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Ad Hoc Announcement Pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

SIKA EXCEEDED CHF 10 BILLION SALES MARK – RECORD EBIT ACHIEVED

Results 2022

- Sales of CHF 10,491.8 million (+13.4%), sales increase in local currencies of +15.8%
- Operating profit (EBIT) increased to CHF 1,579.7 million (+13.5%), resulting in an EBIT margin of 15.1% (previous year: 15.0%)
- Net profit up to CHF 1,162.5 million (+10.9%)
- Reduction of CO₂eq emissions by -6.9% to 16.4 kg per ton sold
- Proposal for dividend increase of 10.3% to CHF 3.20 per share (previous year: CHF 2.90)

Outlook for 2023 fiscal year

- Closing of MBCC acquisition targeted for the first half of 2023
- Sales increase in local currencies by 6-8% and an over-proportional increase in EBIT anticipated (excluding impact of MBCC acquisition)
- Confirmation of 2023 strategic targets for sustainable, profitable growth

Sika performed well against an increasingly difficult economic backdrop and exceeded the CHF 10 billion sales mark for the first time with sales of CHF 10,491.8 million. This corresponds to an increase in Swiss francs of 13.4% year-on-year. The currency effect came to -2.4%. Operating profit (EBIT) increased by 13.5%, reaching a new record figure of CHF 1,579.7 million. This equates to an EBIT margin of 15.1%.

Thomas Hasler, Chief Executive Officer: “We have achieved record results both in terms of sales and profit in a challenging market environment. For the first time in Sika’s history, we generated sales in excess of CHF 10 billion. In parallel, we have reduced our greenhouse gas emissions and will continue to deploy innovations on our path to net zero. We have and will generate value for our stakeholders by investing in our products and solutions, our innovation capabilities and most importantly in our people. Our more than 27,500 colleagues around the world have made a significant contribution to this success with great commitment, exemplary agility and a clear customer focus – for this I want to thank each and everyone.”

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RECORD FIGURES FOR SALES AND PROFIT

Sika not only achieved an all-time high in sales in fiscal 2022; it also set a record in profit. Price increases, rigorous cost management, efficiency gains, and synergies from acquisitions allowed the company to largely offset the significant rise in raw material costs. A profit from the divestment of the European industrial coatings business came alongside expense relating to the MBCC acquisition. EBIT amounted to CHF 1,579.7 million (previous year: CHF 1,391.4 million) increasing by 13.5%. The EBIT margin expanded to 15.1% (previous year: 15.0%). Operating free cash flow came to CHF 865.2 million, and is therefore below the previous year's level (CHF 908.4 million) due to increased investments in the maintenance and expansion of factories.

GROWTH IN ALL REGIONS

Rising raw material costs around the globe were a prominent feature of fiscal year 2022, as well as a deceleration in the construction sector in the second half of the year. These developments can be attributed to high inflation and accompanying interest rate hikes.

The EMEA region (Europe, Middle East, Africa) reported a sales increase in local currencies of 8.3% in 2022 (previous year: 16.1%). Sika's distribution business, which includes product distribution via home improvement stores, builders' merchants, and online platforms, saw a decline in sales volume. The extraordinarily high level of demand witnessed during the pandemic moved back into line with prepandemic era levels. In contrast, volumes in the project business, which account for around 60% of sales in the region, witnessed a smaller decline. Economic stimulus programs and substantial investments in the transition of the energy sector support Sika's business activities even in declining markets. The region's strongest growth rates were recorded in Africa and the Middle East, which once again achieved double-digit sales growth.

The Americas region recorded growth in local currencies of 27.5% (previous year: 21.0%). Sika generated a large part of this growth from the US infrastructure sector, which saw a significantly higher activity in 2022 compared to the previous year. Construction work focused on the modernization and expansion of subway lines, bridges, tunnels, and freeways. High demand also came from investments in commercial construction projects, including stadiums and data centers. In addition, the US sees large-scale reshoring investment, which involves bringing

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industrial know-how back to the United States from Asia and constructing new manufacturing plants. This will open new business opportunities for Sika. Construction activity in large parts of the US was affected by the severe weather in December, which disrupted deliveries of some Sika products. The countries in Latin America likewise benefited from a high infrastructure investment, which has been fueled by strong urbanization trends. The expansion of public transportation networks has reached the implementation phase in several major cities, and investments are also being made in water treatment plants and reservoirs incorporating Sika solutions.

Sales in the Asia/Pacific region rose by 14.8% in local currencies (previous year: 19.4%). The distribution business in China benefited from ongoing strong growth momentum, recording double-digit growth rates, whereas the project business was heavily impacted by pandemic-related lockdowns in the first nine months of the year and by another wave of the virus toward the end of the year. Sika's Indian business activities continued to experience a dynamic development, and double-digit growth was achieved in challenging markets in Southeast Asian countries once the numerous lockdowns were lifted.

In Global Business, Sika achieved growth in local currencies of 22.2% (previous year: 4.3%), and thus grew significantly faster than the market. High demand for new vehicles and a normalization of supply chains boosted business activity. For the automotive business, Sika is anticipating a recovery in the market over the medium term with continued growth stimuli from electromobility and alternative drive concepts in particular.

SIKA ON THE PATH TO NET ZERO

Sustainability has been a key element of Sika's corporate strategy for more than a decade. As an innovation leader, the company develops sustainable solutions for the construction sector and industrial applications. Beyond this, innovations are playing a central role on the path to achieving the company's net zero target. By 2032, Sika will have reduced its greenhouse gas emissions by around 25% compared with the baseline year 2022, with this figure rising to 90% by 2050. In 2022, Sika was able to reduce CO₂eq emissions by –6.9% per ton sold (scope 1 and 2).

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MBCC ACQUISITION IN THE FINAL STAGES

The acquisition of MBCC is now in the final stages. In January, Sika signed an agreement with Ineos Enterprises for the purchase of parts of MBCC Group's admixtures assets with sales of around CHF 920 million. Closing of the transaction is scheduled for the first half of 2023. The acquisition of MBCC is significantly value-enhancing for Sika. Together with MBCC, Sika intends to strengthen its growth platform and expects annual synergies of CHF 160–180 million.

DIVIDEND INCREASE AND OUTLOOK

At the Annual General Meeting on March 28, 2023, the Board of Directors will propose to increase the gross dividend by 10.3% to CHF 3.20 (previous year: CHF 2.90) given the record high earnings of 2022. This is aligned with the Group profit increase of approximately 10%.

For 2023, Sika is confident that it can successfully continue its strategy built on sustainable and profitable growth even in a challenging economic environment. Thanks to its innovative technologies, Sika is the partner of choice for many customers in the construction and industrial sectors. In addition, the global construction industry is being shaped by the megatrend of climate change as well as by increasing automation, digitalization, and easy-to-apply products. With its broad product portfolio, Sika is well positioned to offer its customers solutions that allow them to reduce their carbon footprint while facilitating long-lasting, resource-saving construction. On top of this, Sika is benefiting from global, state-driven economic programs supporting infrastructure expansion and investments in climate protection.

For fiscal 2023, Sika expects sales to rise by 6–8% in local currencies and anticipates an over-proportional increase in EBIT (excluding the impact of the MBCC acquisition).

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KEY FIGURES 2022

in CHF mn	as % of net sales	2021	as % of net sales	2022	Δ in %
Net sales		9,252.3		10,491.8	+13.4
Gross result	51.8	4,791.3	49.4	5,179.8	+8.1
Operating profit before depreciation (EBITDA)	19.0	1,758.0	18.7	1,964.2	+11.7
Operating profit (EBIT)	15.0	1,391.4	15.1	1,579.7	+13.5
Net profit	11.3	1,048.5	11.1	1,162.5	+10.9
Net profit per share (EPS) in CHF ¹		6.91		7.57	+9.6
Operating free cash flow	9.8	908.4	8.2	865.2	-4.8
Balance sheet total		10,706.8		11'319.2	+5.7
Shareholders' equity		4,395.9		4,967.1	
Equity ratio in %		41.1		43.9	
Net working capital	18.4	1,701.9	18.3	1,915.8	
ROCE in %		20.1		21.6	
Number of employees		27,059		27,708	+2.4

1) undiluted

The Annual Report and the media conference/analyst presentation on the 2022 financial year can be downloaded at www.sika.com.

Link to Annual Report: www.sika.com/annualreport

Link to live transmission of the media, investor, and analyst presentation of February 17, 2023, 10.00 a.m. (CET): www.sika.com/live



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FINANCIAL CALENDAR

55th Annual General Meeting	Tuesday, March 28, 2023
Net sales first quarter 2023	Tuesday, April 18, 2023
Half-Year Report 2023	Tuesday, July 25, 2023
Results first nine months 2023	Friday, October 20, 2023
Net sales 2023	Wednesday, January 10, 2024
Media conference/analyst presentation on 2023 full-year results	Friday, February 16, 2024

SIKA AG CORPORATE PROFILE

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 101 countries around the world and manufactures in over 300 factories. With more than 27,500 employees, the company generated annual sales of CHF 10.49 billion in 2022.