Presentation of results for the full year 2016

Ronald Fehlmann, CEO
Markus Portmann, CFO

Agenda

1 COMET Group at a Glance
   R. Fehlmann
2 Recap: COMET Strategy / Growth Engine
   R. Fehlmann
3 Review 2016
   Group & Business Segments
   R. Fehlmann
4 Financial Results
   M. Portmann
5 Outlook 2017
   R. Fehlmann
6 Status Update: Digital Printing
   R. Fehlmann
7 Questions & Answers
   All
We are a Swiss company with high competency in three leading technologies …

… enabling faster, more efficient new and existing processes and safer products in many industries
We are well diversified with established businesses and new promising growth fields

- 5.1% of Group sales
- 41.4% of Group sales
- 53.5% of Group sales

We foster a strong global presence and distribution network...

- 13 locations worldwide...
- Sales outside Switzerland: 99%
- Employees: >1200
- Employees in R&D: ~200
COMET Group at a glance

…coordinated by a strong headquarters in Flamatt

13 locations worldwide …

Sales outside Switzerland 99%
Employees >1200
in R&D ~200

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Strategic building blocks

The COMET Group’s four building blocks for growth

1. Forward Integration
   - New Applications
   - Systems
   - Modules
   - Products
   - Technology

2. Commercialization
   - Market Coverage

3. Marketing

4. Key Account Partnering

- Strategy to 2012
- Strategy to 2015
- Strategy 2020

Strategy Update: COMET Group growth engine

Our growth is mainly generated by our Ongoing business, exploiting existing technologies
Another substantial part of our growth is generated by specific Growth Initiatives.

Future growth is being prepared through a funnel of Business Development activities.
The funds for Business Development activities are generated by Ongoing Business and Operational Excellence projects.
The consistent implementation of the strategy led to record results in 2016, and major strategic milestones were achieved.

### Record results

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales in CHFm</td>
<td>332.4</td>
</tr>
<tr>
<td>EBITDA margin %</td>
<td>14.3</td>
</tr>
<tr>
<td>Net income in CHFm</td>
<td>27.3</td>
</tr>
</tbody>
</table>

### Progress on all four strategic building blocks

- **Innovative Technologies**
- **Partnerships**
- **New Applications**
- **Market Expansion**
- **Groundbreaking in Flamatt to ensure capacity for future growth**

### Setting-up of the growth engine

- **Metrology**
- **Digital Printing**
- **Food**

### Successful bond issue

### 2016: The strongest year in the history of the COMET Group

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales in CHF</td>
<td>+17.8% vs. previous year from 282.3m to 332.4m</td>
</tr>
<tr>
<td>Net income in CHF</td>
<td>+59.8% vs. previous year from 17.1m to 27.3m</td>
</tr>
<tr>
<td>EBITDA in CHF</td>
<td>+33.5% vs. previous year from 35.7m to 47.7m</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>Above guidance up from 12.7% to 14.3%</td>
</tr>
</tbody>
</table>
2016: Strong balance sheet numbers despite the investment in the building expansion in Flamatt

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow in CHF</td>
<td>-6.9% vs. previous year</td>
<td>From 35.7m to 33.2m</td>
</tr>
<tr>
<td>Net cash in CHF</td>
<td>Increased net cash vs. previous year</td>
<td>From 2.3m to 4.4m</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>-12.3% points vs. previous year</td>
<td>From 63.4% to 51.1%</td>
</tr>
<tr>
<td>Economic profit in CHF</td>
<td>+135% vs. previous year</td>
<td>From 4.6m to 10.8m</td>
</tr>
</tbody>
</table>

In order to allow the focused development of business, ebeam was separated as a segment.

Until 2015:
- PCT: Plasma Control Technologies
- IXS: X-Ray Systems
- XET: X-Ray & ebeam Technologies

From 2016:
- PCT: Plasma Control Technologies
- IXS: X-Ray Systems
- IXM: Industrial X-Ray Modules
- EBT: ebeam Technologies

separate since January 2016
In 2016, we delivered growth in all established segments …

### FY Results 2016 | March 15, 2017

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Sales (CHF)</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCT</td>
<td>137.6m (2015: 111.9m)</td>
<td>22.5% (2015: 20.1%*)</td>
</tr>
<tr>
<td>IXS</td>
<td>121.4m (2015: 101.4m)</td>
<td>9.4% (2015: 12.7%*)</td>
</tr>
<tr>
<td>IXM</td>
<td>69.6m (2015: 64.8m*)</td>
<td>23.7% (2015: 18.9%*)</td>
</tr>
<tr>
<td>EBT</td>
<td>16.9m (2015: 18.1m*)</td>
<td>-53.9% (2015: -53.5%*)</td>
</tr>
</tbody>
</table>

*) Restated: With effect from the beginning of 2016, the segment reporting was adjusted, including a restatement of the prior year data to conform with the new segment structure.

… and in all core regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Rate</th>
<th>Sales Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>+32.6%*</td>
<td>25%</td>
</tr>
<tr>
<td>Europe</td>
<td>+16.9%*</td>
<td>29%</td>
</tr>
<tr>
<td>Asia</td>
<td>+1.3%*</td>
<td>43%</td>
</tr>
<tr>
<td>RoW</td>
<td>-28.9%*</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Local currencies
Plasma Control Technologies

PCT: Strong profitable growth due to high demand in Q3 and Q4, expanded market position and higher efficiency

- 20.7% sales growth in local currencies
- Strong demand in Q3 and Q4 for NAND
- Investment in highly reliable, fast and precise matchboxes to meet high requirements mainly for NAND equipment
- China: collaboration deepened; new contacts established in preparation of expected strong developments ahead
- Promising start with new RF generator in the semi market

EBITDA margin rose to 22.5% (2015: 20.1%)

- Revenue growth and
- Improved efficiency and flexibility

Further increase in net sales at higher EBITDA margins

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (Increase of 22.9%; 20.7% in LC*)</td>
<td>111.9</td>
<td>137.6</td>
</tr>
<tr>
<td>EBITDA</td>
<td>22.5</td>
<td>30.9</td>
</tr>
</tbody>
</table>

* at constant exchange rates

FY Results 2016 | March 15, 2017
IXS: Strong sales growth, important milestones reached with metrology as new application

Sales increase of 16.3% in local currencies
- Expansion with CT systems
  - using rising demand for solutions that allow 3-D-inspection of more complex components in industrial processes
- Closing blank spots in Asian electronics market
  - adjusting the portfolio to regional requirements and intensifying investment in front-end
- CT metrology: positive customer feedback + orders; new system releases take precision to next level

EBITDA margin decrease to 9.4% (2015: 12.7%)
- Additional investment in metrology: expertise, new functionalities and test environment
- Shift in product mix

EBITDA decreased despite sales increase due to investments and shift in product mix

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase of 19.8%, 16.3% in LC*)</td>
<td>101.4</td>
<td>121.4</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>EBITDA-Margin</td>
<td>12.7%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

* at constant exchange rates
IXM: Back on growth trajectory; significant improvement in profitability

6.1% sales growth in local currencies driven by
- Successful strategy of forward integration
  (offering complete XRS sources) in NDT market
- Developing of security inspection market
- Completion of the new generation of iVario™ generators as important milestone in the forward integration
- Closing of gaps in market coverage

EBITDA margin up at 23.7% (2015: 18.9%)
- Marketing (pricing power)
- Dedicated project to increase GPM successful
EBT: Tetra on track, promising prototypes for new applications, planned strong growth in 2017

- Sales decrease of 8.4% in local currencies
- Large orders postponed, but basis laid for strong growth due to contractually secured orders

Important milestones with food and digital printing
- Tetra Pak case and preparation of supply chain on track
- Bühler: key advance in the inactivation of dry food. Prototypes for customer test developed
- New major application: launch of ebeam Inkjet Dryer for food-safe, individualized digital printing

EBITDA of CHF -9.1m (2015: CHF -9.7m)
- Increased investment in new applications
- Integration of the acquired systems business

Decrease in net sales; negative EBITDA as a result of ongoing high investment

- Net sales (Decrease of 6.6%; 8.4% in LC*)
- EBITDA

* At constant exchange rates
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Financial Results

Strong results driven by a tightly focused implementation of growth strategy

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2015</th>
<th>Absolute</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orders</td>
<td>358'980</td>
<td>296'059</td>
<td>62'921</td>
<td>21%</td>
</tr>
<tr>
<td>Order Backlog</td>
<td>105'456</td>
<td>80'355</td>
<td>25'101</td>
<td>31%</td>
</tr>
<tr>
<td>Book-to-bill</td>
<td>1.08</td>
<td>1.05</td>
<td>0.03</td>
<td>3%</td>
</tr>
<tr>
<td>Net sales</td>
<td>332'437</td>
<td>282'321</td>
<td>50'116</td>
<td>18%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-197'428</td>
<td>-174'625</td>
<td>-22'803</td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>135'009</td>
<td>107'696</td>
<td>27'313</td>
<td></td>
</tr>
<tr>
<td>Gross profit margin in %</td>
<td>40.6%</td>
<td>38.1%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>Other operating income</td>
<td>5'620</td>
<td>5'539</td>
<td>81</td>
<td></td>
</tr>
<tr>
<td>Development expenses</td>
<td>-37'470</td>
<td>-28'922</td>
<td>-8'548</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>-66'886</td>
<td>-58'825</td>
<td>-8'061</td>
<td></td>
</tr>
<tr>
<td>Operating income (EBIT)</td>
<td>36'473</td>
<td>25'488</td>
<td>10'985</td>
<td></td>
</tr>
<tr>
<td>Financing result and income taxes</td>
<td>-9'137</td>
<td>-8'382</td>
<td>-755</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>27'336</td>
<td>17'106</td>
<td>10'230</td>
<td></td>
</tr>
</tbody>
</table>

*Investment in growth initiatives*
Financial Results

Net USD exposure of CHF 84m YTD 2016, other currencies mostly hedged

- Stronger USD and EUR (at average rates) had the following impacts on Sales and EBIT:
  - The positive net impact of all currencies on sales totaled CHF 6.9m, with a USD impact of CHF +4.0m, a EUR impact of CHF +1.9m and a JPY impact of CHF +1.6m.
  - At EBIT level the positive net impact totaled CHF +2.7m mainly driven by the USD and the JPY.

Financial Results

Strong sales growth mainly driven by PCT and IXS and supported by currency effects

- Volume effect in local currencies:
  - CHF +43.2m (+15.3%)
- Positive currency effect (+2.5%)
- Net sales FY 2016: CHF 332.4
At comparable values, EBITDA margin above prior year level despite increased investment

<table>
<thead>
<tr>
<th></th>
<th>FY Results 2016</th>
<th>March 15, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Results</td>
<td>COMET more than doubled economic profit, thus further increasing value for its shareholders</td>
<td></td>
</tr>
</tbody>
</table>

- Economic profit of CHF 11.3m realized in 2016, equaling a return on capital employed of 15% (vs. cost of capital at 9%).
- All segments (excl. ebeam as still in investment phase) contributed to the growth in economic profit
Financial Results

Strong increase in net income driven by profitable sales growth

- Operating income: CHF 36.5m (PY CHF 25.5m)
- Net financing expenses: CHF 0.4m (PY CHF 3.4m)
- Income tax expense: CHF 8.8m (PY CHF 5.0m)

EPS:
- CHF 22.13
- CHF 35.31

Foreign exchange gains due to weaker CHF

Net financing items amounted to an expense of CHF 0.4m (PY CHF 3.4m), reflecting the following factors:

- Interest expenses increased to CHF 1.5m (PY CHF 1.0m) due to the bond issue in April 2016
- The net currency translation gain recorded in the income statement amounted to CHF 1.1m (PY loss of CHF 2.4m)
  - Almost naturally hedged for most currencies other than the USD
  - Net exposure in USD partly hedged by forward exchange contracts

Currency impact on balance sheet:

- A currency translation loss of CHF 0.8m was directly recorded in equity (related to net investments in foreign entities)
Financial Results

Income tax rate of 24% on prior year level

- Applying the expected Group tax rate of 28%, income before tax of CHF 36.1m would lead to an expected income tax of CHF 10.1m

- Actual income tax reported totaled CHF 8.8m. The difference of CHF 1.3m from the expected income tax is explained as follows:
  - Tax credits for R&D and domestic manufacturing: CHF 0.5m
  - Partial tax exemption by Canton of Fribourg: CHF 1.0m
  - Sum of other impacts was CHF -0.2m:
    - Effect of tax rates other than base tax rate
    - Other previous year impacts and non refundable withholding tax
    - Effect of non-tax deductible expenses

- The expected effective tax rate for 2017 is approx. 27%

Financial Results

Ongoing sound balance sheet ratios. Bond issue impacted the equity ratio in 2016

<table>
<thead>
<tr>
<th>In CHF millions</th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>220.0</td>
<td>137.7</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>124.9</td>
<td>117.9</td>
</tr>
<tr>
<td>Total assets</td>
<td>344.9</td>
<td>255.6</td>
</tr>
<tr>
<td>Liabilities</td>
<td>168.6</td>
<td>93.4</td>
</tr>
<tr>
<td>Equity</td>
<td>176.3</td>
<td>162.2</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>344.9</td>
<td>255.6</td>
</tr>
</tbody>
</table>

- Increase in current assets resulting from a growth-related increase in working capital and reflecting an increased cash position as a result of the bond issue
- Absolute increase in liabilities and equity, and a relative decrease in the equity ratio to 51.1% due to the bond issue
Financial Results

Solid operating cash flow reflects profitable growth and intensified working capital management

- Ongoing strong operating cash flow is supporting further investment in growth initiatives and increased capital expenditures (building)
- Distributions to shareholders can be paid out of the free cash flow
Working capital ratios further improved

Working capital ratios

- Total net working capital increased by CHF 16.6m, driven by a strong year-end performance (high trade receivables balance) and a strong order backlog (increasing inventory balance)
- Monthly average net working capital in % of net sales decreased to 24.0% (PY 25.7%), reflecting the ongoing working capital optimization efforts
  - Inventories increased to CHF 81.5m (PY CHF 65.8m). DIO (monthly average days inventory outstanding) decreased by one day to 84 days (PY 85 days)
  - Increase in trade receivables (net of prepayments by customers) to CHF 27.6m (PY CHF 18.9m). DSO (monthly average days sales outstanding) decreased to 24 days (PY 27 days)

Non-current assets influenced by capital expenditure for new building

Non-current assets increased by CHF 7.0m or 5.9%

- Property, plant and equipment and intangible assets increased by CHF 7.7m from prior year-end
  - Capital expenditure in new building in Flamatt amounted to CHF 8.2m
  - Cash capital expenditures – excluding new building in Flamatt – as a mixture of replacement and capacity increases totaled CHF 11.5m, divestments were CHF -0.7m
  - Depreciation of non-current assets totaled CHF 8.1m; amortization: CHF 3.1m
  - Negative translation effects totaled CHF 0.3m
- Pension assets decreased to zero (PY CHF 1.0m); the amount was recognized within equity in other comprehensive income (not affecting profit)
- Deferred tax assets increased to CHF 8.1m (PY CHF 7.6m) due to increased temporary differences on NWC
Financial Results

Equity increased in absolute terms, driven by profitability

Current liabilities increased by CHF 15.8m, mainly driven by:
- Increase in trade payables, prepayments from customers, and accrued expenses

Non-current liabilities increased by CHF 59.3m, mainly due to:
- Issuance of a five-year CHF 60m bond

Equity ratio decreased from 63.4% to 51.1%:
- Total comprehensive income of CHF 21.6m for FY 2016
  - Net income: CHF 27.3m
  - Actuarial loss on defined benefit plans net of tax: CHF -5.0m
  - Foreign currency translation losses: CHF -0.8m
  - Share-based payments of CHF 1.1m
  - Distribution to shareholders of CHF 11.00 per share totaling CHF -8.5m

Strong operating results in combination with focus on generating cash flow allowed the Group to further reduce net debt and to keep a net cash position, despite ongoing investments in the new building and production equipment.
Financial Results

Increase in distribution to shareholders from distributable paid-in capital increased vs. prior year

* The Board of Directors proposes to distribute CHF 12.00 per share from distributable paid-in capital (pay-out ratio of 34%)

Financial Results

The Board of Directors proposes a 10-for-1 split of COMET stock

The strong stock performance over the past five years has left the stock price almost 12 times higher than the median of the Swiss All Shares Index.

The Board sees the following key benefits in a stock split:
- Positive signals of active financial management and of management’s confidence in sustained profit growth
- Widening of the shareholder base
- Higher trading activity and greater market stability
With its clear focus on strategy 2020, COMET is ideally positioned for strong profitable growth

- Net sales in CHFm by 2020: ~500
- EBITDA% by 2020: 16-18

Growth engine for focused steering of initiatives
Summary
Strongest growth until 2018 expected from PCT, strongest long-term growth after 2018 from EBT

Outlook 2017

For 2017 the COMET Group expects
- Significant sales growth to CHF 370-390 million
- An EBITDA margin of 13-15%
- A continued increase in economic profit

FX assumptions
- 0.98 USD/CHF
- 1.05 EUR/CHF
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Outlook

With the ebeam inkjet Dryer we presented a promising pilot to enter this attractive market

- High performance
- Constant in time
- Energy efficiency
- No heat
- Colour blind
- Better adhesion
- No photoinitiators
- No monomers left
- No odour
What it takes to grow in digital printing:
Strong partners for printing machine, heads, ink

UTECO Group as first strategic partner for developing ebeam-based digital printing offering

Far-reaching collaboration between EBT and UTECO comprising:

- Joint technology development for integrating ebeam into flexographic, laminating & coating and digital printing processes
- Exploring new applications for challenging substrates
- Joint sales & marketing and BD

Further partnership contracts expected soon

Leading producer of flexible packaging applications for the printing and converting industry

- Founded 1985
- Headquartered in Italy
- ~300 employees
- Global network of 87 agents and resellers
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Questions & answers
Financial calendar for the COMET Group

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 20, 2017</td>
<td>General Assembly in Berne</td>
</tr>
<tr>
<td>August 16, 2017</td>
<td>Publication of the half-year report</td>
</tr>
<tr>
<td>November 23, 2017</td>
<td>Investor Day</td>
</tr>
</tbody>
</table>

For more details on business performance and financial data, please see our annual report at http://www.comet-group.com or contact

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Thank you for your interest!

For further information please visit us at www.comet-group.com
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