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SIKA AG Zugerstrasse 50
6341 Baar, Switzerland
www.sika.com

CONTACT Dominik Slappnig
Corporate Communications and
Investor Relations
TELEPHONE +41 58 436 68 21
E-MAIL slappnig.dominik@ch.sika.com

SIKA RAISES EBIT TARGET AND GEARS ITS ORGANIZATION TOWARDS CONTINUED SUSTAINABLE GROWTH WITH STRATEGY 2023

At the 2019 Sika Capital Markets Day being held in Zurich today, CEO Paul Schuler presents the new Strategy 2023, which builds on the current successful growth model. This will set the course for an even stronger performance. In addition to a rise in the long-term EBIT target to 15-18%, the main new elements of Strategy 2023 are the introduction of a new Target Market, “Building Finishing”, a focus on operational efficiency, and a targeted, Group-wide emphasis on environmentally friendly products and sustainability.

Paul Schuler, CEO: “We are convinced that Strategy 2023 will enable us to raise Sika to the next level and to continue on the growth trajectory we have successfully pursued for many years. With our newly established eighth Target Market “Building Finishing” we will be bundling our range of services and skills in the mortar technology field, thus focusing on the potential in this market. Increased focus on raising operational efficiency will help us improve our operating costs by 0.5 percentage points per year. On top of that, we want to make our product innovations even more sustainable while at the same time boosting product performance.”

The Sika growth model is synonymous with long-term success and profitable growth. By targeting the six pillars of market penetration, innovation, operational efficiency, acquisitions, strong corporate values, and sustainability, Sika plans to grow by 6-8% a year up to 2023. At the same time, it is aiming for a higher EBIT margin of 15-18%, instead of today’s 14-16%.

The company’s innovative power will increasingly be channeled into sustainable product development. New products will create clear added value for customers as well as being even more sustainable. 25% of sales will be generated by products that are less than five years old.

An important driver for margin improvement will be increased operational efficiency. 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.

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Sustainability is a key value and a central element of Sika's corporate management. Already today, Sika offers its customers a range of environmentally friendly product technologies, for instance for energy-efficient construction and environmentally friendly vehicles. In future, Sika products will not only deliver better performance but will feature enhanced environmental benefits as well. Furthermore, Sika has set itself ambitious goals to reduce its annual energy and water consumption, as well as its waste output. With its newly defined sustainability targets, Sika will minimize resource consumption and the environmental impact of its production process. Sika's overriding goal is to reduce CO₂ emissions per ton manufactured by 12% until 2023.

The successful implementation of Strategy 2023, with its sustainable and profitable growth and innovative solutions for products in all Target Markets, will secure Sika's future. It will generate added value for all stakeholders, customers, and employees.

For more information on the Strategy 2023 and the Capital Markets Day 2019 please visit www.sika.com/capital-markets-day

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 some 24,000 people and is forecasting sales of over CHF 8 billion for fiscal 2019.