

# FY23 Financial Results

**March 4, 2024**

Stephan Haferl, CEO  
Nicola Rotondo, Interim CFO

Comet AG  
Herrengasse 10  
CH-3175 Flamatt

T +41 31 744 90 00  
[www.comet.tech](http://www.comet.tech)

# Cautionary statement regarding Forward Looking Statements

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# Agenda

**01 Business & Industry Review**

**02 Financial Results**

**03 Outlook 2024**

# FY23: challenges mastered, progress made

## Correction in the semi cycle weighed on results

- Net sales significantly below record results of FY22
- Profitability declined, double-digit margin achieved

## Significant milestones reached

- Achieved first Synertia® design wins
- Completed expansion / consolidation projects
- Launched / commercialized leading-edge products

## Market volatility managed

- Effects of the correction cushioned: balanced portfolio
- Measures implemented to mitigate the downturn
- Cost base reduced, growth investments maintained

**397.5**

Net sales in CHF million  
(–32.2% vs. FY22)

**11.3%**

EBITDA margin  
(FY22: 20.3%)

**–0.6**

Free cash flow in CHF million  
(FY22: CHF 42.2 million)

**6.6%**

Return on capital employed  
(FY22: 26.3%)

# Robust year in traditional industrial markets, correction in semi cycle with pronounced weakness in memory



Cycle bottomed out in H2; signs of recovery towards year end

Memory: pronounced weakness

WFE spend (excl lithography):  
-7.3% in FY23<sup>(1)</sup>



Tangible growth in automotive demand: inventory rebuild, supply chain easing

EV ramp continued, gaining additional share



Air traffic: a year of strong growth, almost reaching pre-pandemic levels

Increased traffic: higher build rates and service demand

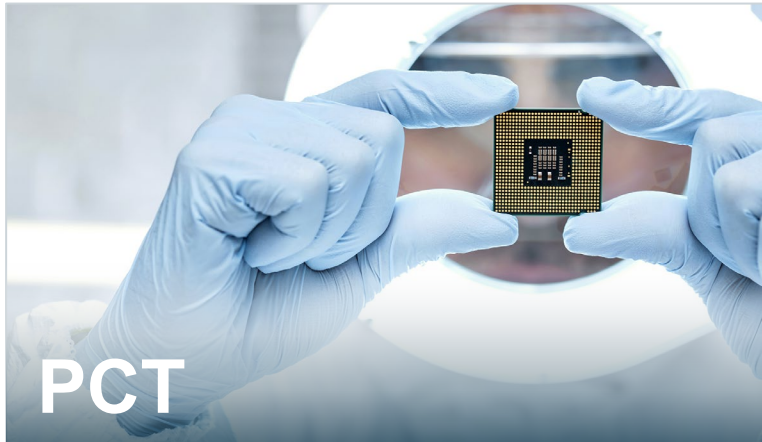


Security market volume remains on a high level across the globe

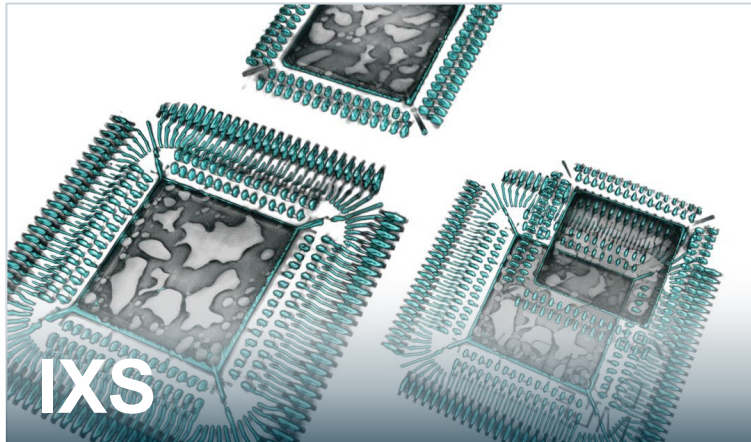
Close link to upswing in airline traffic & geopolitical uncertainty

<sup>(1)</sup> estimate TechInsights/VLSI, December 2023

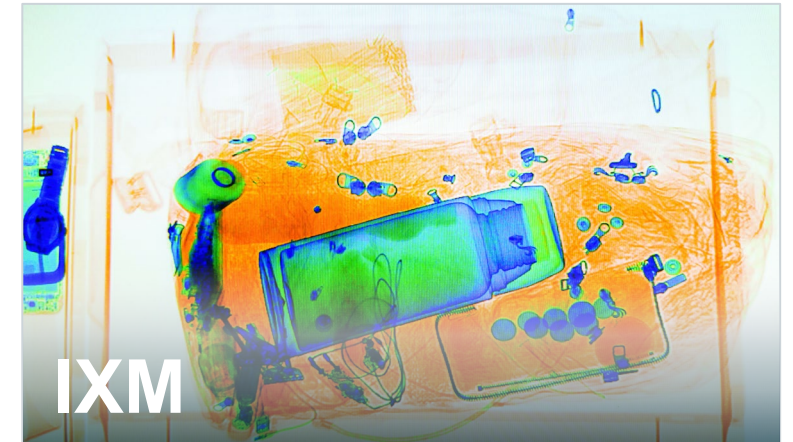
# Unlocking future market potential across divisions



Acceleration of Synertia® market introduction  
Multiple design wins with Synertia®  
Expansion in Penang: planning of new factory



CA20 system launched for semi applications  
New contracts signed with semiconductor  
and battery customers  
Strengthened commercial teams in Asia



Sales of new products driving growth  
Investments in leading-edge x-ray tubes  
Growing applications in battery testing,  
additive manufacturing, metrology

# Emerging stronger from a year of transition

- Strong impact of the semiconductor cycle correction
- Turning point reached in Q4/23
- Well positioned for the expected upswing
- PCT: increased resilience, commercialization of Synertia®
- IXS: improved profitability, introduction of new system for semi
- IXM: record year, reaping rewards of investments



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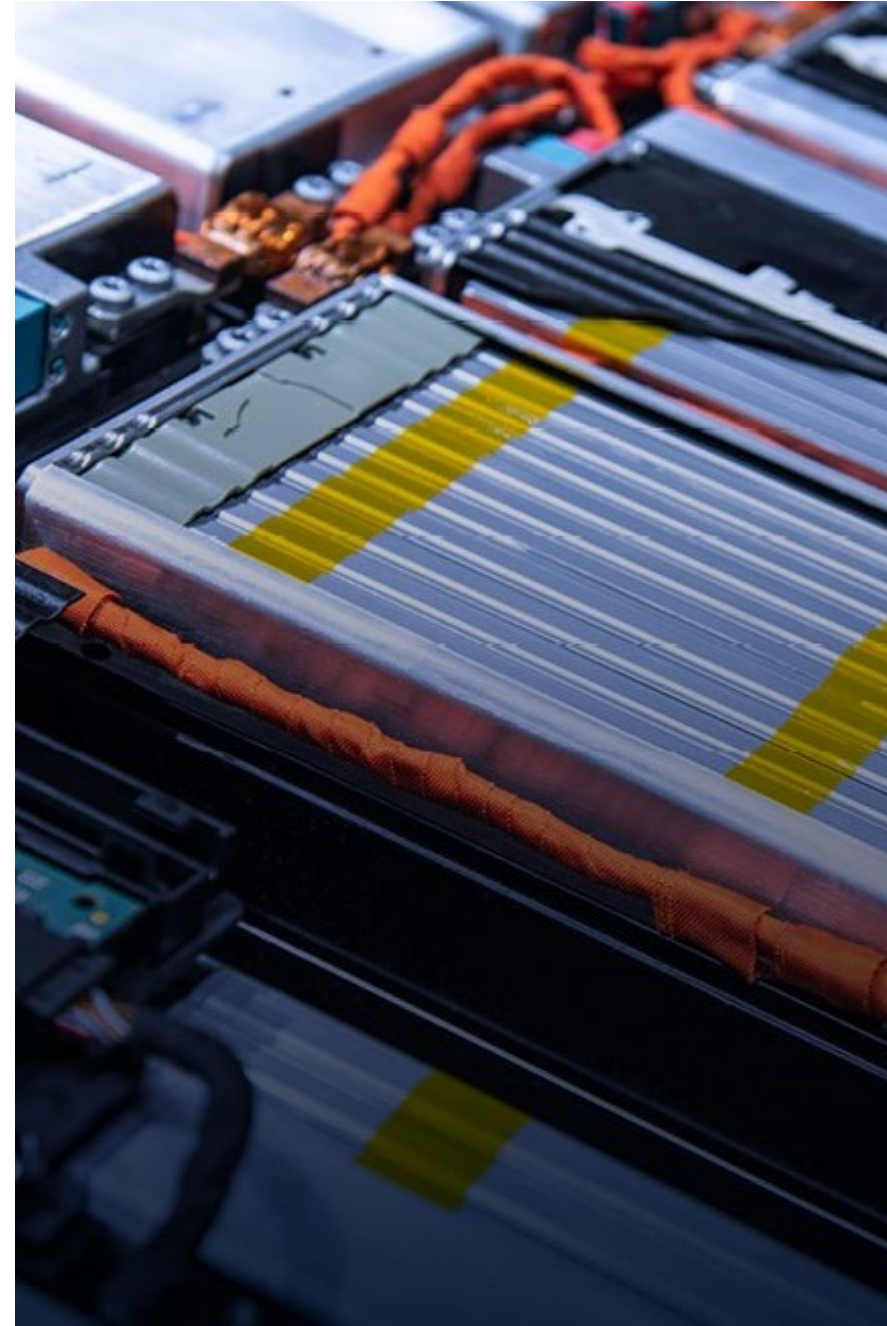
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# Financial highlights FY23

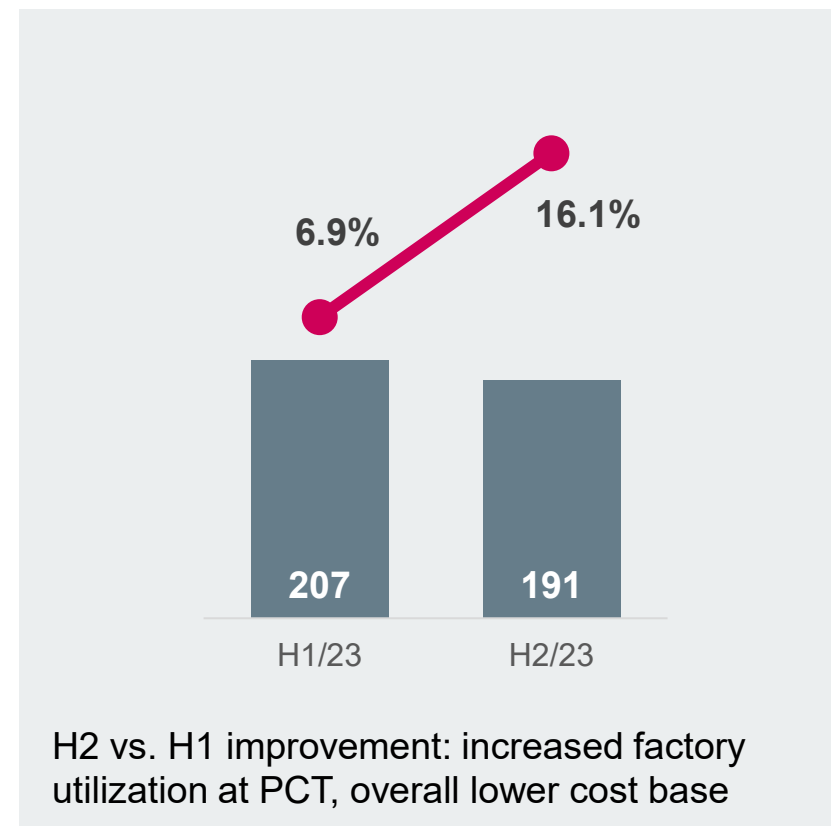
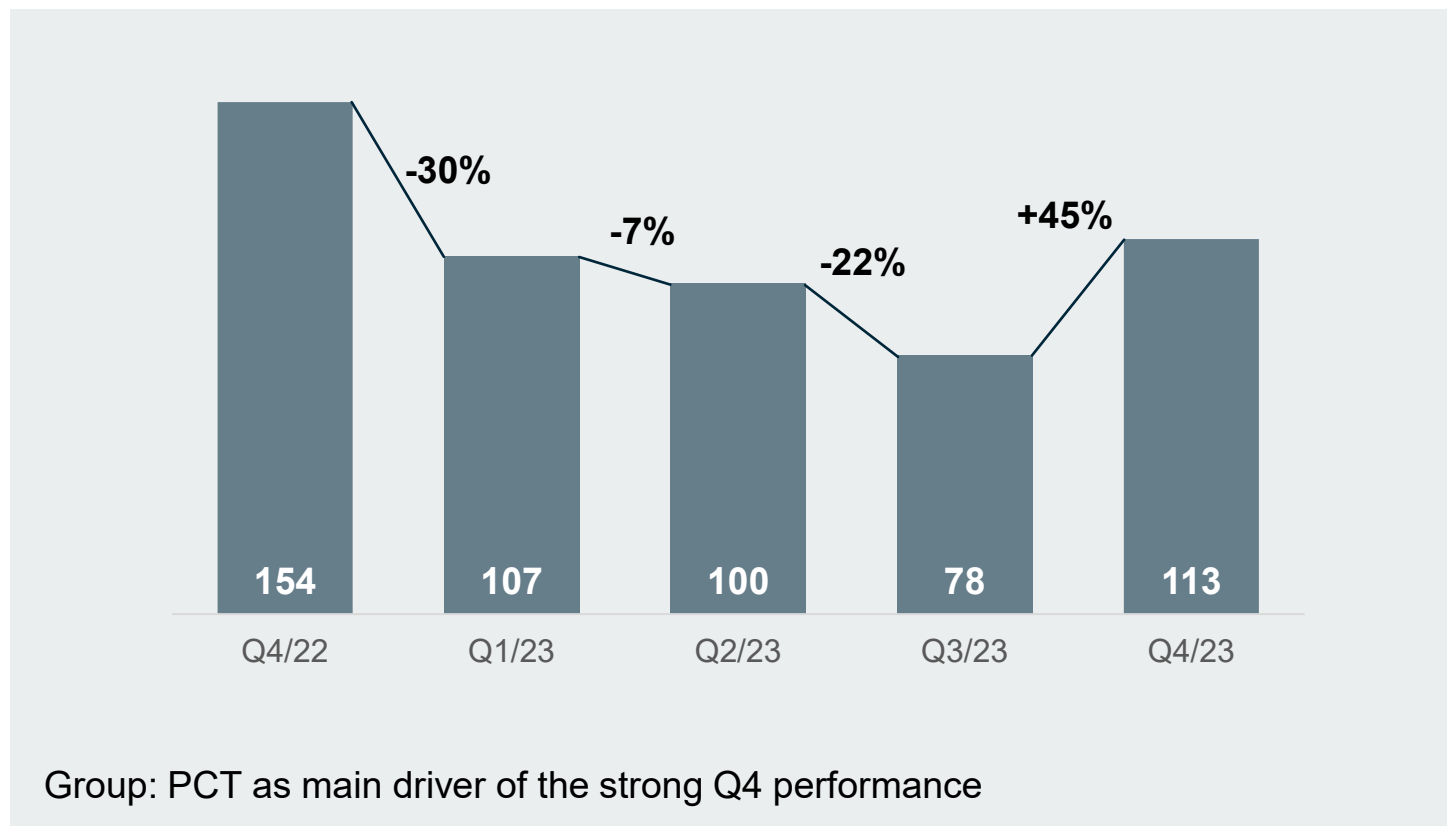
- Strong Q4 performance and solid H2 results
- IXM with a record year
- Dividend at CHF 1.00/share
- Equity ratio increased vs. PY
- Continued strong cash position with low debt enabled further investments despite unfavorable market conditions



# Group: lower cost base and sales progression in H2

■ Net sales\* [in CHF million]

—●— EBITDA margin

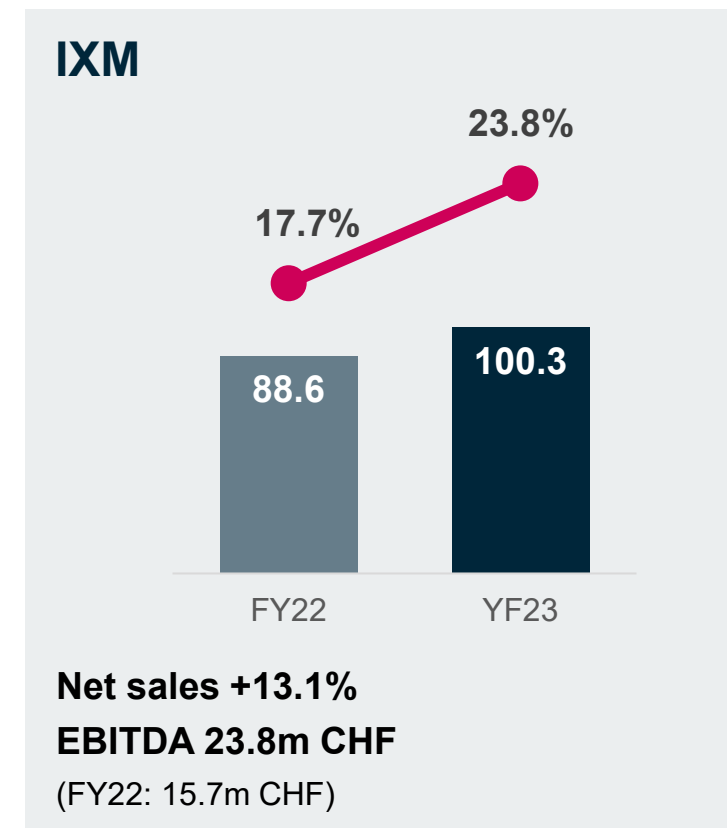
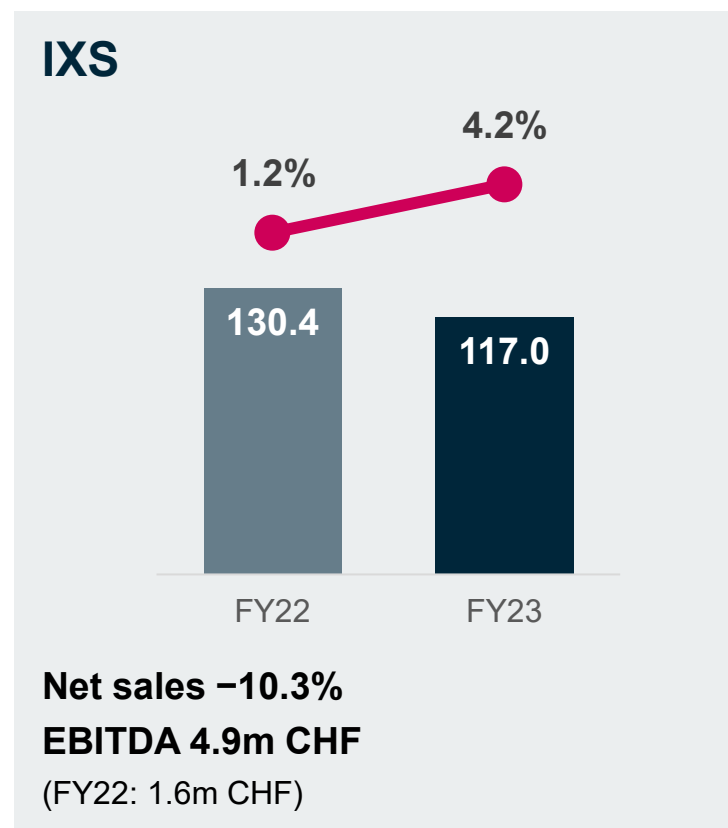
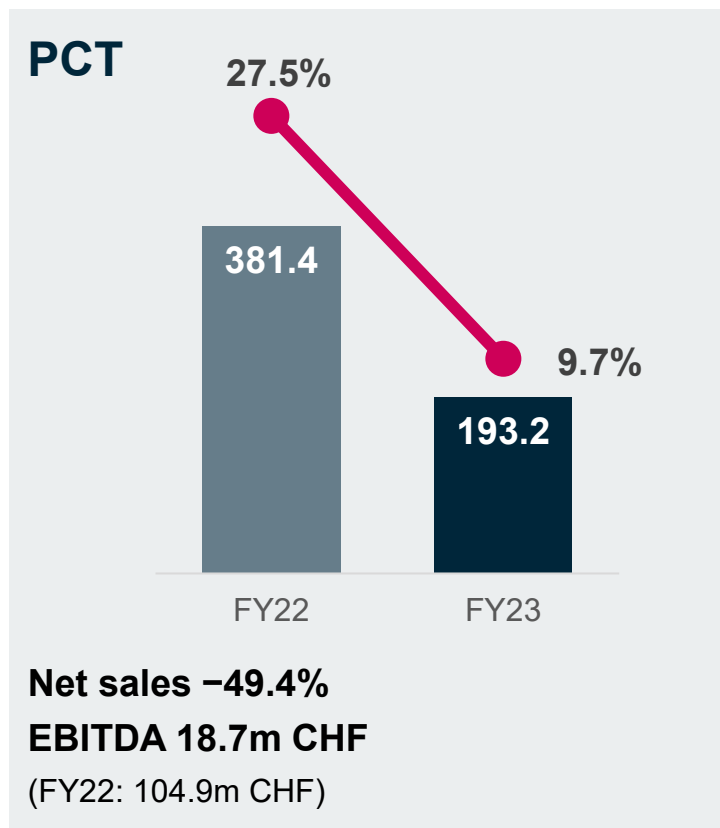


\* rounding differences may occur

# Margin improvements at IXS and IXM cushioned PCT

■ Net sales [in CHF million]

● EBITDA margin



# Net sales declined, gross margin at a good level

in CHF million, otherwise indicated	FY23	FY22	Y-O-Y <sup>(3)</sup>
Net sales	397.5	586.4	–32.2%
Gross margin	41.0%	44.6%	–3.6pp
EBITDA	45.0	118.9	–62.2%
EBITDA margin	11.3%	20.3%	–9.0pp
Net income	15.4	78.1	–80.3%
Free cash flow <sup>(1)</sup>	–0.6	42.2	–42.8m
Return on capital employed (ROCE) <sup>(2)</sup>	6.6%	26.3%	–19.7pp

(1) Free cash flow = operating cash flow – net investing activities

(2) NOPAT/capital employed

(3) rounding differences may occur

# Balance sheet remained strong through the cycle; freedom to invest in future growth

in CHF million, otherwise indicated	FY23	FY22	Y-O-Y <sup>(3)</sup>
Cash and cash equivalents	86.7	125.9	-31.2%
CapEx <sup>(1)</sup>	26.4	22.8	+15.8%
CapEx as % of sales	6.6%	3.9%	+2.7pp
Net working capital	116.7	150.2	-22.2%
Net working capital as % of sales <sup>(2)</sup>	32.7%	21.1%	+11.6pp
Net debt	8.8	-28.1	+36.9m
Debt factor (Net debt / EBITDA)	0.2	-0.2	+0.4

<sup>(1)</sup> tangible and intangible items, excl. other items included in net cash flow from investing activities

<sup>(2)</sup> measured on a 12 months average basis

<sup>(3)</sup> rounding differences may occur

# Committed to shareholder return

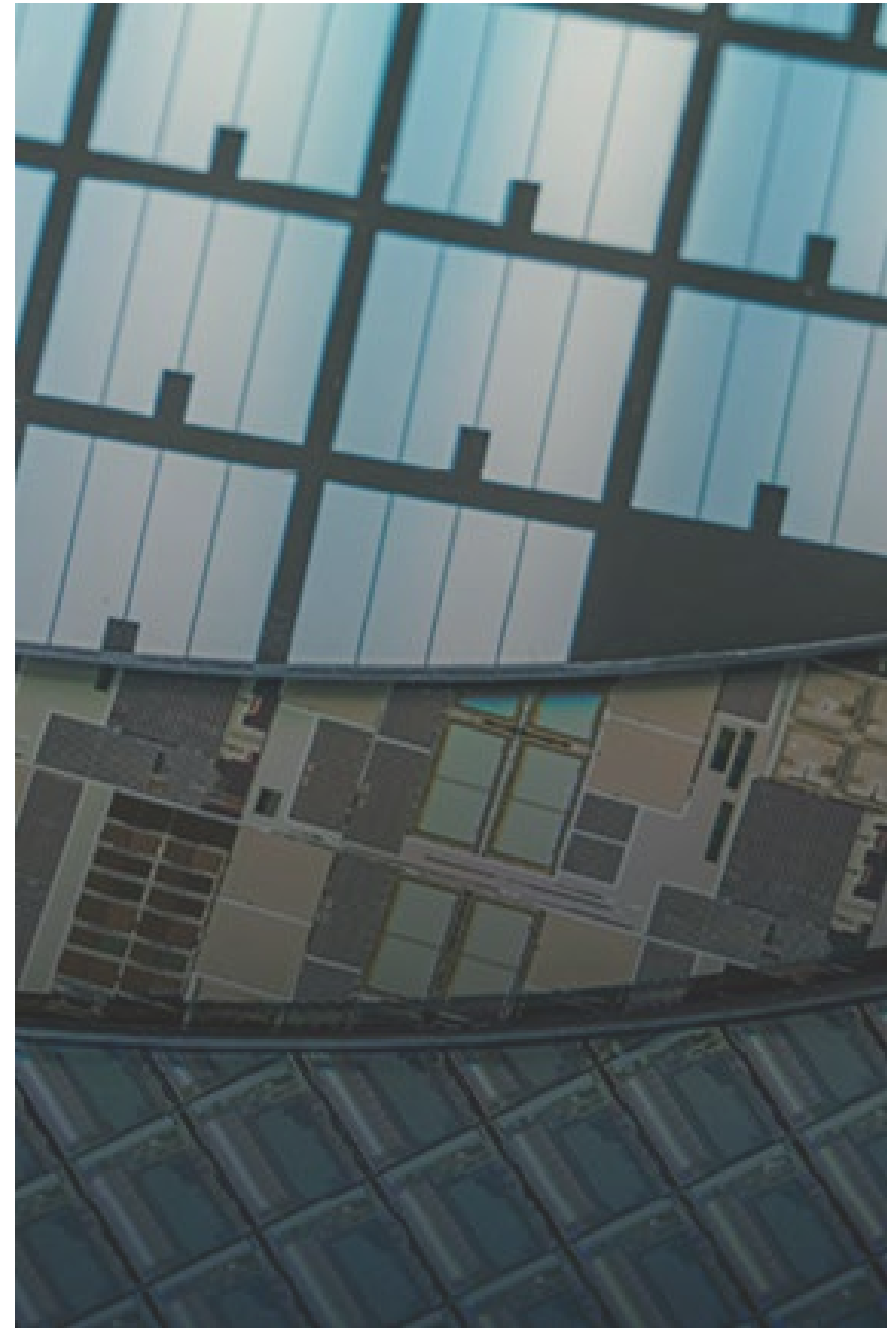
	FY23	FY22	Y-O-Y <sup>(2)</sup>
Equity (in million CHF)	296.1	331.5	-10.7%
Equity ratio <sup>(1)</sup>	62.5%	59.5%	+3.0pp
Earnings per share (in CHF)	1.98	10.05	-80.3%
Dividend per share (in CHF)	1.00	3.70	-2.70
Pay-out ratio	50.5%	36.8%	+13.7pp

<sup>(1)</sup> equity/total assets

<sup>(2)</sup> rounding differences may occur

# Financial summary FY23

- Group: prudent financial policy and cost reductions mainly effective in H2 enabled to master a difficult 2023
- Divisions: record year for IXM, IXS improved profitability
- Strong balance sheet enables funding of R&D and expansion beyond the peak of the next semi cycle
- Ready to capitalize on opportunities once semi returns to growth
- Committed to shareholder return in line with our guidance



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# FY24: green shoots in semiconductors, other markets on a slower trajectory due to macro concerns



Exact shape/timing of recovery uncertain; acceleration in H2/24

Wide range of estimates for WFE capex in FY24<sup>(1)</sup>: -2% to +7%, WFE spend USD 87bn to 107bn



Passenger car production to stall in FY24<sup>(2)</sup> after strong year of inventory rebuild

EV sales: continue to outpace the market, gaining market share



Commercial air traffic: pre-pandemic levels in early FY24, more moderate growth thereafter

Defense spending expected to remain robust



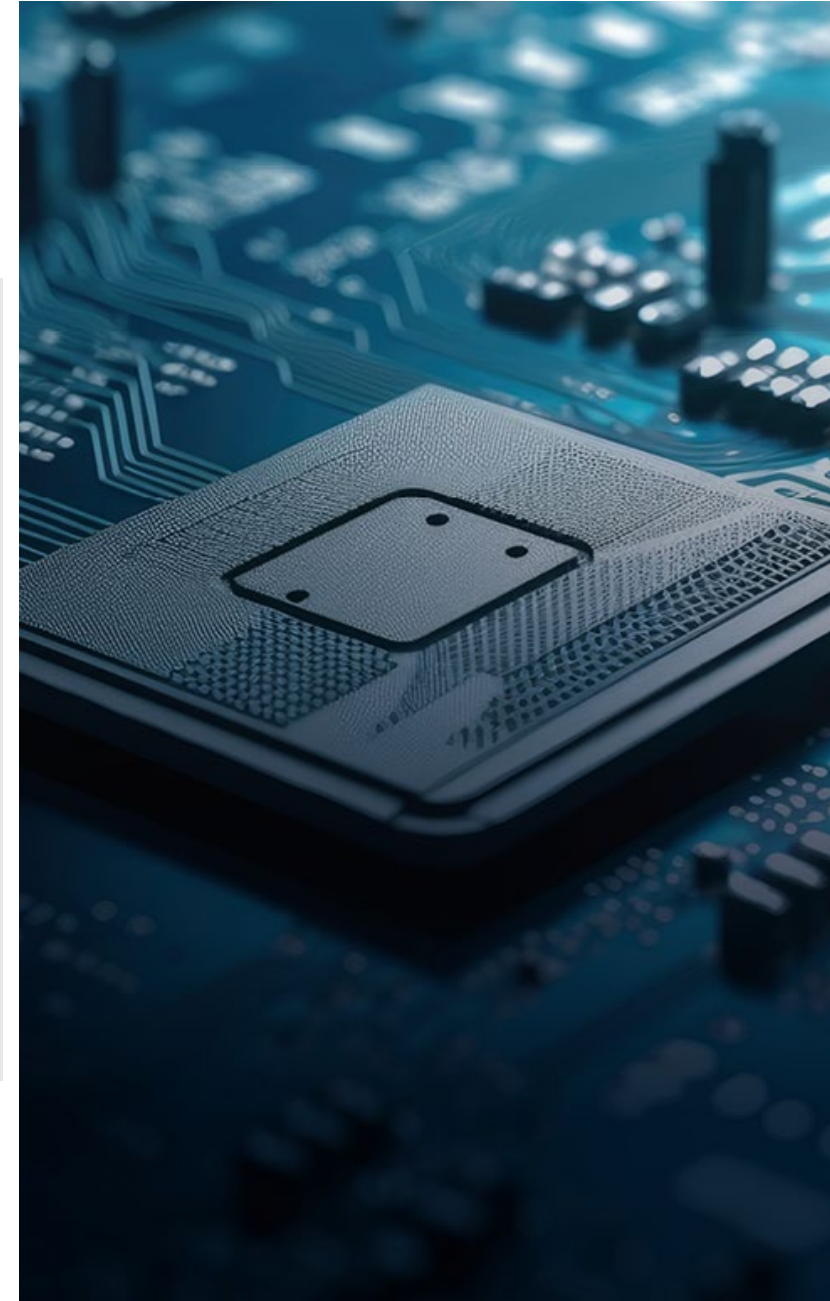
Growth trend in aviation and heightened need for security solutions is driving continued demand

(1) average of 6 estimates Jan/Feb 2024: Gartner, Semi, TechInsights, Lam Research, KLA, Tokyo Electron

(2) estimate IHS Markit, January 2024

# Growth-oriented roadmaps for the divisions

<b>PCT</b>	<ul style="list-style-type: none"><li>• Continue to commercialize the Synertia® RF power delivery platform</li><li>• Intensify key account management</li><li>• Expand Penang as a strategic best-cost manufacturing location</li></ul>
<b>IXS</b>	<ul style="list-style-type: none"><li>• Targeted portfolio expansion</li><li>• Use co-creation as an innovation engine</li><li>• Strengthen local presence</li></ul>
<b>IXM</b>	<ul style="list-style-type: none"><li>• Strengthen position in semiconductor and electronics inspection markets</li><li>• Develop batteries and additively manufactured components inspection markets</li><li>• Expand the sales organizations and service business in Asia</li></ul>



# FY24: ready for the upswing

- Semi industry:  
slight upward trend in H1 likely to accelerate in H2
- Wafer fabrication equipment to grow at a moderate pace
- Muted outlook for the traditional industries (automotive, aerospace)
- Operational and business excellence: lean approaches
- Drive forward commercialization, digitalization, automation
- Stringent execution of the Boost program

## Guidance FY24

Revenue (in million CHF)

**440 to 480**

EBITDA margin (in %)

**15.0 to 17.0**

# Appendix

# Consolidated statement of income

in thousands of CHF	FY23	FY22	Y-O-Y
<b>Net sales</b>	<b>397,453</b>	<b>586,395</b>	<b>-32.2%</b>
<b>Gross profit</b>	<b>162,926</b>	<b>261,633</b>	<b>-37.7%</b>
• Other operating income	7,843	4,899	+60.1%
• Development expenses	(60,712)	(63,766)	-4.8%
• Marketing and Selling expenses	(45,725)	(54,687)	-16.4%
• G&A expenses	(39,354)	(49,105)	-19.9%
<b>Operating income</b>	<b>24,978</b>	<b>98,975</b>	<b>-74.8%</b>
• Financial result	(5,984)	(3,607)	-65.9%
<b>Income before tax</b>	<b>18,994</b>	<b>95,368</b>	<b>-80.1%</b>
• Income tax	(3,606)	(17,259)	-79.1%
<b>Net income</b>	<b>15,388</b>	<b>78,109</b>	<b>-80.3%</b>
• Earnings per share (CHF)	1.98	10.05	-80.3%
<b>Operating income</b>	<b>24,978</b>	<b>98,975</b>	<b>-74.8%</b>
• Depreciation & Amortization	20,018	19,939	+0.4%
<b>EBITDA</b>	<b>44,996</b>	<b>118,913</b>	<b>-62.2%</b>

# Consolidated statement of cash flows

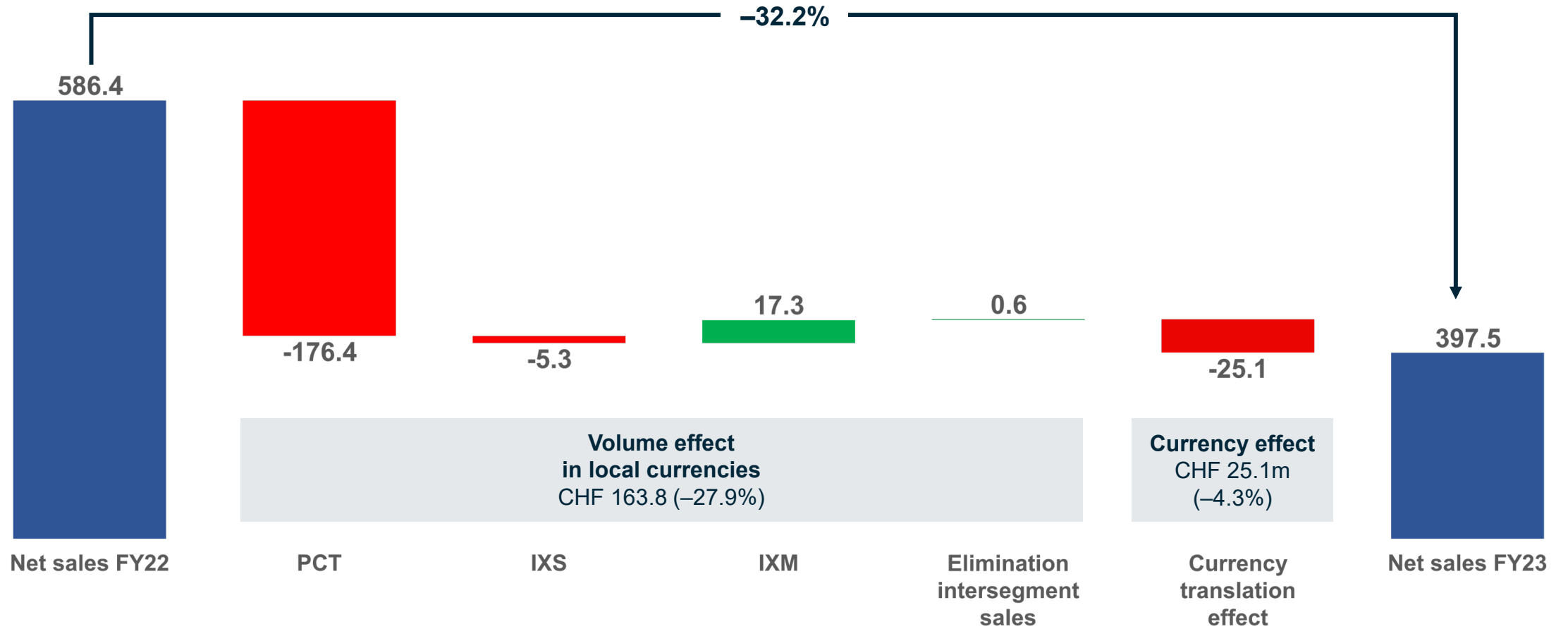
in thousands of CHF	FY23	FY22	Y-O-Y
<b>Net cash provided by operating activities</b>	<b>22,257</b>	<b>64,407</b>	<b>-65.4%</b>
In % of net sales	5.6%	11.0%	-5.4pp
Net cash (used in) investing activities	(22,841)	(22,234)	+2.7%
<b>Free cash flow</b>	<b>-584</b>	<b>42,173</b>	
In % of net sales	-0.1%	7.2%	-7.3pp
Net cash (used in) financing activities	(33,851)	(29,619)	+14.3%
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(34,435)</b>	<b>12,554</b>	
FX translation differences on cash and cash equivalents	(4,803)	(2,142)	-124.1%
<b>Cash and cash equivalents at Jan 1</b>	<b>125,945</b>	<b>115,533</b>	<b>+9.0%</b>
<b>Cash and cash equivalents at Dec 31</b>	<b>86,707</b>	<b>125,945</b>	<b>-31.2%</b>

# Consolidated balance sheet

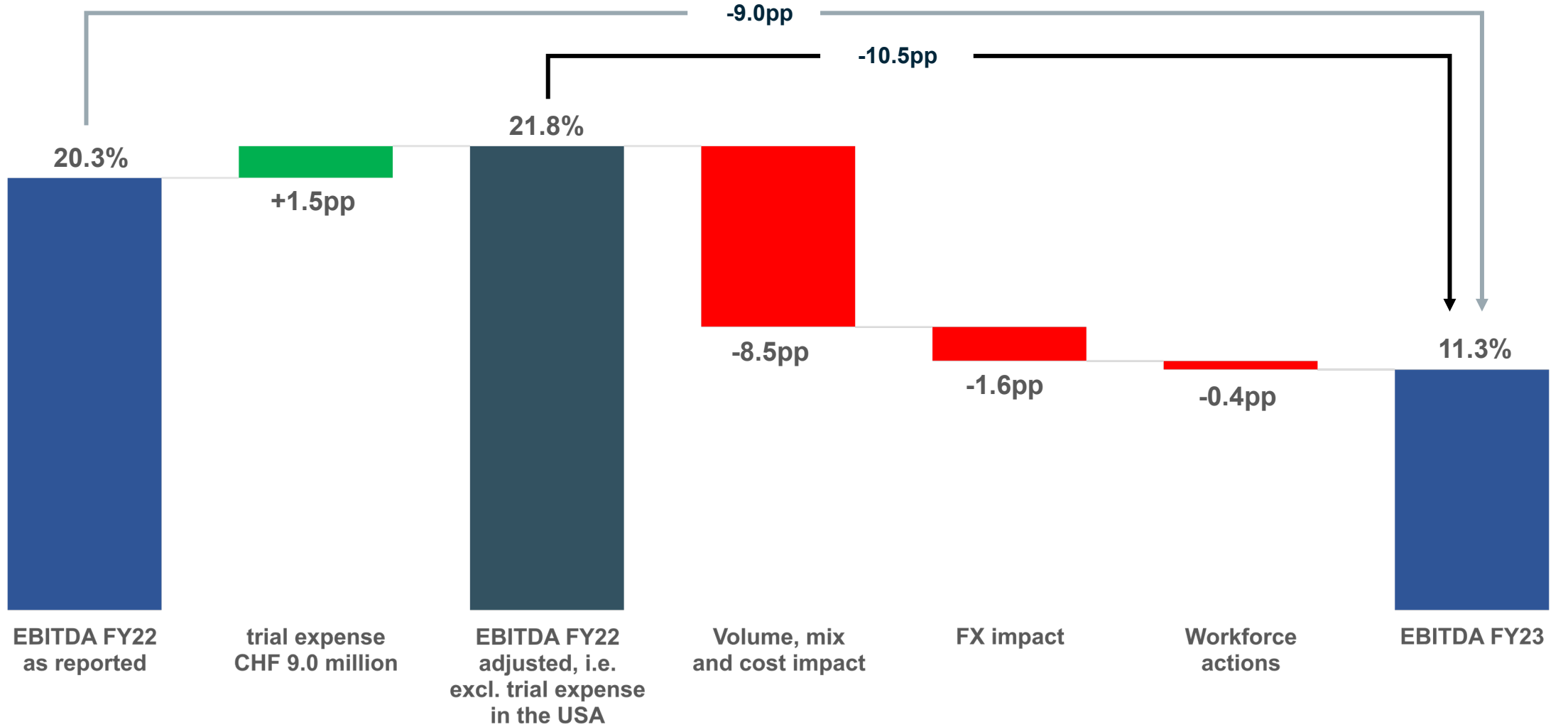
in thousands of CHF	YE23	in %	YE22	in %
Current assets	265,035	56.0	344,761	61.9
Non-current assets	208,543	44.0	212,039	38.1
<b>Total assets</b>	<b>473,578</b>	<b>100.0</b>	<b>556,801</b>	<b>100.0</b>
Current liabilities	77,919	16.5	128,002	23.0
Non-current liabilities	99,568	21.0	97,267	17.5
<b>Total liabilities</b>	<b>177,486</b>	<b>37.5</b>	<b>225,269</b>	<b>40.5</b>
<b>Total equity attributable to shareholders of Comet</b>	<b>296,092</b>	<b>62.5</b>	<b>331,532</b>	<b>59.5</b>
<b>Total liabilities and shareholders' equity</b>	<b>473,578</b>	<b>100.0</b>	<b>556,801</b>	<b>100.0</b>

# Net sales walk FY22 to FY23

in CHF million



# EBITDA margin walk FY22 to FY23



c•met  
group