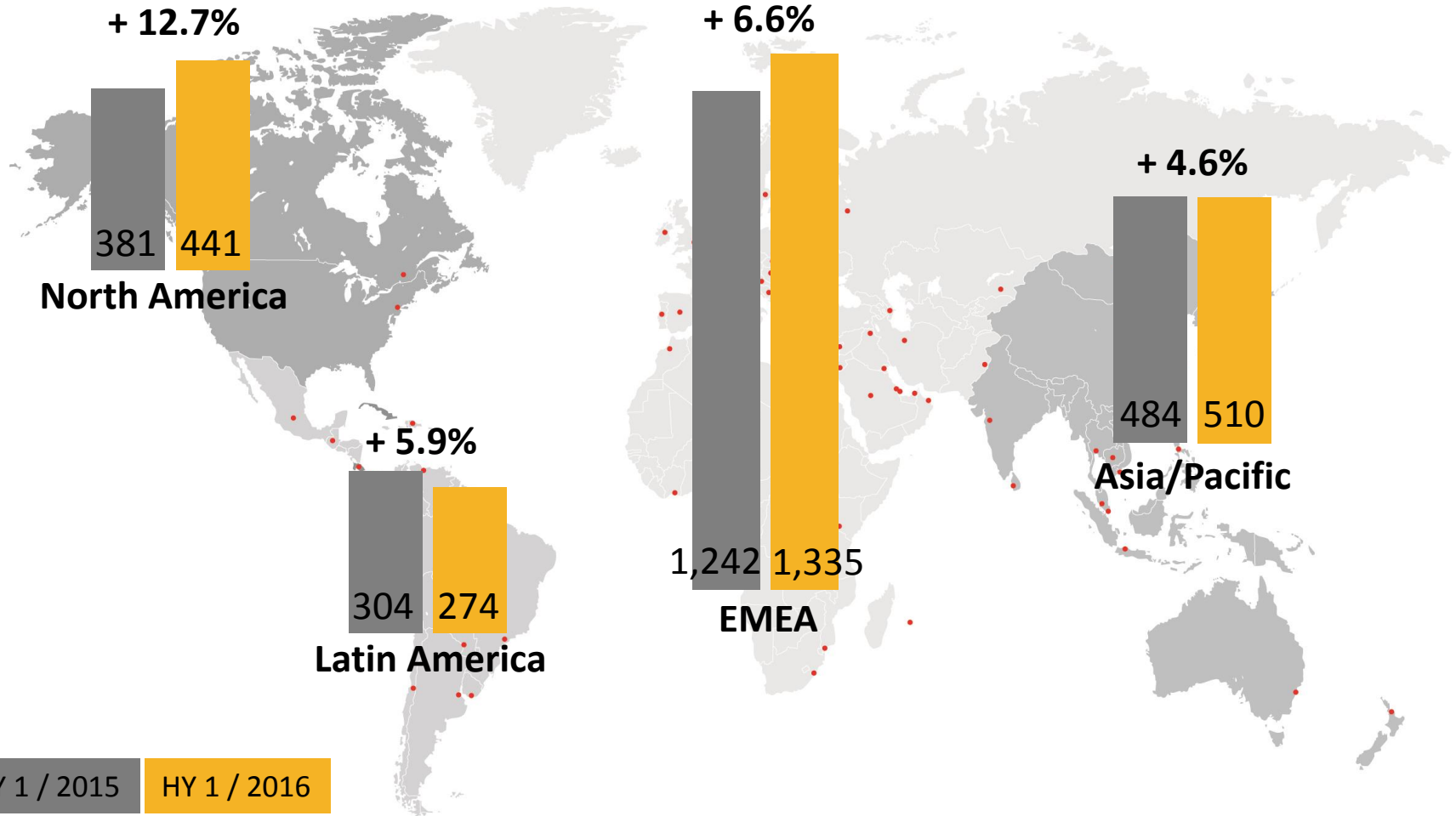
## GROWTH IN ALL REGIONS

+ 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)

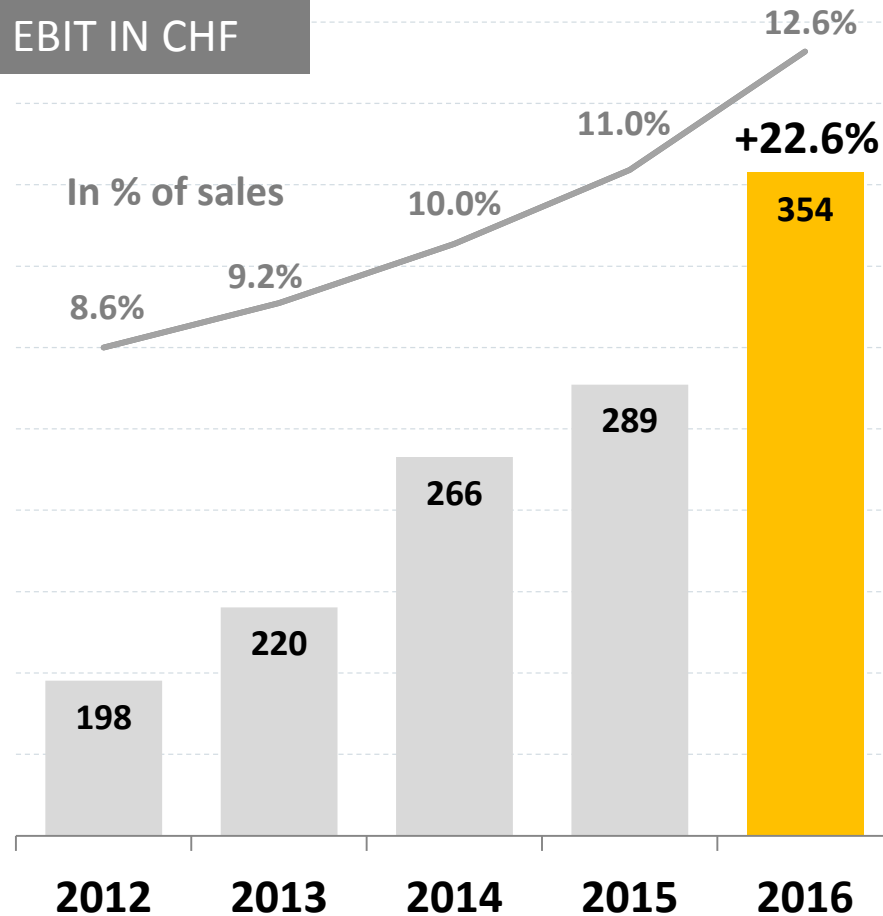


HY 1 / 2015    HY 1 / 2016  
(in CHF million, growth in LC)

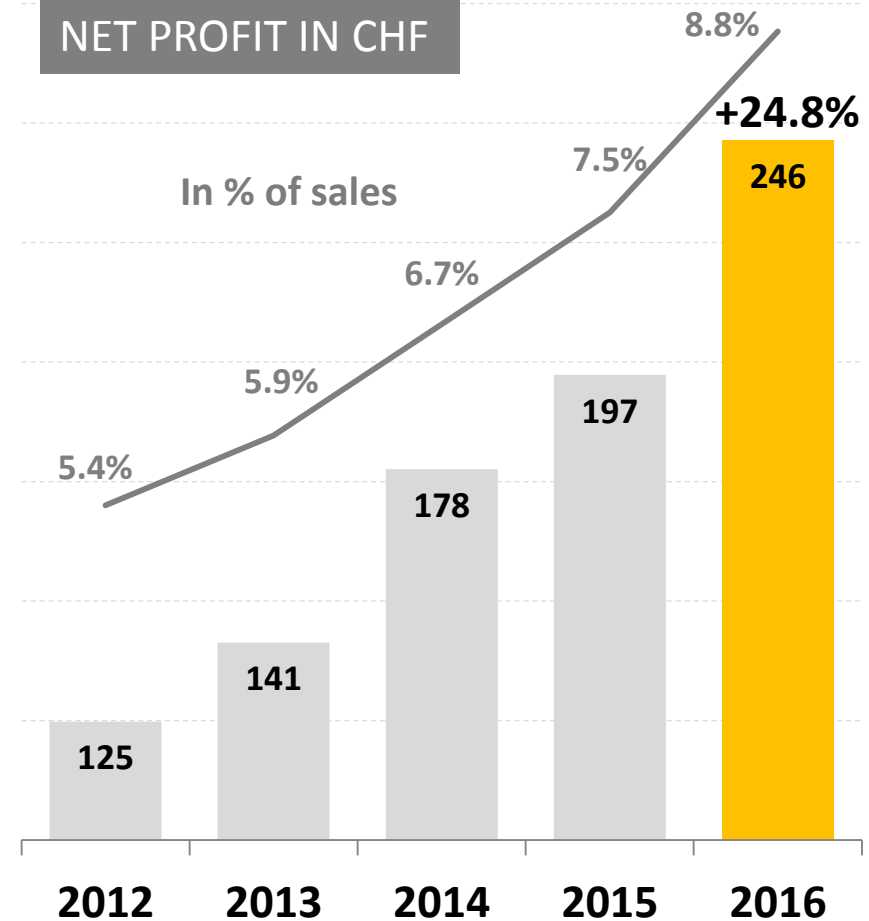
# FIVE-YEAR OVERVIEW – HALF-YEAR FIGURES

## 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

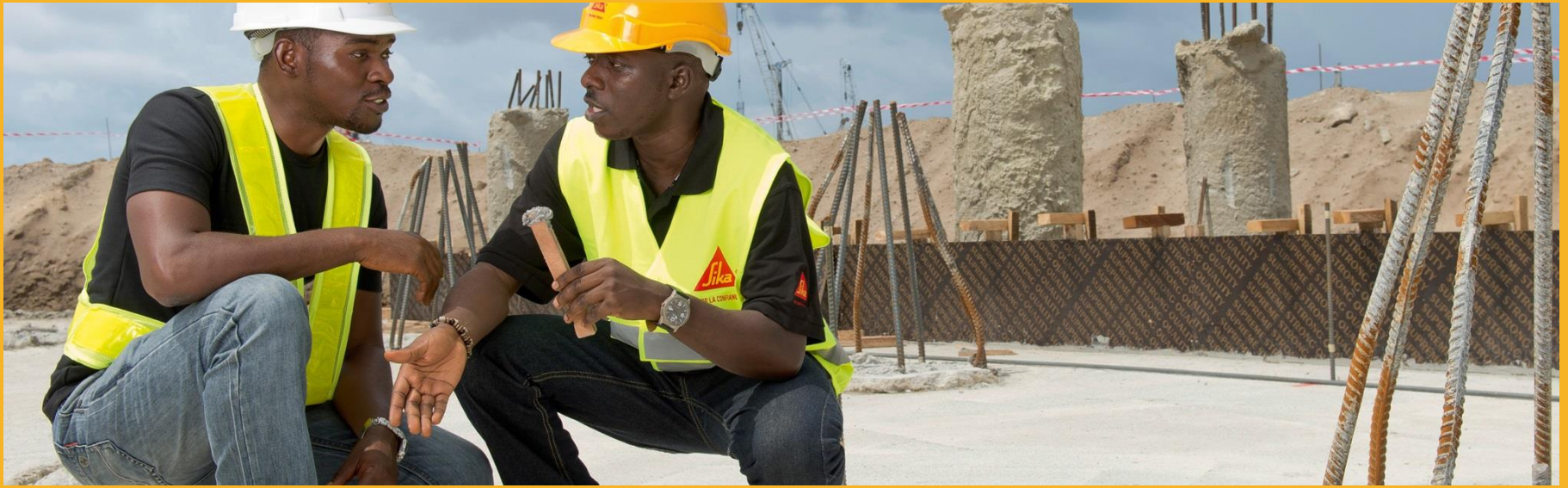
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- Interruptions in production
- Legislative and regulatory developments and economic conditions
- Delay or inability in obtaining regulatory approvals or bringing products to market
- Pricing and product initiatives of competitors
- Uncertainties in 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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