

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 Sika's 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.