



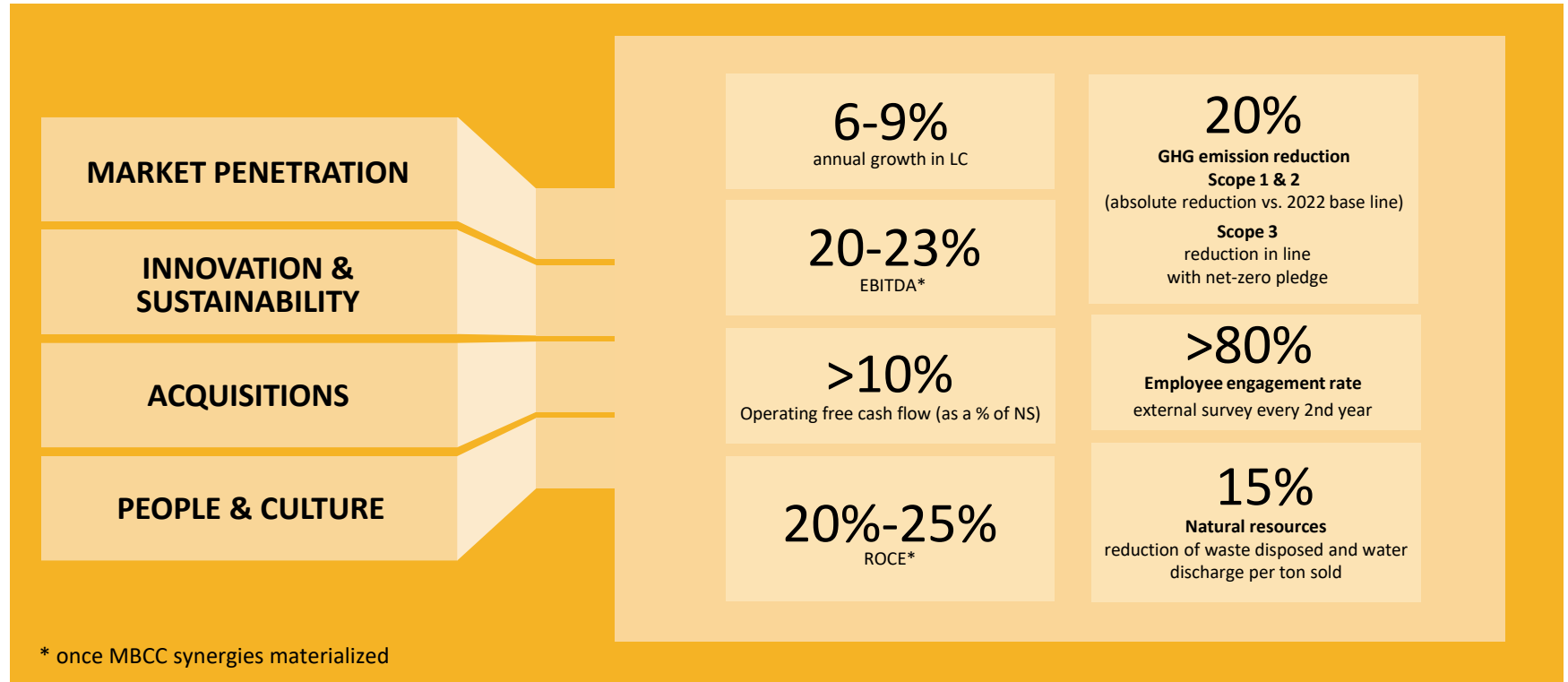
DRIVING 2028 STRATEGIC TARGETS GROWTH, PROFITABILITY AND THE JOURNEY TO NET ZERO

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CAPITAL MARKETS DAY - ZURICH, OCTOBER 3, 2024

BUILDING TRUST



SIKA'S GROWTH STRATEGY 2028 TARGETS



DRIVING 2028 STRATEGIC TARGETS

1. FINANCIAL TARGETS

SALES GROWTH

PROFITABILITY

CASH FLOW & DELEVERAGING

2. NON-FINANCIAL TARGETS – JOURNEY TO NET ZERO

FINANCIAL TARGETS STRATEGY 2028

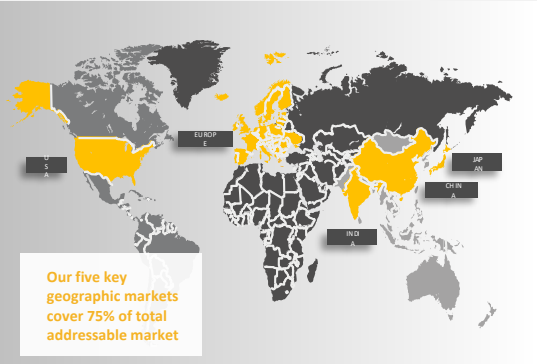
MEGATRENDS UNDERPIN GROWTH



MARKET PENETRATION STRATEGY 2028

KEY GROWTH LEVERS/INITIATIVES

KEY GEOGRAPHIES



HIGH POTENTIAL MARKETS



LEVERAGING STRONG POSITION

Fostering our worldclass brand and leveraging our strong reputation



CROSS-SELLING

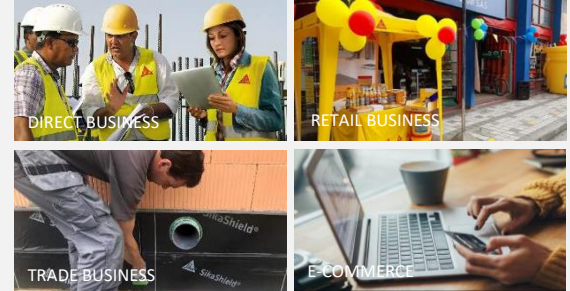
Getting more business out of every project with solution offering



Samsung semiconductor project in Austin Texas, USA

MULTI-CHANNEL APPROACH

Following a multi-channel approach with dedicated and specialized teams



GO WHERE THE MONEY IS

Focusing on **high business potential** across regions and verticals

ACQUISITIONS AS GROWTH ACCELERATOR

ACQUISITIONS 2019 – 2024

	2019	2020	2021	2022	2023	2024
	5 <small>L</small>	2	7	2	2 <small>L</small>	2
Concrete					 	
Waterproofing						
S&B			 			
Refurbishment	 					
Roofing		 				
Flooring						
Building Finishing			 			
Industry						

Large transaction

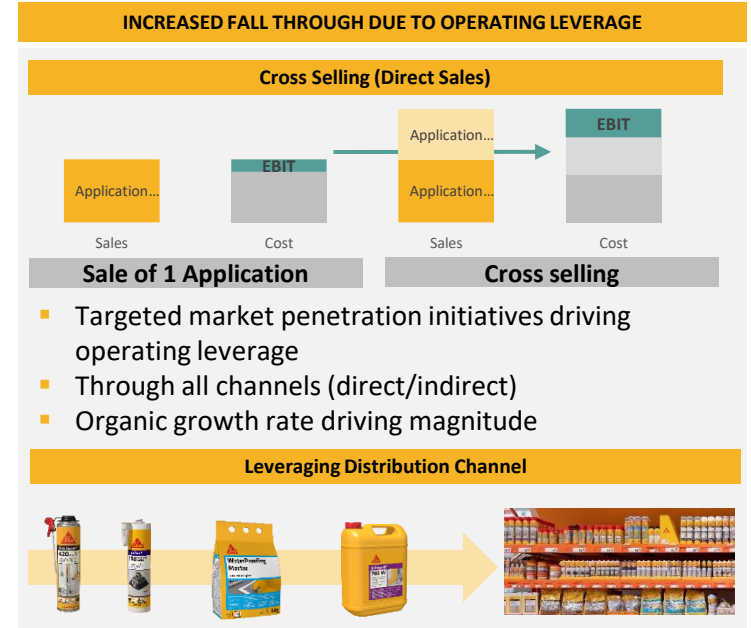
EBITDA MARGIN OF 20%-23%

IMPROVING MARGIN PROFILE ALONG KEY PROFITABILITY BUCKETS



EBITDA MARGIN OF 20%-23%

1. ORGANIC GROWTH DRIVING PROFIT GROWTH



EBITDA MARGIN OF 20%-23%

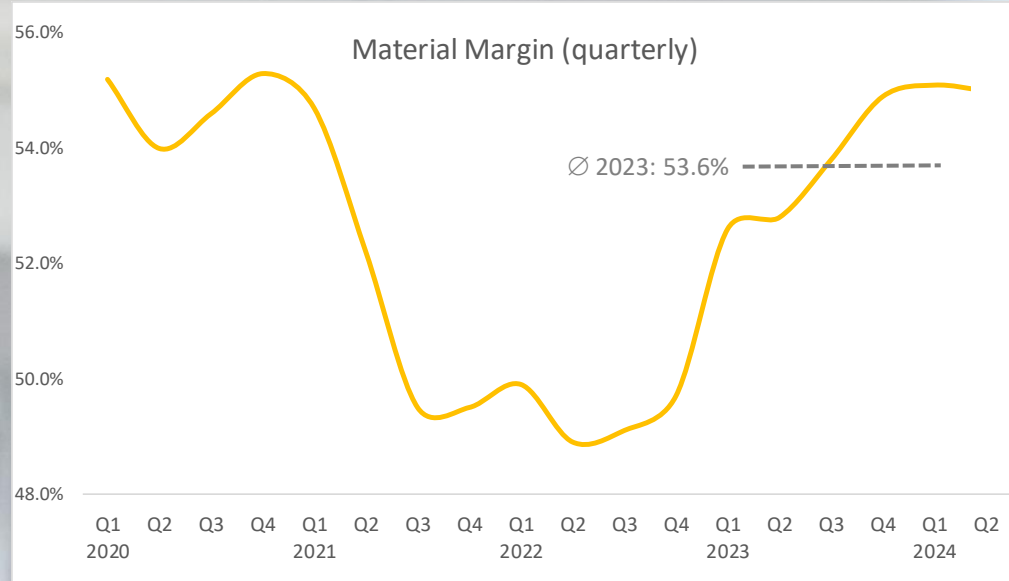
2. MATERIAL MARGIN LEVEL OF 54% - 55% OF NET SALES



- Maintain 54% -55% Material Margin levels
- Pricing and value selling
- Innovation (at higher margin)
- Structural procurement initiatives
- Formulation Efficiency

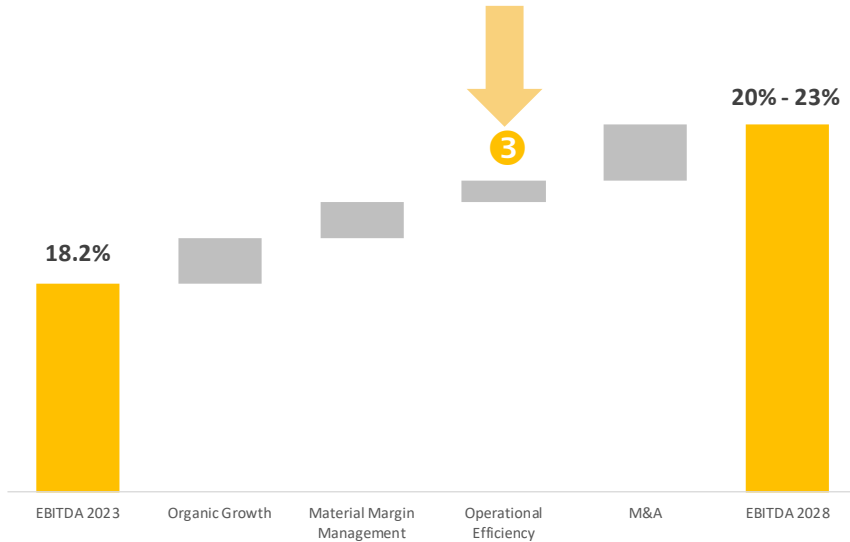
EBITDA MARGIN OF 20%-23%

SIGNIFICANT MATERIAL MARGIN RECOVERY



EBITDA MARGIN OF 20%-23%

3. OPERATIONAL EFFICIENCY REMAINS A PROFITABILITY DRIVER

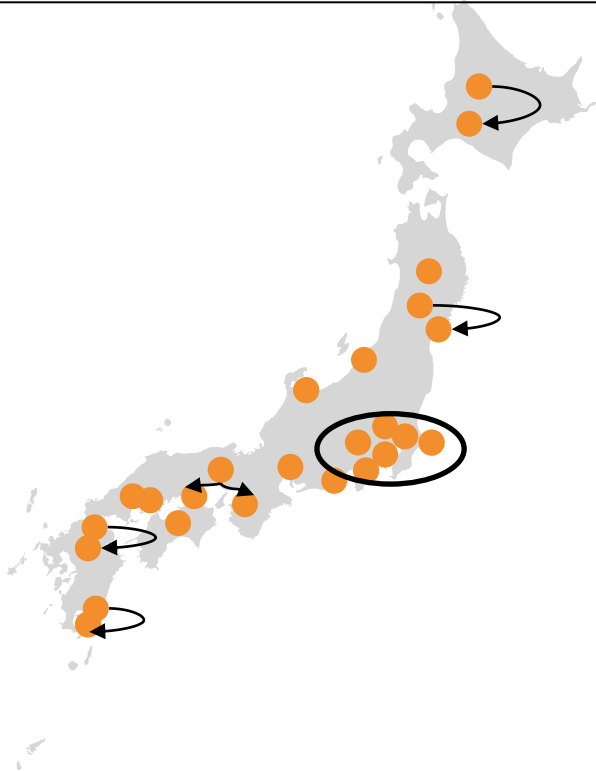


- Not a specific strategic pillar anymore but significant potential remains
- Footprint alignment, optimization and automation
- Increasing digitalization of customer journey and support processes

FOOTPRINT & SUPPLY CHAIN OPTIMIZATION

EXAMPLE: JAPAN

Footprint in Japan

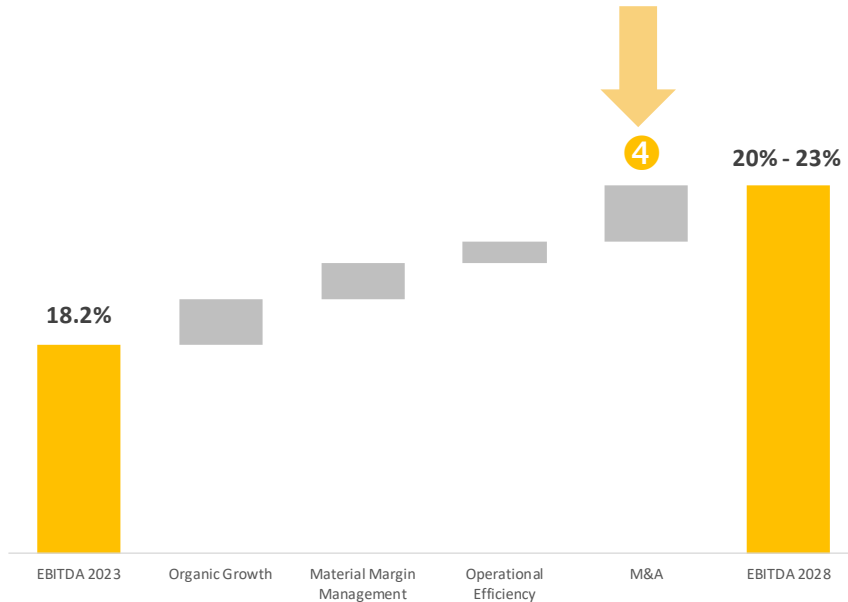


Efficiency Initiatives

- Reduction of overlaps
- Site specialization to improve production efficiency
- Product Line Simplification
- Economies of scale, automation
- Optimize warehousing and logistics footprint driving customer benefits at reduced cost

EBITDA MARGIN OF 20%-23%

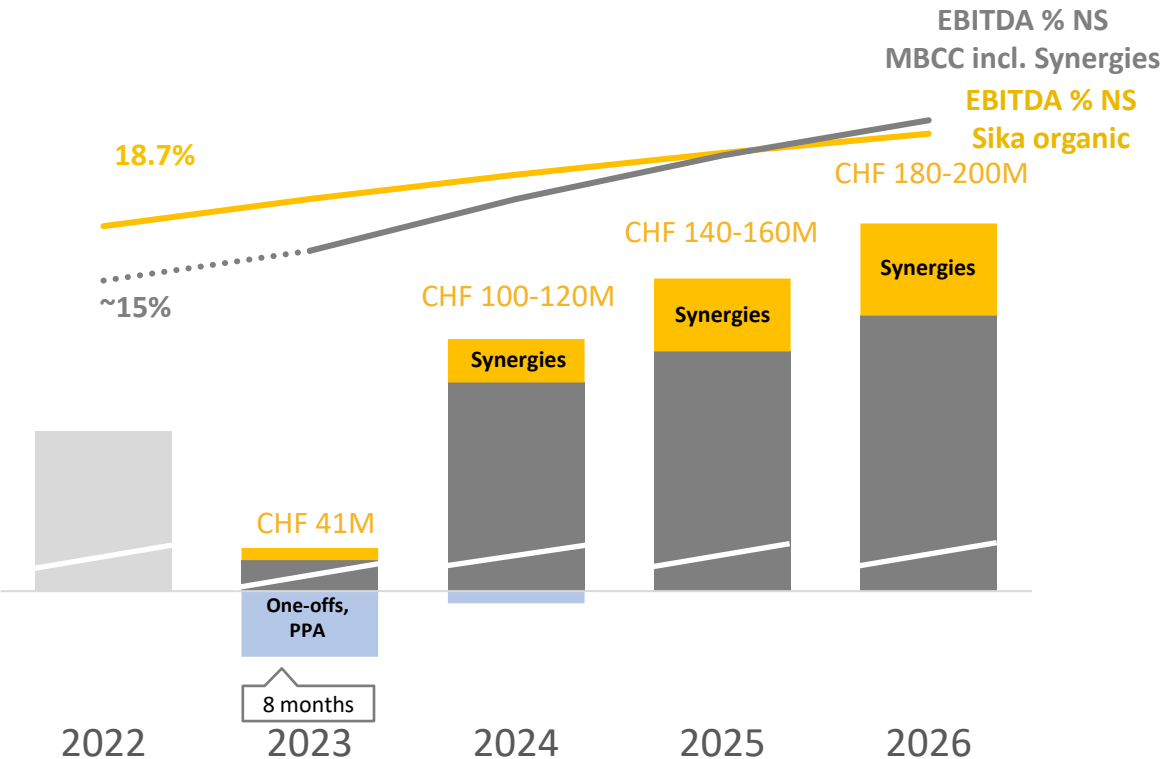
M&A: INCREASING MARGIN PROFILE AFTER INITIAL DILUTION



- M&A as growth and profit accelerator, lifting margin profile over time
- MBCC impact plus further bolt-on acquisitions

MBCC CONTRIBUTION TO EBITDA GROWTH

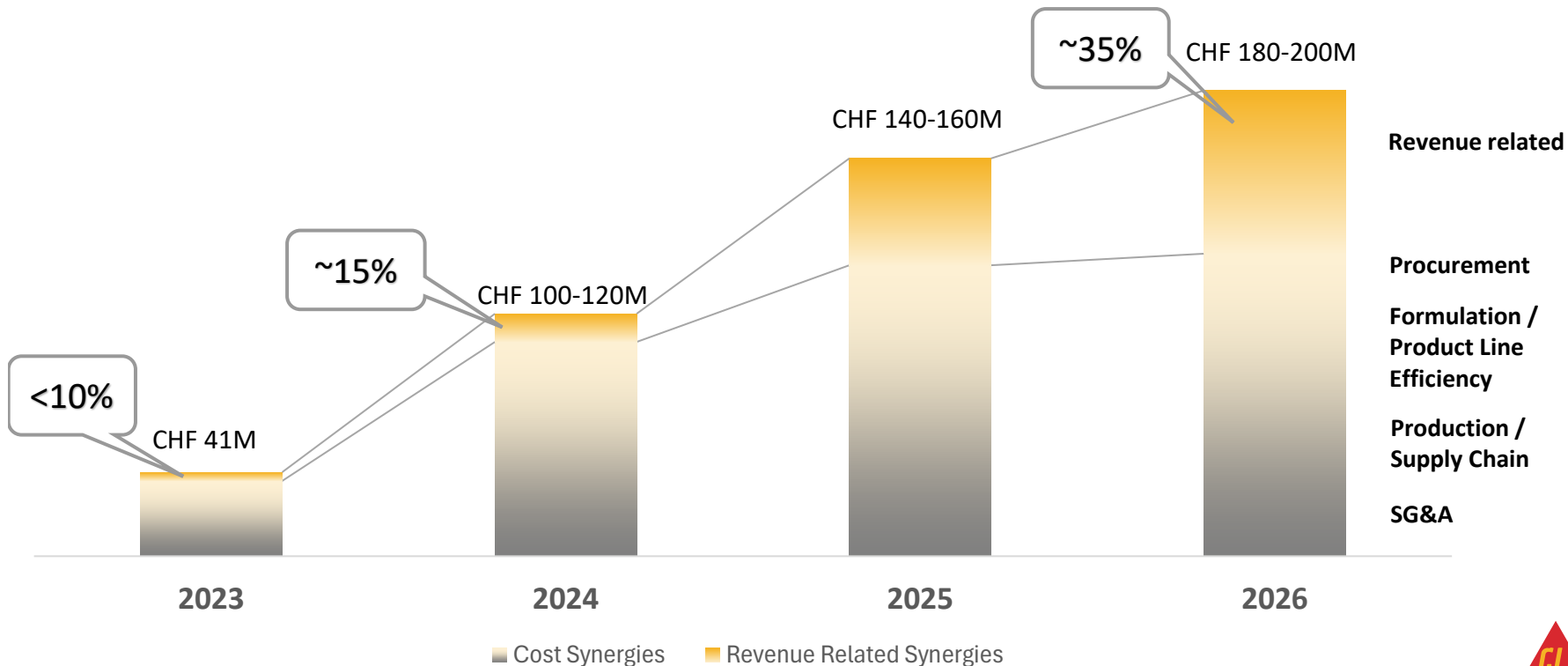
EXPECTED SYNERGIES OF 180 – 200 MCHF BY 2026



- MBCC with strong «standalone» contribution
- On track to achieve increased 2024 synergy targets
- Over proportional EBITDA contribution from 2026 onwards

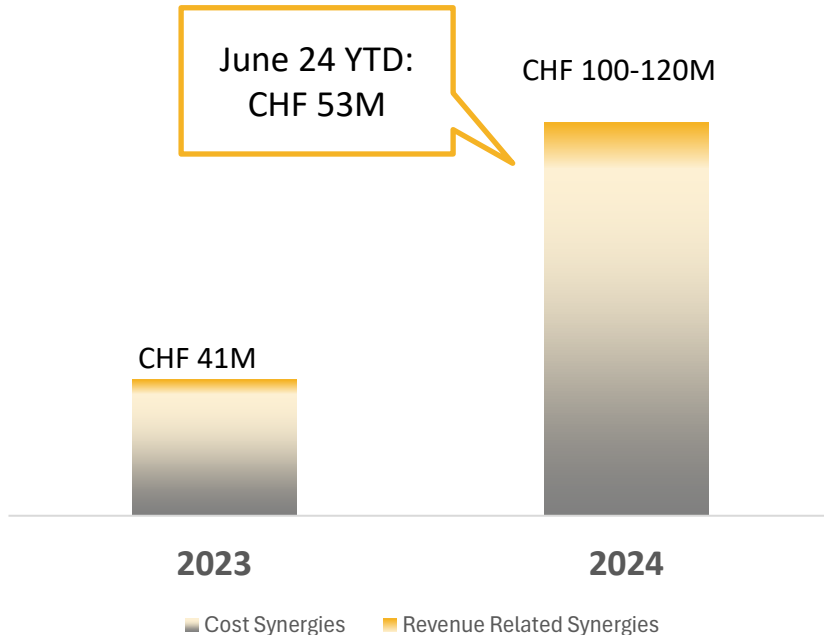
EXPECTED SYNERGIES OF MBCC ACQUISITION

STRONG TRAJECTORY WITH INCREASING TOP-LINE CONTRIBUTION



EXPECTED SYNERGIES OF MBCC ACQUISITION

2024 ON TRACK TO REACH INCREASED TARGETS

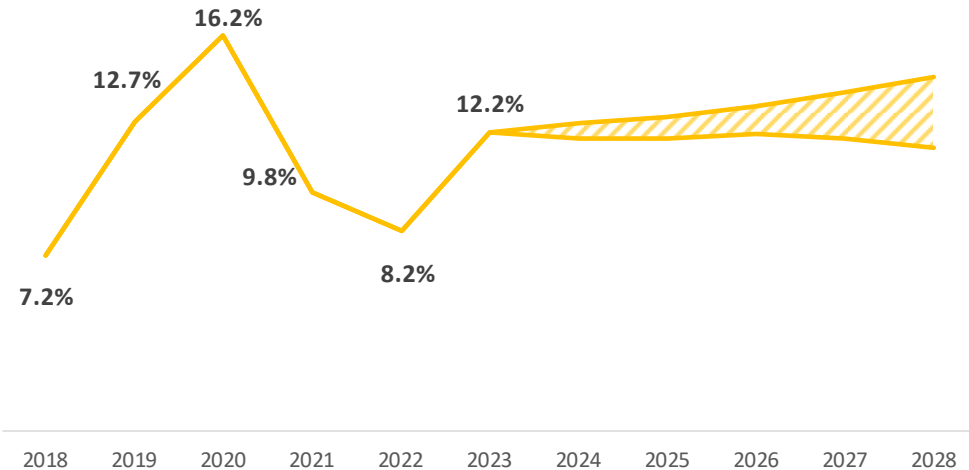


- Cross-selling initiatives across portfolio/geographies – good traction
- Reinforced sustainability and innovation capabilities
- Economies of scale in procurement
- Formulation efficiency and substitution
- Enhanced efficiency in supply chain, optimization of factory/warehousing footprint
- Increased efficiency in SG&A

STRONG CASH CONVERSION

OPERATING FREE CASH FLOW >10% OF NET SALES

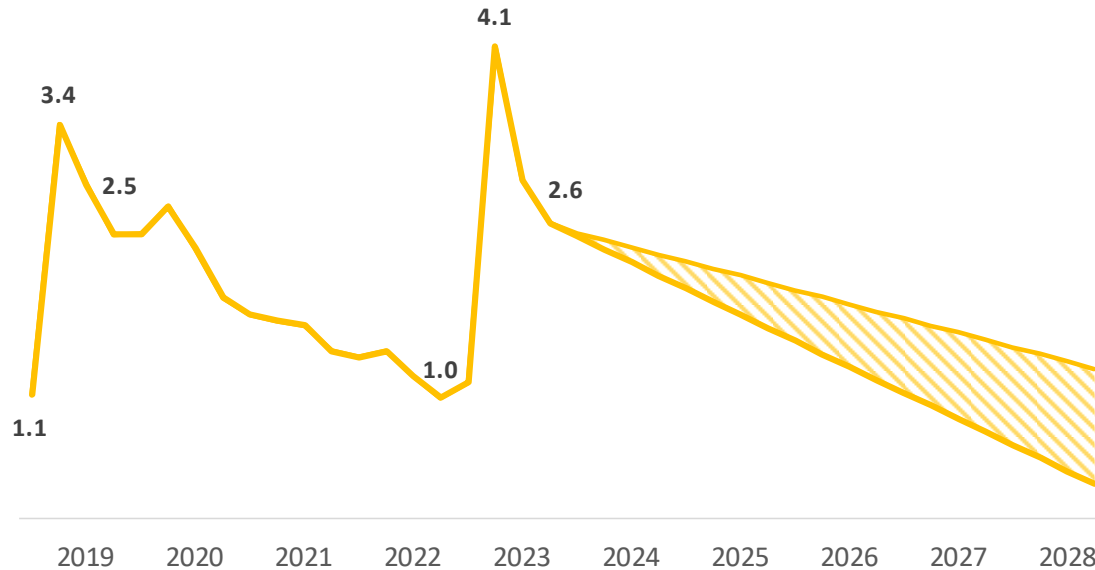
Operating Free Cash Flow >10% of Net Sales



- Profitability improvements
- Footprint alignment and supply chain efficiency driving effective NWC management
- CapEx spend to remain at approx. 3% of Sales

NET DEBT/EBITDA DEVELOPMENT

STRONG DELEVERAGING PROFILE



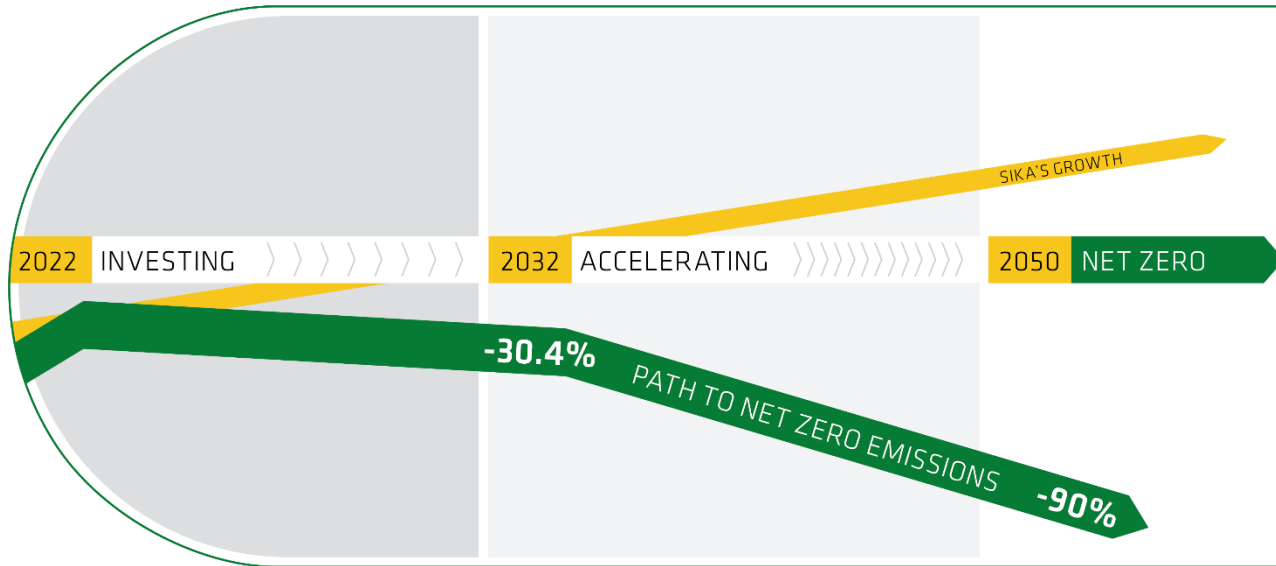
- Strong cash conversion driving rapid deleveraging from post M&A-peaks
- Maintain A- S&P credit rating
- Flexibility to act on M&A opportunities

2. NON-FINANCIAL TARGETS – JOURNEY TO NET ZERO

GROWTH AND THE JOURNEY TO NET ZERO

SIKA'S VALIDATED SBTI TARGETS

OUR KEY LEVERS



- Accelerated use of alternative low carbon supplies
- Education and capacity building to improve material efficiency and circularity
- Partnerships with key suppliers who support Sika's path to net zero
- Development of new innovative solutions for construction and industry
- Continued focus on operational efficiencies

GROWTH AND THE JOURNEY TO NET ZERO

SIKA'S VALIDATED SBTi TARGETS AND IDENTIFIED LEVERS

SBTi VALIDATED REDUCTION TARGETS

COMPANY/FINANCIAL INSTITUTION ▲	TARGETS		
	NEAR TERM ⇅	LONG TERM ⇅	NET-ZERO ⇅
Sika AG ★ Switzerland, Europe	1.5°C	1.5°C	2050

SCOPE 1&2*

- 50% by 2032
- 90% by 2050

Scope 3

- 30% by 2032
- 90% by 2050

* The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

SIKA'S IDENTIFIED LEVERS

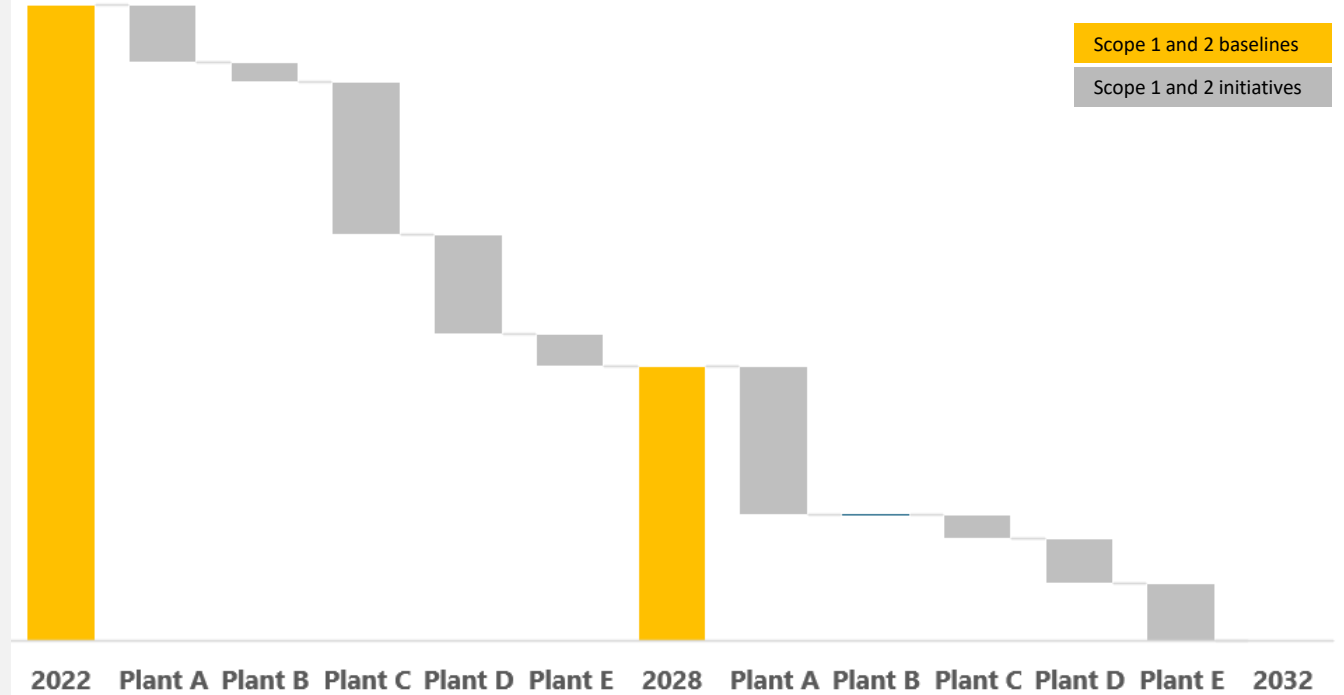
SCOPE 1&2	Optimize energy efficiency	Green energy sourcing	Reduce fossil fuels
		Reduce energy losses	Production processes electrification
SCOPE 3	Increase durability	Alternative and efficient use of raw materials	Replacement of cement
	Supplier engagement (sectoral decarbonization)		Portfolio steering: less carbon intensive products
			Post- and pre-consumer recycling

OPERATIONAL EFFICIENCY FOR SCOPE 1 AND 2 REDUCTION

INDICATIVE ROADMAP FOR LARGE FACTORIES (CLUSTERS)

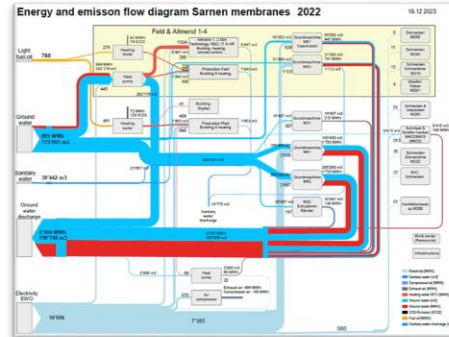
KEY ACTIONS:

- Reduce energy losses
- Monitor cooling/heating
- Recover waste heat from processes
- Reduce fossil fuels
- Install PV panels



OPERATIONAL EFFICIENCY FOR SCOPE 1 AND 2 REDUCTION HAVING AN IMPACT IN THE HEART OF SARNEN, SWITZERLAND

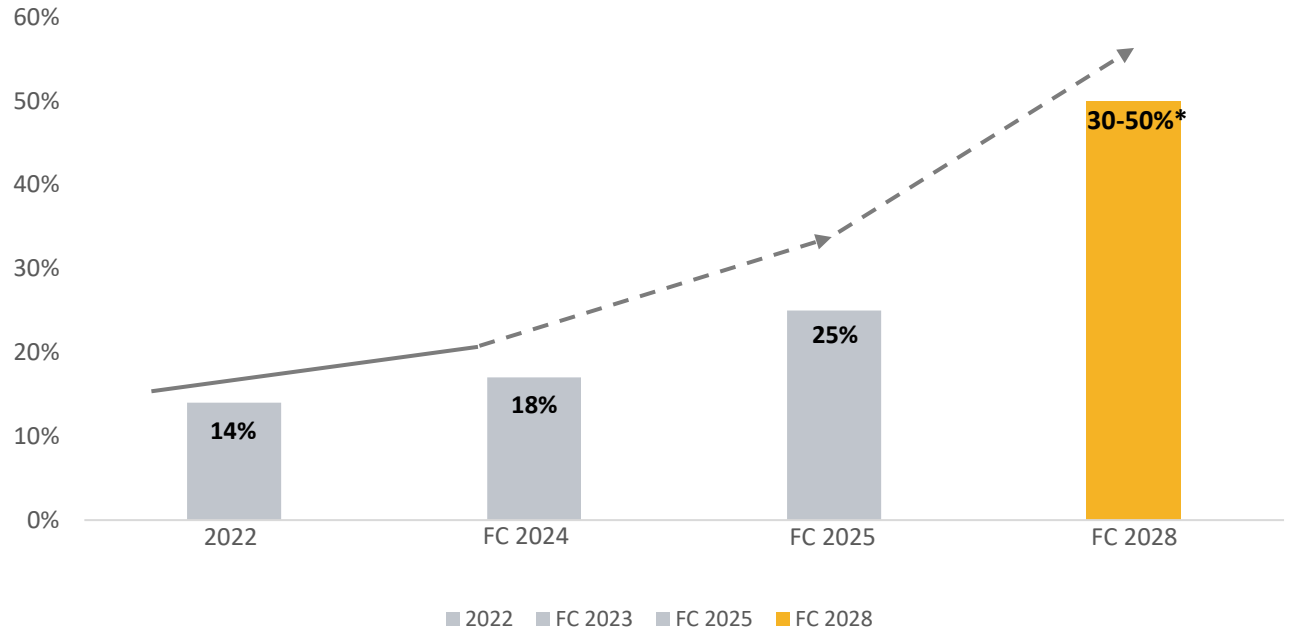
- **Detailed analysis** of energy flow to evaluate energy saving potentials
- **Installing heat pumps** to reuse waste heat from production for building heating and optimize cooling
- **30 fully digitalized electric forklift trucks** with advanced safety features
- **PV installation**
- **Partnering with local energy provider** to develop energy optimization solutions



ALTERNATIVE LOW CARBON SUPPLIES

CLINKER REDUCTION: SIKA FORMULATION COMPETENCE IS KEY

- With Sika chemistry know-how and expertise, new type of SCMs¹ can be introduced in formulations replacing part of the cement in all mortar categories
- 18% substitution rate by end of 2024 on global level
- 0.5 MtCO₂ reduction expected in 2025 on global level



¹SCMs: Supplementary Cementitious Materials

BIO-BASED MATERIAL IN EPOXY PRODUCTS

ALTERNATIVE AND EFFICIENT USE OF RAW MATERIALS

Bio-based polymers

Sikashield®-501 Primer pro

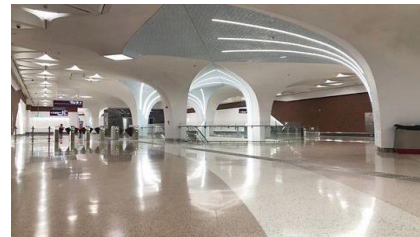
- Bio-polymer in combination with bio-based resin
- High standard of blush resistance
- >20% carbon footprint reduction by substituting the standard fossil-fuel based raw materials
- 60% lower-emission packaging thanks to recycled steel



Bio-based resin

Sikafloor® product range

- Partnership with a supplier to find alternatives to fossil fuel-based resins
 - Waste products: bio-based oils and fats
 - Proportion of bio-based carbon atoms certified by a third-party*
- Scope 3 emissions Cat. 1 and 12
 - Up to 20% carbon footprint reduction



* DIN EN 16640 Carbon-14 radiocarbon method

RECYCLING INITIATIVES ROOFING

POST- AND PRE-CONSUMER RECYCLING

- **From linear “make – use – waste” to circular economy**
- US recycled **300 tons of single ply roofs** in 2023
- EMEA **single ply roof recycling** program launched in 2024; 50 tons taken back
- Mechanical recycling is **more cost effective** than using virgin material
- **Benefits for building owners** (obtaining certifications) if material is recycled



INNOVATIVE SOLUTIONS FOR CONSTRUCTION AND INDUSTRY

INCREASE DURABILITY

- Launched in 2024, **Sarnafil® AT FSH Self-healing roof waterproofing membrane** is the next generation of roofing technology

- Small **damages** in membrane are **closed by self-healing technology**

- For **mechanical and self-adhered** roofs in industrial buildings

- **AT Technology** is safe and easy to apply, long-lasting and sustainable, snow, hail and heat resistant

COLLABORATION WITH SUPPLIERS AND PARTNERS

SUPPLIER ENGAGEMENT (SECTORAL DECARBONIZATION)



- The **Scope 3 GHG Emissions Program with Tfs* partners** is a chemical industry wide approach to **monitor, manage, and reduce emissions**
- A key initiative of Tfs was to develop a dedicated tool "**PCF** Exchange Solution**" to collect PCF data and drive transparency
- Sika is also **engaging our suppliers to assess initiatives taken to reduce their scope 1 and 2** and build alliances for our scope 3 reduction
- Sika works with suppliers on **low carbon raw materials and recycling opportunities**



A solution built on sector collaboration



*Tfs: Together for Sustainability
 **PCF: Product Carbon Footprint





BUILD ON THE SIKA SPIRIT AND KEEP OUR CULTURE

BUILDING TRUST



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- 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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