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SIKA ACHIEVES SALES RECORD OF CHF 8.11 BILLION – STRONG GROWTH OF 16.3%

- Sales growth of 16.3% in local currencies to CHF 8.11 billion (+14.4% in CHF)
- Growth in all regions
- Organic growth of 3.3%
- Growth boosted by acquisitions of Parex, Crevo-Hengxin, King Packaged Materials, Belineco. Signing of Adeplast.
- Opening of seven new factories
- Outlook: double-digit EBIT growth expected for 2019, consistent implementation of Strategy 2023 for sustainable, profitable growth

Sika records double-digit growth and achieves a new sales record of CHF 8.11 billion in the 2019 business year. This equates to an increase of 16.3% in local currencies, with the acquisition effect accounting for 13.0% and organic growth for 3.3%. Sales growth in CHF amounted to 14.4% (-1.9% currency effect).

Paul Schuler, Chief Executive Officer: “With strong sales growth of 16.3% we exceeded our sales target for fiscal 2019 with a sales figure of CHF 8.11 billion. We are also anticipating record figures for the operating result and profit. We will maintain our positive growth dynamic over the coming years. With our new Strategy 2023 we are moving the performance of our organization to the next level, and by consistently pursuing this strategic path we will be able to further exploit the business potential of our markets and generate sustainable, profitable growth. This latest record result was achieved thanks to the great dedication of our global workforce of more than 24,500 employees and their identification with Sika – I would like to thank them all.”

The integration of Parex was driven forward in the 2019 business year. Fully integrated management structures are already established in 20 countries in which Parex is present. Combined business and procurement activities ensure that existing synergy potential is fully exploited. The forecasted synergies of CHF 80-100 million will fall in the higher end of this

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bandwidth thanks to the successful integration. More than 100 shared projects have already been initiated through cross-selling activities alone. In China in particular, the company is tapping into a billion dollar market. Sika solutions are already being sold in more than 2,000 additional points of sale through shop-in-shop concepts.

GROWTH IN ALL REGIONS

In a challenging market environment, Sika's growth in all regions was stronger than the market.

The EMEA region (Europe, Middle East, Africa) reported a sales increase in local currency of 11.5% in 2019 (previous year: 14.2%), and recorded strong growth with double-digit growth rates in Africa and high single-digit growth in Eastern Europe. In Belarus, Sika acquired Belineco, a specialist manufacturer of polyurethane foam systems, while in Romania it has agreed to acquire Adeplast, a leading manufacturer of mortar products and thermal insulation solutions. Closing is expected in the first quarter 2020. Production capacity was expanded in Egypt, Qatar, Serbia, Senegal, Cameroon and Ethiopia, and new factories opened for concrete admixtures and mortars.

The Americas region has focused its business activities even more strongly on the largest markets and urban centers, and generated strong sales growth of 19.3% (previous year: 12.6%). Growth momentum was particularly strong in North America. In Latin America political tensions in countries such as Mexico, Chile and Ecuador are also leaving their mark on local construction industries. Brazil, Colombia and Peru are showing strong growth rates. In Canada, the acquisition of King Packaged Materials in the reporting period brought a market leader in concrete repair systems into the Group.

Growth in the Asia/Pacific region amounted to 35.1% (previous year: 5.4%), a figure that includes a significant acquisition effect of 30.3%. The highest growth rates were recorded in the Philippines, India, and in China. In China, Sika took over Crevo-Hengxin, a manufacturer of silicon based sealants and adhesives. The newly acquired range of products opens up cross-selling opportunities in the extended distribution channels. Furthermore, a new factory in the Bekasi district on the outskirts of Jakarta commenced operations in Indonesia in the reporting period. Sika now produces concrete admixtures and mortar products for the local construction market in three factories.

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The Global Business segment recorded a growth rate of 3.0% (previous year: 29.2%). Sika generated further growth in the automotive area in 2019, despite the global stagnation in the automotive sector and the sharp decline in production figures. The megatrends in modern automotive construction, which are dominated by electro-mobility and lightweight construction, are opening up new avenues with long-term growth potential for Sika thanks to new, lighter platforms with multi-material designs and new adhesive technologies, as well as heat management in modern battery technologies for electric vehicles. Sika has just recently received the coveted Swiss Technology Award for an innovative new adhesive technology used in the automotive and transport industry.

OUTLOOK

For the 2019 business year Sika expects double-digit EBIT growth. By investing in seven new factories and five acquisitions, the Group has laid the foundations for continued growth. These twelve key investments, the well-filled product pipeline, and the strong sales organization give Sika reason to look to the future with optimism.

Strategy 2023, which was unveiled in October, is designed to expand the company's growth model and align the organization for continued long-term success and profitable growth. By targeting six key areas – market penetration, innovation, operational efficiency, acquisitions, strong corporate values, and sustainability – Sika is seeking to grow by 6-8% a year up to 2023. It is aiming for a higher EBIT margin of 15-18% by 2021. Projects in the areas of operations, logistics, procurement and product formulation will result in an annual improvement in operating costs equivalent to 0.5% of sales.

KEY DATES

Media conference/analyst presentation on full-year results 2019	Friday, February 21, 2020
Net sales first quarter 2020	Tuesday, April 21, 2020
52 nd Annual General Meeting	Tuesday, April 21, 2020
Half-Year Report 2020	Thursday, July 23, 2020
Results first nine months 2020	Thursday, October 22, 2020
Net sales 2020	Thursday, January 7, 2021

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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 protecting in the building sector and motor vehicle industry. Sika has subsidiaries in 101 countries around the world and manufactures in over 300 factories. Sika employs more than 24,500 people and generated sales of CHF 8.1 billion in fiscal 2019.