

# Strategy update: The growth story accelerates



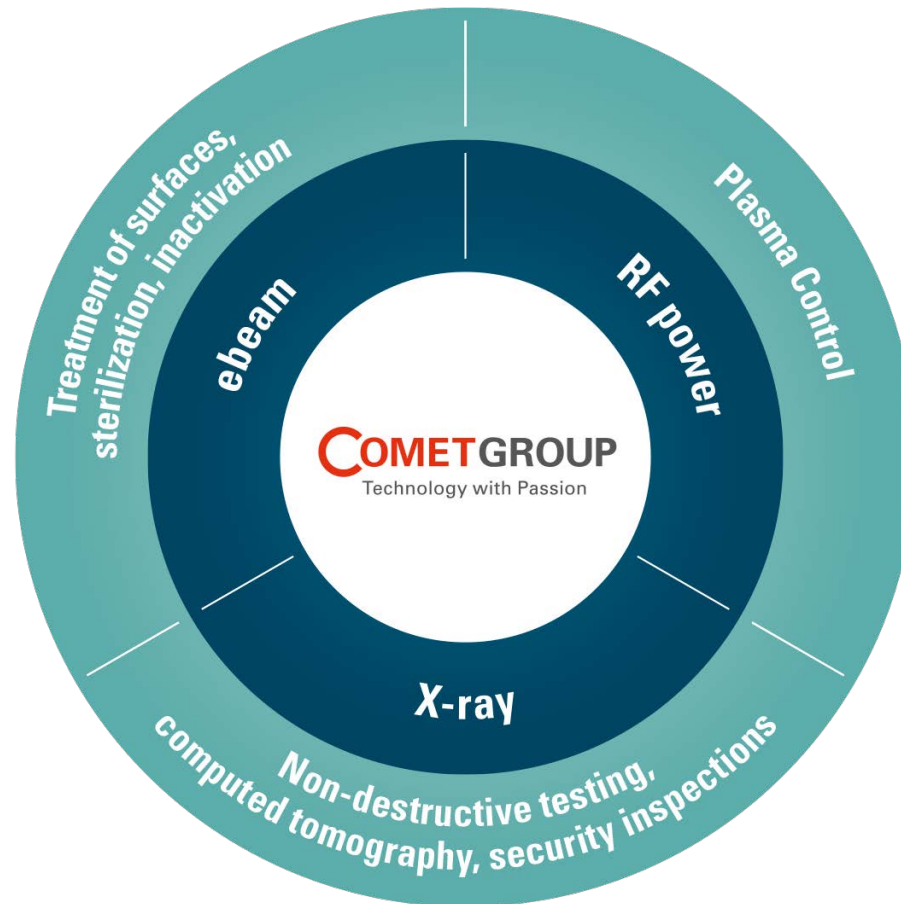
Dr. René Lenggenhager  
CEO, Comet Group



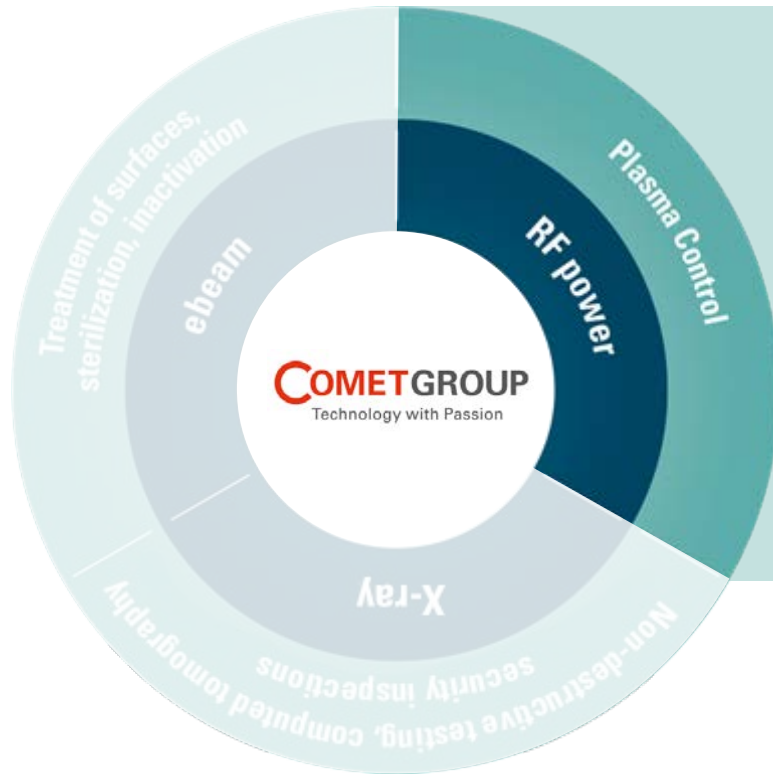
# Agenda

- 1 The Comet Group at a Glance
  - 2 Strategy Update
  - 3 The Growth Story Accelerates
- 
-

# We are a Swiss company with high competency in three leading technologies ...



# ... enabling faster, more efficient processes and safer products in many industries



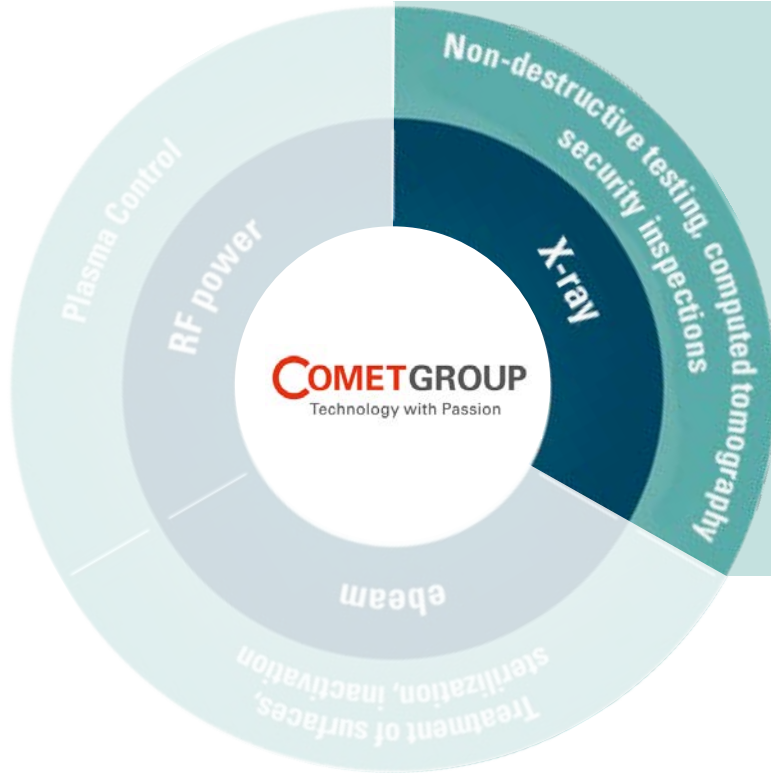
Semiconductors  
Microchips & Sensors  
Displays

49.4%  
of H1 2017  
Group sales



**COMET**

# ... enabling faster, more efficient processes and safer products in many industries



Electronics  
Automotive / Foundries  
Aerospace  
Security

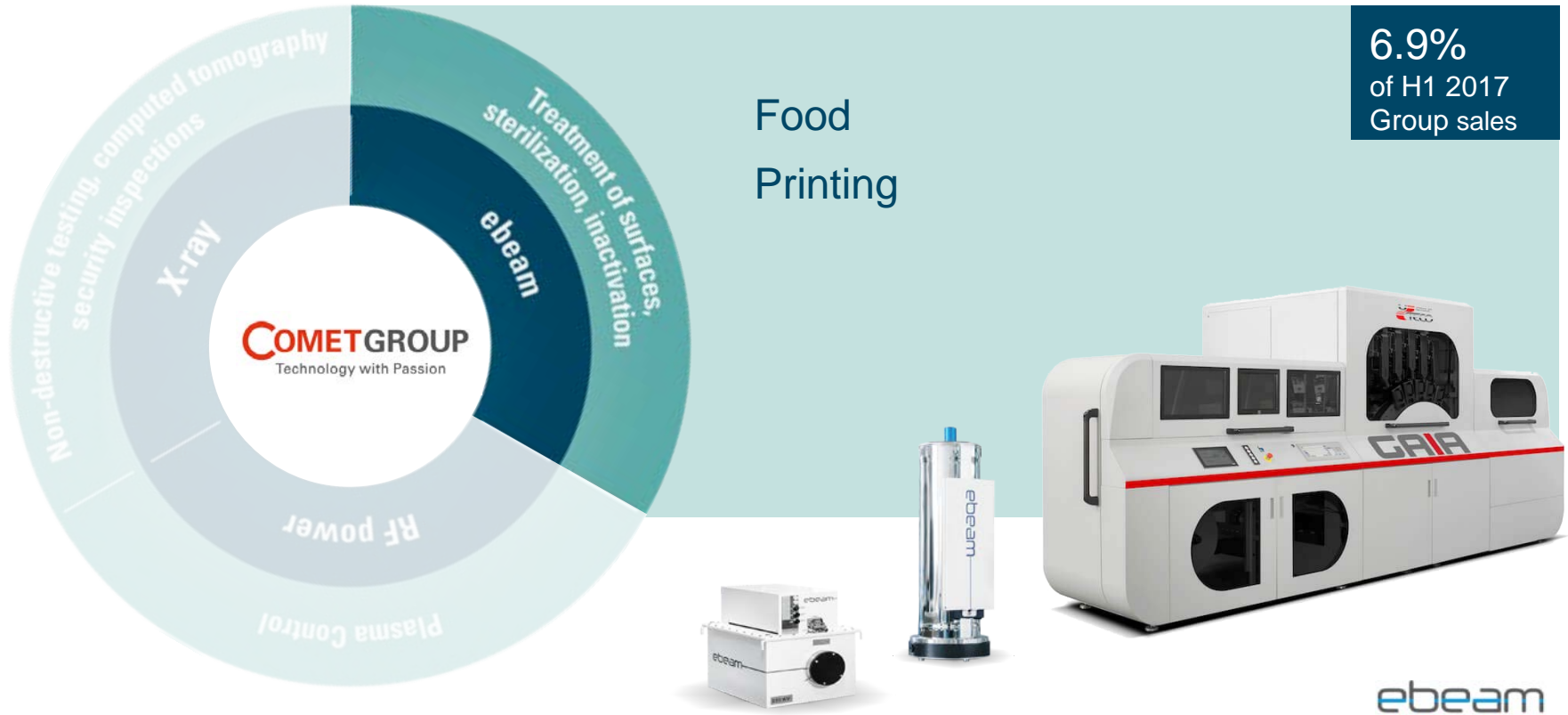
43.7%  
of H1 2017  
Group sales



COMET / YXLON

The Comet Group at a glance

... enabling faster, more efficient processes and safer products in many industries





# Agenda

- 
- 1 The Comet Group at a glance
  - 2 Strategy Update
  - 3 The Growth Story Accelerates
-

# Comet Group is set up for growth and moving closer to its original growth targets for 2020

Original target for 2020: Sales in CHFm

~500

EBITDA %

16-18

Net sales in CHFm 2017E

430-450

2017E EBITDA %

14-16

Strategic building blocks and growth engine prove successful



# The Comet Group growth engine: Where do we stand with initiatives started in 2016?

## 2016

### Growth Initiatives (examples 2016)

RF power (PCT)  
Metrology (IXS)  
Tetra Pak rollout (EBT)

### Business Development (examples 2016)

Project with Bühler (EBT)  
Digital printing (EBT)  
Further ebeam applications  
CT-Inline (IXS)  
Security (IXM)



### Ongoing Business (examples 2016)

Market expansion  
KAM  
Growth initiatives on  
segment level

### Operational Excellence (examples 2016)

Improve gross margin  
Strengthen supply chain  
Leadership  
Expand management  
toolbox

# Operational Excellence – Initiatives on plan, and to be accelerated



## Gross margin

Improved by 1% point H1 2017 vs. H1 2016

Further measures with focus on supply chain

## Management toolbox

Introduction of new multi PM and collaboration tools



## Strengthening of leadership

Senior leadership programme completed

Further rollout to next level ongoing

## Strengthening of supply chain

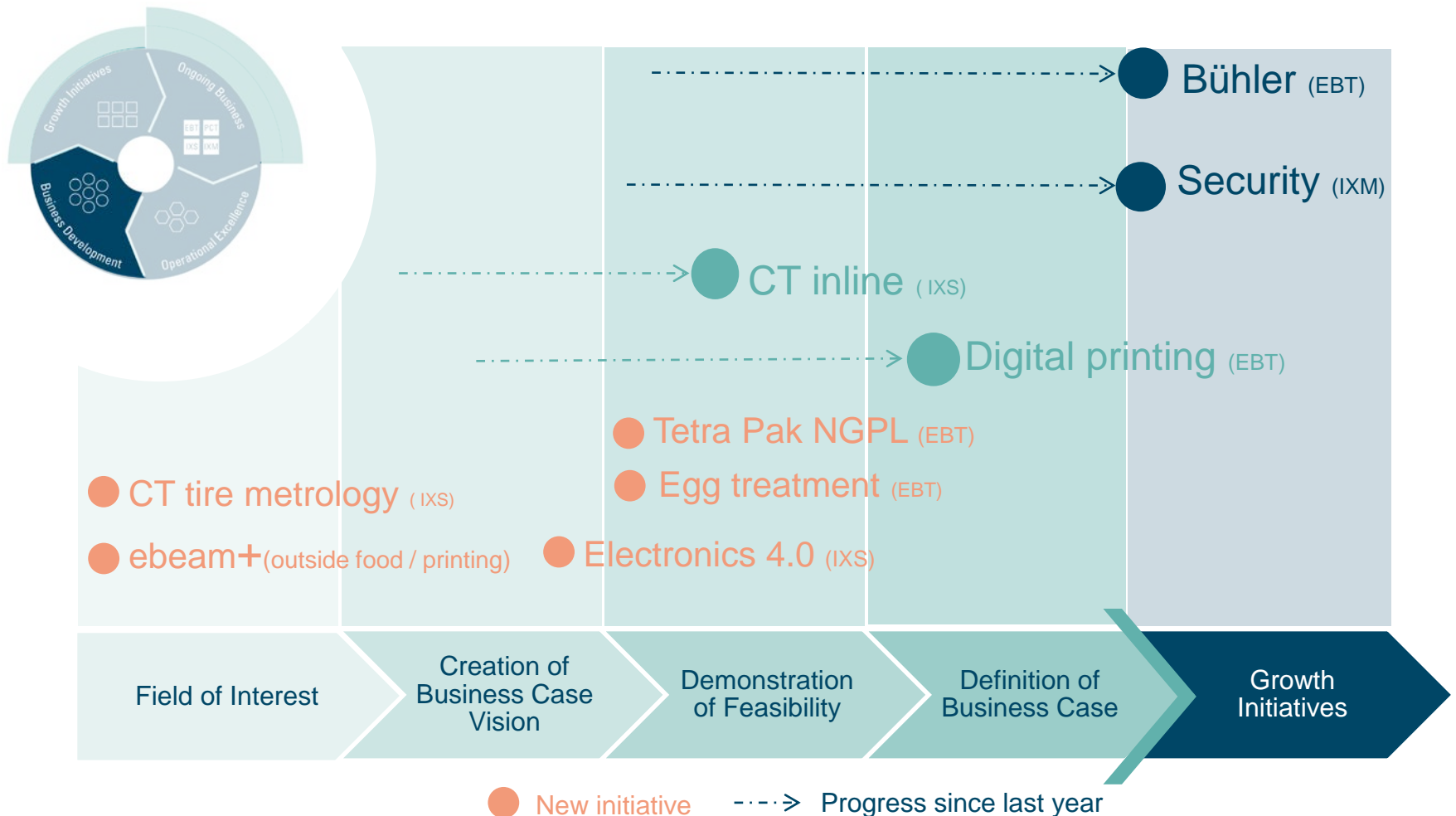
Introduction of global lead buyer concept

Building expansion in Flamatt on plan

Successful expansion of PCT production



# Business Development: 2 cases transferred to GI; 2 at higher maturity stage, 5 new cases



# Growth Initiatives: Inactivation of dry food and security as new GI, Tetra Pak rollout adjusted



## RF power (PCT)

New RF power generation; preparation of all R&D locations; team set up;  
**Key project for growth after 2020.**

## Inactivation of dry food (Bühler)

Project transferred from R&D to business at customer;  
**First orders in.**



## Tetra Pak rollout (EBT)

Ongoing at slower than expected pace. Importance of ebeam confirmed. Delayed market entry due to new product platform.  
**Transferred into OB and new BD started.**

## Metrology (IXS)

Launch of FF CT 20 and 35 Metrology systems at Control;  
**First orders in.**



## Security (IXM)

Feasibility proven for 2 customer projects.  
**Development of OEM solution started.**

# Ongoing Business as strongest driver within the growth engine



**PCT**

Strong growth drivers like AI, VR, big data

**Broaden application and customer base**

**IXS**

Market to strongly grow due to Industry 4.0, investments to leverage growth potential

**Capitalize on experience as solution provider**

**EBT**

“Start-up” business

**Expand BD focus to applications outside food and printing, long-term focus**

**IXM**

Solid business with growth potential esp. in security market

**Explore new applications / markets**

# Comet Group on track with its growth engine

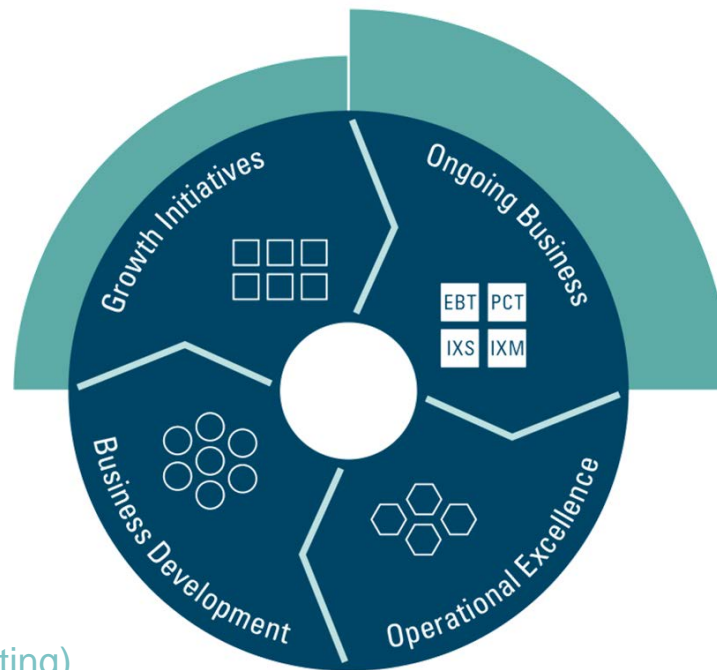
2017

## Growth Initiatives

RF power (PCT)  
 Metrology (IXS)  
 Project with Bühler (EBT)  
 Security (IXM)

## Business Development

Digital printing (EBT)  
 CT inline (IXS)  
 Egg treatment (EBT)  
 Electronics 4.0 (IXS)  
 ebeam+ (outside food / printing)  
 CT tire metrology (IXS)  
 Tetra Pak NGPL (EBT)



New category

## Ongoing Business


Country and cross-selling with KAM  
 Segment growth initiatives (incl. ongoing Tetra business)

## Operational Excellence

Improve gross margin  
 Strengthen supply chain  
 Expand management toolbox  
 Agile leadership  
 Lean manufacturing/office

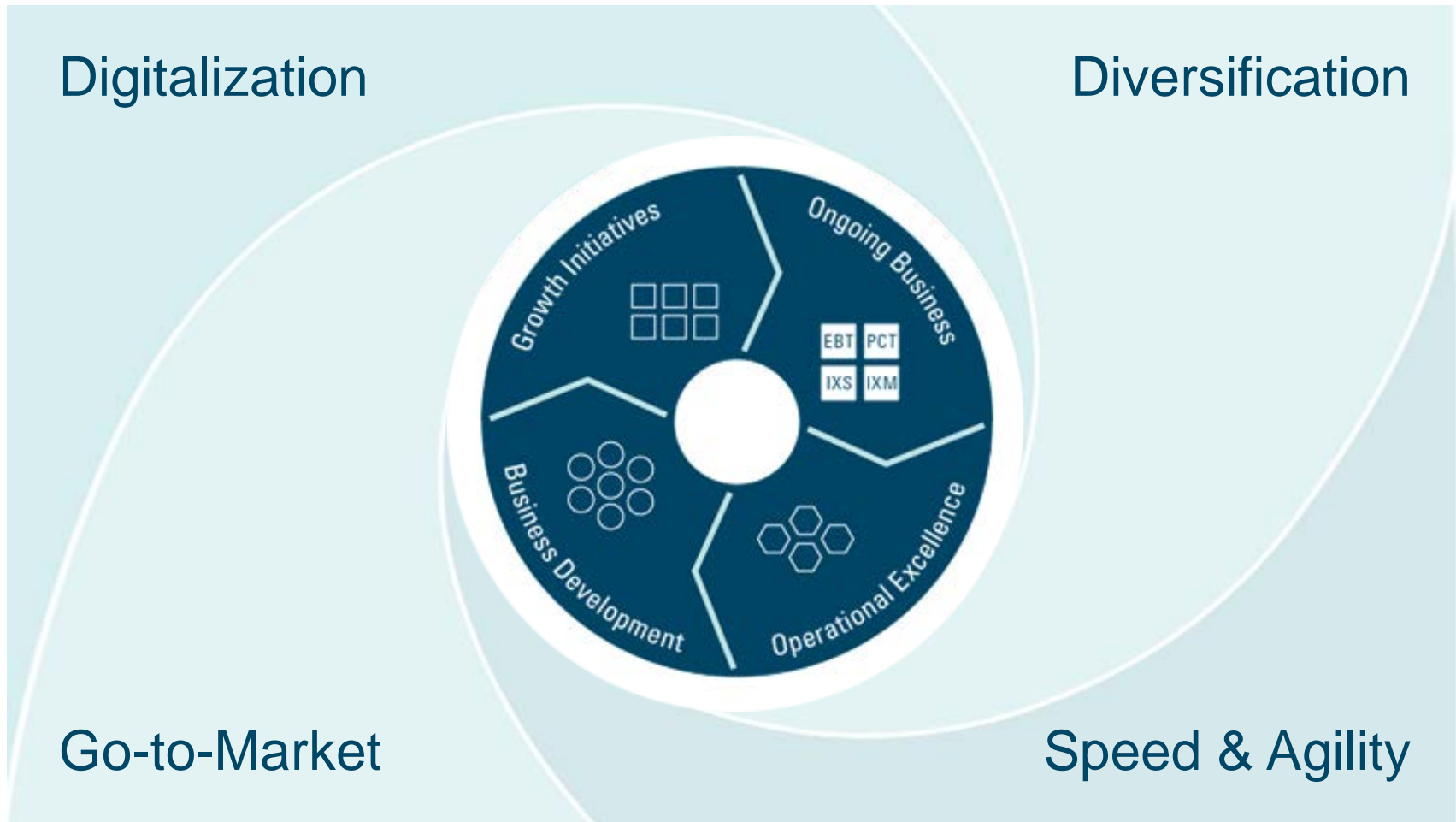


# Agenda

- 
- 1 The Comet Group at a glance
  - 2 Strategy Update
  - 3 The Growth Story Accelerates
- 

The growth story accelerates

# Four focus topics will enhance growth and help set stage for robust growth even beyond 2020



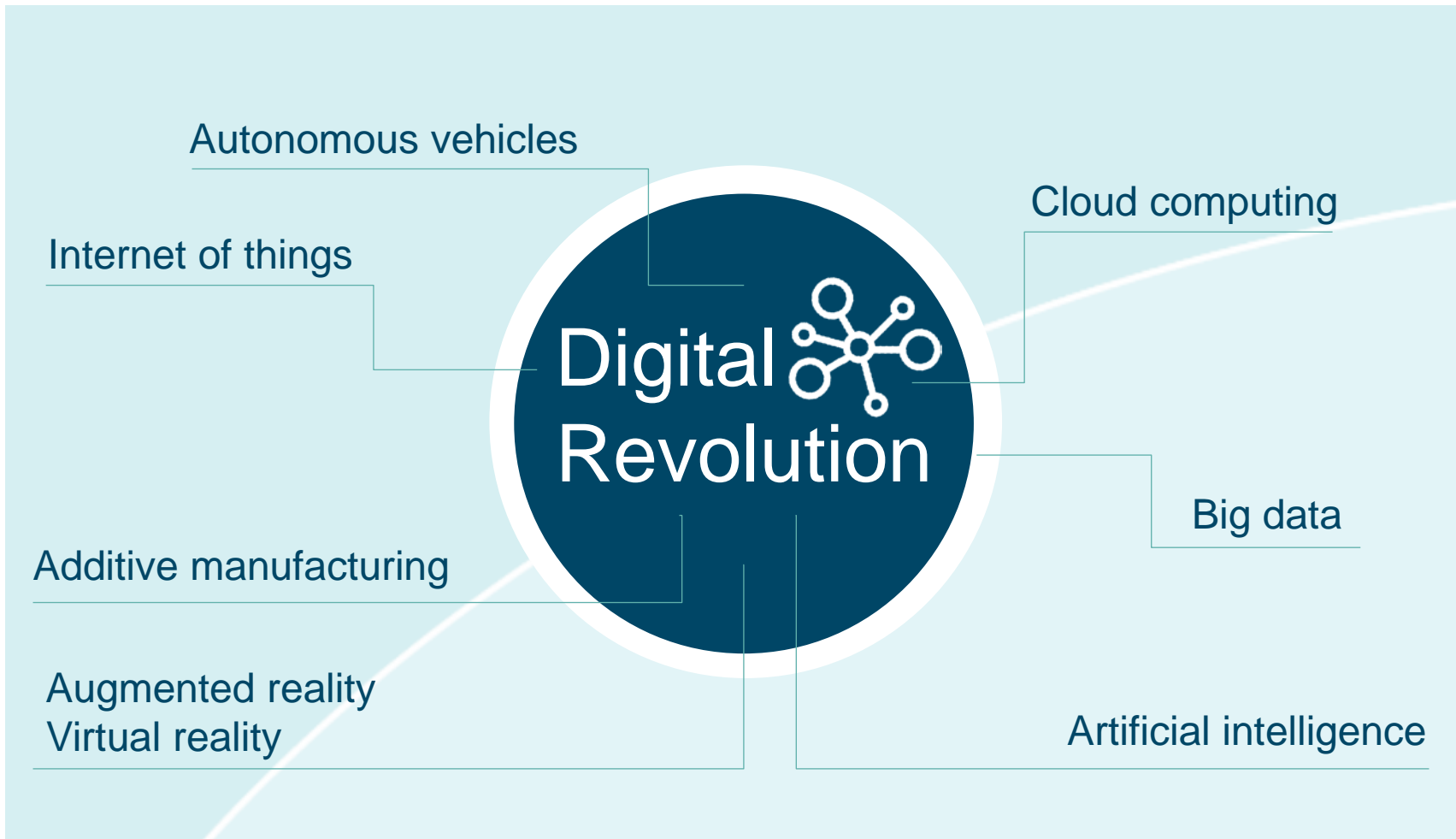
The growth story accelerates

# Four focus topics will enhance growth and help set stage for robust growth even beyond 2020



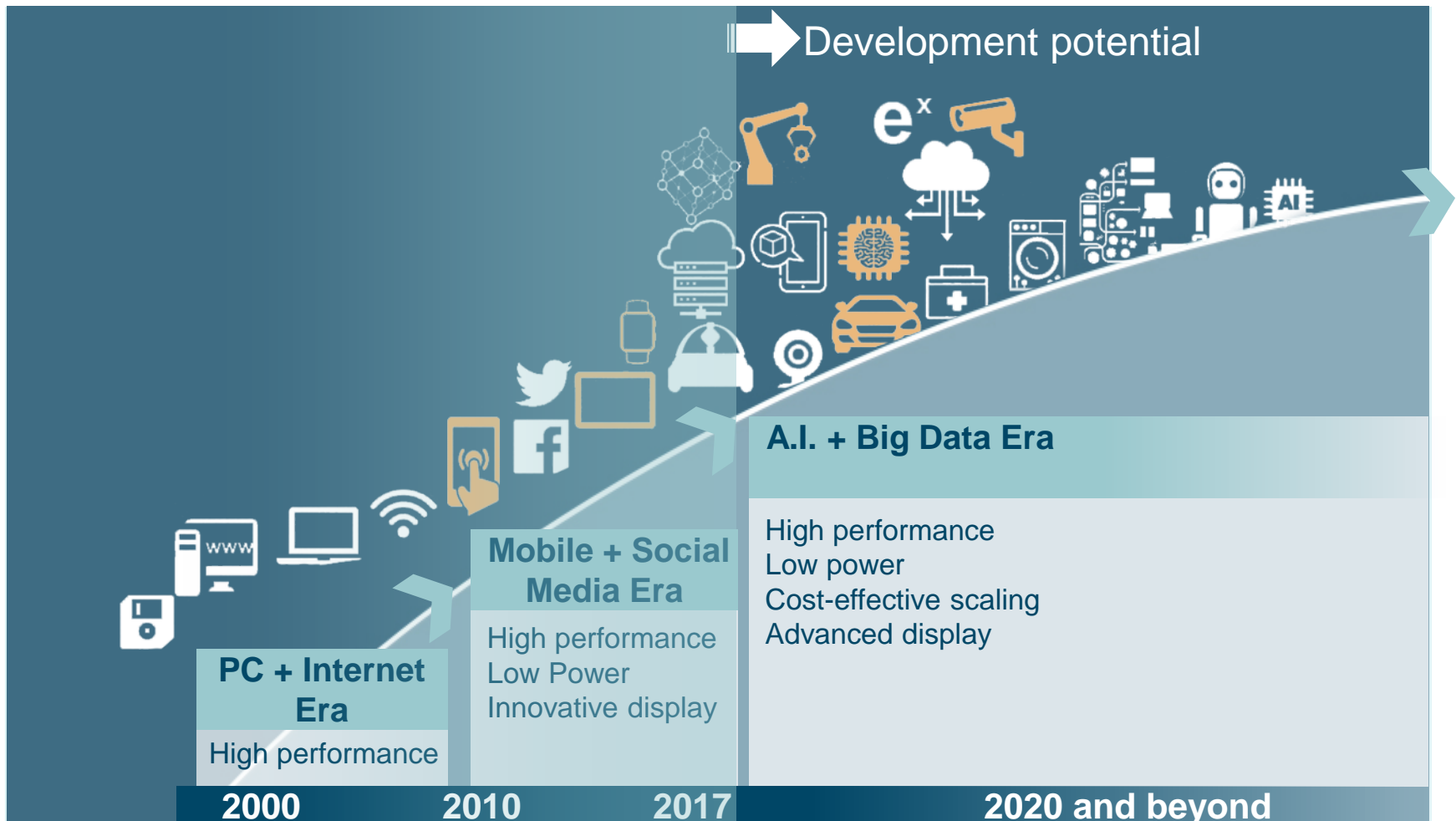
The growth story accelerates

# Digitalization – a huge opportunity leveraging the three technologies of the Comet Group



The growth story accelerates

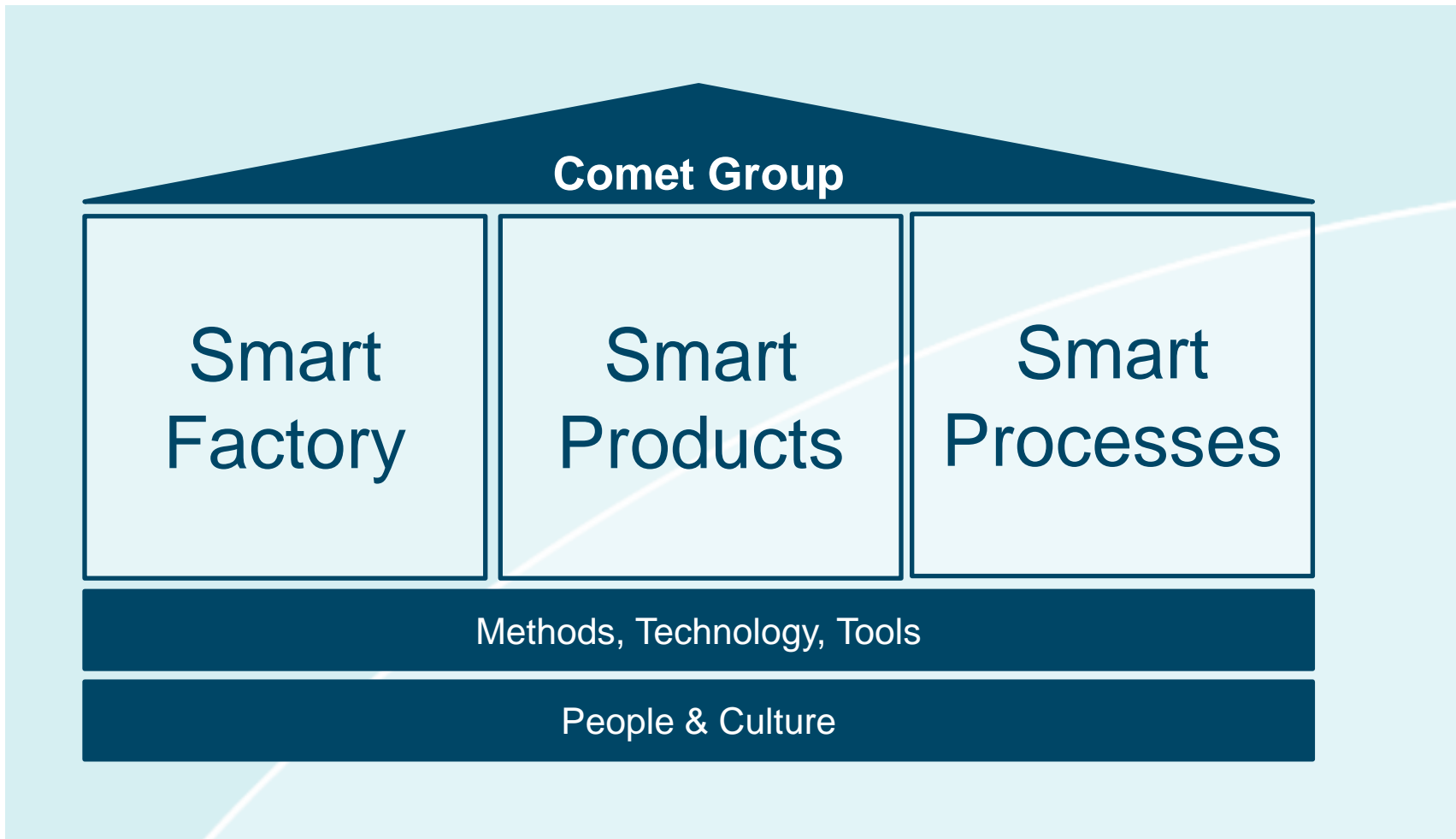
# New waves: The Comet Group is part of this revolution with its three technologies



Source: AMAT

The growth story accelerates

# Digital agenda set up to innovate on all levels of the organization



# Digitization & Digitalization: Projects already ongoing in three key areas

## Smart factory

*In Flamatt:*

- Multi-shuttle logistics in FLA
- Automation: linking inventory, production and controlling (SAP)
- Automated collection and processing of test data

## Smart products & services

*IXM:*

- Smart EVO
- iVario



*IXS:*

- Cheetah EVO
- Cougar EVO

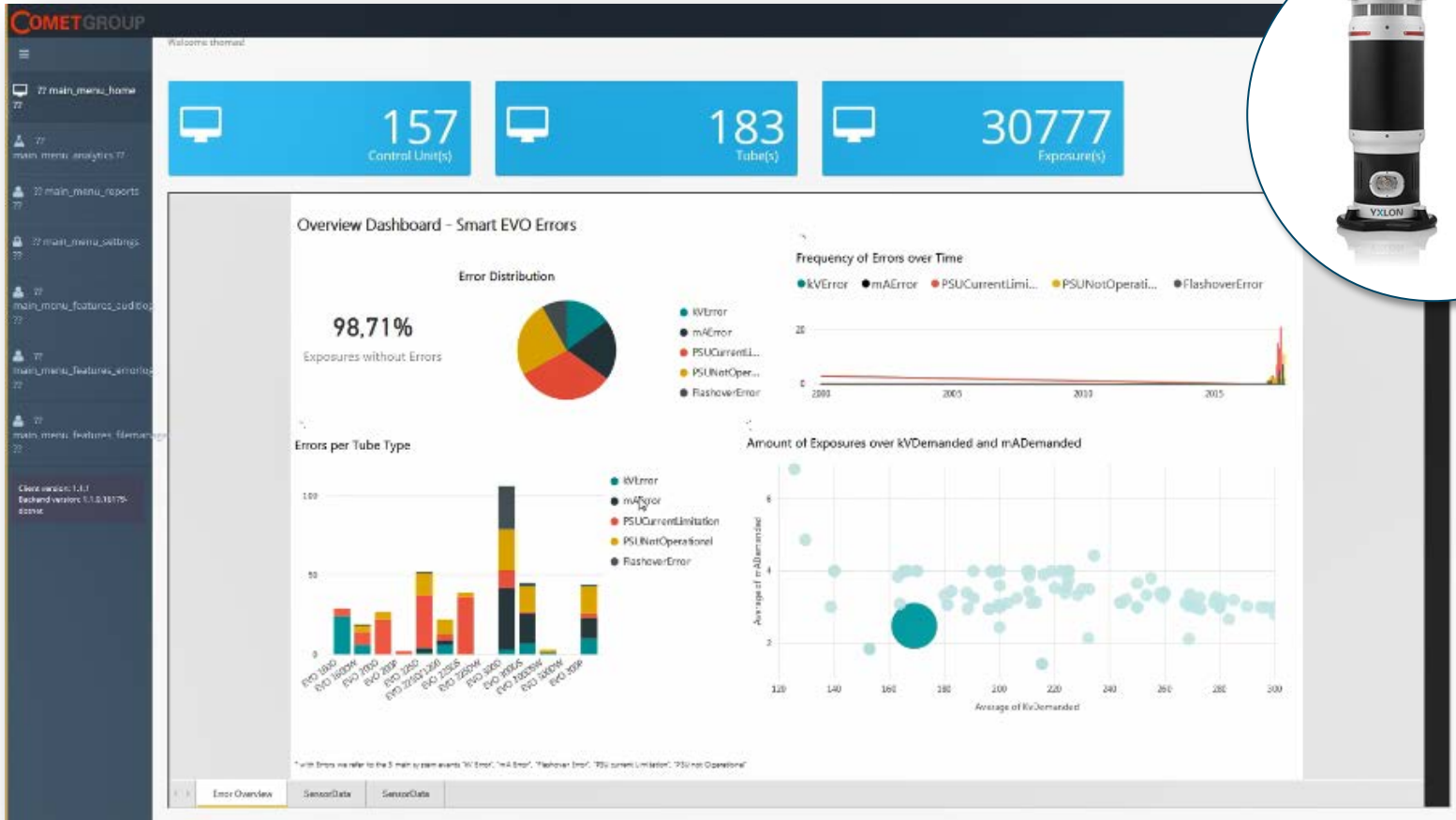


## Smart processes

- Smart Lab for PCT R&D
- Automation in production processes
- CRM and BI Toolset
- Full rollout of Jira/Confluence

The growth story accelerates

# Smart product example: Pilot demo platform for predictive maintenance

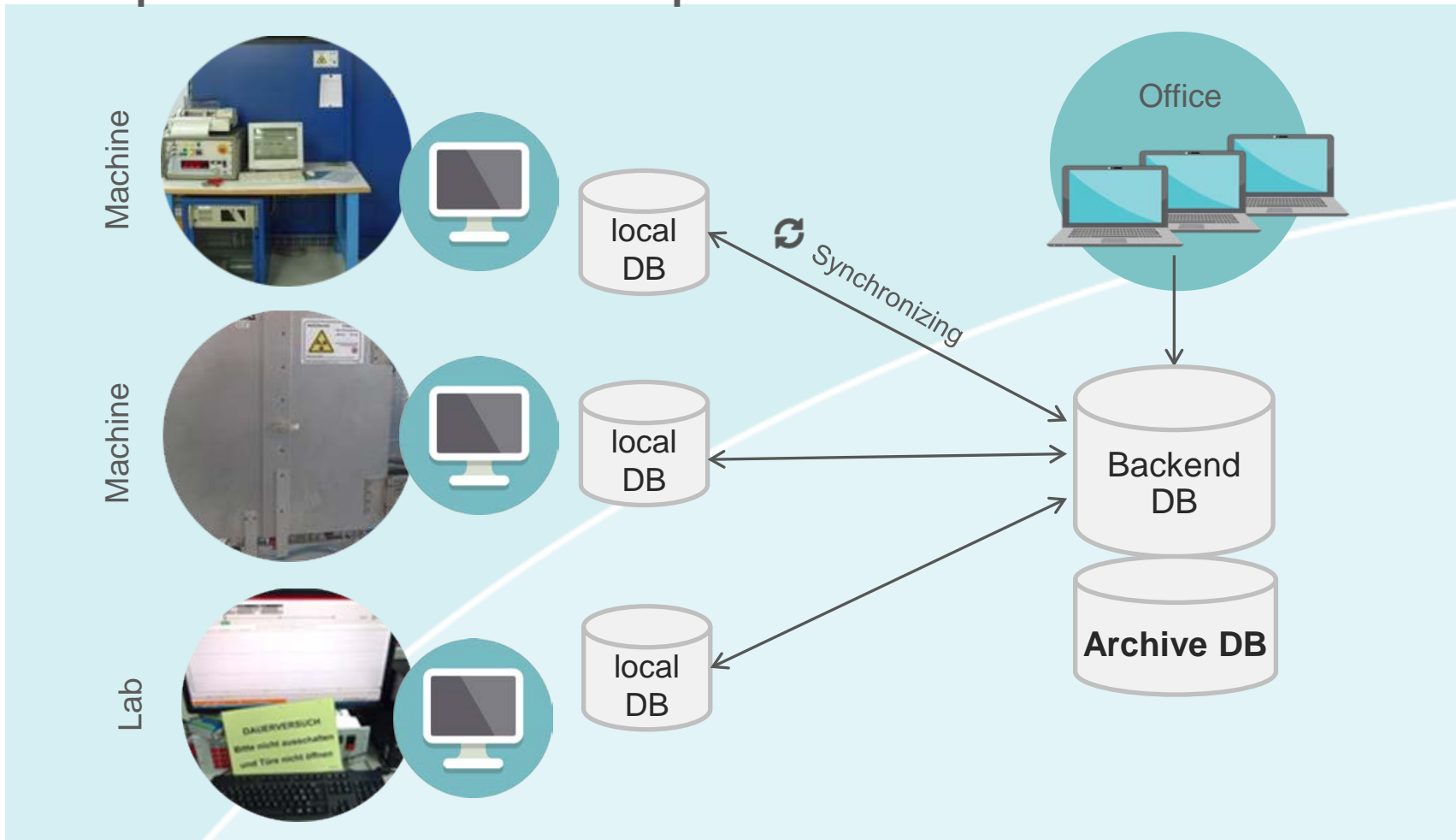


More details in breakout session

The growth story accelerates

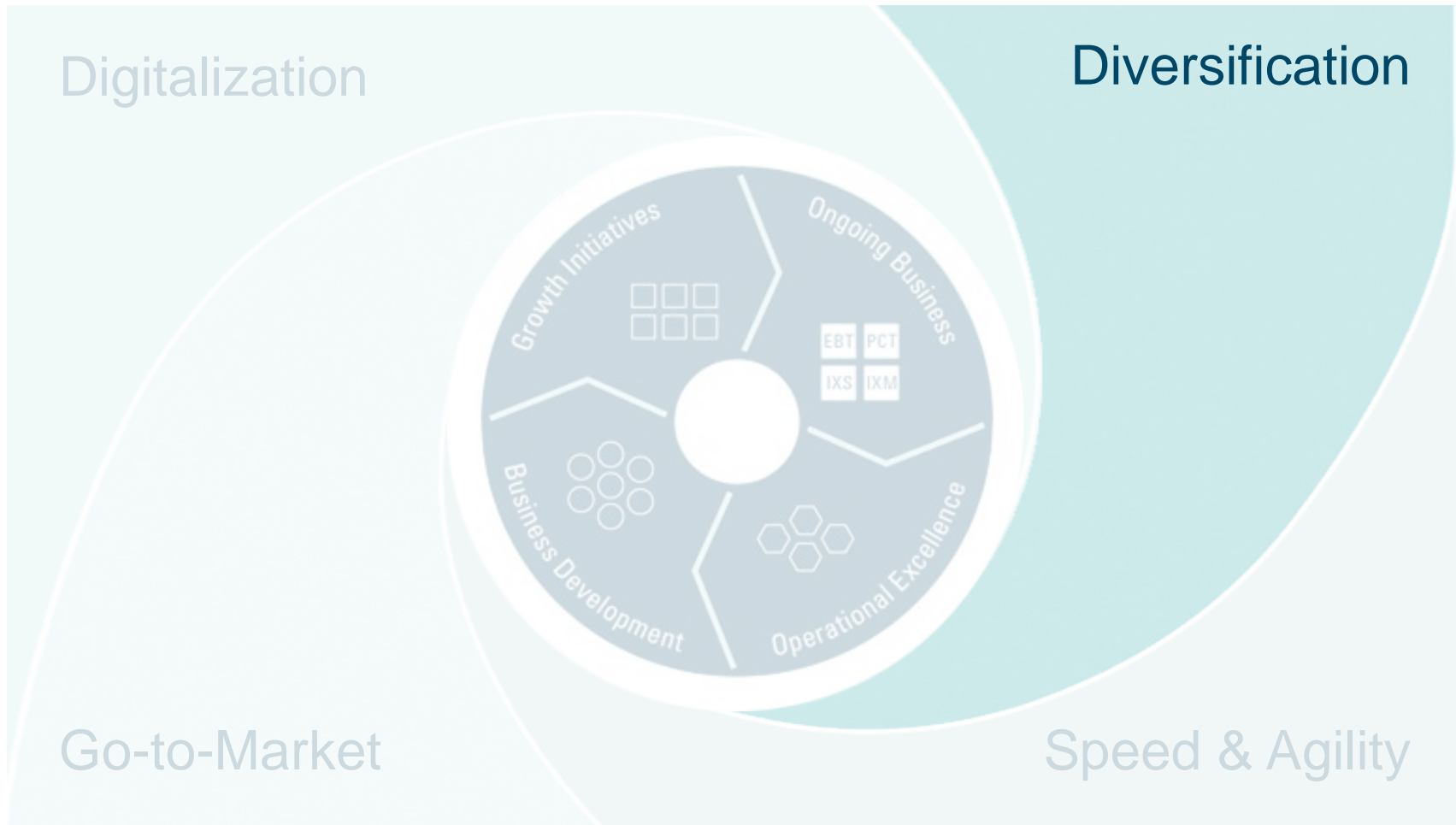
# Smart process example: Automation in Flamatt

Decentralized decision-making already in place for more than 150 machines;  
Concept to be rolled out to whole production



The growth story accelerates

# Four focus topics will enhance growth and help set stage for robust growth even beyond 2020



# Projects to expand and diversify business portfolio on three levels

## Overview of selected initiatives

### Regional expansion

- Develop focused Asia group strategy (CN, JP, KR, TW)
- Manufacturing and engineering in China
- Intensify IXS market initiatives in US & EU

### Applications

- Explore
- ebeam applications outside food and printing
  - RF power outside semi market
  - Lab One as an enabler in Silicon Valley

### Products & Services

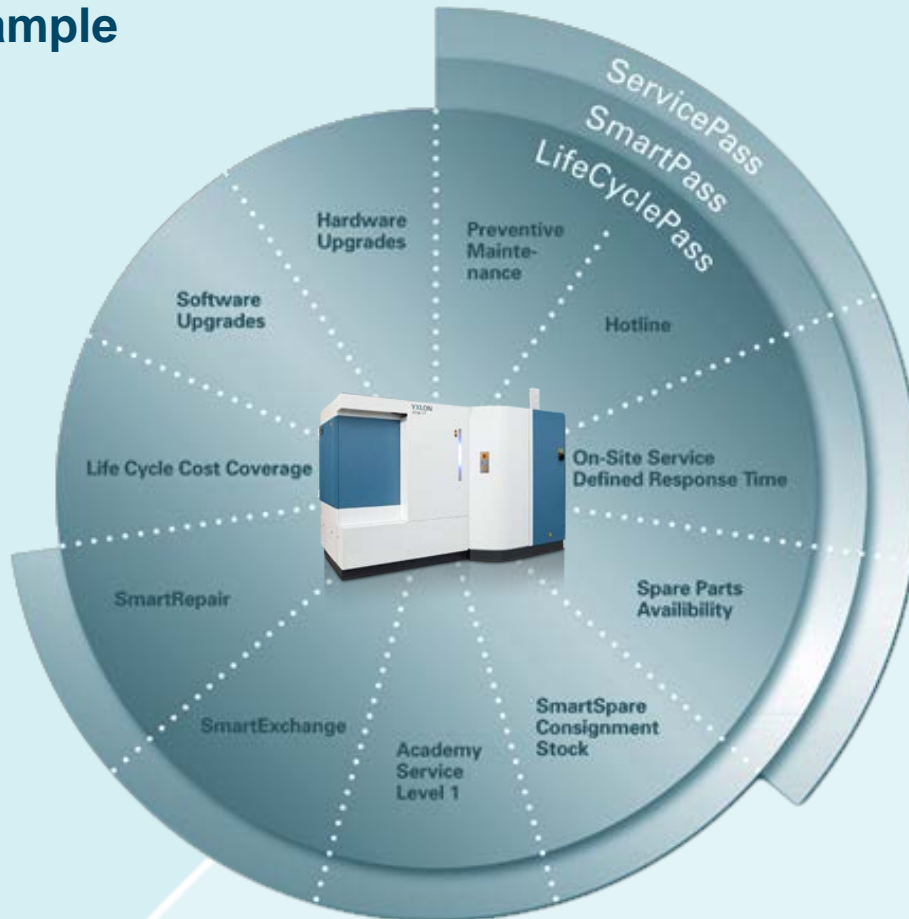
- Expansion of global service products
- Develop high performance RF power solutions



The growth story accelerates

# Diversification: Yxlon smart service products covering the whole system life cycle

## Example



## Enabler

- Flexible & digitalized customer workflows with perfect fit with or to our business
- Digitization of field assets
- Service case management
- Solution & knowledge management

The growth story accelerates

# Four focus topics will enhance growth and help set stage for robust growth even beyond 2020



The growth story accelerates

# Speed & Agility – Customers want ever faster development and time-to-market

As product development cycles become shorter and shorter, the game has changed from yield maximization to yield ramp.

**Ronen Benzion, VP and GM, AMAT**  
*Process Diagnostics and Control*

**Comet to increase agility and speed on four levels**

**Culture**

**Processes**

**Leadership**

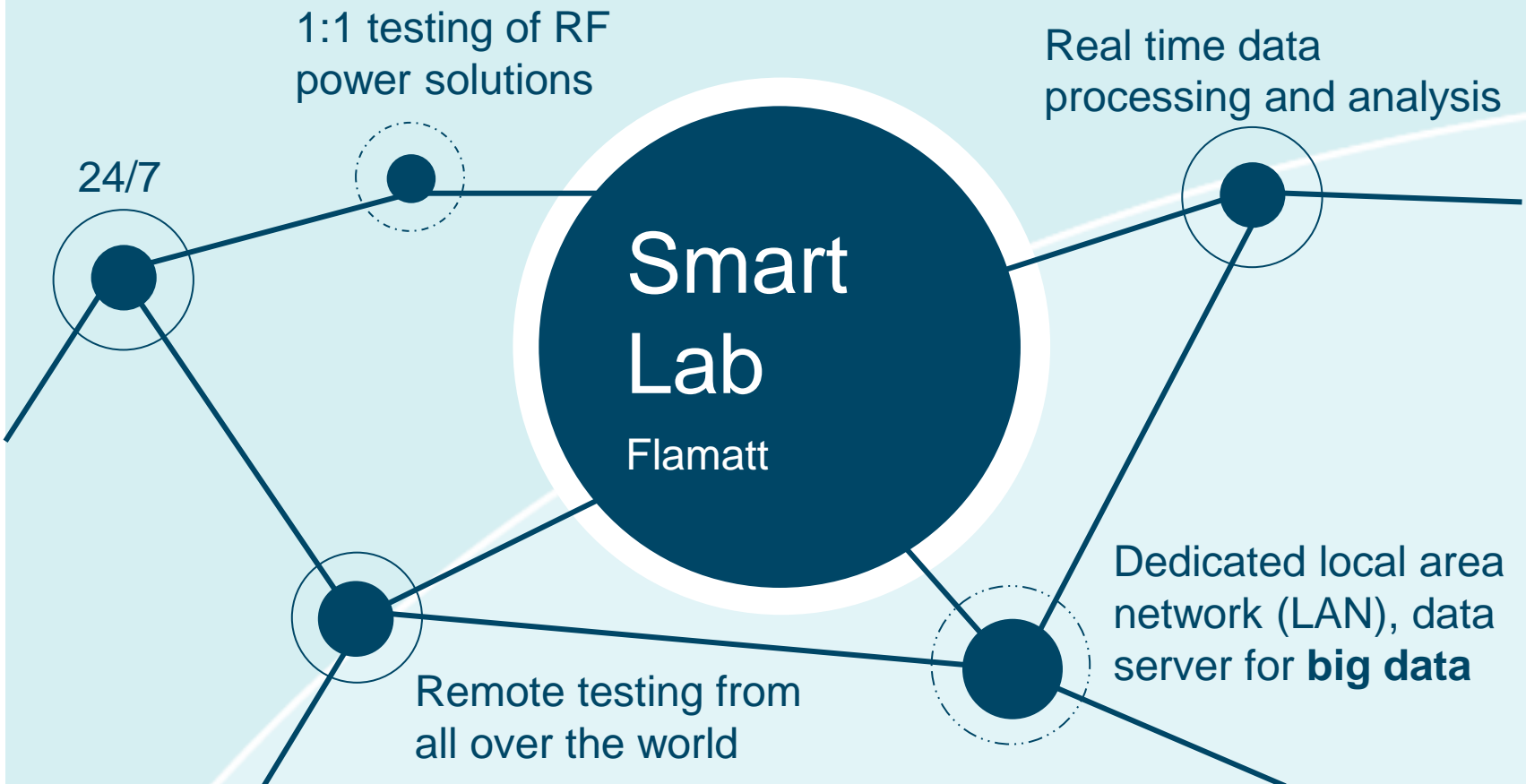
**Competencies**



The growth story accelerates

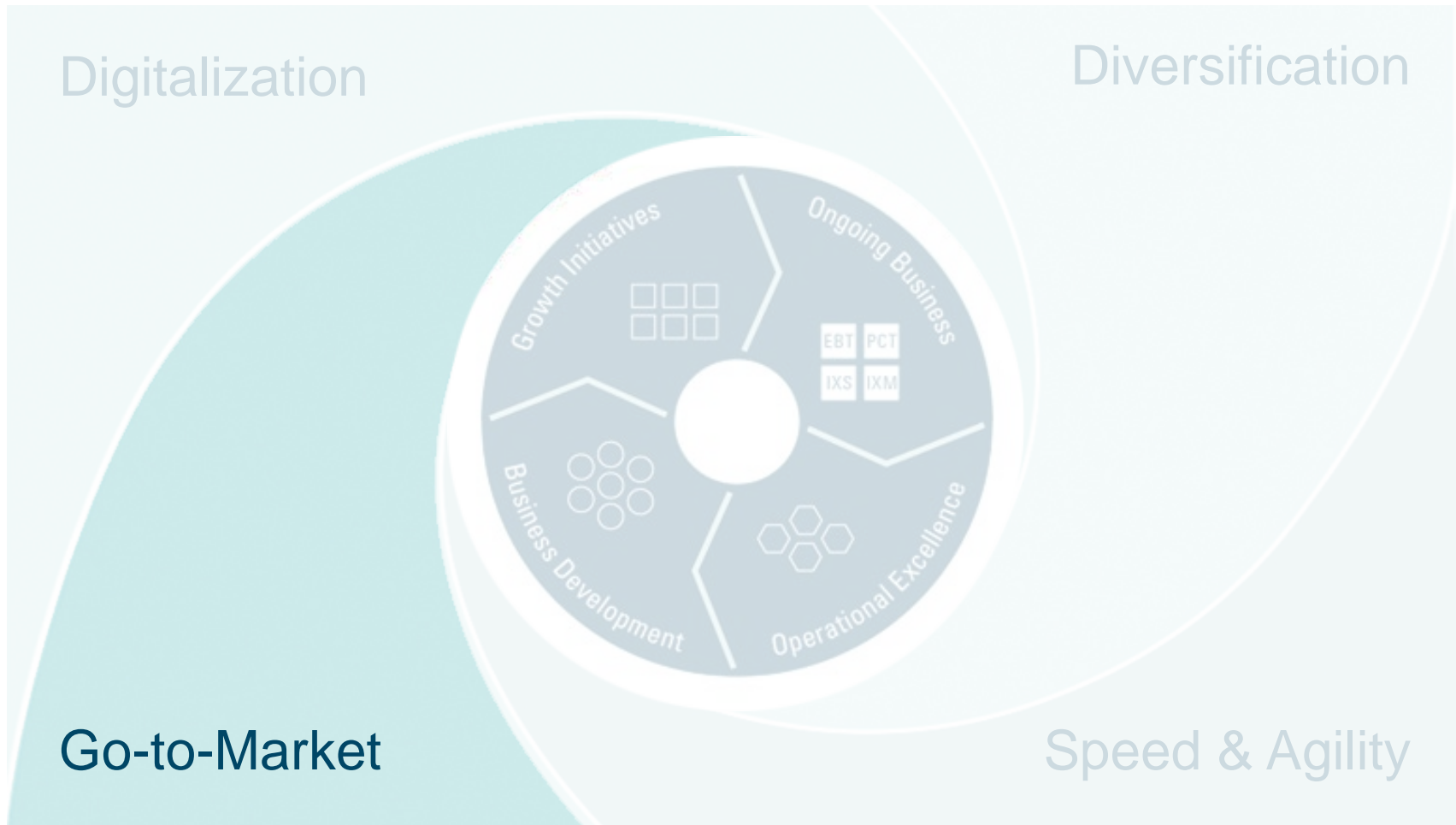
# Speed & Agility: Setting up a smart RF power lab will shorten test times

## Example on process level



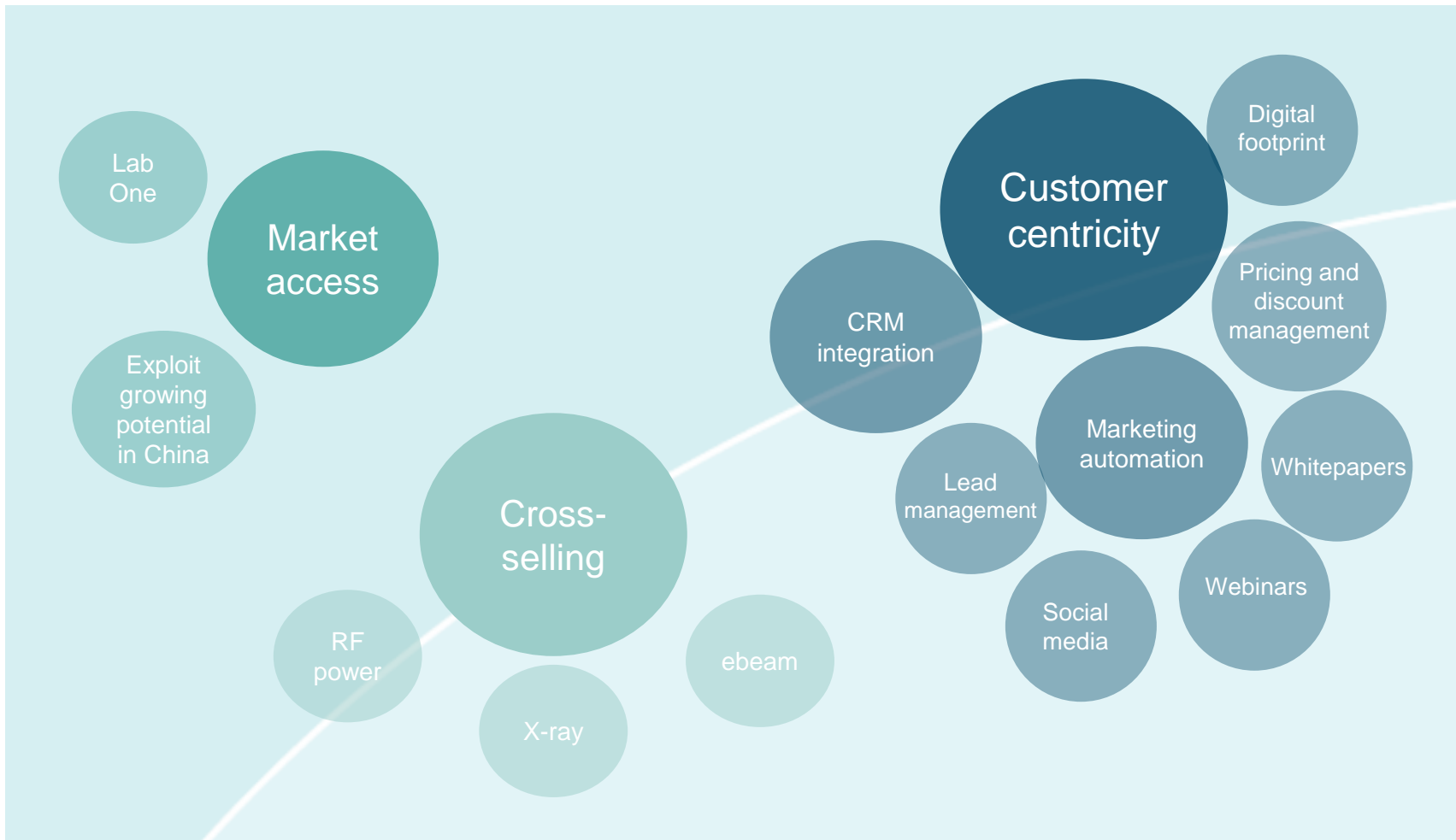
The growth story accelerates

# Four focus topics will enhance growth and help set stage for robust growth even beyond 2020



The growth story accelerates

# Go-to-Market - Enabling more powerful market presence and access for new applications



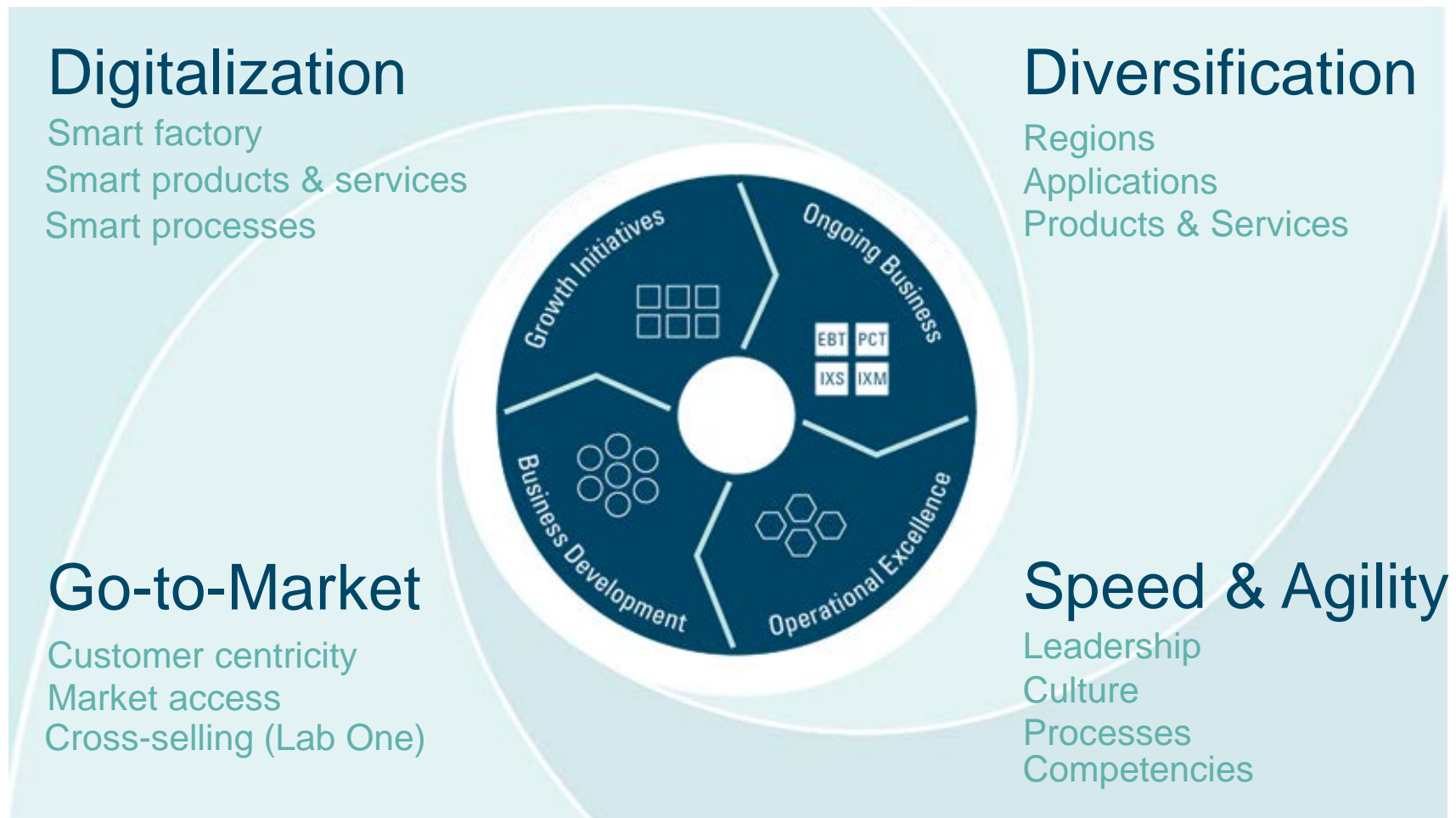
The growth story accelerates

# Enabling faster collaboration with partners across technologies

## Lab ONE: Innovate. Implement. Accelerate.



# Our four accelerators for growth beyond 2020

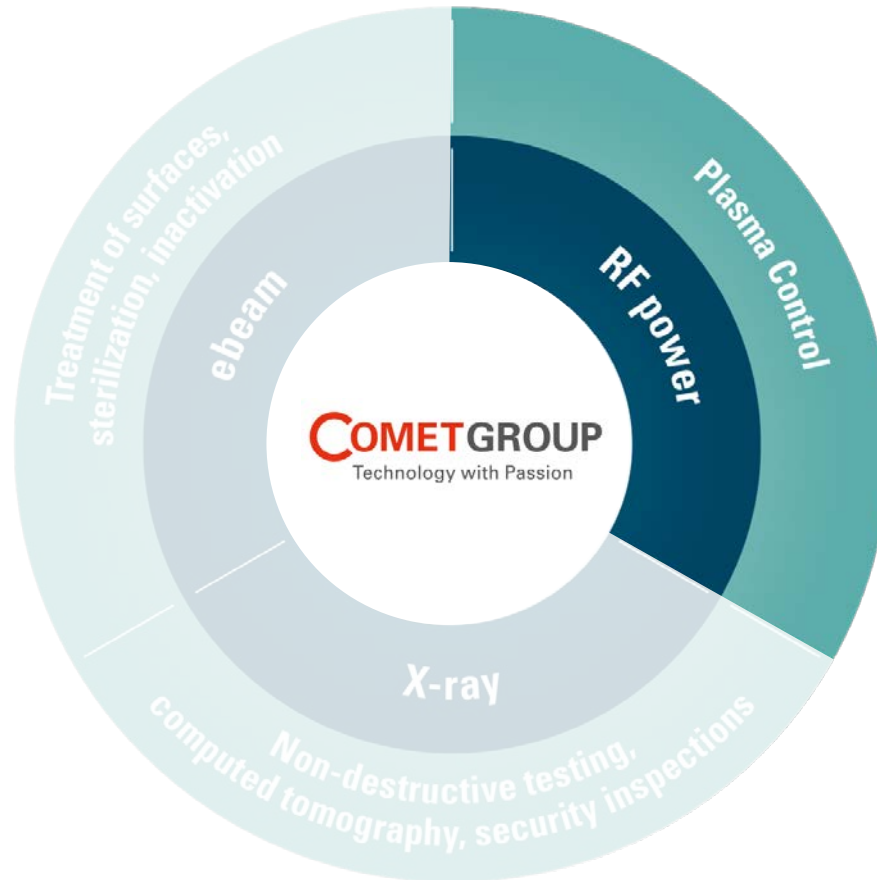


---

The growth story accelerates

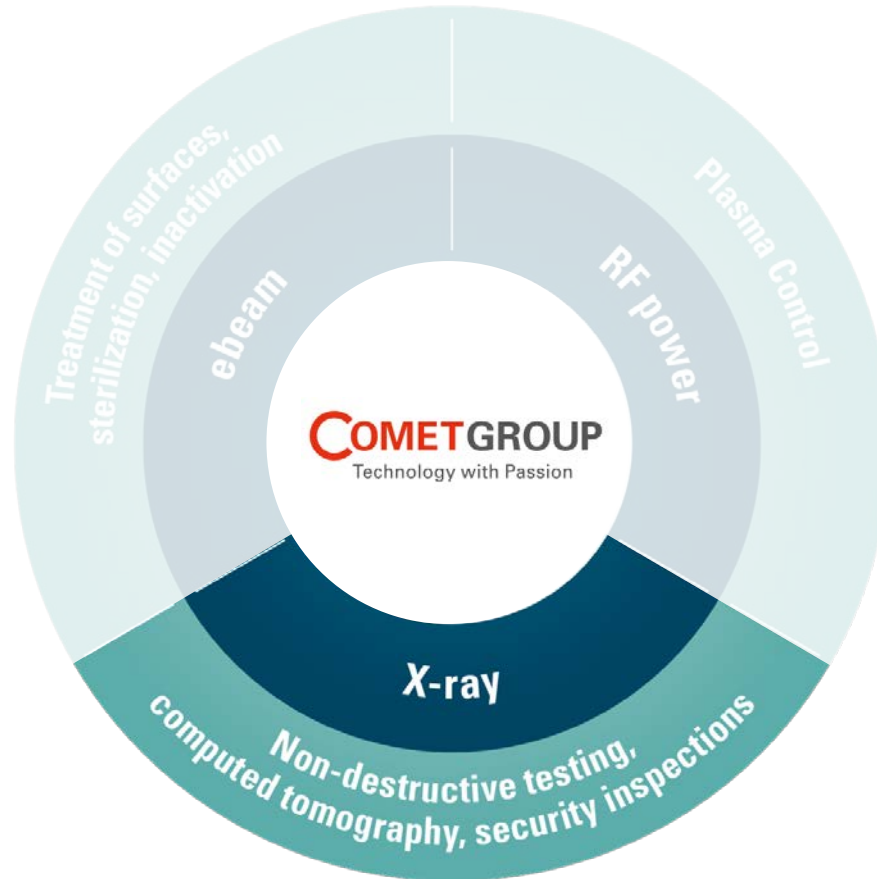
# Let's take a closer look to strategic updates of our segments

# RF power business



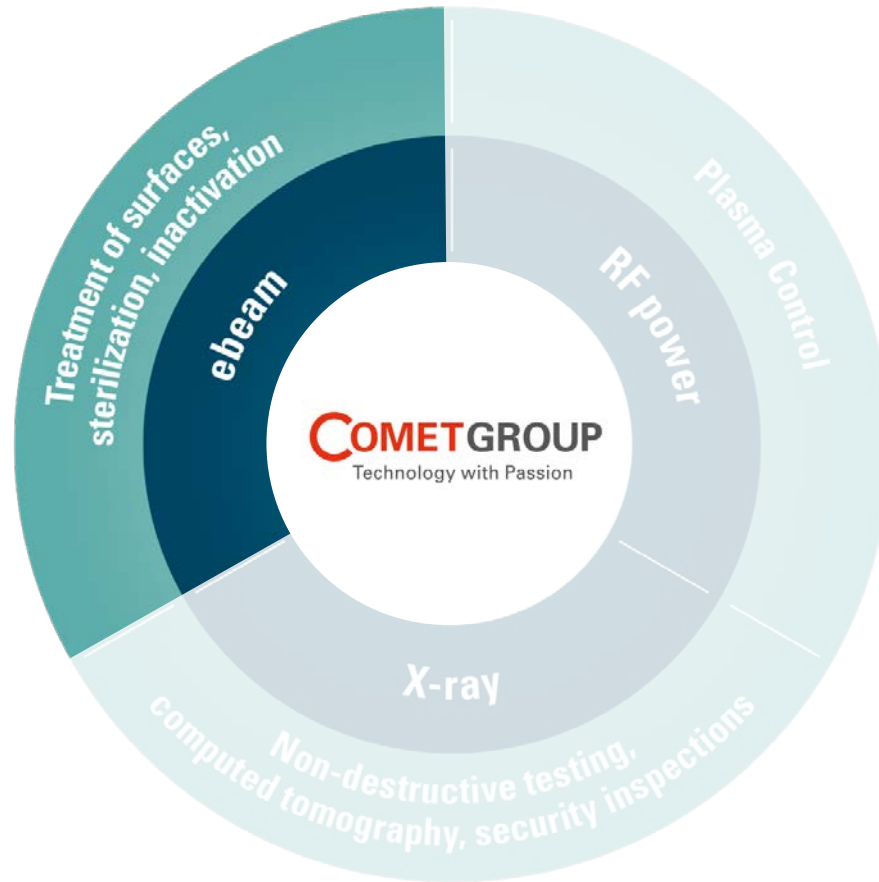
*\*The presentation will be available on our website: [www.comet-group.com](http://www.comet-group.com)*

# X-ray business



*\*The presentation will be available on our website: [www.comet-group.com](http://www.comet-group.com)*

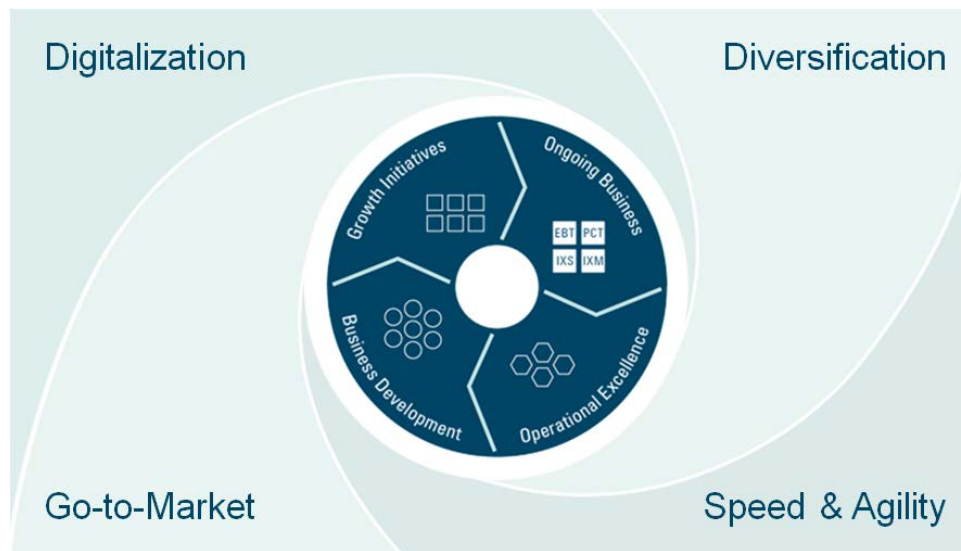
# ebeam Technologies



*\*The presentation will be available on our website: [www.comet-group.com](http://www.comet-group.com)*

# Comet Group expects further strong growth and should already achieve 2020 targets in 2019

Growth to be accelerated based on enhanced growth engine with four additional levers



- Comet to continuously generate value-added despite investments in new applications, capacity and technology
- All segments will contribute to top line growth
- M&A to complement capabilities

---

Thank you!