Moving ahead with profitable growth based on focused market development

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**Agenda**

1. Relevant Market Trends
2. Why will YXLON Industrial X-Ray Systems be even more successful in the future?
3. Strategic building blocks
4. Core initiatives at a glance
Chances for Industrial X-Ray Systems in a growing market: **Miniaturization**

- Mechanical, optical, and electronic products and devices becoming ever-smaller
- Freedom from Defects in these multifunctional Objects increase productivity.
- Objects carry more and more functional elements.
- 3D structures make CT essential
- Miniaturization requires digital imaging to make structures visible

Chances for Industrial X-Ray Systems in a growing market: **Safety & Performance**

- More and more complex components with reduced material use
- Pushing it to design/material limits
- Request for safety in production or development process.
- Demand for 3D computer tomography and higher resolution
- Established 2D inline testing still growing (ADR, HDR)
- Mature systems make technology interesting for new applications
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Industrial X-Ray Systems - Our strength

- Passion of our employees
- Strong competence in CT, ADR, DR, X-Ray technology
- Implementation in mechanics (safe, cost-conscious, efficient)

Image chain (Tubes, detectors, image processing, applications)

- Customer proximity, worldwide presence and application know how
- Strong service organization
- Presence in norm and standard committees
Why do customers choose YXLON

- Customer specific application know-how
- Adding value in production and R&D processes
- Top brand, technology and market leader
- Customer proximity, worldwide presence
- Fast/strong service organization to increase availability
- Strong technical know-how, leading technology (CT, ADR, laminography).

Wide range of well established products

For generic applications:
- Standard NDT Systems
- Standard Mikrofokus Systems
- Standard CT Systems
- Minifokus Standard-modules
- Mikrofokus Standard-modules

For special applications:
- Tire inspection systems
- Wheels inspection systems
- Customized systems
- Special Mikrofocus tubes accessories
Classical NDT applications and service remain a strong base for Industrial X-Ray Systems

**YXLON brand will remain strong in:**
- Tire market, wheel market, automotive foundries,
- high end customized aerospace applications,
- semicon, SMT, large size CT systems.

**Service business still growing strong**
Double digit growth per year. Service revenue is 35% of sales out of Hamburg. Extend activities in US and China.

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**Leading market position worldwide**

- **Aerospace**: 11% of Yxlon Business
- **Automotive**: 42% of Yxlon Business
- **Others e.g. Pipe & Defense**: 33% of Yxlon Business
- **Electronic Industry**: 14% of Yxlon Business

**Market size 2011:**
- CHF 520m
- Share YXLON: 21%

Based on F&S market research and own estimations.
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Extending CT options and improving professional use of 2D technology

1. Technology
   - Broad software know how and functionality on a common platform
   - Technology leadership in FF and core business areas
   - Extend computer tomography (CT) expertise and implement in the new SW platform
   - Detector know how as important part of the imaging chain
   - Microfocus tubes to support miniaturization trend
Expand market reach

Investment in front end  
(sales channels, marketing, service)
- Extend market reach in Japan, China and US
- Penetration: Cross selling of existing FF standard products from electronics in NDT
- Focus on single growing segments (e.g. turbine blades, 3D Composites)

Extend market reach in Japan, China and US

Establish sales channel for electronic in Japan
- Implement dedicated sales force and agents
- Extension of application lab to reach potential Japanese customers first time with FF products

Reach Japanese customers outside of Japan
- Japanese organizations prefer Japanese contacts
- Direct sales out of Japan in Thailand and East Asia

Extend sales reach with electronic applications on the US west coast
- Strengthen sales
- Application lab in San Jose to increase FF sales in most important US area

China
- Application Labs in Shanghai and Beijing
- Investment in service and sales
Business success in specific market segments: Example turbine blades

- YXLON aims to become market leader, and dedicated a business developer solely to focus M&S activities and to address this market world wide.

**YXLON value proposition**

- Global player willing to fulfill customized solutions
- Portfolio of inline systems, waxmold systems and R&D CT systems
- Thorough understanding of the complex regulations for turbine blades
- Best application know how in the market, best image

Develop new opportunities

- Plenty of new applications / markets coming up
- Develop the most promising opportunity based on market potential -- not the technically most challenging
- Marketing as key for selection of these opportunities
- Additional potential to extend business to those markets after 2013
Wealth of opportunities, challenge to select the right one

- complete cars
- mining
- CT / contrast imaging / laminography … of
- carbon wheels
- Inline with medical scanners
- oil pipe
- composite materials
- rotor blades
- tomato seeds
- massive parts with linear accelerators
- batteries
- calander
- sport equipment
- batteries
- tomato seeds
- massive parts with linear accelerators
- batteries
- calander
- sport equipment
- shirts

Example for attractive market segment

**Composites 3D**

**Bikes / sport equipment**

- Can be served with YXLON standard equipment
- Known application
- Market needs to be educated about potential of technology
- New customers / consumer involvement
Further improvement of profitability

- Focus on high margin standard products (FF, electronics, service)
- Process orientation for organizational improvement
- Platform strategy for R & D (e.g. software)
- Standardization of Tire, Wheel and Multiplex product lines
- Effective and efficient sales process (e.g. world wide CRM system)

Industrial X-Ray strategic building blocks 2015

**Key Technologies**
- Technology leadership in FF and core business areas
- Extend computer tomography (CT) expertise and implement in the new SW platform
- Extend detector know how as important part of the imaging chain

**Strong Growth**
- Extend market reach in Japan, China and US
- Penetration; Cross selling of existing FF standard products from electronics in NDT
- Focus on single growing segments (e.g. turbine blades, 3D composites)

**Business Opportunities**
- Develop promising opportunity based on market potential, not the technically most challenging.

**Operational Excellence**
- Improvement of profitability
- Process orientation
- Standardization of tire, wheel and multiplex product lines
- Platform strategy under development for SW