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Ad Hoc Announcement Pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

RECORD RESULTS IN FIRST HALF OF 2021 – STRONG GROWTH IN SALES AND EBIT

- **Sales increase of 23.5% in local currencies**
- **First-half sales at CHF 4,448.7 million (+23.1% in CHF)**
- **Operating profit (EBIT) at CHF 685.9 million (+67.2%)**
- **Record EBIT margin at 15.4%**
- **Operating free cash flow increase at CHF 318.4 million (+26.4%)**
- **Acquisition of Kreps (Russia), DriTac (USA), BR Massa (Brazil), and Hamatite (Japan)**
- **Outlook for 2021 fiscal year**
 - **Growth in local currencies of 13%–17% (previously: double-digit sales growth in local currencies)**
 - **Over-proportional increase in EBIT, EBIT margin to reach 15% for the first time**
- **Confirmation of 2023 strategic targets for sustainable, profitable growth**

Sika once again posted record results in the first half of 2021, despite the COVID-19 pandemic continuing to seriously impact business in all regions. The company generated strong growth rates and continued its growth trajectory, with a new sales record of CHF 4,448.7 million. This equates to an increase of 23.5% in local currencies. Sales growth in Swiss francs amounted to 23.1%, which includes a slightly negative currency effect of -0.4%. The acquisition effect was 1.1%. Organic growth in the first half of the year amounted to 22.4%. Compared with the same period in 2019, organic growth is already at 11.3%.

Thomas Hasler, Chief Executive Officer: “In a market environment that remained challenging, we once again performed successfully, achieving strong business results in the first six months of 2021. With our innovative strength, our customer focus, and our leading market position, we secured strong growth in all regions and expanded our market share in a targeted manner. COVID-19 will continue to pose a challenge. We are well equipped and have proven a high level of resilience against a difficult economic backdrop, creating new growth platforms. Sika has a

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strong corporate culture and our local teams working with our regional and corporate organizations are ready for the challenges that the second half of the year may bring.”

INCREASED RAW MATERIAL COSTS, HIGHER OPERATING LEVERAGE, ENHANCED EBIT MARGIN

The increase in the costs of raw materials fueled by supply bottlenecks resulted in a lower material margin of 53.3% (previous year: 54.6%). Thanks to higher volume and improved efficiencies of production processes, operating leverage increased. With a margin of 19.5% (previous year: 16.4%), operating profit before depreciation and amortization (EBITDA) markedly increased.

Operating profit (EBIT) amounted to CHF 685.9 million (previous year: CHF 410.2 million), an increase of 67.2% on the previous year. Alongside operating leverage, EBIT was positively impacted by efficiency-enhancing measures as well as additional synergies from acquisitions. The focus on liquidity and cash management resulted in a record high operating free cash flow of CHF 318.4 million (+26.4%).

DOUBLE-DIGIT GROWTH IN ALL REGIONS

The COVID-19 pandemic is still very much present in all regions. In Africa, Asia, and Latin America in particular, economic output continues to be impacted by low vaccination rates. In addition, there has been a deterioration in the availability of raw materials. Thanks to its leading market position, strong procurement organization, and rapid, targeted implementation of measures, Sika was able to capture market share in all regions and achieve record results.

In the first half of 2021, the **EMEA region** recorded a sales increase in local currencies of 24.1% (previous year: 3.2%). As in 2020, growth in the distribution and renovation business was stronger than in the other business segments. The private residential sector in particular turned in a highly dynamic performance. Nearly all countries in the region achieved double-digit growth rates. The countries of southern Europe, along with Italy, France, the UK, and Africa, benefited from a boost in growth. In general, purchases of Sika product solutions via e-commerce platforms witnessed an above-average increase.

The **Americas region** recorded growth in local currencies of 19.5% (previous year: 2.6%), finding its way back to clear, double-digit growth in the first half of 2021. Canada, Colombia, Brazil, Peru,

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and Chile saw a strong development. In the United States, the business gained momentum after initially experiencing a more muted pace. The main growth drivers were larger-scale maintenance projects and newbuild projects in the area of distribution and data centers. In the Americas region, the strategic focus of business activities on big cities and urban centers paid off, as did the concentration on major infrastructure projects and the successful cross-selling.

Sales in local currencies in the **Asia/Pacific region** increased by 26.0% (previous year: 21.8%). China in particular enjoyed strong momentum with double-digit organic growth rates. The number of sales outlets was further expanded to 120,000, making a substantial contribution to the strong growth with a focused shop-in-shop strategy for additional, selected products. Business activity in countries such as India and Australia developed at a dynamic pace, and Sika saw a return to double-digit growth rates in the countries of Southeast Asia, despite the substantial impact of coronavirus. The situation proved to be more difficult in Japan. In a bid to keep infection rates low in the run-up to the Olympic Games, the government stepped up lockdown measures and shut down construction activities over the first half of the year.

In the **Global Business segment**, Sika achieved growth in local currencies of 27.6% (previous year: -23.1%). In the first half of 2021, the automotive industry experienced major bottlenecks in the electronic parts supply chain, and it was only toward the mid-point of the period under review that production rates for new vehicles recorded an uptrend in all regions. In particular, the transition from traditional drive systems to electromobility has picked up momentum during the pandemic, underpinned by various local support programs. Growth of 10% is forecast for the automotive sector for full-year 2021. Sika anticipates long-term growth stimuli from the megatrends evident in modern automotive construction – electromobility and lightweight construction.

SUCCESSFUL GROWTH STRATEGY – INFORMATION ON ANNUAL TARGETS

Despite the COVID-19 pandemic and its repercussions for operating results, Sika is confirming its 2023 strategic targets. The company is still clearly aligned for long-term success and profitable growth. With its focus on the six strategic pillars – market penetration, innovation, operational efficiency, acquisitions, strong corporate values, and sustainability – Sika is seeking to grow by 6%–8% a year in local currencies up to 2023. From 2021, the company is aiming to increase its EBIT margin to 15%–18%. Projects in the areas of operations, logistics, procurement, and product

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formulation should result in an annual improvement in operating costs equivalent to 0.5% of sales.

For the 2021 fiscal year, Sika is expecting sales growth in local currencies of 13%–17% (previously: double-digit sales growth in local currencies) as well as an over-proportional EBIT increase. The EBIT margin will reach 15% for the first time, despite a challenging raw material price development.

KEY FIGURES HALF-YEAR 2021

in CHF mn	1.1.2020 - 30.6.2020	1.1.2021 - 30.6.2021	Change in %
Net sales	3,614.6	4,448.7	23.1
Gross result	1,973.2	2,372.8	20.3
Operating profit before depreciation (EBITDA)	593.6	867.0	46.1
Operating profit (EBIT)	410.2	685.9	67.2
Net profit after taxes	275.6	494.7	79.5
Undiluted earnings per share (in CHF)	1.94	3.49	79.9
Diluted earnings per share (in CHF) ¹	1.76	3.12	77.3
Operating free cash flow	251.8	318.4	26.4
Balance sheet total ²	9,794.0	10,364.2	
Shareholders' equity ²	3,288.0	3,673.8	
Equity ratio in % ^{2,3}	33.6	35.4	
Return on capital employed (ROCE) in % ⁴	13.5	19.8	

1 Dilutive effect due to convertible bonds issued.

2 As of December 31, 2020 / June 30, 2021.

3 Shareholders' equity divided by balance sheet total.

4 Capital employed = current assets, PPE, intangible assets less cash and cash equivalents, current securities, current liabilities (excluding bank loans and bond).

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NET SALES BY REGION

in CHF mn	1.1.2020 - 30.6.2020	1.1.2021 - 30.6.2021	Change compared to prior year (+/- in %)			
			In CHF	In local currencies	Currency impact	Acquisition effect
By region						
EMEA	1,626.6	2,036.4	25.2	24.1	1.1	2.2
Americas	950.5	1,100.5	15.8	19.5	-3.7	0.5
Asia/Pacific	759.9	960.8	26.4	26.0	0.4	0.0
Global Business	277.6	351.0	26.4	27.6	-1.2	0.0
Net sales	3,614.6	4,448.7	23.1	23.5	-0.4	1.1
Products for construction industry	2,956.6	3,624.3	22.6	23.1	-0.5	1.4
Products for industrial manufacturing	658.0	824.4	25.3	25.9	-0.6	0.0

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Webcast today, July 22, 2021 at 3 pm (CEST)

In connection with the publication of the half-year results a webcast call will be held today. Please join 10 to 15 minutes before the start at:

www.sika.com/hy-webcast

By clicking this link, you will be able to participate in the webcast with Thomas Hasler (CEO), Adrian Widmer (CFO) and Dominik Slappnig (Head Corporate Communications & IR).

A replay of the webcast will be available on the Sika website in the “Investors” section.

FINANCIAL CALENDAR:

Results first nine months 2021	Friday, October 22, 2021
Net sales 2021	Tuesday, January 11, 2022
Media conference / analyst presentation on full-year results 2021	Friday, February 18, 2022
Net sales first quarter 2022	Tuesday, April 12, 2022
54 th Annual General Meeting	Tuesday, April 12, 2022
Half-year report 2022	Friday, July 22, 2022

SIKA CORPORATE PROFILE

Sika is a specialty chemicals company with a leading position in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protection in the building sector and automotive industry. Sika has subsidiaries in 100 countries around the world and manufactures in over 300 factories. Its 25,000 employees generated annual sales of CHF 7.88 billion in 2020.