

# Sika Reports Q1 2026 Sales of CHF 2.49 Billion

Frequently Asked Questions – April 14, 2026

**How would you characterize trading in Q1? Which regions or end-markets were stronger or weaker than you expected at the start of the year?**

- Q1 was a resilient quarter in a difficult environment. We delivered that against weather disruptions in January and February and the escalation in the Middle East from late February onwards.
- Europe improved through the quarter in every geography. January and February were weather-affected, but momentum built progressively.
- The Americas saw a continuation of the weaker trends from the fourth quarter, as we expected. The broader macro environment remains cautious, but we see clear bright spots in data centers and infrastructure.
- Asia/Pacific came in better than anticipated. However, China's contribution in Q1 is seasonally very low (close to a third). In the remaining quarters of the year, China's contribution will be back to normal (close to half). Outside of China, the region delivered solid growth. We are encouraged but not extrapolating into Q2, which carries a much more normalized China weighting.

**Q1 was clearly better than expected. Why not upgrade the guidance?**

- Q1 was a constructive start and we are pleased with the execution across our teams. However, it is also the smallest quarter of the year.
- The environment remains difficult to predict. What we focus on is what we can control: serving our customers, protecting our margins, and delivering on Fast Forward.
- We confirm our guidance. As the year progresses, we will update you on the development in our market environment.

**The conflict in the Middle East has escalated significantly since you gave guidance in February. How is this affecting your business, both directly in the region and indirectly through raw materials and supply chains?**

- The situation has clearly escalated beyond what anyone anticipated in February. There are two parts to this: our direct exposure to the region, and the broader cost and supply chain effects.
- Our direct exposure to the Middle East is low single-digit as a percentage of group sales. The region, while important, is not a significant driver of group performance.

- Still our operations in the region have continued. Construction sites are open, but activity levels are lower than normal. Some segments, particularly refinery-related work, have paused entirely for safety reasons. Our teams are safe and our organization in the region is stable.
- On direct exposure, the impact on Q1 was contained. The first two months were still positive, with softness coming through in March. We have not seen projects cancelled, but if the conflict continues, new developments could be delayed.
- On the supply chain, we have rerouted through alternative ports and shifted sourcing where needed. We saw limited cost impact in Q1. We know higher input costs are coming, and we are already acting to protect our margins. Our customers' primary concern right now is availability, and we are delivering.

**At current spot rates, what FX headwind are you absorbing this year, both on the top line and at EBITDA level?**

- Based on today's rates, FX headwind for the year is expected to moderate to approximately 3% to 4% due to strong PY decline from Q2 onwards.
- In Q1, the FX effect was around -8%, with the most pronounced impact in Asia Pacific and the Americas where FX headwinds were about 10%.

**You guided for 1%-4% LC sales growth and 19.5% - 20% EBITDA margin at 20<sup>th</sup> February. The macro backdrop has shifted materially since then. Do you still see a path to that range?**

- We confirm our guidance. The range of 1%-4% LC growth and 19.5%-20% EBITDA margin is unchanged.
- What has changed is the balance of risks. Given the increased uncertainty from the Middle East, we remain vigilant and agile to react to market conditions. Q1 came in ahead of expectations, which gives us a solid base, but there is a lot of the year still to play out.

**Data centers have been a strong growth driver for you. How big is that business now, and how do you see it developing over the next two to three years?**

- Data centers have grown from a low single-digit to a mid-single-digit contribution to the group. In the USA, sales to data centers account for a high single-digit percentage. The momentum continued in Q1.
- Sika is working on all 11 data centers currently being built in Switzerland. This demonstrates the breadth of Sika's position, not just individual wins.
- Data centers are growing strong double-digit across regions with a geographic broadening beyond the USA. This is multi-year structural demand that sits outside the macro cycle.

### **How is innovation evolving at Sika?**

- Innovation is fundamental to how Sika gains market share. Sika invests CHF 280 million annually in R&D across 16 global technology centers.
- 23-25% of Sika's sales come from products launched in the past five years, and these products typically carry higher material margins.
- Innovation also creates resilience. Sika's investment in bio-based raw materials, for example bio-based epoxy, gives Sika alternatives to traditional petrochemical inputs. That is not just a sustainability story, it is a practical competitive advantage in an environment like today's.

### **Sika has introduced the Fast Forward program to increase operational efficiencies. Will the planned measures be sufficient considering the present situation?**

- Fast Forward takes Sika's operational efficiency contribution from around 30bps per year to 70-80bps. That is a meaningful step change, and the full impact comes through by 2028.
- Sika will always evaluate how to best optimize the cost structure to the extent that Sika does not compromise the business and damages the capability for organic growth and industry share gains.
- We are building a leaner, faster, and more digital Sika.

### **What is included in the CHF 120-150 million investments in the Fast Forward plan?**

- The investments are focused on three areas: digitalization, customer value, and supply chain optimization.
- Sika expects CHF 150-200 million annual EBITDA benefit at full run rate by 2028 and the payback is attractive at less than 2 years. These investments create a structural advantage that compounds over time.

### **Asia/Pacific looked stronger in Q1. Are there any signs of the Chinese market improving?**

- Asia/Pacific was stronger than expected in Q1. Outside of China, the region delivered solid growth, with India and Southeast Asia being particularly strong.
- China developed in line with expectations in Q1. However, China's activity is seasonally very low in the first quarter and, therefore its impact on the region is smaller. In the remaining quarters of the year, China's contribution will be back to normal.

- In China, residential business will remain difficult in 2026. Beyond that, the trajectory will depend on government policy and the pace at which the property sector stabilizes. China is a large, maturing market with significant medium-term potential. Sika is already benefiting from the strong relationships with major Chinese contractors and automotive manufacturers –partnerships that are now extending beyond China as these companies expand globally.
- The investments we are making through Fast Forward in digitalization and operational efficiency apply to China as well. We are building a better-positioned and more digital business with a leaner structure.

### **What are Sika's capital allocation priorities?**

- Sika's number one priority is organic growth. Sika is investing to make the company stronger and more competitive through Fast Forward.
- Second is bolt-on M&A. Sika has an active pipeline and a track record of reducing acquisition multiples by around 4x through delivery of synergies. Sika plans no large acquisitions in the foreseeable future and is using the current market environment to strengthen the company for the upswing.
- Third, Sika has a healthy balance sheet with strong cash generation that affords optionality for deleveraging, further dividend growth, and also buybacks.
- Sika expects to generate substantial free cash flow in the coming years, which will be actively deployed to maximize incremental shareholder value.