

COMETGROUP

INVESTOR DAY 2018

RENE LENGGENHAGER

CEO, COMET GROUP

Play on strengths. Improve. Perform.



Status Update

Strategy 2020 and priorities

Positive perspective

+ 20 % investments in R&D vs. 2017

Production building expansion FLA completed as enabler of further lean initiatives

Profit improvement addressed in IXS and EBT

Improvement in operational efficiency

Non-recurrence of 17 CHFm at EBITDA level in 2019



IXM: new iVario/tube bundle, launches for security market

IXS: innovations for Industry 4.0

PCT: new RF generator

EBT: Egg Case

Core competencies

Flexible capacities

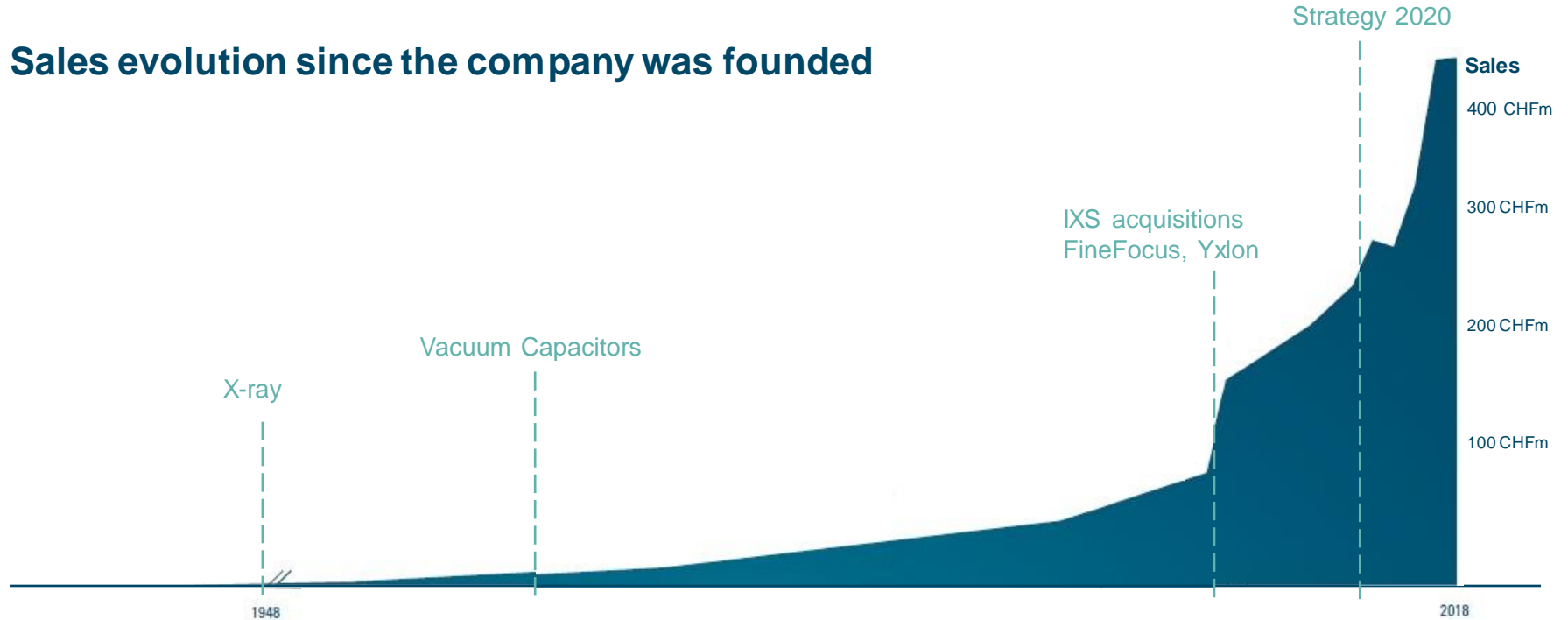
Strong balance sheet

Attractive growth drivers

Clear strategy & business model

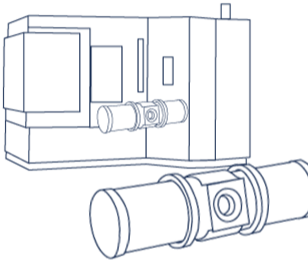
Thanks to its core competencies, the Comet Group has grown into an important partner to key customers in various industries

Sales evolution since the company was founded




Common core competencies are instrumental for the leading solutions in all three technologies

Technologies



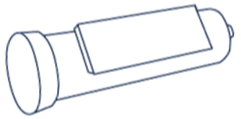
X-ray

Non-destructive testing
Computed tomography
Security inspection



RF Power

Plasma control



ebeam

Treatment of surfaces
Sterilization
Inactivation

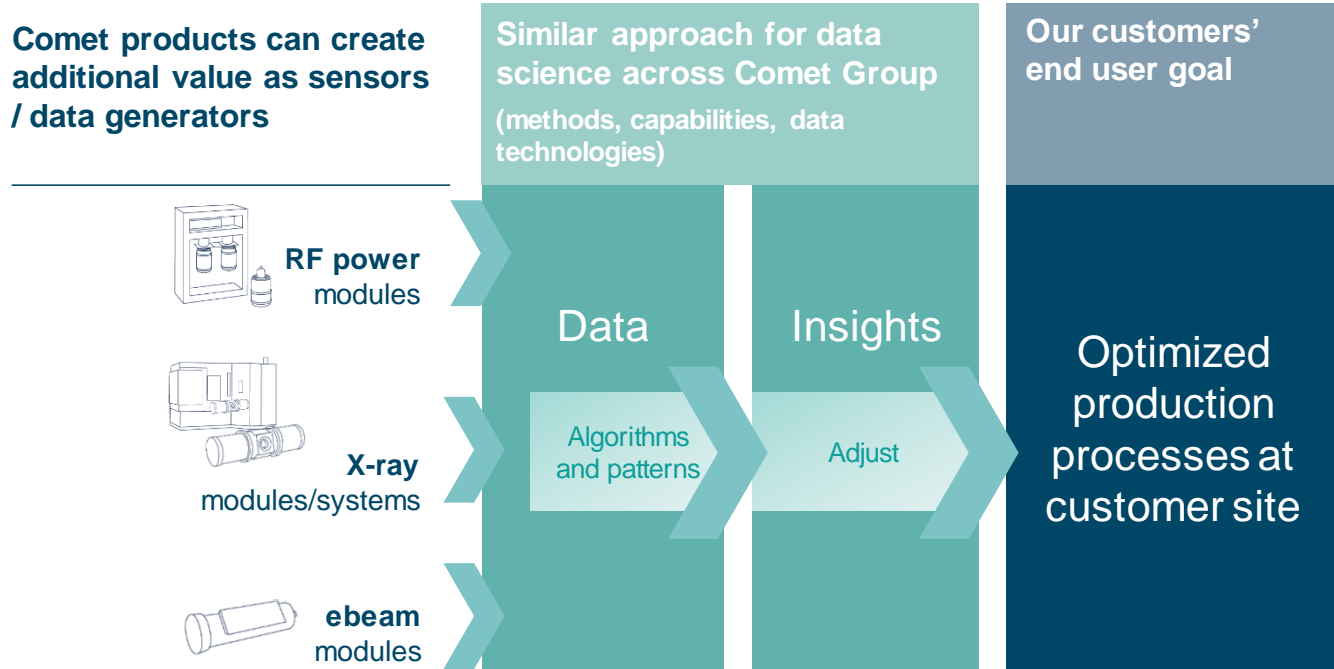
Core competencies



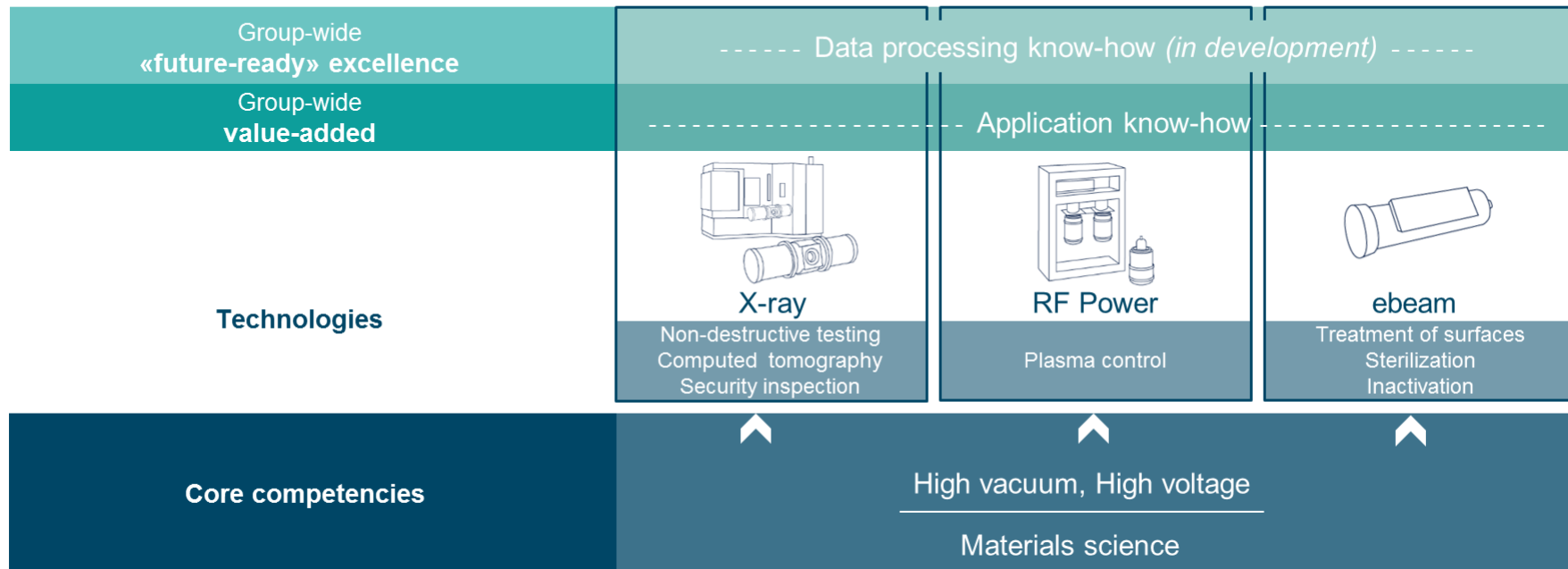
High vacuum, High voltage

Materials science

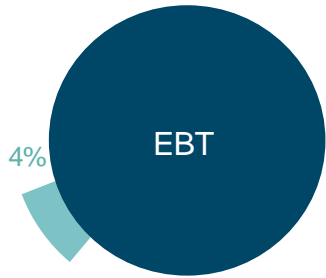
Digitalization of products, processes and services will offer even more synergies tomorrow



Similar data processing methods / algorithms will create even more value and learning experience between the businesses



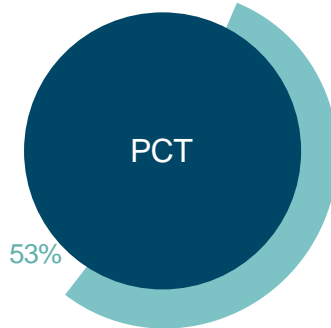
Our four divisions



Sterilization
Material modification



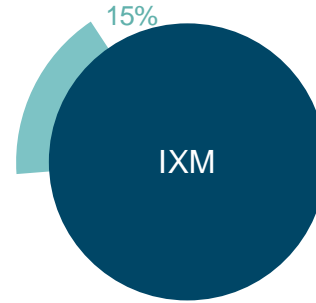
ebeam



Semiconductors
Microchips & Sensors
Displays



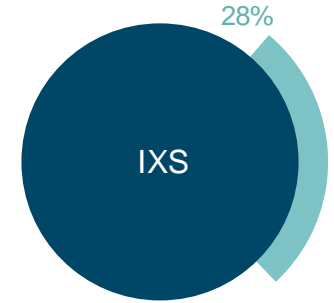
COMET



Security
Aerospace
Electronics
Medical



COMET



Electronics
Automotive / Foundries
Aerospace



YXLON

The Comet Group growth engine: Strong and diversified on-going business





EBT

EBT: Re-focusing of business almost completed

– Transfer of system business part to new owner



TE PCT EBEAM AND INTEGRATION, LLC, an affiliate of Tri-City Electric Co.

- Top 40 electrical contracting and engineering company in US
Founded in 1895, family owned
HQ: Davenport, Iowa, USA (5km from EBT site)
- Employees: > 1,000
- Primary interest: integration part of business; ebeam technology seen as opportunity for further diversification



ebeam clear advantages



High performance,
unchanged over time



No chemicals,
food safe



Energy-efficient,
no heat

EBT: New model with focus on promising ebeam engines



- Addressing OEMs and end customers
- Development of completely new markets
- Sizeable advance investments for developing new applications
- Systems and engines



- Addressing OEMs only
- Scaling of existing market access, know-how and products into adjacent applications
- Risk-adjusted, sustainable financing
- Focus on strong, promising engine portfolio
- Strong collaboration with partners

Reducing losses



New Focus

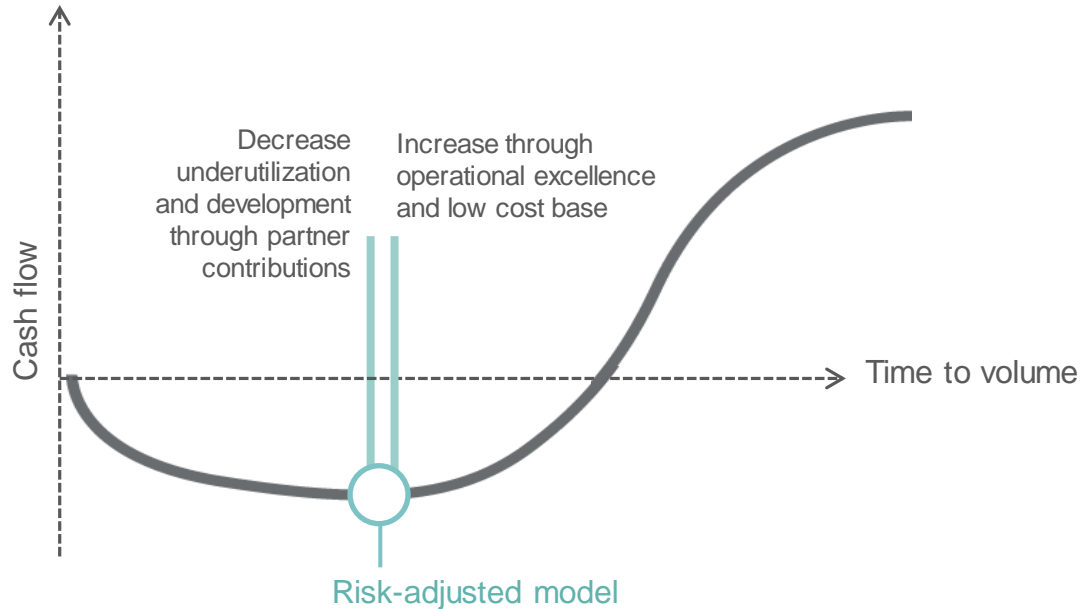
EBT
ebeam Engines
produced in Flamatt



EBT current business and new risk-adjusted model

Starting point

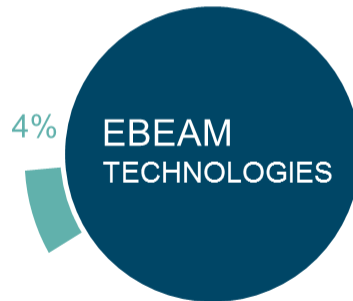
Low double digit sales volume based on contracts with partners, EBLabs and R&D expected over the next 5 years, starting from about 15 CHFm in 2019 and increasing gradually until large volumes kick in



Realigned EBT business: Start-up business based on strong strategic customers and attractive further long-term potential

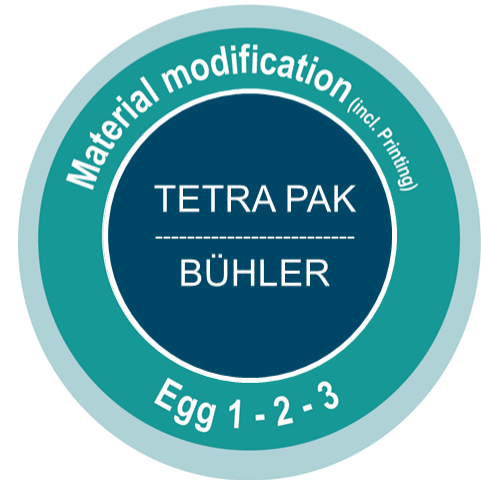
Position	Future-oriented technology based on solid know-how
Strengths	<ul style="list-style-type: none">✓ Only supplier of compact sealed lamp to be integrated✓ In-depth expertise in complex industrial applications✓ Energy-efficient and resource-saving, allowing more sustainable processes for its partners
Potential	⇒ Implement new cost-optimized operating model, expand to next applications identifying strong global partners (e.g. Egg).

■ % Group sales H1 2018

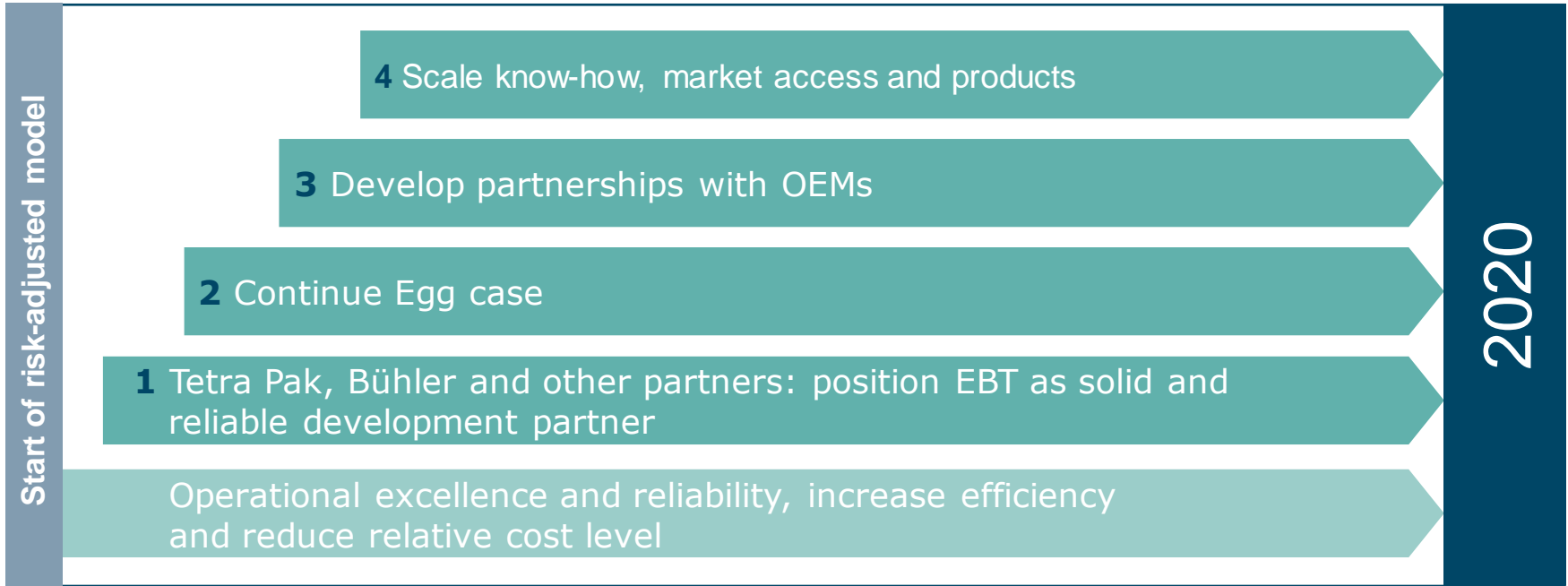


Applications

■ Core ■ Existing ■ Next potential



EBT priorities to 2020



YXLON
X-ray & CT Inspection Systems

A Step Ahead with **CT Metrology**

with CT Metrology

YXLON

YXLON
Y.MU2000-D CT



Improved Accuracy for
CT Metrology Applications

YXLON

IXS

IXS profit improvement program on track, increasing agility and strengthening organization for growth from 2020 onwards

1. Reprioritization

Reprioritization and acceleration of projects to renew product portfolio

Status of implementation to achieve EBITDA margin of 6% in 2019



2. Workforce reduction

27 positions in Germany

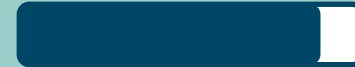
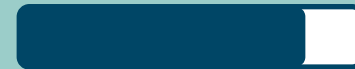
Contractors



3. Increase in efficiency

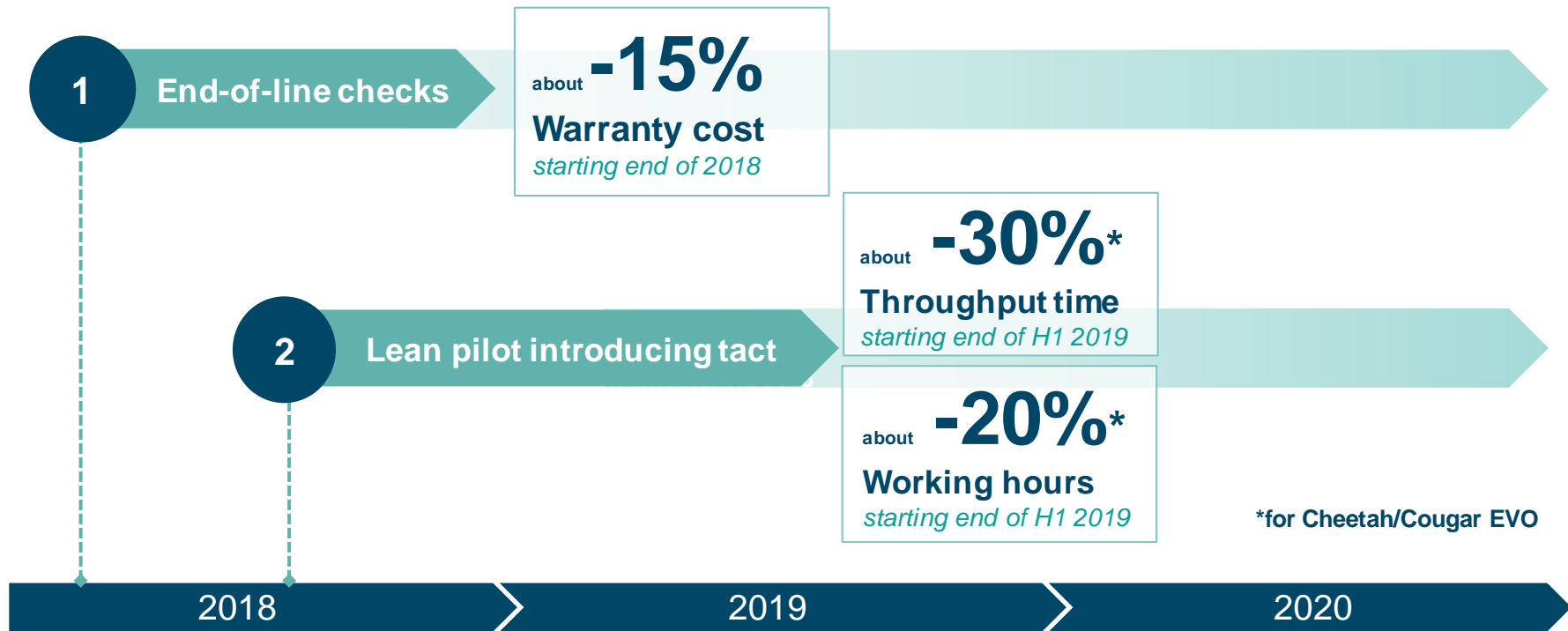
Optimized organization and adjustment of processes

Further saving in operations



} On-going mid-term program

Increase efficiency: Two examples of important groundwork done to strengthen operations and speed up time to market



Portfolio renewal on track, first positive effects, focused pipeline



FF 20/35 CT

+80% oI
compared to 2017



+2
Global Technology
Awards



Cheetah / Cougar
EVO

+10% oI
vs. old systems

First
orders



WI26G

4
new releases
for Industry 4.0
scheduled for
2019

Substantial
additional new
orders from 2020
onwards

2018

2019

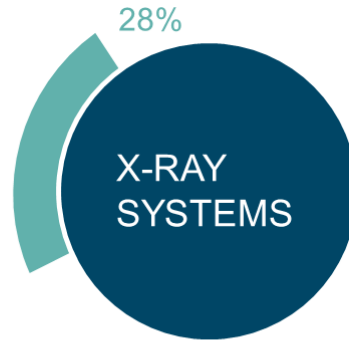
2020



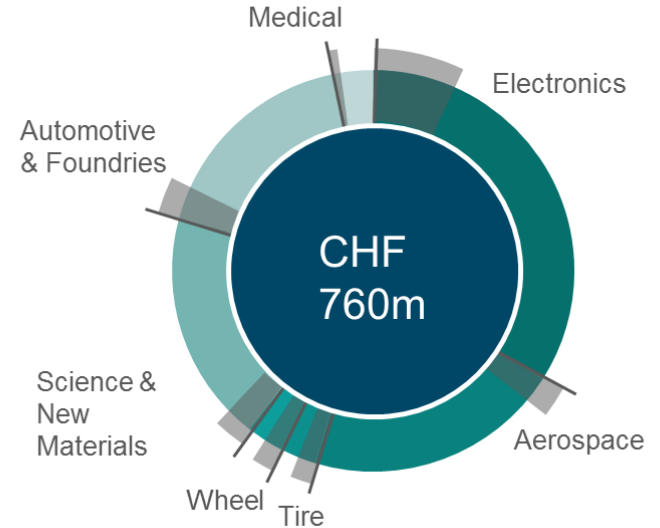
On-going business IXS: Exciting business with attractive potential

Position	One of the leading suppliers of industrial x-ray systems globally
Strengths	<ul style="list-style-type: none">✓ In-depth expertise in complex industrial applications✓ Best end data✓ Large global service and distribution network
Potential	⇒ Leverage x-ray as sensor with highest information density in combination with machine & deep learning to expand to new applications

■ % Group sales H1 2018



■ Addressable market
■ Current market share



IXS priorities 2020

4 Enhance data analysis skills to support process improvement for customers

3 Further develop and upgrade metrology as a feature

2 Consistent and timely introduction of planned product releases and upgrades

1 Sustainable development of organization under new leadership

Build on lean and agile processes implemented in 2018 to enable faster time to market and higher efficiency while also increasing ROI

2020

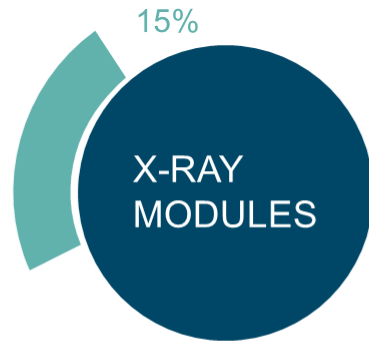


IXM

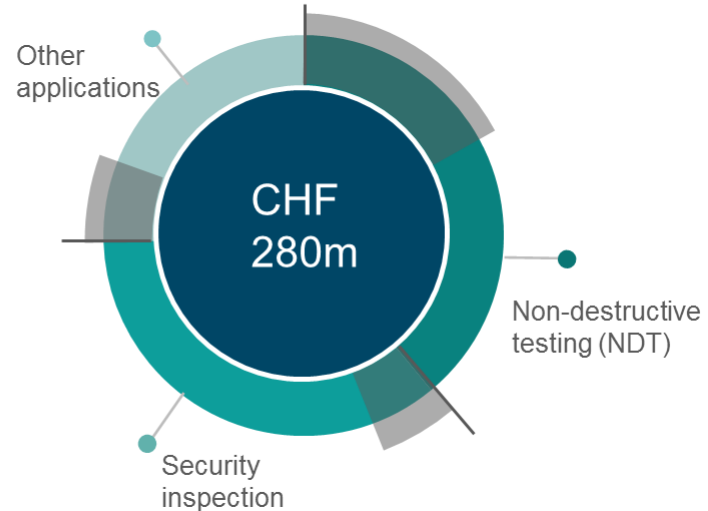
On-going business IXM: Well-positioned for continued growth, advancing business under new management since January 2018

Position	Clear market leader in non-destructive testing and security with tubes
Strengths	<ul style="list-style-type: none">✓ Superior industrial metal-ceramic X-ray tubes✓ In-depth, unique process know-how and ability to deliver tailor-made solutions to OEM customers✓ Deep understanding of OEM needs, thanks to IXS business
Potential	⇒ Expand into adjacent markets based on product portfolio expansion

■ % Group sales H1 2018

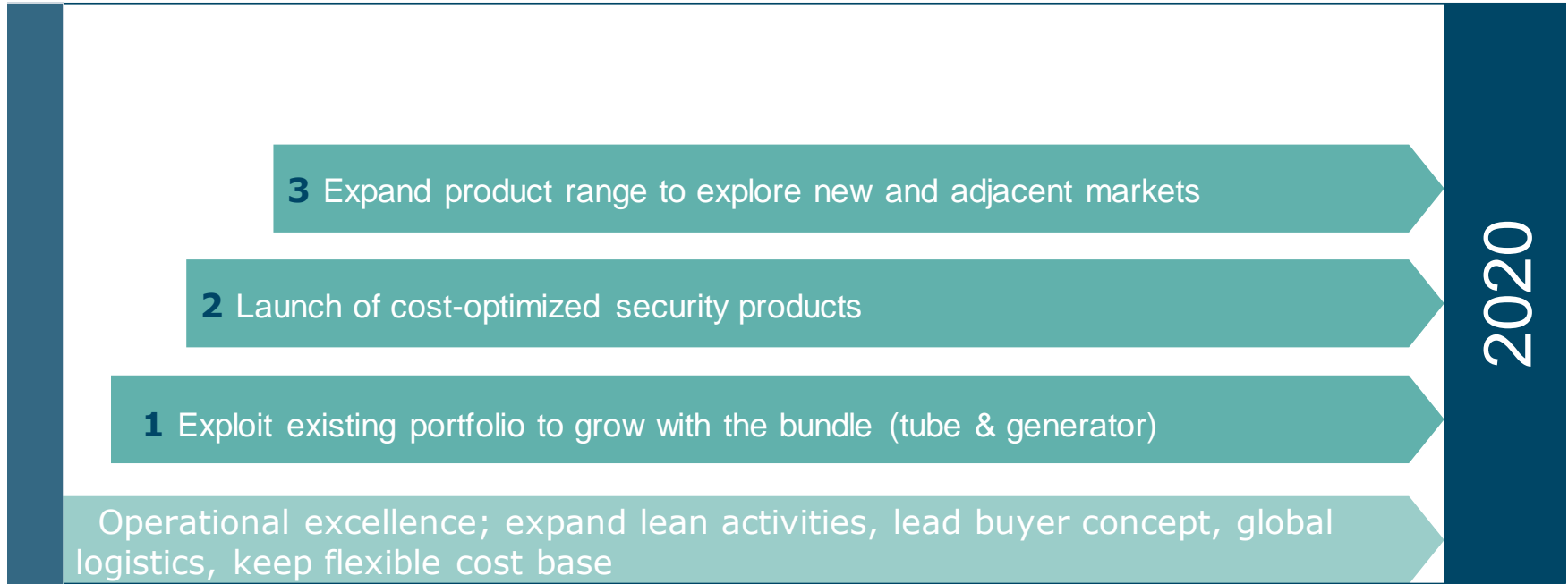


■ Addressable market (modules)
■ Current market share



Source: Comet

IXM priorities to 2020



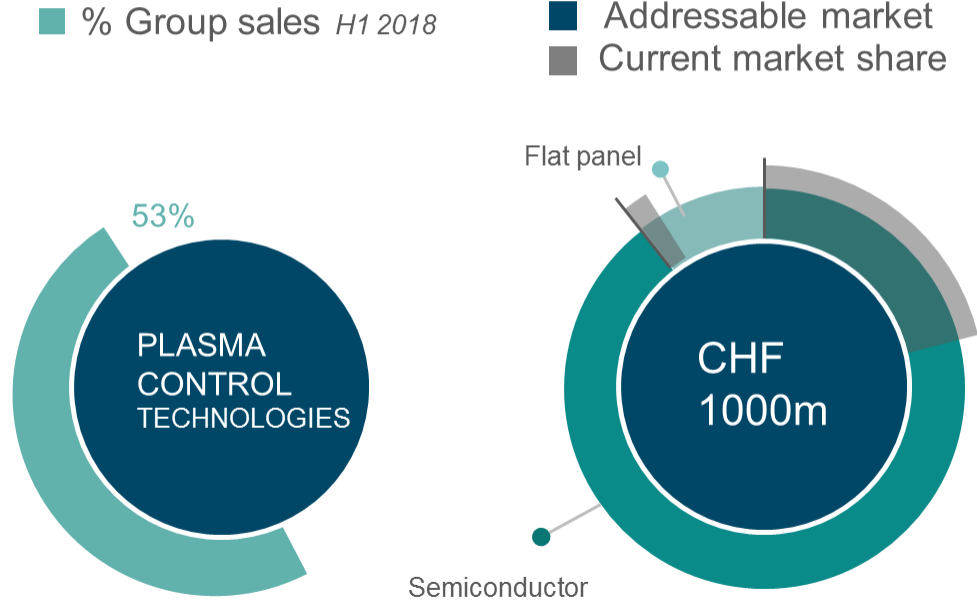
Up Your RF System

Capacitors



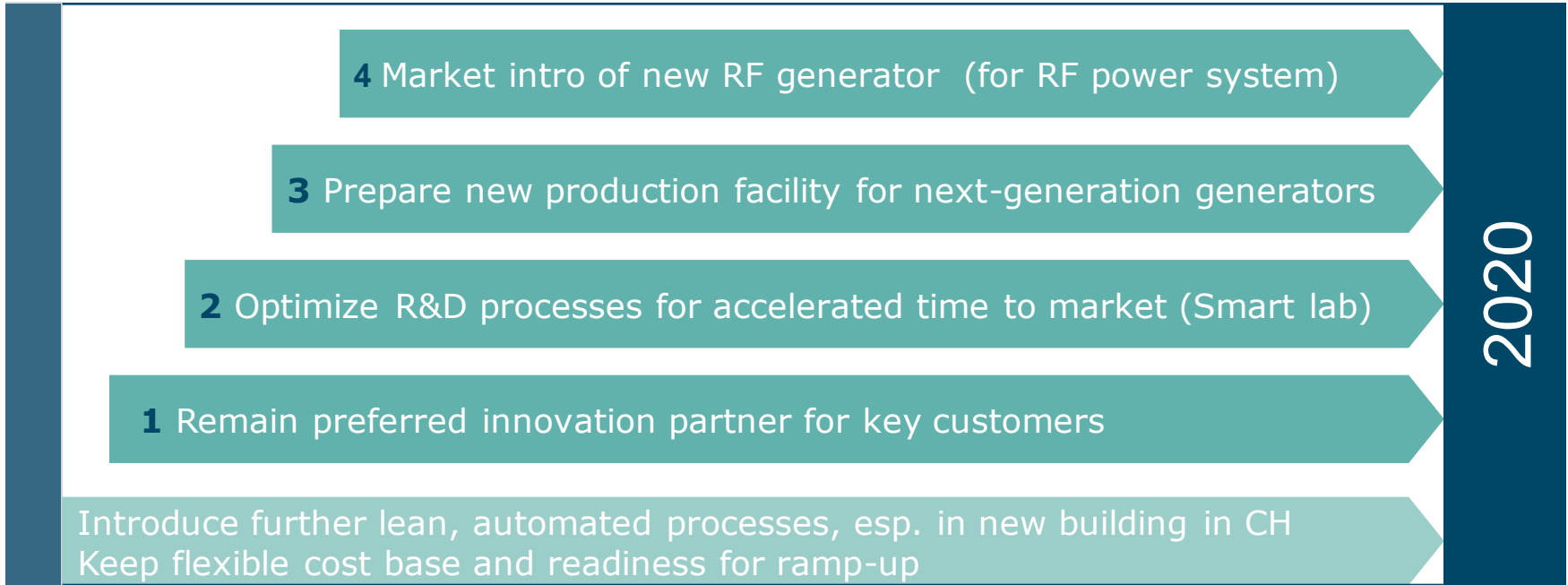
PCT: Current slowdown – But continued high demand for joint development projects; strong drivers based on growing data storage and processing demand

Position	One of the leading suppliers of RF power technology globally
Strengths	<ul style="list-style-type: none">✓ The only manufacturer worldwide to develop and produce all core components of the RF Delivery System✓ Over 50 years of expertise in the field of VacCaps, heart of the RF matchbox✓ Flexible cost structure
Potential	Attractive potential by expanding RF generator portfolio, and on track with generator ⇒ broaden application and customer base



19m/9 % of sales from other markets (niche markets like broadcast, amplifiers etc.)

PCT priorities to 2020



Operational Excellence: Important milestones reached; completed expansion in Flamatt as basis for further lean initiatives and future growth



Building expansion on cost and on time

Leaner processes and production cells

Automation concept

First significant savings from lead buyer initiative

Logistics further standardized with savings of 50% per kilo

Business Development with good progress in all major projects

- ▶ IXS - Electronics 4.0
- ▶ IXS - CT Intelligence
- ▶ EBT - ebeam+
- ▶ EBT - Egg treatment
- ▶ EBT - Printing



Growth Initiatives – important steps achieved with each initiative

PCT - Expanding RF power portfolio

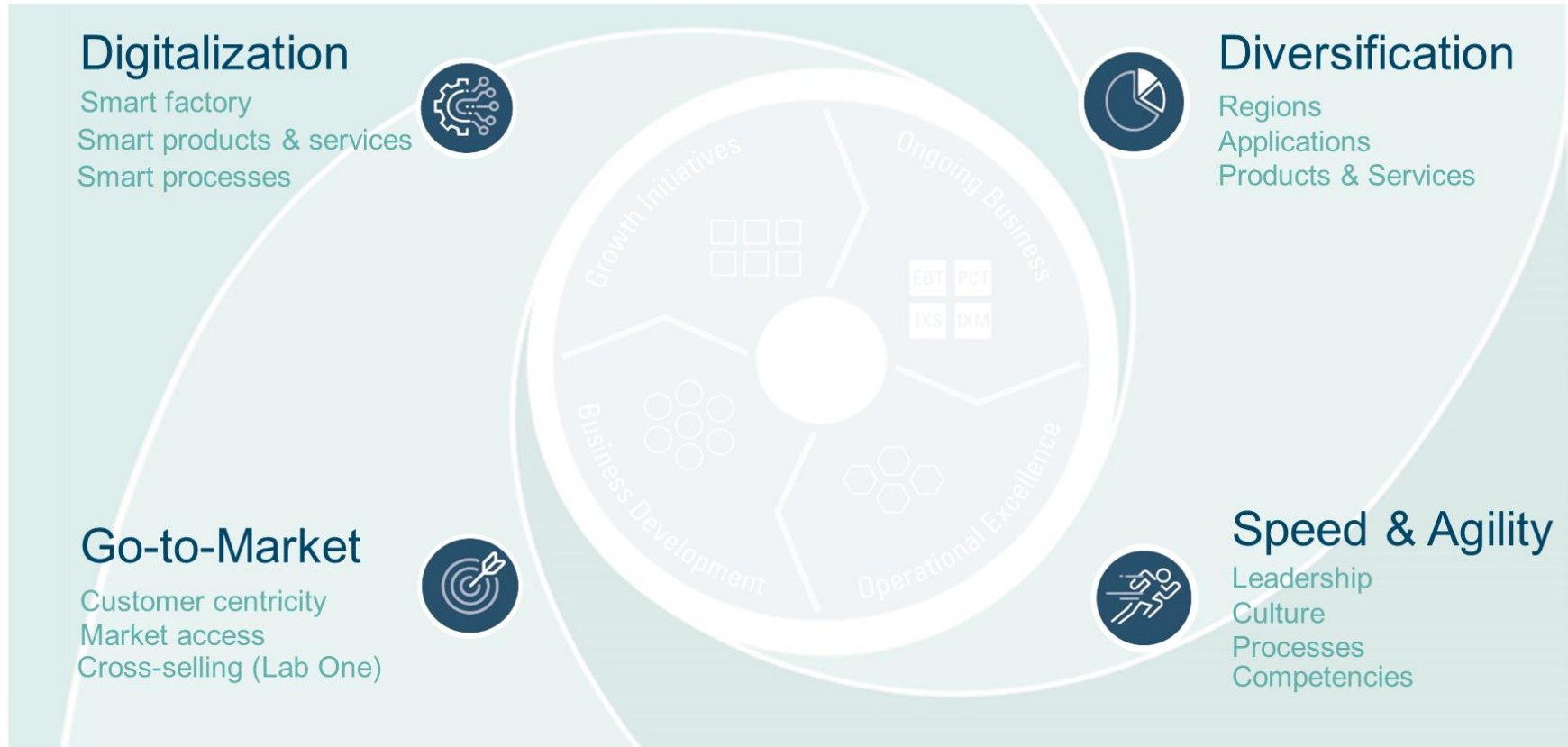
EBT - Inactivation of dry food
with Bühler

IXS - Metrology:
Strengthening of portfolio

















































IXM - Security:
New offering



Our four levers for growth beyond 2020



Main initiatives implemented to support each growth lever

	Status					Status	
 Smart connectivity							Expansion of product portfolio
 Automated shuttle logistics		 		 			BI Controlling (BEX)
Rollout of Jira, Confluence		 		 			Automated testing of SW integration IXM
Sales CRM		 		 	 		Service CRM (Group)
Expansion of Shanghai site			 	 	 		Lab One
 PCT Smart Lab, Flamatt		 		 			Marketing Automation

Summary & Outlook



Summary

Strong base; right priorities to 2020



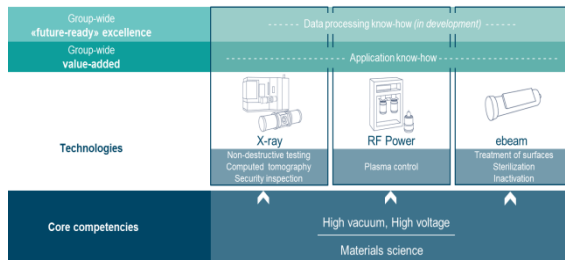
Strong base of shared core **competencies**



Strategy 2020 on track;
actions taken to address challenges

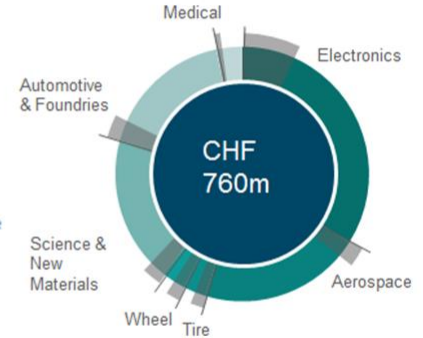
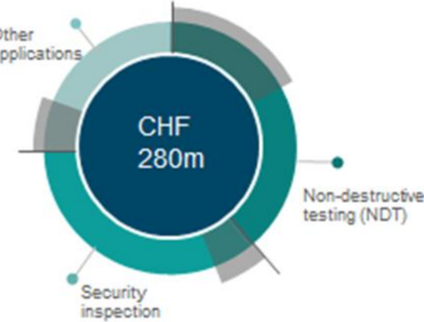
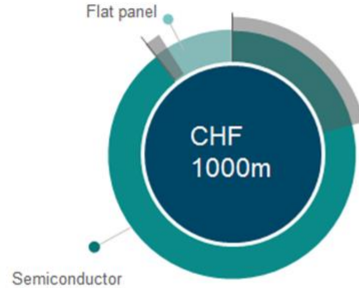


Clear **priorities** to deliver to deliver on 2020
strategy for each division



Summary

Comet group well positioned to address attractive market potential



EBT
■ Core/ existing applications ■ Future potential

PCT / IXM / IXS
■ Addressable market ■ Current market share

Outlook

2018


Net sales between 430 to 440 and an EBITDA margin between 7 and 9%

2019 and 2020

For 2019 and 2020 the Comet Group is not publishing revenue and EBITDA targets, in view of

- the geopolitical uncertainty
- the lack of visibility especially in the semiconductor market
- the structural changes in the ebeam business

Comet Group enters fiscal year 2019 on a more robust base



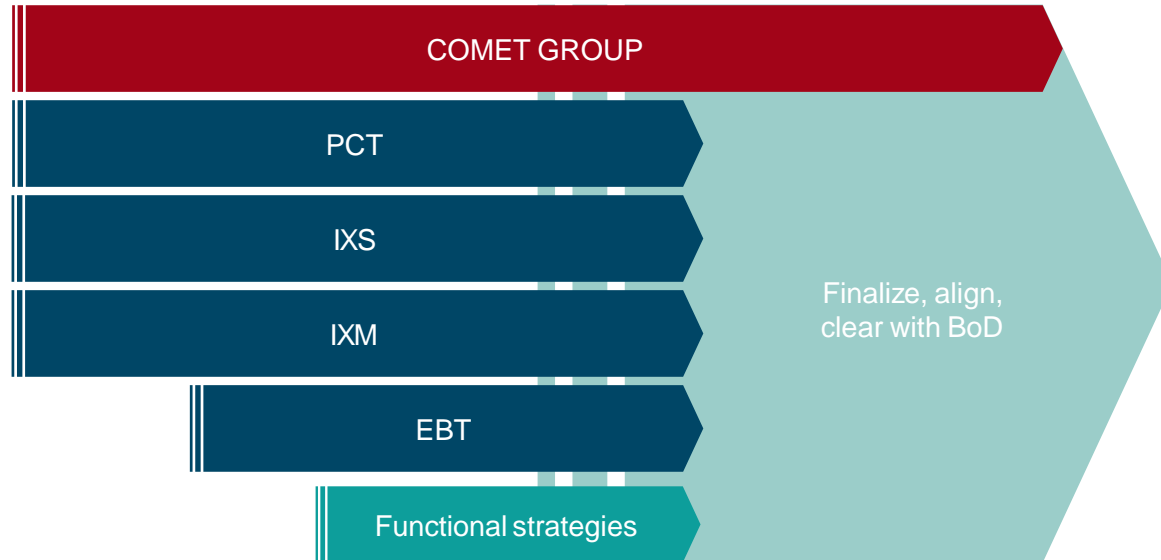
Strategy Process

How we are going forward

René Lenggenhager, CEO, Comet Group

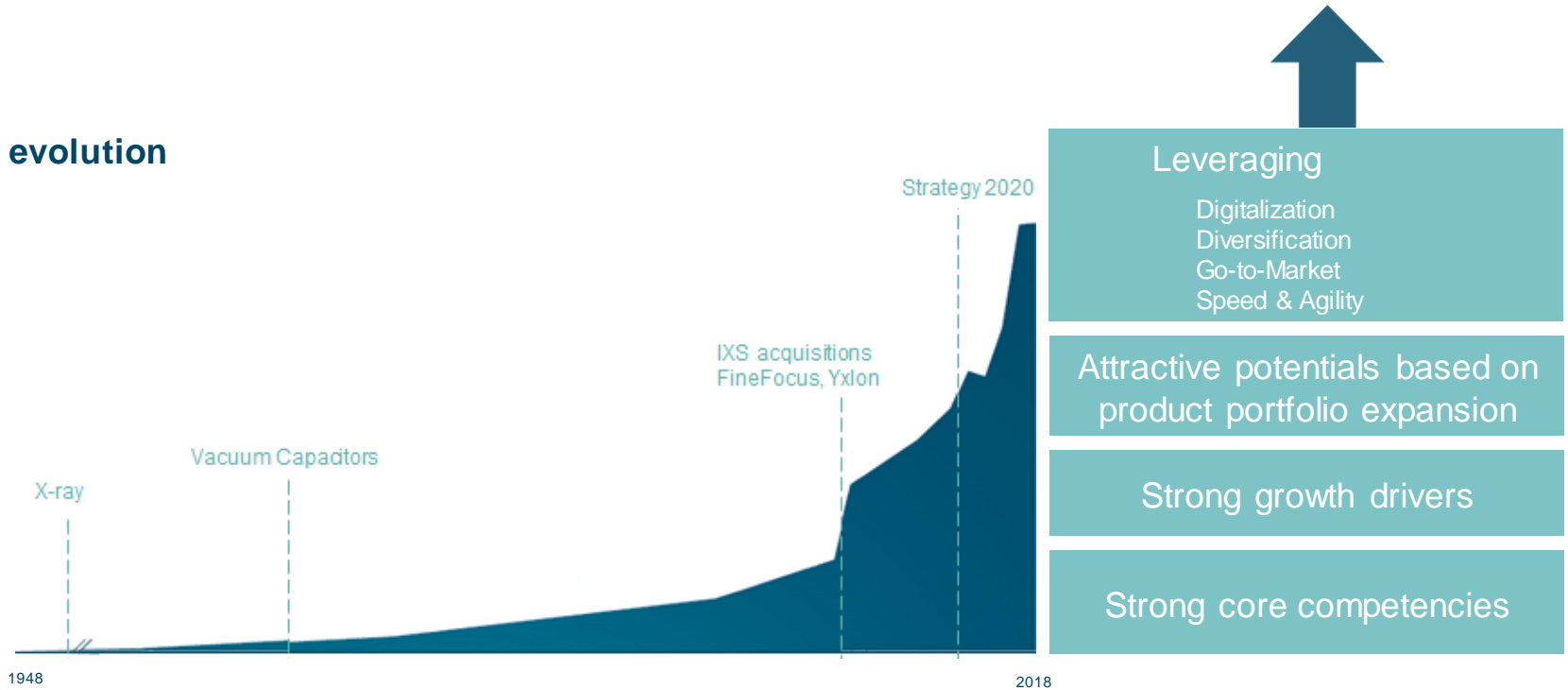
Strategy process

We are working on the longer-term strategy both at the Group level and at the divisions level, both linking closely



Create value-added to 2020 and beyond

Sales evolution



Financial calendar for the Comet Group

March 14, 2019

Publication of 2018 annual report

April 25, 2019

Annual shareholder meeting in Berne

More details on our business performance and financial results:

<http://www.comet-group.com>



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Disclaimer

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Thank you for your interest