



## REGION AMERICAS – GOING FOR MEGACITIES

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SIKA CAPITAL MARKETS DAY 2018

BUILDING TRUST



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# 1. FROM NORTH AMERICA AND LATIN AMERICA TO REGION AMERICAS

# REGION AMERICAS CAMPAIGN DRAFT

WE ARE SIKa, WE ARE SIKa AMERICAS



MY CREATIVITY MY MOTIVATION

Matthew Bowman  
New York - USA

Gabriela Prieto  
Buenos Aires - Brazil

When we share the best of us and our culture, better ways to work together arise.

BUILDING TRUST Sika®

SOMOS SIKa, SOMOS SIKa AMÉRICAS



MI CONOCIMIENTO MI MOTIVACIÓN

Il Shah  
TX - USA

Carolina Valdebenito  
BAG - Spain

Cuando ponemos lo mejor de nosotros y nuestra cultura, surgen mejores formas de hacer las cosas.

BUILDING TRUST Sika®

# FROM NORTH AMERICA AND LATIN AMERICA TO REGION AMERICAS

## The underlying rationale

- Making 1+1=3
- Net sales >CHF 1.8 billion and EBIT >CHF 300 million
  - 20 countries
  - 56 plants
  - >4,000 employees in total, of whom >2,000 people in sales related functions
  - 3 Global and 4 Regional R&D Centers
- All Sika technologies manufactured in region Americas
- All technical know-how covered by region

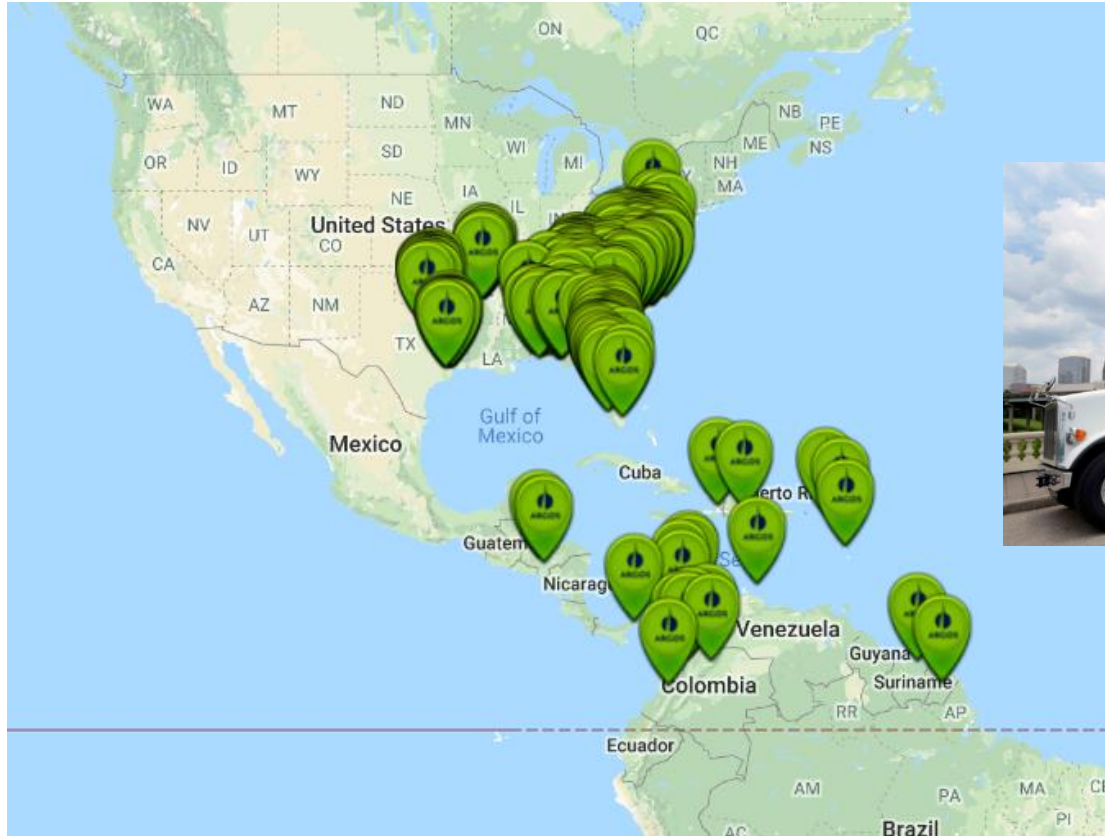
# FROM NORTH AMERICA AND LATIN AMERICA TO REGION AMERICAS

## Drivers

- Many key owners, developers, suppliers and contractors operate in North and Latin America
- Emerging and mature markets, all with great infrastructure build-up potential
- Latin America with special strength in distribution channels, North America with strong specification and project business
- New area structure in place with smaller companies linked to larger companies: For example Sika Mexico to develop Sika in the Caribbean

# ARGOS: LARGE SIKA ADMIXTURE CUSTOMER IN LATIN AMERICA

## BUT: NO SIKA CUSTOMER YET IN THE USA



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# LATIN AMERICA WITH STRONG POSITION IN DISTRIBUTION CHANNELS



# FROM NORTH AMERICA AND LATIN AMERICA TO REGION AMERICAS

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# FROM NORTH AMERICA AND LATIN AMERICA TO REGION AMERICAS

## Success factors

- Bringing new business initiatives from North America to Latin America and vice versa: liquid applied membranes, interior finishing, distribution and retail, insulation, park decks, food & beverage accounts, mining, PVC and bituminous roofing membranes etc.
- Cross-selling, specification-selling: bringing successful US approach to Latin America
- Extended innovative power: 135 chemists throughout region Americas
- Big City approach
- Extended talent pool

# NEW REGION AMERICAS

## QUICK-WIN SYNERGIES FROM LATIN AMERICA TO NORTH AMERICA

### 1. Bituminous sheets

- USA and Canada are huge bituminous roofing markets
- Bituminous sheets from Texusa Mexico to Sika Canada
- Peel and stick sheets from Lwart Brazil to Target Market Waterproofing of Sika USA



### 2. Acrylic technology

- Interesting product range for Sika US liquid applied membrane and sealing & bonding business; also for retail (Home Depot, Lowe's)
- CET Co-elastic technology for liquid applied membranes and sealants



# NEW REGION AMERICAS

## QUICK-WIN SYNERGIES FROM NORTH AMERICA TO LATIN AMERICA

### 1. Flooring

- Flooring systems for Food & Beverage industry
- Parking garage systems: transfer of successful Sika US business model into Latin America
- Butterfield/Scotfield colored concrete floors



### 2. Building Envelope

- Polyiso insulation boards from Sika Rmax replacing other locally used suppliers





# PAN-AMERICAN SYNERGIES IN ROOFING PROJECTS

## ROOFING FOR AN ELECTRONICS PLANT IN MEXICO



- 25,000 m<sup>2</sup> of Sikaplan® and Sika Poliyso insulation.
- Improved teamwork within new region Americas: Sika Mexico acquired the job, roofing membranes supplied by Sika® Sarnafil® USA and insulation boards supplied by Sika Rmax USA

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# FROM NORTH AMERICA AND LATIN AMERICA TO REGION AMERICAS

## Synergies

- Growing procurement power versus Americas suppliers
- Large synergy potentials for operations (automation, packaging)
- R&D synergies (for example acrylic and bitumen technology)
- Construction in southern US with strong Latino influence
- North America and Latin America not “competing” anymore but working hand in hand



## 2. STRATEGY GOING FORWARD

# STRATEGY GOING FORWARD

## MERGE THE BEST OF BOTH INTO ONE STRONG REGION AMERICAS

- Merging the best of both former regions into a single strong Americas strategy
- Double-digit profitable growth concept
- New Pan-American business initiatives: mining, park decks, retail, Food & Beverage, Roofing
- Success factors for growth: people, business focus, innovation, SikaSmart selling, Big City focus
- Market penetration with new factories: Houston, Peru, Guatemala, Bolivia, Miami, Quito, Cali

# NEW SIKA FACTORY IN HOUSTON, TEXAS

## RAMPING UP



Mortars plant



Sika® ViscoCrete® reactor and admixtures



# NEW SIKA FACTORIES IN PERU AND GUATEMALA

## OPENING UP LATER THIS YEAR



To be opened in 2018: Sika plant in Lucomo, Peru



To be opened in 2018: Sika plant in Palin, Guatemala

# STRATEGY GOING FORWARD

- Bringing more automation into our factories
- E-Sika: leadership online markets too
- Acquisitions with rollout potentials right across the Americas
- New area structure in place: USA, Canada, Brazil, Mexico & Caribbean, Latin America North, Latin America South
- New Pan-American Operations and R&D departments for more efficiency and improved coordination of projects
- Cultural integration: Sika spirit as our common base



# BRINGING MORE AUTOMATION INTO OUR FACTORIES



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# EXCITING ACQUISITIONS CLOSE STRATEGIC GAPS

## NEW BUSINESS OPPORTUNITIES FOR ALL OF SIKA AMERICAS

**IMPERMEABILIZANTES PREFABRICADOS...**

Protección que puede ser instalada en cualquier superficie

**Características:**

- Instalación sencilla y rápida
- Libre de mantenimiento
- No adhiere al agua
- 100% resistencia a rasguños
- Espesor uniforme en toda el área impermeabilizada
- Protección de alta duración

**ELEMENTOS DEL SISTEMA**

Gravilla fabricada por Sika; su función es proteger de los rayos UV (colores: terracota, verde y blanco).

Asfalto Modificado (SBS o TPO); elemento que inicia la impermeabilización del sistema.

Pólicero o Fibras de Vidrio; refuerzo del sistema que ofrece resistencia a la tracción.

**AL-KOAT<sup>®</sup>**  
IMPERMEABILIZANTES

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# STRATEGY GOING FORWARD

- Bringing more automation into our factories
- E-Sika: being a leader also in online market places
- Acquisitions with roll out potentials in all of the Americas
- New area structure in place: USA, Canada, Brazil, Mexico & Caribbean, Latin America North, Latin America South
- New Pan-American Operations and R&D departments for more efficiency and improved coordination of projects
- Cultural Integration: Sika spirit as our common base

### 3. GOING FOR MEGACITIES

# GOING FOR MEGACITIES TO CAPTURE MARKET POTENTIAL OF URBANIZATION

## BIG CITIES DRIVING OUR FOOTPRINT OF PLANTS AND WAREHOUSES



# GOING FOR MEGACITIES

## MARKET AND PROJECT PENETRATION THROUGH CROSS-SELLING

- All project types exist in large cities – therefore all our technologies in demand
- Special requirements in large cities: fast systems, easy-to-apply products with little labor usage, 24/7 supply chain, “24/7” on-site technical service
- Higher demand for high-performance and specialty concrete
- More waterproofing solutions needed
- Functional sealing and building envelopes
- Innovative roofing solutions: for example liquid applied membranes
- Increased safety, fire, water, earthquake and quality requirements
- Increasing demand for refurbishment and repair solutions

# GOING FOR MEGACITIES TO CAPTURE THE MARKET POTENTIAL OF URBANIZATION

- Higher growth rates in metro areas: more USD per salesperson, more projects concentrated in a smaller space
- Target not only the largest cities but primarily the fastest-growing ones, such as Nashville TN or Phoenix AZ
- Project penetration: every large metro area has so called Building Envelope Specialists opening doors to large projects through specification work and then bring in and coordinate the dedicated salesforces from the different target markets to close the deals
- Marketing Shower campaigns in big cities generating long-term sustainable growth

# MARKETING SHOWER CAMPAIGNS ARE GROWTH TURBOS INVESTMENTS THAT PAY OFF IMMEDIATELY



# GOING FOR MEGACITIES TO CAPTURE THE MARKET POTENTIAL OF URBANIZATION

- Sika tracks every important project in big cities long before construction starts
- Monthly sales number tracking by city, by Target Market and by key project drives our strategic decisions regarding where to hire more sales personnel and where to invest in the supply chain
- Supply chain in big cities: challenge and opportunity at the same time
- Now focus on tier 1 cities; in future extend strategy to tier 2 cities

# LARGE POTENTIAL FOR MEGACITY PENETRATION IN LATIN AMERICA

**USA:**

**37%**

of sales generated in  
20 biggest cities

**LATIN AMERICA:**

**23%**

of sales generated in  
20 biggest cities



## 4. BIG MEGACITY PROJECTS

# KEY PROJECT

## GOLDEN STATE WARRIORS ARENA, SAN FRANCISCO, CA



### Project Description

Chase Arena & Towers for the Golden State Warriors – 2018 NBA Champions  
Project value: USD 1 billion

### Project Details

Gensler – Architect  
100% privately financed (first in the nation)  
Specification flipped to PVC

### Sika Opportunities

Sika® ViscoCrete® – Stadium Bowl  
Sika Sarnafil® Roofing  
Sika Sealants and Traffic Coatings  
Sika Flooring – Recently supplied two other large arenas (Kings Arena & Levi's Stadium)

# KEY PROJECT

## CONRAC SAN DIEGO INTERNATIONAL AIRPORT, CA



### **Project Description**

Consolidated rental car facility

Project Value: USD 100 million

### **Project Requirements**

Off-site facilities for improved safety at major airports

### **Sika Opportunities**

Sika Traffic Coatings

Resinous Coatings

Sealers

Sika Roofing

Joint Sealants

# KEY PROJECT

## NEW WATER PLANT, HOUSTON, TEXAS



### Project Description

Water purification plant to serve growing demand and more stringent water quality regulations. Project value: USD 1.4 billion.

### Project Requirements

- Multiple heavy civil concrete structures
- 19 total bid packages
- Watertight and low shrinkage concrete
- Harsh service environments/long service life

### Sika Opportunities

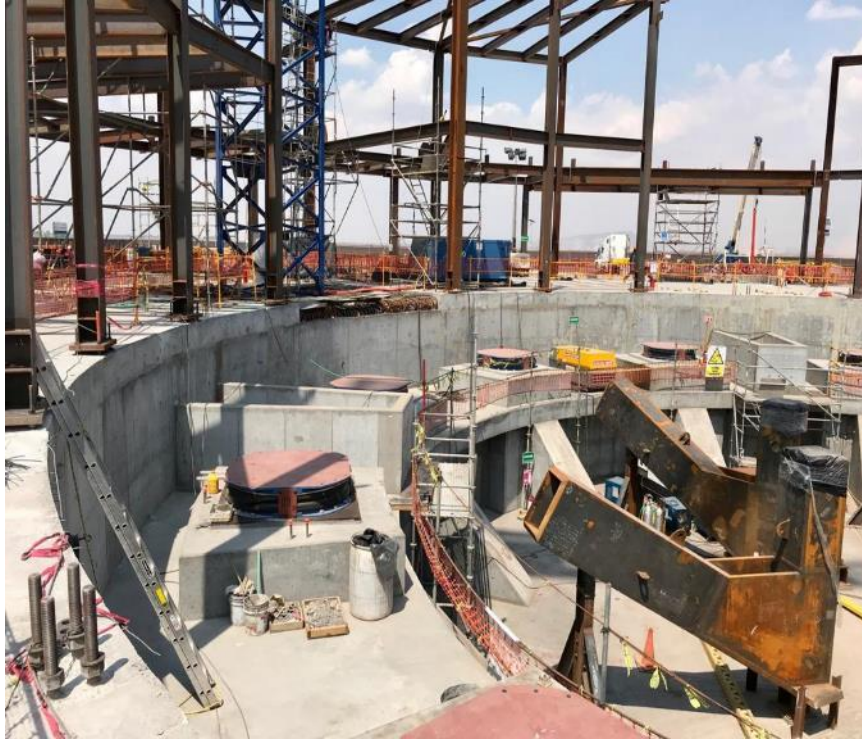
Concrete Admixtures: Sika® ViscoCrete®, Sika Control® NS, Sika Greenstreak Waterstop, Sika WT-215P waterproofing admixture

Sealants, Coatings, Roofing and Flooring



# KEY PROJECT

## NEW MEXICO CITY AIRPORT



### **Project Description**

2<sup>nd</sup> busiest airport in Latin America

Project value: USD 9 billion

### **Sika Opportunities**

High-performance grouts meeting special seismic requirements

Several business opportunities for all Sika  
Target Markets

# KEY PROJECT

## TORRES ATRIO, BOGOTA, COLOMBIA



### **Project Description**

Atrio leasing offices building

Location: Bogota

Owner: Chaid Neme Cia.

General Contractor: Arpro

Project value: USD 300 million

### **Sika Solutions**

Roofing: Sarnafil® G476-15 green roof

Repair mortars, grouts

Flooring: Dry Shakes, cementitious leveling mortars, epoxies

Steel protection

# KEY PROJECT

## SARMIENTO RAIL TUNNEL, BUENOS AIRES, ARGENTINA



### Project Description

Part of government program to modernize the urban rail system.

4-year execution; in 3 stages

1<sup>st</sup> stage: 22.4 km of tunnel

### Sika Solutions (1<sup>st</sup> stage)

Admixtures for onsite-cast and precast concrete. Sika® Sigunit®





# KEY PROJECT

## HEINEKEN BREWERY, BOGOTA, COLOMBIA



### **Project Description**

Facilities for beer production.

Location: Sesquilé, near to Bogotá.

Owner: Central Cervecera Colombia.

General Contractor: Consorcio CCC

### **Sika Solutions**

Fire protective coatings for steel structures



# KEY PROJECT

## RAIL LINK MEXICO CITY - TOLUCA



### Project Description

55 km intercity rail link

Project value: USD 2.7 billion

### Sika Solutions

Sika supplies whole range of concrete admixtures



# KEY PROJECT

## METRO LINE 6, SAO PAULO, BRAZIL



### **Project Description**

Total 16 km metro line

15 stations

Project value: USD 1.6 billion

Estimated construction period: 2019-2023

### **Sika Solutions**

Concrete admixtures

Fibers for shotcrete

Admixtures for tunnel boring machine  
excavation

Waterproofing solutions

Grouts, mortars and injections

Flooring and roofing for stations





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:

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- 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 ability 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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