WELCOME TO THE ANNUAL GENERAL MEETING OF SIKA AG
APRIL 9, 2019
CONSTITUTION

ANNUAL GENERAL MEETING APRIL 9, 2019
VOTE COUNTERS

- Caroline Inauen (Lead)
- Nicole Scherrer
- Jessica Wildi
- Daniela Krenn
- Eveline Ulmann
- Simone Daetwyler
- Reto Schneider
- Kathrin Reichenstein
- Naemi Stühlinger
- Margrit Zweifel
- Patrycja Michalak
- Fernando Perez
- Beatrice Jenni
- Sarah Schütz
- Luzia Christen
- Leigh-Ann Studer
AGENDA

Strategy and Current Situation  Dr. Paul Hälg, Chairman of the Board of Directors

Global Business  Thomas Hasler, Head Global Business and Industry

Statutory Items  Dr. Paul Hälg, Chairman of the Board of Directors

Under Agenda Item 1:
2018 Business Year, First Quarter
2019 and Outlook, Update on Parex  Paul Schuler, Chief Executive Officer
STRATEGY AND CURRENT SITUATION

DR. PAUL HÄLG
CHAIRMAN OF THE BOARD
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>Net Sales CHF mn</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5.3%</td>
<td>4,000.0</td>
</tr>
<tr>
<td>2013</td>
<td>9.4%</td>
<td>5,300.0</td>
</tr>
<tr>
<td>2014</td>
<td>13.0%</td>
<td>5,500.0</td>
</tr>
<tr>
<td>2015</td>
<td>6.2%</td>
<td>5,695.0</td>
</tr>
<tr>
<td>2016</td>
<td>5.5%</td>
<td>5,950.0</td>
</tr>
<tr>
<td>2017</td>
<td>9.0%</td>
<td>6,450.0</td>
</tr>
<tr>
<td>2018</td>
<td>13.6%</td>
<td>7,085.4</td>
</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>300.0</td>
</tr>
<tr>
<td>2013</td>
<td>600.0</td>
</tr>
<tr>
<td>2014</td>
<td>900.0</td>
</tr>
<tr>
<td>2015</td>
<td>1,300.0</td>
</tr>
<tr>
<td>2016</td>
<td>1,600.0</td>
</tr>
<tr>
<td>2017</td>
<td>2,000.0</td>
</tr>
<tr>
<td>2018</td>
<td>945.9</td>
</tr>
</tbody>
</table>
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
- 37 new plants opened
- 11 new national subsidiaries

Acquisitions
- 20 acquisitions in all regions
- CHF 798 million sales added

Values
- Strong corporate culture
- High employee loyalty
PAREX
ANNOUNCEMENT OF SIKA’S LARGEST ACQUISITION
SIKA WILL ACT AS MARKET CONSOLIDATOR
FRAGMENTATION OFFERS ACQUISITION OPPORTUNITIES

CONSTRUCTION CHEMICAL MARKET 2018
> CHF 60 BILLION

Top 10 companies with a combined market share of 40%
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
Projected +1,200% in 20 years. Sika solutions are the driving force of this trend.
THE SIKA SPIRIT
STRONG CORPORATE CULTURE
MORE VALUE, LESS IMPACT
PROGRESS ACCORDING TO GRI 4

ECONOMIC PERFORMANCE
TARGET: OPERATING PROFIT (EBIT) 14-16% OF NET SALES.

SUSTAINABLE SOLUTIONS
TARGET: ALL NEW PROJECTS ASSESSED FOR SUSTAINABILITY.

LOCAL COMMUNITIES/SOCIETY
TARGET: 5% MORE PROJECTS PER YEAR.

ENERGY
TARGET: 3% LESS ENERGY CONSUMPTION PER TON AND YEAR.

WATER/WASTE
TARGET: 3% LESS WATER CONSUMPTION AND WASTE PER TON AND YEAR.

OCCUPATIONAL SAFETY
TARGET: 5% LESS ACCIDENTS PER YEAR.
DIVIDEND PER SHARE
CONTINUOUS INCREASE

in CHF, adapted
GLOBAL BUSINESS
GLOBAL REACH – LOCAL PRESENCE

THOMAS HASLER
HEAD GLOBAL BUSINESS AND INDUSTRY
GLOBAL BUSINESS
AUTOMOTIVE PRODUCT PORTFOLIO

- Acoustic systems
- Shell adhesives
- Application of adhesives
- Structural reinforcements
- Adhesives for add-on parts
GLOBAL BUSINESS
ADDITIONAL APPLICATIONS

Dielectric Application  Household Appliances  Renewable Energy - Wind  Marine
NEW GLOBAL BUSINESS SEGMENT
CAPTURING POTENTIAL OF GLOBAL CUSTOMERS

Background
- Tapping into potential of global OEM accounts in the automotive, transportation, and appliances sectors
- Ideal coverage of supplier industry in heavily consolidated market segments such as wind, marine, and dielectric applications (e-mobility)
- Global value creation chain with strong presence in key industrialized countries

Drivers
- Key account management demands a holistic approach that takes into account all commercial needs, including geographic proximity of supply chain
- Agility and speed of decisions and implementation

Success factors
- Client-oriented organization
- Strategy alignment: global yet local
- Experienced team of experts
MEGATRENDS IN THE AUTOMOTIVE INDUSTRY: LIGHTWEIGHT CONSTRUCTION, ACOUSTICS, E-VEHICLES
MEGATRENDS IN THE AUTOMOTIVE INDUSTRY:
LIGHTWEIGHT, ACOUSTIC, E-VEHICLE

SIKA STRUCTURAL ADHESIVES ENABLE
LIGHTWEIGHT
VEHICLE CONSTRUCTION

FAIST AND SIKA COMBINED – A POWERHOUSE FOR
ACOUSTIC
SOLUTIONS

SIKA HAS THE SOLUTIONS TO MEET THE
CHALLENGES OF
E-VEHICLE
SikaPower® STRUCTURAL ADHESIVES
THE ALTERNATIVE TO WELDING

SikaPower® structural adhesives are essential for the lightweight vehicle construction

- Lightweight construction and multi-material design are megatrends in the automotive industry
- Adhesive bonding is becoming the supreme joining technology and replaces welding
- More safety, less weight, optimum stiffness: SikaPower® enables the body structure to absorb more energy
MEGATREND – LIGHTWEIGHT VEHICLES, MULTI-MATERIAL DESIGN
FROM PREMIUM TO VOLUME SEGMENT

APPLICATION HIGHLIGHT
Multi-material bonding; steel – carbon – aluminum

CHALLENGE
High forces in bond lines due to different thermal expansion of metals and carbon

SOLUTION
Crash-resistant SikaPower® MBX adhesive, enables weight reduction of 130 kg compared to predecessor model. 150 m of bond line between different substrata

- 100m Steel-to-Steel
- 25m Aluminum-to-Steel
- 25m CFRP-to-Steel
SikaPower® STRUCTURAL ADHESIVES
ACCELERATED GROWTH THANKS TO STRUCTURAL TRENDS

21% ANNUAL AVERAGE GROWTH
MEGATREND ACOUSTICS
COMFORT, E-MOBILITY, AUTONOMOUS DRIVING

1. Reduction of airborne noise
   SikaBaffle®

2. Damping of structure-borne noise
   SikaDamp®

3. Structural reinforcement
   SikaReinforcer®

<table>
<thead>
<tr>
<th></th>
<th>Airborne noise</th>
<th>Structure-borne noise</th>
<th>Reinforcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sika</td>
<td>++++</td>
<td>++</td>
<td>+++</td>
</tr>
<tr>
<td>Faist</td>
<td>+</td>
<td>++++</td>
<td>+++</td>
</tr>
<tr>
<td>ChemTec</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
MEGATREND ELECTRIC VEHICLES
INNOVATIONS FOR BATTERY AND ELECTRICAL COMPONENTS

Grouting materials for electric engines facilitate superior design and performance
- Smaller, lighter engines
- Extended life cycles
- Enhanced engine performance

Thermally conductive materials protect battery systems and enhance their performance
- Improved long-term performance
- Battery weight reduction
- Optimization of battery protection
### MEGATRENDS – ELECTRIC VEHICLES

ESTABLISHED SIKA APPLICATIONS AND NEW OPPORTUNITIES

<table>
<thead>
<tr>
<th>ELECTRICAL VEHICLES HAVE 20% HIGHER SALES POTENTIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-platforms require lightweight construction</td>
</tr>
<tr>
<td>Unique bodywork structures require refined reinforcement solutions to guarantee crash resilience</td>
</tr>
<tr>
<td>Comprehensive acoustic solutions to dampen road and wind noise</td>
</tr>
<tr>
<td>Special strengthening to protect the battery box is required</td>
</tr>
<tr>
<td>Battery cells and modules require assembly, sealing, and thermal management technologies to optimize performance</td>
</tr>
<tr>
<td>Relays, control modules, and sensors require casting, insulation, and encapsulation</td>
</tr>
</tbody>
</table>
OUTLOOK
GROWTH DYNAMISM
INCREASE IN SALES PER VEHICLE

AVERAGE SALES PER VEHICLE

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (in CHF)</th>
<th>Sales per vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>4.86</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>5.20</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>5.84</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>7.28</td>
<td></td>
</tr>
<tr>
<td>2019FC</td>
<td>8.06</td>
<td></td>
</tr>
<tr>
<td>2020FC</td>
<td>8.89</td>
<td></td>
</tr>
<tr>
<td>2021FC</td>
<td>9.79</td>
<td></td>
</tr>
<tr>
<td>2022FC</td>
<td>10.68</td>
<td></td>
</tr>
</tbody>
</table>

**CONTENT:**
- **PSA 3008, 5008** content: > CHF 70
- **JAGUAR F-PACE** content: > CHF 100
- **RANGE ROVER SPORT** content: > CHF 100
- **TESLA MODELS X, S** content: > CHF 100
- **AUDI A3, A4, A5** content: > CHF 40
- **MERCEDES S-CLASS** content: > CHF 60
- **DODGE RAM 1500** content: > CHF 30
- **PSA 3008, 5008** content: > CHF 70
OUTLOOK
GLOBAL BUSINESS

- Volatile market conditions ("trade war", Brexit, Diesel-Gate)
- High project status (planning and execution)
- Significant increase in development of full electric and hybrid vehicles (car, bus, and truck)
- Additional strong growth potential driven by megatrends lightweight vehicles, acoustics, and e-mobility

Global car production in mn

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018</th>
<th>2019</th>
<th>2019 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>24.3</td>
<td>22.9</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>24.1</td>
<td>23.4</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>21.9</td>
<td>22.9</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>23.8</td>
<td>24.6</td>
<td></td>
</tr>
</tbody>
</table>

Source: IHS
2018 BUSINESS YEAR

PAUL SCHULER
CHIEF EXECUTIVE OFFICER
HIGHLIGHTS 2018

1. Record results
   - Sales growth of 13.6% in local currencies to CHF 7.09 billion in 2018
   - CHF 945.9 million EBIT (+5.5%)
   - CHF 687.1 million net profit (+5.9%)

2. Key investments
   - 1 new national subsidiary
   - 11 new factories
   - 4 acquisitions
STRONG GROWTH MOMENTUM CONTINUED IN 2018
13.6% SALES GROWTH IN LOCAL CURRENCY (13.4% IN CHF)

Americas
+ 11.7%
1,821

EMEA
+ 14.1%
3,167

Asia/Pacific
+ 5.5%
1,177

Group
+ 29.2%
7,085

Global Business
+ 13.6%
920

12M 2017 12M 2018
(in CHF mn, growth in LC)
HIGH OPERATING SPEED CONTINUED IN 2018
INVESTMENTS IN NEW PLANTS

Opening of Sika plants:

- New mortar plant Vietnam
  (Hanoi, March 2018)
- 1st admixture plant Senegal
  (Dakar, April 2018)
- New admixture factory Saudi Arabia
  (Dammam, June 2018)
- New admixture and mortar plant Azerbaijan
  (Baku, July 2018)
- Mortar and admixture factory United Arab Emirates
  (Dubai, August 2018)
- Automotive plant Mexico
  (Querétaro, September 2018)
- 2 new admixture plants Kazakhstan
  (Almaty and Astana, October 2018)
- New admixture plant Russia
  (Yekaterinburg, October 2018)
- Admixture, mortar and liquid applied membrane plant in Peru
  (Lima, November 2018)
- Admixture, mortar, and liquid applied membrane plant in Guatemala
  (Palin, December 2018)
HIGH OPERATING SPEED CONTINUED IN 2018
EXPANSION IN EMERGING MARKETS

New subsidiary:
- Honduras (February 2018)

Now present in 101 countries with own national subsidiaries
HIGH OPERATING SPEED CONTINUED IN 2018
CLOSING OF 4 ACQUISITIONS IN 2018

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Target Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faist ChemTec</td>
<td>Global</td>
<td>Global Business</td>
</tr>
<tr>
<td>Index Construction Systems and Products</td>
<td>Italy</td>
<td>Roofing, Waterproofing</td>
</tr>
<tr>
<td>Polypag</td>
<td>Switzerland</td>
<td>Sealing &amp; Bonding</td>
</tr>
<tr>
<td>Fibermesh Concrete Fibers</td>
<td>Global</td>
<td>Concrete</td>
</tr>
</tbody>
</table>

**Total annual sales: CHF 375 million**
FIRST QUARTER 2019 AND OUTLOOK
HIGHLIGHTS Q1 2019

1. Strong start to 2019
   - +7.1% sales growth in local currencies to CHF 1,644.8 million
   - Growth in all regions

2. Key investments
   - Announcement of three acquisitions: Parex (global), King (Canada), Belineco (Belarus)
   - New mortar plant in Senegal
GROWTH MOMENTUM CONTINUES IN 2019
7.1% SALES GROWTH IN LOCAL CURRENCY (5.8% IN CHF)

Americas: + 4.8%
EMEA: + 8.2%
Asia/Pacific: + 2.8%

3M 2018 3M 2019
(in CHF bn, growth in LC)

Group: + 7.1%
Global Business: + 13.3%
GROWTH MOMENTUM CONTINUES IN 2019
7.1% SALES GROWTH IN LOCAL CURRENCY (5.8% IN CHF)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (in CHF mn)</th>
<th>Organic Growth (%)</th>
<th>Acquisition Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>1,389.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 2018</td>
<td>1,554.0</td>
<td>+4.6%</td>
<td>+2.5%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>1,644.8</td>
<td>7.1%</td>
<td></td>
</tr>
</tbody>
</table>
UPDATE ON PAREX
PAREX – A LEADING MORTAR MANUFACTURER
80% OF SALES THROUGH DISTRIBUTION CHANNEL

<table>
<thead>
<tr>
<th></th>
<th>CHF 1,204 million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></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>Waterproofing &amp; Tech. Solutions 26%</td>
<td></td>
</tr>
<tr>
<td>Facade Protection &amp; Decoration 34%</td>
<td></td>
</tr>
<tr>
<td>Tile Setting Materials 40%</td>
<td></td>
</tr>
<tr>
<td><strong>Sales by region</strong></td>
<td></td>
</tr>
<tr>
<td>Americas 25%</td>
<td></td>
</tr>
<tr>
<td>EMEA 33%</td>
<td></td>
</tr>
<tr>
<td>Asia 42%</td>
<td></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)
## UPDATE ON PAREX - EXAMPLE CHINA

**HIGH CHANNEL COMPLEMENTARITY AND CROSS-SELLING POTENTIAL**

### Parex strong in distribution, Sika strong in direct business

<table>
<thead>
<tr>
<th>Sika with 90% of direct business in China</th>
</tr>
</thead>
<tbody>
<tr>
<td>High complementarity in distribution channels with significant cross-selling opportunities (acrylics, epoxies, PUs)</td>
</tr>
<tr>
<td>Increase Sika’s mortar plants from 3 to 12 and employees from 1,050 to 2,350 in China</td>
</tr>
<tr>
<td>Parex is a strong market player operating under main brand Davco</td>
</tr>
<tr>
<td>Unique retail distribution network with 90,000 points of sale of which 3,000 are exclusive independent distributors under the Davco brand</td>
</tr>
</tbody>
</table>

### Expanded footprint in China

<table>
<thead>
<tr>
<th>Technical mortars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Flooring</td>
</tr>
<tr>
<td>Roofing &amp; Waterproofing</td>
</tr>
<tr>
<td>Sealing &amp; Bonding</td>
</tr>
<tr>
<td><strong>Turnover 2018: CHF 247 million</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Waterproofing systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tile setting materials</td>
</tr>
<tr>
<td>Facade systems</td>
</tr>
<tr>
<td><strong>Turnover 2018: CHF 350 million</strong></td>
</tr>
</tbody>
</table>

### Strong combined growth platform:

**CHF 597 million**
UPDATE ON PAREX - EXAMPLE USA
FACADE AND TILE SYSTEMS AS NEW GROWTH PLATFORMS

- Refurbishment
- Industrial Flooring
- Roofing & Waterproofing
- Sealing & Bonding

**Turnover 2018: CHF 1,125 million**

- Facade mortars/stuccos
- EIFS
- Tiles setting materials

**Turnover 2018: CHF 130 million**

**Strong improvement of US market position in construction chemicals:**

**CHF 1,255 million**

- Expand factory footprint for mortars with Parex plants in Florida, California, New York, and New Mexico
- Parex’s Facade/EIFS business connects well with Sika’s wall insulation business
- Parex to be Sika’s growth platform and starting point for the US tile adhesives market
- Parex benefits from Sika’s cross selling and specification selling activities
UPDATE ON PAREX
EXPAND HIGHLY PROFITABLE MORTAR BUSINESS

CHF 1.1 bn

CHF 7.1 bn

CHF 1.2 bn

CHF 8.3 bn

Adhesive Systems 23%

Concrete Systems 14%

Coating Systems 12%

Thermoplastic Systems 24%

Mortars 27%
ACQUISITION OF PAREX
MORTARS: FASTEST GROWING SEGMENT WITH HIGH MARGINS

<table>
<thead>
<tr>
<th>Year</th>
<th>Sika</th>
<th>Parex</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1.1</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Note: Parex sold to Sika in 2018.
ACQUISITION OF PAREX

1+1=3

- Growth platform
  - Sale of Sika products via distribution channels of Parex
  - Direct sale of Parex facade systems via Sika in all countries
  - More than 2,000 additional sales people in the market
- Improvement of margin
  - Purchase – amount and price improvement
  - Optimized capacity of all mortar factories
  - Shortened delivery routes due to optimized supply chain
- Strengthening of local subsidiaries
  - Joint market development in the 23 Parex countries
  - 4,600 employees lead to a stronger market position
STRONG OUTLOOK 2019
CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- 6 to 8% sales growth in local currencies (with over-proportional profit increase)
- With initial consolidation of Parex in the second quarter: sales target expected to exceed CHF 8 billion
- Opening of seven to nine new factories
- Strategy 2023 to be communicated at Capital Markets Day on October 3, 2019