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## **GROWTH IN ALL REGIONS, WITH ABOVE-AVERAGE RISE IN NET PROFIT**

- **5.5% sales growth at constant exchange rates**
- **Growth in all regions**
- **Net profit up by an above-average 9.0%**
- **8 new factories opened, 3 new national subsidiaries established, 5 acquisitions**

**Significant increases in both volumes and market shares were achieved in all regions in the first nine months of the 2015 financial year, with double-digit sales growth in the core markets of Latin America, Africa, Middle East, Eastern Europe, Southeast Asia and the Pacific. At constant exchange rates, sales rose by 5.5% to CHF 4.095 billion, despite the sharp business decline in China. With the negative growth in the Chinese market excluded, sales rose by 6.8%. The strength of the Swiss franc led to conversion effects of –7.4%, and thus to a slight –1.9% decline in sales in terms of Swiss francs. Margins could be further improved, in particular by volume growth, continuing efficiency improvements and lower commodity prices, leading to an above-average rise in profit. Net profit increased by 9.0% to CHF 338.2 million (previous year: CHF 310.2 million).**

Jan Jenisch, CEO: “We have continued our growth in the third quarter, achieving a sales increase of more than 5%. Our growth strategy progressed with investments in eight new factories and three new national subsidiaries. Under challenging global market conditions, our 17,000 employees have demonstrated their competence and commitment and once again achieved a record result. Given the strength of the Swiss franc, earnings growth of 9% is a very convincing result.”

### **GROWTH IN ALL REGIONS**

The region EMEA (Europe, Middle East, Africa) increased sales by 4.4% in the first nine months. Growth was accelerated by the positive business performance in Eastern Europe, Africa and the Middle East. Sales in Western Europe did not quite match the extremely strong prior-year result. The expansion of production capacities, with new factories in Dubai, Nigeria, Ivory Coast, Russia and La Réunion, will stimulate additional future growth in the region. New national subsidiaries were established in Tanzania and Ethiopia.

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Latin America and North America recorded the strongest sales growth. Despite a difficult market environment in Brazil, gains in market share led to a 10.9% increase in sales in Latin America. Investment in new factories in Paraguay and Argentina and the launch of new products are paving the way for future growth. In North America, the healthy US construction sector led to a 7.7% increase in sales. The expansion of production capacities is in line with the positive outlook and a significant growth driver for the future. Growth in the region Asia/Pacific slowed to 1.3% owing to the negative market trend in China. On the other hand, double-digit sales increases were achieved in Southeast Asia and the Pacific. A first factory was opened in Sri Lanka and a new national subsidiary was established in Myanmar.

### **GROWTH DRIVEN BY EMERGING MARKETS AND MORTAR BUSINESS**

Sika's accelerated growth in the emerging markets continues to generate very good results, with sales growing by 8.1%. The high-margin mortar business – a core component of Sika's Strategy 2018 – posted above-average performance, with sales growth of 11.6%. Sika has further expanded its fast-growing mortar business in recent months by making three acquisitions – BMI in the USA, CTA in Australia and Duro-Moza in Mozambique.

### **ABOVE-AVERAGE PROFIT GROWTH**

For the fourth consecutive year both the operating result and net profit have increased, reaching record highs in the current year. Volume growth, ongoing efficiency improvements and reduced commodity prices more than made up for the strength of the Swiss franc and led to above-average margin increases. The gross margin rose to 54.0% (previous year: 53.0%). Operating profit increased by 7.2% to CHF 490.2 million (previous year: CHF 457.3 million). There was a substantial rise in the operating profit margin to 12.0% (previous year: 11.0%). Net profit climbed by 9.0% to CHF 338.2 million (previous year: CHF 310.2 million).

### **OUTLOOK 2015**

With investments in new factories and the establishment of new national subsidiaries, the progress of the growth model continues in 2015. Sika expects sales growth of 5% on the basis of constant exchange rates. Margins for the year as a whole are expected to rise at above-average rates thanks to continued volume growth, efficiency improvements and lower commodity prices. The unknown outcome of Saint-Gobain's hostile takeover attempt remains an element of uncertainty for the future.

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### KEY FIGURES NINE MONTHS 2015

in CHF mn	1/1/2014 - 9/30/2014	1/1/2015 - 9/30/2015	Change in %
Net sales	4,174.4	4,095.0	-1.9
Gross result	2,214.5	2,212.5	-0.1
Operating profit before depreciation (EBITDA)	579.6	612.8	5.7
Operating profit (EBIT)	457.3	490.2	7.2
Profit before taxes	428.4	455.8	6.4
Income taxes	-118.2	-117.6	-0.5
Net profit	310.2	338.2	9.0

### NET SALES BY REGION

in CHF mn	1/1/2014 - 9/30/2014	1/1/2015 - 9/30/2015	Change compared to prior year (+/- in %)			
			In CHF	In local currencies <sup>1</sup>	Currency impact	Acquisition effect
<b>By region</b>						
EMEA	2,086.5	1,952.0	-6.4	4.4	-10.8	2.8
North America	556.6	626.9	12.6	7.7	4.9	0.8
Latin America	467.2	453.2	-3.0	10.9	-13.9	1.9
Asia/Pacific	756.9	740.2	-2.2	1.3	-3.5	1.9
Other segments and activities	307.2	322.7	5.0	11.6	-6.6	0.0
<b>Net sales</b>	<b>4,174.4</b>	<b>4,095.0</b>	<b>-1.9</b>	<b>5.5</b>	<b>-7.4</b>	<b>2.0</b>
Products for construction industry	3,374.3	3,253.6	-3.6	3.7	-7.3	1.0
Products for industrial manufacturing	800.1	841.4	5.2	12.8	-7.6	6.2

<sup>1</sup> Including acquisitions

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### Conference call today, October 29, 2015 at 3 pm (CET)

In connection with the publication of the results for the first nine months a conference call will be held today. Please dial in 10 to 15 minutes before the start at:

**+41 (0)58 310 50 00** (Europe, Asia)  
**+1 (1)631 570 56 13** (North America, Latin America)  
**+44 (0)203 059 58 62** (UK)

An operator will connect you with Jan Jenisch (CEO), Adrian Widmer (CFO) and Dominik Slappnig (Head IR). The conference call will be recorded and remains retrievable for 24 hours under the following numbers:

**+41 (0)91 612 43 30** (Europe, Asia)  
**+1 (1)631 982 45 66** (North America, Latin America)  
**+44 (0)207 108 62 33** (UK)

Upon request please enter the code **17223** followed by the #sign.

### FINANCIAL CALENDAR

Net sales 2015	Tuesday, January 12, 2016
Media conference/analyst presentation on full-year results 2015	Friday, February 26, 2016
Sales first quarter 2016	Tuesday, April 12, 2016
48 <sup>th</sup> Annual General Meeting	Tuesday, April 12, 2016
Half-year report 2016	Friday, July 22, 2016
Results first nine months 2016	Thursday, October 27, 2016

### SIKA CORPORATE PROFILE

Sika is a specialty chemicals company with a leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing and protecting in the building sector and the motor vehicle industry. Sika has subsidiaries in 91 countries around the world and manufactures in over 160 factories. Its approximately 17,000 employees generated annual sales of CHF 5.6 billion in 2014.

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