



SALES EXCEED CHF 6 BILLION – STRONG GROWTH OF 8.9%

SIKA INVESTOR PRESENTATION, SALES 2017
JANUARY 9, 2018

BUILDING TRUST



TABLE OF CONTENTS

1. SALES 2017 – CONTINUED GROWTH MOMENTUM

2. SUCCESSFUL STRATEGY EXECUTION

3. TARGETS 2020

4. OUTLOOK

1. SALES 2017 – CONTINUED GROWTH MOMENTUM

SALES EXCEED CHF 6 BILLION FOR THE FIRST TIME – STRONG GROWTH OF 8.9%

1. Record results

- +8.9% sales growth in local currencies, CHF 6.25 billion in sales
- Accelerated fourth-quarter growth of 12.0%
- Growth in all regions

2. Key investments

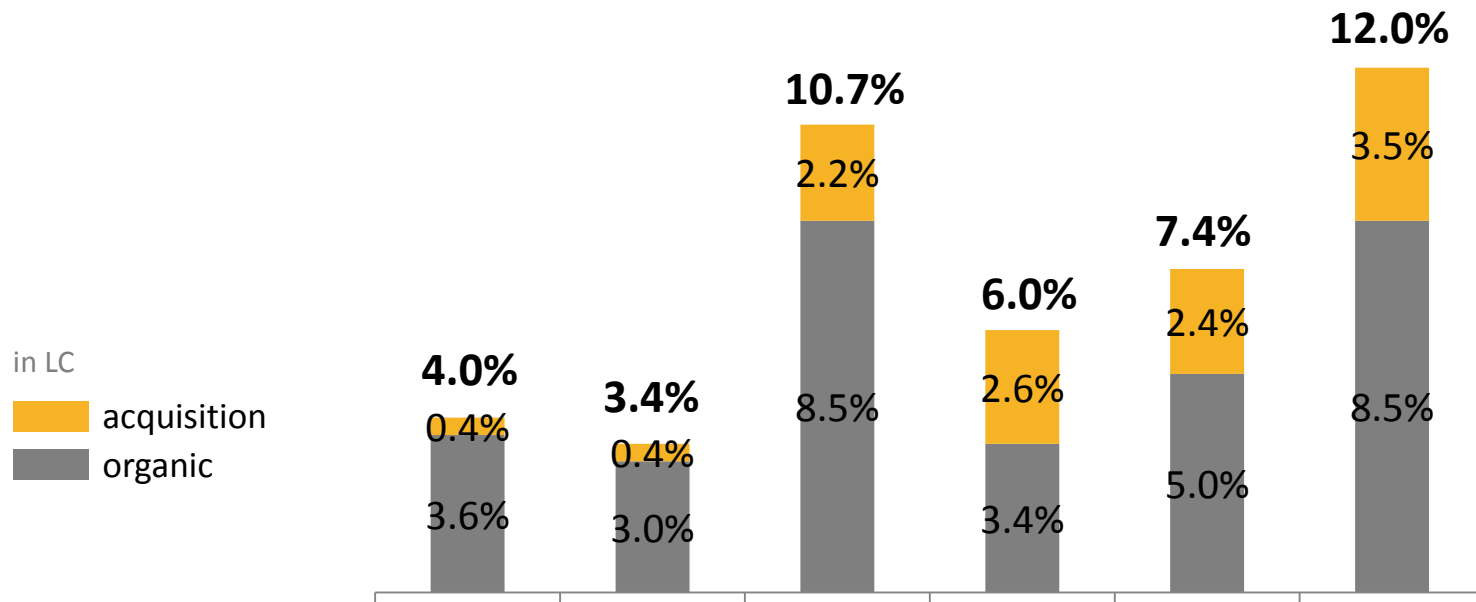
- 9 new factories in Mexico, Kazakhstan, Russia, Tanzania, Pakistan, Angola, Germany, Cameroon and the USA
- 3 new national subsidiaries in Senegal, El Salvador and Bangladesh
- 7 acquisitions: Bitbau Dörr, Austria; ABC Sealants, Turkey; KVK Holding, Czech Republic; Butterfield, USA; Faist ChemTec, Global; Grupo Industrial Alce, Mexico; Emseal, USA

3. Outlook

- Disproportionately high growth in profit expected for the year 2017 as a whole
- Outlook 2018: Sales increase of more than 10% expected

SALES GROWTH BY QUARTER

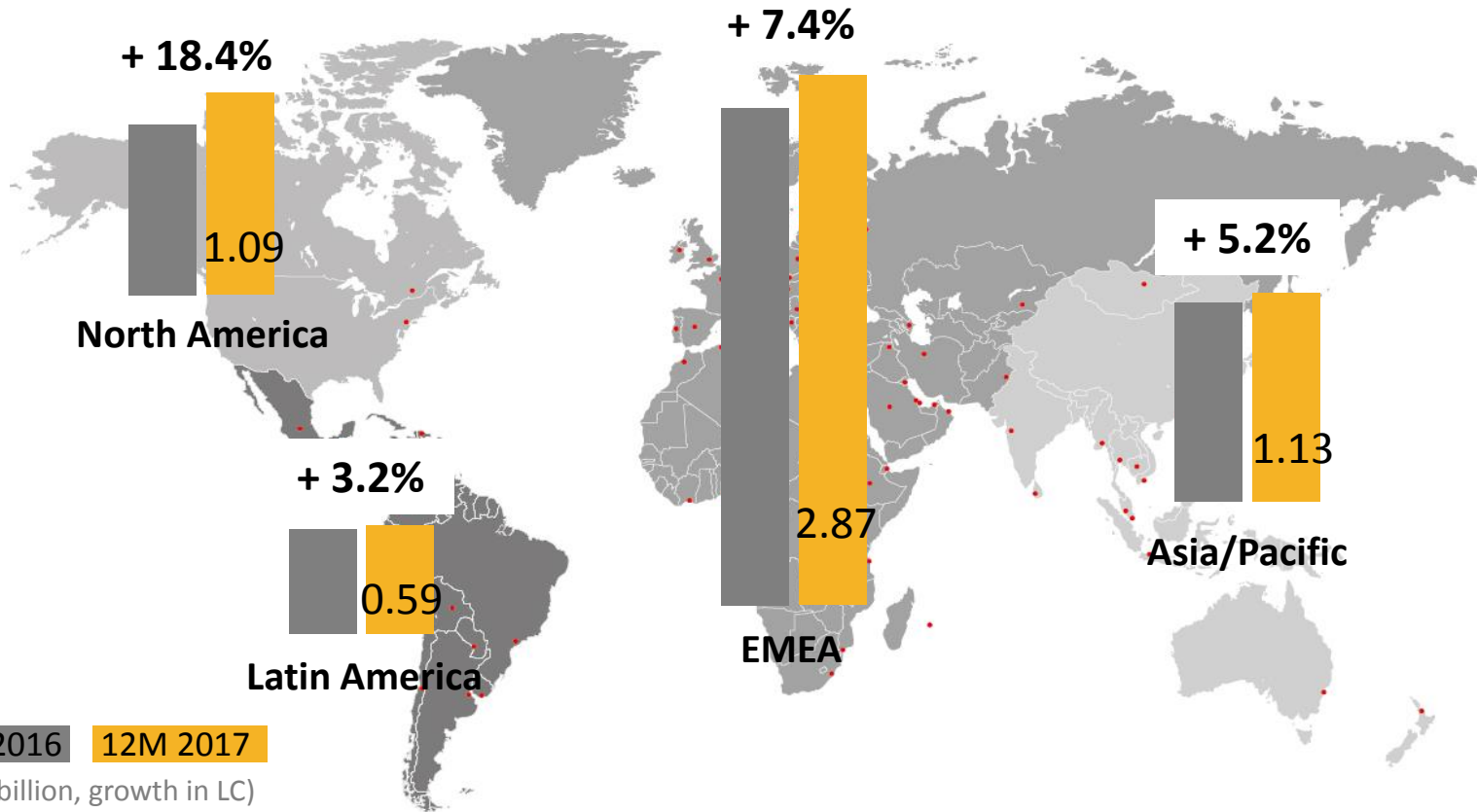
STRONG ORGANIC GROWTH



in CHF mn	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
Quarterly sales	1,525.6	1,415.9	1,389.2	1,605.7	1,632.6	1.62 bn

GROWTH MOMENTUM CONTINUES IN 2017

8.9% SALES GROWTH (8.6% IN CHF)

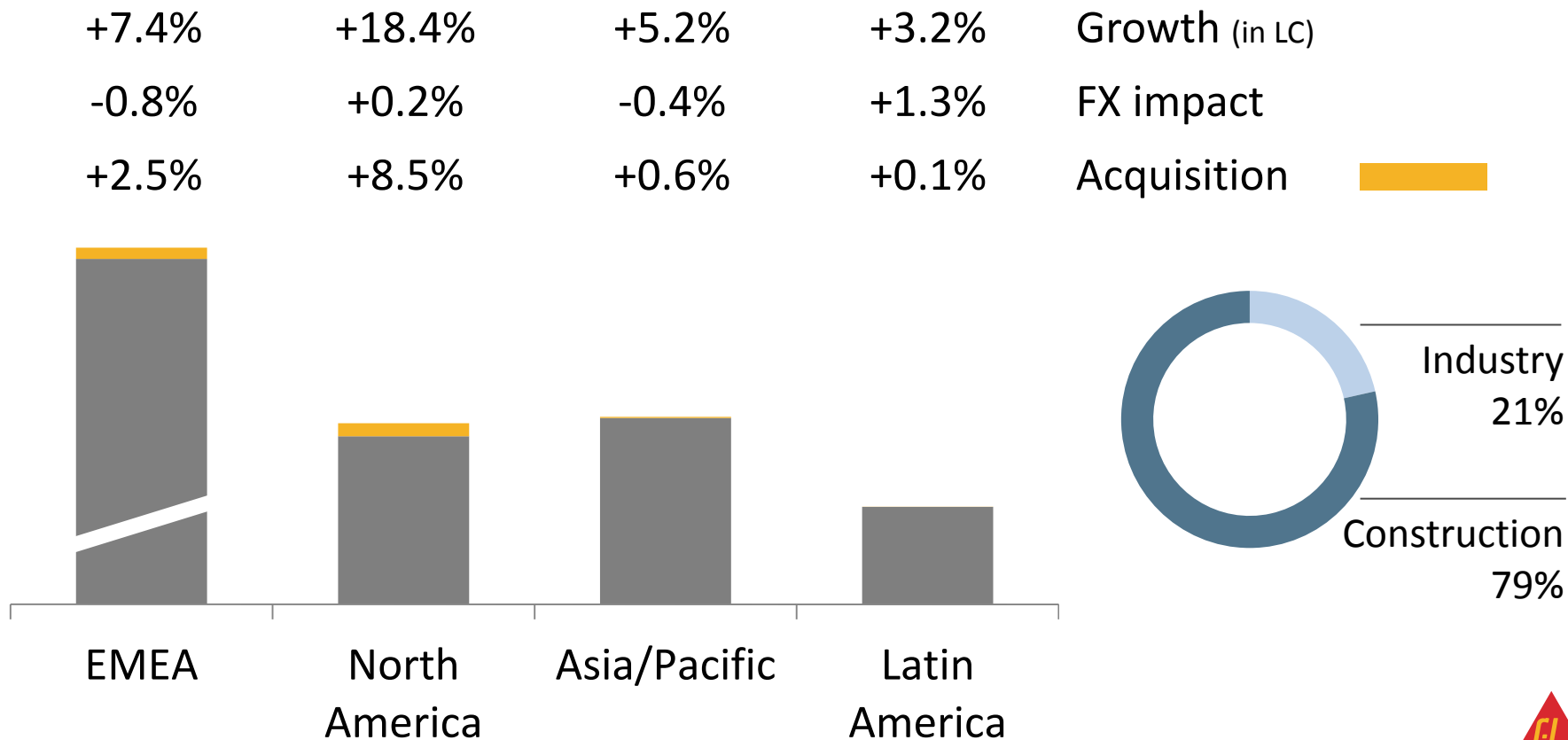


12M 2016 12M 2017

(in CHF billion, growth in LC)

SALES 2017

GROWTH IN ALL REGIONS



KEY INVESTMENTS IN 2017

EXPANSION IN EMERGING MARKETS

Opening of Sika plants:

- **5th plant in Mexico** (Coatzacoalcos, March 2017)
- **New and expanded site in Kazakhstan** (Almaty, May 2017)
- **1st plant in Tanzania** (Dar es Salaam, June 2017)
- **5th plant in Russia** (Lobnya, July 2017)
- **New and expanded site in Pakistan** (Lahore, October 2017)
- **2nd plant in Angola** (Luanda, October 2017)
- **New fiber plant for EMEA** (Troisdorf, Germany, November 2017)
- **1st plant in Cameroon** (Douala, December 2017)
- **22nd plant in the USA** (Houston, December 2017)



New production line for PVC membranes in Russia



New fiber plant in Troisdorf, Germany.



New Houston plant for concrete admixtures and mortar products.

KEY INVESTMENTS IN 2017

EXPANSION IN EMERGING MARKETS

New subsidiaries:

- Senegal (April 2017)
- El Salvador (September 2017)
- Bangladesh (December 2017)

Now present in 100 countries with own national subsidiaries



SIKA'S 100 SUBSIDIARIES

SWITZERLAND - 1910	GERMANY - 1921	CANADA - 1926	UK - 1926	FRANCE - 1928	ITALY - 1928	SPAIN - 1931	JAPAN - 1932	CZECH REPUBLIC - 1933	POLAND - 1933
AUSTRIA - 1934	BRAZIL - 1934	USA - 1936	ARGENTINA - 1938	CHILE - 1942	ALGERIA - 1947	BELGIUM - 1949	SWEDEN - 1950	COLOMBIA - 1951	TUNISIA - 1958
URUGUAY - 1958	NEW ZEALAND - 1959	DENMARK - 1960	MEXICO - 1963	NORWAY - 1968	AUSTRALIA - 1976	IRAN - 1977	HONG KONG - 1978	MOROCCO - 1979	NETHERLANDS - 1980
SAUDI-ARABIA - 1980	MAURITIUS - 1981	SOUTH AFRICA - 1984	EGYPT - 1985	FINLAND - 1985	ECUADOR - 1986	INDIA - 1986	INDONESIA - 1987	MALAYSIA - 1988	THAILAND - 1988
KOREA - 1990	PORTUGAL - 1990	SINGAPORE - 1990	TURKEY - 1990	TAIWAN - 1991	HUNGARY - 1993	PHILIPPINES - 1993	SLOVAKIA - 1993	VIETNAM - 1993	BAHRAIN - 1994
BOLIVIA - 1994	CHINA - 1994	IRELAND - 1994	PERU - 1994	GREECE - 1995	SLOVENIA - 1995	VENEZUELA - 1997	COSTA RICA - 1998	CROATIA - 1998	LEBANON - 1998
GUATEMALA - 2001	PANAMA - 2001	BULGARIA - 2002	CAMBODIA - 2002	ROMANIA - 2002	SERBIA - 2002	RUSSIA - 2003	DOMINICAN REPUBLIC - 2004	AZERBAIJAN - 2005	KAZAKHSTAN - 2005
UKRAINE - 2005	LATVIA - 2007	UNITED ARAB EMIRATES - 2008	PAKISTAN - 2010	JORDAN - 2011	IRAQ - 2012	KENYA - 2012	MONGOLIA - 2012	QATAR - 2012	ANGOLA - 2013
BELARUS - 2013	OMAN - 2013	PARAGUAY - 2013	ALBANIA - 2014	BOSNIA-HERZEGOVINA - 2014	IVORY COAST - 2014	MOZAMBIQUE - 2014	NIGERIA - 2014	SRI LANKA - 2014	ETHIOPIA - 2015
MYANMAR - 2015	TANZANIA - 2015	CAMEROON - 2016	DJIBOUTI - 2016	ESTONIA - 2016	KUWAIT - 2016	NICARAGUA - 2016	SENEGAL - 2017	EL SALVADOR - 2017	BANGLADESH - 2017

CONTINUING HIGH OPERATING SPEED IN 2017

ACQUISITIONS

Company	Country	Target Market
Bitbau Dörr	Austria	Waterproofing
ABC Sealants	Turkey	Sealing & Bonding
KVK	Czech Republic	Roofing, Waterproofing, Refurbishment
Butterfield	USA	Concrete
Faist ChemTec	Global	Industry, Automotive
Grupo Industrial Alce	Mexico	Roofing, Waterproofing
Emseal Joint Systems	USA	Sealing & Bonding, Refurbishment

Total annual sales: CHF 367 million



9 Bitbau Dörr



KVK



Faist ChemTec

KEY INVESTMENTS IN 2017

ACQUISITIONS AS GROWTH PLATFORM

Acquisition of Faist ChemTec, Global

- Leading manufacturer of high-performance engineered, structure-borne acoustic solutions for automotive industry
- Faist ChemTec's innovations are driven by megatrends, such as the increased need for comfort and lightweight construction of vehicles
- Manufacturing footprint supports the aim to achieve global reach combined with local presence when serving customers worldwide
- CHF 190 million additional sales

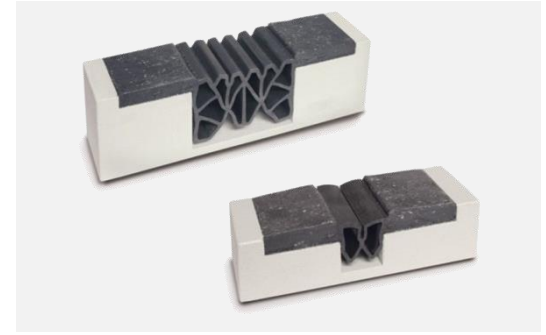


KEY INVESTMENTS IN 2017

ACQUISITIONS AS GROWTH PLATFORM

Acquisition of Emseal Joint Systems, USA

- US-based market leader in development and manufacturing of structural expansion joint products for new construction and refurbishment
- Extensive cross-selling opportunities for other Sika technologies
- Reach new contractor customers and better penetrate key projects - perfect fit with Sika's existing growth strategy in North America
- CHF 40 million additional sales



2. SUCCESSFUL STRATEGY EXECUTION

STRATEGIC TARGETS CONFIRMED FOR 2020

SIKA'S GROWTH MODEL WILL DELIVER

- 1) Performance
- 2) Market Penetration
- 3) Innovation
- 4) Accelerated build-up of Emerging Markets
- 5) Acquisitions
- 6) Values

1) PERFORMANCE

SIKA'S GROWTH MODEL DELIVERS KEY INVESTMENTS IN THE LAST SIX YEARS

PILLARS OF THE GROWTH MODEL

MARKET PENETRATION



- Successful Target Market concept
- Megatrends driving growth

INNOVATION



- 444 new patents filed
- 20 Global Technology Centers

EMERGING MARKETS



- 54 new plants opened
- 23 new national subsidiaries

ACQUISITIONS



- 28 acquisitions in all regions
- CHF 1.02 billion sales added

VALUES



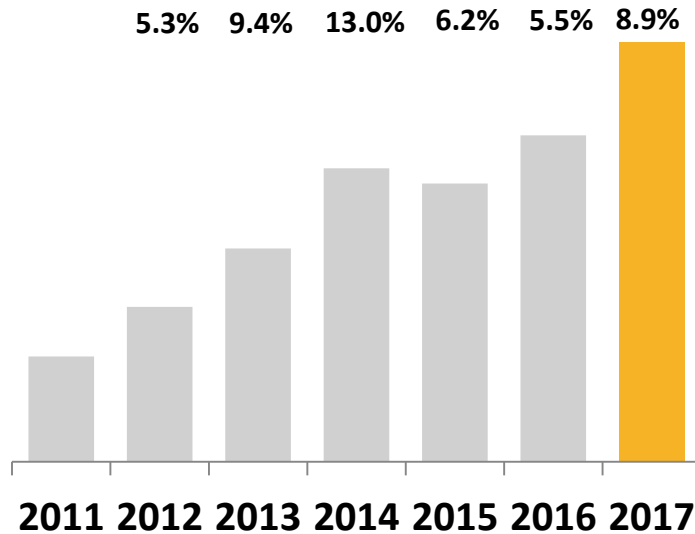
- Strong corporate culture
- High employee loyalty

ACHIEVEMENTS

SIKA'S GROWTH MODEL DELIVERS CONTINUED GROWTH IN SALES AND PROFIT (FULL YEAR)

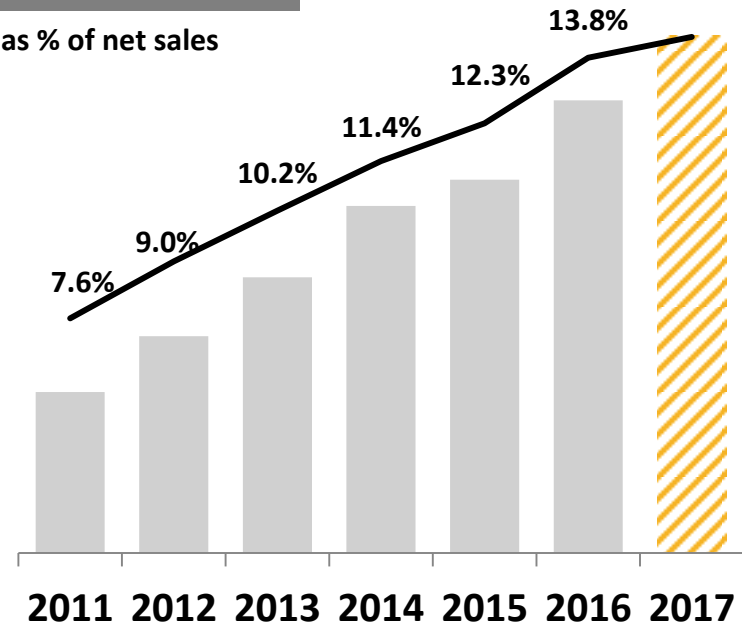
NET SALES

% growth in local currencies



EBIT

as % of net sales

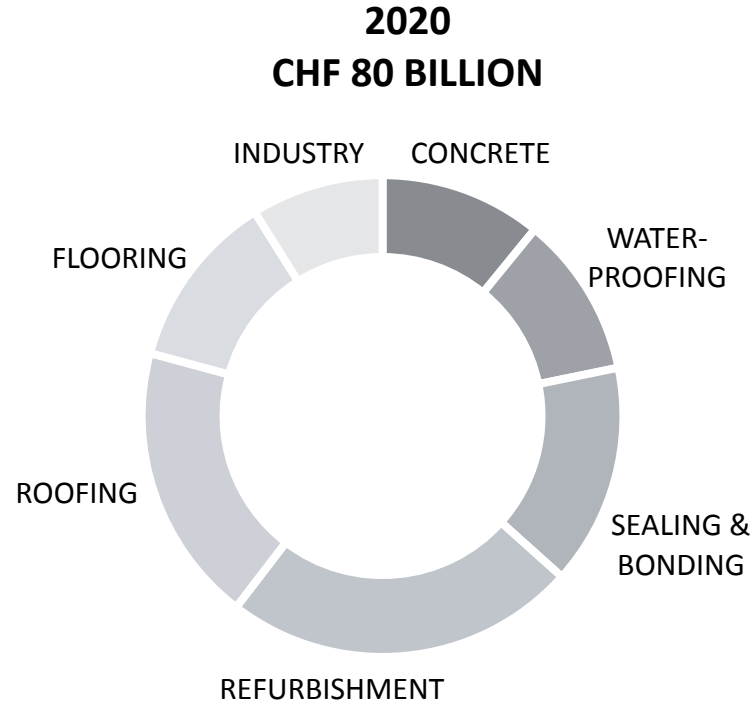
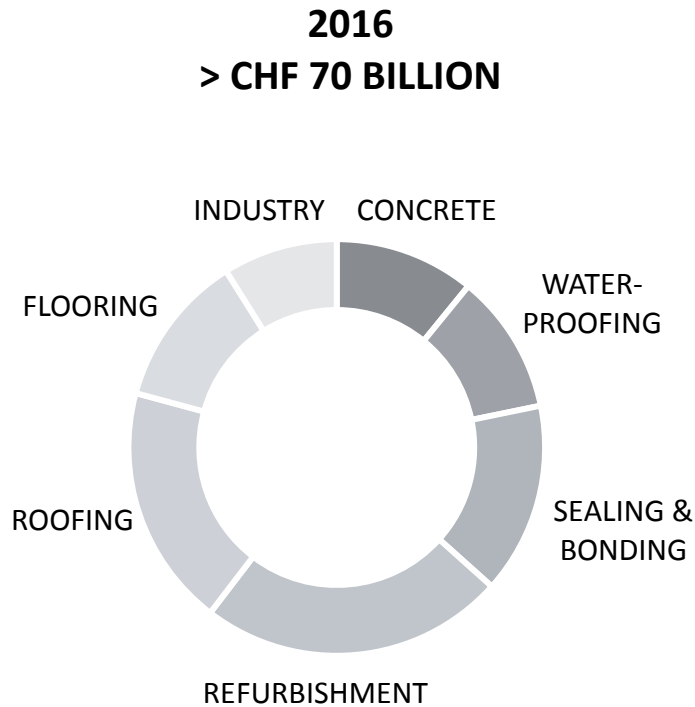


2) MARKET PENETRATION

SIKA'S MARKET POTENTIAL

LARGE AND GROWING MARKET SEGMENTS

TOTAL MARKET SIZE



MEGATRENDS DRIVE OUR GROWTH

URBANIZATION, NEW VEHICLE DESIGN AND SUSTAINABILITY

New modular vehicle manufacturing concepts need fast, high strength bonding systems

Increasing world population with urbanization and megacities

Increased safety, fire, water, earthquake and quality requirements

Rising demand for high performance concrete, sealing and waterproofing

Sustainability: Increasing demand for safe-to-use and low-emission products

New vehicle design with material mix requires bonding solutions

Higher demand for infrastructure and refurbishment solutions

MARKET PENETRATION - FOCUS ON ATTRACTIVE MARKETS: CROSS-SELLING, LIFE-CYCLE MANAGEMENT, A STRONG BRAND



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding

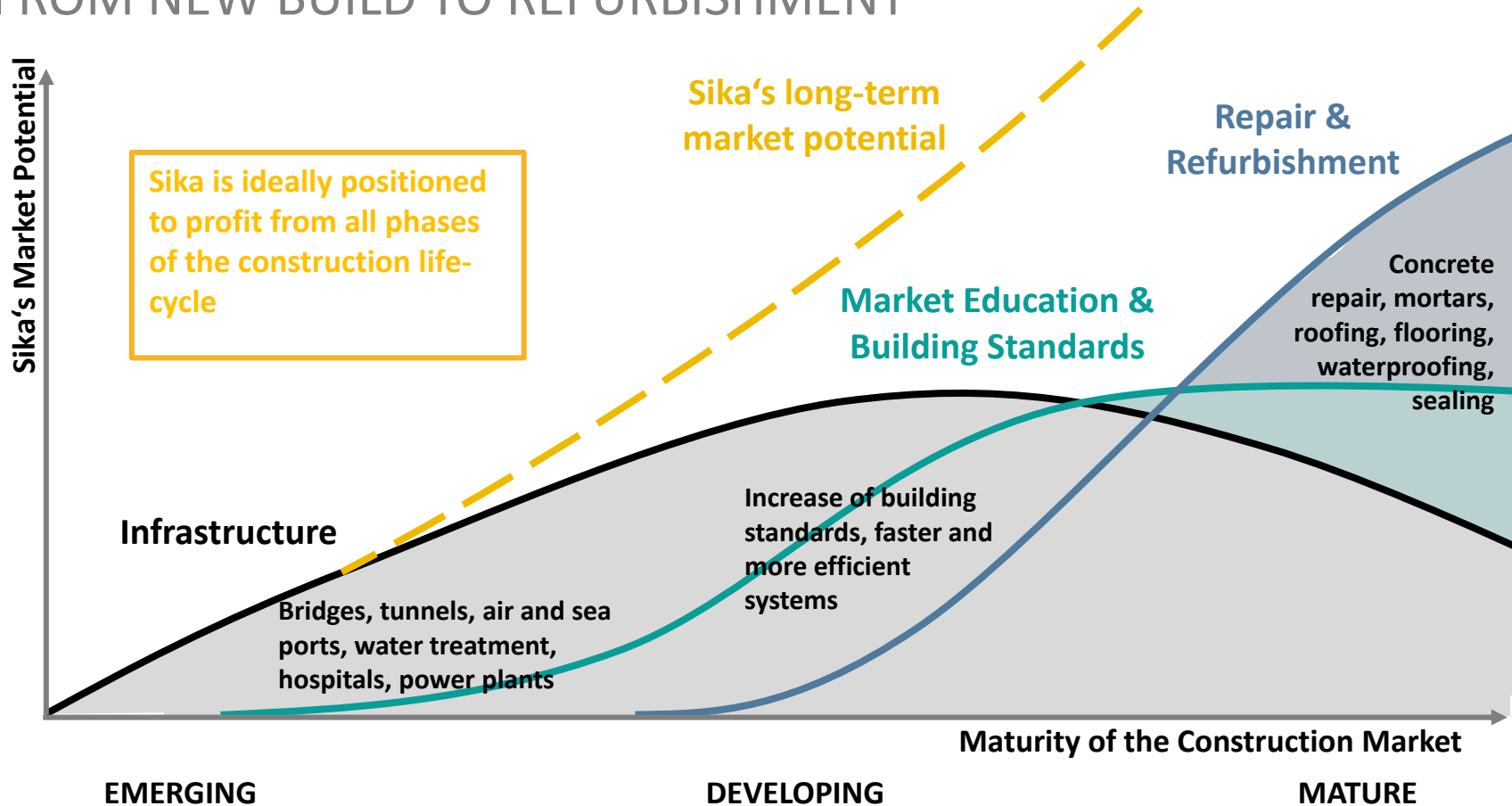


Refurbishment



Industry

GROWTH MODEL WITH EARLY MARKET PENETRATION FROM NEW BUILD TO REFURBISHMENT



3) INNOVATION

INNOVATION

STRONG TRACK RECORD

444

patents were
filed in the
last six years

More than

900

employees are
dedicated to
Research and
Development

513

invention
disclosures
in the last six
years

Established

20

Technology
Centers
worldwide

FROM PATENTS TO WORLD CLASS PRODUCTS INNOVATION INCREASES SALES AND PROFIT



FROM PATENTS TO WORLD CLASS PRODUCTS

3 MAJOR TRENDS IN THE MARKET

Higher building standards

- Urbanization and megacities require intelligent and safe building designs
- Addressable market for fire protective coating products CHF 1 billion by 2024

3-D Concrete Printing

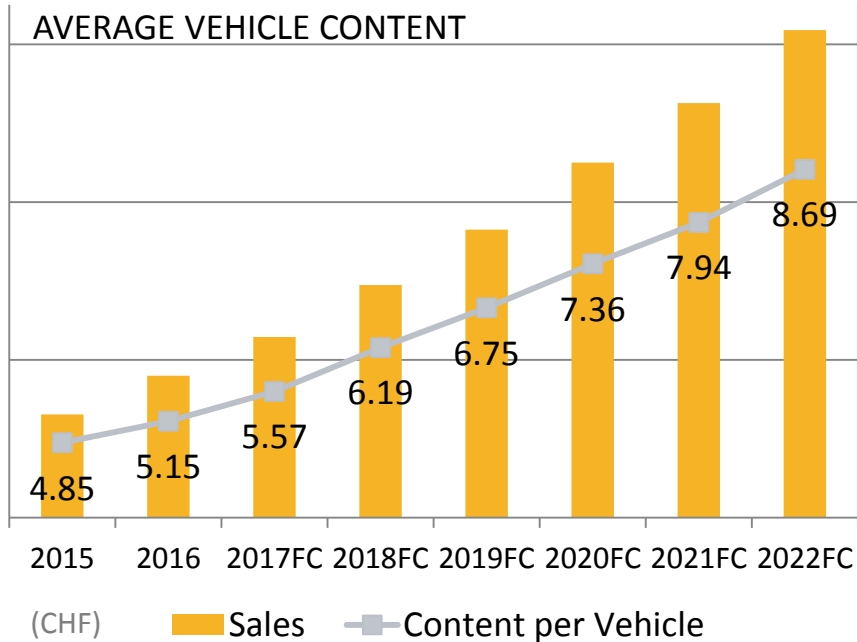
- Paradigm shift in construction industry with 3-D concrete printing
- Additional market potential of CHF 1 billion by 2025

New opportunities in electric vehicles

- Electric vehicles will be a game changer for automotive industry
- 20% more Sika solutions in electric vehicles

SIKA AUTOMOTIVE

E.G. INNOVATIONS DRIVE INCREASE IN VEHICLE CONTENT



VW GOLF 7, E-GOLF
CONTENT: > CHF 40

VW PASSAT
CONTENT: > CHF 80

PSA 3008, 308, 5008
CONTENT: > CHF 70

AUDI A3, A4, A5
CONTENT: > CHF 40

JAGUAR XF
CONTENT: > CHF 100

MERCEDES S-CLASS
CONTENT: > CHF 60

TATA RANGE ROVER
CONTENT: > CHF 100

TESLA MODELS X, S
CONTENT: > CHF 70

SIKA INNOVATIONS DRIVE GROWTH

E.G. INCREASED WORKABILITY FOR CONCRETE

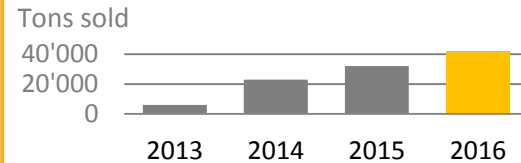


Sika® ViscoFlow®

IN-HOUSE DEVELOPED HIGH-PERFORMANCE POLYMER PERMITS

> 8 HOURS WORKABILITY OF CONCRETE

+ 30% SALES GROWTH IN 2016



MEETING THE
CHALLENGES OF
CONSTRUCTION IN
URBAN
ENVIRONMENTS

ALLOWING
LONG
TRANSPORTABILITY
COUPLED WITH SHORT
SETTING TIMES



4) ACCELERATED BUILD-UP OF EMERGING MARKETS

EMERGING MARKETS BUILD-UP IN THE LAST SIX YEARS

CAPTURING GROWTH POTENTIAL IN NEW MARKETS

54

new
plants
opened

11%

average annual
sales growth

23

new
national
subsidiaries

36%

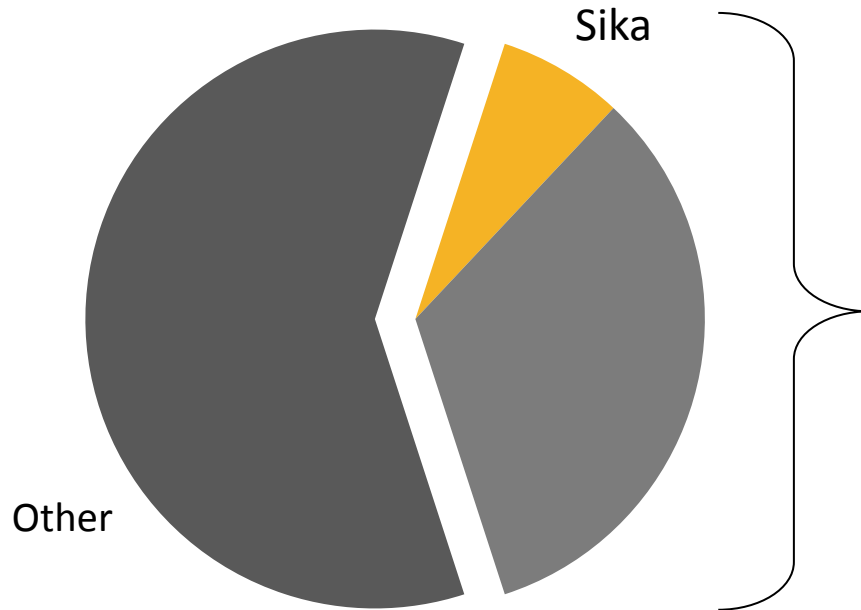
of sales
in Emerging
Markets

5) ACQUISITIONS

SIKA'S MARKET POTENTIAL

FRAGMENTATION OFFERS ACQUISITION OPPORTUNITIES

CONSTRUCTION CHEMICAL MARKET 2016
> CHF 60 BILLION



**Top 10 companies with a
combined market share of 40%**

ACQUISITIONS IN THE LAST SIX YEARS

GROWTH PLATFORMS FOR THE FUTURE

28

acquisitions

1.02

billion CHF
additional
turnover

In all

7

Target
Markets

In all

4

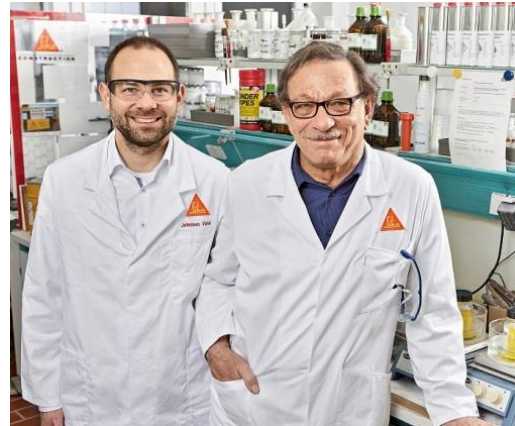
regions

6) VALUES AND PRINCIPLES

SIKA'S VALUES AND PRINCIPLES

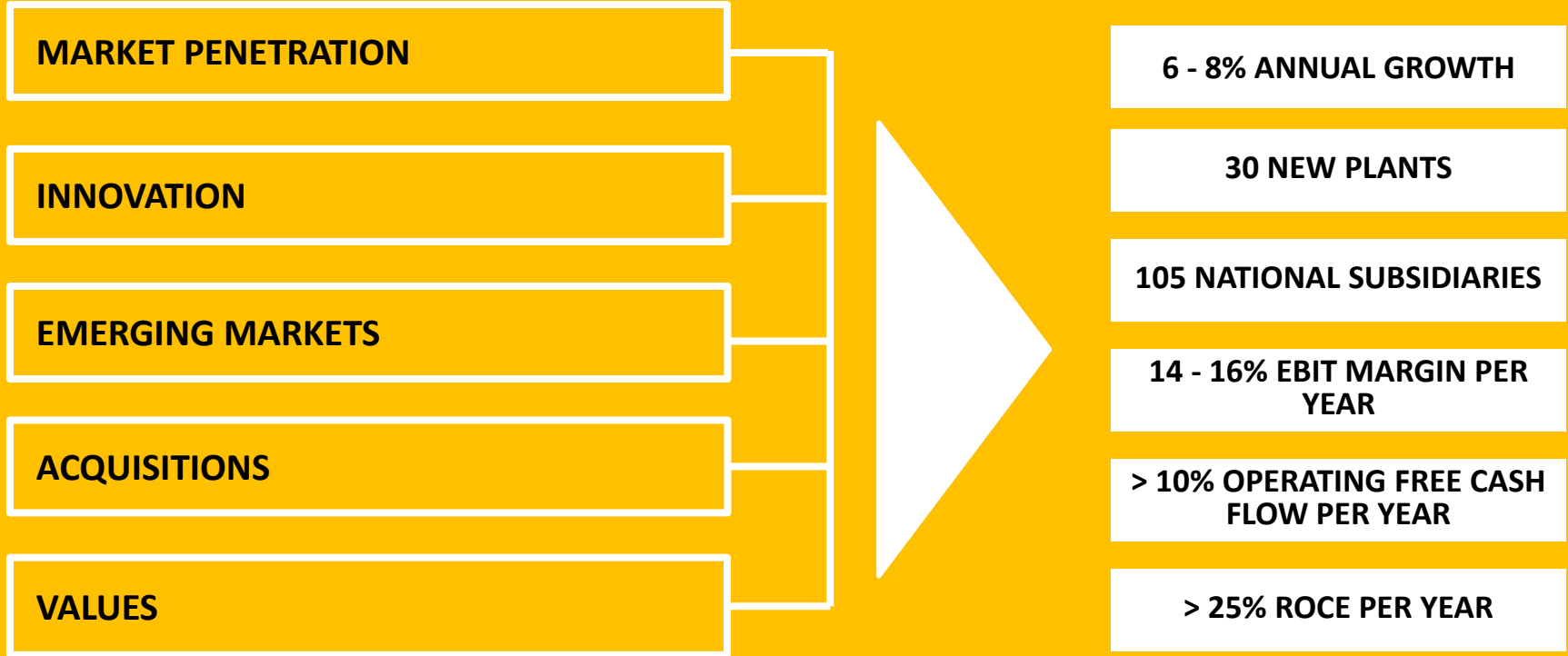
STRONG CORPORATE CULTURE

- Customer first
- Courage for innovation
- Sustainability & integrity
- Empowerment and respect
- Manage for results



3. TARGETS 2020

SIKA'S GROWTH MODEL WILL DELIVER STRATEGIC TARGETS 2020



SIKA'S GROWTH MODEL WILL DELIVER MORE THAN CHF 1 BILLION EBIT IN 2020

- Megatrends Urbanization, New Vehicle Design and Sustainability drive growth
- Fragmented market of CHF 80 billion with huge growth opportunities
- Sika is ideally positioned to profit from all phases of the construction life-cycle
- Sika GROWTH MODEL confirmed – key investments defined
- Strategic targets confirmed for 2020 – confident that GROWTH MODEL continues to deliver growth and margin improvement
- More than CHF 1 billion EBIT in 2020

4. OUTLOOK

OUTLOOK

SIKA CONTINUES TO IMPLEMENT ITS GROWTH STRATEGY

- Disproportionally high growth in profit expected for the year 2017 as a whole
- Sales increase of more than 10% in 2018 expected
- Volatile and rising commodity prices will continue to present a challenge
- Operating profit (EBIT) should enjoy a disproportionate high rise in 2018

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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