



DATE October 3, 2023
PAGE 1 / 3
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Ad Hoc Announcement Pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

“BEYOND THE EXPECTED”: SIKA LAUNCHES NEW GROWTH STRATEGY 2028 WITH MORE AMBITIOUS TARGETS

At today’s Capital Markets Day in Zurich, Sika presents its new Strategy 2028, “Beyond the Expected”, which builds on the company’s successful growth model. The roadmap leverages on Sika’s strong market position and innovation power and sets the course for an even stronger performance in the years to come. The annual growth target will be lifted to 6-9% in local currencies and profitability target will be increased to an EBITDA margin of 20-23%. The new growth strategy is based on the four pillars market penetration, innovation & sustainability, acquisitions, as well as people & culture and includes a balanced set of financial and non-financial targets. Furthermore, Sika reports a strong sales growth year to date (January to August 2023) of +12.2%.

Thomas Hasler, CEO: “Beyond the Expected – that’s what Sika stands for both now and in the future. We have a proven track-record of delivering outstanding performance and additional value for all our stakeholders. With our new Strategy 2028 we are perfectly positioned to continue our successful path of sustainable profitable growth. Our ambitions for the next years build upon our strengths – our deeply rooted values, our performance-oriented culture and particularly the dedicated Sika teams around the globe. With this new strategy we want to inspire and motivate our people to help drive the transformation towards a more sustainable future, to the benefit of our customers and generations to come.”

MORE AMBITIOUS FINANCIAL TARGETS

With the new strategy, Sika once again sets a higher mid-term guidance for growth and profitability.

On **growth**, the company intends to boost sales by 6-9% per year (target until 2023 was 6-8%) in local currencies until 2028, despite a volatile short term market environment. Sika has perfectly

MEDIA RELEASE

DATE October 3, 2023
PAGE 2 / 4

positioned itself to benefit from megatrends such as an increasing world population, urbanization, resource scarcity, digitalization, and climate change. These megatrends drive customer demand for efficient and sustainable solutions.

Profitability will be increased to 20-23% EBITDA margin (close to 19% in 2022), mainly by enhanced leverage, operational efficiency, and improving material margins. To further underline the importance of acquisitions for the Group, Sika has changed to EBITDA as the key performance indicator in the new strategy. The reason being that it excludes distortion from intangible asset amortization, and thus gives a more concise picture of the actual local business performance.

In addition, Sika maintains its objective of an **operating free cashflow above 10% of net sales**. It will continue to strive for a **return on capital employed of 20-25%**.

FOCUS ON SUSTAINABILITY AND HIGH EMPLOYEE ENGAGEMENT

Sika's sustainability roadmap is a cornerstone of its new growth strategy. Sika's products and services make buildings, infrastructure, and vehicles more energy efficient, extend their life span, contribute to circularity, and help reduce CO₂ emissions. At the same time, by 2028, Sika aims to **reduce absolute scope 1 and 2 emissions** – its own greenhouse gas emissions – **by 20%** compared to 2022. Sika also strives to decrease emissions through its value chain – scope 3 – in line with its net-zero-pledge by 2050. In addition, the company is committed to save **natural resources** and **reduce the waste volumes** disposed and **the water discharged** per ton sold **by 15%** until 2028 compared to the base year 2023.

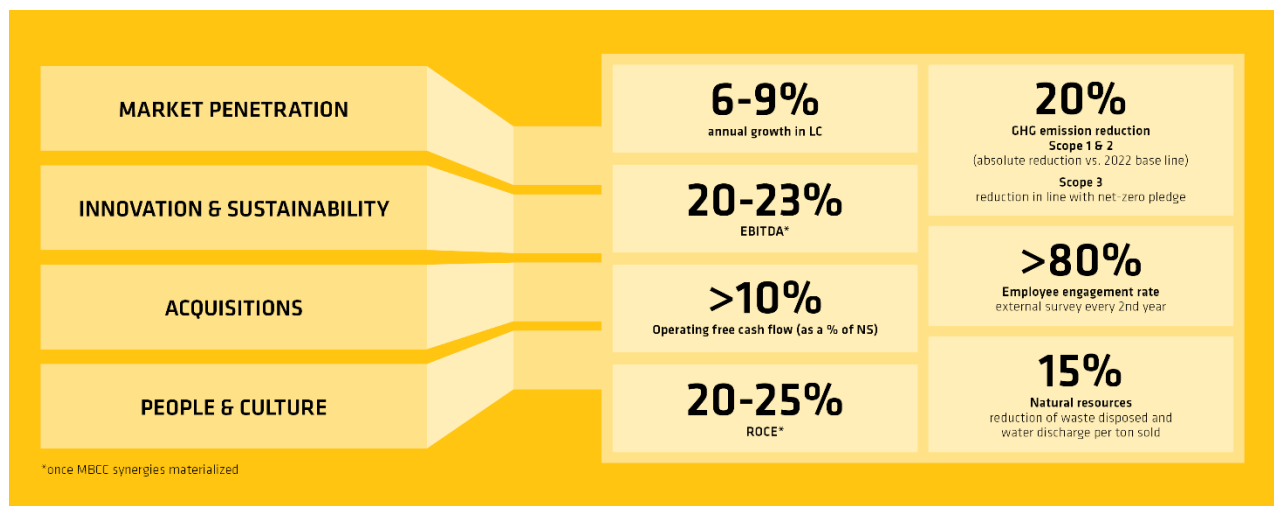
Sika's employees are its most valuable asset. Through effective leadership, the company aims to maintain its exceptional **employee engagement** rate **above 80%**. This will be measured using the results of a company-wide survey that will be conducted every two years by an independent external provider.

MEDIA RELEASE

DATE October 3, 2023
PAGE 3 / 4

CHANGES IN SEGMENT REPORTING

To align the company’s organization with the new Strategy 2028, Sika has decided on organizational changes. Firstly, as previously announced, there has been a rotation in responsibility in Group Management. Secondly, the regional organization has been adapted. Automotive and Industry have been combined on a regional level to gain maximum momentum in a dynamic environment, increasingly dominated by solutions for e-mobility and renewables. The region Global Business will merge with the Target Market Industry and form a dedicated Area Automotive & Industry in each geographic region, effective from January 1, 2024.



The new Strategy 2028 - “Beyond the Expected” builds on four pillars and sets ambitious targets.

For more information on the Strategy 2028 and the Capital Markets Day 2023, please visit www.sika.com/Strategy 2028 Beyond the Expected www.sika.com/capital-markets-day

SIKA CORPORATE PROFILE

Sika is a specialty chemicals company with a globally 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 102 countries, manufactures in over 400 factories, and develops innovative technologies for customers around the

MEDIA RELEASE

DATE October 3, 2023
PAGE 4 / 4

world that facilitate the sustainable transformation of the construction and transportation industries. With more than 33,000 employees, the company generated annual sales of CHF 10.5 billion in 2022.