SIKA ON TRACK FOR RECORD RESULTS – STRONG GROWTH IN SALES AND EBIT IN THE FIRST NINE MONTHS

SIKA INVESTOR PRESENTATION
OCTOBER 24, 2019
NINE-MONTH RESULTS 2019
ON TRACK TO MEET AMBITIOUS TARGETS
STRONG GROWTH IN SALES AND EBIT IN THE FIRST NINE MONTHS

HIGHLIGHTS

1. New records in sales and profit
   - +15.1% sales growth in local currencies (+12.9% in CHF) to CHF 6,007.3 million
   - Organic growth of 4.1%
   - Strong profit growth (EBITDA +18.2%, EBIT +10.6%)
   - Strong cash-flow generation (operating free cash-flow of CHF 555.1 million)

2. Key investments
   - Boost to growth thanks to acquisition of Parex as well as of Crevo-Hengxin, King Packaged Materials and Belineco
   - Opening of five new factories in Senegal, Egypt, Qatar, Serbia and Cameroon

3. Outlook and Strategy
   - Outlook: sales of over CHF 8 billion and double-digit EBIT growth for 2019
   - New Strategy 2023 will ensure Sika’s success in the upcoming years
KEY FIGURES FIRST NINE MONTHS 2019
RECORD RESULTS – STRONG TOP LINE MOMENTUM CONTINUES

<table>
<thead>
<tr>
<th>in CHF mn</th>
<th>2018</th>
<th>2019</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>5,322.7</td>
<td>6,007.3</td>
<td>+12.9%</td>
</tr>
<tr>
<td>Gross results as % of net sales</td>
<td>53.3</td>
<td>53.5</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>880.0</td>
<td>1039.8</td>
<td>+18.2%</td>
</tr>
<tr>
<td>EBIT</td>
<td>728.9</td>
<td>805.9</td>
<td>+10.6%</td>
</tr>
<tr>
<td>Net profit</td>
<td>527.7</td>
<td>566.8</td>
<td>+7.4%</td>
</tr>
</tbody>
</table>
15.1% SALES GROWTH IN THE FIRST NINE MONTHS 2019
SIKA WELL ON TRACK

<table>
<thead>
<tr>
<th>Acquirer</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>9M 2019 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>4,627.5</td>
<td>5,322.7</td>
<td>6,007.3</td>
</tr>
</tbody>
</table>

*Sales growth of acquired businesses since initial consolidation is included in organic growth
SALES FIRST NINE MONTHS 2019
GROWTH IN ALL REGIONS

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth in CHF</th>
<th>Growth in LC</th>
<th>FX impact</th>
<th>Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>+7.2%</td>
<td>+10.8%</td>
<td>-3.6%</td>
<td>+7.7%</td>
</tr>
<tr>
<td>Americas</td>
<td>+17.4%</td>
<td>+18.1%</td>
<td>-0.7%</td>
<td>+12.1%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>+30.5%</td>
<td>+31.1%</td>
<td>-0.6%</td>
<td>+24.4%</td>
</tr>
<tr>
<td>Global Business</td>
<td>+1.7%</td>
<td>+3.6%</td>
<td>-1.9%</td>
<td>+3.5%</td>
</tr>
</tbody>
</table>

Growth in CHF: 79%
Growth in LC: 21%
FX impact: 3.6%
STRONG GROWTH MOMENTUM CONTINUES IN FIRST NINE MONTH
15.1% SALES GROWTH (12.9% IN CHF)

Americas
+ 18.1%
1,623

EMEA
+ 10.8%
2,573

Asia/Pacific
+ 31.1%
1,112

Global Business
+ 3.6%
699

(9M 2018 9M 2019)
(in CHF mn, growth in LC)
HIGH OPERATING SPEED CONTINUES IN 2019
INVESTMENTS IN NEW PLANTS

Opening of Sika plants:
- Mortar plant in Senegal (Dakar, March 2019)
- Expansion of mortar plant in Egypt (Alexandria, April 2019)
- Concrete admixture plant in Qatar (Doha, May 2019)
- Expansion of mortar plant in Serbia (Belgrade, July 2019)
- Mortar plant in Cameroon (Douala, September 2019)
HIGH OPERATING SPEED CONTINUED IN 2019
4 ACQUISITIONS IN 2019 – INTEGRATION ON TRACK

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Target Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parex</td>
<td>Global</td>
<td>Refurbishment, Waterproofing, Flooring</td>
</tr>
<tr>
<td>King Packaged Materials Company</td>
<td>Canada</td>
<td>Concrete, Refurbishment</td>
</tr>
<tr>
<td>Belineco</td>
<td>Eastern Europe</td>
<td>Sealing &amp; Bonding</td>
</tr>
<tr>
<td>Crevo-Hengxin</td>
<td>China</td>
<td>Sealing &amp; Bonding</td>
</tr>
</tbody>
</table>

Total annual sales: CHF 1,338 million
FAST AND SUCCESSFUL INTEGRATION OF PAREX
EXCELLENT PROGRESS

TOTAL SYNERGIES
CHF 100 million identified

PROCUREMENT
CHF 12 million savings estimated

FAST ORGANIZATIONAL INTEGRATION
Over 20 countries in fully integrated management structures

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

First SHOP IN SHOP concept launched in China in 1,500 STORES
WE CLEARLY OUTPERFORM OUR COMPETITORS
ORGANIC GROWTH IS 3% POINTS ABOVE PEERS IN THE PAST YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Organic Growth</th>
<th>Constant Currency Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>+6.3%</td>
<td>+3.6%</td>
</tr>
<tr>
<td>2018</td>
<td>+6.8%</td>
<td>+3.9%</td>
</tr>
<tr>
<td>1 HY 2019</td>
<td>+3.1%</td>
<td>+0.1%</td>
</tr>
</tbody>
</table>
STRONG TOPLINE GROWTH AND EBIT GROWTH IN THE LAST YEARS
PERFORMANCE FROM 2012 TO 2019

Sales

(in CHF mn, growth in LC)

EBIT

(in CHF mn, growth in LC)
STRATEGY 2023
BUILDING THE FUTURE
STRATEGY 2023

- Keep and build on the success story
  - Values and Principles
  - Sales driven organization – decisions close to the customers
  - Target Market concept remains
  - Focus on the current 5 key Technologies
  - Market Penetration and Emerging Markets as growth drivers
  - Drive Innovation to stay the clear market leader and drive growth and margins
  - Maintain acquisition strategy as a growth platform
  - Deliver 6-8% Sales growth and overproportional Ebit growth

- New initiatives
  - Building Finishing as a new (8th) Target Market with high potential
  - Leverage distribution to improve market access and gain market share
  - Operational efficiency to increase margins
  - Sustainability is embeded in what we do
SIKA’S GROWTH STRATEGY 2023
THE PILLARS OF THE STRATEGY

Market Penetration
Innovation
Operational Efficiency
Acquisitions
Values

SUSTAINABILITY

6-8% annual growth
25% of sales with new products
0.5% pts non-material cost improvement as % of net sales
15-18% EBIT margin
Until 2020: <15%
>10% Operating free cash flow per year as % of net sales
>25% ROCE by 2023

12% CO₂ emission reduction per ton sold
SUSTAINABILITY

AT THE CENTER OF WHAT WE DO
SIKA IS COMMITTED TO SUSTAINABILITY
SUSTAINABILITY HAS BEEN THE FOCUS FOR A LONG TIME

- CDP (Carbon Disclosure Project) disclosure since 2007
- Member of UN Global Compact since 2009
- Member of the World Business Council for Sustainable Development since 2010
- «More Value – Less Impact» Strategy developed in 2013
- Reporting according to GRI Standards since 2014
- Sustainability Advisory Board in place since 2016
- Alignment to UN Sustainability Development Goals since 2019
- Materiality analysis with stakeholders conducted on a regular basis
- Sustainability is an integral part of the innovation process and development of new products
SIKA IS COMMITTED TO SUSTAINABILITY
SIKA OFFERS MANY SUSTAINABLE PRODUCTS AND SOLUTIONS

**USING LESS WATER, CONCRETE, AND CEMENT WITH Sika® ViscoCrete®**
- Sika® ViscoCrete® technology enables up to 40% reduction of water content in concrete.

**ENABLING CONSTRUCTION OF LIGHTWEIGHT AND ELECTRIC VEHICLES**
- Sika® Power® adhesives: 50% weight reduction can be achieved using lightweight materials.

**SIKA REPAIR SOLUTIONS PROLONG THE LIFETIME, INCREASE SAFETY AND EFFICIENCY OF STRUCTURES**
- Sika® repair systems strengthen, waterproof, insulate, protect, and repair buildings & structures.

**SIKA WATERPROOFING SYSTEMS PROTECT AND SAVE WATER**
- Sika waterproofing systems prevent leakage and contamination of drinking water in water reservoirs and waste water treatment plants.

**ENERGY-SAVING, DURABLE ROOFING SOLUTIONS**
- Solutions for green roofs that save energy and reduce heat island effect and for cool roofs that reduce energy consumption by up to 15%.

**ROOF RECYCLING PROGRAM EASES THE BURDEN ON LANDFILLS**
- Roof recycling program conserves natural resources with 31,000 tonnes of processed recycled materials diverted from landfills to date.
OUR SUSTAINABILITY TARGETS
SUSTAINABILITY IN THE CENTER OF WHAT WE DO

- Overall target: **12% CO₂ emission reduction per ton sold**
- Our «More Value Less Impact» targets:

<table>
<thead>
<tr>
<th>SUSTAINABLE SOLUTIONS</th>
<th>CLIMATE PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>- All new product developments with «Sustainable Solutions» until 2023</td>
<td>- 12% reduction of CO₂-emissions per ton sold</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMUNITY ENGAGEMENT</th>
<th>ENERGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 10,000 working days of volunteering work p.a.</td>
<td>- 15% less energy consumption per ton sold</td>
</tr>
<tr>
<td>- 50% more projects</td>
<td>- 50% renewable electricity rate</td>
</tr>
<tr>
<td>- 50% more direct beneficiaries</td>
<td></td>
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</tbody>
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<thead>
<tr>
<th>OCCUPATIONAL SAFETY</th>
<th>WASTE/WATER</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 50% less accidents</td>
<td>- 15% less waste generation per ton sold</td>
</tr>
<tr>
<td></td>
<td>- 25% higher recycling rate of total waste</td>
</tr>
<tr>
<td></td>
<td>- 15% less water consumption per ton sold</td>
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</table>
MARKET PENETRATION
INCREASE OUR MARKET SHARE TO 12%
MAJOR MEGATRENDS SUPPORTING SIKA’S GROWTH
NO NEGATIVE DISRUPTION – UNLOCKING FURTHER POTENTIAL

TECHNOLOGY ADVANCEMENT

EXPLODING URBANIZATION

ECONOMIC POWER SHIFT

CLIMATE CHANGE, SHORTAGE OF RESOURCES

CHANGING DEMOGRAPHICS
MARKET PENETRATION

CONSTRUCTION CHEMICALS MARKET WILL GROW TO CHF 80 BILLION

Construction chemicals market 2018
Ca. CHF 70 billion

- Sika 9%
- Top 10 33%
- Others 58%

Construction chemicals market 2025
Ca. CHF 80 billion

- Sika 12%
- Others 88%

+2.5% p.a. market growth
GROWTH MODEL WITH EARLY MARKET PENETRATION
FROM NEW-BUILD TO REFURBISHMENT

SIKA HAS SOLUTIONS FOR ALL MARKETS

Long-term market potential Sika

Repair and refurbishment

Higher building standards

Infrastructure

Emerging markets
Developing markets
Mature markets

Sika’s market potential

Sika’s market potential

23
MARKET PENETRATION
DRIVER FOR FUTURE GROWTH

Key facts current market penetration at Sika

Strong Global Brand
Clear Market Leader
Solution-driven and close to customer

How we increase market share

New Target Market
Building Finishing

Initiatives

1. Emerging Markets
2. Key Project Management
3. Cross-Selling
4. Channel Penetration
MARKET PENETRATION
BUILDING FINISHING AS OUR 8TH TARGET MARKET

Concrete

Waterproofing

Roofing

Building Finishing

Flooring & Coating

Sealing & Bonding

Refurbishment

Industry
MARKET PENETRATION
DEVELOPMENT IN BUILDING FINISHING 2011 TO 2019

in CHF mn

Building Mortars  Engineered Mortars


2,400
BUILDING FINISHING WITH STRONG EXPOSURE TO REFURBISHMENT

Technical Mortars / Other Sika Target Markets

Highly-technical building and infrastructure projects

Building Finishing – Tile Adhesives and Facade Mortars

Residential and light commercial focus

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

Need for capillary distribution network to serve highly fragmented applicator base
BUILDING FINISHING
3 SYSTEMS COMPRIS THE BUILDING FINISHING TARGET MARKET

**Tile Setting Materials (TSM)**
- Tile care & sealants
- Tile grout
- Self-leveling underlayments (SLU)
- Liquid primers, WP under tiles, acoustic insulation

**Facade Solutions**
- Ready mix grey mortar or skim coat used for substrate preparation/leveling
- Mineral (colour) render/ acrylic (organic) finishes/ EIFS system used for protecting (e.g., insulation) and decoration
- Facade protection and treatment (e.g., sealers, hydrophobic agents)

**Interior Walls**
- Skim coats, fillers (as needed)
- Decorative wall coatings
MARKET PENETRATION – EMERGING MARKETS
GROWTH THROUGH RISING PENETRATION AND SOPHISTICATION

- Sika as early mover in frontier markets
- Early opportunities due to high infrastructure build-up
- Increasing penetration of higher end solutions over time
- Increasing regulations and sophistication driving further growth
- Build 3-5 new subsidiaries

Higher penetration and growth opportunities
Example premixed vs jobsite mortars

>90% pre-mixed mortars in developed markets
<30% in emerging markets, majority is still jobsite mixed

Opportunities in infrastructure build-up
Infrastructure spend

>25% Infrastructure spend as % of total construction spend in emerging markets
<15% Infrastructure spend as % of total construction spend in mature markets
MARKET PENETRATION – CROSS-SELLING INCREASE PROJECT PENETRATION

- Sika is the only “full range” offering construction chemicals company: from below ground to the roof
- Cross-selling with opportunities in all Target Markets
- Set up organization to coordinate and increase project penetration

PROJECT SALES AS % OF CONSTRUCTION SPEND
Estimated average: 0.5%
Estimated additional potential: 1-2%
4 main Distribution channels with growth opportunities

- through increased penetration of physical stores
- build-up of online channel with CHF 100 million sales by 2023

Sika is present in 101 countries, of which today 40 countries mainly focus on project and direct sales and generate < 30% of sales via Distribution channel
SIKA’S 5 CORE TECHNOLOGIES
KEY INNOVATION MOVES 2023

- Next generation concrete additives
- Industry leading cement additives
- 3D concrete printing

- Novel patented building blocks
- Performance Water-based coatings

- Launch of best in class membrane
- Thermoplastic-concrete hybrid
- PE concrete fibers, hybrid bitumen

- High performance mortars
- Novel additives + mortar knowhow
- Low cement mortars

- Launch first new basic PU with unique performance
- New Sika Hybrid Technologies
- Expand Adhesion Range

- Adhesives 23%
- Concrete 14%
- Coatings 12%
- Thermoplastic 24%
- Cementitious 27%
25% OF SALES WITH NEW PRODUCTS
INNOVATION AS KEY GROWTH AND PROFIT DRIVER

- Market penetration with innovative products
- Higher profitability with products offering unique USP’s

Innovation

Major New Product Developments

Key Updates

Target 2023

25% of sales with new products released in the past 5 years

Adding value to customers at improved environmental impact
INNOVATION – INCREASED FOCUS ON PRODUCT SUSTAINABILITY
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
INNOVATION – INCREASED FOCUS ON PRODUCT SUSTAINABILITY
NEW SOLUTIONS: MORE PERFORMANCE, MORE SUSTAINABLE

HYDROFLEX SEALANTS
Better stretchability, adhesion and application properties
+ Excellent Health & Safety profile, low VOC emissions (EC1+)

NEW EPOXY FLOOR COATINGS
Improved blushing resistance, significantly reduced yellowing
+ Low VOC emissions, low odor, LEED v4 contribution

HEMP BASED MORTARS
Thermal and phonic insulation benefits, very easy to apply
+ Negative CO₂ footprint (renewable), optimum interior air comfort

INNOVATION THROUGH A UNIQUE COMBINATION OF HIGHER PERFORMANCE AND MARKEDLY IMPROVED SUSTAINABILITY
OPERATIONAL EFFICIENCY
MORE THAN OPERATING LEVERAGE
OPERATIONAL EFFICIENCY
ACTUAL SITUATION VS FUTURE APPROACH

Sika’s footprint significantly expanded since 2015

+ 11 subsidiaries
+ 116 factories
> 7,000 employees
+ 24 acquisitions

To increase operational efficiency we focus on the following areas

Operations / Factory Efficiency
Logistics
Procurement
Formulation Efficiency
Sales and admin costs in %

0.5% savings expected per year
OPERATIONAL EFFICIENCY - AUTOMATION
OPERATIONS / FACTORY EFFICIENCY

AUTOMATION TO DRIVE PRODUCT EFFICIENCY
- Sika US investing in automation equipment for its roofing membrane line
- New automated packaging line featuring robotic palletizer to be installed in late 2019
  Labor efficiency to improve by 40% with automated process

AUTOMATED GUIDED VEHICLE FOR WAREHOUSING
- Driverless fork trucks for shipping warehouses
- Sika US to invest in this technology in second half of 2019

AUTOMATION TO DRIVE PRODUCT EFFICIENCY
**Today**
- 3 full time employees
- Expensive, custom, pre-decorated bottles
- 2 shifts to meet demand at 56% equipment efficiency

**Future**
- Investment of CHF 1 million in new automation for bottling line
- 1 full time employee
- Generic bottles labeled in-process
- 1 shift at around 70% equipment efficiency

OPERATIONAL EFFICIENCY AND MARGIN IMPROVEMENT IN SEALING AND BODING
- Sika US investing in a new automated production line that will reduce cost by 7% on a critical product for retail market
- New line to be operational in 2020

Total savings in the US of CHF 4.2 mn from 2020 onwards
FROM INEFFICIENT PLANTS/ FLOWS & HIGH COMPLEXITY …

10 plants (of which 9 mortar plants)
9 FG warehouses
45% utilization
15k t of mortars shipped

… TO 1 MORTAR PLANT PER CITY & EFFICIENT SUPPLY CHAIN

6 plants (of which 4 mortar plants)*
5-6 FG warehouses
67% utilization
2k t of mortars shipped
GLOBAL AND SYSTEMATIC APPROACH TO MANAGING PROCUREMENT PROJECTS

OVER 1,700 SAVINGS & RISK REDUCTION PROJECTS IDENTIFIED IN ALL REGIONS

OPERATIONAL EFFICIENCIES – PROCUREMENT
HOW TO GENERATE YEARLY SAVINGS

LOGISTICS COST OPTIMIZATION
• Professional negotiation with logistic vendors
• Effective contracting
• Close monitoring of service level

SUPPLY CHAIN SIMPLIFICATION
• Involvement during plant location & design phase
• Vendor delivery performance monitoring
• Reduction of supply lead times

PACKAGING COST REDUCTION
• Development of cost effective packaging sources
• Standardization and reduction of Packaging SKU
• Sourcing of recycled and sustainable packaging

ADMIN COST REDUCTION
• Reduction of Purchasing Orders
• Improvement of P2P (Procure to Pay) process

OPERATING NWC
• Systematic approach to vendor PT extension
• Consignment stock agreements

GLOBAL AND SYSTEMATIC APPROACH TO MANAGING PROCUREMENT PROJECTS

HOW TO INFLUENCE OPERATIONAL EFFICIENCY
**OPERATIONAL EFFICIENCY - FORMULATION EFFICIENCY**

**DIRECTLY IMPACTING OPERATIONAL EFFICIENCY**

Sika is a product solution company = formulations are continuously invented, adjusted and adopted to local customer needs

- > 20,000 active registered formulations
- > 1,200 added every year globally

<table>
<thead>
<tr>
<th>Formulations</th>
<th>Estimated 1-2% cost reduction until 2023</th>
</tr>
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<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Purchasing</strong></td>
<td>◀ Purchasing power, single source risks</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td>◀ Cost (throughput), robustness, quality</td>
</tr>
<tr>
<td><strong>Logistics</strong></td>
<td>◀ Shelf life, transport costs</td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td>◀ Over-engineering, final product cost</td>
</tr>
<tr>
<td><strong>Application</strong></td>
<td>◀ Ease of application, robustness, speed</td>
</tr>
<tr>
<td><strong>Time-to-Market</strong></td>
<td>◀ Know-how to develop quickly &amp; efficiently</td>
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</tbody>
</table>

Formulations stand at the very beginning of our supply chain, thus influencing the efficiency of production and logistics steps and product cost/performance.
OVERALL OPERATIONAL EFFICIENCY
YEARLY IMPROVEMENT

Additional efficiency gains from:
- Operating leverage
- Lean corporate organization
- Various efficiency programs in countries
- Prudent cost management in countries with lower growth
- Fast integration of acquisitions / realization of synergies

Sales growth 6-8% p.a.

Cost reduction

Non Material Cost in % NS

Net Sales CHF bn.

2018 2019 2020 2021 2022 2023

39.6%

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

7.1

6.0 8.0 10.0 12.0 14.0

2018 2019 2020 2021 2022 2023

Net Sales CHF bn.

Non Material Cost in % NS

Cost reduction
ACQUISITIONS
GROWTH PLATFORMS
EXTERNAL GROWTH
DEAL FLOW AND ACQUISITION FUNNEL

<table>
<thead>
<tr>
<th>Year</th>
<th>Basic Review</th>
<th>Formal Analysis</th>
<th>Due Diligence</th>
<th>Signed / Executed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>~70</td>
<td>&gt;40</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>2017</td>
<td>~90</td>
<td>&gt;50</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>2018</td>
<td>~80</td>
<td>&gt;40</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>2019 YTD</td>
<td>~70</td>
<td>&gt;40</td>
<td>7</td>
<td>5</td>
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SUCCESSFUL STRATEGIC LEVER
ACQUISITIONS IN THE LAST 7 YEARS

33 acquisitions
Successful integration
Contribution in 2018
CHF 1.2 bn
Net Sales

Major growth driver enabling market penetration through:
• Market share
• Technology
• Channel access

Clear financial criteria and robust acquisition process
ACQUISITIONS – HIGH MARKET POTENTIAL
LARGE, GROWING AND FRAGMENTED MARKET

- Fragmentation offers acquisition opportunities
- Acquisitions as growth platforms
VALUES AND PRINCIPLES
WHAT WE STAND FOR
STRONG CORPORATE CULTURE
SIKA’S VALUES AND PRINCIPLES

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

Sika’s Values and Principles are the foundation for the Code of Conduct. They are put into action through strong leadership and by all employees every day, worldwide.
PROFITABILITY TARGETS
EBIT MARGIN OF 15%-18%  
IMPROVING MARGIN PROFILE
Parex with strong «standalone» growth & profitability pre-PPA

- One-time costs of 70 – 75 MCHF skewed towards 2019 (45 MCHF)
- Initial annual PPA amortization effect of about 4% of Sales
- Run-rate synergies of 100 MCHF fully validated and confirmed (upper end of guidance)
- Synergies will overcompensate PPA effects by 2021

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(1) Proforma without Amortization from Acquisitions
(2) Forecast May-Dec 2019
STRONG CASH CONVERSION
OPERATING FREE CASH FLOW >10% OF NET SALES

- Increasing profitability
- Footprint alignment driving efficient inventory management
- Automation/digitalization supporting disciplined NWC Management
- CapEx spend of approx. 3% of Sales
CAPITAL EFFICIENCY
ROCE TO INCREASE TO 25% BY THE END OF THE STRATEGY PERIOD

- 2019/2020 impacted by additional capital employed through M&A (mainly Parex)
- ROCE to increase to 25% (absent large M&A)
- Driven by higher EBIT and efficient Capital Management
OUTLOOK
STRONG OUTLOOK 2019
CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Sales expected to exceed CHF 8 billion
- Double-digit EBIT growth for 2019
- Opening of seven to nine new factories
- Strategy 2023 will ensure Sika’s success in the upcoming years
THANK YOU FOR YOUR ATTENTION
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

Any statements regarding earnings per share growth are 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

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