RECORD RESULTS IN 2019 AND CONTINUED SUCCESSFUL STRATEGY EXECUTION

SIKA INVESTOR PRESENTATION
MARCH 27, 2020
HIGHLIGHTS 2019

1. Record results
   - Sales growth of 14.4% in CHF to CHF 8,109.2 million in 2019 (16.3% in local currencies)
   - CHF 1,387.6 million EBITDA (+20.7%)
   - CHF 1,055.1 million EBIT (+11.5%)
   - CHF 758.5 million net profit (+10.4%)
   - CHF 1,026.1 million operating free cash flow (+99.9%)

2. Key investments
   - 7 new factories
   - 5 acquisitions
## KEY FIGURES

RECORD RESULTS ON ALL LEVELS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>7,085.4</td>
<td>8,109.2</td>
<td>+14.4</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>53.0%</td>
<td>53.6%</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>1,149.9</td>
<td>1,387.6</td>
<td>+20.7</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>945.9</td>
<td>1,055.1</td>
<td>+11.5</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>687.1</td>
<td>758.5</td>
<td>+10.4</td>
</tr>
<tr>
<td><strong>Operating free cash flow</strong></td>
<td>513.2</td>
<td>1,026.1</td>
<td>+99.9</td>
</tr>
</tbody>
</table>
SALES DEVELOPMENT
16.3% GROWTH IN LOCAL CURRENCIES IN 2019

In 2019, sales growth of acquired businesses since initial consolidation is included in organic growth.
STRONG GROWTH MOMENTUM IN ALL REGIONS
16.3% SALES GROWTH (14.4% IN CHF) IN 2019

Americas
+ 19.2%
2018: 2,162
2019: 3,432

EMEA
+ 11.6%
2018: 1,585
2019: 2,162

Asia-Pacific
+ 35.1%
2018: 930
2019: 1,585

Global Business
+ 3.0%
2018: 8,109.2
2019: 9,300

(in CHF million, growth in LC)
HIGH OPERATING SPEED CONTINUED IN 2019
INVESTMENTS IN SEVEN PLANTS

Opening of Sika plants:

- **Mortar plant**
  Senegal, Dakar

- **Concrete admixture plant**
  Qatar, Doha

- **Mortar plant**
  Cameroon, Douala

- **Expansion of mortar plant**
  Egypt, Alexandria

- **Expansion of mortar plant**
  Serbia, Belgrade

- **Third plant**
  Indonesia, Jakarta

- **Mortar plant**
  Ethiopia, Addis Ababa
HIGH OPERATING SPEED CONTINUED IN 2019
FIVE ACQUISITIONS IN 2019 – INTEGRATION ON TRACK

Total annual sales: CHF 1,458 million

Parex, Global
Building Finishing, Waterproofing, Flooring

Crevo-Hengxin, China
Sealing & Bonding

King Packaged Materials, Canada
Concrete, Refurbishment

Adeplast, Romania
Building Finishing
(Closing Q1 2020)

Belineco, Eastern Europe
Sealing & Bonding

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
FAST AND SUCCESSFUL INTEGRATION OF PAREX
EXEMPLARY PROGRESS

TOTAL SYNERGIES
Around CHF 100 million identified

TOTAL COST SYNERGIES
CHF 55 million

First SHOP IN SHOP concept launched in China in 2,100 STORES

CROSS-SELLING
CHF 230 million of revenue targeted with over 100 projects

FAST ORGANIZATIONAL INTEGRATION
Over 20 countries in fully integrated management structures
BUILDING FINISHING AS OUR EIGHTH TARGET MARKET
HIGHER MARKET PENETRATION

Building Finishing
Concrete
Waterproofing
Roofing
Flooring & Coating
Sealing & Bonding
Refurbishment
Industry
BUILDING FINISHING AS OUR EIGHTH TARGET MARKET
HIGHER MARKET PENETRATION

Technical Mortars / Other Sika Target Markets

Highly technical building and infrastructure projects

Direct sales to large contractors and concrete producers, where an engineer is the key decision maker

Building Finishing – Tile Adhesives and Facade Mortars

Residential and light commercial focus

Need for capillary distribution network to serve highly fragmented applicator base
WINNER OF SWISS TECHNOLOGY AWARD
CURING-BY-DESIGN – EXAMPLE OF BUS MANUFACTURER

Cost savings up to 75% - Time savings approx. 90%

<table>
<thead>
<tr>
<th></th>
<th>Open time</th>
<th>Workforce needed for application</th>
</tr>
</thead>
<tbody>
<tr>
<td>SikaForce®-803</td>
<td>45 min</td>
<td></td>
</tr>
<tr>
<td>Conventional adhesive</td>
<td>15 min</td>
<td></td>
</tr>
</tbody>
</table>

**Curing behavior SikaForce®-803**

<table>
<thead>
<tr>
<th></th>
<th>Strength after 4 hours</th>
<th>Strength after 24 hours</th>
<th>Waiting time until vehicle can be moved</th>
</tr>
</thead>
<tbody>
<tr>
<td>SikaForce®-803</td>
<td>&gt;4 MPa</td>
<td>&gt;6 MPa</td>
<td>2 h</td>
</tr>
<tr>
<td>Conventional adhesive</td>
<td>0.45 MPa</td>
<td>1.8 MPa</td>
<td>24 h</td>
</tr>
</tbody>
</table>

**Viscosity vs. Time**

- **0** to **100'000**
- **50'000** to **150'000**
- **100'000** to **200'000**
- **150'000** to **250'000**
- **200'000** to **300'000**
- **250'000** to **350'000**
- **300'000** to **400'000**
- **350'000** to **450'000**
- **400'000** to **500'000**
- **500'000** to **600'000**
- **600'000** to **700'000**
- **700'000** to **800'000**
- **800'000** to **900'000**
- **900'000** to **1000'000**

- **Time [min]**
  - **0** to **50**
  - **50** to **100**
  - **100** to **150**
  - **150** to **200**
  - **200** to **250**
  - **250** to **300**
  - **300** to **350**
  - **350** to **400**
  - **400** to **450**
  - **450** to **500**
  - **500** to **550**
  - **550** to **600**
  - **600** to **650**
  - **650** to **700**
  - **700** to **750**
  - **750** to **800**
  - **800** to **850**
  - **850** to **900**
  - **900** to **950**
  - **950** to **1000**

**SikaForce®-803**

- **Viscosity [mPa.s]**
- **Time [min]**

**Conventional adhesive**

- **Viscosity [mPa.s]**
- **Time [min]**
SIKA CLEARLY OUTPERFORMS COMPETITORS
ORGANIC GROWTH SIGNIFICANTLY ABOVE PEERS IN THE PAST YEARS

2017 Organic
Sika: +6.3%
Peers: +3.6%

2018 Organic
Sika: +6.8%
Peers: +3.9%

2019 Organic
Sika: +3.3%
Peers: -1.4%
STRATEGY 2023
SIKA’S GROWTH STRATEGY 2023
THE PILLARS OF THE STRATEGY

12% CO₂ emission reduction per ton sold

SUSTAINABILITY

Market Penetration
Innovation
Operational Efficiency
Acquisitions
Values

6-8% annual growth
15-18% EBIT margin
Until 2020: <15%

25% of sales with new products

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

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

>25% ROCE by 2023

12% CO₂ emission reduction per ton sold
SIKA IS COMMITTED TO SUSTAINABILITY
OUR TARGETS

- **Overall target:** 12% CO$_2$ emission reduction per ton sold

### SUSTAINABLE SOLUTIONS
- All new product developments with “Sustainable Solutions” until 2023

### CLIMATE PERFORMANCE
- 12% reduction of CO$_2$-emissions per ton sold until 2023

### COMMUNITY ENGAGEMENT
- 10,000 working days of volunteering work p.a.
- 50% more projects
- 50% more direct beneficiaries

### ENERGY
- 15% less energy consumption per ton sold
- 50% renewable electricity rate

### OCCUPATIONAL SAFETY
- 50% less accidents
- 0 fatalities

### WASTE/WATER
- 15% less waste generation per ton sold
- 25% higher recycling rate of total waste
- 15% less water consumption per ton sold
STRONG INNOVATION PIPELINE
MORE PERFORMANCE – MORE SUSTAINABLE

SUSTAINABLE SOLUTION = BETTER PERFORMANCE + SUSTAINABILITY BENEFITS

PERFORMANCE SOLUTION

FOCUS ON ADDED VALUE

ALWAYS COMBINE SIKA PROVEN “VALUE THROUGH PERFORMANCE” WITH ADDED SUSTAINABILITY BENEFITS

PERFORMANCE AND SUSTAINABILITY SOLUTION

INCREASED PERFORMANCE

+ SUSTAINABILITY BENEFITS
### STRONG INNOVATION PIPELINE
**NEW SOLUTIONS: MORE PERFORMANCE – MORE SUSTAINABLE**

<table>
<thead>
<tr>
<th>HYDROFLEX SEALANTS</th>
<th>NEW EPOXY FLOOR COATINGS</th>
<th>HEMP BASED, CEMENT-FREE MORTARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better stretchability, adhesion and application properties + Excellent Health &amp; Safety profile, low VOC emissions (EC1+)</td>
<td>Improved blushing resistance, significantly reduced yellowing + Low VOC emissions, low odor, LEED v4 contribution</td>
<td>Thermal and phonic insulation benefits, very easy to apply + Negative CO₂ footprint (renewable), optimum interior air comfort</td>
</tr>
</tbody>
</table>
SIKA AT THE FOREFRONT OF CONSTRUCTION
NEW TECHNOLOGIES CHANGE THE INDUSTRY

First printers in use at customer sites to print concrete elements using Sika 3D mortar
Components printed directly from plan, no costly and time-consuming need to erect framework
New design opportunities for architects

In the future digitalization and industrialization of construction with 3D concrete printing

Sika’s structural glazing changed the industry in 2000
The Gherkin, London

Sika’s concrete admixtures make supertall skyscrapers possible
One Vanderbilt, New York
IMPROVE OPERATIONAL EFFICIENCY
KEY INITIATIVES

HIGH LEVEL OF AUTOMATION
Improved efficiency cuts costs and reduces ecological footprint

SMART PACKAGING
Reduction in material consumption combined with easy handling

OPTIMIZED LOGISTICS
Efficient goods flows in local markets, countries, and regions

GLOBAL TEAMS OF EXPERTS
Group-wide optimization of product formulations
CURRENT SITUATION
## MEASURES ADDRESSING CURRENT SITUATION

### KEEP HIGH FLEXIBILITY

<table>
<thead>
<tr>
<th>Measures</th>
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<tbody>
<tr>
<td><strong>Operational Agility</strong></td>
</tr>
<tr>
<td>▪ General</td>
</tr>
<tr>
<td>▪ China</td>
</tr>
<tr>
<td>▪ Strong local Response Team in every country</td>
</tr>
<tr>
<td>▪ Preparation and response according to local situation which differs from country to country</td>
</tr>
<tr>
<td>▪ Taking advantage of local support measures</td>
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<tr>
<td>▪ All Chinese factories have restarted operations, following the rapid improvement in demand</td>
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<tr>
<td><strong>Operating Profit &amp; Cash Focus</strong></td>
</tr>
<tr>
<td>▪ CapEx</td>
</tr>
<tr>
<td>▪ Cost Structures</td>
</tr>
<tr>
<td>▪ Working Capital</td>
</tr>
<tr>
<td>▪ Reduce/postpone non-critical CapEx</td>
</tr>
<tr>
<td>▪ Adaptation of cost structure, reduction and postponement of expenses</td>
</tr>
<tr>
<td>▪ Taking advantage of local support measures</td>
</tr>
<tr>
<td>▪ Tight monitoring and management of Working Capital</td>
</tr>
<tr>
<td><strong>Liquidity</strong></td>
</tr>
<tr>
<td>▪ Cash Balance</td>
</tr>
<tr>
<td>▪ Credit Line</td>
</tr>
<tr>
<td>▪ Bond Maturity</td>
</tr>
<tr>
<td>▪ High cash balance of CHF 995 million (end of 2019)</td>
</tr>
<tr>
<td>▪ Fully committed unused credit line (RCF) of CHF 750 million, no covenants</td>
</tr>
<tr>
<td>▪ CHF 160 million maturity on March 27, 2020; no further maturity until July 2021 (CHF 170 million)</td>
</tr>
</tbody>
</table>
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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- 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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