



OUR FIRST HALF-YEAR 2022 RECORDS IN SALES, EBIT, AND PROFIT

SIKA INVESTOR PRESENTATION
BAAR, JULY 22, 2022

BUILDING TRUST



1. OUR FIRST HALF-YEAR 2022 – RECORDS IN SALES, EBIT, AND PROFIT
2. SIKA'S GROWTH DRIVERS
3. UPDATE ON MBCC ACQUISITION
4. OUTLOOK

1. OUR FIRST HALF-YEAR 2022 – RECORDS IN SALES, EBIT, AND PROFIT

RECORD RESULTS IN THE FIRST HALF OF 2022

GROWTH IN LOCAL CURRENCIES OF 19.5% - EBIT GROWTH OF 22.7%

1. Sales and profit

- Sales growth of 19.5% in local currencies. Record sales of CHF 5,250.3 million (+18.0% in CHF).
- Record operating profit (EBIT) at CHF 841.9 million (+22.7%), including profit from divestment of European industrial coatings business plus expenses in connection with acquisition of MBCC Group.
- EBIT margin at 16.0%

2. Key investments

- Two acquisitions: Sable Marco (Canada) and United Gilsonite Laboratories “UGL” (USA)
- Four new plants opened: Tanzania, Ivory Coast, Bolivia, and USA

3. Outlook and strategy

- Growth in local currencies by well over 10%, surpassing CHF 10 billion for the first time
- Over-proportional increase in EBIT expected
- Confirmation of 2023 strategic targets for sustainable, profitable growth
- Closing of MBCC acquisition is targeted for the end of 2022

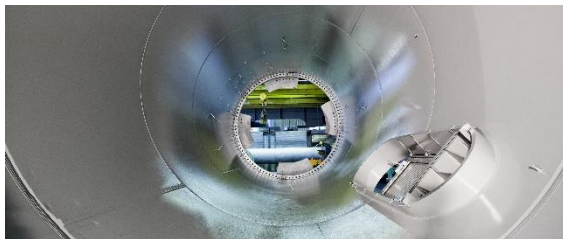
HIGHLIGHTS IN 2022

ACQUISITIONS & DIVESTMENTS

Acquisition of Sable Marco,
Canada (March 2022)



Closing of transaction related to
divestment of European industrial
coatings business (April 2022)



Divestment of Aliva
(May 2022)



Acquisition of UGL, USA
(May 2022)



Sika to acquire MBCC Group
(expected closing H2 2022)

MBCC GROUP

HIGHLIGHTS IN 2022

NEW PLANTS

Opening of a new
plant in the Ivory
Coast
(February 2022)



Opening of a new
plant in Tanzania
(February 2022)



Opening of new
plant in Bolivia
(May 2022)



Opening of new
plant near
Washington D.C.
(June 2022)



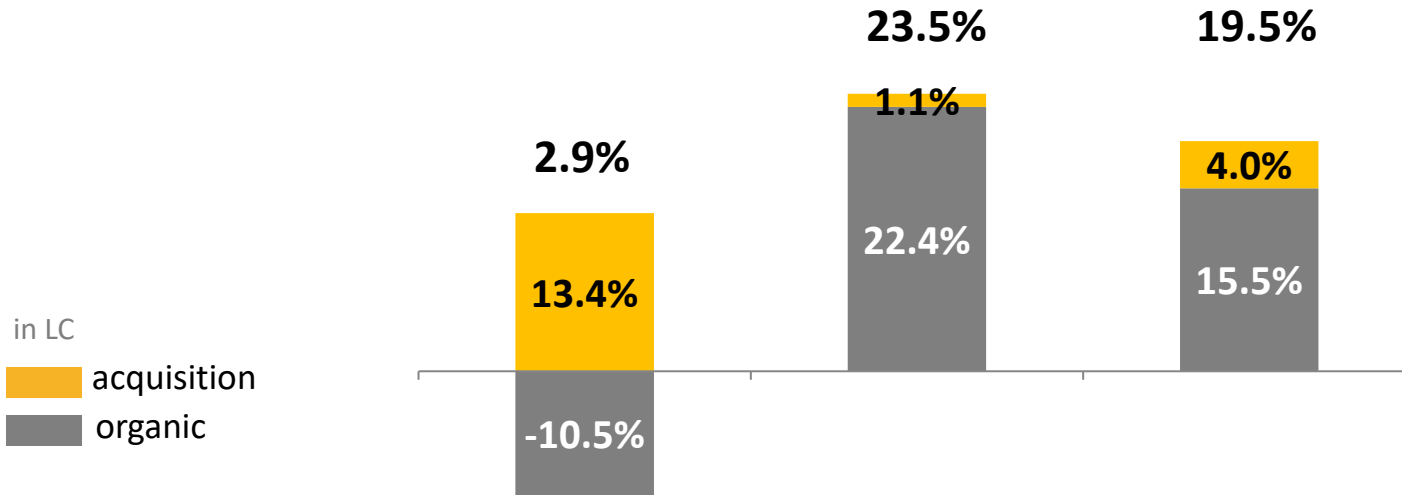
RECORD RESULTS IN THE FIRST HALF OF 2022

EBIT-MARGIN AT 16.0%

in CHF mn	2021	NS	2022	NS	Growth
Net sales	4,448.7	100%	5,250.3	100%	18.0%
Gross result	2,372.8	53.3%	2,592.2	49.4%	9.2%
Personnel expenses	-813.3	-18.3%	882.4	-16.8%	
Other OPEX	-692.5	-15.5%	-673.7	-12.9%	
EBITDA	867.0	19.5%	1,036.1	19.7%	19.5%
Depreciation and amortization	-181.1	-4.1%	-194.2	-3.7%	
EBIT	685.9	15.4%	841.9	16.0%	22.7%
Net profit	494.7	11.1%	598.8	11.4%	21.0%

RECORD RESULTS IN THE FIRST HALF OF 2022

GROWTH IN LOCAL CURRENCIES OF 19.5%



in CHF mn

Sales

1 HY 2020

3,614.6

1 HY 2021

4,448.7

1 HY 2022

5,250.3

RECORD RESULTS IN THE FIRST HALF OF 2022

GROWTH IN LOCAL CURRENCIES OF 19.5%

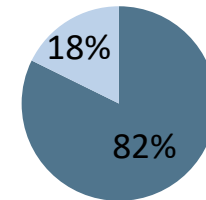
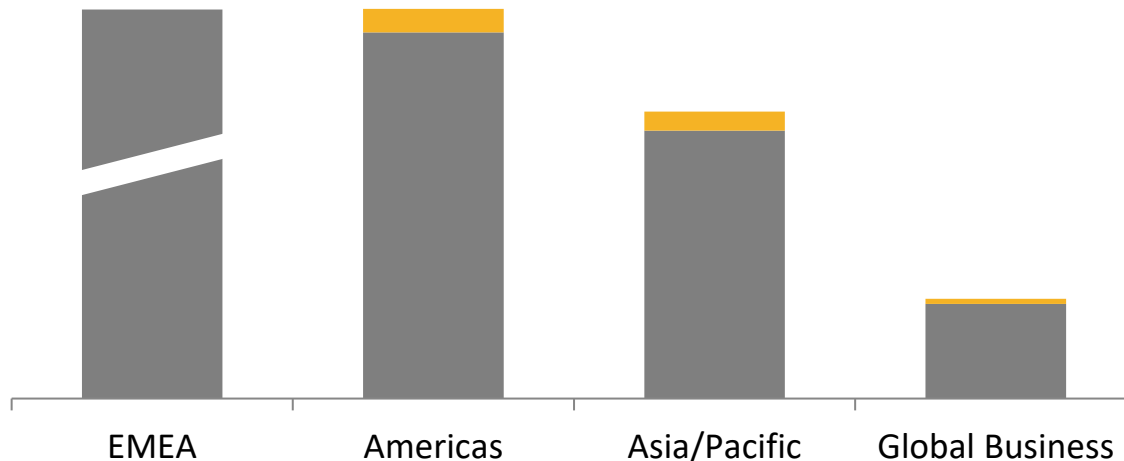
+7.6%	+39.5%	+17.7%	+12.0%
+12.9%	+35.8%	+17.0%	+13.2%
-5.3%	+3.7%	+0.7%	-1.2%
-0.5%	+8.4%	+7.8%	+5.7%

Growth in CHF

Growth in LC

FX impact

Acquisition 

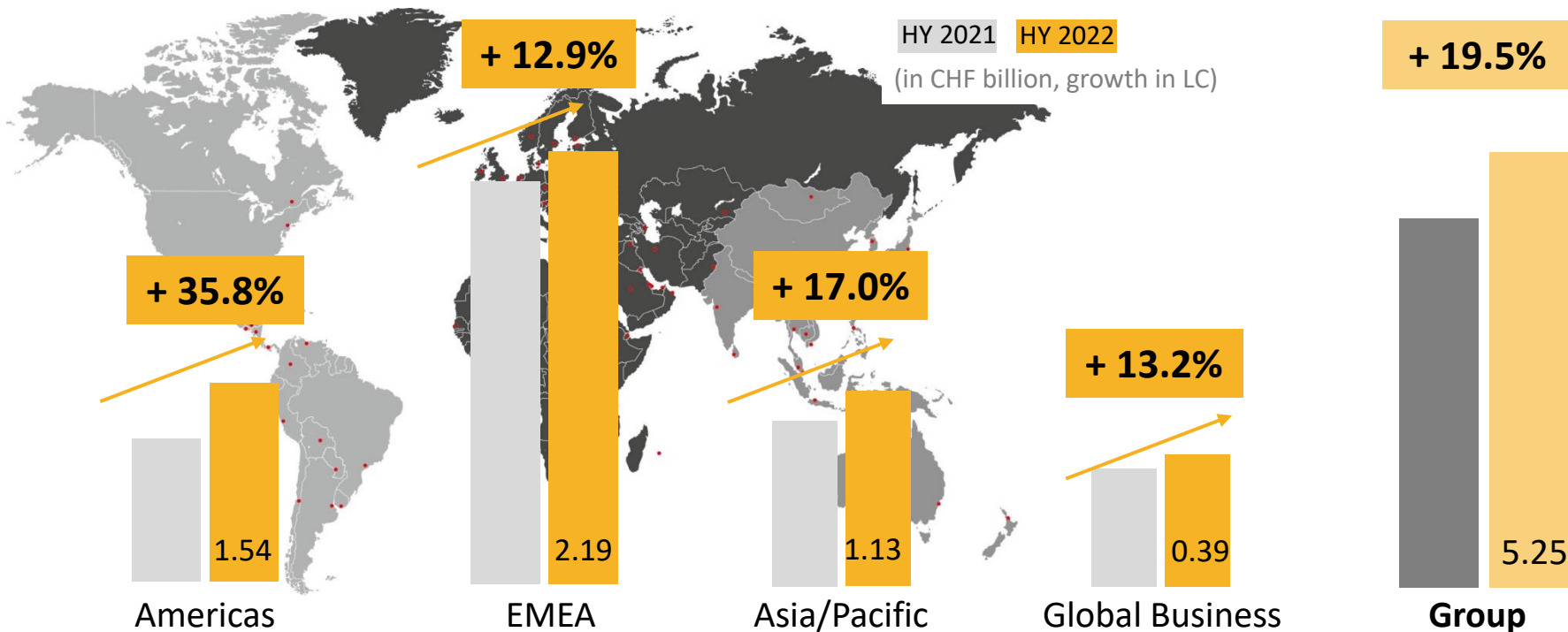


■ Construction

■ Industry

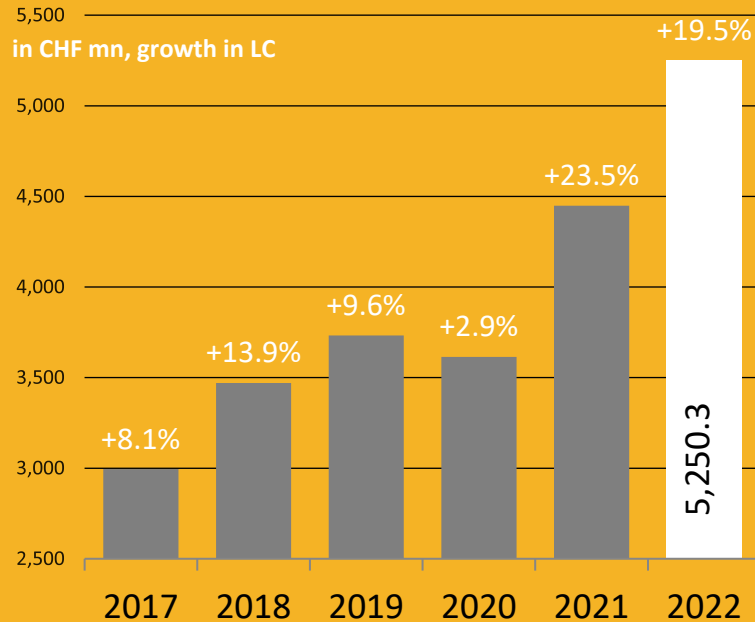
RECORD RESULTS IN THE FIRST HALF OF 2022

ALL REGIONS WITH DOUBLE-DIGIT GROWTH

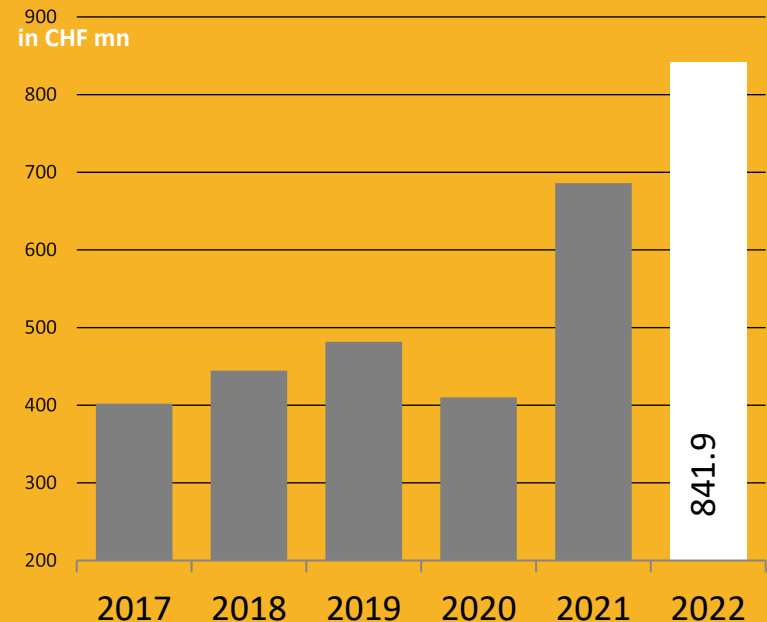


SIKA'S GROWTH MODEL DELIVERS CONTINUOUS STRONG PERFORMANCE

Net Sales (Half-year)



EBIT (Half-year)



2. SIKA'S GROWTH DRIVERS

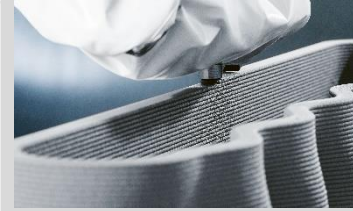
RESILIENT STRATEGY – MAJOR MEGATRENDS SUPPORTING GROWTH FURTHER ACCELERATION THROUGH DIGITALIZATION



Urbanization



Climate Change and
Scarcity of Resources



Digitalization



Demographic
Change



Dynamic
Economy



Technological
Progress

RESILIENT GROWTH STRATEGY 2023

STRATEGIC TARGETS CONFIRMED

SUSTAINABILITY

Market Penetration

Innovation

Operational Efficiency

Acquisitions

Values

6-8%
annual growth

25%
of sales with new
products

0.5%
pts non-material
cost improvement
as % of net sales

15-18%
EBIT margin
Until 2020: <15%

>10%
Operating free cash
flow per year as % of
net sales

>25%
ROCE by 2023

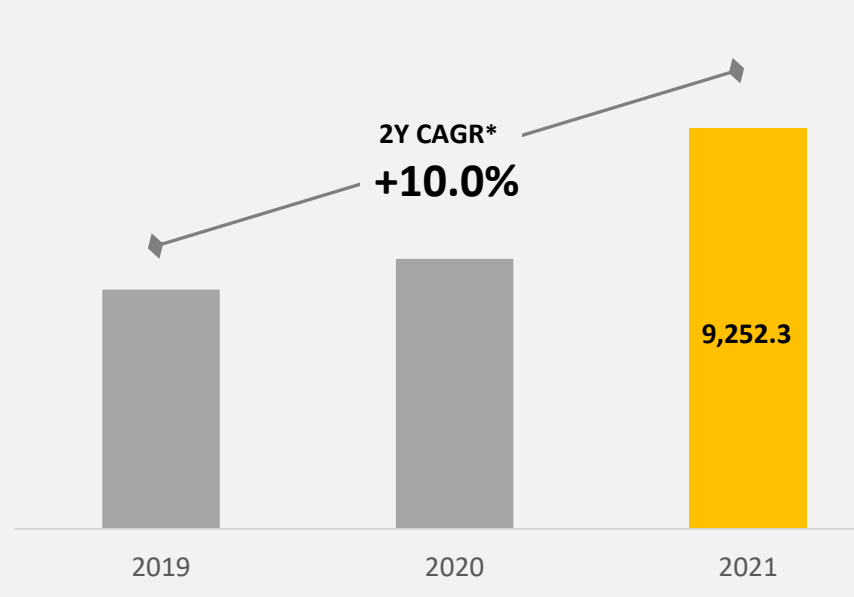
12% CO₂eq emission reduction per ton sold

SIKA HIGHLIGHTS

STRONG PERFORMANCE DURING TURBULENT YEARS

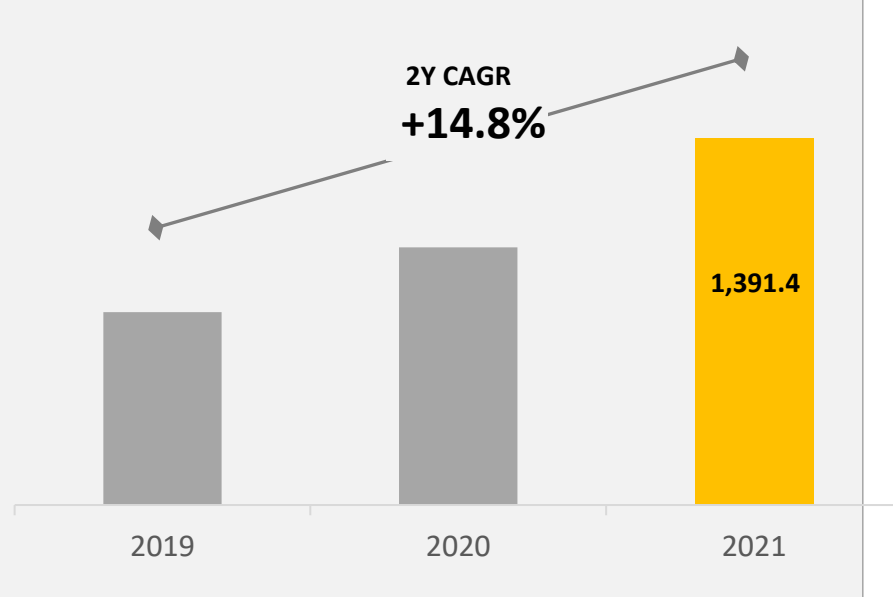
Net Sales

in CHF mn



EBIT

In CHF mn

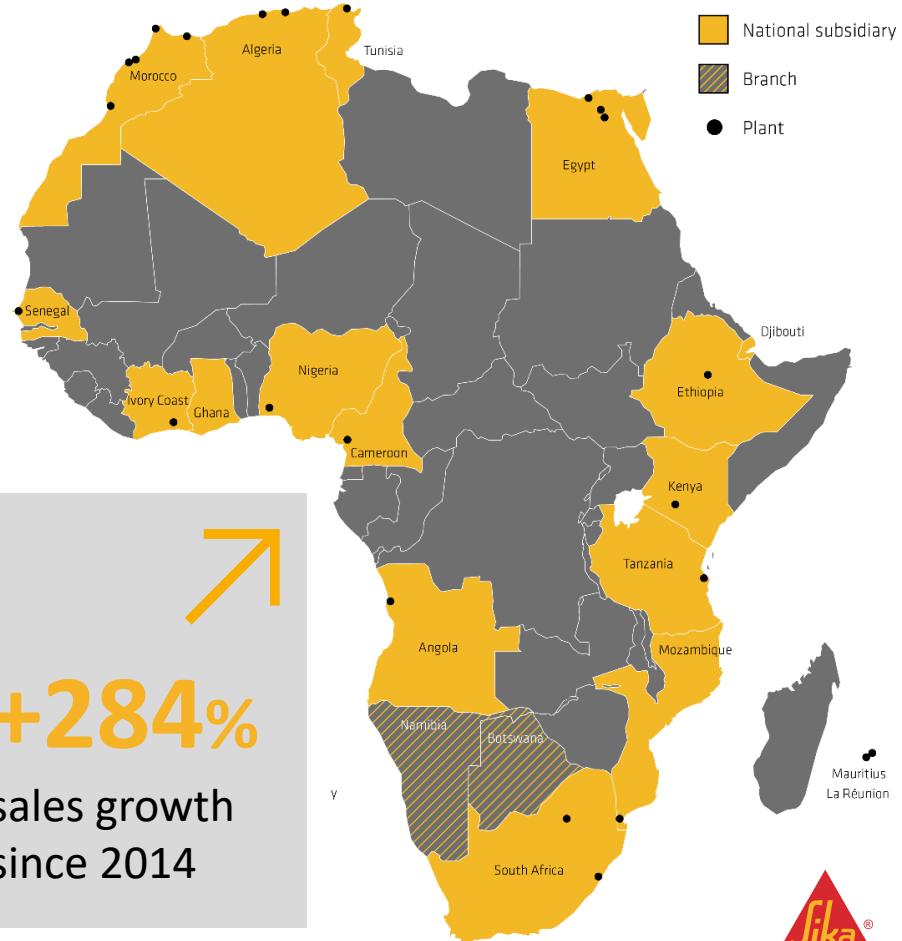


*Growth in % LC

GROWTH DRIVER – AFRICA EXPANSION

AFRICA IS JUST BEING BUILT

- Since 2014, Sika has opened **10 new national subsidiaries** and is now **present in 18 countries**
- Sika operates **22 production sites** and generates **sales of CHF 300 million** in Africa
- **Population** in Africa expected to **double** to over 2 billion people by 2040
- Enormous **need for infrastructure**, energy and power, real estate
- High demand to meet **international construction standards**
- In 2022 alone, **USD 300 billion** will be spent on construction projects in African countries in which Sika is active

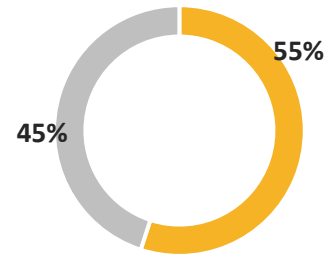


GROWTH DRIVER – REPAIR AND REFURBISHMENT

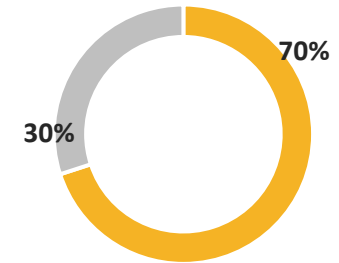
HIGHLY RESILIENT THROUGH THE CYCLES

- High resilience of refurbishment through economic cycles
- Corrective maintenance cannot be postponed
- Large backlog of projects for corrective maintenance in Europe and the USA
- Regulations and building standards make refurbishment mandatory
- Urbanization and densification drive the need for refurbishment

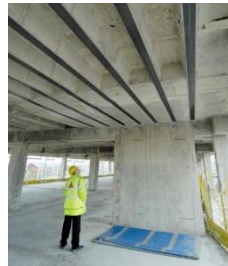
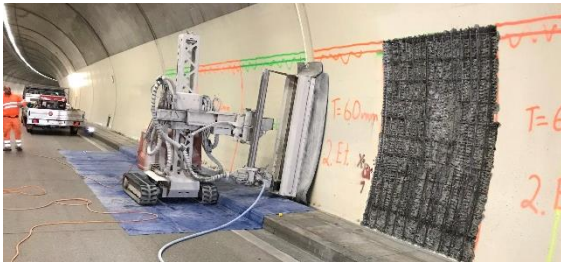
55% of Group sales in construction generated by refurbishment



In mature markets, 70% of sales in construction generated by refurbishment



■ Refurbishment ■ New build



GROWTH DRIVER – INFRASTRUCTURE PROGRAMS

CHF 10 TRILLION PLANNED STIMULI

US infrastructure
investments running
into the billions

approx. CHF
850
billion

EU working towards
climate neutrality

approx. CHF
400
billion

China invests in technology
and infrastructure

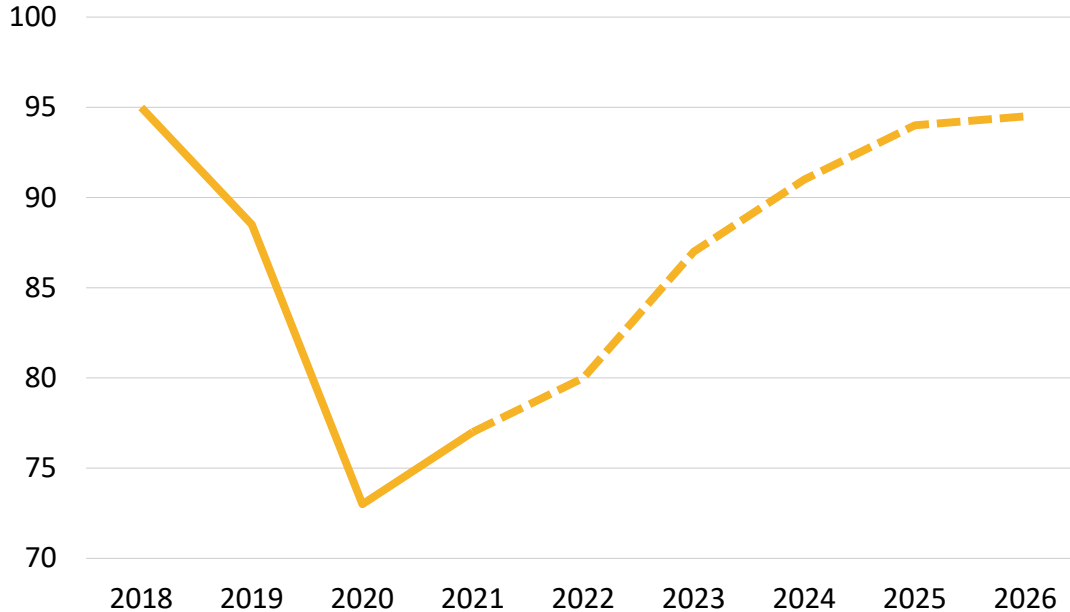
approx. CHF
8,000
billion

- Extensive infrastructure growth programs stimulate economies
- Government initiatives in many countries are tied to environmental legislation

GLOBAL AUTOMOTIVE PRODUCTION

RECOVERY EXPECTED IN THE NEXT FEW YEARS

in mn units



Source: IHS Markit

Strong recovery expected

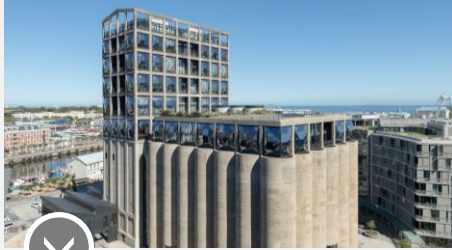
Following the pandemic-related decline, a full recovery in global automotive production is predicted to happen by 2025.

- Global automotive production
- - - Forecast (as of May 2022)

GROWTH DRIVER – SUSTAINABLE DEVELOPMENT

ENVIRONMENTALLY-FRIENDLY CONSTRUCTION

Durability



By **increasing the lifespan of buildings**, Sika solutions help reduce the carbon footprint

Clinker reduction



Sika solutions enable clinker reduction in cement and concrete, even when using more challenging supplementary cementitious materials. This fosters **better performance** and **less environmental impact**

Roofing



Sika's wide range of durable and long-lasting roofing solutions help **reduce energy consumption** and **make cities more sustainable**

GROWTH DRIVER – SUSTAINABLE DEVELOPMENT

reCO₂ver[®] – SIKA BREAKTHROUGH INNOVATION



Segregates concrete back to its original ingredients to be re-used for new high-grade concrete

This unique process includes sequestration of CO₂ and produces high quality SCM powder which allows reduction of cement in new concrete

reCO₂ver[®] contributes to circular economy in construction

GROWTH DRIVER – SUSTAINABLE DEVELOPMENT

MAIN CHANGES IN GOVERNANCE AND SUSTAINABILITY REPORTING



Newly created position of **Chief Innovation and Sustainability Officer**



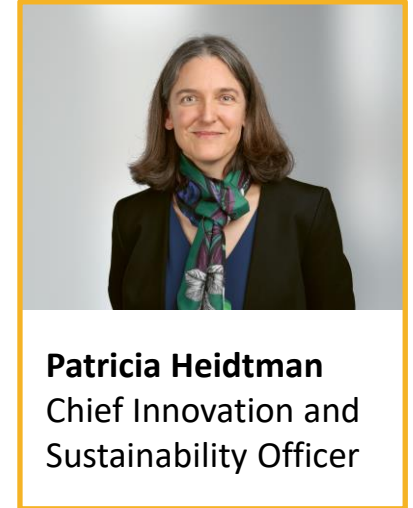
Formation of **Sustainability Committee** consisting of three Board members with focus on environmental and social topics and sustainability roadmap



Sustainability Report has been integrated in the annual report and drafted with reference to the **GRI Standards**



Sika as official supporter of the **TCFD recommendations**. Assessment of climate-related risks and opportunities, and their impact on Sika's strategic resilience



GROWTH DRIVER – SUSTAINABLE DEVELOPMENT

SIKA ROADMAP TO NET ZERO



A great opportunity to position Sika as a sustainability champion

GROWTH DRIVER – EMPLOYEE ENGAGEMENT

OUR ENABLERS

27,000 employees

Our employees **enable our success**. With their hard work and dedication, they allow Sika to successfully implement its strategy of sustainable growth.



3. UPDATE ON MBCC ACQUISITION

UPDATE ON MBCC ACQUISITION

ENTERING AN EXCITING NEXT CHAPTER



Strong **business rationale**

- We have highly **complementary** products and distribution channels
- We will accelerate Sika's **Growth Strategy 2023** together
- Together, we will **enable** our customers and the construction industry to navigate the **sustainable transformation**

UPDATE ON MBCC ACQUISITION

BETTER THAN EXPECTED RESULTS FOR MBCC FOR 2021

MASTER[®]
» BUILDERS
SOLUTIONS

PCI[®]
Für Bau-Profis


THERMOTEK[®]
PROTEGE LO QUE MÁS QUIERES

**Watson
Bowman
Acme[®]**

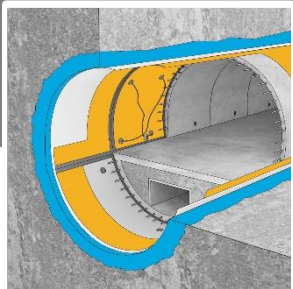
UCRETE[®]

- In 2021, MBCC performed **better than forecast** with **strong growth and profitability**. It **acquired four companies** while continuing to strengthen its position as a powerhouse for sustainable construction solutions
- **Sika/MBCC integration roadmap** and **cross-regional and functional teams** established
- **Anti-trust and integration** workstreams on track
- Second round of **town hall meetings in all regions**. High emphasis on being transparent and visible to the MBCC organization
- Exceptional **support received from both Sika and MBCC employees** as well as **external stakeholders**
- **Closing of MBCC acquisition is targeted for the end of 2022**

UPDATE ON MBCC ACQUISITION

COMPLEMENTARY IN MANY WAYS

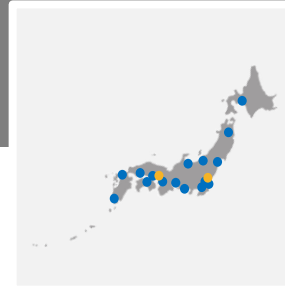
Complementary in many countries, regions, and product ranges. Combination will lead to a very balanced offering. Customers will benefit from a stronger solution portfolio, as well as an enhanced and more efficient distribution network across all construction markets.



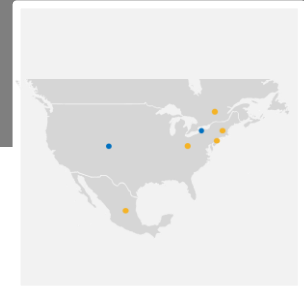
Solutions



Channel



Geography



Supply Chain

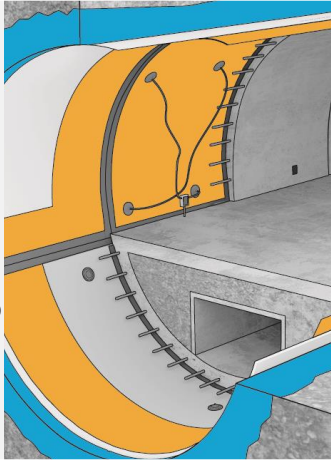
UPDATE ON MBCC ACQUISITION

WE WILL HAVE AN EVEN STRONGER PRODUCT RANGE TOGETHER

Sikaplan®

PVC membrane for waterproofing and waterproofing products

Underground Construction



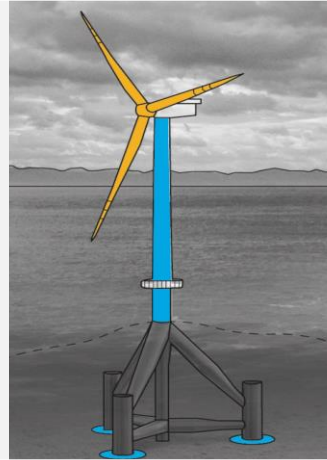
MBCC UGC

products for shotcrete, fibers, injections

Sika Power®

epoxy-based toughened adhesive to produce extra-long blades

Offshore Wind Installation



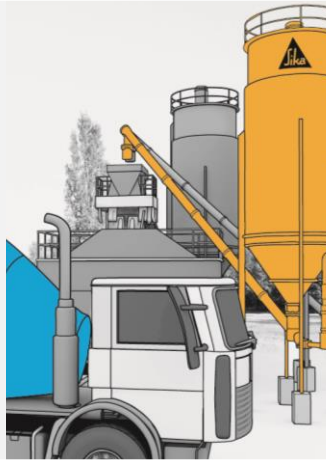
MasterFlow

Grouts specialized for offshore wind turbine installations (DNV GL certified)

Sika

admixture and solutions for concrete incl. Viscocrete®, reCO₂ver®

Concrete Production



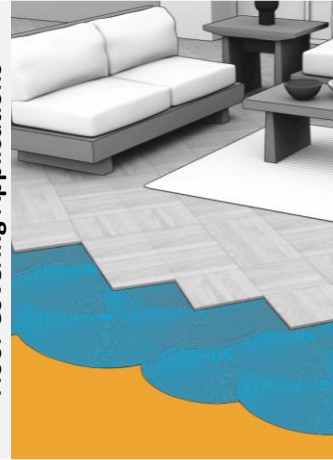
MBCC

range of admixtures incl. Glenium Superplasticizers, MasterEase, MasterX-Seed

Sikafloor®

self-leveling screeds for both new build and renovation applications

Floor Covering Applications

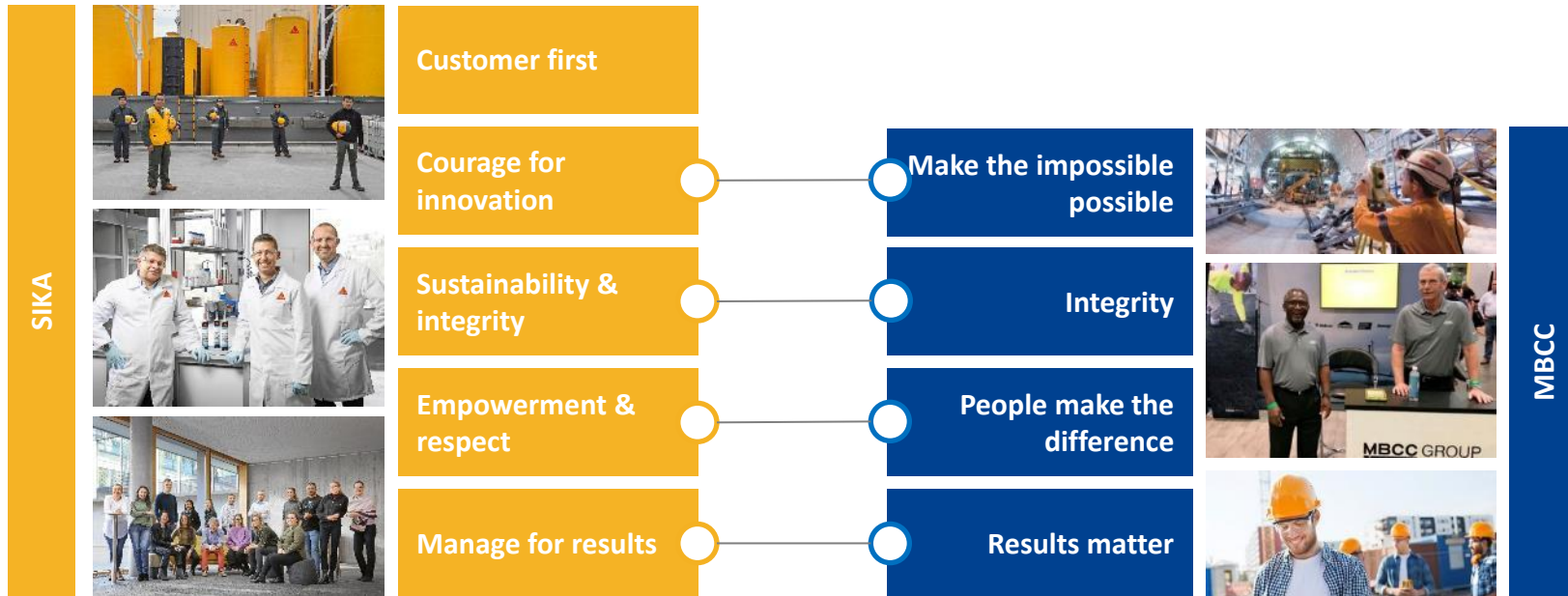


MBCC

adhesives for both wood floor and luxury vinyl tile

UPDATE ON MBCC ACQUISITION BASED ON STRONG SHARED VALUES AND PRINCIPLES

Joining values to provide **world-class service** to customers, foster a **healthy working environment** for employees, and continue our strong growth around the world.



4. OUTLOOK

OUTLOOK 2022

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Sales increase by well over 10% in local currencies, surpassing CHF 10 billion for the first time
- Over-proportional EBIT increase expected for the year
- Confirmation of 2023 strategic targets for sustainable, profitable growth
- New sustainability targets to be presented at Capital Markets Day on October 4, 2022

Expected sales
for 2022

> **10** billion
CHF



THANK YOU FOR YOUR ATTENTION

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

Any statements regarding earnings per share growth are not a profit forecast and should not be interpreted to mean that Sika's earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Sika.

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