



**GROWTH OF 14.1% - NEW RECORDS IN SALES AND PROFIT
FIRST NINE MONTHS 2018**

**SIKA INVESTOR PRESENTATION
NOVEMBER 2018**

BUILDING TRUST



1. HIGHLIGHTS FIRST NINE MONTHS 2018

GROWTH OF 14.1% - NEW RECORDS IN SALES AND PROFIT

CONTINUING HIGH OPERATING SPEED

1. New records in sales, EBIT and net profit

- +14.1% sales growth in local currencies (15.0% in CHF) to CHF 5,322.7 million
- +9.0% higher EBIT to CHF 728.9 million (excluding one-off costs incurred in connection with the resolution of dispute with Saint-Gobain, EBIT would have risen by 12.4%)
- Double-digit increase in net profit of 10.5% to CHF 527.7 million

2. Continuing high operating speed – key investments

- New national subsidiary in Honduras
- New plants in Vietnam, Senegal, Saudi Arabia, Azerbaijan, Dubai, Mexico, and Peru
- Closing of 4 acquisitions: Faist ChemTec, Index, Polypag, and Fibermesh Concrete Fibers

3. Outlook and Strategy

- Strategic targets for 2020 unchanged
- Outlook 2018: Confirmation of sales target of more than CHF 7 billion – double-digit growth in both EBIT and net profit

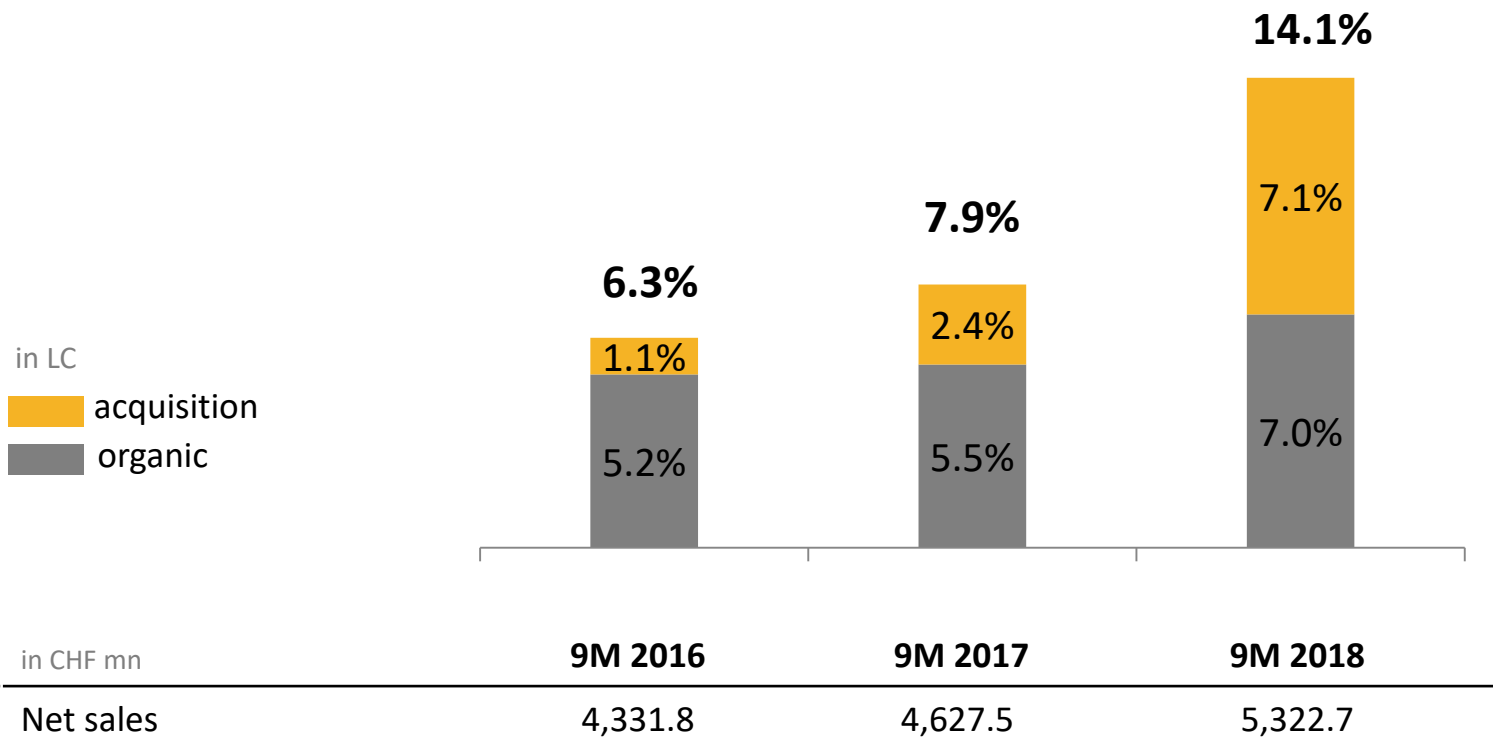
KEY FIGURES FIRST NINE MONTHS 2018

RECORD RESULTS – STRONG TOP LINE MOMENTUM CONTINUES

in CHF mn	2017	2018	Δ %
Net sales	4,627.5	5,322.7	+15.0%
Gross results as % of net sales	54.7	53.3	
EBITDA	797.9	880.0	+10.3%
EBIT	669.0	728.9	+9.0%
Net profit	477.4	527.7	+10.5%

14.1% SALES GROWTH IN THE FIRST NINE MONTHS 2018

SIKA WELL ON TRACK



SALES FIRST NINE MONTHS 2018

GROWTH IN ALL REGIONS

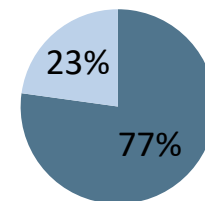
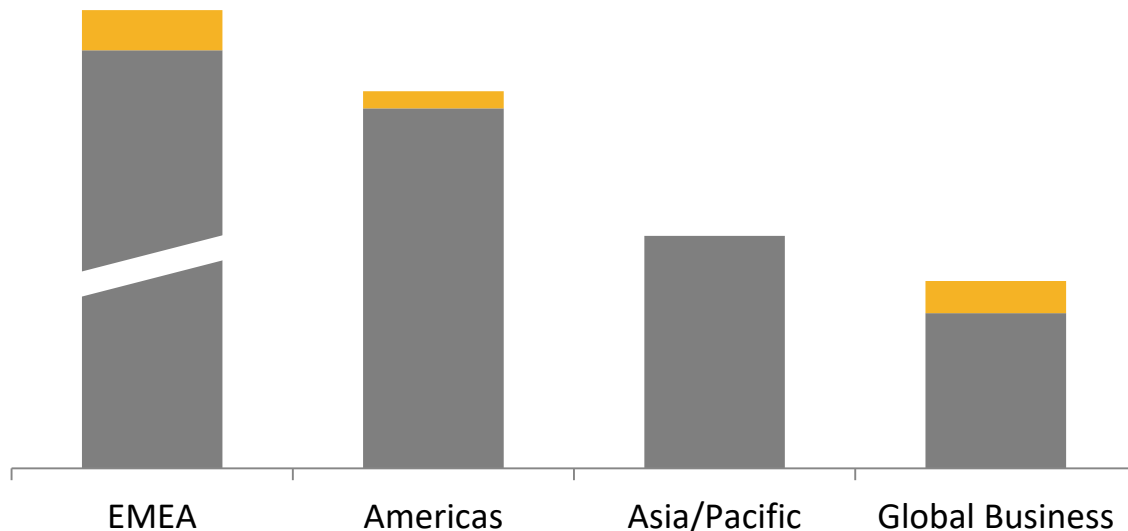
+18.0%	+9.6%	+5.0%	+32.1%
+14.4%	+13.0%	+4.8%	+29.9%
+3.6%	-3.4%	+0.2%	+2.2%
+7.2%	+5.0%	+0.0%	+22.7%

Growth in CHF

Growth in LC

FX impact

Acquisition 

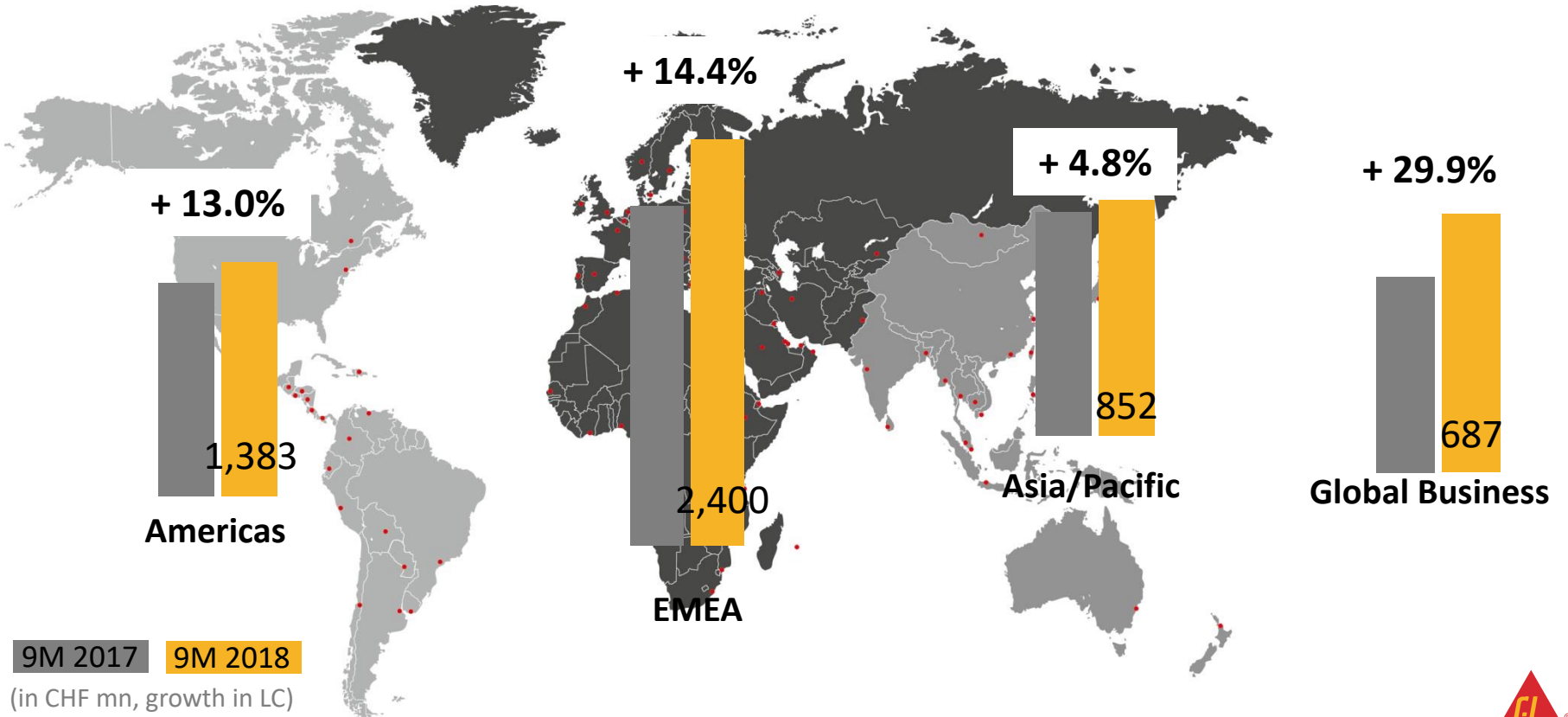


 Construction

 Industry

STRONG GROWTH MOMENTUM CONTINUES IN FIRST NINE MONTH

14.1% SALES GROWTH (15.0% IN CHF)



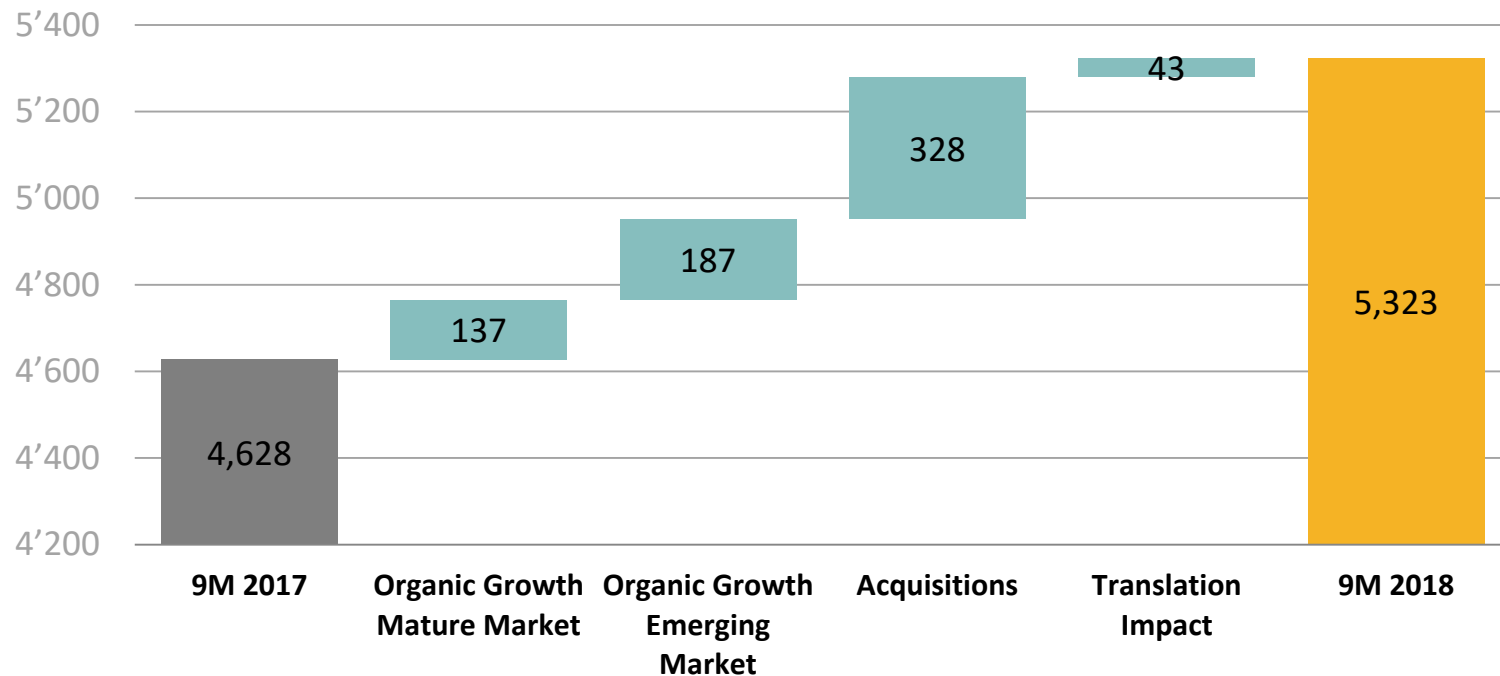
9M 2017 9M 2018

(in CHF mn, growth in LC)

DEVELOPMENT OF SALES FIRST NINE MONTHS

STRONG GROWTH IN MATURE AND EMERGING MARKETS

in CHF mn



CONTINUING HIGH OPERATING SPEED IN 2018

CLOSING OF 4 ACQUISITIONS

Company	Country	Target Market
Faist ChemTec	Global	Global Business
Index Construction Systems and Products	Italy	Roofing & Waterproofing
Polypag	Switzerland	Sealing & Bonding
Fibermesh Concrete Fibers	Global	Concrete

Total annual sales: CHF 375 million



Faist ChemTec



Index Construction Systems and Products



Fibermesh Concrete Fibers

CONTINUING HIGH OPERATING SPEED IN 2018

EXPANSION IN EMERGING MARKETS

New subsidiaries:

- Honduras

(February 2018)

Now present in 101 countries with own national subsidiaries



CONTINUING HIGH OPERATING SPEED IN 2018

INVESTMENTS IN NEW PLANTS

Opening of Sika plants:

- **New mortar plant Vietnam** (Hanoi, March 2018)
- **1st admixture plant Senegal** (Dakar, April 2018)
- **New admixture factory Saudi Arabia** (Dammam, June 2018)
- **New admixture and mortar plant Azerbaijan** (Baku, July 2018)
- **Mortar and admixture factory United Arab Emirates** (Dubai, August 2018)
- **Automotive plant Mexico** (Querétaro, September 2018)
- **2 new admixture plants Kazakhstan** (Almaty and Astana, October 2018)
- **New admixture plant Russia** (Yekaterinburg, October 2018)
- **Admixture, mortar and liquid applied membrane plant in Peru** (Lima, November 2018)



New plant in Peru



New factory in Dubai

2. SUCCESSFUL STRATEGY EXECUTION

SIKA'S GROWTH MODEL DELIVERS KEY INVESTMENTS SINCE 2015

Market Penetration



- Successful Target Market concept
- Megatrends driving growth

Innovation



- 217 new patents filed
- 20 Global Technology Centers

Emerging Markets



- 36 new plants opened
- 11 new national subsidiaries

Acquisitions



- 19 acquisitions in all regions
- CHF 775 million sales added

Values

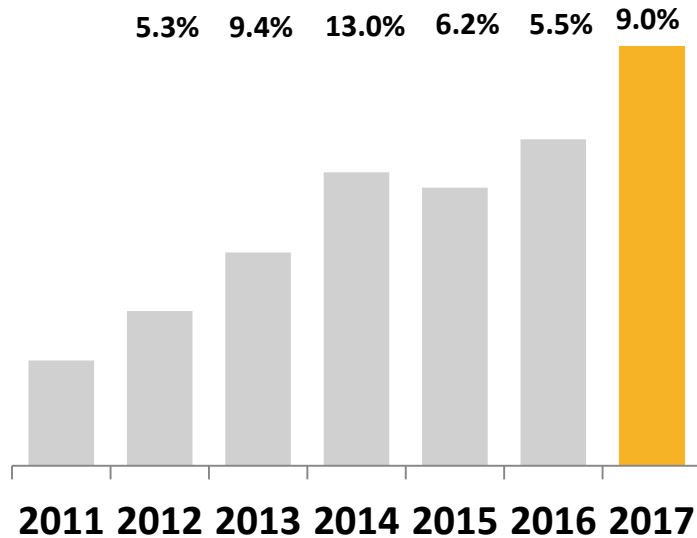


- Strong corporate culture
- High employee loyalty

SIKA'S GROWTH MODEL DELIVERS CONTINUED GROWTH IN SALES AND PROFIT (FULL YEAR)

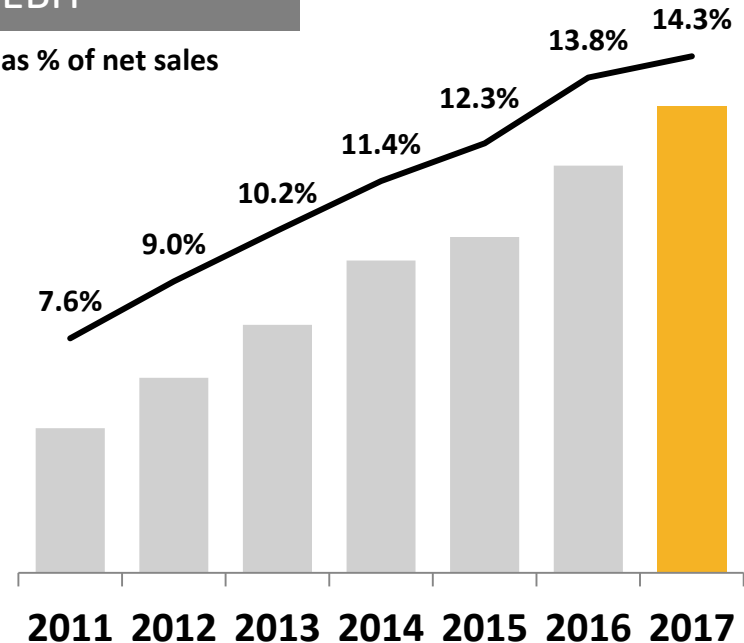
NET SALES

% growth in local currencies

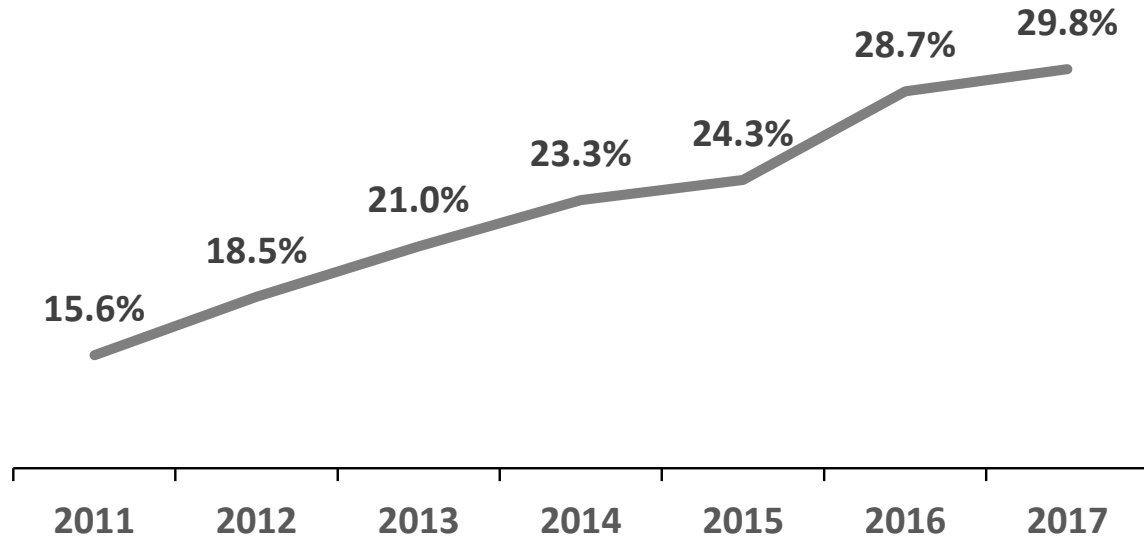


EBIT

as % of net sales



SIKA'S GROWTH MODEL DELIVERS CONTINUED INCREASE IN ROCE (FULL YEAR)



MARKET PENETRATION

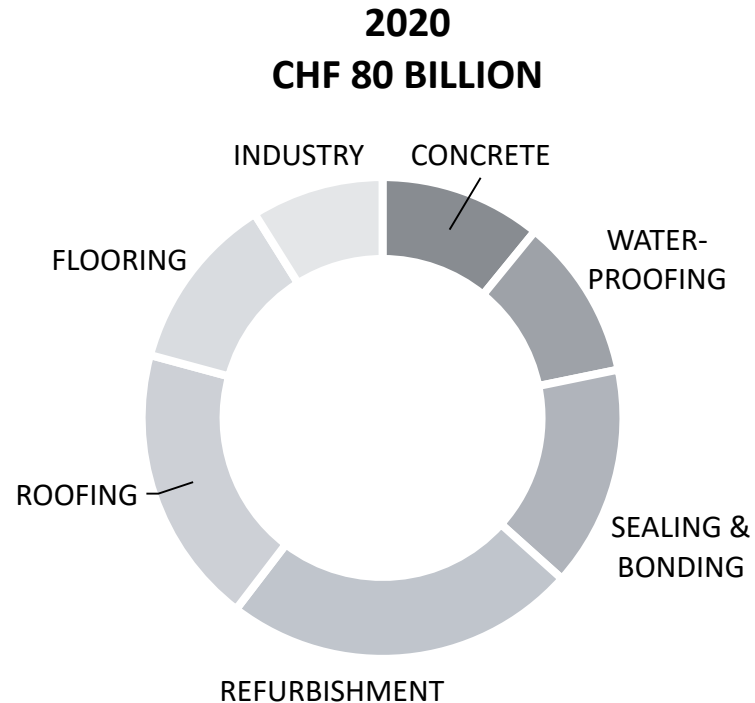
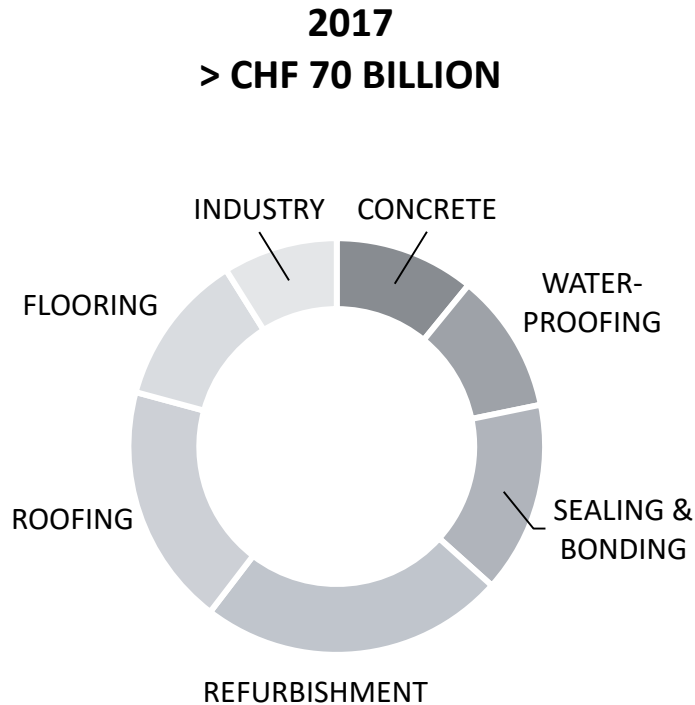
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SIKA'S MARKET POTENTIAL

LARGE AND GROWING MARKET SEGMENTS

TOTAL MARKET SIZE



MEGATRENDS DRIVE OUR GROWTH

URBANIZATION, NEW VEHICLE DESIGN AND SUSTAINABILITY

Increased safety, fire, water, earthquake and quality requirements

Rising demand for high-performance concrete, sealing and waterproofing

New modular vehicle manufacturing concepts need fast, high-strength bonding systems

Sustainability:
Increasing demand for safe-to-use and low-emission products

Lightweight vehicle construction with multi-material design requires bonding solutions

Higher demand for infrastructure and refurbishment solutions

Increasing world population with urbanization and megacities

MARKET PENETRATION - FOCUS ON ATTRACTIVE MARKETS: CROSS-SELLING, LIFE-CYCLE MANAGEMENT, A STRONG BRAND



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding

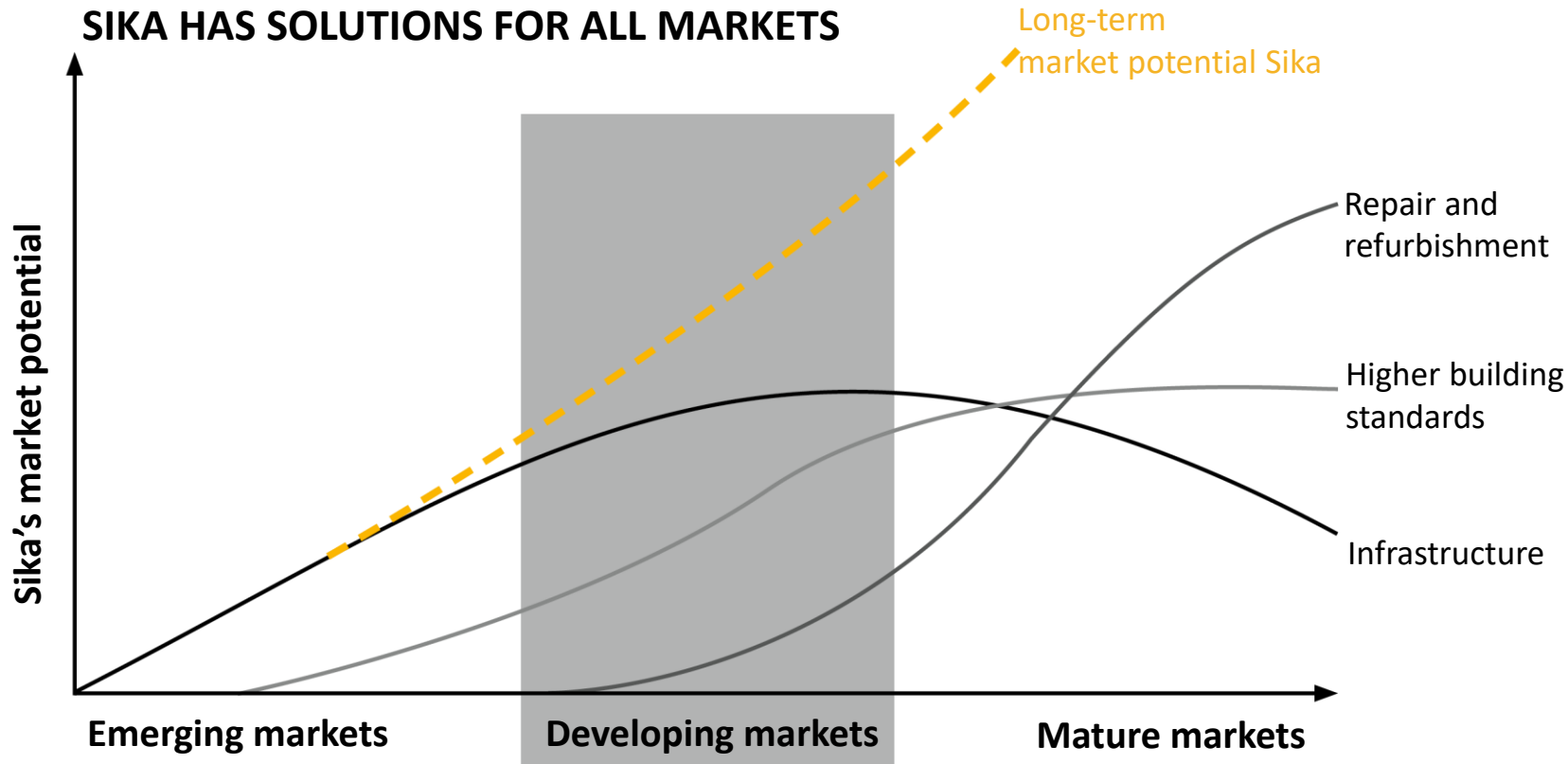


Refurbishment



Industry

GROWTH MODEL WITH EARLY MARKET PENETRATION FROM NEW-BUILD TO REFURBISHMENT



INNOVATION

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INNOVATION

STRONG TRACK RECORD

217

patents were
filed since
2015

More than

900

employees are
dedicated to
Research and
Development

283

invention
disclosures
since 2015

20

Technology
Centers
worldwide

ACCELERATED BUILD-UP OF EMERGING MARKETS

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EMERGING MARKETS BUILD-UP SINCE 2015

CAPTURING GROWTH POTENTIAL IN NEW MARKETS

36

new
plants
opened

5

acquisitions

11

new
national
subsidiaries

36%

of sales in
emerging markets

SIKA'S 101 SUBSIDIARIES

SWITZERLAND - 1910	GERMANY - 1921	CANADA - 1926	UK - 1926	FRANCE - 1928	ITALY - 1928	SPAIN - 1931	JAPAN - 1932	CZECH REPUBLIC - 1933	POLAND - 1933
AUSTRIA - 1934	BRAZIL - 1934	USA - 1936	ARGENTINA - 1938	CHILE - 1942	ALGERIA - 1947	BELGIUM - 1949	SWEDEN - 1950	COLOMBIA - 1951	TUNISIA - 1958
URUGUAY - 1958	NEW ZEALAND - 1959	DENMARK - 1960	MEXICO - 1963	NORWAY - 1968	AUSTRALIA - 1976	IRAN - 1977	HONG KONG - 1978	MOROCCO - 1979	NETHERLANDS - 1980
SAUDI-ARABIA - 1980	MAURITIUS - 1981	SOUTH AFRICA - 1984	EGYPT - 1985	FINLAND - 1985	ECUADOR - 1986	INDIA - 1986	INDONESIA - 1987	MALAYSIA - 1988	THAILAND - 1988
KOREA - 1990	PORTUGAL - 1990	SINGAPORE - 1990	TURKEY - 1990	TAIWAN - 1991	HUNGARY - 1993	PHILIPPINES - 1993	SLOVAKIA - 1993	VIETNAM - 1993	BAHRAIN - 1994
BOLIVIA - 1994	CHINA - 1994	IRELAND - 1994	PERU - 1994	GREECE - 1995	SLOVENIA - 1995	VENEZUELA - 1997	COSTA RICA - 1998	CROATIA - 1998	LEBANON - 1998
GUATEMALA - 2001	PANAMA - 2001	BULGARIA - 2002	CAMBODIA - 2002	ROMANIA - 2002	SERBIA - 2002	RUSSIA - 2003	DOMINICAN REPUBLIC - 2004	AZERBAIJAN - 2005	KAZAKHSTAN - 2005
UKRAINE - 2005	LATVIA - 2007	UNITED ARAB EMIRATES - 2008	PAKISTAN - 2010	JORDAN - 2011	IRAQ - 2012	KENYA - 2012	MONGOLIA - 2012	QATAR - 2012	ANGOLA - 2013
BELARUS - 2013	OMAN - 2013	PARAGUAY - 2013	ALBANIA - 2014	BOSNIA-HERZEGOVINA - 2014	IVORY COAST - 2014	MOZAMBIQUE - 2014	NIGERIA - 2014	SRI LANKA - 2014	ETHIOPIA - 2015
MYANMAR - 2015	TANZANIA - 2015	CAMEROON - 2016	DJIBOUTI - 2016	ESTONIA - 2016	KUWAIT - 2016	NICARAGUA - 2016	SENEGAL - 2017	EL SALVADOR - 2017	BANGLADESH - 2017

HONDURAS - 2018



ACQUISITIONS

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ACQUISITIONS SINCE 2015

GROWTH PLATFORMS FOR THE FUTURE

19

acquisitions

775

million CHF
additional
turnover

In all

7

Target
Markets

In all

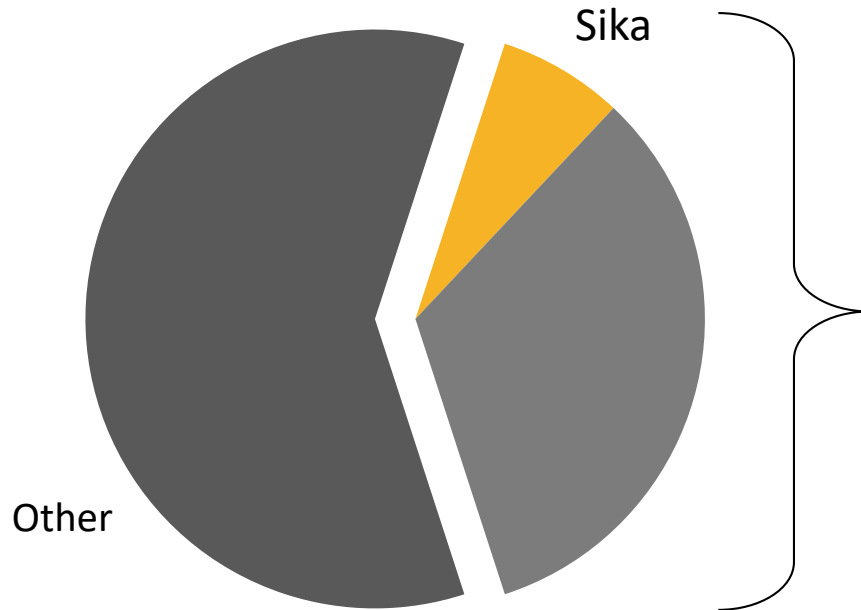
4

regions

SIKA WILL ACT AS MARKET CONSOLIDATOR

FRAGMENTATION OFFERS ACQUISITION OPPORTUNITIES

CONSTRUCTION CHEMICAL MARKET 2017
> CHF 60 BILLION



**Top 10 companies with a
combined market share of 40%**

VALUES AND PRINCIPLES

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SIKA'S VALUES AND PRINCIPLES

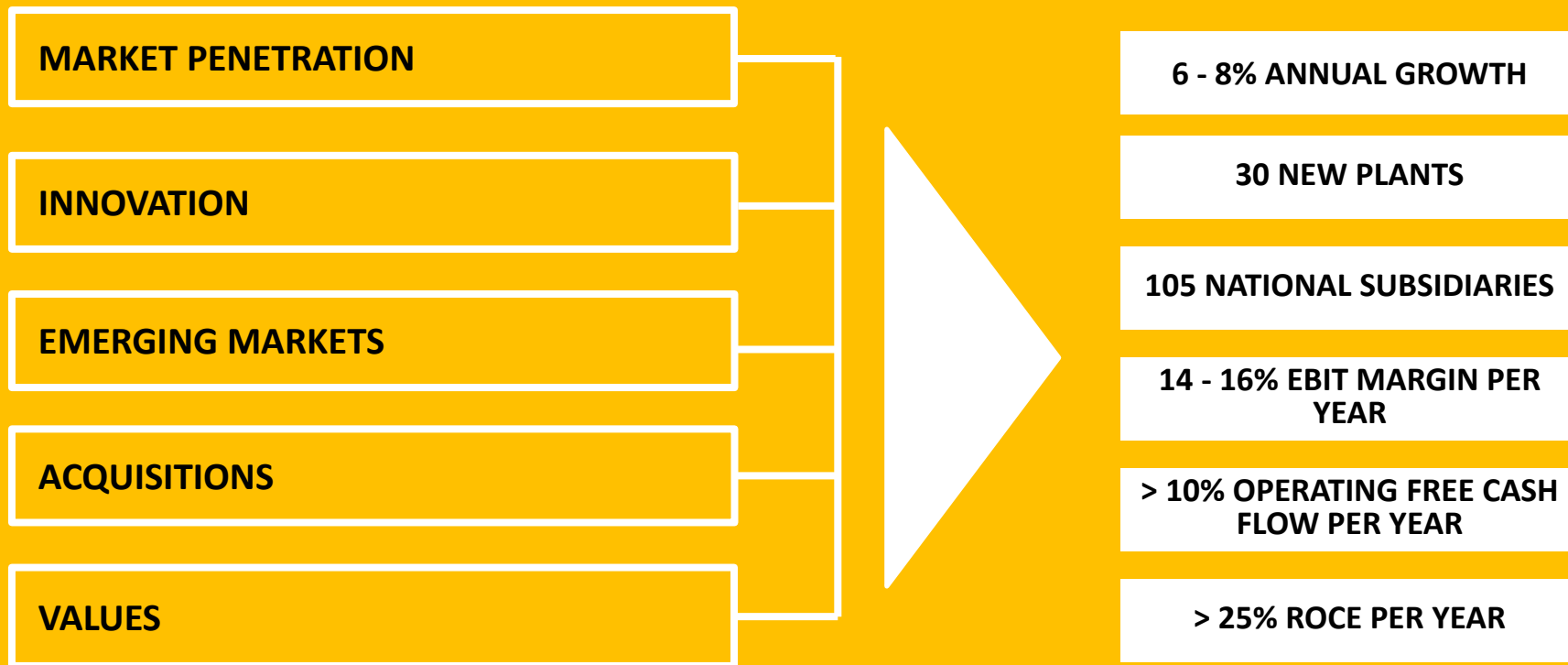
STRONG CORPORATE CULTURE

- Customer first
- Courage for innovation
- Sustainability & integrity
- Empowerment and respect
- Manage for results



3. TARGETS 2020

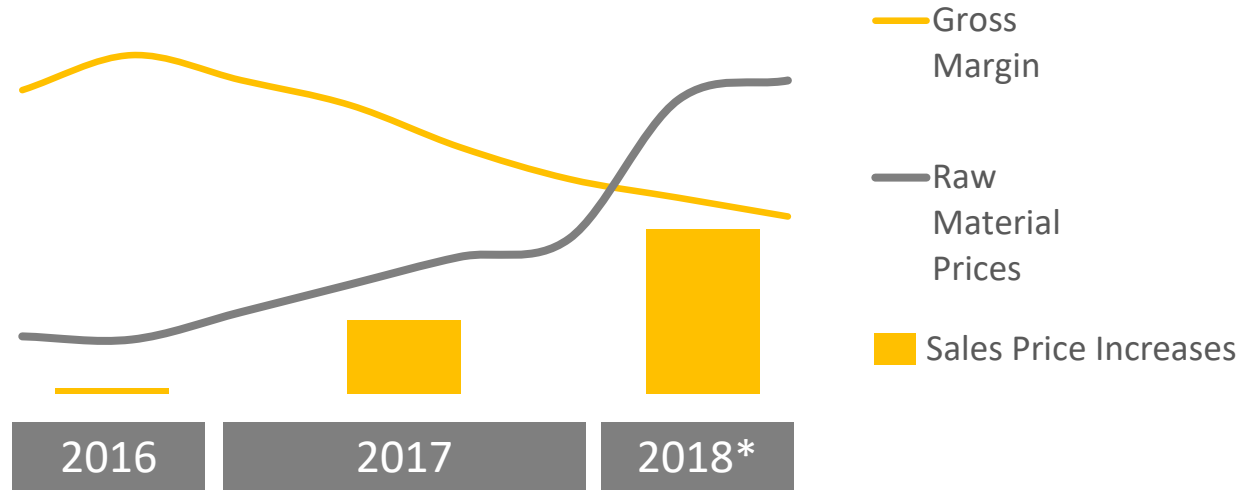
SIKA'S GROWTH STRATEGY 2020 CONFIRMED TO BE UPDATED IN 2019



4. OUTLOOK 2018

HIGHER RAW MATERIAL COSTS

PRESSURE ON MARGINS COUNTERED WITH HIGHER SALES PRICES



- Increasing raw material prices in several phases since end of 2016
- Consequent execution of sales price adaptations
- Dilution impact on material margin from acquisitions

*year to date at 9 months

STRONG OUTLOOK FOR 2018

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Confirmation of sales target of more than CHF 7 billion
- Volatile and rising raw material prices will continue to be a challenge
- Double-digit growth in both EBIT and net profit



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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