



SIKA TO ACQUIRE MBCC GROUP TO ACCELERATE GROWTH AND REINFORCE POSITION AS SUSTAINABILITY CHAMPION

ANALYST, INVESTOR, AND MEDIA PRESENTATION
ZURICH, NOVEMBER 11, 2021

BUILDING TRUST



AGENDA

- 1 KEY TRANSACTION HIGHLIGHTS**
- 2 MBCC GROUP – AN ATTRACTIVE GLOBAL PLAYER**
- 3 ACQUISITION IS HIGHLY COMPLEMENTARY**
- 4 WORKING TOGETHER FOR A SUSTAINABLE FUTURE**
- 5 VALUE CREATION AND FINANCIAL CONSIDERATIONS**
- 6 PROCESS AND SUMMARY**

1. KEY TRANSACTION HIGHLIGHTS

KEY TRANSACTION HIGHLIGHTS

- MBCC Group is one of the most recognized companies in construction chemicals worldwide with sales of approximately CHF 2.9 billion (EUR 2.7 billion)
- Enterprise value of CHF 5.5 billion represents a 11.5x EV/pro forma 2022E EBITDA multiple with expected annual synergies of CHF 160 – 180 million bringing the multiple down to 8.5x EV/EBITDA
- Transaction is highly complementary across almost all of Sika's core technologies, applications and solutions
- Acquisition is accretive to Sika's earnings per share from the first full year post closing
- The combined company will drive the sustainability transformation of the construction industry further and faster
- Transaction is subject to regulatory approval. Sika is confident that all required clearances will be obtained. Closing targeted for the second half of 2022

2. MBCC GROUP – AN ATTRACTIVE GLOBAL PLAYER

MBCC GROUP AT A GLANCE

A LEADING COMPANY IN CONSTRUCTION CHEMICALS WORLDWIDE

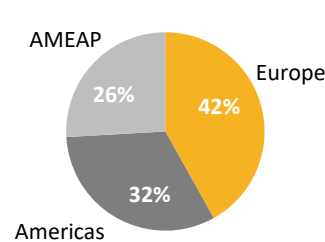
Key Facts

- MBCC Group is a global manufacturer of construction chemicals including concrete admixtures, tile adhesives, flooring systems, waterproofing systems, and PU sealants
- The company operates via two core business segments:
 - **Admixtures Systems** (ready-mix, site-mix, precast & manufactured concrete products, cement additives, underground construction)
 - **Construction Systems** (cementitious mortars, concrete repair & protection, flooring systems, tile adhesives, waterproofing systems, sealants)
- Headquartered in Mannheim, Germany

Key Figures

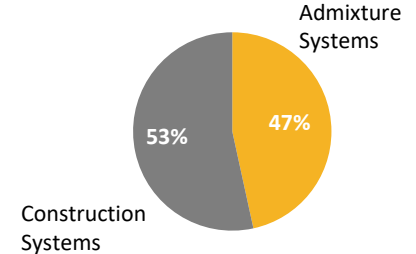
CHF 2.9bn

Sales By Region



7,500
Employees

Sales By Segment



130

Production Sites

>60

Countries

MBCC GROUP AT A GLANCE

PORTFOLIO OF STRONG BRANDS AND PRODUCTS IN KEY COUNTRIES

Segments

Construction Systems



- Tile fixing & floor laying
- Performance flooring
- Waterproofing
- Repair & protect
- Sealants
- Performance grouts
- Specialities

Admixture Systems



- Concrete production
- Concrete placing and hardening
- Building lifetime expansion
- Underground construction

Main Brands

**MASTER®
BUILDERS**
SOLUTIONS

*Watson
Bowman
Acme*

PCI®
Für Bau-Profis

THERMOTEK

UCRETE®

**MASTER®
BUILDERS**
SOLUTIONS

Top 10 countries



USA



Germany



Japan



China



Canada



France



Mexico



Italy



Russia

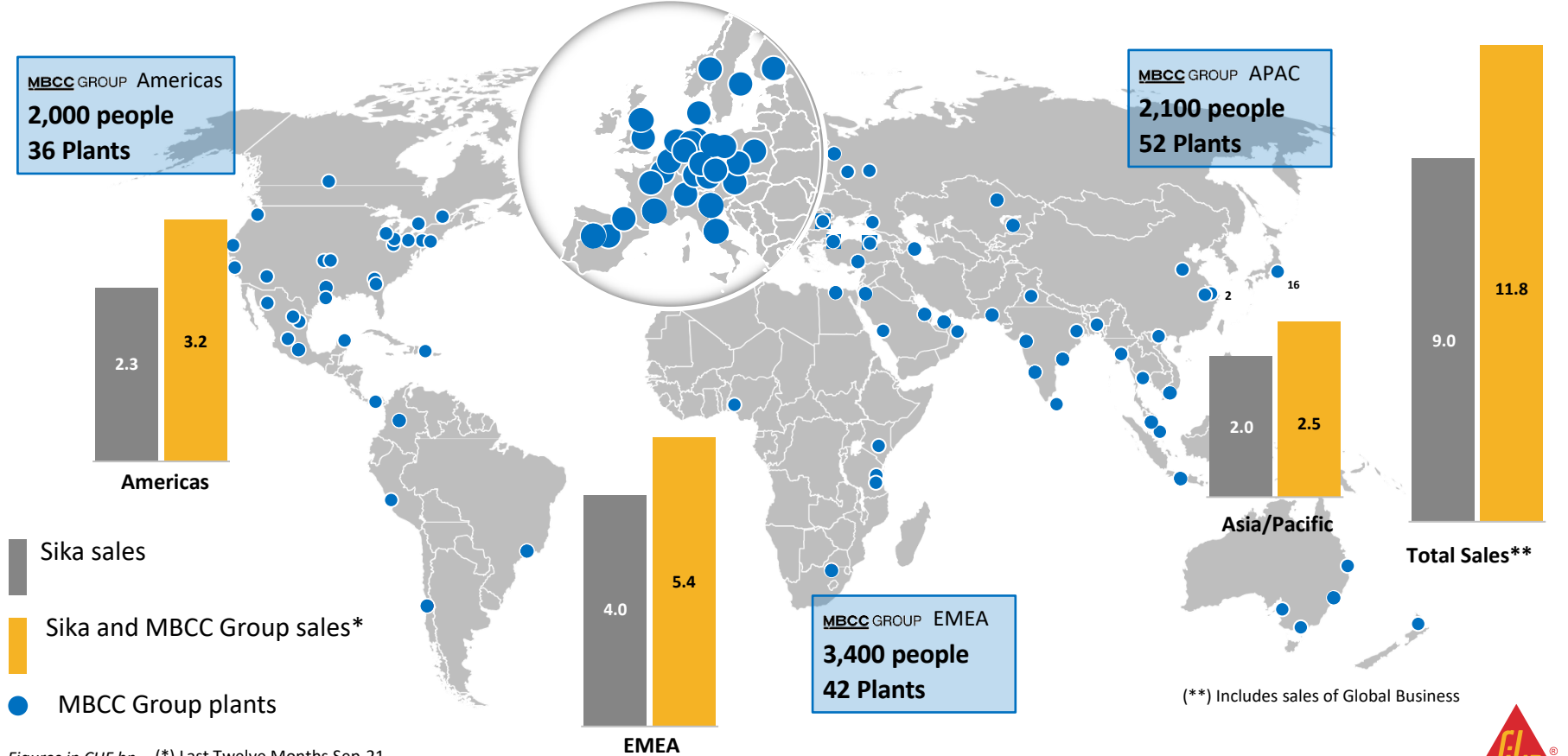


Turkey

3. ACQUISITION IS HIGHLY COMPLEMENTARY

STRENGTHENING FOOTPRINT ACROSS ALL REGIONS

SIKA TO REACH SALES IN EXCESS OF CHF 13 BN IN 2023

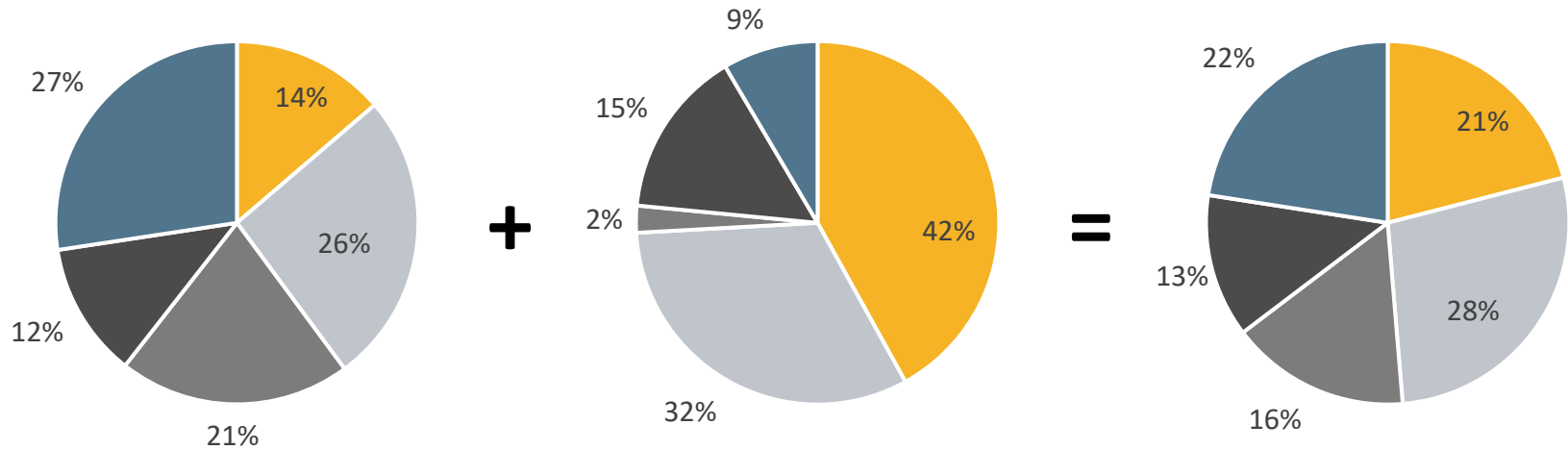


Figures in CHF bn (*) Last Twelve Months Sep-21

MBCC GROUP ALIGNS WELL WITH SIKA'S 5 CORE TECHNOLOGIES

ACQUISITION ADDS TO TECHNOLOGY MIX

Concrete Systems Cementitious Systems Thermoplastics Systems Coating Systems Adhesive Systems



MBCC GROUP

Pro-forma

SEVEN OF EIGHT TARGET MARKETS WILL PROFIT FROM ACQUISITION

ALL TARGET MARKETS ACHIEVING SALES BETWEEN CHF 1-2 BILLION

Concrete

Extension of product portfolio with tunneling products and unique accelerator technology (MasterX-seed)



Waterproofing

Increased access to tunneling for Sika's membranes due to MBCC Group's strong position in underground construction



Roofing

Addition of bituminous membranes and liquid applied membranes mainly in Mexico



Flooring

Addition of strong Ucrete brand and product range to portfolio



Sealing & Bonding

Improved position in facade sealants and floor covering solutions



Engineered Refurbishment

Strengthening of Sika's product range with MasterEmaco (Repair mortars) and Masterflow (Grouts) products



Building Finishing

Further improvement in tile setting (mainly DACH) and facade position (mainly North America)



Industry



SIKA AND MBCC GROUP

COMPLEMENTARITY IN MANY WAYS

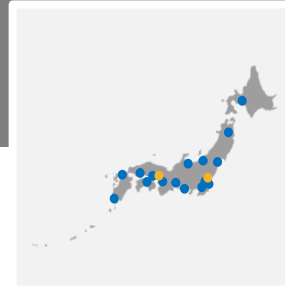
Complementarity in many countries, regions, and product ranges. Combination will lead to a very balanced offering. Customers will benefit from a stronger solution portfolio and an enhanced and more efficient distribution network across all construction markets.



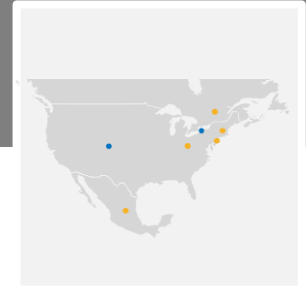
Solutions



Channel



Geography



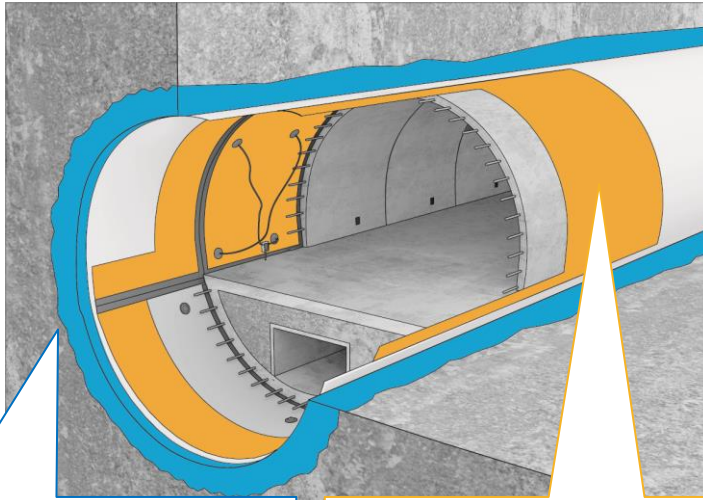
Supply Chain

SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY

COMBINED PRODUCT RANGE COVERS WIDER SET OF PROJECT NEEDS

1

Underground Construction

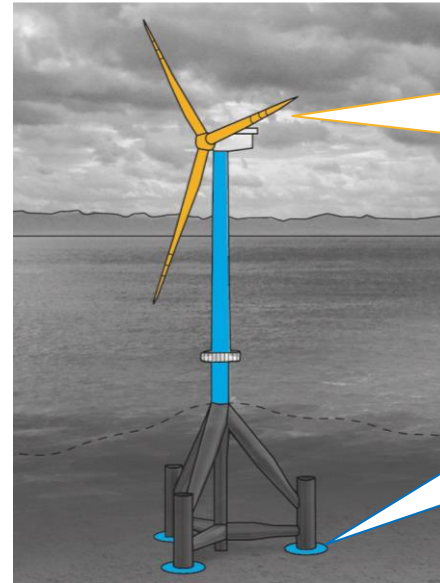


MBCC Group UGC
organization has a strong position in in underground construction, incl. products for shotcrete, fibers, injections

Sikaplan PVC membrane for waterproofing as well as other waterproofing products such as Waterbars, Combiflex, etc

2

Offshore Wind Turbine Installation



Sika Power epoxy-based toughened adhesive to produce extra-long blades

MasterFlow Grouts specialized for offshore wind turbine installations (DNV GL certified)

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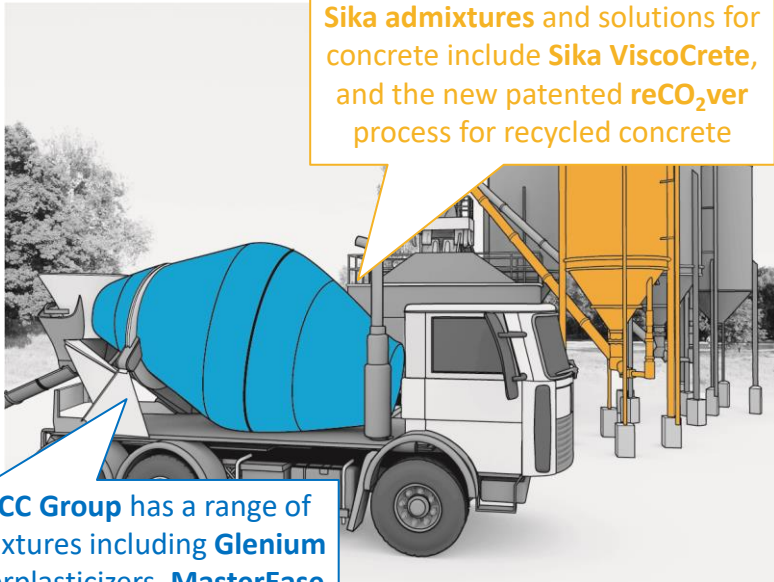


SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY

COMBINED PRODUCT RANGE COVERS WIDER SET OF PROJECT NEEDS

3

Concrete Production



MBCC Group has a range of admixtures including **Glenium** Superplasticizers, **MasterEase** and the patented accelerator **MasterX-Seed**

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4

Floor Covering Applications



MBCC Group markets, under the Thomsit brand, adhesives for both wood floor and luxury vinyl tile

Thomsit

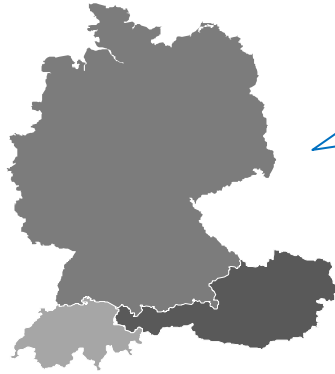
Sikafloor Level self-leveling screeds for both new build and renovation applications

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SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY

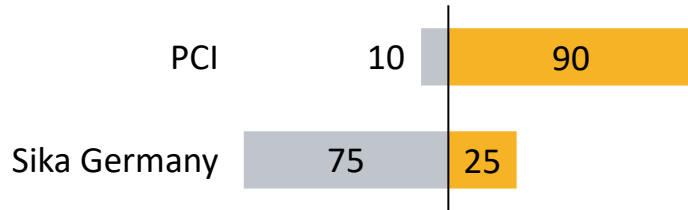
EXAMPLE DISTRIBUTION STRENGTHS IN DACH REGION



MBCC Group
strength in
distribution business
PCI

PCI as accelerator for Sika's DACH distribution business

- Sika sells primarily through specialty distributors
- PCI with strong position in **Builders' Merchants and Home Centers**
- Sika to increase presence across all distribution categories
- PCI strong brand with good reputation among end users



■ Direct sales (%) ■ Distribution sales (%)



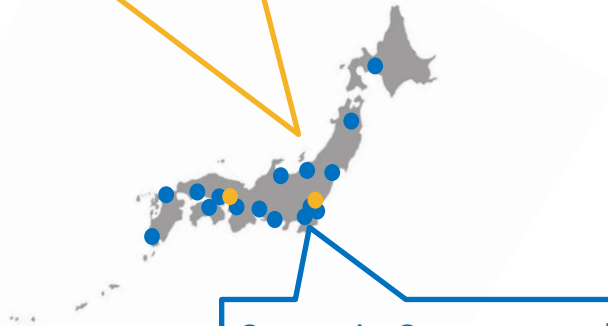
SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY STRENGTHENED PRODUCT RANGE IN MANY COUNTRIES

1

Example: Japan



Strong in **Sealing & Bonding** and
Roofing



Strong in **Concrete** and
Eng. Refurbishment

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- Sika admixture plants
- MBCC Group admixture plants

2

Example: Mexico



Strong in **Concrete, Roofing, Eng.**
Refurbishment and **Building Finishing**



Strong in
Waterproofing

THERMOTEK
PROTEGE LO QUE MÁS QUIERES

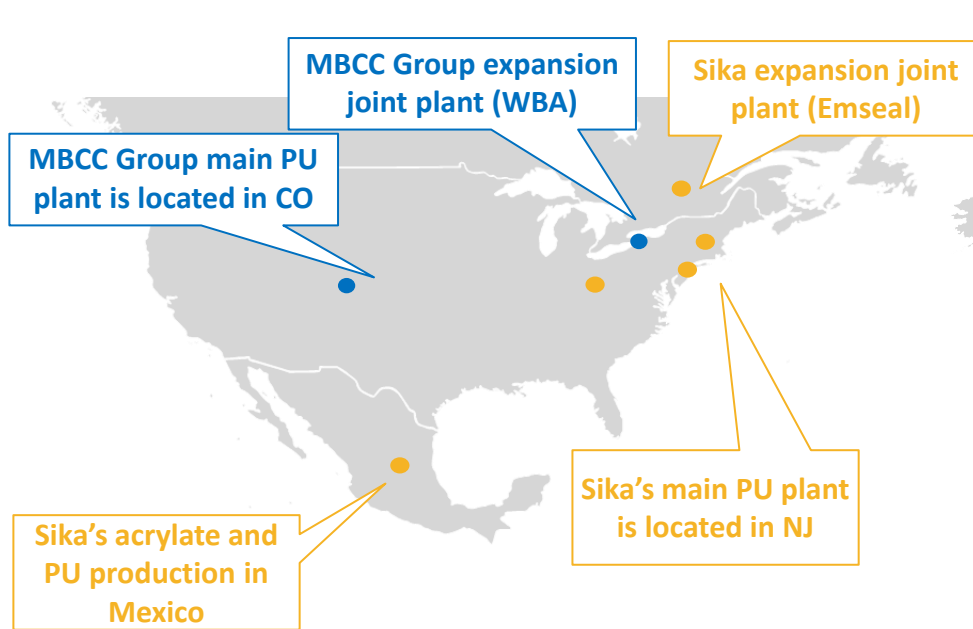
- Sika waterproofing plants
- MBCC Group waterproofing plants

SIKA AND MBCC GROUP ARE HIGHLY COMPLEMENTARY

INCREASED CUSTOMER PROXIMITY – PRODUCTION OF WIND GROUTS

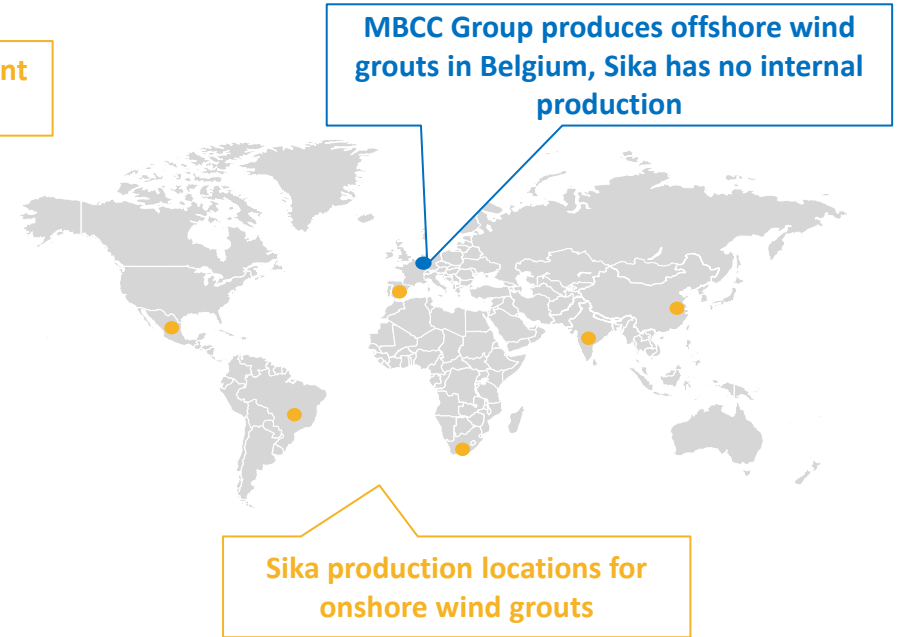
1

Supply Chain Joint Solutions



2

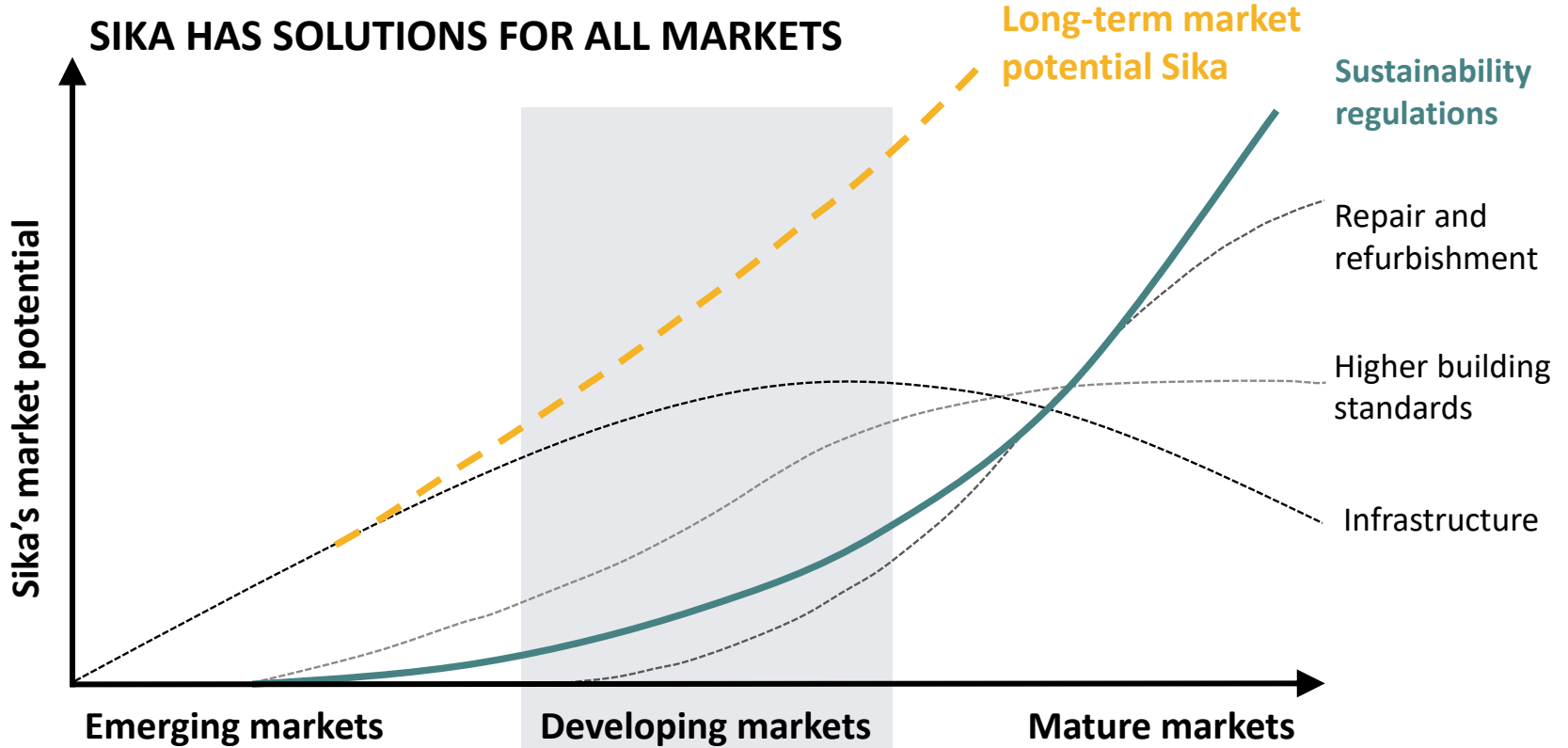
Supply Chain Wind Grouts



4. WORKING TOGETHER FOR A SUSTAINABLE FUTURE

SUSTAINABILITY REGULATIONS TO BOOST SIKA'S GROWTH MODEL

STRONG LONG-TERM MARKET POTENTIAL FOR SIKA



SIKA REINFORCES POSITION AS SUSTAINABILITY CHAMPION


“WORKING TOGETHER FOR A SUSTAINABLE FUTURE”



BUILDING TRUST **Sika** *SikaCerem*

Sika has improved formulations of tile adhesives allowing for a **35% reduction of clinker and CO₂**

The image shows a modern kitchen with dark cabinetry and a light-colored tiled floor. A SikaCerem adhesive is being applied to the floor tiles. The Sika logo and product name are visible in the top left corner.



MASTER BUILDERS SOLUTIONS *MasterTop*

MBCC Group **flooring systems drive cost efficiency**, enabling up to 7% lower lifecycle cost and increased service life of up to 50 years

The image shows a modern office interior with a polished floor. Two people are walking across the floor. The Master Builders Solutions logo and product name are visible in the top left corner.



BUILDING TRUST **Sika** *Sika reCO₂ver*

Sika has developed a recycling process to allow **demolished concrete to sequester CO₂** and be separated into its original components

The image shows a recycling facility with a large pile of demolished concrete and a yellow Sika reCO2ver machine. The Sika logo and product name are visible in the top left corner.



MASTER BUILDERS SOLUTIONS *Master X-Seed*

MBCC Group **enables significant CO₂ reductions and cost savings** through formulation optimization, 50% faster curing time and lower curing temperatures

The image shows a construction site at night with a large concrete structure being built. The Master Builders Solutions logo and product name are visible in the top left corner.

Complementary portfolios enhance sustainable product offering to our global customer base

SIKA REINFORCES POSITION AS SUSTAINABILITY CHAMPION

“WORKING TOGETHER FOR A SUSTAINABLE FUTURE”



Through the combination, we will reinforce our complementary range of sustainable products and services across the entire construction life cycle for the benefit of customers, employees, shareholders, and coming generations.

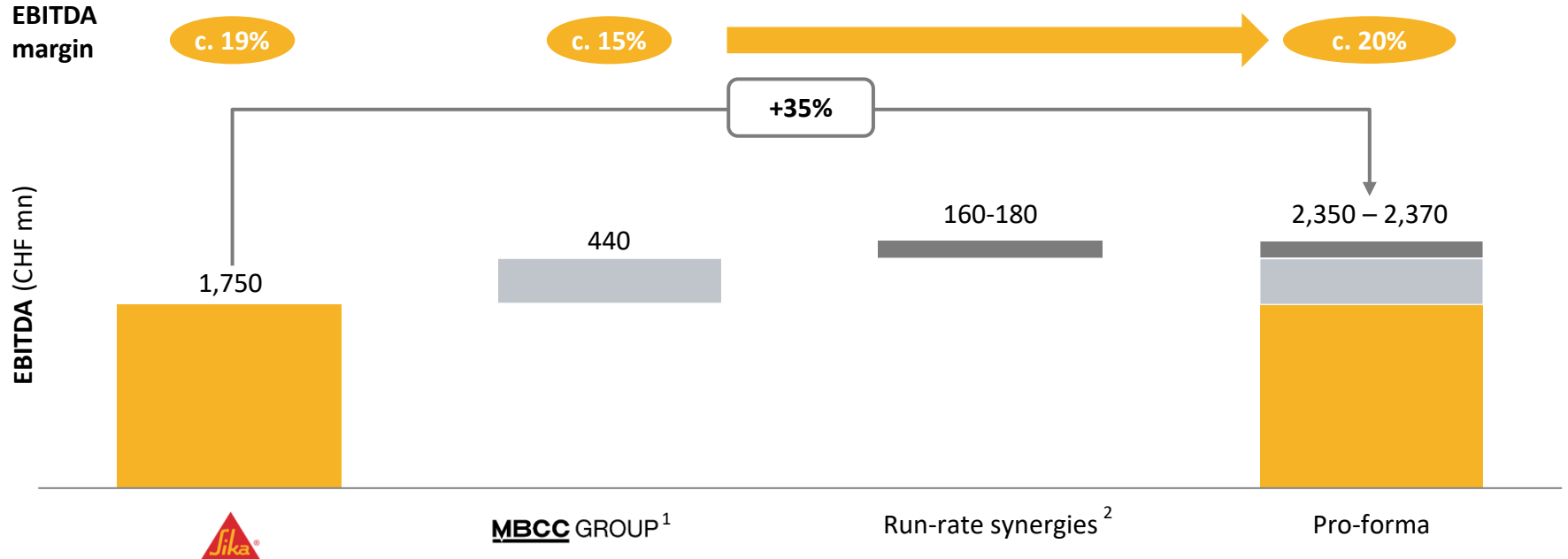
5. VALUE CREATION AND FINANCIAL CONSIDERATIONS

FINANCIAL CONSIDERATIONS

- Financial parameters
 - Enterprise value of CHF 5.5 billion (EUR 5.2 billion)
 - Annual synergies of CHF 160 – 180 million
 - 11.5x EV / 2022E pro-forma EBITDA; 8.5x EV / EBITDA incl. full run-rate synergies
 - EPS accretive as of first full financial year post closing
- Financing
 - Fully committed bridge loan facility
 - Long-term funding over combination of cash-on-hand, bank loans, and capital market instruments
 - Commitment to maintain strong investment grade rating (A-)

FINANCIAL BENEFITS FROM TRANSACTION

SYNERGIES TO DRIVE SUSTAINABLE MARGIN ENHANCEMENT



1) Pro-forma Sept 21 run-rate

2) Full run-rate synergies (EBITDA contribution) once fully phased in

REVENUE AND COST SYNERGIES

EXPECTED RUN-RATE SYNERGIES OF CHF 160-180 MN BY 2025

Revenue Synergies to Better Serve Our Customers

- Additional revenue synergies expected to be realized through customer proximity and enhanced supply chain
- Strong cross-selling opportunities of products and solutions in multiple geographies and channels
- The acquisition will reinforce Sika's sustainability capabilities

Cost Synergies

- Economies of scale in procurement, formulation efficiency
- Enhanced efficiency in supply chain & logistics
- Operating leverage and increased efficiency in SG&A

- Expected run-rate synergies of CHF 160-180 mn p.a. expected by 2025
- Synergies expected to ramp-up over coming years
- Expected costs to realize synergies of CHF 200 mn over next three years

6. PROCESS AND SUMMARY

SUMMARY

ACQUISITION ACCELERATES SIKA'S GROWTH STRATEGY

- The combined company will drive the sustainability transformation of the construction industry further and faster. It will focus on new product improvements and will be a key enabler for sustainable solutions.
- Transaction is highly complementary and adds to Sika's offerings in four of five core technologies and seven of eight Sika Target Markets
- Value enhancing acquisition with EV of CHF 5.5 billion, representing a 11.5x EV/pro forma 2022E EBITDA multiple with expected annual synergies of CHF 160 – 180 million bringing the multiple down to 8.5x EV/EBITDA
- The acquisition is subject to regulatory approval. Sika is confident it will obtain all clearances and will actively engage with the authorities. Expected closing in second half of 2022



Q&A

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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:

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- Interruptions in production
- Legislative and regulatory developments and economic conditions
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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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