

Led by experience. Driven by curiosity.

# Half-Year Report 2023

of Comet Holding AG



c•met

**As a leading technology company in the plasma control and x-ray space, we are part of the digital transformation. In all our markets, this megatrend is powering sustained growth. Focused and flexibly positioned, we want to take advantage of this driving force and grow more quickly than the market in a sustainable way. Our strong underpinnings for this are our experience and our highly skilled employees, the confidence of our customers and our sound capital base.**

# The Comet Group

**Comet is a global technology leader based in Switzerland. For more than 70 years, we have been developing and manufacturing innovative high-tech components and systems. As a trailblazing, leading tech company in radio frequency (RF) power and x-ray technology, we make a growing contribution to a safer and more secure, more efficient and sustainable world of manufacturing, communication and mobility.**

With pioneering solutions for a wide range of industries, we support customers in improving and evolving their products and processes. As a result, we help bring greater safety and security, mobility, sustainability and efficiency to many areas of life. Plasma control modules from Comet are important in the efficient fabrication of computer chips with ever higher storage capacity. The Group's high-performance x-ray systems for non-destructive testing and inspection make vehicles safer and airport security checks more reliable.

With our leading-edge products, we are always challenging the limits of the physically possible. Our highly skilled experts work closely both with customers in Europe, the Americas and Asia and with well-known research institutions worldwide. The resulting tailored solutions deliver lasting value-added for our customers and partners.

# Results for the first half of 2023

## Comet slowed by semiconductor cycle; gradual recovery expected

### First half of 2023

- Sales decreased by 22.6% to CHF 207.0 million
- EBITDA margin of 6.9%
- Book-to-bill of 0.8

### Outlook for second half of 2023

- Bottom of semiconductor cycle reached in Q2, gradual improvement in second half of year expected
- Demand from automotive, aerospace and security industries expected to remain robust
- Full-year 2023 guidance adjusted: Net sales and EBITDA margin now expected at lower end of previous range of CHF 440 million to CHF 480 million for sales and of 13.0% to 15.0% for margin

Comet registered a 22.6% decline in net sales to CHF 207.0 million in H1 2023 (H1 2022: CHF 267.5 million) in the wake of the ongoing correction in the semiconductor industry. Cost-saving measures were introduced early on but could not fully compensate for the decline in semi-related volume sales. Accordingly, EBITDA was down 62.1% at CHF 14.3 million (H1 2022: CHF 37.7 million) and the EBITDA margin was 6.9% (H1 2022: 14.1%). Net income decreased by 91.6% to CHF 1.9 million (H1 2022: CHF 23.1 million) and free cash flow was reduced from CHF 3.0 million to a negative CHF 15.3 million.

Comet's first-half results were marked by a steep correction in the semiconductor cycle. This downturn has proved more pronounced than had been expected as recently as the beginning of the year. The massive expansion of microchip production capacity over the past three years has been met with subdued consumer demand in a generally weakening market environment, causing inventories to decrease more slowly than in previous cycles. In contrast to the semiconductor industry, no weakness in demand was evident in the other markets relevant to Comet: automotive, aerospace and security.

In response to the weaker semiconductor environment, Comet has reduced its cost base where appropriate. However, given the intact medium- and long-term outlook, Comet has avoided making overly deep cuts. Despite this the company is striving to reduce the impact of the correction as much as possible.

Despite the massive correction in semiconductors, Comet ended the first half of the year with a strong balance sheet, an equity ratio of 61.0% (year-end 2022: 59.5%) and cash and cash equivalents of CHF 78.8 million. The sound financial position allows the company to invest through the cyclical correction. In the transition year 2023, focused investments are being made in business-critical projects, which will ensure high growth in the coming years.

## Performance of the divisions

### **PCT: Correction in the semiconductor industry leaves its mark – outlook promising**

Net sales in the Plasma Control Technologies (PCT) division decreased by 38.4% year-on-year to CHF 106.8 million (H1 2022: CHF 173.5 million). The volume sensitive PCT business suffered amid the ongoing correction in the semiconductor cycle. The division posted 83.4% lower operating earnings of CHF 5.7 million at EBITDA level in H1 2023 (H1 2022: CHF 34.3 million) and a respective margin of 5.3% compared to 19.8% one year earlier. This includes one-time expenses for cost reduction measures.

The PCT division was quick to respond to the sluggish order situation. The measures include, for example, the reduction of temporary staff, adjustment of working hours, and scheduled production stops in San Jose, Flamatt and Penang for a week at a time. In a further step, the introduction of short-time working for around 150 employees of the division is planned at the Flamatt site from August 14 until the end of the year. This measure, taken instead of staff reductions, will ensure the availability of employees when demand returns.

PCT's long-term growth prospects remain intact despite the 2023 transition year. The market launch of a key growth driver, the Synertia® RF power delivery platform, is progressing and is expected to generate sales in the single-digit million range for the full year. Beta testing of Synertia® was expanded to two of the leading producers of semiconductor manufacturing equipment.

PCT completed the consolidation of its sites in San Jose successfully and on schedule. This location provides an innovative working environment for employees and enables even better collaboration with customers. Plans for further expansion of the Penang, Malaysia site continue to move forward.

### **IXS: Sales maintained – Orders won in growth markets – Profitability improved**

The IXS division performed solidly in a challenging market environment. Customers' general reluctance to make major new investments had an impact on IXS despite robust automotive and aerospace markets. Net sales reached CHF 56.8 million, a slight decrease of 5.3% year-over-year (H1 2022: CHF 60.0 million). IXS generated positive EBITDA on a lower sales base compared to the first half 2022, raising EBITDA from a negative CHF 1.6 million in H1 2022 to CHF 0.2 million. The EBITDA margin was 0.3% (H1 2022: -2.6%).

In the first half of the year, IXS received several orders for battery inspection from well-known manufacturers of electric cars, as well as orders from semiconductor producers. The realignment of the systems portfolio toward these two growth industries is gaining momentum. To further increase its competitiveness while reducing its cost base, IXS has fully integrated Object Research Systems (ORS), the subsidiary which Comet acquired in December 2020. ORS is strongly engaged to integrate more intelligent imaging and 3D visualization and analyzing software into the X-Ray Systems.

### **IXM: Double-digit sales growth takes IXM to an all-time high – Margin significantly improved**

In the first half of 2023, the X-Ray Modules (IXM) division reaped the rewards of investments in new products. Growth was driven by several factors: demand in robust traditional non-destructive inspection end markets like oil and gas, as well as the successful exploitation of opportunities in promising new markets such as semiconductors and batteries. Net sales increased by 24.0% to CHF 50.8 million (H1 2022: CHF 41.0 million) and EBITDA rose by 68.7% to CHF 10.4 million (H1 2022: CHF 6.1 million). At 20.4%, the EBITDA margin was significantly above the year-ago figure (H1 2022: 15.0%).

IXM is well-positioned to further expand its market shares in the fast-growing semiconductor/ electronics, and battery markets and to at least maintain its share in the traditional markets. To achieve this goal, the division is continually investing in the further development of its already technologically leading x-ray tubes and modules.

### **Update on management succession**

The search for a successor to Chief Financial Officer Elisabeth Pataki, who announced in February that she will leave the company at the end of August 2023, was promptly initiated. To ensure continuity in the finance function, the Board of Directors has appointed the current Vice President of Group Controlling & Accounting, Nicola Rotondo, as interim CFO effective September 1. As well, the new Chief Human Resources Officer, Meike Boekelmann, who was appointed in May 2023, will already begin work on October 17.

### **Outlook**

The long-term growth prospects for Comet remain positive and intact. They are driven both by the increasing demand for microchip manufacturing capacity in the coming years, and by new applications and technologies such as AI that are giving rise to ever greater demand for increasingly complex semiconductor components. All three divisions will benefit from this.

While the current cyclical correction in the semiconductor industry is likely to have passed its low point in the second quarter, a gradual pace of improvement is expected in the second half of the year, taking into consideration the impact of numerous macroeconomic and geopolitical uncertainties. Currently, market observers expect wafer fabrication equipment spending to decline by between 14% and 20% in 2023 compared to 2022. From today's vantage point, a noticeable upturn in the semiconductor cycle is expected to begin in the first half of 2024. In contrast, the automotive, aerospace and security industries continue to provide ongoing growth opportunities in 2023, somewhat compensating for this year's correction in the semiconductor sector.

Comet remains committed to executing its focused strategy and will go on investing in its strategic initiatives, drive research and development forward as planned, bring product innovations to market, and strategically expand capacity to be ready to capitalize on the impending renewed upswing in the semiconductor market.

Based on the assumptions presented above and considering a stronger- and longer-than-expected correction in the semiconductor cycle, Comet is adjusting its financial outlook for fiscal 2023. Net sales and EBITDA margin are now expected to be at the lower end of the previous guidance range of CHF 440 million to CHF 480 million for net sales and of 13.0% to 15.0% for the margin.

**Webcast / conference call for media, analysts, and investors**

The detailed half-year results will be presented in an audio webcast / conference call in English on July 28, 2023, at 10:00 a.m. CEST.

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**Webcast (link):**

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=jTZ99s4L>

**Capital Markets Day**

The Comet Group will hold its Capital Markets Day on November 9, 2023, as an in-person event in Zurich. The invitation will be issued in due course.

## Financial metrics

### Alternative performance measures

In its financial reporting, Comet uses key indicators defined by International Financial Reporting Standards (IFRS), while also employing selected alternative performance measures (APMs). These APMs provide useful information on the Group's financial situation and are used for financial management and controllership purposes. As these measures are not defined under IFRS, their definition and calculation may differ from those used by other companies. It should be noted that comparability across companies is therefore limited.

The key alternative performance measures used in the 2023 half-year report are defined as follows:

Key performance measures	Comet definitions
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Operating income (as per consolidated statement of income) before depreciation on property, plant & equipment and right-of-use assets, amortization of intangible assets and impairment losses.
EBITDA margin	EBITDA as a percentage of net sales.
Equity ratio	Total equity attributable to the shareholders of Comet Holding AG, divided by total assets.
Free cash flow (FCF)	Sum of net cash flows from operating and investing activities.
Book-to-bill ratio	Ratio of orders received to the amount billed for a specific period.

### Reconciliation of free cash flow

In thousands of CHF	June 30, 2023	June 30, 2022
Net cash provided by operating activities	2,292	9,211
Net cash (used in) investing activities	(17,553)	(6,202)
<b>Free cash flow</b>	<b>(15,262)</b>	<b>3,009</b>

### Reconciliation of book-to-bill ratio

In thousands of CHF	June 30, 2023	June 30, 2022
Incoming orders	170,311	329,556
Net sales	207,025	267,498
<b>Book-to-bill ratio</b>	<b>0.82</b>	<b>1.23</b>

## Consolidated statement of income (unaudited)

In thousands of CHF	2023		2022	
	Six months to June 30	Six months to June 30	Absolute	Change %
Net sales	207,025	267,498	(60,473)	- 22.6%
Cost of sales	(125,918)	(156,807)	30,889	- 19.7%
<b>Gross profit</b>	<b>81,107</b>	<b>110,691</b>	<b>(29,584)</b>	<b>- 26.7%</b>
Other operating income	3,305	2,380	925	38.9%
Development expenses	(32,652)	(31,179)	(1,473)	4.7%
Marketing and selling expenses	(24,283)	(26,730)	2,447	- 9.2%
General and administrative expenses	(22,766)	(27,453)	4,687	- 17.1%
<b>Operating income</b>	<b>4,711</b>	<b>27,709</b>	<b>(22,998)</b>	<b>- 83.0%</b>
Interest income	770	147	623	423.8%
Interest expenses	(1,046)	(794)	(252)	31.7%
Other financial expenses	(59)	—	(59)	—
Net gains or (losses) on derivative fair value	1,302	(1,371)	2,673	—
Net gains or (losses) on foreign exchange	(3,651)	806	(4,457)	—
<b>Income before tax</b>	<b>2,028</b>	<b>26,497</b>	<b>(24,469)</b>	<b>- 92.3%</b>
Income tax	(93)	(3,365)	3,272	- 97.2%
<b>Net income</b>	<b>1,935</b>	<b>23,133</b>	<b>(21,198)</b>	<b>- 91.6%</b>
Earnings per share in CHF, diluted and basic	0.25	2.98	(2.73)	
<b>Operating income</b>	<b>4,711</b>	<b>27,709</b>	<b>(22,998)</b>	<b>- 83.0%</b>
Depreciation, amortization and impairment	9,564	9,972	(408)	- 4.1%
<b>EBITDA</b>	<b>14,275</b>	<b>37,681</b>	<b>(23,406)</b>	<b>- 62.1%</b>

## Consolidated statement of comprehensive income (unaudited)

In thousands of CHF	2023		2022	
	Six months to June 30	Six months to June 30	Six months to June 30	Six months to June 30
Net income	1,935	23,133		
<b>Other comprehensive income or (loss)</b>				
Foreign currency translation differences	(5,337)	521		
<b>Total items that will be reclassified to the income statement on realization</b>	<b>(5,337)</b>	<b>521</b>		
Actuarial gain or (loss) on defined benefit plans	(2,810)	10,263		
Income tax	361	(1,320)		
Restatement from subsidiaries	(6)	—		
<b>Total items that will not subsequently be reclassified to the income statement</b>	<b>(2,454)</b>	<b>8,943</b>		
<b>Total other comprehensive income or (loss)</b>	<b>(7,791)</b>	<b>9,464</b>		
<b>Total comprehensive income or (loss)</b>	<b>(5,856)</b>	<b>32,597</b>		

## Consolidated balance sheet (unaudited)

In thousands of CHF						
	June 30, 2023	%	Dec. 31, 2022	%	Change	June 30, 2022
<b>Assets</b>						
Cash and cash equivalents	78,786		125,945		(47,159)	87,793
Trade and other receivables <sup>1</sup>	60,570		89,103		(28,533)	96,154
Other assets	668		1,303		(635)	2,075
Tax receivables	1,259		501		758	990
Inventories	119,026		122,468		(3,442)	119,994
Prepaid expenses	6,589		5,441		1,148	5,411
<b>Total current assets</b>	<b>266,898</b>	<b>54.9%</b>	<b>344,761</b>	<b>61.9%</b>	<b>(77,863)</b>	<b>312,417</b>
Property, plant and equipment	130,762		119,968		10,794	112,053
Right-of-use assets	27,542		32,401		(4,859)	45,236
Intangible assets	38,200		38,904		(704)	39,691
Other assets – non-current financial assets	2,640		2,826		(186)	2,565
Deferred tax assets	19,815		17,940		1,875	14,938
<b>Total non-current assets</b>	<b>218,959</b>	<b>45.1%</b>	<b>212,039</b>	<b>38.1%</b>	<b>6,920</b>	<b>214,483</b>
<b>Total assets</b>	<b>485,857</b>	<b>100.0%</b>	<b>556,801</b>	<b>100.0%</b>	<b>(70,944)</b>	<b>526,900</b>
<b>Liabilities and shareholders' equity</b>						
Current lease liabilities	4,247		3,955		292	4,798
Trade and other payables	30,430		40,917		(10,487)	54,720
Contract liabilities <sup>1</sup>	17,149		16,609		540	32,075
Other financial liabilities	11		11		–	1,381
Tax payables	6,449		17,368		(10,919)	7,927
Accrued expenses	27,463		42,188		(14,725)	32,646
Current provisions	6,717		6,955		(238)	7,298
<b>Total current liabilities</b>	<b>92,466</b>	<b>19.0%</b>	<b>128,002</b>	<b>23.0%</b>	<b>(35,536)</b>	<b>140,845</b>
Non-current debt	59,718		59,669		49	59,635
Non-current lease liabilities	33,034		34,242		(1,208)	41,887
Non-current provisions	258		973		(715)	245
Employee benefit plan liabilities	3,890		1,707		2,183	2,465
Deferred tax liabilities	332		676		(344)	932
<b>Total non-current liabilities</b>	<b>97,232</b>	<b>20.0%</b>	<b>97,267</b>	<b>17.5%</b>	<b>(35)</b>	<b>105,164</b>
<b>Total liabilities</b>	<b>189,698</b>	<b>39.0%</b>	<b>225,269</b>	<b>40.5%</b>	<b>(35,571)</b>	<b>246,009</b>
Capital stock	7,774		7,774		–	7,774
Capital reserve	3,005		3,005		–	3,013
Retained earnings	324,854		354,890		(30,036)	298,720
Foreign currency translation differences	(39,474)		(34,137)		(5,337)	(28,616)
<b>Total equity attributable to shareholders of Comet Holding AG</b>	<b>296,159</b>	<b>61.0%</b>	<b>331,532</b>	<b>59.5%</b>	<b>(35,373)</b>	<b>280,891</b>
<b>Total liabilities and shareholders' equity</b>	<b>485,857</b>	<b>100.0%</b>	<b>556,801</b>	<b>100.0%</b>	<b>(70,944)</b>	<b>526,900</b>

<sup>1</sup> In the period under review and in the (restated) prior year, the IXS division's prepayments from customers in "contract liabilities" have been netted with already invoiced contract assets in "trade and other receivables". More information on the restatement is provided in note 1.2.

## Consolidated statement of cash flows (unaudited)

In thousands of CHF	2023 Six months to June 30	2022 Six months to June 30	Change
Net income	1,935	23,133	(21,197)
Income tax	93	3,365	(3,272)
Depreciation, amortization and impairment	9,564	9,972	(408)
Net interest expense	334	647	(313)
Share-based payments	705	507	199
(Gain) or loss on disposal of property, plant and equipment	2	(1)	3
Loss on disposal of intangible assets	12	—	12
Other non-cash expense or (income)	2,035	370	1,665
Change in provisions	(763)	494	(1,257)
Change in other working capital	2,392	(23,868)	26,260
Taxes paid	(14,017)	(5,408)	(8,609)
<b>Net cash provided by operating activities</b>	<b>2,292</b>	<b>9,211</b>	<b>(6,919)</b>
Purchases of property, plant and equipment	(18,453)	(6,065)	(12,388)
Purchases of intangible assets	(941)	(852)	(90)
Disposals of property, plant and equipment	913	19	894
Purchases of other assets	9	549	(540)
Lease payments received	149	—	149
Interest received	770	147	623
<b>Net cash (used in) investing activities</b>	<b>(17,553)</b>	<b>(6,202)</b>	<b>(11,351)</b>
Repayment of lease liabilities	(1,581)	(2,351)	770
Lease incentive	3,252	—	3,252
Interest paid	(1,445)	(1,135)	(310)
Purchase of treasury stock	(1,458)	—	(1,458)
Dividend payment to shareholders of Comet Holding AG	(28,764)	(27,193)	(1,570)
<b>Net cash (used in) financing activities</b>	<b>(29,996)</b>	<b>(30,680)</b>	<b>684</b>
Net increase or (decrease) in cash and cash equivalents	(45,258)	(27,671)	(17,586)
Foreign currency translation differences on cash and cash equivalents	(1,901)	(68)	(1,833)
Net cash and cash equivalents at January 1	125,945	115,533	10,412
<b>Net cash and cash equivalents at June 30</b>	<b>78,786</b>	<b>87,793</b>	<b>(9,006)</b>

## Consolidated statement of changes in equity (unaudited)

In thousands of CHF	Equity attributable to shareholders of Comet Holding AG					
	Capital stock	Capital reserve	Retained earnings	Treasury stock	Foreign currency translation differences	Total shareholders' equity
<b>December 31, 2021</b>	<b>7,770</b>	<b>1,918</b>	<b>294,430</b>	<b>-</b>	<b>(29,137)</b>	<b>274,981</b>
Net income	-	-	23,133	-	-	23,133
Other comprehensive income	-	-	8,943	-	521	9,464
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>32,076</b>	<b>-</b>	<b>521</b>	<b>32,597</b>
Dividend payment to shareholders of Comet Holding AG	-	-	(27,193)	-	-	(27,193)
Increase in capital (for stock compensation)	4	1,095	(1,192)	-	-	(93)
Share-based payments	-	-	599	-	-	599
<b>June 30, 2022</b>	<b>7,774</b>	<b>3,013</b>	<b>298,719</b>	<b>-</b>	<b>(28,616)</b>	<b>280,891</b>
<b>December 31, 2022</b>	<b>7,774</b>	<b>3,005</b>	<b>354,890</b>	<b>-</b>	<b>(34,137)</b>	<b>331,532</b>
Net income	-	-	1,935	-	-	1,935
Other comprehensive income	-	-	(2,454)	-	(5,337)	(7,791)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(519)</b>	<b>-</b>	<b>(5,337)</b>	<b>(5,856)</b>
Dividend payment to shareholders of Comet Holding AG	-	-	(28,764)	-	-	(28,764)
Purchase of treasury stock	-	-	-	(1,458)	-	(1,458)
Award of treasury stock under share-based compensation plans	-	-	59	1,458	-	1,517
Share-based payments – reversal of prior-period accruals	-	-	(1,473)	-	-	(1,473)
Share-based payments - accruals for current period	-	-	662	-	-	662
<b>June 30, 2023</b>	<b>7,774</b>	<b>3,005</b>	<b>324,854</b>	<b>-</b>	<b>(39,474)</b>	<b>296,159</b>

## Notes to the interim consolidated financial statements (condensed and unaudited)

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### 01.1 Accounting policies

The half-year report for the six months ended June 30, 2023 presents the consolidated financial statements of Comet Holding AG and its directly controlled subsidiaries ("Comet", the "Group"). The report was prepared in accordance with IAS 34, Interim Financial Reporting, which forms part of the International Financial Reporting Standards (IFRS). The half-year report does not contain all the information included in the annual accounts and should therefore be read in conjunction with the 2022 consolidated financial statements. The half-year report has not been audited by the independent auditors.

As a result of rounding and the presentation in thousands of Swiss francs, individual numbers in the consolidated financial statements may not sum precisely to the totals indicated.

#### Changes in accounting policies

The accounting principles applied in the half-year report are those described in the 2022 consolidated financial statements, except for the changes set out below.

With effect from January 1, 2023, Comet has applied the following new or adjusted IFRS/IAS relevant to the Group for the first time:

- IAS 1 – Presentation of Financial Statements: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments to IAS 8)
- IAS 12 – Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
- IAS 12 – Income Taxes: Pillar Two Model Rules (Amendments to IAS 12)

The new or amended standards had no material effect on the Group's financial position, results of operations and cash flows.

#### New accounting rules becoming effective in subsequent periods

Comet has not early-adopted any of the issued future new standards, interpretations or amendments. The future application of these accounting rules is likely to have no, or no significant, impacts on the Group's financial position, results of operations and cash flows.

#### Basis of consolidation

The basis of consolidation (i.e., the composition of the consolidated group of companies) at June 30, 2023 is unchanged from December 31, 2022.

#### Estimates

Required assumptions and estimates by management have been made according to the best knowledge and information available at the time. Adjustments to assumptions and estimates can have a material impact on future results, as such adjustments are recognized in the reporting period during which the assumptions and estimates change. With a view to ongoing uncertainties (for example, potential supply chain issues and geopolitical tensions), Comet critically reviewed the

assumptions and estimates that affect the financial position, results of operations and cash flows. In this review, no relevant changes were identified that would have a material impact on these financial statements.

#### Foreign currency translation

The following exchange rates were used to translate the major currencies into Swiss francs:

Country or region			Closing rate			Average rate	
			Jun. 30, 2023	Dec. 31, 2022	Jun. 30, 2022	2023	2022
USA	USD	1	0.899	0.925	0.954	0.913	0.944
Eurozone	EUR	1	0.977	0.990	0.997	0.986	1.032
China	CNY	1	0.124	0.134	0.142	0.132	0.146
Japan	JPY	100	0.621	0.705	0.699	0.678	0.770
Denmark	DKK	1	0.131	0.133	0.134	0.132	0.139
Republic of Korea	KRW	1,000	0.681	0.734	0.735	0.706	0.767
Malaysia	MYR	1	0.192	0.210	0.217	0.205	0.221
Canada	CAD	1	0.679	0.683	0.741	0.677	0.743
Taiwan	TWD	100	2.889	3.007	3.206	2.988	3.289

#### 01.2 Correction in the presentation of contract assets and contract liabilities

As part of a review of the finance processes, Comet challenged the presentation of contract assets and contract liabilities and concluded that prepayments from customers in contract liabilities should have been netted with already invoiced contract assets in "trade and other receivables". The adjustment amounts to CHF 4.0 million as of June 30, 2022. The restatement has no effect on net income.

The prior-year comparatives have been restated as shown below.

In thousands of CHF	June 30, 2023	Dec. 31, 2022	June 30, 2022 – Restated	Adjustment	June 30, 2022 – Reported
<b>Assets</b>					
Trade and other receivables	60,570	89,103	96,154	(4,006)	100,160
<b>Total current assets</b>	<b>266,898</b>	<b>344,761</b>	<b>312,417</b>	<b>(4,006)</b>	<b>316,423</b>
<b>Total assets</b>	<b>485,857</b>	<b>556,801</b>	<b>526,900</b>	<b>(4,006)</b>	<b>530,906</b>
<b>Liabilities and shareholders' equity</b>					
Contract liabilities	17,149	16,609	32,075	(4,006)	36,081
<b>Total current liabilities</b>	<b>92,466</b>	<b>128,002</b>	<b>140,845</b>	<b>(4,006)</b>	<b>144,851</b>
<b>Total liabilities</b>	<b>189,698</b>	<b>225,269</b>	<b>246,009</b>	<b>(4,006)</b>	<b>250,015</b>
<b>Total equity attributable to shareholders of Comet Holding AG</b>	<b>296,159</b>	<b>331,532</b>	<b>280,891</b>	<b>—</b>	<b>280,891</b>
<b>Total equity attributable to shareholders of Comet Holding AG in %</b>	<b>61.0%</b>	<b>59.5%</b>	<b>53.3%</b>		<b>52.9%</b>
<b>Total liabilities and shareholders' equity</b>	<b>485,857</b>	<b>556,801</b>	<b>526,900</b>	<b>(4,006)</b>	<b>530,906</b>

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## 02 Seasonality and other material influences on business

The business volume of Comet's divisions does not follow a regular seasonal pattern. Details on the business performance by division are provided in the section "Performance of the divisions" in this report.

### 02.1 Post-employment benefits

The defined benefit plans in Switzerland were merged into one single plan as of January 1, 2023, which continues to be managed within a collective foundation. This is a separate legal entity falling under the Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pensions (the BVG) and is managed by the foundation's board of directors. For the roll-forward of the pension liability as of June 30, 2023, Comet applied a discount rate of 1.9%, compared to 2.2% as of December 31, 2022.

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## 03 Segment reporting

The Group is managed on the basis of the three operating divisions described below, which are delineated based on their products and services. For financial reporting purposes the divisions are also referred to as "operating segments" or "segments".

- The **Plasma Control Technologies (PCT)** division develops, manufactures and markets vacuum capacitors, radio frequency (RF) generators and RF impedance matching networks for the high-precision control of plasma processes required, for instance, in the production of memory chips and flat panel displays.
- The **X-Ray Systems (IXS)** division develops, manufactures and markets x-ray systems, and provides related services, for non-destructive examination using x-ray, microfocus technology and computed tomography.
- The **Industrial X-Ray Modules (IXM)** division develops, manufactures and markets highly compact x-ray sources and portable x-ray modules for non-destructive examination, steel metrology, and security inspection.

Segment operating income represents all revenues and expenses attributable to a particular division. The only expenses and revenues not allocated to segments are those of Comet Holding AG, and net financial items and income taxes. These unallocated expenses and revenues are reported in the "Corporate" column. Transactions between the segments are invoiced at prices also charged to third parties.

The segment assets and liabilities represent all operating items. The following assets and liabilities are not allocated to operating segments: the assets and liabilities of Comet Holding AG, all cash and cash equivalents, all debt and all income tax assets and liabilities. These unallocated assets and liabilities are shown in the "Corporate" column.

## 03.1 Operating segments

<b>Six months to June 30, 2023</b>						
In thousands of CHF						
	Plasma Control Technologies (PCT)	X-Ray Systems (IXS)	Industrial X-Ray Modules (IXM)	Elimination of intersegment sales	Corporate	Consolidated
<b>Net sales</b>						
External net sales	106,791	56,784	43,450	–	–	207,025
Intersegment sales	–	12	7,380	(7,392)	–	–
<b>Total net sales</b>	<b>106,791</b>	<b>56,796</b>	<b>50,830</b>	<b>(7,392)</b>	<b>–</b>	<b>207,025</b>
<b>Earnings</b>						
Segment operating income	344	(1,957)	8,272	(229)	–	6,430
Unallocated costs	–	–	–	–	(1,720)	(1,720)
<b>Operating income or (loss)</b>	<b>344</b>	<b>(1,957)</b>	<b>8,272</b>	<b>(229)</b>	<b>(1,720)</b>	<b>4,711</b>
Interest income						770
Interest expenses						(1,046)
Other financial expenses						(59)
Net gains or (losses) on derivative fair value						1,302
Net gains or (losses) on foreign exchange						(3,651)
<b>Income before tax</b>						<b>2,028</b>
Income tax						(93)
<b>Net income</b>						<b>1,935</b>
<b>EBITDA</b>	<b>5,696</b>	<b>151</b>	<b>10,375</b>	<b>(229)</b>	<b>(1,720)</b>	<b>14,275</b>
EBITDA in % of net sales	5.3%	0.3%	20.4%			6.9%
<b>Segment assets, June 30, 2023</b>	<b>191,142</b>	<b>101,044</b>	<b>90,354</b>	<b>–</b>	<b>103,316</b>	<b>485,857</b>
<b>Segment liabilities, June 30, 2023</b>	<b>54,472</b>	<b>53,020</b>	<b>14,774</b>	<b>–</b>	<b>67,432</b>	<b>189,698</b>

<b>Six months to June 30, 2022</b>						
In thousands of CHF						
	Plasma Control Technologies (PCT)	X-Ray Systems (IXS)	Industrial X-Ray Modules (IXM)	Elimination of intersegment sales	Corporate	Consolidated
<b>Net sales</b>						
External net sales	173,470	59,716	34,312	–	–	267,498
Intersegment sales	–	274	6,673	(6,947)	–	–
<b>Total net sales</b>	<b>173,470</b>	<b>59,990</b>	<b>40,985</b>	<b>(6,947)</b>	<b>–</b>	<b>267,498</b>
<b>Earnings</b>						
Segment operating income or (loss)	29,328	(4,185)	3,738	(457)	–	28,424
Unallocated costs	–	–	–	–	(715)	(715)
<b>Operating income or (loss)</b>	<b>29,328</b>	<b>(4,185)</b>	<b>3,738</b>	<b>(457)</b>	<b>(715)</b>	<b>27,709</b>
Interest income						147
Interest expenses						(794)
Net gains or (losses) on derivative fair value						(1,371)
Net gains or (losses) on foreign exchange						806
<b>Income before tax</b>						<b>26,497</b>
Income tax						(3,365)
<b>Net income</b>						<b>23,133</b>
<b>EBITDA</b>	<b>34,289</b>	<b>(1,585)</b>	<b>6,149</b>	<b>(457)</b>	<b>(715)</b>	<b>37,681</b>
EBITDA in % of net sales	19.8%	– 2.6%	15.0%			14.1%
<b>Segment assets, Dec. 31, 2022</b>	<b>216,730</b>	<b>103,496</b>	<b>88,108</b>	<b>–</b>	<b>148,467</b>	<b>556,801</b>
<b>Segment liabilities, Dec. 31, 2022</b>	<b>75,364</b>	<b>53,689</b>	<b>17,222</b>	<b>–</b>	<b>78,994</b>	<b>225,269</b>

## 03.2 Geographic information

Comet markets its products and services throughout the world and has its own companies in Switzerland, Germany, Denmark, the USA, Canada, China, Japan, South Korea, Malaysia and Taiwan. Net sales are allocated to countries on the basis of customer location.

<b>Net sales by region</b>		
In thousands of CHF		
	<b>2023</b>	2022
	<b>Six months to June 30</b>	Six months to June 30
Europe	34,597	31,857
North America	51,042	106,157
Asia	116,603	126,770
Rest of world	4,783	2,714
<b>Total</b>	<b>207,025</b>	<b>267,498</b>

## 04 Financial instruments

The following table shows the carrying amounts and fair values of financial instruments held at the balance sheet date, by category:

In thousands of CHF	June 30, 2023			December 31, 2022		
	Carrying amount		Fair value	Carrying amount		Fair value
	FVTPL <sup>1</sup>	At amortized cost		FVTPL <sup>1</sup>	At amortized cost	
<b>Financial assets</b>						
Cash and cash equivalents	–	78,786	*	–	125,945	*
Trade and other receivables, net	–	53,742	*	–	80,444	*
Derivatives	367	–	367	634	–	634
Other assets – financial assets, excluding derivatives	–	2,941	*	–	3,124	*
<b>Total</b>	<b>367</b>	<b>135,993</b>		<b>634</b>	<b>209,513</b>	
Of which current assets	367	133,354		634	206,687	
Of which non-current assets	–	2,640		–	2,826	
	FVTPL <sup>1</sup>	At amortized cost		FVTPL <sup>1</sup>	At amortized cost	
<b>Financial liabilities</b>						
Trade and other payables	–	28,484	*	–	39,903	*
Derivatives	11	–	11	11	–	11
Lease liabilities	–	37,281	*	–	38,197	*
Non-current debt, fixed rate	–	59,718	58,320	–	59,669	58,800
<b>Total</b>	<b>11</b>	<b>125,483</b>		<b>11</b>	<b>137,768</b>	
Of which current liabilities	11	32,731		11	43,857	
Of which non-current liabilities	–	92,752		–	93,911	

<sup>1</sup> At fair value through profit or loss.

\* The carrying amount approximates fair value.

IFRS require all financial instruments which are held at fair value, and all reported fair values, to be categorized into three classes (or "levels") according to whether the fair values are based on quoted prices in active markets (Level 1), on models using other observable market data (Level 2), or on models using unobservable inputs (Level 3).

The only financial instruments that Comet recognized at fair value were derivatives held for currency hedging. The measurement of the derivatives falls into Level 2 of the fair value measurement hierarchy under IFRS 13.

## 05 Financing income and expenses

In thousands of CHF	Six months to June 30, 2023	Six months to June 30, 2022
Interest income from leases	27	31
Other interest income	743	116
<b>Total interest income</b>	<b>770</b>	<b>147</b>
Interest expense for bond	(440)	(440)
Interest expense for leases	(583)	(312)
Other interest expense	(23)	(42)
<b>Total interest expenses</b>	<b>(1,046)</b>	<b>(794)</b>
<b>Net interest income or (expenses)</b>	<b>(276)</b>	<b>(647)</b>
<b>Other financial expenses</b>	<b>(59)</b>	<b>—</b>
Gains on derivative fair value	1,100	—
Losses on derivative fair value	(421)	(1,371)
<b>Net gains or (losses) on derivative fair value</b>	<b>679</b>	<b>(1,371)</b>
Gains on foreign currency translation	2,006	4,496
Losses on foreign currency translation	(5,034)	(3,690)
<b>Net gains or (losses) on foreign currency translation</b>	<b>(3,028)</b>	<b>806</b>
<b>Total net financing income or (expense)</b>	<b>(2,684)</b>	<b>(1,211)</b>

## 06 Financing

### 06.1 Debt

#### Revolving credit facility

In the period under review, Comet secured a syndicated revolving credit facility in the amount of CHF 60 million. This credit facility has a maturity of five years with an option to increase the amount by CHF 40 million. Four relationship banks participated in the facility, with Zürcher Kantonalbank acting as mandated lead arranger.

### 06.2 Shareholders' equity

#### Dividend payment to shareholders of Comet Holding AG

The Annual Shareholder Meeting on April 14, 2023 voted to pay a dividend of CHF 3.70 per share to shareholders from retained earnings; each share has a par value of CHF 1.00. Comet Holding AG paid the dividend, which totaled CHF 28.8 million, on April 20, 2023. In the prior year, Comet paid a dividend of CHF 3.50 per share from retained earnings.

### Treasury stock for equity-based compensation

The Board of Directors decided no longer to use authorized capital for equity-based compensation with effect from May 2023. For payment of retainers to the Board of Directors and of 2022 profit-sharing compensation to the members of the Executive Committee, 6,687 shares of Comet stock with a par value of CHF 1.00 per share were purchased on the market. The treasury stock was allocated as follows:

In CHF	Value of equity-based compensation	Average share price	Numbers of shares
Board of Directors	356,000	229.18	1,551
Executive Committee (short-term and long-term incentive)	1,178,539	229.18	5,136
<b>Total</b>			<b>6,687</b>

#### 07 Events after the balance sheet date

The Board of Directors on July 18, 2023 authorized the purchase of leasehold land with building rights in Penang, Malaysia, for a period of 60 years. The purpose is to create a strategic manufacturing site. In relation to the leasehold agreement, Comet has commitments for payments in fiscal year 2023 and 2024 totalling approximately CHF 3.4 million.

#### 08 Release of the half-year report for publication

At its meeting on July 27, 2023, the Board of Directors approved these interim financial statements for publication.

**Disclaimer**

This document contains forward-looking statements about the Comet Group that may be subject to uncertainty and risk. Readers should therefore be aware that actual future outcomes or events may differ from such statements. Forward-looking statements in this document are projections of possible future developments. All forward-looking statements are made on the basis of information available to Comet at the time of preparation of this document. The Comet Group assumes no obligation whatsoever to update or revise forward-looking statements in this document, whether as a result of new information, future results or otherwise.

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