



RESILIENT STRATEGY CONTINUES TO DELIVER DYNAMIC GROWTH – RECORD SALES IN FIRST QUARTER 2021

SIKA INVESTOR PRESENTATION
APRIL 2021

BUILDING TRUST



1. FIRST QUARTER 2021

HIGHLIGHTS Q1 2021

DYNAMIC GROWTH – RECORD SALES IN FIRST QUARTER

1. Strong start to the year with dynamic growth in Q1 2021

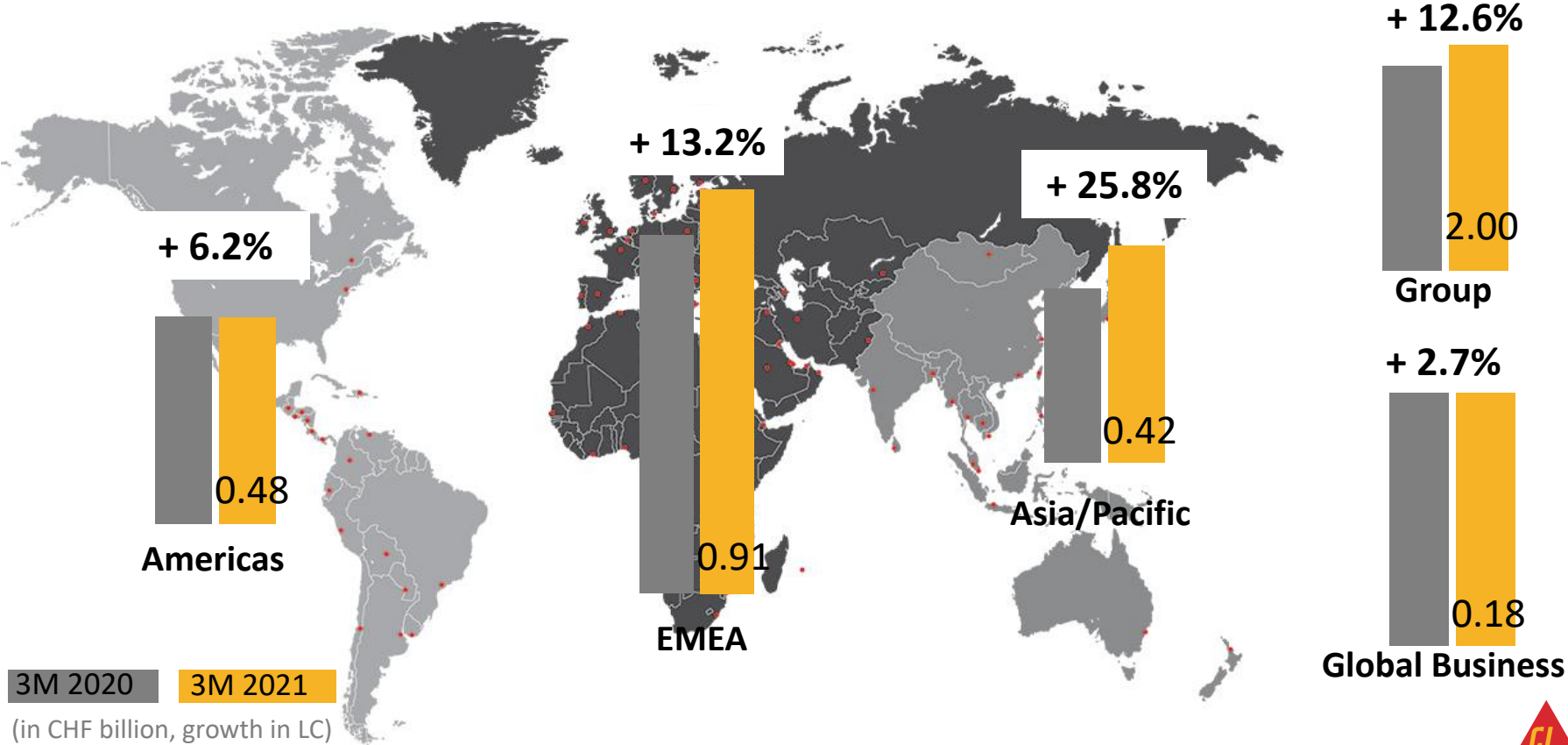
- Sales up by 12.6% in local currencies
- + 10.2% in CHF to CHF 1,998.6 million
- Growth in all regions

2. Key investments

- Acquisition of three companies
 - Kreps (Russia)
 - DriTac (USA)
 - BR Massa (Brazil)
- Investments in two factories
 - Expansion of additive production for shotcrete in Sweden
 - Expansion of concrete admixture production and launch of epoxy resin production in Qatar

DYNAMIC GROWTH IN FIRST QUARTER OF 2021

12.6% INCREASE IN SALES IN LOCAL CURRENCIES (10.2% IN CHF)



3M 2020 3M 2021

(in CHF billion, growth in LC)

2. 2020 BUSINESS YEAR

FINANCIAL HIGHLIGHTS 2020

RECORD RESULTS FOR PROFIT AND CASH FLOW

- Record results
 - Sales growth of 3.4% in local currencies
 - CHF 1,130.5 million EBIT (+7.1%)
 - EBIT margin improved from 13.0% to 14.4%
 - CHF 825.1 million net profit (+8.8%)
 - CHF 1,259.4 million operating free cash flow (+22.7%)
- Key investments
 - 6 new/expanded factories
 - 1 acquisition and 1 extension of partnership
- Further achievements
 - Parex integration successfully completed
 - 83 New patents, 123 Inventions

ESG HIGHLIGHTS 2020

REDUCTION OF CO₂ EMISSIONS BY 25.9%

-12.1%

waste
per ton sold

-21.2%

energy consumption
per ton sold

-25.9%

CO₂ emissions per ton sold
(20kg, previous year: 27kg)

10.1

hours of training
per employee

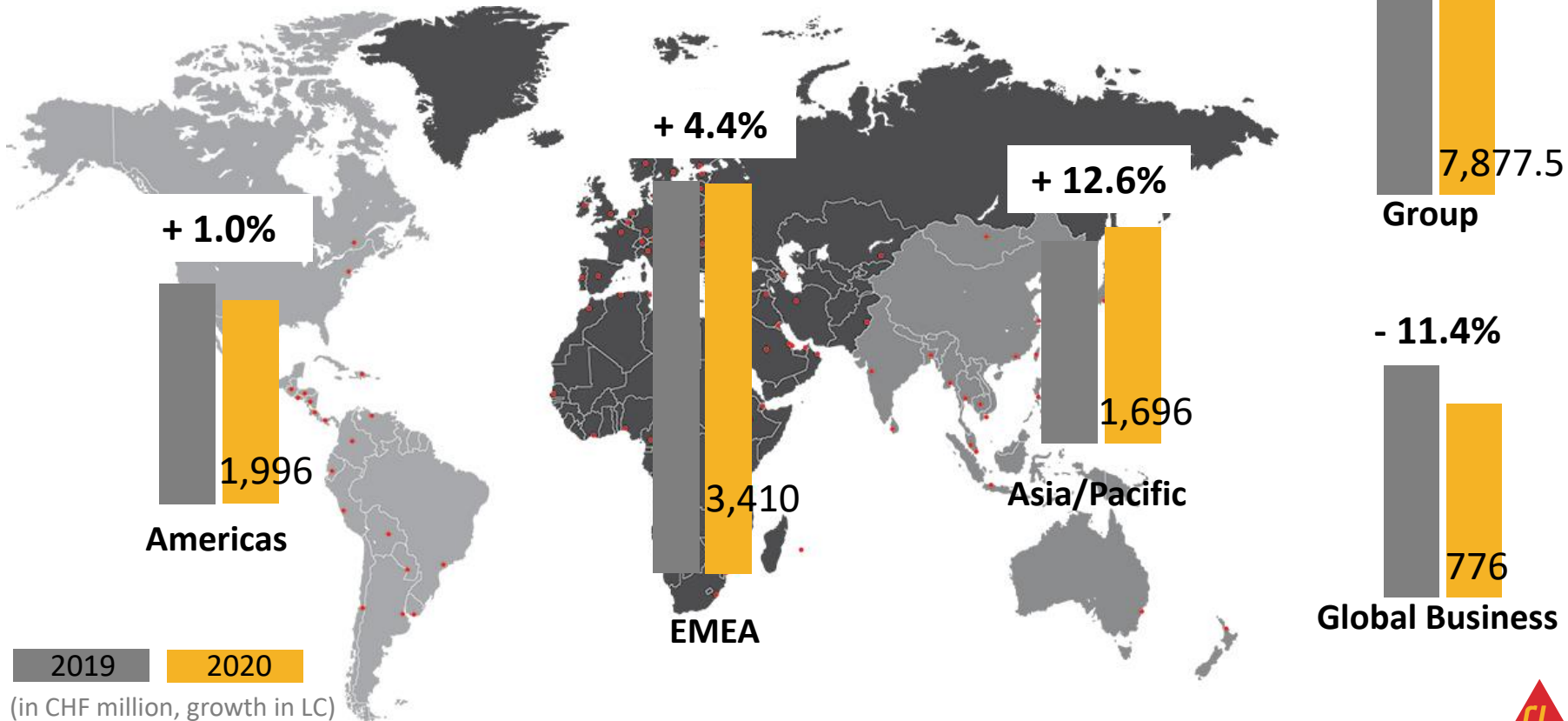
KEY FIGURES

RECORD PROFITABILITY

in CHF mn	2019	2020	Δ %
Net sales	8,109.2	7,877.5	- 2.9
Gross margin	53.6%	54.8%	
EBITDA	1,387.6	1,497.6	+ 7.9
EBIT	1,055.1	1,130.5	+ 7.1
Net profit	758.5	825.1	+ 8.8
Operating free cash flow	1,026.1	1,259.4	+ 22.7

LOCAL CURRENCY GROWTH IN ALL REGIONS

3.4% SALES GROWTH (-2.9% IN CHF) IN 2020



GAINING FURTHER MARKET SHARE

INVESTMENTS IN SIX PLANTS AND ONE ACQUISITION

Admixtures, Mortars, and Acrylic Plant

Barranquilla, Colombia



Adeplast, Romania

(Closing)

Building Finishing

Modern Waterproofing Group, Egypt

Waterproofing

Mortar plant

Chengdu, China

Investment in polyurethane

production facilities

Düdingen, Switzerland



Jan > Feb > Mar > Apr > May > Jun > Jul > Aug > Sep > Oct > Nov > Dec

Expansion of structural waterproofing membrane plant

Sarnen, Switzerland



Expansion of concrete admixtures and epoxy resins plant

Dubai, United Arab Emirates

Expansion of shotcrete admixtures plant

Gournay-en-Bray, France

Extension of partnership with CiDRA Concrete Systems, USA

Concrete

SIKA'S SUCCESS FACTORS IN THE PANDEMIC

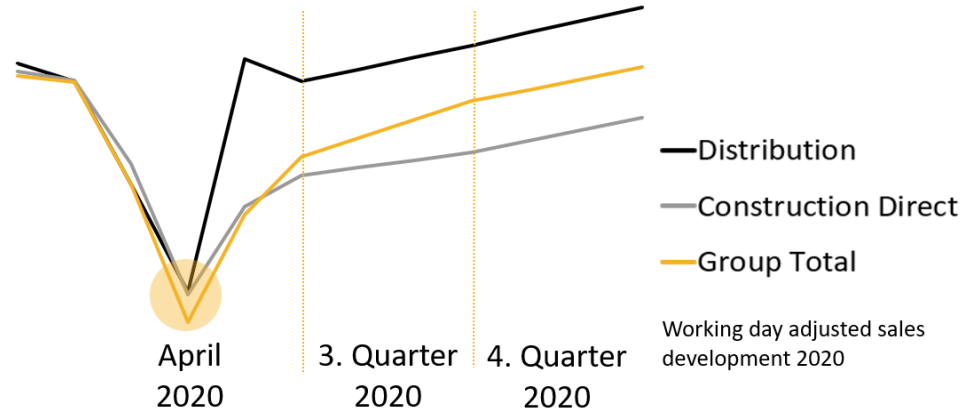
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SIKA'S SUCCESS FACTORS IN THE PANDEMIC

HIGHLY RESILIENT DISTRIBUTION BUSINESS

- Booming home improvement
- Sika establishes itself as household brand
- Tailor-made solutions and customer focus for every distribution channel
- Gaining further market share in online sales and e-commerce



double-digit
growth in distribution channel

68%
increase in E-Commerce sales

41.4%
of Sika's
business is
generated in
distribution

SIKA'S SUCCESS FACTORS IN THE PANDEMIC

HIGH RESILIENCE OF REFURBISHMENT

- Structures have to be maintained and projects do not tolerate delay for security reasons
- New regulations and building standards make refurbishment mandatory
- Complexity favor refurbishment over new build
- Sika with strong position in the refurbishment market can optimally serve the growing demand



SIKA'S SUCCESS FACTORS IN THE PANDEMIC

HUGE INVESTMENTS IN DIGITALIZATION

- COVID-19 has accelerated digital and e-commerce boom
- Many new data centers as backbone of digital economy
- Strict safety standards and highest requirements for building materials drive demand for Sika solutions



Over 200

data center projects
worldwide under
construction in 2020

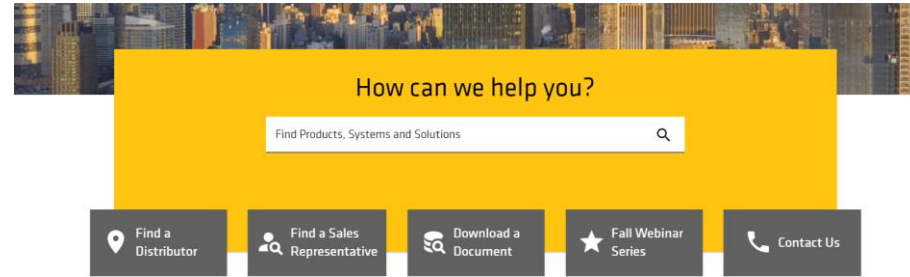
Sika offers solutions from basement to roof, like waterproofing, fire protection, protection against electrostatic charge, or cool roofs



SIKA'S SUCCESS FACTORS IN THE PANDEMIC

STRONG CUSTOMER FOCUS

- Decentralized organisations can quickly adapt to local situation
- Strong, locally managed teams
- Close to projects and close to customers
- Already close contact with customers was further intensified during pandemic
 - Daily calls and personal contact
 - More than 150,000 customers trained in webinars



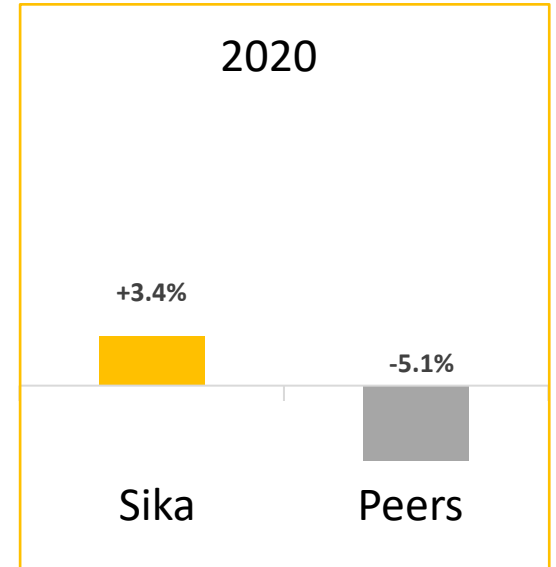
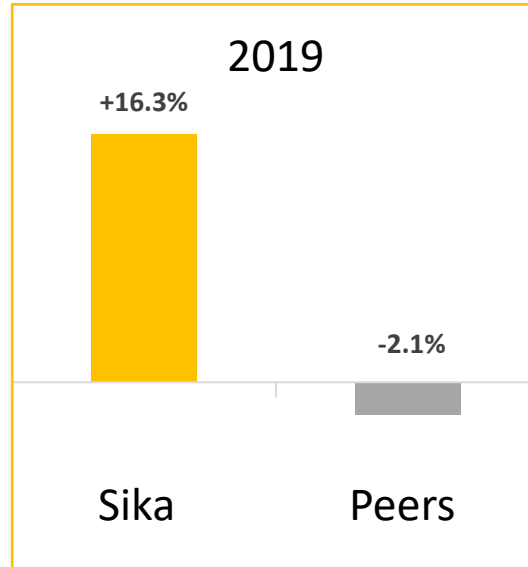
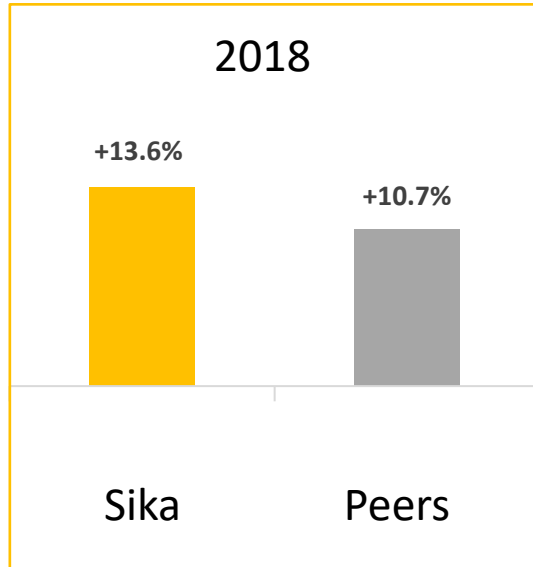
Sika France
Team E-commerce with customer



Sika Kenya
Team Sales with customer

SIKA'S SUCCESS FACTORS IN THE PANDEMIC

SIKA CLEARLY OUTPERFORMS COMPETITORS



Notes: Growth in constant currencies

FINANCIAL RESULTS 2020

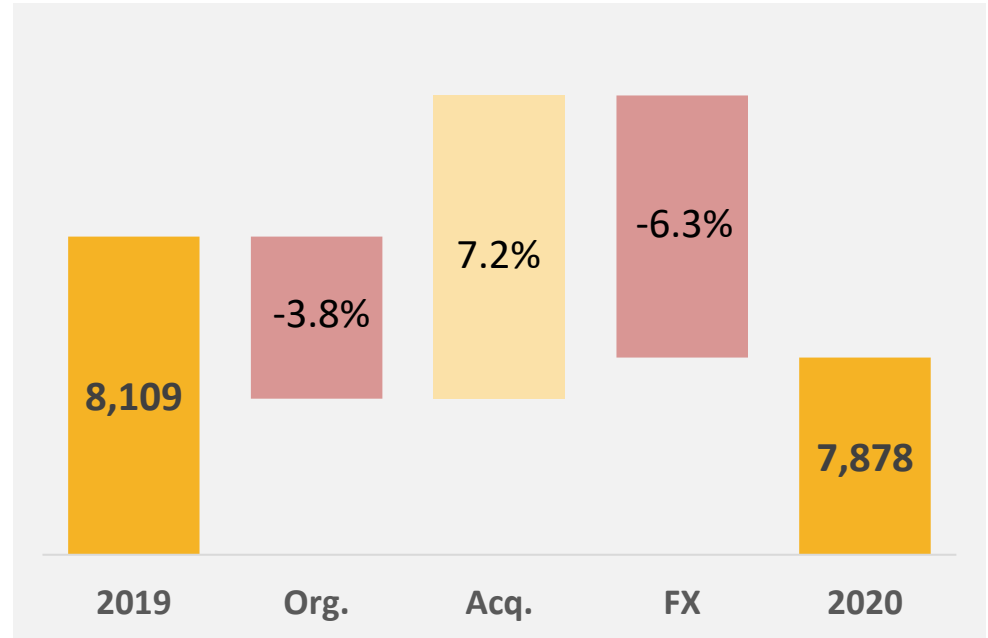
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SALES 2020

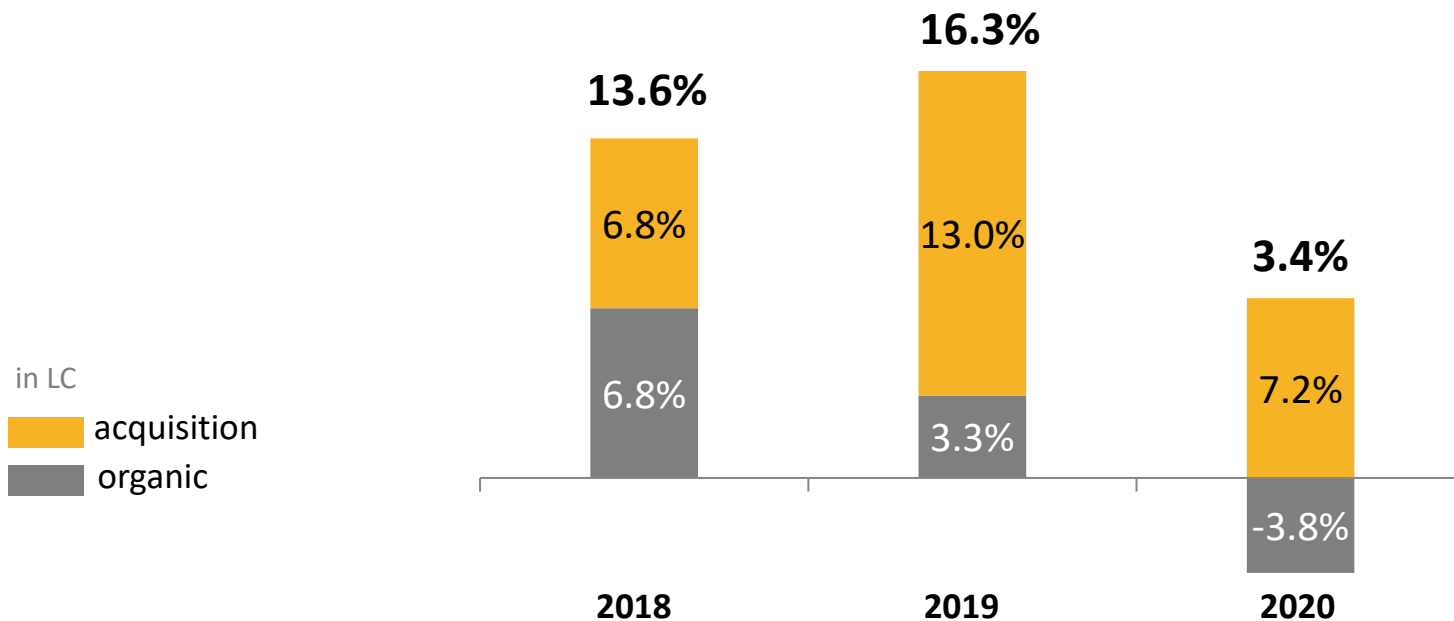
3.4% GROWTH IN LOCAL CURRENCIES

in CHF mn	2019	2020
Net sales	8,109.2	7,877.5
Organic growth		-310.5
Acquisition effect		+580.6
Currency effect		-501.8



SALES DEVELOPMENT 2018 TO 2020

3.4% GROWTH IN LOCAL CURRENCIES IN 2020



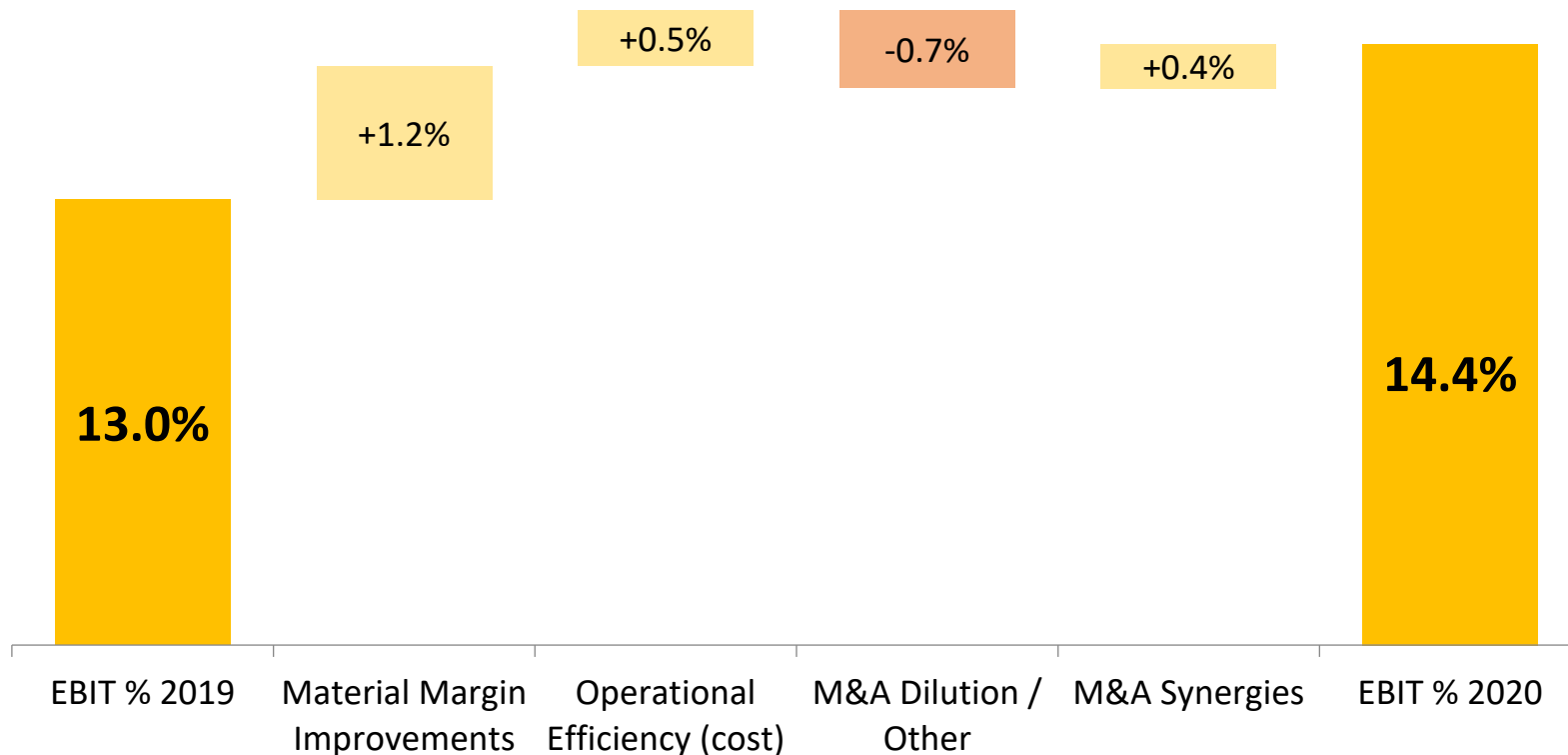
in CHF mn

Sales	2018	2019	2020
	7,085.4	8,109.2	7,877.5

In 2020, sales growth of acquired businesses since initial consolidation is included in organic growth.

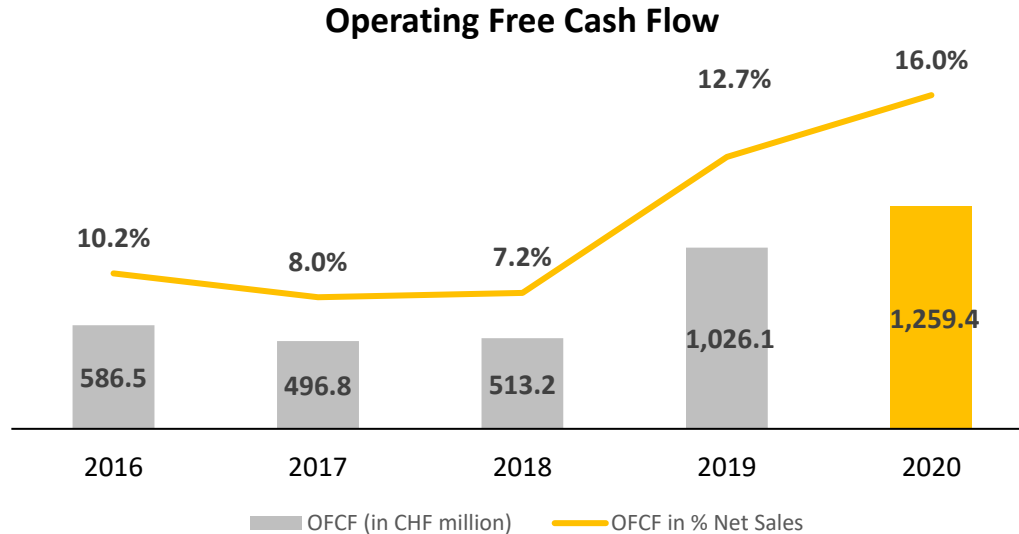
EBIT IMPROVEMENT 2020

STRATEGIC LEVERS DRIVING IMPROVEMENT



OPERATING FREE CASH FLOW DEVELOPMENT

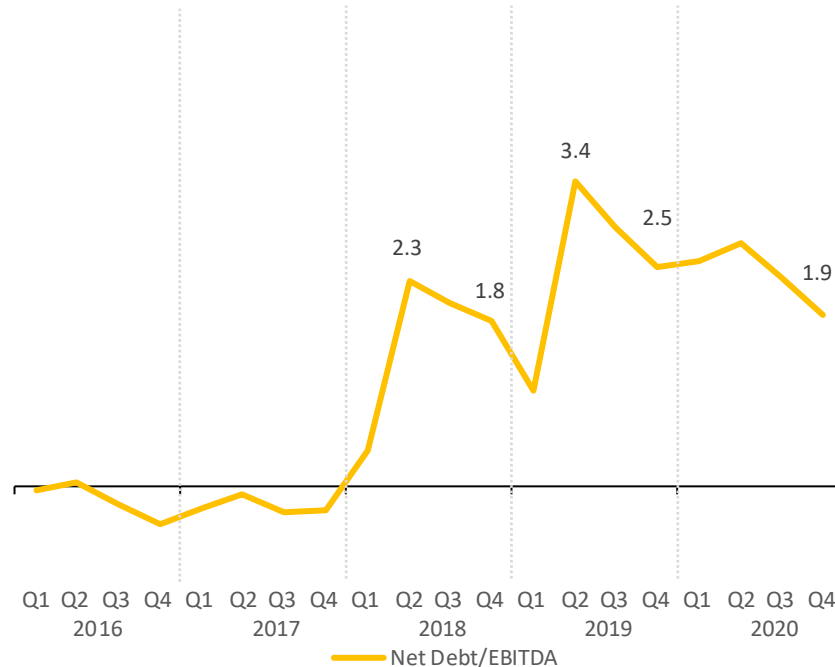
STRONG CASH CONVERSION



- 2020 operating free cash flow at 16.0% of sales
- Higher profitability and lower CapEx
- NWC reduction of CHF 124 million (vs. CHF 88 million decrease in previous year)

NET DEBT/EBITDA DEVELOPMENT (AS REPORTED)

STRONG DELEVERAGING PROFILE



- De-leveraging well on track
- Strong cash conversion in 2019/2020 led to significant leverage reduction from peak in 2019 (3.4x in June 2019)
- Net debt decreased by CHF 550 million in 2020
- 2020 Net Debt/EBITDA as well as FFO/Net Debt ratio fully commensurate with A- rating

3. RESILIENT GROWTH STRATEGY 2023

RESILIENT STRATEGY – MAJOR MEGATRENDS SUPPORTING GROWTH FURTHER ACCELERATION DESPITE PANDEMIC



Technological
Progress



Climate Change and
Scarcity of Resources



Urbanization



Demographic
Change



Dynamic
Economy

RESILIENT GROWTH STRATEGY 2023

STRATEGIC TARGETS CONFIRMED DESPITE PANDEMIC

SUSTAINABILITY

Market Penetration

Innovation

Operational Efficiency

Acquisitions

Values

6-8%
annual growth

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

25%
of sales with new
products

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

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

>25%
ROCE by 2023

12% CO₂ emission reduction per ton sold

RESILIENT GROWTH STRATEGY

ACCELERATED AUTOMATION IN THE BUILDING INDUSTRY

- Increasing demand for shorter construction time and shortage of qualified labor favors modular construction
- Sika is advancing modular construction with its products and solutions
- Limited CO₂ emission impact for population in urban and dense areas

+7% global
growth in
modular building

Up to **50%** time
saving over entire
construction period

Singapore is forerunner in modular building. In order to accelerate industrialization of construction, authorities explicitly require use of modular elements on sites.

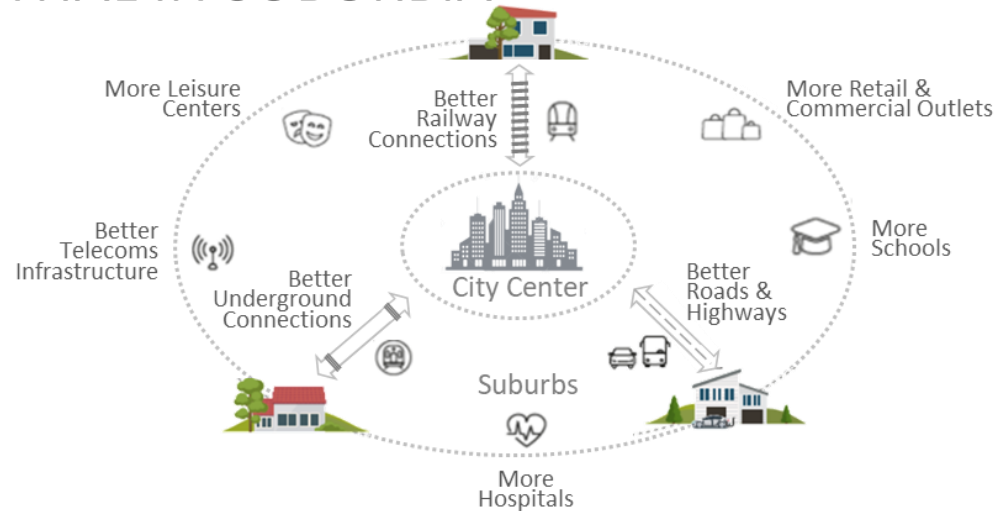


Avenue South Residences in Singapore, the world's highest building made of modular elements

RESILIENT GROWTH STRATEGY

UNLOCKING ADDITIONAL POTENTIAL IN SUBURBIA

- Urbanization trend to continue
- Big cities remain highly attractive, suburban centers are becoming more important in developed industrialized countries
- Need for housing and infrastructure facilities to increase in megacities and their suburbs
- Companies will not transition to 100% home office mid-term
- Even if less people will be working in office buildings, social distancing requirements will remain, and space will be needed



2050, **75%** of
the world's
population to live in
urban areas



RESILIENT GROWTH STRATEGY

CHF 10 TRILLION PLANNED STIMULI FOR CONSTRUCTION

- Extensive infrastructure programs stimulate economies around the globe
- Thanks to its expertise and product portfolio for new construction, refurbishment, and the e-vehicle sector Sika is ideally positioned to benefit from this growth potential
- Government initiatives in many countries lead to climate-related legislation

Investments in the areas of:

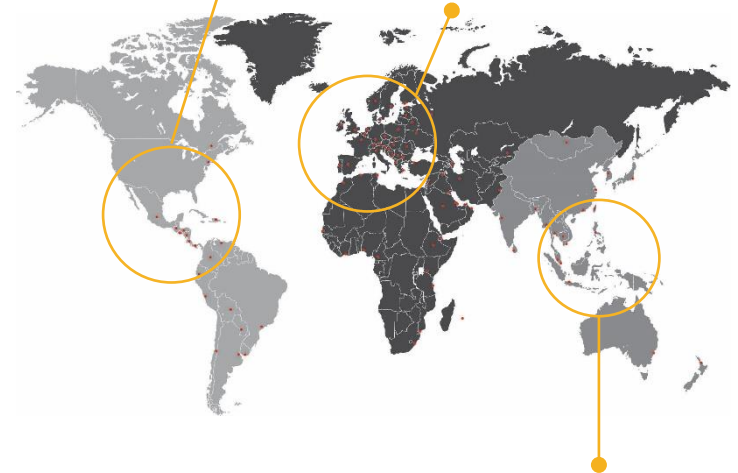
- Transportation infrastructure
- Urban development
- Bridges (full range of repair, strengthening, waterproofing, grouting, and protection solutions)
- Renewable energy (wind energy, benefit from various OEM on-shore grout validations)
- Mining
- Public buildings, such as hospitals and schools
- IT infrastructure, such as data centers (full range of roofing, waterproofing, fire protection, S&B, and flooring solutions)
- Water and sewage facilities (full range of repair, waterproofing, and protection solutions)

Americas stimulus programs

CHF 1 trillion

EMEA stimulus programs

CHF 750 billion



Asia/Pacific stimulus programs

CHF 8.6 trillion

4. SIKA AS ENABLER

SIKA AS ENABLER FOR A SUSTAINABLE FUTURE

Construction

40% of global CO₂ emissions attributable to construction and building sector

Automotive

Road traffic responsible for **fifth of global greenhouse gases**

Huge opportunity as potential for progress is immense

Sika offers the solutions and has the innovative strength to enable the necessary transformation



SIKA AS ENABLER

SAVING RESOURCES WITH INNOVATIVE ROOFING SOLUTIONS

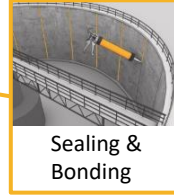
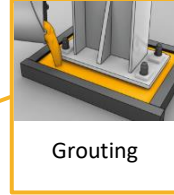
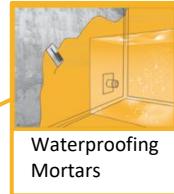
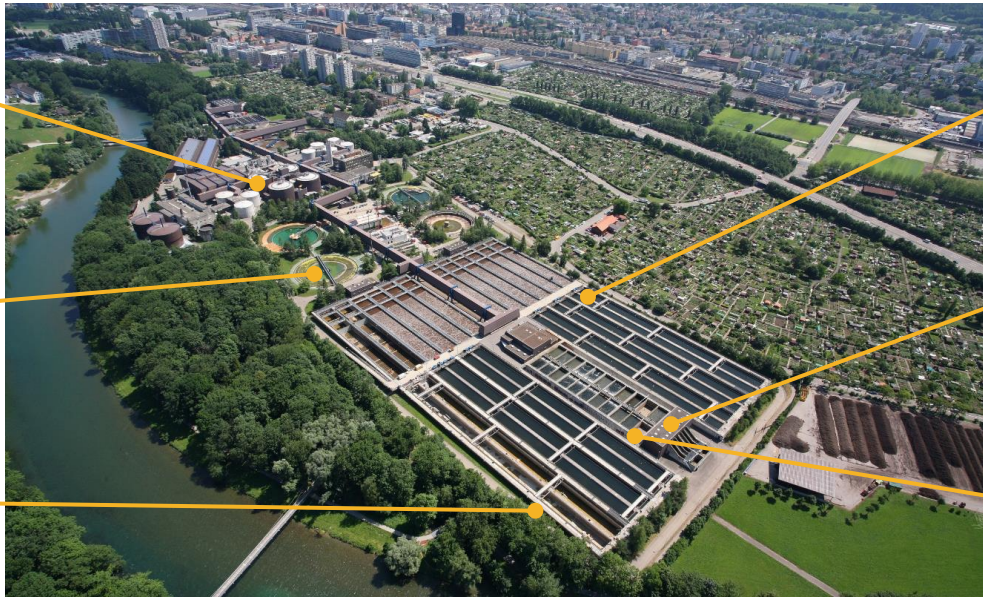
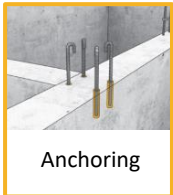
- Sika Sarnafil® AT is first *Cradle to Cradle Certified™* Membrane worldwide
- Recycling of roof membranes saves resources and reduces burden on climate
- Used roof membranes are retrieved and processed into granular material. Recycled material flows into production of new roofing materials.
- Circular economy and closing material cycles
- Specification in Green Building projects e.g. to reach LEED certification. Of increasing importance for both commercial and public construction.



SIKA AS ENABLER

CLEAN WATER FOR MILLIONS OF PEOPLE

- Demand for drinking water and wastewater treatment facilities is increasing rapidly
- Sika has innovative solutions to prevent leaks and protect water quality in these facilities – for new construction and maintenance
- Sika waterproofing systems are resistant to aggressive substances in wastewater treatment plants and make sure that no contamination takes place

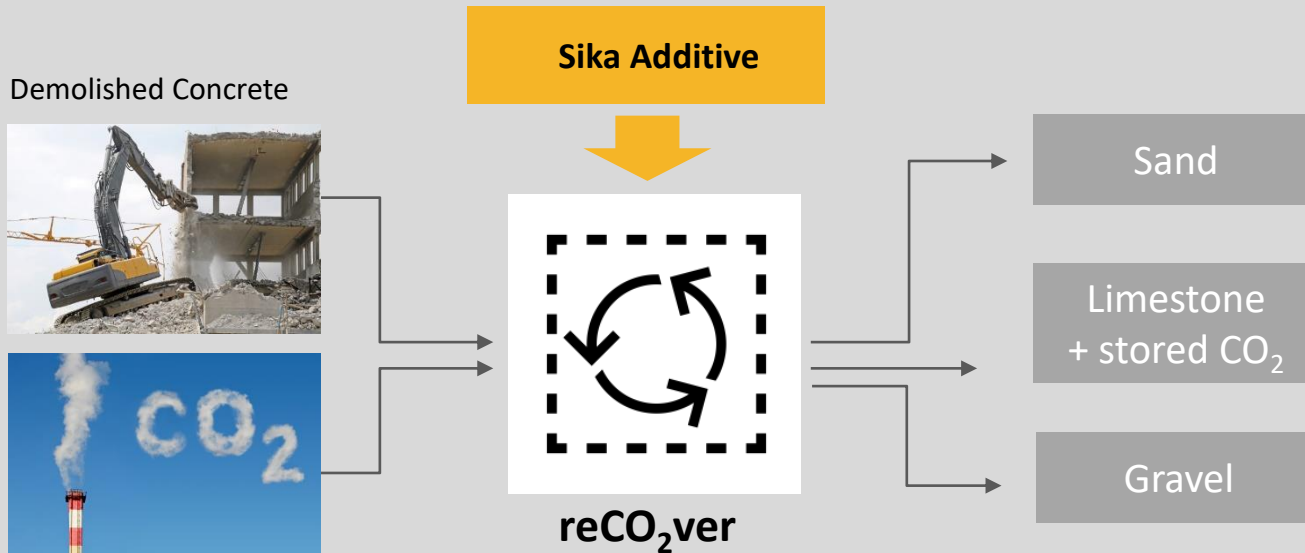


Ø 35%
of population
connected to a
sewage system
in emerging
markets

SIKA AS ENABLER

reCO₂ver – CONCRETE RECYCLING

Sika's new patented recycling process for old concrete



Sika's new recycling process for old concrete separates the components completely

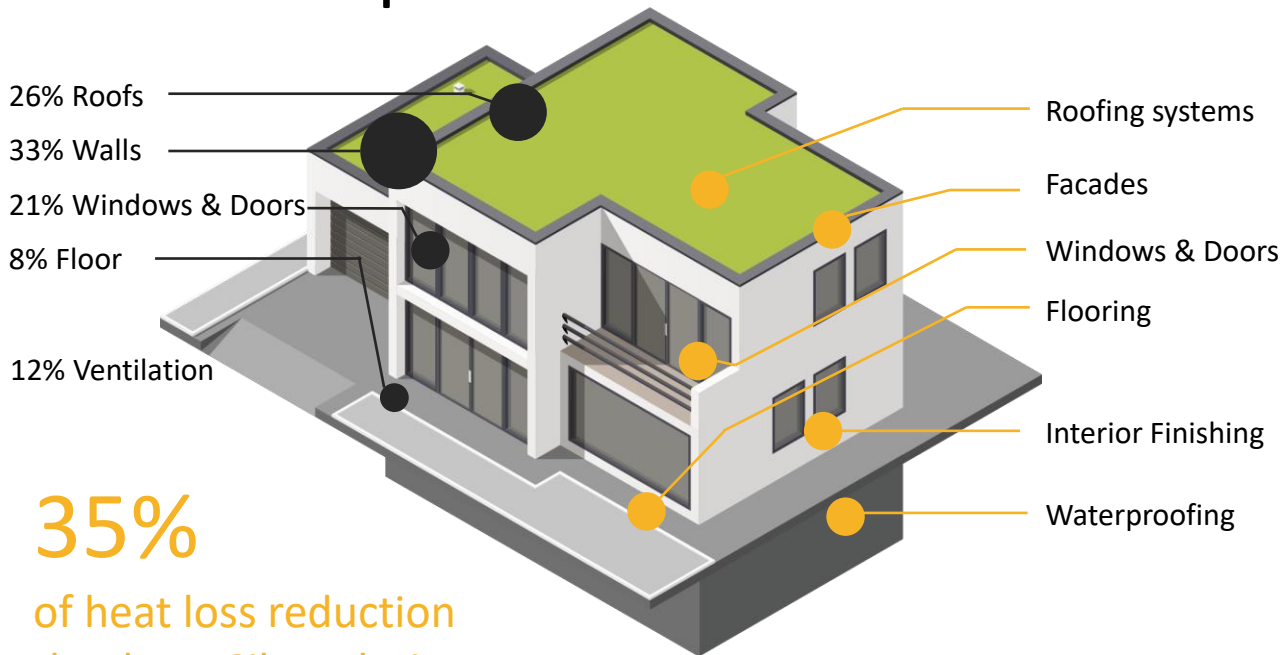
They can be re-used for new high-grade concrete

This further reduces environmental footprint of building structures and saves natural resources

SIKA AS ENABLER

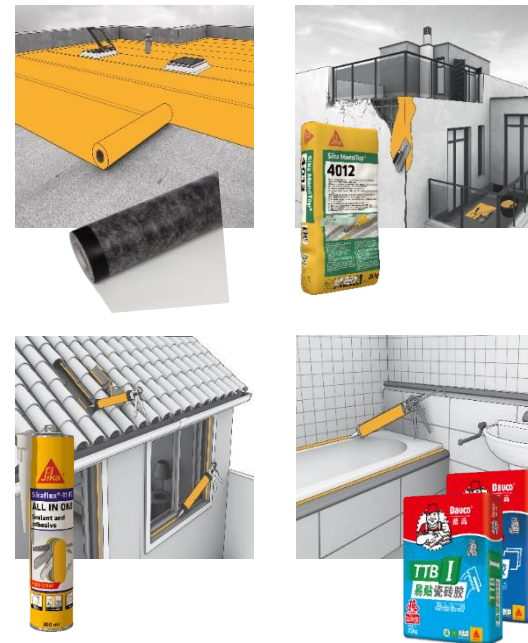
HEAT LOSS REDUCTION BY 35%

Where heat escapes



35%
of heat loss reduction
thanks to Sika solutions

Examples of Sika applications and products for sustainable buildings



COMMUNITY ENGAGEMENT

STRONG GLOBAL ENGAGEMENT DURING THE PANDEMIC

Education



Library Project, China

- 6th year
- Donation of over 94,000 books

Kovive Child welfare organization, Switzerland

- 235 beneficiaries

Infrastructure



Zona Cero, Chile

- Involvement in the project of the university
- Modular construction of hospitals

Water and climate



Rebuilding together, USA

- For over 10 years
- Sponsor of the community service day

+656.7%

direct beneficiaries of the Community Engagement Program

+22.8%

more community projects sponsored

1,119

working days of volunteering work by Sika employees

5. OUTLOOK

ANNUAL TARGET RAISED FOR FISCAL YEAR 2021

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Outlook for 2021 fiscal year
 - Double-digit sales growth in local currencies (to date: sales increase of 6%-8% in local currencies)
 - Over-proportional increase in EBIT, EBIT margin to reach 15% for the first time
- Confirmation of 2023 strategic targets for sustainable, profitable growth



THANK YOU FOR YOUR ATTENTION

FORWARD-LOOKING STATEMENT

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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