



OUR YEAR 2021 – RECORD RESULTS IN SALES, EBIT, AND PROFIT

SIKA INVESTOR PRESENTATION
MARCH 2022

BUILDING TRUST



1. HIGHLIGHTS 2021
2. SIKA'S GROWTH DRIVERS
3. FINANCIAL RESULTS
4. UPDATE ON MBCC ACQUISITION
5. OUTLOOK



1. HIGHLIGHTS 2021

HIGHLIGHTS 2021

RECORD RESULTS FOR SALES AND PROFIT

- Record results 2021
 - Sales of CHF 9,252.3 million (+17.5%), increase in local currencies +17.1%
 - CHF 1,391.4 million EBIT (+23.1%)
 - EBIT margin improved from 14.4% to 15.0%
 - CHF 1,048.5 million net profit (+27.1%)
- Key investments
 - 7 acquisitions completed and acquisition of MBCC signed
 - 4 new/expanded factories
 - 1 new national subsidiary
- Innovation and sustainability
 - 99 new patents
 - 150 new Inventions
 - -10.1% reduction of CO₂eq emissions per ton sold (scope 1 and 2)

HIGHLIGHTS 2021

52.3% OF ELECTRICITY FROM RENEWABLE SOURCES

52.3%

of electricity from
renewable sources

-10.1%

reduction of CO₂eq emissions
per ton sold (scope 1 and 2)

34%

of waste produced
was recycled

44,188

direct beneficiaries of the
Community Engagement program

11.1

hours of training
per employee

-9.7%

reduction in water
consumed per ton sold

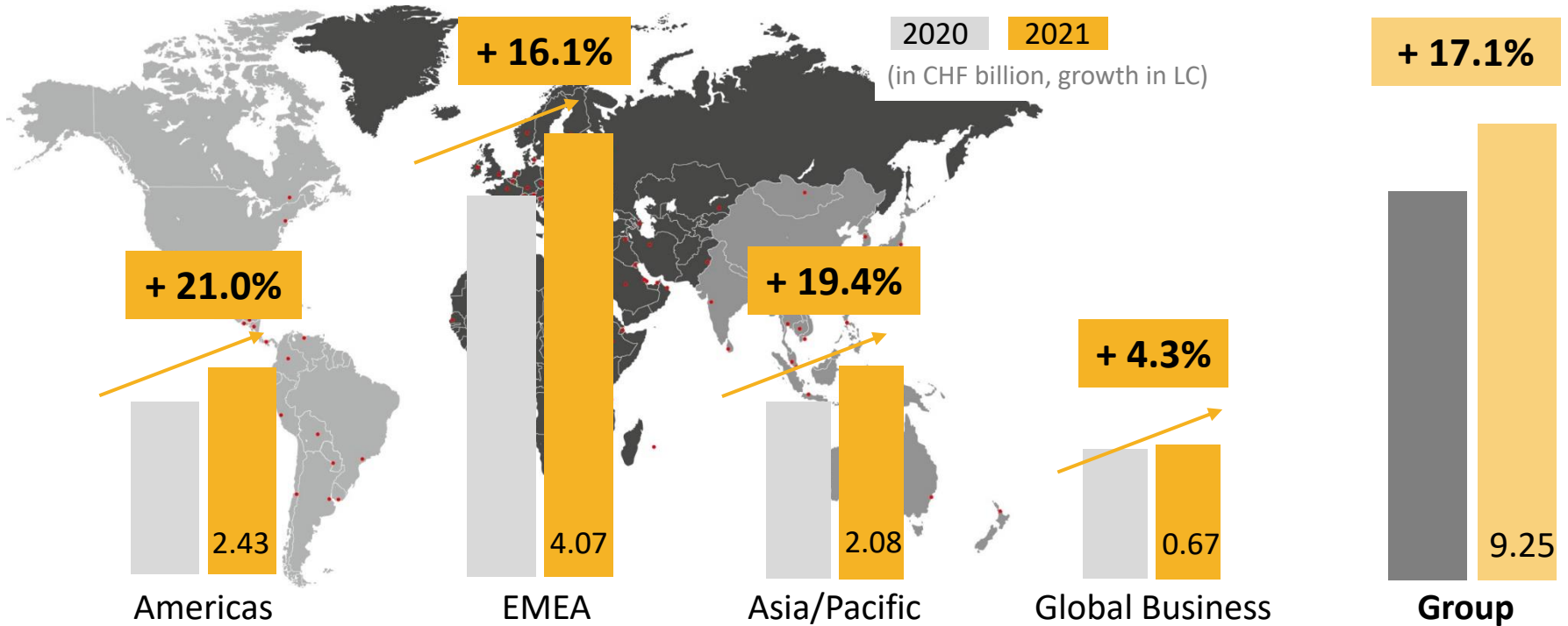
HIGHLIGHTS 2021

RECORD RESULTS FOR SALES AND PROFIT

in CHF mn	2020	2021	Δ %
Net sales	7,877.5	9,252.3	+ 17.5
Gross margin	54.8%	51.8%	
EBIT	1,130.5	1,391.4	+ 23.1
Net profit	825.1	1,048.5	+ 27.1

HIGHLIGHTS 2021

STRONG GROWTH IN ALL REGIONS



HIGHLIGHTS 2021

SEVEN 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 Hydro-
tech, 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

HIGHLIGHTS 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



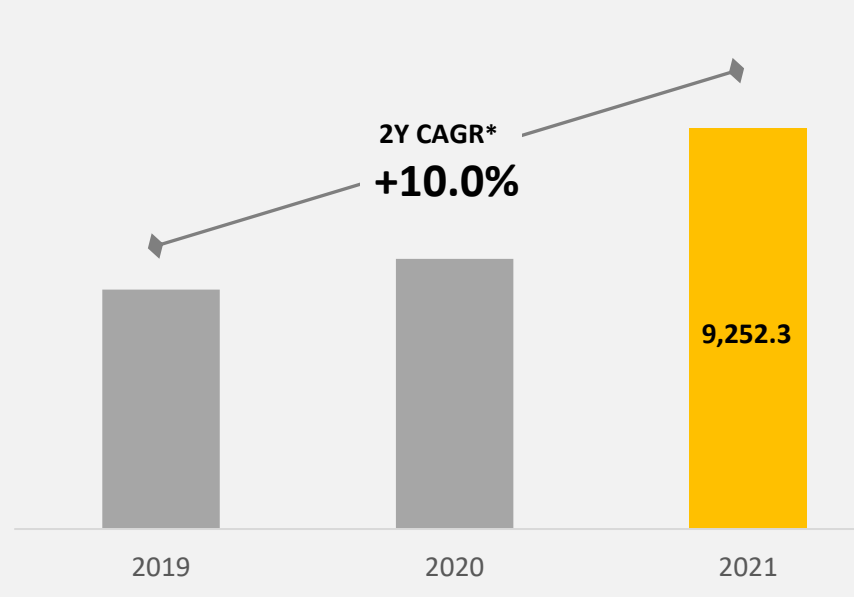
New production site, India

SIKA HIGHLIGHTS

STRONG PERFORMANCE DURING TURBULENT YEARS

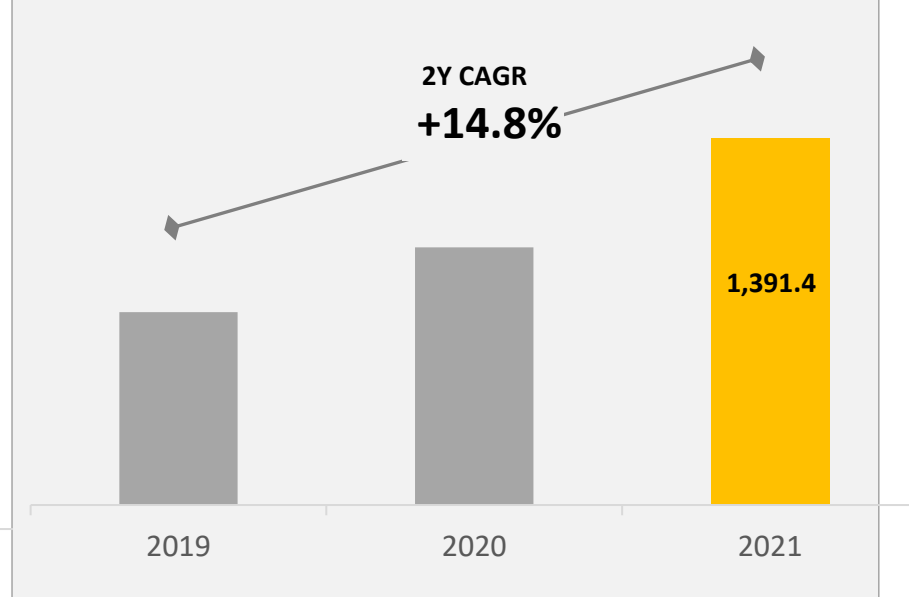
Net Sales

in CHF mn



EBIT

In CHF mn



*Growth in % LC

2. SIKA'S GROWTH DRIVERS

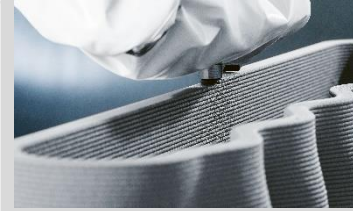
RESILIENT STRATEGY – MAJOR MEGATRENDS SUPPORTING GROWTH FURTHER ACCELERATION THROUGH DIGITALIZATION



Urbanization



Climate Change and
Scarcity of Resources



Digitalization



Demographic
Change



Dynamic
Economy



Technological
Progress

RESILIENT STRATEGY – MAJOR MEGATRENDS SUPPORTING GROWTH FURTHER ACCELERATION THROUGH DIGITALIZATION

Digitalization
profoundly changes
structure of market
and accesses



Sika put strong focus on...

- training of local teams
1,000+ hours
- content optimization
- video content creation
- getting 'Buy Now'
solution ready for
implementation



+45.0%

**sales growth
2021 with Sika
B2B e-shops**



+40.3%

**sales growth
2021 with Pure
Internet Players**

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

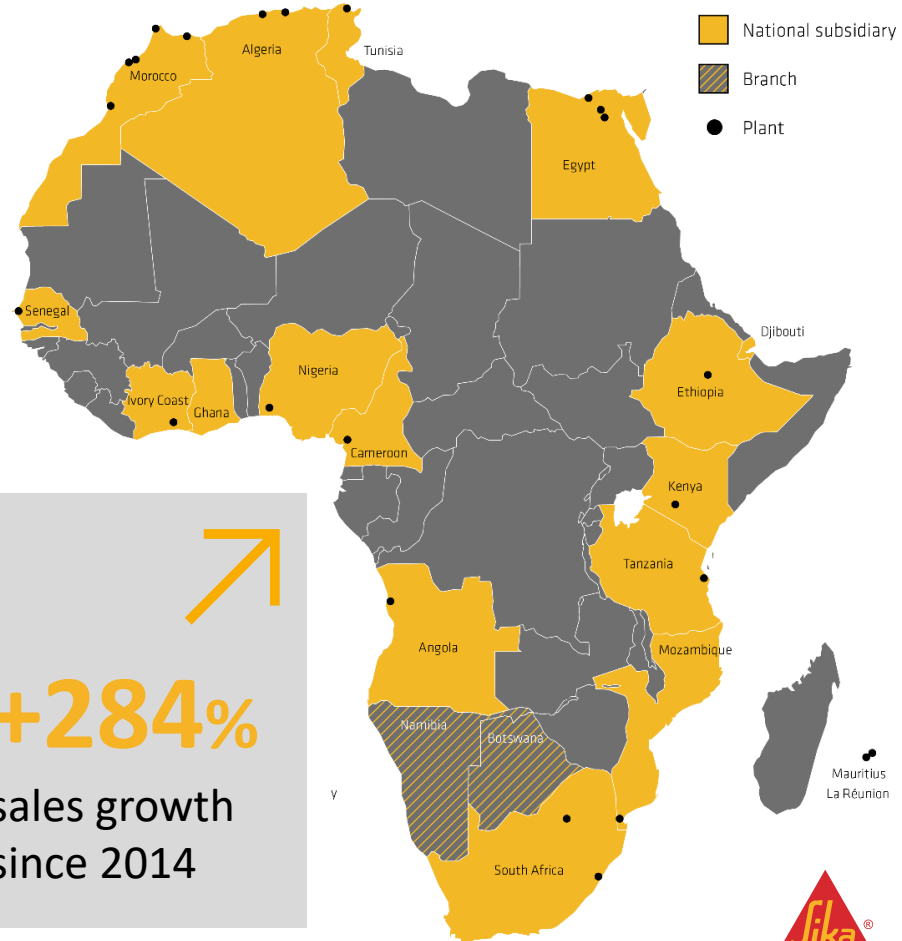
>25%
ROCE by 2023

12% CO₂eq emission reduction per ton sold

GROWTH DRIVER – AFRICA EXPANSION

AFRICA IS JUST BEING BUILT

- Since 2014, Sika opened **10 new national subsidiaries** and is now **present in 18 countries**
- Sika operates **22 production sites** and generates **sales of CHF 300 million** in Africa
- **Population** in Africa expected to **double** to over 2 billion people by 2040
- Enormous **need for infrastructure**, energy and power, real estate
- High demand to meet **international construction standards**
- In 2022 alone, **USD 300 billion** will be spent on construction projects in African countries with Sika subsidiaries



GROWTH DRIVER – AFRICA EXPANSION

HIGH MARKET POTENTIAL

408,236 (Africa)

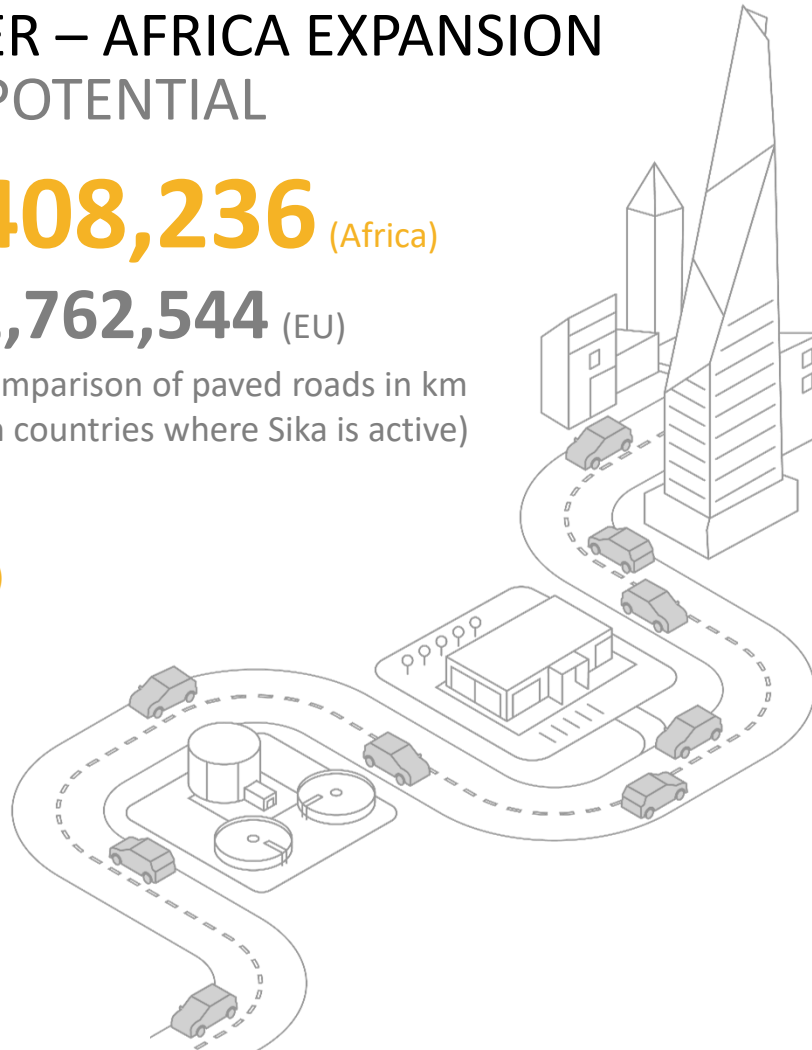
2,762,544 (EU)

comparison of paved roads in km
(in countries where Sika is active)

964 (South Africa)

4,257 (Germany)

comparison of waste
water treatment plants



6
of 41

six of the world's
41 megacities will
be in Africa by 2023

43 (Africa)

522 (EU)

comparison of vehicles
per 1,000 inhabitants

GROWTH DRIVER – AFRICA EXPANSION

PROJECT EXAMPLES

Mohammed VI Tower, Morocco

- Compliant with stringent **environmental standards** (LEED Gold and HQE)
- Highest **building requirements**, withstand possible flooding, underground chemical exposure, seismic events, 100-year service life



Ashton Arch Bridge, South Africa

- Built next to old bridge to maintain traffic
- New bridge was **lifted into final position**
- Bridge **improves** traffic and pedestrian **safety**, and **enhances flood capacity**



GROWTH DRIVER – INFRASTRUCTURE PROGRAMS

CHF 10 TRILLION PLANNED STIMULI

US investments in infrastructure running into the billions

approx. CHF
850
billion

EU on the way to climate neutrality

approx. CHF
400
billion

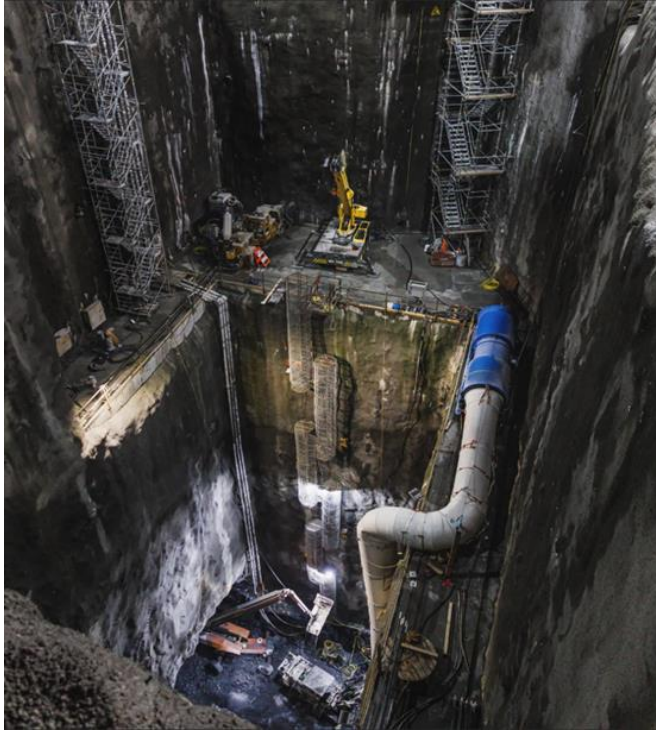
China invests in infrastructure and cutting-edge technologies

approx. CHF
8,000
billion

- Extensive infrastructure programs stimulate economies around the globe
- Government initiatives in many countries lead to climate-related legislation

GROWTH DRIVER – INFRASTRUCTURE PROGRAMS

PROJECT EXAMPLE: RÉSEAU EXPRESS MÉTROPOLITAIN, MONTREAL



Project description

- largest public transit project undertaken in Montreal in the last 50 years
- Network to be gradually put into service in 2022-2023
- Sika solutions from basement to roof

Sika solutions

- Sika® ViscoCrete® and other concrete admixtures and repair products
- Sikadur® for bonding pre-cast elements
- Sikagrout®
- Sika Icosit® for rail
- Sikarepair®
- Sikatop® Seal
- Floorig solutions for different stations

GROWTH DRIVER – INFRASTRUCTURE PROGRAMS

PROJECT EXAMPLE: SOFI STADIUM, LOS ANGELES



Project description

- Capacity 70,000 people
- Highest **seismic requirements** as situated next to the tectonic boundary of the San Andreas Fault
- Strong and successful cross-selling work from Sika teams

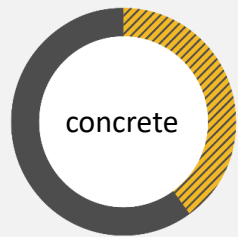
Sika solutions

- Sarnafil® Roofing solutions
- Emseal® high-performance seismic expansion joints
- Specialized adhesives for turf coating
- Vertical Glass and Sikaforce®

GROWTH DRIVER – SUSTAINABLE DEVELOPMENT

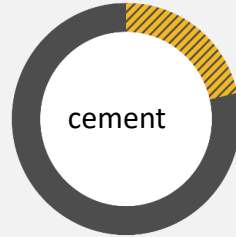
ENVIRONMENTALLY-FRIENDLY CONSTRUCTION

Today, Sika enables its concrete and cement customers to reduce their CO₂ emissions by around 25%-35%



-80 kg CO₂

Standard concrete: 200 kg CO₂ / ton produced

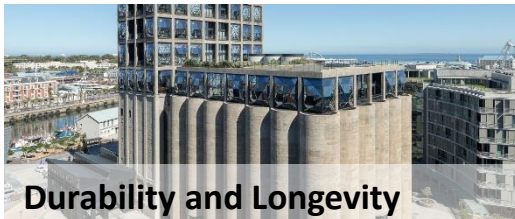


-150 kg CO₂

Standard cement: 700 kg CO₂ / ton produced



Sika will be able to enable its customers to reduce their CO₂ emissions by up to 50%



Durability and Longevity

Durability of products **extends lifespan and maintenance cycles**, reducing carbon footprint



Energy-Efficiency

Sustainable solutions for **roofing systems, facades, doors, and windows** that reduce the carbon footprint



Decarbonization

Enabling the use of SCMs with concrete **admixtures** and cement **additives**

GROWTH DRIVER – SUSTAINABLE DEVELOPMENT

reCO₂ver[®] – BREAKTHROUGH IN CONCRETE RECYCLING



The reCO₂ver[®] process separates old concrete into its component parts and uses regained material to produce new, high-quality concrete.

The unique process produces high quality SCM powder which allows reduction of cement in new concrete.

60 kg CO₂
can be bound
per ton of
concrete waste
with reCO₂ver[®]

Possibility to
reduce CO₂
footprint of new
concrete by some
40%.

reCO₂ver[®]

enables transformation to
circular economy of concrete

GROWTH DRIVER – SUSTAINABLE DEVELOPMENT

MAIN CHANGES IN GOVERNANCE AND SUSTAINABILITY REPORTING



Newly created position of **Chief Innovation and Sustainability Officer**



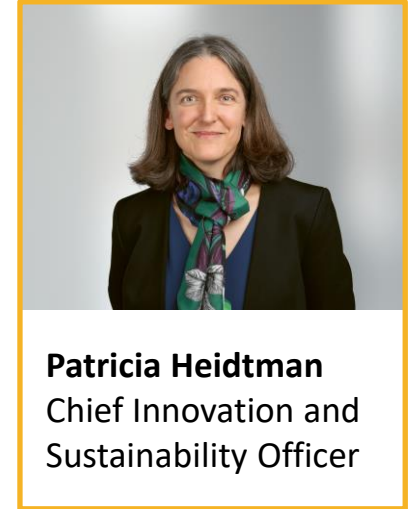
Formation of **Sustainability Committee** consisting of three Board members with focus on environmental and social topics and sustainability roadmap



Sustainability Report has been integrated in the annual report and drafted with reference to the **GRI Standards**

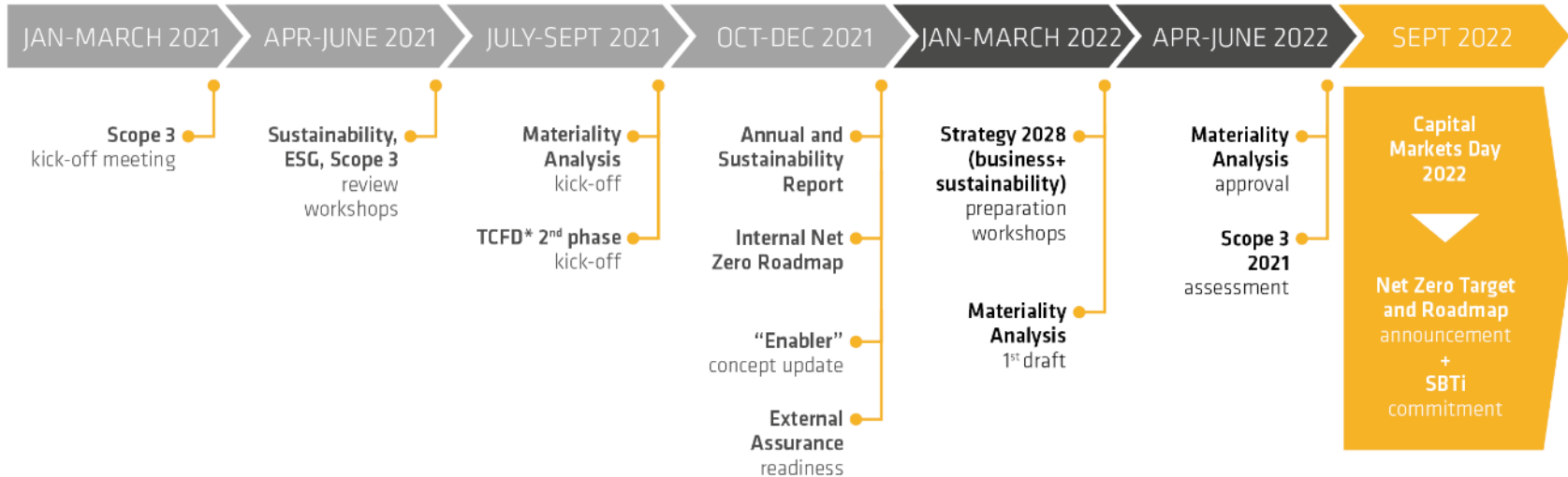


Sika as official supporter of the **TCFD recommendations**. Assessment of climate-related risks and opportunities and their impacts on Sika's strategic resilience



GROWTH DRIVER – SUSTAINABLE DEVELOPMENT

SIKA ROADMAP TO NET ZERO



Sustainability as a great opportunity to position Sika as a sustainability champion

GROWTH DRIVER – EMPLOYEE ENGAGEMENT

OUR ENABLERS

27,000 employees

Our employees are the **enablers for success**. With their great dedication, they make sure Sika can successfully implement its strategy of sustainable growth.



GROWTH DRIVER – EMPLOYEE ENGAGEMENT

DIVERSITY ON ALL LEVELS

Commitment of Sika leaders

- **Build an inclusive and attractive environment**
- **Non-discriminatory practices in employment**
- **Equal opportunities in the recruitment process and in the professional development of employees**
- **Increase the percentage of women in leadership positions**

23.2%

female employees

45

nationalities among Senior Managers

Balanced age structure

with 14% below 30 years of age and 25% above 50 years of age

25.0%

women in Group Management

GROWTH DRIVER – EMPLOYEE ENGAGEMENT

TALENT DEVELOPMENT IS KEY

- Sika is proud that employees dedicate their know-how and **remain with the company** for a long time
- Many possibilities to **develop within Sika**
- Strong **internal succession pipeline**
- Consistent employee development with **leadership programs** on global, regional, and local level as well as for young talents

25.2%

women in
talent pool

17,741

Sika learners reached with
online trainings in 2021



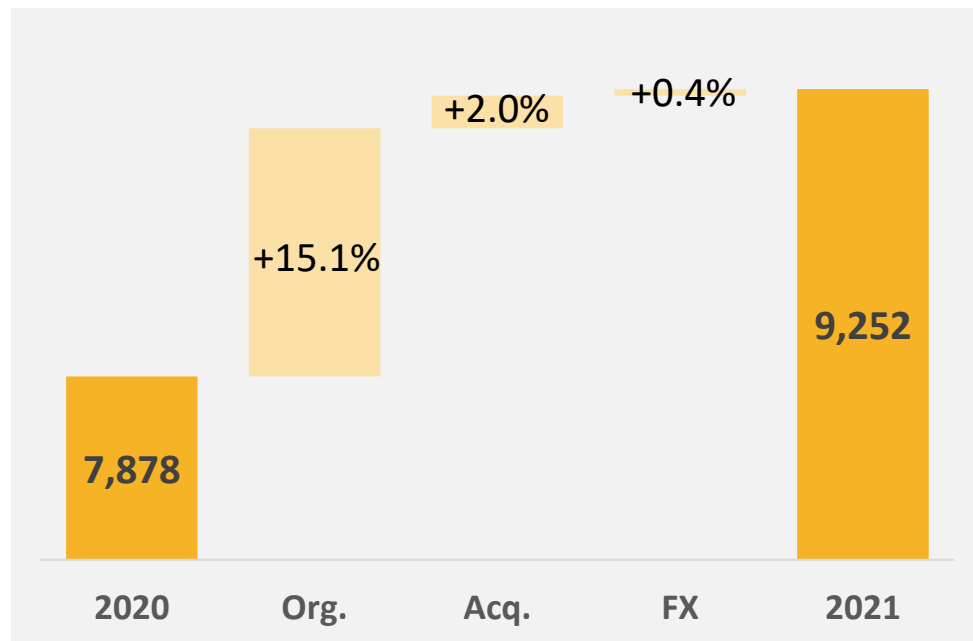
3. FINANCIAL RESULTS

SALES 2021

17.1% GROWTH IN LOCAL CURRENCIES

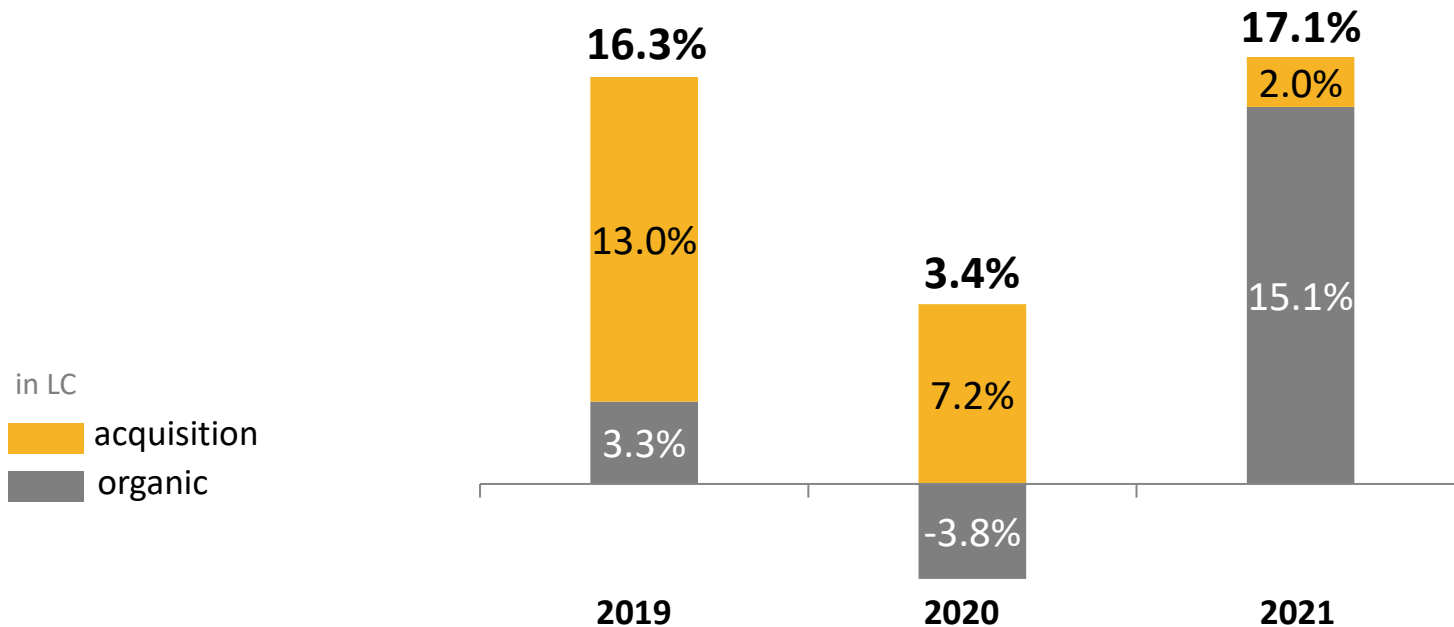
in CHF mn	2020	2021
Net sales	7,877.5	9,252.3

Organic growth	+1,187.5
Acquisition effect	+156.2
Currency effect	+31.1



SALES DEVELOPMENT 2019 TO 2021

3Y CAGR of 12.1%



in CHF mn

Sales

8,109.2

7,877.5

9,252.3

In 2021, sales growth of acquired businesses since initial consolidation is included in organic growth.

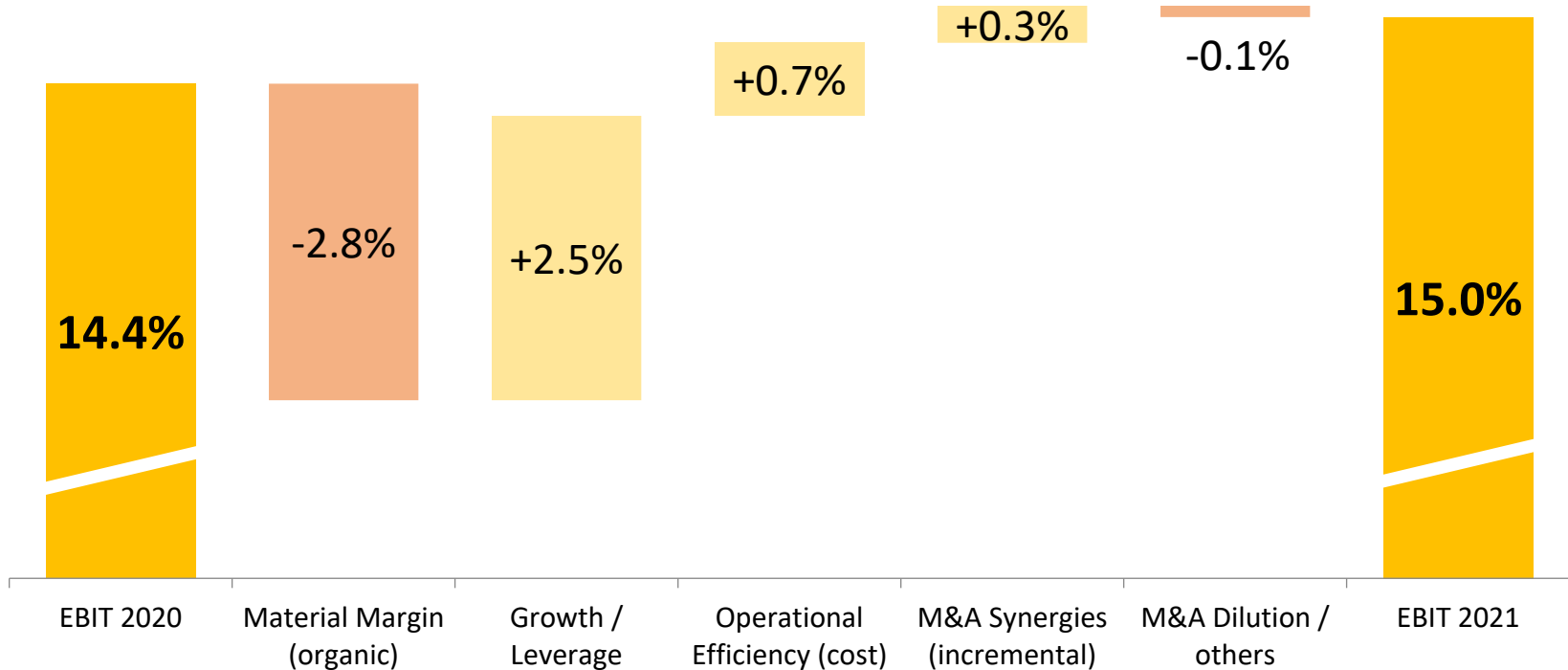
INCOME STATEMENT

PROFITABILITY GROWTH ACROSS THE BOARD

in CHF mn	2020	NS	2021	NS	Growth
Net sales	7,877.5	100%	9,252.3	100%	+17.5%
Gross result	4,314.8	54.8%	4,791.3	51.8%	+11.0%
Personnel costs	-1,525.9	-19.4%	-1,635.3	-17.7%	+7.2%
Other OPEX	-1,291.3	-16.4%	-1,398.0	-15.1%	+8.3%
EBITDA	1,497.6	19.0%	1,758.0	19.0%	+17.4%
Depreciation and amortization	-367.1	-4.6%	-366.6	-4.0%	-0.1%
EBIT	1,130.5	14.4%	1,391.4	15.0%	+23.1%
Financial expenses	-70.1		-55.8		-20.4%
Income taxes	-235.3		-287.1		+22.0%
Net profit	825.1	10.5%	1,048.5	11.3%	27.1%
Tax rate		22.2%		21.5%	
Non-material costs	-3,184.3	-40.4%	-3,399.9	-36.8%	6.8%

EBIT IMPROVEMENT 2021

STRATEGIC LEVERS DRIVING IMPROVEMENT



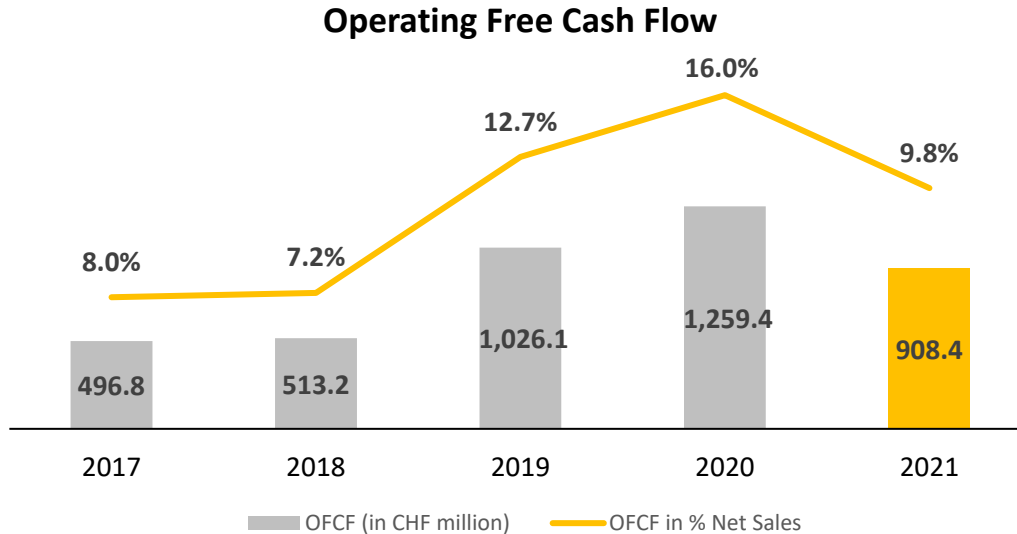
CONSOLIDATED BALANCE SHEET

IMPROVED CAPITAL EFFICIENCY

in CHF mn	31.12.2020	31.12.2021	Δ %
Cash and cash equivalents	1,318.7	1,175.0	-10.9
Other current assets	2,315.9	2,990.1	29.1
Current assets	3,634.6	4,165.1	14.6
Non-current assets	6,159.4	6,534.8	6.1
Total assets	9,794.0	10,699.9	9.2
Current liabilities	1,606.4	1,889.3	17.6
Bonds (current)	218.7	198.7	-9.1
Bonds (non-current)	3,602.4	3,130.4	-13.1
Other non-current liabilities	1,078.5	1,085.6	0.7
Total liabilities	6,506.0	6,304.0	-3.1
Equity including minorities	3,288.0	4,395.9	33.7
Total liabilities and equity	9,794.0	10,699.9	9.2
Net debt	2,855.8	2,538.9	-11.1
ROCE	16.6%	20.1%	

OPERATING FREE CASH FLOW DEVELOPMENT

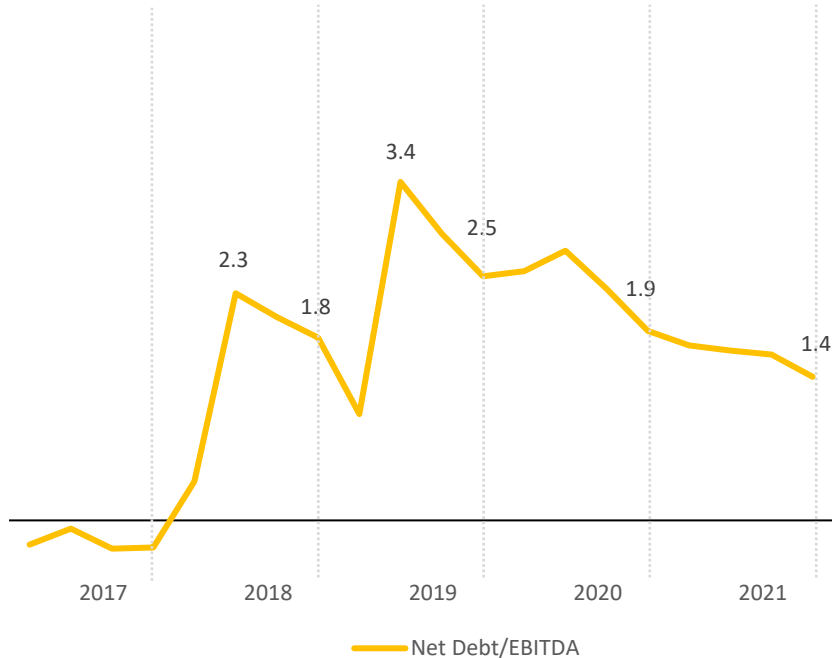
CONTINUED STRONG CASH CONVERSION



- 2021 operating free cash flow at 9.8% of sales
- Higher profitability and CapEx
- NWC increase of CHF 325 million (vs. CHF 125 million decrease in previous year) driven by input cost increase and supply chain disruptions

NET DEBT/EBITDA DEVELOPMENT (AS REPORTED)

STRONG DELEVERAGING PROFILE



- De-leveraging well on track
- Continued strong cash conversion led to significant leverage reduction from peak in 2019 (3.4x in June 2019)
- Net debt decrease by CHF 317 million in 2021
- 2021 Net Debt/EBITDA ratio at 1.4x (on a reported basis)

DIVIDEND

BOARD OF DIRECTORS PROPOSES 16.0% INCREASE PER SHARE

Dividend payment of CHF 2.90 per share (+16.0% vs. previous year)

in CHF mn	2020	2021
Group profit (after minorities)	824.5	1,047.9
Dividend out of retained earnings	354.5	465.3*
Dividend per share	2.50	2.90
Total payout ratio	43.0%	44.4%*

*corresponds to the maximum possible distribution amount assuming potential exercise of all conversion rights

4. UPDATE ON MBCC ACQUISITION

UPDATE ON MBCC ACQUISITION

ENTERING AN EXCITING NEXT CHAPTER



Strong **business rationale**

- We have highly **complementary** products and distribution channels
- We will accelerate Sika's **Growth Strategy 2023** together
- Together, we will **enable** our customers and the construction industry to drive the **sustainable transformation** further and faster

UPDATE ON MBCC ACQUISITION

BETTER THAN EXPECTED RESULTS FOR MBCC FOR 2021

MASTER®
» BUILDERS
SOLUTIONS

PCI®
Für Bau-Profis

**Watson
Bowman
Acme®**

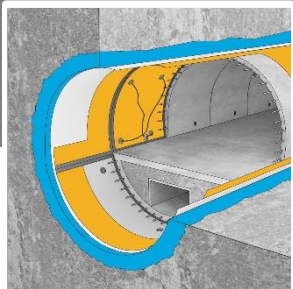
**THERMOTEK®**
PROTEGE LO QUE MAS QUIERES

UCRETE®

- In 2021 MBCC performed **ahead of forecast** with **strong growth and profitability** and **acquired four companies**. All while continuing to strengthen its positions as a powerhouse for sustainable construction solutions
- **Sika/MBCC integration roadmap** and **cross-regional and functional teams** established
- Workstreams on **anti-trust and integration** on track
- Second round of **town hall meetings in all regions**. High emphasis on being transparent and visible to the MBCC organization
- Exceptional **support received from both Sika and MBCC employees** as well as **external stakeholders**
- **Closing to be expected in H2 2022**

UPDATE ON MBCC ACQUISITION COMPLEMENTARY IN MANY WAYS

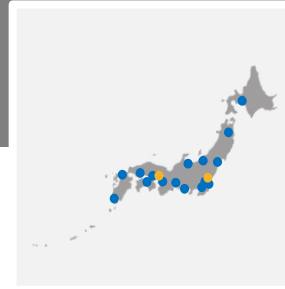
Complementarity in many countries, regions, and product ranges. Combination will lead to a very balanced offering. Customers will benefit from a stronger solution portfolio and an enhanced and more efficient distribution network across all construction markets.



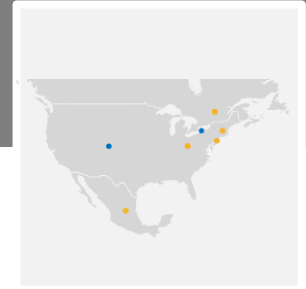
Solutions



Channel



Geography



Supply Chain

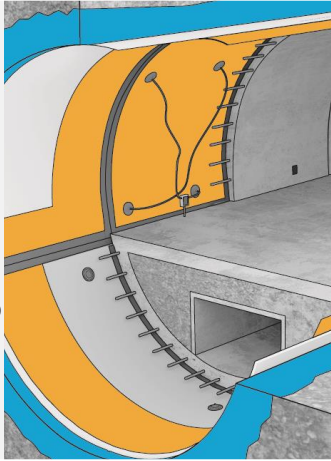
UPDATE ON MBCC ACQUISITION

WE WILL HAVE AN EVEN STRONGER PRODUCT RANGE TOGETHER

Sikaplan®

PVC membrane for waterproofing and waterproofing products

Underground Construction



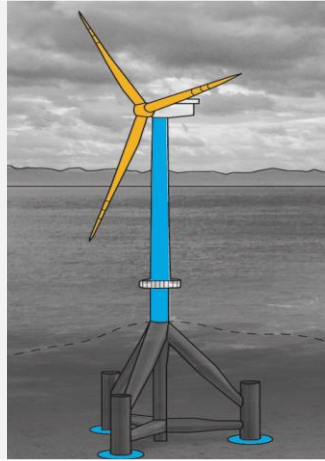
MBCC UGC

products for shotcrete, fibers, injections

Sika Power®

epoxy-based toughened adhesive to produce extra-long blades

Offshore Wind Installation



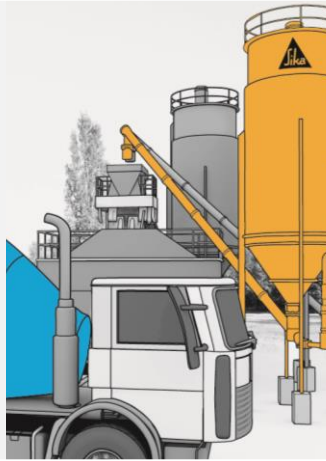
MasterFlow

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

Sika

admixture and solutions for concrete incl. Viscocrete®, reCO₂ver®

Concrete Production



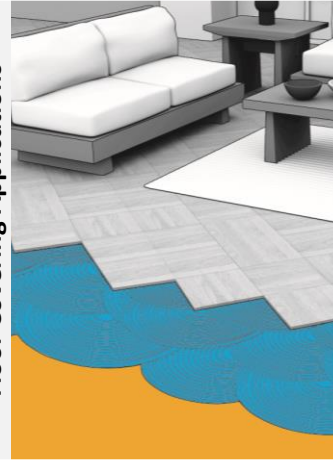
MBCC

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

Sikafloor®

self-leveling screeds for both new build and renovation applications

Floor Covering Applications

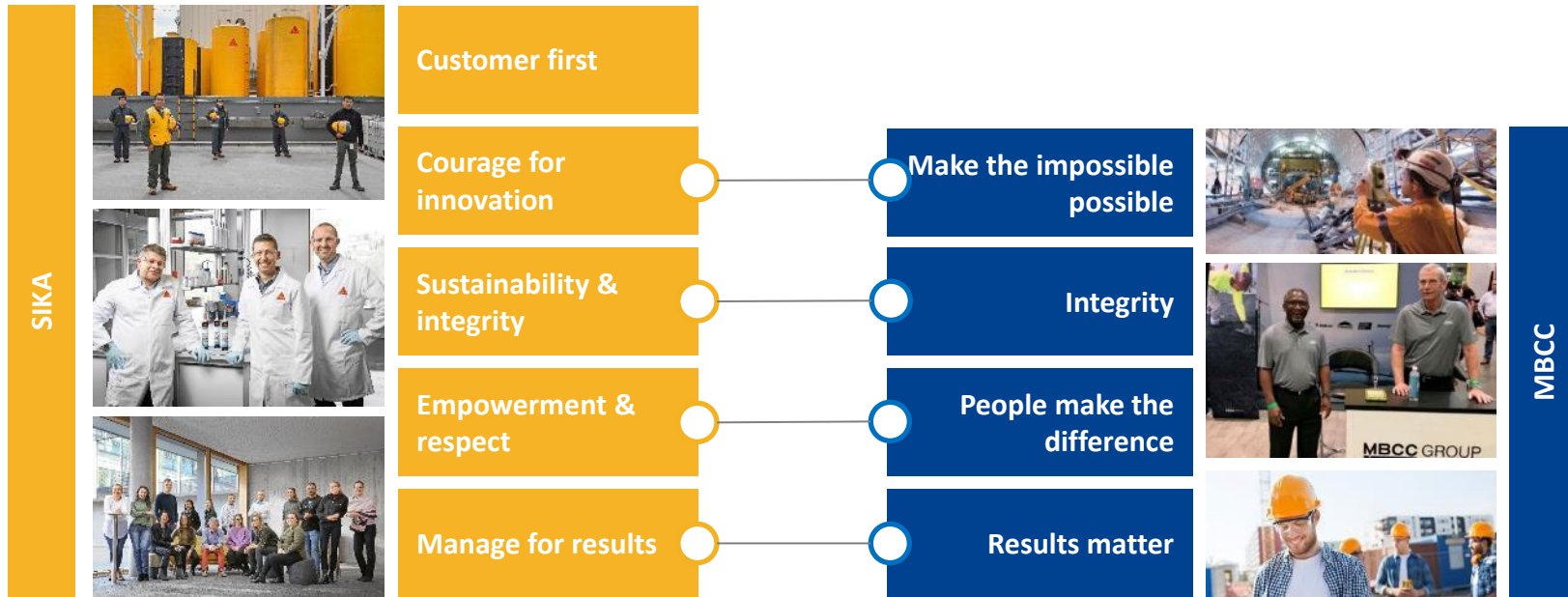


MBCC

adhesives for both wood floor and luxury vinyl tile

UPDATE ON MBCC ACQUISITION BASED ON STRONG SHARED VALUES AND PRICIPLES

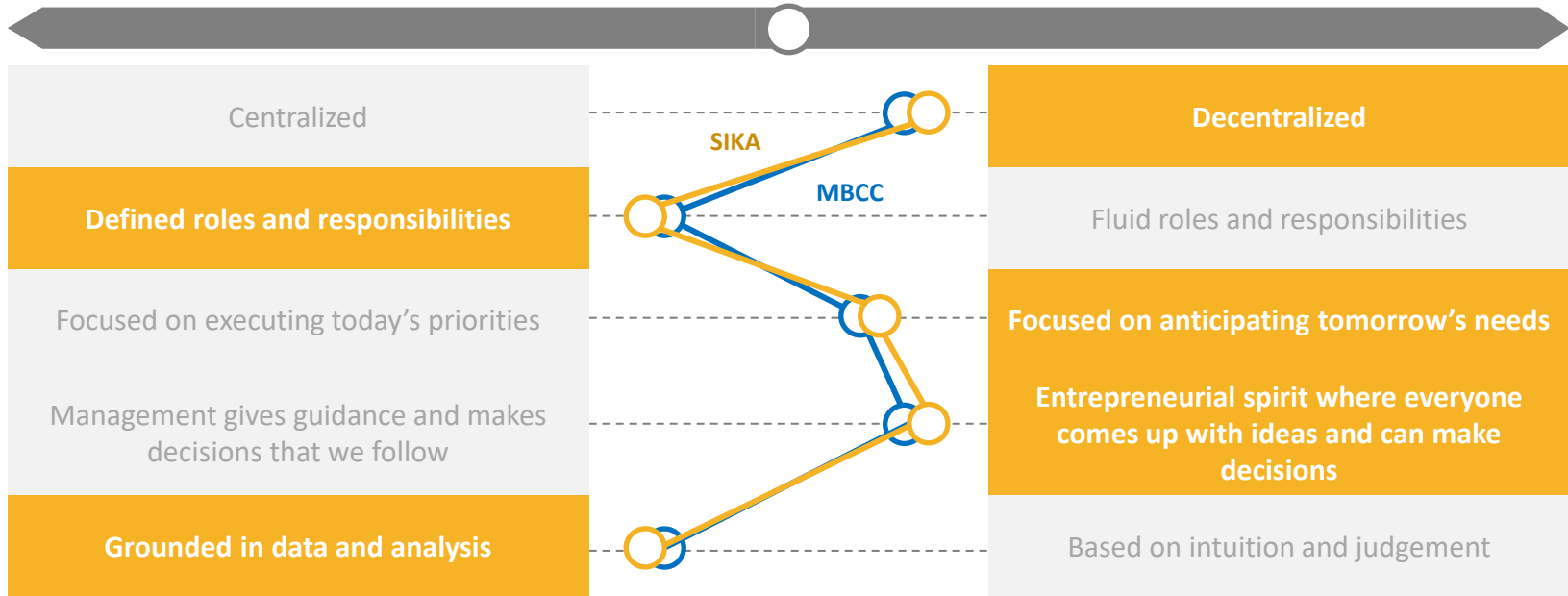
Joining values to provide **world-class service** to customers, foster a **strong working environment** for employees, and continue with our strong growth around the world.



UPDATE ON MBCC ACQUISITION

SHARED VALUES DEFINE OUR CORPORATE CULTURE

Cultural survey among 160 Sika managers and 150 MBCC managers highlights common working principles



5. OUTLOOK

OUTLOOK 2022

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- Sales increase by well over 10% in local currencies, surpassing CHF 10 billion for the first time
- Over-proportional EBIT increase expected for the year
- Confirmation of 2023 strategic targets for sustainable, profitable growth
- New sustainability targets to be presented at Capital Market Day on September 30, 2022

Expected sales
for 2022

> **10** billion
CHF



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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