

Led by experience. Driven by curiosity.

Half-Year Report 2021

of Comet Holding AG



c•met
group

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. 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 2021

Record results achieved in the first six months of 2021

First half of 2021¹

- Net sales growth of 36.2% to CHF 248.3 million (H1 2020: CHF 182.3 million)
- EBITDA margin expanded to 17.8% (H1 2020: 10.3%)
- Free Cash Flow of CHF 15.3 million (H1 2020: CHF 4.5 million)

Outlook for second half of 2021

- Continued post-pandemic economic recovery
- Unprecedented growth cycle in the semiconductor sector
- Steady recovery in automotive, aerospace and security sectors
- Supply chain management and inventory investment offsets potential risk
- Guidance for FY2021: net sales in the range of CHF 480 million to CHF 500 million, EBITDA margin between 18.0% and 20.0%

In the first six months of 2021, the Comet Group achieved record first-half net sales and EBITDA performance. The Group's primary end market, the semiconductor industry, continues its unprecedented growth cycle that began in early 2020 and accelerated in the first half of 2021 due to the continued digitalization. Further, the industrial end markets automotive, aerospace and security are on a steady recovery path, albeit at a pace that has varied from segment to segment. In addition to favorable macroeconomic trends, the Group exhibited market share gains via design and spec wins as well as thanks to the uptake of new products launched in 2020. The Group's achievements reflect a relentless focus on execution of the company's core strategies. The realignment of the X-Ray Systems (IXS) business and expansion of the geographic footprint contributed to the strong first half results. The increasing strain on global supply chains in the current global economic recovery has had no impact on Comet's ability to meet customer demands.

As already stated in the company's announcement of July 23, 2021, the Group increased net sales by 36.2% to CHF 248.3 million (H1 2020: CHF 182.3 million). The growth in sales, an improved sales mix and operating leverage led to 136.0% higher EBITDA of CHF 44.3 million (H1 2020: CHF 18.8 million). The EBITDA margin grew to 17.8% (H1 2020: 10.3%). Net income rose more than fourfold to CHF 27.8 million from CHF 6.5 million in the prior-year period.

Comet ended the first half with a strong balance sheet with an equity ratio of 52.6% (year-end 2020: 50.1%) and cash and cash equivalents of CHF 76.4 million, providing the company with a degree of flexibility to execute its focus strategy.

¹ See page 6 for a definition of alternative performance measures.

Performance of the divisions

PCT: Accelerated momentum in the semiconductor equipment market – beta tests with RF generator on track

Comet's Plasma Control Technologies (PCT) division achieved significant growth in all geographic markets and with all major customers. This resulted in net sales growth of 50.1% year-over-year to CHF 145.4 million (H1 2020: CHF 96.9 million). Due to the strong net sales growth and advances in productivity, PCT achieved 86.8% higher EBITDA of CHF 34.7 million compared to the same period last year (H1 2020: CHF 18.6 million). The EBITDA margin increased from 19.2% to 23.9%.

To meet the booming demand for wafer fabrication equipment, PCT continues to ramp production capacity for impedance matching networks (matchboxes) at its new plant in Penang, Malaysia. The new plant in Penang has been fully qualified by the key customers for high-volume manufacturing of matchboxes. The production ramp announced last year is both on schedule and delivering the cost benefits expected in making the decision to invest in Penang.

Beta testing of the new, innovative RF generator progressed as planned. Test programs with Tier 1 and Tier 2 customers are ongoing, with good performance demonstrated to date.

IXS: Realignment proving beneficial in H1 – general uptick in end markets and focus on electronics fueling growth

As predicted going into 2021, the X-Ray Systems (IXS) end markets began to rebound after a cyclical and pandemic-driven slump in 2019 and 2020. The electronics sector featured rising demand in China, Europe and North America. In IXS' other core end markets, the automotive industry continues a slow, steady recovery, while the aerospace sector has begun to recover in certain regions, notably China and North America.

Compared to the first half of 2020, the division reported 30.8% higher net sales of CHF 70.2 million (H1 2020: CHF 53.7 million). Newly introduced x-ray systems contributed significantly to sales growth. The division made promising inroads with new products and applications in the semiconductor market, particularly in Taiwan. As a result of the major divisional realignment program undertaken in 2020 and the improving market conditions noted above, IXS achieved positive EBITDA of CHF 4.5 million, compared to a loss of CHF 2.1 million in the previous year, and returned a favorable EBITDA margin of 6.4% (H1 2020: -3.9%).

IXM: Strongly improved first six months – new products key to growth

In the X-Ray Modules (IXM) division, the core markets of non-destructive testing and security inspection continued to gain momentum in all regions. The market recovery combined with a successful fast market entry for new products launched in 2020 resulted in net sales growth of 23.4% to CHF 37.3 million (H1 2020: CHF 30.2 million). EBITDA rose by 39.2% to CHF 5.9 million (H1 2020: CHF 4.2 million). The EBITDA margin increased from 14.0% to 15.8%.

The Group strategy to continue to invest in new product development and market penetration during the pandemic-driven downturn has paid off. Examples include the successful launch of the Microfocus product family for applications in the semiconductor/electronics and battery markets.

Outlook

The worldwide megatrends of digitalization, high-performance computing, and tele-mobility (e.g., 4G adoption and 5G roll out) continue to drive demand for semiconductor chips. Thus SEMI (the industry association for semiconductor equipment and materials), market analysts, and bellwether companies in the capital equipment and chip manufacturing space have repeatedly revised upward their forecasts for 2021 and beyond.

In the automotive, aerospace and security industries, the expected return to growth has materialized, albeit to varying degrees. Because of the roll out of vaccination programs and fewer pandemic-related restrictions worldwide, most of Comet's end markets gradually shifted to growth. This has significantly improved the market outlook for the x-ray-related businesses.

While there are well-documented bottlenecks in the global electronics supply chain that will continue through the second half of 2021, the Group has undertaken various risk mitigation strategies to ensure its ability to meet all forecasted customer demand through the year and into 2022.

In this dynamic environment, the company expects continued strength in the overall business throughout 2021 and beyond. The Comet Group anticipates that the strong performance demonstrated in the first half of 2021 will continue through the balance of the year and well into 2022. As a result, the Comet Group expects full-year sales of CHF 480 million to CHF 500 million and an EBITDA margin between 18.0% and 20.0% as stated in the company's announcement of July 23, 2021.

Publication of half-year results

The detailed half-year results will be presented by Kevin Crofton, CEO, and Lisa Pataki, CFO, in a conference call on August 12. The conference call will be held at 10:00 a.m. CEST in English.

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Other countries:

https://media.choruscall.ch/documents/Attended_DI_numbers.pdf

Webcast (link):

English, 10:00 a.m. CEST: <https://services.choruscall.com/medi-iframe/webcast.html?webcastid=6NYOH6yo>

Financial metrics

Alternative performance measures

Comet uses key indicators defined in the International Financial Reporting Standards (IFRS) in its entire financial reporting, as well as 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 2021 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, amortization and impairment losses on property, plant and equipment, right-of-use assets and intangible assets.
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.

Reconciliation of free cash flow

In thousands of CHF	June 30, 2021	June 30, 2020
Net cash provided by operating activities	21,802	7,840
Net cash (used in) investing activities	(6,538)	(3,309)
Free cash flow	15,264	4,530

Consolidated statement of income (unaudited)

In thousands of CHF	2021	2020		Change
	Six months to June 30	Six months to June 30	Absolute	%
Net sales	248,302	182,309	65,993	36.2%
Cost of sales	(142,112)	(113,610)	(28,502)	25.1%
Gross profit	106,190	68,699	37,491	54.6%
Other operating income	1,764	2,943	(1,179)	- 40.1%
Development expenses	(28,643)	(26,327)	(2,316)	8.8%
Marketing and selling expenses	(23,966)	(22,076)	(1,890)	8.6%
General and administrative expenses	(20,439)	(14,117)	(6,322)	44.8%
Operating income	34,906	9,122	25,784	282.7%
Financing expenses	(2,503)	(2,964)	461	- 15.6%
Financing income	2,730	852	1,878	220.4%
Income before tax	35,133	7,010	28,123	401.2%
Income tax	(7,330)	(487)	(6,843)	1,405.9%
Net income	27,803	6,523	21,280	326.2%
Earnings per share in CHF, diluted and basic	3.58	0.84	2.74	
Operating income	34,906	9,122	25,784	282.7%
Amortization	1,839	2,325	(486)	- 20.9%
EBITA	36,745	11,447	25,298	221.0%
Depreciation	7,507	7,306	201	2.8%
EBITDA	44,252	18,753	25,499	136.0%

Consolidated statement of comprehensive income (unaudited)

In thousands of CHF	2021	2020		Change
	Six months to June 30	Six months to June 30	Absolute	%
Net income	27,803	6,523	21,280	326.2%
Other comprehensive income				
Foreign currency translation differences	3,271	(1,415)	4,686	-
Total items that will be reclassified to the income statement on realization	3,271	(1,415)	4,686	-
Actuarial gain on defined benefit plans	499	726	(227)	- 31.3%
Income tax	(23)	(93)	70	- 75.3%
Total items that will not subsequently be reclassified to the income statement	476	633	(156)	- 24.7%
Total other comprehensive income or (loss)	3,748	(783)	4,531	-
Total comprehensive income	31,551	5,741	25,810	449.6%

Consolidated balance sheet (unaudited)

In thousands of CHF						
	June 30, 2021	%	Dec. 31, 2020	%	Change	June 30, 2020
Assets						
Cash and cash equivalents	76,352		74,681		1,671	48,710
Trade and other receivables	76,189		61,784		14,405	69,202
Other assets	1,883		1,813		70	207
Tax receivables	990		1,168		(178)	337
Inventories	97,159		94,188		2,971	96,929
Prepaid expenses	4,711		4,674		37	10,483
Total current assets	257,284	57.1%	238,308	55.5%	18,976	225,868
Property, plant and equipment	113,125		112,629		496	112,872
Right-of-use assets	21,759		20,610		1,149	9,606
Intangible assets	43,732		43,862		(130)	36,013
Other assets – non-current financial assets	3,021		3,209		(188)	266
Deferred tax assets	11,272		10,653		619	10,045
Total non-current assets	192,909	42.9%	190,963	44.5%	1,946	168,803
Total assets	450,193	100.0%	429,271	100.0%	20,922	394,671
Liabilities and shareholders' equity						
Current debt	–		59,976		(59,976)	67,934
Current lease liabilities	4,550		4,198		352	4,398
Trade and other payables	34,845		37,289		(2,444)	33,844
Contract liabilities	35,955		43,421		(7,466)	38,399
Other financial liabilities	2,040		1,471		569	10
Tax payables	5,210		4,399		811	3,391
Accrued expenses	30,375		21,429		8,946	22,269
Current provisions	7,071		8,466		(1,395)	8,508
Total current liabilities	120,046	26.7%	180,649	42.1%	(60,603)	178,753
Non-current debt	59,521		–		59,521	–
Non-current lease liabilities	18,371		17,644		727	6,723
Non-current provisions	79		69		10	11
Employee benefit plan liabilities	14,214		14,808		(594)	14,998
Deferred tax liabilities	1,029		1,145		(116)	–
Total non-current liabilities	93,214	20.7%	33,666	7.8%	59,548	21,731
Total liabilities	213,260	47.4%	214,315	49.9%	(1,055)	200,484
Capital stock	7,770		7,768		2	7,768
Additional paid-in capital	12,036		11,631		405	11,631
Retained earnings	242,752		224,452		18,300	202,481
Foreign currency translation differences	(25,624)		(28,895)		3,271	(27,692)
Total equity attributable to shareholders of Comet Holding AG	236,933	52.6%	214,956	50.1%	21,977	194,187
Total liabilities and shareholders' equity	450,193	100.0%	429,271	100.0%	20,922	394,671

Consolidated statement of cash flows (unaudited)

In thousands of CHF	2021 Six months to June 30	2020 Six months to June 30	Change
Net income	27,803	6,523	21,280
Income tax	7,330	487	6,844
Depreciation, amortization and impairment	9,346	9,631	(285)
Net interest expense	747	989	(243)
Share-based payments	527	262	264
Gains or (losses) on disposal of property, plant and equipment	1	(7)	8
Other non-cash expense or (income)	(419)	1,223	(1,642)
Change in provisions	(1,578)	(719)	(859)
Change in other working capital	(15,014)	(9,443)	(5,572)
Taxes paid	(6,940)	(1,107)	(5,833)
Net cash provided by operating activities	21,802	7,840	13,962
Outflow from disposal of businesses	(261)	—	(261)
Outflow from acquisitions	(101)	—	(101)
Purchases of property, plant and equipment	(5,466)	(3,134)	(2,333)
Purchases of intangible assets	(781)	(413)	(368)
Disposals of property, plant and equipment	85	110	(24)
Purchases of other assets	(107)	—	(107)
Disposals of other assets	32	97	(65)
Interest received	61	31	30
Net cash (used in) investing activities	(6,538)	(3,309)	(3,229)
Net proceeds from issue of bond (2021 – 2026)	59,503	—	59,503
Repayment of bond (2016 – 2021)	(60,000)	—	(60,000)
Repayment of bank debt	—	(4,000)	4,000
Repayment of lease liabilities	(2,485)	(2,253)	(232)
Interest paid	(1,449)	(1,557)	109
Dividend payment to shareholders of Comet Holding AG	(10,098)	(7,764)	(2,334)
Net cash (used in) financing activities	(14,529)	(15,575)	1,046
Net increase or (decrease) in cash and cash equivalents	735	(11,045)	11,780
Foreign currency translation differences on cash and cash equivalents	936	(500)	1,436
Net cash and cash equivalents at January 1	74,681	60,255	14,426
Net cash and cash equivalents at June 30	76,352	48,710	27,642

Consolidated statement of changes in equity (unaudited)

In thousands of CHF	Equity attributable to shareholders of Comet Holding AG				
	Capital stock	Additional paid-in capital	Retained earnings	Foreign currency translation differences	Total shareholders' equity
December 31, 2019	7,764	11,184	203,277	(26,277)	195,948
Net income			6,523		6,523
Other comprehensive income			633	(1,415)	(783)
Total comprehensive income			7,156	(1,415)	5,741
Dividend payment to shareholders of Comet Holding AG			(7,764)		(7,764)
Increase in capital (for stock compensation)	4	447	(363)		88
Share-based payments			175		175
June 30, 2020	7,768	11,631	202,481	(27,692)	194,187
December 31, 2020	7,768	11,631	224,452	(28,895)	214,956
Net income			27,803		27,803
Other comprehensive income			476	3,271	3,748
Total comprehensive income			28,279	3,271	31,551
Dividend payment to shareholders of Comet Holding AG			(10,098)		(10,098)
Increase in capital (for stock compensation)	2	405	(408)		(2)
Share-based payments			526		526
June 30, 2021	7,770	12,036	242,752	(25,624)	236,933

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

01 Accounting policies

The half-year report for the six months ended June 30, 2021 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 2020 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 2020 consolidated financial statements, except for the changes set out below.

With effect from January 1, 2021, Comet has applied the following new or adjusted IFRS/IAS for the first time:

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

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

On May 28, 2020, the International Accounting Standards Board (IASB) published an amendment to IFRS 16 concerning COVID-19-related rent concessions. The amendment was effective from June 1, 2020 and initially applied to rent concessions granted up to and including June 30, 2021. On March 31, 2021, the IASB published an additional amendment to extend the applicability period to cover grant dates up to and including June 30, 2022. Comet applies this practical expedient. However, in the half-year period under review this had no impact on the consolidated financial statements (first half of 2020: relief effect of less than CHF 0.1 million on net income).

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, 2021 is unchanged from December 31, 2020.

Comet sold the ebeam lamp business to Tetra Pak eBeam Systems SA, Pully, Switzerland, effective November 30, 2020. As a re-

sult, the ebeam Technologies division (EBT) was dissolved with effect from January 1, 2021. Therefore, the segment reporting of the first half of 2020 has been restated in accordance with IFRS 8. Any activities of the former EBT division that remain with Comet are allocated to the respective divisions, while the divested EBT activities are included under "Corporate" for the first six months of 2020.

In addition, effective December 31, 2020, Comet acquired sole ownership of Object Research Systems (ORS) Inc., a leading provider of 3D visualization and analysis solutions for research and industrial applications based in Montreal, Canada. Detailed information is provided in the 2020 consolidated financial statements.

Estimates

The preparation of the half-year report requires assumptions and estimates by management, which 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.

The impact of the COVID-19 pandemic on the global economy as a whole and on Comet's markets remains uncertain. In this respect, Comet has critically reviewed the assumptions and estimates that affect the financial position, results of operations and cash flows. In this review, no relevant changes since the last balance sheet date have been identified that would have a material impact on these interim financial statements.

Foreign currency translation

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

Country or region			Jun. 30, 2021	Closing rate		Average rate	
				Dec. 31, 2020	Jun. 30, 2020	2021	Six months to June 30 2020
USA	USD	1	0.921	0.882	0.952	0.908	0.966
Eurozone	EUR	1	1.097	1.084	1.069	1.095	1.064
China	CNY	1	0.143	0.135	0.135	0.140	0.137
Japan	JPY	100	0.834	0.855	0.883	0.843	0.893
Denmark	DKK	1	0.147	0.146	0.143	0.147	0.143
Republic of Korea	KRW	1,000	0.817	0.812	0.795	0.812	0.800
Malaysia	MYR	1	0.222	0.220	0.222	0.222	0.225
Canada	CAD	1	0.743	0.692	–	0.728	–
Taiwan	TWD	100	3.303	3.141	–	3.240	–

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.

In connection with the COVID-19 pandemic, Comet received no government support in the six-months period under review (first half of 2020: government support with a positive effect of CHF 0.3 million on net income, mainly consisting of reductions in social security contributions).

The defined benefit plans in Switzerland are 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. The board of directors of the pension fund decided in March 2021 to reduce the pension conversion rates with effect from the year 2022 and 2023. Under IAS 19, these plan amendments led to a negative past service cost (i.e., they resulted in income) and a corresponding reduction in the defined benefit obligation with a positive pre-tax effect of CHF 0.5 million.

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 testing, steel metrology and security inspection.

Comet sold the ebeam lamp business to Tetra Pak eBeam Systems SA, Pully, Switzerland, effective November 30, 2020. The ebeam Technologies (EBT) division developed, manufactured and marketed compact ebeam sets for the treatment of surfaces in the food and printing industries. Assets and liabilities having a future value in use and remaining with Comet after the divestiture were allocated to other divisions of the Group according to their intended use, and the EBT segment was dissolved with effect from January 1, 2021. Therefore, the segment reporting of the first half of 2020 has been restated in accordance with IFRS 8. Any activities remaining with Comet are allocated to the respective divisions, while the divested EBT activities are included under "Corporate" for the first six months of 2020.

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 balance sheet items 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

Six months to June 30, 2021						
In thousands of CHF						
	Plasma Control Technologies (PCT)	X-Ray Systems (IXS)	Industrial X-Ray Modules (IXM)	Elimination of intersegment sales	Corporate	Consolidated
Net sales						
External net sales	145,430	69,827	33,045	–	–	248,302
Intersegment sales	–	353	4,236	(4,589)	–	–
Total net sales	145,430	70,180	37,281	(4,589)	–	248,302
Earnings						
Segment operating income	30,455	1,862	3,454	218	–	35,989
Unallocated costs	–	–	–	–	(1,083)	(1,083)
Operating income or (loss)	30,455	1,862	3,454	218	(1,083)	34,906
Financing expenses						(2,503)
Financing income						2,730
Income before tax						35,133
Income tax						(7,330)
Net income						27,803
EBITDA	34,714	4,523	5,880	218	(1,083)	44,252
EBITDA in % of net sales	23.9%	6.4%	15.8%			17.8%
Segment assets, June 30, 2021	149,611	120,172	86,979	–	93,431	450,193
Segment liabilities, June 30, 2021	47,617	79,858	19,290	–	66,495	213,260

Six months to June 30, 2020 - Restated						
In thousands of CHF						
	Plasma Control Technologies (PCT)	X-Ray Systems (IXS)	Industrial X-Ray Modules (IXM) ¹	Elimination of intersegment sales ¹	Corporate ¹	Consolidated
Net sales						
External net sales	96,915	53,588	25,001	–	6,805	182,309
Intersegment sales	–	69	5,206	(5,276)	–	–
Total net sales	96,915	53,657	30,208	(5,276)	6,805	182,309
Earnings						
Segment operating income or (loss)	14,940	(4,980)	1,739	(800)	(960)	9,939
Unallocated costs	–	–	–	–	(817)	(817)
Operating income or (loss)	14,940	(4,980)	1,739	(800)	(1,777)	9,122
Financing expenses						(2,964)
Financing income						852
Income before tax						7,010
Income tax						(487)
Net income						6,523
EBITDA	18,587	(2,097)	4,225	(800)	(1,162)	18,753
EBITDA in % of net sales	19.2%	– 3.9%	14.0%			10.3%
Segment assets, Dec. 31, 2020	129,908	124,183	83,828	–	91,351	429,271
Segment liabilities, Dec. 31, 2020	44,235	86,261	16,793	–	67,025	214,315

¹ The ebeam Technologies division (EBT) was dissolved with effect from January 1, 2021. Therefore, the segment reporting for the first half of 2020 has been restated in accordance with IFRS 8. Any of the EBT activities remaining with Comet are allocated to the respective divisions, while the divested EBT activities are included under "Corporate" for the first six months of 2020.

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.

Net sales by region

In thousands of CHF

	2021 Six months to June 30	2020 Six months to June 30
Europe	40,225	35,506
North America	110,438	80,278
Asia	93,583	61,922
Rest of world	4,056	4,603
Total	248,302	182,309

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, 2021			December 31, 2020		
	FVTPL ¹	Carrying amount At amortized cost	Fair value	FVTPL ¹	Carrying amount At amortized cost	Fair value
Financial assets						
Cash and cash equivalents	–	76,352	*	–	74,681	*
Trade and other receivables, net	–	65,957	*	–	52,602	*
Contract assets	–	5,379	*	–	5,561	*
Derivatives	37	–	37	394	–	394
Other assets – financial assets, excluding derivatives	–	3,251	*	–	3,122	*
Total	37	150,940		394	135,966	
Of which current assets	37	148,727		394	133,747	
Of which non-current assets	–	2,213		–	2,219	
Financial liabilities						
Current debt, fixed rate	–	–	–	–	59,976	60,180
Trade and other payables	–	32,914	*	–	36,608	*
Derivatives	553	–	553	45	–	45
Liability for purchase price holdback for warranties	–	1,487	*	–	1,426	*
Lease liabilities	–	22,921	*	–	21,842	*
Non-current debt, fixed rate	–	59,521	61,980	–	–	–
Total	553	116,843		45	119,852	
Of which current liabilities	553	38,951		45	100,782	
Of which non-current liabilities	–	77,892		–	19,070	

¹ 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.

Information on the bond issued by Comet Holding AG on April 20, 2021 can be found in note 6, "Financing".

05 Financing income and expenses	In thousands of CHF	Six months to June 30, 2021	Six months to June 30, 2020
	Net interest expenses	(747)	(989)
	Net foreign currency translation gains or (losses)	974	(1,123)
	Net financial items	227	(2,112)

06 Financing

06.1 Debt

The bond maturing on April 20, 2021 was repaid and refinanced by a bond issued by Comet Holding AG on April 20, 2021 in the amount of CHF 60 million. The bond was issued at par. The term of the bond is five years and it matures on April 20, 2026. The fixed coupon rate over the term is 1.30%, payable annually on April 20. The bond is listed on the SIX Swiss Exchange (Swiss security number 110 109 656, ticker symbol COT21).

06.2 Shareholders' equity

Dividend payment to shareholders of Comet Holding AG

The Annual Shareholder Meeting on April 22, 2021 approved the payment of a dividend of CHF 1.30 per share to shareholders from retained earnings; each share has a par value of CHF 1.00. In the prior year, Comet paid a dividend of CHF 1.00 per share from retained earnings. Comet Holding AG paid this year's dividend, which totaled CHF 10.1 million, on April 28, 2021.

Authorized capital for equity-based compensation

In payment of retainers to the Board of Directors and of 2020 profit-sharing compensation to the members of the Executive Committee, 1,647 shares with a par value of CHF 1.00 per share were issued in the first half of 2021 from authorized capital designated for equity compensation (also referred to as "conditional capital"). At the end of the reporting period, the remaining unissued authorized capital for equity-based compensation therefore amounted to 193,586 shares or CHF 193,586.

07 Events after the balance sheet date

There have been no events after the balance sheet date with a material effect on this half-year report.

08 Release of the half-year report for publication

At its meeting on August 9, 2021 the Board of Directors approved these interim financial statements for publication.

Disclaimer

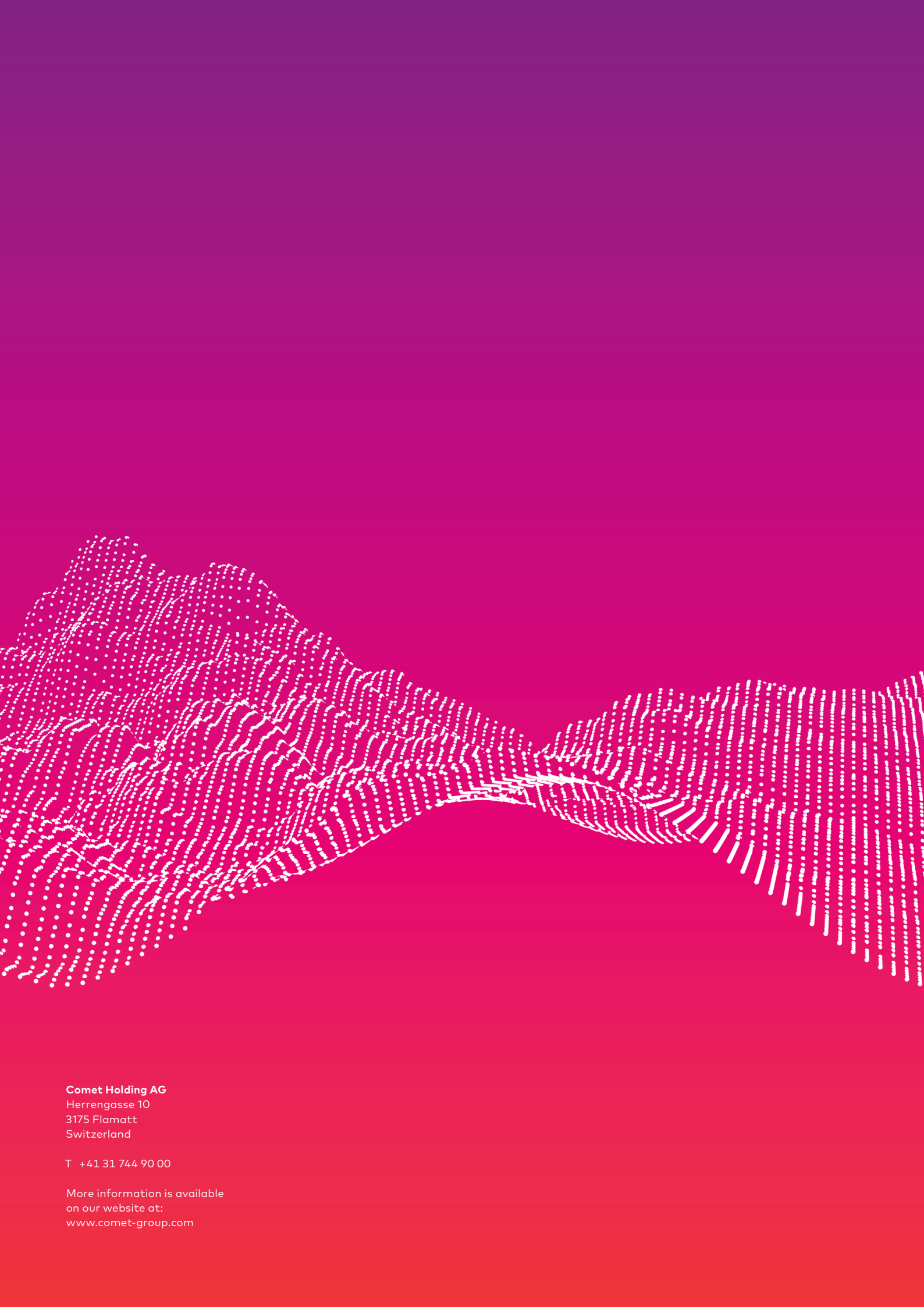
This document contains forward-looking statements about the Comet Group that may be subject to uncertainty and risk. Readers should therefore be aware that actual future outcomes or events may differ from such statements. Forward-looking statements in this document are projections of possible future 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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