

24 November 2015

# Investor Day



## Growth levers 2016+



# Welcome – Agenda - part 1

When	What	Who
10.00-10.30	<b>Welcome and Introduction</b> <i>COMET Group: Growth Levers 2016+</i> <i>Triggering the next level of strong sustainable growth</i>	R. Fehlmann CEO
10.30-10.50	<b>Plasma Control Technologies</b> <i>Delivering profitable growth driven by attractive market opportunities and strong technology inflections</i>	M. Kammerer President PCT
<b>10.50-11.00</b>	<b>Break</b>	
11.00-12.00	<b>Group break-out sessions</b> <ul style="list-style-type: none"><li><i>IoT: Ready for the age of M2M</i></li><li><i>How COMET RF power solutions enable strong market trends and huge technology inflections</i></li><li><i>ebeam: Transferring disruptive technology to leading solutions for various applications</i></li></ul>	All
<b>12.00-13.00</b>	<b>Lunch break</b>	

# Welcome – Agenda - part 2

When	What	Who
13.00-13.20	<b>X-Ray &amp; ebeam Technologies</b> <i>Delivering profitable growth by leveraging the technology base, market access and business development</i>	C. Fluekiger President XET
13.20-13.50	 <b>ebeam Technologies</b> <i>Developing new applications based on ebeam – from a partner's point of view</i>	I.Roberts, CTO Bühler
13.50-14.10	<b>X-Ray Systems</b> <i>Delivering sustainable growth by focus on selected application segments and developing metrology as new powerful growth driver</i>	S. Moll President IXS
14.10-14.20	<b>Break</b>	
14.20-14.50	 <b>Hexagon &amp; YXLON</b> <i>Combined forces to develop new measurement capabilities</i>	P. Guglielmini VP Global BD Hexagon USA
14.50-15.00	<b>Summary</b> Q&A	R. Fehlmann CEO
15.00	<b>End of the event – coffee and cake</b>	

# *Growth Levers 2016+ Triggering the next level of strong sustainable growth*

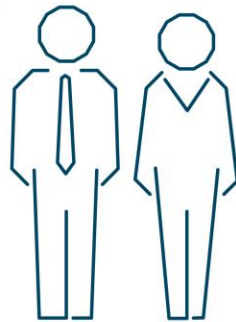
1	Introduction	R. Fehlmann
2	Strategy Progress Review	R. Fehlmann
3	What's Next? Trends and growth potentials	R. Fehlmann
4	What's Next? Strategy 2020	R. Fehlmann
5	How to succeed? Strategic initiatives	R. Fehlmann
6	Summary and Q&A	

COMET Group at a glance

# Swiss company with leading technologies and global presence

>1050

EMPLOYEES WORLDWIDE



13

LOCATIONS WORLDWIDE

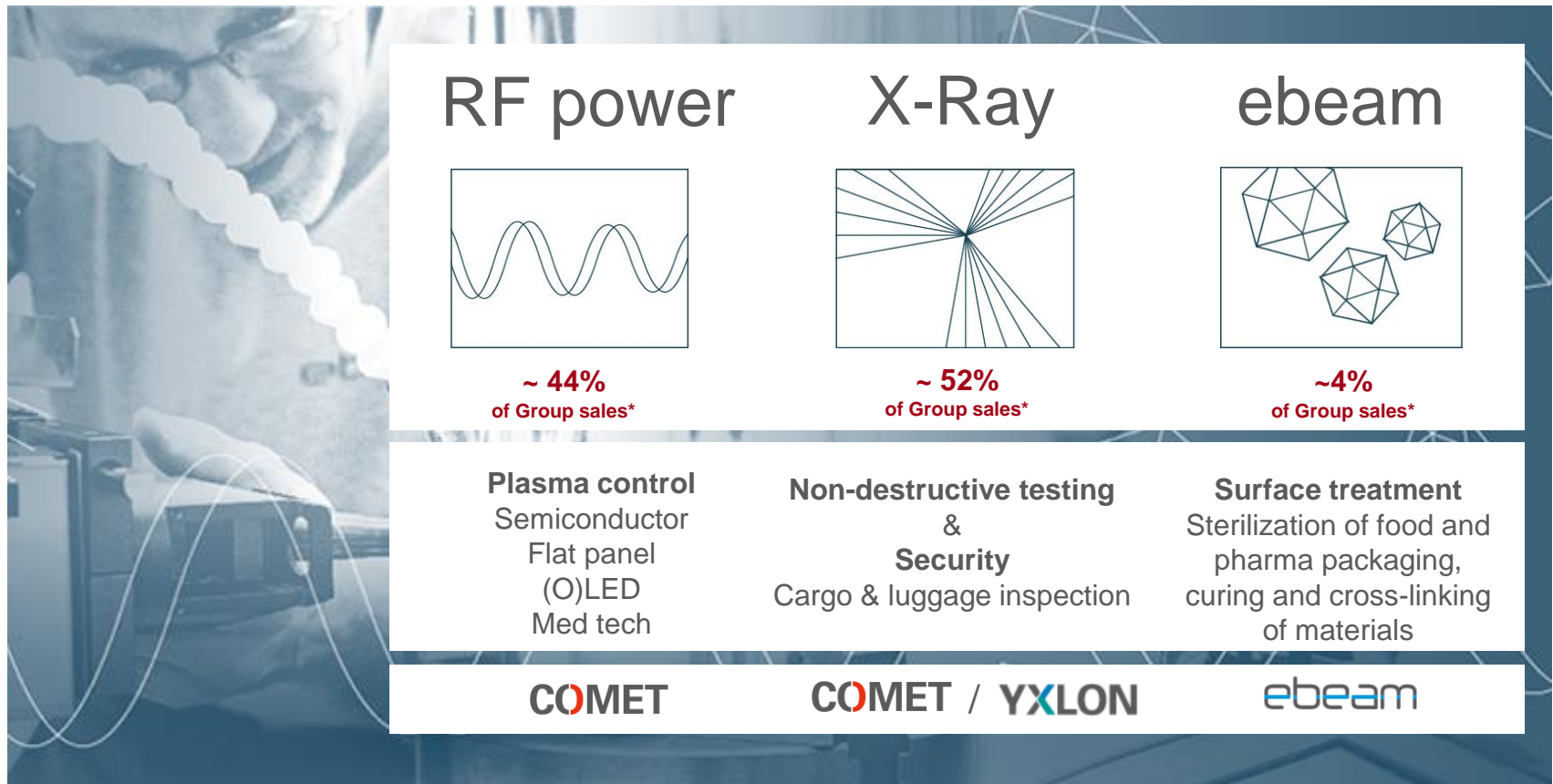


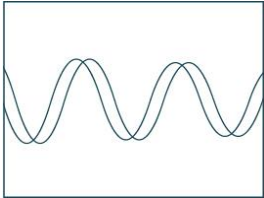
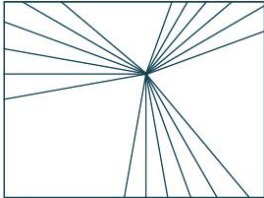

NET SALES in CHFm



# Turning innovative technologies into value adding solutions

With our core technologies we support customers in various industries to improve their products and make their processes more resource efficient



RF power	X-Ray	ebeam
		
<b>~ 44%</b> of Group sales*	<b>~ 52%</b> of Group sales*	<b>~4%</b> of Group sales*
<b>Plasma control</b> Semiconductor Flat panel (O)LED Med tech	<b>Non-destructive testing &amp; Security</b> Cargo & luggage inspection	<b>Surface treatment</b> Sterilization of food and pharma packaging, curing and cross-linking of materials
<b>COMET</b>	<b>COMET / YXLON</b>	<b>ebeam</b>

# *COMET Group: Growth Levers 2016+*

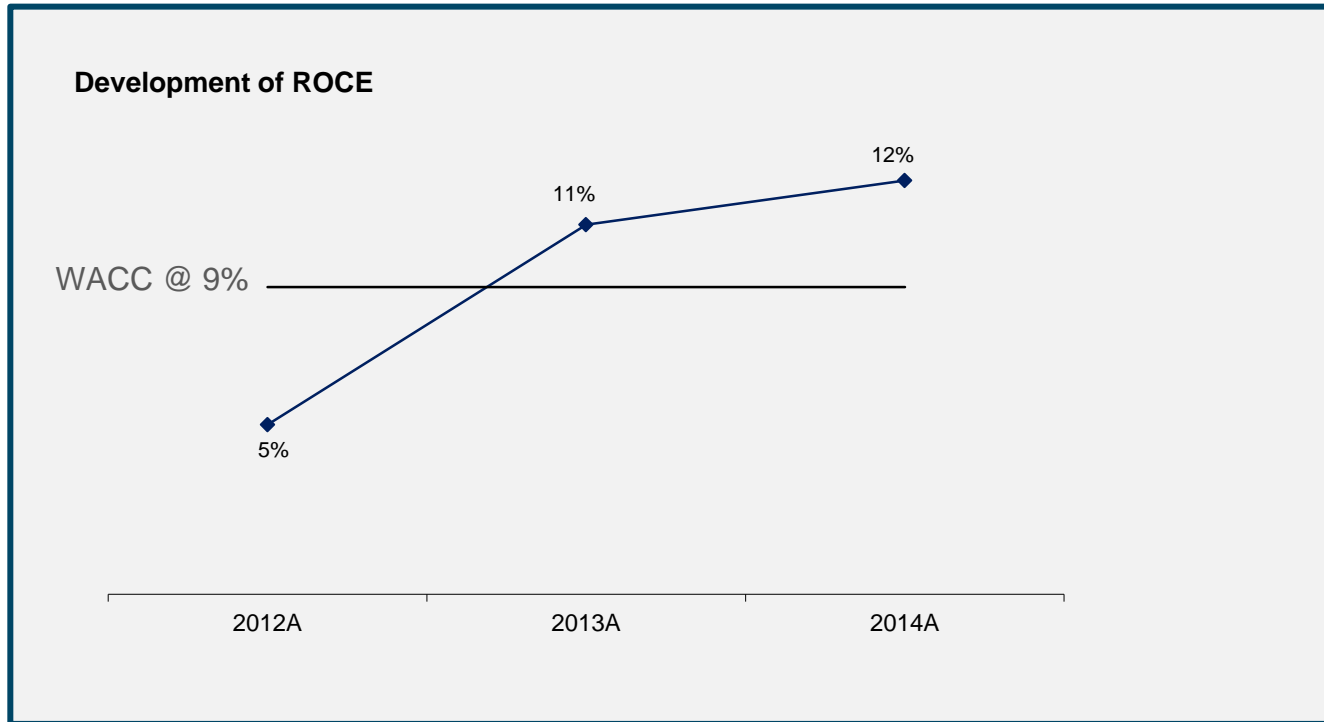
## *Triggering the next level of strong sustainable growth*

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1	Introduction	R. Fehlmann
2	Strategy Review 2012-2015	R. Fehlmann
3	What's Next? Trends and growth potentials	R. Fehlmann
4	What's Next? Strategy 2020 / Growth levers 2016+	R. Fehlmann
5	How to succeed? Strategic initiatives	R. Fehlmann
6	Summary	

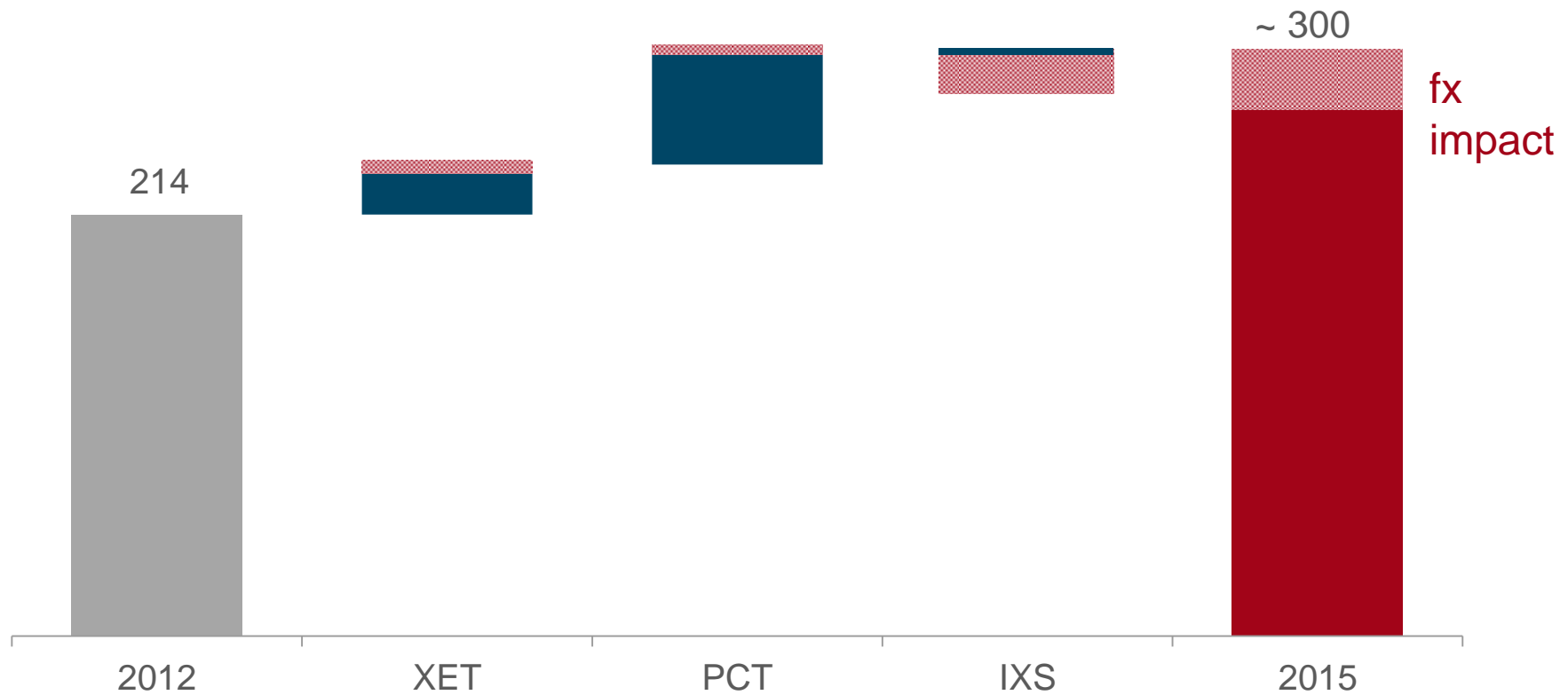
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# Increased robustness vs. external turbulences has allowed for continued flow in strategic investments

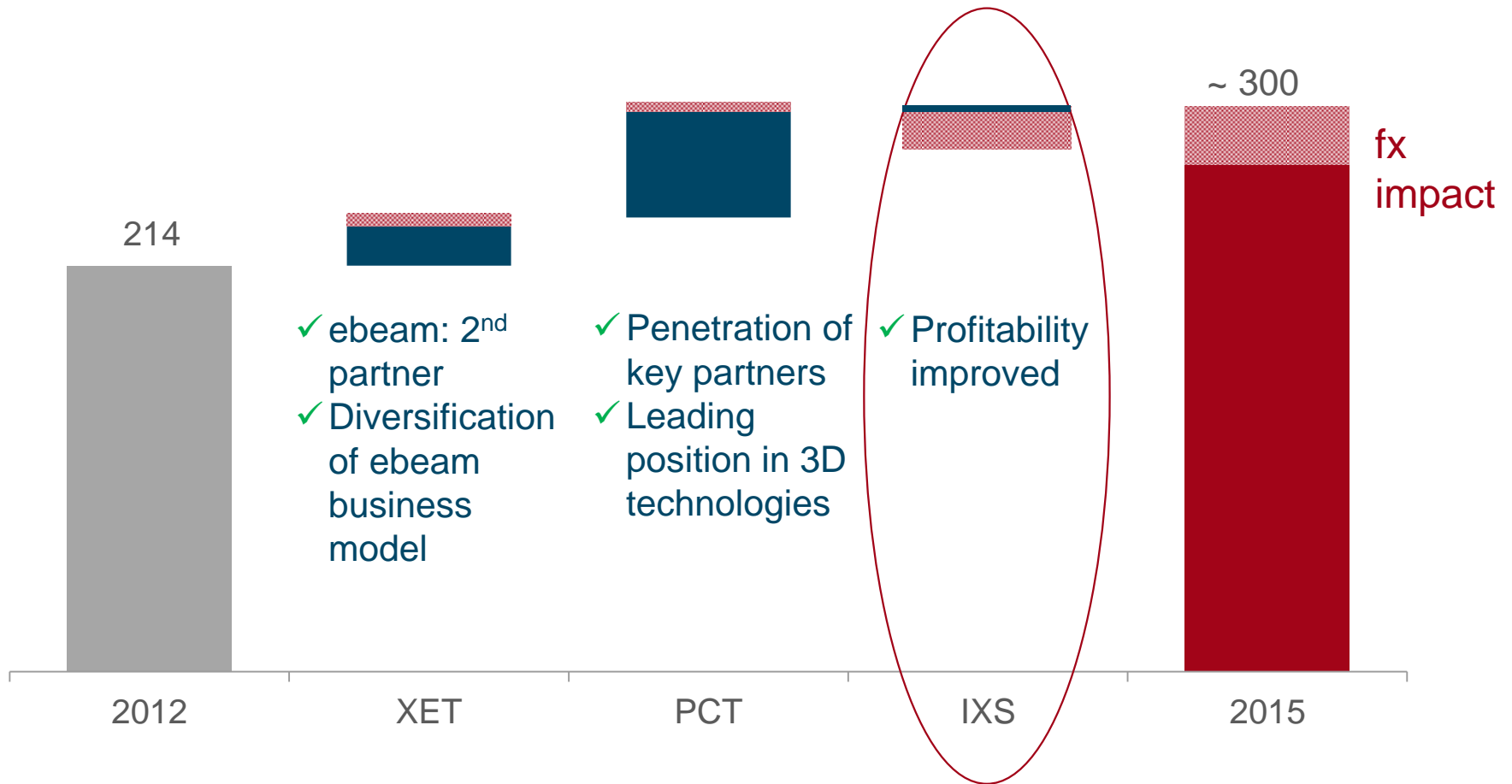


Continued and on top investments in long term strategic initiatives (e.g. ebeam) of CHF > 10m per year

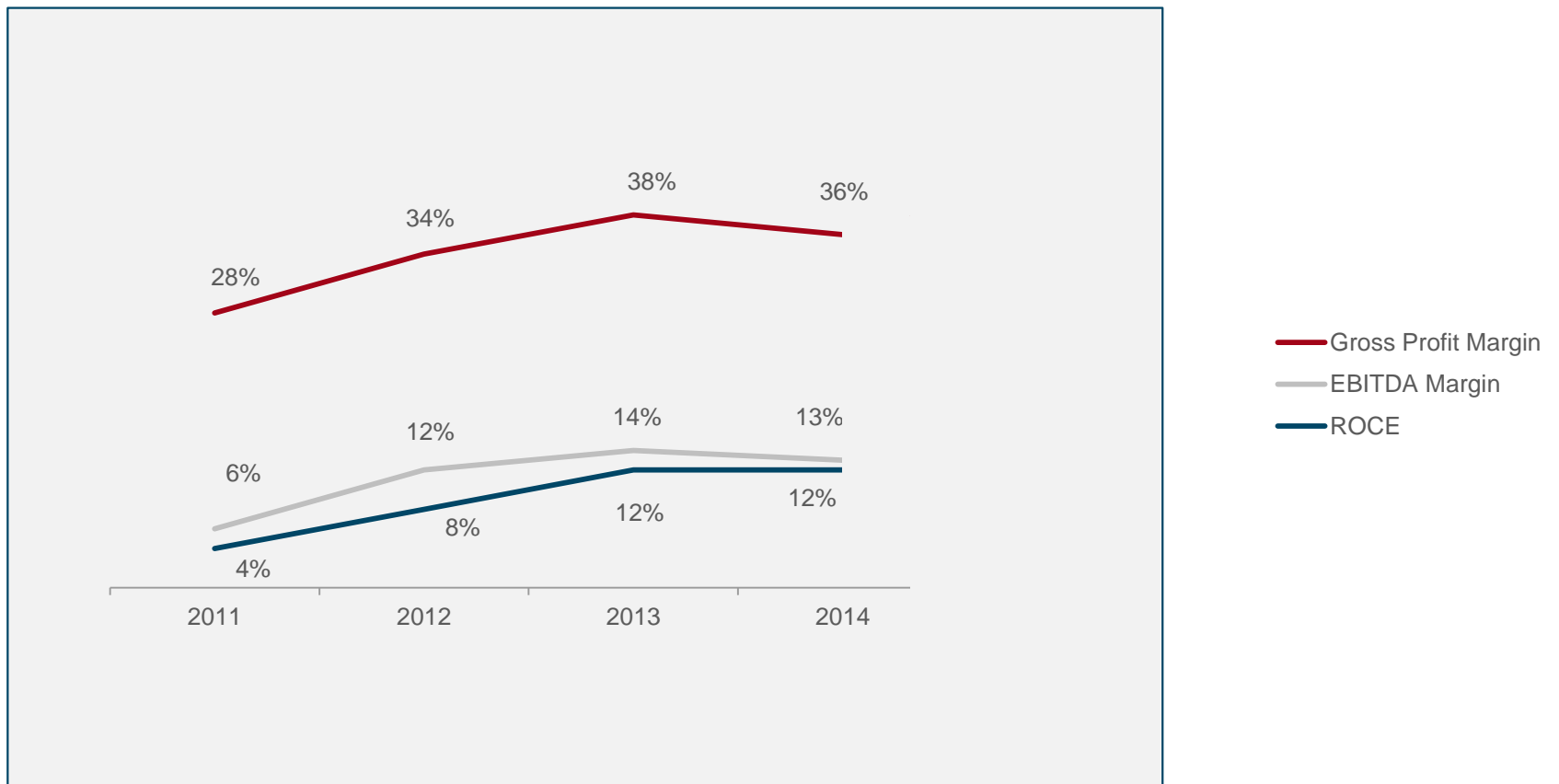
# At constant fx rates COMET Group is reaching its sales guidance 2015



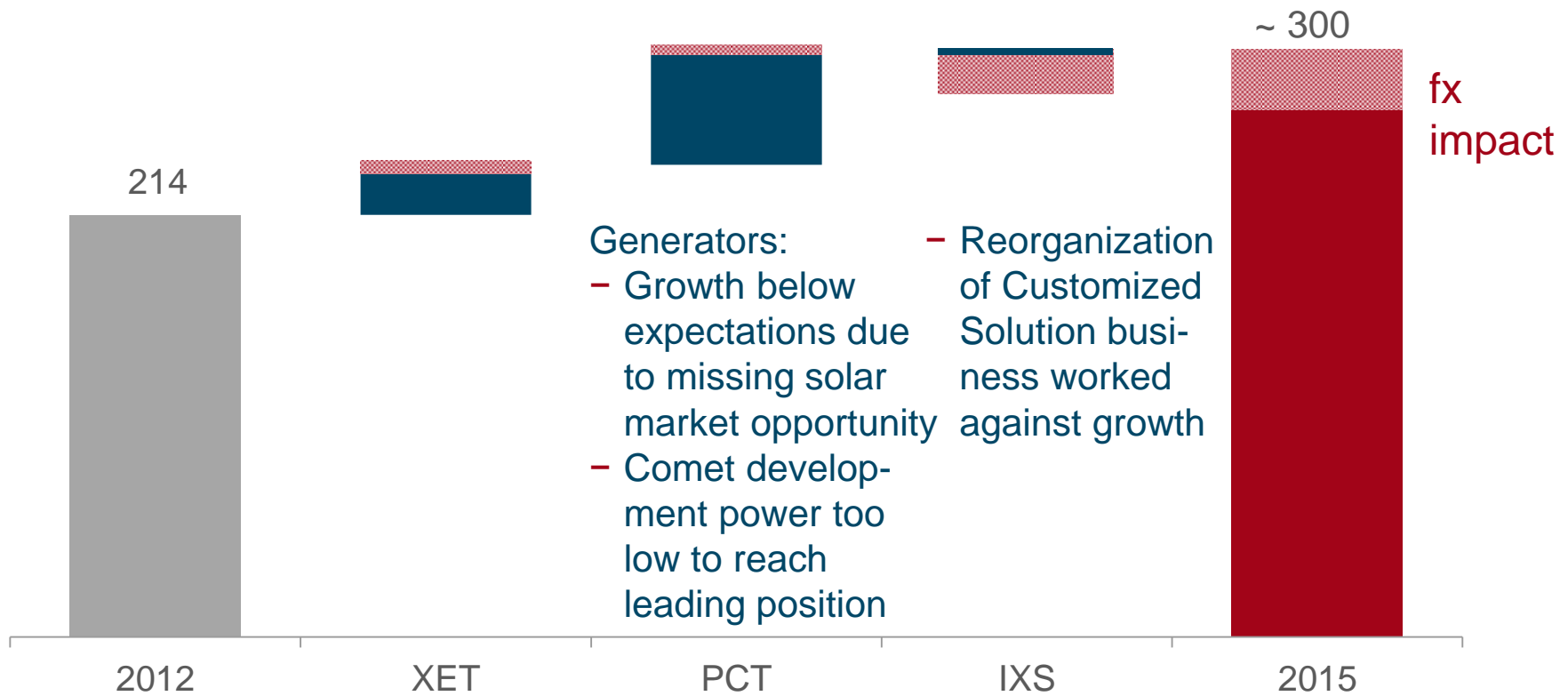
# Highlights



# Sustainable profitability increase in X-ray systems business



# Main deviations



# *Growth Levers 2016+ Triggering the next level of strong sustainable growth*

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# Global trends fueling our future growth

Smart Mobility



Environment &  
Saving Resources



Miniaturization



Reliability, Safety,  
Performance



# Strong developments are driving technology and create new markets



- Internet of Things
- Flat panel
- Big Data
- Wearables

- Advanced materials
- Fuel efficiency
- Extended food shelf life



- Internet of Things
- Big Data
- Wearables

- Inline testing
- Combination of testing methods
- Advanced materials



# Relevant Technology inflections



- 3D NAND
- Advanced displays
- Patterning
- FinFet

- Upgrading of materials
- Advanced curing
- New foundry technologies
- New sterilization methods

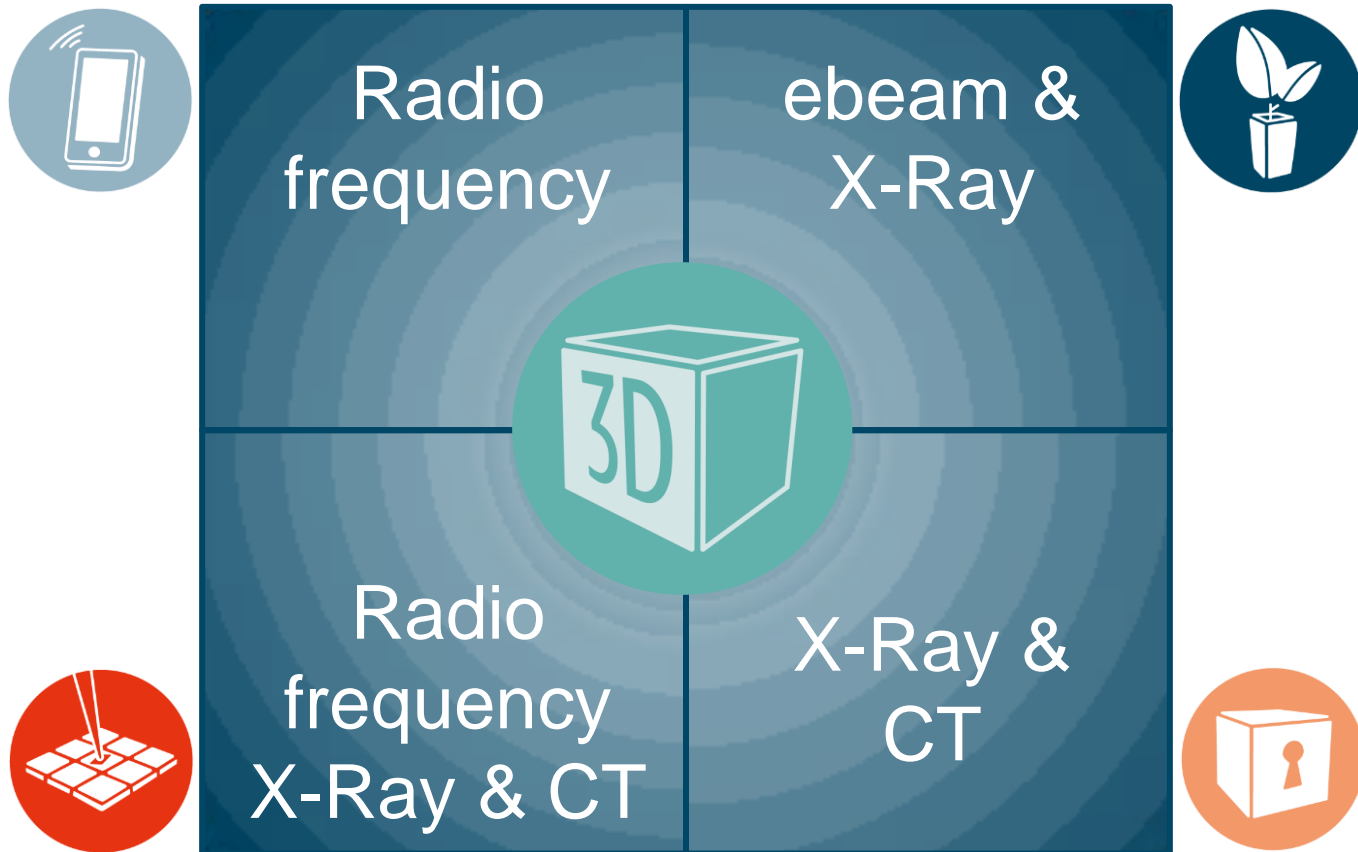


- High resolution microfocus
- 3D imaging
- CT

- Service 4.0
- 3D imaging
- Software
- CT
- ADR
- Film replacement (aerospace, energy)



# COMET Group: ideally positioned to spur growth based on 3 core technologies



# *Growth Levers 2016+ Triggering the next level of strong sustainable growth*

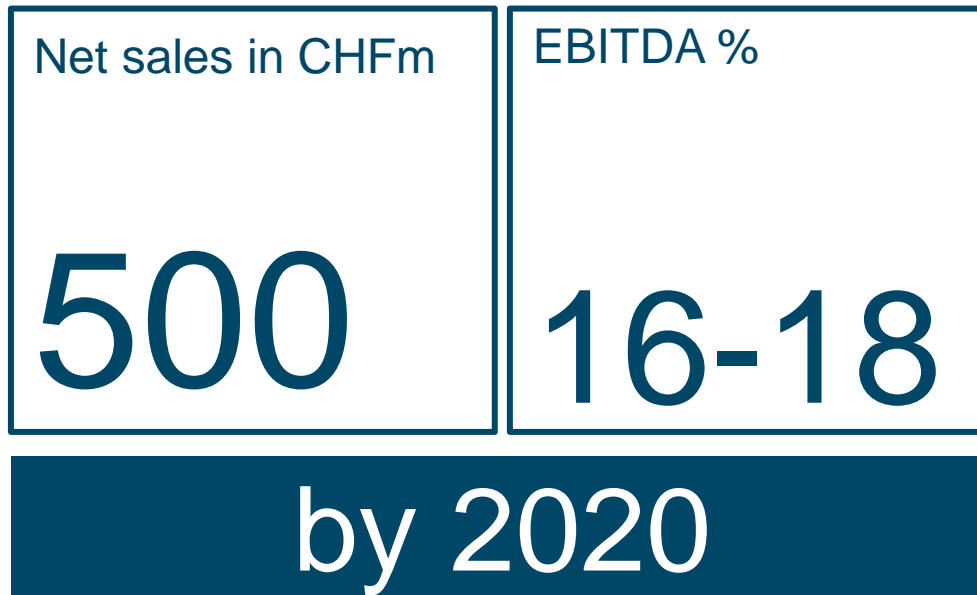
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# Further accelerate strong profitable organic growth

Our target

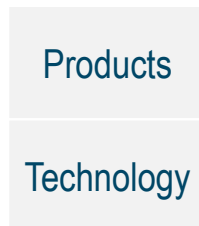


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# How we will deliver future growth

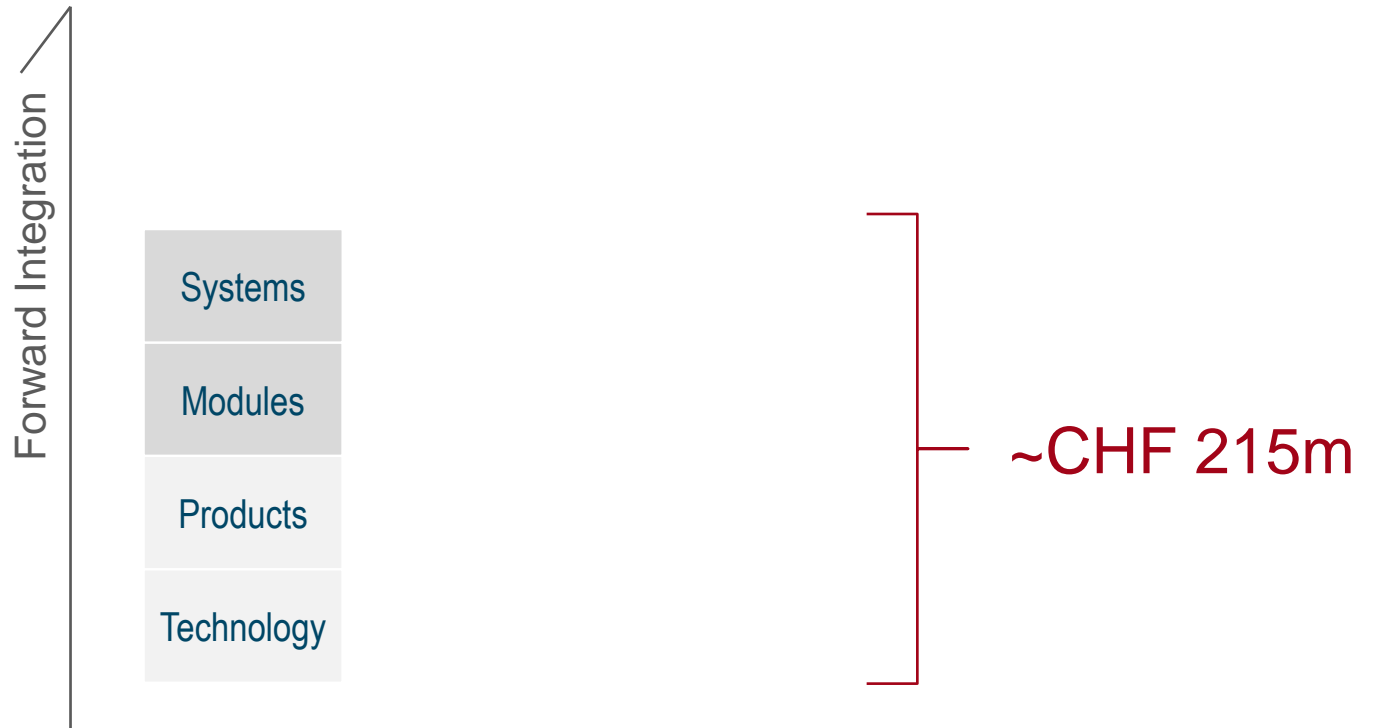


# Our origin: Building products based on leading technologies

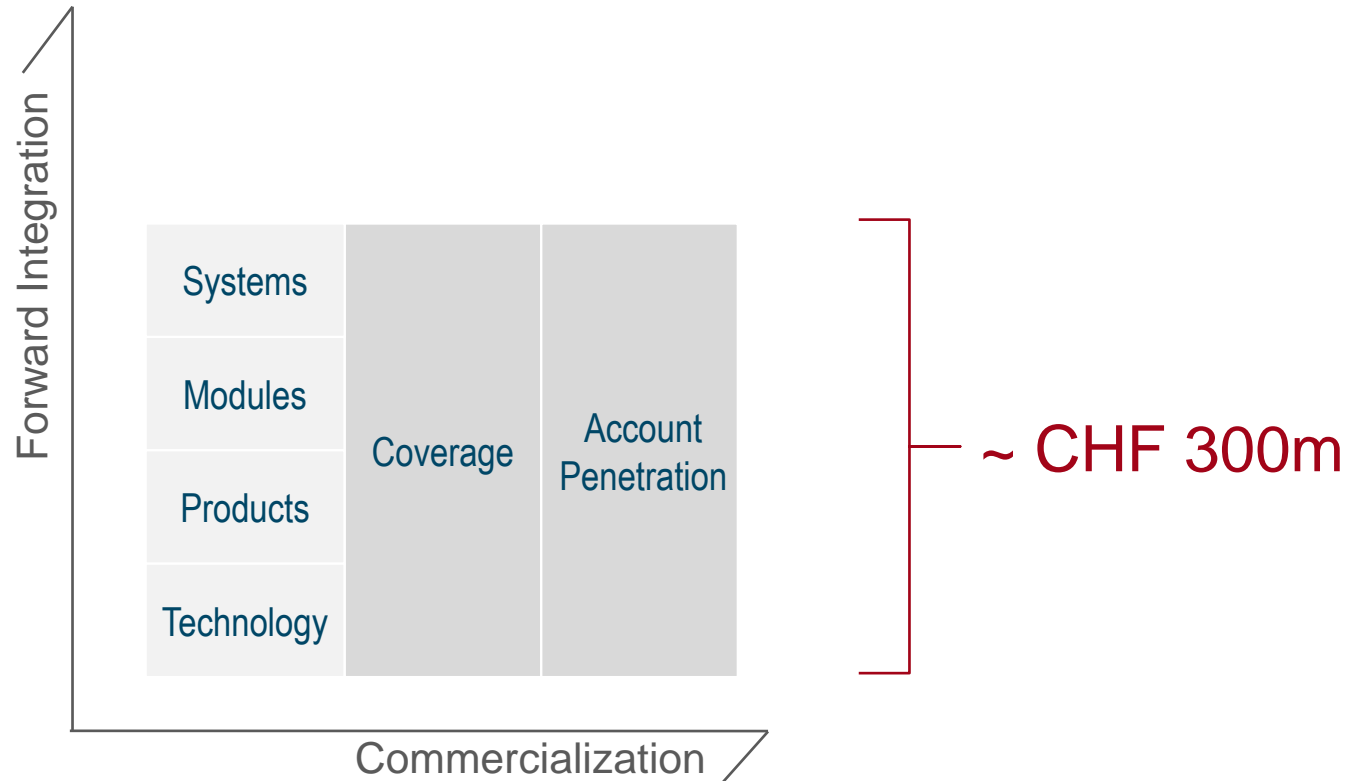


} ~CHF 60m

# What we did until 2012: Forward integration

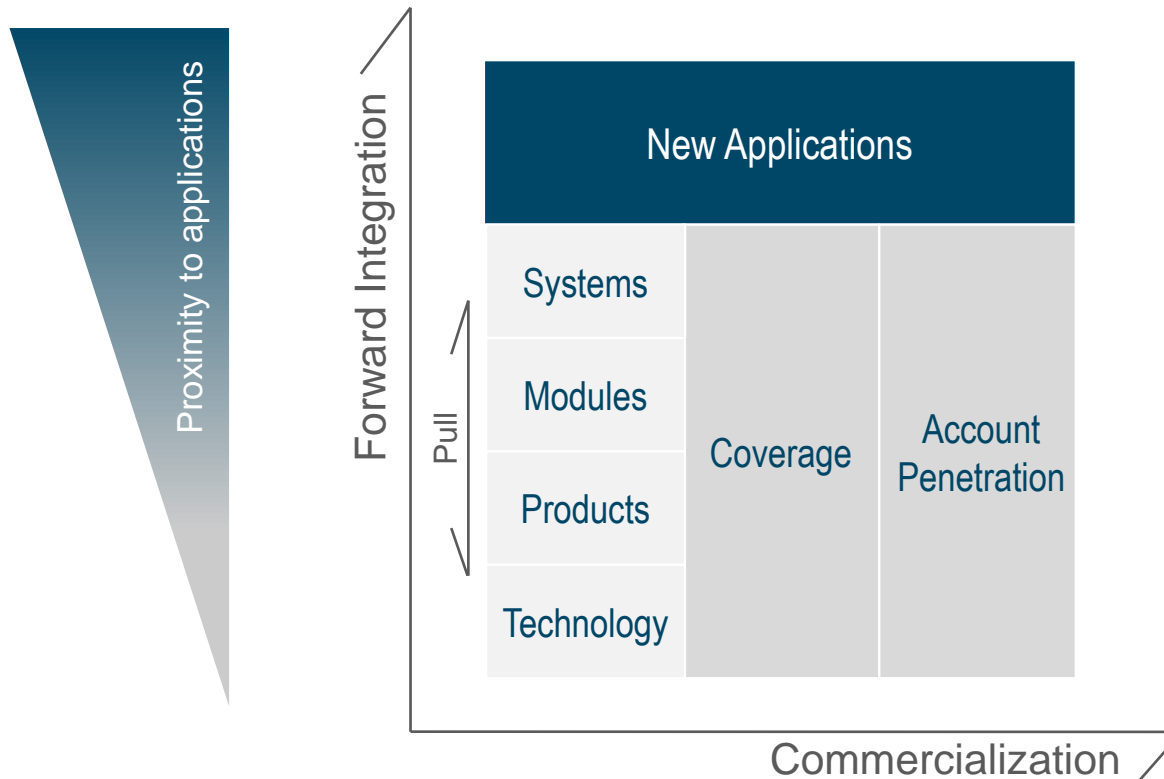


# What came next: Organic growth strategy



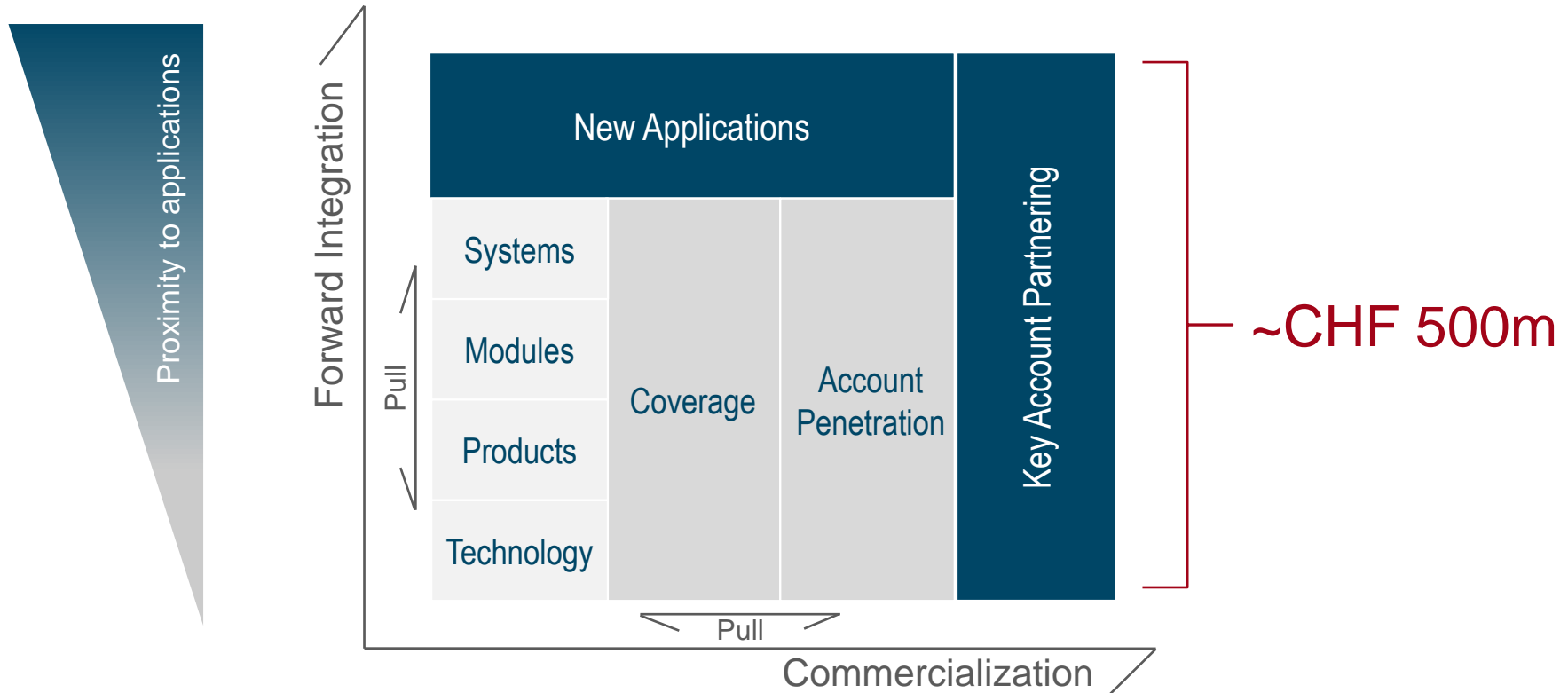
# Strategy 2020: Trigger the next level of growth with forward integration into applications and ...

## a) Stimulate growth by application generating pull to modules and products



# Strategy 2020: Trigger the next level of growth with forward integration and key account partnering

- a) Stimulate growth by application generating pull to modules and products
- b) Key partner strategy generating a pull on all our competences



# Focusing on new applications & key account partnering offers attractive potential for growth

## New Applications

### Win opportunities within

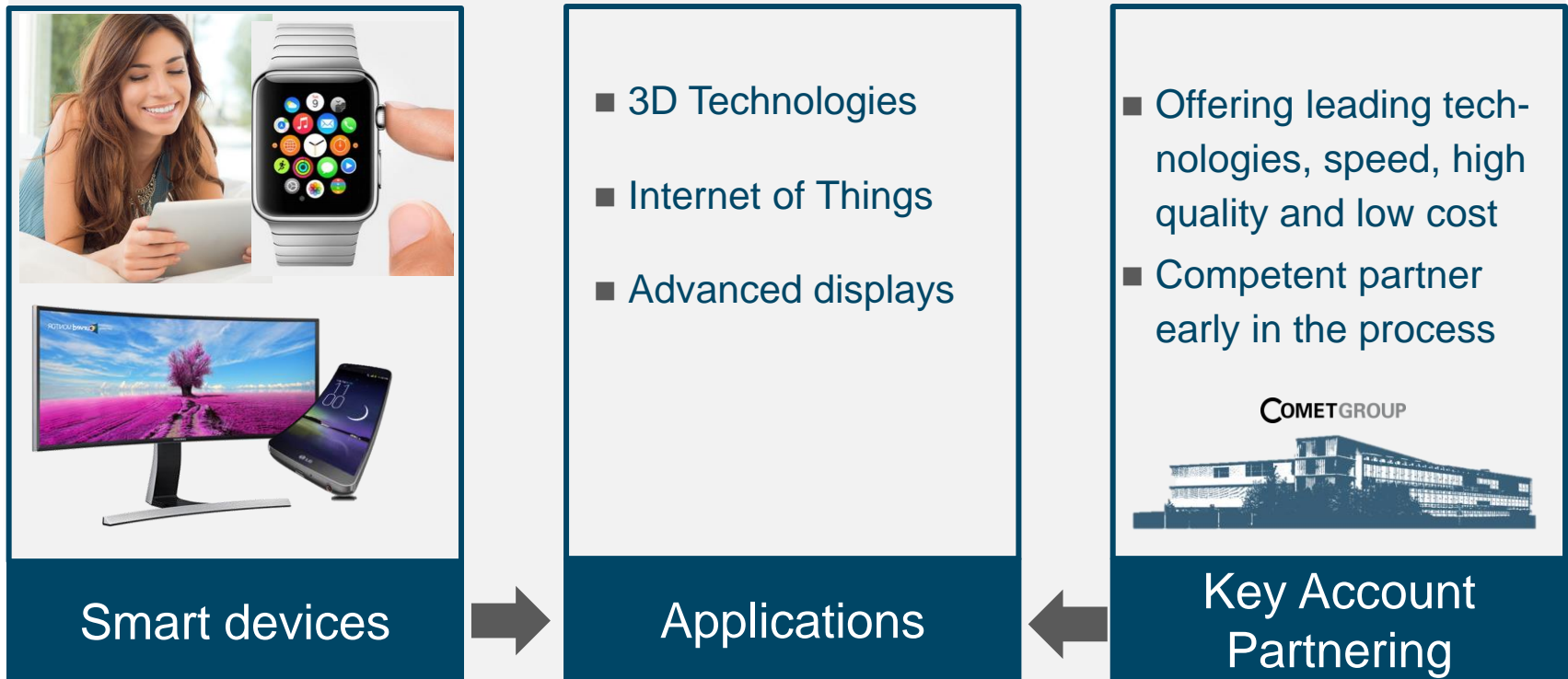
- IoT conversion of existing fab systems to higher performance with COMET RF power
- 3D technology applications (e.g. 3D NAND, DRAM, Advanced Packaging)
- Coating / Encapsulation for OLED
- Metrology with x-ray systems
- Surface treatment (ebeam, RF)
- Carry-on security with x-ray components

## Key Account Partnering

- Strengthen position with existing partners to grow
  - in existing applications (Tetra, LAM, AMAT)
  - in emerging applications (e.g. IoT, Coating ...)
- Use interest of existing partners to use other COMET group technologies (e.g. AMAT, Bühler, battery manufacturing)
- Win next key partner for ebeam

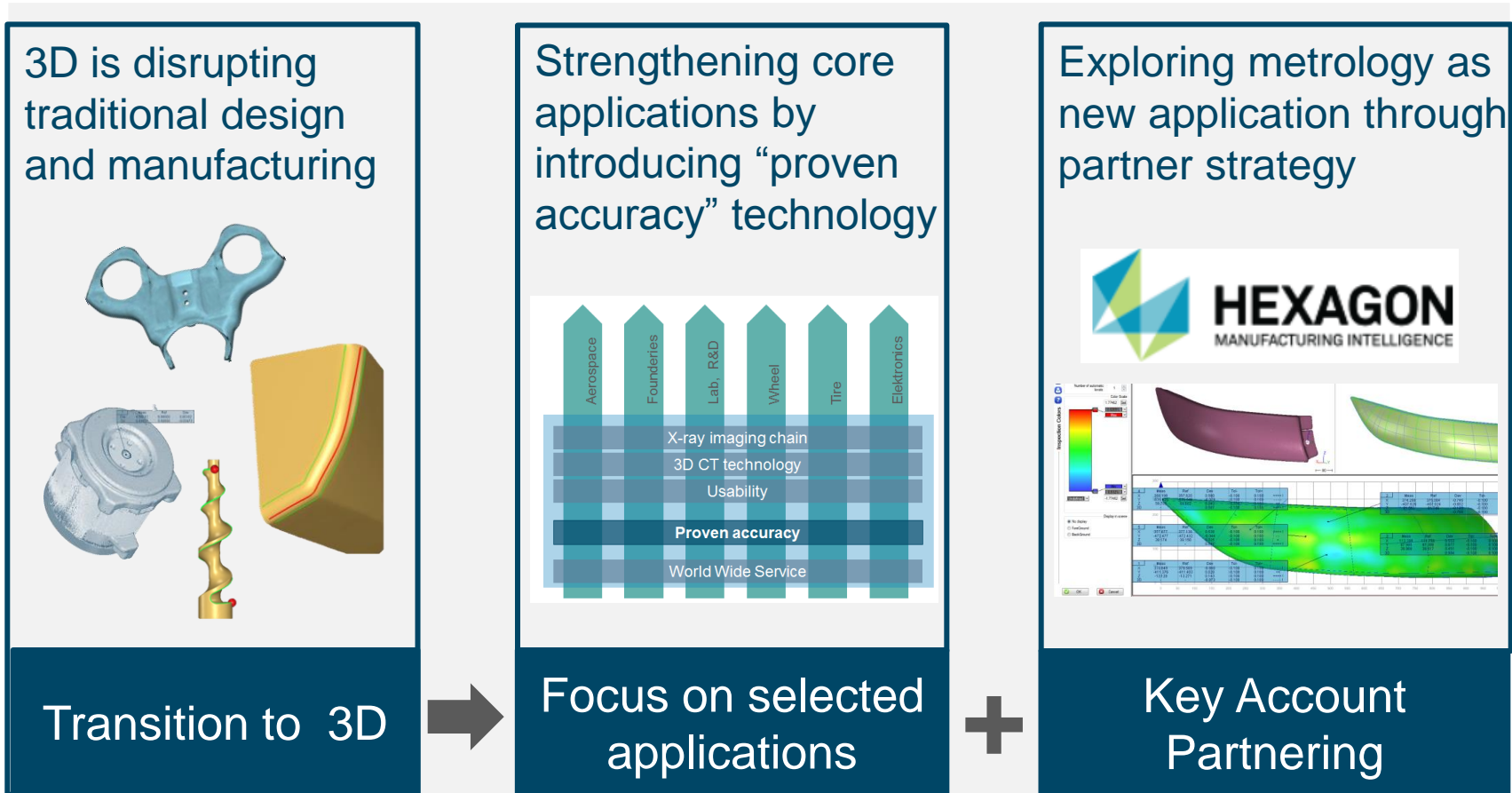
# Key growth levers for RF power: Internet of Things, 3D Technologies and Coatings

*New applications based on huge technology inflections will be driven by trends in smart devices and become possible in close cooperation with key partners*



→ More details from Michael Kammerer

# Key growth levers for X-Ray Systems: Proven segments and metrology as new application

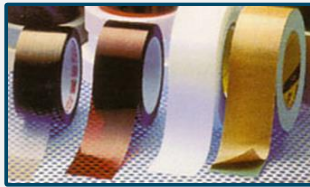


→ More details from Stefan Moll

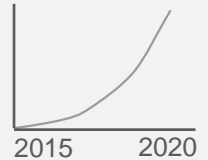
# Key growth levers for ebeam systems & engines: Applications and the right partners

*Using direct market access for systems to win new applications, leveraging key partner projects and win the next major case*

Pressure sensitive  
adhesives  
*energy efficient curing*



Tetra Pak  
Rollout



Decor paper treatment  
*enhancing tactile properties  
through curing*



Bühler  
Business  
case



Plastic film treatment  
*improving thermal resistance  
through cross-linking*



Next major  
case



Applications

Key partner projects

→ More details from Charles Flükiger

# *Growth Levers 2016+ Triggering the next level of strong sustainable growth*

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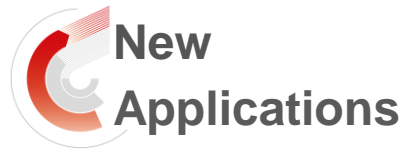
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# Strategic building blocks to reach ambitious growth targets 2020



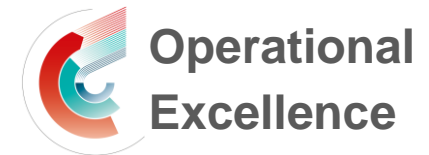
*Build on innovative technologies and exploit groupwide synergies to address global market trends*



*Promote organic growth transferring core technologies and products to existing and new applications*



*Strengthen and leverage existing key account partnerships, win new key accounts*



*Enhance operational excellence combining internal strengths for more impact, productivity and profitability*



# Strategic initiatives 2016 to 2020



## Innovative Technologies

### X-ray


- Improved image chain
- iVario

### RF power

- Generator portfolio
- New generation of VacCaps

### ebeam

- Generator platform
- Customization




## New Applications

- Surface treatment
- Measuring
- IoT, Service 4.0
- In-line testing
- Sterilization
- Curing



## Key Acct Partnering

- Selected key partners worldwide
- Hot spot Silicon Valley
- Emerging new technology hubs (Korea)



## Operational Excellence

- Increase gross profit margin
- Optimize processes alongside building expansion in CH
- Supply chain with increasing importance (single source, key strategic partner)


## Strategic initiatives

# Investment in functional costs are needed to achieve growth targets 2020



### Innovative Technologies

- Strengthen core technologies
- Invest in product portfolios (IXS, RF & X-ray generators)
- Software with increasing importance
- Customize ebeam technology




### New Applications

- Bring applications of Bühler and Tetra to success
- Roll-out ebeam system applications
- Diversify from semicon through new applications (IoT, AP)
- Use application focus to win new customers (e.g. application labs)



### Key Acct Partnering

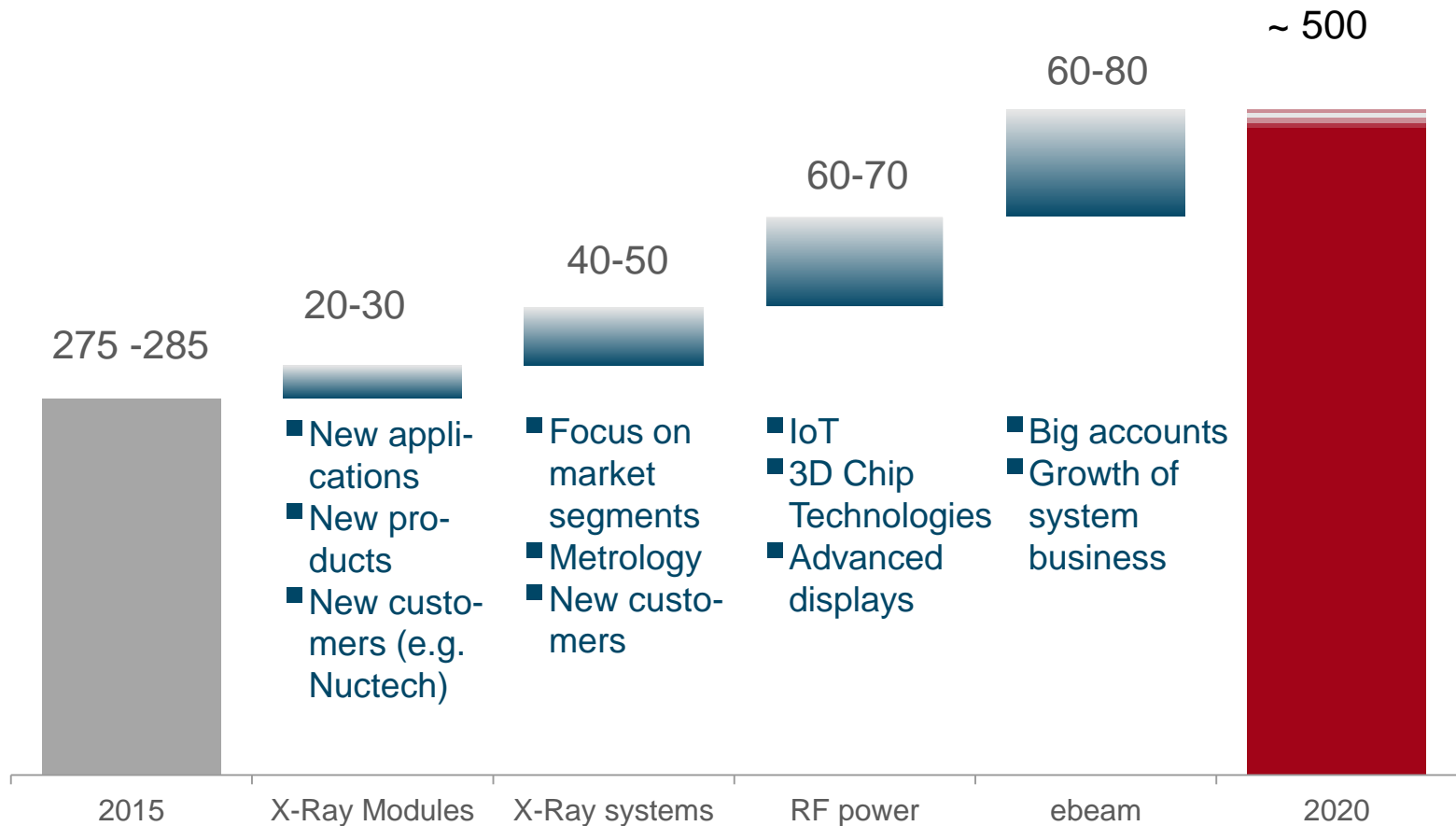
- Increased C-level focus on front-end
- Cross-segmental approach to develop key accounts for different technologies
- Build group technology competence centers in leading development hubs (Korea, San José)



### Operational Excellence

- Strengthen marketing to increase GPM
- Meet increasing demand on supply chain
- Investment in group-wide BI solution to strengthen controlling
- Enhance learning transfer within the group (e.g. cross-marketing team)

# PCT and EBT contributing major part to substantial growth



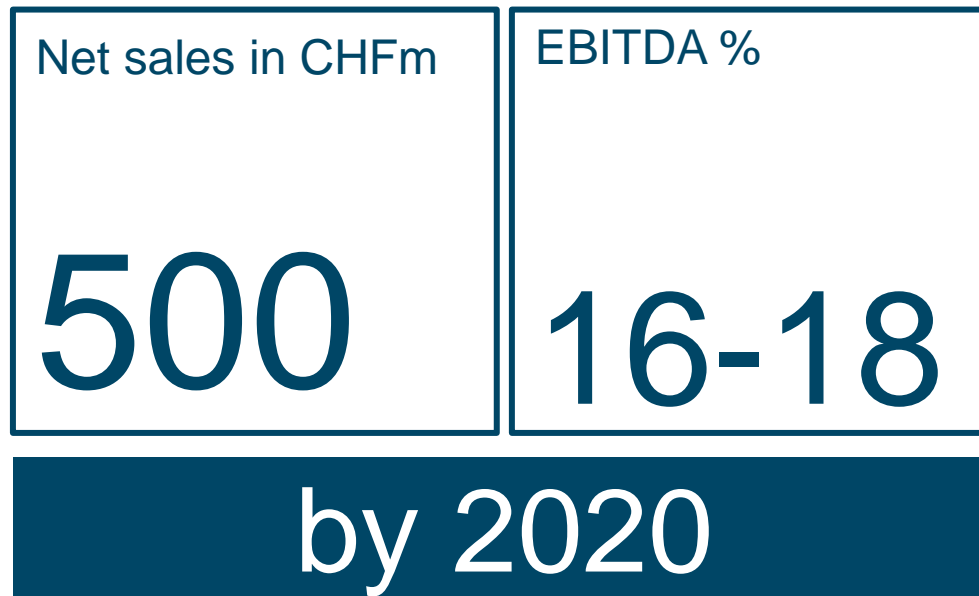
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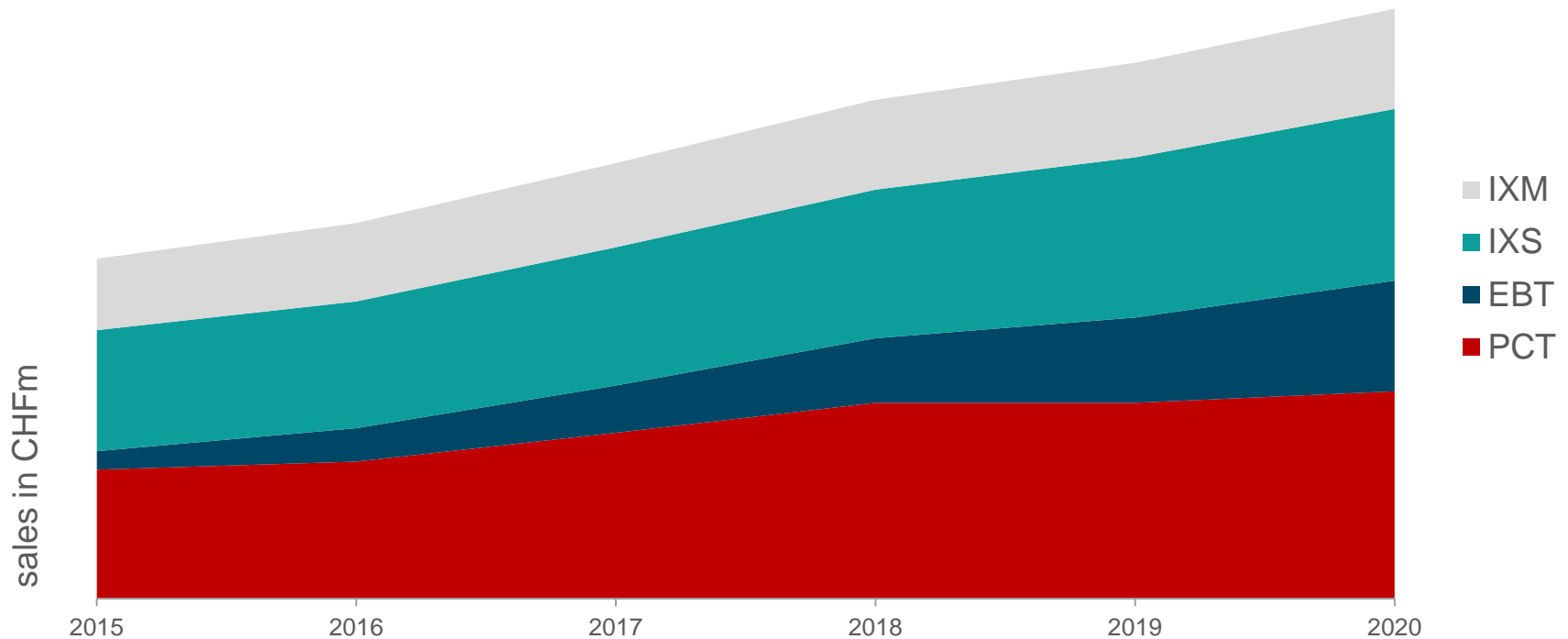
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# Further accelerate strong profitable organic growth

Our target



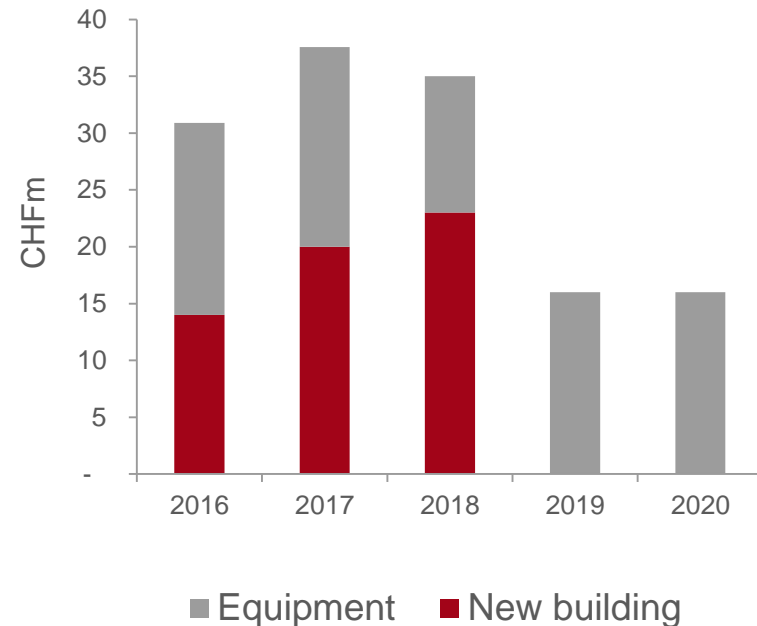
# Sales growth trajectory: ebeam sales to kick in after 2018 in line with building expansion



# Major investments to support strategy 2020

- Building expansion in Flamatt
- M&A on the basis of the existing 3 technologies - COMET Group with enough fire power
- Despite heavy investments Economic Profit and ROCE are expected to grow continuously

## Planned CAPEX spending until 2020



# Entering the next level of strong, profitable growth



- Successful growth path to continue with sharpened focus on
  - Existing growth drivers in the segments
  - Forward integration into new applications and
  - Key Acct partnering around huge technology inflections
  - Combining internal strengths to leverage competences
- All segments will contribute to growth, main growth drivers are RF and ebeam technology
- Organic growth is to be complemented by acquisitions if this leads to more strength

	2015	2016*	2020*
Net sales in CHFm	275-285	300-320	~ 500
EBITDA %	12.5%-13.5%	14%-16%	16%-18%

New set up

In order to allow ebeam business to really unfold, a separate segment will be established

# COMETGROUP

X-Ray Systems



X-Ray Modules



ebeam  
Technologies



Plasma Control  
Technologies



as of January 2016

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# Questions & Answers