



WELCOME TO THE ANNUAL GENERAL MEETING OF SIKA AG

APRIL 17, 2018

BUILDING TRUST



CONSTITUTION

ANNUAL GENERAL MEETING APRIL 17, 2018

BUILDING TRUST



VOTE COUNTERS

- Caroline Inauen (Lead)
- Eveline Ulmann
- Margrit Zweifel
- Julia Bachmann
- Christa Blättler
- Deborah Blatter
- Gabi Rebsamen
- Naemi Stühlinger
- Sarah Schütz
- Beatrice Jenni
- Catherine Bedö
- Corinne Lenggenhager
- Céline Volles

AGENDA

Strategy and Current Situation

Dr. Paul Hälgl, Chairman of the Board of Directors

Statutory Items

Dr. Paul Hälgl, Chairman of the Board of Directors

**Under Agenda Item 1:
2017 Business Year,
First Quarter 2018 and Outlook**

Paul Schuler, Chief Executive Officer

STRATEGY AND CURRENT SITUATION

DR. PAUL HÄLG

CHAIRMAN OF THE BOARD

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50TH SIKA ANNUAL GENERAL MEETING

THANK YOU FOR YOUR LOYALTY

50TH SIKA ANNUAL
GENERAL MEETING.
THANK YOU FOR
YOUR LOYALTY.

1968

SALES: CHF 210 MILLION
NATIONAL SUBSIDIARIES: 25

2017

SALES: CHF 6.25 BILLION
NATIONAL SUBSIDIARIES: 100

MEGATRENDS DRIVE OUR GROWTH

URBANIZATION, NEW VEHICLE DESIGN AND SUSTAINABILITY

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

Increasing world population with urbanization and megacities

Increased safety, fire, water, earthquake and quality requirements

Rising demand for high performance concrete, sealing and waterproofing

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

New vehicle design with material mix requires bonding solutions

Higher demand for infrastructure and refurbishment solutions

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



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding



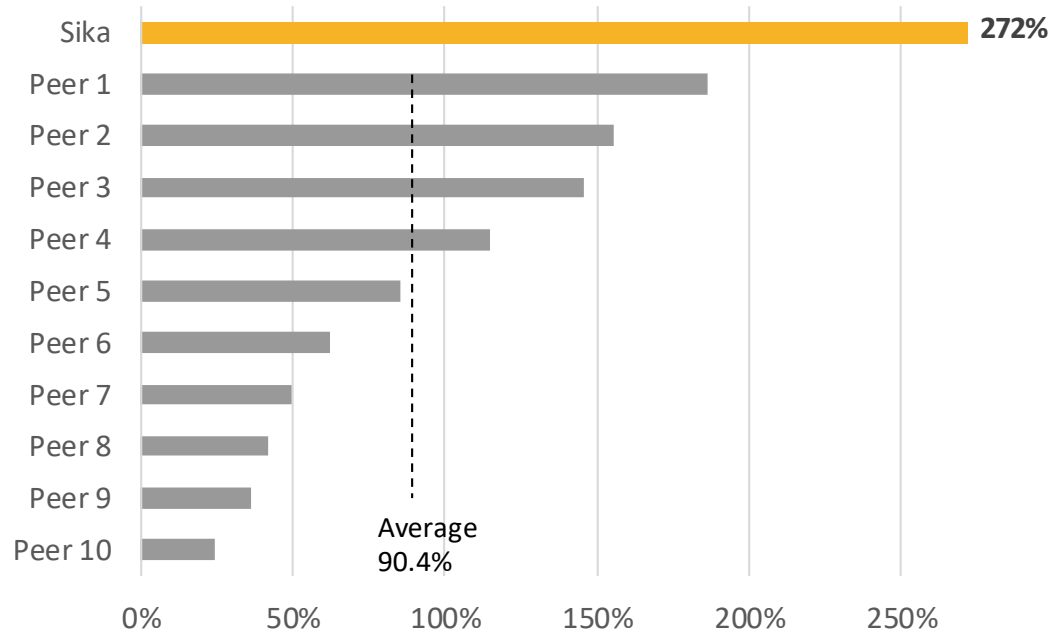
Refurbishment



Industry

SIKA'S TOTAL SHAREHOLDER RETURN OUTPERFORMING ITS PEERS

Total Shareholder Return (last 5 years)



Sika created

3x

the average
shareholder return
of the peer group

GLOBAL BUT LOCAL

THE SIKA STRATEGY AND ITS DECENTRALIZED IMPLEMENTATION



TARGET MARKETS

WHAT



NATIONAL SUBSIDIARIES

HOW



STRATEGIC OPPORTUNITIES

WHO/WHEN

GLOBAL BUT LOCAL SUBSIDIARITY IN SUPPLY CHAIN AND TECHNOLOGY

LOCAL
E.G. MORTAR



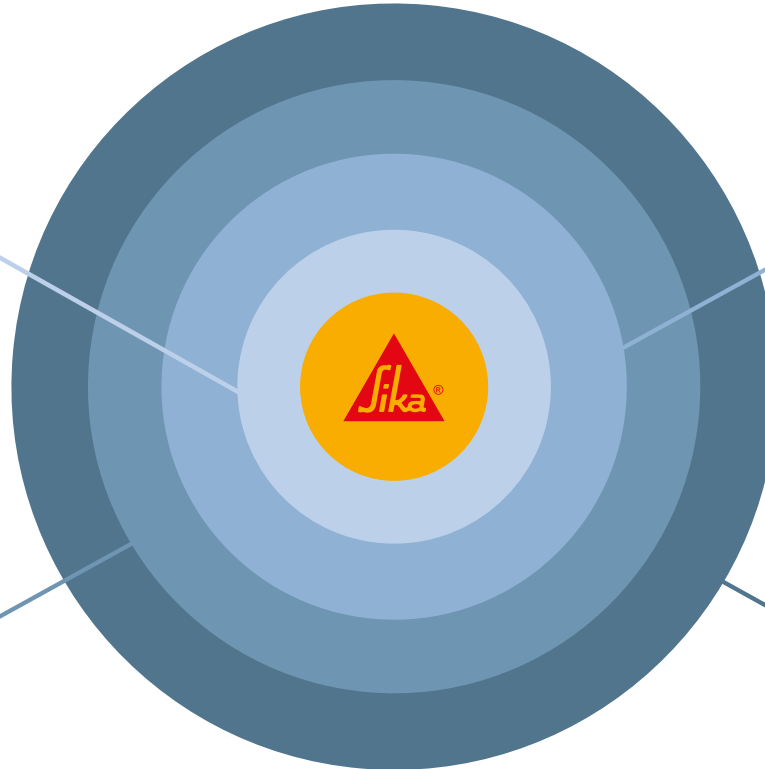
AREA
E.G. SEALANTS




REGIONAL
E.G. MEMBRANES



GLOBAL
E.G. AUTOMOTIVE ADHESIVES



THE SIKA SPIRIT STRONG CORPORATE CULTURE

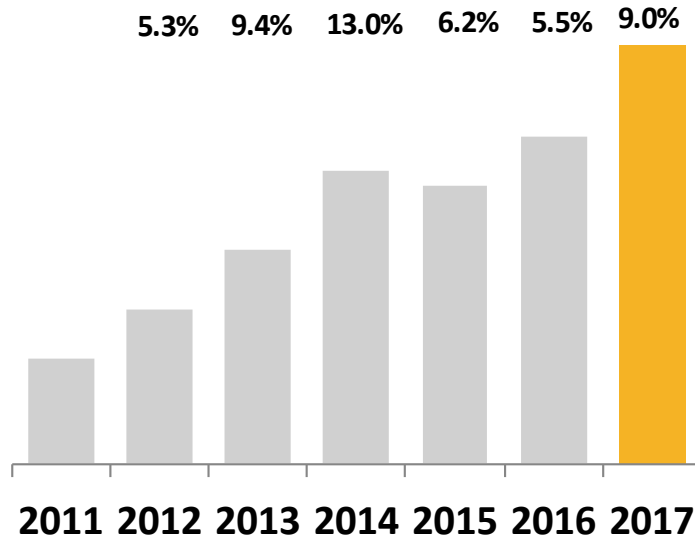


WE ARE SIKA STRONG – WE ARE SIKA PROUD

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

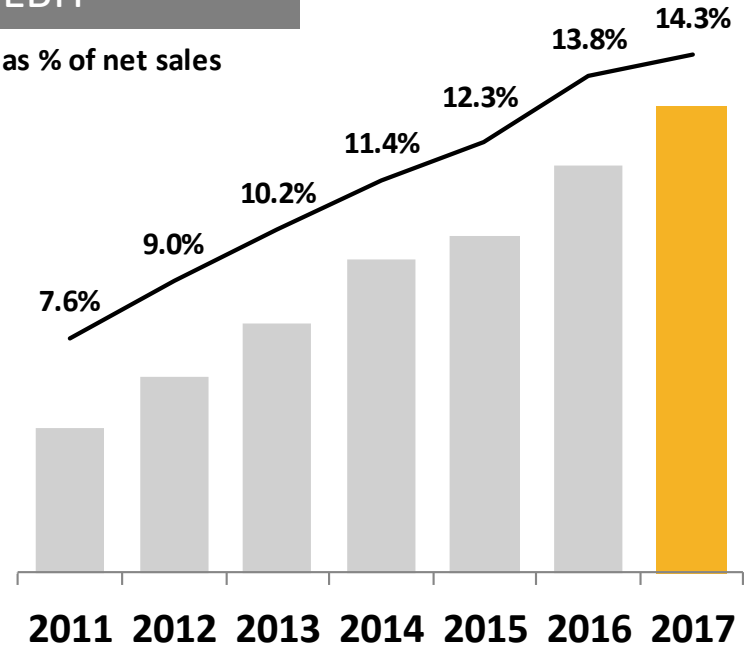
NET SALES

% growth in local currencies



EBIT

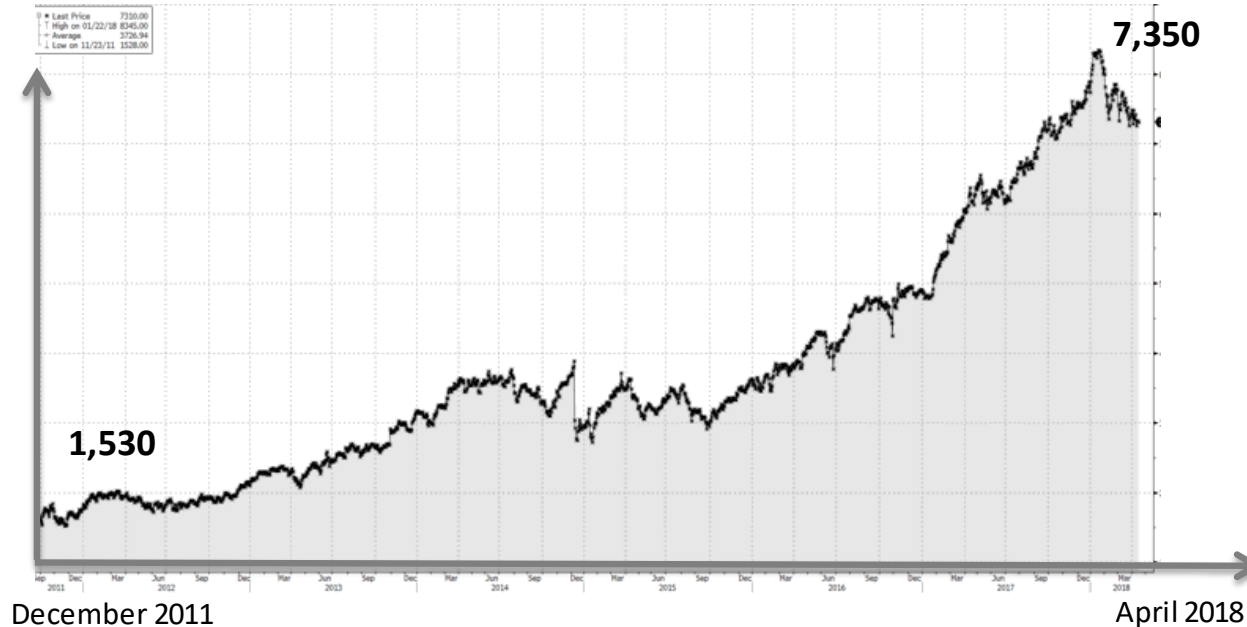
as % of net sales



TRUST IN THE CAPITAL MARKET

SIKA ENTERED THE SWISS MARKET INDEX (SMI) ON MAY 15, 2017

- Since December 2011 the market capitalization has increased by around 380%
- Current market capitalization of CHF 18 billion
- Sika as a Blue Chip among the 20 largest Swiss companies



CANTONAL COURT OF ZUG
DECISION OF OCTOBER 27, 2016

“In view of the above considerations the restriction of [SWH]'s voting rights to 5% with respect to the elections in question was justified. Hence, these resolutions were made in conformity with the law and with the articles of association.”

RESTRICTION OF THE VOTING RIGHTS TO 5% OF ALL REGISTERED SHARES FOR THE FOLLOWING AGENDA ITEMS

- 4.1. Votings on the re-election of the independent board members Frits van Dijk, Paul J. Hälgi, Monika Ribar, Daniel J. Sauter, Ulrich W. Suter and Christoph Tobler, but not in respect of the re-election of Urs Burkard, Willi K. Leimer and Jürgen Tinggren
- 4.2. Voting on the election of Jacques Bischoff to the Board of Directors
- 4.3. Voting on the election of the Chairman of the Board of Directors
- 4.4. Voting on the re-election of the members of the Nomination and Compensation Committee, with the exception of Urs F. Burkard

2017 BUSINESS YEAR

PAUL SCHULER

CHIEF EXECUTIVE OFFICER

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HIGHLIGHTS 2017

1. Continued growth

- +9.0% sales growth in local currencies to CHF 6,248.3 million
- CHF 896.3 million EBIT (+12.7%)
- CHF 649.0 million net profit (+14.5%)
- CHF 496.8 million operating free cash flow (-15.3%)
- 29.8% ROCE (+1.1 percentage points)

2. Key investments

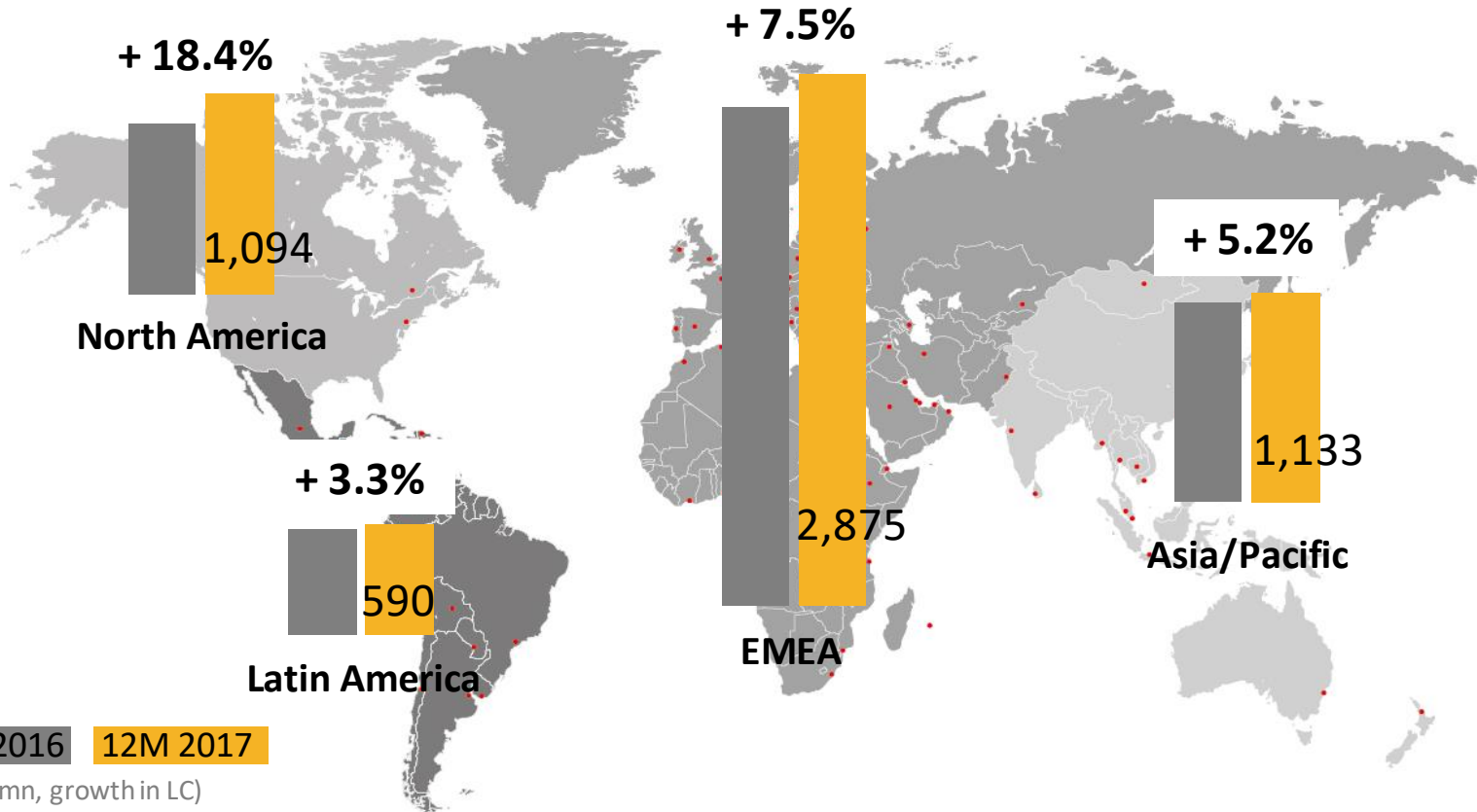
- 3 new national subsidiaries
- 9 new plants
- 7 acquisitions

3. Strategy 2018

- Reviewed with Senior Managers worldwide
- Growth strategy confirmed with raised targets 2020

GROWTH MOMENTUM CONTINUES IN 2017

9.0% SALES GROWTH (8.7% IN CHF)



12M 2016 12M 2017

(in CHF mn, growth in LC)

KEY INVESTMENTS IN 2017

EXPANSION IN EMERGING MARKETS

Opening of Sika plants:

- 5th plant in Mexico (Coatzacoalcos, March 2017)
- New and expanded site in Kazakhstan (Almaty, May 2017)
- 1st plant in Tanzania (Dar es Salaam, June 2017)
- 5th plant in Russia (Lobnya, July 2017)
- New and expanded site in Pakistan (Lahore, October 2017)
- 2nd plant in Angola (Luanda, October 2017)
- New fiber plant for EMEA (Troisdorf, Germany, November 2017)
- 1st plant in Cameroon (Douala, December 2017)
- 22nd plant in the USA (Houston, December 2017)



New production for PVC membranes in Russia
20



New fiber plant in Troisdorf, Germany



New plant for admixtures and mortars in Houston

KEY INVESTMENTS IN 2017

EXPANSION IN EMERGING MARKETS

New subsidiaries:

- Senegal (April 2017)
- El Salvador (September 2017)
- Bangladesh (December 2017)

SIKA'S 100 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

FIRST QUARTER 2018 AND OUTLOOK

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HIGHLIGHTS Q1 2018

1. Strong start to 2018

- +11.0% sales growth in local currencies to CHF 1,554.0 million
- Strong outlook 2018 for Sika confirmed

2. Key investments

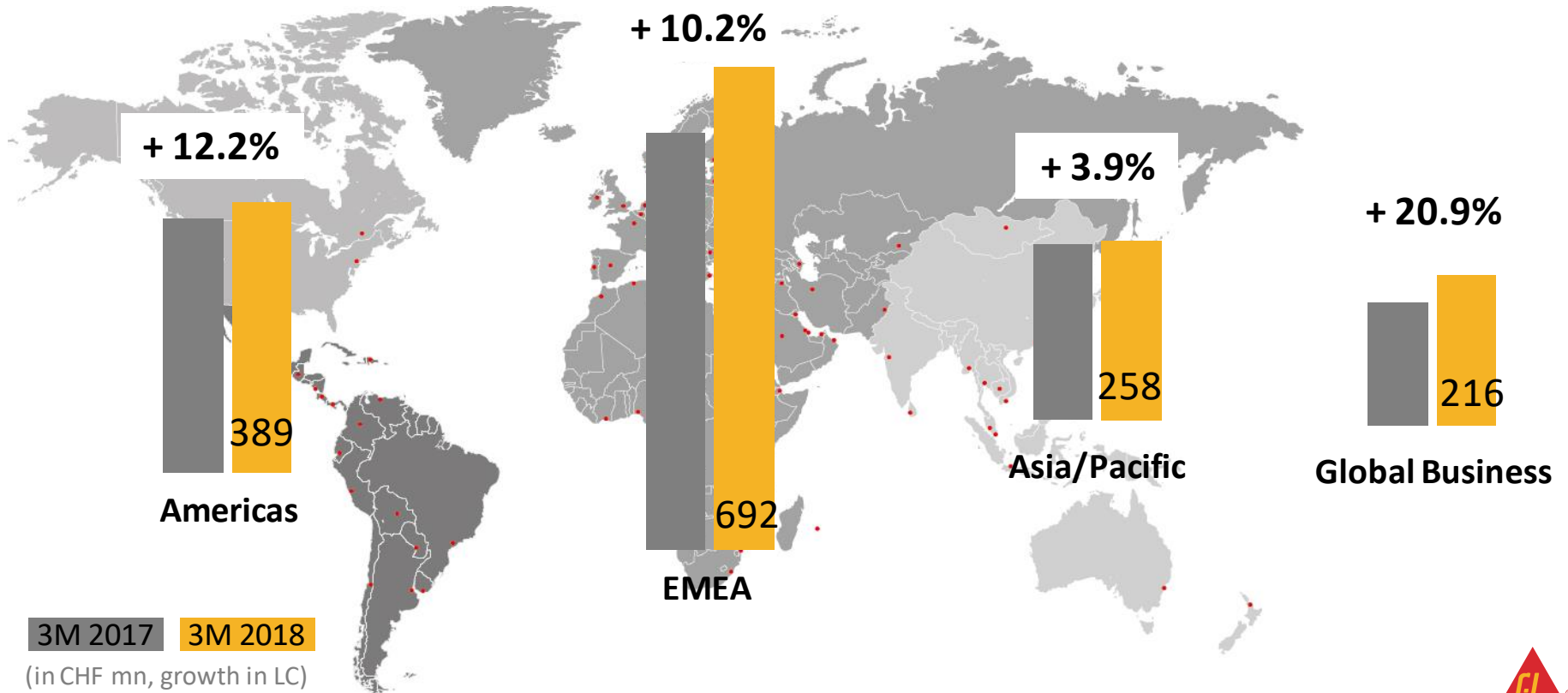
- New national subsidiary in Honduras
- New plant in Vietnam
- Acquisition of Index in Italy

3. Strategy

- Strategic targets for 2020 unchanged

GROWTH MOMENTUM CONTINUES IN 2018

11.0% SALES GROWTH (11.9% IN CHF)



STRONG OUTLOOK FOR 2018

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Sales increase of more than 10% expected with a sales target of CHF 7 billion in 2018
- Volatile and rising raw material prices will continue to be a challenge
- Disproportionately high growth in profit expected for the year 2018 as a whole