



RECORD SALES AND PROFIT IN THE FIRST NINE MONTHS 2017 – SUCCESSFUL STRATEGY EXECUTION

SIKA INVESTOR PRESENTATION
DECEMBER 2017

BUILDING TRUST



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1. HIGHLIGHTS AND RESULTS FIRST NINE MONTHS 2017

RECORD SALES AND PROFIT

1. Record results

- +7.9% sales growth in local currencies, CHF 4,627.5 million in sales
- CHF 669.0 million EBIT (+13.2%)
- CHF 477.4 million net profit (+14.9%)

2. Key investments

- 4 new factories in Mexico, Kazakhstan, Russia and Tanzania
- 2 new national subsidiaries in Senegal and El Salvador
- 4 acquisitions: Rmax, USA, Bitbau Dörr, Austria, ABC Sealants, Turkey and KVK Holding in the Czech Republic

3. Outlook and Strategy

- Confirmation of annual targets of 6-8% sales growth and disproportionately high growth in profitability with EBIT between CHF 880 and 900 million
- Growth strategy with targets 2020 confirmed

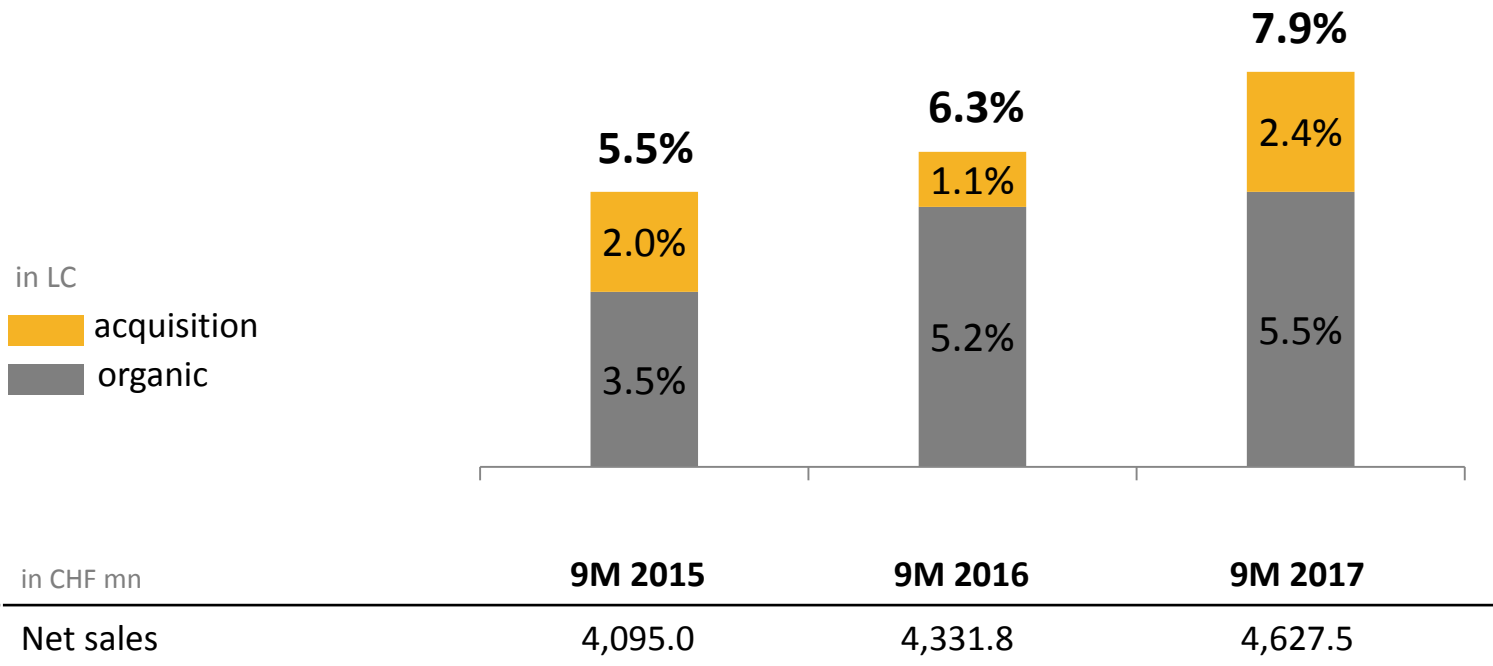
KEY FIGURES NINE MONTHS 2017

RECORD RESULTS – STRONG MOMENTUM CONTINUES

in CHF mn	2016	2017	Δ %
Net sales	4,331.8	4,627.5	+6.8%
Gross results as % of net sales	55.3	54.7	
EBITDA	719.5	797.9	+10.9%
EBIT	591.2	669.0	+13.2%
Net profit	415.5	477.4	+14.9%

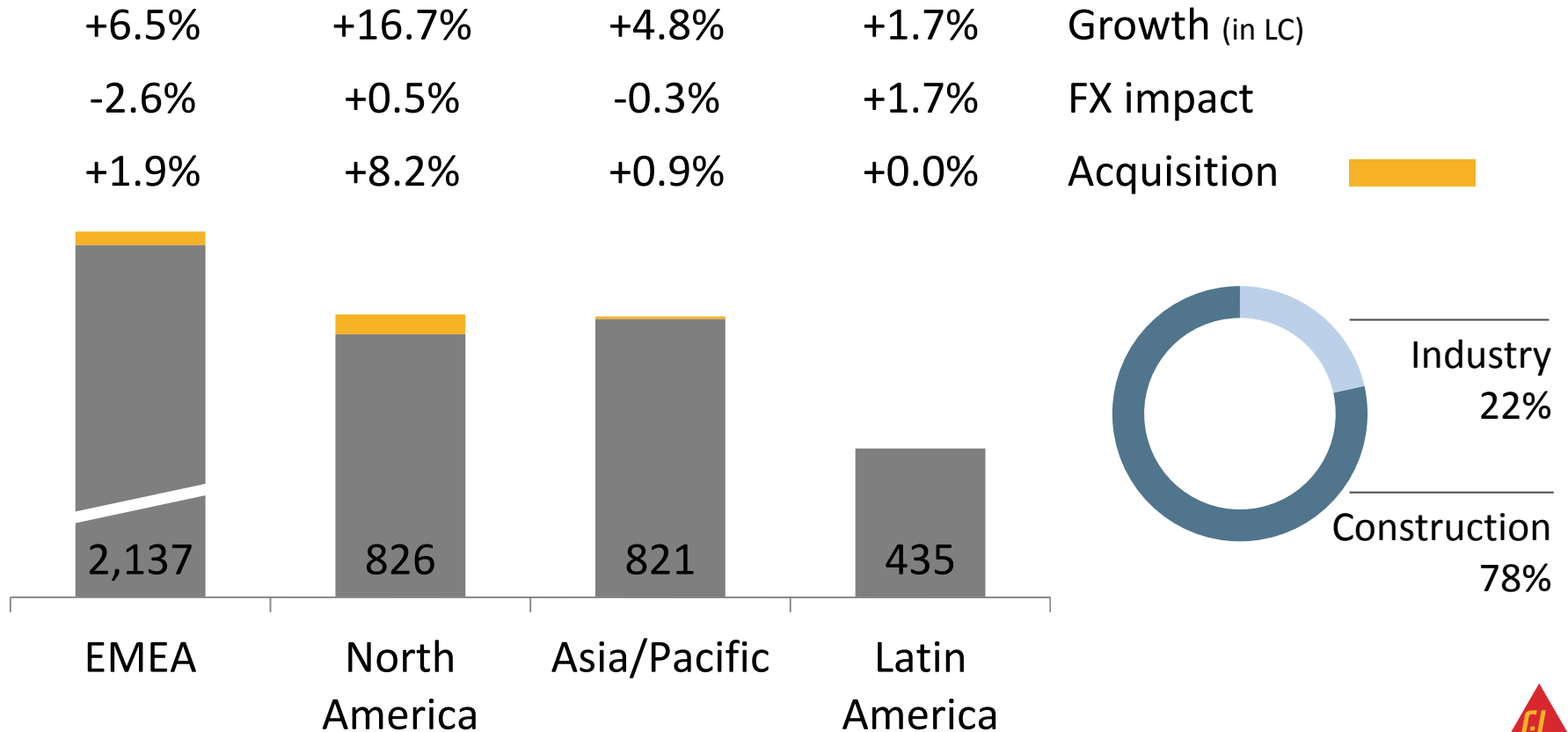
SIKA WELL ON TRACK

7.9% SALES GROWTH IN THE FIRST NINE MONTHS 2017



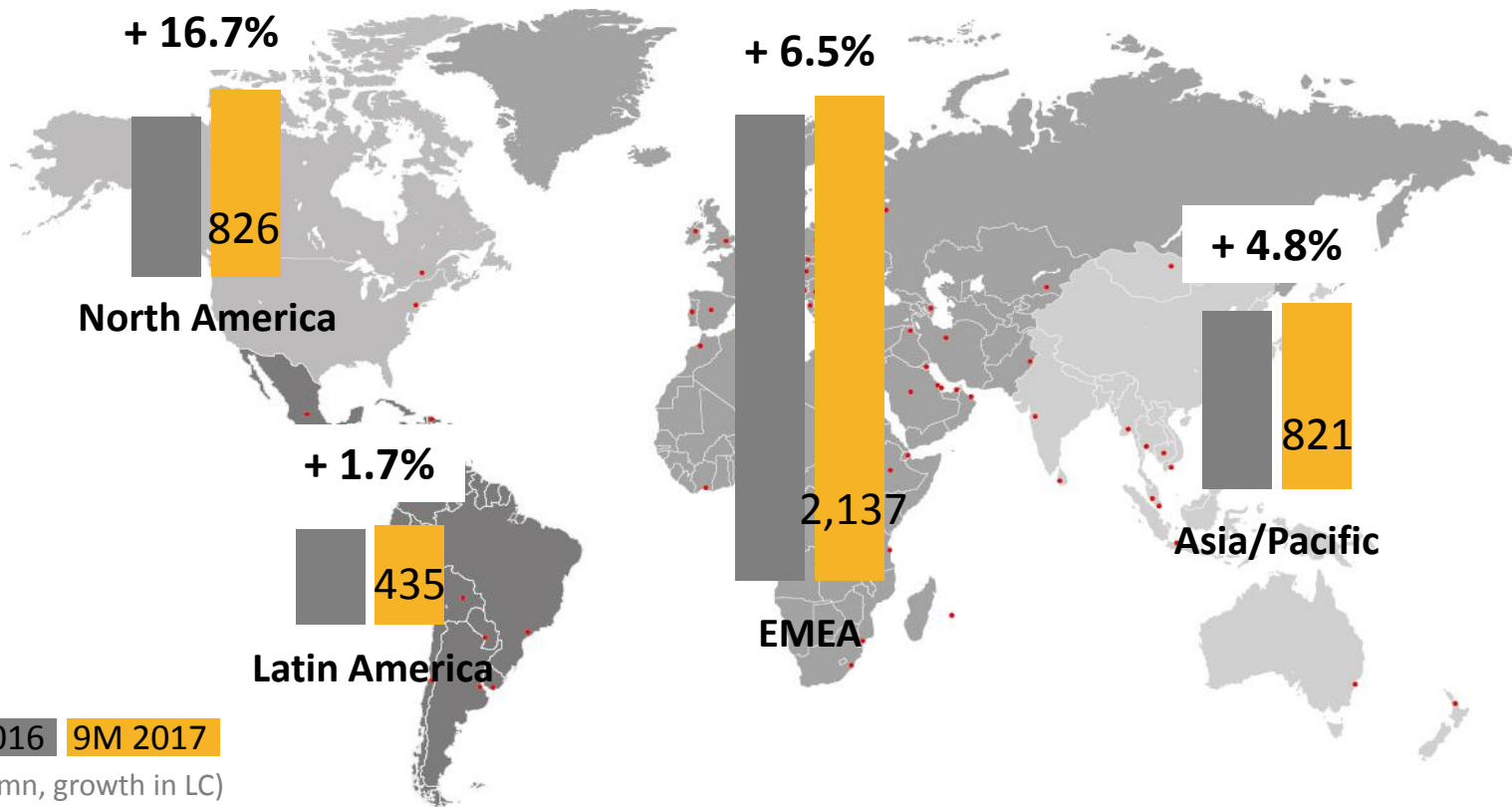
SALES NINE MONTHS 2017

GROWTH IN ALL REGIONS



GROWTH MOMENTUM CONTINUES IN FIRST NINE MONTHS 2017

7.9% SALES GROWTH (6.8% IN CHF)

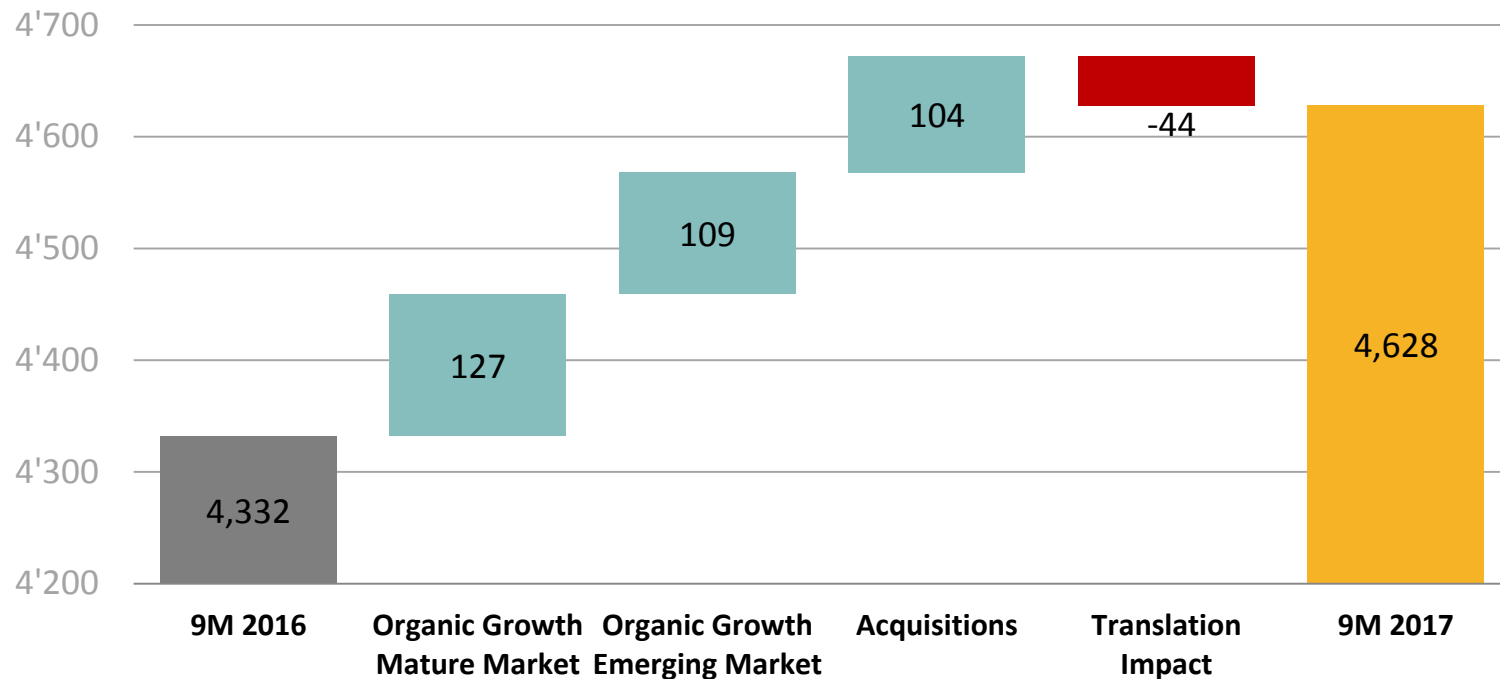


9M 2016 9M 2017
(in CHF mn, growth in LC)

DEVELOPMENT OF SALES FIRST NINE MONTHS

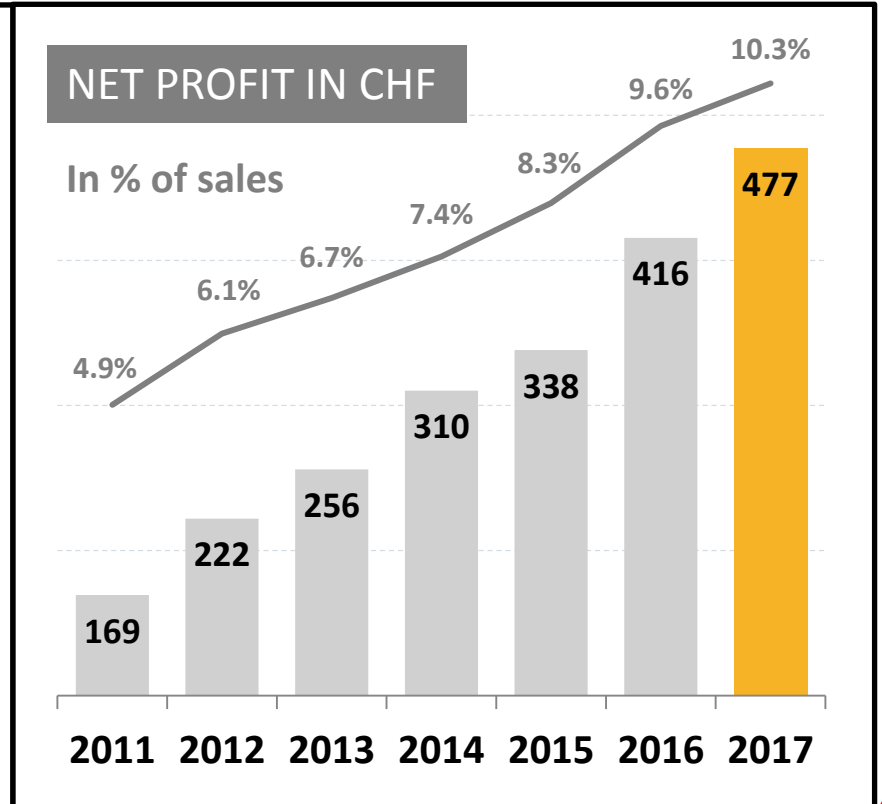
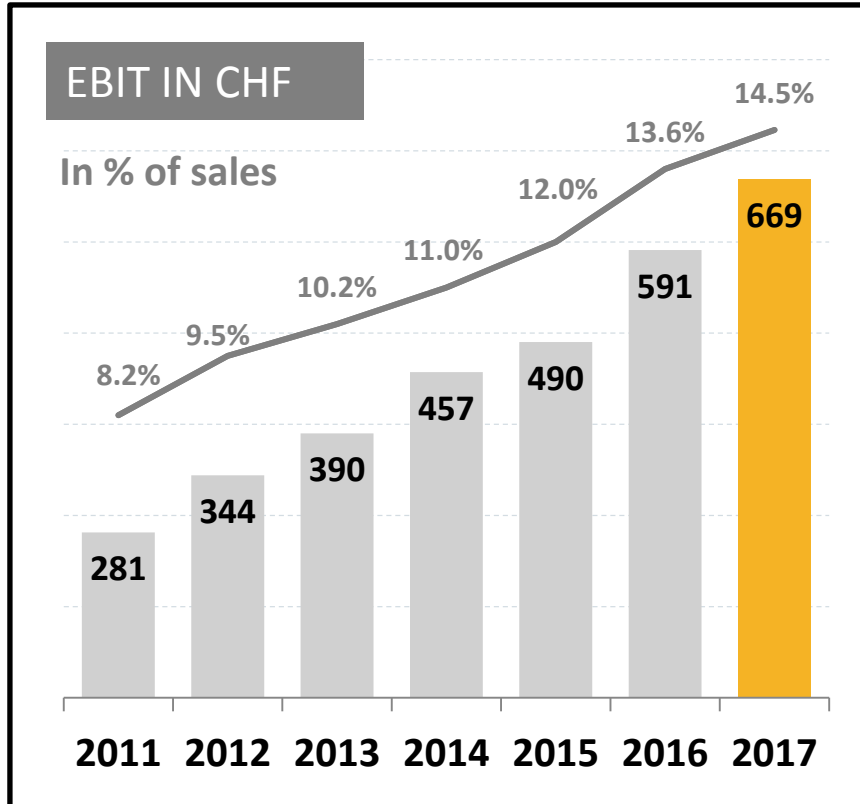
STRONG GROWTH IN MATURE AND EMERGING MARKETS

in CHF mn

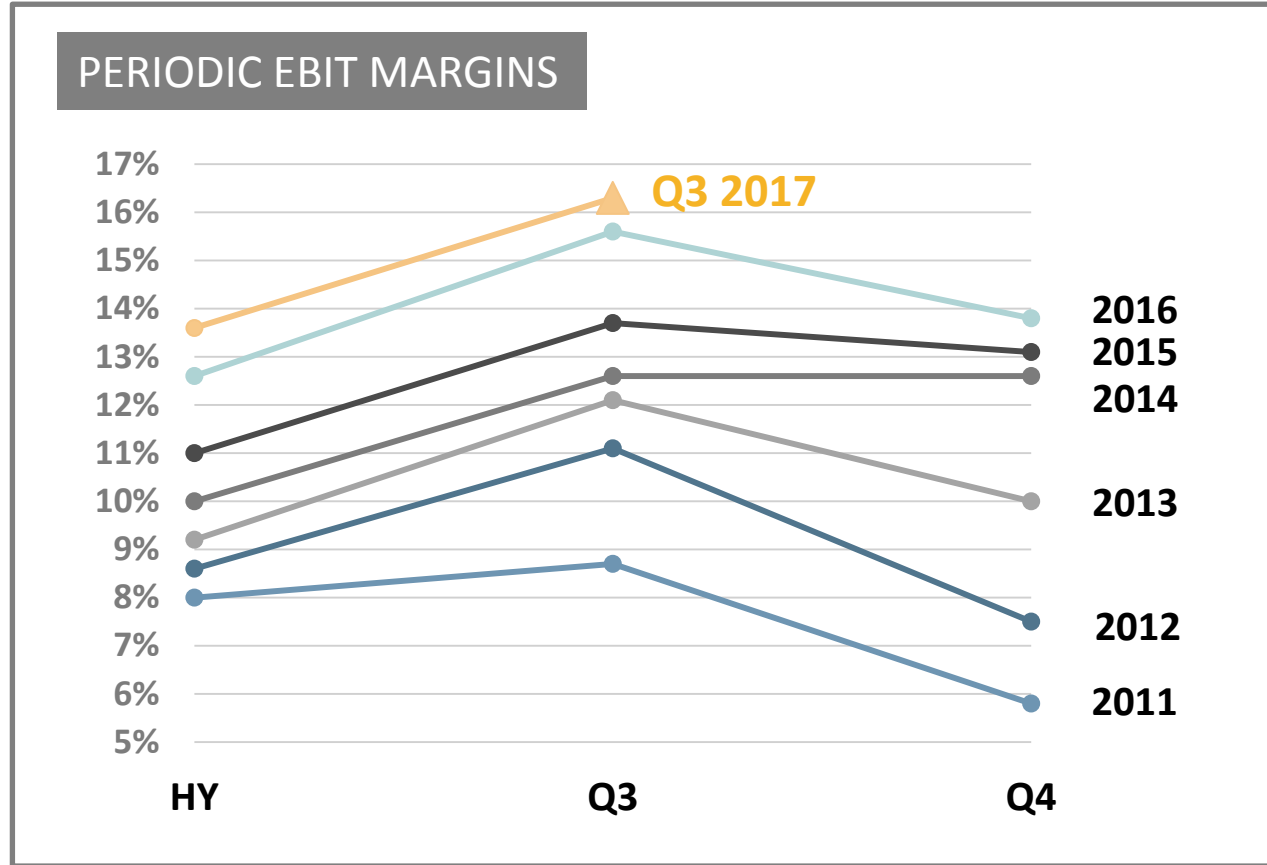


SIX YEAR OVERVIEW – NINE MONTHS FIGURES

CONTINUOUSLY IMPROVING MARGINS



SIKA'S GROWTH MODEL DELIVERS 23 CONSECUTIVE QUARTERS OF MARGIN IMPROVEMENT



CONTINUING HIGH OPERATING SPEED IN 2017

ACQUISITIONS

Company	Country	Target Market
Rmax	USA	Roofing
Bitbau Dörr	Austria	Waterproofing
ABC Sealants	Turkey	Sealing & Bonding
KVK	Czech Republic	Roofing, Waterproofing, Refurbishment
Butterfield	USA	Concrete
Faist ChemTec	Global	Industry, Automotive

Total annual sales: CHF 387 million



Rmax



Bitbau Dörr



KVK

KEY INVESTMENTS IN 2017

EXPANSION IN EMERGING MARKETS

New subsidiaries:

- Senegal (April 2017)
- El Salvador (September 2017)

Now present in 99 countries with own national subsidiaries



KEY INVESTMENTS IN 2017

EXPANSION IN EMERGING MARKETS

Opening of Sika plants:

- **5th plant in Mexico** (Coatzacoalcos, March 2017)
- **New and expanded site in Kazakhstan** (Almaty, May 2017)
- **1st plant in Tanzania** (Dar es Salaam, June 2017)
- **5th plant in Russia** (Lobnya, July 2017)
- **New and expanded site in Pakistan** (Lahore, October 2017)
- **2nd plant in Angola** (Luanda, October 2017)
- **New fiber plant for EMEA** (Troisdorf, November 2017)
- **1st plant in Cameroon** (Douala, December 2017)



New production line for PVC membranes in Russia



New fiber plant in Troisdorf, Germany.

2. SUCCESSFUL STRATEGY EXECUTION

STRATEGIC TARGETS CONFIRMED FOR 2020

SIKA'S GROWTH MODEL WILL DELIVER

- 1) Performance
- 2) Market Penetration
- 3) Innovation
- 4) Accelerated build-up of Emerging Markets
- 5) Acquisitions
- 6) Values

1) PERFORMANCE

SIKA'S GROWTH MODEL DELIVERS KEY INVESTMENTS IN THE LAST FIVE YEARS

PILLARS OF THE GROWTH MODEL

MARKET PENETRATION



- Successful Target Market concept
- Megatrends driving growth

INNOVATION



- 420 new patents filed
- 20 Global Technology Centers

EMERGING MARKETS



- 54 new plants opened
- 22 new national subsidiaries

ACQUISITIONS



- 26 acquisitions in all regions
- CHF 962 million sales added

VALUES



- Strong corporate culture
- High employee loyalty

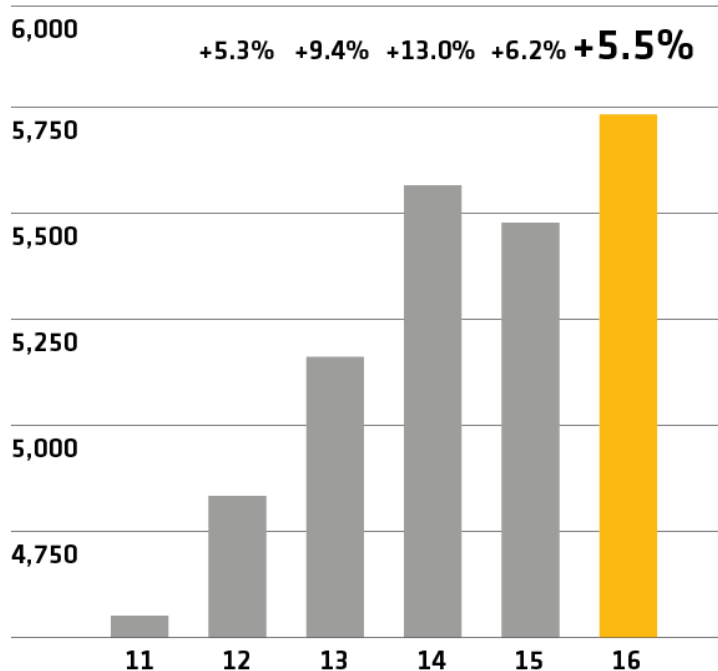
ACHIEVEMENTS

SIKA'S GROWTH MODEL DELIVERS CONTINUED GROWTH IN SALES AND PROFIT (FULL YEAR)

NET SALES (consolidated)

in CHF mn

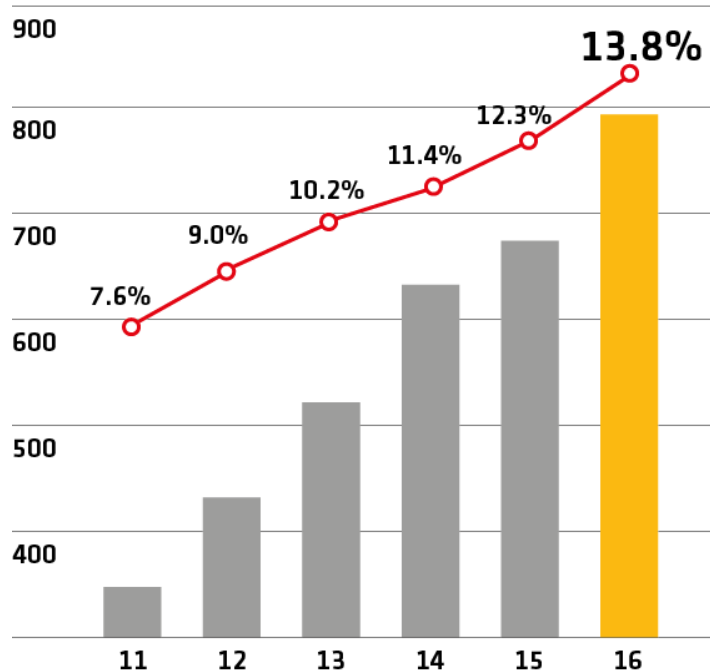
% growth in local currencies



EBIT

in CHF mn

—○ as% of net sales



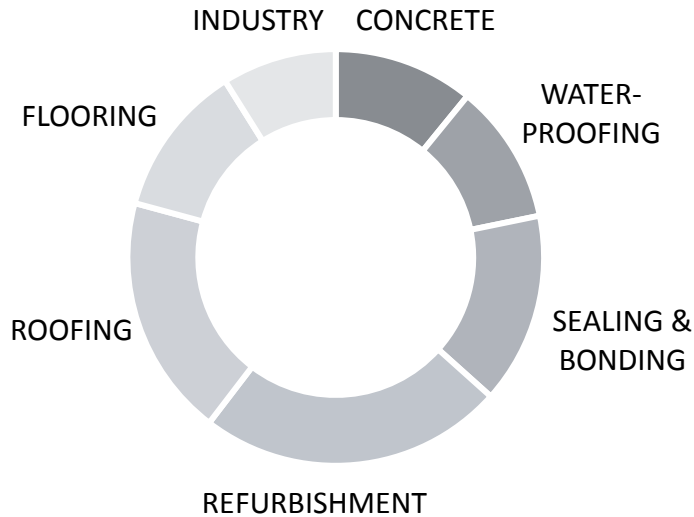
2) MARKET PENETRATION

SIKA'S MARKET POTENTIAL

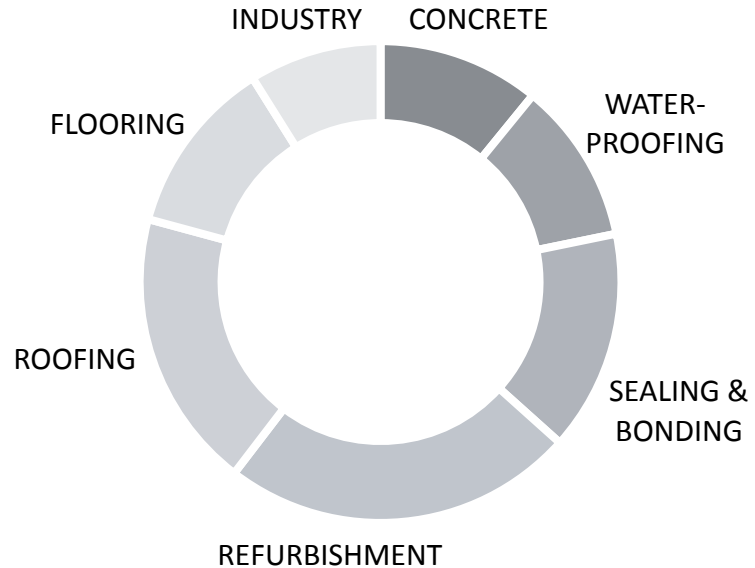
LARGE AND GROWING MARKET SEGMENTS

TOTAL MARKET SIZE

2016
> CHF 70 BILLION



2020
CHF 80 BILLION



MEGATRENDS DRIVE OUR GROWTH

URBANIZATION, NEW VEHICLE DESIGN AND SUSTAINABILITY

New modular vehicle manufacturing concepts need fast, high strength bonding systems

Increasing world population with urbanization and megacities

Increased safety, fire, water, earthquake and quality requirements

Rising demand for high performance concrete, sealing and waterproofing

Sustainability: Increasing demand for safe-to-use and low-emission products

New vehicle design with material mix requires bonding solutions

Higher demand for infrastructure and refurbishment solutions

MARKET PENETRATION - FOCUS ON ATTRACTIVE MARKETS: CROSS-SELLING, LIFE-CYCLE MANAGEMENT, A STRONG BRAND



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding

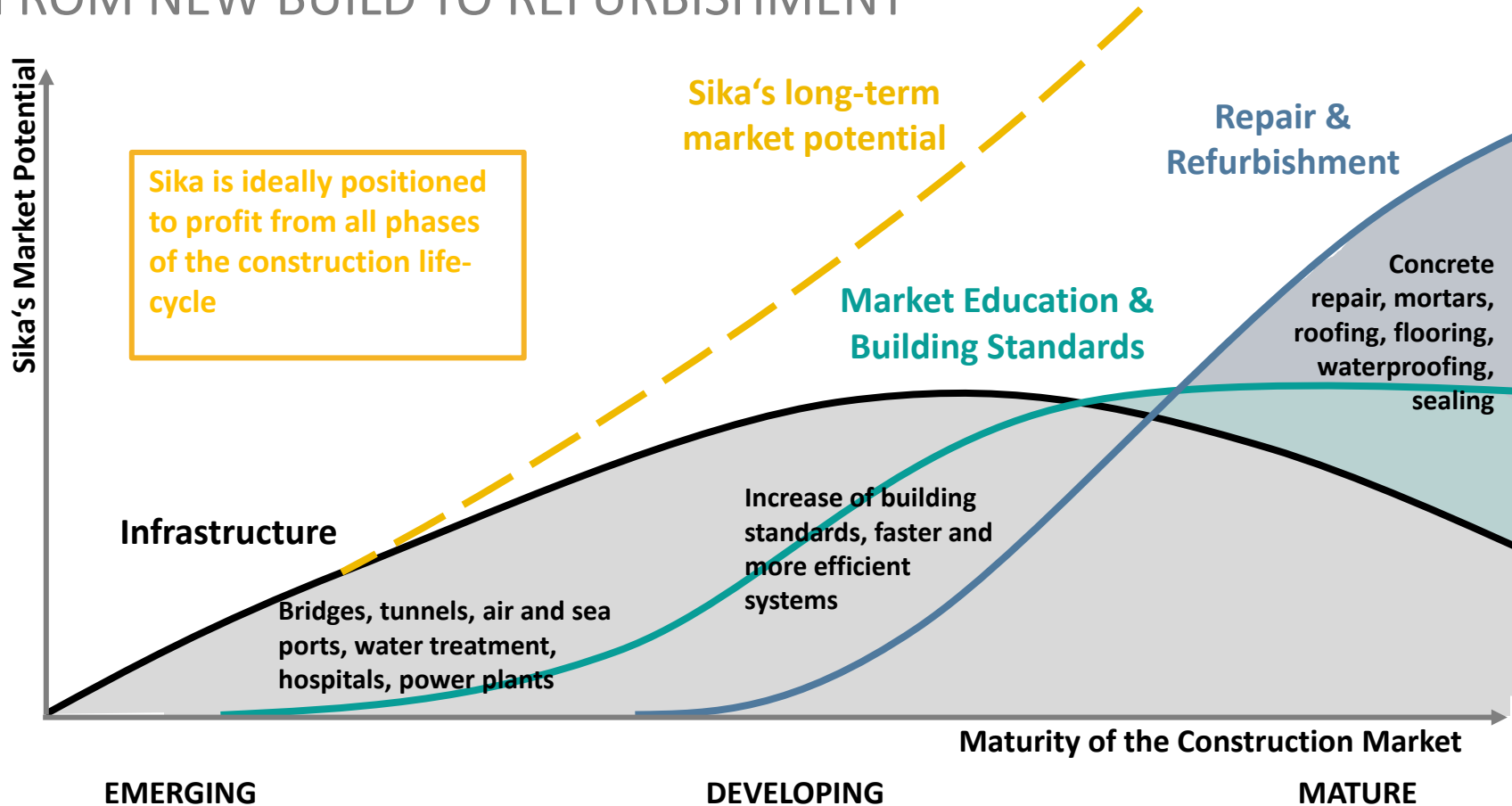


Refurbishment



Industry

GROWTH MODEL WITH EARLY MARKET PENETRATION FROM NEW BUILD TO REFURBISHMENT



3) INNOVATION

INNOVATION

STRONG TRACK RECORD

More than

420

patents were
filed in the
last five years

More than

890

employees are
dedicated to
Research and
Development

More than

470

invention
disclosures
in the last five
years

Established

20

Technology
Centers
worldwide

FROM PATENTS TO WORLD CLASS PRODUCTS INNOVATION INCREASES SALES AND PROFIT



FROM PATENTS TO WORLD CLASS PRODUCTS

3 MAJOR TRENDS IN THE MARKET

Higher building standards

- Urbanization and megacities require intelligent and safe building designs
- Addressable market for fire protective coating products CHF 1 billion by 2024

3-D Concrete Printing

- Paradigm shift in construction industry with 3-D concrete printing
- Additional market potential of CHF 1 billion by 2025

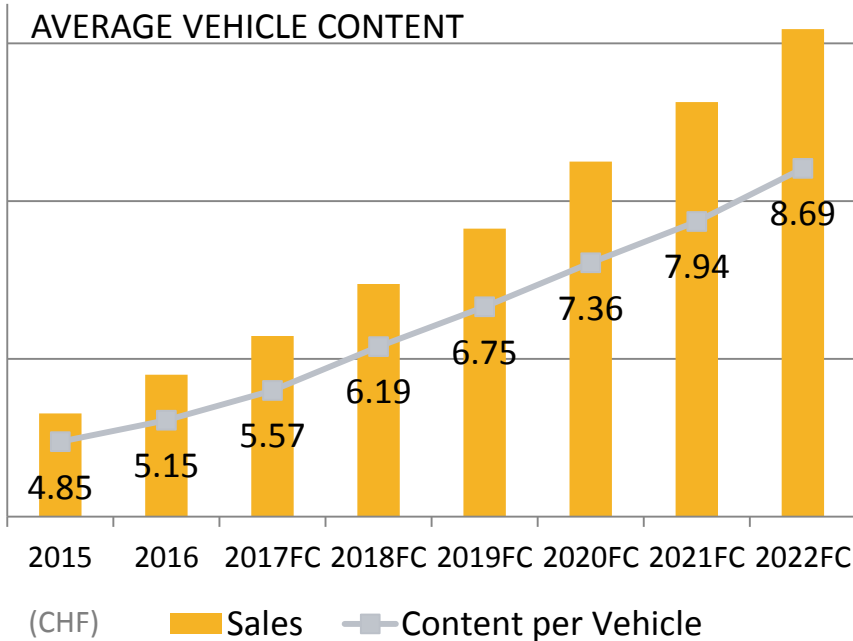
New opportunities in electric vehicles

- Electric vehicles will be a game changer for automotive industry
- 20% more Sika solutions in electric vehicles

SIKA AUTOMOTIVE

E.G. INNOVATIONS DRIVE INCREASE IN VEHICLE CONTENT

AVERAGE VEHICLE CONTENT



VW GOLF 7, E-GOLF
CONTENT: > CHF 40

VW PASSAT
CONTENT: > CHF 80

PSA 3008, 308, 5008
CONTENT: > CHF 70

AUDI A3, A4, A5
CONTENT: > CHF 40

JAGUAR XF
CONTENT: > CHF 100

MERCEDES S-CLASS
CONTENT: > CHF 60

TATA RANGE ROVER
CONTENT: > CHF 100

TESLA MODELS X, S
CONTENT: > CHF 70

SIKA INNOVATIONS DRIVE GROWTH

E.G. INCREASED WORKABILITY FOR CONCRETE

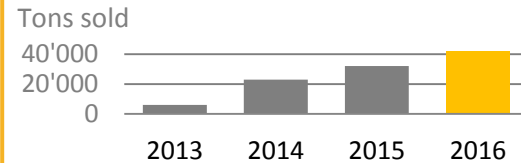


Sika® ViscoFlow®

IN-HOUSE DEVELOPED HIGH-PERFORMANCE POLYMER PERMITS

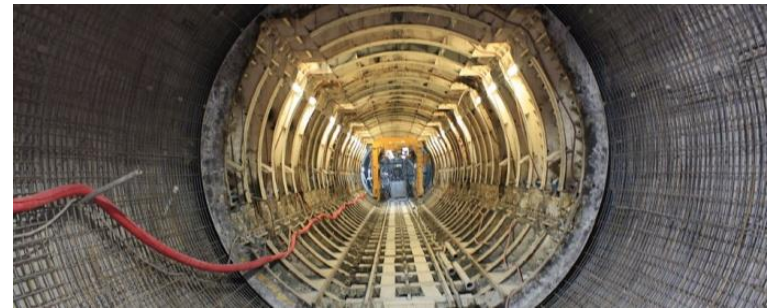
> 8 HOURS WORKABILITY OF CONCRETE

+ 30% SALES GROWTH IN 2016



MEETING THE
CHALLENGES OF
CONSTRUCTION IN
URBAN
ENVIRONMENTS

ALLOWING
LONG
TRANSPORTABILITY
COUPLED WITH SHORT
SETTING TIMES



4) ACCELERATED BUILD-UP OF EMERGING MARKETS

EMERGING MARKETS BUILD-UP IN THE LAST FIVE YEARS

CAPTURING GROWTH POTENTIAL IN NEW MARKETS

54

new
plants
opened

11.0%

average annual
sales growth

22

new
national
subsidiaries

36%

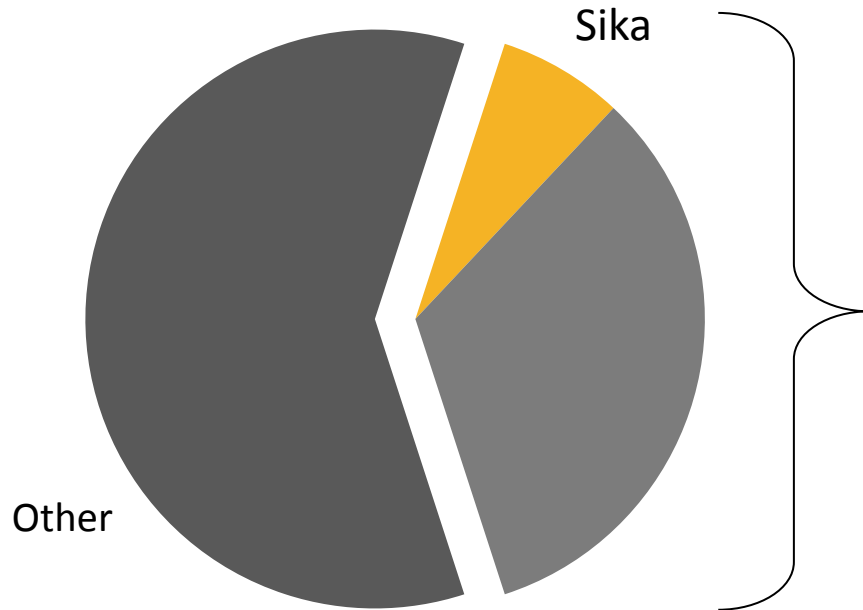
of sales
in Emerging
Markets

5) ACQUISITIONS

SIKA'S MARKET POTENTIAL

FRAGMENTATION OFFERS ACQUISITION OPPORTUNITIES

CONSTRUCTION CHEMICAL MARKET 2016
> CHF 60 BILLION



**Top 10 companies with a
combined market share of 40%**

ACQUISITIONS IN THE LAST FIVE YEARS

GROWTH PLATFORMS FOR THE FUTURE

26

acquisitions

962

million CHF
additional
turnover

In all

7

Target
Markets

In all

4

regions

6) VALUES AND PRINCIPLES

SIKA'S VALUES AND PRINCIPLES

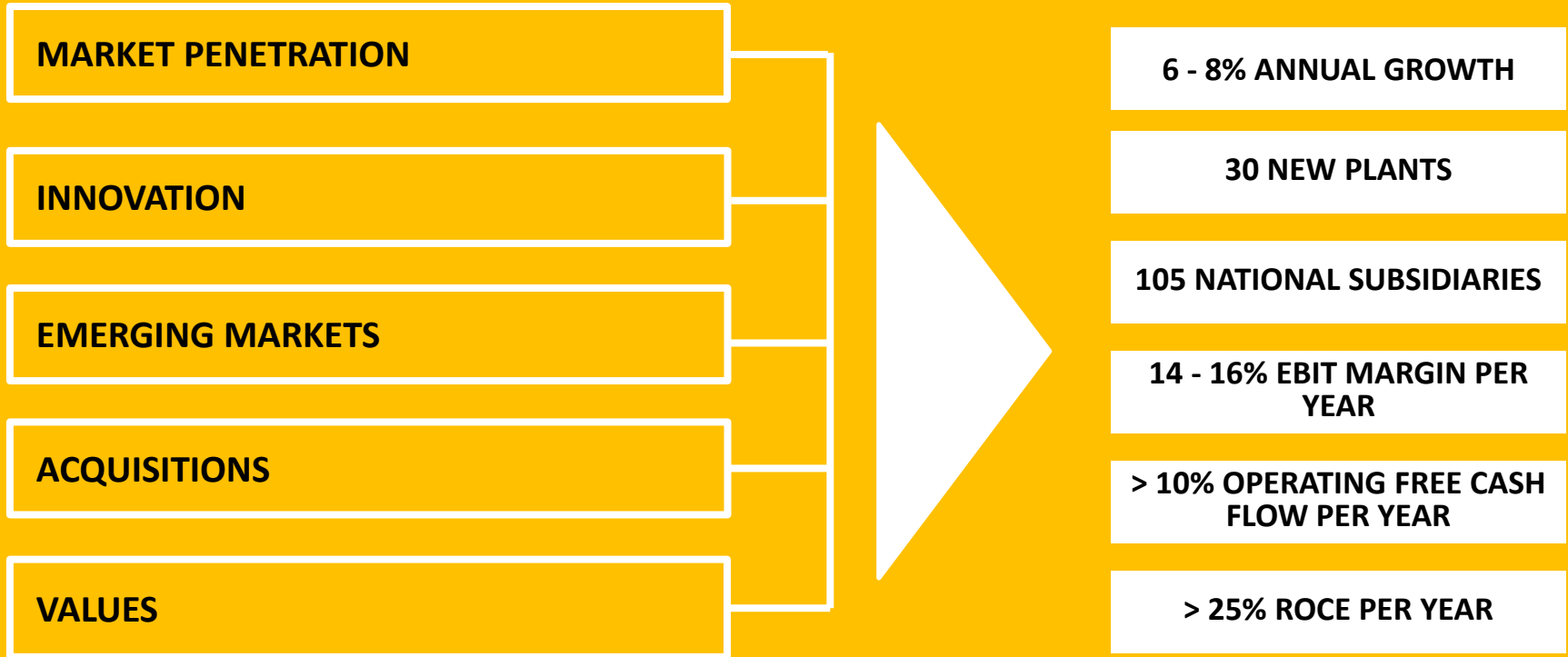
STRONG CORPORATE CULTURE

- Customer first
- Courage for innovation
- Sustainability & integrity
- Empowerment and respect
- Manage for results



3. TARGETS 2020

SIKA'S GROWTH MODEL WILL DELIVER STRATEGIC TARGETS 2020



SIKA'S GROWTH MODEL WILL DELIVER MORE THAN CHF 1 BILLION EBIT IN 2020

- Megatrends Urbanization, New Vehicle Design and Sustainability drive growth
- Fragmented market of CHF 80 billion with huge growth opportunities
- Sika is ideally positioned to profit from all phases of the construction life-cycle
- Sika GROWTH MODEL confirmed – key investments defined
- Strategic targets confirmed for 2020 – confident that GROWTH MODEL continues to deliver growth and margin improvement
- More than CHF 1 billion EBIT in 2020

4. OUTLOOK

CONFIRMATION OF OUTLOOK

SALES TO EXCEED CHF 6 BILLION IN 2017

- 6-8% sales growth in local currencies
- Sales to exceed CHF 6 billion for the first time
- Disproportionately higher rise in margins with operating profit (EBIT) between CHF 880 and 900 million
- Opening of 8 new plants
- Foundation of 3 new national subsidiaries

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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