



SIKA EXCEEDS SALES OF CHF 10 BILLION FOR THE FIRST TIME
STRONG GROWTH OF 15.8% IN LOCAL CURRENCIES

OCTAVIAN SEMINAR
FLIMS, JANUARY 13, 2023

BUILDING TRUST



1. HIGHLIGHTS SALES 2022
2. SIKA'S GROWTH DRIVERS
3. SIKA'S WAY TO NET ZERO
4. UPDATE ON MBCC ACQUISITION
5. OUTLOOK

1. HIGHLIGHTS SALES 2022

SIKA EXCEEDS SALES OF CHF 10 BILLION FOR THE FIRST TIME

HIGHLIGHTS SALES 2022

1. Sales and profit

- Sika posts sales of CHF 10.49 billion in 2022
- Sales growth of 15.8% in local currencies (+13.4% in CHF)

2. Key investments

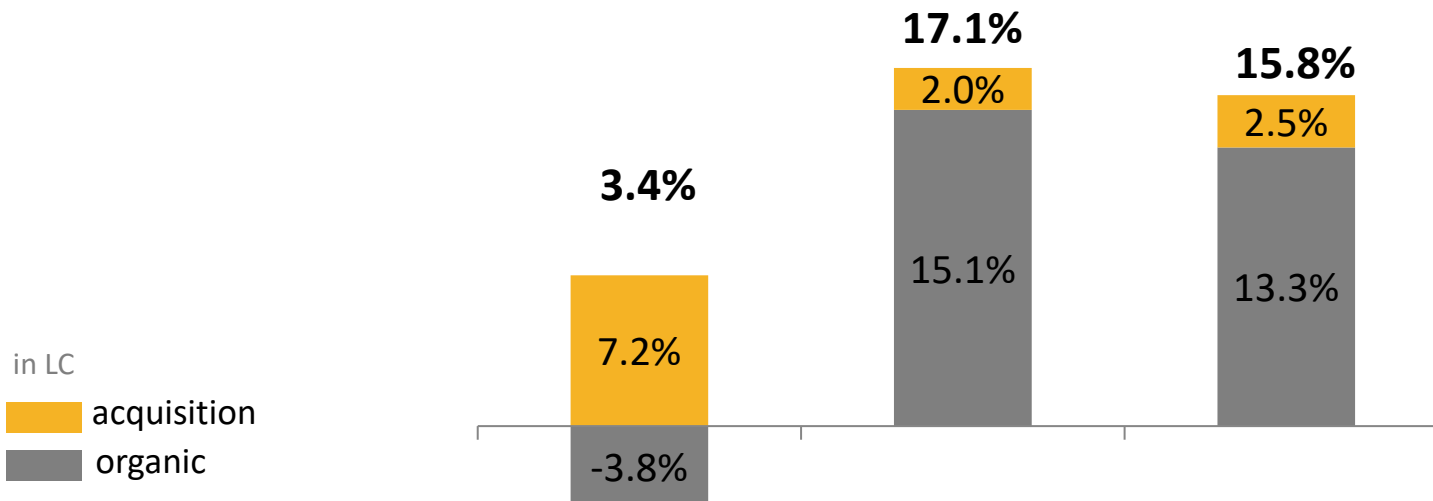
- Two acquisitions: Sable Marco (Canada) and United Gilsonite Laboratories “UGL” (USA)
- Five new plants opened: Tanzania, Ivory Coast, Bolivia, USA, and China

3. Outlook and strategy

- Closing of MBCC acquisition is targeted for the first half of 2023
- Record EBIT and EBIT margin of 15% anticipated for the 2022 fiscal year
- Confirmation of 2023 strategic targets for sustainable, profitable growth

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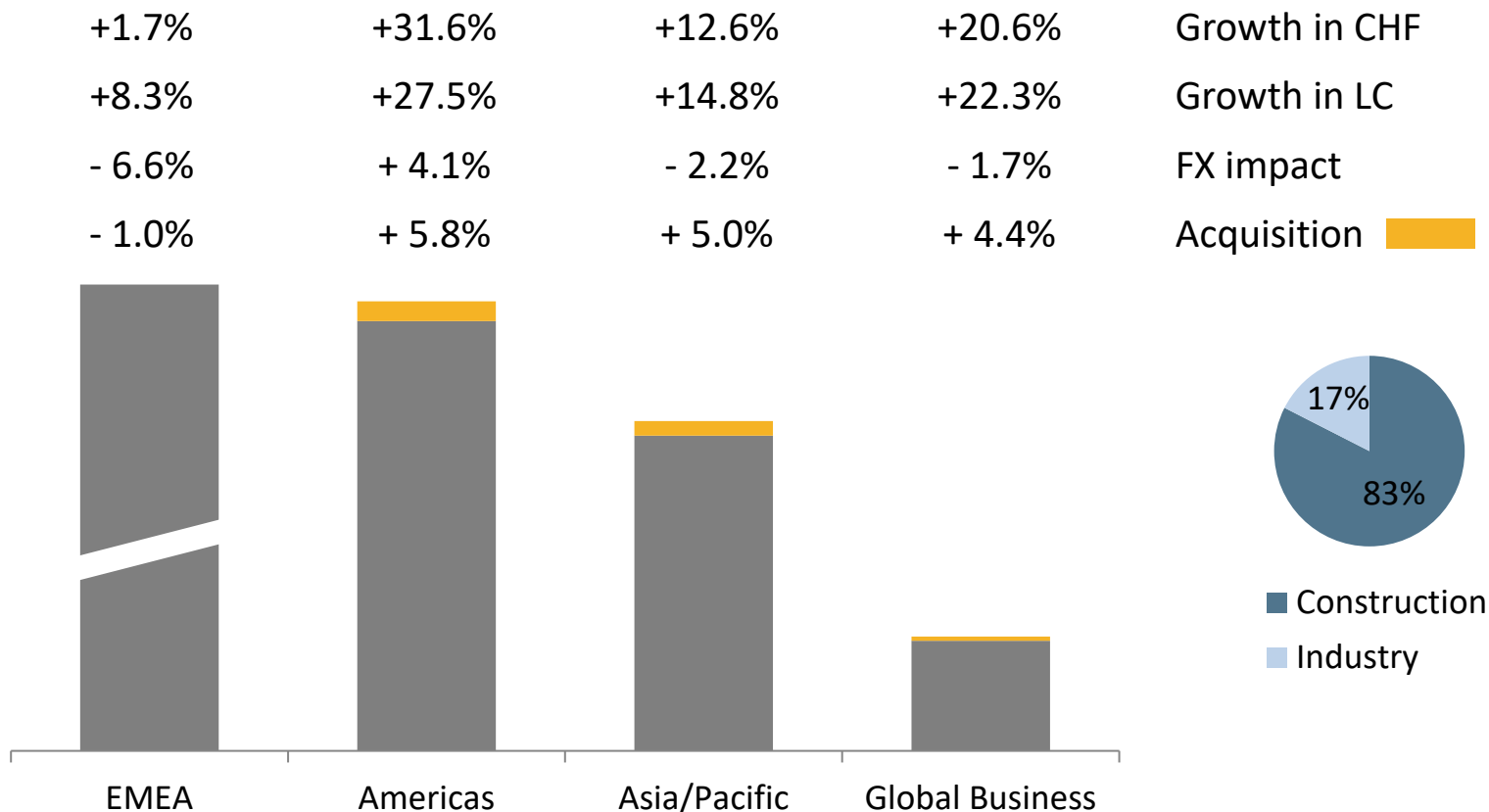
SALES GROWTH OF 15.8% IN LOCAL CURRENCIES



in CHF bn	2020	2021	2022
Net sales	7.88 bn	9.25 bn	10.49 bn

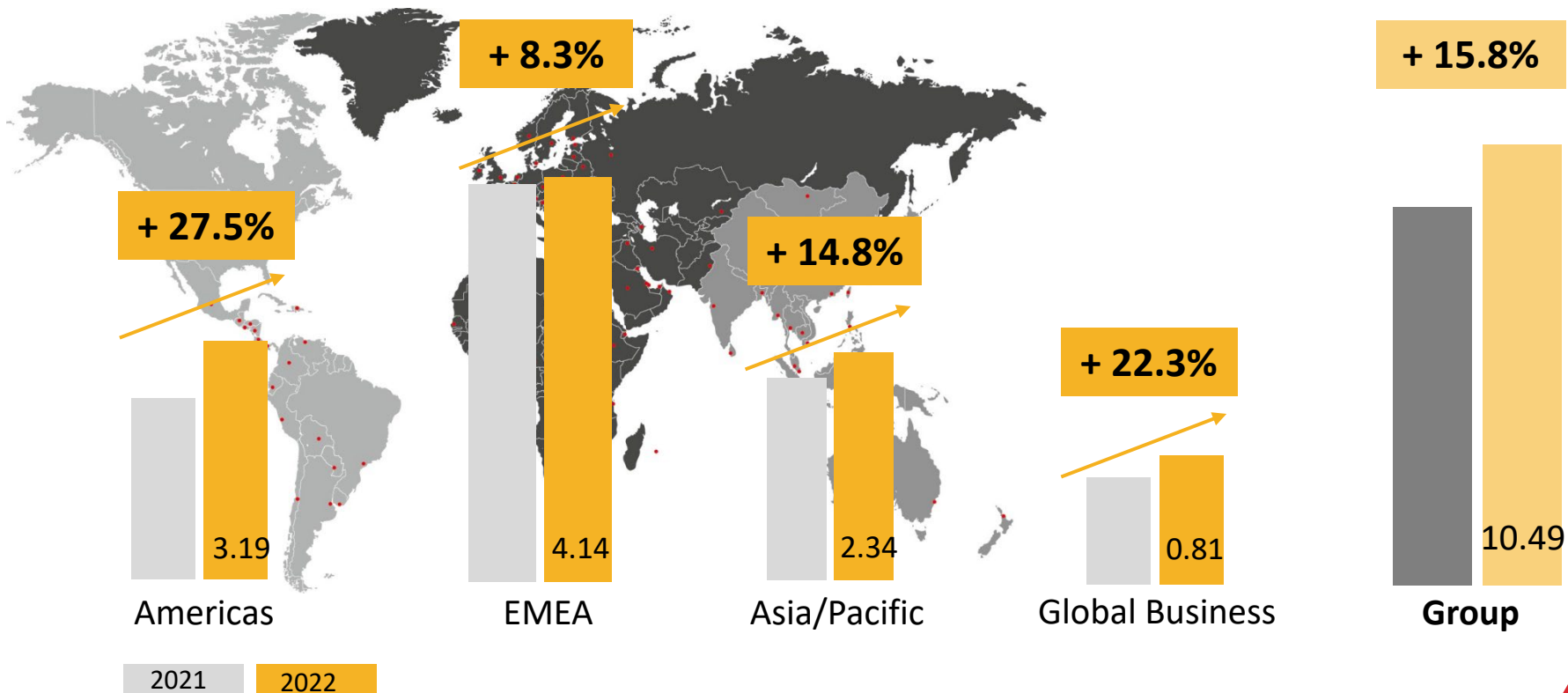
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2021 2022

(in CHF billion, growth in LC)

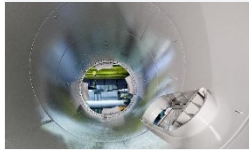
SUCCESSFUL, RESILIENT STRATEGY

KEY INVESTMENTS IN 2022 – CONTINUED EXECUTION

Acquisitions and divestments



**Acquisition of Sable Marco, Canada
(March 2022)**



**Closing of transaction related to divestment
of European industrial coatings business
(April 2022)**



**Divestment of Aliva
(May 2022)**



**Acquisition of UGL, USA
(May 2022)**

New plants



**Opening of a new plant in the Ivory Coast
(February 2022)**



**Opening of a new plant in Tanzania
(February 2022)**



**Opening of new plant in Bolivia
(May 2022)**



**Opening of new plant near Washington D.C.
(June 2022)**

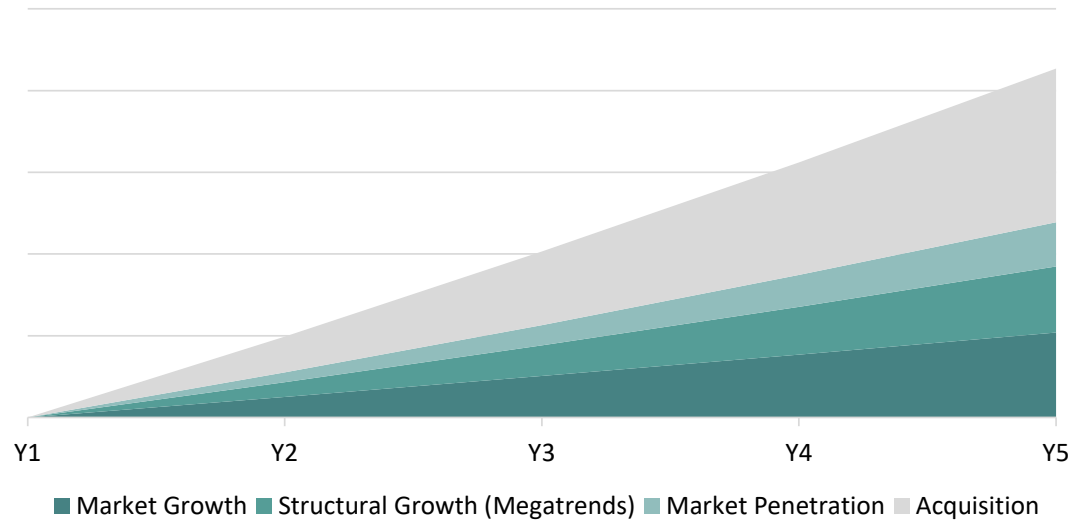


**Opening of new plant in China
(December 2022)**

2. SIKA'S GROWTH DRIVERS

SUSTAINABLE GROWTH BEYOND MARKET GROWTH

MULTIPLE LAYERS OF GROWTH



Net Sales 10Y CAGR, at constant FX
+9.8%



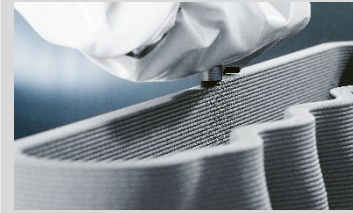
RESILIENT STRATEGY – MAJOR MEGATRENDS SUPPORTING GROWTH FURTHER ACCELERATION THROUGH DIGITALIZATION



Urbanization



Climate Change and
Scarcity of Resources



Digitalization



Demographic
Change



Dynamic
Economy



Technological
Progress

RESILIENT GROWTH STRATEGY 2023

STRATEGIC TARGETS CONFIRMED

SUSTAINABILITY

Market Penetration

Innovation

Operational Efficiency

Acquisitions

Values

6-8%
annual growth

25%
of sales with new
products

0.5%
pts non-material
cost improvement
as % of net sales

15-18%
EBIT margin
Until 2020: <15%

>10%
Operating free cash
flow per year as % of
net sales

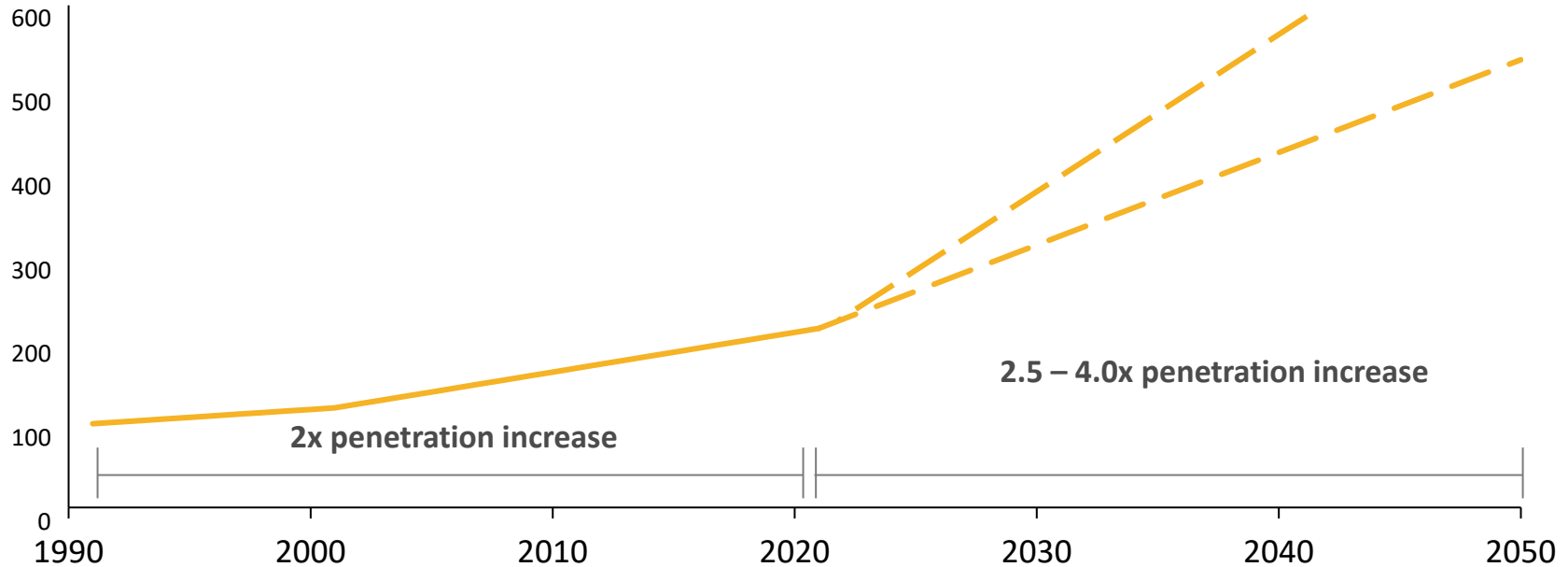
>25%
ROCE by 2023

12% CO₂eq emission reduction per ton sold

GROWTH DRIVER – CONSTRUCTION CHEMICALS MARKET

STRONG PENETRATION INCREASE

Construction chemicals penetration (1991 = 100)



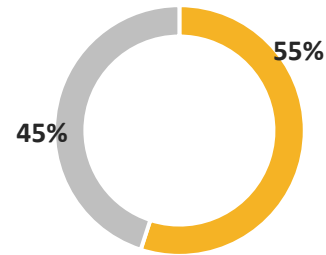
Source: IHS, Freedonia

1) penetration = global construction chemicals market size (CHF) / global construction output (CHF)

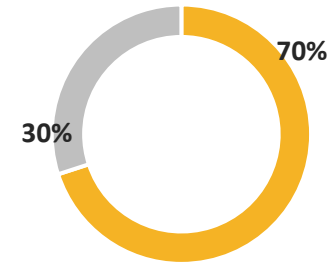
GROWTH DRIVER – REPAIR AND REFURBISHMENT HIGHLY RESILIENT THROUGH THE CYCLES

- High resilience of refurbishment through economic cycles
- Corrective maintenance cannot be postponed
- Large backlog of projects for corrective maintenance in Europe and the USA
- Regulations and building standards make refurbishment mandatory
- Urbanization and densification drive the need for refurbishment

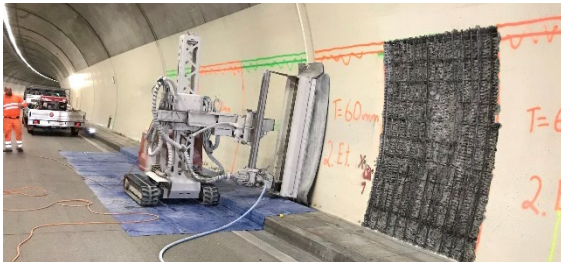
55% of Group sales in construction generated by refurbishment



In mature markets, 70% of sales in construction generated by refurbishment



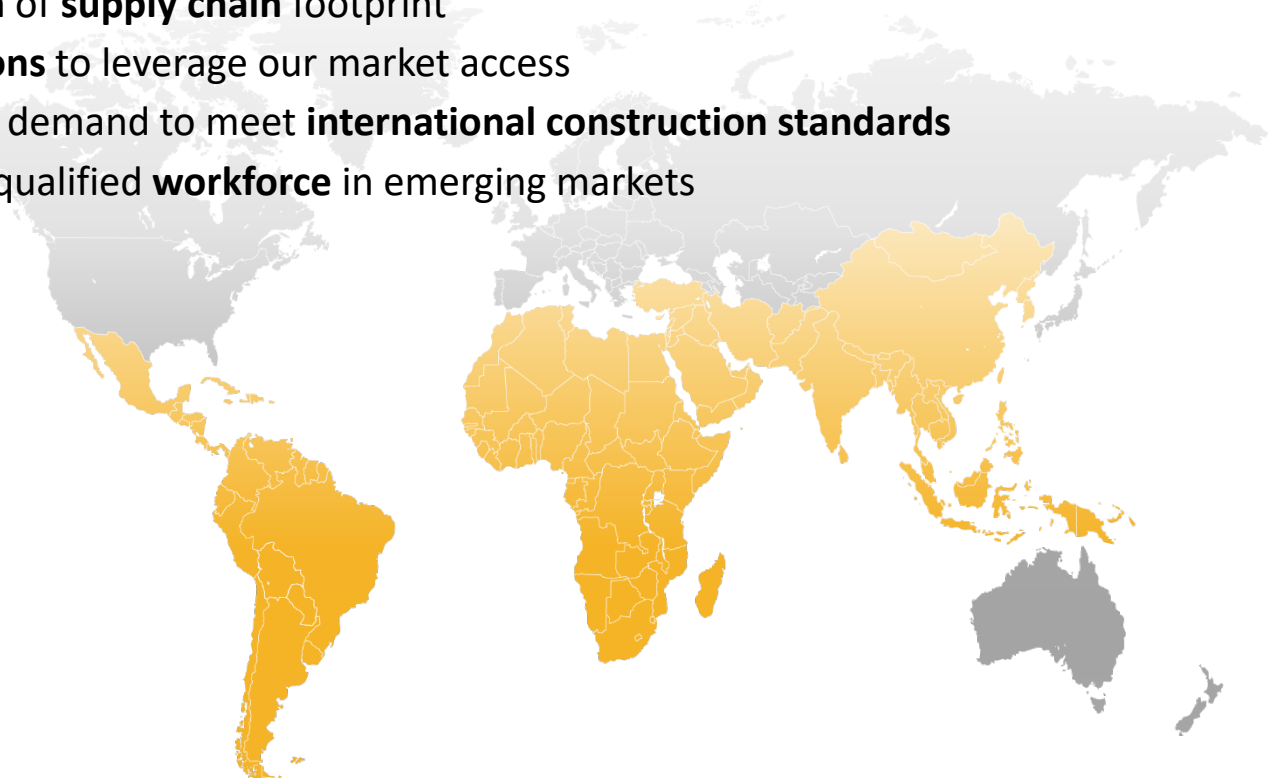
■ Refurbishment ■ New build



GROWTH DRIVER – EMERGING MARKETS

CONTINUOUS STRONG GROWTH

- Enormous **need for infrastructure**, energy and power, real estate
- Expansion of **supply chain** footprint
- **Acquisitions** to leverage our market access
- Increased demand to meet **international construction standards**
- Need for qualified **workforce** in emerging markets



GROWTH DRIVER – INFRASTRUCTURE PROGRAMS

CHF 10 TRILLION PLANNED STIMULI

US infrastructure
investments running
into the billions

approx. CHF
850
billion

EU working towards
climate neutrality

approx. CHF
400
billion

China invests in technology
and infrastructure

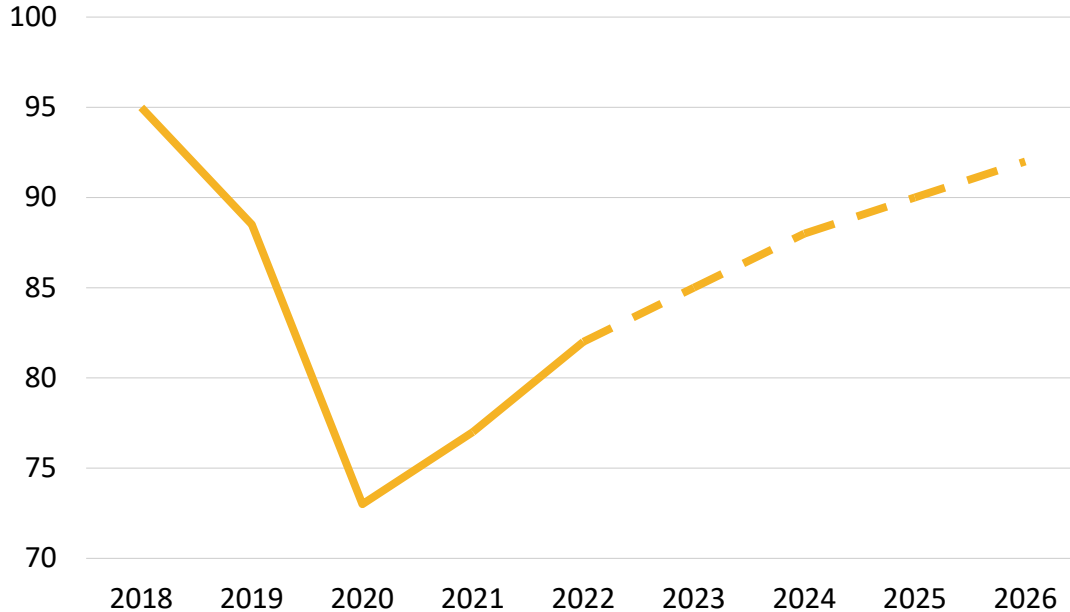
approx. CHF
8,000
billion

- Extensive infrastructure growth programs stimulate economies
- Government initiatives in many countries are tied to environmental legislation

GROWTH DRIVER – GLOBAL AUTOMOTIVE PRODUCTION

RECOVERY EXPECTED IN THE NEXT YEARS

in mn units



Source: IHS Markit

Strong recovery expected

- Backlog in demand
- Supply chain “normalization”
- High e-vehicle demand

— Global automotive production

- - - Forecast (as of Nov 2022)

GROWTH DRIVER – OUR PEOPLE

UNIQUE CORPORATE CULTURE

Courage for Innovation

Customer First

Empowerment and Respect

Manage for Results

Sustainability and Integrity



3. OUR WAY TO NET ZERO

SUSTAINABILITY AND OUR WAY TO NET ZERO

CONTINUE TO GROW AND REDUCE GREENHOUSE GAS

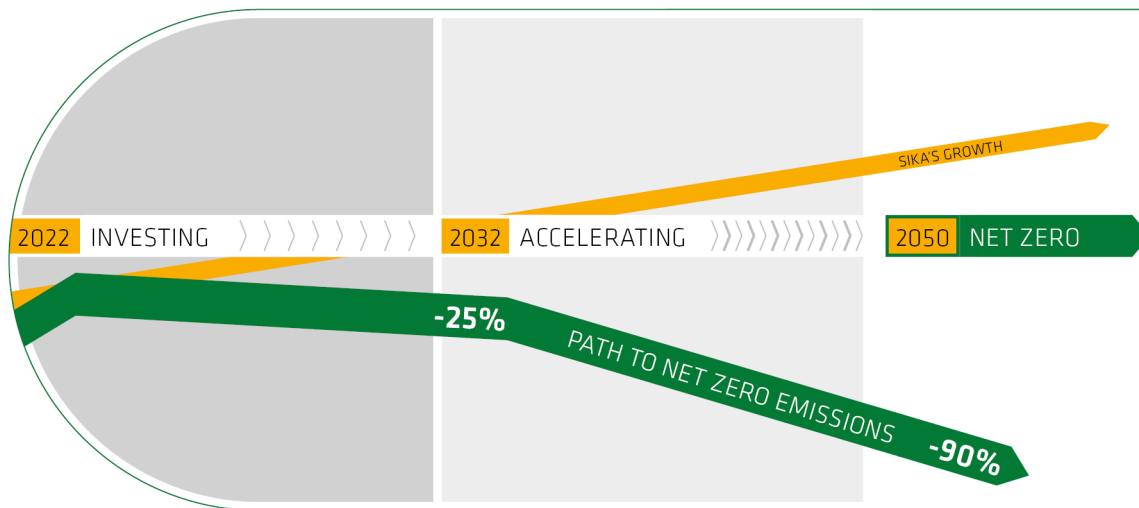
MAKING A POSITIVE IMPACT

- **40% of global CO₂ emissions** attributable to construction and building sector
- Road traffic responsible for **20% of global CO₂**
- Huge opportunity as potential for progress is immense
- Sika possesses the solutions and innovative strength to enable the necessary transformation

OUR COMMITMENT

- We continue our growth strategy and engage our innovative developments to decouple growth from greenhouse gas emissions
- We enable our customer on their journey to Net Zero.
- Our way to Net Zero:
 - -25% until 2032
 - -90% until 2050

SIKA'S NET ZERO ROADMAP



OUR KEY LEVERS

Education and capacity building to improve **material efficiency and circularity**

Accelerated use of **alternative low carbon supplies**

Continued focus on **operational efficiencies**

Partnerships with key suppliers who support Sika's path to net zero

Development of **new innovative solutions** for construction and industry

4. UPDATE ON MBCC ACQUISITION

UPDATE ON MBCC ACQUISITION COMPLEMENTARY IN MANY WAYS

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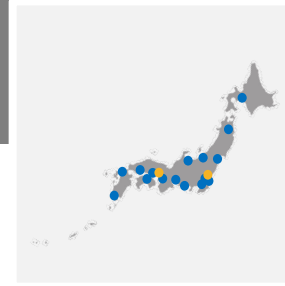
MBCC GROUP



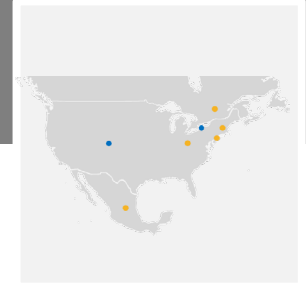
Solutions



Channel



Geography



Supply Chain



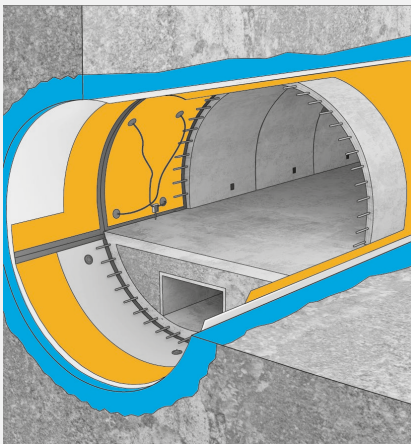
UPDATE ON MBCC ACQUISITION

WE WILL HAVE AN EVEN STRONGER PRODUCT RANGE TOGETHER

Underground Construction

Sikaplan®

PVC membrane for waterproofing and waterproofing products



MBCC UGC

products for shotcrete, fibers, injections

Offshore Wind Installation

Sika Power®

epoxy-based toughened adhesive to produce extra-long blades



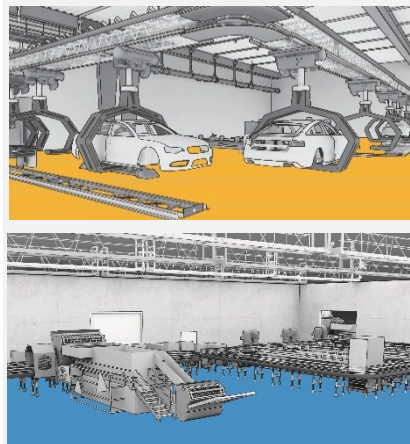
MasterFlow

Grouts specialized for offshore wind turbine installations (DNV GL certified)

High-performance industrial floors

Sikafloor®

High performance epoxy sealing and self smoothing coatings for industrial flooring



Ucrete

Unique polyurethane resin technology for industrial floors

Floor Covering Applications

Sikafloor®

self-leveling screeds for both new build and renovation applications



Thomsit

adhesives for both wood floor and luxury vinyl tile

UPDATE ON MBCC ACQUISITION

UNCONDITIONAL APPROVALS IN MOST JURISDICTIONS

**Unconditional
approvals
received in most
jurisdictions**

Brazil



China



Japan



Colombia



Saudi-Arabia



Thailand



South Africa



Turkey



Mexico



UPDATE ON MBCC ACQUISITION

DIVESTMENTS REQUIRED IN ADMIXTURE BUSINESS

Process ongoing
divestment of
admixture
business

Scope: up to
CHF 850 million



USA



Canada



Europe



UK



New Zealand



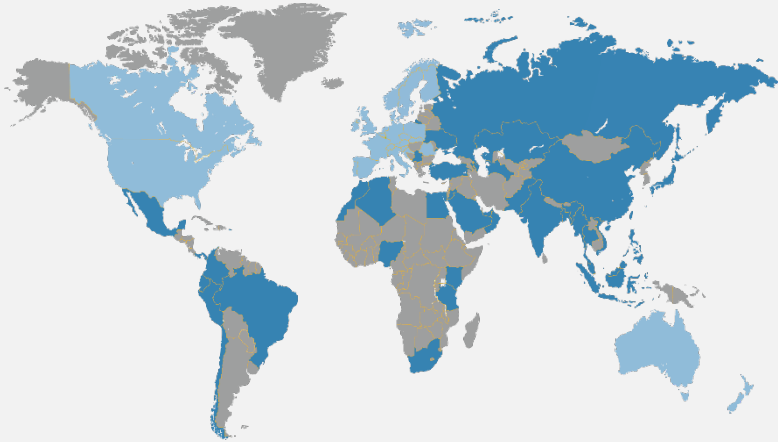
Australia



UPDATE ON MBCC ACQUISITION


DIVESTMENTS REQUIRED IN ADMIXTURE BUSINESS

Remaining business CHF 2.15 billion*



To be divested CHF 850 million*



 Countries with MBCC subsidiaries that **will be fully integrated**

 Countries with MBCC subsidiaries where admixture business **will be divested**

*Based on full year 2021 figures

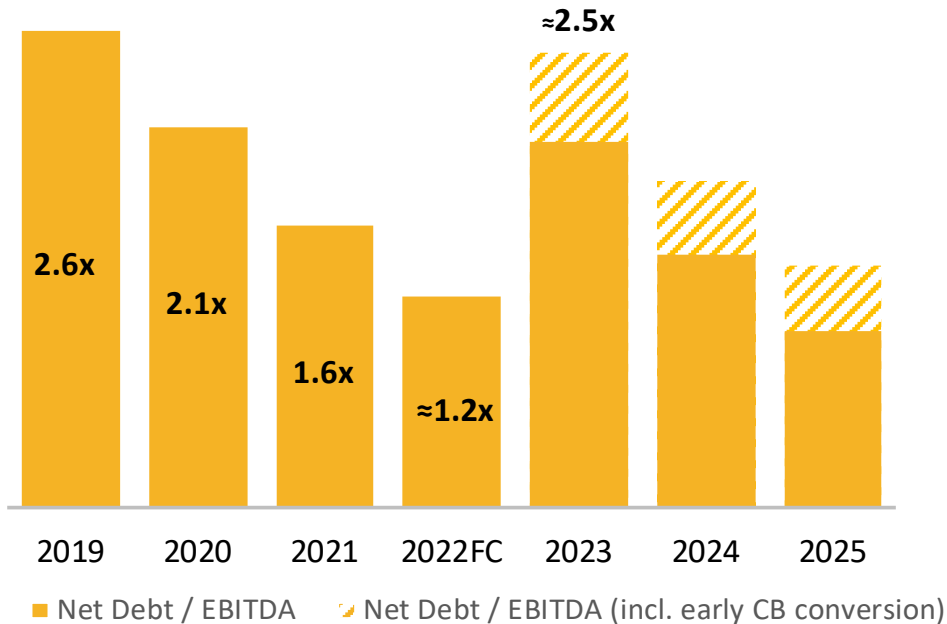
FINANCING AND LEVERAGE CONSIDERATIONS

FINANCIAL TERMS OF TRANSACTION REMAIN VERY ATTRACTIVE

- Financing through cash and debt instruments
 - Fully committed bridge loan facility
 - Long-term funding over combination of cash-on-hand, bank loans and bonds
 - Expected annual interest cost of CHF 90 million
- Strong deleveraging profile
 - Starting from a strong base
 - Divestments reduce initial capital outlay
 - Strong deleveraging profile even without early conversion of existing Convertible Bond

FINANCING AND LEVERAGE CONSIDERATIONS

HISTORICAL AND EXPECTED LEVERAGE DEVELOPMENT



- 2023 Leverage expected at ≈2.5x
- With early Convertible Bond conversion at around 0.5 turns lower
- Fast deleveraging – similar deleveraging profile as with Parex

UPDATE ON MBCC ACQUISITION

CONFIRMATION OF STRATEGIC FIT

- Synergies: CHF 160-180 million
- 2023 Leverage expected at $\approx 2.5x$
- Funding structure of MBCC acquisition unchanged
- Favorable FX impact
- Closing targeted in first half of 2023



5. OUTLOOK

RECORD EBIT AND EBIT MARGIN OF 15% ANTICIPATED FOR 2022

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Record EBIT and EBIT margin of 15% anticipated for the 2022 fiscal year
- Confirmation of 2023 strategic targets for sustainable, profitable growth



THANK YOU FOR YOUR ATTENTION

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This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as 'expects', 'believes', 'estimates', 'anticipates', 'projects', 'intends', 'should', 'seeks', 'future' or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation, among others:

- Fluctuations in currency exchange rates and general financial market conditions
- Interruptions in production
- Legislative and regulatory developments and economic conditions
- Delay or inability in obtaining regulatory approvals or bringing products to market
- Pricing and product initiatives of competitors
- Uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of research projects, unexpected side-effects of pipeline or marketed products
- Increased government pricing pressures
- Loss of inability to obtain adequate protection for intellectual property rights
- Litigation
- Loss of key executives or other employees
- Adverse publicity and news coverage

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