



STRONG SALES GROWTH IN FIRST QUARTER 2020 – SLOWER IN MARCH DUE TO COVID-19

SIKA INVESTOR PRESENTATION
JUNE 2020

BUILDING TRUST



FIRST QUARTER 2020

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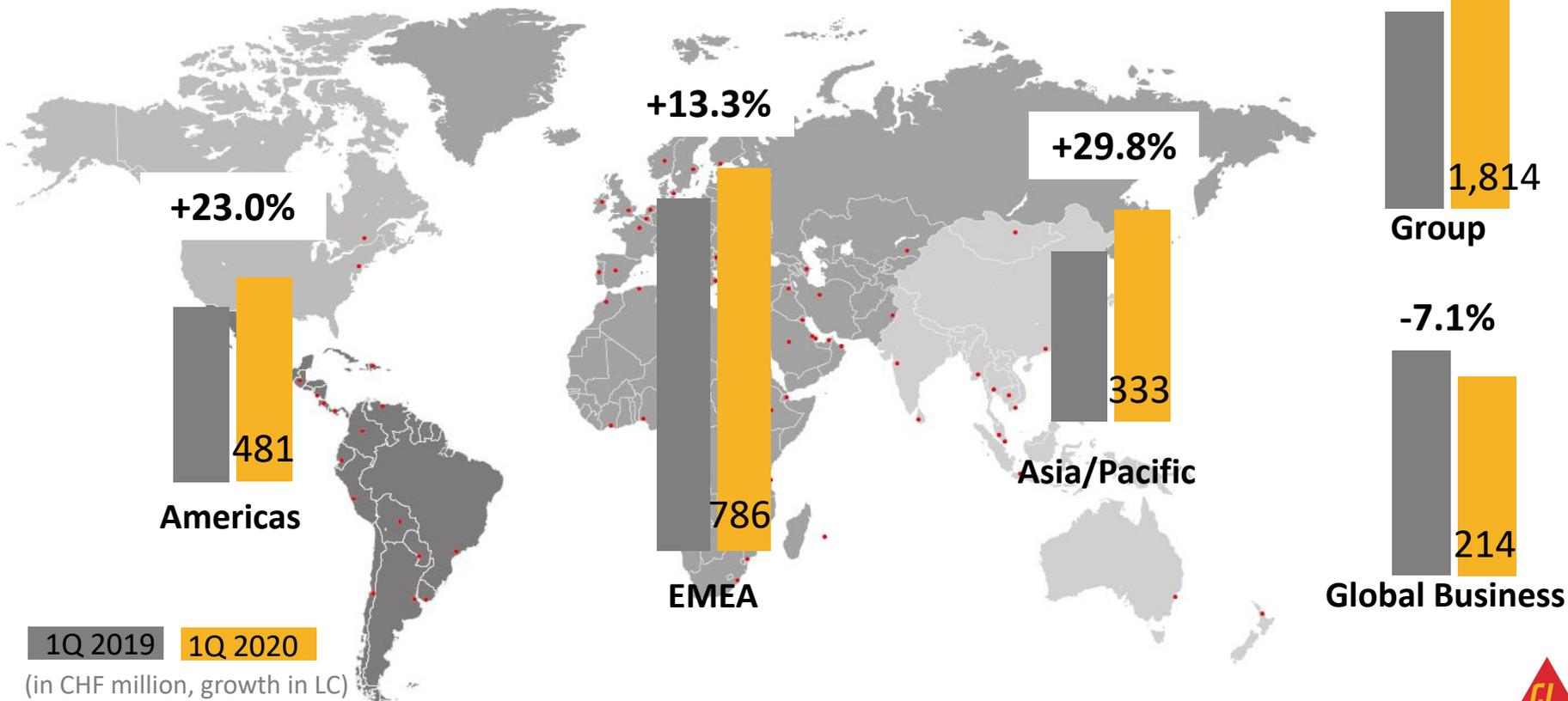
HIGHLIGHTS Q1 2020

15.4% SALES GROWTH IN LOCAL CURRENCY (10.3% IN CHF)

- Sales increase of 15.4% in local currencies to CHF 1,813.6 million (+10.3% in CHF)
- Negative currency effect of –5.1%
- Acquisition of Adeplast (Romania) concluded, new production facility in Sarnen (Switzerland) opened
- Outlook for 2020: forecast for 2020 not yet possible due to ongoing developments related to COVID-19
- Confirmation of 2023 strategic targets for sustainable, profitable growth

POSITIVE GROWTH IN THE FIRST QUARTER 2020

15.4% SALES GROWTH IN LOCAL CURRENCY (10.3% IN CHF)



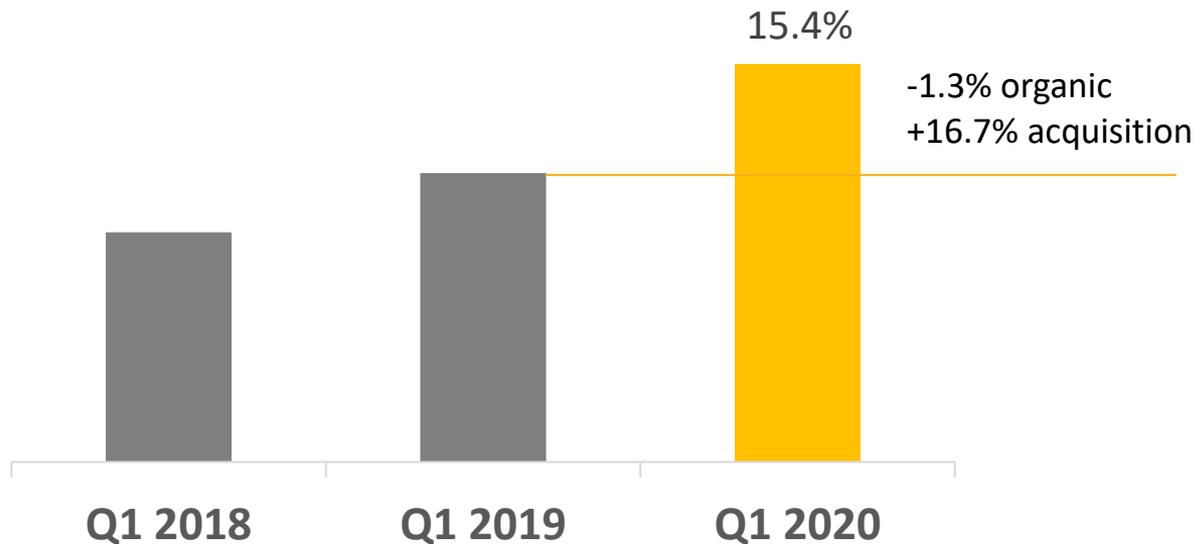
1Q 2019

1Q 2020

(in CHF million, growth in LC)

POSITIVE GROWTH IN THE FIRST QUARTER 2020

15.4% SALES GROWTH IN LOCAL CURRENCY (10.3% IN CHF)



in CHF million

Sales

1,554.0

1,645.2

1,813.6

HIGH OPERATING SPEED CONTINUED

INVESTMENTS IN SEVEN PLANTS IN 2019

Opening of Sika plants:

Mortar plant
Senegal, Dakar



Mortar plant
Cameroon, Douala



Third plant
Indonesia, Jakarta

Jan > Feb > Mar > Apr > May > Jun > Jul > Aug > Sep > Oct > Nov > Dec

Concrete admixture plant
Qatar, Doha



Expansion of mortar plant
Egypt, Alexandria

Expansion of mortar plant
Serbia, Belgrade



Mortar plant
Ethiopia, Addis Ababa

HIGH OPERATING SPEED CONTINUED

FIVE ACQUISITIONS IN 2019 – INTEGRATION ON TRACK

Total annual sales: CHF 1,458 million

Parex, Global

Building Finishing, Waterproofing, Flooring



King Packaged Materials, Canada
Concrete, Refurbishment

Crevo-Hengxin, China

Sealing & Bonding



Jan > Feb > Mar > Apr > May > Jun > Jul > Aug > Sep > Oct > Nov > Dec



Belineco, Eastern Europe
Sealing & Bonding

Adeplast, Romania
Building Finishing
(Closing Q1 2020)

NEW TARGET MARKET BUILDING FINISHING

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FAST AND SUCCESSFUL INTEGRATION OF PAREX EXCELLENT PROGRESS

TOTAL SYNERGIES

Around CHF 100 million identified

TOTAL COST SYNERGIES

CHF 55 million

CHF 25 MILLION+

Run rate synergies achieved to date

CROSS-SELLING

500+ initiatives tracked, 48% of them in cross-selling

PRODUCT LAUNCHES

34 new products launched in 10+ countries

SHOP IN SHOP

concept launched in China in **2,300 STORES**



BUILDING FINISHING AS OUR EIGHTH TARGET MARKET

HIGHER MARKET PENETRATION

Building Finishing



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding



Refurbishment



Industry



BUILDING FINISHING AS OUR EIGHTH TARGET MARKET

HIGHER MARKET PENETRATION

Technical Mortars / Other Sika Target Markets



Highly technical building and infrastructure projects



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

Building Finishing – Tile Adhesives and Facade Mortars



Residential and light commercial focus



Need for capillary distribution network to serve highly fragmented applicator base

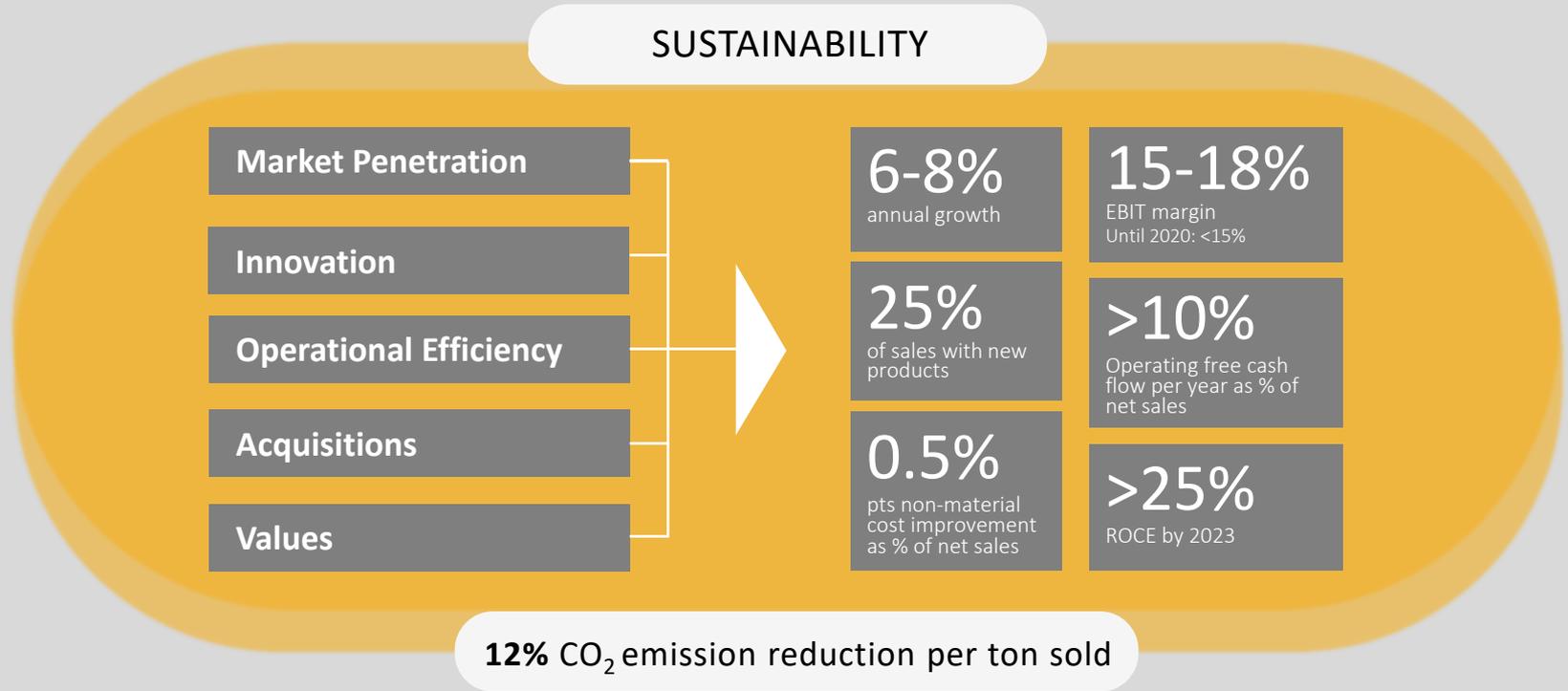
STRATEGY 2023

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SIKA'S GROWTH STRATEGY 2023

THE PILLARS OF THE STRATEGY



SUSTAINABLE STRATEGY

MORE VALUE, LESS IMPACT - SUSTAINABILITY TARGETS

SUSTAINABLE SOLUTIONS

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

TARGET 2023

- All new product developments with "Sustainable Solutions"



CLIMATE PERFORMANCE

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

TARGET 2023

- 12% reduction of CO₂-emissions per ton sold



COMMUNITY ENGAGEMENT

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

TARGET 2023

- 10,000 working days of volunteering work per year
- 50% more projects
- 50% more direct beneficiaries



MORE VALUE

LESS IMPACT

ENERGY

We manage resources and costs carefully.

TARGET 2023

- 15% less energy consumption per ton sold



WASTE / WATER

We increase material and water efficiency.

TARGET 2023

- 15% less waste generation per ton sold
- 25% higher recycling rate of total waste
- 15% less water consumption per ton sold



OCCUPATIONAL SAFETY

Sika employees leave the workplace healthy.

TARGET 2023

- 50% less accidents
- 0 fatalities



STRONG INNOVATION PIPELINE

MORE PERFORMANCE – MORE SUSTAINABLE

SUSTAINABLE SOLUTION = BETTER PERFORMANCE + SUSTAINABILITY BENEFITS

PERFORMANCE SOLUTION

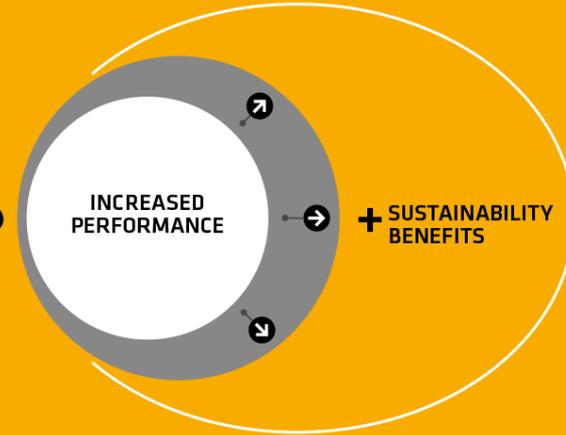


FOCUS ON ADDED VALUE

ALWAYS COMBINE SIKA PROVEN
"VALUE THROUGH PERFORMANCE"
WITH ADDED SUSTAINABILITY
BENEFITS



PERFORMANCE AND SUSTAINABILITY SOLUTION



STRONG INNOVATION PIPELINE

NEW SOLUTIONS: MORE PERFORMANCE – MORE SUSTAINABLE



HYDROFLEX SEALANTS

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



NEW EPOXY FLOOR COATINGS

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



HEMP BASED, CEMENT-FREE MORTARS

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

SIKA AT THE FOREFRONT OF CONSTRUCTION

NEW TECHNOLOGIES CHANGE THE INDUSTRY

Sika's structural glazing changed the industry in 2000



The Gherkin, London

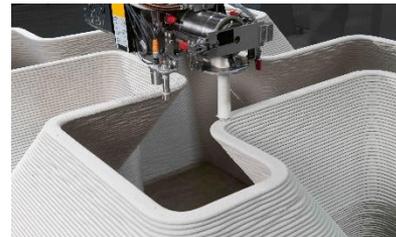
Sika's concrete admixtures make supertall skyscrapers possible



One Vanderbilt, New York

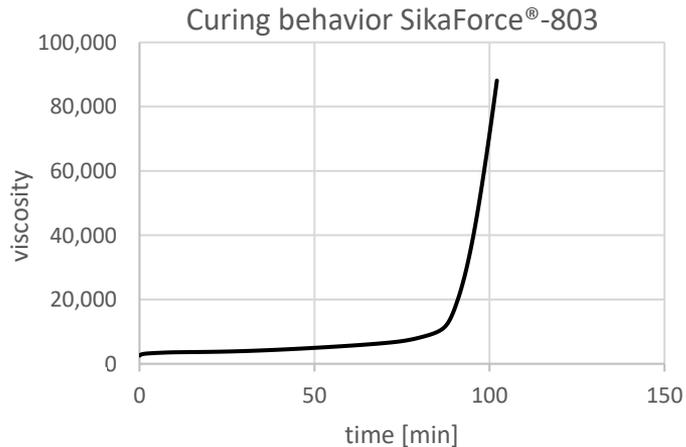
In the future digitalization and industrialization of construction with 3D concrete printing

- First printers in use at customer sites to print concrete elements using Sika 3D mortar
- Components printed directly from plan, no costly and time-consuming need to erect framework
- New design opportunities for architects



WINNER OF SWISS TECHNOLOGY AWARD

CURING-BY-DESIGN – EXAMPLE OF BUS MANUFACTURER



Cost savings up to 75% - Time savings approx. 90%

	Open time	Workforce needed for application
SikaForce®-803	45 min	1 person
Conventional adhesive	15 min	4 people
	Strength after 4 hours	Strength after 24 hours
SikaForce®-803	>4 MPa	>6 MPa
Conventional adhesive	0.45 MPa	1.8 MPa
	Waiting time until vehicle can be moved	
SikaForce®-803	2 h	
Conventional adhesive	24 h	

IMPROVE OPERATIONAL EFFICIENCY

KEY INITIATIVES



HIGH LEVEL OF AUTOMATION

Improved efficiency cuts costs and reduces ecological footprint



SMART PACKAGING

Reduction in material consumption combined with easy handling



OPTIMIZED LOGISTICS

Efficient goods flows in local markets, countries, and regions

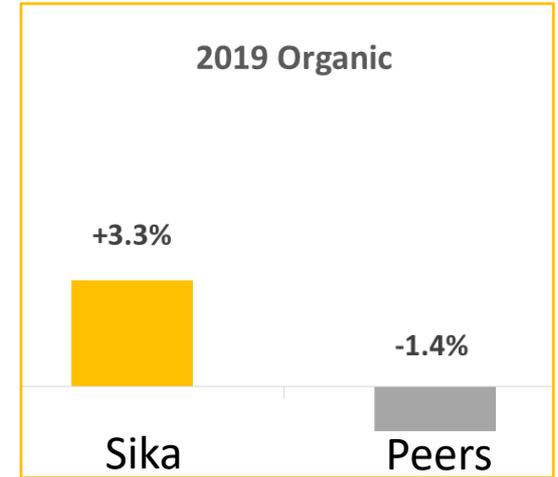
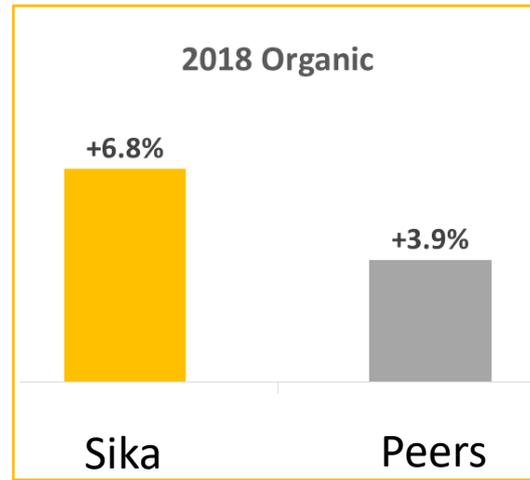
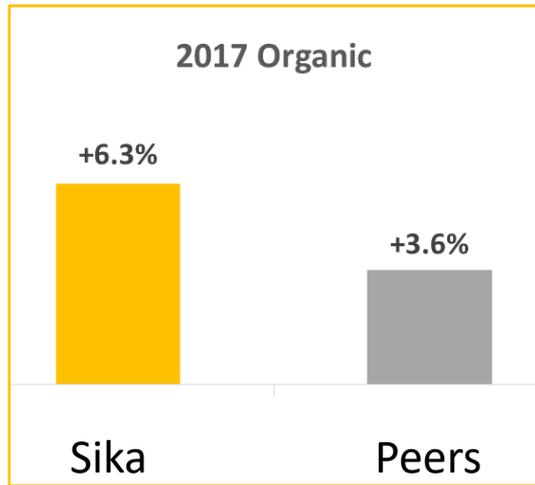


GLOBAL TEAMS OF EXPERTS

Group-wide optimization of product formulations

SIKA CLEARLY OUTPERFORMS COMPETITORS

ORGANIC GROWTH SIGNIFICANTLY ABOVE PEERS IN THE PAST YEARS



CURRENT SITUATION

MEASURES ADDRESSING CURRENT SITUATION

KEEP HIGH FLEXIBILITY

Measures

Operational Agility	<ul style="list-style-type: none">General	<ul style="list-style-type: none">Strong local management teams in the countriesPreparation and response according to local situation which differs from country to country, scenario planningTaking advantage of local support measuresStructural adjustments if longer-term market impact foreseen (automotive)Focus on market opportunities, sales development in China back on previous year's level
Operating Profit & Cash Focus	<ul style="list-style-type: none">CapExCost StructuresWorking Capital	<ul style="list-style-type: none">Reduce/postpone non-critical CapExAdaptation of cost structure, reduction and postponement of expensesTight monitoring and management of Working Capital
Liquidity	<ul style="list-style-type: none">Cash BalanceCredit LineBond Maturity	<ul style="list-style-type: none">High cash balance of CHF 995 million (end of 2019)Fully committed credit lines (RCF) of CHF 1,250 million, no covenantsNo maturity until July 2021 (CHF 170 million)



THANK YOU FOR YOUR ATTENTION

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FORWARD-LOOKING STATEMENT

This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as 'expects', 'believes', 'estimates', 'anticipates', 'projects', 'intends', 'should', 'seeks', 'future' or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation, among others:

- Fluctuations in currency exchange rates and general financial market conditions
- Interruptions in production
- Legislative and regulatory developments and economic conditions
- Delay or inability in obtaining regulatory approvals or bringing products to market
- Pricing and product initiatives of competitors
- Uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of research projects, unexpected side-effects of pipeline or marketed products
- Increased government pricing pressures
- Loss of inability to obtain adequate protection for intellectual property rights
- Litigation
- Loss of key executives or other employees
- Adverse publicity and news coverage

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