



RECORD YEAR 2021 IN SALES WITH GROWTH OF 17.1% IN LC – SIKA TO ACQUIRE MBCC GROUP TO DRIVE GROWTH AND SUSTAINABILITY

SIKA INVESTOR PRESENTATION
JANUARY 11, 2022

BUILDING TRUST



1. HIGHLIGHTS SALES 2021

ON TRACK TO MEET AMBITIOUS TARGETS

SALES GROWTH IN LOCAL CURRENCIES OF 17.1%

HIGHLIGHTS SALES 2021

1. Sales

- Sales growth of 17.1% in local currencies. Sales of CHF 9.24 billion (17.3% in CHF)
- Organic growth of 15.1%

2. Key investments

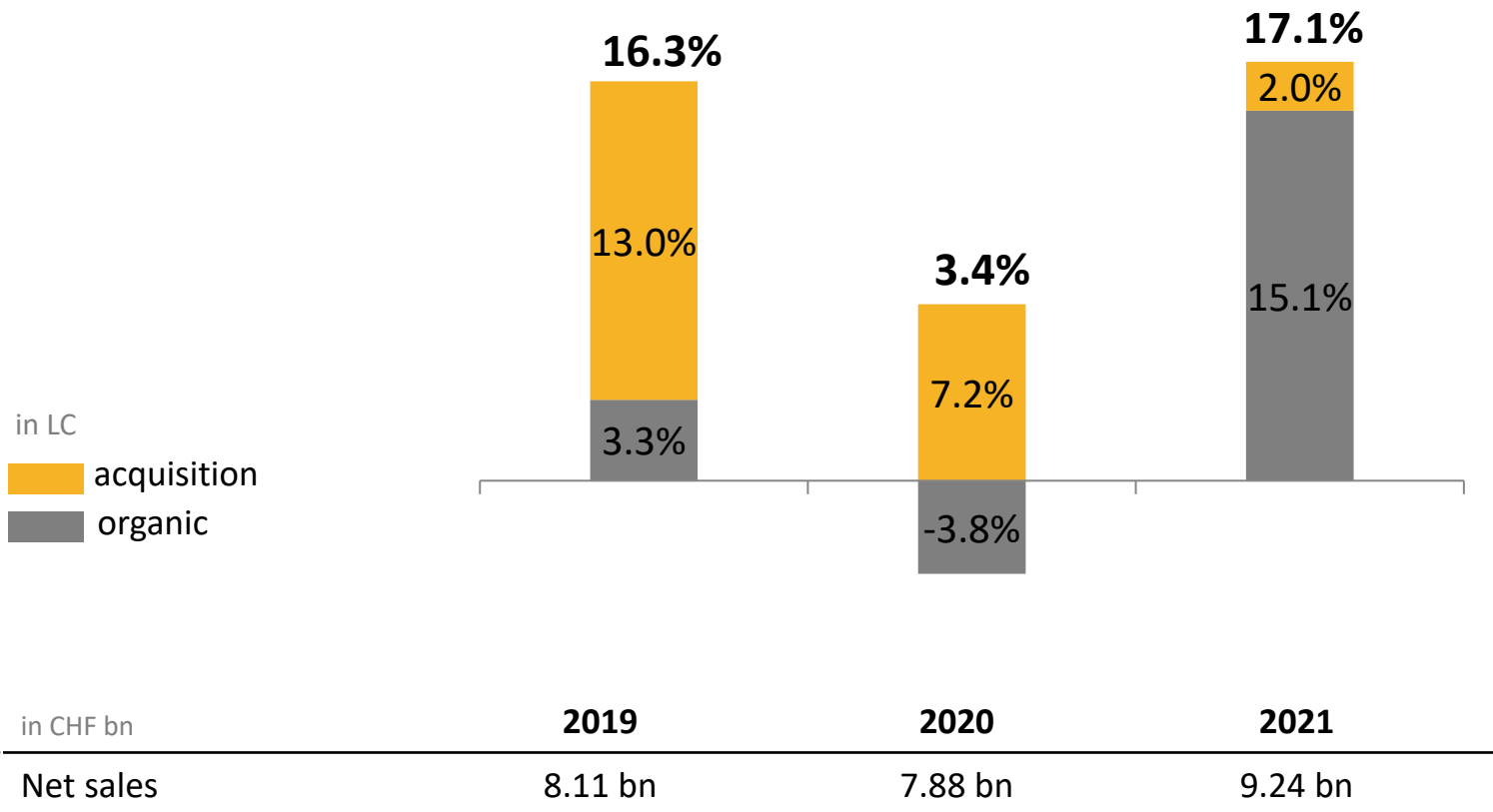
- Establishment of a new national subsidiary in Ghana
- Expansion of production sites in Stockholm (Sweden) and Doha (Qatar), commissioning of new production sites in Jiaxing City (China) and Pune (India),
- Seven acquisitions closed: Kreps (Russia), DriTac (USA), BR Massa (Brazil), Hamatite (Japan), American Hydrotech (USA), Bexel (Mexico), and Landun (China)
- Signed a definitive agreement to acquire MBCC Group

3. Outlook and Strategy

- For 2021, Sika is anticipating an over-proportional increase in EBIT and an EBIT margin of 15%
- Confirmation of 2023 strategic targets for sustainable, profitable growth

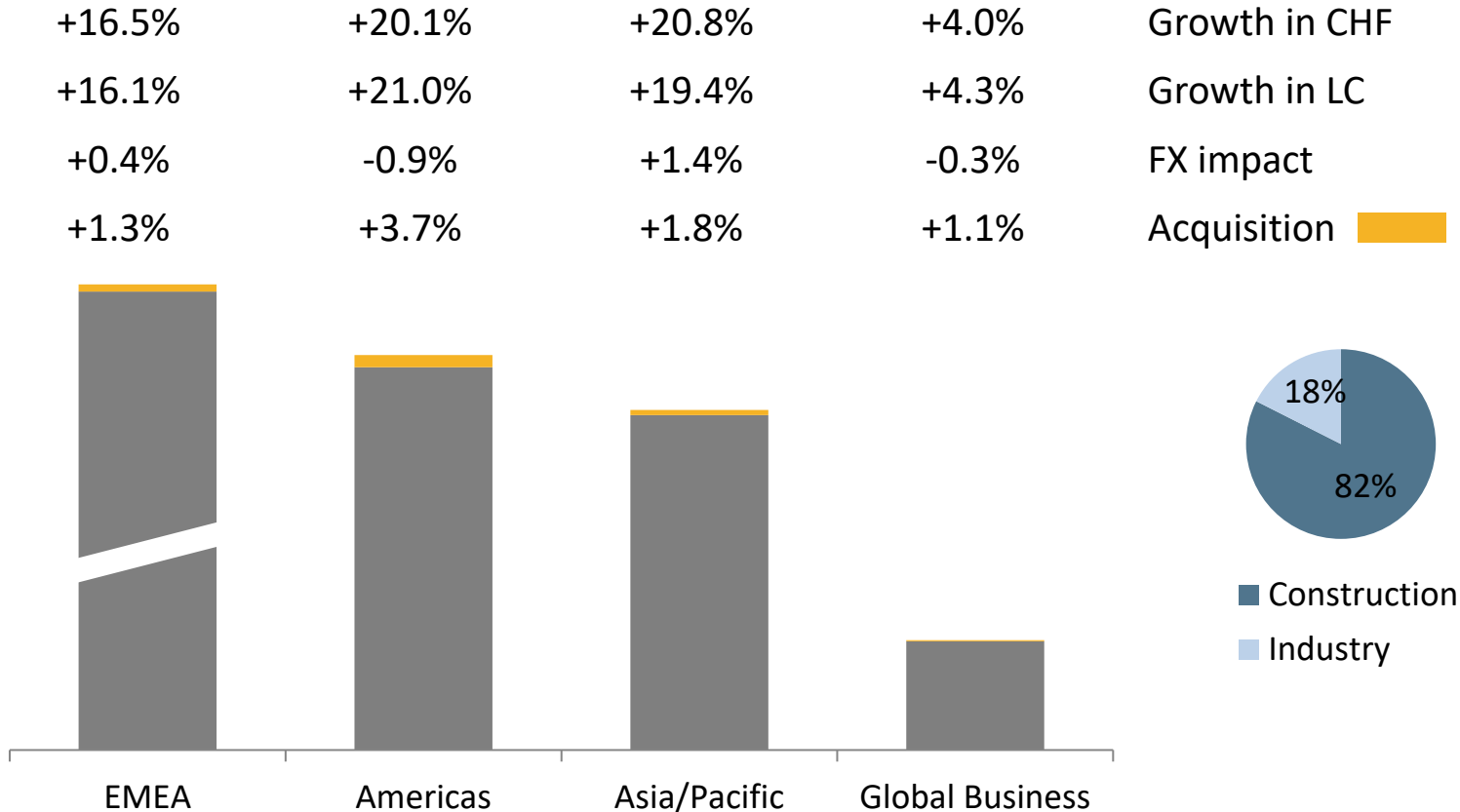
SALES GROWTH IN LOCAL CURRENCIES OF 17.1%

ORGANIC INCREASE OF 15.1%



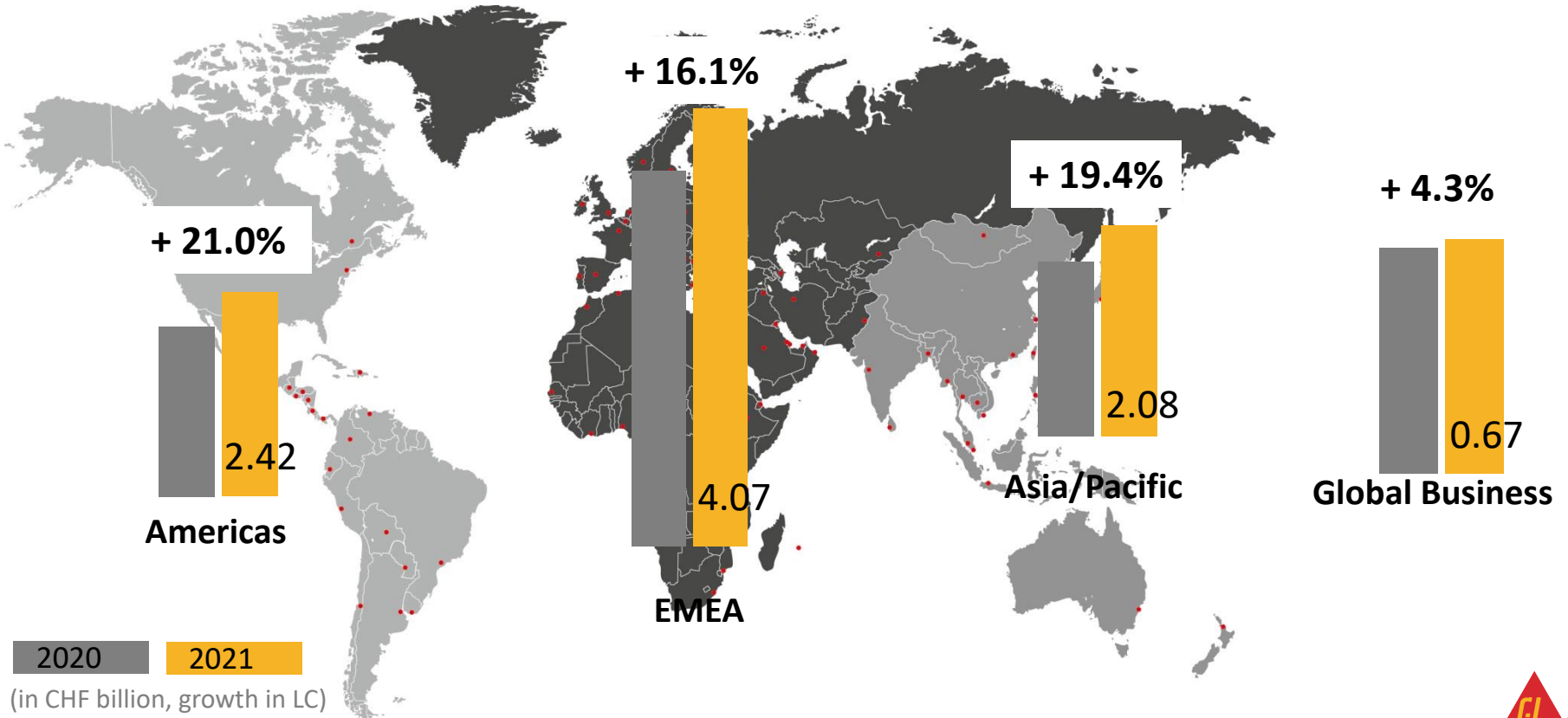
OVERVIEW SALES FULL YEAR 2021

MARKET SHARE GAINS IN ALL REGIONS



SALES GROWTH OF 17.1% IN LOCAL CURRENCIES FOR 2021

MARKET SHARE GAINS IN ALL REGIONS



RECORD SALES FOR 2021

REALIZED ACQUISITIONS

Acquisition of Kreps, Russia
(February 2021)



Acquisition of BR Massa, Brazil
(March 2021)



Acquisition of DriTac, USA
(March 2021)



Acquisition of Hamatite, Japan
(April 2021)



Acquisition of American
Hydrotech, North America (July
2021)



Acquisition of Bexel, Mexico
(August 2021)



Acquisition of Landun, China
(August 2021)



Sika to acquire MBCC Group
(November 2021)

MBCC GROUP

RECORD SALES FOR 2021

ADDITIONAL KEY INVESTMENTS

Establishment of new national subsidiary

Sika Ghana

Accra, November 2021

Opening of Sika plants

Expansion of production site in Sweden

Stockholm, February 2021

Expansion of production site in Qatar

Doha, April 2021

Commissioning of new production site in China

Jiaxing City, November 2021

Commissioning of new production site in India

Pune, December 2021



Expanded production site, Qatar



New production site, China



New production site, India

2. SIKA TO ACQUIRE MBCC GROUP TO DRIVE GROWTH AND SUSTAINABILITY

MBCC GROUP AT A GLANCE

A LEADING COMPANY IN CONSTRUCTION CHEMICALS WORLDWIDE

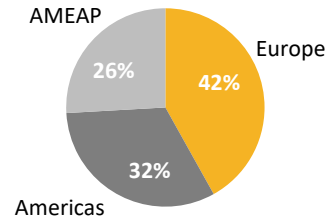
Key Facts

- MBCC Group is a global manufacturer of construction chemicals including concrete admixtures, tile adhesives, flooring systems, waterproofing systems, and PU sealants
- The company operates via two core business segments:
 - **Admixtures Systems** (ready-mix, site-mix, precast & manufactured concrete products, cement additives, underground construction)
 - **Construction Systems** (cementitious mortars, concrete repair & protection, flooring systems, tile adhesives, waterproofing systems, sealants)
- Headquartered in Mannheim, Germany

Key Figures

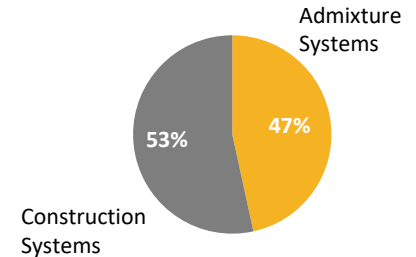
CHF 2.9bn

Sales By Region



7,500
Employees

Sales By Segment



130

Production Sites

>60

Countries

MBCC GROUP AT A GLANCE

PORTFOLIO OF STRONG BRANDS AND PRODUCTS IN KEY COUNTRIES

Segments

Construction Systems



- Tile fixing & floor laying
- Performance flooring
- Waterproofing
- Repair & protect
- Sealants
- Performance grouts
- Specialities

Admixture Systems



- Concrete production
- Concrete placing and hardening
- Building lifetime expansion
- Underground construction

Main Brands

**MASTER®
BUILDERS**
SOLUTIONS

*Watson
Bowman
Acme*

UCRETE®

PCI®
Für Bau-Profis


THERMOTEK

**MASTER®
BUILDERS**
SOLUTIONS

Top 10 countries



USA



Germany



Japan



China



Canada



France



Mexico



Italy



Russia

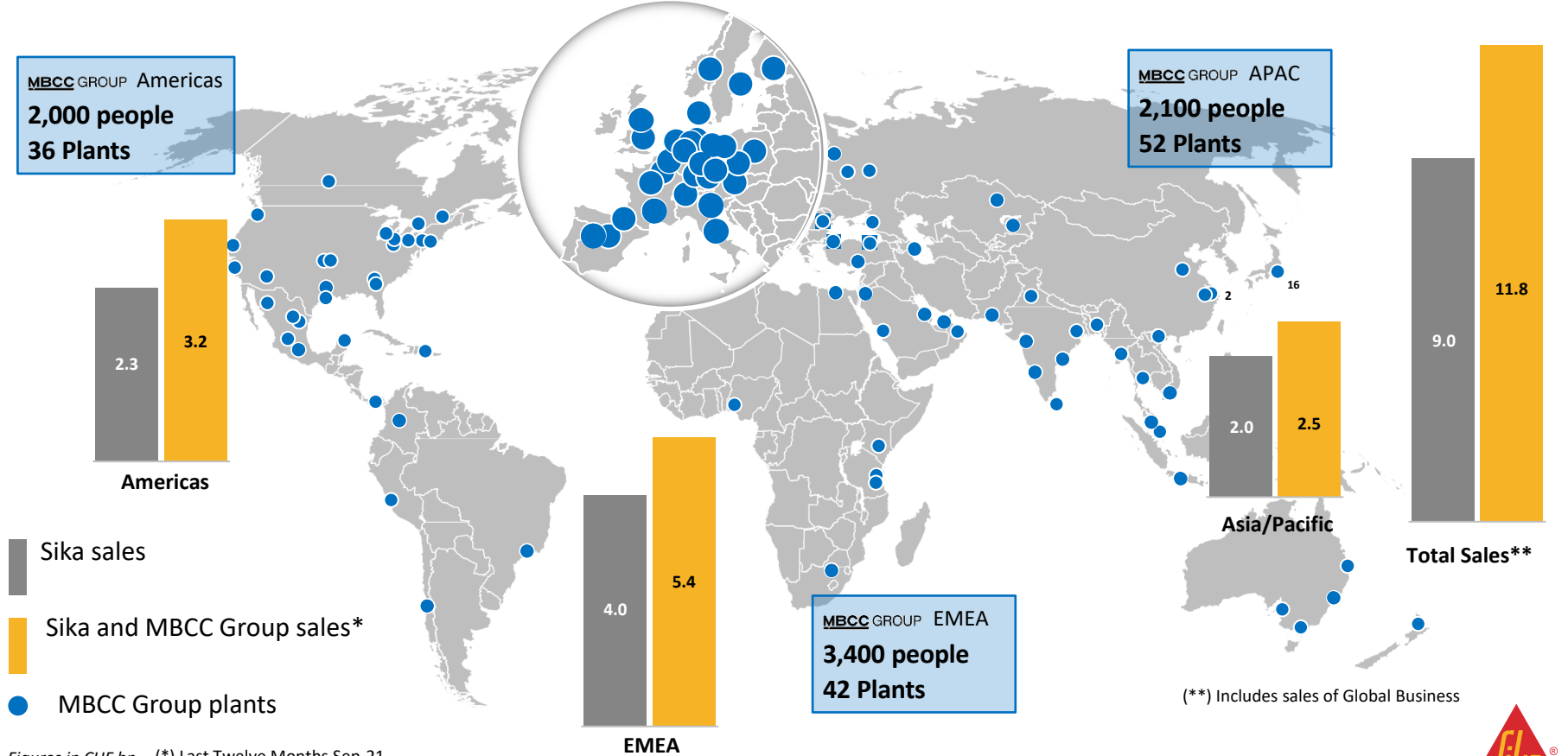


Turkey

3. ACQUISITION IS HIGHLY COMPLEMENTARY

STRENGTHENING FOOTPRINT ACROSS ALL REGIONS

SIKA TO REACH SALES IN EXCESS OF CHF 13 BN IN 2023

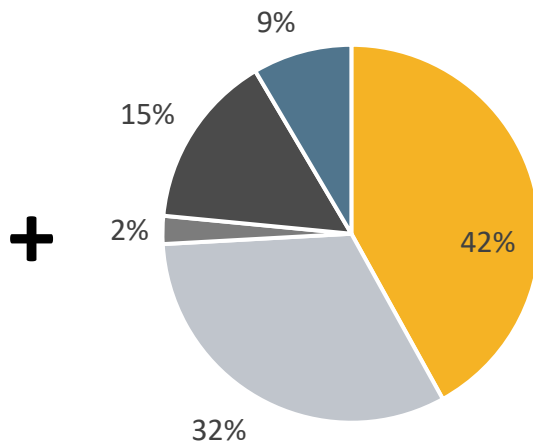
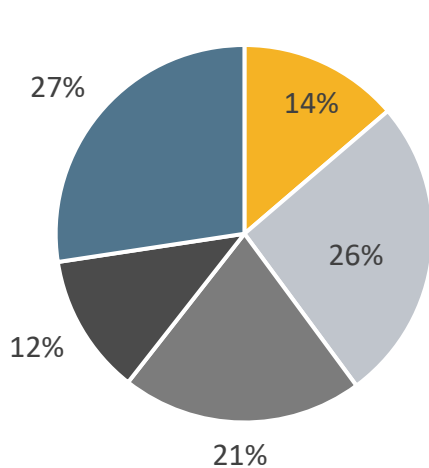


Figures in CHF bn (*) Last Twelve Months Sep-21

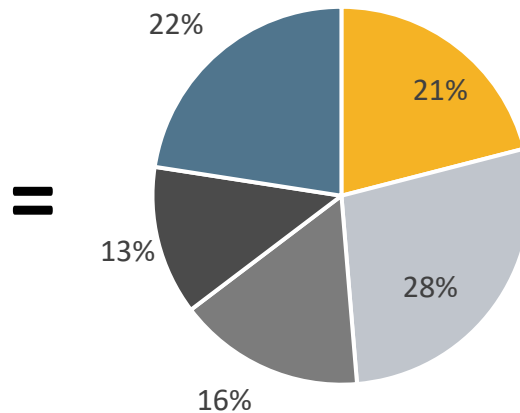
MBCC GROUP ALIGNS WELL WITH SIKA'S 5 CORE TECHNOLOGIES

ACQUISITION ADDS TO TECHNOLOGY MIX

■ Concrete Systems
 ■ Cementitious Systems
 ■ Thermoplastics Systems
 ■ Coating Systems
 ■ Adhesive Systems



MBCC GROUP



Pro-forma

SEVEN OF EIGHT TARGET MARKETS WILL PROFIT FROM ACQUISITION

ALL TARGET MARKETS ACHIEVING SALES BETWEEN CHF 1-2 BILLION

Concrete

Extension of product portfolio with tunneling products and unique accelerator technology (MasterX-seed)



Waterproofing

Increased access to tunneling for Sika's membranes due to MBCC Group's strong position in underground construction



Roofing

Addition of bituminous membranes and liquid applied membranes mainly in Mexico



Flooring

Addition of strong Ucrete brand and product range to portfolio



Sealing & Bonding

Improved position in facade sealants and floor covering solutions



Engineered Refurbishment

Strengthening of Sika's product range with MasterEmaco (Repair mortars) and Masterflow (Grouts) products



Building Finishing

Further improvement in tile setting (mainly DACH) and facade position (mainly North America)



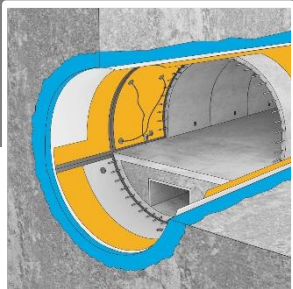
Industry



SIKA AND MBCC GROUP

COMPLEMENTARITY IN MANY WAYS

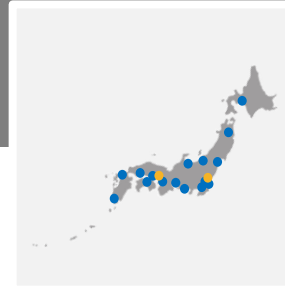
Complementarity in many countries, regions, and product ranges. Combination will lead to a very balanced offering. Customers will benefit from a stronger solution portfolio and an enhanced and more efficient distribution network across all construction markets.



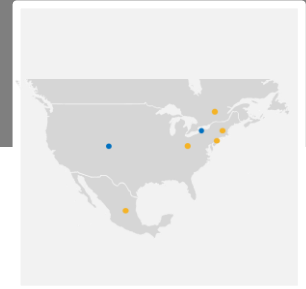
Solutions



Channel



Geography



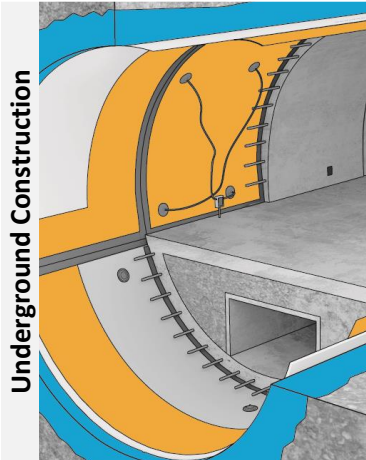
Supply Chain

SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY

COMBINED PRODUCT RANGE COVERS WIDER SET OF PROJECT NEEDS

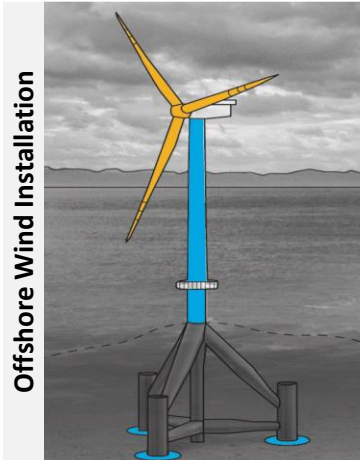
Sikaplan

PVC membrane for waterproofing and other waterproofing products



SikaPower

epoxy-based toughened adhesive to produce extra-long blades



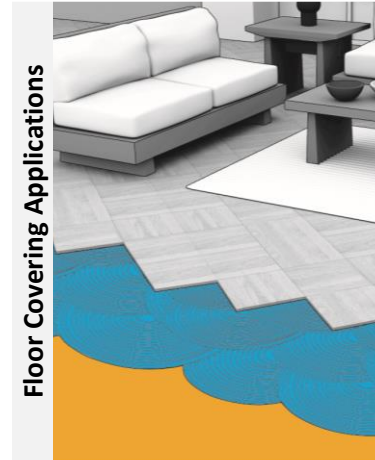
Sika

admixture and solutions for concrete incl. Sika ViscoCrete, reCO2ver



Sikafloor

self-leveling screeds for both new build and renovation applications



MBCC UGC

products for shotcrete, fibers, injections

MasterFlow

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

MBCC

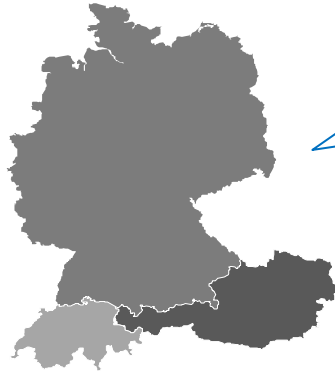
range of admixtures incl. Glenium Superplasticizers, MasterEase, MasterX-Seed

MBCC

adhesives for both wood floor and luxury vinyl tile

SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY

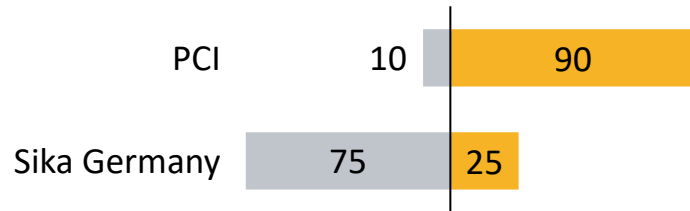
EXAMPLE DISTRIBUTION STRENGTHS IN DACH REGION



MBCC Group
strength in
distribution business
PCI

PCI as accelerator for Sika's DACH distribution business

- Sika sells primarily through specialty distributors
- PCI with strong position in **Builders' Merchants and Home Centers**
- Sika to increase presence across all distribution categories
- PCI strong brand with good reputation among end users



■ Direct sales (%) ■ Distribution sales (%)



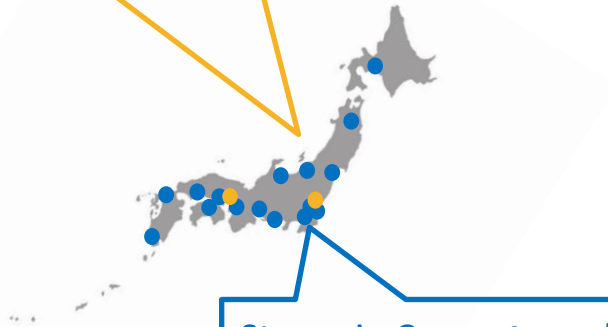
SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY STRENGTHENED PRODUCT RANGE IN MANY COUNTRIES

1

Example: Japan



Strong in **Sealing & Bonding** and
Roofing



Strong in **Concrete** and
Eng. Refurbishment

MASTER®
» BUILDERS
SOLUTIONS

- Sika admixture plants
- MBCC Group admixture plants

2

Example: Mexico



Strong in **Concrete, Roofing, Eng.**
Refurbishment and **Building Finishing**



Strong in
Waterproofing

THERMOTEK
PROTEGE LO QUE MÁS QUIERES

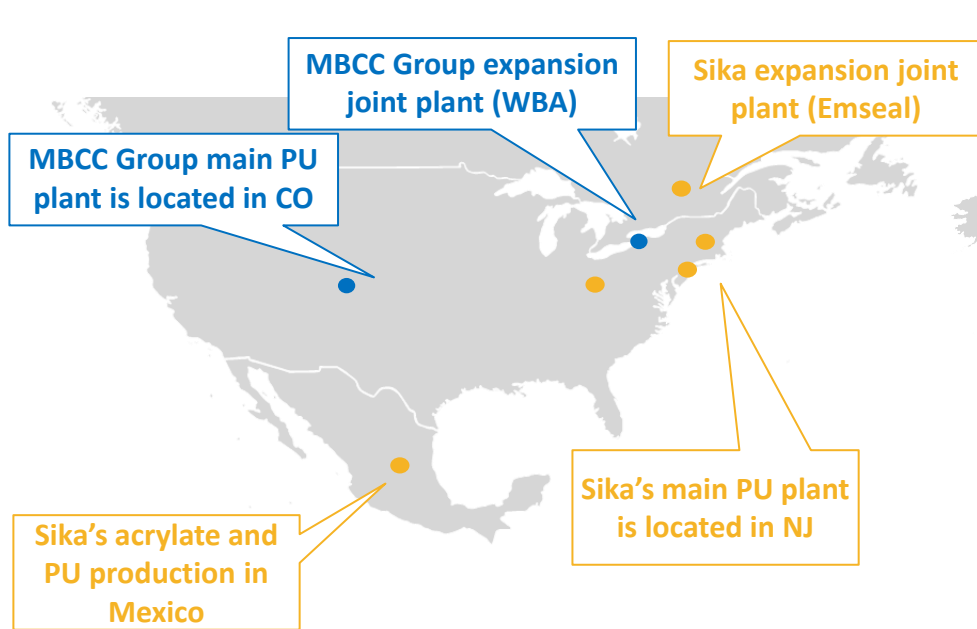
- Sika waterproofing plants
- MBCC Group waterproofing plants

SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY

INCREASED CUSTOMER PROXIMITY – PRODUCTION OF WIND GROUTS

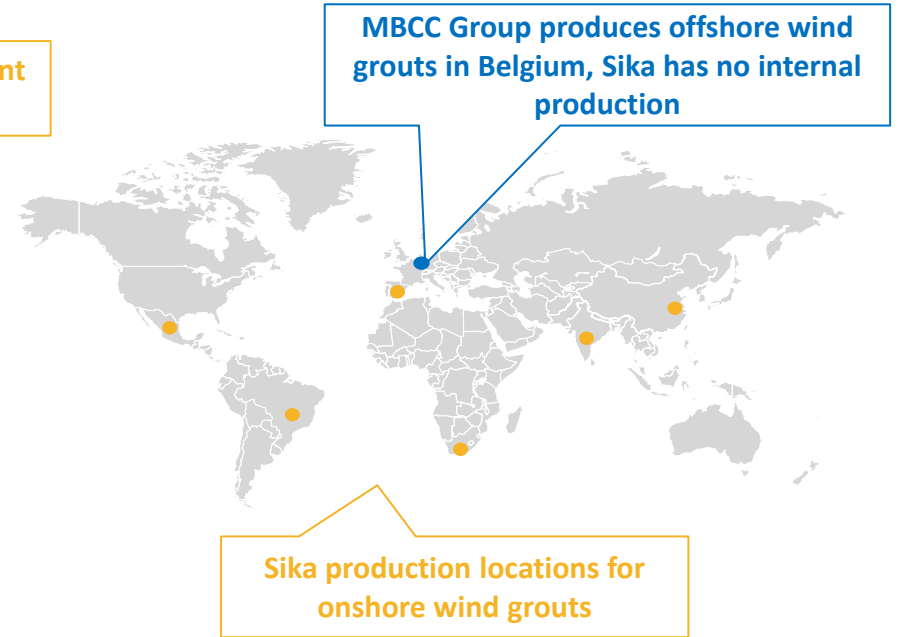
1

Supply Chain Joint Solutions



2

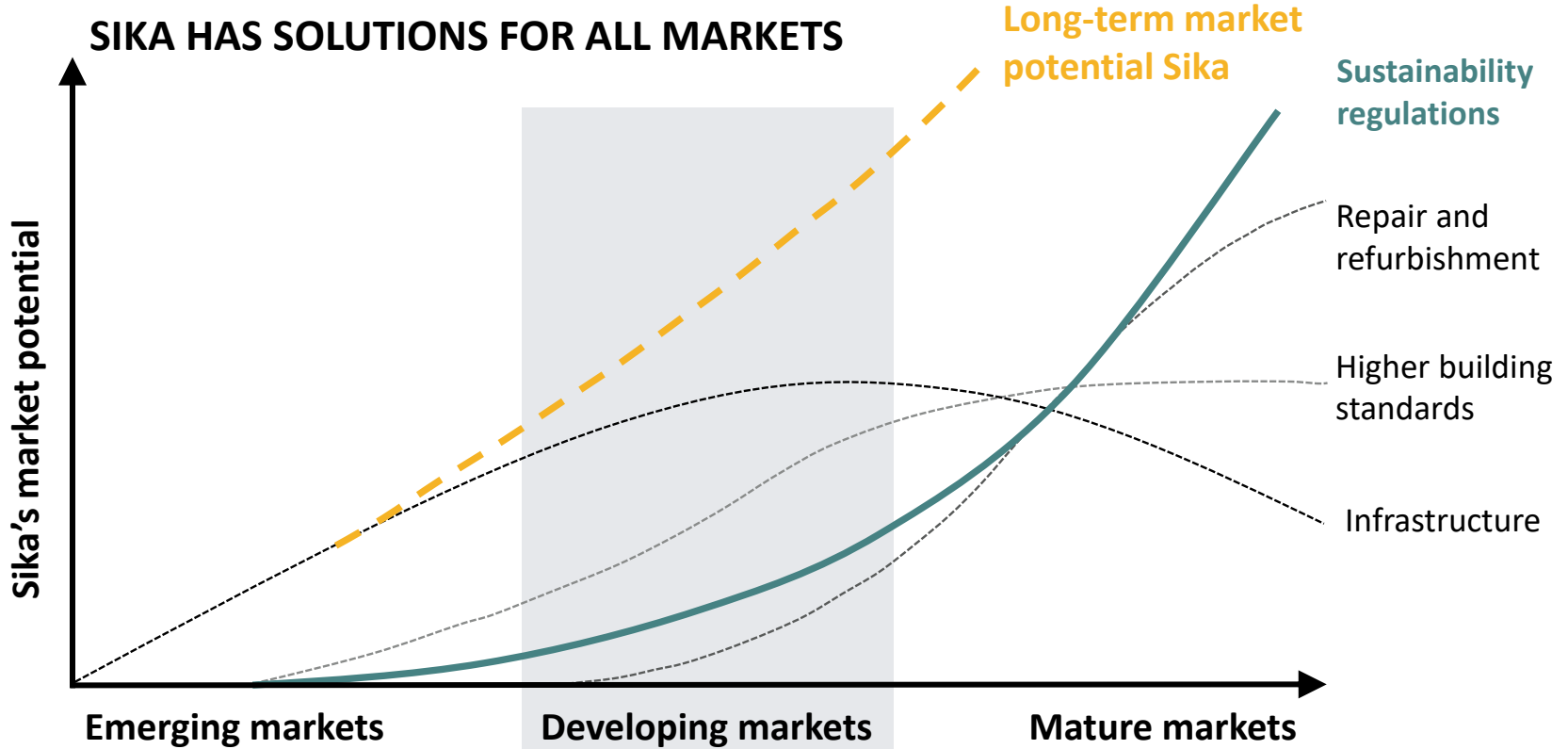
Supply Chain Wind Grouts



4. WORKING TOGETHER FOR A SUSTAINABLE FUTURE

SUSTAINABILITY REGULATIONS TO BOOST SIKA'S GROWTH MODEL

STRONG LONG-TERM MARKET POTENTIAL FOR SIKA




SIKA REINFORCES POSITION AS SUSTAINABILITY CHAMPION

“WORKING TOGETHER FOR A SUSTAINABLE FUTURE”



BUILDING TRUST **Sika** *SikaCeram*

Sika has improved formulations of tile adhesives allowing for a **35% reduction of clinker and CO₂**



MASTER BUILDERS SOLUTIONS *MasterTop*

MBCC Group **flooring systems drive cost efficiency**, enabling up to 7% lower lifecycle cost and increased service life of up to 50 years



BUILDING TRUST **Sika** *Sika reCO₂ver*

Sika has developed a recycling process to allow **demolished concrete to sequester CO₂** and be separated into its original components



MASTER BUILDERS SOLUTIONS *Master X-Seed*

MBCC Group **enables significant CO₂ reductions and cost savings** through formulation optimization, 50% faster curing time and lower curing temperatures

Complementary portfolios enhance sustainable product offering to our global customer base

SIKA REINFORCES POSITION AS SUSTAINABILITY CHAMPION

“WORKING TOGETHER FOR A SUSTAINABLE FUTURE”



Through the combination, we will reinforce our complementary range of sustainable products and services across the entire construction life cycle for the benefit of customers, employees, shareholders, and coming generations.

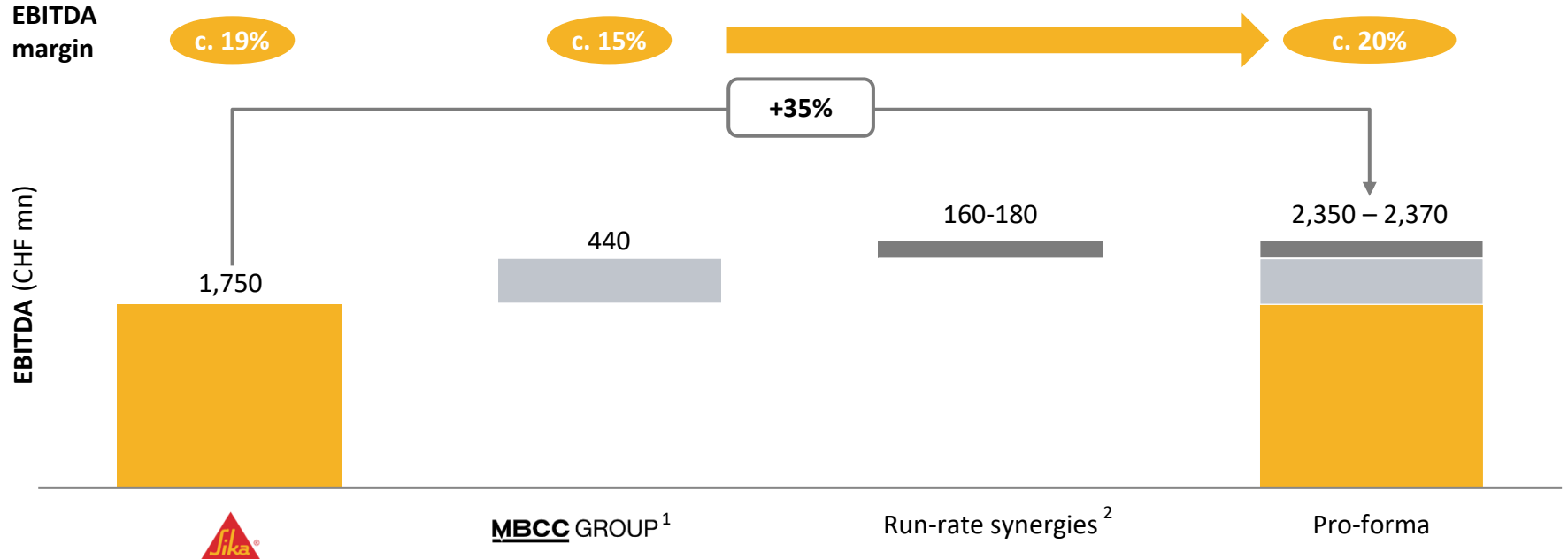
5. VALUE CREATION AND FINANCIAL CONSIDERATIONS

FINANCIAL CONSIDERATIONS

- Financial parameters
 - Enterprise value of CHF 5.5 billion (EUR 5.2 billion)
 - Annual synergies of CHF 160 – 180 million
 - 11.5x EV / 2022E pro-forma EBITDA; 8.5x EV / EBITDA incl. full run-rate synergies
 - EPS accretive as of first full financial year post closing
- Financing
 - Fully committed bridge loan facility
 - Long-term funding over combination of cash-on-hand, bank loans, and capital market instruments
 - Commitment to maintain strong investment grade rating (A-)

FINANCIAL BENEFITS FROM TRANSACTION

SYNERGIES TO DRIVE SUSTAINABLE MARGIN ENHANCEMENT



1) Pro-forma Sept 21 run-rate

2) Full run-rate synergies (EBITDA contribution) once fully phased in

REVENUE AND COST SYNERGIES

EXPECTED RUN-RATE SYNERGIES OF CHF 160-180 MN BY 2025

Revenue Synergies to Better Serve Our Customers

- Additional revenue synergies expected to be realized through customer proximity and enhanced supply chain
- Strong cross-selling opportunities of products and solutions in multiple geographies and channels
- The acquisition will reinforce Sika's sustainability capabilities

Cost Synergies

- Economies of scale in procurement, formulation efficiency
- Enhanced efficiency in supply chain & logistics
- Operating leverage and increased efficiency in SG&A

- Expected run-rate synergies of CHF 160-180 mn p.a. expected by 2025
- Synergies expected to ramp-up over coming years
- Expected costs to realize synergies of CHF 200 mn over next three years

SUMMARY

ACQUISITION ACCELERATES SIKA'S GROWTH STRATEGY

- The combined company will drive the sustainability transformation of the construction industry further and faster. It will focus on new product improvements and will be a key enabler for sustainable solutions.
- Transaction is highly complementary and adds to Sika's offerings in four of five core technologies and seven of eight Sika Target Markets
- Value enhancing acquisition with EV of CHF 5.5 billion, representing a 11.5x EV/pro forma 2022E EBITDA multiple with expected annual synergies of CHF 160 – 180 million bringing the multiple down to 8.5x EV/EBITDA
- Acquisition is accretive to Sika's earnings per share from the first full year post closing
- The acquisition is subject to regulatory approval. Sika is confident it will obtain all clearances and will actively engage with the authorities. Expected closing in second half of 2022

6. OUTLOOK

OUTLOOK

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Confirmation of 2023 strategic targets for sustainable, profitable growth
- For 2021, Sika is anticipating an over-proportional increase in EBIT and an EBIT margin of 15%



THANK YOU FOR YOUR ATTENTION

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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:

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- 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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