



# ACCELERATED 4<sup>TH</sup> QUARTER SALES GROWTH OF 8.3% STRATEGIC TARGETS RAISED

SIKA INVESTOR PRESENTATION, SALES 2015  
JANUARY 12, 2016

BUILDING TRUST



# 1. HIGH OPERATING SPEED IN 2015

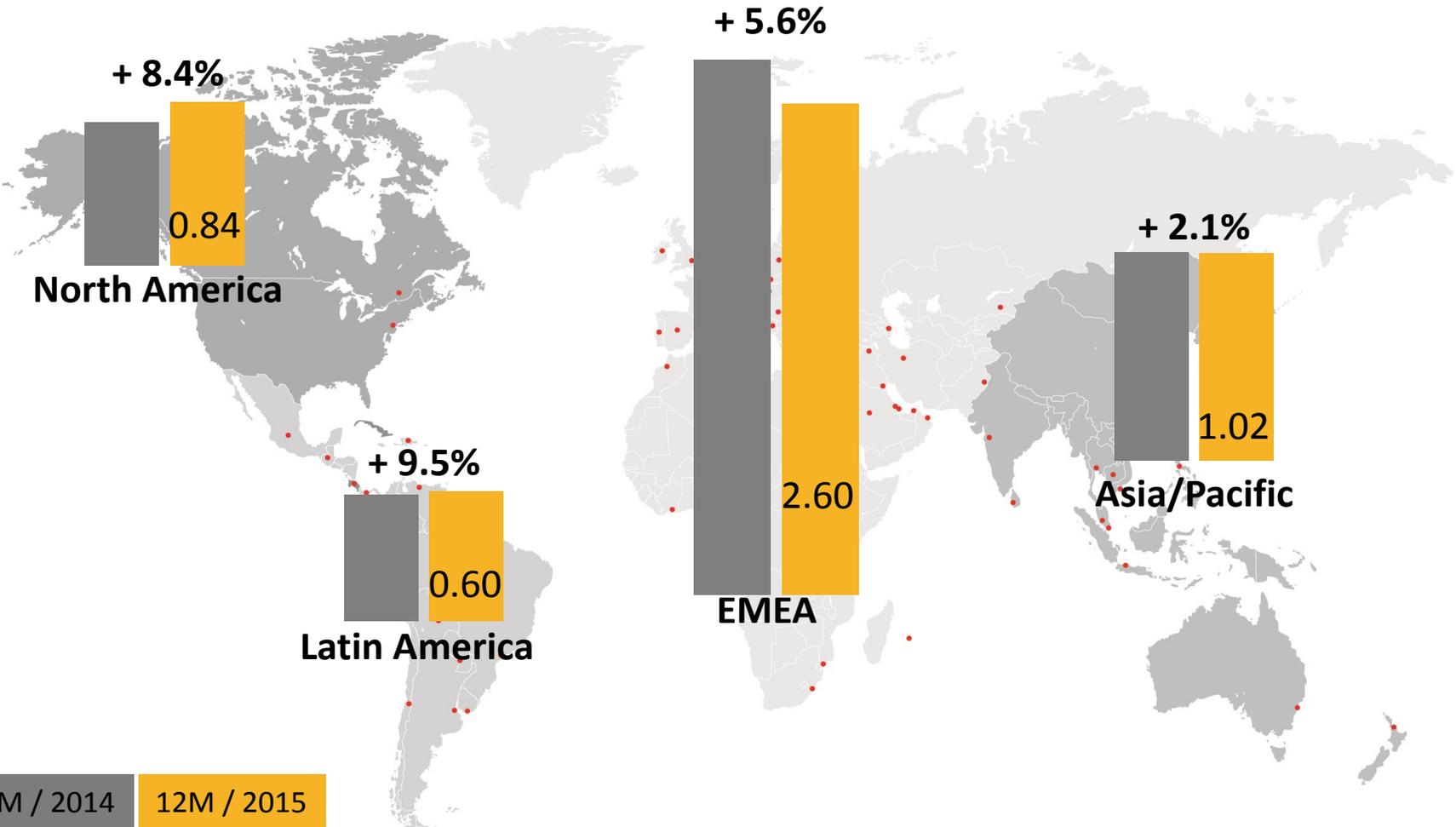
# HIGH OPERATING SPEED IN 2015

## ACCELERATED 4<sup>TH</sup> QUARTER SALES GROWTH OF 8.3%

- 6.2% local currency sales growth in 2015  
(Real CHF growth of -1.5% due to significant appreciation of CHF)
- With negative growth of China excluded, sales up by 7.4%
- Growth in all regions: Double-digit in core markets, USA, Mexico, Africa, Middle East, Southeast Asia and the Pacific
- Negative market volumes in China, Brazil, Russia and France
- 9 new factories in United Arab Emirates, Sri Lanka, La Réunion, Paraguay, Russia, Argentina, Nigeria, Ivory Coast, USA
- 3 new national subsidiaries in Myanmar, Tanzania, Ethiopia
- 5 acquisitions with CHF 115 million annualized sales

# GROWTH MOMENTUM IN 2015

## 6.2% SALES GROWTH (-1.5% IN CHF)

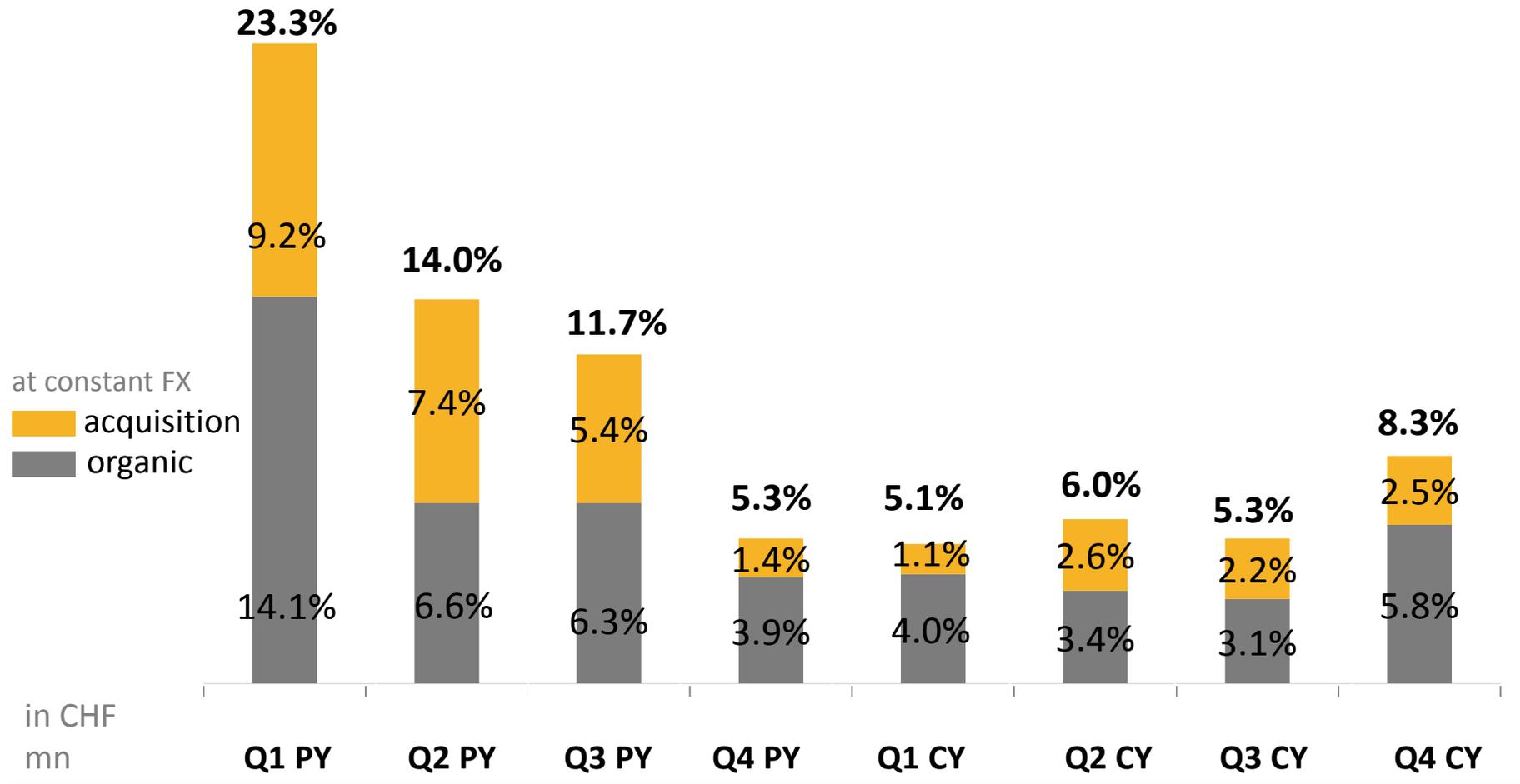


12M / 2014    12M / 2015

(in CHF million, growth at constant exchange rates)

# SALES GROWTH BY QUARTER

## CONTINUED GROWTH MOMENTUM



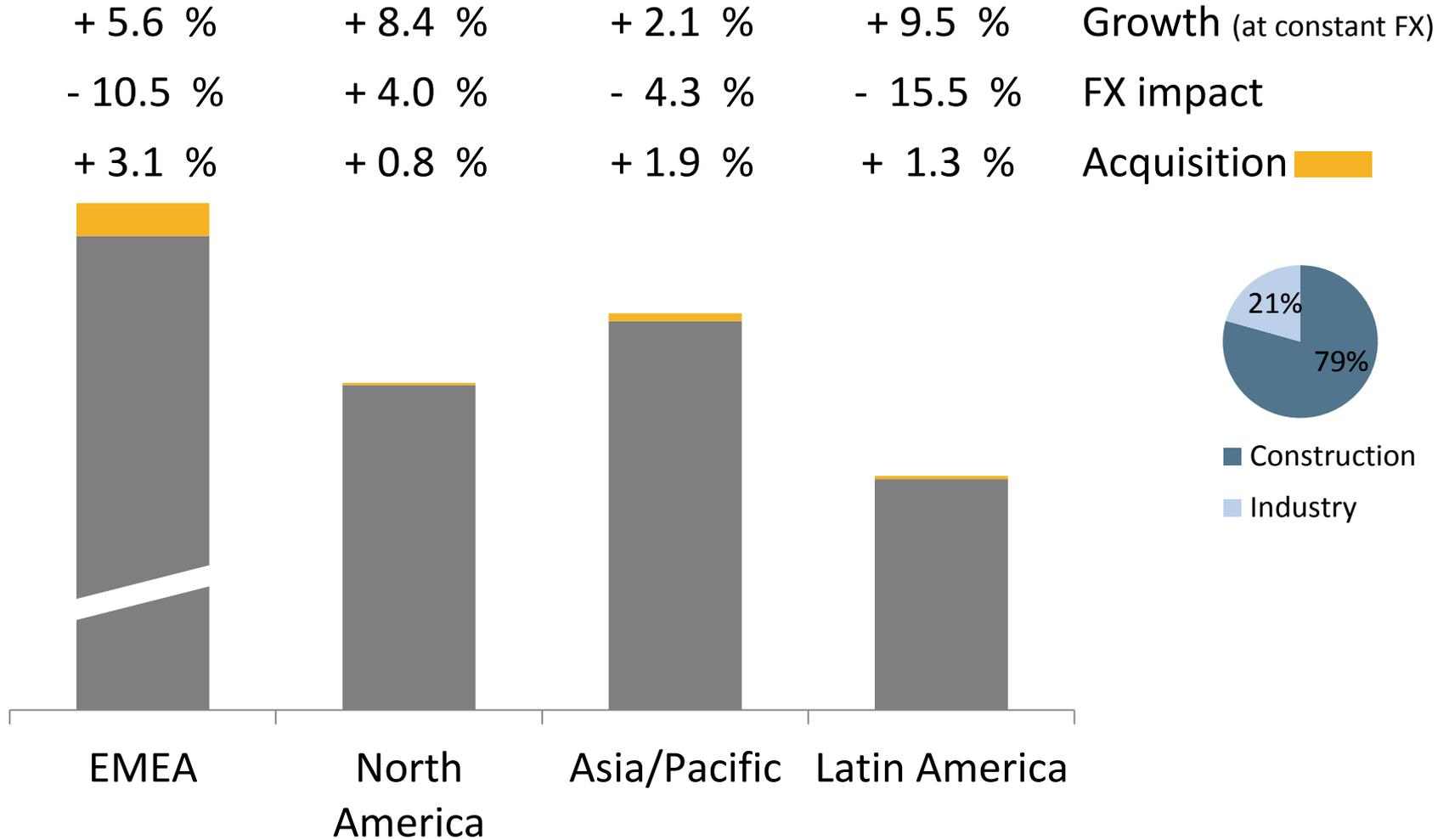
in CHF  
mn

Sales by  
Quarter

	Q1 PY	Q2 PY	Q3 PY	Q4 PY	Q1 CY	Q2 CY	Q3 CY	Q4 CY
Sales by Quarter	1,206.0	1,450.7	1,517.5	1,396.9	1,195.3	1,429.9	1,469.8	

# SALES TWELVE MONTHS 2015

## GROWTH IN ALL REGIONS



# CONTINUING HIGH OPERATING SPEED INVESTMENTS IN 2015

## Opening of Sika plants:

- **2<sup>nd</sup> plant in United Arab Emirates** (Dubai, March 2015)
- **1<sup>st</sup> plant on Reunion Island** (March 2015)
- **1<sup>st</sup> plant in Sri Lanka** (Ekala, March 2015)
- **1<sup>st</sup> plant in Paraguay** (Asunción, May 2015)
- **4<sup>th</sup> plant in Russia** (Volgograd, August 2015)
- **2<sup>nd</sup> plant in Argentina** (Cordoba, September 2015)
- **1<sup>st</sup> plant in Nigeria** (Lagos, September 2015)
- **1<sup>st</sup> plant in Ivory Coast** (Abidjan, September 2015)
- **14<sup>th</sup> plant in the USA** (Philadelphia, December 2015)



New plant in Lagos, Nigeria



Opening of Philadelphia plant, USA

# CONTINUING HIGH OPERATING SPEED NEW NATIONAL SUBSIDIARIES IN 2015

## New subsidiaries:

- Myanmar (March 2015)
- Tanzania (September 2015)
- Ethiopia (September 2015)



Sika Myanmar



Sales Team, Sika Myanmar

# CONTINUING HIGH OPERATING SPEED ACQUISITIONS IN 2015

<b>Company</b>	<b>Country</b>	<b>Target Market</b>
Duro-Moza	Mozambique	Refurbishment
BMI	USA	Refurbishment, Flooring
Axson Technologies	Global	Industry
CTA	Australia	Refurbishment
Addiment Italia	Europe	Concrete

**Total annual sales: CHF 115 million**



Axson Technologies



BMI



Duro-Moza

## 2. STRATEGY 2018 UPDATE: REVIEW & RAISED TARGETS

# KEY ACHIEVEMENTS SINCE 2012

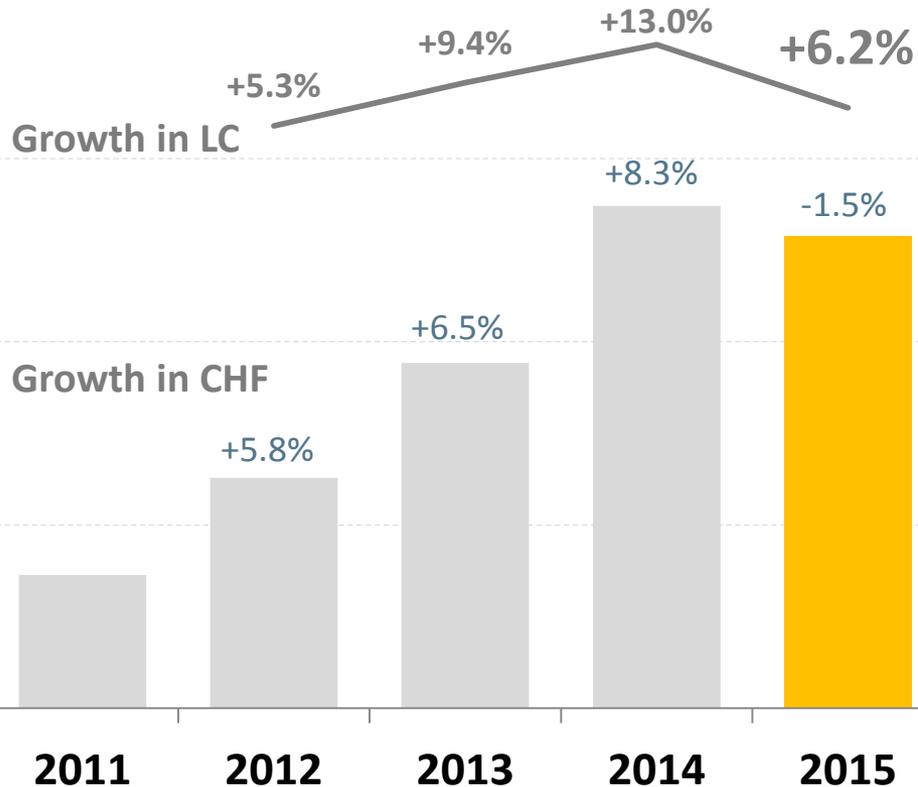
## WELL AHEAD OF STRATEGY 2018 TARGETS

- Sales growth well within target, all pillars of GROWTH MODEL contributing  
(Average annual sales growth of 9% in local currency)
- Significant margin improvements (Gross Result, EBIT, Net Profit) and Cash Flow generation exceeding Strategy 2018 targets
- Key growth investments in all Regions and Target Markets
- Accelerated innovation rate with 20 Global Technology Centers
- Organization aligned with targets and strategy: 7 Target Markets, Regions with supply chain authority, global procurement, country plans and consistent performance management

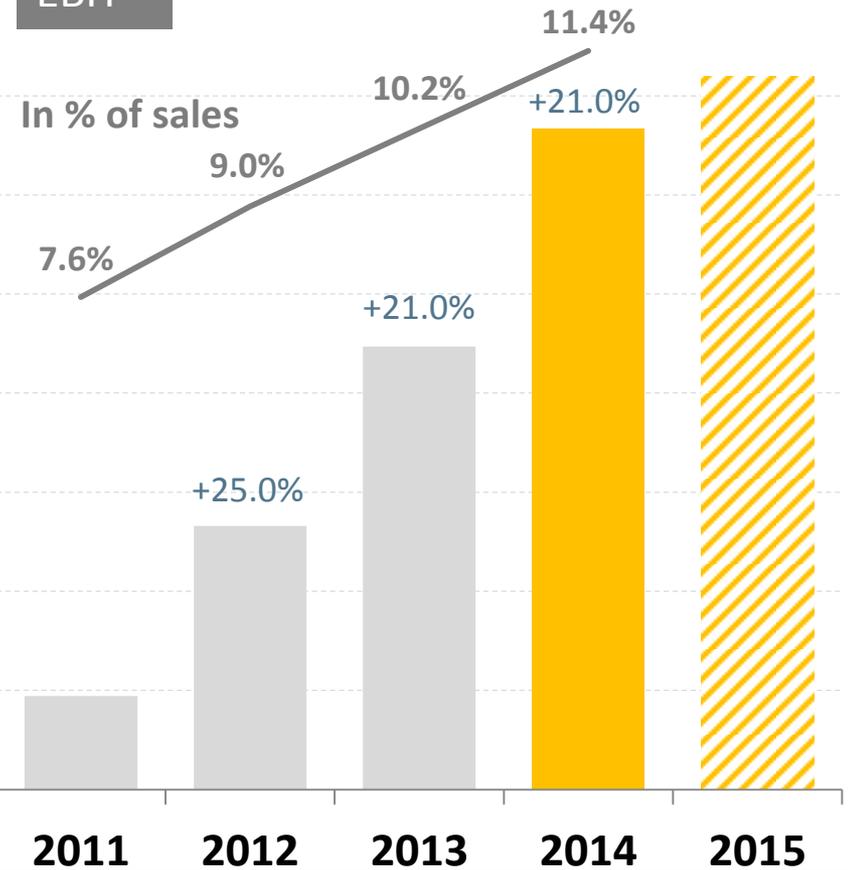
# FIVE-YEAR OVERVIEW

## PERFORMANCE AHEAD OF TARGETS

### NET SALES



### EBIT

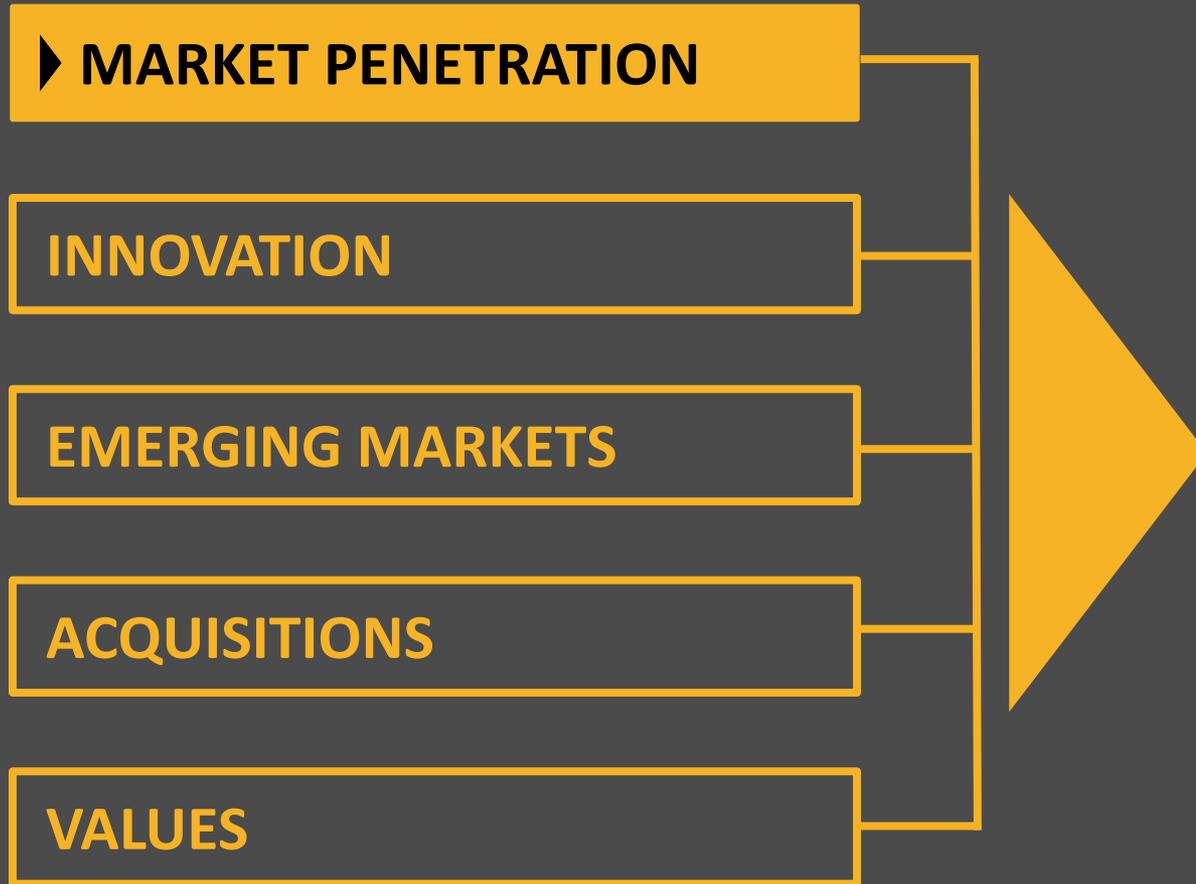


# STRATEGY 2018 UPDATE

## PERFORMANCE AHEAD OF TARGETS

TARGETS	2012	2013	2014	2015
6 – 8% sales growth	+5.3%	+9.4%	+13.0%	+6.2%
> 10% Operating Profit	9.0%	10.2%	11.4%	
> 6% Operating Free Cash Flow	6.3%	8.4%	7.5%	
> 20% Return on Capital Employed	18.5%	21.0%	23.3%	

# STRATEGY 2018: SIKA'S GROWTH MODEL DELIVERS SINCE 2012



# SIKA IS ACTIVE IN ATTRACTIVE MARKETS WITH CORE COMPETENCIES IN BONDING, SEALING, DAMPING, REINFORCING AND PROTECTING



Concrete



Waterproofing



Roofing



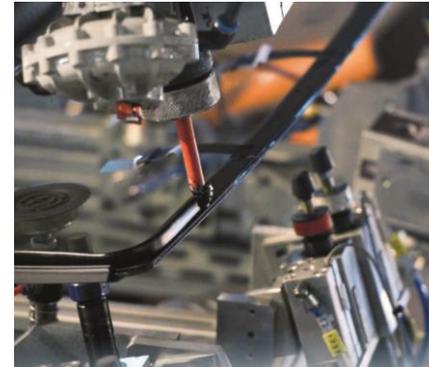
Flooring & Coating



Sealing & Bonding



Refurbishment



Industry

# MEGATRENDS DRIVE OUR GROWTH: URBANIZATION, NEW VEHICLE DESIGN & SUSTAINABILITY

**Higher demand for infrastructure and refurbishment solutions**

**Increasing world population with urbanization and megacities**

**Increased safety, fire, water, earthquake and quality requirements**

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

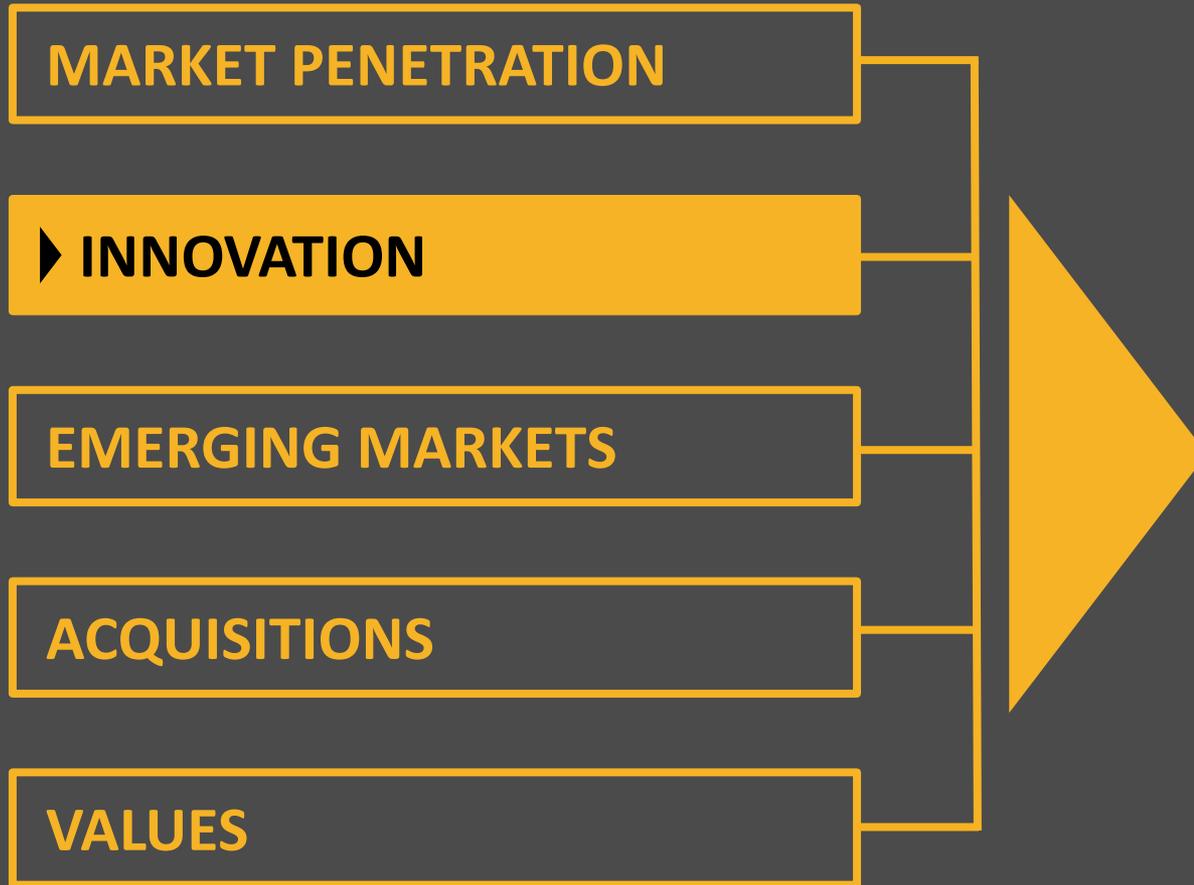
**Rising demand for high performance concrete, sealing and waterproofing**

**New vehicle design with material mix requires bonding solutions**

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

# STRATEGY 2018:

## SIKA'S GROWTH MODEL DELIVERS SINCE 2012



# WE ARE INNOVATION STRONG TRACK RECORD

297

Patents were  
filed since  
2012

880

Employees are  
dedicated to  
Research and  
Development

317

Invention  
disclosures  
since 2012

20

Technology  
Centers  
world-wide



# EMERGING MARKETS BUILD-UP SINCE 2012

## GROWTH POTENTIAL IN NEW MARKETS

30

New  
plants  
opened

12.5%

Average sales  
growth

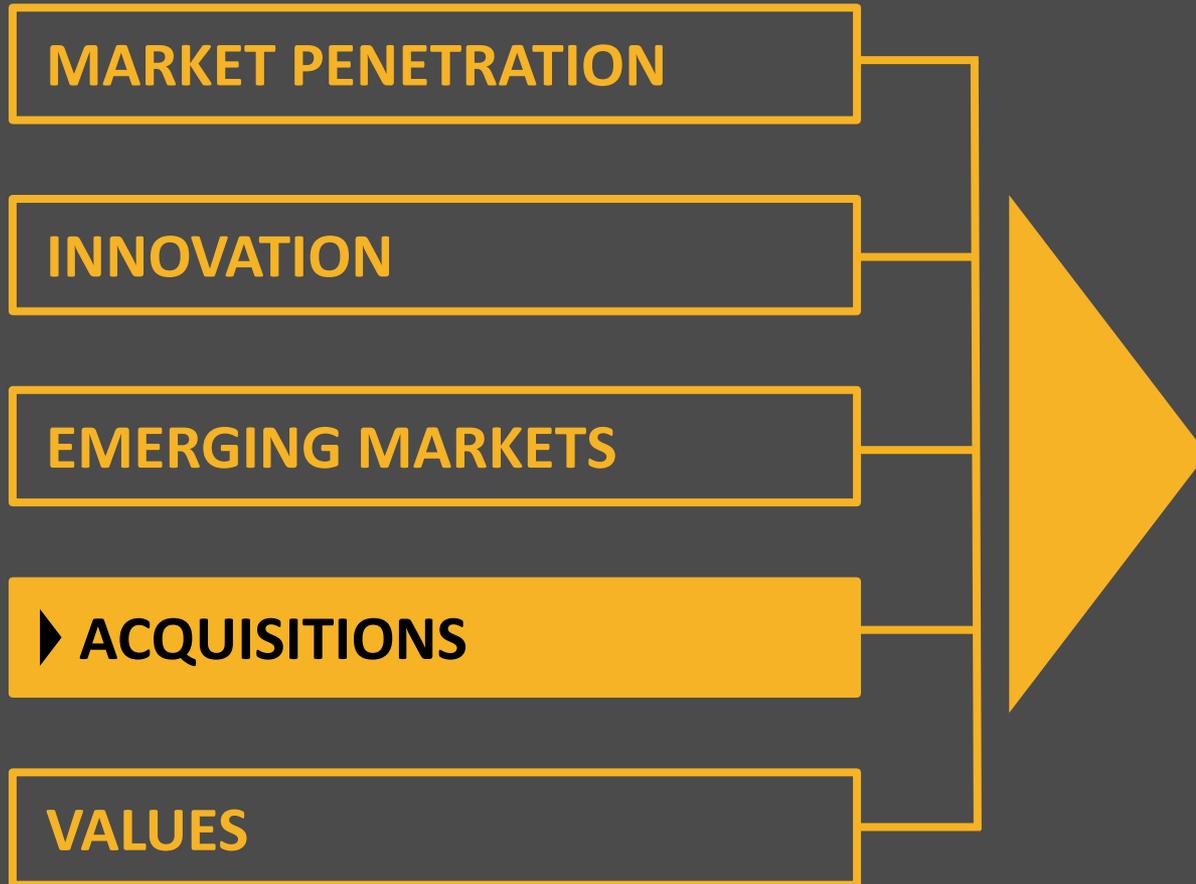
16

New  
countries

37%

of turnover  
in Emerging  
Markets

# STRATEGY 2018: SIKA'S GROWTH MODEL DELIVERS SINCE 2012



# ACQUISITIONS SINCE 2012

## GROWTH PLATFORMS FOR THE FUTURE

17

Acquisitions

563

million CHF  
turnover

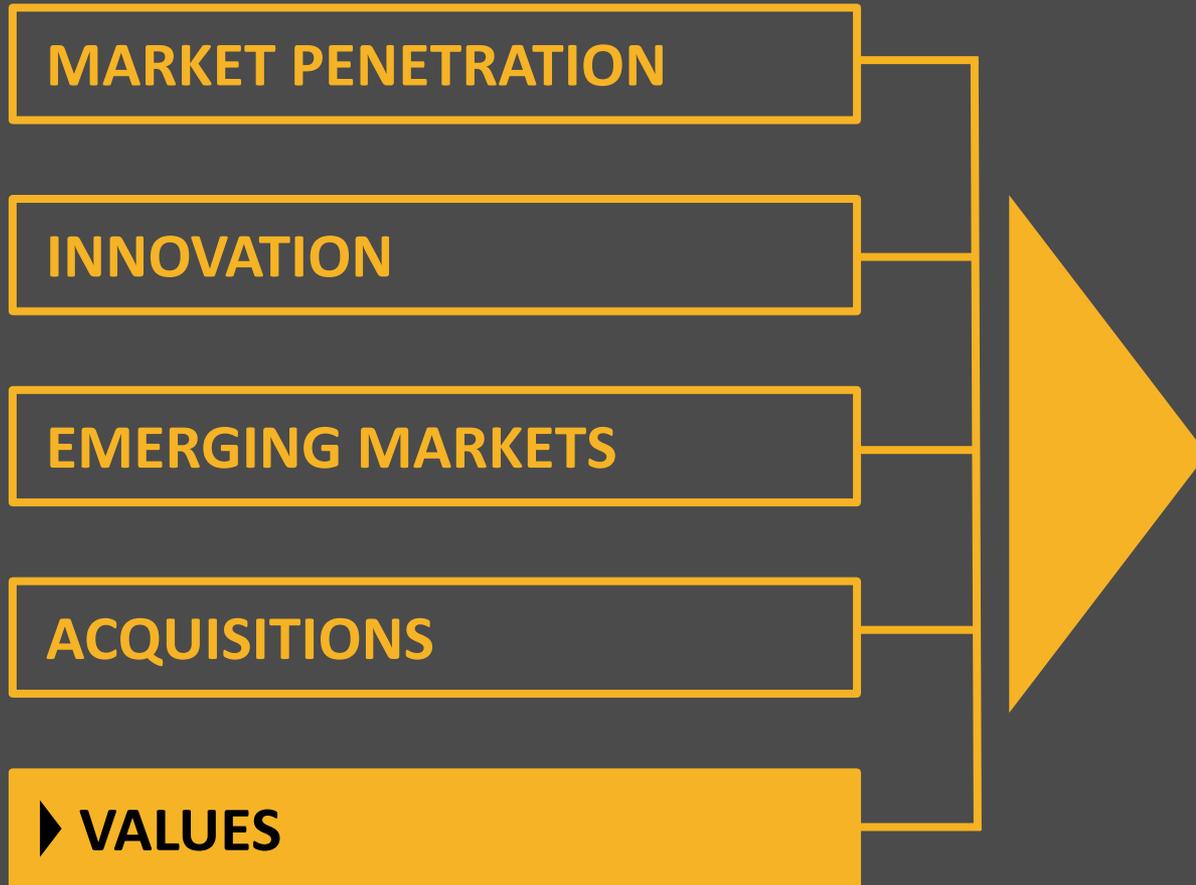
In all  
7

Target  
Markets

In all  
4

Regions

# STRATEGY 2018: SIKA'S GROWTH MODEL DELIVERS SINCE 2012



# SIKA'S VALUES AND PRINCIPLES

## STRONG CORPORATE CULTURE

- Customer first
- Courage for innovation
- Sustainability & Integrity
- Empowerment and Respect
- Manage for results



# STRATEGY 2018 – ACHIEVEMENTS SINCE 2012

## A PROVEN TRACK RECORD OF DELIVERY

PILLARS OF THE GROWTH MODEL	ACHIEVEMENTS
<b>MARKET PENETRATION</b>	 <ul style="list-style-type: none"><li>• Successful Target Market concept</li><li>• Megatrends driving growth</li></ul>
<b>INNOVATION</b>	 <ul style="list-style-type: none"><li>• 297 new patents filed</li><li>• 20 Global Technology Centers</li></ul>
<b>EMERGING MARKETS</b>	 <ul style="list-style-type: none"><li>• 30 new plants opened</li><li>• 16 new national subsidiaries</li></ul>
<b>ACQUISITIONS</b>	 <ul style="list-style-type: none"><li>• 17 Acquisitions in all regions</li><li>• CHF 563 million sales added</li></ul>
<b>VALUES</b>	 <ul style="list-style-type: none"><li>• Strong corporate culture</li><li>• High employee loyalty</li></ul>

# STRATEGY 2018 – STRATEGY REVIEW PROCESS

## BOTTOM-UP REVIEW

With 3 full business years until 2018 and considering the strong performance ahead of targets, a comprehensive review of the strategy was performed:

- A bottom-up review of STRATEGY 2018 with all 160 Senior Managers and in all countries was carried out throughout the second half of 2015
- Excellency of STRATEGY 2018 and its GROWTH MODEL confirmed
- Further growth potential and initiatives identified
- Targets and key investments reviewed and updated
- Confident to continue the combination of growth and margin improvement

# STRATEGY 2018

## NEW AND RAISED TARGETS

### PREVIOUS TARGETS

**6 - 8% GROWTH PER YEAR**

**42% - 45% OF SALES IN  
EMERGING MARKETS**

**> 10% OPERATING PROFIT  
> 6% OPERATING FREE  
CASH FLOW**

**> 20% RETURN ON  
CAPITAL EMPLOYED**



### NEW TARGETS

**6 - 8% GROWTH PER YEAR**

**6 - 8 NEW PLANTS PER  
YEAR**

**100 NATIONAL  
SUBSIDIARIES BY 2018**

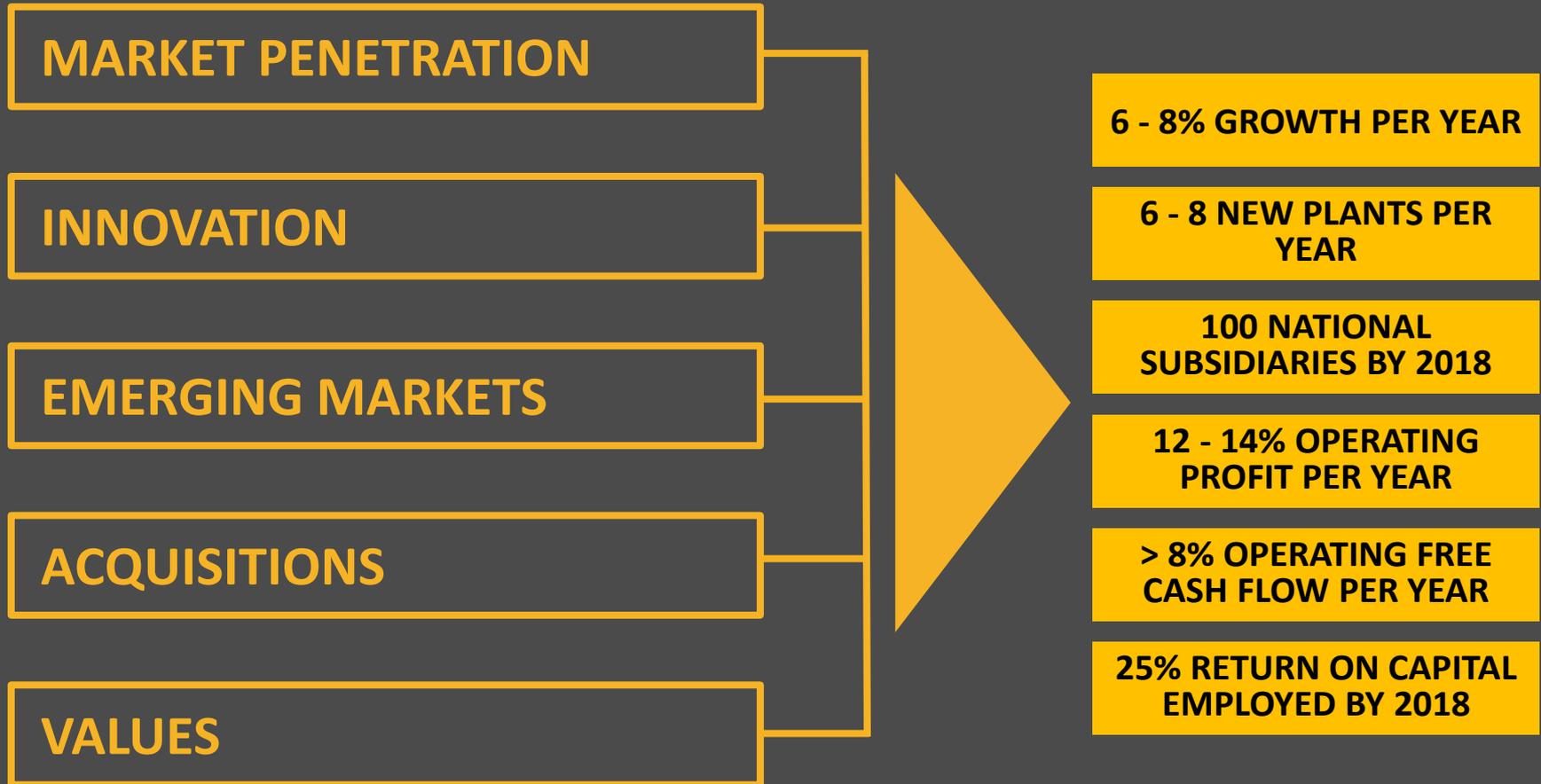
**12 - 14% OPERATING  
PROFIT PER YEAR**

**> 8% OPERATING FREE  
CASH FLOW PER YEAR**

**25% RETURN ON CAPITAL  
EMPLOYED BY 2018**

# STRATEGY 2018

## SIKA'S GROWTH MODEL WITH NEW AND RAISED TARGETS



# STRATEGY 2018 – ENSURING SIKA'S SUCCESS STORY

The strong performance once again underscores the necessity of safeguarding Sika's successful business model in the interest of all stakeholders.

Sika's public shareholders, Board of Directors, Group Management, 160 senior managers and employee representatives remain opposed to Saint-Gobain's hostile takeover bid, which they believe would fundamentally jeopardize the Sika success story.

The Board of Directors and Group Management will therefore continue to act in the interests of Sika and its stakeholders with the aim of guaranteeing the unimpeded continuation of Sika's successful growth strategy.

### 3. SAINT-GOBAIN'S HOSTILE TAKEOVER ATTEMPT

# FUNDAMENTAL REASONS TO OPPOSE HOSTILE TAKEOVER ATTEMPT BY SAINT-GOBAIN

- 1. Lack of industrial logic**
- 2. Saint-Gobain will execute control with only 16% of the capital**
- 3. No adequate representation of public shareholders on the Board**
- 4. Saint-Gobain is a direct competitor of Sika**
- 5. Sika loses A- credit rating**
- 6. Sika's Growth Model at risk**

# SIKA ARTICLES OF ASSOCIATION ARTICLE 4

## RESTRICTION OF TRANSFERABILITY, THE 5% THRESHOLD

“The Board of Directors reserves the right to refuse an acquirer of registered shares as shareholder, if the number of registered shares held by him exceeds 5% of the total number of registered shares entered in the commercial register.

[...]natural persons or legal entities or, which act in concert in view of a circumvention of registration limitations, are regarded under these provisions as a single buyer.”

Many other Swiss companies have a similar restriction of transferability with a threshold (Vinkulierung) such as: Nestlé, Novartis, Swatch, Swisscom, Guivaudan, Sonova, Schindler, Lindt & Sprüngli.

# FORWARD-LOOKING STATEMENTS

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.

Any statements regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Sika's earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Sika.

For marketed products discussed in this presentation, please see information on our website: [www.sika.com](http://www.sika.com)

All mentioned trademarks are legally protected.



THANK YOU FOR YOUR ATTENTION

BUILDING TRUST

