

# WE ADD VALUE FOR EVERYONE

OUR YEAR 2021



## SUSTAINABILITY

Sika enables circular economy in the construction industry **Page 19**

## SIKA AS ENABLER

reCO<sub>2</sub>ver® will revolutionize the construction industry

**Page 46**

## CHF 13 BILLION IN SALES BY 2023

Sika and MBCC combined

**Page 12**

## AFRICA

A continent with tremendous potential

**Page 26**

# HIGHLIGHTS 2021

Net sales in local currencies

+17.1%

Acquisitions

7+<sup>1</sup>

Net profit

+27.1%

New patents

99

Waste per ton sold

-9.6%

Hours of training per employee

11.1

CO<sub>2</sub>eq<sup>2</sup> emissions per ton sold  
(scope 1 and 2)

-10.1%

<sup>1</sup> Besides the seven acquisitions, Sika has signed a definitive agreement to acquire MBCC Group. The closing of the acquisition is targeted for the second half of 2022.

<sup>2</sup> CO<sub>2</sub>eq (Carbon Dioxide equivalent) is the unit of measurement which considers the climate effects and related emissions of all six Greenhouse Gases (GHG).

Water consumption per ton sold

-9.7%

A brief review of fiscal 2021 and key financial figures can be found in this magazine starting on page 54.

Dear reader

Sika has major potential for continued growth and long-term success. This is due to our world-leading position with a market share of 12%, to megatrends that are driving our key markets, and to unprecedented demand for sustainable solutions for meeting the ambitious global climate goals. We will play a crucial role when it comes to overcoming these challenges together with our clients.

Only few large companies generate 70% of their sales with products that have a positive impact on sustainability. Sika has reached this threshold, and wants to raise it to 80%. As an enabler, and with its innovative products, Sika makes it possible for its customers to reduce their CO<sub>2</sub> footprint.

Thanks to our capacity for innovation, our long-standing expertise in acquisitions and integration, and our proximity to customers, we succeed in continually enlarging our markets, gaining new customer segments, opening up new sales channels, and expanding our market share.

The redesigned magazine you see in front of you will give you plenty of insights into this dynamic development. It shows how Sika generates added value for all stakeholders. The articles it contains are at the same time excerpts from the professional lives of our 27,000 employees. Our employees are Sika's actual enablers: with their dedication, they make sure we can successfully implement our strategy of sustainable growth – or, if you like, growth-oriented sustainability.



Thomas Hasler  
Chief Executive Officer



# COURAGEOUS

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### SIKA STRATEGY

Sustainable and ambitious



### DYNAMIC MARKET ENVIRONMENT

Enormous infrastructure needs

#### PHOTO COVER PAGE

Sika is expanding its investments in Africa and expects double-digit growth on the continent over the next few years.

# AGILE

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## SIKA AS ENABLER

A new life for old concrete



## THE SIKA SPIRIT

The path to success



# RELEVANT

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# COURAGEOUS



# Sika Strategy



# SUSTAINABLE AND AMBITIOUS

As a leading provider in the area of specialty chemicals, Sika is regarded by customers, investors, and other stakeholders as a company that not only sets ambitious strategic goals, but also regularly achieves or exceeds them.

## SIKA – A COMPANY TO RELY ON

It anticipates future challenges with reliable, innovative, and long-lasting product solutions, while applying above-average quality and sustainability standards.

Sika's sustainability strategy is summed up by the words "More Value – Less Impact". With its products, the company is continually looking to increase the benefit and added value for its stakeholders, while at the same time keeping any negative repercussions to an absolute minimum. Both this value optimization and impact minimization relate to the commercial, environmental, and social aspects of its business activity.

## ALIGNMENT WITH MEGATRENDS

Sika's Strategy 2023 is aligned with the six major megatrends of our era: digitalization, rising growth momentum, climate change, demographic change, urbanization, and technological progress. These megatrends are closely interrelated and influence one another reciprocally. They are opening up huge potential for Sika in terms of structural growth opportunities (see pages 8–11).

## GROWTH AND INCREASE IN COMPANY VALUE

In its Strategy 2023, Sika makes a clear commitment to continued sustainable growth and an increase in company value. Strategy 2023 is based on six key pillars: market penetration, innovation, operational efficiency, acquisitions, strong corporate values, and sustainability.

### Market penetration

With a global market share of 12%, Sika possesses an enviable launchpad in the majority of markets from which to further increase its market penetration. The company is present with its own national subsidiaries in more than 100 countries. These represent an excellent distribution platform from which to pursue intensive key project management, fully exploit Sika's cross-selling potential, and expand the range of product solutions sold to existing customers on an ongoing basis. New customer segments are also addressed through an expansion of distribution channels, an area in which e-commerce platforms are playing an increasingly important role against a backdrop of ongoing digitalization. Here Sika can benefit from the strength of its brand.

### Innovation

"Courage for innovation" is one of Sika's corporate values, and a strength that has consistently fed through into high growth rates and gains in market share. Already today, Sika generates a significant portion of its sales through products that have been on the market for less than five years. In the 2021 fiscal year, Sika registered 99 new patents and 150 inventions. The company's modular approach to construction and 3D concrete printing will be important drivers of additional growth.

### Operational efficiency

In order to increase operational efficiency and harness synergy potential, Sika focuses on various core areas. These include the optimization of supply chains and procurement, the automation of production processes and logistics in factories, and the streamlining of sales and distribution structures.

### Acquisitions

Sika has carried out and successfully integrated around 70 acquisitions over the last 15 years. Company takeovers have proved to be an important element in the expansion of the Group's global presence, market penetration, technological capabilities, and product portfolio enhancement, thus driving increases in sales and profitability.

### Strong corporate values

Sika does not measure its success solely on the basis of commercial metrics – it also attaches considerable value to its customers, employees, and other stakeholder groups. Its decentralized and flat organizational structure allows Sika to ensure local proximity to its customers, while at the same time strengthening its appeal as an employer.

6–8%

annual growth

15–18%

EBIT margin

25%

of sales with new products

&gt;10%

operating free cash flow  
as % of net sales

0.5%

point non-material  
cost improvement as  
% of net sales

&gt;25%

ROCE by 2023

**COMMITMENT TO SUSTAINABILITY**

Sika's commitment to growth is inextricably linked to a commitment to sustainability. The company is convinced that its sustainability strategy and consistent implementation of ambitious sustainability targets have the effect of supporting not just growth but also its competitive position (see pages 19–23). Environmentally-friendly products and processes also deliver sustainable commercial results. As a conscientious company that is embedded in its social environment, Sika also sets great store by the fulfillment of social objectives. Through its "Sika Cares" program, the company helps local communities build up and nurture infrastructure needed for social projects. Important elements include the advancement of education and careers, as well as projects that focus on water and climate protection.

Sika is convinced that its sustainability strategy and consistent implementation of ambitious sustainability targets have the effect of supporting not just growth but also its competitive position.

# MEGATRENDS AS THE BASIS FOR CORPORATE SUCCESS

Sika aligns its medium- to long-term growth strategy with six important megatrends: digitalization, rising growth momentum, climate change, demographic change, urbanization, and technological progress. The company identifies entrepreneurial opportunities in fundamental social and economic development trends, thereby actively shaping the process of change.



## DIGITALIZATION

Digitalization is a radical leap in development with implications for all walks of life. The rise in digital networking is not only leading to exponential growth in communication possibilities, it also has a deep-rooted impact on market dynamics and social structures. Companies are confronted with the challenge of tapping into new, digital business areas alongside the successful expansion of their existing core competencies, while at the same time including their employees, customers, and business partners in the transformation process.

### HOW SIKA IS BENEFITING FROM THIS MEGATREND

The COVID-19 pandemic has boosted the significance of comprehensive and rapid digital transformation. Thanks to Sika's determination to press ahead with digitalization, the company succeeded in continuing along its success and growth trajectory and has benefited from the surge in demand in e-commerce, despite being faced with pandemic-related obstacles. The network of data centers that forms the backbone of the digital economy is continuously being expanded. Sika has developed solutions for modular construction, is active in 3D concrete printing, and has been driving innovations in both these areas.

## WHAT ARE MEGATRENDS?

Megatrends are developments that influence entire societies – but also individual companies, institutions, and us as individuals – over decades. These multi-faceted and multi-dimensional development processes may not manifest themselves in all places at the same time and to the same extent, but they ultimately have a global effect. They change our behavior, influence political action, and drive forward innovations. Enormous opportunities are opening up to companies that are capable of recognizing megatrends at an early stage and adjusting their offerings accordingly. Sika is exploiting these opportunities for future growth by aligning its corporate strategy with megatrends.

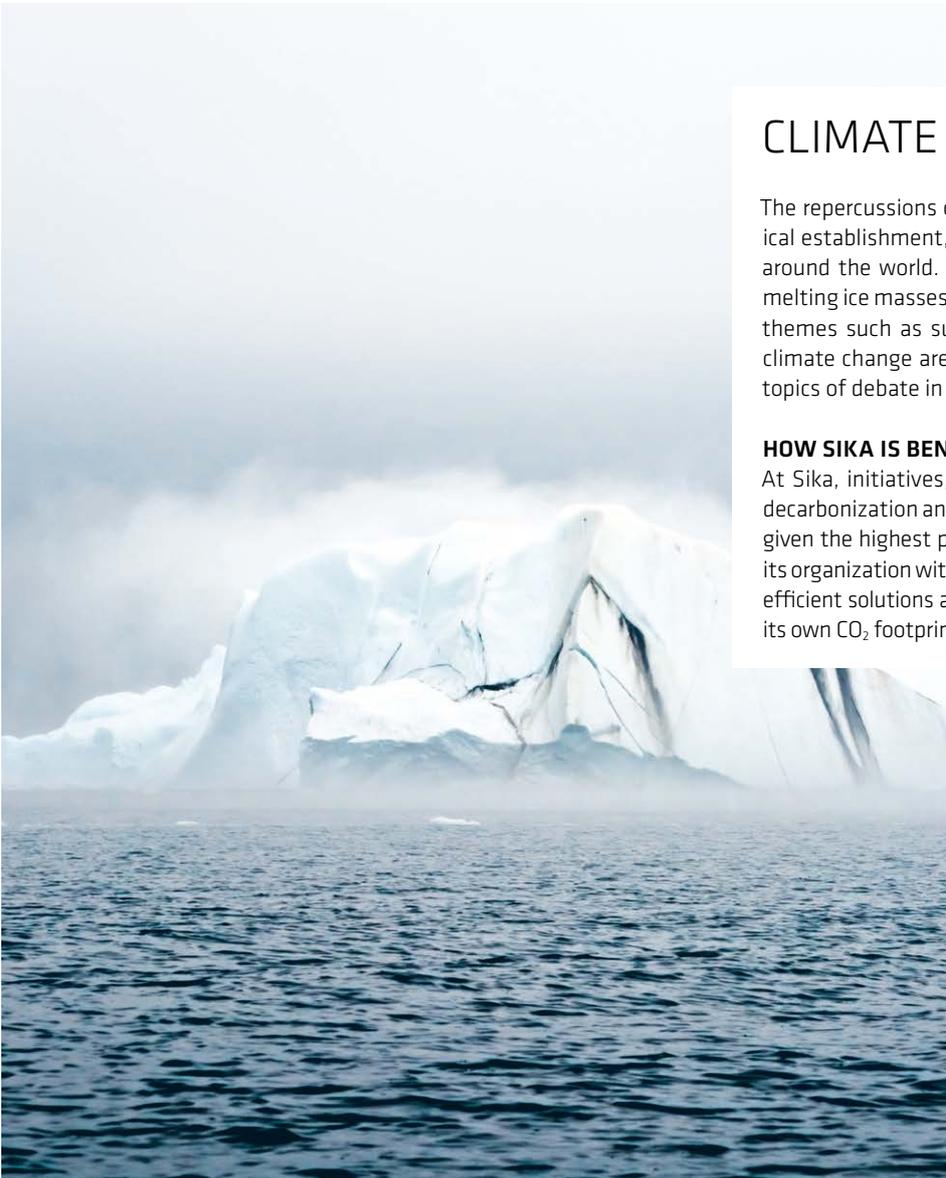
## RISING GROWTH MOMENTUM

Many developing and emerging markets have significantly increased economic output in recent years. Whereas these countries used to be primarily manufacturers of goods and trading places for the industrialized nations, they have now become key sales markets for consumer goods and services in their own right. A number of growth markets – such as China, India, and Brazil – have now become very important to the global economy. Over the coming years, it is likely that developing and emerging market nations will generate impressive growth. The entire world economy will benefit from this dynamic development. Many companies from the industrialized world are exporting to these up-and-coming countries and have established the corresponding production capacity.

### HOW SIKA IS BENEFITING FROM THIS MEGATREND

Sika too is continually strengthening its position in developing and emerging markets through a combination of internal and external growth. With its numerous solutions, the company is contributing to the advancement of local economies and infrastructures, thereby supporting progress in these regions. Especially in the countries of Africa, Sika sees significant business potential: Strong population growth, urbanization, and the associated urgent requirement for infrastructure expansion, are all factors that speak in favor of investments in these markets. At the same time, Sika is benefiting from the great dynamism of African markets. You can read more about Sika's Africa strategy, expansion plans, and the various opportunities and challenges from page 26 onward.





## CLIMATE CHANGE

The repercussions of climate change are preoccupying the political establishment, the private sector, and society in general all around the world. Given the backdrop of natural catastrophes, melting ice masses, rising sea levels, and decreasing biodiversity, themes such as sustainability, environmental protection, and climate change are no longer niche subjects – they are burning topics of debate in media, politics, society, and the economy.

### HOW SIKA IS BENEFITING FROM THIS MEGATREND

At Sika, initiatives, measures, and products that contribute to decarbonization and therefore the reduction of CO<sub>2</sub> emissions are given the highest priority. The company has consistently aligned its organization with sustainable development. It makes resource-efficient solutions available to its customers and strives to reduce its own CO<sub>2</sub> footprint on an ongoing basis (see pages 19–23).

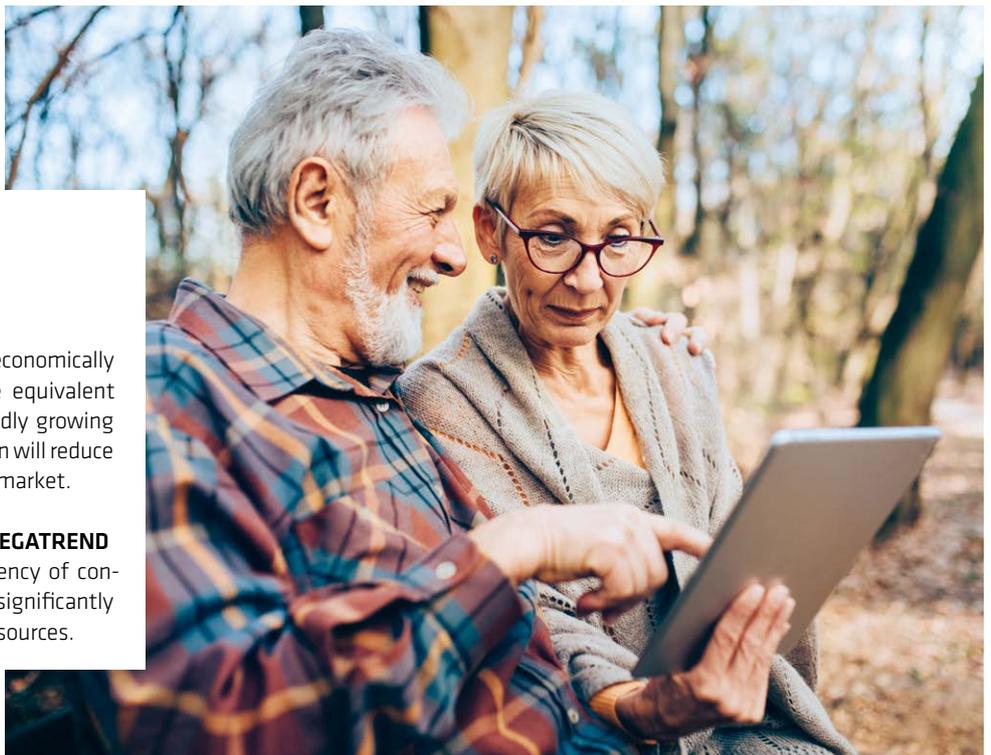


## DEMOGRAPHIC CHANGE

Whereas in 2017 the world counted eight economically active persons for every pensioner, the equivalent figure by 2050 will be just four. The rapidly growing proportion of older people in the population will reduce the pool of specialist workers in the labor market.

### HOW SIKA IS BENEFITING FROM THIS MEGATREND

Sika's solutions for increasing the efficiency of construction and production processes can significantly help cushion the shortage of personnel resources.





## URBANIZATION

Employment, education, medical provision, infrastructure: In many different spheres, cities have more to offer than rural areas, which is why they are attracting an increasing number of people. By 2050, around 70% of the world population is expected to be living in an urban center. The expansion of existing large cities and surrounding agglomerations, as well as the emergence of new megacities, will require massive investment in the expansion of transportation, healthcare, and education systems, sporting and cultural facilities, and of course accommodation.

### HOW SIKA IS BENEFITING FROM THIS MEGATREND

Sika is using urbanization to increasingly offer not only products and systems but also complete solutions from all its Target Markets.

## TECHNOLOGICAL PROGRESS

Alongside digitalization, automation has also provided a powerful boost. An increasing number of processes, decisions, functions, and systems can now be transferred to algorithms and robots. Machines are taking over certain activities traditionally carried out by humans, and are therefore either already dramatically changing the world of work in many sectors or will do so in the future.

### HOW SIKA IS BENEFITING FROM THIS MEGATREND

The modular approach to construction is of great importance to Sika. This increases the degree of automation and therefore efficiency in the realization of construction projects, while at the same time simplifying compliance with rigorous safety standards. With its products, systems, and solutions, Sika is able to both support and accelerate technological change on construction sites.



# “WE ARE CLEARLY GROWING MORE STRONGLY THAN THE MARKET”

Paul Hälg, Chair of the Board of Directors, and Thomas Hasler, Chief Executive Officer, explain in this interview why it does not make sense to set an upper limit for sales. Further growth must be compatible with Sika's DNA and the sharply increasing requirements for sustainability.



Paul Hälg, Chair of the Board of Directors

Thomas Hasler, Chief Executive Officer

**Sika is currently active with its own subsidiaries in 101 countries around the world. Which blank territory on the world map would you like to fill in next?**

Thomas Hasler: We already have Asia and Latin America well covered. We see considerable potential in Africa. In the fourth quarter of 2021 we opened a subsidiary in Ghana, and are now present in 18 countries on this continent. Other markets will follow. It's likely that there will be considerable dynamism in African infrastructure projects and the continent's construction economy generally over the next 20 years.

Paul Hälg: We first rolled out our Africa strategy seven years ago. The first step to opening up a market typically begins with small local companies that manufacture admixtures for concrete production and mortar. The business is then gradually built up from there. The strategy of entering new markets at an early stage has proved very successful. We are operating profitably in almost all African countries.

**How well is Sika represented with its product lines in the various markets?**

Hälg: We estimate that the markets that are relevant for us have a volume of CHF 80 to 100 billion. With sales at CHF 13 billion – including the MBCC Group – there is therefore still considerable growth potential. You can also see this by looking at our solution offering in the individual countries. We have not come close to introducing all our product lines in many of our markets.

**How do you manage the risks involved with expanding in Africa?**

Hälg: The investment volumes are relatively low, and therefore so too are the financial risks. What is more challenging is dealing with political and reputational risks. But this is of course not just true of Africa – it applies generally in all countries without solid democracies.

**Including the takeover of the MBCC Group announced in November 2021, you are expecting sales of more than CHF 13 billion for 2023. When will Sika have reached the ideal size?**

Hasler: When I first started at Sika more than 30 years ago, sales were less than CHF 1 billion. Back then this figure was perceived to be the right kind of size. Our position today is that the absolute figure is not so meaningful. What's much more important is that we preserve our agility, our ability to adapt to customer needs, and our innovative strength.

Hälg: We must always ensure that we preserve the core of our DNA. We are essentially driven by developments in the construction sector, always adopt a pragmatic and long-term approach, and take considerable care to ensure that the management of the company is continuously evolving, too. Our strategy of achieving market leadership through technology leadership has proven itself, and will remain in place. We must also remain pioneers when it comes to sustainability and other socially important issues. If all these prerequisites are met, it doesn't make sense to set an upper limit for sales. For years we have clearly been growing more strongly than the market.

**“We estimate that the markets that are relevant for us have a volume of CHF 80 to 100 billion. With sales at CHF 13 billion – including the MBCC Group – there is therefore still considerable growth potential.”**

**Paul Hälg**

**Might that be interpreted as an indicator of further growth through acquisitions?**

Hälg: Yes, we aim to be a consolidating force in our industry. We are financially strong, have an experienced and successful management team, and nurture an entrepreneurial culture that gives the managers of our subsidiaries a very free hand. The familiarity of these people with local parameters and constellations helps us to identify companies that can complement our existing business. When the right boxes are ticked, we implement these so-called “bolt-on” acquisitions and integrate the companies into our organization.

**Sika has indicated the prospect of annual synergies of CHF 160 to 180 million as a result of the MBCC integration. What level of one-time costs will be incurred in order to properly exploit these synergies, and how has the integration process been defined?**

Hasler: We are anticipating a one-time investment of some CHF 200 million. The process up to the full integration of the MBCC Group will run until 2025.

As MBCC has companies in 60 countries and these all need to be integrated, the scheduled timeframe is quite ambitious. But when systematically exploiting synergies in the areas of research, development, procurement, production, and logistics, not to mention sales and cross-selling, we will take the greatest care to ensure that the level of services remains continuously high for customers in both companies. Day-to-day business must be in no way affected by the integration.

**“The trend of making sustainable achievements measurable is very positive for Sika.”**

**Thomas Hasler**

**Is Sika's 15% to 18% target range for the EBIT margin jeopardized by the takeover and integration of the MBCC Group?**

Hasler: The EBIT margin may come under pressure as a result of one-time costs and amortizations, but this will not require us to adjust the target range. Following the integration, we will benefit from synergies and the range in question will then be realistic. What makes me particularly optimistic is the strong sales base of the MBCC Group and its impressive proximity to its customers. We are convinced that Sika's decentralized structure and the expanded opportunities that will come from the MBCC tie-up will release new stimuli and boost sales.

**Sika has earned great respect from its various stakeholder groups with its sustainable solutions. How can this respect be preserved and strengthened?**

Hasler: It's an ongoing process that requires the awareness of the whole organization and improvements as we go along. With this in mind, we have now created the new position of Chief Innovation and Sustainability Officer at Group Management level. This step has sent out an important signal and resulted in the challenge of sustainability being even more internalized, as well as being perceived as an opportunity for win-win constellations.

**Strategically, the Board of Directors is responsible for Sika's ESG performance too. How can it influence this?**

Hälg: The Board of Directors lays down the values that need to be championed at operating level, and evaluates the findings it receives from regular exchanges with stakeholder groups. This makes Board members who hold executive roles in other companies important providers of stimuli.



“Various sustainability themes and digitalization will have a stronger weighting in our 2028 strategy.”

Paul Hälg  
Chair of the Board of Directors

**What interactions take place in this respect between the Board of Directors and Group Management?**

Hälg: We have set up a Sustainability Committee in the Board of Directors to accompany and support management on ESG issues. Its primary task is to determine the materiality of the various aspects and set priorities.

**Do Environmental, Social, and Governance issues all have the same relevance for Sika?**

Hälg: Yes, in principle. Differences emerge in implementation. On the governance side we're in good shape – I might even go so far as to say exemplary in terms of investor relations. We still have a lot of work to do in the environmental and social areas, but the key areas of focus have been defined and are being worked on. We are moving forward and constantly improving our performance.

**One of the areas in which Sika appears to have a certain amount of ground to make up is health and safety. How do you see the situation here?**

Hasler: “Safety first” is a principle to which everyone in our organization is committed without any caveats, but in some countries this is insufficiently put into practice in day-to-day work. We therefore need to strengthen the safety culture and integrate it into everyday processes more consistently.

**Are regional or country-specific differences in the safety culture a consequence of Sika's decentralized management structure?**

Hasler: Such a connection cannot simply be dismissed. The onus is therefore on Group Management to support country managers, make the appropriate tools available to them, and lead by example.

**International organizations and governments are continuously laying down new regulations and guidelines in the areas of climate protection and CO<sub>2</sub> neutrality. What is Sika's position on the more rigorous regulatory environment?**

Hasler: It is for us to adapt to this trend as good corporate citizens rather than make judgments about the right way forward, particularly as regulations differ in Europe, the United States, and China. However, it is not surprising that the European path is the one that is closest to us, particularly as it seeks to create a level playing field for all market participants and generally promote fair play. We adhere to the prevailing guidelines and parameters in all our markets. Our decentralized structures and strong local roots give us a clear advantage here.

**So you're not against more rigorous regulatory requirements?**

Hasler: More rigorous requirements also increase the need for innovative solutions and the pressure to deliver on that front. For example, the higher requirements set for chemicals might increase our expenses, but they also lead to the elimination of damaging substances, which benefits all stakeholder groups. For an innovation-driven company like Sika, stricter regulations and guidelines that are binding for all market participants are always an opportunity. We are very agile, and in many cases can come up with well-engineered solutions more quickly than other players.

**Which implications is the pandemic-related boost to digitalization having for Sika?**

Hasler: Besides the astonishingly rapid proliferation of digital communication and meeting tools, our e-commerce area has experienced a real boom due to COVID-19. Had we announced five years ago that we would be selling Sikaflex® cartridges via

“Had we announced five years ago that we would be selling Sikaflex® cartridges via Amazon or Alibaba, we would not have been taken seriously.”

**Thomas Hasler**  
CEO



Amazon or Alibaba, we would not have been taken seriously. But now we are very active in these channels. E-commerce is a rapidly growing distribution channel, and we are very well positioned to play a pioneering role in our industry here too.

**Which should make the Sika brand even more important ...**

Hasler: Yes, that's right. The selection process in e-commerce is unforgiving, and the traditional strength of the Sika brand is of particular help to us in this distribution channel. There's no doubt that Sika is one of the strongest global brands in the construction economy.

**How important are the products and solutions that qualify and position Sika as an enabler?**

Hälg: They are hugely important, as they make the positive impact on sustainability comprehensible and measurable for all stakeholder groups. Our offering for customers is broad and grows out of the core business. Sometimes it might not be all that colorful or eye-catching, but we are known for delivering on what we promise – for being true to ourselves. “Building trust” is deeply rooted in our culture, and is so much more than just a slogan.

Hasler: The trend of making sustainable achievements measurable is very positive for Sika. Our production is not particularly energy-intensive, and gives rise to relatively few CO<sub>2</sub> emissions. However, our products have a strong leverage effect for the sustainability of the construction economy and structures. And this is absolutely not restricted to new-builds – 60% of the CO<sub>2</sub> emissions issued during the lifecycle of a building relate to its actual use. Here we want to develop solutions that go beyond themes such as waterproofing and insulation. The aim is to materialize the products used for

floors or walls in such a way that they save as much energy as possible and can be cleaned and maintained with as few chemicals as possible.

**The current strategy runs until 2023. What new focal points will Sika incorporate into its strategy going forward?**

Hälg: The process of developing our subsequent strategy should really have started by now. But we have decided to push back the start of this process by a year in order to focus fully on the integration of the MBCC Group this year. This will give us the great advantage of being able to develop our strategy for 2028 together with representatives from the MBCC Group, and incorporate their experiences and assessments into the process. But even as things stand, I can tell you that the various sustainability themes, the issue of the circular economy, and digitalization will have a stronger weighting in our 2028 strategy.



Read the whole  
interview on [sika.com](https://www.sika.com)

# ACQUISITIONS FOR FUTURE GROWTH

2021 saw Sika reach a new milestone in its corporate history: In addition to seven strategic takeovers, the company announced its largest acquisition to date as it signed a binding agreement to take over MBCC Group. This will allow Sika to accelerate growth and become a key player supporting greater sustainability.

Acquisitions are a pillar of Sika's growth strategy. Although the primary focus is on organic growth, the aim is to supplement this in a targeted way through external growth, thereby expanding the company's market position more rapidly and achieving its ambitious strategic targets more swiftly. Moreover, takeovers make an important contribution to margin increases. Sika's targeted pursuit of strategically suitable companies is therefore ongoing (see box).

In 2021, Sika continued to consistently implement its growth strategy through the acquisition of companies. The takeover of MBCC Group announced in November 2021 represents the largest acquisition in Sika's corporate history to date. The closing of the acquisitions remains targeted for the second half of 2022.

## MBCC Group

MBCC Group, the former construction chemicals business of BASF Group (BASF Construction Chemicals), is a leading global supplier of construction chemical products and solutions, and is valued at CHF 5.5 billion (EUR 5.2 billion). By acquiring MBCC, Sika is accelerating its Strategy 2023 above and beyond this timeframe, but also allowing two sustainability champions to combine forces. This will in turn enable Sika to drive forward the sustainable transformation of its business model even more consistently and rapidly.

This acquisition complements and broadens Sika's product and solution offering in four of five core technologies and seven of eight Sika Target Markets, while further strengthening the company's geographical footprint.

## EMEA

### Kreps LLC

In February 2021 Sika acquired Kreps LLC, a leading manufacturer of mortar products in Russia. Kreps LLC products supplement Sika's existing product portfolio. Furthermore, this acquisition strengthens the local supply chain and increases market penetration.



The products of the leading Russian mortar manufacturer Kreps LLC strengthen Sika's offering.

## ACQUISITIONS 2021

### FEBRUARY

#### Kreps LLC

- Leading manufacturer of mortar products in Russia
- Expansion of existing product portfolio
- Strengthening of local supply chain and market penetration
- Production sites in Saint Petersburg and Yekaterinburg
- Sales of CHF 15 million

### MARCH

#### Supermassa do Brasil Ltda.

- Manufacturer of mortar products in Brazil
- Improved access to construction markets and specialist suppliers in the Minas Gerais region
- Expansion of production capacities

### MARCH

#### Flooring adhesives segment of DriTac

- Acceleration of expansion in US interior finishing market
- Raising of company profile among floor covering installers and distributors
- Sales of CHF 20 million



New growth opportunities in China with the acquisition of Shenzhen Landun Holding.

## ASIA/PACIFIC

### ACQUISITIONS MUST MEET CLEAR CRITERIA

Each year, Sika scrutinizes more than 70 potential takeover candidates. Only a handful ultimately meet Sika's strict requirements. For a company to be a fit for Sika's growth strategy, it must not be a turnaround candidate, and must fulfill at least one of three additional criteria:

- Market access for Sika solutions and products will be improved by the takeover
- The company enjoys a strong position in individual markets
- The company possesses outstanding technology that complements Sika's product portfolio

#### Hamatite

With the takeover of Hamatite in April 2021, Sika improved its position in the Japanese market in two ways. Hamatite is the market leader for adhesives and sealants for the automotive industry and construction sector in Japan. Through this acquisition, Sika's Automotive segment directly benefits from increased market access to all key Japanese automotive manufacturers. At the same time, Sika can gain further market share in the construction sector and enhance its range of sealants and adhesives for the local construction industry.

#### Shenzhen Landun Holding

In August 2021 Sika acquired Shenzhen Landun Holding, a manufacturer of waterproofing systems. This step opens up new growth opportunities for Sika in China. The product portfolios of the two companies are highly complementary and offer large cross-selling potential through their respective channels.

#### APRIL

##### Hamatite, adhesives business of Yokohama Rubber Co., Ltd.

- Market leader in the area of adhesives and sealants for the automotive industry and construction sector in Japan
- Improvement of local market position and expansion of product range
- Comprehensive access to Japan's major automotive manufacturers
- Sales of CHF 160 million

#### JULY

##### American Hydrotech Inc.

- Leading provider of liquid membranes for roofing and waterproofing systems in North America
- Sika is North American market leader in the green roof segment thanks to acquisition
- Sales of CHF 83 million

#### AUGUST

##### Bexel Internacional S.A. de C.V.

- Leading manufacturer of tile adhesives and stuccos in Mexico
- Expansion of the local distribution network
- Significant expansion of production capacities
- Enhancement of portfolio in the area of building finishing
- Sales of CHF 35 million



The acquisition of American Hydrotech makes Sika the market leader in the green roof segment in North America. The takeover fits perfectly with Sika's sustainability strategy. Photo: The green roof of Northwestern University's Simpson Querrey Biomedical Research Center in Chicago.



With the acquisition of Bexel Internacional, Sika is further expanding its position in the fast-growing Mexican market for mortar products.

## AMERICAS

### Supermassa do Brasil Ltda.

Supermassa do Brasil Ltda., acquired in March 2021, is a manufacturer of mortar products in Brazil, and improves Sika's access to construction markets and specialist suppliers in the state of Minas Gerais. The Group is also expanding its production capacity with a local production site.

### Flooring adhesives business of DriTac

Also in March 2021, Sika acquired the flooring adhesives business segment of DriTac in the key target market of the USA. The acquisition is accelerating Sika's expansion in the US interior finishing market through improved market access and a higher level of market penetration.

### American Hydrotech Inc.

Sika is now the market leader for green roof solutions in North America, and has a new growth platform thanks to an expanded product portfolio. In July 2021 the company acquired American Hydrotech, a highly regarded provider of liquid applied membranes for roofing and waterproofing solutions (sales of CHF 83 million). Hydrotech is the clear market leader in the rapidly growing green roof segment, and offers comprehensive solutions in this area. These solutions are used in the most prestigious buildings throughout North America. The takeover fits perfectly with Sika's sustainability strategy and strengthens its position in big cities, where green roofs continue to gain momentum.

### Bexel Internacional S.A. de C.V.

In August 2021 Sika acquired a leading manufacturer of tile adhesives and stuccos in Mexico – Bexel Internacional S.A. de C.V. The acquisition strengthens Sika's position in the fast-growing Mexican market for mortar products, significantly extends its production capacities, and enhances its portfolio in the area of building finishing, while at the same time strengthening the local distribution network.

With the takeovers effected in 2021, Sika was able to apply a targeted approach to improving its access to key markets, strengthening its position, and supplementing its core business with new solutions. Sika knows how to integrate the companies it has taken over swiftly and in a way that enhances value, thereby allowing the full potential of the takeovers to be unlocked.

#### AUGUST

##### Shenzhen Landun Holding Co., Ltd.

- Manufacturer of waterproofing systems in China
- New growth opportunities in the Chinese waterproofing market
- Production portfolio optimally complements Sika's solutions and offers considerable cross-selling potential

#### NOVEMBER

##### Announcement of MBCC Group takeover

- MBCC Group, the former BASF Construction Chemicals, is a leading provider of construction chemical products and solutions
- Largest takeover in Sika's corporate history
- This acquisition gives rise to a key player supporting greater sustainability
- Sales of approx. CHF 2.9 billion; company valued at CHF 5.5 billion

An aerial photograph of a circular pond filled with green lily pads, surrounded by a dense forest of tall trees. A stone staircase leads down to the pond from the top of the frame. The overall scene is lush and green, symbolizing nature and sustainability.

# SIKA SUPPORTS THE CIRCULAR ECONOMY

Sustainability has been a key element in Sika's corporate strategy for more than ten years. As a result, the company is now a leading player in the development of sustainable solutions in the construction and industrial sectors. Not only is this a win for the climate, the environment, and generations to come; it also provides added value for all stakeholders.

Performance and sustainability are increasingly coming to mean one and the same thing. There is growing awareness all around the world that the developments of today must not come at the cost of future generations. Demand for products and solutions that meet sustainable criteria is rising continuously. This is due in part to the rollout of more rigorous guidelines by an increasing number of countries around the world to protect people and the environment, while at the same time limiting climate change.

**COMBINING CUSTOMER BENEFITS AND SUSTAINABILITY**

As a globally active company, Sika has taken responsibility and committed itself to sustainable development. Sika signed up to the UN Global Compact – the most important global network for sustainable and responsible company management – all the way back in 2009. Since 2013, the company has been applying its “More Value – Less Impact” sustainability strategy in six strategic areas of activity: sustainable solutions, climate performance, community engagement, energy, waste/water, and occupational safety. With targets set in scopes 1 and 2 (see box), Sika is reducing its CO<sub>2</sub> footprint as well as its global consumption of resources. At the same time, the company helps its various stakeholder groups – particularly customers – to achieve their own sustainability targets.

**TRANSFORMATION AS ENTREPRENEURIAL OPPORTUNITY**

Sika also sees considerable entrepreneurial opportunity and structural growth potential in the process of transformation to a more sustainable world. For many years the company has been consistently working on innovative, environmentally-friendly product technologies, taking research to new levels in close collaboration with customers, business partners, and scientists.

**IN BRIEF:  
SCOPE 1, 2, AND 3**

The Greenhouse Gas (GHG) Protocol is a global accounting standard for GHG emissions. It breaks a company's GHG footprint down into three distinct “scopes”: scope 1, 2, and 3.

- Scope 1 covers all direct emissions emanating from sources owned or controlled by the company
- Scope 2 comprises all indirect emissions from the generation of purchased energy
- Scope 3 covers all indirect emissions (not included in scope 2) that occur in the company's value chain, including both upstream and downstream emissions

Sika already generates 70% of its sales with products that make a positive contribution to sustainability. And this proportion is set to rise further as the company strives to continue to reduce its CO<sub>2</sub> emissions and energy consumption, while at the same time conserving resources.

**SIKA SOLUTIONS FOR A SUSTAINABLE FUTURE**

Sika offers numerous solutions that support sustainability. The company sees particularly great potential in the areas of longevity, clinker reduction, and energy-efficient building envelopes (see pages 50-51).



The innovative reCO<sub>2</sub>ver® recycling process enables a circular economy for concrete and the market to produce new, high-performance concrete from concrete waste.

The comprehensive offering in the building sector includes roofing systems. They impressively demonstrate how comprehensively Sika is tackling the issue of sustainability. These systems are extremely resilient and provide excellent longevity thanks to their lifespans of more than 50 years. They meet the highest environmental standards and result in dramatically lower CO<sub>2</sub> emissions than other roofing systems. Many products fulfill the requirements of several eco-labels. The roof membrane Sarnafil® AT, for example, is the only plastic membrane worldwide to be Cradle to Cradle Certified™, among other things. This label is awarded to products that fulfill rigorous environmental, health, and social criteria throughout their entire life cycles. In fact, Sika's roofing systems are recyclable by single material type. Sika has already processed no fewer than 36,000 tons of material through its recycling program, thereby saving on resources and reducing waste.

The Sika innovation reCO<sub>2</sub>ver® goes even further. Thanks to this completely new recycling procedure for old concrete, the company is for the first time ever facilitating the transition to a circular economy in the construction industry. In the future, reCO<sub>2</sub>ver® will allow the production of high-performing concrete that possesses comparable properties to a new product. At the same time, 60 kilograms of CO<sub>2</sub> can be bound per ton of concrete waste material, which in turn contributes to the reduction of the CO<sub>2</sub> footprint. The system is currently in the pilot phase (see pages 46-49).

INTERVIEW WITH PATRICIA HEIDTMAN

# “FOR US, SUSTAINABILITY BEGINS WITH **LONGEVITY**”

**With its sustainability strategy, Sika has been systematically striving to reduce its environmental footprint for several years. Which particular successes was the company able to achieve in 2021?**

Our “More Value – Less Impact” strategy did indeed achieve some great successes in 2021: we invested in our production facilities in order to use energy and resources as efficiently as possible for our solutions. We share the best solutions across the Group so that local approaches can be increasingly deployed worldwide. A multitude of different initiatives around the world have contributed to the reduction of our carbon footprint in scope 1 and 2 (see box) last year by 2.0 kg CO<sub>2</sub>eq per ton sold.

**What will be the biggest challenges in the next few years in the field of sustainability and which parameters does Sika need in order to overcome them?**

Each challenge is also an opportunity, even when it comes to reducing greenhouse gases. This provides us with the possibility of using new raw materials for our customer solutions. For example, our special cement and concrete admixtures entail significant advantages as our customers can adapt their materials to the new LC<sup>3</sup> properties. By collaborating with research institutes, we create new solutions without making compromises to the water consumption, workability, curing, and durability of LC<sup>3</sup> concrete as opposed to conventional products. We also work closely together with our customers and support them in a rapidly changing regulatory environment so as to always have a good Sika solution to hand.

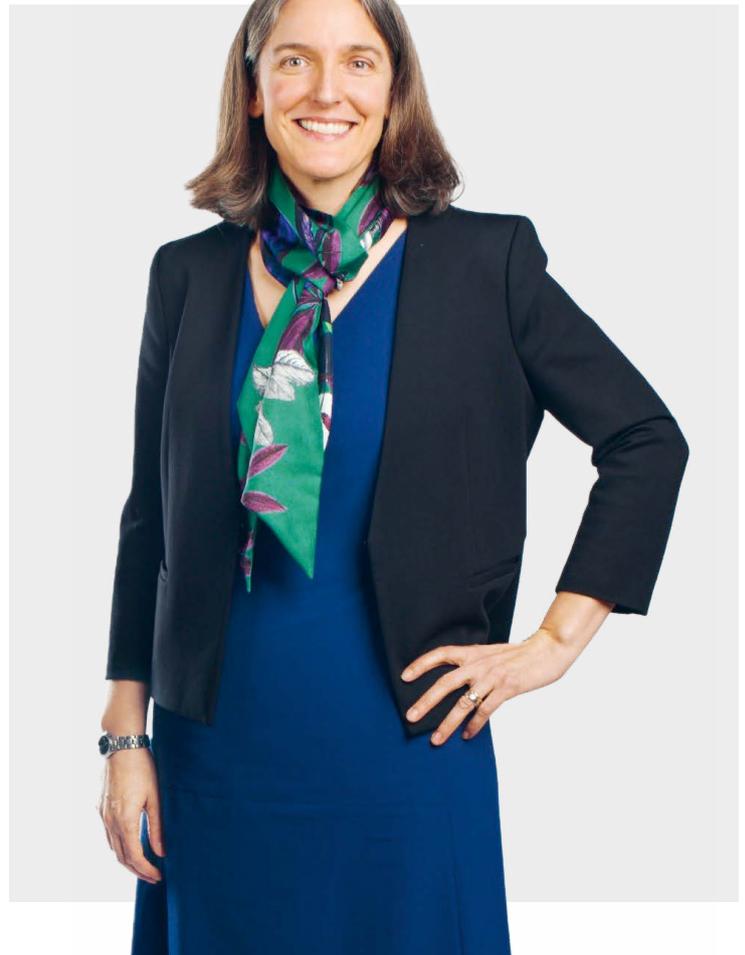
**Sika has developed into a specialist for sustainable solutions. For which solutions do you see the greatest potential – today and tomorrow?**

At Sika, sustainability begins with longevity: our solutions help to ensure that construction projects can withstand external influences for longer. Extending the life cycle is a very relevant contribution, even more important than volume reduction or recyclability, which we also focus on. In addition, we help our customers to produce their products with a smaller environmental footprint, by promoting lightweight formats in industry and construction for instance. I’m confident that we will also be able to use our experience in industry for innovative solutions in the construction industry in the future. This is underpinned by our efforts in the field of modular construction.

**Do you have a sustainability target that’s particularly close to your heart?**

Profitable, sustainable growth can only be achieved with well-trained employees. We want to invest in our employees and offer them opportunities for continued development so that they can realize their full potential when dealing with the new requirements, including in terms of sustainability. Developing innovative products and solutions for our customers in a way that also allows us to carefully manage natural resources motivates us and generates an incredible amount of commitment.

Patricia Heidtman – Chief Innovation and Sustainability Officer and Member of Group Management



# ON THE PATH TO “NET ZERO”

Sika's sustainability strategy is closely linked to its corporate strategy and comprises six fields of action with economic, environmental, and social objectives. This framework enables the company to continuously review its progress and consistently pursue the path to the long-term goal of net zero.

## ENVIRONMENTAL

In the environmental dimension, the focus is on the following core topics: energy and water management, greenhouse gas emissions, environmental compliance, supplier compliance, materials and waste management, circular economy.



**Climate Performance**  
We run our business in a responsible way and mitigate climate change and its impacts.

**-10.1%**

**reduction of CO<sub>2</sub>eq emissions per ton sold (scope 1 and 2)**  
In 2021 Sika was able to reduce the emission of greenhouses gases significantly to 17.6 kg per ton sold, a reduction of 2.0 kg compared to the previous year.

**Energy**  
We manage resources and costs carefully.

**52.3%**

**of purchased electricity was derived from renewable sources**  
This was a significant increase compared to 2020 (+28.2% points). The energy consumption per ton sold increased by 22 MJ to 308.1 MJ in 2021. It was thus 7.7% higher than in the previous year due to the inclusion of leased vehicle fuel.

**Waste/Water**  
We increase material and water efficiency.

**-9.6%**

**less waste per ton sold**  
Sika was able to reduce the volume of waste in 2021 to 11.2 kg per ton sold. In the same period, water consumed per ton sold decreased to 0.20 m<sup>3</sup>. This corresponds to a reduction of -9.7%.



**The UN Sustainable Development Goals**

The 2030 Agenda, with 17 Sustainable Development Goals (SDGs), is a global call to action to promote sustainable peace and prosperity and protect the planet.

- 3: good health and well-being
- 4: quality education
- 6: clean water and sanitation
- 8: decent work and economic growth
- 9: industry, innovation, and infrastructure
- 11: sustainable cities and communities
- 12: responsible consumption and production
- 13: climate action

\* Task Force on Climate-Related Financial Disclosures

## SIKA ROADMAP

Integration of sustainability into the business strategy



## SOCIAL

The social dimension includes diversity, employee education and training, occupational health and safety, customer health and safety, human rights and labor standards, supplier compliance, local community engagement.



**Community Engagement**  
**We build trust and create value – with customers, communities, and with society.**

**24.4%**

**more working days dedicated to volunteering.**  
 In total, Sika employees volunteered 1,392 working days in 2021. The number of projects in and for local communities increased by 32.2% to 242 projects compared to the previous year.

**Occupational Safety**  
**Sika employees leave the workplace healthy.**

**0**

**In 2021, there were no fatalities among Sika employees and contractors.**

## GOVERNANCE/ECONOMIC

The governance/economic dimension covers business integrity, customer relationship and satisfaction, sustainable solutions and innovation, product quality and reliability, economic performance.



**Sustainable Solutions**  
**We are leading the industry by pioneering a comprehensive portfolio of customer-focused solutions, combining both higher performance and improved sustainability.**



**In the product development Sika combines higher performance with additional sustainability benefits.**

**Net added value per employee for 2021 in CHF**

**118,000**



# AGILE



# Dynamic Market Environment



# AFRICA IS JUST BEING BUILT

In order to address the growth potential of African markets, Sika has taken major steps in developing the local footprint. The establishment of local roots with close-meshed sales and production networks reflects both the company’s DNA and its Africa strategy.

Sika is a pioneer on the African continent. Since its very first activities back in 1947, the company has gained considerable expertise. Over the last few years the company has actively expanded and has proven that the key to success lies in the sound knowledge of the various African cultures in order to be able to precisely meet the requirements of the local markets. Since 2014, Sika has set up new national subsidiaries in ten countries, as well as two branches, and is now present in 18 countries (see map).

### A VISION FOR THE PEOPLE OF AFRICA

Sika’s strong commitment in Africa is driven by its clearly defined expansion strategy and a shared vision among its close to 1,300 employees. The growth potential is enormous. Africa boasts the strongest demographic development of any continent, which is in turn driving a growing urbanization trend. The need for infrastructure projects is – quite simply – enormous. The number of construction projects is high in all countries, with many African governments investing in the expansion of transport infrastructure in particular. More than 41% of projects are being implemented in the transport sector, followed by some 22%

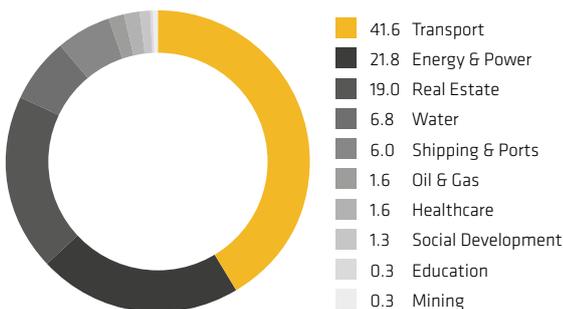
in the energy and power sector, and around 19% in the real estate area (see chart). Sika is a strong player in these sectors, and has an excellent positioning. The company is the clear market leader in the construction segment, and is striving for strong double-digit growth over the coming years.

### STRONG KNOWLEDGE AND CLOSE CUSTOMER RELATIONSHIPS

Sika differs from other companies in its strategy and the way it goes about its business. While many large foreign players continue to import their products into Africa, Sika produces locally and supports customers with advice and solutions at their construction project sites. With this approach the Group is positioning itself as a comprehensive provider of products, systems, and services, and as a partner to its customers. The extent to which Sika differentiates itself and takes a long-term view when doing business in Africa is also clear from its development of a bespoke business model for every country in which it is active. All models are essentially based on three pillars (see box to the right).

## AFRICA'S CONSTRUCTION MARKET

### BREAKDOWN OF PROJECTS BY SECTOR IN %



Source: Deloitte analysis, 2020

> USD 300 BILLION

Forecasts estimate that, in 2022, USD 300 billion will be spent on construction projects in African countries in which Sika is active.



- National subsidiary
- Branch
- Plant

**Investing in employee skills:**

Employees are given training so that they are in a position to provide high-quality services and technical support, while at the same time offering their customers the ideal systems for their respective requirements. Recruiting suitable personnel is a key task for the management teams.

**Investing in the country:**

Every national subsidiary set up by Sika has its own production facilities and local supply network. These enable Sika to deliver high-quality products and systems that are optimally aligned with local requirements. What's more, short transportation routes benefit the environment as well as customers.

**Internal and external training:**

The "Sika Academy" is a strong concept for differentiating the company and serving customers, applicators, and stakeholders. These trainings are made available locally to customers as well as Sika employees. This improves both the services provided by Sika and the know-how on the application of products.

DEVELOPMENT SIKA  
EMPLOYEES IN AFRICA

+68.8%



769

2017

1,298

2021

Number of Sika employees in Africa

# AT THE BEGINNING OF GROWTH

Africa's cities are booming. The number of megacities with more than 10 million inhabitants is steadily increasing: Cairo, Kinshasa, and Lagos have already achieved this status, while according to the United Nations, Luanda, Dar es Salaam, and Johannesburg will also become megacities by 2030.

## TRANSPORT

**Outdated infrastructure and limited maintenance** affect the efficiency of the railways in Africa.

**Less than half** of Africa's rural population has access to roads that are passable all year round.

**Roads are the most important mode of transport**, carrying at least 80% of goods and 90% of passengers.

Source: African Development Bank & Commonwealth Business Council

## 6 of 41

Six of the world's 41 megacities will be in Africa by 2030

Source: [howwemadeitinafrica.com](http://howwemadeitinafrica.com)

408,236 (Africa)  
**2,762,544** (EU)

Comparison of paved roads in km (in countries where Sika is active)

Source: [cia.gov/the-world-factbook/](http://cia.gov/the-world-factbook/)/Eurostat

2,580 (Africa)  
**9,500** (EU)

Comparison of shopping malls

Source: Standard Bank/Statista

964 (South Africa)  
**4,257** (Germany)

Comparison of waste water treatment plants

Source: Earth System Science Data. [doi.org/10.5194/essd-2021-214](https://doi.org/10.5194/essd-2021-214)

43 (Africa)  
**522** (EU)

Comparison of vehicles per 1,000 inhabitants

Source: OICA 2015 and Sika internal analysis modelled for 2021



Jean de Martres has worked for Sika since 2009. He has been the Area Manager for Sika's business in Africa since 2014.



Read the whole interview on [sika.com](https://www.sika.com)

INTERVIEW WITH JEAN DE MARTRES

# AFRICA – MARKET WITH A BRIGHT FUTURE

In his function as Sika Africa Area Manager, Jean de Martres has overseen the company's expansion on the African continent from five national subsidiaries to 18 since 2015. In this interview, he discusses the challenges and opportunities to address in order to pursue the market penetration.

**The population of Africa is expected to double from one billion to more than two billion people by 2040. As a consequence of urbanization, the need for infrastructure and buildings will become greater. Is Africa such a big growth market for Sika?**

There's no doubt that exponential demographic growth is a major challenge for the African continent. Governments have to anticipate the local need for infrastructure and residential buildings in the most efficient and sustainable way. An additional element to consider in Africa's megacities is their very young population as well as the needs in terms of health, transport, education, power, and water supply, which are critical. This offers huge potential for the construction sector. Sika has invested and expanded its presence based on that perspective.

**You are consciously building up a local workforce. Is it difficult to find qualified specialists locally who share Sika's values and principles?**

From the beginning of Sika's development in Africa, the primary focus has been on recruiting and training our local employees. We pursue clear priorities: we are looking for people who think in an entrepreneurial way, who are committed and who enjoy sharing Sika's values while being respectful of the cultural differences. Finding the right people, developing, and retaining them is a clear commitment from the management. Maintaining this approach is key to ensure the future success.

**Sika is keen to offer solutions that are tailored to the local needs of its customers. How do customer needs in Africa differ from those of mature markets?**

The needs of African markets and customers are very diverse, but we observe that overall, the markets are evolving towards higher quality and more sophisticated solutions. Many projects are specified by European and American engineer offices and architects which require state-of-the-art technologies. There is a clear correlation between the technical maturity level of a market and the GDP per capita in that country.

**As you mentioned before, Sika encourages its local organizations to develop an entrepreneurial spirit. What are the advantages of this leadership principle?**

Entrepreneurial spirit is a value which we extensively spread and develop in Africa. This is a leadership skill that attracts and motivates talents, to innovate in all aspects and to focus our energy on achieving excellence every day. Initiatives, ideas, and innovations are encouraged everywhere – our first Africa Innovation Contest and Award illustrates this. It was celebrated last December. The winners are invited to Sika's headquarter in Switzerland next March 2022 to present their projects. We want to encourage our employees to come up with innovative ideas that focus on providing our customers with new solutions that bring clear added value.

**What are your strategic projects and growth targets?**

Our Africa strategy involves strengthening and expanding our current market leadership and market share on the African continent over the next five years. We will continue to invest in our employees to achieve this target. This will strengthen local organizations and bring us even closer to market needs. We need to work even more intensively on improving the level of service we offer. The Sika brand stands for excellence, and should be perceived as such – by the smallest craftsmen through to the largest construction company.

PORTRAIT SELAMAWIT GEBREMICHAEL

# “WHERE OTHERS ARE GIVING UP, SIKA IS SUCCEEDING”

As Sales and Export Manager, Selamawit Gebremichael is contributing to the process of building up the national subsidiary in Ethiopia. “Whereas other companies are giving up and leaving the country, Sika is succeeding and growing steadily,” she says.

The 34-year-old civil engineer, building technology expert, and construction manager joined Research & Development at Sika in 2017, prior to switching to Distribution. “Sika gave me the opportunity to take on a number of different roles, making it possible for me to develop in a targeted way. This trust and support allowed me to unlock even more of my potential and take on the position of Sales and Export Manager,” she recalls.

## DYNAMISM AND DIVERSITY CONDUCIVE TO GOOD RESULTS

The dynamic environment and the practiced principle of diversity go down well with this ambitious employee: “I can make a contribution to building up our company, take on responsibility for a variety of different tasks, and work with people from all over the world,” she stresses. And she adds proudly: “At Sika we see diversity as a strength, not an obstacle.”

“I would like to see Sika leave its mark in all of Africa’s key markets.”

Selamawit Gebremichael

In her professional role, Selamawit Gebremichael is confronted by any number of different challenges. As she explains, the specialist market for construction materials in Ethiopia is extremely price-sensitive. Moreover, the local market tends to have a short-term focus. Nonetheless, this national subsidiary has been consistently increasing its market share. “Time and again we have succeeded in finding solutions for local market needs,” points out Selamawit Gebremichael. “Not least thanks to assistance provided by the regional support functions, which were set up to provide support across the various countries in Africa, and the knowledge transfer ensured by the Sika Academy.”

## SIKA SPIRIT MAKES THE DIFFERENCE

According to the sales specialist, Sika is particularly well known in Ethiopia for its waterproofing solutions, with customers also valuing the quality of

products, as well as technical advice on site. Selamawit Gebremichael has also seen how the recognition and reputation of the Sika brand in Ethiopia has grown steadily in recent years.

As far as the young manager is concerned, this positive development is attributable to the unique Sika Spirit: “Sika is all about people, teamwork, customer focus, and respect for the environment. But it’s also about tenacity and the desire to succeed.” It comes as no surprise to her that Sika is developing positively in Ethiopia, despite the numerous challenges it faces. “Sika is the reliable partner that provides support and develops convincing solutions on a local basis,” emphasizes Selamawit Gebremichael, before adding: “Sika invests in Africa sustainably, with a long-term view. That makes me proud, and I would like to see my company leave its mark in Africa’s key markets”.



Selamawit Gebremichael is Sales and Export Manager in Ethiopia. She has a Bachelor of Science degree in Civil Engineering and a Master of Science degree in Construction Technology and Management. She joined Research and Development at Sika in 2017, before later moving to Distribution. In addition to her Sales and Export Manager function, she is now also Target Market Manager Construction.



**Maxime Kouma** is Head of Research and Development and responsible for quality control and EHS for Ivory Coast. A qualified engineer, he has been with Sika since 2017 and has headed up the R&D team since 2019. He also supports the Sika national subsidiaries in Western Africa as well as in Cameroon on R&D issues.

#### PORTRAIT MAXIME KOUMA

## TACKLING RAW MATERIAL SCARCITY WITH INNOVATION

Sika has been present in Ivory Coast for seven years. Maxime Kouma heads up the Research and Development unit. The 41-year-old and his team are working intensively on developing the best possible solutions for customers' needs, while paying careful attention to the shortage of raw materials.

Professionalism and creativity are at the core of Maxime Kouma's work. He has headed up the Research and Development (R&D) team in Western Africa's Ivory Coast for two years now. The lack of resources is one of the biggest challenges he is currently facing, though he himself prefers to talk about opportunities: "In R&D, every challenge is an opportunity we can use to create new solutions and thus drive Sika's culture of innovation forward." Just a few years back, practically all raw materials were bought in from Asia and Europe; today, the R&D team in Africa has managed to find replacement products locally for many of these materials. A development that calls for reliable solutions that benefit not only customers and our company, but the environment too. "We are aware that Africa's development can only be driven forward if we are mindful and respectful of the environment," underscores Maxime Kouma.

#### PROXIMITY TO CUSTOMERS

Research and Development activities are performed locally in Ivory Coast in close collaboration with the regional R&D support unit, which assists and coordinates with Sika's national subsidiaries in Africa. The cross-area team's activities range from local training courses, support with customer visits, and the provision of technical services to validating alternative raw materials, adapting product formulations, or arranging the centralized procurement of laboratory equipment. This support strengthens

Maxime Kouma's team and the expertise delivered to customers. Sika's overriding priority is to offer its customers the best local technologies and the best service so that they can optimally meet the requirements of their construction projects. Maxime Kouma emphasizes the importance of these endeavors: "If we succeed in being close to our customers – offering them the support and expertise they need – we can build long-term relationships with them."

#### EMPLOYEE DEVELOPMENT

In the five years that Maxime Kouma has been with Sika, he has taken on a variety of roles and can look back on an impressive track record. His move through the ranks to his current position comes after time spent as a lab assistant and technical coordinator. He was able to make good use of the many internal and external training courses Sika offers its up-and-coming talents to ensure targeted career development. Now he himself contributes to the development of his team members. "When I lead my team, my goal is always for them to keep developing and honing their skills in all respects," he says proudly. With this trust in his team, he is living the Sika Spirit. He hopes to be a part of Sika for a good while to come, contributing to its innovative solutions with his professionalism and creativity.

**"We are aware that Africa's development can only be driven forward if we are mindful and respectful of the environment."**

**Maxime Kouma**



**Stéphane Kamga** leads a team as Direct Sales Responsible and Export for Sika in Cameroon. A qualified civil engineer, he holds an Executive MBA in Global Management and started his career as a technical sales representative in 2017, before being promoted to his current position in 2018.

“Foreign and domestic investors are increasingly looking to ensure that their projects meet international construction standards.”

Stéphane Kamga

#### PORTRAIT STÉPHANE KAMGA

## GROWING QUALITY AWARENESS

Stéphane Kamga has been working for Sika in Cameroon since 2017. Aged 26, he has been leading a team as Direct Sales Responsible and Export for some time now, and is responsible for expanding the company’s sales activities in this rapidly transforming market.

With a land surface area of 475,440 km<sup>2</sup>, Cameroon is more or less the same size as Sweden, one of the largest countries in Europe. The population of this Central African country has been increasing significantly for years. More than half of Cameroon’s population – which now stands at more than 26 million – is based in an urban environment, with some 10% living in the port metropolis of Douala alone. “Big cities are experiencing a real boom,” confirms Stéphane Kamga. He believes both this development and the growth of Cameroon’s population generally offer great opportunities for Sika, as the local infrastructure needs to be expanded and modernized in a number of different areas.

#### SIKA STANDS FOR QUALITY AND LONGEVITY

Numerous construction projects and infrastructure facilities in Cameroon are in the planning or the realization phase: The road network is being expanded, a new port is being constructed in Kribi on the Gulf of Guinea, bridges are being built, dams are being both constructed and planned, and the country’s drinking water and energy supply is being modernized and expanded. “Sika wants to actively contribute to this development and harness the available business opportunities with its extensive product portfolio,” stresses Stéphane Kamga. A key advantage for the company is the growing demand for high-quality solutions: “Foreign investors want their projects to meet international construction standards, and this is now becoming increasingly true of local developers too,” observes Stéphane Kamga. Sika is ideally positioned to meet these demands – as well as the growing need for building structures that require little maintenance and offer impressive longevity.

According to Stéphane Kamga, a combination of the scarcity of raw materials and coronavirus-related disruptions to the supply chain mean that locally produced products are heavily in demand in Cameroon. “We offer both local and imported solutions,” he explains. In order to be able to supply customers rapidly at all times, the company takes care to ensure minimum inventory levels and smart warehouse management.

#### EMPLOYEE DEVELOPMENT AS CORE TASK

Stéphane Kamga’s remit covers a number of key tasks, including the ongoing expansion of the product portfolio and technical service capabilities, increasing market share, and meeting customer needs. But he sees his greatest challenge in his role as line manager: “I want to support the members of my team so that they can continuously improve their skills – on a technical, commercial, and human level. So that they can keep up with the rapid development of the construction industry and optimally service the growing demands of our customers.”

# ACTIVE PROMOTION OF WOMEN – A KEY MANAGEMENT TASK

Sika takes a targeted approach to promoting equality of opportunity. On a daily basis, Touayba Boulahya observes that this is no empty promise. She holds a position of responsibility in her capacity as Technical and Marketing Manager in an African country, where she is both valued and supported as a manager.

Four years ago, when Touayba Boulahya was living in France and on the cusp of making the decision to move back to her native Morocco, the lure was obvious: A managerial role awaited this 30-year-old at a company whose reputation she was already familiar with. She was looking forward to working for Sika, and was impressed not just by the company's offering and innovativeness, but also by its culture and values. She duly took up a managerial position as Technical Manager, safe in the knowledge that – as a woman in an industry still dominated by men – she could count on Sika's support. Two years later, she was able to take over the management of marketing as well.

## WOMEN AT SIKA

Sika believes diverse teams offer huge benefits and opportunities. For this reason, the company supports women very deliberately, and is looking to increase the proportion of women in the workforce (currently 23.2%) at all hierarchical levels on an ongoing basis using a range of initiatives. "Women at Sika" is one such initiative. Touayba Boulahya enjoys interacting with women in other management positions: "This initiative was very valuable for me. I was involved in a number of projects right from the start, and benefited from the knowledge and experience of my colleagues. If we work hard, rise to the challenge, and achieve our goals, neither age nor gender will ever be an obstacle to us."

## ACKNOWLEDGMENT THROUGH EXPERTISE

The native Moroccan's track record speaks for itself: In 2019, she introduced the Sika Academy in her home country. This initiative allows employees and customers to expand their expertise thanks to technical training, application training, and a range of other training modules. According to Touayba Boulahya, this is about much more than just conveying knowledge: "Thanks to the Academy, Sika has consolidated its image as a provider of solutions and a trustworthy partner in Morocco," she says proudly. "This transfer of expertise has enabled us to strengthen our relationships with key stakeholders and position ourselves as a market leader for innovative and sustainable solutions."



**Touayba Boulahya** is Technical and Marketing Manager in Morocco. She holds a degree in engineering, and has been working for Sika since 2018.

**"If we work hard, rise to the challenge, and achieve our goals, neither age nor gender will ever be an obstacle to us."**

**Touayba Boulahya**



**ENORMOUS  
INFRASTRUCTURE  
NEEDS**



Africa's needs in terms of infrastructure are colossal. All countries in the continent require buildings and structures that are vital for the functioning of economies and communities: roads, dams, bridges, wastewater treatment plants, and water supply facilities. Sika is supporting development with its high-quality offering of products and solutions: two examples from Morocco and South Africa.

The Mohammed VI Tower in Morocco is a true landmark project. Once completed in 2022, it will include a luxury hotel, apartments, and retail space.

# MOHAMMED VI TOWER

## SIKA SOLUTIONS IN ONE OF AFRICA'S TALLEST BUILDINGS



One of Africa's tallest buildings is currently taking shape in Morocco: The 255-meter Mohammed VI Tower in Salé near Rabat meets the strictest environmental standards, and has a striking appearance. Sika is contributing a number of solutions to this superlative project.

The imposing Mohammed VI Tower is located on a site occupying over 100,000 m<sup>2</sup> near the Bouregreg river. Following its completion later this year, the 55-story new-build will house commercial premises, apartments, a luxury hotel, and a viewing platform. The Tower's construction is the culmination of a general development project for the Bouregreg valley. The project also encompasses the Rabat Grand Theater, which is being built to a design by Zaha Hadid close to the Mohammed VI Tower. Some of Sika's innovative solutions have already been implemented there.

### A HIGH-RISE SATISFYING THE HIGHEST REQUIREMENTS

The 250-meter-plus skyscraper has to meet specific requirements. Among other things, it must be able to withstand possible flooding from the neighboring Bouregreg river, underground chemical exposure, strong winds, and seismic events. Other specifications include a 100-year service life plus compliance with stringent environmental standards (LEED Gold and HQE). Sika is proud to be taking part in this beacon project. The Group landed the contract on account of its good reputation, wide-ranging expertise, and extensive product portfolio. As Sika was already involved in the process of defining specifications, the client was able to obtain top-level advice on the concrete structure and waterproofing of the foundations.

### SIKA WATERPROOFING SOLUTIONS FOR DURABLE CONCRETE STRUCTURES

Because of the demanding requirements, an external basement waterproofing was required in order to safely accommodate the owner's needs. The building's foundation has been waterproofed with SikaProof® A and SikaProof® P membranes. Thanks to a simple, fast, and secure application, SikaProof® A and SikaProof® P



The striking skyscraper has to meet stringent requirements. Sika is involved in the project with various products and know-how.

systems are increasingly being chosen for demanding construction projects, thus making the whole construction process more efficient. With innovative grid sealant, the system provides excellent bonding with the concrete, thus preventing any lateral water underflow, making the structure strong and durably watertight.

### HIGH-PERFORMANCE CONCRETE ADMIXTURES

Self-compacting concrete has been used in the construction of the high-rise. Sika® ViscoCrete® Technology improves the concrete's flowability as well as its cohesiveness, thereby ensuring good viscosity and pumpability. Moreover, the SikaFume® M concrete admixture increases the durability of the concrete, ensuring the high mechanical resistance required for high-rise construction.

# ASHTON ARCH BRIDGE

## SIKA PRODUCTS HELP BREAK NEW GROUND IN SOUTH AFRICA

The newly completed Ashton Arch in South Africa's Western Cape replaced an existing multi-arch bridge dating from 1930 that no longer fulfilled functional requirements.

The state-of-the-art tied arch bridge spans 110 meters between supports and rises a total of 23 meters above the roadway. To minimize traffic disruption, it was constructed adjacent to the existing bridge whilst maintaining traffic over it. After completion the new bridge was used as temporary bypass while the existing bridge was demolished, and new abutments built. The new tied arch bridge was then jacked transversely into its final position over 24 meters in less than 24 hours. A first and unique application of this bridge engineering technique for a concrete tied arch bridge in South Africa. The new bridge is fully operational, allowing it to improve traffic and pedestrian safety, and enhance flood capacity.

### SOLUTIONS AND SOFTWARE FROM SIKA

The temporary sacrificial concrete support columns to the deck formwork system required additional structural strengthening to

ensure compatibility with the temporary force distribution during all construction stages. For this SikaWrap®-300 C, the woven carbon fibre wrapping system was specified in combination with Sikadur®-330. The Sika® CarboDur® FRP Design software, a state-of-the-art external structural strengthening design program was an added benefit. The launching of the bridge from its constructed position to its final position required a perfectly levelled surface. This was achieved by using Sikadur®-42 ZA, high-strength epoxy grout with its high compressive strength and high abrasion resistance. The ultra-high strength cementitious grout, SikaGrout®-295 ZA, was used in several vital applications. This included the grouting behind the anchor plates and jacking frames that created the permanent plinths for the permanent bearings.

### AWARD FOR SIKA

Sika South Africa's work on the new Ashton Arch bridge was recognized in an award. In Construction World Best Projects 2021, a competition held annually by a renowned trade journal, Sika came first in the Specialist Supplier category.



Sika solutions enabled the innovative construction of the Ashton Arch bridge in South Africa.

# INFRASTRUCTURE PROGRAMS ACCELERATE SIKA'S GROWTH

Over the next few years, the economy around the globe will be boosted by massive infrastructure programs. Governments and intergovernmental groupings such as the European Union are either planning or have already signed off on incentives worth some CHF 10 trillion. These incentives are often linked with making legislation more climate friendly, and Sika is set to benefit from this development.

## US investments in infrastructure running into the billions

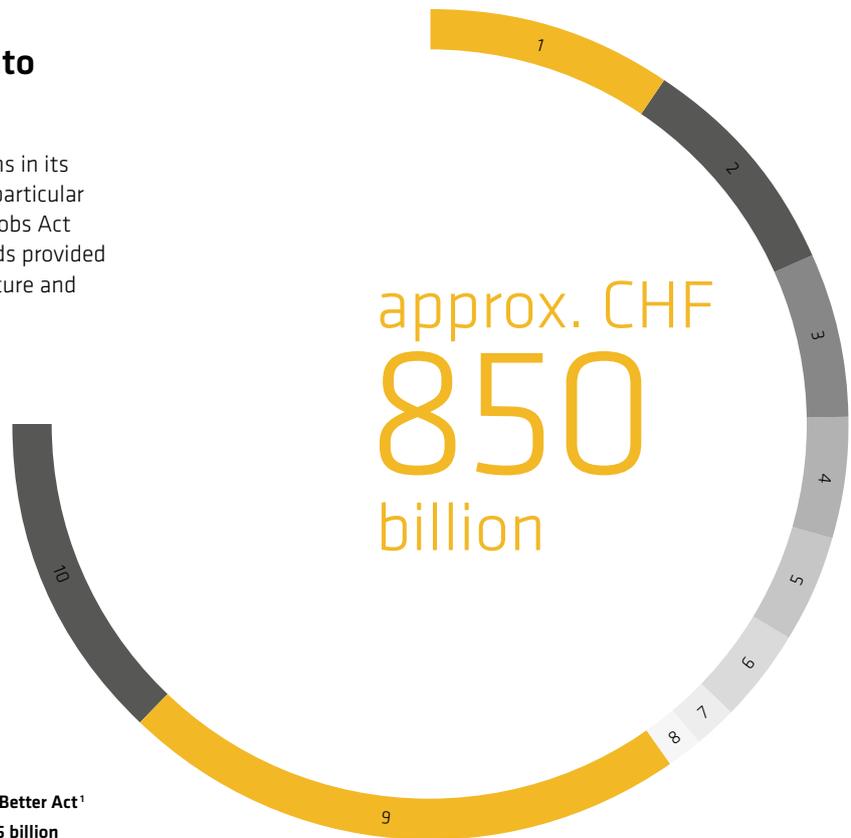
The United States aims to invest billions in its infrastructure, with Sika benefiting in particular from the American Infrastructure and Jobs Act and the Build Back Better Act. The funds provided will be earmarked in part for infrastructure and climate projects.

### American Infrastructure and Jobs Act<sup>1</sup>

1. **CHF 101 billion**  
renovation of roads and bridges
2. **CHF 96 billion**  
public transit/freight rail
3. **CHF 66 billion**  
power infrastructure
4. **CHF 50 billion**  
clean drinking water
5. **CHF 46 billion**  
drought resistance and Western water storage
6. **CHF 38 billion**  
airports/waterways
7. **CHF 19 billion**  
mine reclamation
8. **CHF 14 billion**  
other transportation links/options

### Build Back Better Act<sup>1</sup>

9. **CHF 205 billion**  
funding for climate protection
10. **CHF 137 billion**  
affordable housing



<sup>1</sup> Programs of relevance for Sika

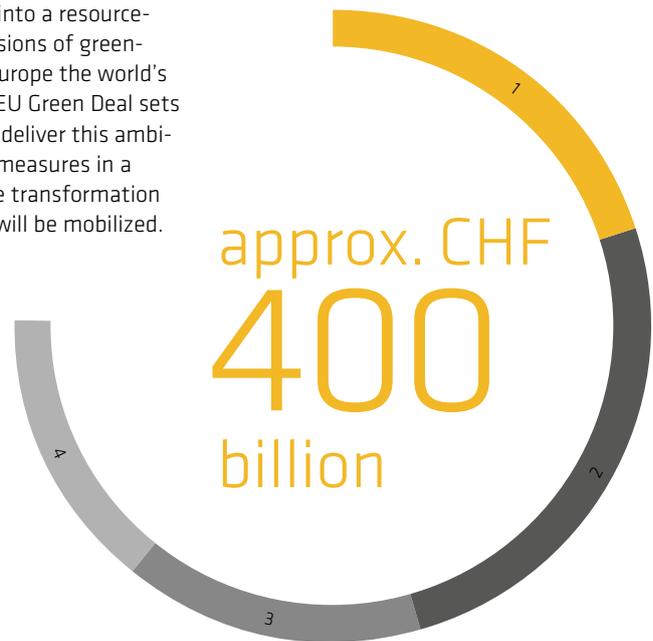
<sup>2</sup> Since the programs overlap in parts and have different time-frames, the total is around CHF 8,000 billion lower than the sum of the three amounts

## EU on the way to climate neutrality

The European Union wants to transform into a resource-efficient economy producing no net emissions of greenhouse gases by 2050. This would make Europe the world's first climate-neutral economic area. The EU Green Deal sets out the concept the EU intends to use to deliver this ambitious goal. It comprises a broad range of measures in a number of economic areas. To finance the transformation to a net zero economy, significant funds will be mobilized.

### EU Green Deal and economic stimulus <sup>1</sup>

1. **CHF 106 billion**  
energy-efficient buildings
2. **CHF 136 billion**  
cleaner technologies and renewables
3. **CHF 81 billion**  
third industrial revolution
4. **CHF 76 billion**  
sustainable transport infrastructure



## China invests in infrastructure and cutting-edge technologies

Various levels of government are putting together major investment programs in China. The central government's focus is on future-proof technologies, such as artificial intelligence and 5G, and infrastructure expansion, e.g. of the high-speed rail network. The provincial governments intend to invest considerable sums in transportation infrastructure over the next five years. In addition, there are plans at the local and provincial levels for infrastructure projects worth more than CHF 7 trillion.

### Infrastructure spending in China - an overview

1. **CHF 2,400 billion**  
in central government investment in new infrastructure by 2025
2. **CHF 7,200 billion**  
in infrastructure projects from the provincial governments and local authorities, no fixed timeframe
3. **CHF 430 billion**  
in provincial government investment in transportation infrastructure projects by 2025 as part of the Five-Year Plan



# INFRASTRUCTURE THE RIGHT PARTNER COUNTS



A number of Sika products were used in the renovation of the Rendsburg Canal Tunnel; these included a high-grade dry-spraying mortar that also satisfies fire-resistance requirements.

Through their infrastructure programs, governments around the world are boosting not only new-build infrastructure projects, but the refurbishment and renovation of existing structures too. Thanks to its expertise and high-quality products and solutions, Sika is helping extend the service life of new and existing structures, as the following three projects illustrate.

## PROJECT 1 RENOVATION OF THE RENDSBURG CANAL TUNNEL

Reinforced concrete has excellent qualities that make it indispensable in construction. External influences such as aggressive substances can cause considerable damage. For instance, over time, the chlorides contained in road salt seriously damaged the walls and carriageway of the Rendsburg underwater tunnel, which opened for traffic in 1961. The road salt carried in by the tens of thousands of vehicles crossing in the winter months penetrated its two 640-meter-long tubes. In its capacity as a client, Germany's Federal Waterways and Shipping Agency decided to refurbish the tunnel for the long term using a special procedure: cathodic corrosion protection. Cathodic corrosion protection is a renovation technique whereby the current from an impressed current system or galvanic anode is used to protect structures from corrosion. Sika's portfolio comprises a number of products that are ideally suited as a repair mortar and anode embedment mortar for this application.

Several Sika solutions were used in the refurbishment work, including SikaCem® Gunit®-212 SF, a high-grade dry-spraying mortar. This is one of the few products on the market that is approved for installing anode gates with this special corrosion protection technique and, at the same time, possesses the high fire resistance class required for tunnels. The successful project could help cathodic corrosion protection gain in popularity in Germany – opening up corresponding opportunities for Sika.



Sika solutions facilitate the more efficient production of better, longer-lasting, and safer high-speed trains.

## PROJECT 2 CHINA OPTS FOR SIKA SOLUTIONS IN HIGH-SPEED TRAINS

Sika is a leading global supplier in the area of rail vehicles and high-speed trains. 35% of the rail vehicles deployed worldwide are safer and will last longer thanks to Sika's solutions. The company is a successful player in this market segment in China. In 2021, Sika provided various adhesives and sealants for the windows of just under 60 latest-generation high-speed trains encompassing more than 470 cars, and supplied bonding solutions for a number of interior applications. Among the products used is Sikaflex®, the leading adhesive and sealant system in the global rail vehicle market. As well as increasing production efficiency, the high-strength, weathering- and chemical-resistant solutions enable rail vehicle manufacturers and suppliers to make their products better, longer-lasting, and safer. A further benefit for customers is the on-site

support provided by Sika's professional and experienced technical teams for the entire duration of the project.

These trains are at the cutting edge of technology and more energy efficient than previous generations. They operate primarily on the line between Beijing and Zhangjiakou, connecting the capital with important sports venues built to accommodate major events. With a total length of 40,000 kilometers, China already has the largest high-speed rail network in the world and is aiming to extend it even further to 70,000 kilometers by 2035. As a highly skilled and reliable partner in the transportation sector, Sika can make a valuable contribution here – from the development stage through to the production of new railroad-specific models.

## PROJECT 3 FOR A SAFE WATER SUPPLY

The service life and safety of a structure are determined to a large extent by how watertight it is. Sika provides tried-and-tested waterproofing concepts for watertight concrete buildings, and has also developed suitable solutions for particularly challenging structures and special site conditions. These include solutions that satisfy the most stringent drinking water requirements. In the Western United States, where a complex system of canals, tunnels, and pipelines supplies water to dry regions, Sika solutions play a part in keeping key water supply structures running smoothly over the long term. At the same time, customers benefit from Sika's many years of experience and in-depth expertise in the area of waterproofing, as well as from its broad offering. This portfolio includes products, system solutions, and a number of different services, spanning everything from concepts, to detailed planning, through to quality control systems and leak analysis.



In the Western USA, waterproofing solutions from Sika contribute significantly to the long-term operability of the water supply.

# INNOVATIVE



# Sika as Enabler



reCO<sub>2</sub>ver  
CONCRETE RECYCLING



BUILDING TRUST

CEMTEC

CEMTEC



# PIONEER OF SUSTAINABLE INNOVATIONS

Climate change is presenting the construction sector and the automotive industry with huge challenges. These two sectors of the economy account for around 40% and 20% of global CO<sub>2</sub> emissions, respectively. Sika views these challenges as an opportunity, and acts as an enabler by offering a number of pioneering solutions with which its customers can significantly reduce their global environmental footprint, while at the same time delivering added value to later generations.

Sika has been consistently and forcefully driving forward developments in the area of sustainable solutions for years. The company already generates 70% of its sales with products that have a positive impact on sustainability, and is now looking to increase this share to 80% over the next few years.

## OPTIMIZING SOLUTIONS AND PROCESSES

Sika sees itself as an enabler, offering innovative products that can help its customers to reduce their own CO<sub>2</sub> footprint. With Sika's solutions, they can improve their products and processes in a number of areas. These range from admixtures for low-emission concrete, to facade systems for energy-efficient buildings, and adhesives for environmentally-friendly vehicles.

In transportation, Sika is driving forward lightweight construction and electromobility with its solutions, thereby promoting mobility that generates lower CO<sub>2</sub> emissions. Its leverage in the construction sector is even greater. Here Sika possesses the key technologies to substantially reduce global CO<sub>2</sub> emissions, sharply increase energy efficiency, and deliver tangible savings on the use of resources. Three innovative technologies are:

### – CO<sub>2</sub>-neutral admixtures

One key element in the reduction of the CO<sub>2</sub> emissions of customers is the reduction of the proportion of clinker contained in cement and concrete. This can be achieved by using alternative binding agents such as fly ash or slag. Thanks to Sika's cement admix-

tures, concrete can meet the most rigorous performance requirements even with these replacement materials. Sika also facilitates significant savings with its admixtures that make high-strength concrete. This makes it possible to construct loadbearing structures with less concrete.

### – Energy-efficient cement production

In the cement production processes of customers, both the burning of clinker and the grinding of cement are extremely energy-intensive. Thanks to special grinding aids, Sika ensures that energy is saved and CO<sub>2</sub> emissions reduced.

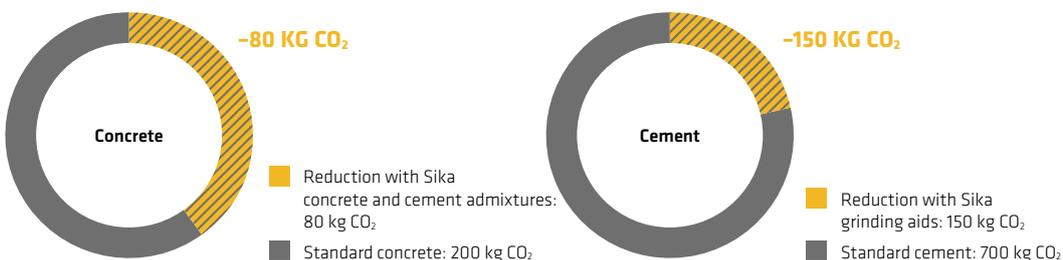
### – Concrete recycling

Sika has made the breakthrough in concrete recycling with its reCO<sub>2</sub>ver<sup>®</sup> procedure. For the first time, a process exists for separating old concrete into its component parts and using the regained material to produce new, high-quality concrete. Sika is therefore paving the way for the establishment of a circular economy in the cement industry and the construction sector.

Sika is pressing ahead with its development as an enabler, and is already working on new solutions for the future.

Over the next few pages you can read more about reCO<sub>2</sub>ver<sup>®</sup> concrete recycling, and about various other technologies and solutions with which Sika is facilitating environmentally-friendly construction.

## DIRECTLY INFLUENCEABLE EMISSIONS IN THE CEMENT PRODUCTION (KG OF CO<sub>2</sub> PER TON PRODUCED)





As things stand, the construction industry works according to a linear economic system, in which old buildings are demolished and the resulting waste material for the most part disposed of in landfill. With the new reCO<sub>2</sub>ver<sup>®</sup> recycling procedure, concrete waste can be recycled.

# A NEW LIFE FOR OLD CONCRETE



Sika has developed a procedure that breaks old concrete down into its component parts of gravel, sand, and carbonated cement stone powder (limestone powder). The material reclaimed through this process can then be reused to produce concrete of the highest quality. This innovative concept represents a breakthrough in concrete recycling, and makes a crucial contribution to a sustainable circular economy.



## 500 million tons of concrete and construction waste find their way into landfill sites every year\*.

\*Estimation

The recycling procedure under the brand name reCO<sub>2</sub>ver<sup>®</sup> represents a milestone in concrete recycling. With this process, Sika is facilitating not just the complete recycling of demolished concrete and waste material, but also the binding of CO<sub>2</sub>. The company Eberhard Unternehmungen was also involved in the development of the procedure and the construction of a pilot facility in Switzerland.

### THE PROCESS

The broken-up waste material is finely crushed in a special mill in a process that involves separating the aggregate from the cement stone. Here CO<sub>2</sub>, which may come from wastewater treatment plants, for example, is introduced. The key part of the procedure, which is protected by patent, is carbonation of the cement stone, a chemical process that enables the

greenhouse gas to be bound within the material. In this way, some 50 to 60 kg of CO<sub>2</sub> can be neutralized per ton of concrete waste. At the end of the procedure what remains is sand, gravel, and the powdered limestone in which the CO<sub>2</sub> is bound. This makes it possible to reduce the CO<sub>2</sub> footprint of new concrete by some 40%.

With the new procedure, old concrete can be fully recycled and no longer ends up as landfill. With all previous attempts at recycling old concrete, the recycling rate was fairly low. Just 30% of primary material could be substituted by recycled materials in structural concrete. The Sika innovation makes it possible to produce high-performance concrete while sequestering a significant amount of CO<sub>2</sub>.



The reCO<sub>2</sub>ver<sup>®</sup> process needs ground concrete waste, CO<sub>2</sub>, and Sika additives. These react with each other in large drums until the old concrete completely dissolves into its individual parts. In the process, CO<sub>2</sub> is incorporated into the recovered carbonized powder. The recycled material can again be used to produce high-quality concrete.

**PROMISING PILOT FACILITY**

With their pilot facility, Sika and Eberhard Unternehmungen have demonstrated that the procedure works. In order for recycling to be commercially viable, however, the facility needs significantly higher capacity. Whereas the pilot facility can process up to 5 tons of material/concrete waste per hour, an industrial operation would need to process at least 10 to 50 tons per hour.

The developers have therefore designed the facility in such a way that it is fully scalable, thereby fulfilling the prerequisites for a profitable large-scale operation. For example, the integrated computer management system not only allows all phases of the process to be controlled, it also permits simulations for facilities with significantly larger dimensions.

**RECYCLING VERY MUCH IN VOGUE**

Demand for efficient recycling concepts can be expected to increase significantly over the coming years. The short-term driver is the ongoing increase in carbon price/emission allowances price, as well as disposal costs for construction waste. In the longer term, the urban mining trend will boost the recycling of materials.

The European Commission estimates that 25%–30% of all waste volume in the EU relates to concrete waste material.

60 kg CO<sub>2</sub>

can be bound per ton of concrete waste with reCO<sub>2</sub>ver®

100%

of concrete waste can be recycled with the new technology

30 million

tons of concrete waste could be recycled every year with reCO<sub>2</sub>ver®

A large proportion of this can be recycled. Some 300 million tons of concrete demolition waste is produced by the five largest EU countries every year. Through complete recycling, up to 15 million tons of CO<sub>2</sub> emissions could be saved.



The Sika reCO<sub>2</sub>ver® pilot facility as installed at Eberhard Unternehmungen in Switzerland.

# “OUR FINDINGS SO FAR HAVE BEEN **EXTREMELY POSITIVE**”



Carsten Rieger,  
Corporate Market  
Development Manager  
Target Market Concrete,  
Sika, Zurich

## **What distinguishes reCO<sub>2</sub>ver<sup>®</sup> from other concrete recycling processes?**

With conventional concrete recycling, the old concrete is broken up into pieces of varying sizes of up to a diameter of 32 millimeters. These fragments are used as aggregate for new concrete. This has many drawbacks, as these fragments have a greater surface area and a higher porosity than aggregates from primary rock. With the reCO<sub>2</sub>ver<sup>®</sup> procedure, the fragments are broken down into their component parts, namely the stones and the cement stone powder. In addition, the cement stone powder reacts with the CO<sub>2</sub> (carbonation) and binds it to the powder.

## **What is Sika doing to promote the construction of larger, more commercially viable facilities after successfully completing the pilot plant?**

Sika is first carrying out trials in the pilot facility to optimize both the process and the facility. The plan is also to work with customer-specific material in order to emphasize the benefits for customers. The results will then be incorporated into the design for larger facilities.

## **Will emerging market countries be able to afford such facilities, too, or will they remain reserved for developed nations?**

These facilities will be of interest wherever a market for recycling concrete exists, and wherever an infrastructure exists for the sorting and breaking-up of concrete waste. At the moment, this is true of developed countries first and foremost. But as soon as incentives for concrete recycling are

“Companies who are already involved in concrete recycling are very interested in the reCO<sub>2</sub>ver<sup>®</sup> technology. It not only simplifies concrete recycling, but also makes it more economically viable and sustainable.”

Carsten Rieger

put in place in emerging markets and a market thus develops, reCO<sub>2</sub>ver<sup>®</sup> facilities will make commercial sense there too.

## **What is the commercial interest of the company in the dissemination of this reCO<sub>2</sub>ver<sup>®</sup> technology?**

Sika's aim with this technology is to reduce CO<sub>2</sub> emissions in the construction industry. What's more, Sika owns the process patent, and is therefore entitled to license the process. Further opportunities will result from the use of additives to increase the quality of the reclaimed materials and from the sale of CO<sub>2</sub> certificates.

## **What's special about the Sika additives used in the reCO<sub>2</sub>ver<sup>®</sup> procedure?**

The corresponding Sika additives are still in the development phase. The aim is to develop additives that enhance the quality of the reclaimed powder and further optimize its performance as a cement substitute.

## **What kind of potential do you see for the sale of these additives?**

We'll have to see. But we are currently anticipating potential of CHF 90 million a year.

## **When will the pilot phase be concluded – i.e. when will reCO<sub>2</sub>ver<sup>®</sup> be officially launched?**

The pilot phase will be concluded in the first half of 2022. Our findings so far have been extremely positive.

## **What sort of a figure would you put on the market potential for reCO<sub>2</sub>ver<sup>®</sup>?**

Globally we reckon the volume of concrete waste is in the region of 600 million tons per year. We estimate the global market that Sika can reach within the next two to five years to be around five percent of that figure. So for the time being that would equate to 30 million tons of concrete waste.



Read the whole  
interview on [sika.com](https://www.sika.com)

# ENVIRONMENTALLY-FRIENDLY CONSTRUCTION IS POSSIBLE

Sika provides its customers worldwide with products, solutions and expertise that enable environmentally-friendly, resource-saving construction and mobility. The company sees itself as an enabler that empowers its customers to reduce their CO<sub>2</sub> footprint through innovative products.



“We continuously analyze aging processes of structures and improve weak points in a targeted manner. This allows us to ensure the longevity of structures and extend their life cycle.”

Philippe Jost, Head Construction and Member of Group Management

## LONG-LASTING CONSTRUCTIONS

Extending the lifespan of buildings and structures is one of the most effective means of significantly reducing the ecological footprint in construction. Sika’s high-quality products ensure that new structures can withstand environmental influences for a long period of time. Not only does this make commercial sense, it also contributes to sustainability and the conservation of resources, as the resources employed can be used for longer, thereby avoiding additional CO<sub>2</sub> emissions.



Learn more about the topic in the interview with Philippe Jost on [sika.com](https://www.sika.com)

Reduction of the clinker content in cement production using LC<sup>3</sup>-Technology by up to

# 50%

## CLINKER REDUCTION

Concrete is the most widely used building material worldwide. An essential component of concrete is cement, the production of which causes 6% to 8% of global CO<sub>2</sub> emissions. In order to reduce the amount of clinker, substitute products are needed, so-called Supplementary Cementitious Materials (SCMs). As demand currently exceeds supply for these substitutes, new SCMs are being developed. Sika enables the use of SCMs with its concrete and cement admixtures and promotes innovation in this field through research and development, thus actively driving clinker reduction. One example of this is the LC<sup>3</sup> project at the EPF Lausanne in collaboration with leading market players, in which Sika is participating. The use of this new material is expected to reduce the amount of clinker in cement production by up to 50%. Sika cement and concrete admixtures specifically developed for LC<sup>3</sup> are about to be launched.



Find additional information on [sika.com](https://www.sika.com)

## ENERGY-EFFICIENT BUILDING ENVELOPES

Sika solutions enable heat losses in buildings to be greatly diminished. As an integrated supplier of construction chemicals, the company offers sustainable solutions for roofing systems, facades, floor coatings, interior finishing, sealing of doors and windows, or waterproofing of basements. With Sika's light-reflective roofing systems alone, energy consumption can be reduced by up to 15%. In addition, green roofs by Sika can provide a valuable habitat for plants, insects, and birds, serve as a place of water storage for the controlled release of water in the event of heavy rainfall, and reduce the so-called "heat-island effect". In all phases of the building life cycle – during construction, operation, and refurbishment – Sika products help to reduce the carbon footprint.



Learn more about the topic in the interview with Eric Lempereur, Head Corporate Target Market Building Finishing, on [sika.com](https://www.sika.com)



## PRODUCTS FROM RENEWABLE RESOURCES

Tackling global warming is a central concern of Sika. The company invests considerable financial and human resources and conducts continuous and vigorous research into new concepts and solutions aiming to make an important contribution to greater sustainability. The company has already developed several products that are mainly based on renewable raw materials. One example of this is the bio-based Sika® ViscoCrete®. In this product, over 80% of the oil-based resources have been replaced by renewable plant-based substances, which are a by-product of sugar production. Other examples include a hemp-based mortar and bio-based superplasticizers. Through these innovations, Sika is contributing to greater sustainability and is pursuing a consistent path towards a circular economy.



You can find further articles on the topic on [sika.com](https://www.sika.com)

# RELEVANT



# Business Year 2021



# RECORD RESULTS FOR SALES AND PROFIT – **EBIT MARGIN INCREASED TO 15.0%**

Sika performed well in a challenging environment in 2021, once again demonstrating the strengths of its business model. Despite the ongoing COVID-19 pandemic and bottlenecks in the procurement of raw materials, sales rose significantly to a record CHF 9,252.3 million. Operating profit (EBIT) went up by an over-proportional 23.1%, hitting a new record figure of CHF 1,391.4 million. This equates to an EBIT margin of 15.0%.

2021 was expected to be a challenging year and it proved to be a very successful one for Sika. The company is able to harness the potential of various growth platforms to ensure success over the long term.

## RECORD FIGURES FOR SALES AND PROFIT

Not only did Sika post record sales, but profit also reached an all-time high despite an extremely steep increase in raw material costs. Thanks to price increases, rigorous cost management and economies of scale, efficiency gains, and synergies from acquisitions, Sika was not just able to offset the high raw material costs at EBIT level – it also managed to substantially improve EBIT. This came in at CHF 1,391.4 million, a 23.1% gain on the prior-year figure of CHF 1,130.5 million. The EBIT margin amounted to 15.0% (previous year: 14.4%). In keeping with this development, net profit rose sharply by 27.1% to an overall CHF 1,048.5 million (previous year: CHF 825.1 million). Operating free cash flow came to CHF 908.4 million (previous year: CHF 1,259.4 million) due to increased inventory value and a higher level of investments, and was therefore lower than in the previous year.

## EBIT margin

# 15.0%

## UPDATE ON ACQUISITION OF MBCC

Along with seven completed acquisitions in the past year under review, Sika was able to sign a binding agreement for the takeover of MBCC Group (BASF Group's former construction chemicals business) in November 2021. With sales of CHF 2.9 billion, MBCC Group is a leading supplier of construction chem-

icals and solutions worldwide. This acquisition will complement and broaden Sika's product and solutions offering in four of five core technologies and seven of eight Target Markets, while further strengthening the geographic footprint. The transaction will give rise to a major player supporting greater sustainability.

The market for construction chemical products and solutions is set to grow to around CHF 80 billion in the next years and, as it is heavily fragmented, will continue to offer substantial growth opportunities even after Sika's acquisition of MBCC. MBCC generates around 53% of its sales in the construction systems segment and the remaining 47% in the area of concrete admixtures. The acquisition is subject to approval by the authorities. Sika is confident it will receive all required clearances in a timely manner and will cooperate closely with the authorities to this end. The closing of the acquisition remains targeted for the second half of 2022.

## SIKA WAS ABLE TO GROW IN ALL REGIONS

In general, the economy in 2021 recovered more quickly than expected from the impact of the pandemic. The fast-growing construction sector played a considerable part in this. In 2021, Sika was able to grow in all regions. Moreover, distribution business posted significant gains in all regions.

The EMEA region (Europe, Middle East, Africa) reported a sales increase in local currencies of 16.1% (previous year: 4.4%). As in 2020, growth in distribution and refurbishment business outstripped growth in the other business segments. Nearly all countries in the region achieved double-digit growth rates. The United Kingdom and the countries in Africa, the Middle East, and Eastern Europe benefited from an upsurge in growth. In general, sales of Sika product solutions via e-commerce platforms saw an above-average increase.

The Americas region recorded growth in local currencies of 21.0% (previous year: 1.0%). In the USA, Sika gained substantial momentum. Growth was driven by large-scale refurbish-

In the USA, Sika gained substantial momentum. Growth was driven by large-scale refurbishment projects and new-build projects in the area of distribution and data centers.

ment projects and new-build projects in the area of distribution and data centers. Strong growth rates were achieved in Mexico, Colombia, Brazil, Peru, and Chile. In the Americas region the strategic focus of business activities on big cities and metropolitan areas again paid off, as did the concentration on major infrastructure projects and the targeted realization of cross-selling potential.

Sales in local currencies in the Asia/Pacific region increased by 19.4% (previous year: 12.6%). China in particular benefited from the ongoing strong growth momentum with double-digit organic growth rates, and successfully expanded its infrastructure and distribution business. India continued to see a dynamic development, while the countries in Southeast Asia recovered from the severe lockdowns in the last quarter of the year. The trend in Japan remains challenging. Investment activity in the country's construction market is still subdued.

In the Global Business segment, Sika posted growth in local currencies of 4.3% (previous year: -11.4%), thus outperforming the market. The automotive industry experienced major bottlenecks in the electronic parts supply chain. Whereas forecasts at the beginning of the year predicted a strong recovery in the volume of new vehicles manufactured compared with the previous year, particularly in the second half there was a sharp decline owing to the lack of availability of semiconductors. Nevertheless, Sika anticipates continued strong growth stimuli from the megatrends evident in modern auto-

**CO<sub>2</sub>eq emissions per ton sold (scope 1 and 2)**

**-10.1%**

otive production: electromobility and lightweight construction. In particular, the transition from traditional drive systems to electromobility gained momentum during the pandemic and is benefiting from various government support programs in a number of countries.

**SIKA AS AN ENABLER OF SUSTAINABLE CONSTRUCTION AND ENVIRONMENTALLY-FRIENDLY MOBILITY**

Climate change is presenting society with major challenges. In its growth strategy, Sika has committed to reducing its CO<sub>2</sub>eq emissions (scope 1 and 2) by 12% by 2023. In 2021 it was once again able to clearly surpass this target, cutting its CO<sub>2</sub>eq emissions per ton sold by a further -10.1% (previous year: reduction of 25.9%). At the Capital Markets Day scheduled for September 30, 2022, the Group will announce its new sustainability targets, including a net zero roadmap.

Sika sees itself as an enabler: a supplier of innovative products that enable its customers to lower their CO<sub>2</sub>eq emissions (scope 1 and 2), build in a way that conserves resources and make structures safer. Thanks to Sika solutions, they are able to enhance many aspects of their products and processes. These range from admixtures for low-emission concrete, to facade systems for energy-efficient buildings, and adhesives for environmentally-friendly vehicles.

**Increase in the gross dividend in CHF**

**+0.40**

**DIVIDEND INCREASE AND OUTLOOK**

Given the record results, the Board of Directors will be proposing a 16.0% increase in the gross dividend to CHF 2.90 per share (previous year: CHF 2.50) at the Annual General Meeting on April 12, 2022.

Thanks to its innovative technologies, Sika is the partner of choice for many customers in the construction and industrial sectors. Government-supported investment programs running into the billions will provide further impetus for its business in the coming years. In addition, Sika is making targeted use of the megatrends that drive its key markets.

For fiscal 2022, Sika expects sales to rise by well over 10% in local currencies – surpassing CHF 10 billion for the first time – and is anticipating an over-proportional increase in EBIT.

# FACTS & FIGURES 2021

In 2021, Sika once again posted record results for sales and profit. With a strong economic, environmental, and social performance, added value was generated to all stakeholders.

in CHF mn

change in %

## Net sales

9,252.3  
+ 17.5%

## EBIT

1,391.4  
+ 23.1%

## Net profit

1,048.5  
+ 27.1%

## ROCE

20.1%<sup>1</sup>  
+3.5% points

<sup>1</sup>Adjusted for acquisitions, ROCE in 2021 would be 29.5%.

per ton sold

## CO<sub>2</sub>eq emissions (scope 1 and 2)

-10.1%

Water consumption -9.7%

Waste -9.6%

Employees 27,059  
+8.9%

Proportion of women employees 23.2%

Proportion of women Group Management 25.0%

Community engagement projects +32.2%

Acquisitions 7+<sup>2</sup>

New/expanded factories 4

New subsidiary 1

New patents 99

Inventions 150

Employees in R&D 1,240

Global Technology Centers 21

<sup>2</sup>Besides the seven acquisitions, Sika has signed a definitive agreement to acquire MBCC Group. The closing of the acquisition is targeted for the second half of 2022.

# REGIONAL DEVELOPMENT IS ON TRACK

In the 2021 fiscal year, Sika performed impressively in a challenging environment, recording significant growth in all regions. Despite the ongoing COVID-19 pandemic and general bottlenecks in the procurement of raw materials, business activities continued at a high level and Sika was able to strengthen its position.

## REGION EMEA

- Following a phase of economic downturn, the Eurozone exhibited robust consumer-driven growth in the spring and summer when the pandemic-related restrictions were eased. However, the economic recovery lost some of its momentum from the third quarter onward as new waves of the COVID-19 virus weighed on consumer sentiment and certain manufacturing activities had to be scaled back. Sika performed well in this challenging environment, benefiting from – among other things – implemented and planned state investment programs. These will continue to stimulate the Eurozone construction economy over the coming years.
- Sika's sales in the EMEA region (Europe, Middle East, Africa) were up by 16.1% in local currencies (previous year: 4.4%). As in 2020, growth in distribution and renovation business outstripped growth in the other business segments.
- Nearly all countries in the region achieved double-digit growth rates. The United Kingdom and the countries in Africa, the Middle East, and Eastern Europe benefited from an upsurge in growth. In

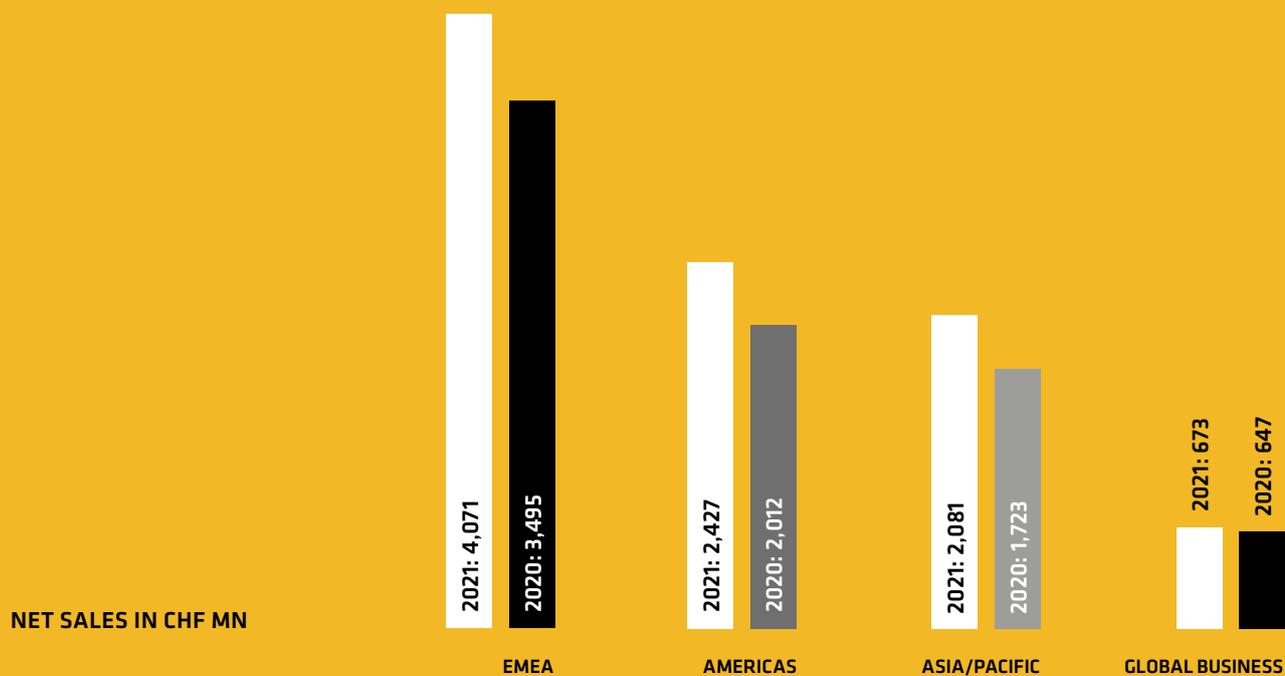
Nearly all countries in the region achieved double-digit growth rates. The United Kingdom and the countries in Africa, the Middle East, and Eastern Europe benefited from an upsurge in growth.

general, sales of Sika product solutions via e-commerce platforms saw an above-average increase.

- In the period under review, Sika acquired a leading manufacturer of mortar products in Russia in the form of Kreps LLC, thereby further expanding both its existing product portfolio and its geographic presence.

### Region EMEA sales growth in local currencies

+16.1%



	EMEA	AMERICAS	ASIA/PACIFIC	GLOBAL BUSINESS
<b>Growth in local currencies</b>	<b>16.1%</b>	<b>21.0%</b>	<b>19.4%</b>	<b>4.3%</b>
Currency impact	0.4%	-0.4%	1.4%	-0.3%
Acquisitions effect	1.3%	3.7%	1.8%	1.1%
Organic growth	14.8%	17.3%	17.6%	3.2%
Employees	11,243	6,002	6,976	2,157

## REGION AMERICAS

- An economic recovery took hold in the entire Americas region in 2021. Following a prolonged negative growth phase of -6.8% in 2020, Latin America bounced back with positive growth of 6.3% in 2021. Economic growth in the United States and Canada amounted to around 5% and 6%, respectively.
- The Americas region recorded growth in local currencies of 21.0% (previous year: 1.0%). In the USA, Sika gained substantial momentum. Growth was driven primarily by large-scale refurbishment projects and new-build projects in the area of distribution and data centers. Furthermore, Sika has successfully positioned itself to participate in the large state-sponsored infrastructure projects.

### Region Americas sales growth in local currencies

+21.0%

- E-commerce platforms and direct sales channels also recorded strong growth, as working from home increased and consumers were keen to invest in their apartments. Due to the strong demand for raw materials, the mining sector also developed dynamically.
- Strong growth rates were achieved in Mexico, Colombia, Brazil, Peru, and Chile. In the Americas region the strategic focus of business activities on big cities and metropolitan areas again paid off, as did the concentration on major infrastructure projects and the targeted realization of cross-selling potential.
- In the period under review, Sika acquired DriTac, a US-based company with a strong market position in wood floor bonding.
- In addition, a manufacturer of mortar products in Brazil was brought into the Sika Group in the form of BR Massa. Thanks to this acquisition, Sika improved its position in one of the leading economic regions of Brazil, as well as expanding its production capacity.
- The company also acquired American Hydrotech Inc. in the United States and its Canadian subsidiary Hydrotech Membrane Corporation in 2021. Hydrotech is an established manufacturer of liquid mem-

Growth was driven primarily by large-scale refurbishment projects and new-build projects in the area of distribution and data centers.

branes and offers comprehensive solutions for roofing and waterproofing. It is also the clear market leader in North America in the rapidly growing green roof systems segment.

- Sika also acquired the family-run company Bexel Internacional S.A. de C.V., a leading manufacturer of tile adhesives and stuccos in Mexico. With this acquisition, Sika is expanding its position in the rapidly growing Mexican market for mortar products and significantly increasing its production capacity with five strategically positioned factories.

## REGION ASIA/PACIFIC

- Various countries in Asia/Pacific benefited from the onset of a wide-ranging recovery in the year under review. With economic growth of 8.1%, China developed positively thanks to a strong export economy. India likewise displayed positive momentum and was able to benefit from public sector stimuli in both infrastructure and manufacturing. Australia and New Zealand recorded GDP growth of 3.9% and 4.1%, respectively. The construction economy of Southeast Asia gained a certain momentum in the first half of 2021, although a number of countries in the region then recorded a slowdown in the second half as the COVID-19 pandemic took hold again.
- Sika managed to increase sales in local currencies in the Asia/Pacific region by 19.4% (previous year: 12.6%).

### Region Asia/Pacific sales growth in local currencies

+19.4%

- China in particular benefited from the ongoing strong momentum with double-digit organic growth rates, and successfully expanded its infrastructure and distribution business. India continued to see a dynamic development, while the countries in Southeast Asia gradually recovered from the severe lockdowns in the last quarter of the year. The trend in Japan remains challenging. Investment activity in the country's construction market is still subdued.

China in particular benefited from the ongoing strong momentum with double-digit organic growth rates, and successfully expanded its infrastructure and distribution business.

- During the period under review, Sika acquired Hamatite, the adhesives division of Yokohama Rubber Co., Ltd. Hamatite is a market leader in Japan, offering adhesives and sealants for the automotive and construction industries. The acquisition significantly improves Sika's position in the Japanese market, giving it more comprehensive access to all major Japanese automotive manufacturers and a broader range of sealants and adhesives for the Japanese construction industry.
- In China, Sika acquired Shenzhen Landun Holding Co., Ltd., a manufacturer of a comprehensive range of products and technologies for building waterproofing. The company operates two state-of-the-art production facilities that produce a range of membranes and coatings for different applications – especially for infrastructure and commercial projects.

## Global Business Segment sales growth in local currencies

+4.3%

## GLOBAL BUSINESS

- Following a year-on-year decline of 16.2% in 2020, the number of globally produced new vehicles rose by 2.5% in 2021, thereby recording a slightly positive growth figure for the first time since the start of the COVID-19 pandemic.
- The automotive industry continued to experience major bottlenecks in the electronic parts supply chain. Whereas forecasts at the beginning of the year predicted a strong recovery in the volume of new vehicles manufactured compared with the previous year, particularly in the second half there was a sharp decline owing to the lack of availability of semiconductors.
- In the Global Business segment, Sika achieved growth in local currencies of 4.3% (previous year: -11.4%) while at the same time further expanding its position in a difficult automotive market. Sika grew faster than the market thanks to the marketing of its product range on new model platforms and an expansion of the share of Sika products in e-vehicles.
- The company is anticipating continued growth stimuli from technological change and the megatrends in modern automotive construction. This will benefit lightweight construction techniques. Above all, however, the transition from traditional drive systems to electromobility gained momentum during the pandemic and is benefiting from various government support programs in a number of countries.

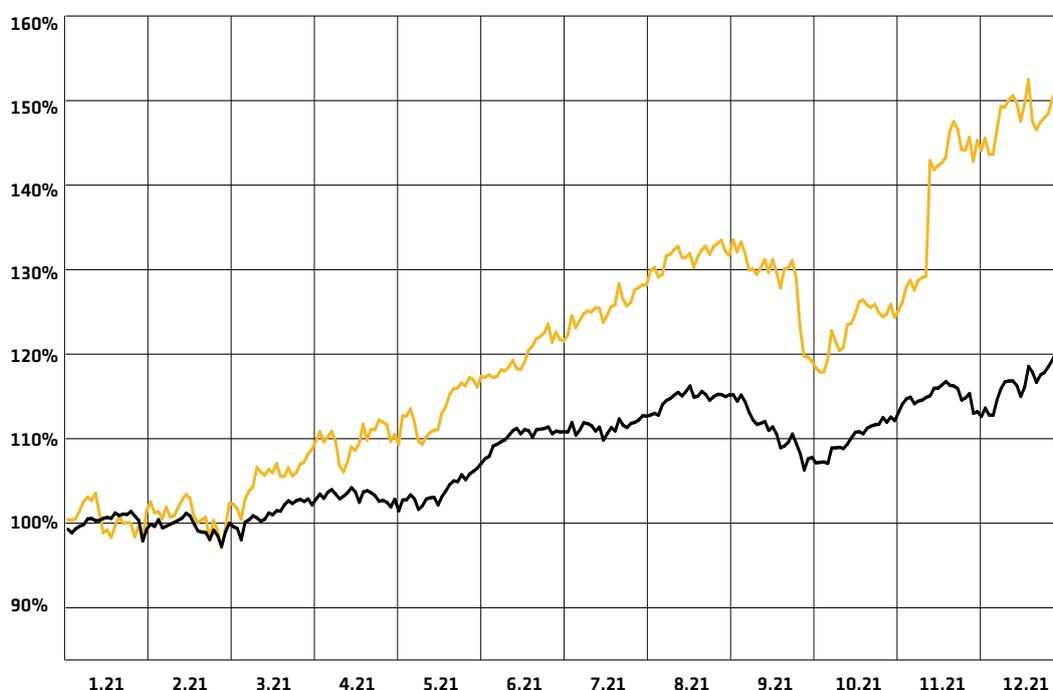
Sika is anticipating continued growth stimuli from technological change and the megatrends in modern automotive construction. This will benefit lightweight construction techniques.

# THE SIKA SHARE

Boosted by the Group's strong performance, the Sika share saw an impressive development in a friendly stock market environment. The share price continued to gain considerable value towards the end of the year and reached a new record high – ending the year up 52.9%.

## SIKA VERSUS SMI

1.1.2021-31.12.2021



**52.87 %**

With a share price increase of 52.87%, the Sika stock performed better than the SMI Index.

**CHF 380.20**

Closing price of the Sika share in 2021

Sika share  
SMI

### KEY GLOBAL SHARE INDICES in percent

	2021
SMI	+19.90
DAX	+15.72
Dow Jones	+20.23
Nikkei	+5.63
<b>Sika share</b>	<b>+52.87</b>

### STOCK EXCHANGE RATIOS SIKA in CHF

	2021
Market capitalization as at 31.12.2021 in CHF mn	54,385.70
Yearly high	382.20
Yearly low	240.20
Year end	380.20
Dividend 2020	2.50
Dividend 2021 <sup>1</sup>	2.90
Earnings per Share (EPS) <sup>2</sup>	7.39

<sup>1</sup> Pursuant to proposal to Annual General Meeting

<sup>2</sup> Undiluted

# GROUP MANAGEMENT

Sika's Group Management is a strong team of eight experienced executive managers that fully embody the Sika Spirit. Their respective careers within the Group have taken them to Sika regions and subsidiaries around the globe, and to various units within the company.



Rear

**IVO SCHÄDLER**

EMEA  
With Sika for 25 years in Switzerland and the UK

**MIKE CAMPION**

Asia/Pacific  
With Sika for 24 years in Asia and the USA

**THOMAS HASLER**

Chief Executive Officer  
With Sika for 33 years in Switzerland and the USA

**CHRISTOPH GANZ**

Americas  
With Sika for 26 years in Switzerland, France, and the USA

**PHILIPPE JOST**

Construction  
With Sika for 25 years in the USA and Switzerland

Front

**RAFFAELLA MARZI**

Human Resources & Compliance  
With Sika for 8 years in Switzerland and Italy

**ADRIAN WIDMER**

CFO  
With Sika for 15 years in Switzerland

**PATRICIA HEIDTMAN**

Chief Innovation & Sustainability Officer  
With Sika for 24 years in Switzerland and the USA

# ORGANIZATIONAL CHART

## BOARD OF DIRECTORS

**Paul J. Hälg,**  
Chair of the Board

**Viktor W. Balli**  
**Justin M. Howell**

**Monika Ribar**  
**Daniel J. Sauter**

**Paul Schuler**  
**Christoph Tobler**

**Thierry F. J. Vanlancker**

## CEO

Thomas Hasler

### LEGAL

Stefan Möсли

### PROCUREMENT

Marcos Vazquez

### COMMUNICATION & IR

Dominik Slappnig

### OPERATIONS, QUALITY & EHS

Frank Höfflin

### GLOBAL BUSINESS

Samuel Plüss

### INDUSTRY

Morten Muschak



Sika is committed to sustainable corporate governance. Business areas are developed on a long-term basis, so as to generate lasting growth in value for all stakeholders. Dedication, a clear focus on value, and assuming social responsibility are just as fundamental to this as treating the environment with care. This is the basis of our success.

# THE SIKA SPIRIT – THE PATH TO SUCCESS

The basis for Sika's success is its corporate culture. While employees find themselves facing a rapidly changing world, Sika offers an attractive, safe working environment. An environment built on trust, where fairness, respect, and equal opportunities are not just buzzwords, but lived values. In an environment where every individual can unlock their full potential and passion, impressive employee retention rates are the result. This culture of togetherness creates added value for customers and excellent results for the company. 2021, the first Sika Day took place, where teams around the world celebrated the Sika Spirit. More social projects were implemented, benefiting local communities and strengthening the team spirit.



## SIKA TANZANIA TEAM

Each team member is dedicated and motivated to bring Sika Tanzania to the next level. We are striving to establish a strong brand and reputation in our local market.



### SIKA DAY IN ALGERIA

During the first Sika Day, we celebrated the Sika Spirit by giving back to the local community. We used this day to clean the beach and raise environmental awareness among all employees and the surrounding towns.



### SIKA CARES - CANADA

Sika Canada proudly helped to improve the living environment of a youth shelter in Montreal. With the help of dedicated employees, the right tools, the gracious collaboration of business partners and the common goal to make a difference in the community, the building's exterior courtyard and various concrete structural elements were renovated in two days.

### SIKA CHINA FLOORING TEAM

For the Jiaxing railway station, our Flooring team worked closely with the customer to overcome the challenges of simultaneous construction processes. The 5,500 m<sup>2</sup> project was finished with Sikafloor®-55 Terrazzo CN within 45 days, which was highly praised by the owner.





**SIKA CARES - THAILAND**

Providing better sanitation to underprivileged schools was one of our community engagements last year. We built 22 new toilets for students in these schools. We enjoyed working together and applying Sika products ourselves.



**SIKA ECUADOR PROJECT TEAM**

Excellent teamwork and trust allowed us to successfully work on the Panorama Real and Panorama Club housing programs of the Durán canton in which more than 304 homes were built with Sika products.

**SIKA DAY IN LEBANON**

Our aim is to build a diverse team that shares expertise and benefits from each other. Communicating, mutual understanding, and collaboration are at the heart of our strategy to strengthen our teamwork and the Sika Spirit.



**SIKA DAY IN RUSSIA**

In 2021, Sika and Kreps became one company and during the first Sika Day, all our eight locations celebrated this union. Our culture is based on three important principles: respect, honesty, and sustainable development. We develop together and build trust every day.



**SIKA CHILE  
OPERATIONS TEAM**  
Our Operations team ensured that projects could be completed on schedule. This required careful coordination and communication between the customers, Sales, the Target Markets and many other teams.



**SIKA DAY IN ETHIOPIA**

New challenges and changing environments create different scenarios every day. Sika Abyssinia continues to successfully consider and prepare for all scenarios and is moving forward with a strong Sika Spirit. We are proud to be part of a great and diverse team.



### SIKA DAY IN VIETNAM

During Sika Day we celebrated Sika's culture focusing on leadership, diversity, and integrity. We believe in a bright future where changes and challenges will make our team stronger and more successful.



### SIKA CHINA COVID-19 TASKFORCE

The taskforce was set up in 2019 with the goal to update, communicate, and coordinate efficiently and in a timely manner. Our team consists of members from Administration, EHS, and Security Guard. We are proud to have contributed to all employees staying safe and healthy.

### SIKA AZERBAIJAN TEAM

Sika® ViscoCrete® improves the workability and performance of concrete and is used in many state of the art projects in Azerbaijan. To meet the deadlines of these projects, our entire team took on additional responsibilities.

### SIKA CZECH REPUBLIC REFURBISHMENT TEAM

We contributed to the construction of the Great City Ring Road in Brno. This project includes a 500-meter long tram tunnel where Sika's drainage system was used for the first time in Czech Republic. The system clearly simplified the work for the contractor. We strive to offer innovative solutions for our partners and solve all challenges that may arise.





**SIKA SLOVAKIA  
TECHNICAL TEAM**

In the High Tatras area, a traditional Tatra cog railway that first came into service in 1896 links Štrba and Štrbské pleso. Sika was involved with repairs and bridge strengthening in this exceptional construction project. Our Technical Service trained the employees of ŽSR (Slovak Republic Railways) to ensure correct application of the products.



**SIKA CARES - USA**

Our Target Market Refurbishment and Sealing & Bonding team volunteered to help renovate a single-family home for a local charity that provides housing to families in need.



**SIKA UAE CUSTOMER SERVICE TEAM**

To stay ahead of the ever-changing demands of the market, our team continues to strive towards building trust by providing valuable support to ensure long-term and mutually beneficial relationships with customers. We are taking care of customers as if they were family.



**SIKA MALAYSIA -  
NEW REGIONAL IT HUB**

We aim to bring digitalization in Asia/Pacific to the next level with our SAP and Business Process team at the new regional IT hub in Kuala Lumpur.

# KEY FIGURES AT A GLANCE

	2020	2021	Change in %
<b>Key figures</b>	<b>in %/in CHF mn</b>		
Net sales Group	7,877.5	9,252.3	+17.5%
Operating profit (EBIT)	1,130.5	1,391.4	+23.1%
EBIT margin	14.4	15.0	-
Net profit	825.1	1,048.5	+27.1%
Net profit margin	10.5	11.3	-
Operating free cash flow	1,259.4	908.4	-27.9%
Operating free cash flow (as % of net sales)	16	9.8	-
ROCE (in %)	16.6	20.1	-
ROCE adjusted for acquisitions (in %)	29.3	29.5	-
<b>Key data balance sheet</b>	<b>in %/in CHF mn</b>		
Balance sheet total	9,794.0	10,699.9	9.2%
Equity ratio (in %)	33.6	41.1	-
Net working capital (as % of net sales)	16.9	18.4	-
Net debt	2,855.8	2,538.9	-11.1%
<b>Key data per share</b>	<b>in %/in CHF</b>		
Undiluted earnings per share (EPS)	5.82	7.39	+27.0%
Diluted earnings per share (EPS)	5.22	6.60	+26.4%
Dividend	2.50	2.90 <sup>1</sup>	+16.0%
Payout ratio (as % of undiluted EPS)	43.0	44.4 <sup>2</sup>	-
<b>Employees</b>			
Number of employees	24,848	27,059	+8.9%
Training per employee (in hours)	10.1	11.1	+10.7%
<b>Ecology/Environment</b>			
Waste (kg per ton sold)	12.4	11.2	-9.6%
Water consumption (m <sup>3</sup> per ton sold)	0.22	0.20	-9.7%
Waste recycling rate (in %)	35.3	33.9	-1.4%
Energy (MJ) per ton sold	286.1	308.1	+7.7%
Renewable electricity rate (in %)	24.1	52.3	-
CO <sub>2</sub> eq emissions (in 1,000 t)	224.2	238.5	+6.4%
CO <sub>2</sub> eq emissions (in kg per ton sold)	19.6	17.6	-10.1%
<b>Community engagement</b>			
Voluntary work (in days)	1,119	1,392	+24.4%
Community engagement projects	183	242	+32.2%
Number of direct beneficiaries	268,581	44,188	-83.5%

<sup>1</sup>Pursuant to proposal to Annual General Meeting

<sup>2</sup>Corresponds to the maximum possible distribution amount assuming potential exercise of all conversion rights

# FINANCIAL CALENDAR

**NET SALES FIRST QUARTER 2022**

Tuesday, April 12, 2022

**54<sup>TH</sup> ANNUAL GENERAL MEETING**

Tuesday, April 12, 2022

**DIVIDEND PAYMENT**

Wednesday, April 20, 2022

**HALF-YEAR REPORT 2022**

Friday, July 22, 2022

**RESULTS FIRST NINE MONTHS 2022**

Friday, October 21, 2022

**NET SALES 2022**

Wednesday, January 11, 2023

**FULL-YEAR RESULTS 2022**

Friday, February 17, 2023

**Published by**

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Sika is a specialty chemicals company with a leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and motor vehicle industry. Sika has subsidiaries in more than 100 countries around the world and manufactures in over 300 factories. Its more than 27,000 employees generated annual sales of CHF 9.3 billion in 2021.

Sika anticipates future challenges with reliable, innovative, and long-lasting solutions. In everything it does, Sika applies above-average quality and sustainability standards. This is something employees, customers, and all other stakeholders can rely on. Building Trust Every Day.