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

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

RECORD SALES WITH GROWTH IN ALL REGIONS

- **5.6% increase in sales in local currencies to CHF 5.75 billion for 2016**
- **Growth in all regions**
- **9 new factories and 4 national subsidiaries opened**
- **Disproportionately high increase in profit expected for full year**

2016 saw sales climb by 5.6% in local currencies to the equivalent of CHF 5.75 billion. Investments in new factories and national subsidiaries, as well as market launches of new products, contributed to the broad-based organic growth of 4.7%. A record profit is expected for business year 2016.

Total sales for 2016 rose by 5.6% to the equivalent of CHF 5.75 billion. Due to the strong figures from the previous year and shifts in demand, growth in the markets during the fourth quarter of 2016 fell just short of the expectations. All regions managed to lift turnover and gain further market share. Strong above-average growth rates were recorded in the USA, Mexico, the UK, Africa, Southeast Asia and Australia, as well as in the automotive business area.

Jan Jenisch, CEO: "We continued to successfully implement our growth strategy and achieved an increase in sales of over 5% in the business year 2016. We also expect record figures for operating profit and net profit. With investments in nine new factories, four additional national subsidiaries and four acquisitions, we have established the basis for future growth. These 17 key investments, together with our pipeline of new products and our strong sales organization, allow us to look with much confidence to the future. Our thanks go to our global management team and our more than 17,000 employees whose expertise and dedication – in the face of sometimes challenging conditions in some markets – have again generated record sales."

GROWTH IN ALL REGIONS

Sales in the region EMEA (Europe, Middle East, Africa) rose by 4.8% in local currencies. In the core markets of Germany, France, Spain and Italy good growth rates were recorded. Strong above-average growth was achieved in the UK, Russia, Eastern Europe and Africa. Sika has 18 national subsidiaries and 15 production sites on the African continent, and continues to expand

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its presence. New national subsidiaries were established in Kuwait, Cameroon and Djibouti. A new concrete admixture production plant was opened in the Ethiopian capital Addis Ababa and a mortar factory in Kryoneri, near Athens.

Sales in the region North America rose by 7.8% in local currency. The main growth drivers here are the accelerated expansion of the supply chain and the investments in the sales force in fast-growing metropolitan areas. Three acquisitions in attractive market segments will generate momentum for future growth. The Group was joined by L.M. Scofield, a market leader in color additives for ready-mix concrete, and FRC Industries, a manufacturer of fibers for concrete. The acquisition of Rmax enables the expansion of the portfolio for building envelope, wall- and roofing insulation technologies.

The region Latin America recorded a 5.0% sales increase in local currencies. Mexico, Argentina and Chile all developed strongly. By contrast, the continuing economic crisis in Brazil and a significant fall in the value of some local currencies led to a downturn in business activity. Investments in the region include a new mortar products factory in Guayaquil, Ecuador, an automotive factory for adhesives and acoustics solutions in Sao Paulo, Brazil, and the establishment of a new national subsidiary in Nicaragua.

The region Asia/Pacific recorded growth of 3.6%. The dynamic performance of the markets in Southeast Asia and the Pacific area led to strong sales gains. China achieved positive growth figures in the second half of the year. Investments in the region include the acquisition of Ronacrete Ltd., a leading mortar producer in Hong Kong, and the opening of a new factory in Perth on the west coast of Australia. A second factory for mortar and concrete admixtures was commissioned in Saraburi, Thailand. First factories were opened in both Phnom Penh, Cambodia and Yangon, Myanmar.

OUTLOOK

An above-average profit increase resulting in an operating profit (EBIT) between CHF 780 and 800 million is expected for business year 2016.

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In the business year 2017 Sika continues to pursue its growth strategy and targets a 6-8% rise in sales to reach CHF 6 billion for the first time, along with a disproportionately high increase in profit, the opening of 6 to 8 new factories and 3 to 4 national subsidiaries.

With investments in nine new factories, four additional national subsidiaries and four acquisitions, the basis for future growth has been established. These 17 key investments, together with the pipeline of new products and the strong sales organization, allow the Group to look with much confidence to the future.

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 protection in the building sector and automotive industry. Sika has subsidiaries in 97 countries around the world and manufactures in over 190 factories. Its more than 17,000 employees generated annual sales of CHF 5.75 billion in 2016.