DYNAMIC GROWTH AND RECORD MARGINS IN FIRST HALF OF 2016

SIKA INVESTOR PRESENTATION
JULY 29, 2016
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

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>2,625.2</td>
<td>2,806.2</td>
<td>6.9%</td>
</tr>
<tr>
<td>Gross results as % of net sales</td>
<td>54.4</td>
<td>55.6</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>370.2</td>
<td>439.7</td>
<td>+18.8%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>288.6</td>
<td>353.7</td>
<td>+22.6%</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>197.3</td>
<td>246.3</td>
<td>+24.8%</td>
</tr>
<tr>
<td><strong>Operating free cash flow</strong></td>
<td>43.0</td>
<td>106.0</td>
<td></td>
</tr>
<tr>
<td><strong>ROCE in %</strong></td>
<td>22.8</td>
<td>25.5</td>
<td></td>
</tr>
</tbody>
</table>
**SALES GROWTH BY QUARTER**

**STRONG ORGANIC GROWTH WITH 6.5%**

<table>
<thead>
<tr>
<th></th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>in CHF mn</td>
<td>1,195.3</td>
<td>1,429.9</td>
<td>1,469.8</td>
<td>1,394.2</td>
<td>1,274.4</td>
<td>1,531.8</td>
</tr>
<tr>
<td>Quarterly sales</td>
<td></td>
<td></td>
<td></td>
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</tbody>
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</tr>
</thead>
<tbody>
<tr>
<td>in LC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>acquisition</td>
<td>5.1%</td>
<td>6.0%</td>
<td>5.3%</td>
<td>8.3%</td>
<td>8.3%</td>
<td>7.0%</td>
</tr>
<tr>
<td>organic</td>
<td>4.0%</td>
<td>3.4%</td>
<td>3.1%</td>
<td>2.5%</td>
<td>2.9%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

- Acquisition in LC: 1.1%, 2.6%, 2.2%, 2.5%, 2.9%, 0.5%
- Organic in LC: 4.0%, 3.4%, 3.1%, 5.8%, 5.4%, 6.5%
### SALES HALF-YEAR 2016

#### GROWTH IN ALL REGIONS

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth CHF</th>
<th>Growth LC</th>
<th>FX Impact</th>
<th>Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>+7.5%</td>
<td>+6.6%</td>
<td>+0.9%</td>
<td>+2.4%</td>
</tr>
<tr>
<td>North America</td>
<td>+15.9%</td>
<td>+12.7%</td>
<td>+3.2%</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Latin America</td>
<td>-9.8%</td>
<td>+5.9%</td>
<td>-15.7%</td>
<td>+0.0%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>+5.3%</td>
<td>+4.6%</td>
<td>+0.7%</td>
<td>+1.1%</td>
</tr>
</tbody>
</table>

**Growth in CHF**
- 78%

**Growth in LC**
- 22%

**FX impact**
- 0.0%

**Acquisition**
- 1.1%

**Values in CHF mn**
- EMEA: 1,335
- North America: 441
- Latin America: 274
- Asia/Pacific: 510
GROWTH MOMENTUM CONTINUES HALF-YEAR 2016
7.6% SALES GROWTH (6.9% IN CHF)

North America

- HY 1 / 2015: 381
- HY 1 / 2016: 441
- Growth: +12.7%

Latin America

- HY 1 / 2015: 304
- HY 1 / 2016: 274
- Growth: +5.9%

EMEA

- HY 1 / 2015: 1,242
- HY 1 / 2016: 1,335
- Growth: +6.6%

Asia/Pacific

- HY 1 / 2015: 484
- HY 1 / 2016: 510
- Growth: +4.6%

(in CHF million, growth in LC)
FIVE-YEAR OVERVIEW – HALF-YEAR FIGURES
CONTINUOUSLY IMPROVING MARGINS

**EBIT IN CHF**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT in % of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>8.6%</td>
</tr>
<tr>
<td>2013</td>
<td>9.2%</td>
</tr>
<tr>
<td>2014</td>
<td>10.0%</td>
</tr>
<tr>
<td>2015</td>
<td>11.0%</td>
</tr>
<tr>
<td>2016</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

Change: **+22.6%**

**NET PROFIT IN CHF**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Profit in CHF</th>
<th>In % of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>125</td>
<td>5.4%</td>
</tr>
<tr>
<td>2013</td>
<td>141</td>
<td>5.9%</td>
</tr>
<tr>
<td>2014</td>
<td>178</td>
<td>6.7%</td>
</tr>
<tr>
<td>2015</td>
<td>197</td>
<td>7.5%</td>
</tr>
<tr>
<td>2016</td>
<td>246</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Change: **+24.8%**
ACCELERATED BUILD-UP OF GROWTH MARKETS
INVESTMENTS IN FIRST HALF YEAR 2016

Opening of Sika plants:

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

New subsidiaries:

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

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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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