RECORD RESULTS IN 2018

SIKA INVESTOR PRESENTATION
MARCH 2019

BUILDING TRUST

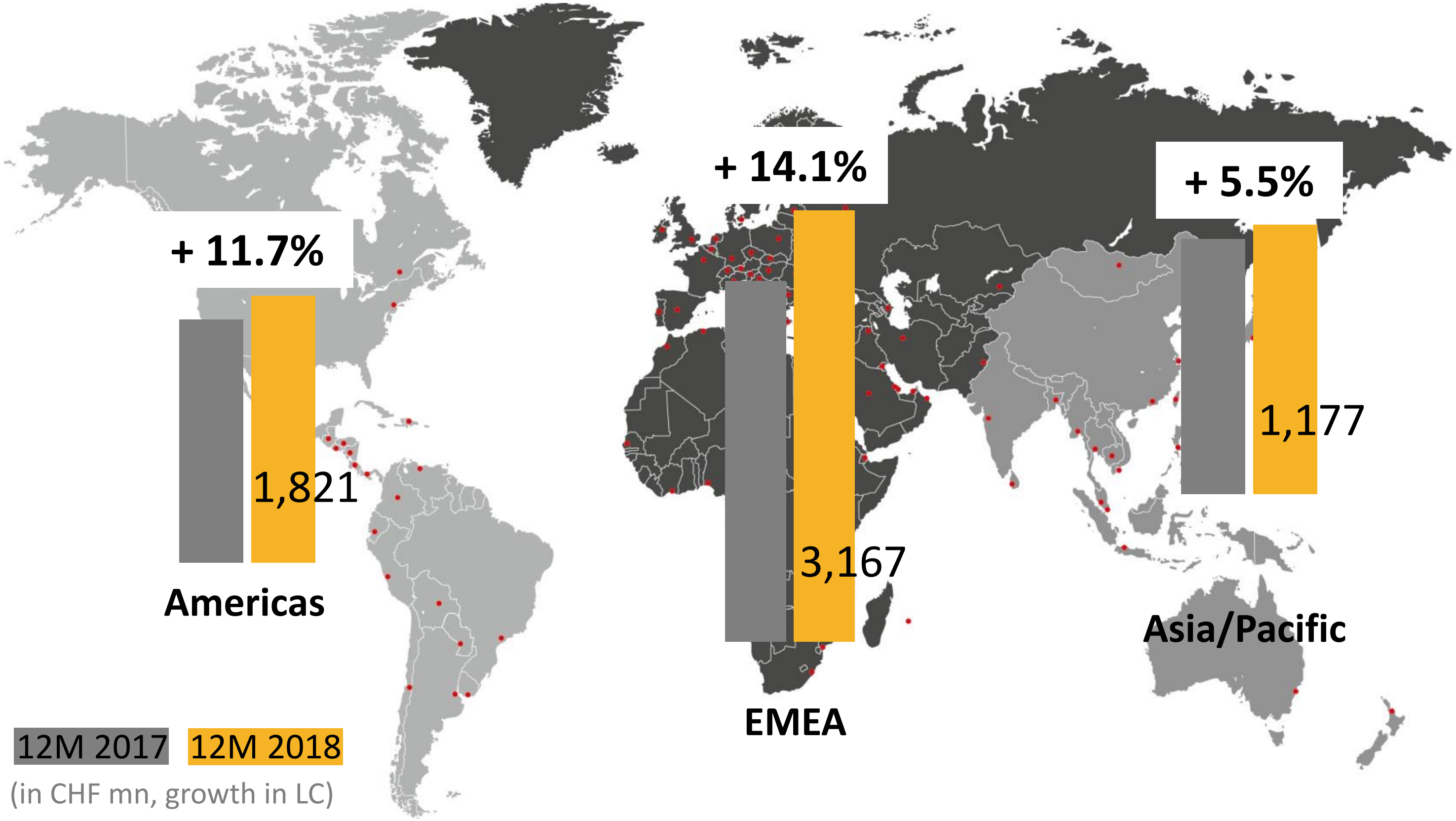
1. HIGHLIGHTS

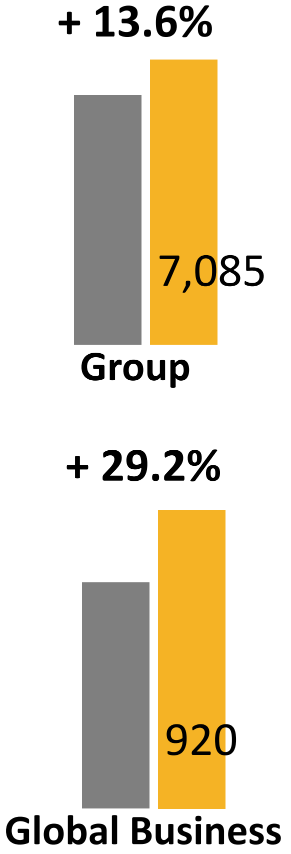
BUILDING TRUST

HIGHLIGHTS 2018

1. Record results
   - Sales growth of 13.6% in local currencies to CHF 7.09 billion in 2018
   - CHF 945.9 million EBIT (+5.5%)
   - CHF 687.1 million net profit (+5.9%)
2. Key investments
   - 1 new national subsidiary
   - 11 new factories
   - 4 acquisitions
3. Strategy and Outlook
   - Outlook 2019: in line with the strategic targets, sales growth of 6 to 8% and over-proportional profit increase expected
   - 2020 strategic targets confirmed

STRONG GROWTH MOMENTUM CONTINUED IN 2018
13.6% SALES GROWTH IN LC (13.4% IN CHF)





12M 2017 12M 2018

(in CHF mn, growth in LC)

HIGH OPERATING SPEED CONTINUED IN 2018
INVESTMENTS IN NEW PLANTS

Opening of Sika plants:

- **New mortar plant Vietnam** (Hanoi, March 2018)
- **1st admixture plant Senegal** (Dakar, April 2018)
- **New admixture factory Saudi Arabia** (Dammam, June 2018)
- **New admixture and mortar plant Azerbaijan** (Baku, July 2018)
- **Mortar and admixture factory United Arab Emirates** (Dubai, August 2018)
- **Automotive plant Mexico** (Querétaro, September 2018)
- **2 new admixture plants Kazakhstan** (Almaty and Astana, October 2018)
- **New admixture plant Russia** (Yekaterinburg, October 2018)
- **Admixture, mortar and liquid applied membrane plant in Peru** (Lima, November 2018)
- **Admixture, mortar, and liquid applied membrane plant in Guatemala** (Palin, December 2018)

New plant in Peru

New factory in Dubai

HIGH OPERATING SPEED CONTINUED IN 2018
EXPANSION IN EMERGING MARKETS

New subsidiary:

- **Honduras** (February 2018)

Now present in 101 countries with own national subsidiaries

HIGH OPERATING SPEED CONTINUED IN 2018
CLOSING OF 4 ACQUISITIONS

Company	Country	Target Market
Faist ChemTec	Global	Global Business
Index Construction Systems and Products	Italy	Roofing & Waterproofing
Polypag	Switzerland	Sealing & Bonding
Fibermesh Concrete Fibers	Global	Concrete
Arcon Membrane Srl*	Romania	Roofing & Waterproofing

Total annual sales: CHF 398 million

* closing expected in first half 2019

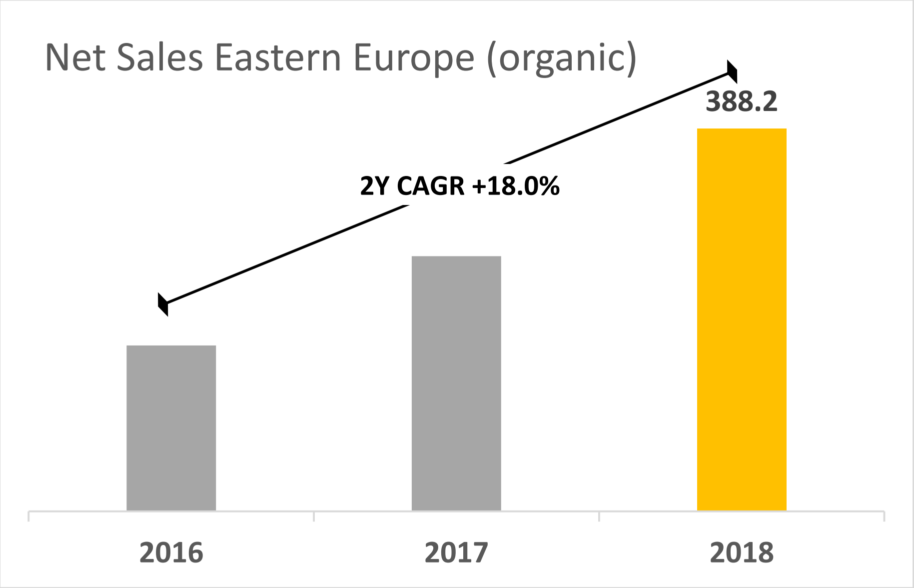

Faist ChemTec


Index Construction Systems and Products


Fibermesh Concrete Fibers

HIGHLIGHTS 2018
STRONG ORGANIC GROWTH MOMENTUM – EASTERN EUROPE

- Investments in local production sites and expansion of retail business as a base for strong growth
- Acquisitions generate momentum for future growth



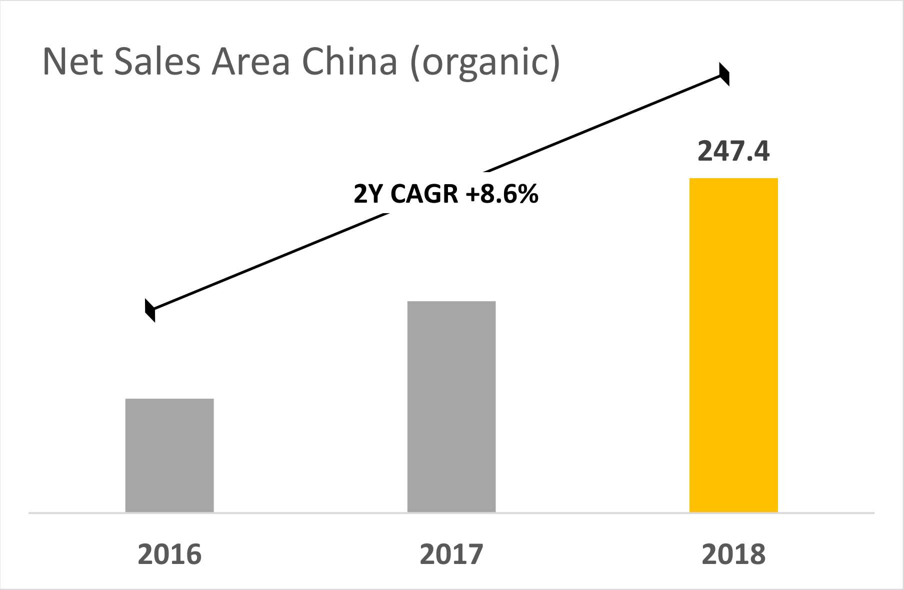
in CHF mn, growth in LC

Lakhta Center, Russia

Bar-Boljare Highway, Montenegro

HIGHLIGHTS 2018
STRONG ORGANIC GROWTH MOMENTUM - CHINA

- Enhancement of specification business and development of contractor network
- Implementation of megacities distribution business plan for Interior Finishing and Refurbishment



in CHF mn, growth in LC

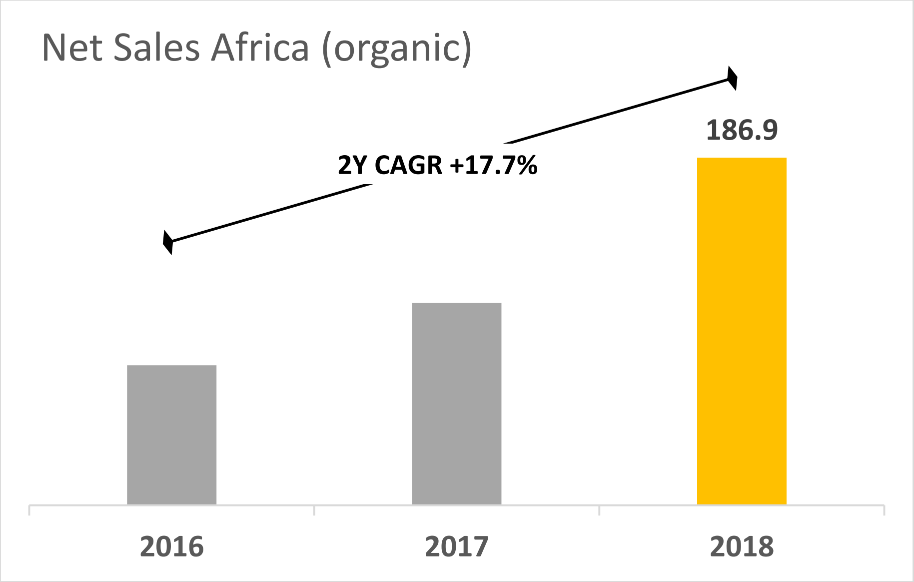
Pudong Airport, Shanghai

Suzhou Central Plaza, China

BUILDING TRUST

HIGHLIGHTS 2018
STRONG ORGANIC GROWTH MOMENTUM – AFRICA

- Strong development of new subsidiaries in Africa thanks to participation in main infrastructure projects
- Consistent strategy execution in fast growing markets

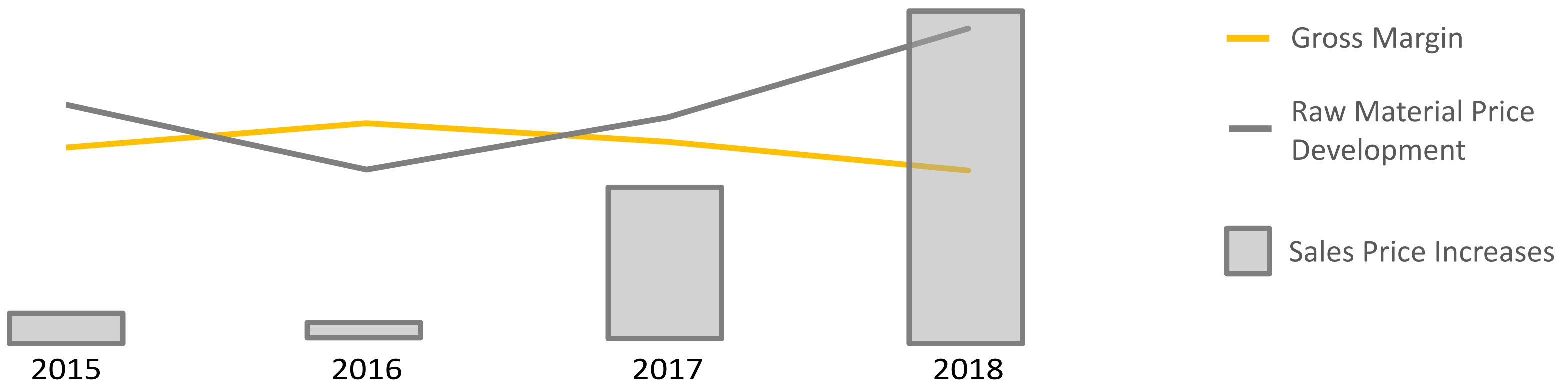


in CHF mn, growth in LC

Caculo Cabaça Dam, Angola

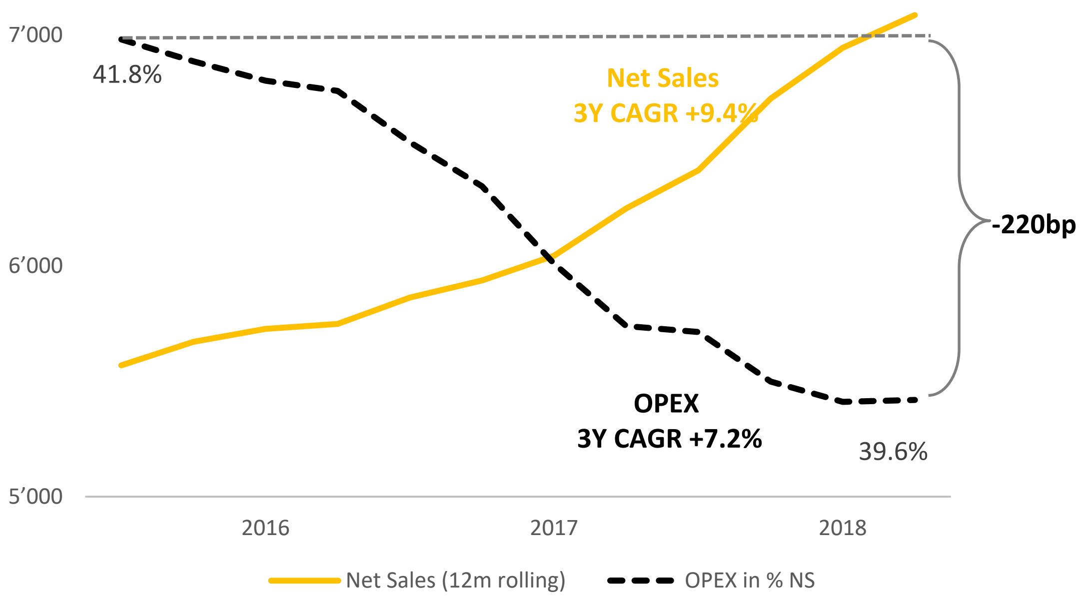
Water treatment plant Batchenga, Cameroon

HIGHLIGHTS 2018
COUNTER PRESSURE FROM RISING RAW MATERIAL PRICES



- Significant increase in raw material prices since end of 2016 with biggest impact in Concrete, Flooring and Sealing & Bonding businesses
- More than 40 force majeure “shutdowns” of suppliers’ plants in 2018, low water on Rhine River affecting transportation of raw materials
- Highest sales price increase in 2018 since several years

HIGHLIGHTS 2018
EFFICIENCY IMPROVEMENTS TO COUNTER PRESSURE ON MARGINS



Efficiency gains from:

- Operating leverage
- Lean corporate organization
- Various efficiency programs in emerging countries with volatile currencies
- Prudent cost management in countries with lower growth
- Fast integration of acquisitions / realization of synergies

HIGHLIGHTS 2018
URBANIZATION – HIGH REQUIREMENTS FAVOR SIKA SOLUTIONS

Demand for high-performing and specialty concrete

Innovative roofing solutions for challenging construction conditions: liquid applied membranes

Increasing safety, fire, earthquake and quality requirements

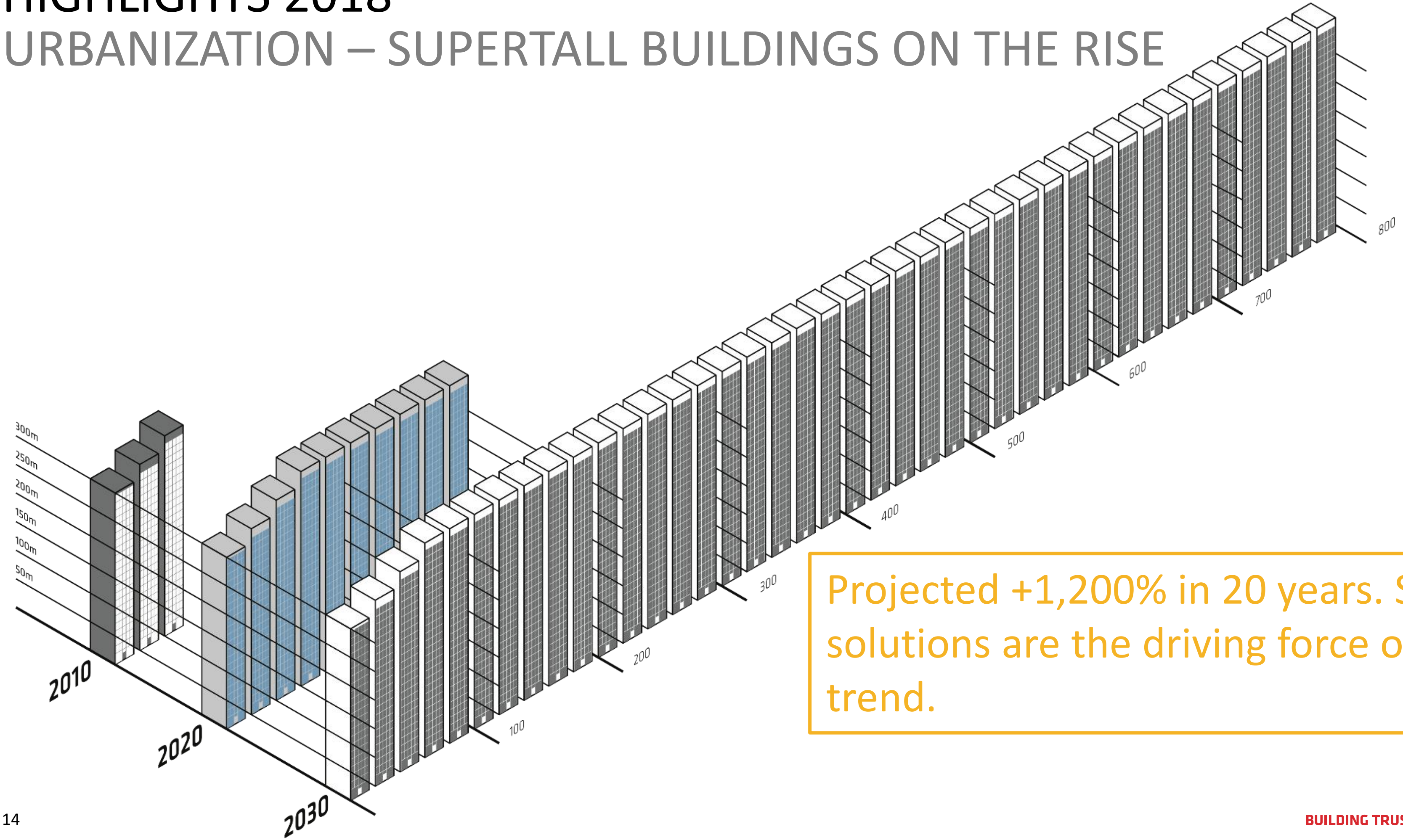
More waterproofing solutions needed

Functional sealing of building envelopes

Increasing demand for refurbishment and repair solutions

HIGHLIGHTS 2018

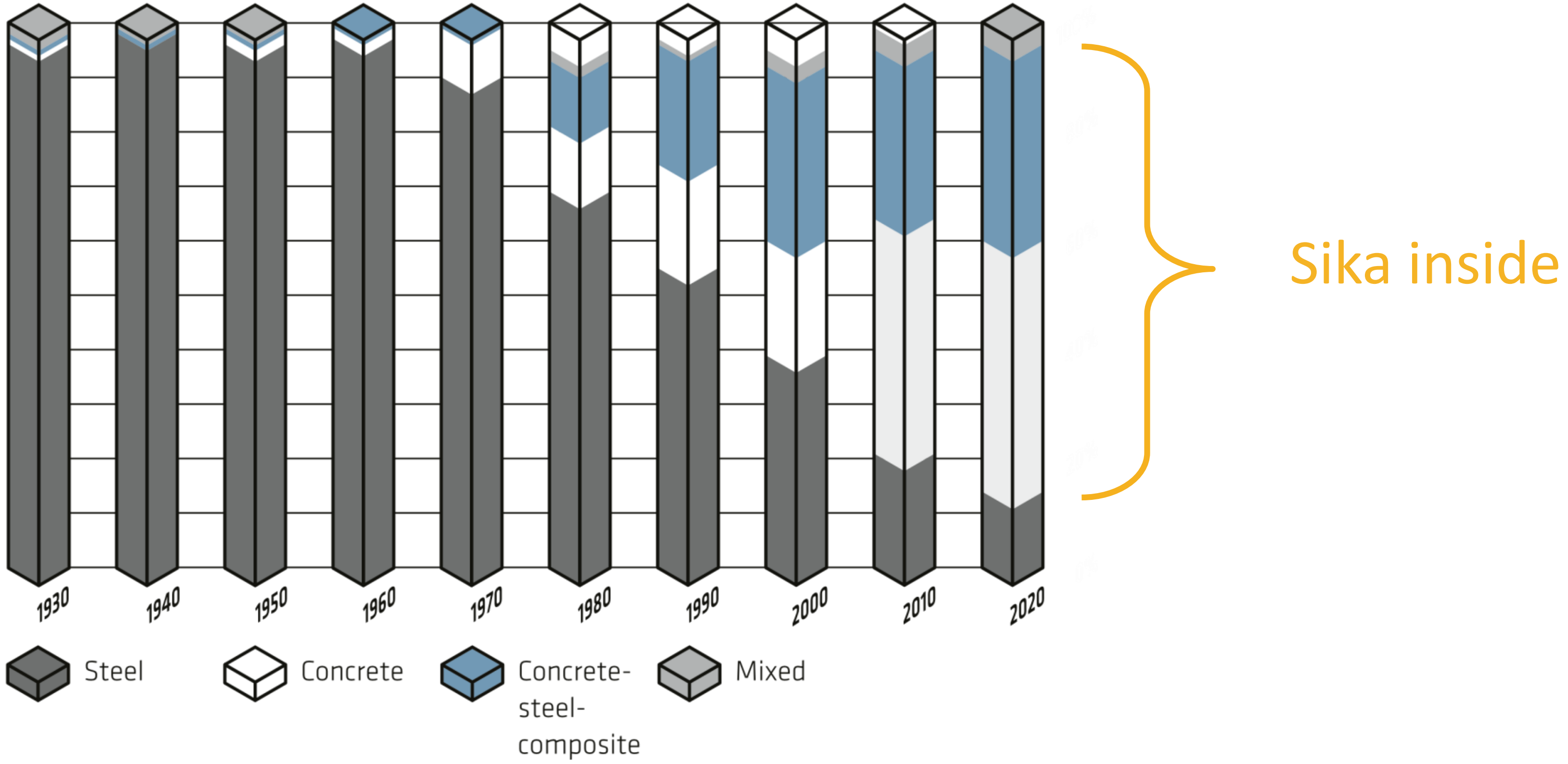
URBANIZATION – SUPERTALL BUILDINGS ON THE RISE



Projected +1,200% in 20 years. Sika solutions are the driving force of this trend.

HIGHLIGHTS 2018 – URBANIZATION

CONCRETE – NO. 1 STRUCTURAL MATERIAL FOR HIGH-RISE BUILDINGS



HIGHLIGHTS 2018 – URBANIZATION

MANAGING TIGHT CONCRETE LOGISTICS: ONE VANDERBILT, NYC

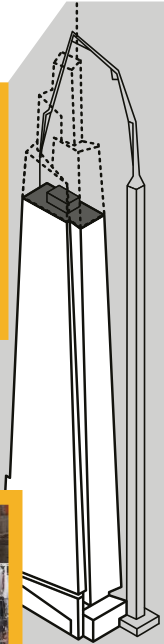
>400 m height
easy to pump, hardens quickly

1.5 hrs
ride from plant to job site

100 rides a day
and 70,000 m^3 concrete

200 bar
high pressure, still cohesive

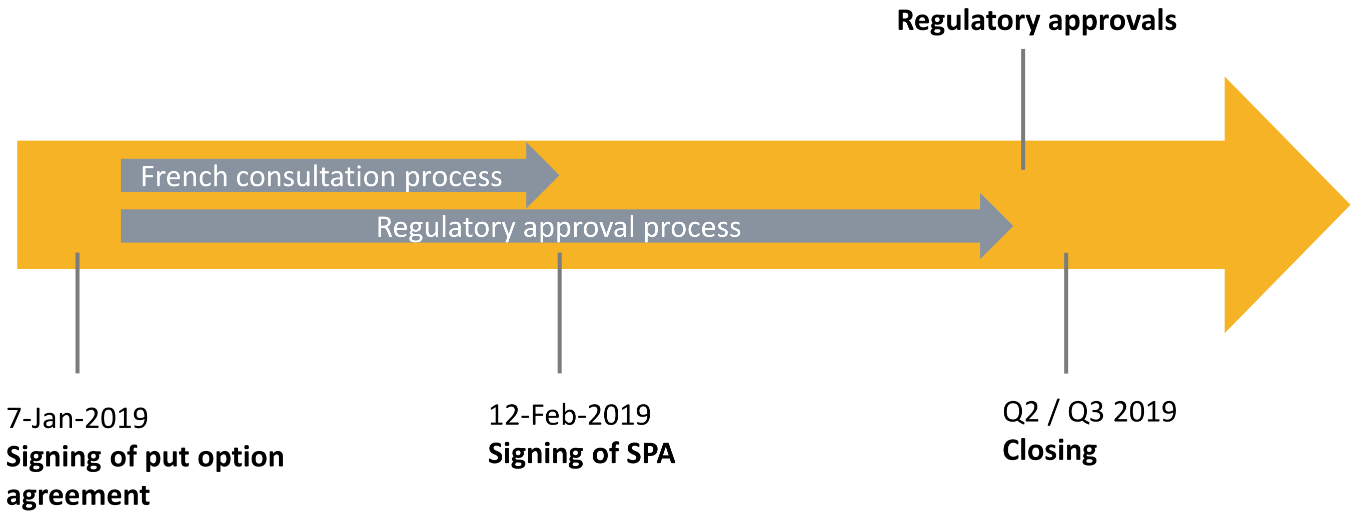
Every fifth
truckload is officially being tested for quality



Manhattan

2. UPDATE ON PAREX

UPDATE ON PAREX
CONSULTATION PROCESS CONCLUDED – SPA SIGNED



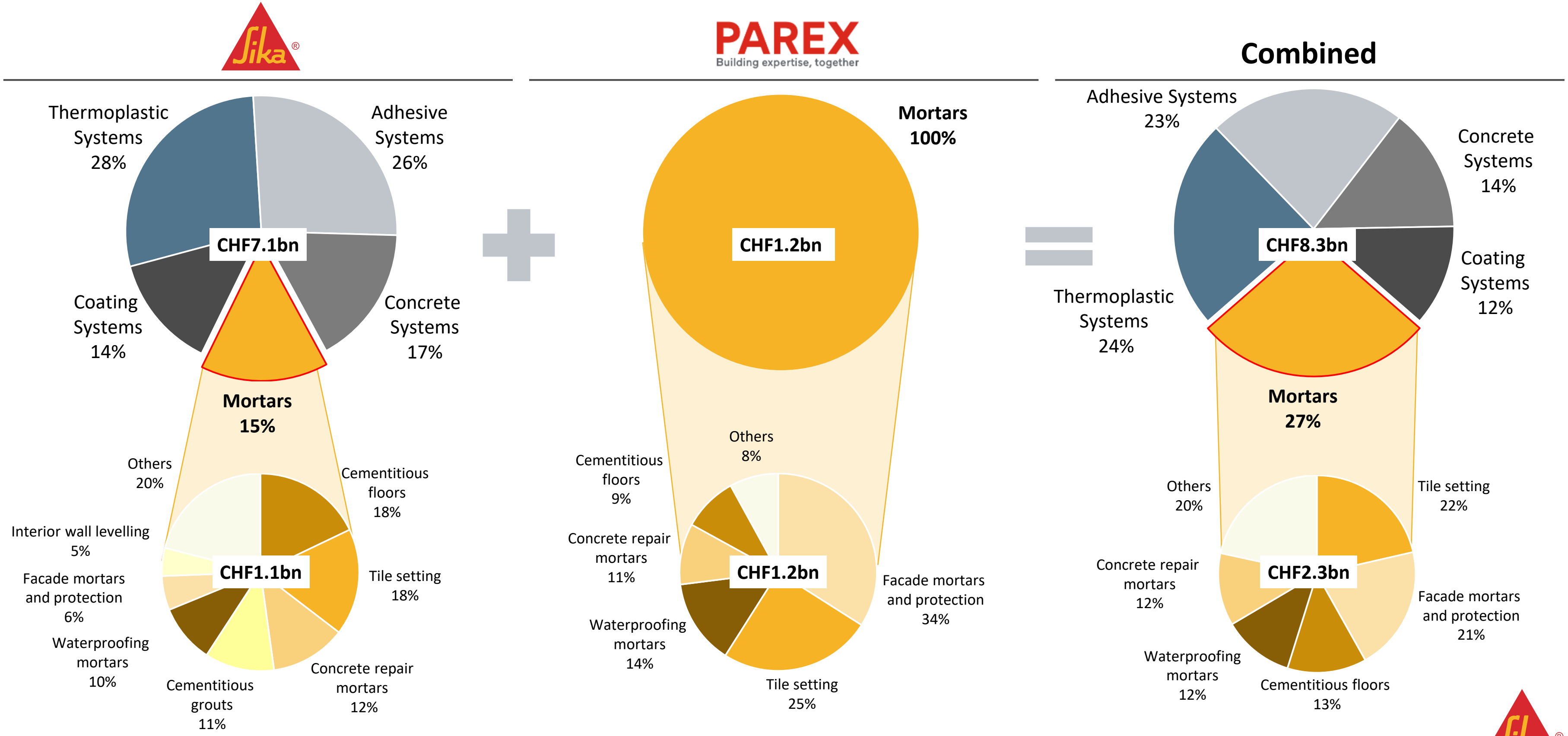
TRANSACTION HIGHLIGHTS (1/2)

- Sika made binding offer to acquire Parex from CVC Fund V
- Parex, an excellent company
  - A leading mortar manufacturer – great expertise in facade, tile adhesives, waterproofing
  - Impressive track record of profitable growth (7 year growth CAGR of 7%; 2018E sales: CHF 1.2 billion, EBITDA 16%)
  - Strong position in distribution (80% of sales)
  - Present in 23 countries with key position in 8 markets
- Key benefits
  - Very good strategic fit with no overlaps
  - Combining two “growth engines”
  - Boost Sika’s position in mortars and distribution
  - Sika and Parex with strong brands and position in complementary channels, therefore multiplier potential for Sika and Parex products
  - Rollout Parex’s facade business in Sika world
  - Leverage potential in technology and operations
- Cultural fit
  - Highly decentralized organization
  - Management by empowerment

TRANSACTION HIGHLIGHTS (2/2)

- Financial parameters
  - Enterprise value of CHF 2.5 billion
  - Annual synergies of CHF 80 – 100 million expected
- Multi-step transaction
  - Sika signed exclusive put option agreement
  - Consummation of transaction subject to regulatory approvals, expected in Q2/Q3 2019

UPDATE ON PAREX
EXPAND HIGHLY PROFITABLE MORTAR BUSINESS



EXAMPLE CHINA
HIGH CHANNEL COMPLEMENTARITY AND CROSS-SELLING POTENTIAL

Parex strong in distribution, Sika strong in direct business

- Technical mortars
- Industrial Flooring
- Roofing & Waterproofing
- Sealing & Bonding

Turnover 2017: CHF 225m

PAREX
Building expertise, together

- Waterproofing systems
- Tile setting materials
- Facade systems

Turnover 2017: CHF 275m

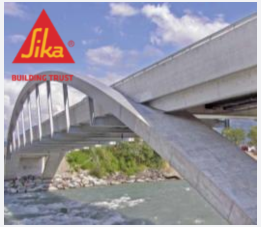
Expanded footprint in China

- Sika with 90% of direct business in China
- High complementarity in distribution channels with significant cross-selling opportunities (acrylics, epoxies, PUs)
- Increase Sika's plants from 3 to 12 and employees from 1,050 to 2,350 in China
- Parex is a strong market player operating under main brand Davco
- Unique retail distribution network with 90,000 points of sale of which 3,000 are exclusive independent distributors under the Davco brand

**Strong combined growth platform:
CHF 500m**

BUILDING TRUST

EXAMPLE USA
FACADE AND TILE SYSTEMS AS NEW GROWTH PLATFORMS



- Refurbishment
- Industrial Flooring
- Roofing & Waterproofing
- Sealing & Bonding

Turnover 2017: CHF 995m

- Facade mortars/stuccos
- EIFS
- Tiles setting materials

Turnover 2017: CHF 125m

Strong improvement of US market position in construction chemicals:

CHF 1,120m

- Expand factory footprint for mortars with Parex plants in Florida, California, New York and New Mexico
- Parex's Facade/EIFS business connects well with Sika's wall insulation business
- Parex to be Sika's growth platform and starting point for the US tile adhesives market
- Parex benefits from Sika's cross selling and specification selling activities

BUILDING TRUST

REVENUE AND COST SYNERGIES
EXPECTED RUN-RATE SYNERGIES OF CHF 80-100M

Revenue synergies

- Cross-selling of Sika products through Parex distribution channels (Acrylics, PUs, Epoxies etc.)
- Leverage Sika's direct access to jobsites for Parex products
- Sale of Parex products through Sika's presence in >70 countries currently not covered by Parex

Cost synergies

- Economies of scale in purchasing
- Optimization of production and logistics cost
- Operating leverage and increased efficiency in support functions

- Expected run-rate synergies of CHF 80-100m p.a.
- Synergies expected to ramp-up over coming years and to be fully realized in year 4 post closing
- Expected transaction and integration costs of CHF 70m spread over the next three years

In addition, CapEx savings of CHF 35m spread over the next 3 years

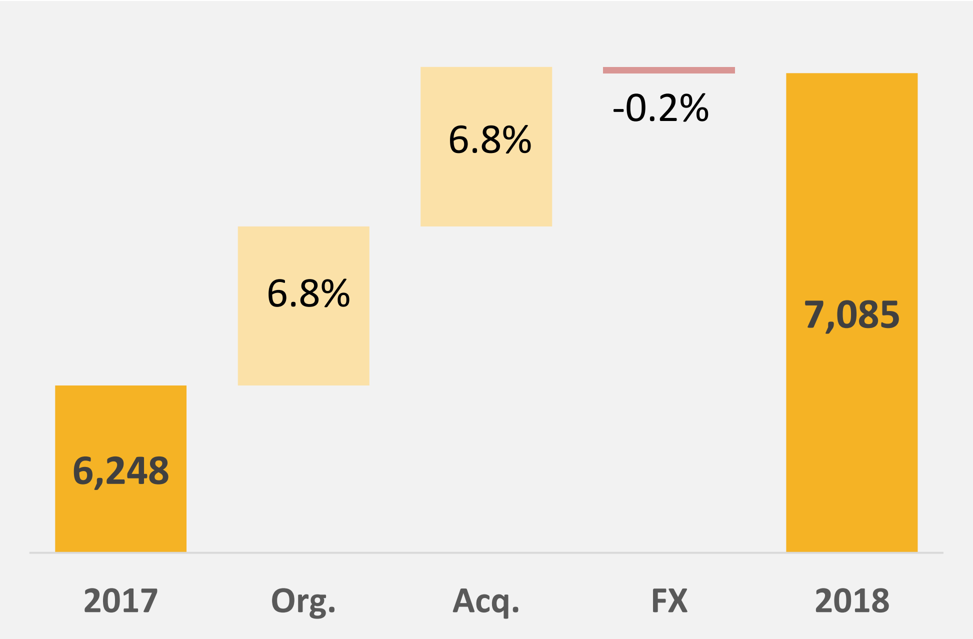
3. FINANCIAL RESULTS 2018

FINANCIAL HIGHLIGHTS 2018

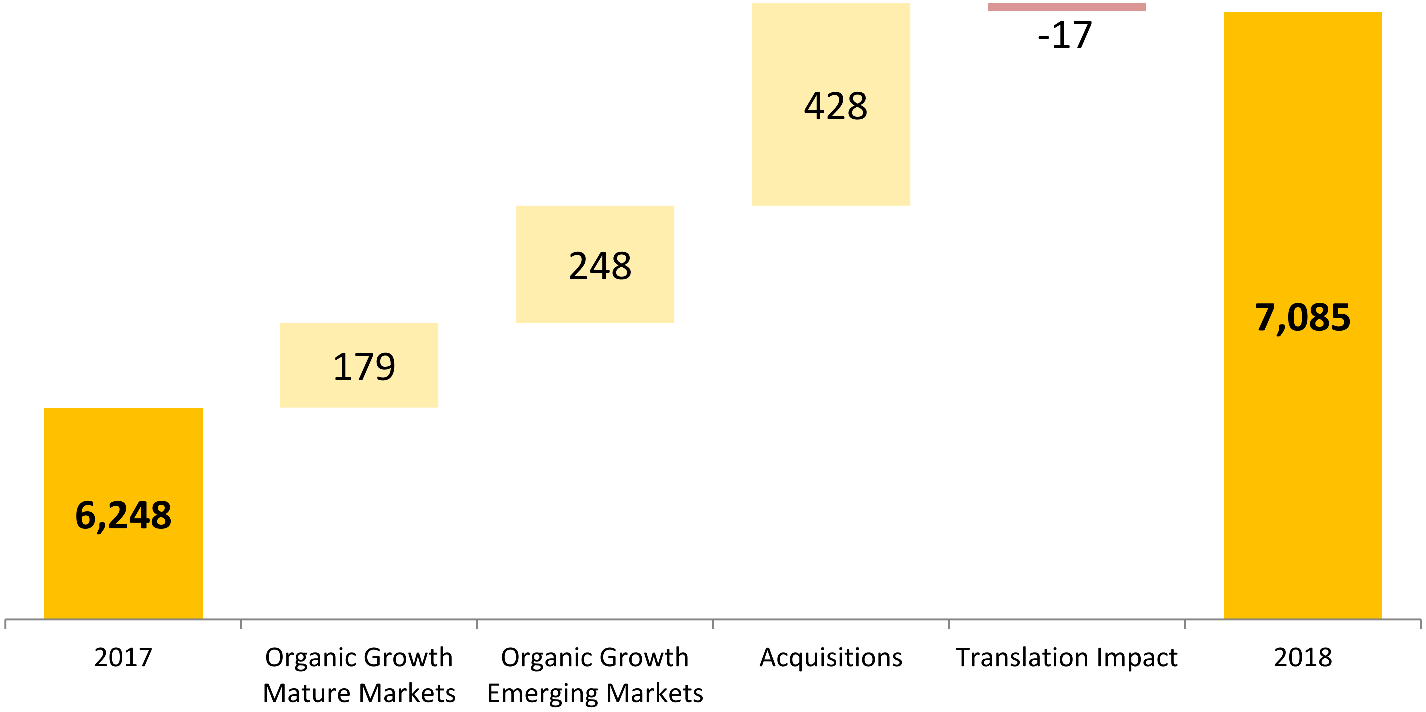
- New and all-time records in:
  - Net sales: CHF 7,085.4 million (+13.6% in LC, 13.4% in CHF)
  - EBIT: CHF 945.9 million (+5.5%) reaching 13.4% of net sales, +CHF 50 million in absolute terms
  - Excluding SGO resolution cost, EBIT is at 13.7% of net sales
  - Net Profit: CHF 687.1 million (+5.9%)
- Tax rate decreased further to 23.0%
- Earnings per share (EPS) increased 10.9% to CHF 4.69
- Strong capital efficiency (ROCE) at 26.2% driven by solid profitability and efficient capital management
- Ongoing investments of CHF 239 million incl. lease buyback (2017: CHF 163 million)

REVENUES 2018
13.6% GROWTH IN LOCAL CURRENCIES

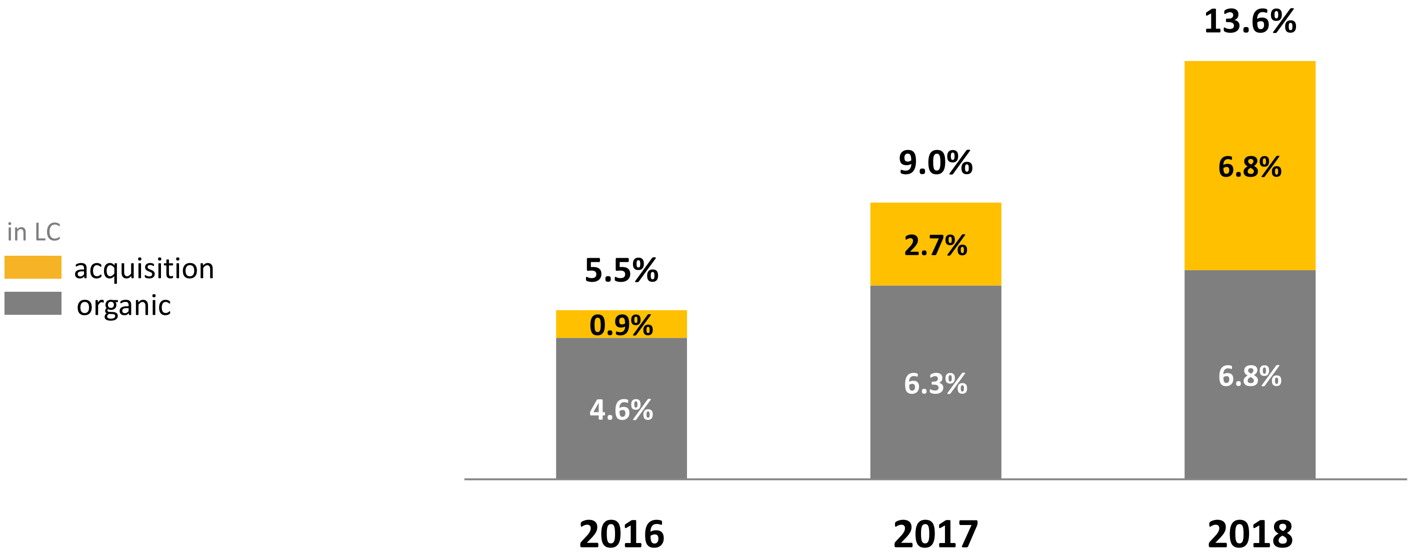
in CHF mn	2016	2017
Net sales	6,248.3	7,085.4
Organic growth		+426.2
Acquisition effect		+427.8
Currency effect		-16.9



REVENUES 2018
EXECUTION ON ALL PILLARS OF THE STRATEGY



SALES GROWTH 2016 TO 2018
STRONG ORGANIC GROWTH

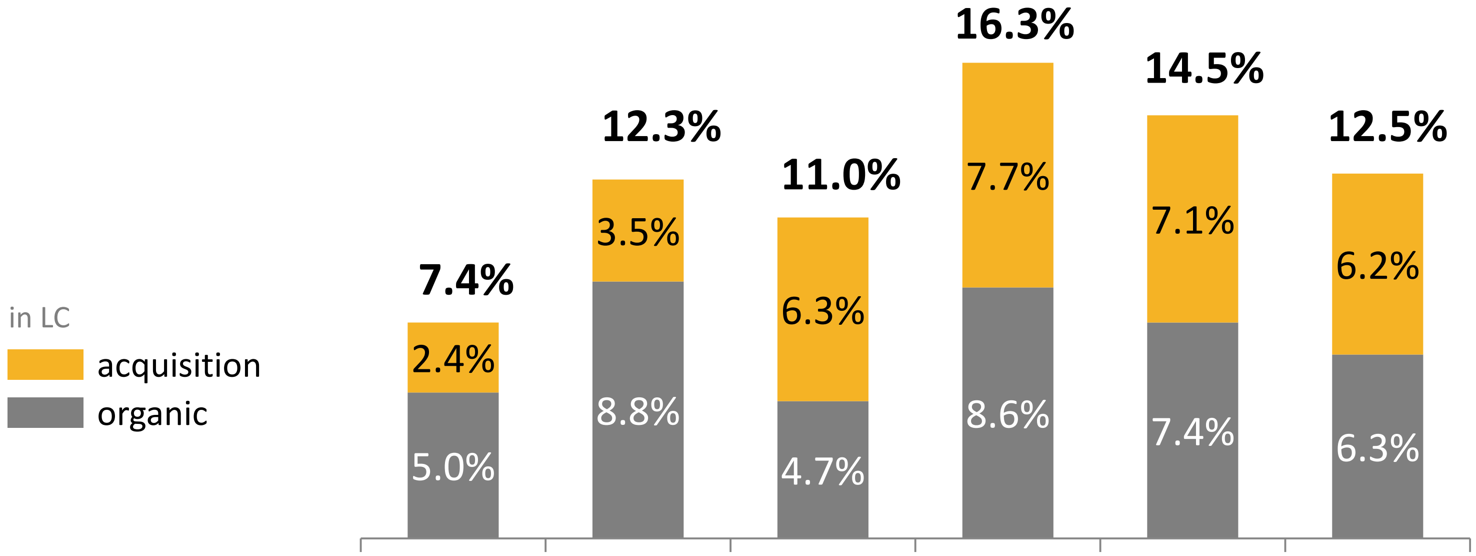


in CHF mn

Sales	5,747.7	6,248.3	7,085.4

BUILDING TRUST

SALES GROWTH BY QUARTER
DYNAMIC GROWTH MOMENTUM



in CHF mn	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
Quarterly sales	1,632.6	1,620.8	1,554.0	1,916.1	1,852.6	1,762.7

INCOME STATEMENT
STRONG GROWTH AND OPERATIONAL IMPROVEMENTS

in CHF mn	2017	NS	2018	NS	Growth
Net sales	**6,248.3**	**100%**	**7,085.4**	**100%**	**13.4%**
Gross result	**3,399.1**	**54.4%**	**3,751.7**	**53.0%**	**10.4%**
Personnel costs	-1,212.1	-19.4%	-1,345.4	-19.0%	11.0%
Other OPEX	-1,118.5	-17.9%	-1,256.4	-17.7%	12.3%
Depreciation and amortization	-172.2	-2.8%	-204.0	-2.9%	18.5%
EBIT	**896.3**	**14.3%**	**945.9**	**13.4%**	**5.5%**
Financial expense	-34.2		-53.0		
Income taxes	-213.1		-205.8		
Net profit	**649.0**	**10.4%**	**687.1**	**9.7%**	**5.9%**
Tax rate		24.7%		23.0%	
Non-material costs	-2,502.8	-40.1%	-2,805.8	-39.6%	12.1%

BUILDING TRUST

CONSOLIDATED BALANCE SHEET
CONTINUED PRUDENT BALANCE SHEET POLICY

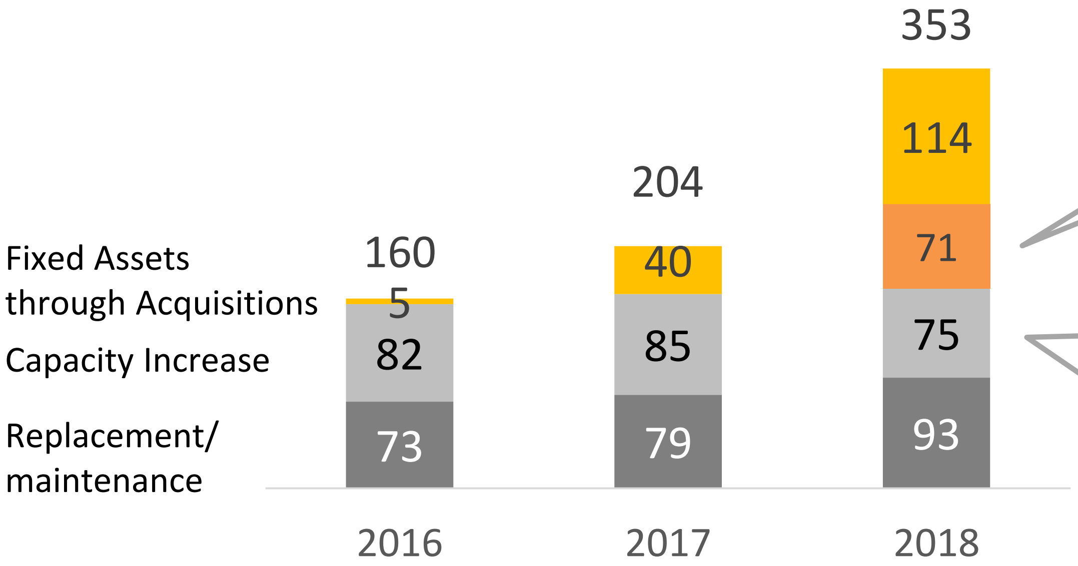
in CHF mn	31.12.2017	31.12.2018	Δ %
Cash and cash equivalents	1,037.9	914.0	-11.9
Other current assets	2,047.2	2,262.7	10.5
Current assets	**3,085.1**	**3,176.7**	**3.0**
Non-current assets	2,710.7	3,205.5	18.3
Total assets	**5,795.8**	**6,382.2**	**10.1**
Current liabilities	1,203.7	1,206.9	0.3
Bonds (current)	149.9	199.9	
Bonds (non-current)	549.0	2,792.9	
Other non-current liabilities	482.1	507.1	5.2
Total liabilities	**2,384.7**	**4,706.8**	**97.4**
Equity incl. minorities	3,411.1	1,675.4	-50.9
Total liabilities and equity	**5,795.8**	**6,382.2**	**10.1**
Net debt	-290.2	2,114.1	

CASH FLOW STATEMENT

STRONG CASH FLOW DEVELOPMENT DESPITE ONE-OFF EFFECT

in CHF mn	2017	2018
Cash flow from operating activities	651.9	744.0
CapEx/sale of assets/acquisitions	-478.2	-705.2
Free cash flow	**173.7**	**38.8**
Acquisitions/financial assets	323.1	474.4
Operating free cash flow	**496.8**	**513.2**
Free cash flow	**173.7**	**38.8**
Cash flow from financing activities	-289.2	-149.6
Exchange differences	-1.6	-13.1
Net change in liquid funds	**-117.1**	**-123.9**

INVESTMENTS
EFFICIENT CAPITAL MANAGEMENT



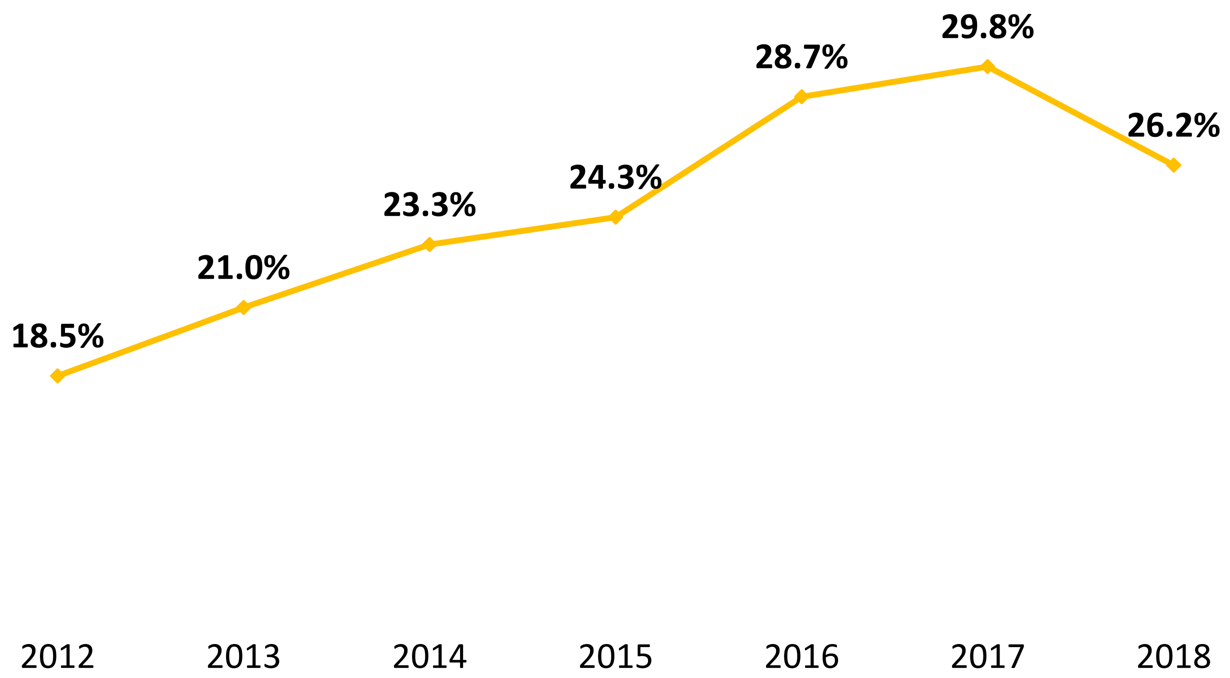
Lease buyback
- R&D building in Switzerland
- Production facilitiy in Switzerland

11 new Factories
- A mortar plant in Hanoi, Vietnam
- A new plant in Dakar, Senegal
- A new admixture factory in Dammam, Saudi Arabia
- A new plant in Baku, Azerbaijan
- A new plant in Dubai, UAE, replacing our old one in Dubai
- A new automotive plant in Queretaro, Mexico
- 2 new admixtures plants in Almaty and Astana, Kazakhstan
- A new admixture plant in Yekaterinburg, the fourth largest city in Russia
- A new factory in Lima, Peru, replacing our old factory in Lima
- A new plant in Palin near Guatemala City

Capex (% NS)	2.7%	2.6%	2.4%
Lease buyback	-	-	1.0%
Fixed Assets through M&A (%NS)	0.1%	0.7%	1.6%

BUILDING TRUST

RETURN ON CAPITAL EMPLOYED (ROCE 2012 – 2018)
STRONG ROCE WITH IMPACT FROM ACQUISITIONS



BUILDING TRUST

RECORD DIVIDEND
BOARD PROPOSES 10.8% DIVIDEND INCREASE

Dividend payment CHF 2.05 per share (+10.8% vs. PY)

in CHF mn	2017	2018
Group profit (after minorities)	643.5	682.9
Dividend out of retained earnings	281.8	290.6
Dividend per share	1.85*	2.05*
Total payout ratio	43.8%	42.6%

*in CHF

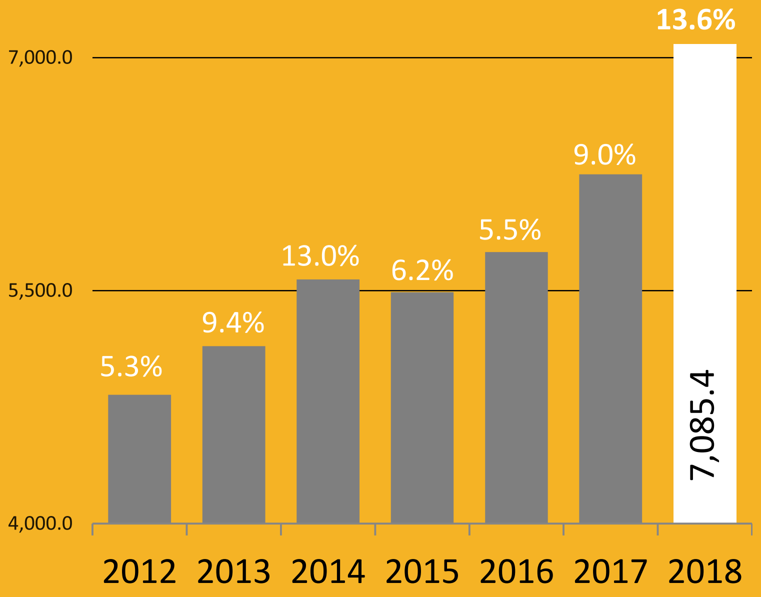
4. SUCCESSFUL STRATEGY EXECUTION

SIKA'S GROWTH MODEL DELIVERS
KEY INVESTMENTS SINCE 2015

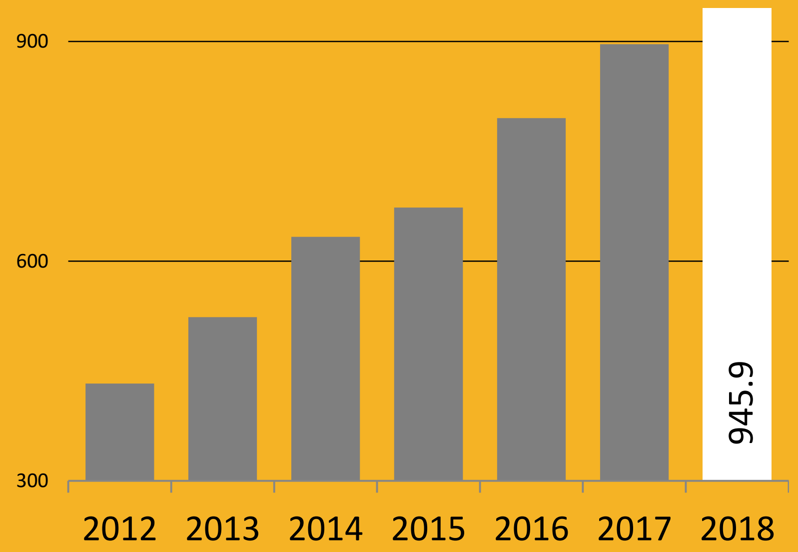
Market Penetration	✓ - Successful Target Market concept ✓ - Megatrends driving growth
Innovation	✓ - 302 new patents filed ✓ - 20 Global Technology Centers
Emerging Markets	✓ - 37 new plants opened ✓ - 11 new national subsidiaries
Acquisitions	✓ - 20 acquisitions in all regions ✓ - CHF 798 million sales added
Values	✓ - Strong corporate culture ✓ - High employee loyalty

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

NET SALES
in CHF mn, % growth in local currencies



EBIT
in CHF mn



SIKA'S GROWTH MODEL DELIVERS
STRATEGIC TARGETS 2020

MARKET PENETRATION

INNOVATION

EMERGING MARKETS

ACQUISITIONS

VALUES

6 - 8% ANNUAL GROWTH

30 NEW PLANTS

105 NATIONAL SUBSIDIARIES

14 - 16% EBIT MARGIN PER YEAR

> 10% OPERATING FREE CASH FLOW PER YEAR

> 25% ROCE PER YEAR

5. OUTLOOK

BUILDING TRUST

OUTLOOK
GLOBAL BUSINESS

- Volatile market conditions driven by uncertainty created by "Trade war", Brexit and regulatory confusion (Diesel, EV, Hybrid) leading to delayed consumer decisions
- Record high level of projects and nominations in execution fueling over-proportional sales growth in 2019 and beyond with traditional and new manufacturers
- Significant increase in development of full electric and hybrid vehicles (car, bus and truck) which offer additional 20% market potential beyond the combustion engine driven vehicles
- Additional strong growth potential driven by increased needs for light weight, multi-material concepts, comfort and safety based on fully integrated portfolio (Faist ChemTec, Axson)
- Strengthening of global supply footprint with new factory and tech center in Pune area to support sealant, adhesives, acoustic and resin needs in the fast growing Indian market

Ford Explorer

Dyson project car

OUTLOOK
AMERICAS

- Positive market environment expected for the USA and Canada
- Challenging markets in Latin America (Argentina, Mexico) with some bright spots (Brazil, Colombia)
- Sika also able to deliver profitable growth in challenging markets by focusing on innovation, big city approach, distribution channels, project selling
- Combination of North- and Latin America into one Region Americas on track and resulting in benefits: US specifications in Latin America, mining business for North America, acrylic waterproofing for US sunbelt, PVC roofing and park deck coating for Latin America
- New customers and project wins, plus sales price increases and efficiency projects implemented last year will deliver positive results in 2019
- New plants to increase market penetration (Peru, Colombia, Ecuador, Guatemala)
- Online selling with strong customer demand
- Parex acquisition to boost market position in Latin America and to move into new markets in the USA

Metro Line 6, São Paulo

Chelsea Stratus, New York

OUTLOOK
EMEA

- Positive construction market development and promising new opportunities for industry business
- Excellent development in Eastern Europe thanks to numerous infrastructure projects and strong growth in distribution business
- Specification and cross-selling in substantial projects such as: Project “The Circle”, Zurich Airport, Switzerland; Ion Accelerator project FAIR, Darmstadt, Germany; Brenner Base Tunnel, Austria/Italy; new Al Maktoum Airport and Tunnel ‘Storm Water System’, Dubai; Major tunneling projects in Sweden and Norway
- Promising development in online business (including Internet Pure Players)
- Further increase of local footprint and capacities in emerging markets (e.g. Senegal, Cameroon, Tanzania and Ethiopia)
- Parex to have a very positive impact on the business in France

Tunnel projects, Sweden

New Cultural Center, Athens

OUTLOOK
ASIA/PACIFIC

- Market in Asia/Pacific remains strong with huge growth potential in all Target Markets
- Strong growth likely in China, India and parts of South East Asia. Challenging markets will continue in Malaysia, Hong Kong and the Philippines.
- Continued development of distribution channels throughout China, India, Japan and South East Asia
- Tokyo 2020 Olympics will be major focus in Japan
- Expansion of production base and supply chain with the completion of 4 more production sites
- Continuation of acquisition activity in our key market to spur additional growth
- Parex acquisition will significantly boost our market position in the region particularly in China, Singapore and Australia. Solid growth in Malaysia, Thailand and the Philippines.

Infrastructure Projects, Ho Chi Minh City

STRONG OUTLOOK 2019
CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- 6 to 8% sales growth in local currencies (excluding Parex)
- Sales to exceed CHF 8 billion for the first time, depending on closing date of Parex transaction
- Over-proportional profit increase expected for the year
- Opening of 7 to 9 new factories
- Strategy 2023 to be communicated at Capital Markets Day on October 3, 2019

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.

For marketed products discussed in this presentation, please see information on our website: www.sika.com