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SIKA MADE BINDING OFFER TO ACQUIRE PAREX

- **Sika made binding offer to acquire Parex from CVC Fund V**
- **Parex, a leading mortar manufacturer with sales of CHF 1.2 billion and an impressive track record of profitable growth and attractive margins (EBITDA: 16% margin)**
- **Strong footprint with 74 plants in 23 countries**
- **Combining two “growth engines”, highly complementary in product offering and channel penetration**
- **Enterprise value of CHF 2.5 billion with expected annual synergies of CHF 80 – 100 million**
- **Completion of transaction subject to French works council consultation process and regulatory approvals, expected in Q2/Q3 2019**

Sika has made a binding offer to acquire Parex from its current owner CVC Fund V. Parex is a leading manufacturer of mortar solutions including facade mortars, tile adhesives, waterproofing, and technical mortars. In 2018 the company generated sales of CHF 1.2 billion and an expects an EBITDA of around CHF 195 million. With its expertise in mortar solutions for renovation and new builds, Parex participates in all phases of the construction life cycle. Parex has a particularly strong presence in distribution channels, combining recognized brands with R&D expertise and technical excellence. It is locally present in 23 countries with key positions in 8 core geographies and operates 74 plants around the world.

Paul Schuler, CEO of Sika: “Parex is an excellent company with well recognized brands and an impressive performance track record. The businesses of Parex and Sika are highly complementary. Using Parex technologies as a growth platform in all our 101 countries and cross-selling of our products to the well established distribution channels of Parex will generate great profitable growth. Parex’s excellent facade business can be leveraged in the entire Sika world. We warmly welcome all employees of Parex to the Sika Family. We look forward to working with the Parex team and we are excited about expanding our joint business operations.”

Eric Bergé, CEO of Parex: “Under CVC Fund V’s ownership, the Parex team has delivered a very strong performance, growing sales from EUR 750 million in 2013 to over EUR 1 billion. Over this 5-year period, Parex entered 3 new countries and opened 16 new plants, added 11 bolt-on

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acquisitions, and built a new international R&D center. Sika represents a great platform to continue to deliver on Parex's ambitious growth plan and the combination creates new exciting opportunities in terms of offering new solutions to our customers and continuing our geographic expansion. I would like to thank our sponsor, CVC Capital Partners, our teams across the world, and our customers for their trust and support in these past five years, and we look forward to working with Sika in the future."

With this acquisition Sika will further strengthen its leading position in construction chemicals and industrial adhesives and will reach sales in excess of CHF 8 billion. It will deepen and widen Sika's growth platform. Its mortar business, which is a key growth technology for the group and one of its important earning contributors, will more than double in size to CHF 2.3 billion. Parex's strong position in distribution channels will open up new business opportunities for Sika's product range. Parex will gain access to Sika's well established direct sales channels and Parex's expertise in the facade and tile setting business will allow Sika to participate in these growing and attractive market fields.

FINANCIAL PARAMETERS

Annual synergies are expected to be in the range of CHF 80 – 100 million. Purchase price represents a 11.3x EV / pro forma EBITDA 19E multiple which will come down to less than 8.5x EV/EBITDA, including full run-rate synergies. The acquisition is value enhancing to Sika shareholders and is expected to be accretive to Sika's earnings per share from the first full year post closing.

The financing of the transaction is secured by a bridge loan facility committed by UBS and Citi. Sika remains committed to maintaining a strong investment grade credit rating and intends to put in place a long-term funding structure comprising a combination of cash-on-hand, bank loans, and capital market instruments.

The acquisition is implemented in various steps. The completion of the transaction is subject to French works council consultation process and regulatory approvals and is expected in Q2/Q3 2019.

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Analysts' and media conference today, January 8, 2019 at 9:30 a.m. (CET)

Today at 9.30 a.m. an analysts' and media conference will take place.

The following persons will present:

Paul Schuler, Chief Executive Officer
Adrian Widmer, Chief Financial Officer

Location: Sika premises, Tüffenwies 16, 8048 Zurich (Altstetten)

The conference will be transmitted live on the Sika website.

Link to the live transmission of the conference: www.sika.com/pressconference

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 200 factories. Its more than 19,500 employees generated annual sales of CHF 7.09 billion in 2018.

ABOUT CVC CAPITAL PARTNERS

CVC is a leading private equity and investment advisory firm. Founded in 1981, CVC has a network of 24 offices and approximately 450 employees throughout Europe, Asia and the US. In total, CVC currently manages approximately US\$69 billion of assets. Today, CVC Funds are invested in 72 companies worldwide, employing c.200,000 people in numerous countries. Together, these companies have combined annual sales of over US\$150 billion. For further information about CVC please visit: cvc.com