



RECORD SALES AND PROFIT, GROWTH IN ALL REGIONS IN THE FIRST NINE MONTHS 2016

SIKA INVESTOR PRESENTATION
NOVEMBER 2016

BUILDING TRUST



1. HIGHLIGHTS AND RESULTS FIRST NINE MONTHS 2016

RECORD SALES AND PROFIT, GROWTH IN ALL REGIONS IN THE FIRST NINE MONTHS 2016

- Sales growth of 6.3% (5.8% in CHF) to a new record of CHF 4.33 billion
- Growth in all regions
- EBIT improved by 20.6% (+ CHF 101 million) and net profit rose by 22.9% posting new record values
- New quarterly record in operating EBIT margin of 15.6% (previous year: 13.7%), 19th consecutive quarter of margin improvement
- 8 new production plants in Greece, Myanmar, Cambodia, Canada, Thailand, Ecuador, Australia and Brazil
- New national subsidiaries in Kuwait, Nicaragua, Cameroon and Djibouti – now 97 countries with own Sika operations
- Acquisitions of L.M. Scofield and FRC Industries in the USA
- Confirmation of annual targets

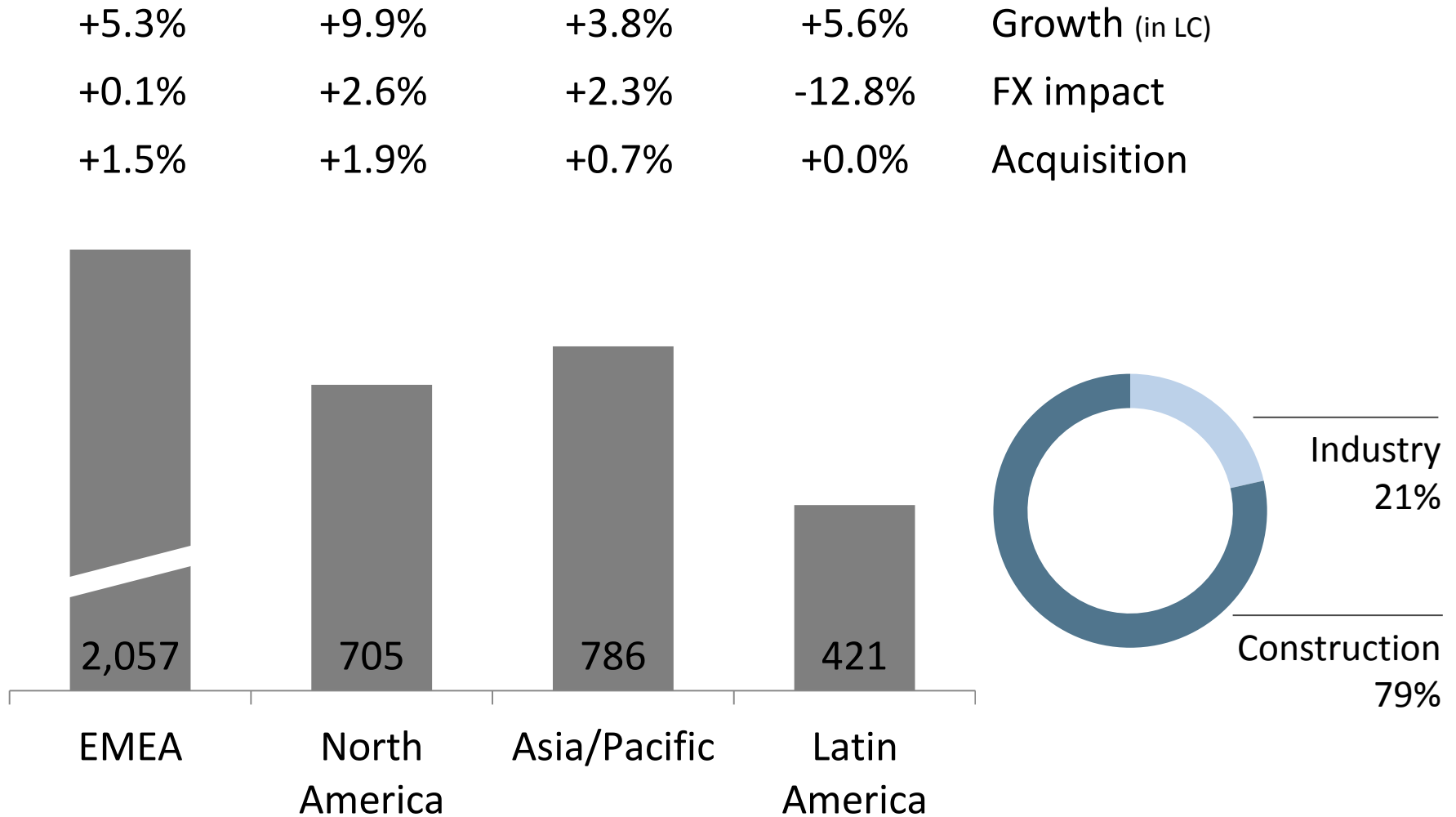
KEY FIGURES NINE MONTHS 2016

DISPROPORTIONATELY HIGH INCREASE IN PROFIT

in CHF mn	2015	2016	Δ %
Net sales	4,095.0	4,331.8	+5.8%
Gross results as % of net sales	54.0	55.3	
EBITDA	612.8	719.5	+17.4%
EBIT	490.2	591.2	+20.6%
Net profit	338.2	415.5	+22.9%
Operating free cash flow	234.0	336.4	+43.8%
ROCE in %	23.3	27.1	

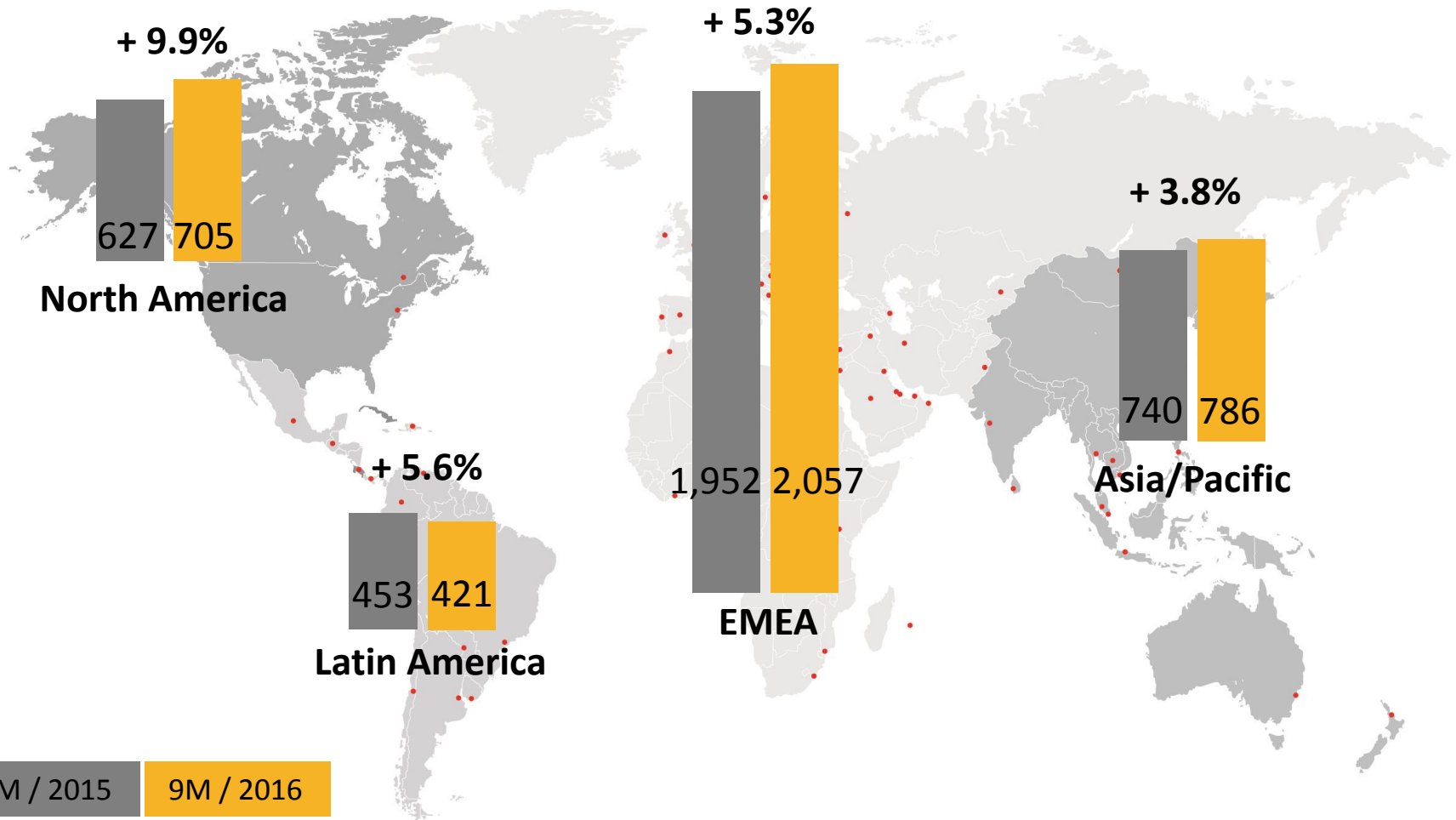
SALES NINE MONTHS 2016

GROWTH IN ALL REGIONS



GROWTH MOMENTUM CONTINUES NINE MONTHS 2016

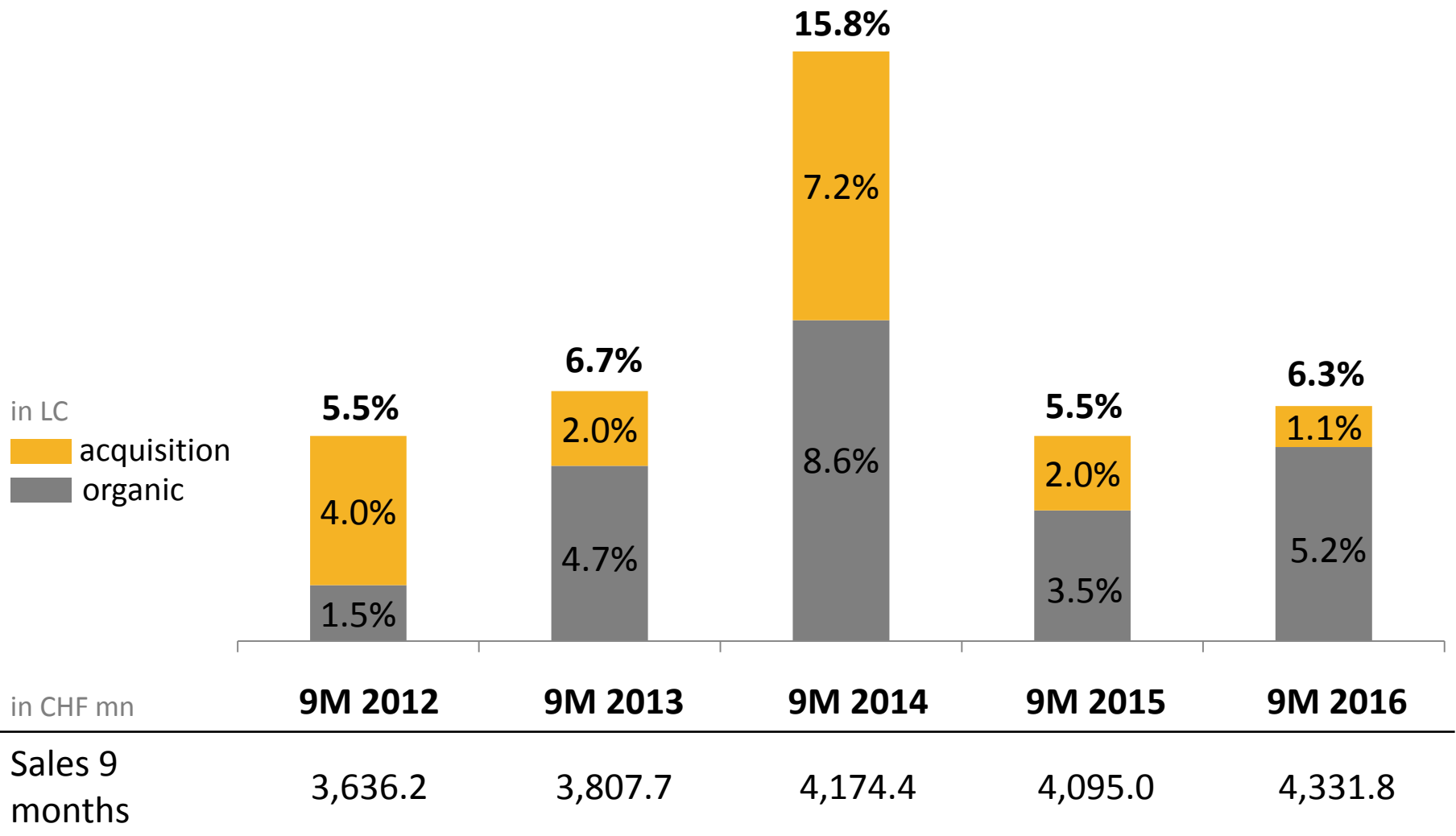
6.3% SALES GROWTH (5.8% IN CHF)



(in CHF million, growth in LC)

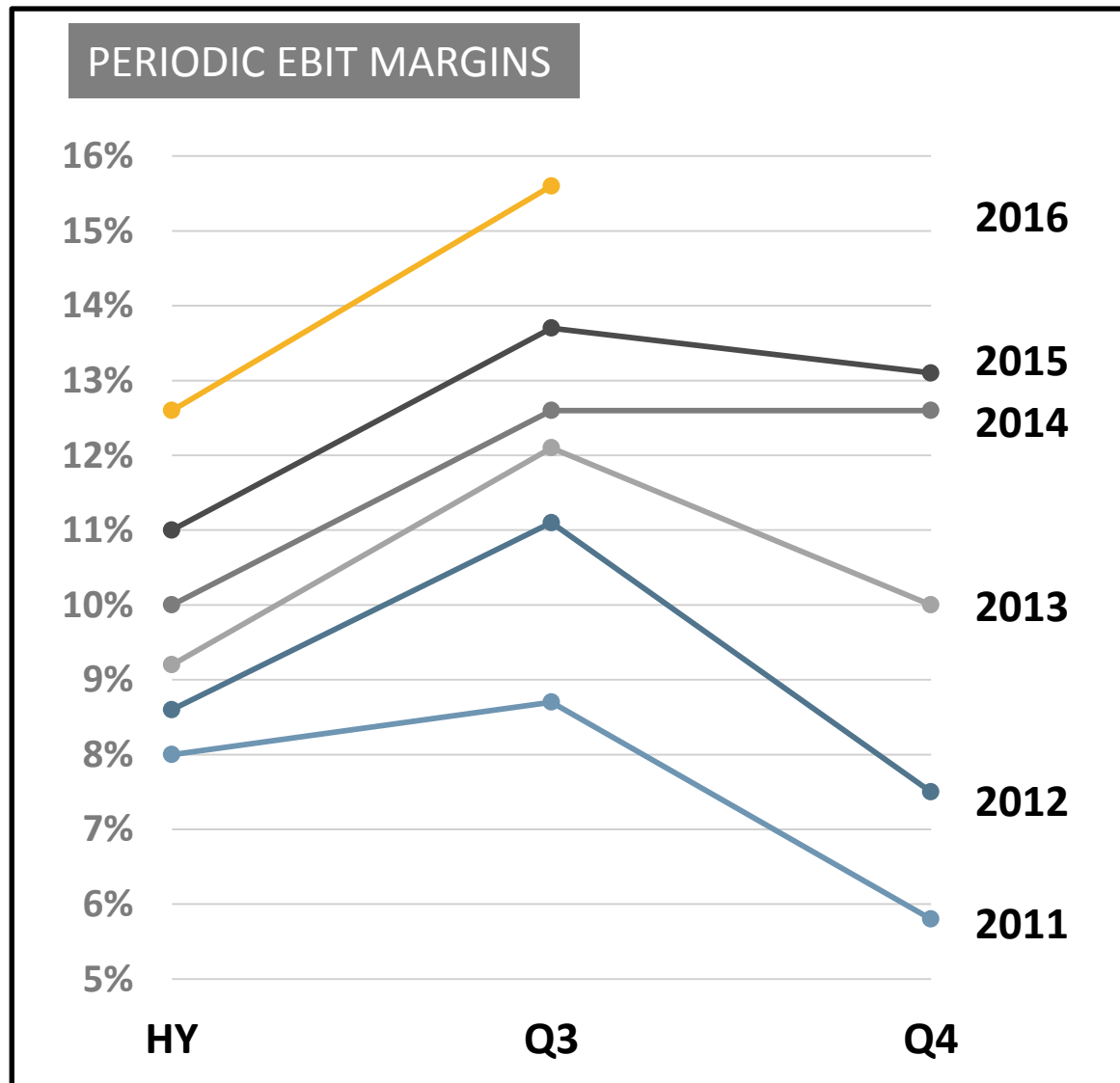
SALES GROWTH FIRST NINE MONTHS 2012 TO 2016

STRONG ORGANIC GROWTH



EBIT MARGIN DEVELOPMENT 2011 TO 2016

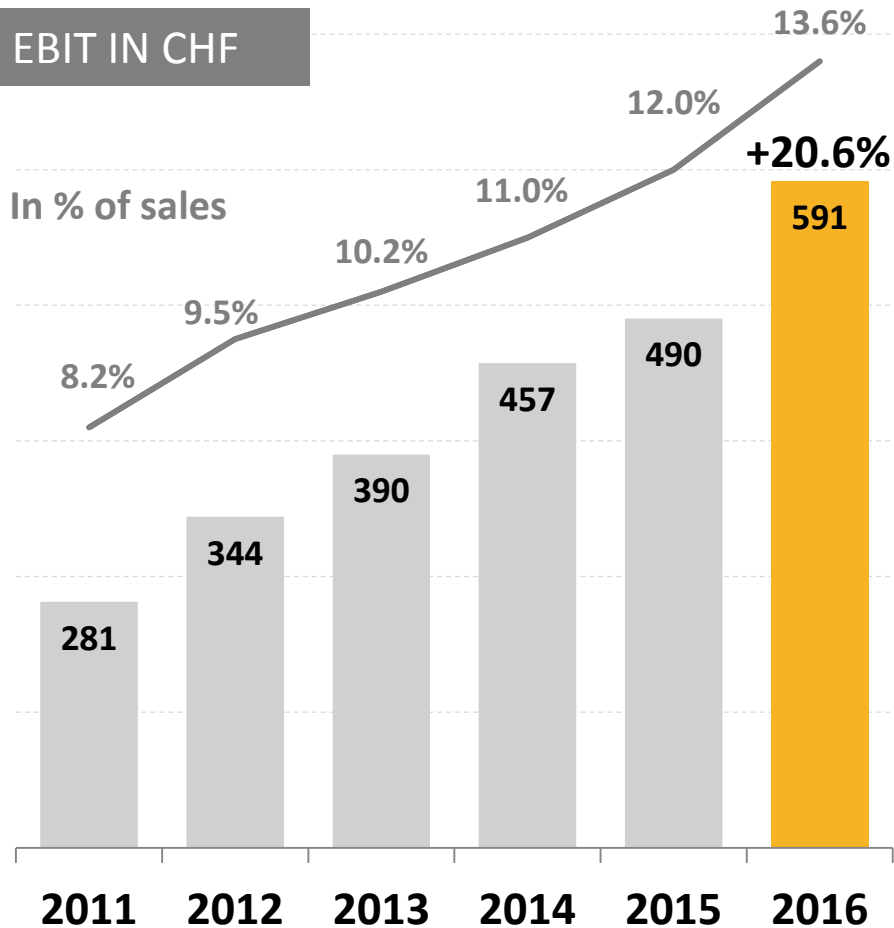
19 CONSECUTIVE QUARTERS OF IMPROVEMENT



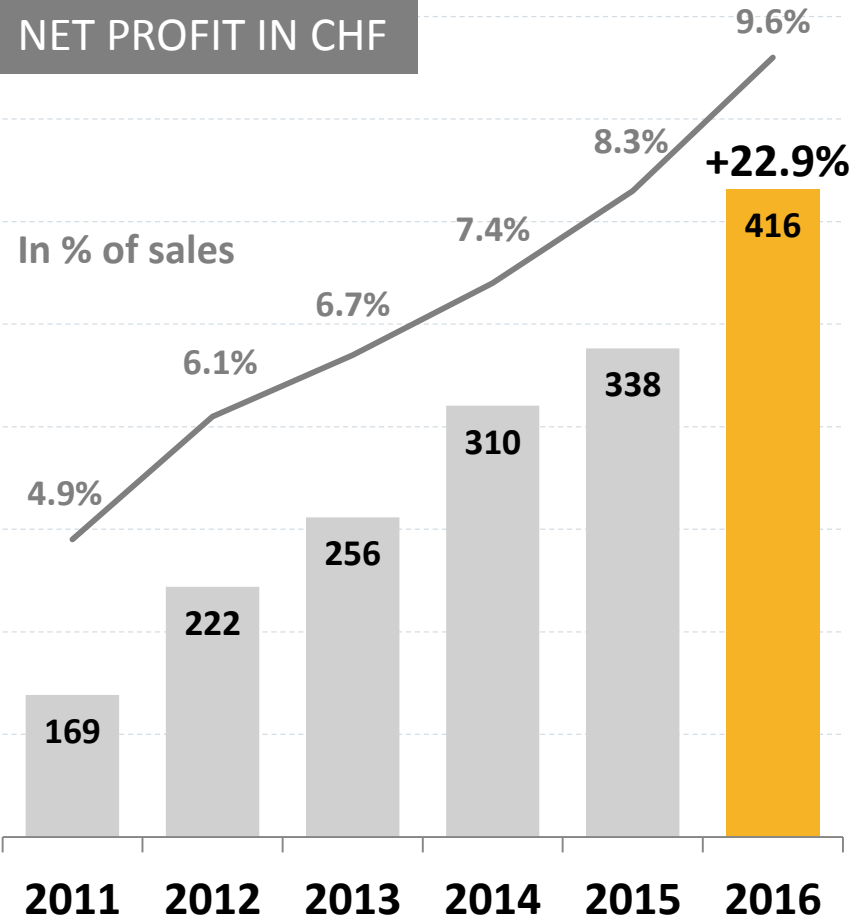
FIVE-YEAR OVERVIEW – NINE MONTHS FIGURES

CONTINUOUSLY IMPROVING MARGINS

EBIT IN CHF



NET PROFIT IN CHF



KEY INVESTMENTS IN THE FIRST NINE MONTHS 2016

CONTINUED SUPPLY CHAIN EXPANSION

Opening of Sika plants:

- **2nd plant in Greece** (Kryoneri, Athens, January 2016)
- **1st plant in Myanmar** (Yangon, February 2016)
- **1st plant in Cambodia** (Phnom Penh, February 2016)
- **4th plant in Canada** (Vancouver, March 2016)
- **2nd plant in Thailand** (Saraburi, June 2016)
- **2nd plant in Ecuador** (Guayaquil, June 2016)
- **7th plant in Australia** (Perth, July 2016)
- **6th plant in Brazil** (Osasco, Sao Paulo, September 2016)



New plant in Sao Paulo, Brazil



New plant in Perth, Australia

KEY INVESTMENTS IN THE FIRST NINE MONTHS 2016

EXPANSION WITH OWN NATIONAL SUBSIDIARIES

New subsidiaries:

- **Kuwait** (March 2016)
- **Nicaragua** (June 2016)
- **Cameroon** (August 2016)
- **Djibouti** (August 2016)



KEY INVESTMENTS IN THE FIRST NINE MONTHS 2016

ACQUISITIONS AS GROWTH PLATFORM

L.M. Scofield, USA

- US-based market leader for concrete color additives (ready-mixed concrete) and decorative treatments for refurbishment
- Buying new technology and spreading it out to Sika's existing customer base
- Continued strong execution of Sika's growth strategy in North America



KEY INVESTMENTS IN THE FIRST NINE MONTHS 2016

ACQUISITIONS AS GROWTH PLATFORM

FRC Industries, USA

- Producer of high-quality synthetic polypropylene fibers for concrete
- Strong growth trend for concrete fibers in the US, out-pacing overall construction growth
- Expansion of concrete additives portfolio enables Sika to reach new customers and to better penetrate key projects



GOOD START IN Q4 2016

KEY INITIATIVES CONTINUE

Acquisition of Ronacrete (Far East) Ltd., Hong Kong

- Leading suppliers of repair mortars, tile adhesives and other mortar products in Hong Kong
- Strong specification business and a preferred partner for private and public key developers
- Extension of manufacturing footprint in the growing Hong Kong construction market
- Acquisition is in line with the global expansion of the high-margin mortar business – a core component of Strategy 2018



Ronacrete plant in Guangzhou, China

OUTLOOK

CONFIRMATION OF 2016 ANNUAL TARGETS

- Annual targets for 2016 can be confirmed
- Sales of around CHF 5.8 billion expected
- Disproportionately higher rise in margins with operating profit (EBIT) between CHF 780 and 800 million
- Opening of 8 to 10 new factories
- 4 new national subsidiaries
- Unknown outcome of Saint-Gobain's hostile takeover attempt

2. SUCCESSFUL STRATEGY 2018 EXECUTION

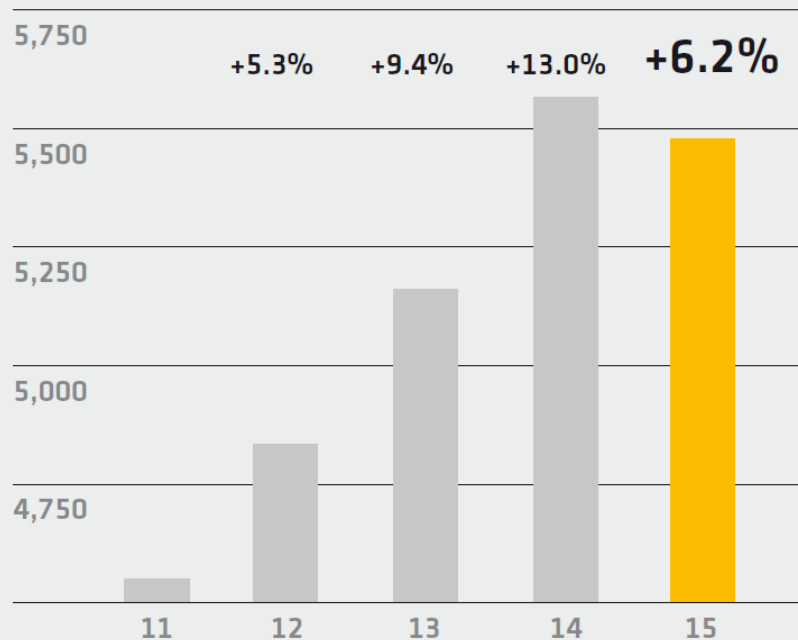
FIVE-YEAR OVERVIEW - NET SALES AND EBIT

CONTINUATION OF PROFITABLE GROWTH STRATEGY

NET SALES (consolidated)

in CHF mn

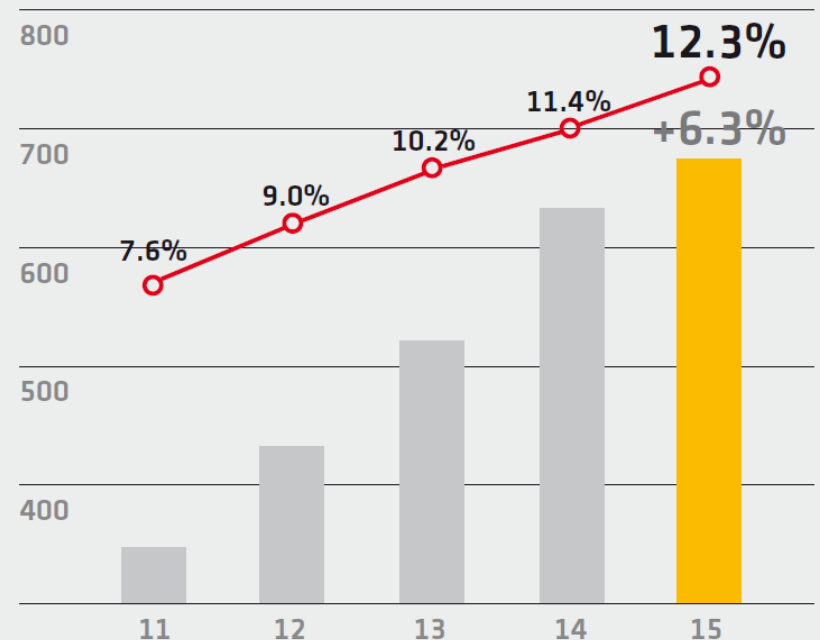
Growth in percent in local currencies



EBIT

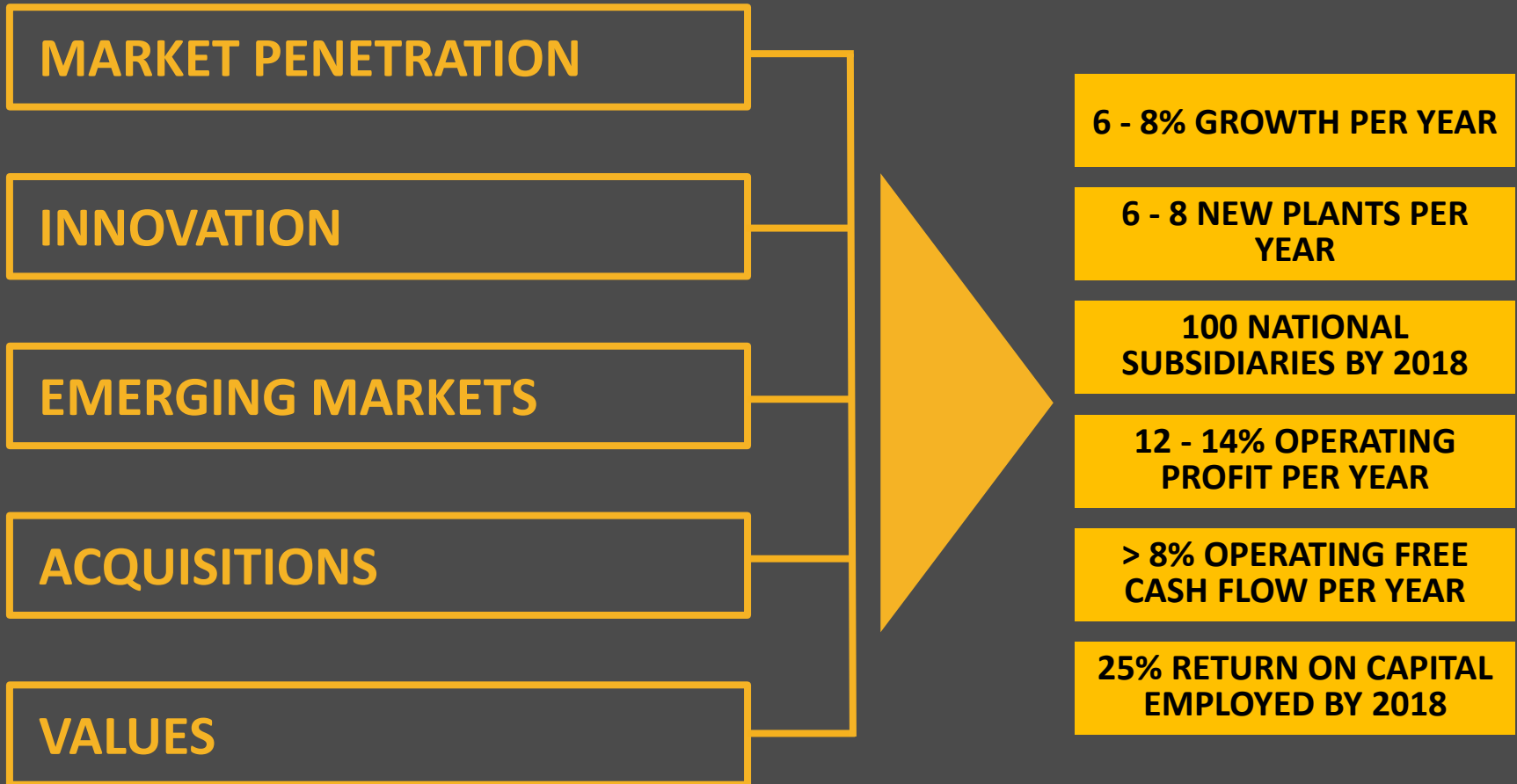
in CHF mn

○ — as percent of net sales








STRATEGY 2018

SIKA'S GROWTH MODEL WILL DELIVER



STRATEGY 2018 – ACHIEVEMENTS SINCE 2012

A PROVEN TRACK RECORD OF DELIVERY

PILLARS OF THE GROWTH MODEL	ACHIEVEMENTS
MARKET PENETRATION	 <ul style="list-style-type: none">• Successful Target Market concept• Megatrends driving growth
INNOVATION	 <ul style="list-style-type: none">• 333 new patents filed• 20 Global Technology Centers
EMERGING MARKETS	 <ul style="list-style-type: none">• 51 new plants opened• 20 new national subsidiaries
ACQUISITIONS	 <ul style="list-style-type: none">• 20 Acquisitions in all regions• CHF 587 million sales added
VALUES	 <ul style="list-style-type: none">• Strong corporate culture• High employee loyalty

MARKET PENETRATION

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



Concrete



Waterproofing



Roofing



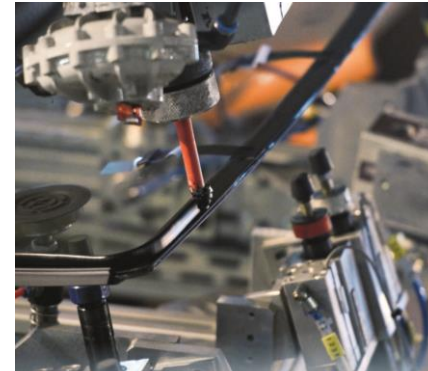
Flooring & Coating



Sealing & Bonding



Refurbishment



Industry

MEGATRENDS DRIVE OUR GROWTH: URBANIZATION, NEW VEHICLE DESIGN & SUSTAINABILITY

Higher demand for infrastructure and refurbishment solutions

Increasing world population with urbanization and megacities

Increased safety, fire, water, earthquake and quality requirements

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

Rising demand for high performance concrete, sealing and waterproofing

New vehicle design with material mix requires bonding solutions

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

WE ARE INNOVATION STRONG TRACK RECORD

333

Patents were
filed since
2012

880

Employees are
dedicated to
Research and
Development

377

Invention
disclosures
since 2012

20

Technology
Centers
world-wide

EMERGING MARKETS BUILD-UP SINCE 2012

GROWTH POTENTIAL IN NEW MARKETS

51

New
plants
opened

12.5%

Average sales
growth

20

New
national
subsidiaries

37%

of turnover
in Emerging
Markets

ACQUISITIONS SINCE 2012

GROWTH PLATFORMS FOR THE FUTURE

20

Acquisitions

596

million CHF
turnover

In all
7

Target
Markets

In all
4

Regions

SIKA'S VALUES AND PRINCIPLES

STRONG CORPORATE CULTURE

- Customer first
- Courage for innovation
- Sustainability & Integrity
- Empowerment and Respect
- Manage for results



3. TWO EXAMPLES OF STRATEGY EXECUTION IN THE REGIONS

STRONG STRATEGY EXECUTION IN AFRICA

+23%

sales growth in 9M 2016

9

new plants since 2012

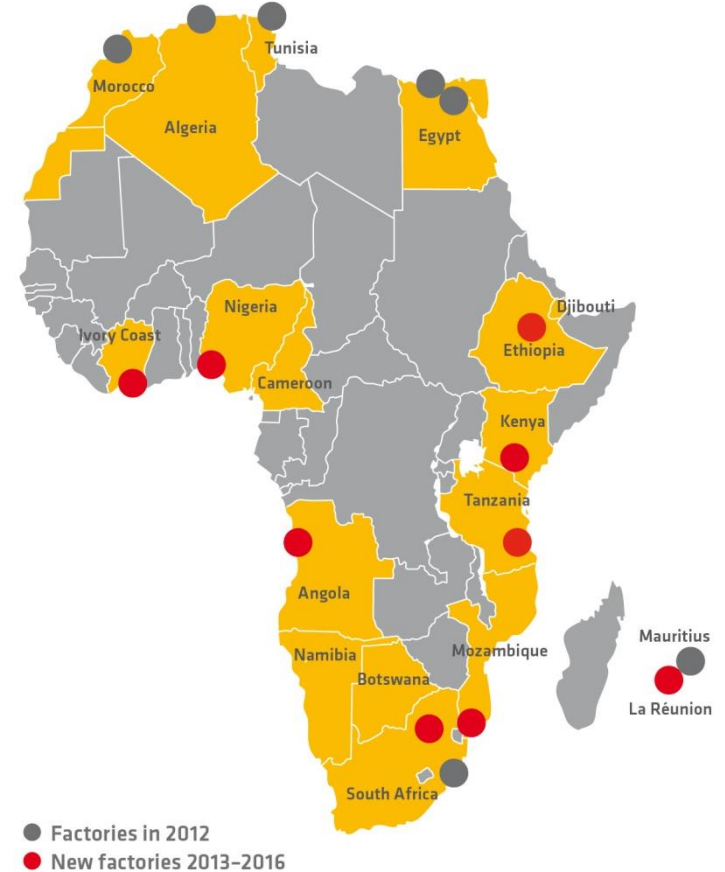
18 subsidiaries

10 added

since 2012

688

employees



MAJOR CONSTRUCTION PROJECTS WITH SIKA PRODUCTS



Bridge over Maputo Bay, Mozambique



Dangote fertilizer plant Lagos, Nigeria

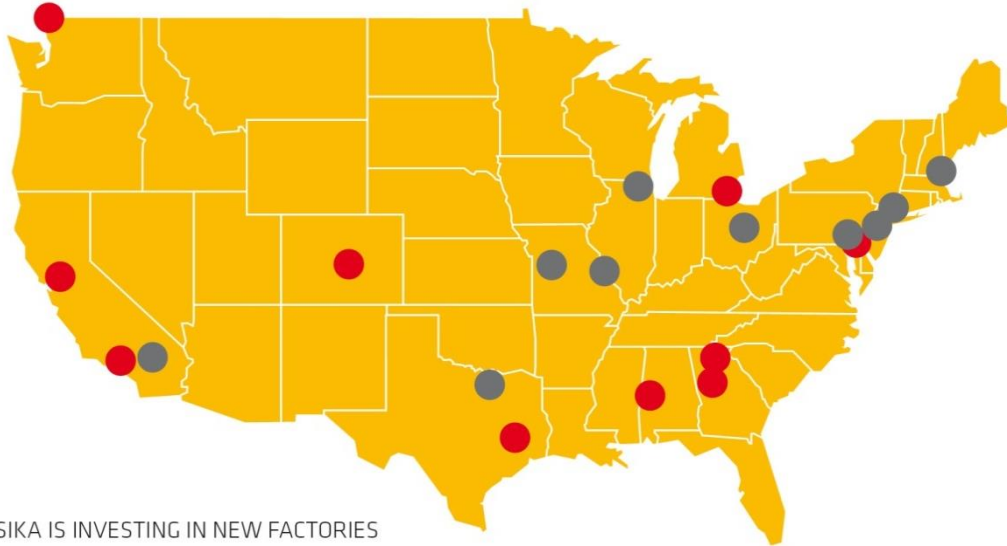


Luanda International Airport, Angola



Mall of Egypt, Cairo, Egypt

ACCELERATED BUILD UP OF PRESENCE IN USA



SIKA IS INVESTING IN NEW FACTORIES

- Factories in 2012
- New factories 2013-2016

22 plants in USA and Canada

10 new plants added since 2012

Investment focus on fast growing metro areas

10% sales growth in 9M 2016

Presence in residential market through Home Depot (2,000 stores) and Lowes (1,800 stores)

HUDSON YARDS PROJECT NYC

SIKA IS HELPING TO BUILD A NEW CITY
IN A CITY



4. SAINT-GOBAIN'S HOSTILE TAKEOVER ATTEMPT

FUNDAMENTAL REASONS TO OPPOSE HOSTILE TAKEOVER ATTEMPT BY SAINT-GOBAIN

- 1. Lack of industrial logic**
- 2. Saint-Gobain will execute control with only 16% of the capital**
- 3. No adequate representation of public shareholders on the Board**
- 4. Saint-Gobain is a direct competitor of Sika**
- 5. Sika loses A- credit rating**
- 6. Sika's Growth Model at risk**

SIKA ARTICLES OF ASSOCIATION ARTICLE 4

RESTRICTION OF TRANSFERABILITY, THE 5% THRESHOLD

“The Board of Directors reserves the right to refuse an acquirer of registered shares as shareholder, if the number of registered shares held by him exceeds 5% of the total number of registered shares entered in the commercial register.

[...]natural persons or legal entities or, which act in concert in view of a circumvention of registration limitations, are regarded under these provisions as a single buyer.”

Many other Swiss companies have a similar restriction of transferability with a threshold (Vinkulierung) such as: Nestlé, Novartis, Swatch, Swisscom, Guivaudan, Sonova, Schindler, Lindt & Sprüngli.

DECISION OF THE CANTONAL COURT OF ZUG

ALL CLAIMS OF SWH DISMISSED

In the proceedings before the Cantonal Court of Zug Schenker-Winkler Holding AG (SWH) made the following requests:

1. Annul and declare void the AGM 2015 resolutions regarding the election of Ms Ribar and Messrs Hälgi (President), Sauter, Suter and Tobler and regarding the non-election of Mr Roesle
2. Declare that Mr Roesle was elected by the AGM 2015 for a one-year term
3. Order Sika to acknowledge the voting rights of all registered shares held by SWH for all casting of votes and elections at any AGM

The Cantonal Court of Zug dismissed all claims of SWH

DECISION OF THE CANTONAL COURT OF ZUG

MAIN REASONING

- The Court held on the basis of article 4 of Sika's Articles of Association that the share transfer restriction applies to the indirect purchase of the Sika shares held by the Burkard Family through SWH.
- The Court considered the attempted removal of the independent Sika Board members as a circumvention of the share transfer restriction of article 4 of the Articles of Association.
- The Court concluded that the Board of Sika was legally entitled to restrict the voting rights of SWH to 5%.

FORWARD-LOOKING STATEMENTS

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 is 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

All mentioned trademarks are legally protected.



THANK YOU FOR YOUR ATTENTION

BUILDING TRUST

