



OUR FIRST NINE MONTHS 2023

SALES RISE BY 12.4% THANKS TO MBCC ACQUISITION – SIGNIFICANT PROFITABILITY INCREASE IN Q3

ZÜRCHER KANTONALBANK, SWISS EQUITY CONFERENCE
NOVEMBER 1, 2023

BUILDING TRUST



1. OUR FIRST NINE MONTHS 2023

2. OUR NEW STRATEGY 2028 – BEYOND THE EXPECTED

3. OUTLOOK

1. OUR FIRST NINE MONTHS 2023

SALES RISE BY 12.4% THANKS TO MBCC ACQUISITION – SIGNIFICANT PROFITABILITY INCREASE IN Q3

RESULTS IN THE FIRST 9 MONTHS OF 2023

GROWTH IN LOCAL CURRENCIES OF 12.4%

1. Sales and profit

- Sales growth of 12.4% in local currencies. Record sales of CHF 8,449.2 million (+5.6% in CHF)
- Expansion of material margin to 53.1% (first 9 months of 2022: 49.3%)
- Increase in EBIT margin adjusted for acquisition-related costs to 14.8% (first 9 months of 2022: 13.8%)
- Reported EBIT of CHF 1,144.8 million (first 9 months of 2022: CHF 1,231.5 million)
- Operating free cash flow significantly increased to CHF 877.3 million (first 9 months of 2022: CHF 442.4 million)

2. Key investments

- Completion of the acquisition of MBCC Group, acquisition of Thiessen Team (USA) and Chema (Peru)
- Opening of new plants in Kharagpur (East India) and Chattanooga (Tennessee, USA)

3. Outlook

- Sales increase in local currencies of above 15%, including MBCC
- Over-proportional increase in EBIT confirmed, excluding MBCC
- Operating free cash flow (as % of net sales) of over 10% expected

HIGHLIGHTS YEAR TO DATE

COMPLETION OF MBCC ACQUISITION



**Closing of the acquisition
of MBCC Group
(May 2023)**

MBCC GROUP



**Opening of a new mortar and
admixture plant in Eastern India
(June 2023)**



**Acquisition of Thiessen Team USA
(July 2023)**



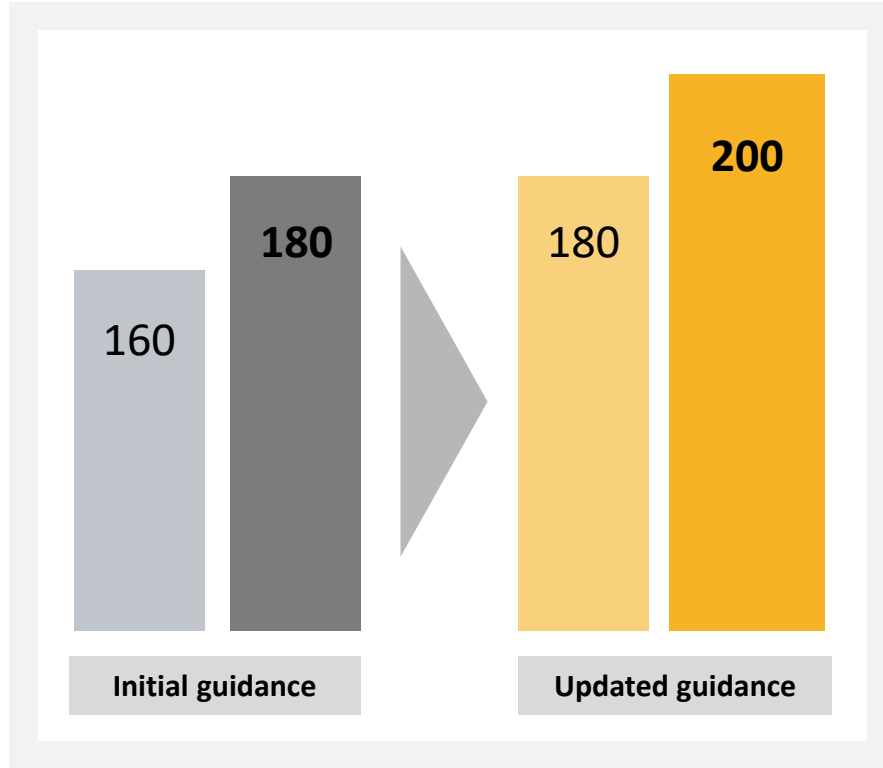
**New product line for macro fibers in
Chattanooga, Tennessee (July 2023)**



**Acquisition of Chema, a leading mortar
manufacturer in Peru
(August 2023)**

INCREASED MBCC SYNERGY POTENTIAL

UPDATED TO CHF 180 – 200 MILLION P.A. BY 2026

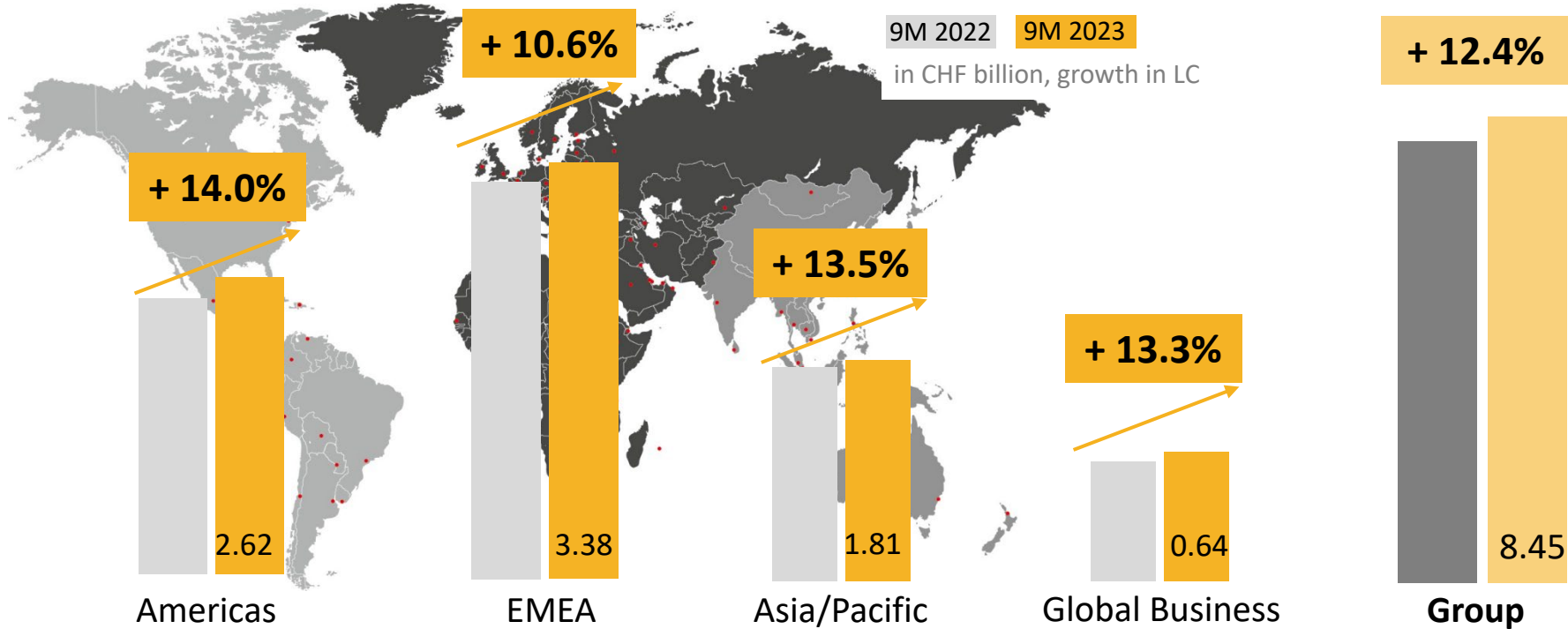


in CHF mn



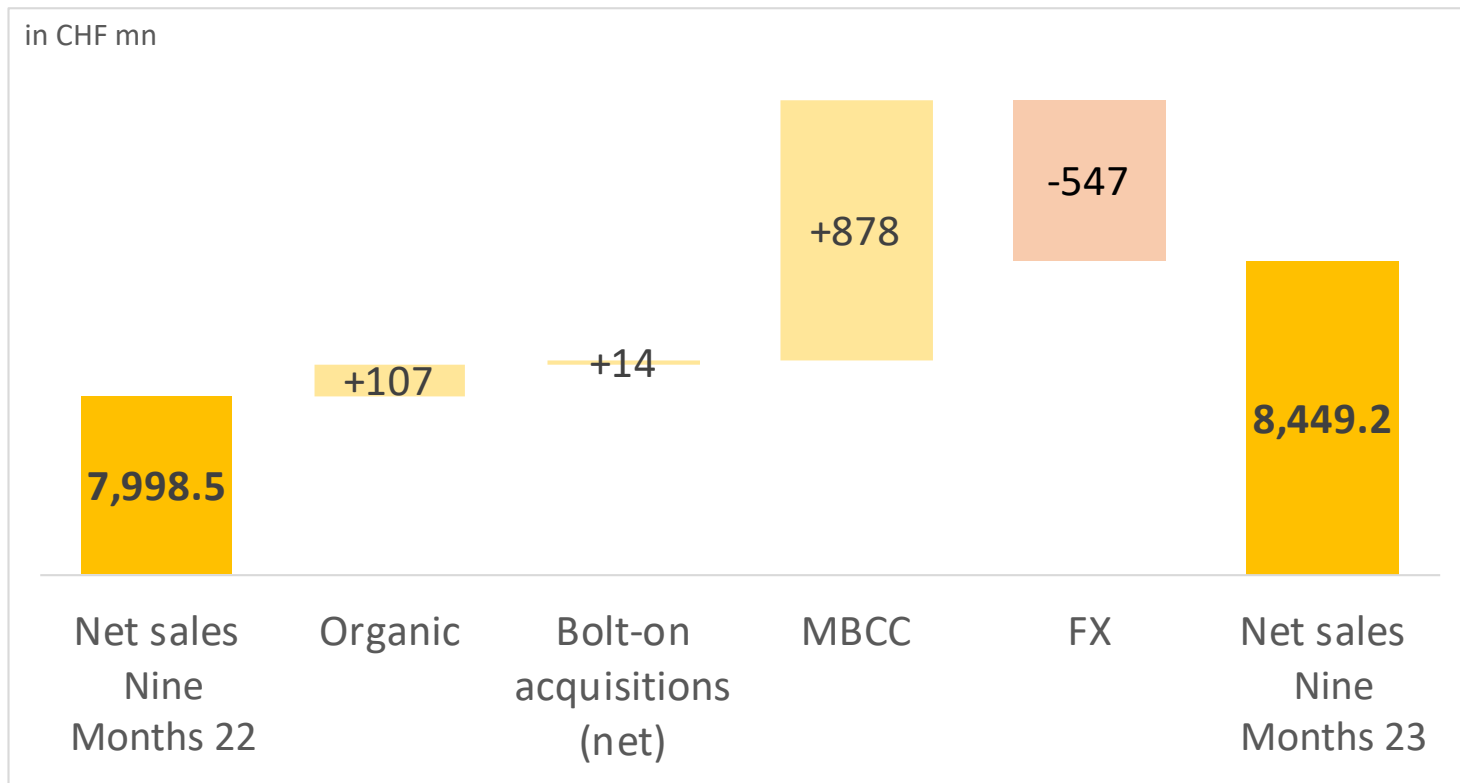
2023 SALES GROWTH LIFTED BY ACQUISITIONS

12.4% SALES GROWTH (5.6% IN CHF)



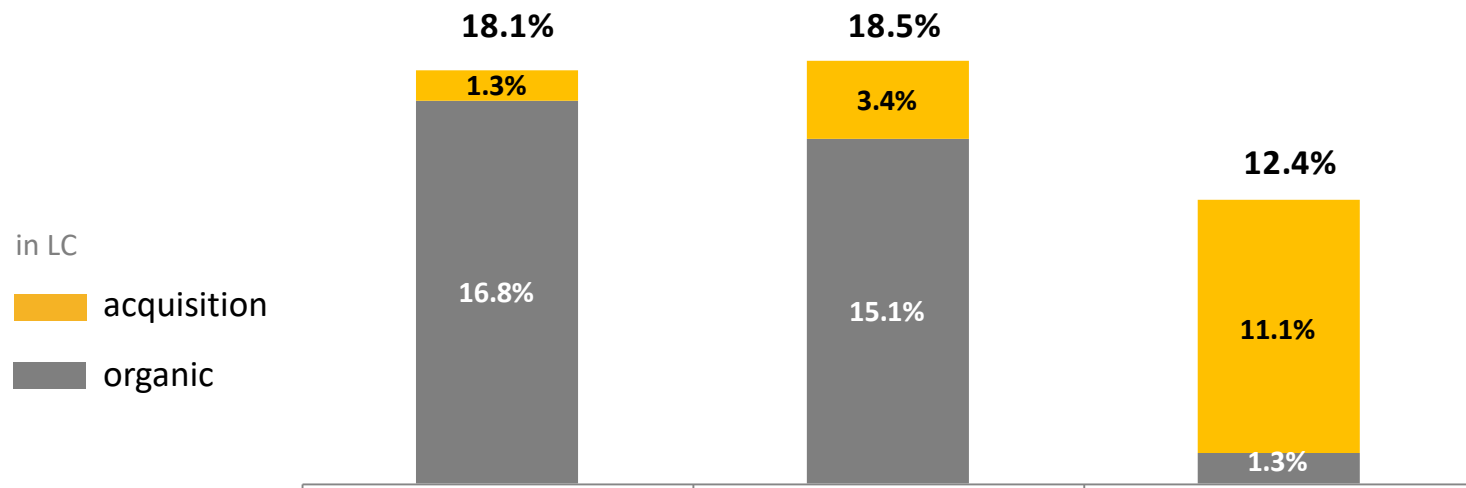
SALES GROWTH FIRST NINE MONTHS 2023

MBCC AS SIGNIFICANT CONTRIBUTOR – HIGH FX IMPACT



SALES GROWTH NINE MONTHS

GROWTH LIFTED BY MBCC ACQUISITION



in CHF mn

9M 2021

9M 2022

9M 2023

Sales

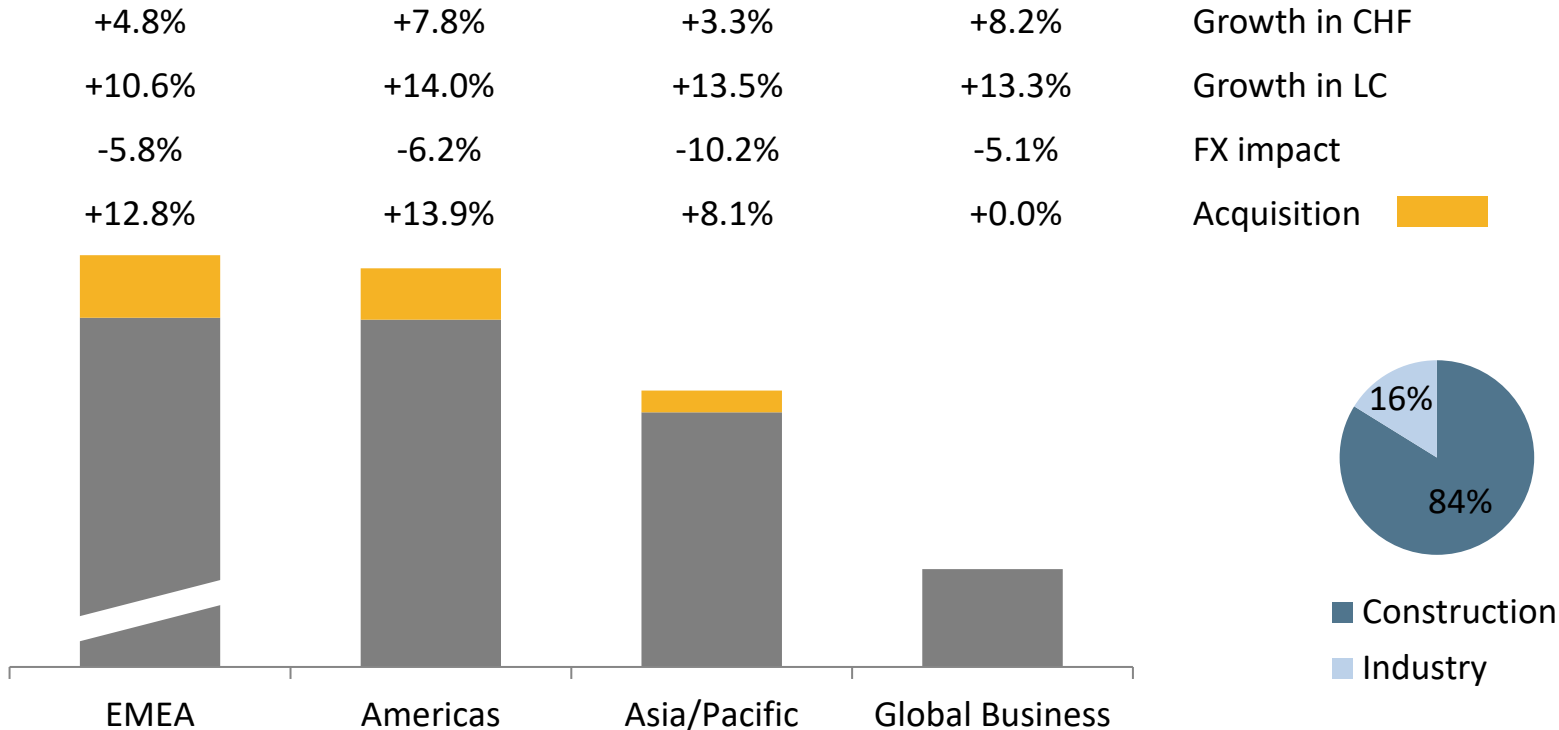
6'862.7

7'998.5

8'449.2

SALES GROWTH FIRST NINE MONTHS 2023

LOCAL CURRENCY GROWTH IN ALL REGIONS – HIGH FX IMPACT



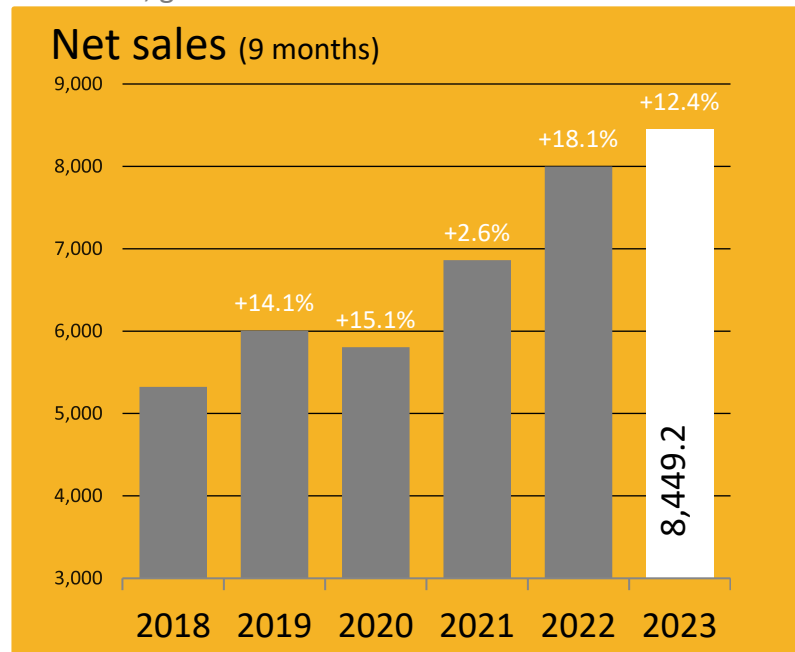
RESULTS IN THE NINE MONTHS OF 2023

IMPROVED GROSS RESULT AND OPERATING FREE CASH FLOW

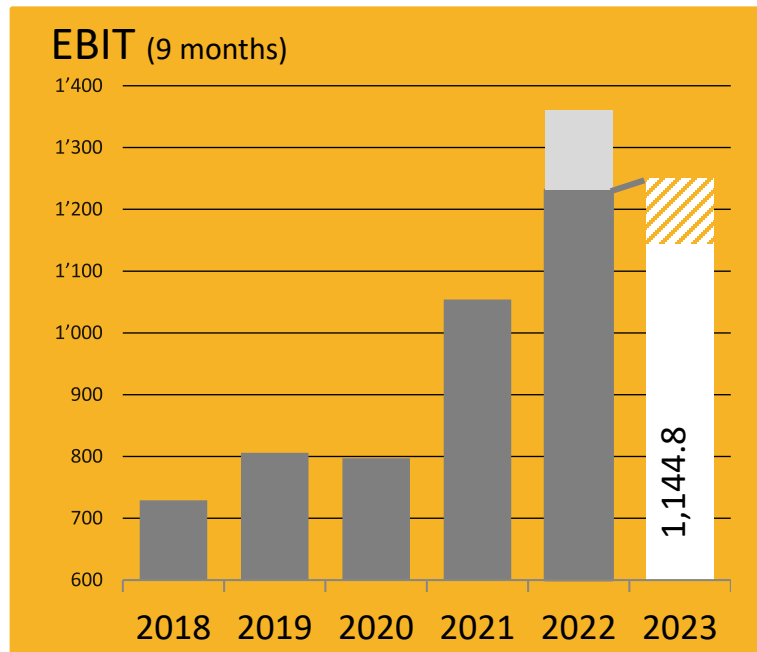
in CHF mn	2022	NS	2023	NS	Growth
Net sales	7,998.5	100%	8,449.2	100%	5.6%
Gross result	3,941.8	49.3%	4,487.9	53.1%	13.9%
Personnel expenses	-1,309.1	-16.4%	-1,477.3	-17.5%	
Other OPEX	-1,111.3	-13.9%	-1,507.9	-17.8%	
EBITDA	1,521.4	19.0%	1,502.7	17.8%	-1.2%
Depreciation and amortization	-289.9	-3.6%	-357.9	-4.3%	
EBIT	1,231.5	15.4%	1,144.8	13.5%	-7.0%
Net profit	885.9	11.1%	736.5	8.7%	-16.9%
Operating free cash flow	442.4	5.5%	877.3	10.4%	98.3%

SIKA'S GROWTH MODEL DELIVERS IMPROVED EBIT MARGIN ADJUSTED FOR ACQUISITION-RELATED COST

in CHF mn, growth in LC



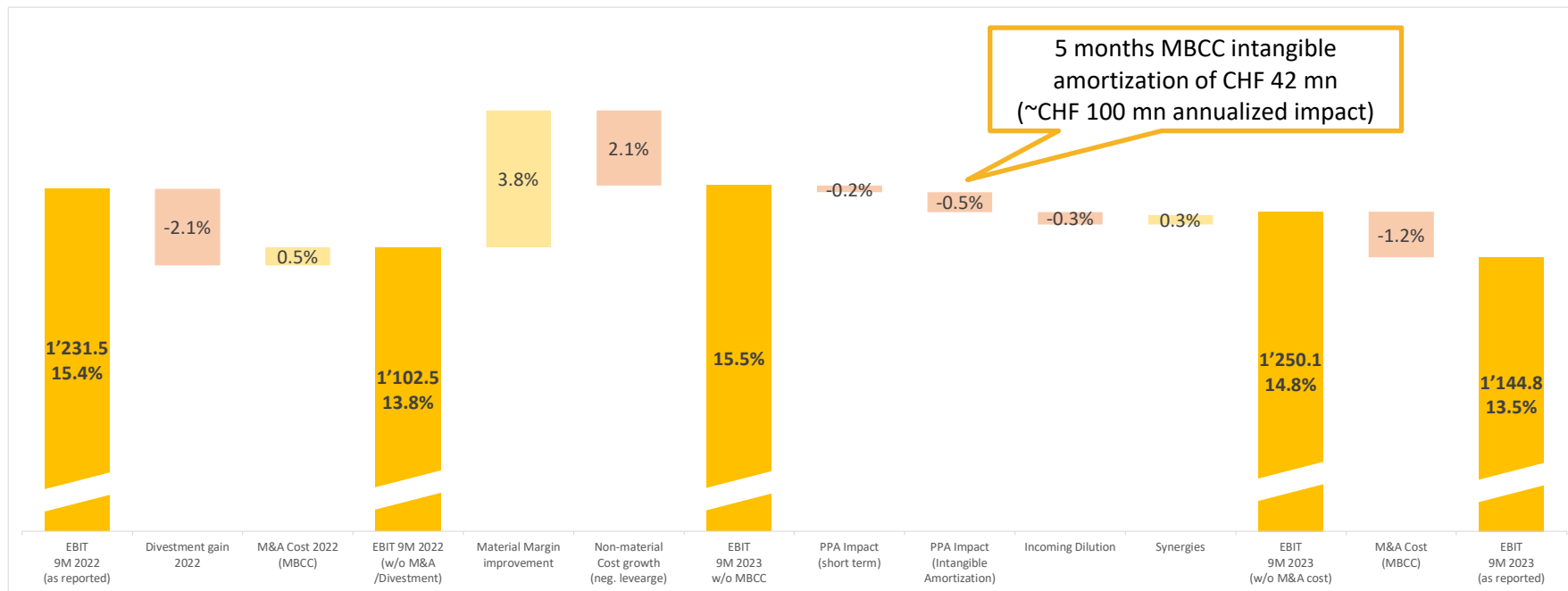
in CHF mn



- Gain on sale of industrial coatings business (CHF +168 mn)
- M&A and integration cost Nine Months 2022 (CHF -39 mn)
- ▨ M&A and integration cost Nine Months 2023 (CHF -105 mn)

EBIT BRIDGE NINE MONTHS 2023

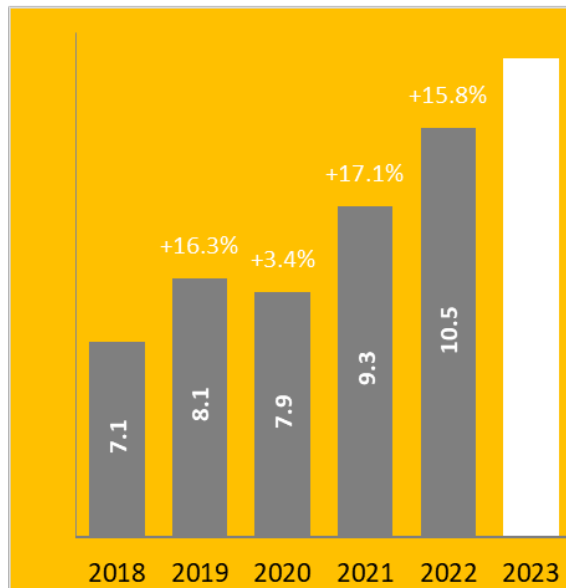
IMPROVED EBIT MARGIN ADJUSTED FOR ACQUISITION-RELATED COST



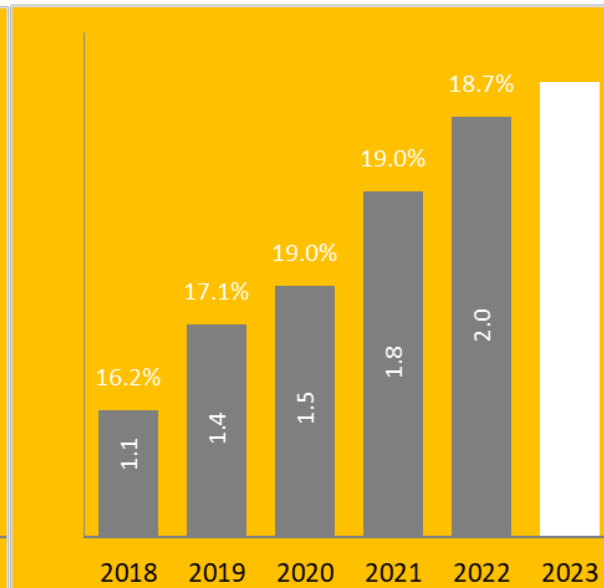
STRONG TOPLINE GROWTH AND PROFIT IN THE LAST YEARS

PERFORMANCE FROM 2019 TO 2023

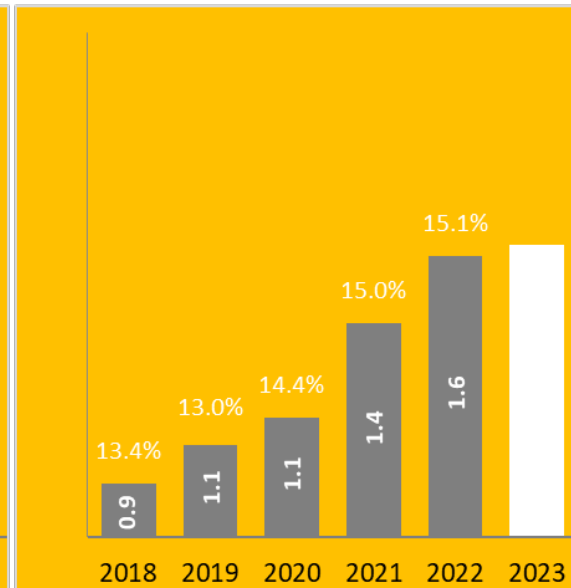
Net Sales



EBITDA



EBIT



in CHF mn, growth in LC

2. OUR NEW STRATEGY 2028 – BEYOND THE EXPECTED

STRATEGY 2028

WHAT WE BUILD UPON – WHAT WILL CHANGE

What we build upon

- People & Culture as strong backbone
- Decentralized market facing decisions, agile organization
- Market Penetration as key growth driver
- Maintain acquisition strategy as additional growth platform
- Innovation & Sustainability to stay market leader & enabler while driving growth/margins
- 5 Key Technologies and 8 Target Markets
- Strong Sika brand
- Deliver strong Sales and over-proportional Profit growth

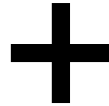
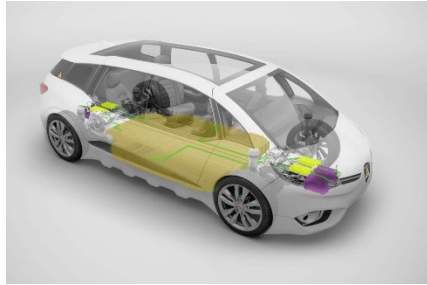
What will change/be reinforced

- Build on 4 strong strategic pillars
- Balanced set of Financial & non-Financial targets
- Switch to EBITDA as main profitability metric
- Focused initiatives driving market penetration, megatrend-driven structural growth
- Driving net-zero pathway
- Product driven innovation to reinforce enabler position
- Organizational adaptations and market segmentation to fully capture customer needs

SIKA AUTOMOTIVE & INDUSTRY ORGANIZATION 2024

COMING TOGETHER

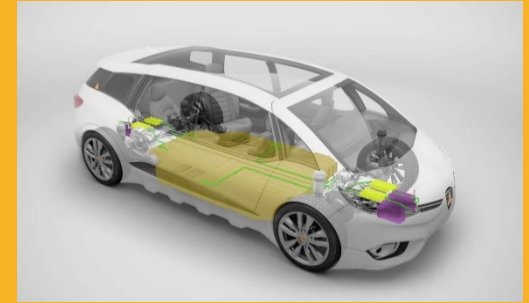
Automotive



Industry

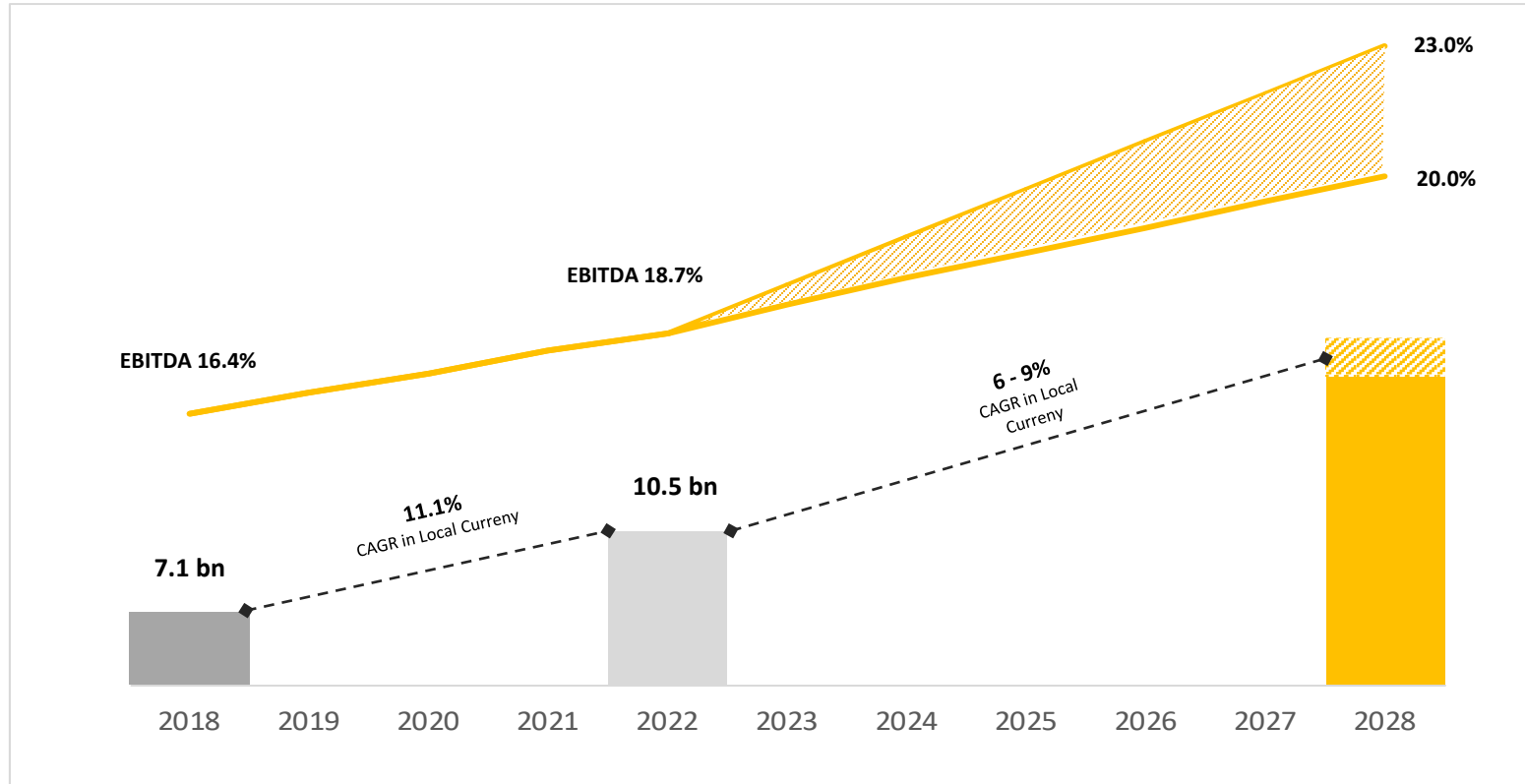


Automotive + Industry



Automotive and Industry have been combined on a regional level to gain maximum momentum in a dynamic environment, increasingly driven by solutions for e-mobility and renewables.

STRATEGY 2028 – BEYOND THE EXPECTED PROFITABLE GROWTH TO CONTINUE



MEGATRENDS DRIVING SUSTAINABLE GROWTH

FURTHER ACCELERATION



POPULATION GROWTH



URBANIZATION



DEMOGRAPHIC
CHANGE



RESOURCE SCARCITY



CLIMATE CHANGE &
SUSTAINABILITY



INCREASING
REGULATIONS



TECHNOLOGICAL
PROGRESS

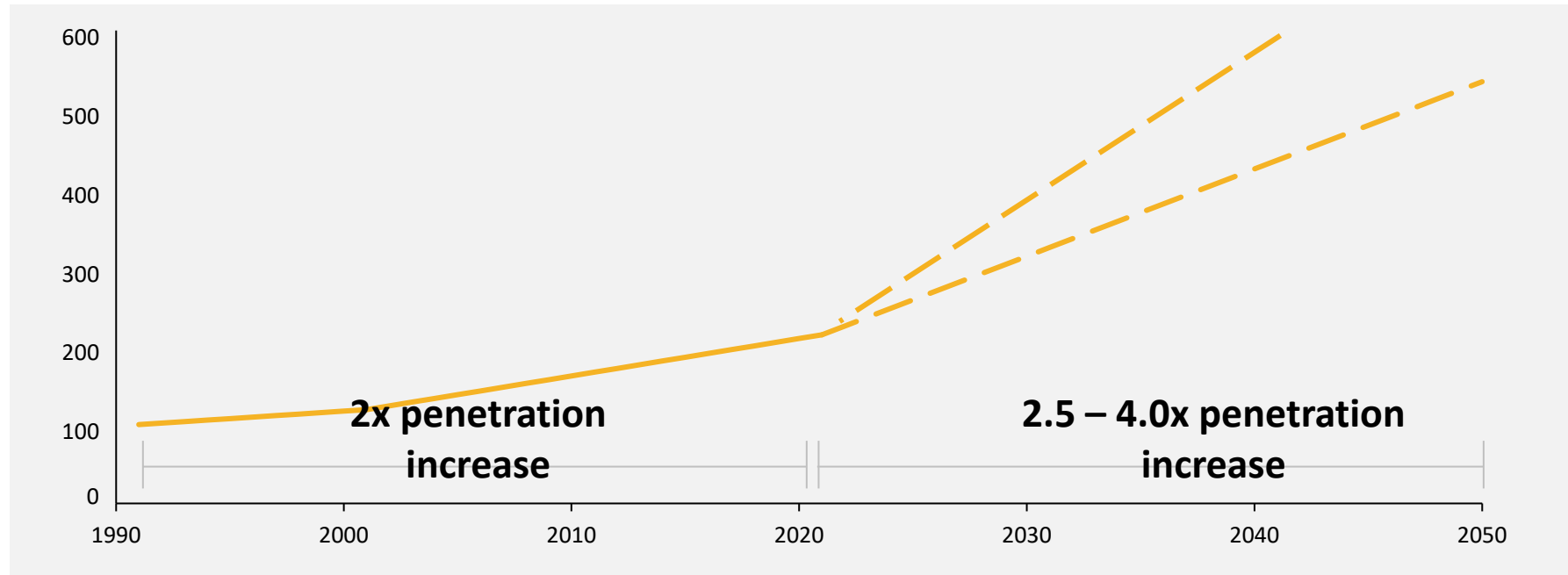


DIGITALIZATION

CONSTRUCTION CHEMICALS OUTGROW CONSTRUCTION MARKET

MEGATRENDS ACCELERATE DEMAND AND DRIVE PENETRATION

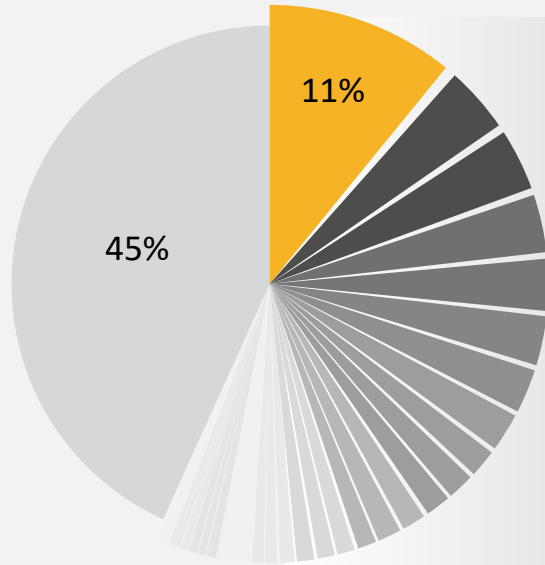
Construction chemicals penetration (1991 = 100)



Source: IHS, Freedonia | 1) penetration = global construction chemicals market size (CHF) / global construction output (CHF)

MARKET SHARE IN CONSTRUCTION CHEMICALS AND INDUSTRY

TOTAL ADDRESSABLE MARKET 2023: CHF 110 BILLION



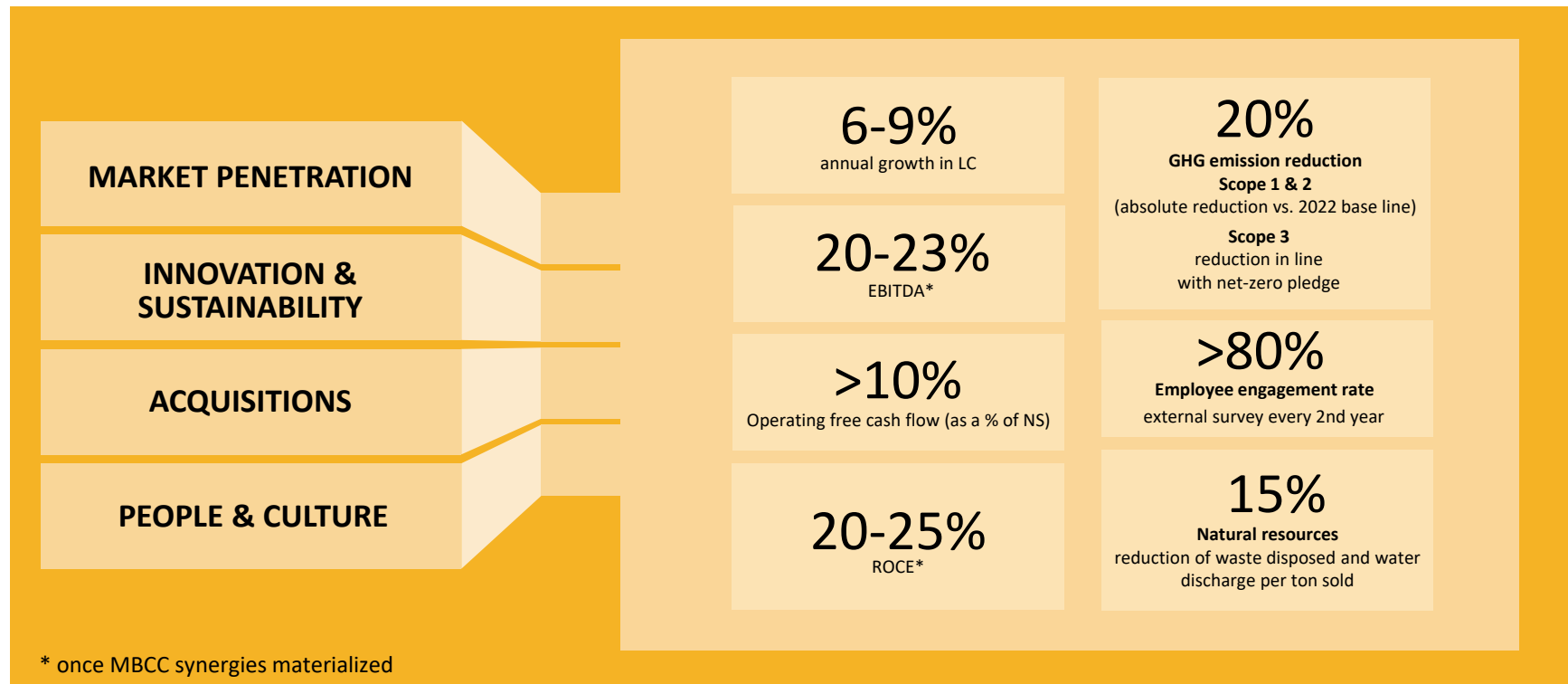
Top 30 competitors
(incl. Sika) account
for 55% of market
share

Competitive landscape
remains very fragmented despite
ongoing M&A activity

FOUR PILLARS OF GROWTH STRATEGY 2028

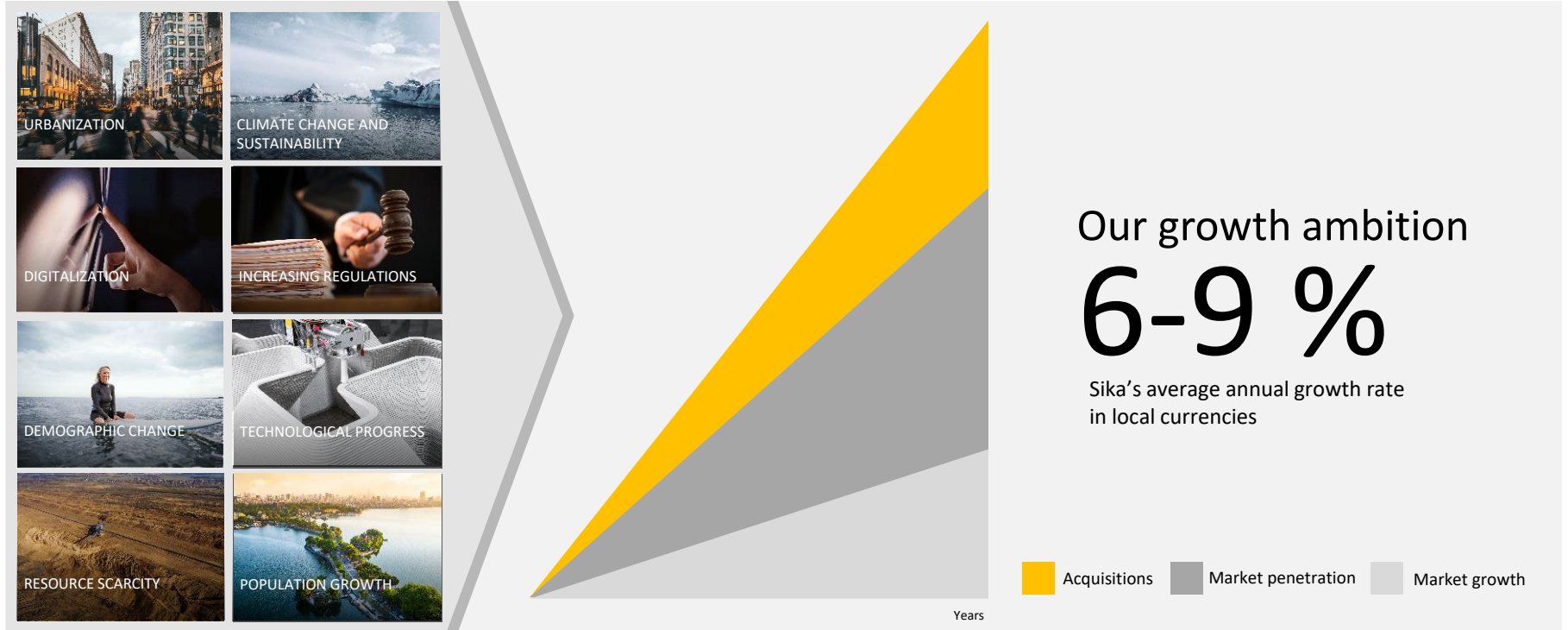
SIKA'S GROWTH STRATEGY 2028

THE PILLARS OF THE STRATEGY



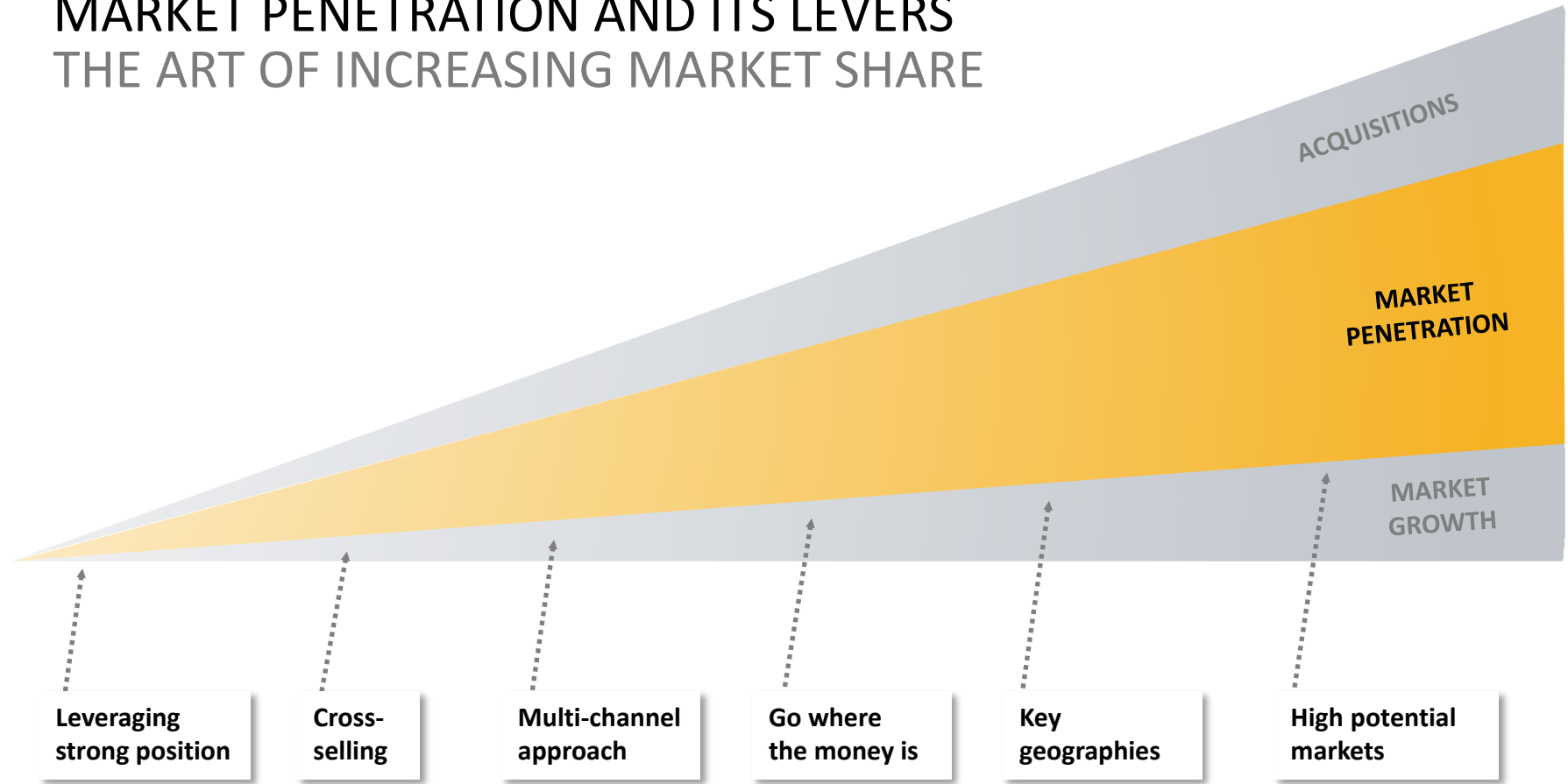
STRONG EXECUTION AND BENEFITS OF MEGATRENDS

SIKA STRONGLY POSITIONED IN 2023 AND BEYOND



MARKET PENETRATION AND ITS LEVERS

THE ART OF INCREASING MARKET SHARE



MARKET PENETRATION AND ITS LEVERS

EXAMPLES

Leveraging strong position

Fostering our worldclass brand and leveraging our strong reputation



Cross-selling

Getting more business out of every project with solution offering



Samsung semiconductor project in Austin Texas, USA

INNOVATION & SUSTAINABILITY

INNOVATION & SUSTAINABILITY – TRANSFORMING INNOVATION AND EFFECTIVE SUSTAINABILITY

PRESERVE NATURAL RESOURCES

Increase water and waste efficiency.

Reduce usage of hazardous materials.

CLIMATE CHANGE MITIGATION

Reduction direct and indirect emissions.

Building on circular economy.

INNOVATION

All new product developments to be SPM validated.

Digitalization to accelerate transformation.

INNOVATION & SUSTAINABILITY – STRATEGIC PILLARS 2028

SIKA'S NET ZERO PATHWAY – DRIVING THE TRANSFORMATION

OUR KEY LEVERS

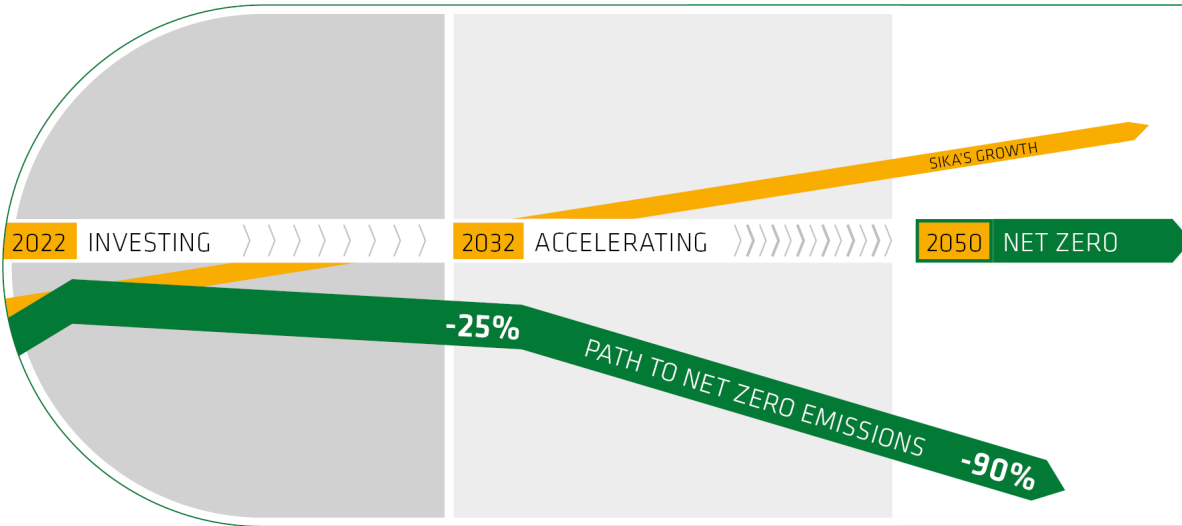
Education and capacity building to improve **material efficiency and circularity**

Accelerated use of **alternative low carbon supplies**

Continued focus on **operational efficiencies**

Partnerships with key suppliers who support Sika's path to net zero

Development of **new innovative solutions** for construction and industry



INNOVATION & SUSTAINABILITY – ENABLING SUSTAINABLE SOLUTIONS

SUSTAINABILITY PORTFOLIO MANAGEMENT (SPM)

All new product
developments to be
SPM validated with a
positive validation

MORE **PERFORMANCE**
MORE **SUSTAINABLE**

SPM | Sustainability
Portfolio
Management

- The SPM evaluates solutions based on **12 sustainability** and **6 performance categories**.
- SPM is used to classify, and **market sustainable solutions**.
- Sika's goal is to manage innovation and sustainability, **minimizing risks and maximizing opportunities**.
- Sika is the 1st company within the specialty chemicals and building materials sector to develop and implement the **SPM Concept** based on the World Business Council of Sustainable Development framework.

INNOVATION & SUSTAINABILITY

GHG EMISSIONS - SCOPE 1, 2, AND 3



Scope 1 and 2
-20%
absolute emission reduction



Scope 3
in line with net zero pledge



Reduction of use of fossil fuels in production processes and transportation



Optimizing formulations:
Cement reduction, bio-based raw materials, recycled raw materials



Use of more efficient appliances;
80% renewable electricity

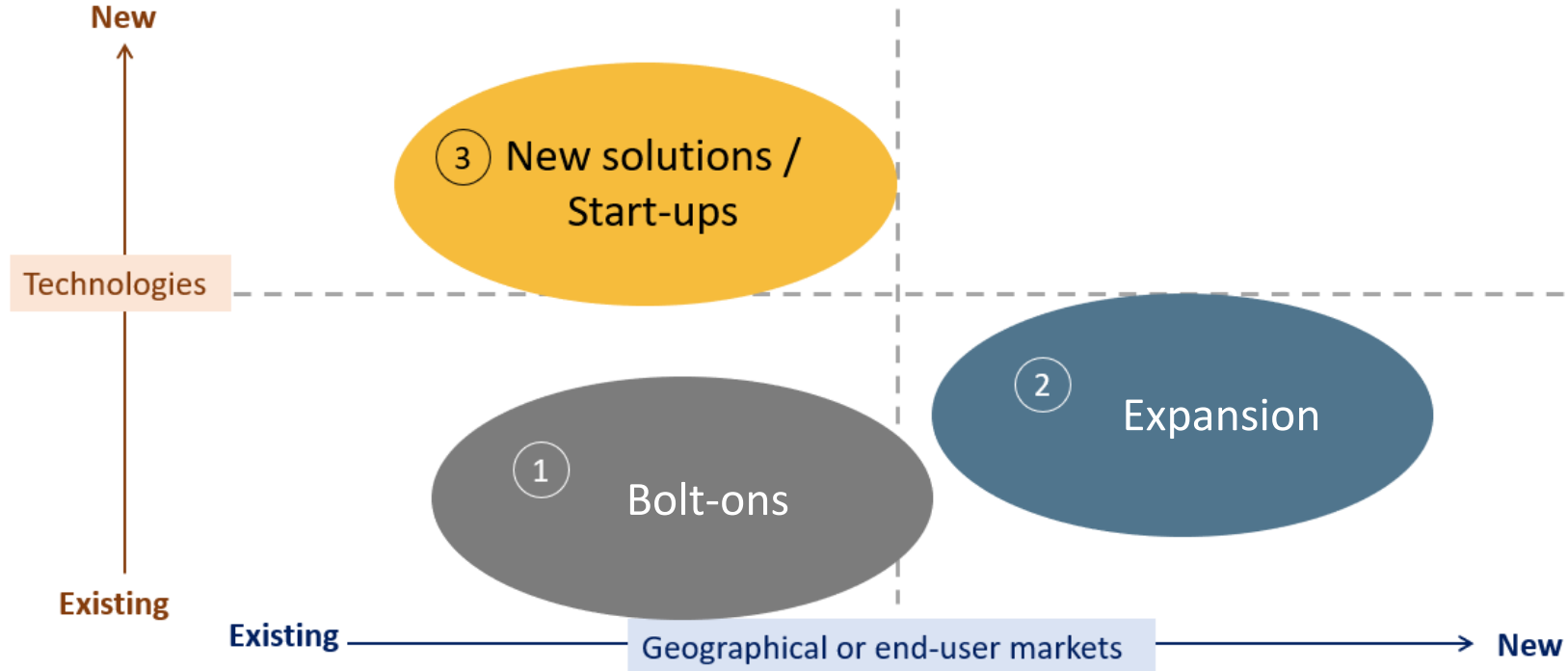


Supplier engagement to optimize product-specific carbon footprint of raw materials and packaging

ACQUISITIONS

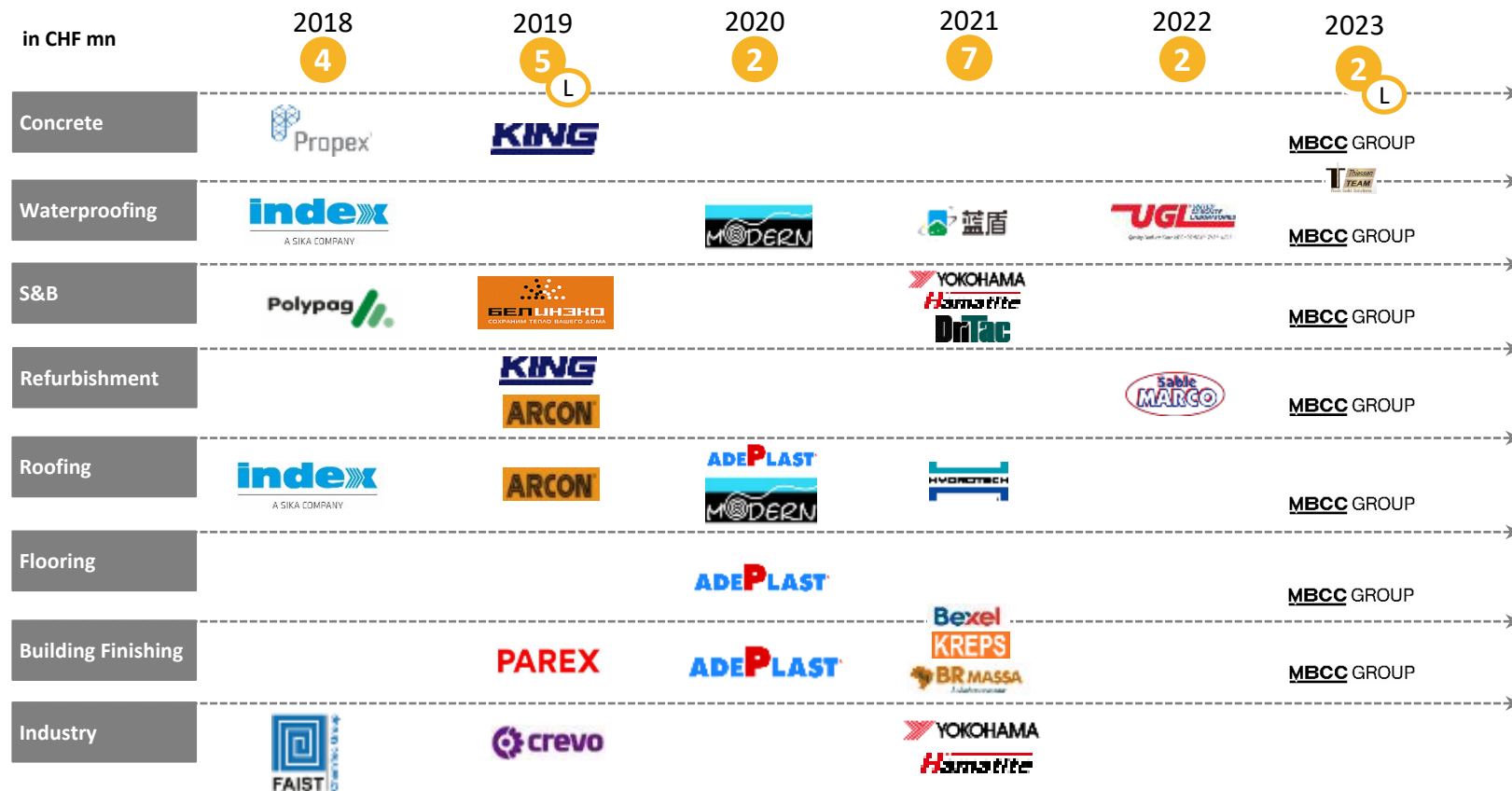
ACQUISITIONS

STRATEGIC LEVER WITH MULTIPLE DIMENSIONS



ACQUISITIONS – FROM 2018 TO 2022

ADDITIONAL GROWTH PLATFORMS IN ALL TARGET MARKETS



PEOPLE & CULTURE



INVESTING IN OUR PEOPLE
& CULTURE IS INVESTING
IN OUR FUTURE SUCCESS.
LEADERS ARE IN CHARGE.

WE BUILD TRUST EVERYDAY

OUR EMPLOYEES FEEL VALUED, EMPOWERED AND PROUD
TO WORK FOR SIKA



SAFE



ENGAGED



INCLUSIVE

Be effective leaders that build a safe, attractive and inclusive environment where people feel inspired and motivated to drive change, unlock their full potential and win together.

PEOPLE & CULTURE

EMPLOYEE ENGAGEMENT - RECONFIRM OUR HIGH SCORE

- Engagement as key performance metric to measure resilience and sustainability of an organization. **Highly engaged employees drive performance and business success.**
- **Sika's strong Corporate culture as most competitive advantage.**



EMPLOYEE ENGAGEMENT

>80%

measured through Global Employee
Survey every two years

PEOPLE & CULTURE – COMMUNITY ENGAGEMENT

OUR EMPLOYEES AROUND THE WORLD AT SIKA DAY



3. OUTLOOK 2023

OUTLOOK 2023

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY

- For 2023 Sika expects a sales increase of above 15% in local currencies, including the effect of the MBCC acquisition
- Confirmation of anticipated over-proportional EBIT increase for the year, excluding the effect of the MBCC acquisition
- Operating free cash flow (as % of net sales) of over 10% expected

Expected sales
increase in LC

>15%



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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