



MARKET PENETRATION THROUGH EXPANSION OF DISTRIBUTION CHANNELS

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SIKA CAPITAL MARKETS DAY 2018

BUILDING TRUST



TABLE OF CONTENTS

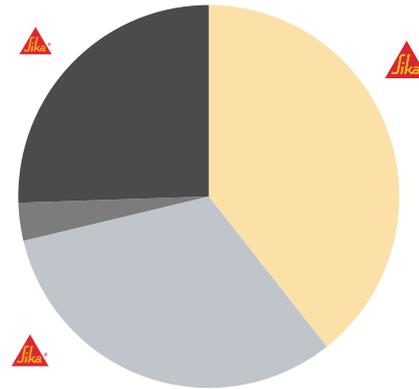
1. RETAIL BUSINESS SIKA USA
2. GROWTH OPPORTUNITIES AND INITIATIVES
3. EXAMPLES OF SUCCESSFUL RETAIL PRODUCTS

1. RETAIL BUSINESS SIKA USA

RETAIL BUSINESS SIKA USA

RETAIL MARKETSCAPE IN THE USA AND SIKA'S MARKET PENETRATION

- Home Improvement USA is organized by category management.
- Sika is present in “Concrete Repair Category”
- Target is to reach above USD 100 million sales in the next three years in Concrete Repair Category
- Starting initiatives in new categories:
 1. Sealants & Adhesives
 2. Home envelope supplier



■ The Home Depot ■ Lowe's ■ Menards ■ Lumber Yards

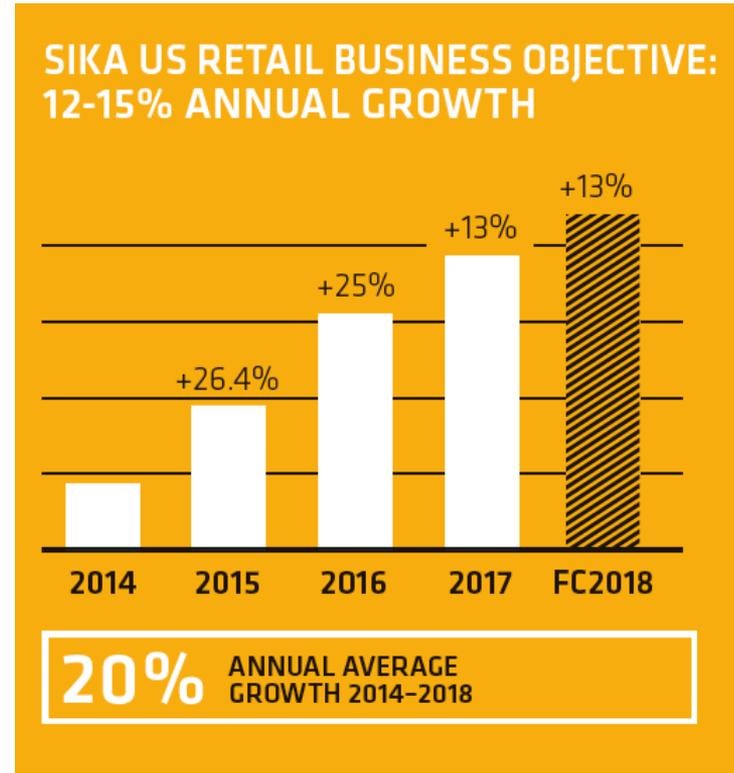
Home Depot and Lowe's hold
70%
of US Home Improvement market



RETAIL BUSINESS SIKA USA

KEY FIGURES/MAJOR MOVES

- **2014** Sika active in The Home Depot (concrete repair section)
- **2015** Sika entered concrete repair section at Lowe's
- **2016** revamping of Sika proposition to Home Depot with a "Pro-Bay" test included self-levelling mortar
- **2017** rollout of self-levelling mortar in 1200 Home Depot stores
- **2017** introduction of new products and innovation included Sika Post Fix in all Home Depot stores and 900 Lowe's stores
- **2017** Rmax acquisition – access to thermal insulation category
- **2018** rollout of Post Fix in all Lowe's store and through lumber yards stores
- **2018** key account management for lumber yard and acquisition of business among large regional players



RETAIL BUSINESS SIKA USA

SIKA'S TARGET GROUP FOCUS

- Home Improvement Customer – **White Van Man** - general contractor fixing everything from roof to floor
- Sika as a **One Stop Shop** has a competitive advantage versus the competition – all areas of expertise



GROWTH POTENTIAL FOR FOCUS TARGET GROUPS

LACK OF SKILLED LABOR FORCE

- Specialists refuse work and concentrate on core job
- Long waiting list for end-users

INFLATION OF REAL ESTATE

- Young people rent or refurbish old houses
- Refurbishment cut down into smaller projects

2. GROWTH OPPORTUNITIES AND INITIATIVES

OPPORTUNITIES IN BIG BOX – HOME DEPOT/LOWE’S/MENARDS

4,741 stores

total potential of big box stores

3,737 stores

where Sika is currently active

Target: **100%** store penetration by 2021



OPPORTUNITIES IN LUMBER/MASONRY YARDS & HARDWARE

over
20,000 stores

800 stores
where Sika is currently active

40% annual growth
expected next 3-5 years



PULL STRATEGY

BUILDING BRAND AWARENESS

Each year over **6,000**
product demos performed and
60,000 people trained



BRAND BUILDING
Over **40** tradeshow
and events per year



PULL STRATEGY

BUILDING BRAND AWARENESS

- Pull and Push activities with **White Van Man** customers at the POS through demos
- Create relationship with store associates
- Gain additional space in store to increase brand awareness and increase rotation
- GMROI (Gross Margin Return on Investment) improvement for the retailer



EXPANSION THROUGH E-COMMERCE

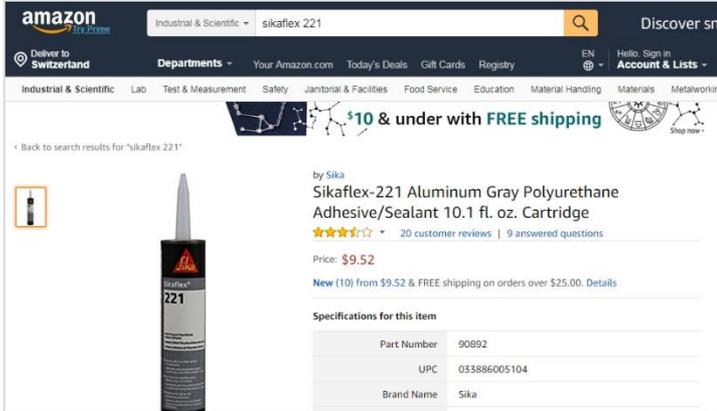


- Management of product information and price
- Step-by-step expansion of product portfolio
- Extension of the product shelf – more choices
- Omni-channel experience a must!

Omni-channel customers spend

208%

more than customers who shop in store only



53% OF GLOBAL INTERNET USERS MADE AN ONLINE PURCHASE IN 2017



3. EXAMPLES OF SUCCESSFUL RETAIL PRODUCTS

Sika® Post Fix FENCE POST MIX

EXPANDING POLYURETHANE FOAM FOR POST INSTALLATION

- Sets in as fast as 3 minutes
- Replaces two 50 lb. bags of concrete
- No water needed
- Easy mixing in the bag
- For mailbox, fence and sign posts



SikaQuick® Patch

HIGH PERFORMANCE PATCH FOR CONCRETE

- Sets in 10 to 20 minutes
- Can drive over in 1 hour
- Simple application
- No primer needed, just damp surface
- Polymer modified for increased strength





THANK YOU FOR YOUR ATTENTION

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