



RECORD RESULTS IN 2016 STRATEGIC TARGETS RAISED

SIKA MEDIA AND INVESTOR PRESENTATION, FEBRUARY 24, 2017

BUILDING TRUST



TABLE OF CONTENTS

1. HIGHLIGHTS

Jan Jenisch, CEO

2. FINANCIAL RESULTS 2016

Adrian Widmer, CFO

3. STRATEGY

Jan Jenisch, CEO

4. OUTLOOK

Jan Jenisch, CEO

5. QUESTIONS & ANSWERS

1. HIGHLIGHTS

JAN JENISCH, CEO

HIGHLIGHTS 2016

1. Record results

- +5.5% sales growth in local currencies to CHF 5,747.7 million
- CHF 795.3 million EBIT (+18.1%)
- CHF 566.6 million net profit (+21.8%)
- CHF 586.5 million operating free cash flow (+29.9%)
- 28.7% ROCE (2015: 24.3%)

2. Key investments

- 4 new national subsidiaries
- 9 new factories
- 4 acquisitions

3. Strategy

- Reviewed with Senior Managers worldwide
- Growth strategy confirmed with raised targets 2020

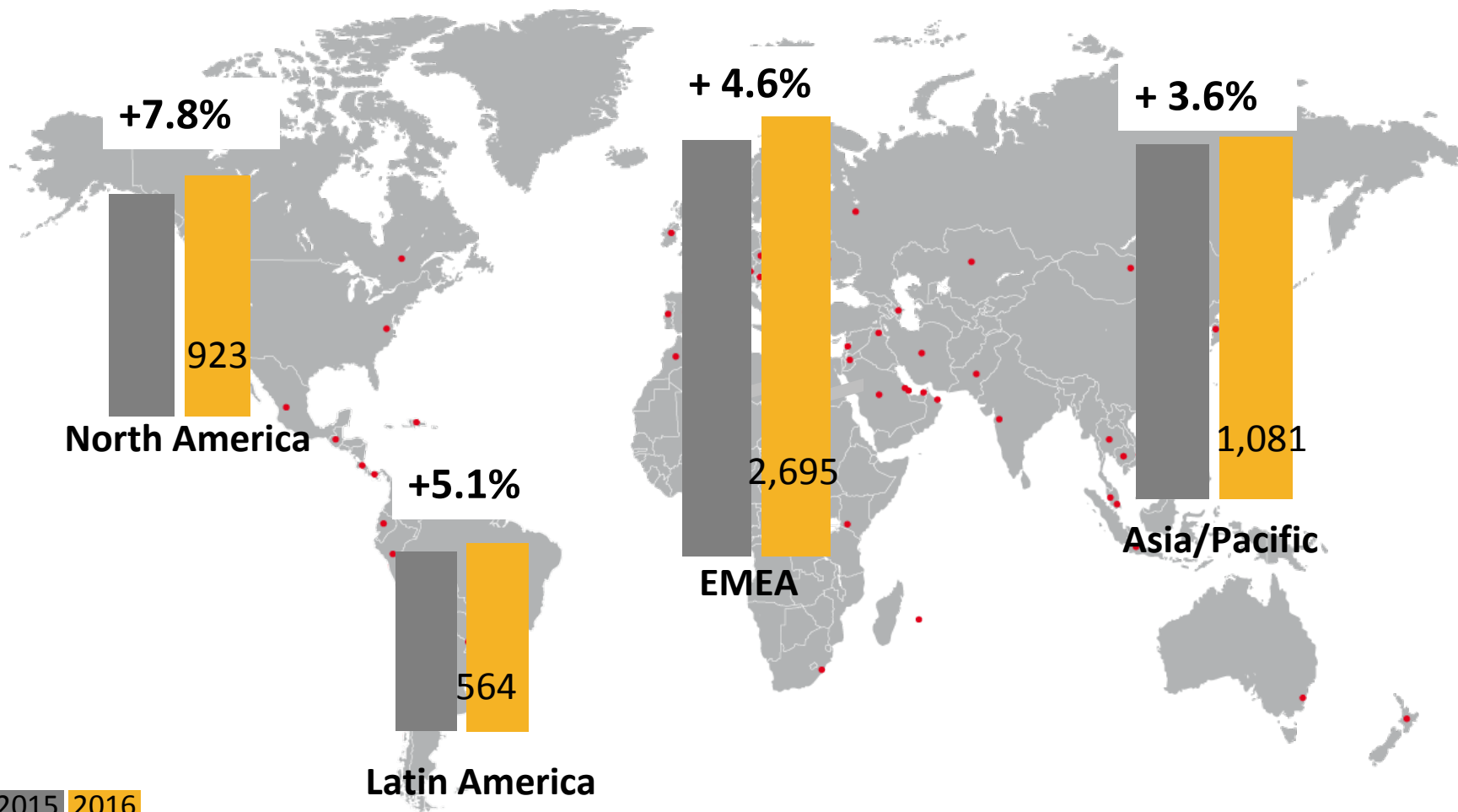
KEY FIGURES

RECORD RESULTS

in CHF mn	2015	2016	Δ %
Net sales	5,489.2	5,747.7	+ 4.7%
EBIT	673.3	795.3	+ 18.1%
Net profit	465.1	566.6	+ 21.8%
Operating free cash flow	451.5	586.5	+ 29.9%
ROCE	24.3%	28.7%	

2016 – GROWTH IN ALL REGIONS

5.5% SALES GROWTH (4.7% IN CHF)



2015 2016

(in CHF mn, growth in LC)

Growth of 6.7% in Emerging Markets

KEY INVESTMENTS IN 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)
- **1st plant in Ethiopia** (Addis Ababa, December 2016)



New plant in Sao Paulo, Brazil



New plant in Perth, Australia

KEY INVESTMENTS IN 2016

EXPANSION WITH OWN NATIONAL SUBSIDIARIES

New subsidiaries:

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

Now present in 97 countries with own operations

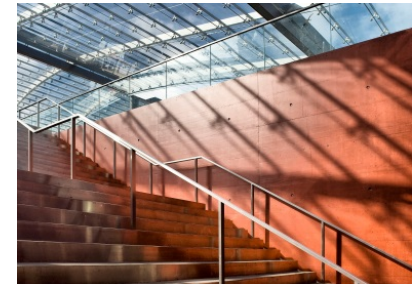


KEY INVESTMENTS IN 2016

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 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



KEY INVESTMENTS IN 2016

ACQUISITIONS AS GROWTH PLATFORM

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



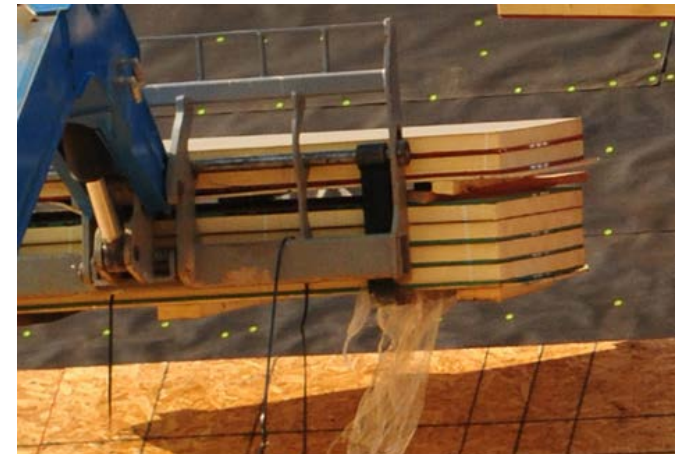
Ronacrete plant in Guangzhou, China

KEY INVESTMENTS IN 2016

ACQUISITIONS AS GROWTH PLATFORM

Rmax Operating, LLC, USA

- Market leader in the production of polyiso insulation products for complete Building Envelope solutions (roofing and wall systems)
- CHF 75 million sales
- New technology and know-how will accelerate growth and drive innovation in the North American market
- Strong synergies with Sika technologies
- Will allow Sika USA to benefit from in-house production of wall and roofing insulation products in three plants with good geographical coverage

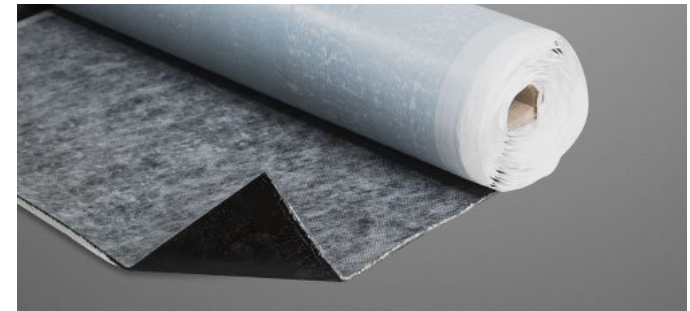


KEY INVESTMENTS IN 2016

ACQUISITIONS AS GROWTH PLATFORM

Bitbau Dörr, Austria

- Leading waterproofing system manufacturer
- CHF 50 million sales
- Sika will be able to offer its customers a wider range of durable, high-grade waterproofing systems based on polymer-modified bitumen membranes
- Strong growth opportunities resulting from expanded distribution channels and a broader customer base
- Sika will establish the new site as its Central European Center of Excellence for bitumen waterproofing systems



2. FINANCIAL RESULTS 2016

ADRIAN WIDMER, CFO

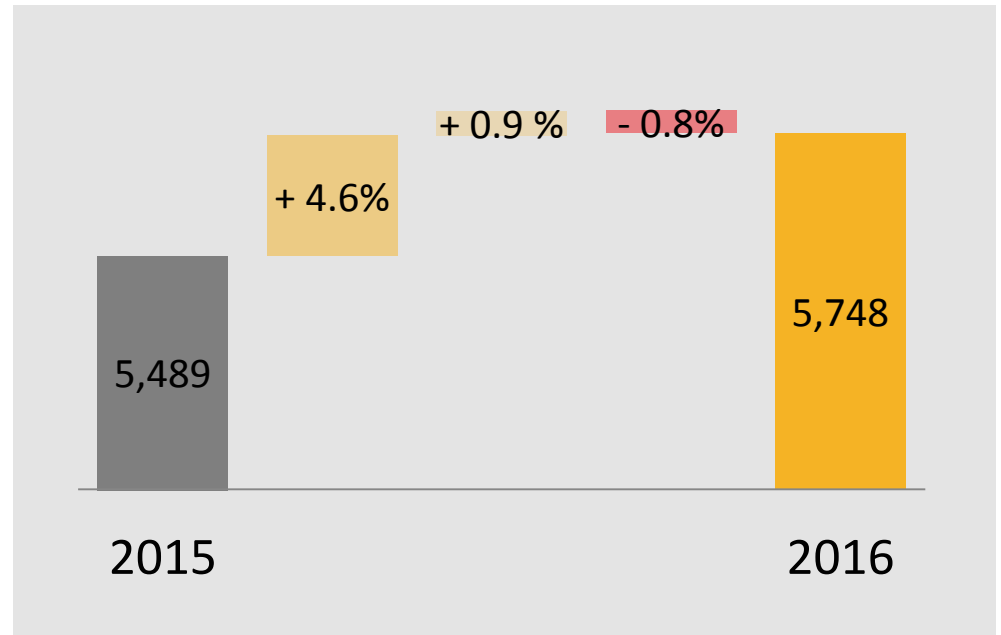
FINANCIAL HIGHLIGHTS 2016

- **New and all time records in:**
 - **Net Sales: CHF 5,747.7 million (+5.5% in LC, 4.7% in CHF)**
 - **EBIT: CHF 795.3 million (+18.1%) reaching 13.8% of net sales, +CHF 122 million in absolute terms**
 - **Net Profit: CHF 566.6 million (+21.8%)**
 - **Operating free cash flow: CHF 586.5 million (+29.9%)**
- **Tax rate slightly improved to 25.0%**
- **Record cash level of CHF 1.16 billion, net cash position of CHF 416 million**
- **Further improvement in capital efficiency (ROCE) to 28.7%** driven by strong profitability and efficient capital management, **lower NWC at 18.4%** (2015: 18.6%)
- **Ongoing investments of CHF 155 million (2015: CHF 143 million)**

REVENUES 2016

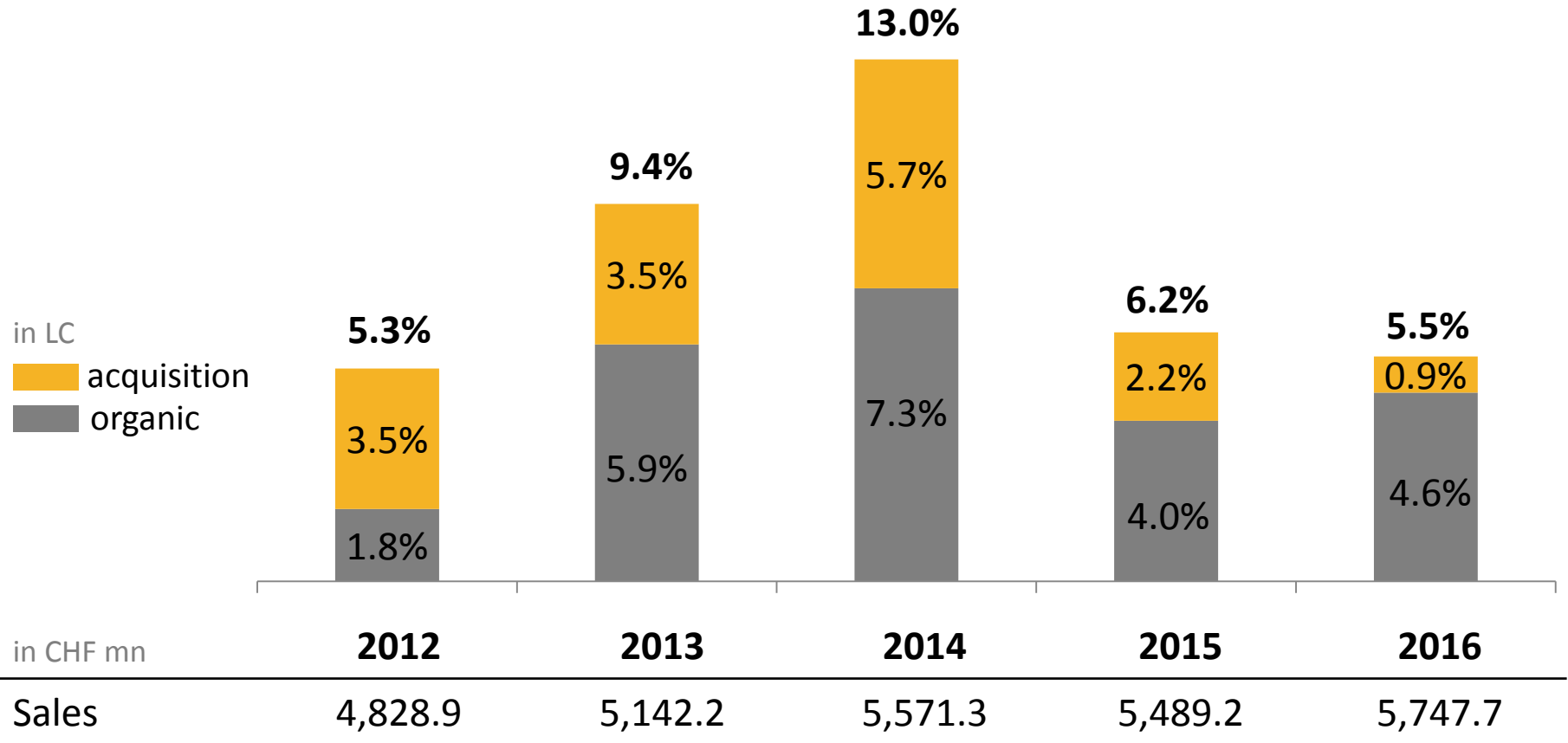
5.5% GROWTH IN LOCAL CURRENCIES

in CHF mn	2015	2016
Net sales	5,489.2	5,747.7
Organic growth		+ 253.7
Acquisition effect		+ 52.0
Currency effect		- 47.2



SALES GROWTH 2012 TO 2016

STRONG ORGANIC GROWTH



PROFIT & LOSS

RECORD YEAR ON ALL LEVELS

in CHF mn	2015	NS	2016	NS	Growth
Net sales	5,489.2	100%	5,747.7	100%	+ 4.7%
Gross result	2,970.8	54.1%	3,181.1	55.3%	+ 7.1%
Personnel costs	-1,106.5	-20.1%	-1,159.1	-20.1%	+ 4.8%
Other OPEX	-1,027.0	- 18.7%	-1,056.3	- 18.4%	+ 2.9%
Depreciation and amortization	-164.0	-3.0%	-170.4	-3.0%	+ 3.9%
EBIT	673.3	12.3%	795.3	13.8%	+ 18.1%
Financial expense	-51.4		-39.5		
Income taxes	-156.8		-189.2		
Net profit	465.1	8.5%	566.6	9.9%	+ 21.8%
Tax rate		25.2%		25.0%	
Non-material costs	-2,297.5	-41.9%	-2,385.8	-41.5%	+ 3.8%

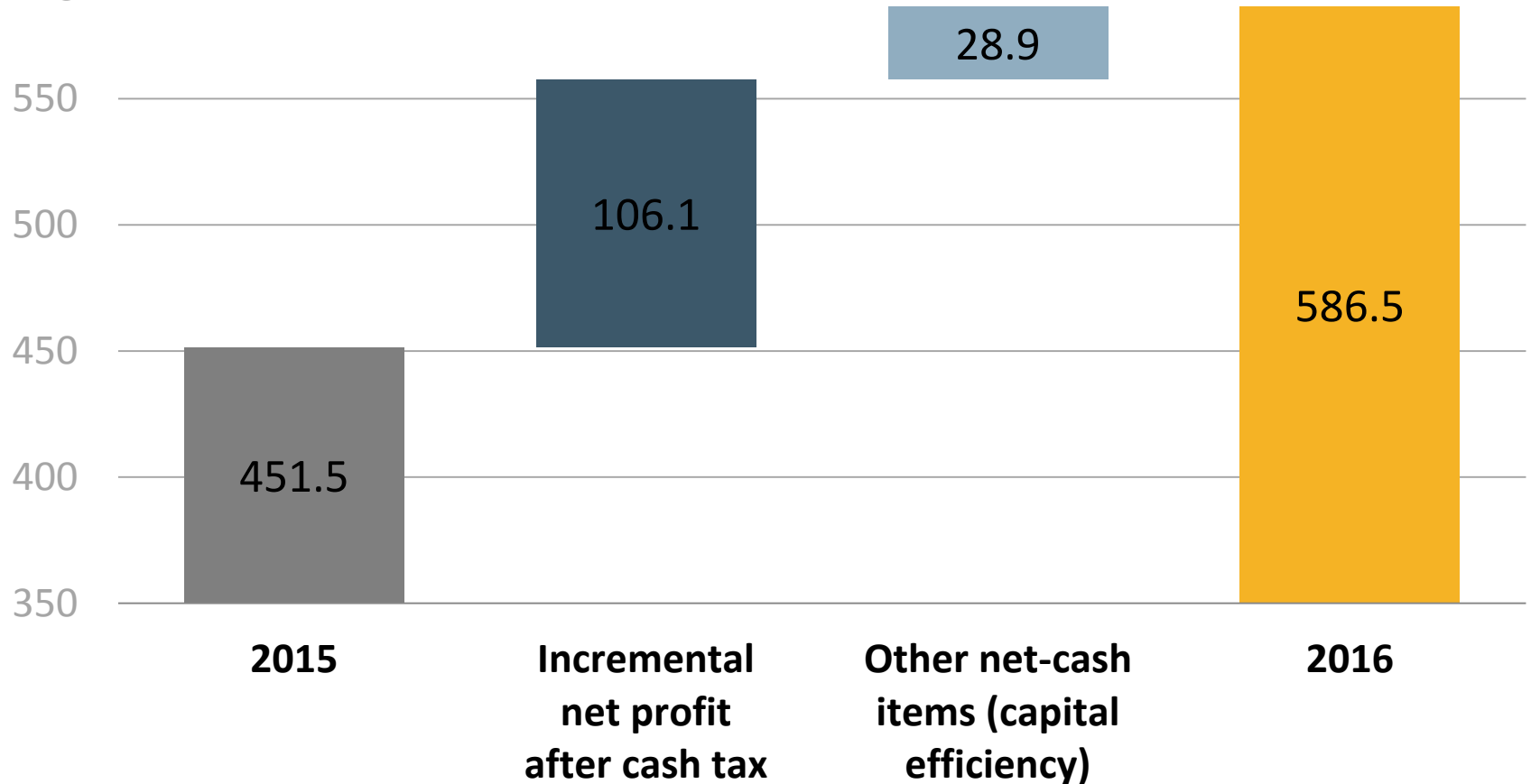
CONSOLIDATED BALANCE SHEET

OVER 1 BILLION CASH – NET CASH OF 416 MILLION

in CHF mn	31.12.2015	31.12.2016	Δ %
Cash and cash equivalents	1,074.4	1,155.0	+ 7.5
Other current assets	1,703.7	1,742.0	+ 2.2
Current assets	2,778.1	2,897.0	+ 4.3
Non-current assets	2,145.7	2,202.2	+ 2.6
Total assets	4,923.8	5,099.2	+ 3.6
Current liabilities	1,163.1	968.0	- 16.8
Bonds	698.4	698.7	+ 0.0
Other non-current liabilities	510.2	484.8	- 5.0
Total liabilities	2,371.7	2,151.5	- 9.3
Equity incl. minorities	2,552.1	2,947.7	+ 15.5
Total liabilities and equity	4,923.8	5,099.2	+ 3.6
Net debt	- 94.0	- 415.6	

RECORD CASH FLOW OVER PROPORTIONAL CASH CONVERSION

in CHF mn



CASH FLOW STATEMENT

RECORD OPERATING FREE CASH FLOW

in CHF mn	2015	2016
Cash flow from operating activities	585.8	735.7
CapEx/sale of assets/acquisitions	-206.3	-172.7
Free cash flow	379.5	563.0
Acquisitions/financial assets	72.0	23.5
Operating free cash flow	451.5	586.5
Free cash flow	379.5	563.0
Cash flow from financing activities	-186.8	-473.3
Exchange differences	-17.1	-9.1
Net change in liquid funds	175.6	80.6

RECORD DIVIDEND

BOARD PROPOSES 30.8% DIVIDEND INCREASE

Dividend payment CHF 102.00 per bearer share
CHF 17.00 per registered share

in CHF mn	2015	2016
Group profit (after minorities)	460.3	563.1
Dividend out of retained earnings	198.1	258.8
Total payout ratio	43.0 %	46.0 %

3. STRATEGY

JAN JENISCH, CEO



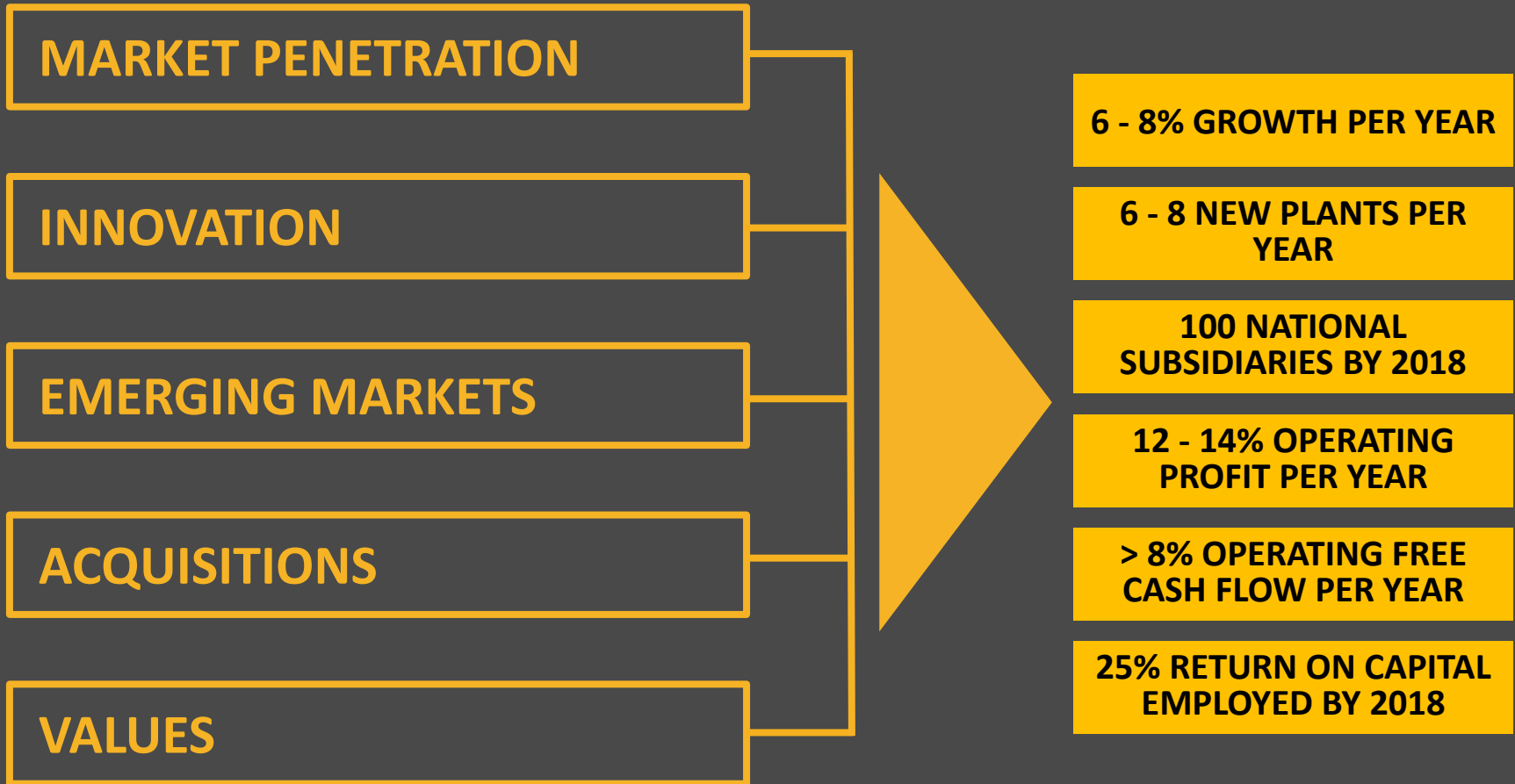
STRATEGY REVIEW: CONFIRMATION OF SIKA'S GROWTH MODEL AND RAISED TARGETS 2020

- 1) Performance and investments ahead of STRATEGY 2018
- 2) Global strategy review performed
- 3) Market Penetration
- 4) Innovation
- 5) Accelerated build-up of Emerging Markets
- 6) Acquisitions
- 7) Values
- 8) Raised targets 2020

1) PERFORMANCE AND INVESTMENTS AHEAD OF STRATEGY 2018

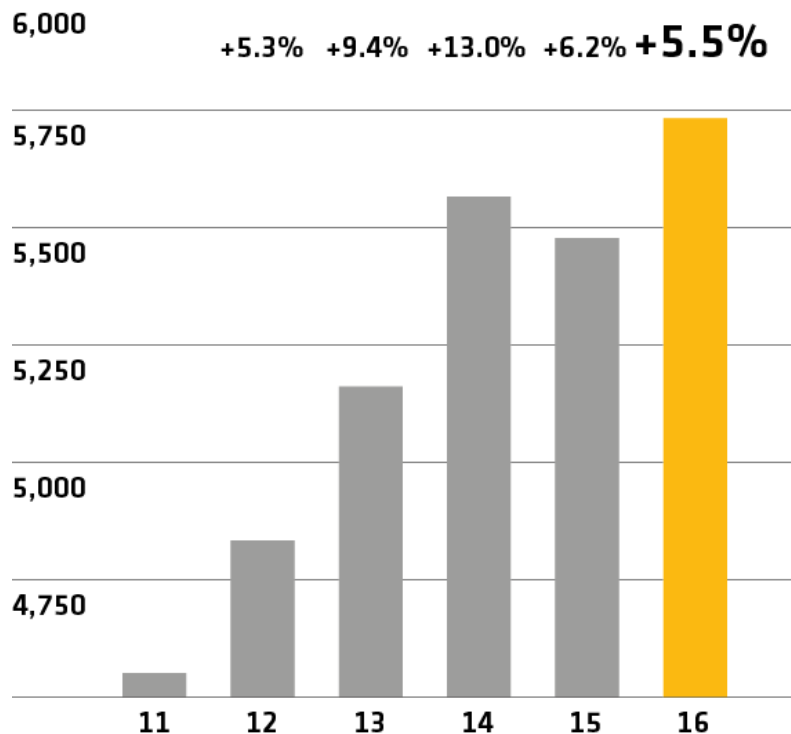
STRATEGY 2018

SIKA'S GROWTH MODEL DELIVERS

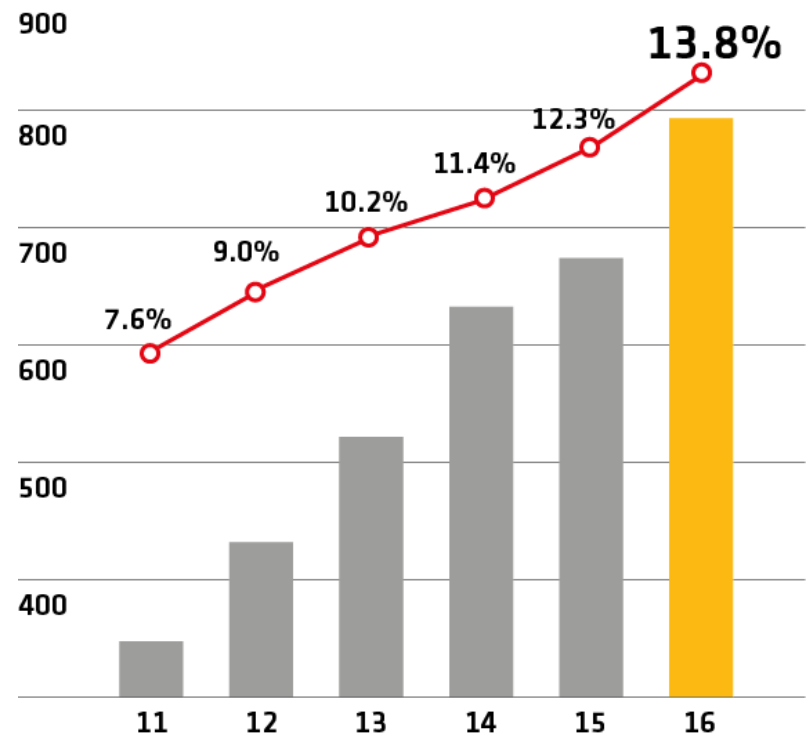


SIKA'S GROWTH MODEL DELIVERS CONTINUED GROWTH IN SALES AND PROFIT

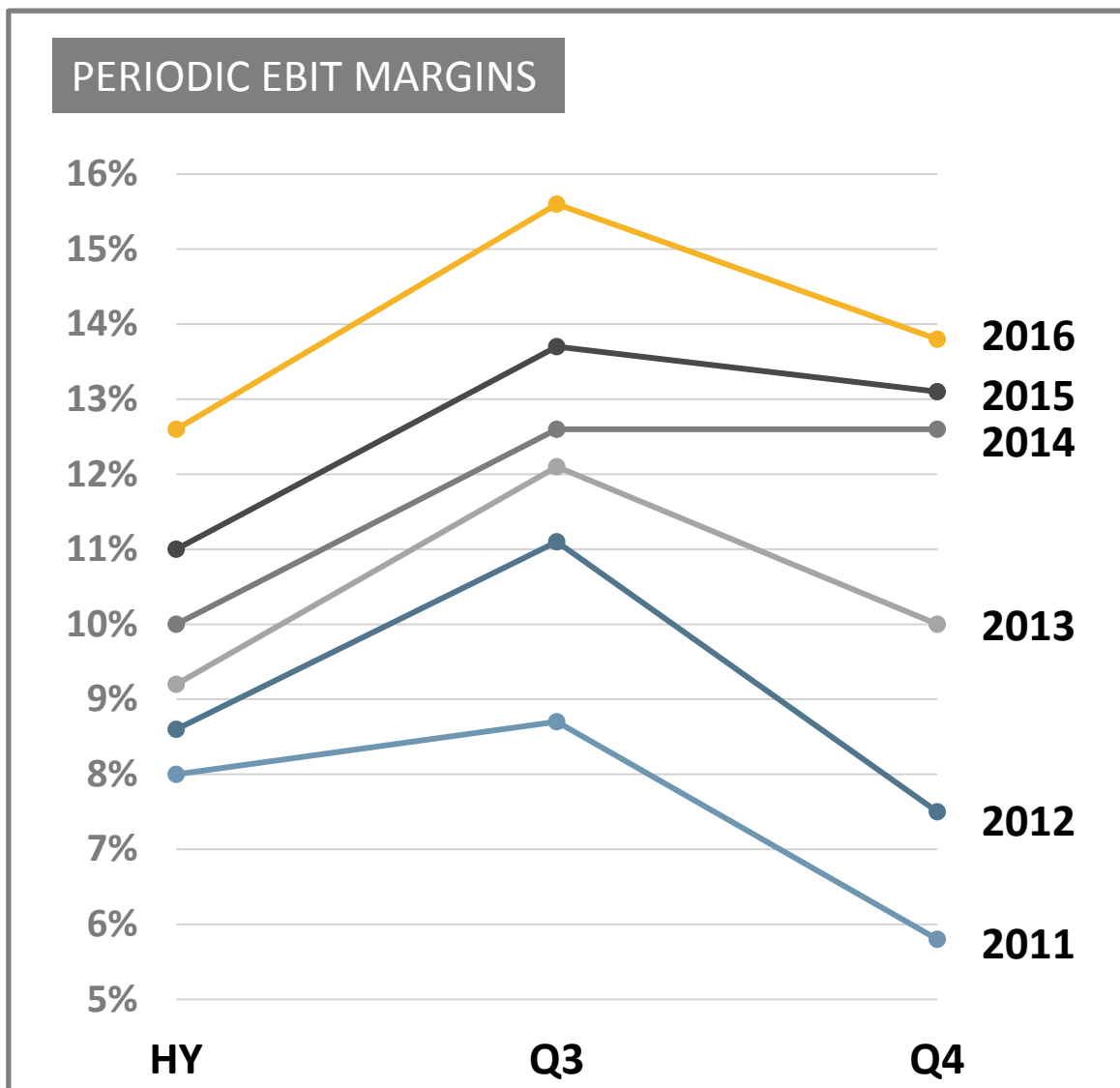
NET SALES (consolidated)
in CHF mn % growth in local currencies








EBIT
in CHF mn —○ as% of net sales



SIKA'S GROWTH MODEL DELIVERS - 20 CONSECUTIVE QUARTERS OF MARGIN IMPROVEMENT



SIKA'S GROWTH MODEL DELIVERS KEY INVESTMENTS SINCE 2012

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">• 370 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">• 21 acquisitions in all regions• CHF 671 million sales added
VALUES	 <ul style="list-style-type: none">• Strong corporate culture• High employee loyalty

SIKA'S GROWTH MODEL DELIVERS PERFORMANCE TWO YEARS AHEAD OF TARGETS

	2012	2013	2014	2015	2016	Targets 2018
Net sales growth in local currencies	5.3%	9.4%	13.0%	6.2%	5.5%	6-8%
EBIT as % Net Sales	9.0%	10.2%	11.4%	12.3%	13.8%	12-14%
OpFCF as % Net Sales	6.3%	8.4%	7.5%	8.2%	10.2%	>8%
ROCE in % (EBIT based)	18.5%	21.0%	23.3%	24.3%	28.7%	>25%

2) GLOBAL STRATEGY REVIEW PERFORMED

GLOBAL STRATEGY REVIEW PERFORMED

BOTTOM-UP REVIEW

Considering the strong performance ahead of targets, a comprehensive review of the strategy was performed:

- A bottom-up review of STRATEGY 2018 with Senior Managers worldwide carried out throughout the second half of 2016
- Excellency of STRATEGY 2018 and its GROWTH MODEL confirmed
- Further growth potential and initiatives identified
- Targets and key investments reviewed and updated
- Confident to continue the combination of growth and margin improvement

3) MARKET PENETRATION

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

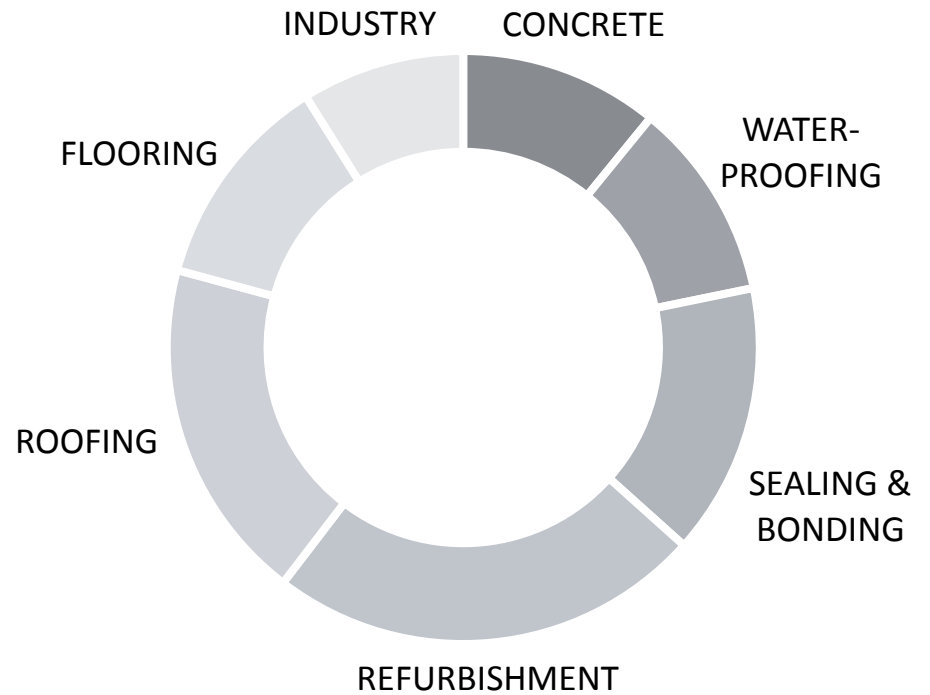
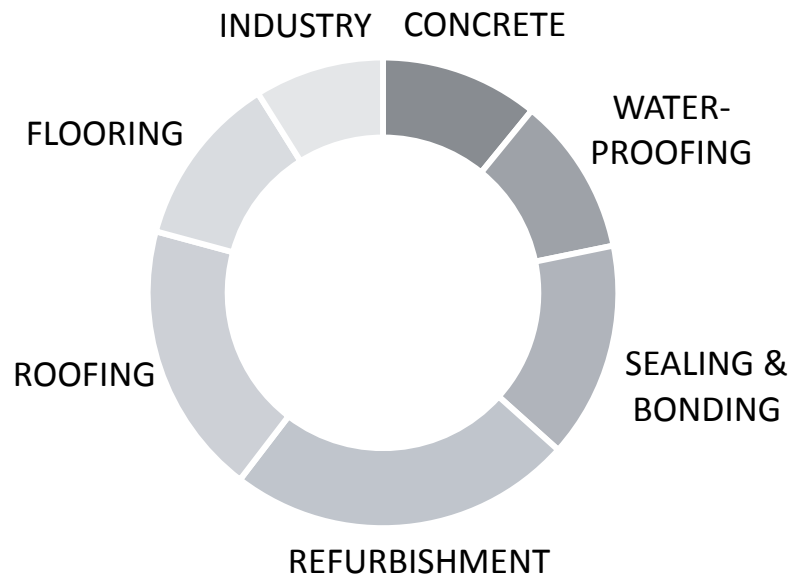
SIKA'S MARKET POTENTIAL

LARGE AND GROWING MARKET SEGMENTS

TOTAL MARKET SIZE

2016
> CHF 70 BILLION

2020
CHF 80 BILLION



MARKET PENETRATION

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



Concrete



Waterproofing



Roofing



Flooring & Coating



Sealing & Bonding

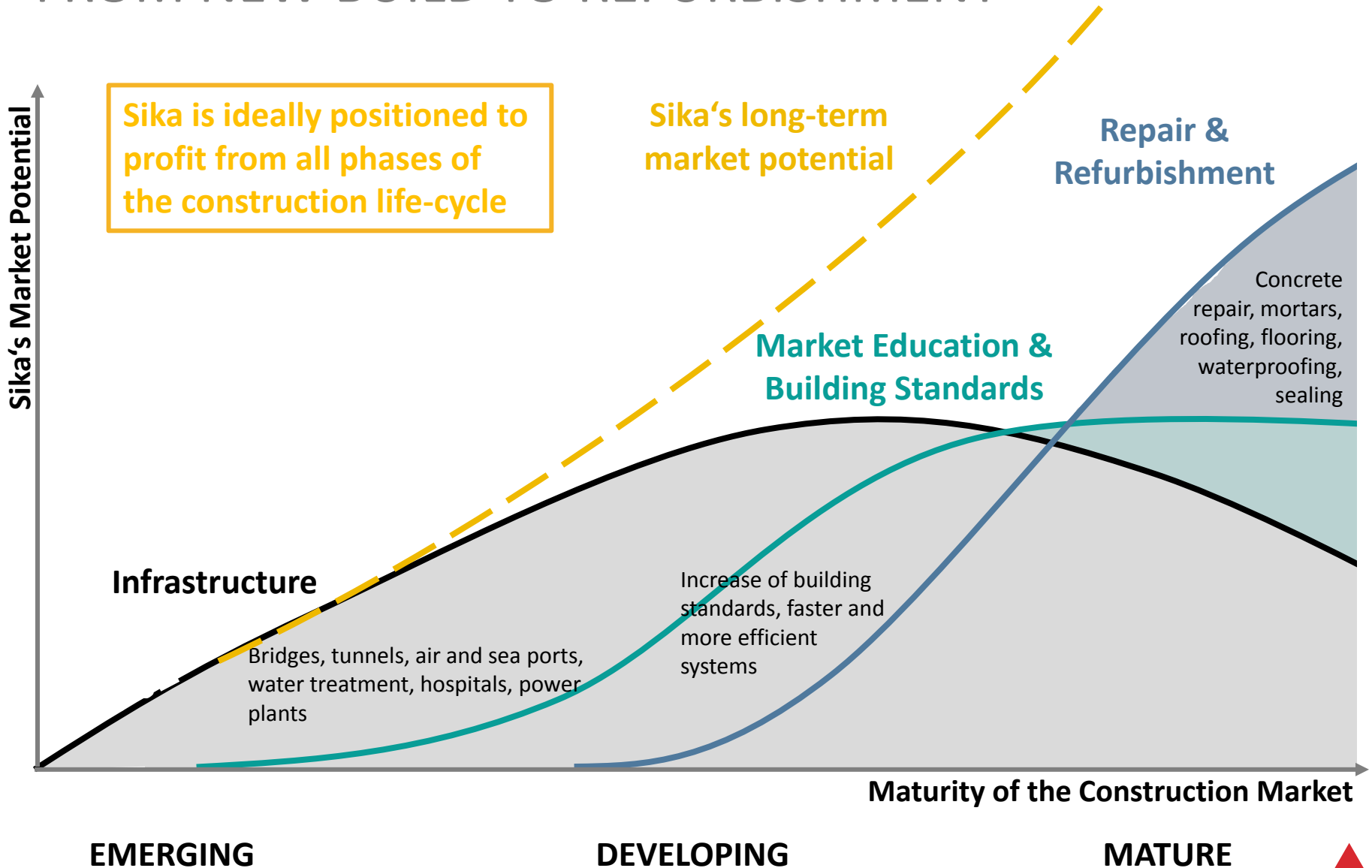


Refurbishment



Industry

GROWTH MODEL WITH EARLY MARKET PENETRATION FROM NEW BUILD TO REFURBISHMENT



4) INNOVATION

INNOVATION

STRONG TRACK RECORD

More than

370

patents were
filed since
2012

More than

880

employees are
dedicated to
Research and
Development

More than

400

invention
disclosures
since 2012

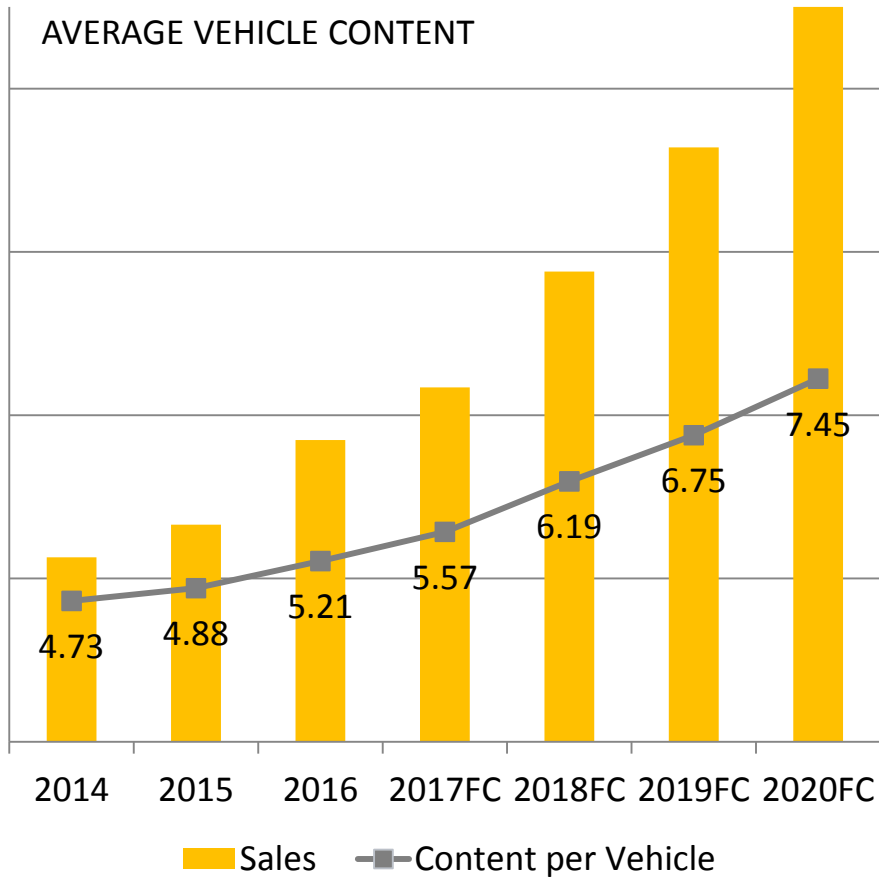
Established

20

Technology
Centers
world-wide

SIKA INNOVATIONS DRIVE GROWTH

E.G. INCREASE IN AUTOMOTIVE VEHICLE CONTENT



GREAT WALL HAVAL H7
CONTENT: > CHF 50

TESLA MODELS S & X
CONTENT: > CHF 70

BMW 7 SERIES
CONTENT: > CHF 60

JAGUAR XF
CONTENT: > CHF 100

CHRYSLER PACIFICA
CONTENT: > CHF 40

VW GOLF 7
CONTENT: > CHF 40

MERCEDES S-CLASS
CONTENT: > CHF 60

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

Tons sold



MEETING THE CHALLENGES OF CONSTRUCTION IN **URBAN ENVIRONMENTS**

ALLOWING **LONG TRANSPORTABILITY** COUPLED WITH SHORT SETTING TIMES



5) ACCELERATED BUILD UP OF EMERGING MARKETS

EMERGING MARKETS BUILD-UP SINCE 2012

CAPTURING GROWTH POTENTIAL IN NEW MARKETS

51

new
plants
opened

11.0%

average sales
growth

20

new
national
subsidiaries

36%

of sales
in Emerging
Markets

ACCELERATED BUILD-UP OF EMERGING MARKETS E.G. INVESTMENTS IN AFRICA

KEY INVESTMENTS SINCE 2012



KEY FACTS

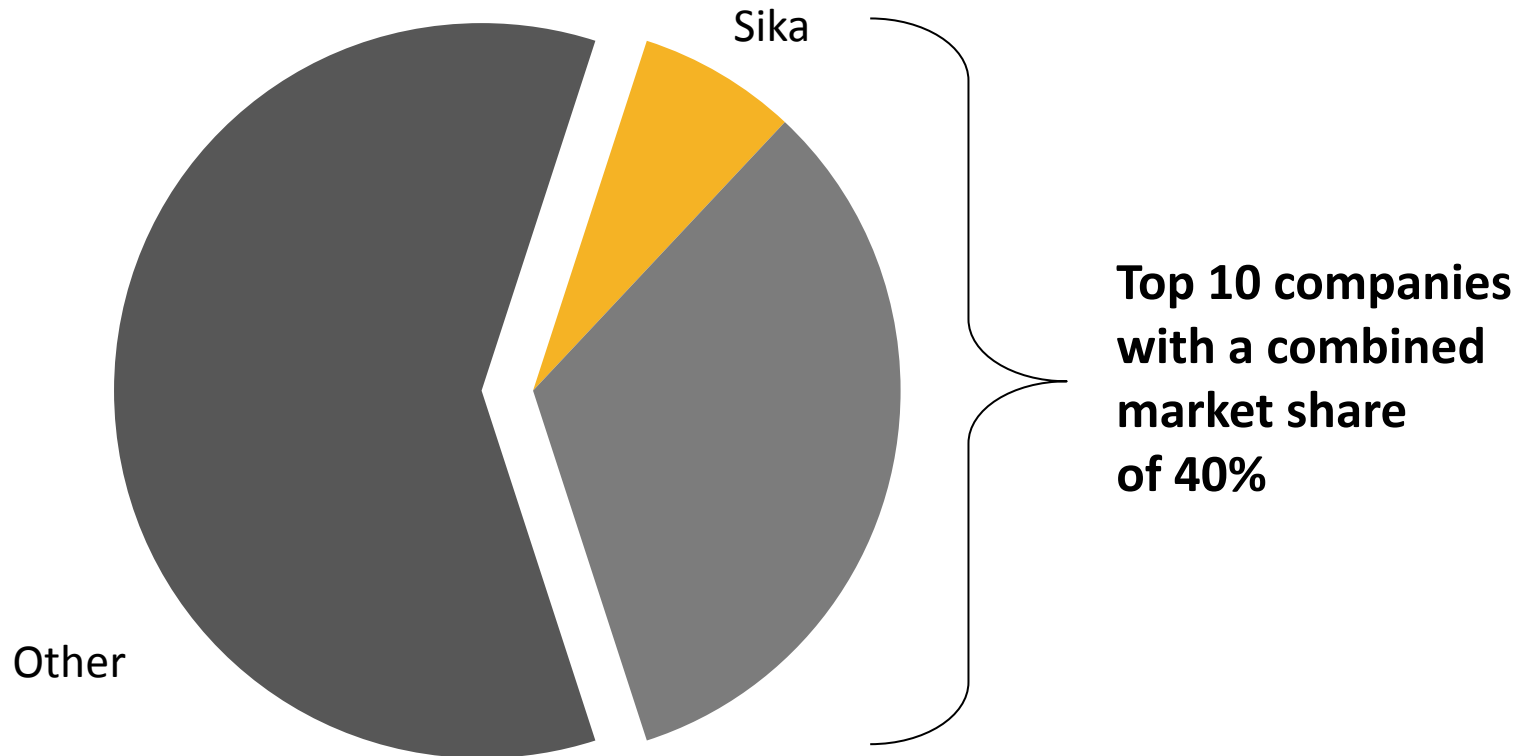


6) ACQUISITIONS

SIKA'S MARKET POTENTIAL

FRAGMENTATION OFFERS ACQUISITION OPPORTUNITIES

CONSTRUCTION CHEMICAL MARKET 2016
> CHF 60 BILLION



ACQUISITIONS SINCE 2012

GROWTH PLATFORMS FOR THE FUTURE

More than

20

acquisitions

More than

670

million CHF
additional
turnover

In all

7

Target
Markets

In all

4

regions

ACQUISITIONS

E.G. IMPROVED TECHNOLOGY KNOW-HOW IN THE USA

L.M. Scofield

US market leader for concrete color additives (ready-mixed concrete) and decorative treatments for refurbishment



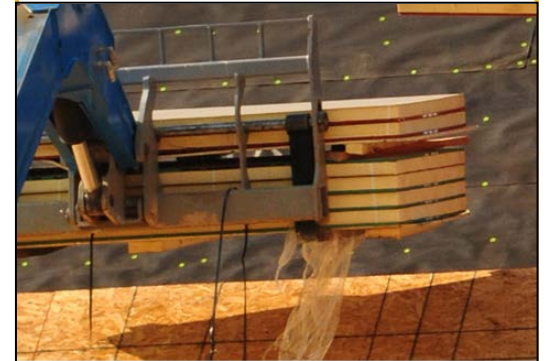
FRC Industries

Producer of high-quality synthetic polypropylene fibers for concrete



Rmax

Market leader in the production of polyiso insulation products for complete Building Envelope solutions



7) VALUES AND PRINCIPLES

SIKA'S VALUES AND PRINCIPLES

STRONG CORPORATE CULTURE

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



8) RAISED TARGETS 2020

GROWTH STRATEGY

NEW AND RAISED TARGETS 2020

STRATEGY 2018

6 - 8% ANNUAL GROWTH

6 - 8 NEW PLANTS PER YEAR

100 NATIONAL SUBSIDIARIES BY 2018

12 - 14% EBIT MARGIN PER YEAR

> 8% OPERATING FREE CASH FLOW PER YEAR

25% RETURN ON CAPITAL EMPLOYED BY 2018

NEW TARGETS 2020

6 - 8% ANNUAL GROWTH

30 NEW PLANTS

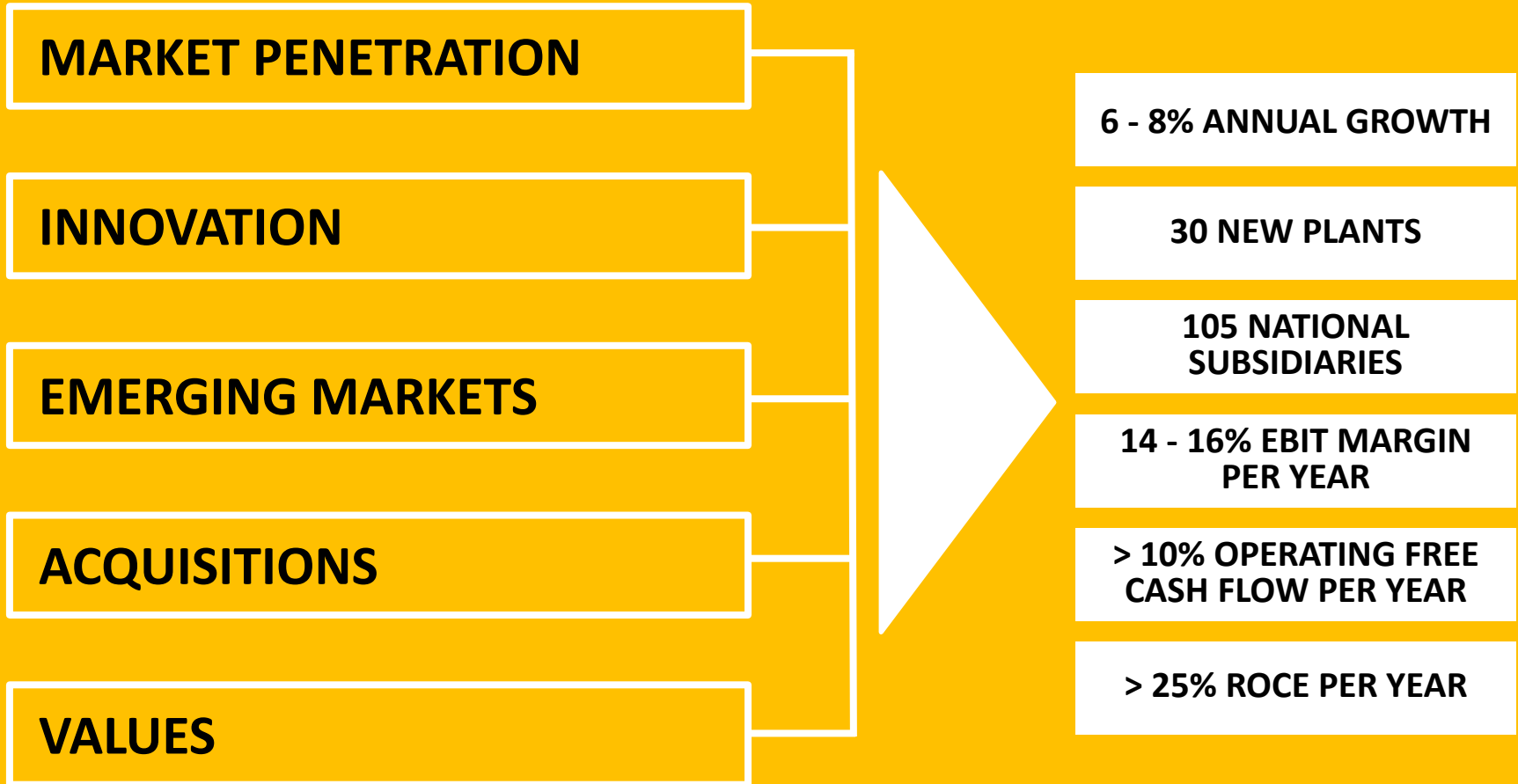
105 NATIONAL SUBSIDIARIES

14 - 16% EBIT MARGIN PER YEAR

> 10% OPERATING FREE CASH FLOW PER YEAR

25% RETURN ON CAPITAL EMPLOYED PER YEAR

SIKA'S GROWTH MODEL WILL DELIVER STRATEGIC TARGETS 2020



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

- Sika's GROWTH MODEL delivers: Performance two years ahead of targets
- Megatrends Urbanization, New Vehicle Design & 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 raised for 2020 – confident that GROWTH MODEL continues to deliver growth and margin improvement
- More than CHF 1 billion EBIT in 2020

4. OUTLOOK

JAN JENISCH, CEO

OUTLOOK FOR 2017

- Sales growth expectations of 6-8% in local currencies with sales first time over CHF 6 billion
- Continued build-up of growth markets with 8 new factories
- 3 new national subsidiaries
- Improvements in margins

5. QUESTIONS AND ANSWERS

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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