

Annual General Meeting of Sika on March 24, 2026

## **SPEECH OF THIERRY F.J. VANLANCKER, CHAIR OF THE BOARD OF DIRECTORS SIKA AG**

–The spoken word prevails.–

Dear Sir or Madam

First of all, I would like to discuss Sika's share price development. In 2025, our share performance remained well below key stock indices and also below our own expectations. The price performance reflects the cautious sentiment in the global construction industry, characterized by difficult end-markets. At the same time, it illustrates the adjustments made to our growth expectations in the past financial year; we reduced our medium-term annual sales growth targets from 6-9% to 3-6%. The difference lies in the exclusion of the market growth element which was previously factored into our targets.

At Sika, the regional diversification is a strength. Our global presence and our local roots with on-site production capacities enable us to cope well with geopolitical complexities. However, since 2025, Sika has also been caught in the crossfire of geopolitics. Of course, it does not help that our two strongest markets – the USA, which accounts for around 20% of sales, and China, which makes up 9% – were impacted by these geopolitical developments in the past year. These were shaped, on the one hand, by tariffs, which greatly unsettled the markets, and, on the other, by the crisis in the Chinese residential market.

The Sika share closed 2025 with a drop of 23.6%, while the SMI posted a gain of 14.1% in the same period.

Compared with global construction markets, which declined by around 2.5% last year, Sika posted a good result in 2025 and achieved a slight gain of 0.6% in local currencies. We implemented our strategic priorities systematically and once again succeeded in expanding our market share, despite a challenging environment. This is not something we take for

granted. It is the result of systematic strategy implementation and a corporate culture based on performance, innovation, responsibility and a clear customer focus.

Our company has a strong foundation. Our strategy is clear. Our innovative strength is unbroken. And our market position is now stronger than ever. Every day we work to create value for you – and we are convinced that the financial market will recognize this strength sooner or later.

Allow me to now give you an insight into our Strategy 2028. We announced it in 2023 and have been implementing it systematically since then. Today, I would like to show you where we stand in terms of the implementation and what progress we have achieved.

Our Strategy 2028 is based on four key pillars: Market Penetration, Innovation & Sustainability, Acquisitions and Employees & Culture. In all four areas we have set ourselves ambitious financial and non-financial goals.

Sika will continue to pursue these goals resolutely in 2026 too. We want to grow – even in a challenging market environment. Focus is on gaining market share and at the same time increasing profitability.

Specifically, we have set ourselves the medium-term goal of achieving annual growth in local currencies of between 3-6% above the market. This growth comprises around 1-2% through value-adding acquisitions and organic growth.

In terms of profitability, we are aiming for a corridor of 20-23% at EBITDA. Without last year's investment in the Fast Forward Program, Sika would have achieved an EBITDA margin of 19.2% in 2025 – corresponding to the second-highest figure in our company's history. Sika's strong cash flow generation enables a reliable return to shareholders. As part of our defined goals, we want to achieve an operating free cash flow which amounts to over 10% of sales. Sika's figure of 12.1% in 2025 exceeded this target for the third consecutive year.

Sika operates in an attractive market environment. The addressable market in our business areas of construction chemicals and industry has an estimated global volume of around 100

billion Swiss francs. Sika is the biggest provider with a market share of 12%. The market is highly fragmented: the 30 largest companies – including Sika – hold around half of the global market share, while thousands of smaller providers make up the remaining 50%. Sika thus has considerable opportunity to further consolidate the market and to achieve long-term profitable growth.

None of our competitors has the same broad-based, strong position as Sika. All of our eight target markets provide a significant contribution to our company's overall performance. Each of the eight target markets contributes between 10-20% to total Group sales – a balanced portfolio that strengthens our resilience and ensures stability.

Our sales strategy is clearly focused on vertical market segments with considerable business potential. Our largest vertical markets, which Sika serves with its products and solutions, are infrastructure at around 30% of sales, commercial construction at 35%, residential construction at around 20% and automotive and industry at around 15%. For example, our customers worldwide who build data centers rely on our broad solutions portfolio – ranging from high-performance roof membranes through concrete admixtures for special applications, versatile sealants and adhesives to reliable flooring and waterproofing. Ultimately, the entire Sika product portfolio comes into play when constructing data centers. Thanks to targeted cross-selling in the vertical markets we are able to steadily increase the share of Sika technologies in the respective project.

Whereas net indebtedness declined by around 300 million francs in 2025, indebtedness – measured in terms of net debt in relation to EBITDA – rose on an adjusted basis to 2.3 times. Adjusted for the impact of our Fast Forward investment program on EBITDA, this figure is unchanged at 2.2 times. Sika has a strong investment-grade rating, and for 2026 we expect a robust operating free cash flow result.

The Board of Directors believes that we should deploy our capital in order to generate the maximum value for our shareholders. Generating a strong cash flow opens up enormous

scope in terms of our capital allocation policy, which is geared to high and long-term value creation for our shareholders.

Our top priority is to promote organic growth. At the same time we are increasing profitability through high-yield investments and value-adding acquisitions, where cost synergies allow us to achieve above-average returns. We have tried-and-tested strategies for quickly achieving synergies with smaller and medium-sized acquisitions.

We will continue to reward our shareholders with a progressive dividend policy that enables efficient capital management and continuous increases in returns.

We will also consider opportunistic share buybacks provided that after all other uses – including further debt reduction – there is free cash flow available.

Our target is clear: We want to create the greatest possible value from these financial resources. We therefore always carefully consider which use of the cash flow promises the highest return for Sika shareholders.

In particular, external growth in the form of acquisitions also contributes to implementing our growth strategy. As a rule, smaller and medium-sized company takeovers contribute around 1-2% to our annual sales growth. We completed seven of these acquisitions in 2025. All of them are now being carefully integrated and are making a valuable contribution to our further value creation.

I would therefore now like to address our biggest acquisition to date, that of MBCC, in greater detail. Over the past three years, the focus was clearly on achieving a successful integration. We are proud to say that we have succeeded. For example, last year we even exceeded our own expectations in terms of the achievable synergies with a figure of 182 million Swiss francs. After the closing of the transaction in May 2023, MBCC generated a considerably lower EBITDA margin of around 15% which we have since raised to around 20%. The integration is almost complete, and the focus is now on the market, on customers and on making full use of this strong growth platform. We now have by far the most extensive product portfolio in the entire construction chemicals industry. An ideal prerequisite for

generating further dynamic growth in the future and creating additional added value for all our stakeholder groups and especially for you, our shareholders.

Thank you for your attention.