

PROFITABLE GROWTH THROUGH CONSISTENT STRATEGY EXECUTION

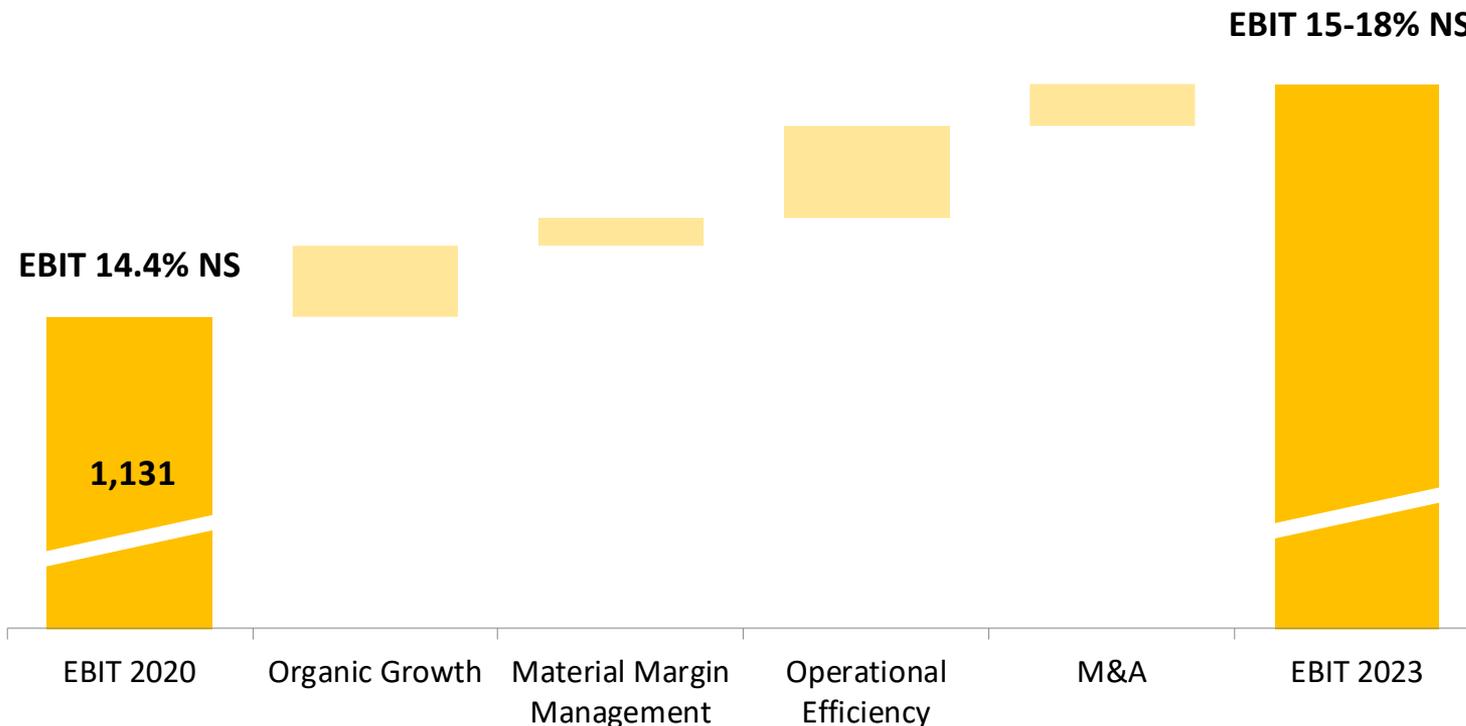
ADRIAN WIDMER, CFO
SIKA CAPITAL MARKETS DAY 2021

BUILDING TRUST



DRIVING TOWARDS AN EBIT MARGIN OF 15%-18%

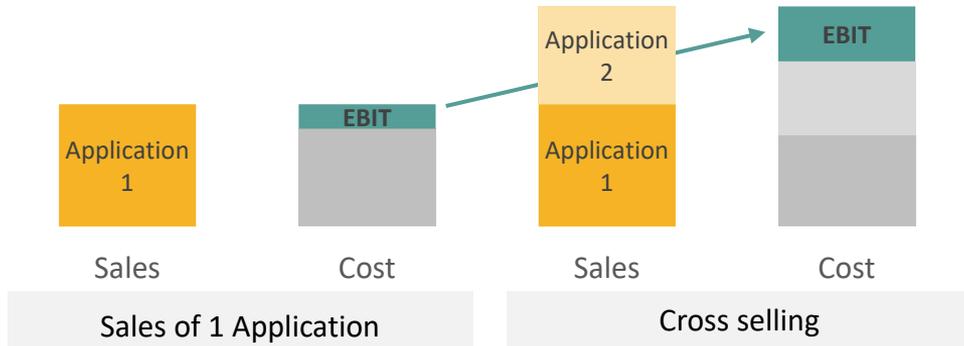
IMPROVING MARGIN THROUGH CONSISTENT STRATEGY EXECUTION



GROWTH AND LEVERAGE

GROWTH INITIATIVES DRIVING OPERATING LEVERAGE

Cross Selling Direct Sales



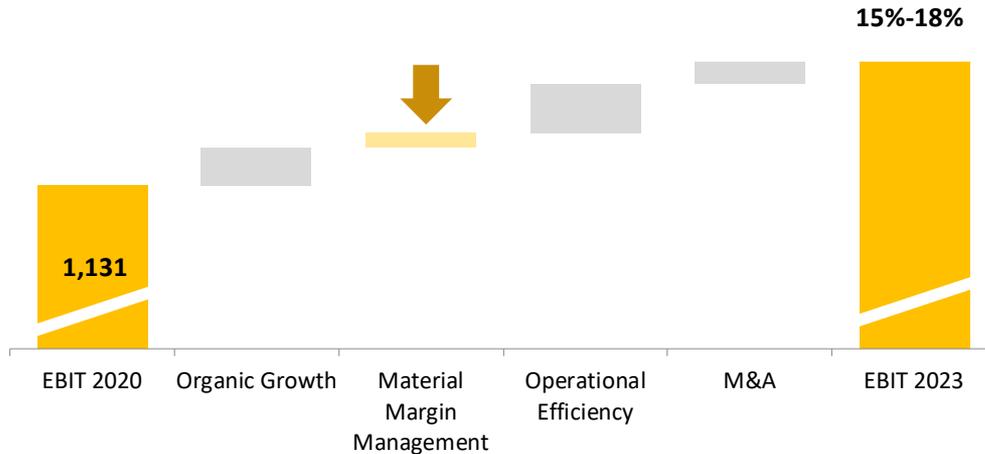
Leveraging Distribution Channel



- Targeted initiatives supporting improved operating leverage
- Through all channels (direct/indirect)
- Organic growth rate driving magnitude
- 2021: impact above average of previous years

MATERIAL MARGIN MANAGEMENT

54% – 55% RANGE THROUGH CYCLE



- Targeted material margin range of 54% – 55% through cycle
- Innovation, structural procurement programs and formulation efficiency with ongoing positive impact
- Good and increasing pricing impact with timing gap given unprecedented/ongoing raw material cost increase
- 2021: material margin below target range, at roughly 53% (acq. adjusted)
- With clear upside going forward

MATERIAL MARGIN MANAGEMENT

CONTINUOUS IMPROVEMENT PROJECTS

Example: Packaging

- Program to use recycled input material for more than 20 million cartridges produced in the UK



Improving packaging composition

- Strong customer demand for packaging made of recycled input material
- Recycled packaging material with cost benefit
- CO₂ reduction of about 55 tons per 1 million cartridges

Example: Technology Improvements

- Formulation efficiency programs in Asia Pacific

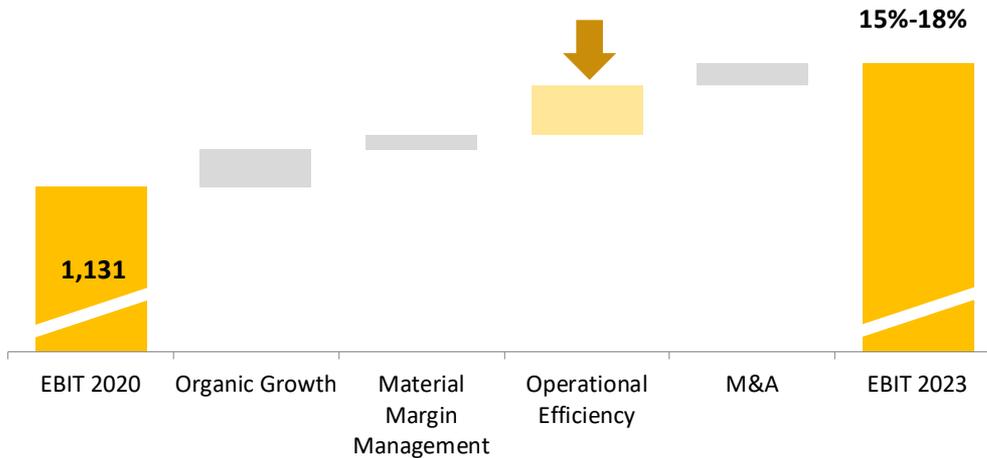


Low cement mortars

- Tile adhesives, waterproofing mortars and wall leveling product improvements
- 30% cement substitution with new formulas
- CO₂ reduction of 200,000 tons (scope 3)
- Expected cost savings of CHF 1.3 million annually

OPERATIONAL EFFICIENCY WITH STRONG IMPACT

0.5% PTS IMPACT ANNUALLY



- Structured, continuous improvement program across value chain, all levels
- Positive impact of 0.5% pts. annually
- Sustainability initiatives positively impacting operations cost
- Factory and warehouse consolidation reducing complexity and improving supply chain cost
- 2021: initiatives well on track with 0.5% pts. impact clearly achievable

OPERATIONAL EFFICIENCY WITH STRONG IMPACT

0.5% PTS IMPACT ANNUALLY

Example: USA Footprint Simplification

- Production/WH integration in Southern California



- Simplifying supply chain footprint
- Consolidation of production and warehouses
- Optimized routing resulting in additional freight cost savings
- Better customer service

Example: Solar Energy Initiatives

- Program focusing on energy efficiency and renewable energy sources



Self-produced solar energy

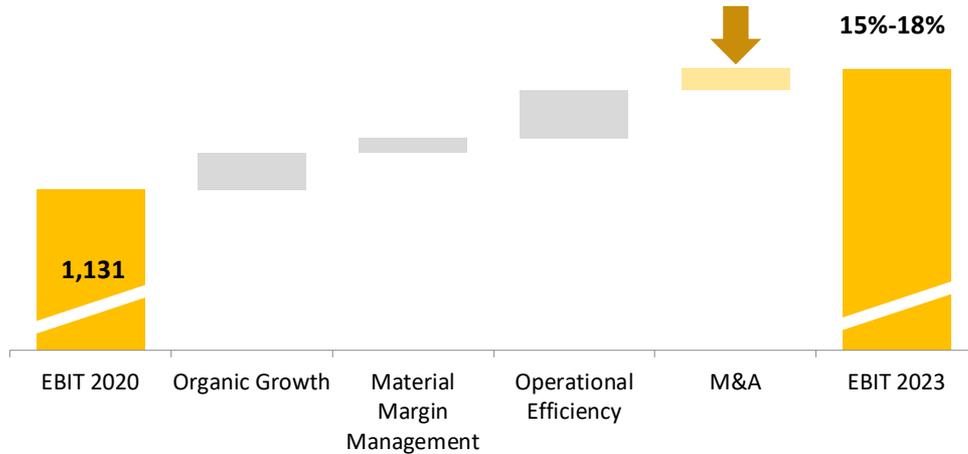
Solar energy initiatives across the Group:

- 14 solar energy projects
- CO₂ reduction: 3,000 tons
- Expected energy cost savings of CHF 0.8 million

Installation of a solar roof in Queretaro (Mexico):

- Installation of 3,732 m²
- Energy coverage: 50%
- CO₂ reduction: 387 tons

SYNERGIES FROM ACQUISITIONS TO OVERCOMPENSATE DILUTION EFFECT IN 2021

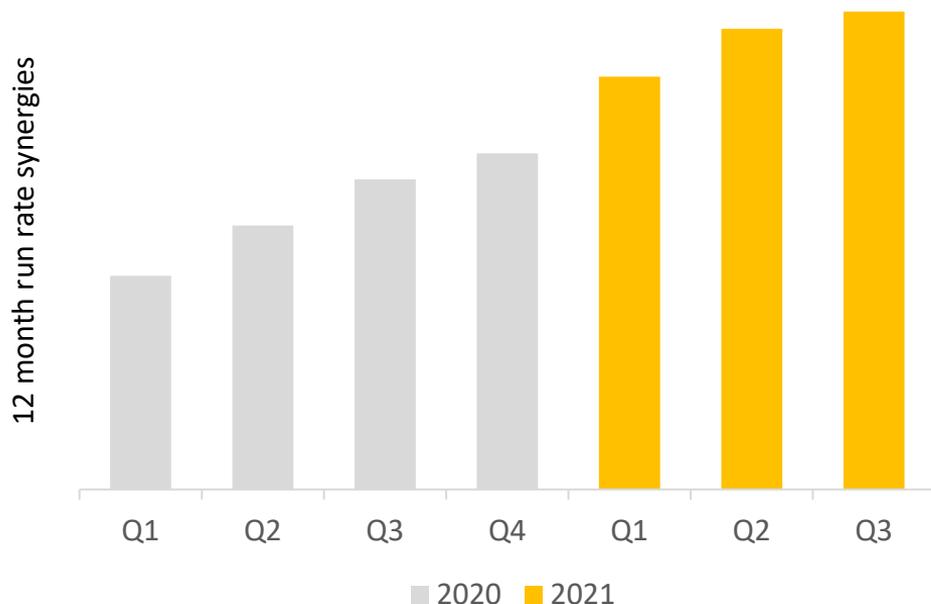


- M&A as growth platform, lifting margin profile over time
- Parex impact plus further M&A
- 2022 run-rate synergies of CHF 100 million fully validated and confirmed
- 2021: targeted run rate of CHF 80 million on track (CHF +30 million vs. 2020)

PAREX INTEGRATION

ON TRACK TO MEET TARGETED SYNERGY CONTRIBUTION FOR 2021

Monthly run-rate synergies have reached an average close to CHF 7 million during the last months



Cross selling synergy growth momentum impacted by worldwide material shortage. Good profitability of Sika products sold to Parex sales channels and vice-versa

Operations synergies ramping up, given ongoing production footprint optimization

SG&A synergies with strong impact ahead of plan

Optimization of formulations is leading to consistent savings, as know-how exchange between the R&D teams has led to optimized formulations

Procurement synergies through bundling and harmonization of purchasing volumes fully implemented

ACQUISITIONS AS ADDITIONAL GROWTH AND MARGIN DRIVER

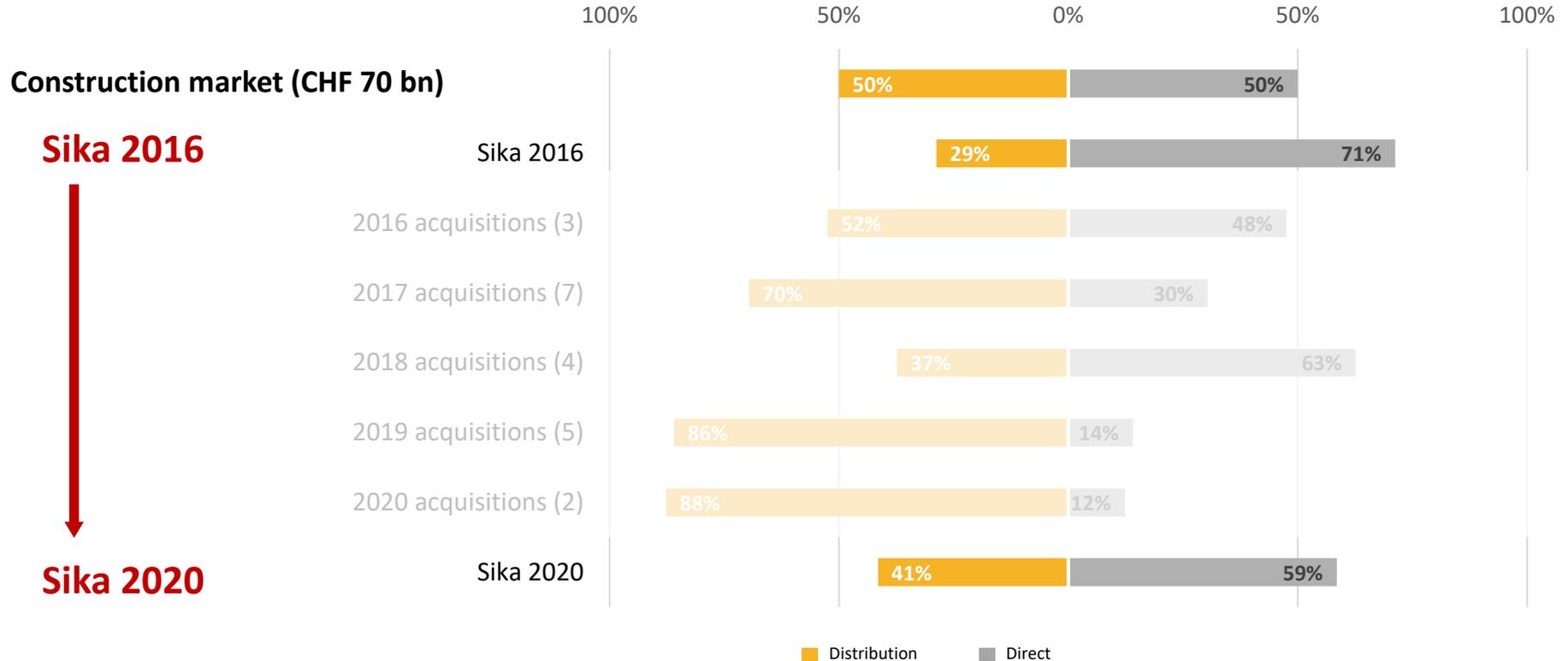
ACQUISITIONS

IMPROVING ACCESS ACROSS GEOGRAPHIES AND TARGET MARKETS



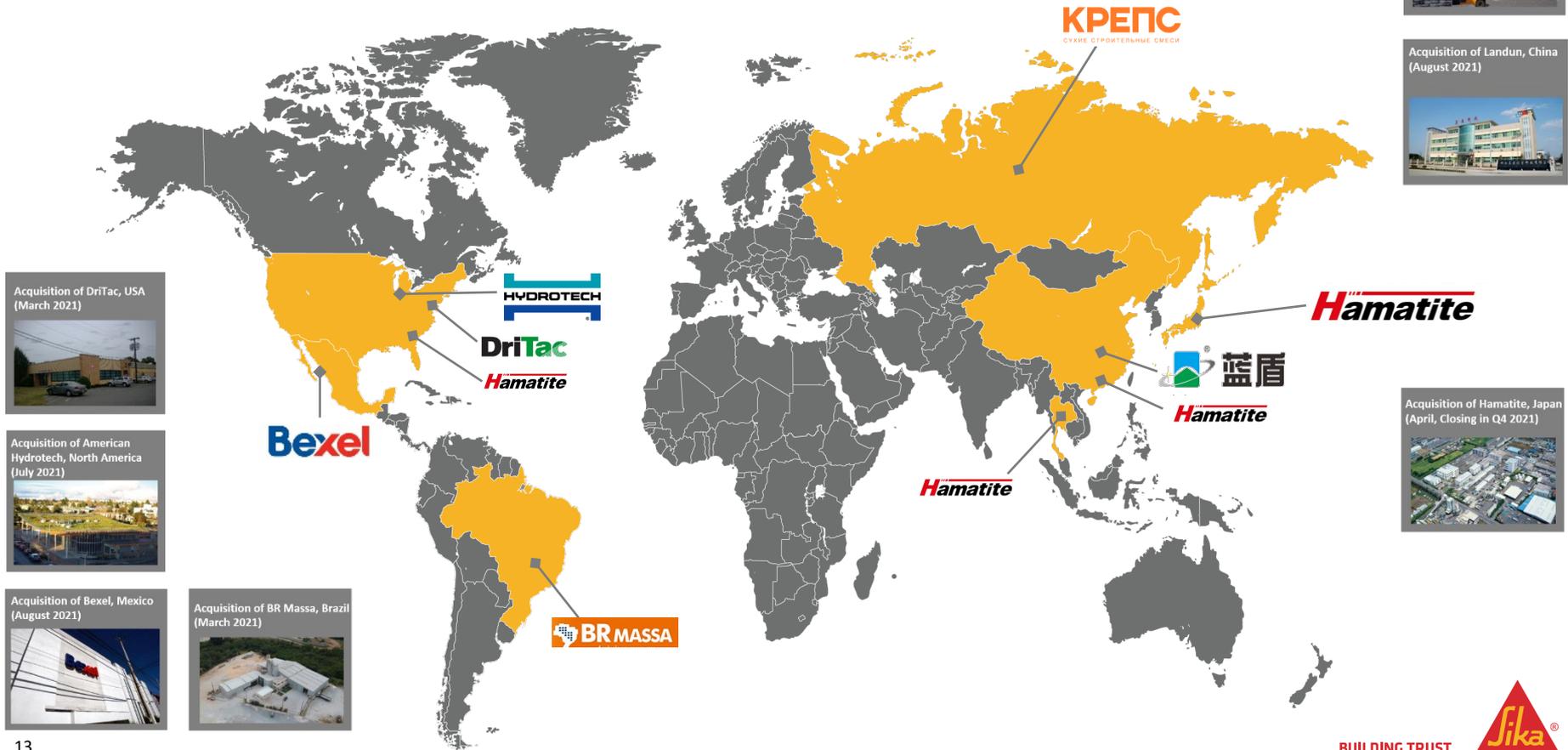
ACQUISITIONS

INCREASING PENETRATION OF DISTRIBUTION CHANNEL



7 TARGETED ACQUISITIONS IN 2021

GROWTH PLATFORMS ACROSS MULTIPLE DIMENSIONS



TARGETED ACQUISITIONS 2021

GEOGRAPHICAL FOOTPRINT EXTENSION IN BIG MARKETS

Acquisition of Kreps, Russia
(February 2021)



Acquisition of BR Massa, Brazil
(March 2021)



Acquisition of Bexel, Mexico
(August 2021)



- Extended footprint with two plants in Saint Petersburg and Yekaterinburg
- Increase market coverage in key cities

- Optimized local supply chain structure in Brazilian market
- Enhance market position in Minas Gerais

- Five strategically located production plants
- Enhanced position in metropolitan areas

TARGETED ACQUISITIONS 2021

CUSTOMER/CHANNEL ACCESS

Acquisition of Kreps, Russia
(February 2021)



Acquisition of Bexel, Mexico
(August 2021)



Acquisition of Hamatite, Japan
(April, closing in Q4 2021)



- Enhance access to distribution channel
- Access to distribution channels to roll out Sika products
- Focus on home centers and builders' merchants with cross selling opportunities
- Nationwide sales network in Japan (Construction)
- Increased market access to all major Japanese automotive OEMs

TARGETED ACQUISITIONS 2021

PRODUCT & SOLUTION PORTFOLIO STRENGTHENING

Acquisition of American Hydrotech, North America (July 2021)



- Strong position in fast growing green roof segment
- Complement Sika's existing product portfolio

Acquisition of Hamatite, Japan (April, closing in Q4 2021)



- Extend product offering for Sealing & Bonding
- Exterior facade solutions for construction industry

Acquisition of DriTac, USA (March 2021)



- Strong position in wood floor adhesives
- Strengthening Sika's growth platform for Interior Finishing in the USA

Acquisition of Landun, China (August 2021)

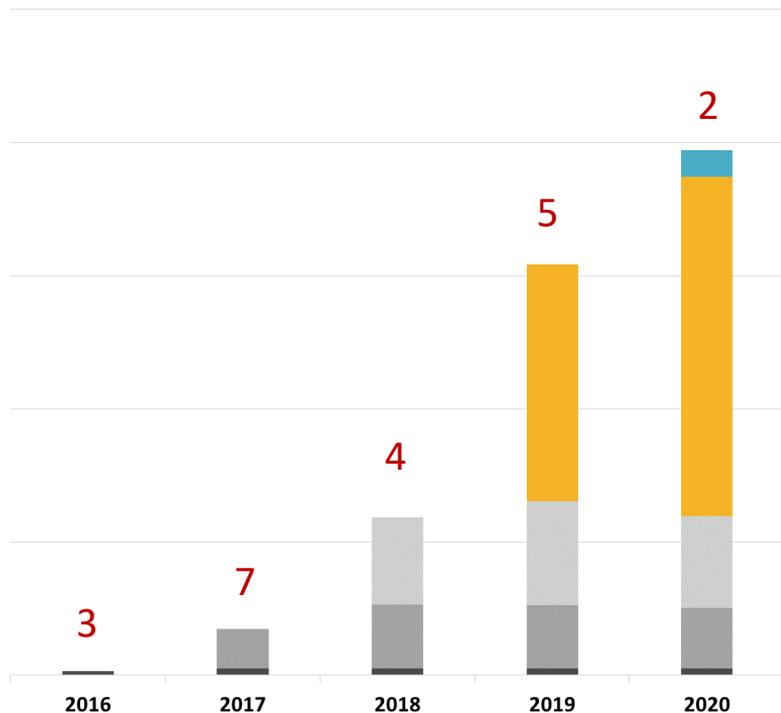


- Full range of coatings and membranes
- Highly complementary product portfolio and large cross selling potential

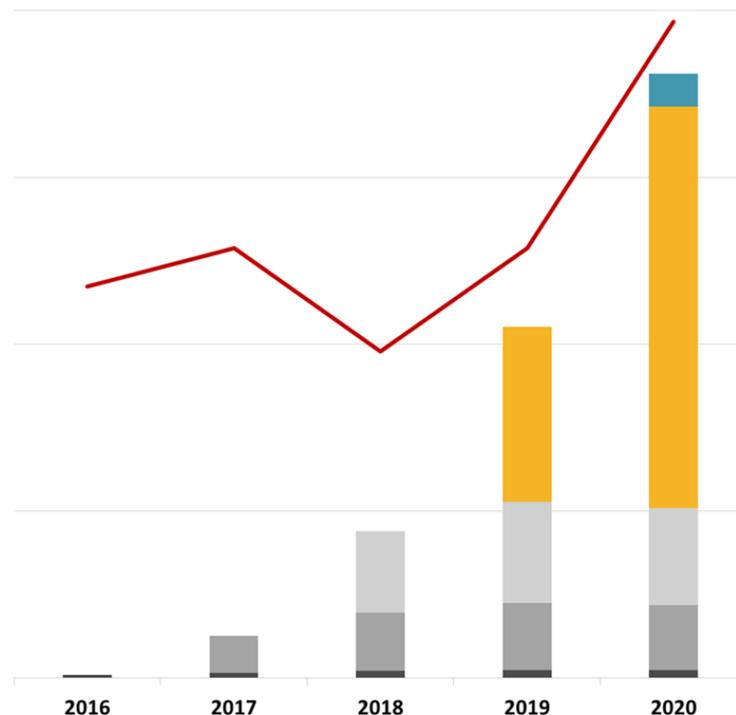
ACQUISITIONS 2016 – 2020

SIGNIFICANT AND INCREASING CONTRIBUTION OVER TIME

Net Sales Contribution in MCHF



EBITDA Contribution in MCHF*



of transactions

*excluding one-time cost

■ Acq. in 2016

■ Acq. in 2017

■ Acq. in 2018

■ Acq. in 2019

■ Acq. in 2020

— Group EBITDA



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