



DATE April 20, 2021
PAGE 1 / 5
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DYNAMIC GROWTH – NEW SALES RECORD IN FIRST QUARTER – ANNUAL TARGET RAISED

- Sales increase of 12.6% in local currencies
- Q1 sales of CHF 1,998.6 million (+10.2% in CHF)
- Negative currency effect of –2.4%
- Acquisition of Kreps (Russia), DriTac (USA), and BR Massa (Brazil)
- Outlook for 2021 fiscal year
 - Double-digit sales growth in local currencies (previously: local currency growth of 6%–8%)
 - Over-proportional increase in EBIT, EBIT margin to reach 15% for the first time
- Confirmation of 2023 strategic targets for sustainable, profitable growth

Despite the ongoing COVID-19 pandemic, Sika has had a dynamic start to the 2021 fiscal year, continuing its growth trajectory in the first quarter with a new sales record of CHF 1,998.6 million. This equates to an increase of 12.6% in local currencies. Sales growth in Swiss francs amounted to 10.2%, which includes a negative currency effect of –2.4%. The acquisition effect was 1.5%. Organic growth in the first quarter amounted to 11.1%.

Paul Schuler, Chief Executive Officer: “As the new year got underway, we were able to seamlessly build on our strong performance in the fourth quarter of last year. We made targeted use of our growth momentum and further expanded market shares in the majority of our markets. Both in the project business and the distribution business, we are benefiting from strong customer demand for our high-quality, innovative, and sustainable solutions. These not only help our customers master their projects and challenges, but also contribute to greater sustainability in the construction sector and to environmentally-friendly mobility. The COVID-19 pandemic will be with us in 2021 too. After a year’s experience of doing business in this environment, it is clear that we are on the right course with the implementation of numerous digital initiatives and are

MEDIA RELEASE

DATE April 20, 2021
PAGE 2 / 5

benefiting from the added value these provide, as well as from the strength of our customer relationships.”

GROWTH IN ALL REGIONS – DOUBLE-DIGIT GROWTH IN EMEA AND ASIA/PACIFIC

The first quarter of the 2021 fiscal year remained affected by the COVID-19 pandemic, and by logistical challenges in particular. Thanks to its strong market position and the rapid, targeted implementation of growth initiatives, Sika was able to achieve record results in all regions.

In the first quarter of 2021, the EMEA region recorded a sales increase in local currency of 13.2% (previous year: 13.3%). Business developed well in Germany, Austria, and Switzerland (the “DACH” area), the Nordic countries, Eastern Europe, and the Middle East. A boost in growth was witnessed in the countries of southern Europe, with Italy, France, and the UK, as well as in Africa.

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 geographical presence in this market.

The Americas region recorded growth in local currencies of 6.2% (previous year: 23.0%). In the Americas region, Sika saw a clear uptrend, despite the high COVID-19 infection rates recorded in Mexico, Brazil, and the USA. While many large urban centers in North America continue to be affected by the pandemic and construction projects are being delayed, the situation in Latin America has improved markedly.

In the first quarter of 2021, Sika acquired the flooring adhesives business segment of DriTac, a US-based company with a particularly strong market position in the area of adhesive bonding for flooring systems. Furthermore, BR Massa, a manufacturer of mortar products in Brazil was brought into the Sika Group. Thanks to this acquisition, Sika will improve its position in one of the leading economic regions of Brazil, as well as expanding its production capacity.

Sales in local currencies in the Asia/Pacific region increased by 25.8% (previous year: 29.8%), with China in particular enjoying yet another surge in growth momentum with double-digit organic growth rates. Australia and India were also able to contribute to the positive business development of this region. By contrast, the countries of the Southeast Asia region have been recovering only slowly from the far-reaching effects of the pandemic.

MEDIA RELEASE

DATE April 20, 2021
PAGE 3 / 5

In the Global Business segment, Sika achieved growth in local currencies of 2.7% (previous year: –7.1%). In the first quarter of the current financial year, the automotive industry experienced major bottlenecks in the electronic parts supply chain. Not until March were vehicle production rates once again rising significantly in all regions. For the year 2021, the automotive industry is expected to grow by 10%. Sika is expecting long-term growth stimuli from the megatrends evident in modern automotive construction, which will continue to be dominated by electromobility and lightweight construction.

CONTINUATION OF SUCCESSFUL GROWTH STRATEGY – ANNUAL TARGET RAISED

Despite the coronavirus crisis and its repercussions for operating results, Sika is confirming its 2023 strategic targets. The company is still clearly aligned for 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. From 2021, the company is aiming to increase its EBIT margin to 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.

For the 2021 fiscal year, Sika is expecting double-digit sales growth in local currencies (previously: sales growth in local currencies of 6%–8%) and an over-proportional increase in EBIT. The EBIT margin should for the first time reach 15%.

LIVE INTERNET BROADCAST OF THE ANNUAL GENERAL MEETING

The Annual General Meeting of Sika AG will take place at 4 p.m. today, and will be broadcast live. In accordance with the Federal Council's Ordinance to combat coronavirus, it is once again not possible for shareholders to attend the Annual General Meeting in person. Instead, they can cast their vote through the independent proxy. Sika is also giving all its shareholders the opportunity to directly ask questions verbally during the meeting via an online platform. As part of the Annual General Meeting, Chief Executive Officer Paul Schuler will comment on business development in the first quarter of 2021 as well as the outlook.

MEDIA RELEASE

DATE April 20, 2021

PAGE 4 / 5

NET SALES IN THE FIRST THREE MONTHS OF 2021

	1.1.2020 - 31.3.2020	1.1.2021 - 31.3.2021	Year-on-year change (+/- in %)				
In CHF mn			In CHF	In local currencies ¹	Currency effect	Acquisition effect ²	Organic growth ³
By region ⁴							
EMEA	810.7	914.7	12.8	13.1	-0.3	3.5	9.6
Americas	485.7	481.0	-1.0	6.2	-7.2	0.0	6.2
Asia/Pacific	338.2	422.8	25.0	25.8	-0.8	0.0	25.8
Global Business	179.0	179.1	0.1	2.7	-2.6	0.0	2.7
Net sales	1,813.6	1,997.6	10.1	12.6	-2.5	1.5	11.1
Products for the construction industry	1,428.9	1,591.8	11.4	13.9	-2.5	2.0	11.9
Products for industrial manufacturing	384.7	405.8	5.5	7.8	-2.3	0.0	7.8

1 Growth in local currencies including acquisitions.

2 Share of sales of acquired companies not including post-combination growth. The sales growth of the acquired companies since initial consolidation is included in organic growth.

3 Growth adjusted for acquisition and currency effect. The sales growth of the acquired companies since initial consolidation is included in organic growth.

4 The Advanced Resin business has been reallocated from the Global Business segment to the geographical regions.
[Link](#) to restated 2020 figures.

FINANCIAL CALENDAR

Half-Year Report 2021

Thursday, July 22, 2021

Results first nine months 2021

Friday, October 22, 2021

Net sales 2021

Tuesday, January 11, 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

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MEDIA RELEASE

DATE April 20, 2021
PAGE 5 / 5

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 100 countries around the world and manufactures in over 300 factories. Its 25,000 employees generated annual sales of CHF 7.88 billion in 2020.