



MARKET PENETRATION THROUGH EXPANSION OF DISTRIBUTION CHANNELS

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SIKA CAPITAL MARKETS DAY 2018

BUILDING TRUST



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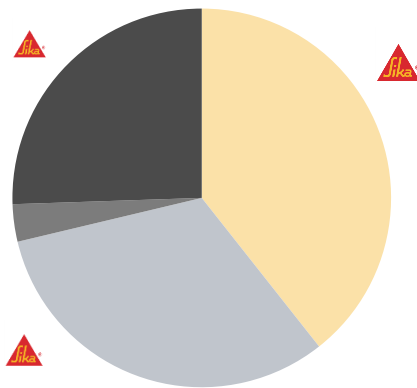
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1. RETAIL BUSINESS SIKA USA

RETAIL BUSINESS SIKa USA

RETAIL MARKETSCAPE IN THE USA AND SIKa'S MARKET PENETRATION

- Home Improvement USA is organized by category management.
- Sika is present in "Concrete Repair Category"
- Target is to reach above USD 100 million sales in the next three years in Concrete Repair Category
- Starting initiatives in new categories:
 1. Sealants & Adhesives
 2. Home envelope supplier



■ The Home Depot ■ Lowe's ■ Menards ■ Lumber Yards

Home Depot and Lowe's hold
70%
of US Home Improvement market



RETAIL BUSINESS SIKa USA

KEY FIGURES/MAJOR MOVES

- **2014** Sika active in The Home Depot (concrete repair section)
- **2015** Sika entered concrete repair section at Lowe's
- **2016** revamping of Sika proposition to Home Depot with a "Pro-Bay" test included self-levelling mortar
- **2017** rollout of self-levelling mortar in 1200 Home Depot stores
- **2017** introduction of new products and innovation included Sika Post Fix in all Home Depot stores and 900 Lowe's stores
- **2017** Rmax acquisition – access to thermal insulation category
- **2018** rollout of Post Fix in all Lowe's store and through lumber yards stores
- **2018** key account management for lumber yard and acquisition of business among large regional players



RETAIL BUSINESS SIKA USA

SIKA'S TARGET GROUP FOCUS

- Home Improvement Customer – **White Van Man** - general contractor fixing everything from roof to floor
- Sika as a **One Stop Shop** has a competitive advantage versus the competition – all areas of expertise



GROWTH POTENTIAL FOR FOCUS TARGET GROUPS

LACK OF SKILLED LABOR FORCE

- Specialists refuse work and concentrate on core job
- Long waiting list for end-users

INFLATION OF REAL ESTATE

- Young people rent or refurbish old houses
- Refurbishment cut down into smaller projects

2. GROWTH OPPORTUNITIES AND INITIATIVES

OPPORTUNITIES IN BIG BOX – HOME DEPOT/LOWE'S/MENARDS

4,741 stores

total potential of big box stores

3,737 stores

where Sika is currently active

Target: **100%** store
penetration by 2021

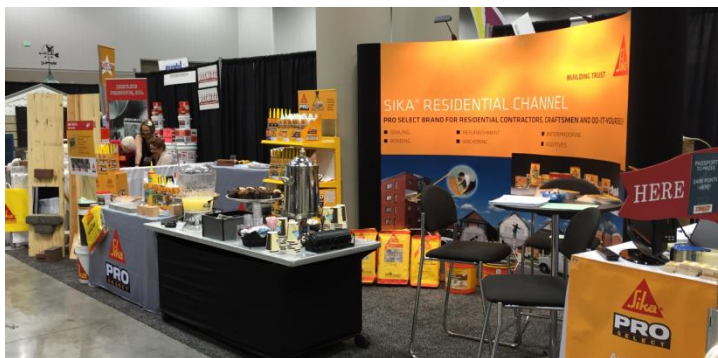


OPPORTUNITIES IN LUMBER/MASONRY YARDS & HARDWARE

over
20,000 stores

800 stores
where Sika is currently active

40% annual growth
expected next 3-5 years



PULL STRATEGY

BUILDING BRAND AWARENESS

Each year over **6,000**
product demos performed and
60,000 people trained

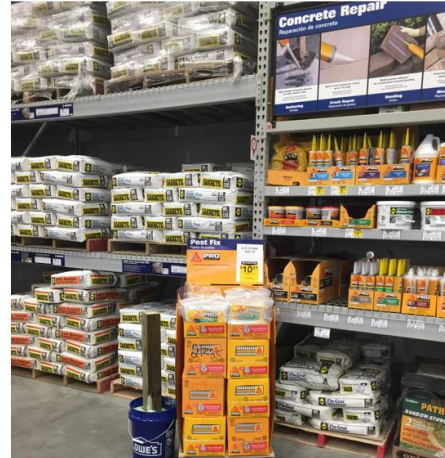
BRAND BUILDING
Over **40** tradeshow
and events per year



PULL STRATEGY

BUILDING BRAND AWARENESS

- Pull and Push activities with **White Van Man** customers at the POS through demos
- Create relationship with store associates
- Gain additional space in store to increase brand awareness and increase rotation
- GMROI (Gross Margin Return on Investment) improvement for the retailer



EXPANSION THROUGH E-COMMERCE

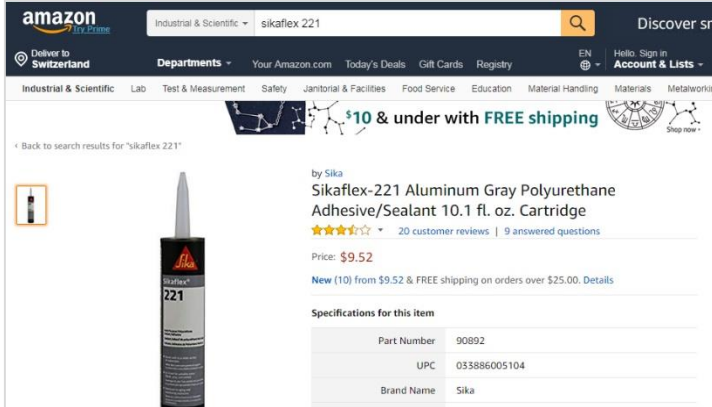


- Management of product information and price
- Step-by-step expansion of product portfolio
- Extension of the product shelf – more choices
- Omni-channel experience a must!

Omni-channel
customers spend

208%

more than customers
who shop in
store only



53% OF GLOBAL INTERNET
USERS MADE AN ONLINE PURCHASE
IN 2017



3. EXAMPLES OF SUCCESSFUL RETAIL PRODUCTS

Sika® Post Fix FENCE POST MIX

EXPANDING POLYURETHANE FOAM FOR POST INSTALLATION

- Sets in as fast as 3 minutes
- Replaces two 50 lb. bags of concrete
- No water needed
- Easy mixing in the bag
- For mailbox, fence and sign posts



SikaQuick® Patch

HIGH PERFORMANCE PATCH FOR CONCRETE

- Sets in 10 to 20 minutes
- Can drive over in 1 hour
- Simple application
- No primer needed, just damp surface
- Polymer modified for increased strength





THANK YOU FOR YOUR ATTENTION

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