



STRONG SALES AND RECORD RESULTS FIRST HALF 2017

SIKA INVESTOR PRESENTATION
JULY 27, 2017

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1. HIGHLIGHTS FIRST HALF 2017

STRONG SALES AND RECORD RESULTS

1. Record results

- +8.1% sales growth in local currencies, CHF 2,994.9 million in sales
- CHF 402.1 million EBIT (+13.7%)
- CHF 285.7 million net profit (+16.0%)
- 28.0% ROCE (HY 2016: 25.5%)

2. Key investments

- 3 new factories in Mexico, Kazakhstan and Tanzania
- 1 new national subsidiary in Senegal
- Acquisition of Bitbau Dörr, Austria

3. Outlook and Strategy

- Confirmation of annual targets of 6-8% sales growth and disproportionately high growth in profitability
- Growth strategy with targets 2020 confirmed

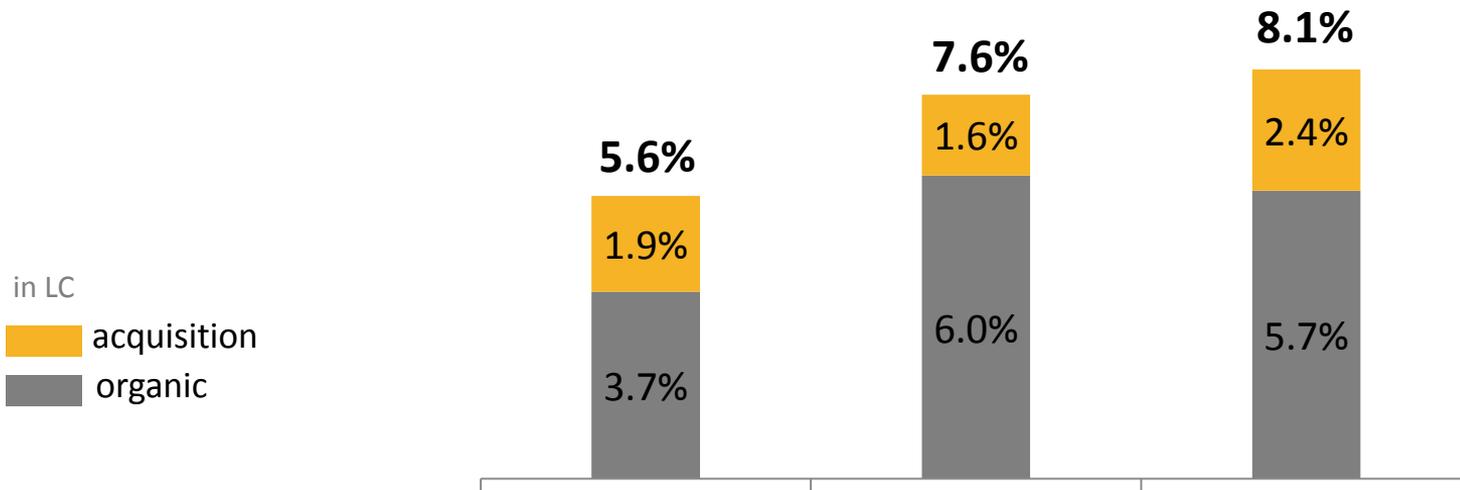
KEY FIGURES FIRST HALF 2017

RECORD RESULTS – STRONG MOMENTUM CONTINUES

in CHF mn	2016	2017	Δ %
Net sales	2,806.2	2,994.9	6.7%
Gross results as % of net sales	55.6	55.1	
EBITDA	439.7	488.2	+11.0%
EBIT	353.7	402.1	+13.7%
Net profit	246.3	285.7	+16.0%
Operating free cash flow	106.0	63.0	
ROCE in %	25.5	28.0	

FIRST HALF SALES GROWTH

8.1% SALES GROWTH IN THE FIRST HALF 2017



in CHF mn

	1HY 2015	1HY 2016	1HY 2017
Net sales	2,625.2	2,806.2	2,994.9

SALES FIRST HALF 2017

GROWTH IN ALL REGIONS

+2.8%
+7.0%
-4.2%
+1.7%

+19.0%
+17.4%
+1.6%
+8.7%

+4.9%
+2.7%
+2.2%
+0.0%

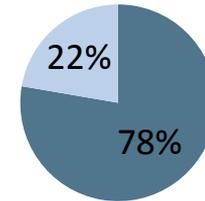
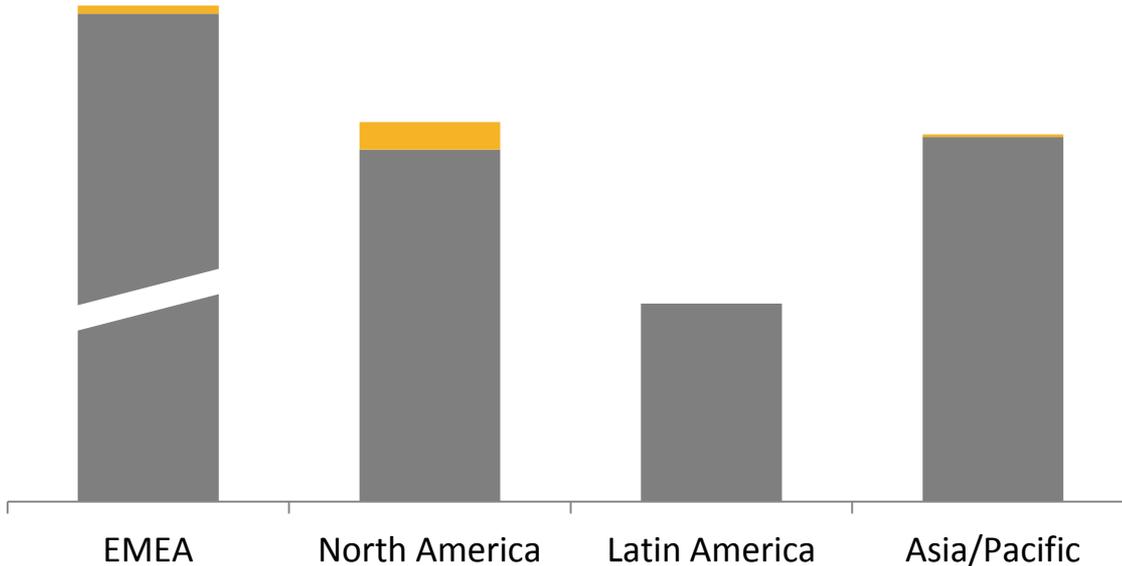
+5.0%
+4.1%
+0.9%
+1.3%

Growth in CHF

Growth in LC

FX impact

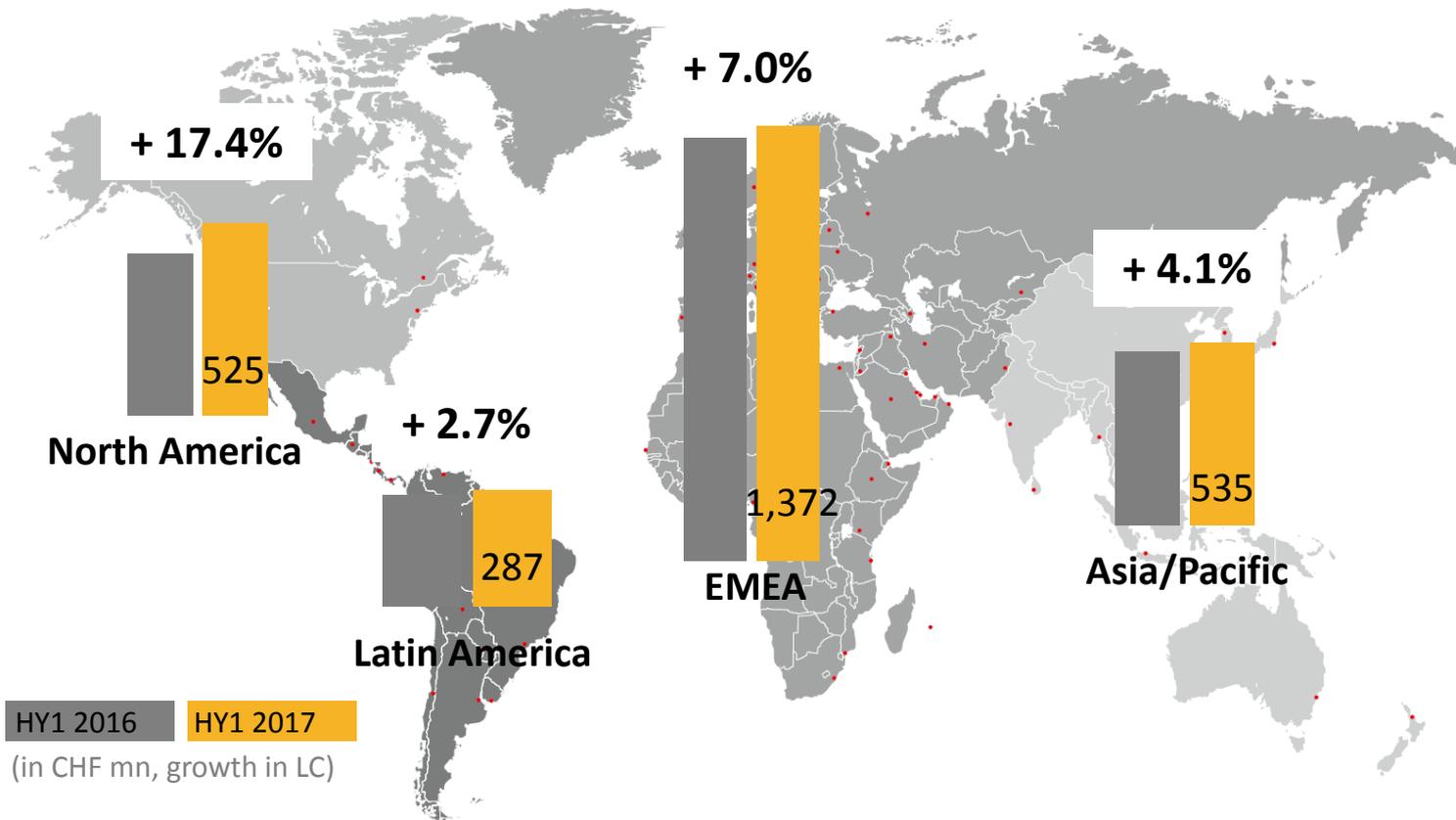
Acquisition 



 Construction
 Industry

FIRST HALF 2017 – GROWTH IN ALL REGIONS

8.1% SALES GROWTH (6.7% IN CHF)

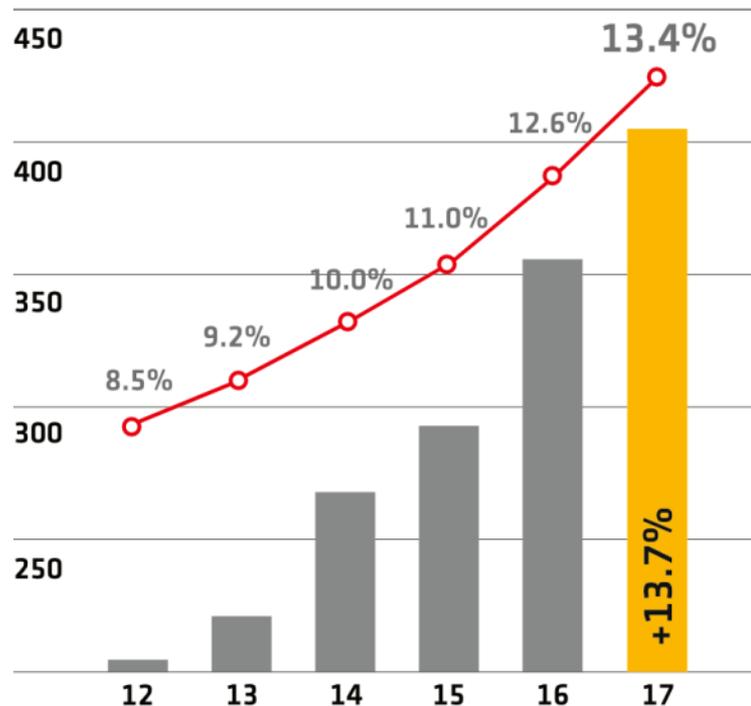


SIX-YEAR OVERVIEW – HALF-YEAR FIGURES

CONTINUOUSLY IMPROVING MARGINS

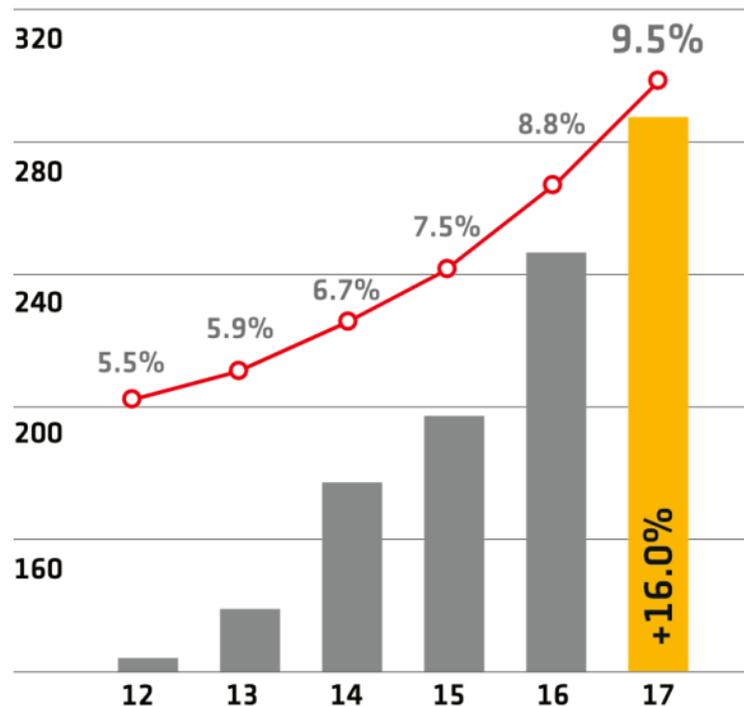
EBIT
in CHF mn

—○ as % of net sales



NET PROFIT
in CHF mn

—○ as % of net sales

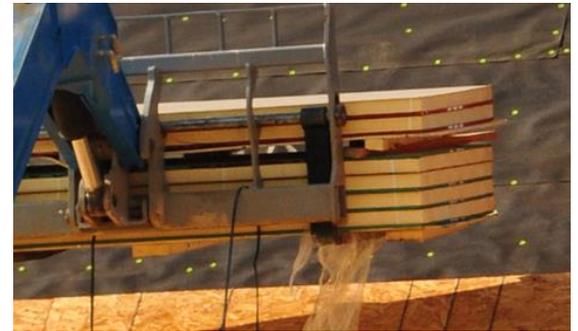


2 LARGER ACQUISITIONS WITH FULL EFFECT IN 2017

ACQUISITIONS AS GROWTH PLATFORM

Rmax Operating, LLC, USA (announced Dec 16, closing Jan 17)

- Market leader in the production of polyiso insulation products for complete Building Envelope solutions (roofing and wall systems)
- CHF 75 million sales
- New technology and know-how will accelerate growth and drive innovation in the North American market
- Strong synergies with Sika technologies
- Will allow Sika USA to benefit from in-house production of wall and roofing insulation products in three plants with good geographical coverage



2 LARGER ACQUISITIONS WITH FULL EFFECT IN 2017

ACQUISITIONS AS GROWTH PLATFORM

Bitbau Dörr, Austria (closing end Feb 17)

- Leading waterproofing system manufacturer
- CHF 50 million sales
- Sika will be able to offer its customers a wider range of durable, high-grade waterproofing systems based on polymer-modified bitumen membranes
- Strong growth opportunities resulting from expanded distribution channels and a broader customer base
- Sika will establish the new site as its Central European Center of Excellence for bitumen waterproofing systems



KEY INVESTMENTS FIRST HALF 2017

EXPANSION IN EMERGING MARKETS

New subsidiary:

- Senegal (April 2017)

Now present in 98 countries with own national subsidiaries

Opening of Sika plants:

- 5th plant in Mexico (Coatzacoalcos, March 2017)
- New and expanded site in Kazakhstan (Almaty, May 2017)
- 1st plant in Tanzania (Dar es Salaam, June 2017)



KEY INVESTMENTS CONTINUE IN SECOND HALF 2017

EXPANSION IN EMERGING MARKETS

Opening of Sika plants:

- New plant in Russia

(Lobnya, July 2017)



2. SUCCESSFUL STRATEGY EXECUTION

STRATEGIC TARGETS CONFIRMED FOR 2020

SIKA'S GROWTH MODEL WILL DELIVER

- 1) Performance
- 2) Market Penetration
- 3) Innovation
- 4) Accelerated build-up of Emerging Markets
- 5) Acquisitions
- 6) Values
- 7) Targets 2020

1) PERFORMANCE

SIKA'S GROWTH MODEL DELIVERS KEY INVESTMENTS SINCE 2012

PILLARS OF THE GROWTH MODEL

MARKET PENETRATION



- Successful Target Market concept
- Megatrends driving growth

INNOVATION



- 370 new patents filed
- 20 Global Technology Centers

EMERGING MARKETS



- 52 new plants opened
- 21 new national subsidiaries

ACQUISITIONS



- 22 acquisitions in all regions
- CHF 720 million sales added

VALUES

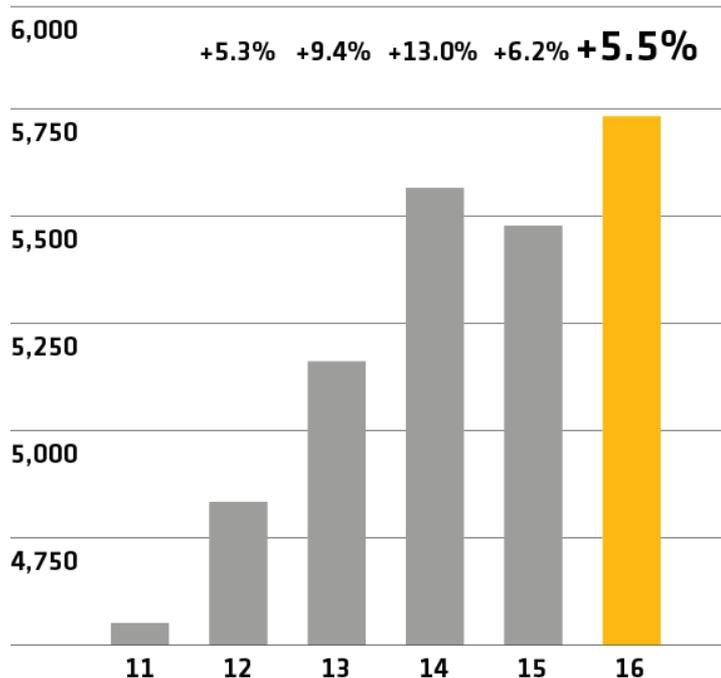


- Strong corporate culture
- High employee loyalty

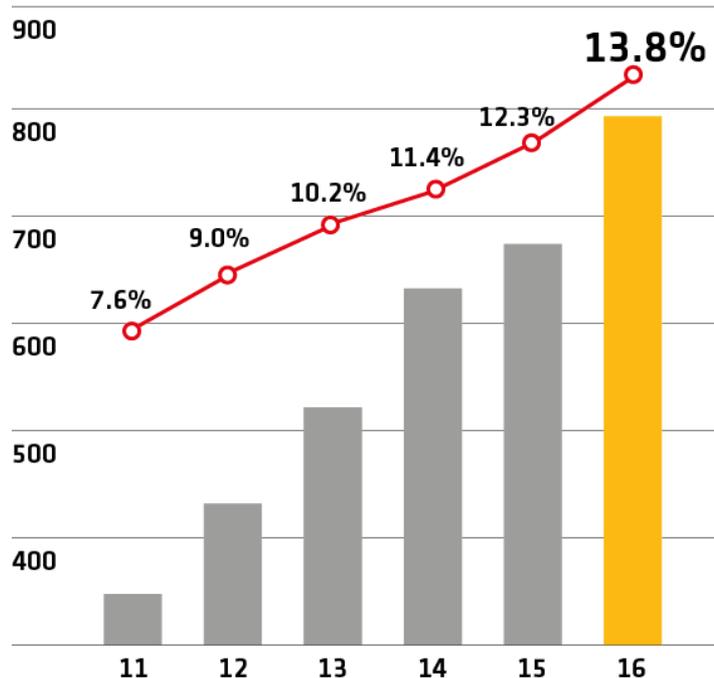
ACHIEVEMENTS

SIKA'S GROWTH MODEL DELIVERS CONTINUED GROWTH IN SALES AND PROFIT (FULL YEAR)

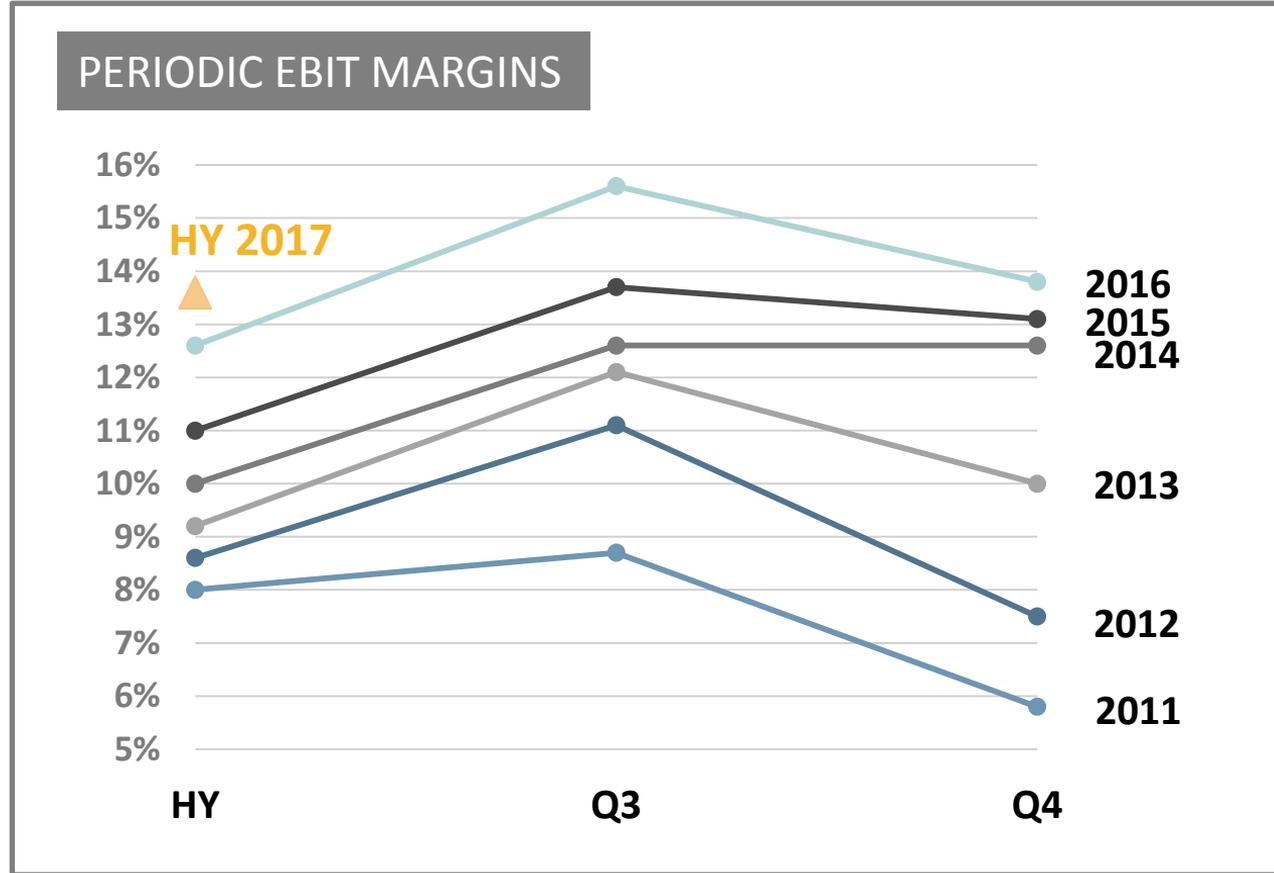
NET SALES (consolidated)
in CHF mn % growth in local currencies



EBIT
in CHF mn —○ as% of net sales



SIKA'S GROWTH MODEL DELIVERS 22 CONSECUTIVE QUARTERS OF MARGIN IMPROVEMENT



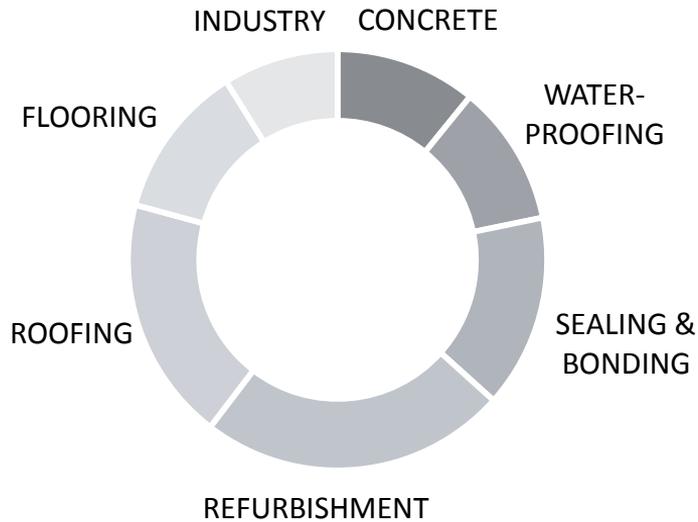
2) MARKET PENETRATION

SIKA'S MARKET POTENTIAL

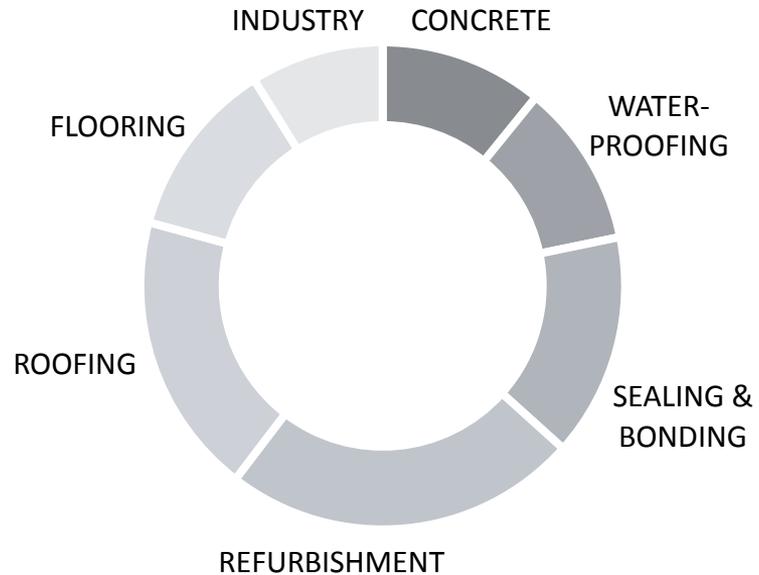
LARGE AND GROWING MARKET SEGMENTS

TOTAL MARKET SIZE

2016
> CHF 70 BILLION



2020
CHF 80 BILLION



MEGATRENDS DRIVE OUR GROWTH

URBANIZATION, NEW VEHICLE DESIGN & SUSTAINABILITY

New modular vehicle manufacturing concepts need fast, high strength bonding systems

Increasing world population with urbanization and megacities

Increased safety, fire, water, earthquake and quality requirements

Rising demand for high performance concrete, sealing and waterproofing

Sustainability: Increasing demand for safe-to-use and low-emission products

New vehicle design with material mix requires bonding solutions

Higher demand for infrastructure and refurbishment solutions

MARKET PENETRATION - FOCUS ON ATTRACTIVE MARKETS: CROSS-SELLING, LIFE-CYCLE MANAGEMENT, A STRONG BRAND



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding

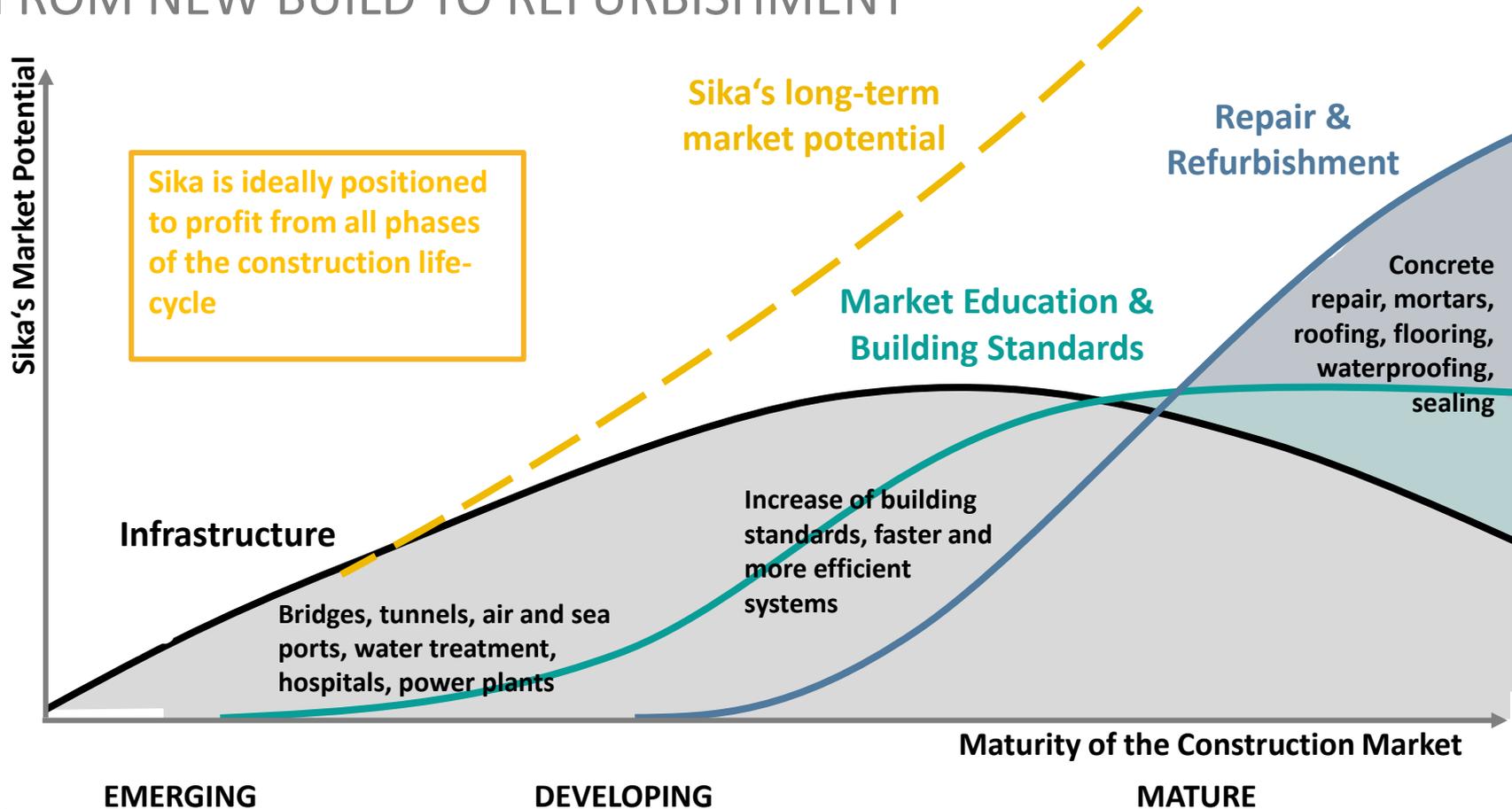


Refurbishment



Industry

GROWTH MODEL WITH EARLY MARKET PENETRATION FROM NEW BUILD TO REFURBISHMENT



3) INNOVATION

INNOVATION

STRONG TRACK RECORD

More than

370

patents were
filed since
2012

More than

890

employees are
dedicated to
Research and
Development

More than

400

invention
disclosures
since 2012

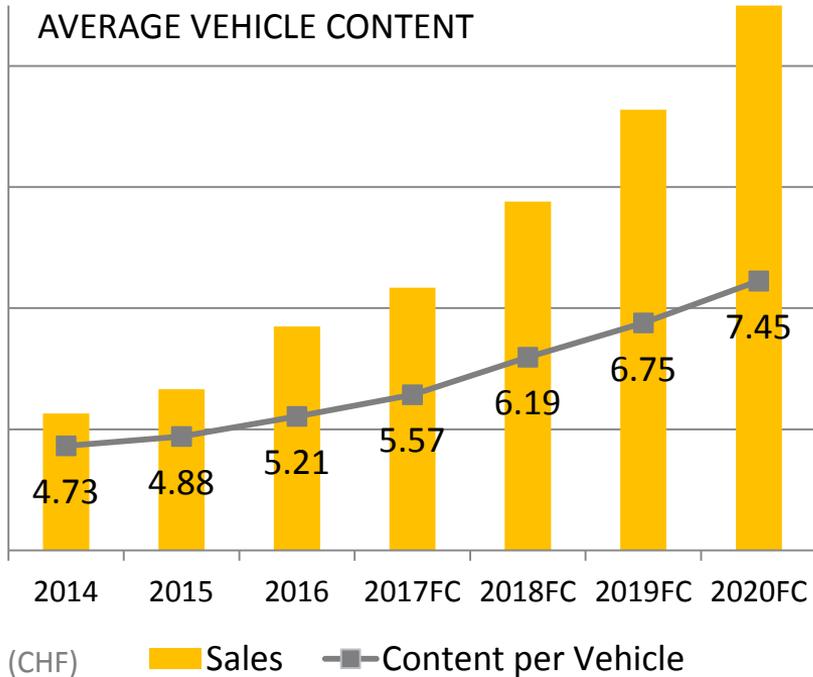
Established

20

Technology
Centers
world-wide

SIKA INNOVATIONS DRIVE GROWTH

E.G. INCREASE IN AUTOMOTIVE VEHICLE CONTENT



GREAT WALL
HAVAL H7
CONTENT: > CHF 50

MERCEDES S-CLASS
CONTENT: > CHF 60

TESLA MODELS S & X
CONTENT: > CHF 70

BMW 7 SERIES
CONTENT: > CHF 60

JAGUAR XF
CONTENT: > CHF 100

CHRYSLER PACIFICA
CONTENT: > CHF 40

VW GOLF 7
CONTENT: > CHF 40

BMW i3
CONTENT: > CHF 40

SIKA INNOVATIONS DRIVE GROWTH

E.G. INCREASED WORKABILITY FOR CONCRETE

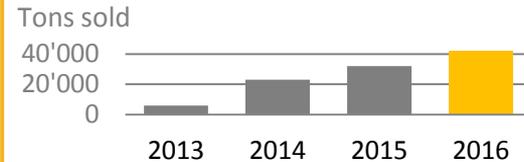


Sika® ViscoFlow®

IN-HOUSE DEVELOPED HIGH-PERFORMANCE POLYMER PERMITS

> 8 HOURS WORKABILITY OF CONCRETE

+ 30% SALES GROWTH IN 2016



MEETING THE
CHALLENGES OF
CONSTRUCTION IN
URBAN
ENVIRONMENTS

ALLOWING
LONG
TRANSPORTABILITY
COUPLED WITH SHORT
SETTING TIMES



4) ACCELERATED BUILD-UP OF EMERGING MARKETS

EMERGING MARKETS BUILD-UP SINCE 2012

CAPTURING GROWTH POTENTIAL IN NEW MARKETS

52

new
plants
opened

11.0%

average annual
sales growth

21

new
national
subsidiaries

36%

of sales
in Emerging
Markets

ACCELERATED BUILD-UP OF EMERGING MARKETS

E.G. INVESTMENTS IN AFRICA



KEY INVESTMENTS SINCE 2012



KEY FACTS



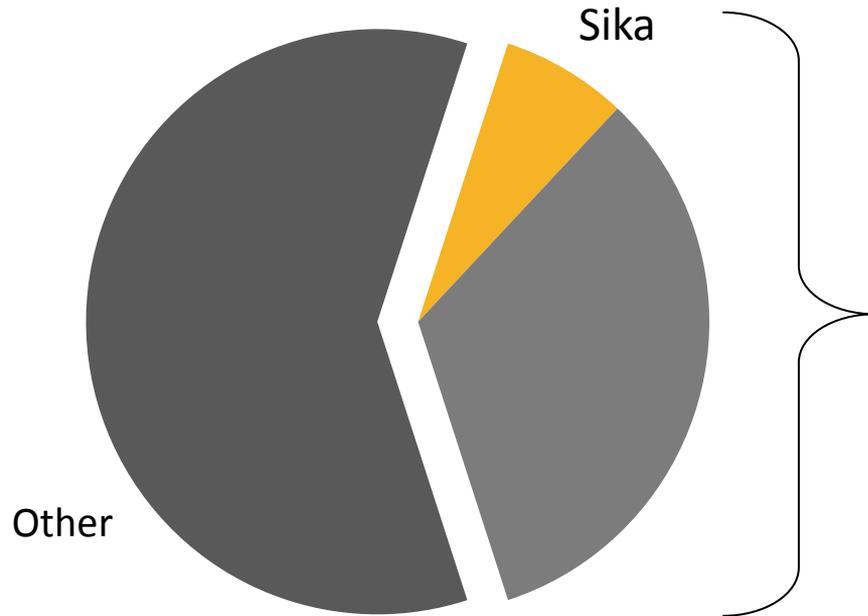
- TOTAL NUMBER OF FACTORIES
- NEW FACTORIES 2012-2016

5) ACQUISITIONS

SIKA'S MARKET POTENTIAL

FRAGMENTATION OFFERS ACQUISITION OPPORTUNITIES

CONSTRUCTION CHEMICAL MARKET 2016
> CHF 60 BILLION



**Top 10 companies with a
combined market share of 40%**

ACQUISITIONS SINCE 2012

GROWTH PLATFORMS FOR THE FUTURE

22

acquisitions

720

million CHF
additional
turnover

In all

7

Target
Markets

In all

4

regions

ACQUISITIONS

E.G. IMPROVED TECHNOLOGY KNOW-HOW IN THE USA

L.M. Scofield

US market leader for concrete color additives (ready-mixed concrete) and decorative treatments for refurbishment



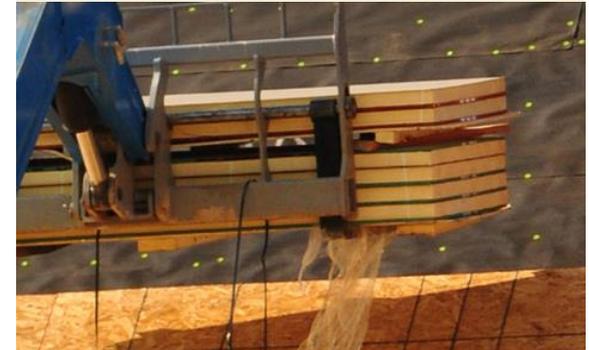
FRC Industries

Producer of high-quality synthetic polypropylene fibers for concrete



Rmax

Market leader in the production of polyiso insulation products for complete Building Envelope solutions

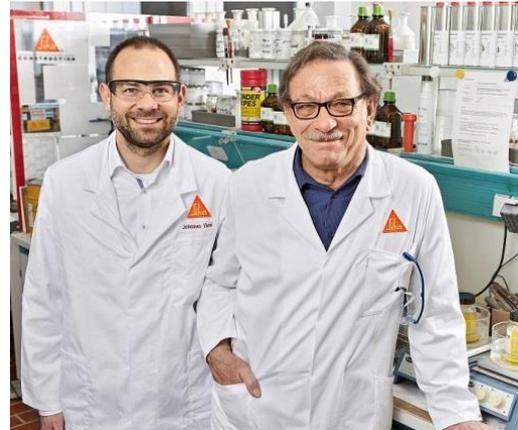


6) VALUES AND PRINCIPLES

SIKA'S VALUES AND PRINCIPLES

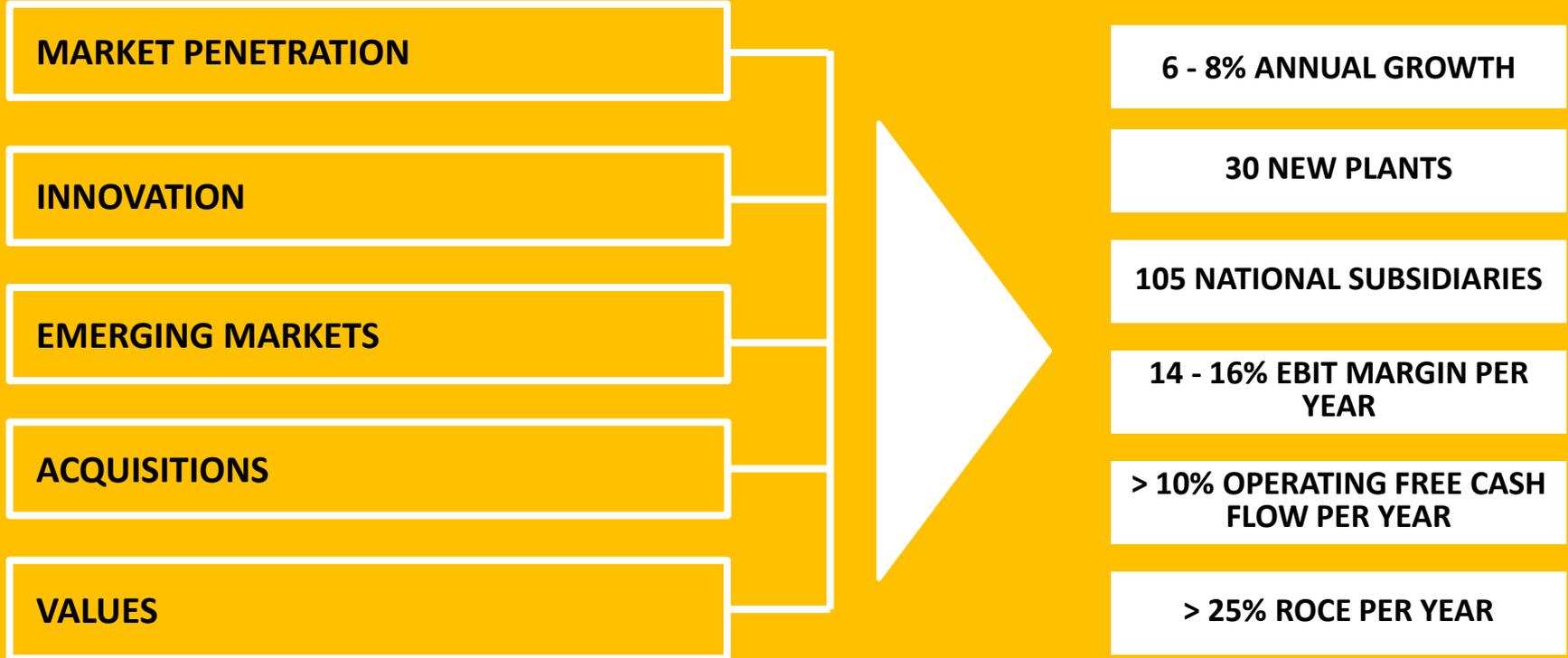
STRONG CORPORATE CULTURE

- Customer first
- Courage for innovation
- Sustainability & integrity
- Empowerment and respect
- Manage for results



7) TARGETS 2020

SIKA'S GROWTH MODEL WILL DELIVER STRATEGIC TARGETS 2020



SIKA'S GROWTH MODEL WILL DELIVER MORE THAN CHF 1 BILLION EBIT IN 2020

- Megatrends Urbanization, New Vehicle Design & Sustainability drive growth
- Fragmented market of CHF 80 billion with huge growth opportunities
- Sika is ideally positioned to profit from all phases of the construction life-cycle
- Sika GROWTH MODEL confirmed – key investments defined
- Strategic targets confirmed for 2020 – confident that GROWTH MODEL continues to deliver growth and margin improvement
- More than CHF 1 billion EBIT in 2020

3. OUTLOOK

CONFIRMATION OF OUTLOOK

SALES TO EXCEED CHF 6 BILLION IN 2017

- 6-8% sales growth in local currencies
- Sales to exceed CHF 6 billion for the first time
- Improvement in EBIT and net profit margins
- Opening of 8 new plants
- Foundation of 3 new national subsidiaries

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:

- Fluctuations in currency exchange rates and general financial market conditions
- 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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