



RECORD RESULTS IN 2015 STRATEGIC TARGETS RAISED

SIKA MEDIA AND INVESTOR PRESENTATION, FEBRUARY 26, 2016

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1. STRATEGY REVIEW AND RAISED TARGETS

DR. PAUL HÄLG, CHAIRMAN OF THE BOARD

STRATEGY 2018 – ACHIEVEMENTS SINCE 2012

A PROVEN TRACK RECORD OF DELIVERY

PILLARS OF THE GROWTH MODEL	ACHIEVEMENTS
MARKET PENETRATION	 <ul style="list-style-type: none">• Successful Target Market concept• Megatrends driving growth
INNOVATION	 <ul style="list-style-type: none">• 297 new patents filed• 20 Global Technology Centers
EMERGING MARKETS	 <ul style="list-style-type: none">• 30 new plants opened• 16 new national subsidiaries
ACQUISITIONS	 <ul style="list-style-type: none">• 17 acquisitions in all regions• CHF 563 million sales added
VALUES	 <ul style="list-style-type: none">• Strong corporate culture• High employee loyalty

STRATEGY 2018

STRATEGY REVIEW AND RAISED TARGETS

Since the targets for Strategy 2018 have been reached ahead of schedule, with three full business years to go, the Board of Directors decided to raise them in January 2016, as a result of the strategy review carried out in 2015.

- Bottom-up review of Strategy 2018 involving all 160 Senior Managers in all countries
- Strength of Strategy 2018 and growth model confirmed
- Further growth potential and initiatives identified
- Targets and key investments reviewed and updated
- Confidence in continuation of sales growth and margin improvement

STRATEGY 2018

STRATEGY REVIEW AND RAISED TARGETS

PREVIOUS TARGETS

6-8% growth per year

42-45% of sales in emerging markets

>10% operating profit

>6% operating free cash flow

>20% ROCE



NEW AND RAISED TARGETS FROM JANUARY 2016

6-8% growth per year

6-8 new plants per year

100 national subsidiaries by 2018

12-14% operating profit per year

>8% operating free cash flow per year

25% ROCE by 2018

ENSURING THE SIKA SUCCESS STORY CONTINUES

STRONG OPPOSITION TO HOSTILE TAKEOVER ATTEMPT

- Strong performance underscores the necessity of safeguarding Sika's successful business model in the interest of all stakeholders
- Public shareholders, Board of Directors, Group Management, 160 Senior Managers and employee representatives remain opposed to Saint-Gobain's hostile takeover attempt
- There is no industrial logic behind the proposed transaction
- A competitor wants to control Sika by holding just 16% of capital – which results in a conflict of interests
- A Saint-Gobain majority board means the interests of the public shareholders would no longer be adequately represented
- Court decision on voting rights restriction pending
- Board of Directors and Group Management will continue to act in the interests of Sika and its stakeholders with the aim of guaranteeing the unimpeded continuation of Sika's successful growth strategy

2. HIGHLIGHTS AND STRATEGY EXECUTION 2015

JAN JENISCH, CEO

HIGHLIGHTS 2015

1. Continued growth

- +6.2% sales growth in local currencies to CHF 5,489.2 million
- +2.3% employees to 17,281

2. Key investments

- 3 new national subsidiaries
- 9 new factories
- 5 acquisitions

3. Record results

- CHF 673.3 million EBIT (+6.3%)
- CHF 465.1 million net profit (+5.4%)
- CHF 451.5 million operating free cash flow (+8.1%)

4. Strategy 2018

- Reviewed with all 160 Senior Managers and targets raised
- Continuation of growth strategy with 6-8 new factories per year and 100 national subsidiaries by 2018

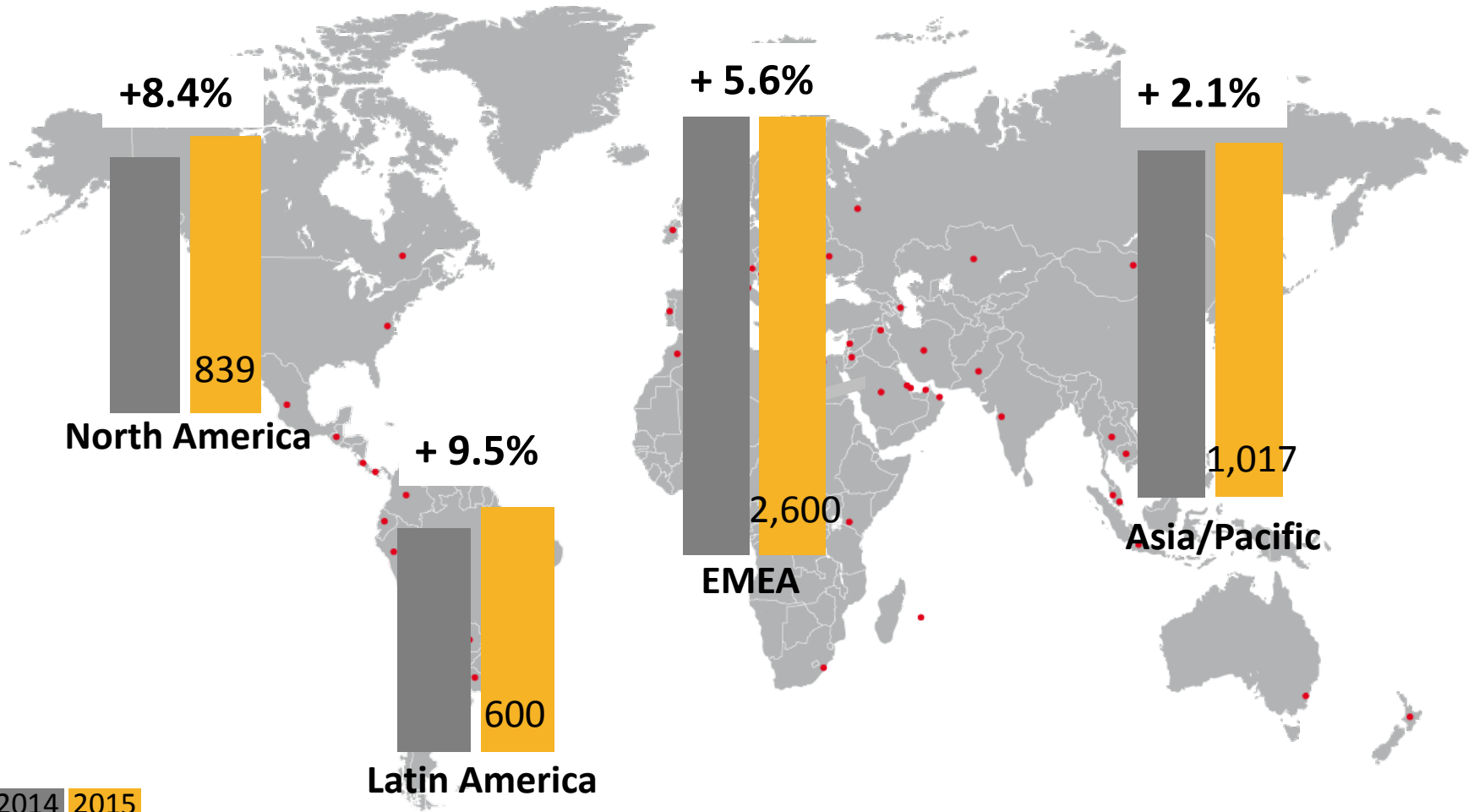
KEY FIGURES

RECORD RESULTS

In million CHF	2014	2015	Δ %
Net sales	5,571.3	5,489.2	- 1.5%
Gross results as % of net sales	53.0	54.1	
EBITDA	798.3	837.3	+ 4.9%
EBIT	633.2	673.3	+ 6.3%
Net profit	441.2	465.1	+ 5.4%
Operating free cash flow	417.5	451.5	+ 8.1%
ROCE in %	23.3	24.3	

6.2% SALES GROWTH FOR 2015

SALES GROWTH IN ALL REGIONS



2014 2015

(in CHF mn,
Growth in LC)

Growth of 7.9% in Emerging Markets

ACCELERATED BUILD-UP OF EMERGING MARKETS INVESTMENTS 2015

Opening of Sika plants:

- **2nd plant in United Arab Emirates** (Dubai, March 2015)
- **1st plant on Reunion Island** (March 2015)
- **1st plant in Sri Lanka** (Ekala, March 2015)
- **1st plant in Paraguay** (Asunción, May 2015)
- **4th plant in Russia** (Volgograd, August 2015)
- **2nd plant in Argentina** (Cordoba, September 2015)
- **1st plant in Nigeria** (Lagos, September 2015)
- **1st plant in Ivory Coast** (Abidjan, September 2015)



Sika Nigeria



Sika in Ivory Coast

BUILD-UP OF SUPPLY CHAIN IN GROWTH MARKETS

INVESTMENTS 2015

Opening of 17th North American plant in Philadelphia – December 2015



CONTINUING HIGH OPERATING SPEED NEW NATIONAL SUBSIDIARIES IN 2015

New subsidiaries:

- Myanmar (March 2015)
- Tanzania (September 2015)
- Ethiopia (September 2015)



Sika Myanmar



Sika Myanmar production facilities

CONTINUING HIGH OPERATING SPEED ACQUISITIONS IN 2015

Company	Country	Target Market
Duro-Moza	Mozambique	Refurbishment
BMI	USA	Refurbishment, Flooring
Axson Technologies	Global	Industry
CTA	Australia	Refurbishment
Addiment Italia	Europe	Concrete



Axson Technologies



BMI



Duro-Moza

MORTAR IS SIKA'S FASTEST GROWING TECHNOLOGY CORE ELEMENT OF STRATEGY 2018

- 12.9% sales growth in 2015
- Generates more than 20% of sales in construction segment
- 85 production plants across the globe
- 22 new plants opened since 2012
- 9 out of 17 acquired companies since 2012
- Generates high, above-average profitability



Mortar plant opening in Philadelphia



Wide product range from CTA

INNOVATION IN MORTARS

TWO IN ONE TILE ADHESIVE

SikaCeram® -500 Ceralastic

FLEXIBLE, ONE-COMPONENT,
FIBER-REINFORCED MORTAR

APPLICATION TIMES
SLASHED FROM **NINE**
DAYS TO TWO DUE TO
ONE SINGLE APPLICATION



Application time in days using
conventional method

Application time in days using
SikaCeram®-500 Ceralastic

WATERPROOFING AND ADHESIVE
SYSTEM

TWO IN ONE PRODUCT

30% SAVINGS IN APPLICATION
COSTS AND **45% LESS**
STORAGE SPACE REQUIRED

INNOVATION IN WATERPROOFING TACKLING CHALLENGING PROJECTS



SikaProof® A

USED IN THE CREATION OF
THE STUNNING RABAT
GRAND THEATRE IN
MOROCCO

FIRST TIME THE
PRODUCT HAS BEEN
USED IN

NORTH AFRICA

PARTS OF THE BUILDING'S FOUNDATION ARE
PERMANENTLY BELOW WATER
PLACING EXTREMELY HIGH REQUIREMENTS ON THE
WATERPROOFING SYSTEM



INNOVATION IN FLOORING

SETTING NEW BENCHMARKS WITH HIGH-PERFORMANCE MOLECULES



SIKA HAS DEVELOPED NEW
AMINE TECHNOLOGY
PROTECTED BY OVER
20 PATENTS

THE NEW TECHNOLOGY COMBATS
THE DRAWBACKS PRESENTED BY
TRADITIONAL **EPOXY RESIN**
FLOORING SYSTEMS

ADVANTAGES:

- VOC-FREE
- LOW-ODOR
- CURES RAPIDLY EVEN IN COLD CONDITIONS
- TOP-CLASS SURFACE FINISH
- MORE ROBUST
- STRONGLY REDUCED YELLOWING

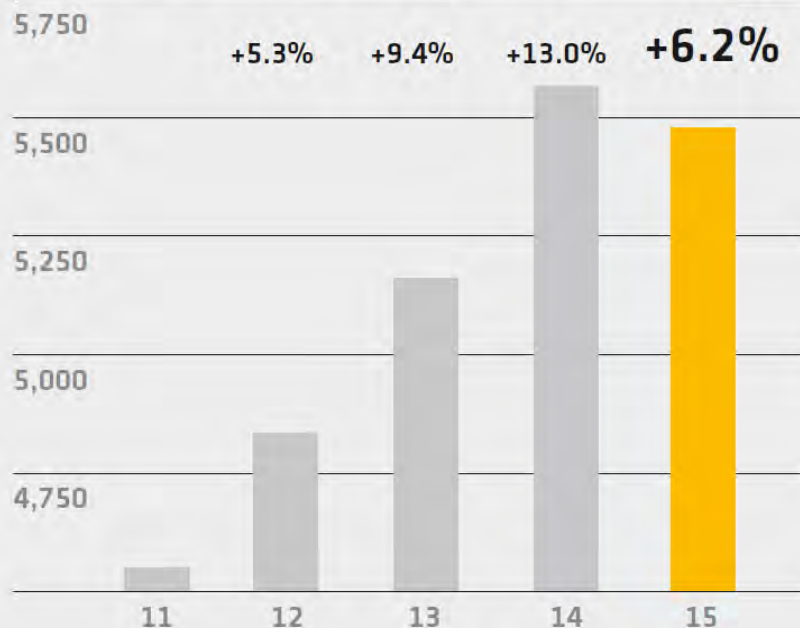
FIVE-YEAR OVERVIEW - NET SALES AND EBIT

CONTINUATION OF PROFITABLE GROWTH STRATEGY

NET SALES (consolidated)

in CHF mn

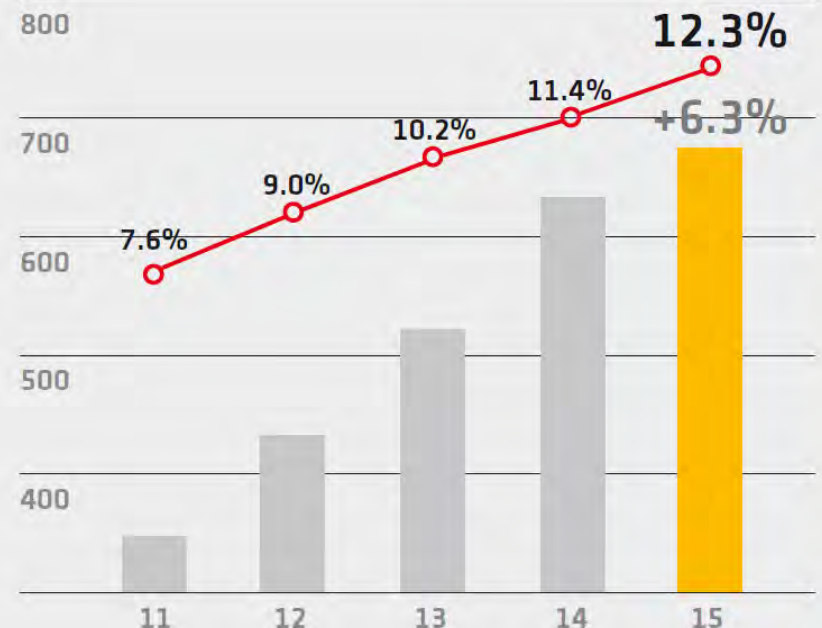
Growth in percent in local currencies



EBIT

in CHF mn

○ as percent of net sales



3. RESULTS 2015

ADRIAN WIDMER, CFO

FINANCIAL HIGHLIGHTS 2015

- **Strong sales and volume growth of 6.2%** (-1.5% in CHF) in spite of weaknesses in main markets, all regions contributed
- Over proportional **EBIT growth, reaching 12.3% of net sales**, +CHF 40 million in absolute terms in spite of adverse FX environment
- **Lower interest expenses but higher other financial expenses** due to increased hedging cost and negative valuation impact
- **Tax rate stable at 25.2%**
- Resulting **net profit growth of 5.4%**
- All time record in **operating free cash flow at CHF 451.5 million**
- **Record cash level of CHF 1.07 billion**, net cash position of CHF 94 million
- Further **improvement in capital efficiency (ROCE) to 24.3%** driven by strong profitability and efficient capital management, **slightly higher NWC at 18.6%** due to strong finish to the year

REVENUES 2015

6.2% GROWTH IN LOCAL CURRENCIES

In million CHF	2014	2015	Δ	%
Net sales	5,571.3	5,489.2	- 82.1	- 1.5
Organic growth			+ 225.5	+ 4.0
Acquisition effect			+ 119.8	+ 2.2
Currency effect			- 427.4	- 7.7

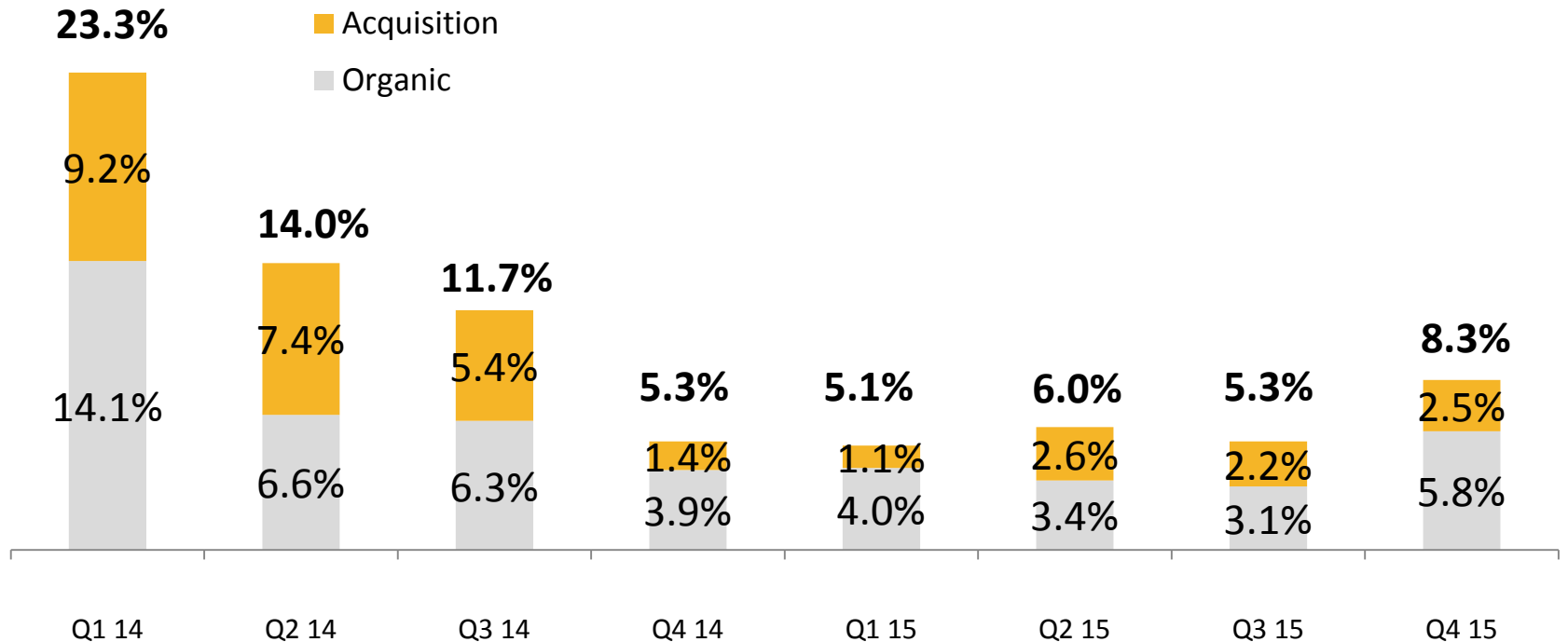
SALES GROWTH BY QUARTER

DYNAMIC GROWTH MOMENTUM

Growth rates in local currencies

■ Acquisition

■ Organic



Net sales, million CHF	Q1 14	Q2 14	Q3 14	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15
	1,206.2	1,450.7	1,517.5	1,396.9	1,195.3	1,429.9	1,469.8	1,394.2

PROFIT & LOSS

STRONG IMPROVEMENT IN KEY FINANCIALS

In million CHF	2014	NS	2015	NS	Growth
Net sales	5,571.3	100%	5,489.2	100%	- 1.5%
Gross results	2,951.3	53.0%	2,970.8	54.1%	+ 0.7%
Personnel costs	-1,093.7	-19.7%	-1,106.5	-20.1%	+ 1.2%
Other OPEX	-1,059.3	-19.0%	-1,027.0	- 18.7%	- 3.0%
Depreciation	-165.1	-2.9%	-164.0	-3.0%	- 0.6%
EBIT	633.2	11.4%	673.3	12.3%	+ 6.3%
Financial expense	-42.6		-51.4		
Income taxes	-149.4		-156.8		
Net profit	441.2	7.9%	465.1	8.5%	+ 5.4%
Tax rate		25.3%		25.2%	
Non-material costs	-2,318.1	-41.6%	2,297.5	-41.9%	- 0.8%

CONSOLIDATED BALANCE SHEET

DEBT-FREE BALANCE SHEET – OVER 1 BILLION IN CASH

In million CHF	31.12.2014	31.12.2015	Δ %
Cash and cash equivalents	898.8	1,074.4	+ 19.5
Other current assets	1,697.3	1,703.7	+ 3.8
Current assets	2,596.1	2,778.1	+ 7.0
Non-current assets	2,221.8	2,145.7	- 3.4
Total assets	4,817.9	4,923.8	+ 2.2
Current liabilities	951.1	1,163.1	+ 22.3
Non-current liabilities	1,483.5	1,208.6	- 18.5
Equity incl. minorities	2,383.3	2,552.1	+ 6.2
Total liabilities and equity	4,817.9	4,923.8	+ 2.2
Net debt	82.5	- 94.0	

CASH FLOW STATEMENT

RECORD OPERATING FREE CASH FLOW

In million CHF	2014	2015
Cash flow from operating activities	554.4	585.8
CapEx/sale of assets/acquisitions	-204.6	-206.3
Free cash flow	349.8	379.5
Acquisitions/financial assets	67.7	72.0
Operating free cash flow	417.5	451.5
Free cash flow	349.8	379.5
Cash flow from financing activities	-480.0	-186.8
Exchange differences	0.7	-17.1
Net change in liquid funds	-129.5	175.6

DIVIDEND PROPOSAL

BOARD PROPOSES 8.3% DIVIDEND INCREASE

Dividend payment CHF 78.00 per bearer share
CHF 13.00 per registered share

In million CHF	2014	2015
Group profit (after minorities)	439.0	460.3
Dividend out of retained earnings	182.8	198.1
Total payout ratio	41.6 %	43.0 %

4. SUCCESSFUL EXECUTION OF AFRICA STRATEGY

PAUL SCHULER,
REGIONAL MANAGER EMEA

AFRICA'S HIGH POTENTIAL

THE WORLD'S SECOND-LARGEST CONTINENT

- World's fastest growing continent, 54 countries
- Resources and raw material driving economic growth
- 15% of the global population
- Strong population growth exceeding Asia:
 - 1.1 billion inhabitants, figure expected to double by 2050
 - Mega countries with more than 300 million inhabitants by 2050 such as Nigeria
- Forecasts: USD 380 billion investments in infrastructure and energy by 2040



SUCCESSFUL IMPLEMENTATION OF SIKA'S AFRICA STRATEGY ACCELERATED EXPANSION IN AFRICA

- Strategy developed in 2013
 - Macroeconomic aspects: GDP, political stability, demographic trends, infrastructure spend
 - Microeconomic criteria: annual cement consumption and market potential for concrete, mortars, tile adhesives
- Presence in North and South Africa for decades, followed by establishment of presence in East, Central and West Africa



SIKA'S TRACK RECORD IN AFRICA

STRONG EXECUTION

+22%

Sales growth in 2015

9

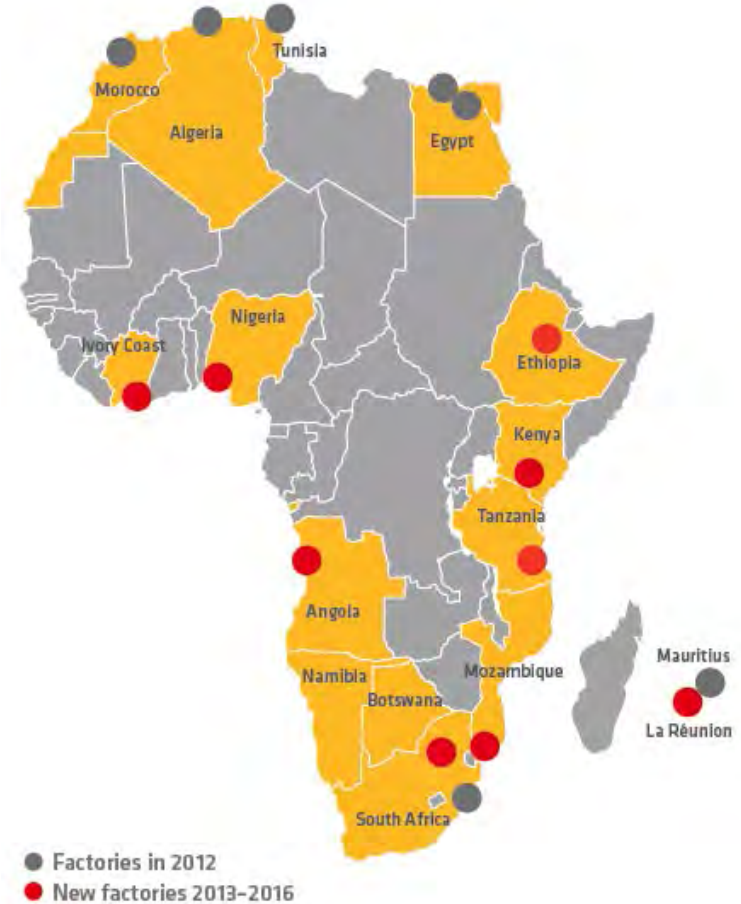
New plants since 2012

16 subsidiaries

8 added since 2012

688

employees



MAJOR CONSTRUCTION PROJECTS WITH SIKA PRODUCTS



Bridge over Maputo Bay, Mozambique



Dangote fertilizer plant Lagos, Nigeria

MAJOR CONSTRUCTION PROJECTS WITH SIKA PRODUCTS



Luanda International Airport, Angola



Mall of Egypt, Cairo, Egypt

5. SUCCESSFUL BUILD-UP OF THE US MARKET

CHRISTOPH GANZ,
REGIONAL MANAGER NORTH AMERICA

FOCUS ON FASTEST DEVELOPING METRO AREAS

INVESTMENTS INTO SUPPLY CHAIN AND SALES FORCE

Forbes list of the 20 fastest growing metro areas in the USA

1. Austin, TX
2. Raleigh, NC
3. Phoenix, AZ
4. Dallas, TX
5. Salt Lake City, UT
6. Denver, CO
7. Ogden, UT
8. Charlotte, NC
9. Orlando, FL
10. Houston, TX
11. Seattle, WA
12. Atlanta, GA
13. Provo, UT
14. Cape Coral, FL
15. Palm Bay, FL
16. Boise, ID
17. Minneapolis, MN
18. North Port, FL
19. San Jose, CA
20. San Antonio, TX



No. 1 – Austin, Texas



No. 6 – Denver, Colorado



No. 11 – Seattle, Washington

<http://www.forbes.com/sites/erincarlyle/2014/02/14/americas-20-fastest-growing-cities/>

NORTH AMERICAN SUPPLY CHAIN STRATEGY 2018

SUCCESSFUL NEW PLANT OPENINGS IN 2014/2015

Denver, Colorado

- One of the fastest growing metropolitan areas
- New admixture plant
- Sales up by 25%

Atlanta, Georgia

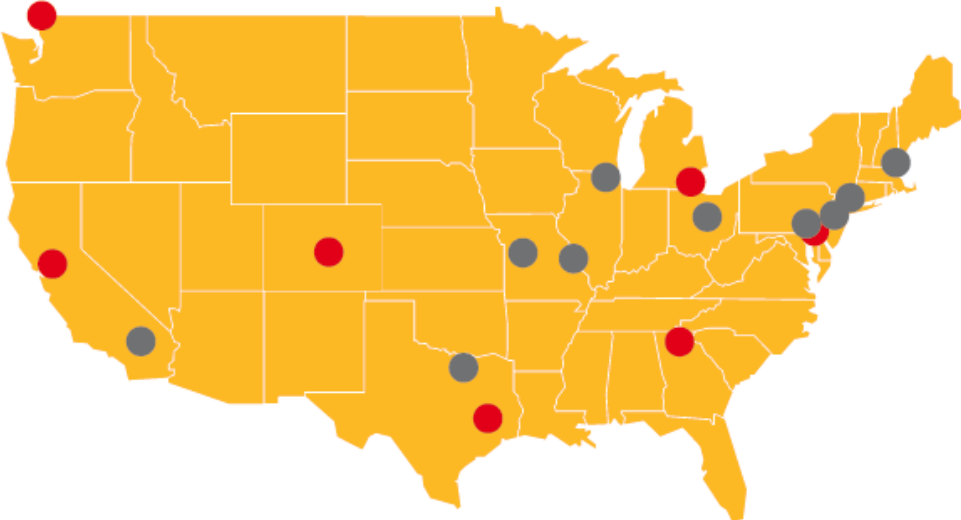
- One of the fastest growing metropolitan areas
- New mortar plant next to admixture plant
- 900 full trucks of mortar shipped in 2015

Philadelphia, Pennsylvania

- 5th biggest city in USA
- New mortar plant next to admixture plant
- Extension of concrete admixture plant



ACCELERATED BUILD UP OF PRESENCE IN USA



SIKA IS INVESTING IN NEW FACTORIES

- Factories in 2012
- New factories 2013-2016

17 plants in USA and Canada

7 new plants opened between 2013-2016

Investment focus on fast growing metro areas

10% sales growth in 2015

Presence in residential market through Home Depot (2000 stores) and Lowes (1800 stores)

FOCUS ON KEY ECONOMIC AREAS

SELECTED KEY PROJECTS 2014/2015 IN THE USA



Apple headquarter, California



Tesla GigaFactory, Nevada



East Side Access, New York



State Farm Arena, Illinois



Barclay's center Brooklyn, New York



All Aboard Shopping Center, Miami

HUDSON YARDS PROJECT

SIKA HELPS A NEW DISTRICT ARISE

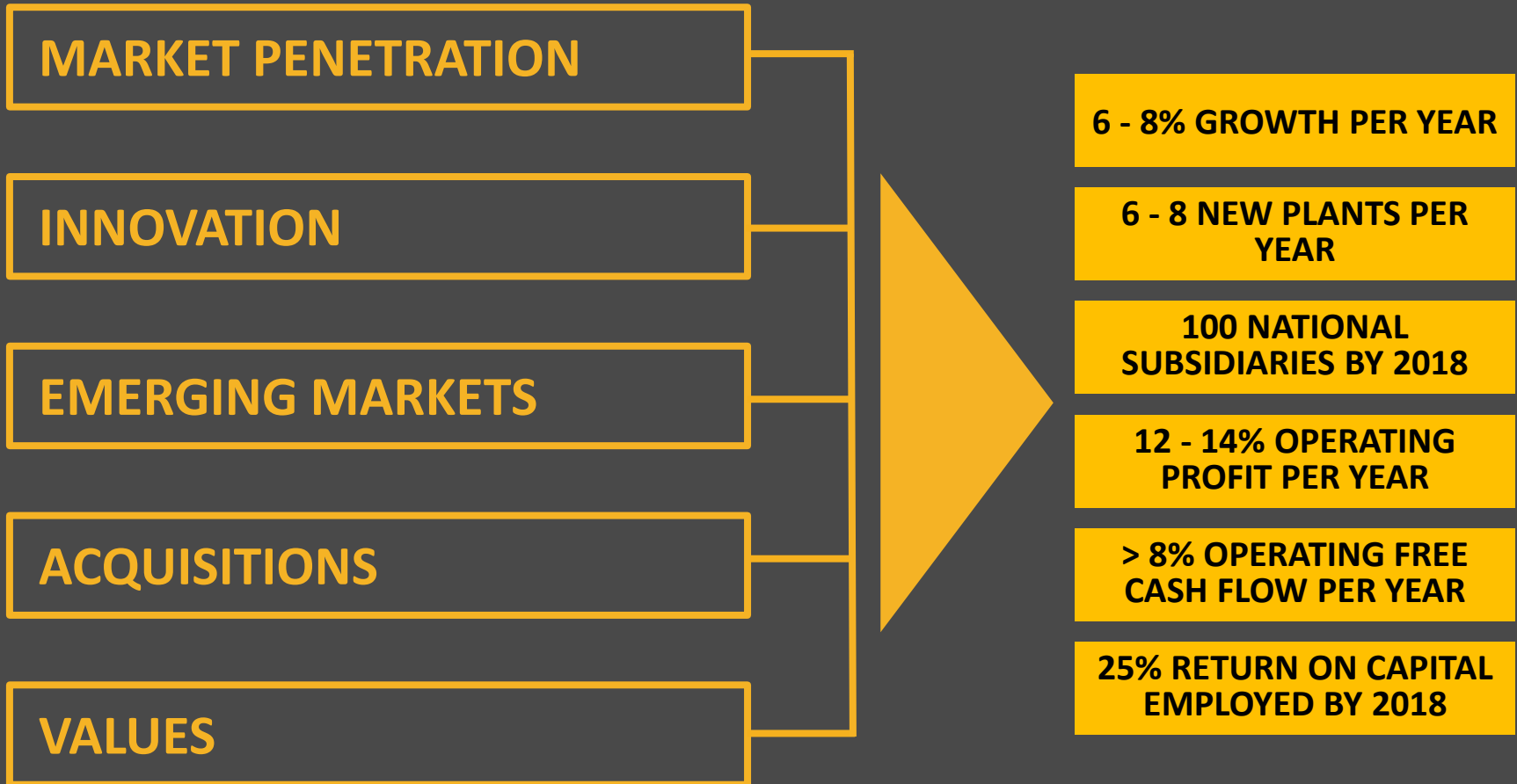


6. OUTLOOK

JAN JENISCH, CEO

STRATEGY 2018

SIKA'S GROWTH MODEL WITH NEW AND RAISED TARGETS



OUTLOOK FOR 2016

2016 is expected to be a year with challenging market conditions and volatile currency developments. However, our growth model has proven to be robust in difficult times and we expect to remain on target with our Strategy 2018.

- **Sales growth expectations of 6-8% in local currencies**
- **Continued build-up of growth markets with 6-8 new factories**
- **3-4 new national subsidiaries**
- **Above-average improvement in margins**

7. QUESTIONS AND ANSWERS

FORWARD-LOOKING STATEMENTS

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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