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

SIKA PERFORMS WELL IN DEMANDING MARKETS: SLIGHT GROWTH IN LOCAL CURRENCIES IN FIRST QUARTER

- **Sales up by 1.2% in local currencies**
- **Q1 sales of CHF 2,325.9 million (-3.0% in CHF)**
- **Strong growth of 15.2% in Global Business (previous year: 10.4%)**
- **Negative currency effect of -4.2%**
- **Closing of MBCC acquisition still targeted for first half of 2023**
- **Outlook for fiscal 2023 confirmed**
 - **Sales increase in local currencies by 6–8%**
 - **Over-proportional increase in EBIT (excluding MBCC acquisition)**
 - **Confirmation of 2023 strategic targets for sustainable, profitable growth**

Despite challenging economic conditions, Sika ended the first quarter of 2023 with a slight growth. Sales in local currencies and organic growth both increased by 1.2%. In Swiss franc terms, Sika posted sales of CHF 2,325.9 million. Compared with the strong prior-year period and due to the stronger Swiss franc, the sales development in CHF amounted to -3.0%. This figure includes a currency effect of -4.2%. The more dynamic markets in the Americas and Asia/Pacific regions offset the weaker performance in Europe. Growth in Global Business clearly outstripped the market, and was once again in double digits. Sika achieved a substantial increase in the material margin in the first quarter, marking an important step on the road to material margin recovery.

Thomas Hasler, CEO: "Sika successfully navigated the economic challenges in the first quarter. With our balanced product and sales mix we could smooth out fluctuations in the individual regions. As anticipated, the first quarter was challenging, but – given the recovery expected in the markets – we are sticking with our growth ambitions for full-year 2023. We expect that the acquisition of MBCC will be closed in the first half of the year. With MBCC, we are expanding our leadership position for sustainable solutions in the construction industry even further. We are

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thus strengthening the platform underpinning our Strategy 2028 for profitable, long-term growth and securing a sustained increase in value for all our stakeholders – for our customers, for our employees, and for our shareholders."

RESULTS IN THE REGIONS

In the first quarter of 2023, the construction industry showed a weaker development than in the same period of the previous year. This was due to higher inflation, interest rate hikes, and the war in Ukraine. These impacts were contrasted with the megatrend of climate change in the construction sector, which has paved the way for a paradigm shift in the industry. Demand for solutions that allow the reduction of CO₂ emissions and the conservation of resources in construction continues to increase. Demand has developed positively for solutions in the industrial sector, particularly in the automotive area. Through its technologies, Sika is ideally positioned in both these markets to offer its customers solutions enabling them to reduce their carbon footprint.

The EMEA region (Europe, Middle East, Africa) reported a sales decline in local currencies of -4.7% (previous year: +18.1%). Business was muted in Germany, Austria, and Switzerland in particular, as well as in Eastern Europe. Distribution business was up slightly on the previous quarter. In the project business, volumes declined despite economic stimulus programs and investments in energy transition providing a broad underpinning for Sika's activities. Sales in the countries in Africa and the Middle East continued to record double-digit growth in the first three months of 2023.

In local currency terms, the Americas region achieved a 5.1% increase in sales (previous year: 36.2%). A higher level of interest rates weighed on construction activity. Despite this, Sika registered a solid increase in the first quarter, with much of this increase attributable to US infrastructure projects. Construction work focused on the modernization and expansion of subway lines, bridges, tunnels, and freeways, with investments in commercial construction projects sparking additional demand. In addition, the USA is witnessing investments in reshoring, which encompasses bringing industrial know-how back to the United States from Asia, and in the construction of manufacturing plants.

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Sales in local currencies in the Asia/Pacific region increased by 2.6% (previous year: 18.6%). At the beginning of the first quarter, China continued to be marked by a high level of infections. The situation significantly improved toward the end of the quarter, with double-digit growth in the distribution business. Growth was solid in Japan, while India recorded a double-digit growth. Business got off to a muted start in Southeast Asia in 2023, impacted by weaker sales in Vietnam triggered by the government's tightening monetary policy.

In the Global Business segment, Sika achieved growth in local currencies of 15.2% (previous year: 10.4%), and therefore grew at a considerably faster pace than the market. This was due to the solid demand for new vehicles, and e-mobility in particular, as well as to supply chain normalization. Sika is anticipating a continued recovery in the market for automotive business over the medium term, with long-term growth stimuli coming from electromobility and alternative drive concepts in particular.

MBCC ACQUISITION IN THE FINAL STAGES

The acquisition of MBCC is now in the final stages. In the first quarter of 2023, Sika signed a purchase agreement with the private equity firm Cinven for parts of MBCC's admixture business. This business achieved sales of around CHF 920 million in fiscal 2022. Closing of the acquisition is scheduled for the first half of 2023. The acquisition of MBCC is significantly value-enhancing. Together with MBCC, Sika will further strengthen its growth platforms and expects annual synergies of CHF 160–180 million.

OUTLOOK FOR 2023

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. These sectors are strongly characterized by the megatrend of climate change as well as by increasing automation, digitalization, and easy-to-apply products.

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For the 2023 fiscal year, 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).

NET SALES FOR FIRST THREE MONTHS OF 2023

In CHF mn	1.1.2022 - 31.3.2022	1.1.2023 - 31.3.2023	Year-on-year change (+/- in %)				
			In CHF	In local currencies ¹	Currency effect	Acquisition effect ²	Organic growth ³
By region							
EMEA	1,038.2	931.1	-10.3	-4.7	-5.6	-1.6	-3.1
Americas	662.9	695.0	4.8	5.1	-0.3	2.4	2.7
Asia/Pacific	501.7	480.4	-4.2	2.6	-6.8	0.0	2.6
Global Business	195.4	219.4	12.3	15.2	-2.9	0.0	15.2
Net sales	2,398.2	2,325.9	-3.0	1.2	-4.2	0.0	1.2
Products for construction industry	1,938.5	1,860.7	-4.0	0.3	-4.3	0.0	0.3
Products for industrial manufacturing	459.7	465.2	1.2	4.9	-3.7	0.0	4.9

1 Growth in local currencies including acquisitions.

2 Share of sales of acquired companies not including post-combination growth. The sales growth of the acquired companies since initial consolidation is included in organic growth.

3 Growth adjusted for acquisition and currency effects. Sales growth of the acquired business since initial consolidation is included in organic growth.

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FINANCIAL CALENDAR

Half-Year Report 2023	Friday, August 4, 2023
Results first nine months 2023	Friday, October 20, 2023
Net sales 2023	Wednesday, January 10, 2024
Media conference/analyst presentation on full-year results 2023	Friday, February 16, 2024
56th Annual General Meeting	Tuesday, March 26, 2024
Net sales first quarter 2024	Tuesday, April 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.