



## REGION GLOBAL BUSINESS – DRIVING GROWTH WITH GLOBAL REACH AND LOCAL PRESENCE

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SIKA CAPITAL MARKETS DAY 2018

BUILDING TRUST



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# 1. NEW REGION GLOBAL BUSINESS

# NEW REGION GLOBAL BUSINESS

## CAPTURING POTENTIAL OF GLOBAL ACCOUNTS

### **The underlying rationale**

- Perfect set-up for capturing potential of global OEM accounts in Automotive, Transportation and Appliance industries
- Ideal set-up for Tier 1 and Tier 2 customers in highly consolidated market segments such as Wind, Marine and Dielectric (e-mobility)
- Matching global customer footprint

### **Drivers**

- Key Account Management requires a holistic approach including all business drivers and geographical footprint
- Agility and speed of decisions and implementation

### **Success factors**

- One voice to the customer
- Strategy alignment, global but local
- Experienced team

# NEW REGION GLOBAL BUSINESS STRATEGY GOING FORWARD

**MARKET PENETRATION**

**INCREASE CONTENT PER VEHICLE TO  
>CHF 10 BY 2022**

**INNOVATION**

**>30% OF NET SALES WITH PRODUCTS  
INTRODUCED LAST 5 YEARS**

**EMERGING MARKETS**

**EMERGING MARKET GROWTH RATES  
DOUBLE THOSE OF MATURE MARKETS**

**ACQUISITIONS**

**ACTIVE MARKET CONSOLIDATOR**

**VALUES**

**TRUST IS OF OVERRIDING  
IMPORTANCE**

## 2. EXPANDING AUTOMOTIVE PORTFOLIO THROUGH ACQUISITIONS

# FAIST CHEMTEC ACQUISITION

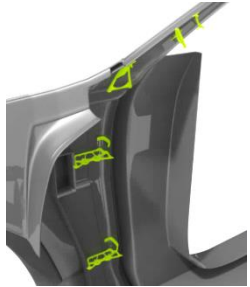
## ACQUISITIONS AS GROWTH PLATFORM

- Leading manufacturer of high-performance engineered, structure-borne acoustic solutions for automotive and appliances industry
- Faist ChemTec's innovations are driven by megatrends, such as increased need for comfort and lightweight construction of vehicles
- Manufacturing footprint supports the aim to achieve global reach combined with local presence when serving customers worldwide
- CHF 190 million in additional sales



# SIKA AND FAIST – ABILITY TO OFFER THE FULL ACOUSTIC PACKAGE

## NOISE, VIBRATION AND HARSHNESS IN THE BODY SHOP



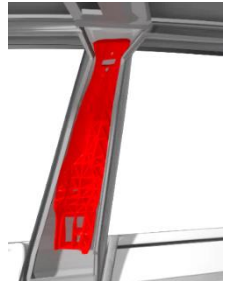
1

**Air-borne noise reduction**  
SikaBaffle®



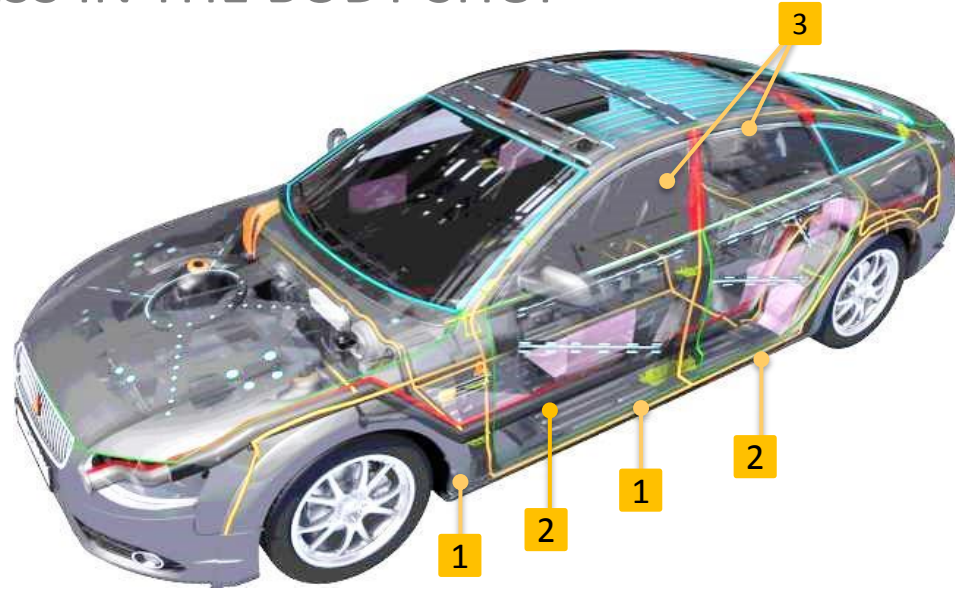
2

**Structure-borne noise damping**  
SikaDamp®



3

**Structural reinforcing**  
SikaReinforcer®



	Air-borne	Structure-borne	Reinforcing
Sika	+++++	++	+++++
Faist ChemTec	+	+++++	+++



# AXSON TECHNOLOGIES ACQUISITION

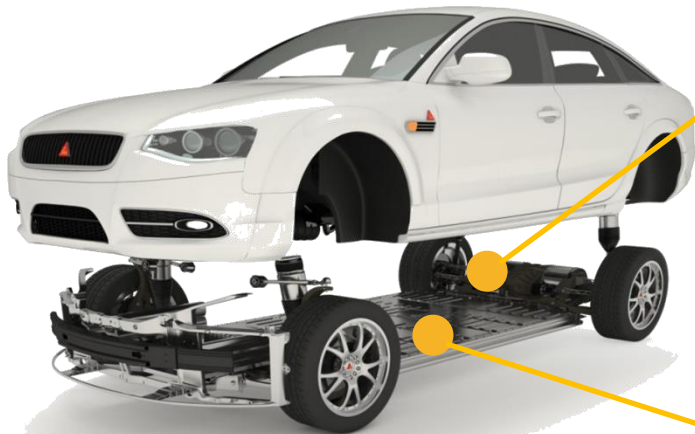
## ACQUISITIONS AS GROWTH PLATFORM

- World leader in high-performance resin formulation on epoxy and polyurethane polymer basis
- Application areas: tooling and prototyping, composites, electronic potting
- Industries: automotive, transportation, marine, renewable energy, and construction markets
- Provides global platform with international production and distribution network
- CHF 75 million in additional sales



# SIKA AND AXSON – ENABLING E-MOBILITY

## SOLUTIONS FOR BATTERY AND ELECTRIC COMPONENTS



### **Encapsulation materials for e-motors allow better designs and higher performance**

- Smaller and lighter motors
- Extension of service life
- Increased engine power

### **Thermal conductive materials protect and enhance performance of battery systems**

- Improve durability
- Reduce overall battery weight
- Improve passengers' safety

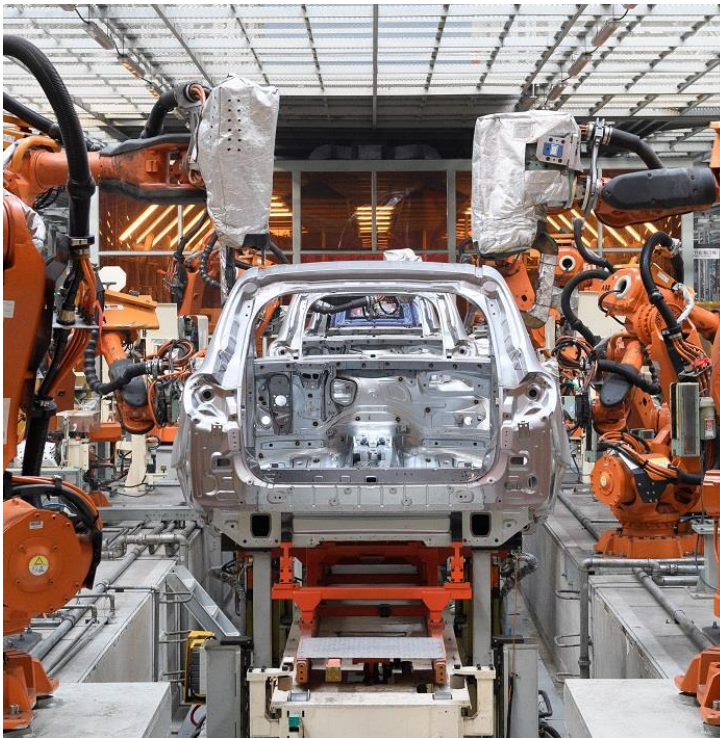
### 3. POWERHOUSE IN AUTOMOTIVE: LIGHTWEIGHT, ACOUSTIC, E-VEHICLE

# POWERHOUSE IN AUTOMOTIVE: LIGHTWEIGHT, ACOUSTIC, E-VEHICLE

SIKA STRUCTURAL ADHESIVES ENABLE  
**LIGHTWEIGHT**  
VEHICLE CONSTRUCTION

FAIST AND SIKA COMBINED –  
A POWERHOUSE FOR  
**ACOUSTIC**  
SOLUTIONS

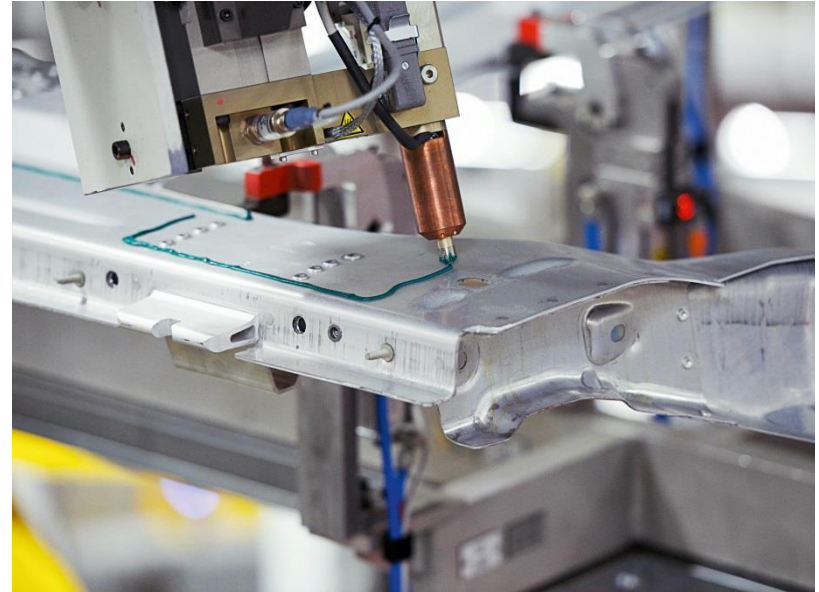
SIKA HAS THE SOLUTIONS TO MEET THE  
CHALLENGES OF  
**E-VEHICLE**  
DESIGN AND SOUNDPROOFING



# SikaPower® STRUCTURAL ADHESIVES FOR LIGHTWEIGHT VEHICLE CONSTRUCTION

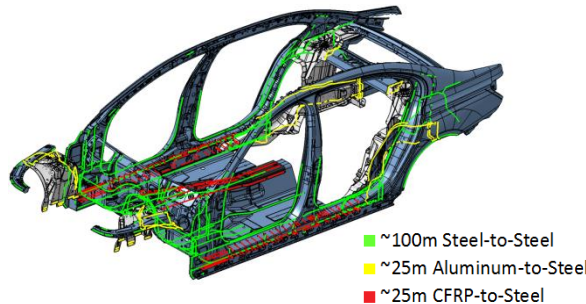
SikaPower® structural adhesive for the automotive industry

- Lightweight construction and multi-material design are megatrends in the automotive industry
- Adhesive bonding is becoming the supreme joining technology
- More safety, less weight, optimum stiffness: SikaPower® enables the body structure to absorb more energy



# MEGATREND – LIGHTWEIGHT VEHICLES, MULTI-MATERIAL BODY

## EXAMPLE BMW 7 SERIES



### APPLICATION HIGHLIGHT:

Mixed material bonding;  
steel – CFRP – aluminum

### CHALLENGE:

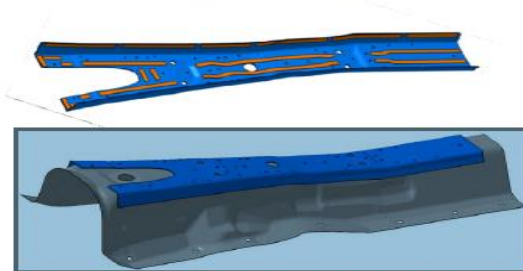
Solving the effect of high forces in bond lines due to different thermal expansions of metals and CFRP

### SOLUTION:

Crash-resistant **SikaPower® MBX** adhesive resulting in **130 kg** weight reduction over previous model. **150 meters** of bond line between various substrates.

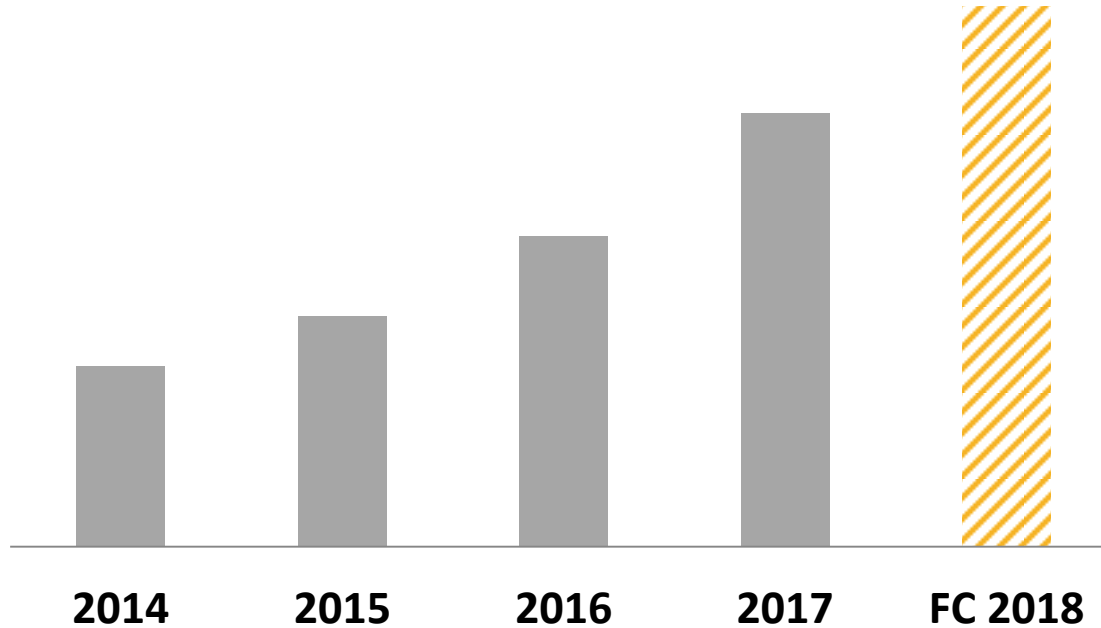


Source: BMW



# SikaPower®

## SALES DEVELOPMENT



**21%** ANNUAL AVERAGE GROWTH



# MEGATREND – ELECTRIC VEHICLES

## ESTABLISHED SIKA APPLICATIONS AND NEW OPPORTUNITIES

### POTENTIAL OF 20% MORE SIKA SOLUTIONS IN ELECTRIC VEHICLES

E-platforms require lightweight construction



Unique body structures require refined reinforcement solutions to ensure crash performance



Comprehensive acoustic solutions to dampen road and wind noise



Specific reinforcement for protection of battery box is required



Battery cells and modules require assembly, sealing and thermal management technology to prevent degraded performance



Relays, control modules, and sensors require potting, insulation, and encapsulation





# MEGATREND – ELECTRIC VEHICLES

## SIKA OFFERS THE SOLUTIONS

### CHALLENGE

The success of electric cars depends on powerful batteries. More powerful batteries generate more heat and present a risk of overheating. Conventional adhesives have an insulating effect and retain heat.

### SOLUTION

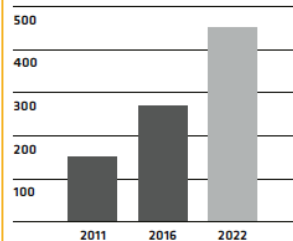
The Sika-developed technology based on SikaForce® is different. It is thermally conductive, which allows the cooling elements to do their job. In fact Sika has all the products necessary for heat conductivity, insulation, and encapsulation.

# 6 x

MORE ELECTRONIC  
COMPONENTS ARE USED IN  
ELECTRIC CARS THAN IN  
CONVENTIONAL ONES



AVERAGE RANGE PER ELECTRIC CAR  
SOLD IN GERMANY  
IN KM



Horváth & Partners, 2017

# MEGATREND – ELECTRIC VEHICLES

## SIKA OFFERS THE SOLUTIONS

### CHALLENGE

In electric buses the battery is a particular concern given the possible risk of a heat build-up. Therefore fire safety requirements are stringent.

### SOLUTION

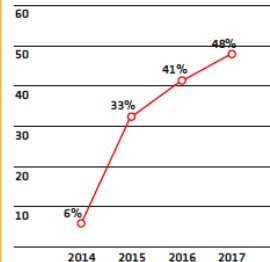
Applying the fire protection coating Sika® Unitherm® Platinum to the battery case absorbs developing heat, prevent a battery fire from spreading, and prolongs evacuation time to up to 25 minutes.

# 50%

OF ALL BUSES PRODUCED IN  
CHINA ARE ELECTRIC BUSES



SHARE OF ELECTRIC BUSES IN ALL  
PRODUCED BUSES IN CHINA  
IN %



[www.ChinaBus.Info](http://www.ChinaBus.Info)

## 4. GLOBAL REACH, LOCAL PRESENCE: CONTINUOUS INCREASE IN VEHICLE CONTENT

# SIKA AUTOMOTIVE

## GLOBAL REACH, LOCAL PRESENCE



FULLY ESTABLISHED ORGANIZATION WITH  
GLOBAL SUPPLY CHAIN AND R&D IN ALL REGIONS

### KEY FACTS

EMPLOYEES END HY1 2018  
2,482

PLANTS  
Total: 20

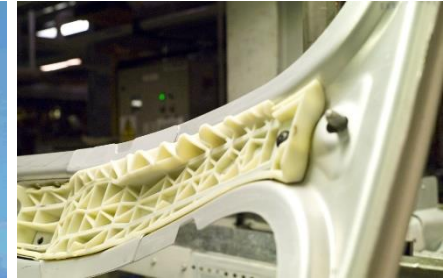
ANNUAL AVERAGE SALES GROWTH SINCE 2015  
GLOBAL AUTOMOTIVE +12%

- SALES & CUSTOMER SERVICE
- RESEARCH AND DEVELOPMENT / TECHNOLOGY CENTER
- AUTOMOTIVE MANUFACTURING

# NEW AUTOMOTIVE FACTORY IN QUERETARO, MEXICO

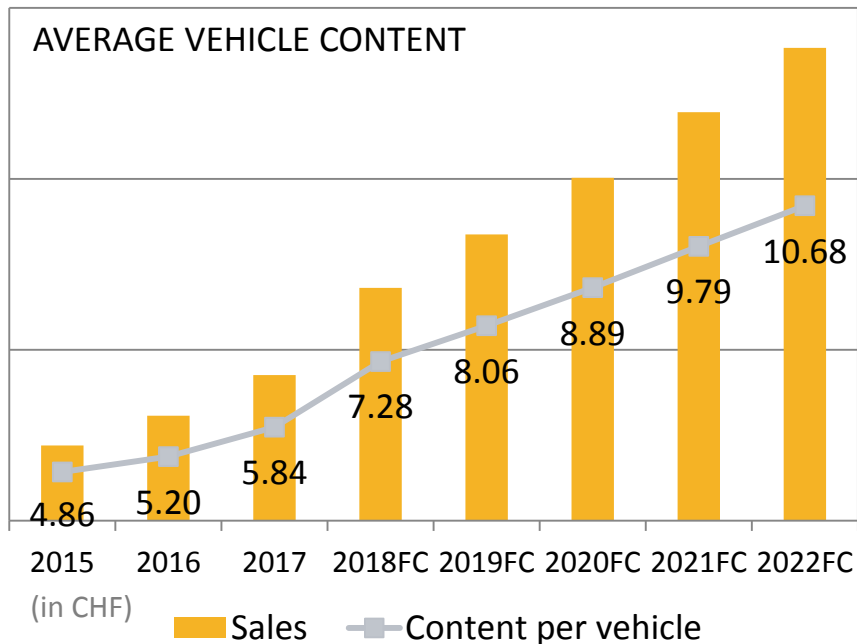
## STRATEGICALLY LOCATED TO SERVE FAST GROWING MARKET

- Mexico to become the sixth largest car manufacturer in the world
- Manufacture of full range of acoustic treatments and body structural products for growing number of Original Equipment Manufacturer (OEM) in Mexico
- Plant includes integrated logistics center



# CONTINUOUS INCREASE IN VEHICLE CONTENT

## STRONG LOCAL PRESENCE WITH ALL TECHNOLOGIES



VW GOLF 7, E-GOLF  
CONTENT: > CHF 40

DODGE RAM 1500  
CONTENT: > CHF 30

TESLA MODELS X, S  
CONTENT: > CHF 70

AUDI A3, A4, A5  
CONTENT: > CHF 40

JAGUAR F-PACE  
CONTENT: > CHF 100

MERCEDES S-CLASS  
CONTENT: > CHF 60

RANGE ROVER SPORT  
CONTENT: > CHF 100

PSA 3008, 5008  
CONTENT: > CHF 70



THANK YOU FOR YOUR ATTENTION

BUILDING TRUST



# BREAKOUT SESSIONS

## TIMELINE - GROUP ROTATION

	10:30 - 11:05	11:10 - 11:45	11:50 - 12:25	12:30 - 1:05	Lunch 1:05 - 2:05	2:10 - 2:50
Group 1	Plant	Concrete	Retail	Going for megacities		Industry
Group 2	Concrete	Retail	Going for megacities	Plant		Industry
Group 3	Retail	Going for megacities	Plant	Concrete		Industry
Group 4	Going for megacities	Plant	Concrete	Retail		Industry

### SIKA GUIDES

Group 1	Martin Pind	–	Erica Johnson
Group 2	Phillip Wilson	–	Kristen Martinson
Group 3	Doug White	–	Nancy Flores
Group 4	Herbert Zwartkruis	–	Pina Perez



# 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 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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