

# 2012

## Shareholder Letter Nine Months 2012



## Solid growth and significant increase in profit

- ⇒ Sales growth of 6.0% to CHF 3 630.1 million (5.4% in local currencies)
- ⇒ 10.1% growth in emerging markets
- ⇒ Significant increase in gross result to 52.6% (previous year: 50.8%)
- ⇒ Above-average 32.3% rise in net profit to CHF 223.9 million

Thanks to its strong global position, Sika lifted net sales by 6.0% in the first nine months of the year despite the challenging environment in Europe.

The growth in sales and the substantial widening of the gross result translated into an above-average increase in profitability.

On the back of a strong global presence, acquisition activities and the successful growth strategy in place in the emerging markets, Sika increased net sales by 6.0% to CHF 3 630.1 million (previous year: CHF 3 424.8 million), thus successfully countering the impact of the weak European and Chinese markets.

Double-digit increases were recorded in both North America, up 11.1% in local currencies to CHF 540.0 million, and Latin America, which posted broad-based growth of 16.4% in local currencies to CHF 434.7 million. Sika saw stronger growth in the Region Asia/Pacific, up 3.4% in local currencies to CHF 626.6 million. Whereas the Chinese construction industry is currently in a weaker phase, the markets in Southeast Asia turned in very positive performances.

The economic climate in Europe remains difficult. While countries such as Russia, Romania and Norway witnessed growth in Europe North, the situation for the majority of countries in Europe South has not yet taken a turn for the better. Europe North reported decreasing growth of -3.1% in local currencies to CHF 956.4 million for the first nine months; Europe South saw growth of 1.5% in local currencies to CHF 614.4 million. Adjusting for the positive acquisition effect gives decreasing growth of -7.5%.

Sika was able to pass on raw material price increases to the market in the period under review and to expand the gross result to 52.6% (previous year: 50.8%). Operating profit (EBIT) improved by 21.2% to CHF 340.9 million (previous year: CHF 281.3 million). The EBIT margin now stands at 9.4% (previous year: 8.2%). Sika improved net profit after taxes by an above-average 32.3% to CHF 223.9 million (previous year: CHF 169.3 million).

### Outlook

Looking at the year as a whole, Sika expects the emerging markets to continue driving growth. Construction activity appears to be gradually picking up in China, but the impending change of leadership makes any visible improvement unlikely before 2013. The outlook remains challenging for Europe, while the Region North America can look to deliver a positive performance in the 4<sup>th</sup> quarter as well.

Sika takes the view that raw material prices will follow a stable trend over the entire year. The company is thus confirming the positive margin development and predicts a substantial year-on-year increase for full year 2012.

# Consolidated Income Statement

## from January 1 till September 30, 2012

### Income statement

in CHF mn	%	1/1/2011 – 9/30/2011	%	1/1/2012 – 9/30/2012	Change in %
<b>Net sales</b>	<b>100.0</b>	<b>3 424.8</b>	<b>100.0</b>	<b>3 630.1</b>	<b>6.0</b>
Other operating income	0.1	3.8	0.2	6.1	
<b>Operating revenue</b>	<b>100.1</b>	<b>3 428.6</b>	<b>100.2</b>	<b>3 636.2</b>	<b>6.1</b>
Material expenses	-49.3	-1 688.3	-47.6	-1 725.3	
<b>Gross result</b>	<b>50.8</b>	<b>1 740.3</b>	<b>52.6</b>	<b>1 910.9</b>	<b>9.8</b>
Personnel expenses	-20.8	-713.9	-21.5	-779.8	
Other operating expenses	-19.0	-650.4	-18.9	-686.7	
<b>Operating profit before depreciation</b>	<b>11.0</b>	<b>376.0</b>	<b>12.2</b>	<b>444.4</b>	<b>18.2</b>
Depreciation and amortization	-2.8	-94.7	-2.8	-103.5	
<b>Operating profit</b>	<b>8.2</b>	<b>281.3</b>	<b>9.4</b>	<b>340.9</b>	<b>21.2</b>
Interest income	0.2	5.8	0.1	4.7	
Interest expenses	-0.7	-25.4	-0.6	-22.1	
Other financial income	0.0	0.5	0.1	2.9	
Other financial expenses	-0.6	-20.2	-0.4	-13.6	
Income from associated companies	0.2	8.0	0.0	0.9	
<b>Net profit before taxes</b>	<b>7.3</b>	<b>250.0</b>	<b>8.6</b>	<b>313.7</b>	<b>25.5</b>
Income taxes	-2.4	-80.7	-2.4	-89.8	
<b>Net profit</b>	<b>4.9</b>	<b>169.3</b>	<b>6.2</b>	<b>223.9</b>	<b>32.3</b>
Profit attributable to Sika shareholders	4.9	168.6	6.2	222.7	
Profit attributable to non-controlling interests	0.0	0.7	0.0	1.2	

## Net Sales Segmentation

### Net sales in the first nine months

in CHF mn	1/1/2011- 9/30/2011	1/1/2012- 9/30/2012	Change compared to prior year (+/- in %)			
			In Swiss francs	In local currencies <sup>2</sup>	Currency impact	Acquisition effect
<b>By region</b>						
Europe North	1 012.0	956.4	-5.5	-3.1	-2.4	0.0
Europe South	615.1	614.4	-0.1	1.5	-1.6	9.0
North America	459.7	540.0	17.5	11.1	6.4	5.7
Latin America	379.4	434.7	14.6	16.4	-1.8	0.0
IMEA <sup>1</sup>	199.2	208.9	4.9	7.8	-2.9	5.8
Asia/Pacific	568.5	626.6	10.2	3.4	6.8	2.1
Other segments and activities	190.9	249.1	30.5	31.2	-0.7	16.3
<b>Consolidated net sales</b>	<b>3 424.8</b>	<b>3 630.1</b>	<b>6.0</b>	<b>5.4</b>	<b>0.6</b>	<b>4.0</b>
Products for construction industry	2 778.1	2 912.2	4.8	4.1	0.7	3.8
Products for industrial manufacturing	646.7	717.9	11.0	11.3	-0.3	4.8

<sup>1</sup> India, Middle East, Africa (IMEA)

<sup>2</sup> Including acquisitions

# Financial Calendar

**Thursday, January 10, 2013**

Net sales 2012

**Thursday, February 28, 2013**

Full-year results 2012; media conference/analysts' presentation

**Tuesday, April 16, 2013**

Shareholder letter (first quarter 2013)

45<sup>th</sup> Annual General Meeting at Lorzensaal, Cham, 3 pm

**Tuesday, July 30, 2013**

Shareholder letter (Half-Year Report 2013)

**Wednesday, October 30, 2013**

Shareholder letter (nine months 2013)

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