

STAKEHOLDER LETTER NINE MONTHS

2025

LETTER TO STAKEHOLDERS

Resilient performance in first nine months – strategic actions to drive growth and profitability

- Sales increase of 1.1% in local currencies in the first nine months despite a double-digit decline in China's construction business; foreign currency impact of -4.9% primarily due to weaker US dollar
- Material margin increase to 55.0% (previous year: 54.7%) and EBITDA margin rises to 19.2% (previous year: 19.1%)
- Key investments reinforce the Group's market position: five acquisitions and seven new factories
- MBCC integration completed, realization of increased synergies on track
- Sika is making structural adjustments in ongoing weak markets, such as China, with anticipated one-off costs of CHF 80 to 100 million, incurring in 2025. The measures include a workforce reduction of up to 1,500 employees
- These adjustments are part of an investment and efficiency program, "Fast Forward", which builds on Sika's leadership position, enhances customer value, improves operational excellence through digital acceleration and thus drives growth and profitability
- The program also includes investments of CHF 120 to 150 million and will drive overall annual savings of CHF 150 to 200 million
- Outlook for 2025: Sika confirms expectations of modest increase in local currency sales; EBITDA margin of approximately 19% after one-off costs
- Medium-term guidance: Sika confirms profitability and cash-flow expectations with 20%+ EBITDA margin targeted as of 2026; new growth guidance of 3–6% in local currencies reflects revised market growth assumption
- Details of investment and efficiency program to be presented at an investor and media conference on November 27, 2025

Sika continued to outgrow the market in the first nine months of 2025. The company increased its sales in local currencies by 1.1% despite the challenging construction markets in China. Excluding the Chinese construction business, Group growth in local currencies was at around 3%. The foreign currency effect amounted to -4.9% primarily due to the weak US dollar, with Sika's sales in Swiss francs declining to CHF 8.58 billion (previous year: CHF 8.91 billion) as a result. The material margin rose to 55.0% (previous year: 54.7%). EBITDA margin expanded to 19.2% (previous year: 19.1%), driven by slightly falling input costs, strong synergy momentum from the successfully completed MBCC integration, and despite an approximately 50 bps impact due to declining volumes in the Chinese market. At CHF 1.64 billion, operating profit before depreciation and amortization (EBITDA) in the first nine months was lower than in the previous year (CHF 1.70 billion) due to substantial foreign currency effects.

Thomas Hasler, CEO: "Even in a market environment with strong headwinds, we have continued to grow our business in the first nine months of the year and gained market share, a testament to the strength and resilience of our teams worldwide. We are proactively addressing ongoing weak markets through our structural adjustments. In China, our strong presence and commitment to innovation will allow us to fully capitalize on the country's long-term opportunities driven by a maturing construction market, a leading e-mobility industry, and a growing addressable market. The Fast Forward investment and efficiency program will accelerate our digital transformation and create additional value for our customers."

GROWTH IN REGIONS EMEA AND AMERICAS – FURTHER MARKET SHARE GAINS

With five acquisitions and seven newly opened factories in the first nine months of the year, Sika made targeted investments to strengthen its global market position and increase market penetration. Even in a challenging economic environment, Sika gained further market share.

With sales growth of 2.1% in local currencies (previous year: 9.0%), construction markets in **EMEA** (Europe, Middle East, Africa) – the largest and most heterogeneous region – showed a slight recovery in the reporting period. Business performance was particularly strong in countries in the Middle East and Africa, where Sika recorded double-digit growth and market share gains. The first signs of a market recovery are also evident in Eastern Europe. In Germany, Sika is well positioned to benefit from the government's recently approved infrastructure package.

Sales in the **Americas** region rose by 2.9% in local currencies (previous year: 12.2%). While the business year got off to a strong start, US trade policy measures triggered some uncertainty in the market and slowed down momentum. Growth subsequently softened in the USA and Mexico, whereas performance remained solid in Latin America overall. In the US construction market, a positive development is being seen in investments in data centers as well as government-sponsored infrastructure projects. Sika manufactures nearly 100% of its products and solutions sold in the USA within the country. With its local presence and leading position in the renovation segment, Sika succeeded in outperforming the overall market in a challenging environment.

In the **Asia/Pacific** region, sales declined by -3.9% in local currencies in the first nine months of the year (previous year: 4.7%). This result is mainly due to the deflationary market environment in China's construction sector, where Sika's focus is on protecting margins and improving efficiency. Without the double-digit sales decline of the Chinese construction business, the region would have recorded around 4% growth in local currency. Market development was particularly dynamic in India and Southeast Asia as well as in the Automotive & Industry segment, where Sika was able to further expand the share of its technologies in vehicles from local and international manufacturers.

COMMITMENT TO MARKET LEADERSHIP IN CHINA

Sika remains convinced that its unique presence and commitment to innovation will allow to fully capitalize on China's long-term opportunities driven by a maturing construction market, a leading e-mobility industry, and a growing addressable market. Sika will build on its core strengths in China, which include digital excellence, EV and battery expertise, and best-in-class end-to-end processes throughout the value chain.

In Automotive & Industry, Sika continues to expand the share of its technologies in vehicles from both local Chinese as well as international manufacturers. Market demand remains strong with electrification in full conversion mode. Chinese automotive OEMs have become key players in the automotive industry over the last decade. Sika is well positioned to work with them in China and to support their expansion into other geographies.

In the construction industry, Sika holds a strong position among Chinese main contractors who are expanding into Southeast Asia and beyond. The residential retail-driven business in China is facing deflationary impacts, which Sika is addressing by adapting the product mix, rightsizing the organization, and making further efficiency improvements.

STRATEGIC ACTIONS TO DRIVE GROWTH AND PROFITABILITY

Sika is making structural adjustments in ongoing weak markets, such as China, with anticipated one-off costs of CHF 80 to 100 million, incurring in 2025. The structural measures include a workforce reduction of up to 1,500 employees. These adjustments are part of an investment and efficiency program, "Fast Forward", which builds on Sika's leadership position as a global, integrated construction chemicals company. It is designed to accelerate innovation and growth as well as enhance customer value and improve operational excellence through digital acceleration. The program also includes investments of CHF 120 to 150 million and will drive overall annual savings of CHF 150 to 200 million. The full impact is expected in 2028.

OUTLOOK FOR 2025 AND MEDIUM-TERM TARGETS

For 2025, Sika expects a modest increase in local currency sales, despite an overall shrinking market and challenging market conditions in China. The EBITDA margin is expected to be approximately 19% after one-off costs. Excluding these costs, Sika expects an EBITDA margin of between 19.5% and 19.8%.

For the medium-term, Sika is confirming its Strategy 2028 target of an EBITDA margin of 20–23%. Sika is rebasing its growth guidance to 3–6% in local currencies, reflecting a revised market growth assumption over the remaining three years of the strategy period.

CONSOLIDATED INCOME STATEMENT IN THE FIRST NINE MONTHS 2025

in CHF mn	%	1/1/2024 – 9/30/2024	%	1/1/2025 – 9/30/2025	Change in %
Net sales	100.0	8,914.9	100.0	8,578.1	-3.8
Material expenses	-45.3	-4,038.0	-45.0	-3,863.4	
Gross result	54.7	4,876.9	55.0	4,714.7	-3.3
Personnel expenses	-18.2	-1,625.8	-18.9	-1,620.6	
Other operating expenses	-17.4	-1,549.4	-16.9	-1,449.4	
Operating profit before depreciation (EBITDA)	19.1	1,701.7	19.2	1,644.7	-3.3
Depreciation and amortization expenses	-4.6	-407.0	-4.7	-406.8	
Operating profit (EBIT)	14.5	1,294.7	14.4	1,237.9	-4.4
Interest income	0.2	19.0	0.2	13.4	
Interest expenses	-1.6	-140.6	-1.4	-118.9	
Other financial income	0.1	5.7	0.1	7.9	
Other financial expenses and net result on foreign exchange	0.0	-2.8	0.0	-1.0	
Profit before taxes	13.2	1,176.0	13.3	1,142.6	-2.8
Income taxes	-2.9	-253.4	-3.1	-271.7	
Net profit	10.3	922.6	10.2	870.9	-5.6
Profit attributable to Sika shareholders	10.3	921.2	10.1	869.9	
Profit attributable to non-controlling interests	0.0	1.4	0.0	1.0	

NET SALES BY REGION

in CHF mn	1/1/2024 – 9/30/2024	1/1/2025 – 9/30/2025	Change compared to prior period (+/- in %)				
			In Swiss francs	In local currencies ¹	Currency effect	Acquisition effect ²	Organic growth ³
EMEA	3,880.0	3,834.0	-1.2	2.1	-3.3	0.6	1.5
Americas	3,125.3	2,996.6	-4.1	2.9	-7.0	2.1	0.8
Asia/Pacific	1,909.6	1,747.5	-8.5	-3.9	-4.6	0.4	-4.3
Net sales	8,914.9	8,578.1	-3.8	1.1	-4.9	1.1	0.0
Products for construction industry	7,618.2	7,321.5	-3.9	1.2	-5.1	1.3	-0.1
Products for industrial manufacturing	1,296.7	1,256.6	-3.1	1.1	-4.2	0.0	1.1

1 Growth in local currencies including acquisitions.

2 Share of sales of acquired companies.

3 Growth adjusted for acquisition and currency effect.

FINANCIAL CALENDAR

INVESTOR AND MEDIA CONFERENCE	Thursday, November 27, 2025
NET SALES 2025	Tuesday, January 13, 2026
MEDIA CONFERENCE / ANALYST PRESENTATION ON FULL-YEAR RESULTS 2025	Friday, February 20, 2026
58TH ANNUAL GENERAL MEETING	Tuesday, March 24, 2026
NET SALES FIRST QUARTER 2026	Tuesday, April 14, 2026
HALF-YEAR REPORT 2026	Tuesday, July 28, 2026
RESULTS FIRST NINE MONTH	Friday, October 23, 2026

Sika is a specialty chemicals company with a globally leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protection in the building sector and industry. Sika has subsidiaries in 102 countries around the world, produces in over 400 factories, and develops innovative technologies for customers worldwide. In doing so, it plays a crucial role in enabling the transformation of the construction and transportation industries toward greater environmental compatibility. In 2024, Sika's more than 34,000 employees generated annual sales of CHF 11.76 billion.

Sika's purpose is to anticipate and meet future challenges by providing reliable, innovative, sustainable, and long-lasting solutions in the construction, building, and manufacturing industries. In everything we do, we provide a seal of quality which our employees, customers, and all stakeholders can rely on – Building Trust Every Day.