



OUR FIRST HALF-YEAR 2023

SIKA WITH SALES UP BY 7.9% – CONSOLIDATION OF MBCC ACQUISITION –
PROFIT EXPECTATIONS FOR 2023 CONFIRMED

SIKA INVESTOR PRESENTATION
BAAR, AUGUST 4, 2023

BUILDING TRUST



1. OUR FIRST HALF-YEAR 2023
2. EXECUTION AND BENEFITS OF MEGATRENDS
3. SUCCESSFUL CLOSING OF MBCC ACQUISITION
4. OUTLOOK

1. OUR FIRST HALF-YEAR 2023

SALES UP IN LOCAL CURRENCIES BY 7.9% – CONSOLIDATION OF MBCC ACQUISITION –
PROFIT EXPECTATIONS FOR 2023 CONFIRMED

RESULTS IN THE FIRST HALF OF 2023

GROWTH IN LOCAL CURRENCIES OF 7.9%

1. Sales and profit

- Sales growth of 7.9% in local currencies. Record sales of CHF 5,345.5 million (+1.8% in CHF)
- Expansion of material margin to 52.7% (first half of 2022: 49.4%)
- Increase in EBIT margin adjusted for acquisition-related costs to 14.0% (first half of 2022: 13.4%)
- EBIT adjusted for one-time M&A effects CHF 749.9 million (+6.9%)
- Operating free cash flow significantly increased to CHF 316.5 million (2022: CHF 39.7 million)

2. Key investments

- Two acquisitions: completion of the acquisition of MBCC Group and acquisition of Thiessen Team, USA
- One new mortar and concrete plant opened in Eastern India

3. Outlook and strategy

- Continuation of the strategy execution built on sustainable and profitable growth
- Sales increase in local currencies of above 15%, including MBCC
- Over-proportional increase in EBIT confirmed, excluding MBCC

HIGHLIGHTS 2023

COMPLETION OF MBCC ACQUISITION



**Closing of the acquisition
of MBCC Group
(May 2023)**

MBCC GROUP



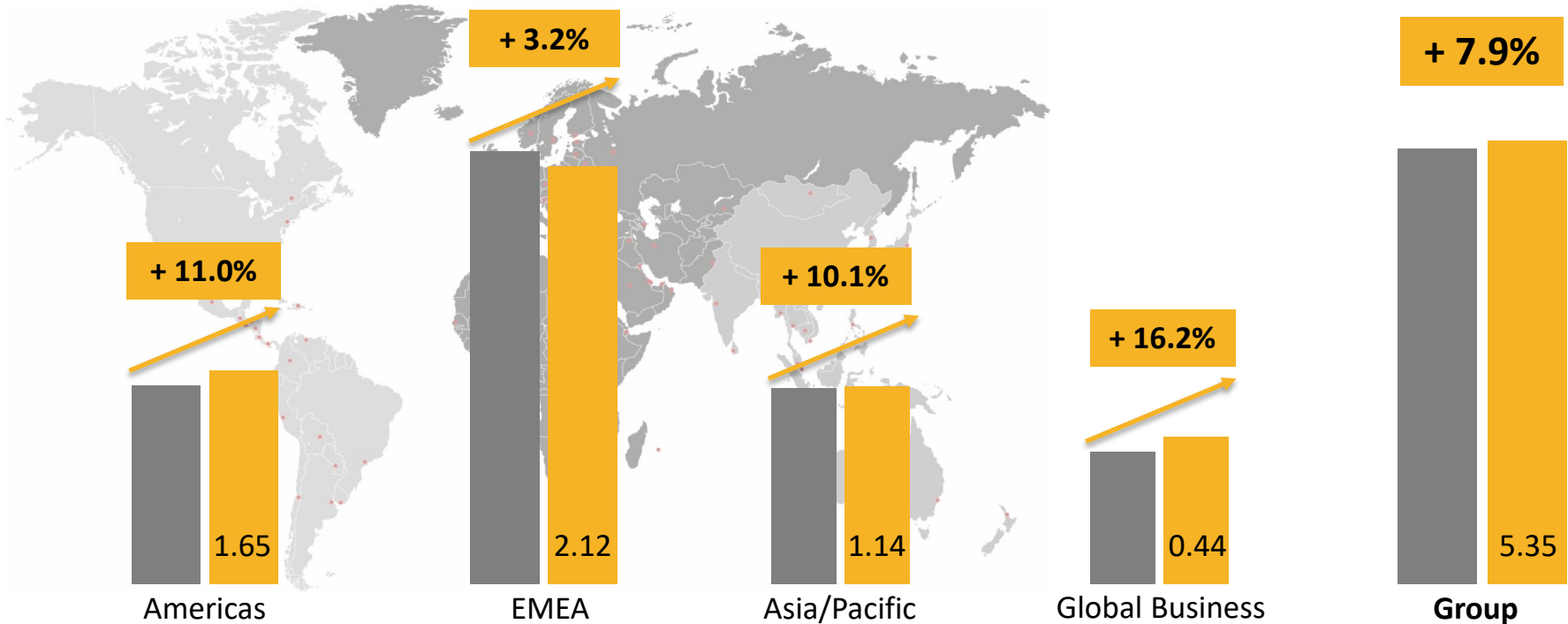
**Acquisition of
Thiessen Team USA
(July 2023)**



**Opening of a new mortar
and admixture plant in
Eastern India
(June 2023)**

HIGHLIGHTS FIRST HALF-YEAR 2023

SALES GROWTH IN LOCAL CURRENCIES ACROSS ALL REGIONS



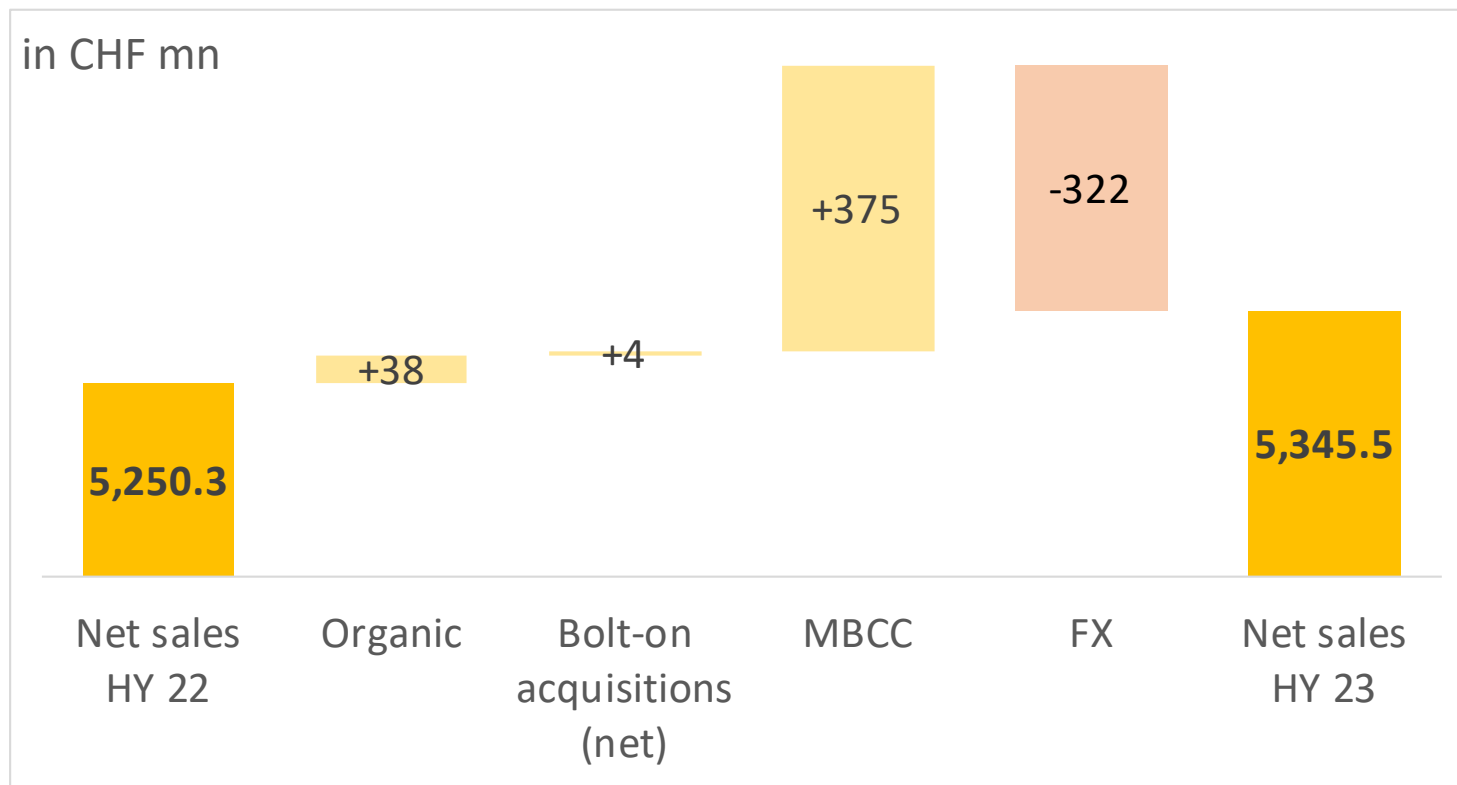
HY 2022

HY 2023

(in CHF billion, growth in LC)

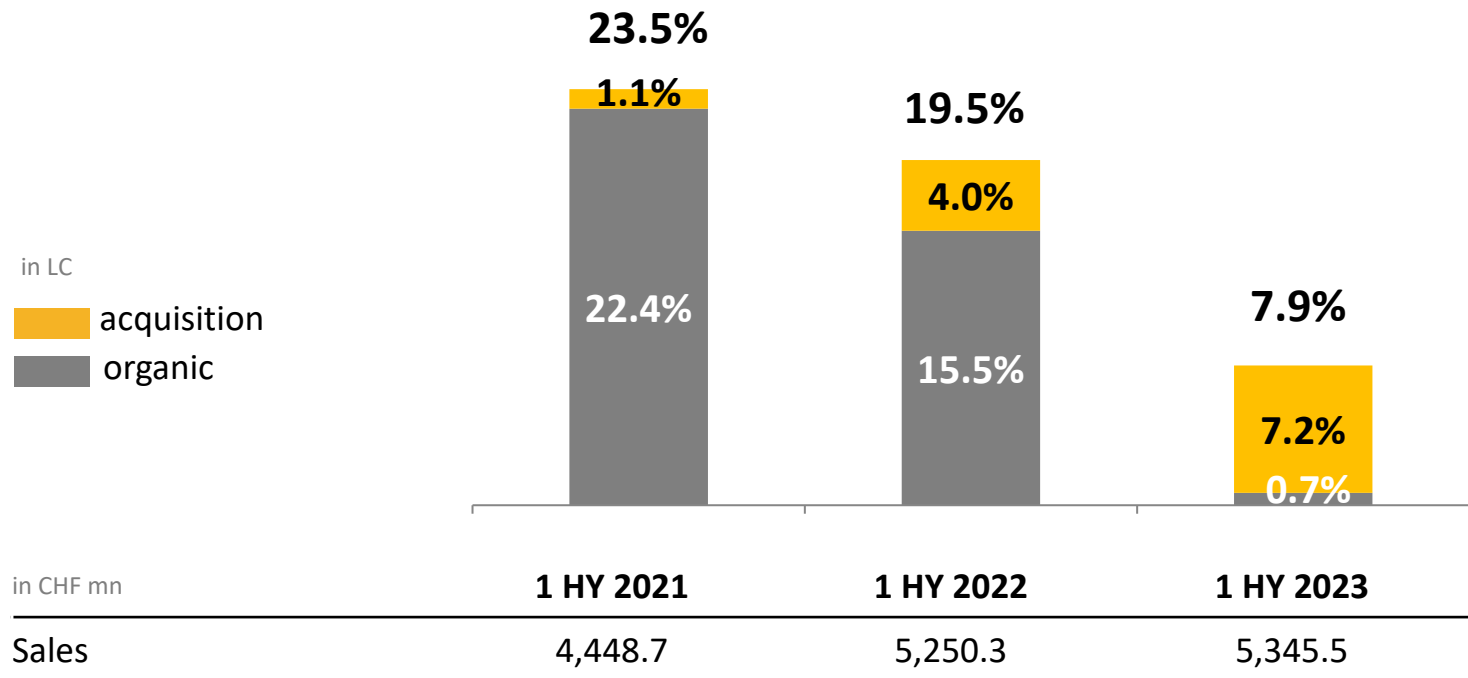
SALES GROWTH FIRST HALF-YEAR 2023

MBCC AS SIGNIFICANT CONTRIBUTOR – HIGH FX IMPACT




SALES GROWTH FIRST HALF-YEAR 2023

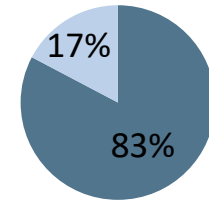
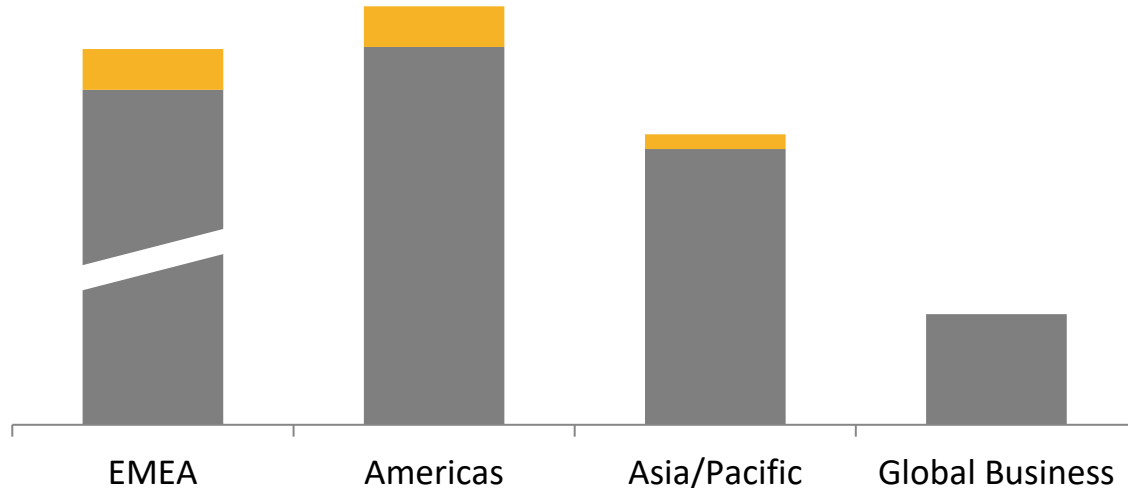
7.9% SALES INCREASE IN LOCAL CURRENCIES



SALES GROWTH FIRST HALF-YEAR 2023

LOCAL CURRENCY GROWTH IN ALL REGIONS – HIGH FX IMPACT

-3.4%	+7.4%	+0.9%	+11.9%	Growth in CHF
+3.2%	+11.0%	+10.1%	+16.2%	Growth in LC
-6.6%	-3.6%	-9.2%	-4.3%	FX impact
+7.4%	+10.4%	+5.1%	+0.0%	Acquisition 



■ Construction
■ Industry

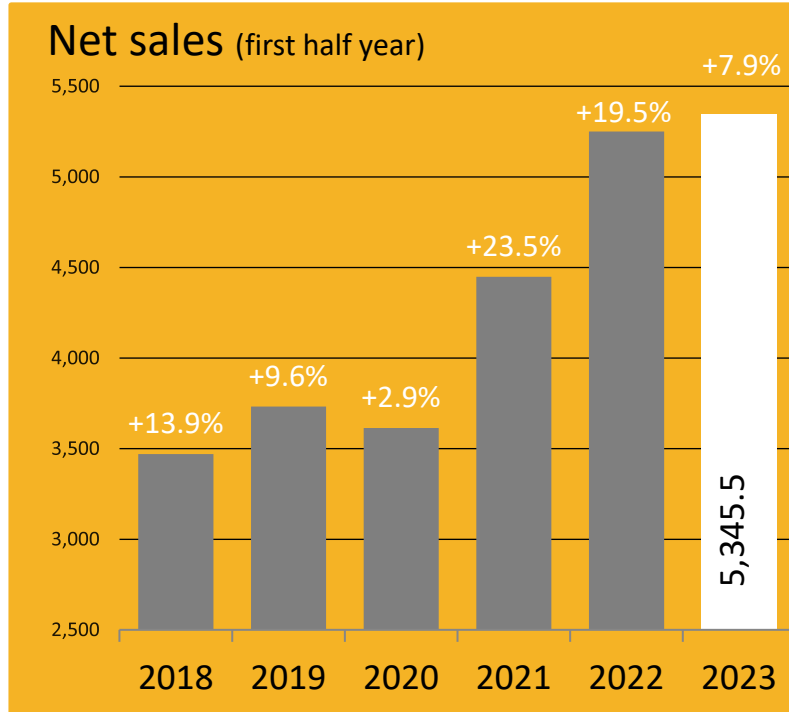
RESULTS IN THE FIRST HALF OF 2023

IMPROVED GROSS RESULT AND OPERATING FREE CASH FLOW

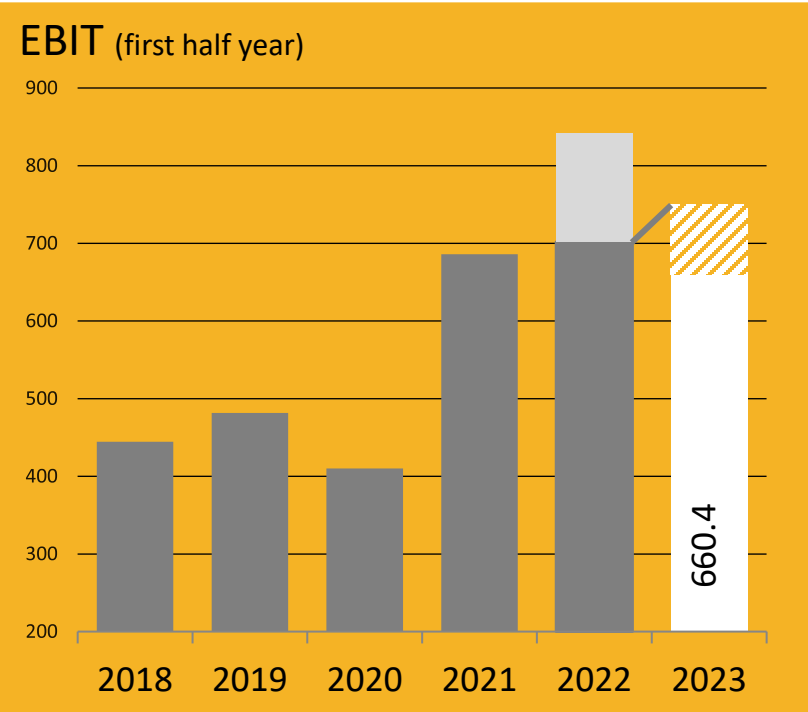
in CHF mn	2022	NS	2023	NS	Growth
Net sales	5,250.3	100%	5,345.5	100%	1.8%
Gross result	2,592.2	49.4%	2,817.0	52.7%	8.7%
Personnel expenses	-882.4	-16.8%	-952.9	-17.8%	
Other OPEX	-673.7	-12.9%	-983.0	-18.4%	
EBITDA	1,036.1	19.7%	881.1	16.5%	-15.0%
Depreciation and amortization	-194.2	-3.7%	-220.7	-4.1%	
EBIT	841.9	16.0%	660.4	12.4%	-21.6%
Net profit	598.8	11.4%	411.9	7.7%	-31.2%
Operating free cash flow	39.7	0.8%	316.5	5.9%	697.2%

SIKA'S GROWTH MODEL DELIVERS IMPROVED EBIT MARGIN ADJUSTED FOR ACQUISITION-RELATED COST

in CHF mn, growth in LC



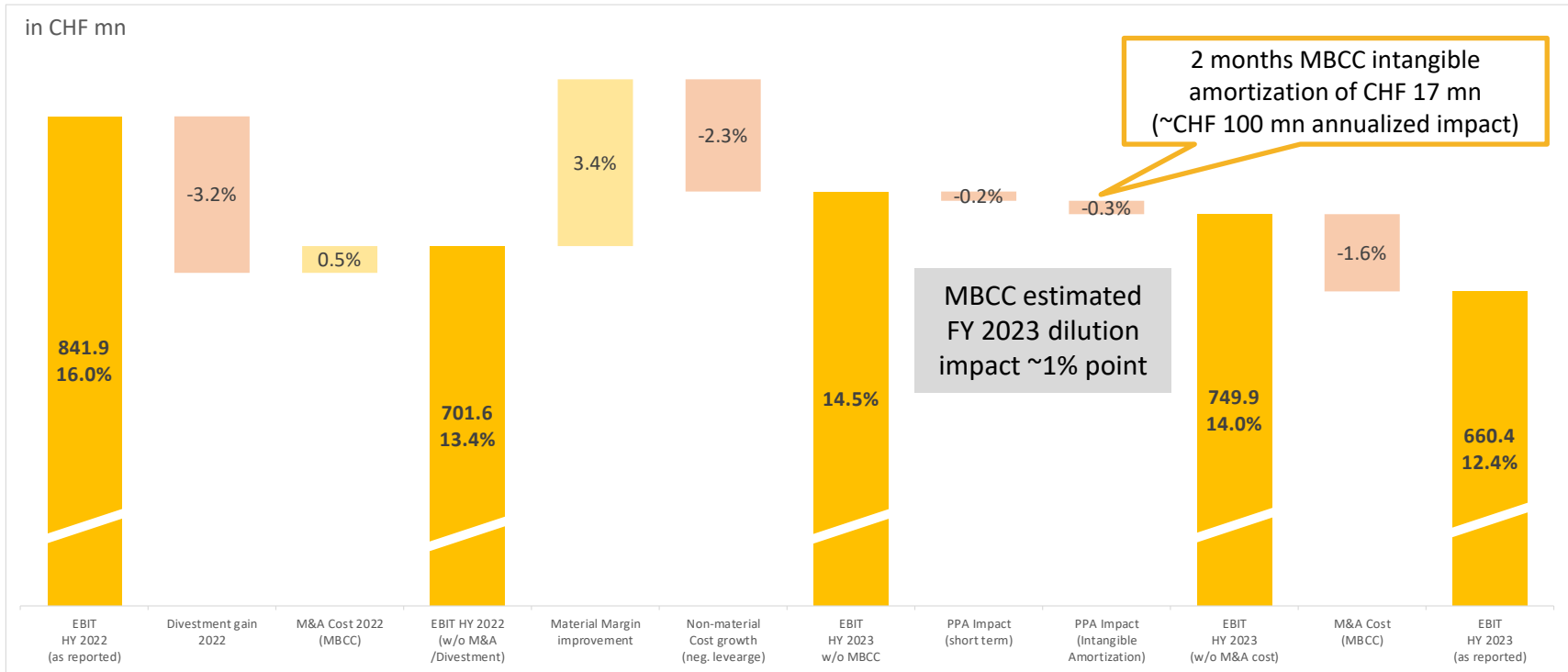
in CHF mn



- Gain on sale of industrial coatings business (CHF +168.3 mn)
- Acquisition-related cost HY 2022 (CHF -28.0 mn)
- Acquisition-related cost HY 2023 (CHF -89.5 mn)

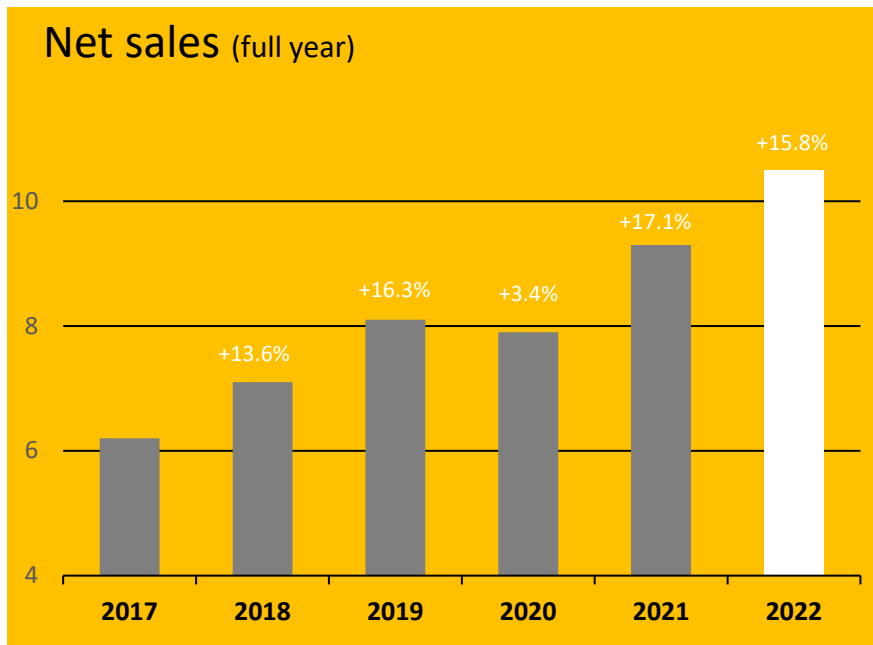
EBIT BRIDGE FIRST HALF-YEAR 2023

IMPROVED EBIT MARGIN ADJUSTED FOR ACQUISITION-RELATED COST

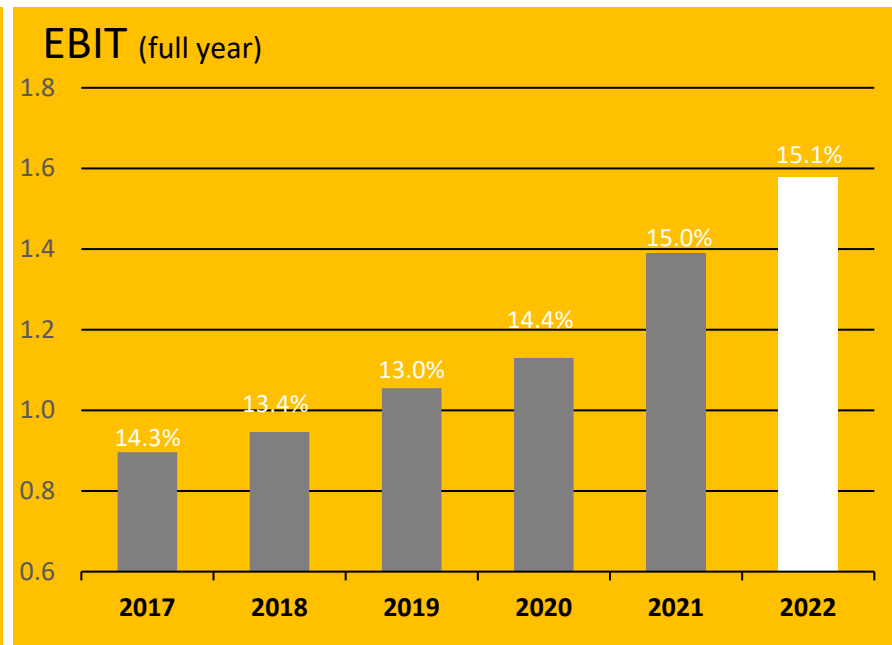


2. EXECUTION AND BENEFITS OF MEGATRENDS

STRONG DEVELOPMENT OVER THE YEARS WITH OVER-PROPORTIONAL PROFITABILITY GROWTH



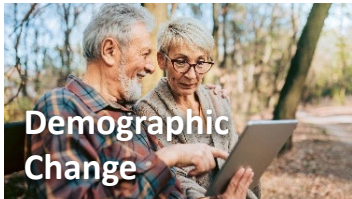
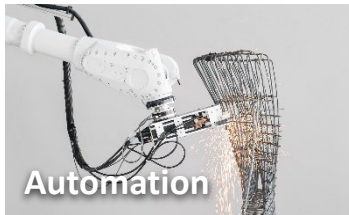
(in CHF bn, growth in LC)



(in CHF bn, in % of net sales)

STRONG EXECUTION AND BENEFITS OF MEGATRENDS

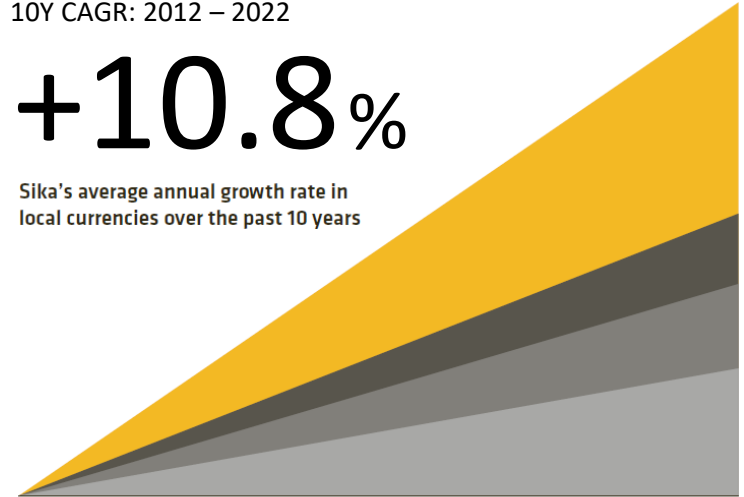
SIKA STRONGLY POSITIONED IN 2022 AND BEYOND



10Y CAGR: 2012 – 2022

+10.8%

Sika's average annual growth rate in local currencies over the past 10 years



Acquisitions
Market penetration

Structural growth
Market growth

URBANIZATION – INFRASTRUCTURE PROGRAMS

SECURE WATER SUPPLY FOR THE MEDELLÍN REGION, COLOMBIA



Project description

- The region's largest water treatment facility is **being modernized**
- Guaranteed and **secured supply of drinking water**
- The facility will supply **60%** of the Aburrá Valley's **drinking water**
- Secure supply to a total of **more than three million inhabitants** of Medellín and the surrounding communities

Sika solutions

- Sika Quick®-2500
- SikaTop® Armatec®
- Sikadur®-32
- Sikagard®-62

URBANIZATION – STRONG INFRASTRUCTURE PROGRAMS IN USA

EXTENSIVE INFRASTRUCTURE PROGRAMS STIMULATE ECONOMIES



Highway construction in Virginia

- The **largest infrastructure highway project** ever in Virginia
- **4 bridges** are being extended and **2 new underwater tunnels** being built from scratch
- Sika providing **all the admixtures**
- Sikas **waterproofing membranes** and **sealing strips** protects the tunnel against water leakage

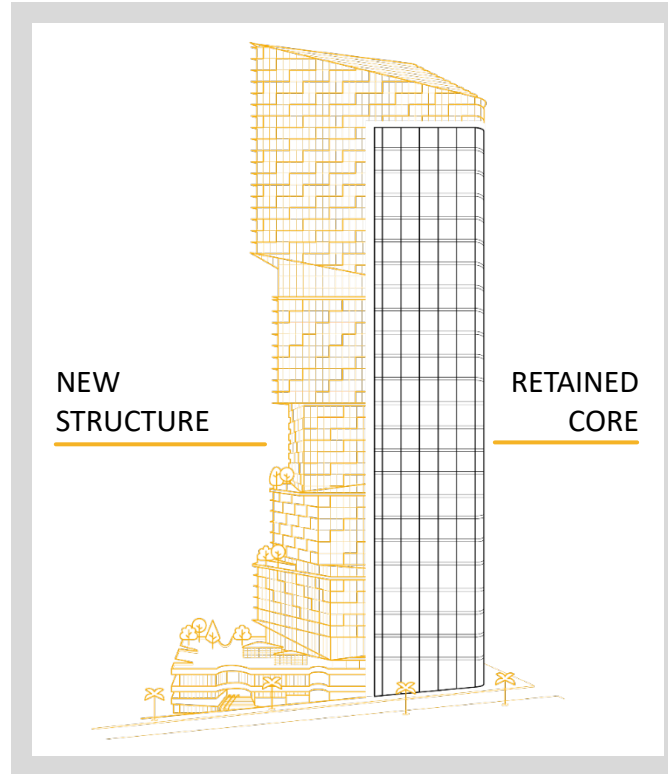


Los Angeles International Airport modernization

- **Modernization** and **extension** of the LAX international airport
- The **largest public works program** in the history of LA
- **Sika Solutions** for roofing and flooring

URBANIZATION – REPAIR AND REFURBISHMENT

THE QUAY QUARTER TOWER (QQT) IN SYDNEY



Project description

- The QQT has been “**upcycled**” from the original AMP Centre skyscraper built in 1976
- QQT opened at the start of 2022, is **206 meters high** and has **59 floors**
- **95%** of the existing core preserved
- **CHF 85 million** in building costs saved
- **12,000 tons** of CO₂ emissions saved
- Significant **time savings** during construction

Sika solutions

- carbon fiber reinforcing systems
- fire rated joint sealants
- floor leveling solutions
- waterproofing systems
- concrete repair mortars
- concrete admixtures

CLIMATE CHANGE – STRONG SUSTAINABILITY DEVELOPMENT

SIKA'S NET ZERO ROADMAP – DRIVING THE TRANSFORMATION

OUR KEY LEVERS

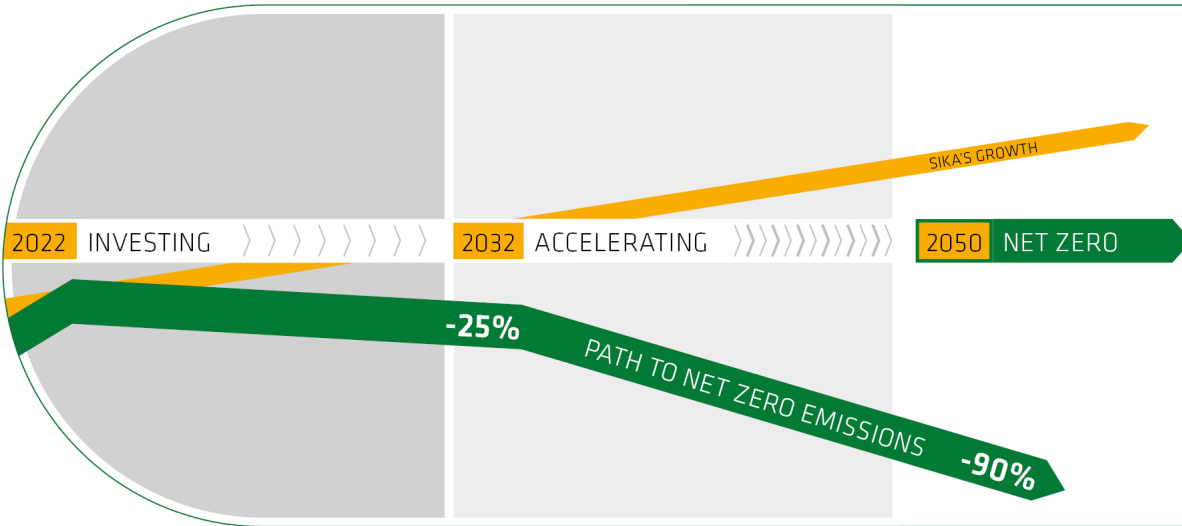
Education and capacity building to improve **material efficiency and circularity**

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



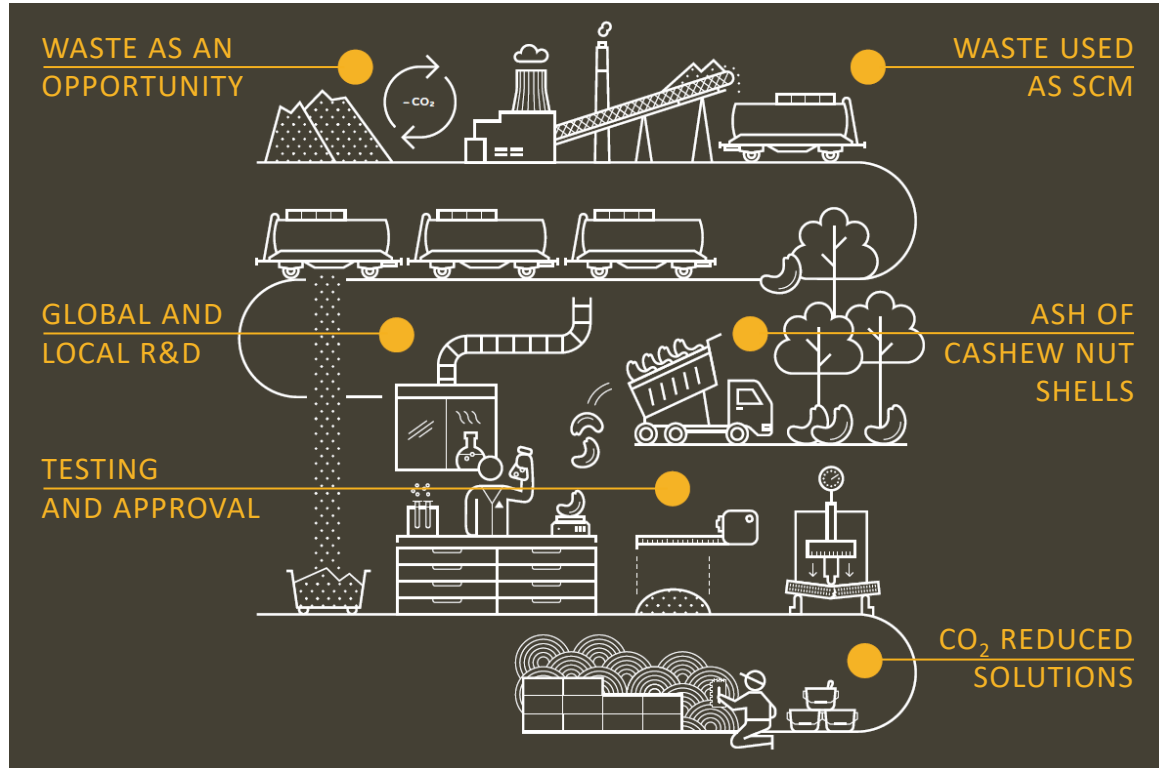
CLIMATE CHANGE – STRONG SUSTAINABILITY DEVELOPMENT COOPERATION FOR CLINKER REDUCTION AND CIRCULAR ECONOMY



Project description

- Collaboration with the **world's largest iron ore mining company**, the Swedish firm LKAB
- Thanks to Sika admixtures, a new "**Zero Cement**" concrete has been developed. Around 100,000 cubic meter of this concrete will be used for the renovation of 38 pit shafts at LKAB's Kiruna mine in the north of Sweden
- The **CO₂ emissions** released in the production of this shaft renovation concrete in 2023 will be **reduced by 93%** compared to 2022

CLIMATE CHANGE – STRONG SUSTAINABILITY DEVELOPMENT FORMULATION – IN-DEPTH RESEARCH INTO NEW SOLUTIONS



- Sika is looking to **partially replace cement** in all mortar categories over the next few years
- The goal is to **increase the substitution rate** – which averaged 14% in 2022 – **to 50% by 2025**
- High-quality products include the two mortars SikaGrout®-800 and 3320 as well as Sikagard®-5500, the **first** concrete protective coating **based on renewable feedstocks**
- All these products have a **30% to 40% reduced CO₂ footprint** with highest technical performance

SCM: Supplementary Cementitious Materials

GROWTH DRIVER DIGITALIZATION AND AUTOMATION

COMPLEX REINFORCED CONCRETE STRUCTURES WITH ROBOTS



- **Sika joined forces** with formwork and scaffolding application specialist PERI to invest in the Swiss start-up **MESH AG**, a spin-off of ETH Zurich
- MESH AG combines 3D technology and robotics
- **Robots** produce so-called reinforcement cages for the desired structure **precisely and rapidly**
- **Sika admixtures** ensure that the concrete can be embedded in the steel cages with standard pumps without spilling out
- MESH technology makes it possible **to produce complex geometries cost-efficiently**

GROWTH DRIVER DIGITALIZATION AND AUTOMATION

DIGITALIZATION – CONSTRUCTION IS ON THE MOVE

By moving software and technology out of offices and onto job sites, our industry has greater potential to add value and complete construction projects on-time and on-budget.

Situation 10-15 years ago

- No internet access
- Desktop computers
- Long implementation times
- Limited value creation



Situation today

- Internet available
- Smart mobile devices
- Web-based technologies for higher flexibility



Future situation

- Augmented reality/virtual
- Artificial intelligence and machine learning
- Drones and 3D scanners



EMERGING MARKET GROWTH – SOUTHEAST ASIA

MARKETS GROWING ABOVE-AVERAGE

- Strong Growth in **construction sector**: expected investment volume in 2026 is over **CHF 500 billion**
- **Infrastructure investments** by 2026 increase by **27.5%** in Southeast Asia
- Strong local presence: Sika has **8 national subsidiaries** and **20 production plants** in Southeast Asia with sales of CHF 400 million
- Sika's growth strategy in Southeast Asia includes **large construction projects** and **greater market penetration** through the expansion of the distribution business



EMERGING MARKET GROWTH – SOUTHEAST ASIA

MAJOR INFRASTRUCTURE PROJECT: METRO EXPANSION BANGKOK



Project description

- Connection between **the eastern part of Bangkok** with the **city center**
- Sika's **expertise** and **leading products** for the most rigorous tunneling requirements
- The MRT Orange Line will play a **key role** in **Bangkok's urban transport system**

Successful cross-selling with more than 80 Sika solutions for tunnels and stations as:

- Sika® Separol® W-317 E
- LANKO 361 CURE
- Sika® Stabilizer-1118 TBM TH
- SikaGrout® and Sika MonoTop® range
- Sika® Injection
- SikaHyflex®-160 Construction
- Sikacryl®-620 Fire and Sikasil-670 Fire
- Sikalastic®-632 R

EMERGING MARKET GROWTH – SOUTHEAST ASIA

INVESTMENTS IN SUSTAINABLE FLAGSHIP PROJECT: THE FORESTIAS



Project description

- The Forestias is Thailand **largest new build project**
- The **sustainable project** will create an **urban district of the future** on the outskirts of Bangkok
- In August 2022, The Forestias received the **“Green Honorary Award 2022”** for its sustainability from Bangkok’s Kasetsart University

Successful cross-selling with almost **50 Sika Products** are used in 13 subprojects such as:

- SikaTop®-107 Seal TH (LEED)
- Sikafloor®-161 HC (LEED)
- Sikafloor®-263 SL HC (LEED), and Sikafloor®-21
- PurCem® LP (LEED)
- Sikalastic®-632 R

EMERGING MARKET GROWTH – SOUTHEAST ASIA

BOOMING DISTRIBUTION BUSINESS IN INDONESIA



Strong growth potential

- Sika is rolling out its distribution model to other Asian countries, with a **special focus on Indonesia**
- With a population of 274 million, the country is viewed as a **key growth market**
- In 2022 alone, **the distribution business grew by 18%**
- Within two years points of sales **doubled** from under 10,000 to **more than 22,000**
- The success of the strategy based on market penetration, expanding Sika's product portfolio, and **increasing brand awareness**

OUR PEOPLE, OUR VALUES

PERFORMING BEYOND THE EXPECTED ALL TOGETHER

OUR KEY DRIVERS

Courage for Innovation

Customer First

Empowerment and Respect

Manage for Results

Sustainability and Integrity



3. SUCCESSFUL CLOSING OF MBCC ACQUISITION

SUCCESSFUL CLOSING OF MBCC ACQUISITION

MBCC IS COMPLEMENTARY IN MANY WAYS



Solutions



Channel



Geography



Supply Chain

SUCCESSFUL CLOSING OF MBCC ACQUISITION

SIKA + MBCC = A LEADING INNOVATOR IN CONSTRUCTION CHEMICALS

- Sika acquires MBCC business generating CHF 2.1 billion net sales in 2022
- Annual synergies expected in the range of CHF 160 – 180 million by 2026
- Integration process well prepared started on May 2
- The combined innovation power of Sika and MBCC will accelerate the sustainable transformation of the whole construction industry
- Sales increase in local currencies of above 15% expected in 2023, including MBCC



4. OUTLOOK

OUTLOOK 2023

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- For 2023 Sika expects a sales increase of above 15% in local currencies, including the effect of the MBCC acquisition
- Confirmation of anticipated over-proportional EBIT increase for the year, excluding the effect of the MBCC acquisition

Expected sales
increase in LC

> 15%



THANK YOU FOR YOUR ATTENTION

BUILDING TRUST



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

Any statements regarding earnings per share growth are not a profit forecast and should not be interpreted to mean that Sika's earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Sika.

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