



# OUR YEAR 2023 – BUILDING THE FUTURE

SIKA MEDIA AND INVESTOR PRESENTATION  
ZURICH, FEBRUARY 16, 2024

BUILDING TRUST



1. HIGHLIGHTS 2023, THOMAS HASLER (CEO)
2. SUCCESSFUL MBCC ACQUISITION, THOMAS HASLER (CEO)
3. PROFITABLE GROWTH STRATEGY 2028, THOMAS HASLER (CEO)
4. MARKET PENETRATION GROWTH, THOMAS HASLER (CEO)
5. FINANCIAL RESULTS, ADRIAN WIDMER (CFO)
6. OUTLOOK, THOMAS HASLER (CEO), CHRISTOPH GANZ (EMEA), PHILIPPE JOST (ASIA/PACIFIC), MIKE CAMPION (AMERICAS)
7. QUESTIONS AND ANSWERS

# 1. HIGHLIGHTS 2023, THOMAS HASLER (CEO)

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## 2. SUCCESSFUL MBCC ACQUISITION, THOMAS HASLER (CEO)

## 3. PROFITABLE GROWTH STRATEGY 2028, THOMAS HASLER (CEO)

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## 7. QUESTIONS AND ANSWERS

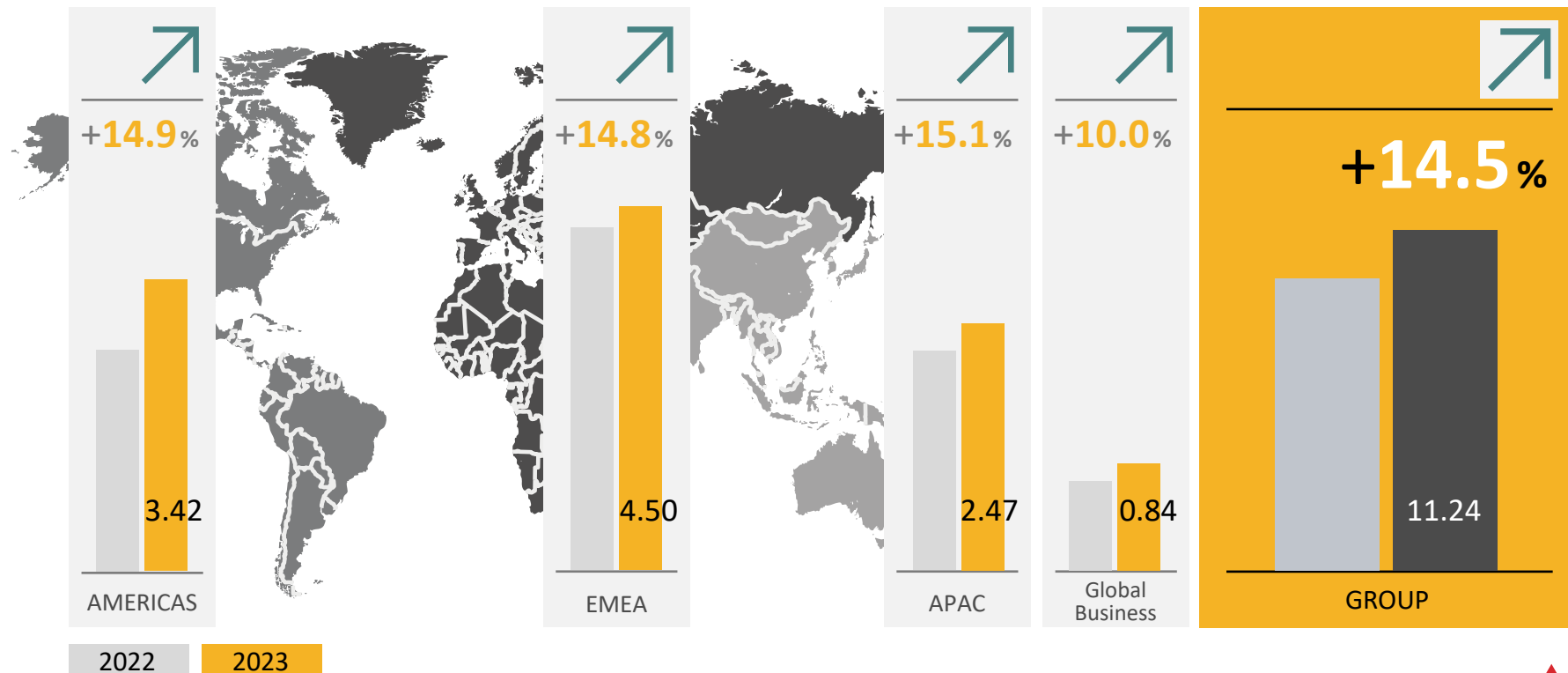
# HIGHLIGHTS 2023

## RECORD RESULTS FOR SALES, CASH FLOW AND ADJUSTED EBIT

- Record results 2023
  - Record sales of CHF 11,238.6 million (+7.1%), increase in local currencies +14.5%
  - EBIT reported at CHF 1,549.1 million (previous year: 1,579.7 million) with an adjusted EBIT margin of 15.0% (previous year: 14.2%)
  - Record operating free cash flow at CHF 1,372.7 million (+58.7%)
- Key investment
  - Successful closing and integration of MBCC with synergies in the first eight months of CHF 41 million
- Innovation and sustainability
  - 108 new patents and 188 new inventions registered
  - Reduction of GHG emissions per ton sold by -4.4% (scope 1 and 2)

# SIKA WITH RECORD SALES IN 2023

## SALES GROWTH OF 14.5% IN LOCAL CURRENCIES



2022 2023  
(in CHF billion, growth in LC)

# HIGHLIGHTS 2023

## STRONG PROGRESS IN SUSTAINABLE PERFORMANCE



**+7.5%**

waste recycling rate



**-4.4%**

reduction of GHG emissions per ton sold (scope 1 and 2)



**-2.5%**

waste per ton sold



**-12.2%**

reduction in water consumption per ton sold

**+43.3%**

community engagement projects compared to FY 2022



**-23.9%**

lost time accidents per 1,000 FTEs



# KEY INVESTMENTS IN 2023

## INVESTMENTS IN THE FUTURE

### ACQUISITIONS



**Closing of MBCC acquisition**

May 2023



**Acquisition of Thiessen Team (USA)**

July 2023



**Acquisition of Chema\* (Peru)**

August 2023



**Stake in start-up Concria Oy (Finland)**

November 2023

\*Expected closing in 2024

### NEW PLANTS



**New plant commissioned in Kharagpur (East India)**

June 2023



**New plant commissioned in Chattanooga (Tennessee, USA)**

July 2023



**Expansion of two factories in Sealy (Texas, USA) and Kirchberg (Switzerland)**

November 2023

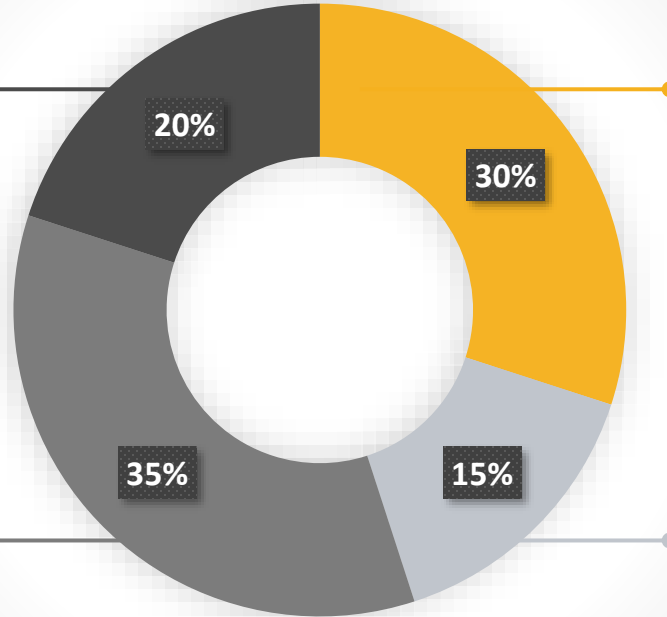


**Technology Center opened in Suzhou (China)**

December 2023

# HIGHLIGHTS 2023 – BALANCED BUSINESS MIX

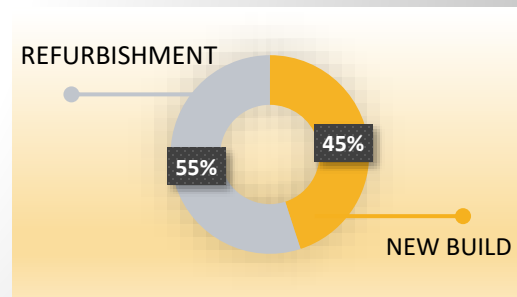
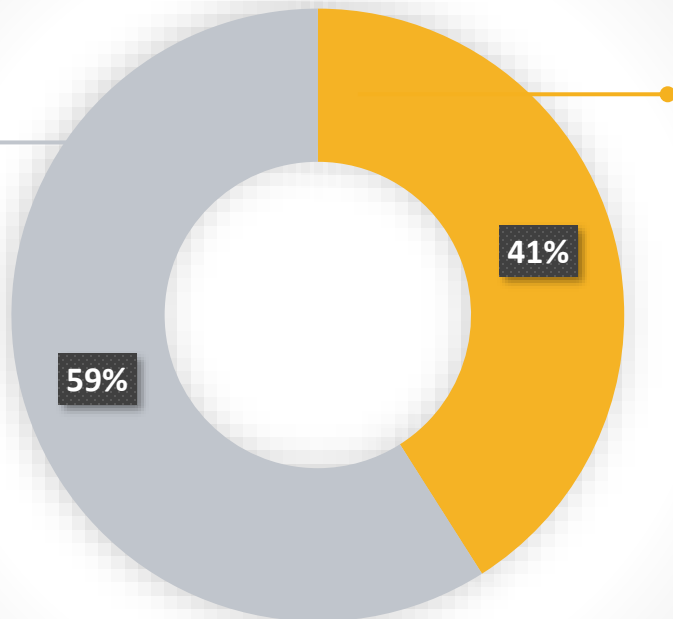
## GLOBAL FOOTPRINT IN VERTICAL MARKETS



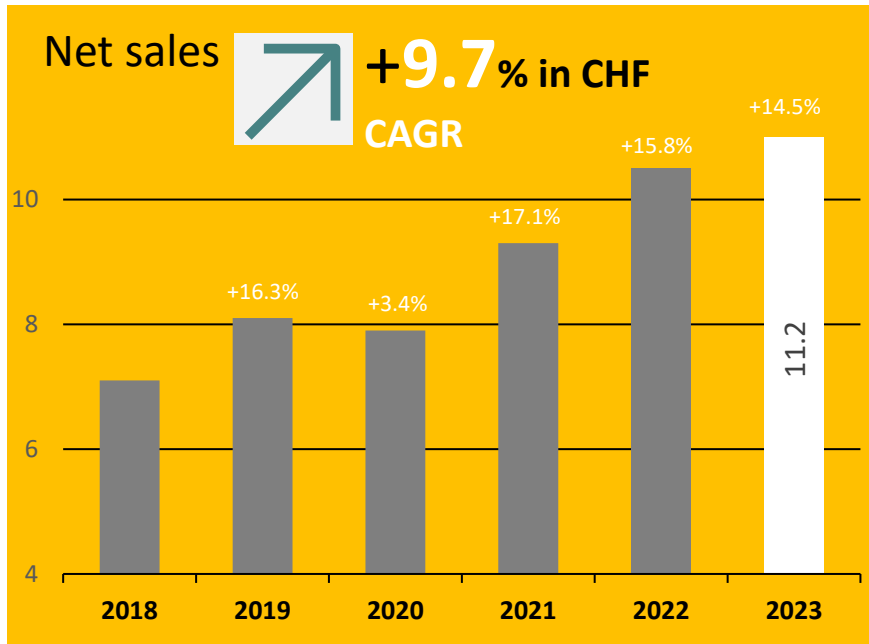


# HIGHLIGHTS 2023 – BALANCED BUSINESS MIX

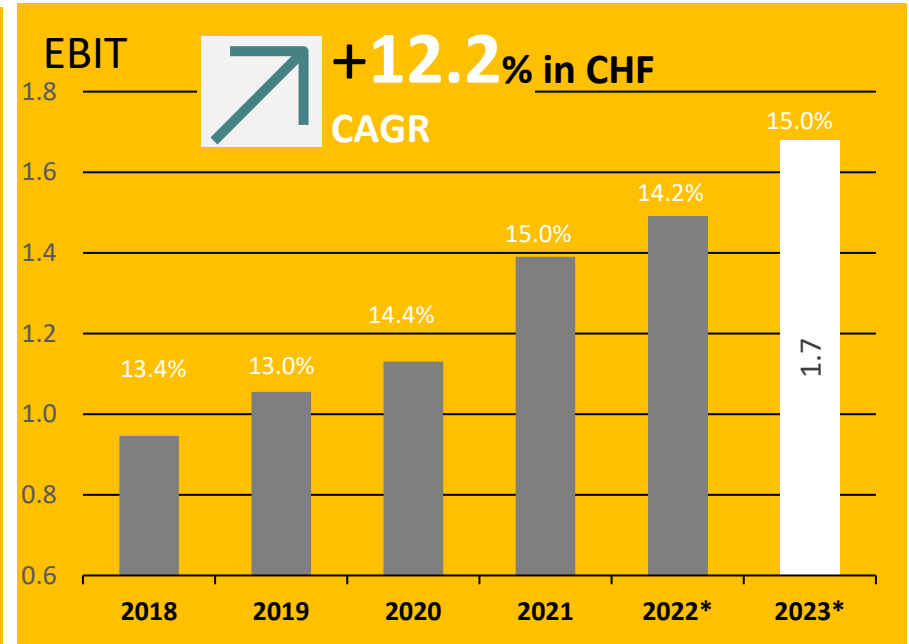
## GLOBAL FOOTPRINT



# STRONG TOPLINE DEVELOPMENT OVER THE YEARS WITH OVER-PROPORTIONAL PROFITABILITY GROWTH

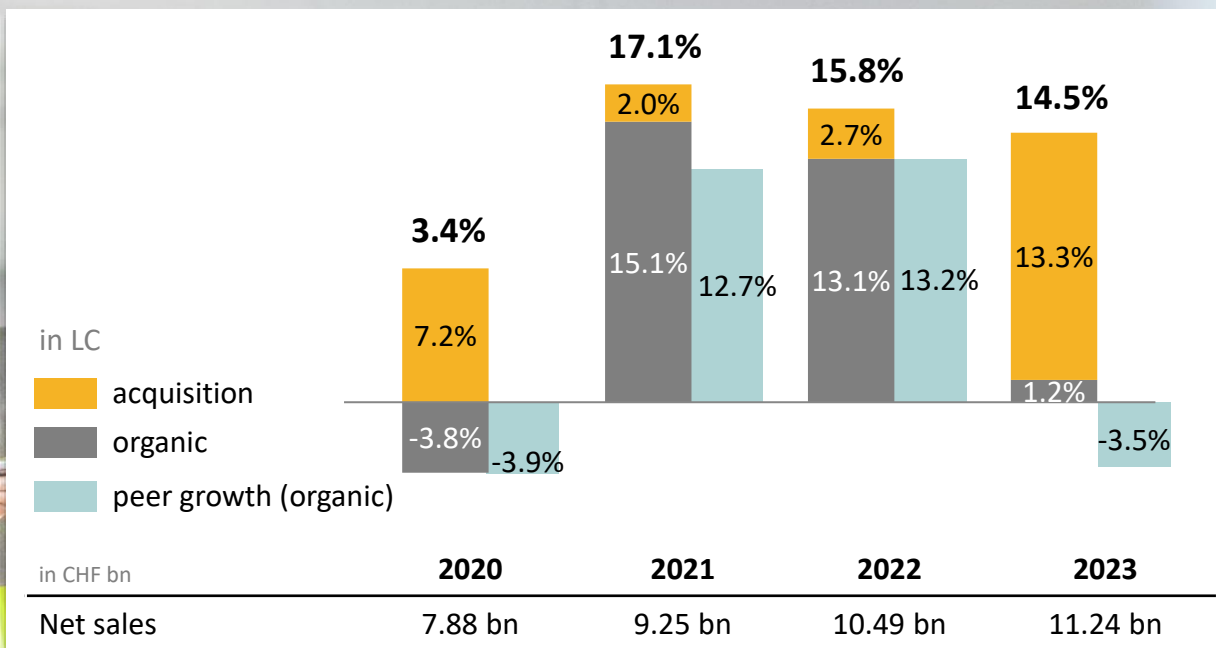


(in CHF bn, growth in LC CAGR +13.3%)



(in CHF bn, in % of net sales – \*2022 and 2023 adjusted for one-time effects)

# SIKA GAINING MARKET SHARE OVER THE YEARS OUTGROWING THE PEERS



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7. QUESTIONS AND ANSWERS

# SUCCESSFUL INTEGRATION OF MBCC ACQUISITION STRONGER TOGETHER AS ONE SIKA



**6,000**  
additional  
employees

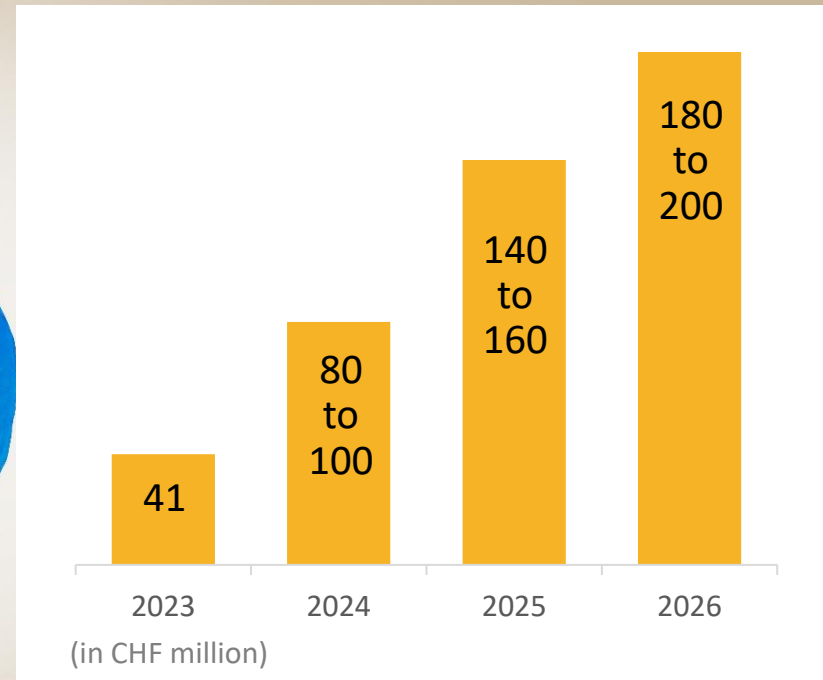
**CHF 2.1 bn**  
additional sales

**STRONG**  
product portfolio

**ONE  
SIKA**

# SUCCESSFUL INTEGRATION OF MBCC ACQUISITION

## SYNERGY TARGET RAISED TO CHF 180–200 MILLION P.A. BY 2026



# SUCCESSFUL INTEGRATION OF MBCC ACQUISITION

## STRONG TEAM SPIRIT IN THE EXECUTION PHASE



- **Regular steering and alignment meetings to continue**
- **3<sup>rd</sup> pulse check survey continues to show high engagement**

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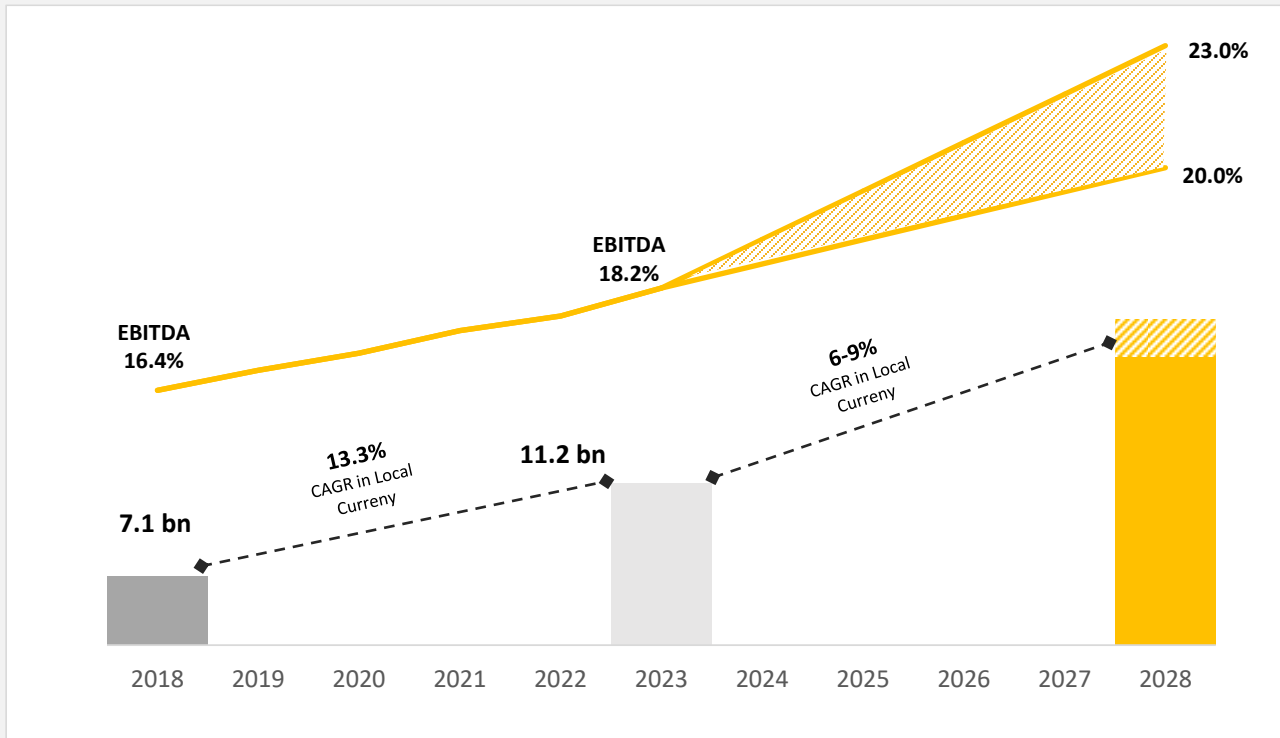
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# STRATEGY 2028 – BEYOND THE EXPECTED PROFITABLE GROWTH TO CONTINUE

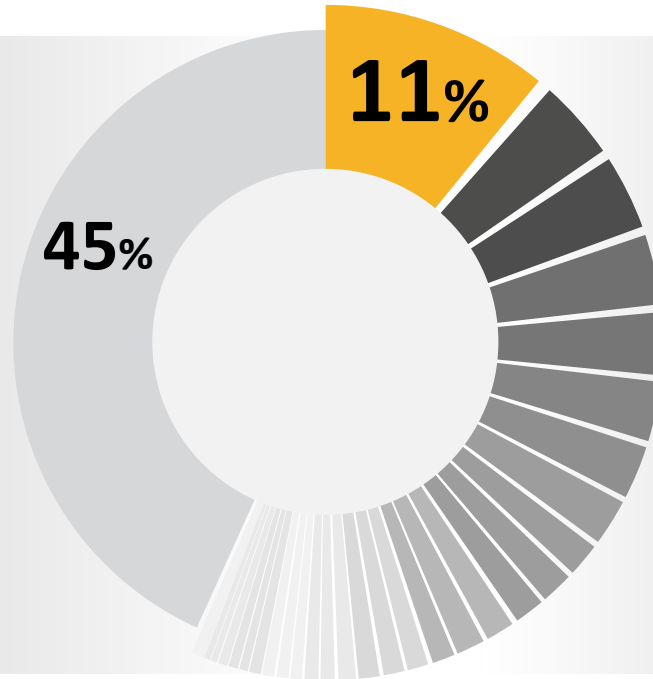


**Sika**<sup>®</sup>  
**BUILDING TRUST**  
 On track for  
 continued  
 growth and  
 value creation

# MARKET SHARE IN CONSTRUCTION CHEMICALS AND INDUSTRY

## TOTAL ADDRESSABLE MARKET 2023: CHF 110 BILLION

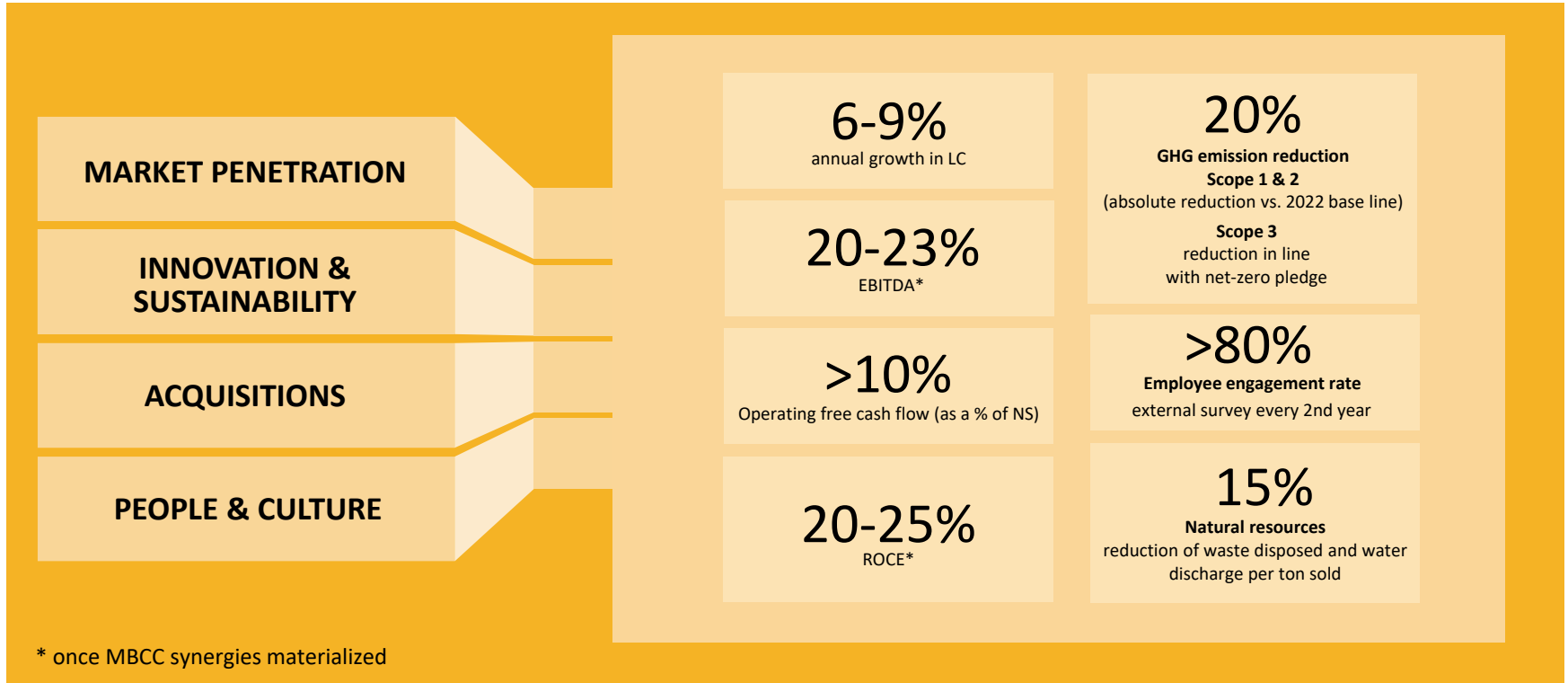
Competitive landscape remains very fragmented despite ongoing M&A activity



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

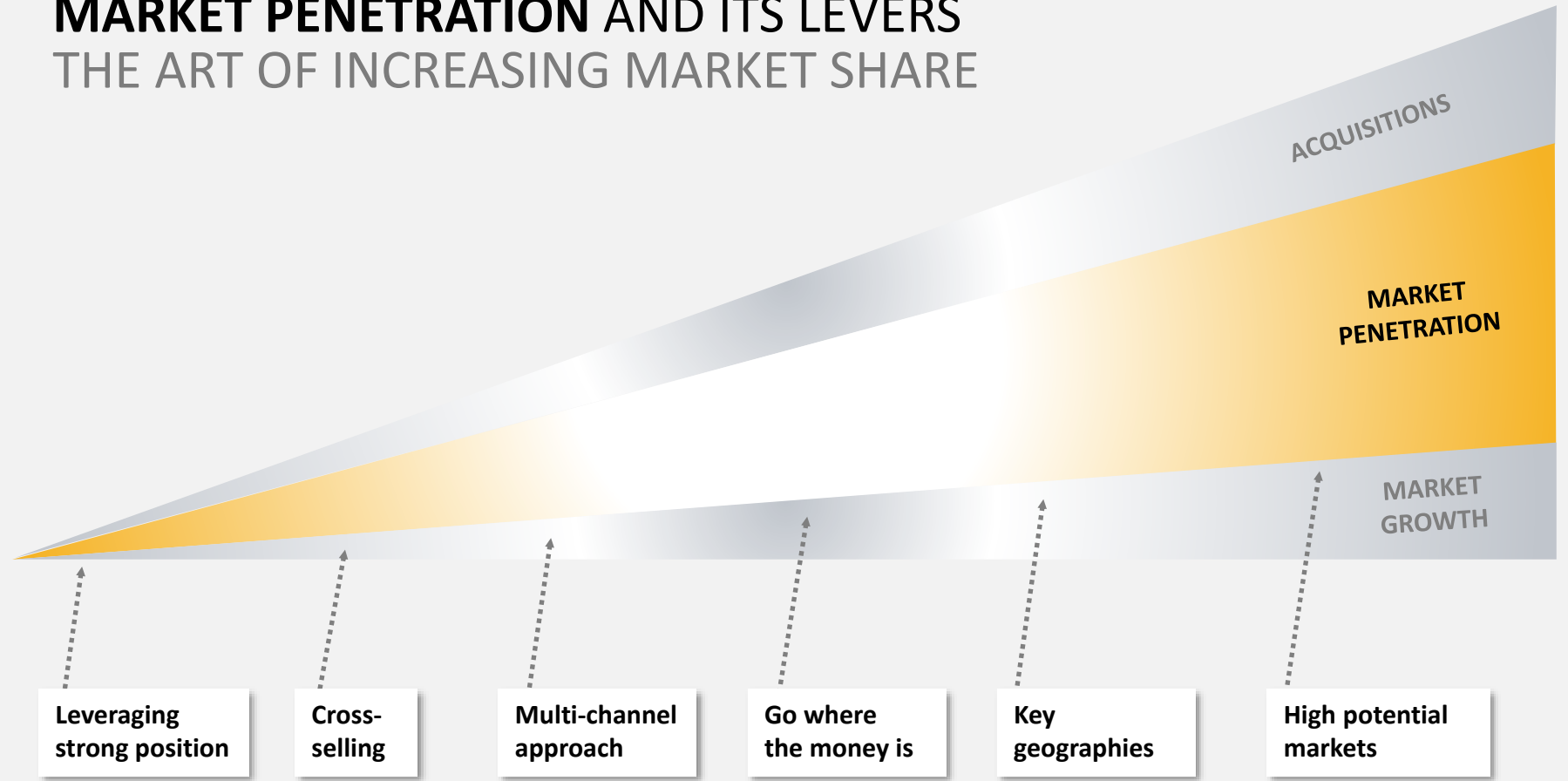
# SIKA'S GROWTH STRATEGY 2028

## THE PILLARS OF THE STRATEGY



# MARKET PENETRATION AND ITS LEVERS

## THE ART OF INCREASING MARKET SHARE



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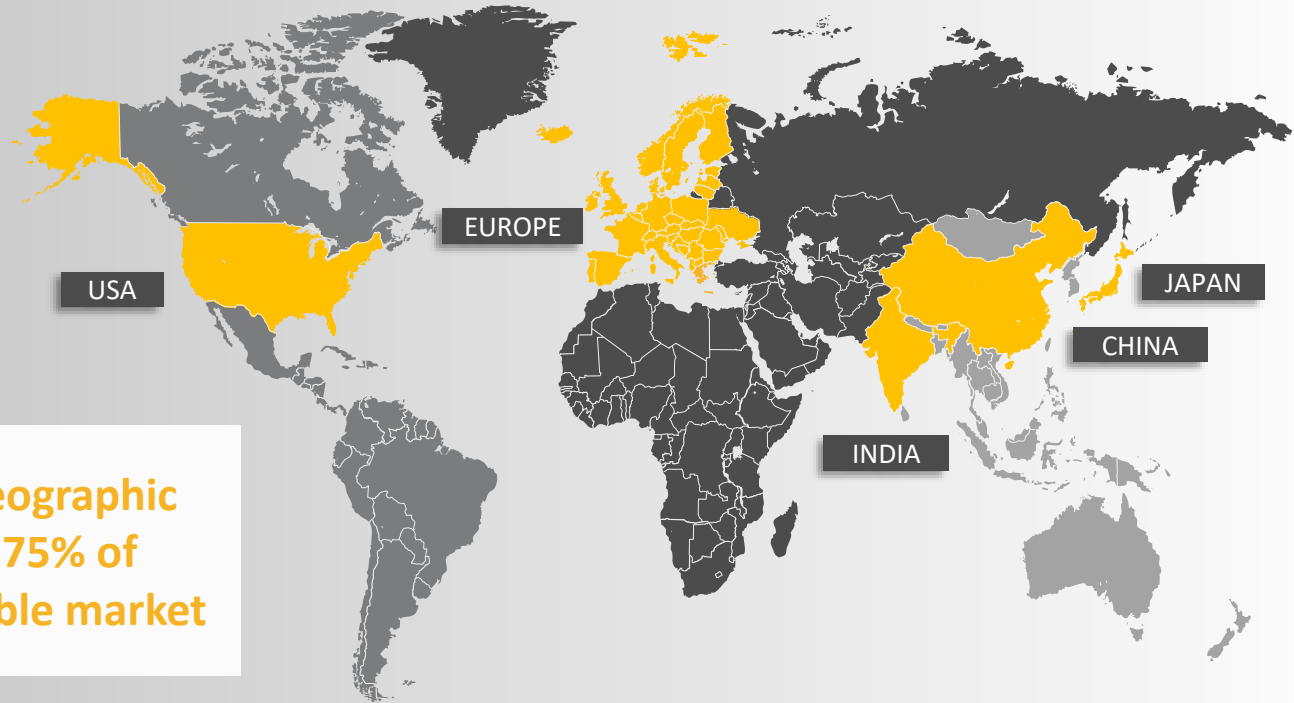
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# STRATEGY 2028

## OUR FIVE KEY GEOGRAPHIC MARKETS



**Our five key geographic markets cover 75% of total addressable market**

# KEY GEOGRAPHIC MARKET – USA

## RESHORING, SAMSUNG SEMICONDUCTOR PLANT, TEXAS, USA



**557,000** m<sup>2</sup> plant  
the first of ten phases of expansion

**228,000** m<sup>2</sup>  
electrostatic discharge flooring

**Synergetic approach and a strong cross-selling strategy**

Waterproofing solutions  
Concrete admixtures  
Roofing solutions

**Sika delivered high-performance solutions from all eight Target Markets**

# KEY GEOGRAPHIC MARKET – JAPAN

## DYNAMIC AND PROFITABLE GROWTH

A fertile market for high-performance solutions



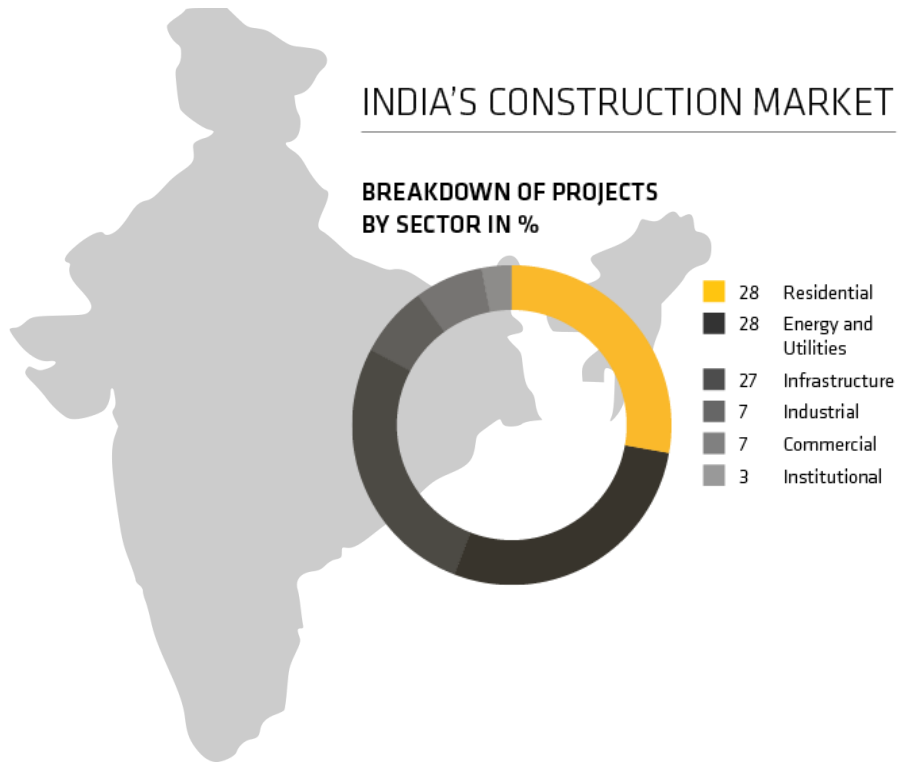
Strict regulations in earthquake zones create opportunities for **high-tech building materials** in densely populated areas

Ongoing **urban densification** requires major **investments in engineering and infrastructure development**



# KEY GEOGRAPHIC MARKET – INDIA

## DYNAMIC AND PROFITABLE GROWTH



Construction market size  
**CHF 600 billion**  
to expand at **6% CAGR**  
throughout 2026

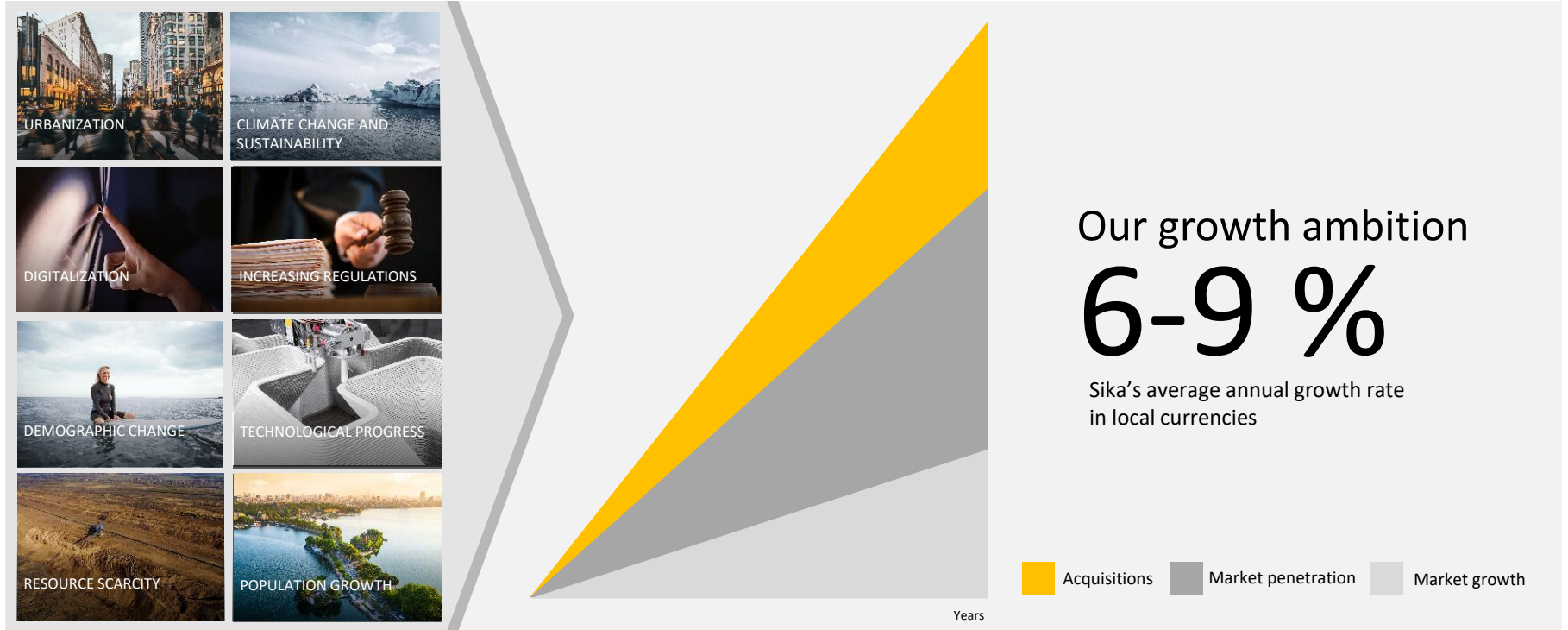
Investments in  
**transportation and infrastructure**

**Sika** leading the transition from  
**site-mixed to pre-mixed mortars**

**High potential** in the **retail business**

# STRONG EXECUTION AND BENEFITS OF MEGATRENDS

## SIKA STRONGLY POSITIONED IN 2023 AND BEYOND



# POPULATION GROWTH – INCREASING URBAN CONNECTIVITY

## MUMBAI-AHMEDABAD HIGH-SPEED RAIL, INDIA



**508** km

India's first high-speed railway link  
from Mumbai to Ahmedabad

**Sika-MBCC's dedicated  
project and technical service  
team supporting in key  
locations**

Sika's concrete admixtures for

**13** million m<sup>3</sup> concrete  
across 20 site locations

# POPULATION GROWTH – HYDROPOWER

## KOYSHA HYDROPOWER PLANT, ETHIOPIA



**180** meter high water dam  
generating 6,460 MWh of electricity,  
offsetting one million tons  
(Mt) of CO<sub>2</sub> annually

Sika's concrete admixtures for

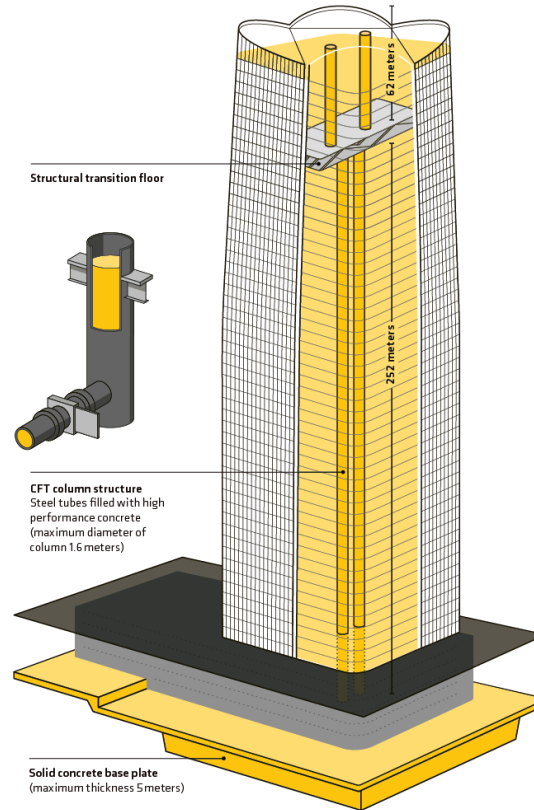
**7** million m<sup>3</sup> concrete

**Locally produced admixtures  
and mortar products**

creating a simplified supply chain

# URBANIZATION – INFRASTRUCTURE DENSIFICATION

## AZABUDAI HILLS – REDEFINING TOKYO'S LANDSCAPE



Accommodating

**20,000** employees

**3,500** residents

**30 million** visitors a year

Enhanced concrete workability with

**Sika's superplasticizers**

for high altitudes pumping

**Sika's admixtures**

for state-of-the-art earthquake protection

# URBANIZATION – REPAIR AND REFURBISHMENT

## WATERPROOFING AN ICON: BATTERSEA POWER STATION, LONDON



**30,000** m<sup>3</sup>

of watertight concrete for the  
basement

**375** tons

of flowable repair mortar for the  
ground floor slabs

**125** tons

of repair mortar to seal the enormous  
columns and beams

# RESOURCE SCARCITY – BUILDING A SUSTAINABLE FUTURE

## SAVING SAND



**Lower grade, recycled, or manufactured sand**  
without compromising quality

**Sika's reCO2ver®**  
the sand to be reused in the  
production of concrete and mortars

**Worldwide R&D**  
in the field of sand saving

Sika China's goal: **to substitute 50% of its total sand requirements with alternative sand options by 2028**

# RESOURCE SCARCITY – SKILLS SHORTAGE

## QUICK AND EASY-TO-APPLY SOLUTIONS AND TECHNOLOGIES



### Easy-to-apply products and technologies

enable projects to be completed more simply, efficiently, and quickly

Products designed with **health and safety focus** reduce physical effort for application



# TECHNOLOGICAL PROCESS – E-MOBILITY AND BATTERY STORAGE

## IMPROVING EFFICIENCY AND INNOVATING THE FUTURE



**200** million cars  
will be electric by 2028

**Sika has full range of  
technologies**

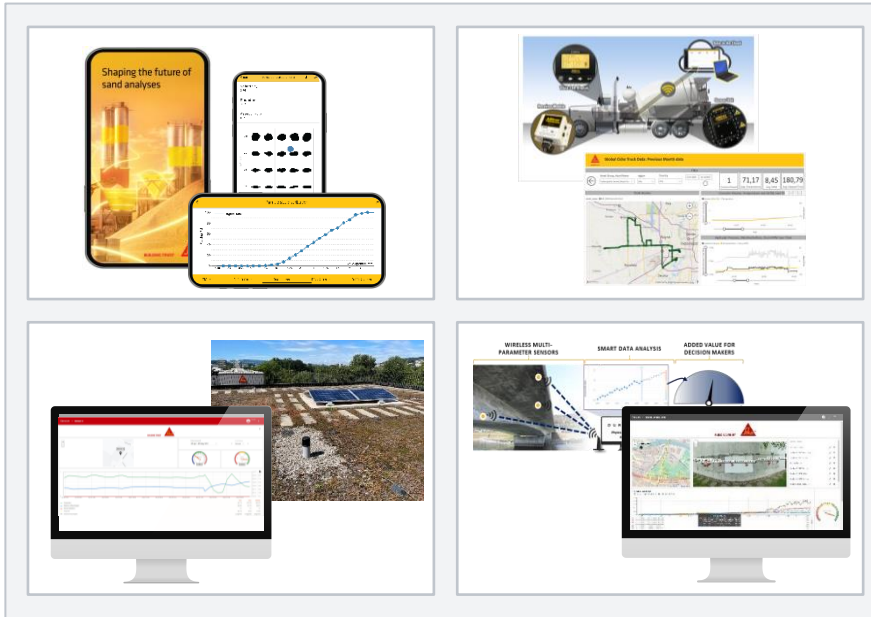
- Thermal conductive adhesive and gap filler
- Reinforcement and protection
- Lightweighting



**CHF 250 million**  
grow ambition

# GROWTH DRIVER **DIGITALIZATION AND AUTOMATION**

## HELPING CUSTOMERS INCREASE QUALITY AND EFFICIENCY



### Digital products and solutions

boosting customer satisfaction and loyalty,  
and driving sustainable growth

- Apps (raw material analysis, concrete mix-design, etc.)
- IoT systems (sensors for concrete structures, roofs, etc.)
- Digital tools (calculators, visualizers, etc.)

**By combining our traditional strengths with digital capabilities, we can provide more effective solutions for our customers**

# PEOPLE & CULTURE – DRIVING ENGAGEMENT AND INNOVATION

## HIGHLY ENGAGED AND EMPOWERED EMPLOYEES

MORE THAN  
33,000 CONNECTED MINDS

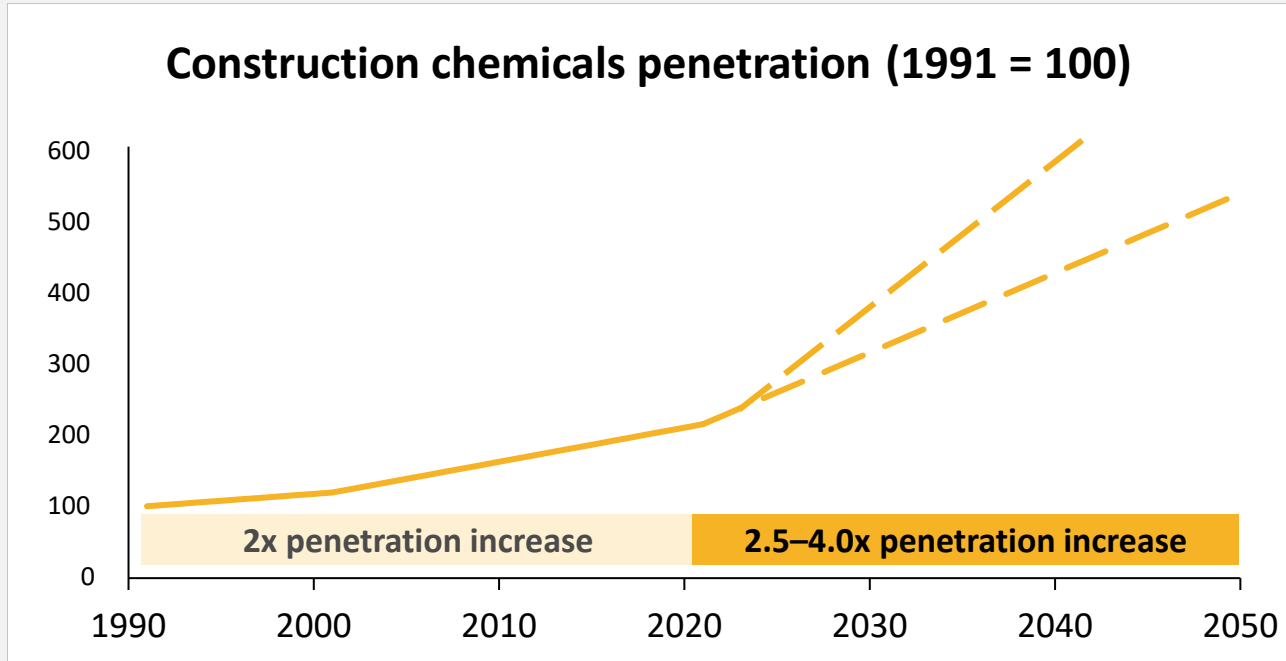


With its performance-oriented culture, Sika unleashes the full potential of global diversity



# GROWTH DRIVER – CONSTRUCTION CHEMICALS MARKET

## STRONG PENETRATION INCREASE



**Fantastic  
growth  
opportunities**

Source: IHS, Freedonia

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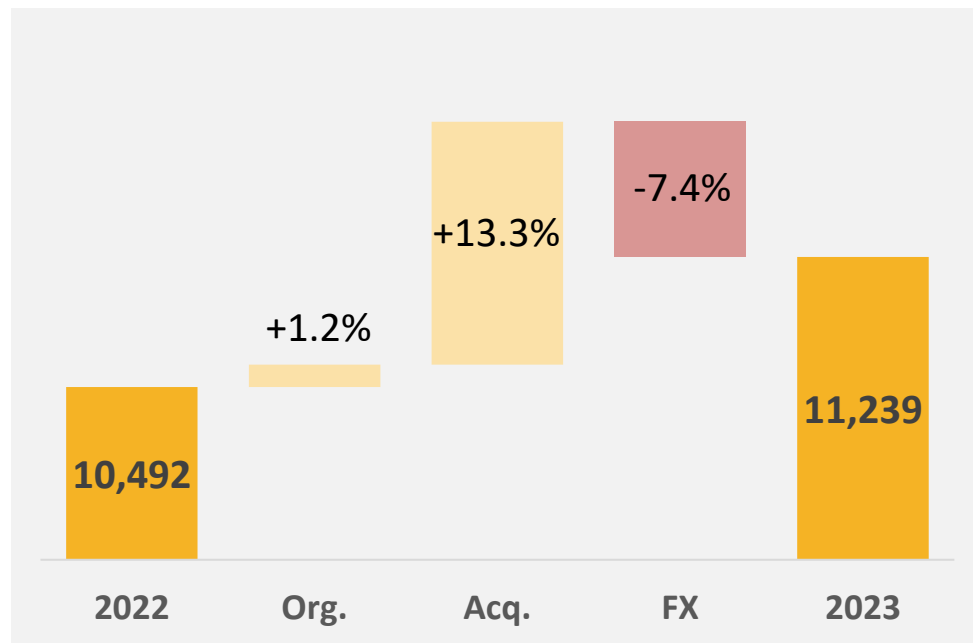
# FINANCIAL HIGHLIGHTS 2023

- Net sales: CHF 11,238.6 million, +7.1% in CHF (+14.5% in LC)
- Record underlying profitability:
  - Significant material margin expansion to 53.6% (from 49.4% in PY)
  - Record EBITDA: CHF 2,044.7 million (+4.1%)
  - Record EBIT without M&A one-time cost at CHF 1,680.6 million or 15.0% of net sales
  - Reported EBIT of CHF 1,549.1 million (-1.9%)
  - Net profit: CHF 1,062.6 million (-8.6 %)
- Record OFCF of CHF 1,372.7 million (PY CHF 865.2 million)
- ROCE at 16.3% (from 21.6%), impacted by MBCC acquisition
- Net debt/EBITDA ratio of 2.6x
- Proposal for dividend increase to CHF 3.30 per share (previous year: CHF 3.20)

# SALES 2023

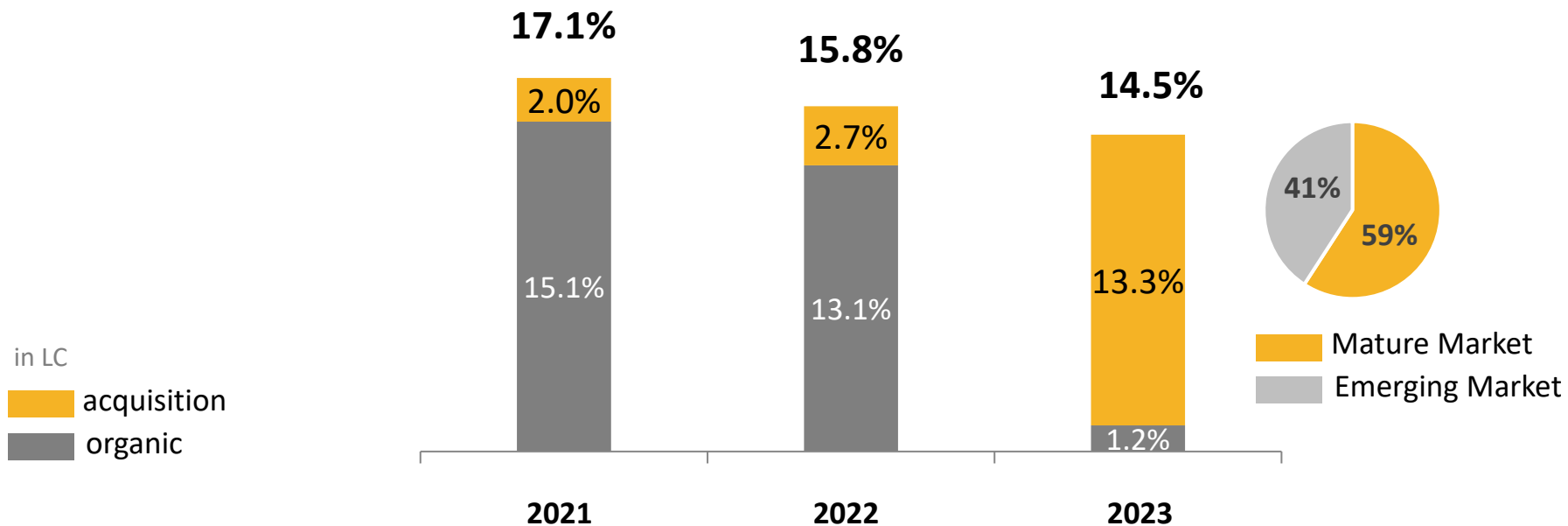
## 14.5% GROWTH IN LOCAL CURRENCIES

in CHF mn	2022	2023
Net sales	10,491.8	11,238.6
Organic growth		+129.1
Acquisition effect		+1,394.2
Currency effect		-776.5



# SALES DEVELOPMENT 2021 – 2023

## DOUBLE DIGIT GROWTH EVERY YEAR



in CHF mn

Sales

9,252.3

10,491.8

11,238.6



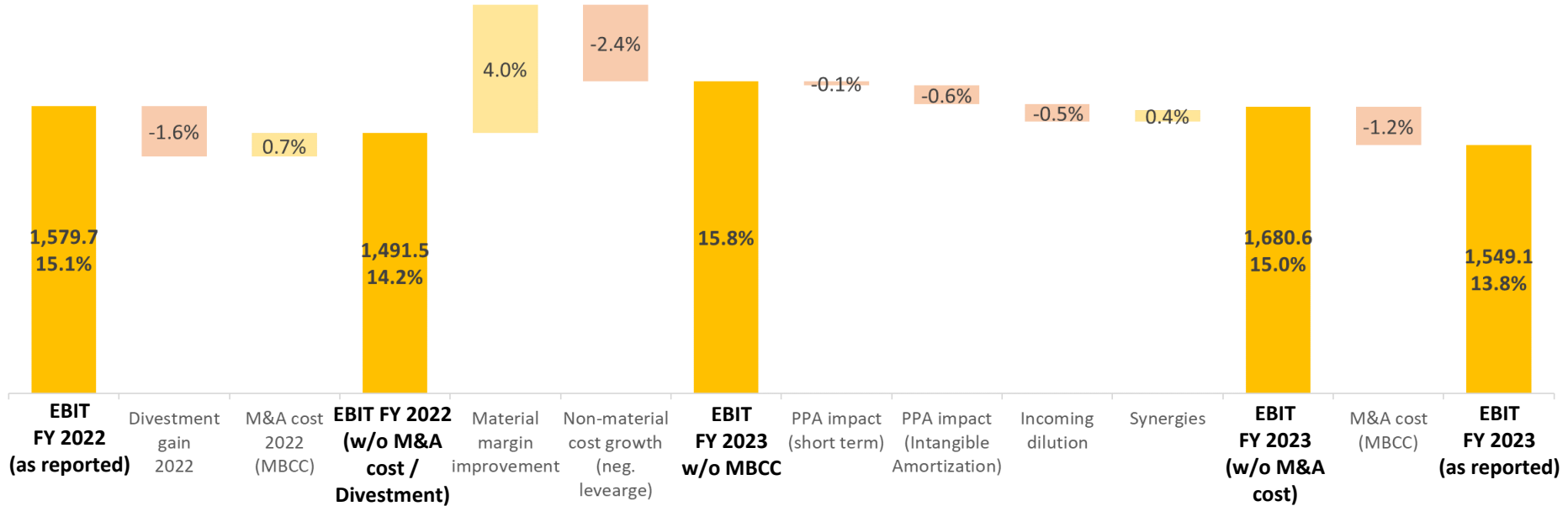
# INCOME STATEMENT

## STRONG RECOVERY OF MATERIAL MARGIN

in CHF mn	2022	NS	2023	NS	Growth
<b>Net sales</b>	<b>10,491.8</b>	<b>100%</b>	<b>11,238.6</b>	<b>100%</b>	<b>+7.1%</b>
<b>Gross result</b>	<b>5,179.8</b>	<b>49.4%</b>	<b>6,024.8</b>	<b>53.6%</b>	<b>+16.3%</b>
Personnel costs	-1,710.5	-16.3%	-2,006.8	-17.8%	+17.3%
Other OPEX	-1,505.1	-14.4%	-1,973.3	-17.6%	+31.1%
<b>EBITDA</b>	<b>1,964.2</b>	<b>18.7%</b>	<b>2,044.7</b>	<b>18.2%</b>	<b>+4.1%</b>
Depreciation and amortization	-384.5	-3.6%	-495.6	-4.4%	+28.9%
<b>EBIT</b>	<b>1,579.7</b>	<b>15.1%</b>	<b>1,549.1</b>	<b>13.8%</b>	<b>-1.9%</b>
Interest and financial expenses (net)	-81.5		-212.7		+161.0%
Income taxes	-335.7		-273.8		-18.4%
<b>Net profit</b>	<b>1,162.5</b>	<b>11.1%</b>	<b>1,062.6</b>	<b>9.5%</b>	<b>-8.6%</b>
Tax rate		22.4%		20.5%	
<b>EBIT (excl. Divestments/M&amp;A cost)</b>	<b>1,491.5</b>	<b>14.2%</b>	<b>1,680.6</b>	<b>15.0%</b>	<b>+12.7%</b>

# EBIT BRIDGE 2023

## STRONG UNDERLYING PROFITABILITY IMPROVEMENT

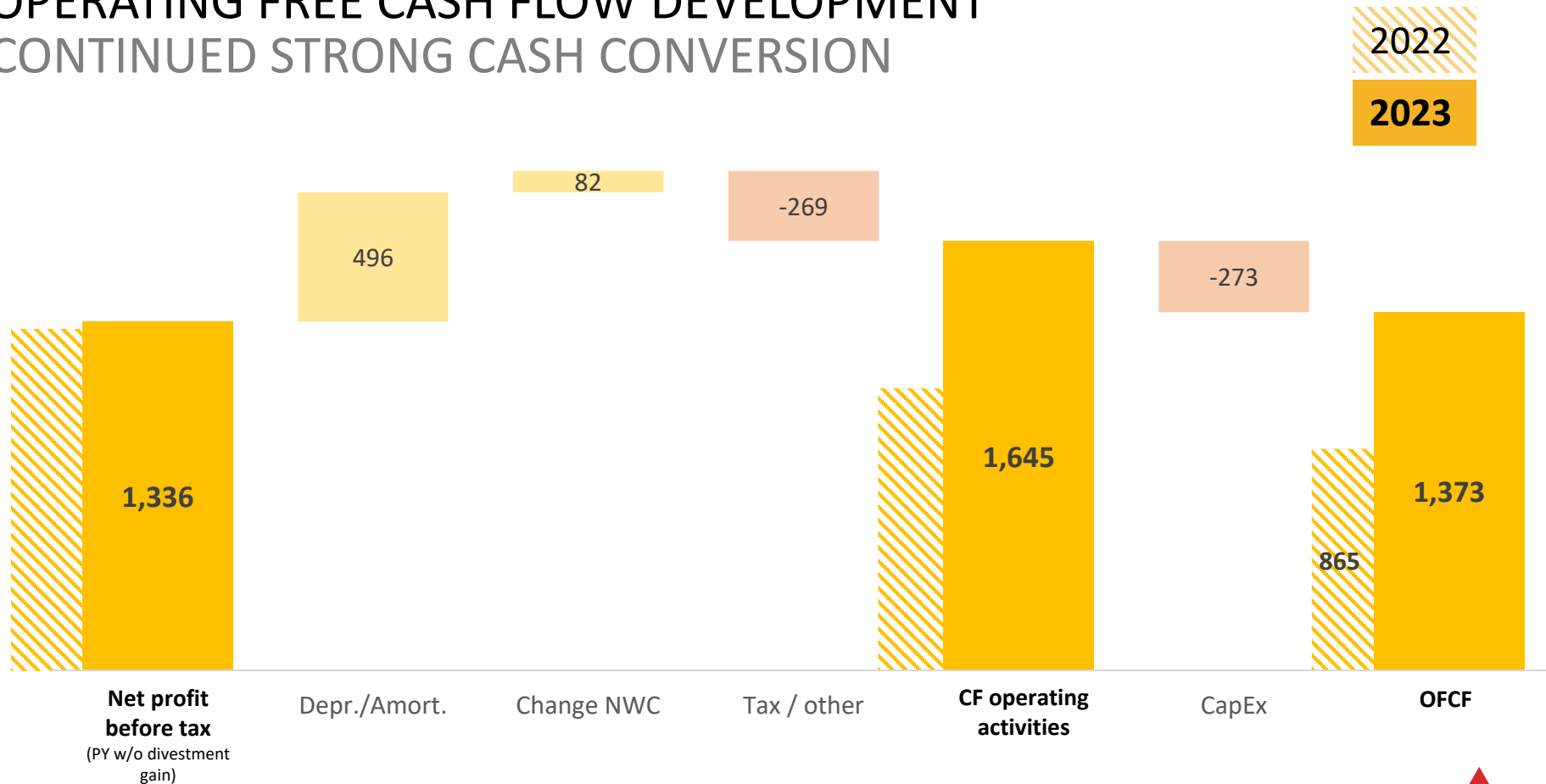


# CONSOLIDATED BALANCE SHEET

in CHF mn	31.12.2022	31.12.2023	Δ %
Cash and cash equivalents	1,873.3	643.9	-65.6%
Other current assets	3,148.0	3,557.4	+13.0%
<b>Current assets</b>	<b>5,021.3</b>	<b>4,201.3</b>	<b>-16.3%</b>
Non-current assets	6,297.9	10,849.4	+72.3%
<b>Total assets</b>	<b>11,319.2</b>	<b>15,050.7</b>	<b>+33.0%</b>
Current liabilities	1,841.5	2,403.4	+30.5%
Bonds (current)	199.9	1,012.6	+406.6%
Bonds (non-current)	3,349.6	3,752.6	+12.0%
Other non-current liabilities	961.1	1,948.9	+102.8%
<b>Total liabilities</b>	<b>6,352.1</b>	<b>9,117.5</b>	<b>+43.5%</b>
Equity including minorities	4,967.1	5,933.2	+19.4%
<b>Total liabilities and equity</b>	<b>11,319.2</b>	<b>15,050.7</b>	<b>+33.0%</b>
Net debt	2,052.0	5,219.7	+154.4%
ROCE	21.6%	16.3%	

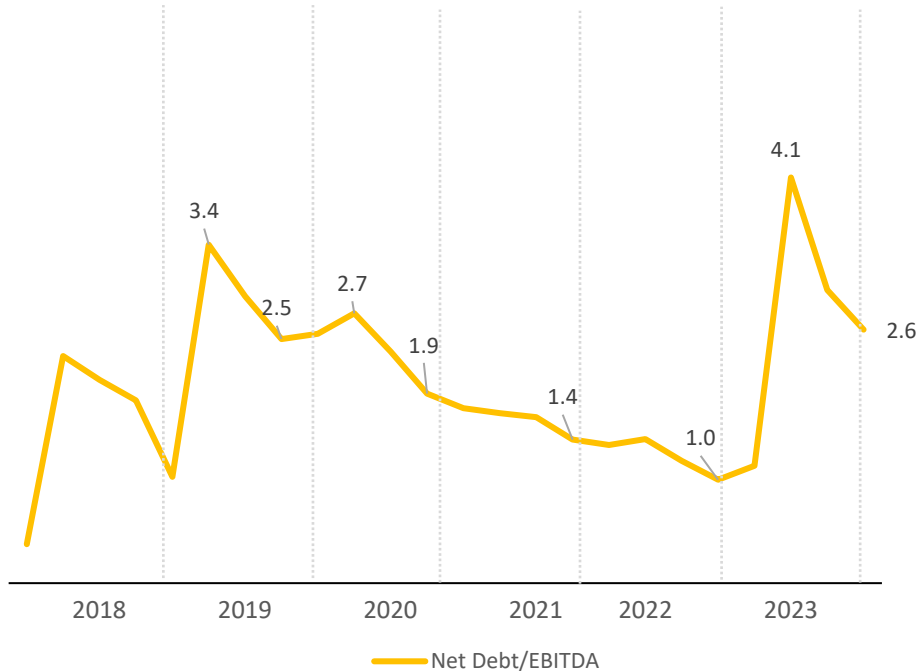
# OPERATING FREE CASH FLOW DEVELOPMENT

## CONTINUED STRONG CASH CONVERSION



# NET DEBT/EBITDA DEVELOPMENT (AS REPORTED)

## STRONG DELEVERAGING PROFILE



- MBCC acquisition in Q2 2023 resulting in a net debt/EBITDA ratio of 4.1x
- Strong cash generation in 2023 and CB conversion – significant leverage reduction
- Net debt reduced to CHF 5.2 bn
- 2023 net debt/EBITDA ratio at 2.6x (on a reported basis)

# DIVIDEND

## BOARD OF DIRECTORS PROPOSES CHF 3.30 DIVIDEND PER SHARE

Dividend payment of CHF 3.30 per share (+3.1% vs. previous year)

in CHF mn	2022	2023
Group profit (after minorities)	1,162.5	1,062.0
<b>Dividend payment total</b>	<b>492.3</b>	<b>529.6</b>
Dividend out of retained earnings	492.3	264.8
Dividend out of capital contribution reserve		264.8
Dividend per share	3.20	3.30
Total payout ratio	42.3%	49.9%

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7. QUESTIONS AND ANSWERS

# OUTLOOK

## REGION EMEA

- Clear focus on “go where the money is” – targeting opportunities for growth and developing a vertical market approach in our regional and local organizations
- Great potential in Sika’s solutions for infrastructure, refurbishment of existing projects in mature markets, and development of new infrastructure in emerging markets
- Strong development of distribution business with additional growth in retail and e-commerce
- Transform the megatrend CO<sub>2</sub> reduction into sales growth for Automotive & Industry by focusing on e-mobility, battery assembly and renewable energy
- Turn sustainability into business enabling stakeholders to meet higher sustainability requirements with the help of Sika solutions
- A customer centric approach through digital channels – driving digital lead generation and business growth
- Attract top talent by positioning Sika as an employer of choice
- Drive synergies created by the integration of MBCC and unlock potential of key talents within the organization



**Vertical market approach**  
Seawater desalination plant, UAE



End user marketing activities at retail outlets



# OUTLOOK

## REGION AMERICAS

- Business investment growth intact as the surge in manufacturing facility investment driven by the CHIPS Act and Inflation Reduction Act subsidies help
- Residential grows as housing shortage tempers the impact of reduced affordability
- Our Vertical Markets Approach insures growth despite difficult market conditions. Our unique cross-selling approach will maximize available projects.
- Sustainable energy projects are gaining steam in Americas with various offshore wind and hydropower projects underway in the US, MX and CO. Numerous applications for green roofing, facade insulation, solar, EV battery plants.
- We see opportunities in underground business with mining activity in CA, US and PE while tunneling activities offer huge cross-selling opportunities
- Automotive business has reached pre-COVID-levels, while transformational activities in E-mobility will provide higher content potential in batteries
- MBCC integration activities on track and delivering significant synergies in the business. Good pipeline of bolt-on acquisition projects throughout the region.



Data center campus projects, USA



Corporate headquarters, Rockford, Illinois, USA

# OUTLOOK

## REGION ASIA/PACIFIC

- Sika Asia/Pacific is excellently positioned to build on its growth trajectory and continue the success story
- Integration of MBCC on track, mainly adding to large infrastructure projects and concrete admixture business – plus commercial projects in flooring/food & beverage
- Continued strong growth in China expected, especially in distribution business
- Strong construction industry growth outlook, especially in infrastructure projects, for India and Southeast Asia, driven by transportation and energy projects
- Distribution retail market still offers a lot of growth opportunity in China and the region, rollout is accelerating in Southeast Asia and India
- Promising opportunities, driven by investments in manufacturing facilities, ranging from EV & battery production, semi-conductors to light manufacturing
- Leveraging strong automotive portfolio into Japanese, Korean, and Chinese OEM



Construction and upgrade of wastewater treatment plants along the Ganges River, India



Industrial investment in HCMC

# OUTLOOK 2024

## CONFIRMATION OF 2028 STRATEGIC TARGETS

- For 2024 Sika expects sales growth in local currencies of 6-9%
- Over-proportional increase in EBITDA
- Confirmation of 2028 strategic targets for sustainable, profitable growth

Expected sales  
growth in LC of

**6-9%**

1. HIGHLIGHTS 2023, THOMAS HASLER (CEO)

2. SUCCESSFUL MBCC ACQUISITION, THOMAS HASLER (CEO)

3. PROFITABLE GROWTH STRATEGY 2028, THOMAS HASLER (CEO)

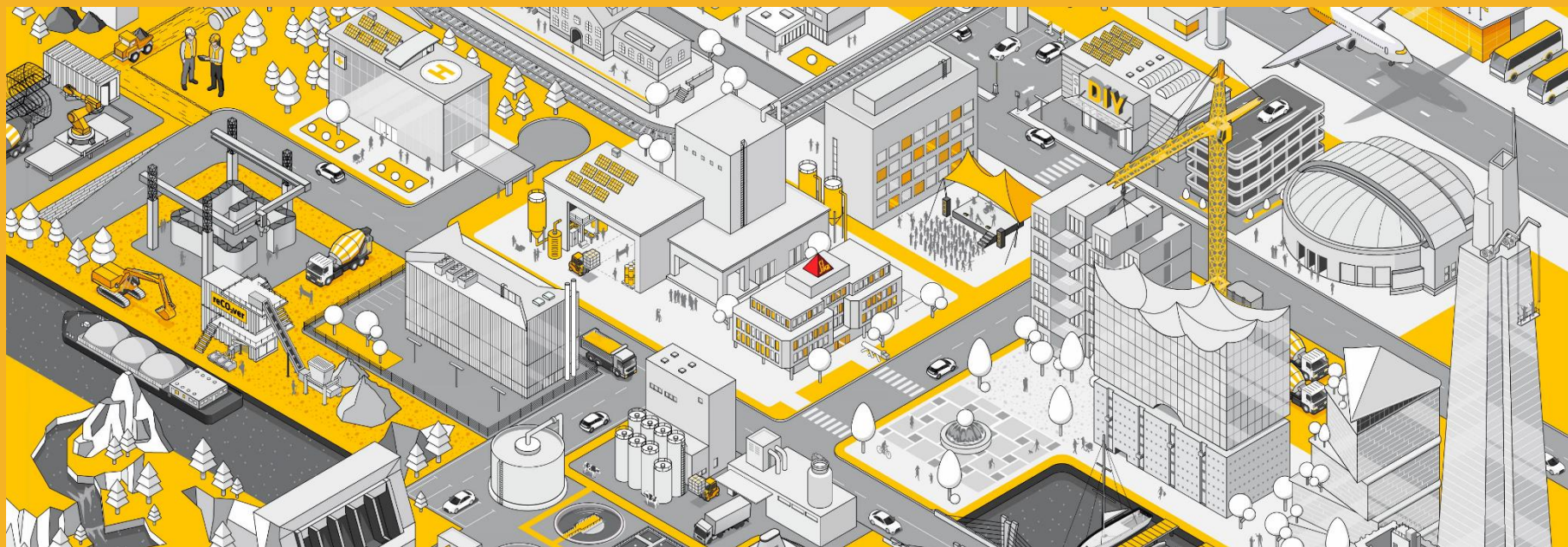
4. MARKET PENETRATION GROWTH, THOMAS HASLER (CEO)

5. FINANCIAL RESULTS, ADRIAN WIDMER (CFO)

6. OUTLOOK, THOMAS HASLER (CEO), CHRISTOPH GANZ (EMEA), PHILIPPE JOST (ASIA/PACIFIC), MIKE CAMPION (AMERICAS)

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7. QUESTIONS AND ANSWERS



THANK YOU FOR YOUR ATTENTION

BUILDING TRUST

