



DATE January 11, 2022
PAGES 1 / 5
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Ad Hoc Announcement Pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

SIKA POSTS RECORD SALES FOR 2021 – GROWTH OF 17.1%

- **Sales increase of 17.1% in local currencies – 2021 sales at CHF 9.24 billion (+17.3% in CHF)**
- **Additional growth platforms created through seven acquisitions: Kreps (Russia), DriTac (USA), BR Massa (Brazil), Hamatite (Japan), American Hydrotech (USA), Bexel (Mexico), and Landun (China)**
- **Signing of MBCC Group takeover agreement – closing planned for second half of 2022**
- **Expansion of production sites in Stockholm (Sweden) and Doha (Qatar), commissioning of new production sites in Jiaxing City (China) and Pune (India), establishment of a new national subsidiary in Ghana**
- **Over-proportional increase in EBIT and EBIT margin of 15% anticipated for 2021**
- **Confirmation of 2023 strategic targets for sustainable, profitable growth**

Sika performed well in a challenging environment in 2021, once again demonstrating the strengths of its business model. Despite the persistent COVID-19 pandemic and bottlenecks in the procurement of raw materials, sales rose significantly to a record CHF 9.24 billion, corresponding to growth of 17.1% in local currencies. The currency effect came to 0.2%. The acquisition effect was 2.0%, and organic growth amounted to 15.1%. Compared with the same period in 2019, the organic gain was 11.9%.

Thomas Hasler, Chief Executive Officer: “2021 was expected to be a challenging year and it proved to be a very successful one for Sika. We are benefiting from a number of growth platforms and are in an ideal position to achieve long-term success. Thanks to our innovative technologies, we are the partner of choice for many customers in the construction and industrial sectors. We have solutions in place for all the development stages of construction markets, and government supported investment programs running into the billions will provide further impetus for our business. In addition, we are making targeted use of the megatrends that drive

MEDIA RELEASE

DATE January 11, 2022
PAGE 2 / 5

our key markets. There is huge demand for sustainable solutions. Our products and services enable our customers to reach their ambitious sustainability goals.”

UPDATE ON MBCC ACQUISITION

In November 2021, Sika signed a binding agreement to acquire MBCC Group (the former BASF Construction Chemicals). With sales of CHF 2.9 billion, MBCC Group is a leading supplier of construction chemicals worldwide. This acquisition will complement and broaden Sika’s product and solutions offering in four of five core technologies and seven of eight Sika Target Markets, while further strengthening the company’s geographic footprint. This transaction will give rise to a major player supporting greater sustainability.

The market for construction chemical products and solutions is set to grow to around CHF 80 billion by 2023 and, as it is heavily fragmented, will continue to offer substantial growth opportunities even after Sika's acquisition of MBCC. MBCC generates around 53% of its sales in the construction systems sector and the remaining 47% in the concrete admixtures segment. The acquisition is subject to regulatory approval. Sika is confident it will obtain all required approvals in a timely manner and will work closely with the authorities. The closing of the acquisition is targeted for the second half of 2022.

MARKET SHARE GAINS IN ALL REGIONS IN 2021

In an environment characterized by a number of temporary lockdowns, Sika grew more strongly than the market in all regions in 2021. Distribution business also posted significant gains in all regions.

The **EMEA region** (Europe, Middle East, Africa) reported a sales increase in local currencies of 16.1% (previous year: 4.4%). As in 2020, growth in distribution and refurbishment business outstripped growth in the other business segments. Nearly all countries in the region achieved double-digit growth rates. The countries in the Middle East, along with Eastern Europe including Russia, the UK, as well as the countries in Africa benefited from a boost in growth. In general, purchases of Sika product solutions via e-commerce platforms saw an above-average increase.

MEDIA RELEASE

DATE January 11, 2022
PAGE 3 / 5

In the period under review, Sika acquired Kreps LLC, a leading manufacturer of mortar products in Russia, thereby further expanding both its existing product portfolio and its geographic presence.

The **Americas region** recorded growth in local currencies of 21.0% (previous year: 1.0%). In the USA, Sika gained substantial momentum. Growth was driven primarily by large-scale refurbishment projects and new-build projects in the area of distribution and data centers. Strong growth rates were achieved in particular in Mexico, Colombia, Brazil, Peru, and Chile. In the Americas region the strategic focus of business activities on big cities and metropolitan areas again paid off, as did the concentration on major infrastructure projects and the targeted realization of cross-selling potential.

In the period under review, Sika acquired DriTac, a US-based company with a strong market position in the area of wood floor bonding. In addition, a manufacturer of mortar products in Brazil was brought into the Sika Group in the form of BR Massa. Thanks to this acquisition, Sika improved its position in one of the leading economic regions of Brazil, as well as expanding its production capacity.

In July, the company acquired American Hydrotech Inc. in the USA and its Canadian subsidiary Hydrotech Membrane Corporation. Hydrotech is an established manufacturer of liquid membranes and offers comprehensive solutions for roofing and waterproofing. It is the clear market leader in North America in the rapidly growing green roof systems segment.

Furthermore, Sika acquired the family-run company Bexel Internacional S.A. de C.V., a leading manufacturer of tile adhesives and stuccos in Mexico. With this acquisition, Sika is expanding its position in the rapidly growing Mexican market for mortar products and is significantly increasing its production capacity with five strategically positioned production facilities.

Sales in local currencies in the **Asia/Pacific region** increased by 19.4% (previous year: 12.6%). Last year, China in particular benefited from the ongoing strong growth momentum with double-digit organic growth rates and successfully expanded its infrastructure and distribution business. India continued to see a dynamic development, while the countries in Southeast Asia

MEDIA RELEASE

DATE January 11, 2022
PAGE 4 / 5

recovered slowly from the severe lockdowns in the last quarter of the year. The trend in Japan remains challenging. Investment activity in the country's construction market is still subdued.

During the period under review, Sika acquired Hamatite, the adhesives division of Yokohama Rubber Co., Ltd. Hamatite is a market leader in Japan, offering adhesives and sealants for the automotive and construction industries. The acquisition significantly improves Sika's position in the Japanese market, giving it more comprehensive access to all major Japanese automotive manufacturers and a broader range of sealants and adhesives for the Japanese construction sector.

In China, Sika acquired Shenzhen Landun Holding Co., Ltd., a manufacturer of a comprehensive range of waterproofing products and technologies. The company operates two state-of-the-art production facilities that manufacture a full range of membranes and coatings for various waterproofing applications, mainly supplying infrastructure and commercial projects.

In the **Global Business segment**, Sika achieved growth in local currencies of 4.3% (previous year: -11.4%). Over the past financial year, the automotive industry experienced major bottlenecks in the electronic components supply chain. Whereas forecasts at the beginning of the year predicted a strong recovery in the volume of new vehicles manufactured compared with the previous year, there was in fact a sharp decline in the second half owing to the lack of availability of semiconductors. Nevertheless, Sika anticipates continued growth stimuli from the megatrends evident in modern automotive production: electromobility and lightweight construction. In particular, the transition from traditional drive systems to electromobility gained pace during the pandemic and is benefiting from various government support programs in a number of countries.

OUTLOOK

Sika is confirming its 2023 strategic targets. The company's focus remains on long-term success and profitable growth. With its focus on the six strategic pillars – market penetration, innovation, operational efficiency, acquisitions, strong corporate values, and sustainability – Sika is seeking to grow by 6%–8% a year in local currencies up to 2023. As of 2021, the company is aiming for a higher EBIT margin of 15%–18%. Projects in the areas of operations, logistics, procurement, and product formulation should result in an annual improvement in operating costs equivalent to 0.5% of sales.

MEDIA RELEASE

DATE January 11, 2022
PAGE 5 / 5

For the 2021 fiscal year, Sika is anticipating an over-proportional increase in EBIT and an EBIT margin of 15%.

FINANCIAL CALENDAR

Extraordinary General Meeting	Tuesday, January 25, 2022
Media conference/analyst presentation on 2021 full-year results	Friday, February 18, 2022
Net sales first quarter 2022	Tuesday, April 12, 2022
54th Annual General Meeting	Tuesday, April 12, 2022
Half-Year Report 2022	Friday, July 22, 2022
Results first nine months 2022	Friday, October 21, 2022
Net sales 2022	Wednesday, January 11, 2023

SIKA AG 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. Its 25,000 employees generated annual sales of CHF 9.24 billion in 2021.