

SIKA
HALF-YEAR REPORT

2024

HALF-YEAR RESULTS AT A GLANCE

NET SALES UP IN
LOCAL CURRENCIES BY

+12.8%

RECORD FIRST-HALF-YEAR
SALES AT CHF MN

5,834.8

EXPANSION OF MATERIAL
MARGIN TO

55.1%

INCREASE IN EBITDA
MARGIN TO

18.7%

OPERATING FREE CASH FLOW
INCREASED TO RECORD OF CHF MN

401.3

RECORD FIRST-HALF-YEAR
EBITDA AT CHF MN

1,092.9

ACQUISITION OF
KWIK BOND

NEW PLANTS IN
PERU AND CHINA

HIGH EMPLOYEE ENGAGEMENT
RATE OF

86%

SIKA'S NEAR-AND LONG-TERM
NET-ZERO TARGETS

SBTi VALIDATED

SIKA GROUP

Key figures

in CHF mn	1/1/2023 – 6/30/2023		1/1/2024 – 6/30/2024	
		as % of net sales		as % of net sales
Net sales	5,345.5		5,834.8	
Gross result	2,817.0	52.7	3,217.6	55.1
Operating profit before depreciation (EBITDA)	881.1	16.5	1,092.9	18.7
Operating profit (EBIT)	660.4	12.4	822.2	14.1
Net profit	411.9	7.7	577.1	9.9
Operating free cash flow	322.5	6.0	401.3	6.9
Capital expenditures	121.4	2.3	158.2	2.7
Balance sheet total ¹	15,049.2		16,134.4	
Shareholders' equity ¹	5,933.2		6,425.2	
Equity ratio in % ^{1, 2}	39.4		39.8	
Return on capital employed (ROCE) in % ³	13.6		13.4	
Basic earnings per share (EPS) in CHF	2.67		3.59	
Diluted earnings per share (EPS) in CHF	2.59		3.59	
New patents	46		72	
Acquisitions	1		1	
Employees				
Number of employees ¹	33,547		33,998	

1 As of December 31, 2023 / June 30, 2024.

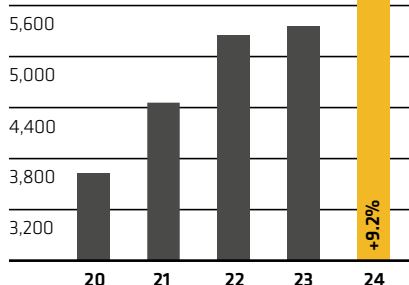
2 Shareholders' equity divided by balance sheet total.

3 Capital employed = current assets, PPE, intangible assets less cash and cash equivalents, current securities, current liabilities (excluding bank loans and bonds).

NET SALES (consolidated)

in CHF mn Growth in % in local currencies

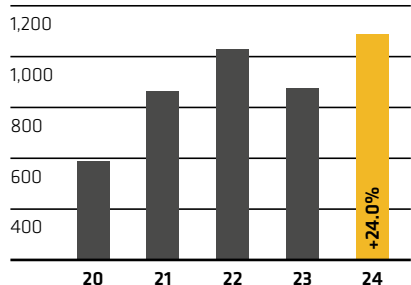
6,200 +2.9% +23.5% +19.5% +7.9% +12.8%



EBITDA

in CHF mn in % of net sales

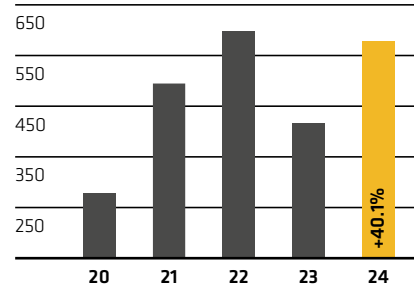
1,400 16.4% 19.5% 19.7% 16.5% 18.7%



NET PROFIT

in CHF mn in % of net sales

750 7.6% 11.1% 11.4% 7.7% 9.9%



INVESTOR INFORMATION

	6/30/2023	6/30/2024
Number of registered shares with a nominal value of CHF 0.01	154,061,808	160,479,293
Registered share price as of June 30 (CHF)	255.70	257.20
Market capitalization as of June 30 (CHF mn)	39,394	41,275

LETTER TO STAKEHOLDERS

Record results in first half of the year – further expansion of market share - sales increase in local currencies of 12.8% – Outlook for 2024 confirmed

Dear Stakeholder,

Sika successfully expanded its business activities in the first half of 2024, and achieved record results despite challenging market conditions. Strong growth rates and the targeted expansion of market share resulted in new record sales of CHF 5,834.8 million (previous year: CHF 5,345.5 million). This corresponds to an increase of 12.8% in local currencies. Sales growth in Swiss francs reached 9.2%, including a negative currency effect of -3.6%, which subsided in the second quarter. At profitability level, Sika substantially expanded its EBITDA margin to 18.7% (previous year: 16.5%).

With its good operating result in the first half of 2024, Sika has shown that the company is in an excellent position to gain market share even in challenging markets. The integration of the MBCC acquisition is progressing very well and is contributing significantly to the strong half-year results. Furthermore, Sika's near-and long-term emissions reduction targets, aiming for net-zero emissions by 2050, have been validated by the Science Based Targets initiative (SBTi). This important achievement underscores Sika's commitment to sustainability and its proactive role in decarbonizing the construction and automotive industries.

SALES GROWTH IN LOCAL CURRENCIES

+12.8%

Sika has also reached an important milestone of the Strategy 2028. In a global employee survey, which was conducted in the first half of the year, the company achieved an engagement rate of 86%, significantly exceeding our target of 80%. Sika has a strong corporate culture, and can count on its employees' deep sense of identification with the company. Thanks to all employees, Sika once again achieved strong results in the first half of 2024.

MARKED INCREASE IN EBITDA

Sika posted a material margin of 55.1% in the first half of the year (previous year: 52.7%). This improvement, together with efficiency increases and synergies from the MBCC acquisition, has led to a marked increase in the EBITDA margin of 18.7% (previous year: 16.5%), despite inflationary cost dynamics in some areas. Operating profit before depreci-

ation and amortization (EBITDA) reached a new record high of CHF 1,092.9 million in the first half of the year. With a clear focus on cash generation, Sika achieved an all-time high for its operating free cash flow of CHF 401.3 million (previous year: CHF 322.5 million).

GROWTH AND MARKET SHARE GAINS IN ALL REGIONS

All regions successfully stood their ground and contributed to Sika's growth and the expansion of business activities. The company continued to grow organically in the first half of the year, further increasing market share.

In the first half of 2024, the EMEA region (Europe, Middle East, and Africa) recorded an increase in sales in local currencies of 13.5% (previous year: 4.1%). An increase in price stability, robust employment figures, stabilized purchasing power due to the recovery in real wages, and lower trending interest rates are pointing towards an economic recovery in the region.

The positive trend towards more infrastructure and commercial construction projects continued in the first half of the current fiscal year. Sika also achieved growth in the distribution business. At local level, the countries in the Middle East, Africa, and Eastern Europe generated further growth. In the EMEA region, Germany, one of the most important markets in construction, showed initial growth momentum. By contrast, the automotive and industry business recorded a subdued first half of the year owing to declining production figures for new vehicles.

The Americas region achieved a 15.1% increase in sales in local currencies in the reporting period (previous year: 12.0%). The USA in particular has been posting continuous economic growth this year. Factors supporting the positive trend were state-funded infrastructure projects and projects realized in the context of the reshoring of production facilities to the USA. Latin America also contributed to the positive trend in the region with modest growth. In the automotive business, Sika managed to achieve a slight increase in sales. Compared with the reference period in the previous year, the company further increased its content per car.

Sika successfully acquired Kwik Bond, a manufacturer of polymer systems for the refurbishment of concrete infrastructures in the USA. For over 30 years, Kwik Bond has specialized in the refurbishment of bridge decks. With this acquisition, Sika has expanded its portfolio of high-value-added systems for the refurbishment of concrete structures.

In Lima, Peru, Sika commissioned a state-of-the-art plant to produce synthetic macro fibers for concrete components. With this innovative technology, the company is further strengthening its position as a leading supplier to the mining industry and strong partner for infrastructure projects.

The Asia/Pacific region increased sales by 8.0% (previous year: 9.9%). In China, Sika achieved moderate growth in its distribution business despite declining markets, while project business experienced a clear decline. Southeast Asia, by contrast, has gained growth momentum over the course of the year with high single-digit growth. In the automotive sector, Sika expanded its content per car with local and international automotive manufacturers in China and India.

NET SALES FIRST-HALF-YEAR IN CHF MN

5,834.8

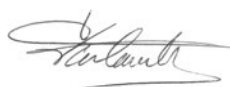
In the first half of the year, the company opened a new plant in Liaoning, the largest province in Northeast China. The ultra-efficient factory, which produces mortars, tile adhesives, and waterproofing solutions, will allow Sika to meet future growing market demand. At the same time, it will shorten distances and optimize logistics operations.

OUTLOOK FOR 2024

Sika is confident that it will be able to successfully continue to implement its strategy built on sustainable and profitable growth in a recovering economic environment in 2024. Its around 34,000 dedicated employees worldwide, who strongly identify with the company objectives, are making an important contribution. The employees play a key role in supporting Sika, as an innovative leader in its core markets, to drive change in the construction and industry sectors towards automation, digitalization, and sustainability. Construction professionals, building owners, industrial companies, and other stakeholders around the globe rely on the first-class quality of Sika's innovative solutions, their contribution to decarbonization, and ease of use.

For 2024, Sika expects sales growth in local currencies of 6-9% as well as an over-proportional increase in EBITDA.

Sincerely,



THIERRY F.J. VANLANCKER
Chair of the Board



THOMAS HASLER
CEO

REGIONS

Growth and market share gains in all regions

All regions successfully maintained their performance, significantly contributing to Sika's business expansion. In the first half of the year, Sika continued to grow and further expand its market share.

Region EMEA

In the first half of the year, underlying inflationary pressures declined slightly. Several central banks eased monetary policy for the first time in two years. The region's economy showed signs of revival as a result of the increased price stability, robust employment figures, improved purchasing power from recovering wages in real terms, and lower short-term interest rates.

In 2024, the European construction market is projected to decline by 1.8%, while the Middle East and Africa markets are expected to grow by 3.7% and 3.3%, respectively. The economic downturn in Europe continued to affect the residential and retail sectors. However, there was a notable increase in infrastructure investments such as roads, bridges, rail, and wastewater treatment plants.

REGION EMEA SALES GROWTH IN LOCAL CURRENCIES

+13.5%

For Sika, the EMEA region (Europe, Middle East, Africa) reported a sales increase in local currencies of 13.5% (previous year: 4.1%). The countries of the Middle East, Africa, and Eastern Europe recorded strong growth rates, while Italy, Spain, and Portugal also developed positively. Sika benefited from economic subsidy programs and investments, aimed at saving energy in buildings. Business activity in Germany also improved, despite the negative market conditions. Furthermore, the positive trend of increasing infrastructure and commercial construction projects in the EMEA region continued during the period.

The automotive industry faced a decline in vehicle production in the EMEA region, due to lower demand and the relocation of manufacturing to Asia. Furthermore, the sluggish economies in EMEA are negatively impacting car sales, resulting in Sika's automotive sales declining in the first six months of this year.

Region Americas

North America, led by the United States, experienced steady economic growth in the first two quarters of 2024. Central banks in the region, particularly the Federal Reserve, managed to keep inflation in check. Economic activity was fueled by strong consumer spending and a robust labor market. Latin America's economic growth was moderate. Some countries are rebounding, but the overall growth is limited by structural issues, political instability, and external conditions. Inflation remains a major concern.

The US Infrastructure Investment and Jobs Act as well as the Inflation Reduction Act continued to spur a wave of infrastructure projects across the country, including bridges, roads, water systems, and airport upgrades. At the same time, a shift towards "near shoring" in manufacturing is gaining momentum, with major companies building new facilities in the USA and Mexico. In 2024, the construction industry in North America is expected to expand by 1.5%.

REGION AMERICAS SALES GROWTH IN LOCAL CURRENCIES

+15.1%

Sika's Americas region achieved a 15.1% increase in sales in local currencies (previous year: 12.0%). The MBCC acquisition had a significant impact on regional growth. Latin America performed well overall, with Brazil as a strong growth contributor.

In the automotive sector, car build rates in North America were slightly up. Sika was able to increase its sales due to higher content per vehicle.

In the first quarter, Sika acquired Kwik Bond Polymers, LLC (KBP), a manufacturer of polymer systems for the refurbishment of concrete infrastructure. For over 30 years, KBP has focused on the refurbishment of bridge decks and has established an impressive track record in signature projects across the USA. The business perfectly complements Sika's high value-added systems for the refurbishment of concrete structures.

In the second quarter, Sika opened a state-of-the-art plant in Lima, Peru, to produce synthetic macro fibers for concrete components, and is expanding the rollout of a product range with great growth potential in Latin America. With this innovative technology, Sika is further strengthening its position as a leading supplier to the mining industry and a strong partner for infrastructure projects.

Region Asia/Pacific

China's economy initially grew by 5.3% in the first quarter, but due to weak consumer demand, it slowed to 5.1% in the second quarter. This raises expectations for additional government stimulus measures. Meanwhile, India continued to show high levels of activity, supported by strong public and private investment. Southeast Asia maintained its growth momentum, led by the Philippines, Vietnam, and Indonesia, reflecting healthy economic expansion, and increasing investment across the region.

The construction market in Asia/Pacific is forecast to continue its growth in 2024, driven by investment in infrastructure, data centers, semiconductors, and renewable energy. Real estate investment is declining, but at a slower pace, due to the support received from government policies. India's construction market is expected to grow by 7% this year, driven by a focus on infrastructure and manufacturing.

Sika sales in the Asia/Pacific region rose by 8.0% in local currencies (previous year: 9.9%). In the first six months of this year, Sika achieved double-digit sales growth in the refurbishment and concrete business.

In the automotive sector, China accounted for 65% of Asia/Pacific sales and grew mid single-digits.

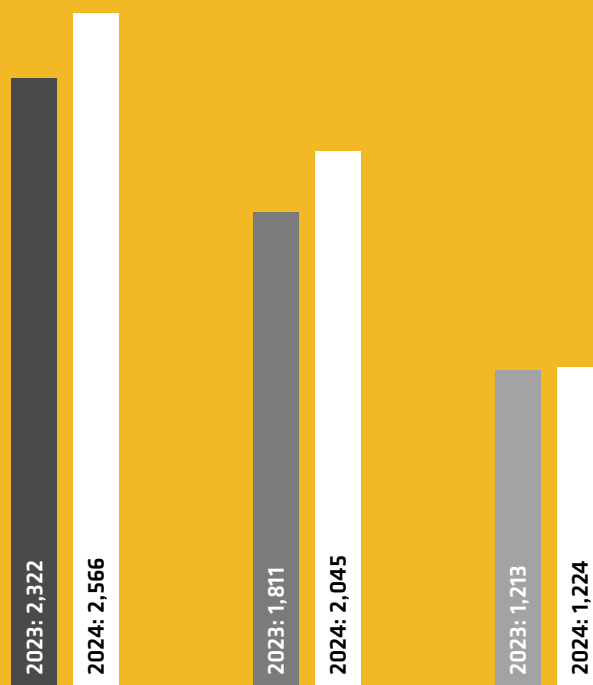
REGION ASIA/PACIFIC SALES GROWTH IN LOCAL CURRENCIES

+8.0%

In the second quarter, Sika opened a new plant in Liaoning, the largest province in northeastern China. This site manufactures a full range of products, including mortars, tile adhesives, and waterproofing solutions. This highly efficient new plant enables Sika to meet the market demands, while significantly reducing logistical distances.

Note: Prior year financial data has been restated to reflect the new regional structure, which now includes the former Global Business segment within each region.

THE REGIONS IN BRIEF



NET SALES IN CHF MN

	EMEA	AMERICAS	ASIA/PACIFIC
Growth in local currencies	13.5%	15.1%	8.0%
Currency impact	-3.0%	-2.2%	-7.0%
Acquisitions effect	13.1%	13.9%	8.3%
Organic growth	0.4%	1.2%	-0.3%
Employees	16,325	8,914	8,759

INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT from January 1 to June 30

in CHF mn	Notes	%	2023	%	2024	Change in %
Net sales	1, 2	100.0	5,345.5	100.0	5,834.8	9.2
Material expenses	3	-47.3	-2,528.5	-44.9	-2,617.2	
Gross result		52.7	2,817.0	55.1	3,217.6	14.2
Personnel expenses	4	-17.8	-952.9	-18.8	-1,097.8	
Other operating expenses	5	-18.4	-983.0	-17.6	-1,026.9	
Operating profit before depreciation (EBITDA)	2	16.5	881.1	18.7	1,092.9	24.0
Depreciation and amortization expenses		-4.0	-216.6	-4.6	-270.7	
Impairment		-0.1	-4.1	0.0	0.0	
Operating profit		12.4	660.4	14.1	822.2	24.5
Interest income		0.4	20.5	0.3	15.4	
Interest expenses	6	-1.2	-63.2	-1.6	-94.8	
Other financial income		0.1	3.6	0.1	4.3	
Other financial expenses	6	-1.1	-55.4	-0.1	-3.0	
Income from associated companies		0.0	0.2	0.0	0.0	
Profit before taxes		10.6	566.1	12.8	744.1	31.4
Income taxes		-2.9	-154.2	-2.9	-167.0	
Net profit		7.7	411.9	9.9	577.1	40.1
Profit attributable to Sika shareholders		7.7	411.1	9.9	575.9	
Profit attributable to non-controlling interests		0.0	0.8	0.0	1.2	
Basic earnings per share (in CHF)			2.67		3.59	34.5
Diluted earnings per share (in CHF)			2.59		3.59	38.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in CHF mn	1/1/2023 – 6/30/2023		1/1/2024 – 6/30/2024		Change in %
	%		%		
Net profit	7.7	411.9	9.9	577.1	40.1
Remeasurements of defined benefit plans	0.0	-0.1	0.2	17.3	
Income tax effect	0.0	0.1	0.0	-2.9	
Items that will not be reclassified to profit or loss	0.0	0.0	0.2	14.4	
Exchange differences taken to equity	-4.6	-247.4	6.3	364.5	
Income tax effect	0.0	0.0	-0.1	-6.7	
Items that may be reclassified subsequently to profit or loss	-4.6	-247.4	6.2	357.8	
Other comprehensive income	-4.6	-247.4	6.4	372.2	
Comprehensive income	3.1	164.5	16.3	949.3	477.1
Attributable to Sika shareholders	3.1	163.6	16.3	947.5	
Attributable to non-controlling interests	0.0	0.9	0.0	1.8	

CONSOLIDATED BALANCE SHEET

in CHF mn	Notes	Restated ¹ 12/31/2023	6/30/2024
Cash and cash equivalents	7	643.9	648.2
Accounts receivable	8	2,013.1	2,401.4
Inventories	9	1,240.7	1,379.6
Prepaid expenses and accrued income		243.8	269.7
Other assets		63.8	65.9
Current assets		4,205.3	4,764.8
Property, plant, and equipment	10	2,257.3	2,395.0
Intangible assets and goodwill	11	8,218.1	8,580.1
Investments in associated companies		19.1	20.3
Deferred tax assets		188.6	185.8
Other assets		160.8	188.4
Non-current assets		10,843.9	11,369.6
ASSETS		15,049.2	16,134.4
Accounts payable	12	1,108.2	1,211.2
Accrued expenses and deferred income		678.2	610.2
Financial liabilities	13	1,217.9	1,091.6
Income tax liabilities		364.5	371.0
Provisions	14	46.3	52.1
Current liabilities		3,415.1	3,336.1
Financial liabilities	13	4,732.0	5,377.6
Provisions	14	201.9	206.9
Deferred tax liabilities		402.7	392.5
Employee benefit obligation		328.6	356.5
Other liabilities		35.7	39.6
Non-current liabilities		5,700.9	6,373.1
LIABILITIES		9,116.0	9,709.2
Capital stock		1.6	1.6
Treasury shares		-11.9	-7.2
Reserves		5,930.7	6,417.4
Equity attributable to Sika shareholders		5,920.4	6,411.8
Non-controlling interests		12.8	13.4
SHAREHOLDERS' EQUITY		5,933.2	6,425.2
LIABILITIES AND SHAREHOLDERS' EQUITY		15,049.2	16,134.4

¹ Restated due to PPA revision, refer to page 16.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF mn	Capital stock	Capital surplus	Treasury shares	Currency translation differences	Retained earnings	Total Sika shareholders' equity	Non-controlling interests	Total equity
January 1, 2023	1.5	1,878.8	-15.1	-1,232.7	4,333.7	4,966.2	0.9	4,967.1
Profit for the period					411.1	411.1	0.8	411.9
Other comprehensive income				-247.5	0.0	-247.5	0.1	-247.4
Comprehensive income	-	-	-	-247.5	411.1	163.6	0.9	164.5
Transactions with treasury shares ¹			8.9		-8.0	0.9		0.9
Share-based payments					5.8	5.8		5.8
Conversion of convertible bonds	-	61.4			-1.4	60.0		60.0
Dividends ²					-492.3	-492.3		-492.3
Inflation adjustment ³					41.2	41.2		41.2
Non-controlling interests from MBCC acquisition ⁴						-	73.8	73.8
Buyout of existing non-controlling interests ⁵					-68.2	-68.2	-25.8	-94.0
June 30, 2023	1.5	1,940.2	-6.2	-1,480.2	4,221.9	4,677.2	49.8	4,727.0
January 1, 2024	1.6	3,143.0	-11.9	-2,038.4	4,826.1	5,920.4	12.8	5,933.2
Profit for the period					575.9	575.9	1.2	577.1
Other comprehensive income				363.9	7.7	371.6	0.6	372.2
Comprehensive income	-	-	-	363.9	583.6	947.5	1.8	949.3
Transactions with treasury shares ¹			4.7		-8.3	-3.6		-3.6
Share-based payments					5.4	5.4		5.4
Dividends ⁶					-264.7	-264.7	-1.2	-265.9
Repayment of reserves from capital contribution ⁷		-264.7				-264.7		-264.7
Inflation adjustment ³					71.5	71.5		71.5
June 30, 2024	1.6	2,878.3	-7.2	-1,674.5	5,213.6	6,411.8	13.4	6,425.2

1 Including income tax of CHF 0.1 mn (CHF 0.1 mn).

2 Dividend per share: CHF 3.20.

3 Hyperinflation accounting relates to the subsidiaries in Argentina and Turkey.

4 Restated due to PPA update, refer to p.16.

5 Complete buyouts of non-controlling interest in MBS Egypt (SAE) and MBS Construction Chemicals Trading Egypt (SAE).

6 Dividend per share: CHF 1.65.

7 Repayment of reserves from capital contribution per share: CHF 1.65.

CONSOLIDATED STATEMENT OF CASH FLOWS

in CHF mn	Notes	Restated ¹ 1/1/2023 – 6/30/2023	1/1/2024 – 6/30/2024
Profit before taxes		566.1	744.1
Depreciation, amortization, and impairment expenses		220.7	270.7
Increase (+)/decrease (-) in provisions/ employee benefit obligations and assets		-0.3	13.7
Increase (-)/decrease (+) net working capital and accruals		-259.4	-403.7
Net interest expenses		42.7	79.4
Non-liquidity-related financial expenses (+)/income (-) as well as cash flow from hedging transactions		16.9	21.4
Other adjustments		39.3	30.2
Income taxes paid		-186.2	-201.3
Cash flow from operating activities		439.8	554.5
Property, plant, and equipment: capital expenditures		-110.5	-147.9
Property, plant, and equipment: disposals		4.1	5.0
Intangible assets: capital expenditures		-10.9	-10.3
Acquisitions less cash and cash equivalents		-3,141.7	-100.2
Acquisition of associated companies		-7.4	0.0
Acquisitions (-)/disposals (+) of financial assets		2.4	-5.9
Interest received		20.7	15.8
Cash flow from investing activities		-3,243.3	-243.5
Increase in financial liabilities		1,424.9	128.4
Repayment of financial liabilities		-1,821.4	-7.6
Issue of bonds	13	2,856.5	399.6
Repayment of a bond	13	0.0	-100.0
Repayment of lease liabilities		-52.2	-68.0
Interest paid		-26.7	-75.4
Purchase of treasury shares		-19.9	-22.1
Sale of treasury shares		19.2	17.3
Dividend payment to shareholders of Sika AG		-492.3	-264.7
Repayment of reserves from capital contribution		0.0	-264.7
Dividend payments to non-controlling interests		0.0	-1.2
Buyout of existing non-controlling interests		-94.0	-51.6
Cash flow from financing activities		1,794.1	-310.0
Exchange differences on cash and cash equivalents		-36.6	3.3
Net change in cash and cash equivalents		-1,046.0	4.3
Cash and cash equivalents at the beginning of the period	7	1,873.3	643.9
Cash and cash equivalents at the end of the period	7	827.3	648.2
Cash flow from operating activities contains:			
Dividends from associated companies		0.3	0.0

¹ Refer to page 15.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

PRINCIPLES OF CONSOLIDATION AND VALUATION

The unaudited **Condensed Interim Consolidated Financial Statements** (hereafter 'the Interim Financial Statements') for the first half of 2024 have been prepared in accordance with IAS 34 'Interim Financial Reporting'.

The Interim Financial Statements do not include all information and disclosures that would be required in the annual financial statements and should therefore be read in conjunction with Sika's annual Consolidated Financial Statements for the year ended December 31, 2023.

The Interim Financial Statements of Sika have been prepared in conformity with the provisions of the International Accounting Standards Board (IASB). All standards (IAS/IFRS) and interpretations (IFRIC/SIC) applicable as of June 30, 2024, were considered. The Interim Financial Statements have been prepared according to the going-concern principle. Generally, assets and liabilities are valued at historical cost except for financial assets and liabilities (including derivative instruments) at fair value through profit and loss and the defined benefit liability, which is measured at the present value of the defined benefit obligation less the fair value of plan assets.

The accounting standards applied conform to those standards that were valid in the previous year. Exceptions are the following revised and new standards, which Sika has applied since January 1, 2024. They have had no significant effect on the Interim Financial Statements of the Group:

- Amendments to IAS 1 – Non-current liabilities with covenants
- Amendments to IAS 1 – Classification of liabilities as current or non-current
- Amendments to IFRS 16 – Lease liability in a sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

CHANGE IN ACCOUNTING POLICY

The presentation of interests received and paid, which have been previously disclosed aggregated under the cash flow from operating activities has been changed. Net interest costs as well as cash-effective interest received and paid are now disclosed separately in the statement of cash flows. These positions were previously recorded within non-liquidity-related financial expenses (+)/income (-) as well as cash flow from hedging transactions.

RESTATEMENT OF STATEMENT OF CASH FLOWS

in CHF mn	As disclosed 1/1/2023 – 6/30/2023	Restatement	Restated 1/1/2023 – 6/30/2023
Non-liquidity-related financial expenses (+)/income (-) as well as cash flow from hedging transactions	53.6	-36.7	16.9
Net interest expenses	0.0	42.7	42.7
Cash flow from operating activities	433.8	6.0	439.8
Interest received	0.0	20.7	20.7
Cash flow from investing activities	-3,264.0	20.7	-3,243.3
Interest paid	0.0	-26.7	-26.7
Cash flow from financing activities	1,820.8	-26.7	1,794.1
Exchange differences	-36.6	0.0	-36.6
Net change in cash and cash equivalents	-1,046.0	0.0	-1,046.0
Operating free cash flow	316.5	6.0	322.5

The restated statement of cash flows provides a more accurate reflection of the cash flow activities and the operating business of Sika. The restatement has no impact on the total cash and cash equivalents at the end of the period. The calculation of the operating free cash flow has been modified to include the restatement in operating activities and thus be in line with the presentation of the consolidated cash flow statement.

Acquisitions in 2023

In 2023, Sika acquired the two companies MBCC Group, as well as Thiessen Team, USA. By the end of 2023, their purchase prices and allocations (PPAs) were still subject to uncertainties.

In the current reporting period, the provisional values of the PPA regarding MBCC were finalized and the following adjustments compared to the PPA disclosed per December 31, 2023, made:

- The purchase price was reduced by CHF 5.7 million following a compensation payment from Cinven related to income taxes. Cinven was the buyer of MBCC Group's chemical admixture business in the UK, the USA, Canada, Europe, Australia, and New Zealand. The amount received has reduced the cash flow for acquisitions in the current period.
- Liabilities for income taxes were reclassified due to changes in assumptions regarding timing and probability of occurrence.
- Other adjustments of minor significance.
- The decrease in goodwill results from the various adjustments to the purchase price allocation explained above.

ACQUIRED NET ASSETS AT FAIR VALUES

in CHF mn	MBCC Group - provisional as of 12/31/2023	Adjustment of provisional values	MBCC Group - final
Cash and cash equivalents	94.8		94.8
Accounts receivable	483.1	-1.7	481.4
Inventories	291.4		291.4
Prepaid expenses and accrued income	34.5		34.5
Property, plant, and equipment	475.7		475.7
Right-of-use leased assets	61.0		61.0
Intangible assets	1,321.4		1,321.4
Deferred tax assets	29.2		29.2
Other assets	17.5		17.5
Total assets	2,808.6	-1.7	2,806.9
Accounts payable	276.8		276.8
Financial liabilities	1,886.6		1,886.6
Accrued expenses and deferred income	128.9		128.9
Income tax liabilities	126.7	-0.9	125.8
Provisions	160.9	1.4	162.3
Employee benefit obligation	98.7		98.7
Deferred tax liabilities	211.7	-2.0	209.7
Total liabilities	2,890.3	-1.5	2,888.8
Net assets	-81.7	-0.2	-81.9
Non-controlling interests	-73.8		-73.8
Goodwill	3,475.5	-5.5	3,470.0
Total purchase price	3,320.0	-5.7	3,314.3

The PPA of Thiessen Team remained unchanged and is now final.

Acquisitions in 2024

On April 3, 2024, Sika acquired 100% of the shares of Kwik Bond Polymers, LLC (KBP), a manufacturer of polymer systems for the refurbishment of concrete infrastructure. KBP focuses on the refurbishment of bridge decks and has established an impressive track record in signature projects across the USA. The business perfectly complements Sika's high value-added systems for refurbishment of concrete structures. By preserving and extending the service-life of concrete infrastructure, we deliver outstanding customer value and significant sustainability benefits to the construction industry.

Since the purchase, KBP has contributed sales of CHF 30.6 million and a profit of CHF 5.6 million. Accounts receivable had a gross value of CHF 5.6 million, CHF 0.2 million were expected to be uncollectible at the date of acquisition.

ACQUIRED NET ASSETS AT FAIR VALUES

in CHF mn	Kwik Bond Polymers
Cash and cash equivalents	0.7
Accounts receivable	5.4
Inventories	5.4
Prepaid expenses and accrued income	0.1
Property, plant, and equipment	1.9
Intangible assets	73.0
Other assets	0.1
Total assets	86.6
Accounts payable	3.3
Financial liabilities	1.4
Accrued expenses and deferred income	5.8
Income tax liabilities	3.0
Provisions	0.4
Total liabilities	13.9
Net assets	72.7
Goodwill	33.9
Total purchase price	106.6
Cash in acquired assets	-0.7
Net cash outflow	105.9

If the acquisition had occurred on January 1, 2024, consolidated pro-forma net sales would have been CHF 5,839.8 million (+CHF 5.0 million).

Since the purchase price and the purchase allocation still entail some uncertainty, all positions are provisional. Market access and combined distribution channels and supplementary product portfolios justify the goodwill posted. Goodwill in the amount of CHF 33.9 million is tax-deductible.

The directly attributable transaction cost of the acquisition amounted to CHF 0.9 million and were charged to other operating expenses.

SUPPORTING INFORMATION TO THE INTERIM FINANCIAL STATEMENTS

Income statement from January 1 to June 30, 2024 (January 1 to June 30, 2023).

Balance sheet data as of June 30, 2024 (December 31, 2023).

1. Net sales CHF 5,834.8 mn (CHF 5,345.5 mn)

Sales of goods account for nearly all net sales. Year-on-year net sales in local currency increased by 12.8%. Taking into account the currency effect of -3.6%, sales in Swiss francs increased by 9.2%. More details on the segments can be found in note 2.

2. Segment reporting

Sika conducts its worldwide activities according to geographical regions. The heads of the segments are members of Group Management. Group Management is the highest executive body that measures the success of the operating segments and allocates resources. The key measure of profit by which the segments are directed is operating profit before depreciation (EBITDA), which is consistent with the corresponding line in the Consolidated Income Statement. EBITDA has replaced operating profit (EBIT) in the current period, in line with the group strategy. This is because EBITDA excludes distortion from intangible asset amortization, and thus gives a more concise picture of the business performance.

Financing (including financial expenses and income) and income taxes are managed on a Group-wide basis and are not allocated to the individual segments. Along with the change in Sikas organizational structure, the previously reportable Global Business segment is now fully integrated into the geographical regions. The comparison period has been restated. The composition of the segments is shown on p. 8.

The acquired company, Kwik Bond Polymers, LLC, has been allocated to Americas.

“Other segments and activities” includes expenses for the Group headquarters and income from services provided to Group companies.

NET SALES FROM JANUARY 1 TO JUNE 30

in CHF mn			Restated 2023			2024
	With third parties	With other segments	Total	With third parties	With other segments	Total
EMEA	2,322.2	86.4	2,408.6	2,565.3	88.9	2,654.2
Americas	1,810.8	2.1	1,812.9	2,045.1	2.8	2,047.9
Asia/Pacific	1,212.5	10.6	1,223.1	1,224.4	17.4	1,241.8
Eliminations	-	-99.1	-99.1	-	-109.1	-109.1
Net sales	5,345.5	-	5,345.5	5,834.8	-	5,834.8
Products for construction industry	4,421.5			4,949.6		
Products for industrial manufacturing	924.0			885.2		

Sika's products for the construction industry include admixtures and additives for use in concrete, cement, and mortar production, waterproofing systems, roof waterproofing, flooring solutions, sealants, adhesive tapes, assembly foams, and elastic adhesives for facade construction, interior and infrastructure construction, as well as concrete protection and repair solutions.

Products for industrial manufacturing are sold to manufacturers and service providers in automotive OEM, commercial vehicles, automotive aftermarket, marine vessels, renewable energy, sandwich panels, industrial equipment, HVAC, home and commercial appliances, modular building, facades and fenestration.

CHANGES IN NET SALES/CURRENCY IMPACT

in CHF mn	Restated 1/1/2023 – 6/30/2023	1/1/2024 – 6/30/2024	Change compared to prior period (+/- in %)		
			In Swiss francs	In local currencies	Currency impact
EMEA	2,322.2	2,565.3	10.5	13.5	-3.0
Americas	1,810.8	2,045.1	12.9	15.1	-2.2
Asia/Pacific	1,212.5	1,224.4	1.0	8.0	-7.0
Net sales	5,345.5	5,834.8	9.2	12.8	-3.6
Products for construction industry	4,421.5	4,949.6	11.9	15.8	-3.9
Products for industrial manufacturing	924.0	885.2	-4.2	-1.1	-3.1

OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)

in CHF mn	Restated 1/1/2023 – 6/30/2023	1/1/2024 – 6/30/2024	Change compared to prior period	
			(+/-)	(+/- in %)
EMEA	426.7	486.4	59.7	14.0
Americas	373.1	445.9	72.8	19.5
Asia/Pacific	229.1	245.9	16.8	7.3
Other segments and activities ¹	-147.8	-85.3	62.5	n.a.
Operating profit before depreciation (EBITDA)	881.1	1,092.9	211.8	24.0

¹ Included are MBCC-related acquisition and integration costs of CHF 11.9 million (CHF 89.5 million).

3. Material expenses CHF 2,617.2 mn (CHF 2,528.5 mn)

Raw material costs have been flattening in the first half of 2024 but were lower compared to the same period last year. As a result, Sika improved its gross result by 2.4 percentage points.

4. Personnel expenses CHF 1,097.8 mn (CHF 952.9 mn)

Personnel expenses increased in relation to net sales from 17.8% to 18.8%.

Personnel expenses include a portion of salaries paid to senior managers and Group Management in the form of Sika AG shares. Related personnel expenses in the first half of 2024 amounted to CHF 13.2 million (CHF 14.2 million). If employees have the opportunity to subscribe to shares of Sika AG, this portion is recognized as liabilities as at balance sheet date. In the event that shares are drawn, this portion will be taken to equity in the subsequent year.

5. Other operating expenses CHF 1,026.9 mn (CHF 983.0 mn)

Other operating expenses decreased in relation to net sales from 18.4% to 17.6%. Included in other operating expenses are costs in the amount of CHF 9.8 million (CHF 89.5 million) related to the acquisition and integration of MBCC Group. Further MBCC related extraordinary costs of CHF 2.1 million are recorded in personnel expenses.

Expenses for research and development are included in other operating expenses because they do not meet the recognition criteria.

6. Interest expenses / other financial expenses CHF 97.8 mn (CHF 118.6 mn)

Interest expenses of CHF 94.8 million (CHF 63.2 million) consist mainly of interest expenses for outstanding bonds as well as interests on lease liabilities. Other financial expenses of CHF 3.0 million (CHF 55.4 million) include foreign exchange gains and losses from the management of foreign currency, net gains and losses from hedging and revaluation of loans to Group companies denominated in foreign currencies as well as inflation adjustment effects from countries with hyperinflation.

7. Cash and cash equivalents CHF 648.2 mn (CHF 643.9 mn)

The item "Cash and cash equivalents" includes cash and cash equivalents with a maturity of less than three months from the date of acquisition, bearing interest at a respectively valid rate. The change in this position can be seen in detail in the statement of cash flows.

8. Accounts receivable CHF 2,401.4 mn (CHF 2,013.1 mn)

Accounts receivable are higher at mid-year than at the end of 2023 as a result of seasonal influences.

9. Inventories CHF 1,379.6 mn (CHF 1,240.7 mn)

Inventories are higher at mid-year than at the end of 2023 due to seasonal distribution of sales. Lower raw material prices, which led to lower inventory values, partially offset this effect.

10. Property, plant, and equipment CHF 2,395.0 mn (CHF 2,257.3 mn)

in CHF mn	12/31/2023	6/30/2024
Own property, plant, and equipment	1,865.3	1,957.8
Right-of-use assets	392.0	437.2
Property, plant, and equipment	2,257.3	2,395.0

11. Intangible assets and goodwill CHF 8,580.1 mn (CHF 8,218.1 mn)

The acquisition of Kwik Bond Polymers resulted in an increase in goodwill of CHF 33.9 million. In addition, trademarks, customer relationships, and technologies of CHF 73.0 million were capitalized and are being amortized over their useful lives. Main driver of the increase in intangible assets and goodwill are currency effects.

12. Accounts payable CHF 1,211.2 mn (CHF 1,108.2 mn)

Accounts payable are higher at mid-year than at the end of 2023 as a result of seasonal influences. Accounts payable do not bear interest and will usually become due within 30 to 60 days.

13. Financial liabilities CHF 6,469.2 mn (CHF 5,949.9 mn)

in CHF mn	12/31/2023			6/30/2024		
	Current	Non-current	Total	Current	Non-current	Total
Derivatives	82.0	-	82.0	25.2	-	25.2
Bank loans	4.3	669.6	673.9	8.0	790.8	798.8
Lease liabilities	112.0	287.0	399.0	118.7	308.6	427.3
Straight bonds	1,012.6	3,752.6	4,765.2	931.5	4,256.2	5,187.7
Other financial liabilities	7.0	22.8	29.8	8.2	22.0	30.2
Total	1,217.9	4,732.0	5,949.9	1,091.6	5,377.6	6,469.2

The fair value of straight bonds amounted to CHF 5,158.7 million (CHF 4,764.0 million).

Furthermore, Sika had the following credit facilities:

- Revolving credit facility of CHF 1,100.0 million, drawable in CHF, EUR, USD, or GBP. The term ends on December 13, 2028.
- Revolving credit facility of CHF 1,100.0 million, drawable in CHF, EUR, USD, or GBP. The term ends on August 10, 2029.

As of June 30, 2024, a total amount of CHF 790.8 of these credit facilities was drawn in CHF, EUR, and USD.

OUTSTANDING BONDS

in CHF mn						12/31/2023	6/30/2024
Issuer	Bond		Nominal	Coupon	Term	Book value	Book value
Sika AG, Baar, Switzerland	Straight bond	CHF	100.0	1.600%	2022-05/28/2024	100.0	0.0
	Straight bond	CHF	250.0	0.625%	2018-07/12/2024	250.0	250.0
	Straight bond	CHF	200.0	2.125%	2023-10/11/2024	199.9	200.0
	Straight bond	CHF	200.0	1.900%	2022-11/28/2025	199.5	199.6
	Straight bond	CHF	140.0	0.600%	2018-03/27/2026	140.0	140.0
	Straight bond	CHF	200.0	2.250%	2023-04/13/2026	200.1	200.1
	Straight bond	CHF	130.0	1.125%	2018-07/12/2028	130.5	130.4
	Straight bond	CHF	300.0	2.350%	2022-11/28/2028	299.5	299.5
	Straight bond	CHF	250.0	2.250%	2023-04/13/2029	249.6	249.6
	Straight bond	CHF	200.0	1.650%	2024-11/28/2029	0.0	199.6
	Straight bond	CHF	200.0	1.875%	2024-05/27/2033	0.0	200.1
Sika Capital B.V., Utrecht, Netherlands	Floating-rate bond	EUR	500.0	4.035% ¹	2023-11/01/2024	462.7	481.4
	Straight bond	EUR	1,000.0	3.750%	2023-11/03/2026	922.2	960.2
	Straight bond	EUR	500.0	0.875%	2019-04/29/2027	461.7	480.6
	Straight bond	EUR	750.0	3.750%	2023-05/03/2030	688.7	717.0
	Straight bond	EUR	500.0	1.500%	2019-04/29/2031	460.8	479.6
Total						4,765.2	5,187.7

1 Three-month Euribor plus 20 basis points, reoffered quarterly. The rate indicated is applicable as at June 30, 2024.

14. Provisions CHF 259.0 mn (CHF 248.2 mn)

Provisions for guarantees reflect all known or anticipated claims in the near future. The amounts of the provisions are determined based on experience and are therefore subject to a degree of uncertainty. The outflow of funds depends on the timing of the filing and conclusion of warranty claims. Provisions for sundry risks include loan guarantees as well as open and anticipated legal cases with a probability of occurrence above 50% as well as contingent liabilities from acquisitions. For provisions of CHF 52.1 million (CHF 46.3 million) an outflow of funds is expected during the next twelve months. These amounts are shown as current provisions.

Other information

SIGNIFICANT SHAREHOLDERS

At June 30, 2024, based on information supplied to the Group, there are four significant shareholders whose voting rights exceed 3%: (1) BlackRock Inc., who held 7.7% of all voting rights. (2) UBS Fund Management (Switzerland) AG, who held 5.6% of all voting rights. (3) William H. Gates and Melinda French Gates, who held 5.3% of all voting rights via Cascade Investment L.L.C. and Bill & Melinda Gates Foundation Trust. (4) The Capital Group Companies, who held 5% of all voting rights via Capital Research and Management Company, Capital Bank and Trust Company, Capital International Limited, Capital International, Inc., and Capital International Sarl.

A list of changes in significant shareholdings reported to the disclosure office of SIX Swiss Exchange during the year under review can be found at <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>. There are no cross-shareholdings exceeding 3%, either in terms of capital or votes.

FINANCIAL CALENDAR

RESULTS FIRST NINE MONTHS 2024

Friday, October 25, 2024

NET SALES 2024

Tuesday, January 14, 2025

**MEDIA CONFERENCE / ANALYST PRESENTATION
ON FULL-YEAR RESULTS 2024**

Friday, February 21, 2025

57TH ANNUAL GENERAL MEETING

Tuesday, March 25, 2025

NET SALES FIRST QUARTER 2025

Tuesday, April 15, 2025

HALF-YEAR REPORT 2025

Tuesday, July 29, 2025

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 industrial manufacturing. Sika has subsidiaries in 103 countries, manufactures in over 400 factories, and develops innovative technologies for customers around the world that facilitate the sustainable transformation of the construction and transportation sector. With 34,000 employees, the company generated annual sales of CHF 11.2 billion in 2023.

Sika anticipates future challenges with reliable, innovative, and long-lasting solutions. In everything it does, Sika applies above-average quality and sustainability standards. This is something employees, customers, and all other stakeholders can rely on. Building Trust Every Day.