



DYNAMIC GROWTH AND RECORD MARGINS IN FIRST HALF OF 2016

SIKA INVESTOR PRESENTATION
SEPTEMBER, 2016

BUILDING TRUST



1. HIGHLIGHTS AND RESULTS FIRST HALF-YEAR 2016

DYNAMIC GROWTH AND RECORD MARGINS IN FIRST HALF OF 2016

- Sales growth of 7.6% (6.9% in CHF) to CHF 2,806 million
- Growth in all regions: Double-digit in the USA, Canada, Argentina, Chile, UK, Africa, Southeast Asia, the Pacific area, and Automotive
- High growth in profitability: EBIT +22.6%, net profit +24.8% leading to record margins: EBIT margin 12.6%, net profit margin 8.8%
- 6 new production plants in Greece, Myanmar, Cambodia, Canada, Thailand and Ecuador
- New national subsidiaries in Kuwait and Nicaragua
- Acquisition of L.M. Scofield in the USA
- Confirmation of annual targets of 6–8% sales growth and disproportionately higher growth in profitability

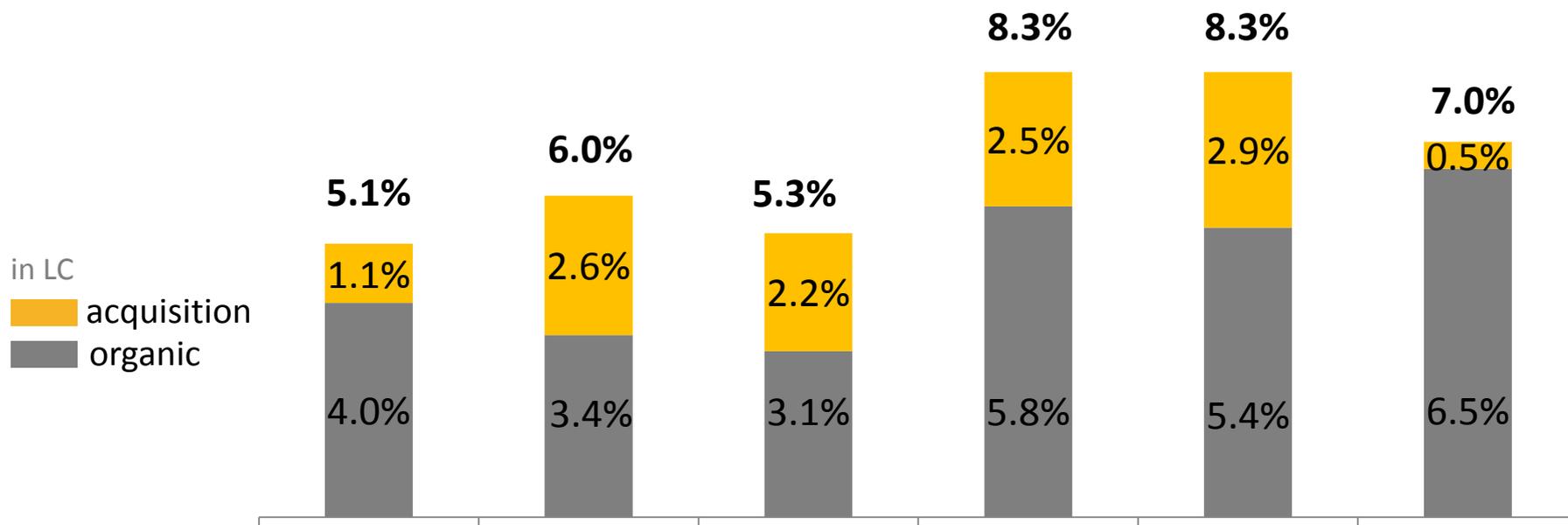
KEY FIGURES HALF-YEAR 2016

ABOVE-AVERAGE INCREASE IN PROFIT

in CHF mn	2015	2016	Δ %
Net sales	2,625.2	2,806.2	6.9%
Gross results as % of net sales	54.4	55.6	
EBITDA	370.2	439.7	+18.8%
EBIT	288.6	353.7	+22.6%
Net profit	197.3	246.3	+24.8%
Operating free cash flow	43.0	106.0	
ROCE in %	22.8	25.5	

SALES GROWTH BY QUARTER

STRONG ORGANIC GROWTH WITH 6.5%



in CHF mn

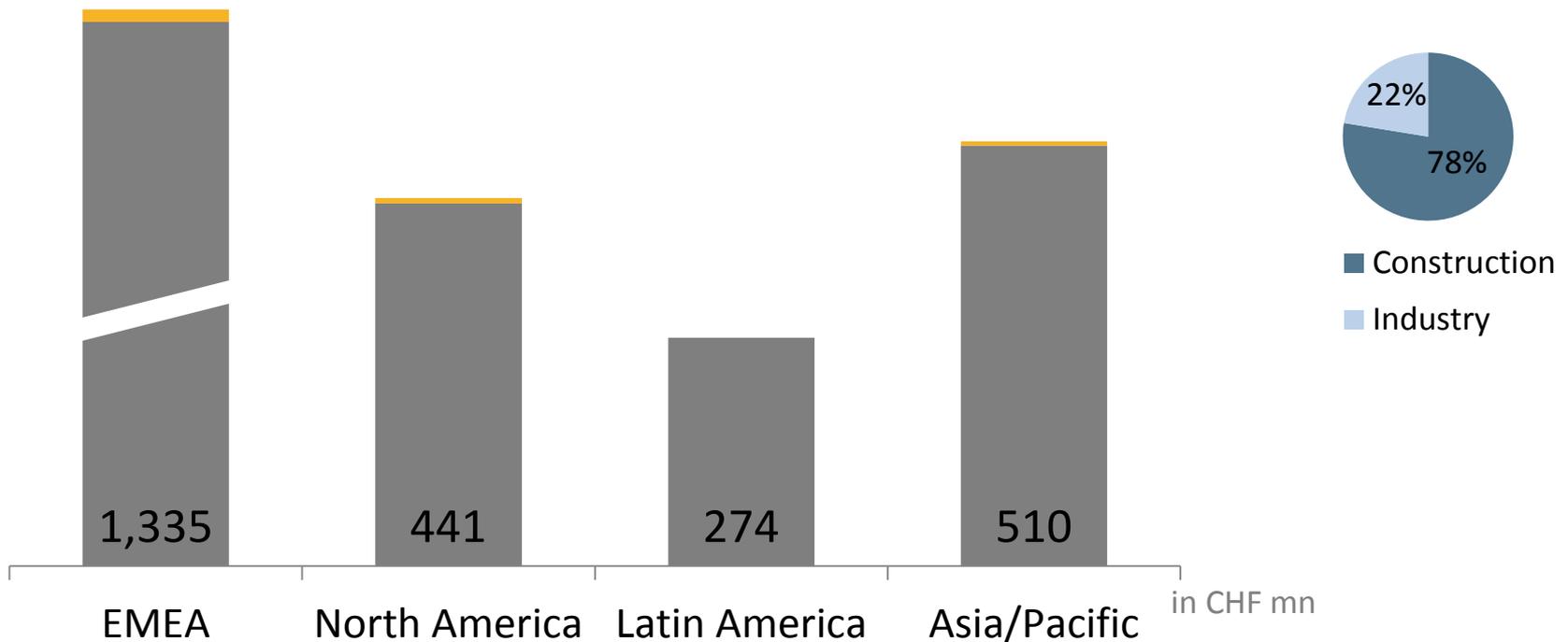
Quarterly sales

	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16
Quarterly sales	1,195.3	1,429.9	1,469.8	1,394.2	1,274.4	1,531.8

SALES HALF-YEAR 2016

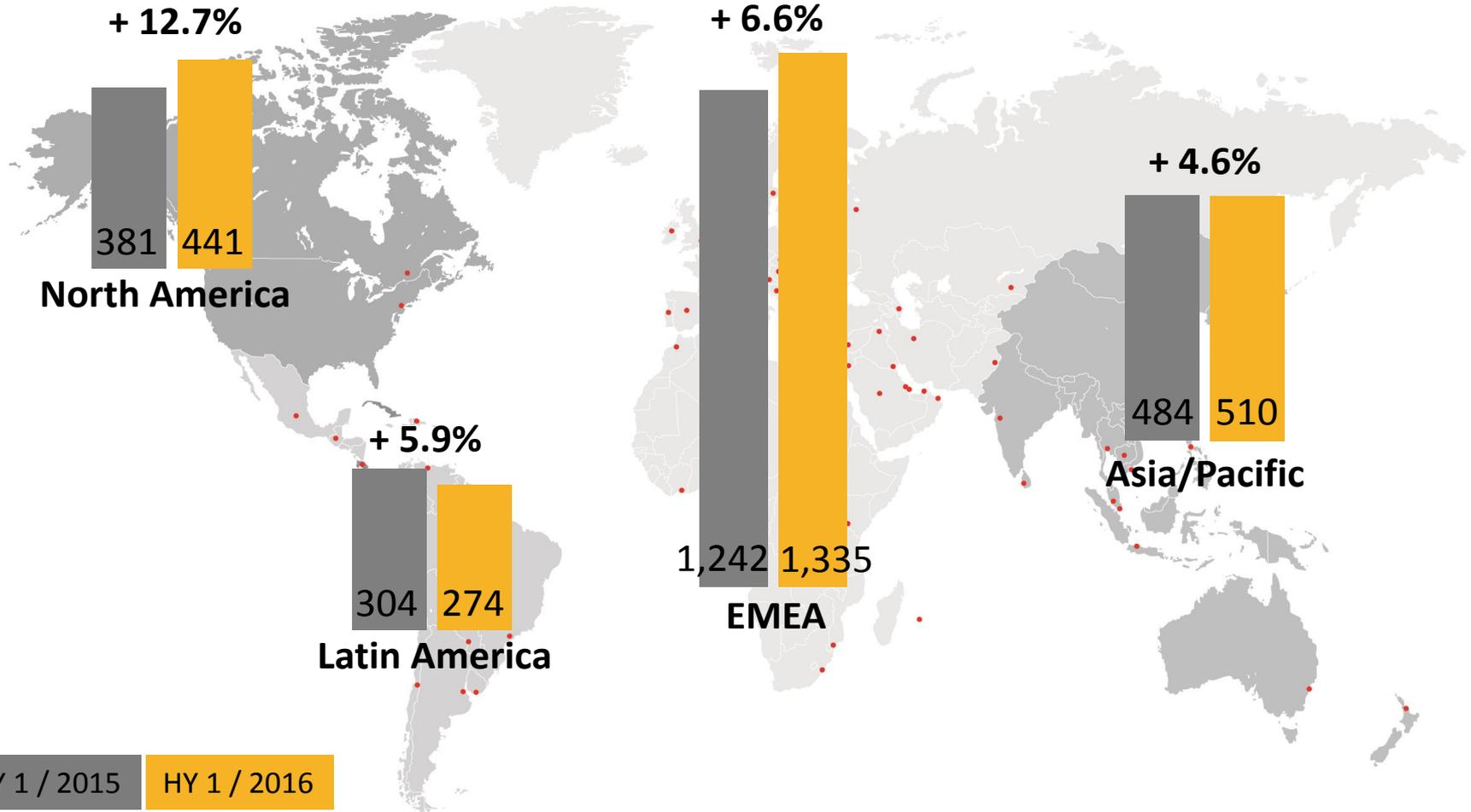
GROWTH IN ALL REGIONS

+ 7.5 %	+15.9 %	- 9.8 %	+ 5.3 %	Growth in CHF
+ 6.6 %	+12.7 %	+ 5.9 %	+ 4.6 %	Growth in LC
+ 0.9 %	+ 3.2 %	- 15.7 %	+ 0.7 %	FX impact
+ 2.4 %	+ 1.7 %	+ 0.0 %	+ 1.1 %	Acquisition 



GROWTH MOMENTUM CONTINUES HALF-YEAR 2016

7.6% SALES GROWTH (6.9% IN CHF)

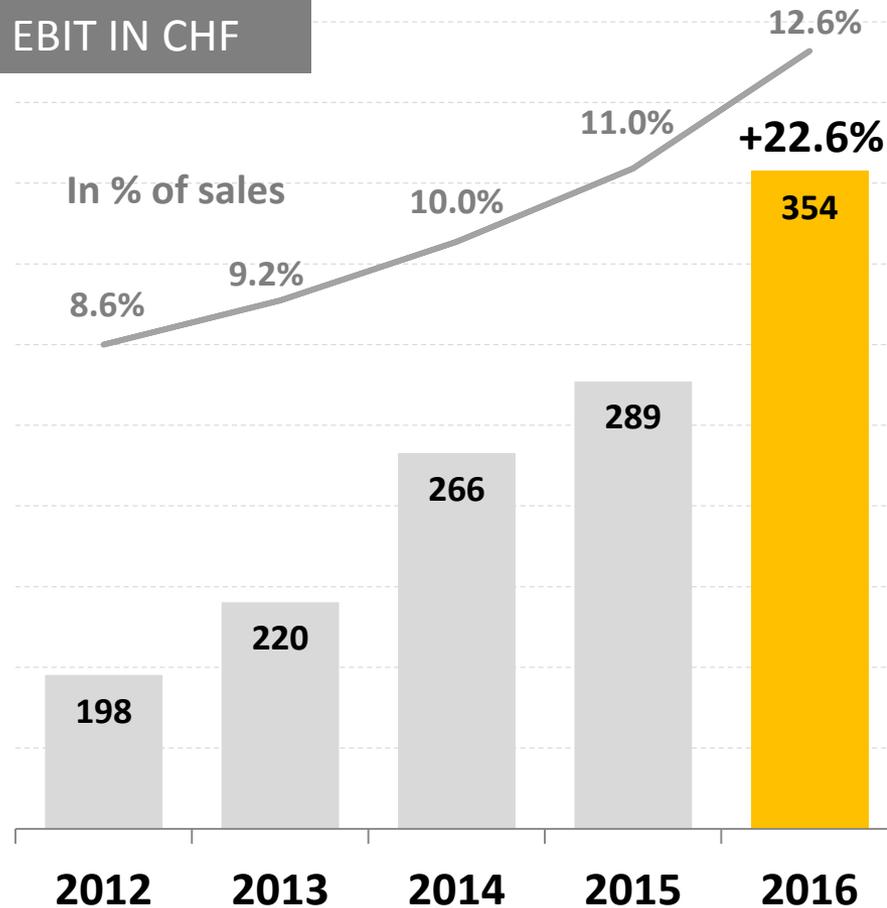


HY 1 / 2015 HY 1 / 2016
(in CHF million, growth in LC)

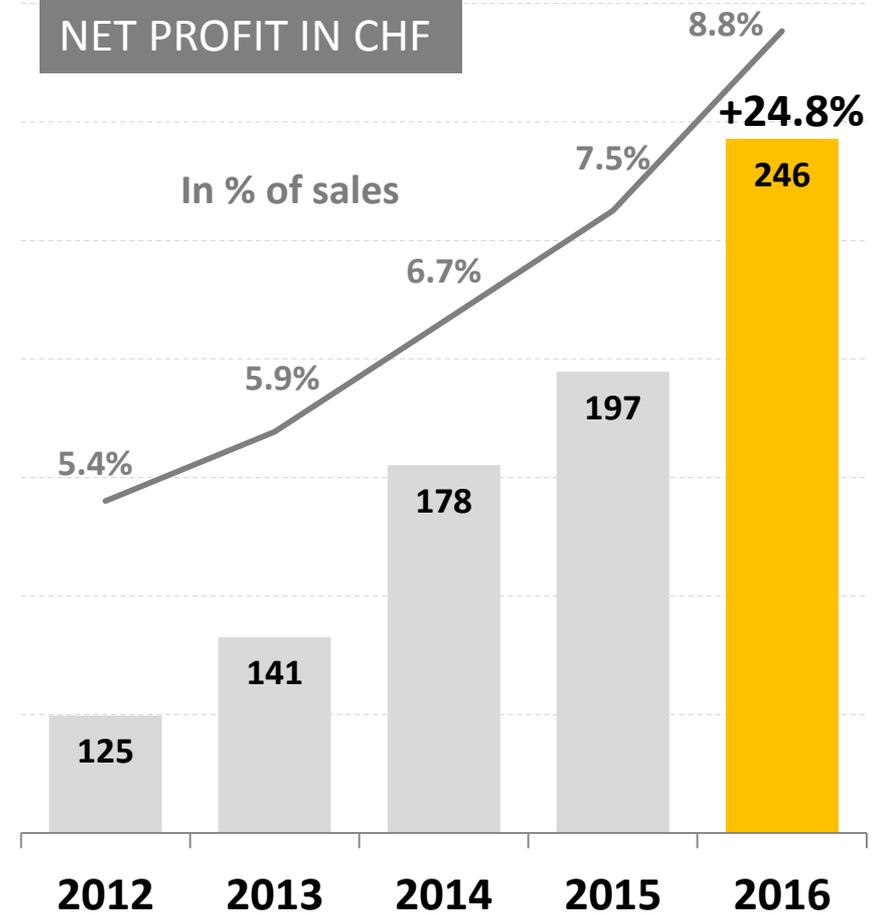
FIVE-YEAR OVERVIEW – HALF-YEAR FIGURES

CONTINUOUSLY IMPROVING MARGINS

EBIT IN CHF



NET PROFIT IN CHF



ACCELERATED BUILD-UP OF GROWTH MARKETS

INVESTMENTS IN FIRST HALF YEAR 2016

Opening of Sika plants:

- **2nd plant in Greece** (Kryoneri (Athens), January 2016)
- **1st plant in Myanmar** (Yangon, February 2016)
- **1st plant in Cambodia** (Phnom Penh, February 2016)
- **4th plant in Canada** (Vancouver, March 2016)
- **2nd plant in Thailand** (Saraburi, June 2016)
- **2nd plant in Ecuador** (Guayaquil, June 2016)

New national subsidiaries:

- **Kuwait** (March 2016)
- **Nicaragua** (June 2016)



New Sika plant, Thailand

ACCELERATED BUILD-UP OF GROWTH MARKETS

ACQUISITION IN FIRST HALF YEAR 2016

L.M. Scofield, USA

- US-based market leader for concrete color additives (ready-mixed concrete) and decorative treatments for refurbishment
- Buying new technology and spreading it out to Sika's existing customer base
- Continued strong execution of Sika's growth strategy in North America



GOOD START IN Q3 2016

KEY INITIATIVES CONTINUE

- Acquisition of fiber producer FRC Industries in Tuscaloosa, Alabama, USA (September 2016)
- New plant in Perth, Australia (July, 2016)
- New national subsidiaries in Cameroon and Djibouti (August 2016)
 - now 97 countries with own Sika operations



Sika plant in Perth, Australia

OUTLOOK

CONFIRMATION OF 2016 ANNUAL TARGETS

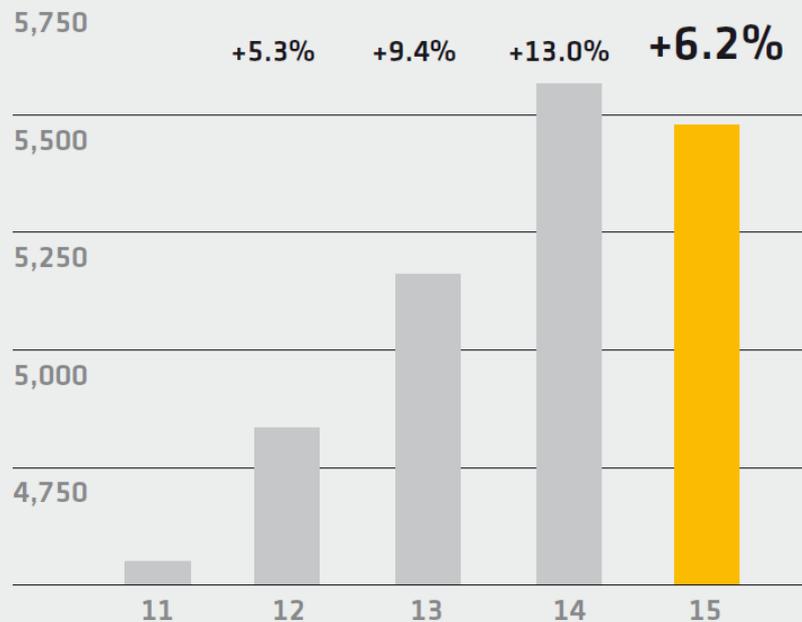
- 6-8% sales growth
- Disproportionately higher rise in margins
- Opening of 8 to 10 new factories
- 3 to 4 new national subsidiaries
- Unknown outcome of Saint-Gobain's hostile takeover attempt

2. SUCCESSFUL STRATEGY 2018 EXECUTION

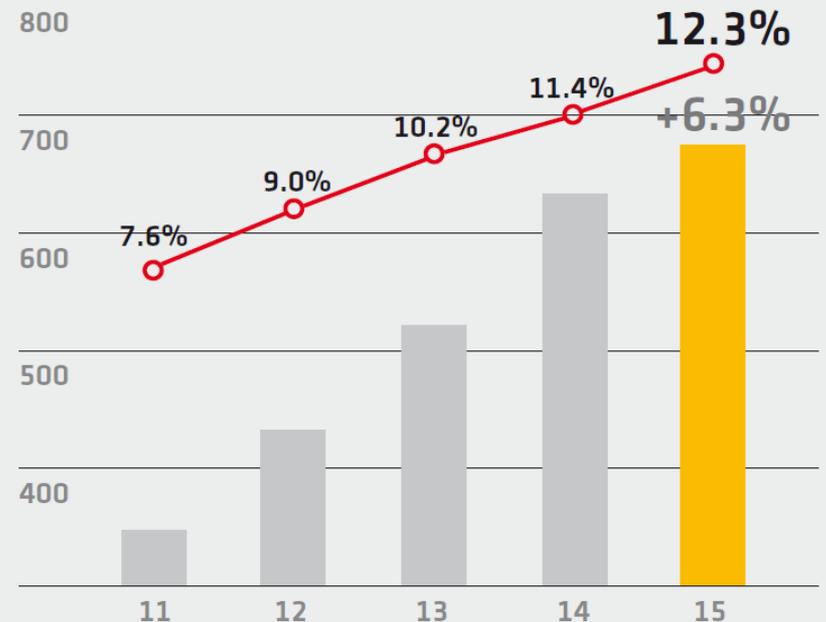
FIVE-YEAR OVERVIEW - NET SALES AND EBIT

CONTINUATION OF PROFITABLE GROWTH STRATEGY

NET SALES (consolidated)
in CHF mn
Growth in percent in local currencies

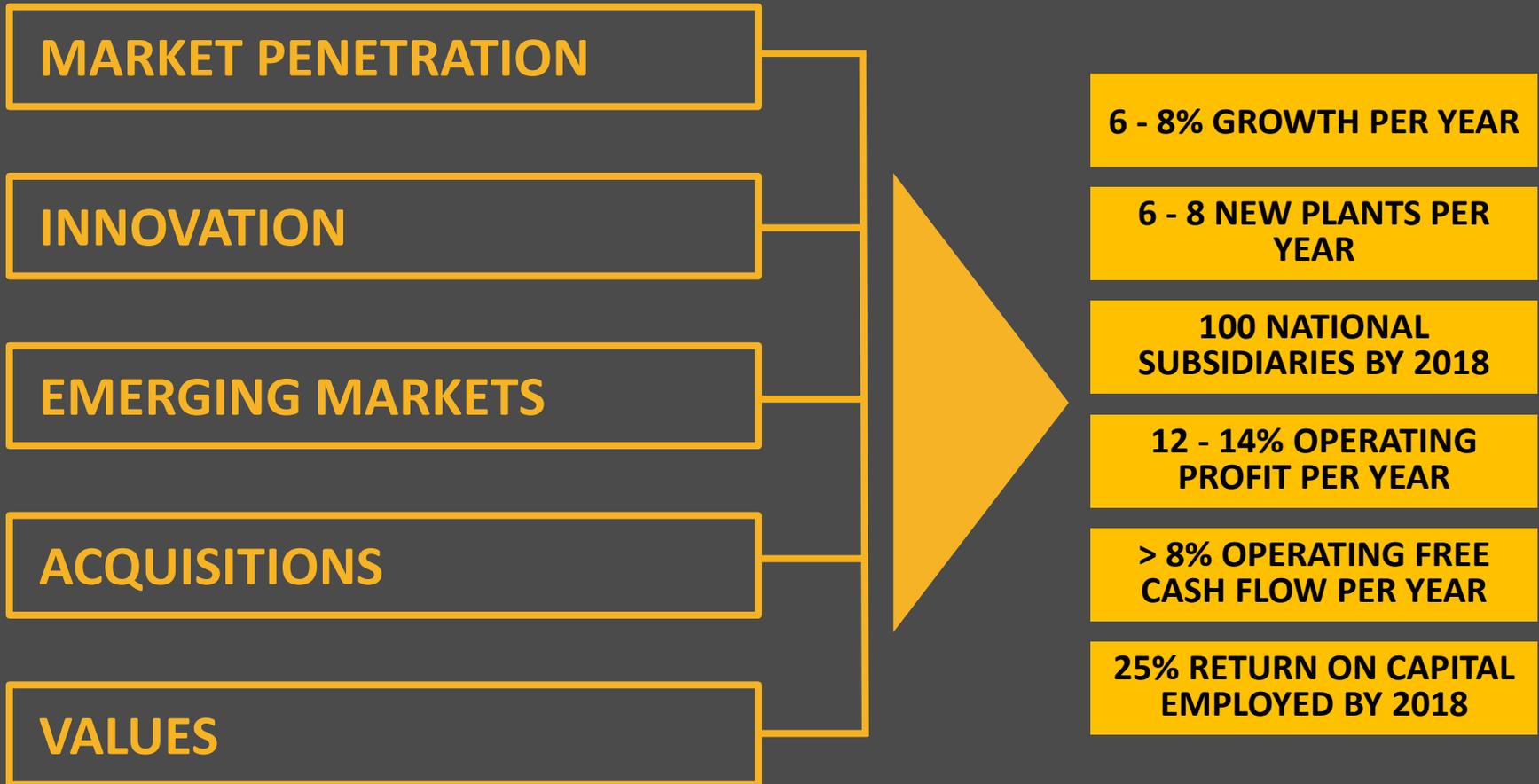


EBIT
in CHF mn
○ — as percent of net sales



STRATEGY 2018

SIKA'S GROWTH MODEL WILL DELIVER



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">• 333 new patents filed• 20 Global Technology Centers
EMERGING MARKETS	 <ul style="list-style-type: none">• 51 new plants opened• 20 new national subsidiaries
ACQUISITIONS	 <ul style="list-style-type: none">• 19 Acquisitions in all regions• CHF 587 million sales added
VALUES	 <ul style="list-style-type: none">• Strong corporate culture• High employee loyalty

MARKET PENETRATION

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



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding



Refurbishment



Industry

MEGATRENDS DRIVE OUR GROWTH: URBANIZATION, NEW VEHICLE DESIGN & SUSTAINABILITY

Higher demand for infrastructure and refurbishment solutions

Increasing world population with urbanization and megacities

Increased safety, fire, water, earthquake and quality requirements

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

Rising demand for high performance concrete, sealing and waterproofing

New vehicle design with material mix requires bonding solutions

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

WE ARE INNOVATION STRONG TRACK RECORD

333

Patents were
filed since
2012

880

Employees are
dedicated to
Research and
Development

377

Invention
disclosures
since 2012

20

Technology
Centers
world-wide

EMERGING MARKETS BUILD-UP SINCE 2012

GROWTH POTENTIAL IN NEW MARKETS

51

New
plants
opened

12.5%

Average sales
growth

20

New
national
subsidiaries

37%

of turnover
in Emerging
Markets

ACQUISITIONS SINCE 2012

GROWTH PLATFORMS FOR THE FUTURE

19

Acquisitions

587

million CHF
turnover

In all
7

Target
Markets

In all
4

Regions

SIKA'S VALUES AND PRINCIPLES

STRONG CORPORATE CULTURE

- Customer first
- Courage for innovation
- Sustainability & Integrity
- Empowerment and Respect
- Manage for results



3. TWO EXAMPLES OF STRATEGY EXECUTION IN THE REGIONS

STRONG STRATEGY EXECUTION IN AFRICA

+22%

sales growth in H1 2016

9

new plants
since 2012

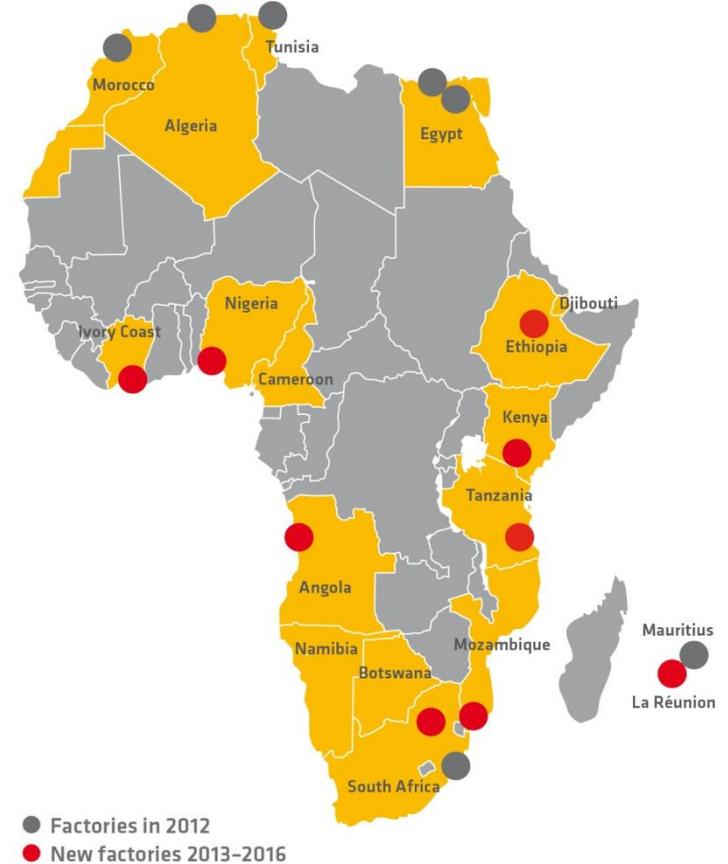
18 subsidiaries

10 added

since 2012

688

employees



MAJOR CONSTRUCTION PROJECTS WITH SIKA PRODUCTS



Bridge over Maputo Bay, Mozambique



Dangote fertilizer plant Lagos, Nigeria

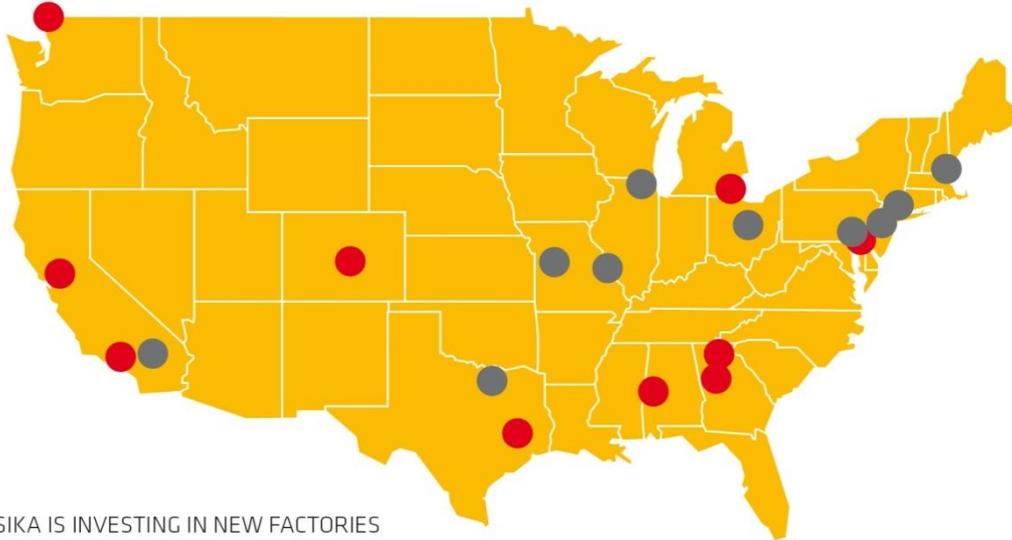


Luanda International Airport, Angola



Mall of Egypt, Cairo, Egypt

ACCELERATED BUILD UP OF PRESENCE IN USA



- Factories in 2012
- New factories 2013-2016

22 plants in USA and Canada

10 new plants added since 2012

Investment focus on fast growing metro areas

13% sales growth in H1 2016

Presence in residential market through Home Depot (2,000 stores) and Lowes (1,800 stores)

HUDSON YARDS PROJECT NYC

SIKA IS HELPING TO BUILD A NEW CITY
IN A CITY



4. SAINT-GOBAIN'S HOSTILE TAKEOVER ATTEMPT

FUNDAMENTAL REASONS TO OPPOSE HOSTILE TAKEOVER ATTEMPT BY SAINT-GOBAIN

- 1. Lack of industrial logic**
- 2. Saint-Gobain will execute control with only 16% of the capital**
- 3. No adequate representation of public shareholders on the Board**
- 4. Saint-Gobain is a direct competitor of Sika**
- 5. Sika loses A- credit rating**
- 6. Sika's Growth Model at risk**

SIKA ARTICLES OF ASSOCIATION ARTICLE 4

RESTRICTION OF TRANSFERABILITY, THE 5% THRESHOLD

“The Board of Directors reserves the right to refuse an acquirer of registered shares as shareholder, if the number of registered shares held by him exceeds 5% of the total number of registered shares entered in the commercial register.

[...]natural persons or legal entities or, which act in concert in view of a circumvention of registration limitations, are regarded under these provisions as a single buyer.”

Many other Swiss companies have a similar restriction of transferability with a threshold (Vinkulierung) such as: Nestlé, Novartis, Swatch, Swisscom, Guivaudan, Sonova, Schindler, Lindt & Sprüngli.

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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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