Presentation of results for first half of 2016

Ronald Fehlmann, CEO
Markus Portmann, CFO

Agenda

1 COMET Group at a Glance  R. Fehlmann
2 Review of H1 2016 Group and Business Segments  R. Fehlmann
3 Financial Results  M. Portmann
4 Outlook for 2016  R. Fehlmann
5 Questions & Answers  All
COMET Group at a glance
Swiss company with leading technologies and global presence

- **1100** employees worldwide
- **200** in R&D

NET SALES IN CHF MILLION
- 2015: 282.3
- 2014: 286.4
- 2013: 297.3

~99% of sales outside of Switzerland

13 locations worldwide

Turning innovative technologies into solutions that add value

- **RF power**
  - Plasma control
  - Semiconductor
  - Flat panel
  - (O)LED
  - Med tech
  - ~40% of Group sales*

- **X-Ray**
  - Non-destructive testing
  - Security
  - Cargo & luggage inspection
  - ~54% of Group sales*

- **ebeam**
  - Surface treatment
  - Sterilization of food packaging, curing and cross-linking of materials
  - ~6% of Group sales*

*2015
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With a strong first half of 2016, COMET Group is confirming its strategic growth trajectory:

- Sales expanded by 15.1%
- EBITDA margin on plan
- Net income rises substantially from CHF 1.7m to CHF 8.6m
- All four segments contributed to sales growth and invested in new promising applications
- Construction launch in Flamatt as important prerequisite for achieving growth targets 2020
- Successful CHF 60 million bond issue
- COMET Group one of the most trustworthy companies - ranked 18th from amongst 1100.
## Review of H1 2016

### H1 2016: Strong profitable growth

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
<th>Base Period</th>
<th>New Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales in CHF</td>
<td>+15.1% vs. H1 2015</td>
<td>130.1m</td>
<td>149.8m</td>
</tr>
<tr>
<td>Net income in CHF</td>
<td>+412.1% vs. H1 2015</td>
<td>1.7m</td>
<td>8.6m</td>
</tr>
<tr>
<td>EBITDA in CHF</td>
<td>+35.4% vs. H1 2015</td>
<td>12.3m</td>
<td>16.6m</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>+1.7% points vs. H1 2015</td>
<td>9.4%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

## Review of H1 2016

### H1 2016: Sound balance sheet figures, even with increased investments

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
<th>Base Period</th>
<th>New Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash flow in CHF</td>
<td>-51.5% vs. H1 2015</td>
<td>5.5m</td>
<td>2.7m</td>
</tr>
<tr>
<td>Net debt in CHF</td>
<td>-6.9m vs. H1 2015</td>
<td>20.4m</td>
<td>13.5m</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>-6.5% points vs. H1 2015</td>
<td>58.2%</td>
<td>51.7%</td>
</tr>
</tbody>
</table>
Review of H1 2016

H1 2016: All four segments contributed to the sales growth of 15.1%

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net sales in CHF</th>
<th>EBITDA</th>
<th>EBITDA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plasma Control Technologies</td>
<td>60.4m (H1 2015: 58.0m)</td>
<td>20.2% (H1 2015: 19.2%)</td>
<td>+4.1%</td>
</tr>
<tr>
<td>X-Ray Systems</td>
<td>54.1m (H1 2015: 43.3m)</td>
<td>4.7% (H1 2015: 6.0%)</td>
<td>+25.0%</td>
</tr>
<tr>
<td>Industrial X-Ray Modules</td>
<td>34.5m (H1 2015: 30.8m)</td>
<td>24.1% (H1 2015: 14.4%)</td>
<td>+12.1%</td>
</tr>
<tr>
<td>ebeam Technologies</td>
<td>8.1m (H1 2015: 4.7m)</td>
<td>-54.4% (H1 2015: -106.5%)</td>
<td>+73.1%</td>
</tr>
</tbody>
</table>

Plasma Control Technologies

Increase in net sales, higher profitability

Net sales
Increase of 4.1% (1.1% in LC*)

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>H1 2015</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>58.0</td>
<td></td>
<td>60.4</td>
</tr>
</tbody>
</table>

EBITDA

19.2% -> 20.2%

* At constant exchange rates
PCT: Continued profitable growth through high-end solutions

1.1% sales growth in local currencies
- sales and design-wins with high-end RF matchboxes in the semiconductor market as more and more manufacturers of mobile devices are using 3D memory chips
- Growing demand in flat panel market mainly for vacuum capacitors
- new generation of highly robust and reliable RF generators successfully tested by several customers, and going into volume production in H2

Improved EBITDA of 20.2% (H1 2015: 19.2%)
- Continued improvement of operational excellence
- Improvements in marketing showing results (e.g.; value-based pricing)

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X-Ray Systems

Strong increase in net sales, reduced EBITDA margin

Net sales
Increase of 25.0% (19.8% in LC*)

EBITDA

* At constant exchange rates
IXS: Strong growth with CT systems, regaining market share in customized systems

19.8% sales growth in local currencies

- Growth with computed tomography (CT) solutions especially in the aerospace, labs and R&D, and foundries sectors – as 3D visualization helps to inspect the ever more complex components used in manufacturing

4.7% EBITDA margin vs. 6.0% in H1 2015

- Further investment in capabilities to move into metrology as a new application
- Increased share of project business in sales mix (with lower margins)

Increase in net sales; strong increase in EBITDA margin

* At constant exchange rates

CHF millions

<table>
<thead>
<tr>
<th>Net sales</th>
<th>Increase of 12.1% (11.4% in LC*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2015</td>
<td>30.8</td>
</tr>
<tr>
<td>H1 2016</td>
<td>34.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2015</td>
</tr>
<tr>
<td>H1 2016</td>
</tr>
</tbody>
</table>

CHF millions
IXM: Back on growth trajectory; forward integration strategy generates sales in core business

11.4% growth in local currencies driven by
- Successful strategy of forward integration (offering complete XRS sources)
- Growth in security inspection, including in new applications
- Development of key account business

EBITDA margin of 24.1% (H1 2015: 14.4%) thanks to increased marketing activities and various successful operational excellence initiatives

Increase in net sales; negative EBITDA as a result of high investments

Net sales
Increase of 73.1% (67.5% in LC*)

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>H1 2015</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF millions</td>
<td>4.7</td>
<td>8.1</td>
</tr>
</tbody>
</table>

* At constant exchange rates

EBITDA

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>H1 2015</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5.0</td>
<td>-4.4</td>
<td></td>
</tr>
</tbody>
</table>

* At constant exchange rates
EBT: Investment in new applications and integration of PCT Engineered Systems LLC

Growth of 67.5% in local currencies

Ramp up of investments in the attractive potentials of food and digital printing
- Launch of ebeam Inkjet Dryer which allows food-safe, individualized digital printing
- Rollout with Tetra Pak on schedule
- Advancing project work with Bühler: first field tests planned for 2017

EBITDA improved slightly to a negative CHF 4.4m (H1 2015: CHF -5.0m) despite:
- Increased investment in new applications (such as digital printing and food sterilization)
- Integration of the acquired systems business

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Financial Results

Increasing new orders, strong net sales and improved operating performance

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Absolute</th>
<th>In %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incoming orders</td>
<td>162'233</td>
<td>142'942</td>
<td>19'291</td>
<td>13%</td>
</tr>
<tr>
<td>Backlog</td>
<td>90'648</td>
<td>77'525</td>
<td>13'123</td>
<td>17%</td>
</tr>
<tr>
<td>Book-to-bill</td>
<td>1.08</td>
<td>1.10</td>
<td>-0.02</td>
<td>-2%</td>
</tr>
<tr>
<td>Net sales</td>
<td>149'768</td>
<td>130'097</td>
<td>19'671</td>
<td>15%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-90'620</td>
<td>-81'910</td>
<td>-8'710</td>
<td>-10%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>59'147</td>
<td>48'187</td>
<td>10'960</td>
<td>22%</td>
</tr>
<tr>
<td>Gross profit margin in %</td>
<td>39.5%</td>
<td>35.9%</td>
<td>3.6%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Other operating income</td>
<td>2'262</td>
<td>2'778</td>
<td>-516</td>
<td>-19%</td>
</tr>
<tr>
<td>Development expenses</td>
<td>-17'575</td>
<td>-14'771</td>
<td>-2'804</td>
<td>-19%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>-32'714</td>
<td>-28'759</td>
<td>-3'955</td>
<td>-14%</td>
</tr>
<tr>
<td>Operating income (EBIT)</td>
<td>11'121</td>
<td>7'435</td>
<td>3'686</td>
<td>50%</td>
</tr>
<tr>
<td>Financing result and income taxes</td>
<td>-2'539</td>
<td>-5'759</td>
<td>3'220</td>
<td>56%</td>
</tr>
<tr>
<td>Net income</td>
<td>8'582</td>
<td>1'676</td>
<td>6'906</td>
<td>417%</td>
</tr>
<tr>
<td>EPS in CHF</td>
<td>11.09</td>
<td>2.17</td>
<td>8.92</td>
<td>418%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>16'648</td>
<td>12'293</td>
<td>4'355</td>
<td>36%</td>
</tr>
<tr>
<td>EBITDA margin in %</td>
<td>11.1%</td>
<td>9.4%</td>
<td>1.7%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Net USD exposure of 35 Mio. CHF in H1 2016, other currencies mostly hedged

- The recovering USD and EUR had a positive impact on net sales and EBIT
- The positive net impact of all currencies on sales was CHF 4.8m. The USD accounted for CHF 2.7m of this and the EUR for CHF 1.6m.
- At EBIT level the positive net impact of CHF 1.6m was driven by the USD.
Financial Results

All four segments contributed to the sales growth

At comparable values, EBITDA margin on prior year level despite increased investments
Financial Results

Strong increase in net income, supported by positive currency translation impacts

- **Operating income**
  - CHF 11.1m (H1 2015: CHF 7.4m)
- **Net financing expenses**
  - CHF 0.7m (H1 2015: CHF 4.0m)
- **Income tax expense**
  - CHF 1.8m (H1 2015: 1.8m)

Net income benefited from the absence of currency translation losses (H1 2015: CHF 3.5m) and the positive one-time effect of CHF 1.4m from the conversion rate reduction in the Swiss pension plan.

Financial Results

Bond issue results in higher interest expense, minor effects on FX side

Net financing items amounted to a net expense of CHF 0.7m (H1 2015: CHF 4.0m), reflecting the following factors:

- Interest expenses increased to CHF 0.7m (H1 2015: CHF 0.4m) due to higher gross debt
- Year-to-date only minor FX impact on finance cost (H1 2015: loss of CHF 3.5m).
  - Transactions in EUR almost fully naturally hedged
  - Net exposure in USD partly hedged by forward exchange contracts

Currency impact on balance sheet:

- A small currency translation loss of CHF 0.3m (H1 2015: CHF 8.7m) was recorded directly in equity (mainly EUR and USD)
Financial Results

Income tax rate temporary down to 18%, related to a high YTD share of profits in Switzerland

- Applying the expected Group base tax rate of 28%, the EBT of CHF 10.4m would lead to an expected tax expense of CHF 2.9m.

- Total income tax expense reported was CHF 1.8m (H1 2015: CHF 1.8m). The difference of CHF 1.1m from the expected tax expense is mainly the result of the extraordinary high share of the Group’s taxable income generated in Switzerland.

- The effective tax rate for FY 2016 is expected at approximately 25%.

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Financial Results

Sound balance sheet ratios driven by an increase in total assets and liabilities (bond issue)

<table>
<thead>
<tr>
<th>In CHF millions</th>
<th>H1 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>189.8</td>
<td>137.7</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>122.5</td>
<td>117.9</td>
</tr>
<tr>
<td>Total assets</td>
<td>312.3</td>
<td>255.6</td>
</tr>
<tr>
<td>Liabilities</td>
<td>150.9</td>
<td>93.4</td>
</tr>
<tr>
<td>Equity</td>
<td>161.4</td>
<td>162.2</td>
</tr>
<tr>
<td>Total liability and equity</td>
<td>312.3</td>
<td>255.6</td>
</tr>
</tbody>
</table>

- Increase in NWC related to the actual and expected growth of net sales.
- Successful placement of CHF 60m bond to finance growth (due to investment in new building / production capacity in Flamatt).
- Equity ratio decreased to 52% following the issuance of the bond (due to the increase in the balance sheet total).
Financial Results

Operating and Free Cash Flow reflect implementation of growth strategy

<table>
<thead>
<tr>
<th>CF provided by operating activities CHF</th>
<th>CF used in investing activities CHF</th>
<th>Free cash flow CHF</th>
<th>CF used &amp; provided by financing activities CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7m</td>
<td>-9.2m</td>
<td>-6.5m</td>
<td>+39.4m</td>
</tr>
</tbody>
</table>

- a) Cash at January 1, 2016
- b) Net income H1 2016
- c) Other non-cash income/expenses incl. depreciation/amortization
- d) Increase in NWC
- e) Income tax, taxes paid
- f) Net investment in PP&E and intangibles
- g) Proceeds from borrowing
- h) Interest paid and distribution to shareholders
- i) Foreign currency translation loss
- j) Cash at June 30, 2016

Free cash flow CHF = -6.5m

Rolling 12-month average working capital in % of net sales further improved

Working capital ratios (based on 12-month averages)
- Total net working capital increased by CHF 8.3m from one year earlier. Net working capital in % of net sales reached 24.6% (H1 2015: 25.3%), reflecting ongoing efforts to optimize working capital positions.
- Increase in trade receivables (net of prepayments by customers) to CHF 24.8m (H1 2015: CHF 20.6m) as a result of higher net sales compared to H1 2015. DSO (monthly average days sales outstanding) was brought down to 23 days (H1 2015: 36 days).
- Inventories increased to CHF 77.1m (H1 2015: CHF 67.3m), reflecting planned growth in H2 2016 over H1 2015. DIO (monthly average days inventory outstanding) reached 86 days (H1 2015: 75 days).
Non-current assets increased due to capital expenditure

Non-current assets increased by CHF 4.6m or 3.9%
- Compared to prior year-end property, plant and equipment and intangible assets increased by CHF 3.5m
- Cash capital expenditures as a mixture of replacement, capacity increases and first investments in new production facility in Flamatt totaled CHF 9.3m (H1 2015: CHF 6.2m); divestments were CHF 0.2m
- Depreciation of non-current assets totaled CHF 4.0m; amortization was CHF 1.5m (including CHF 1.0m on intangibles recognized from PPA)
- Negative translation effects totaled CHF 0.1m
- Pension net assets increased to CHF 1.4m (2015 year-end: CHF 1.0m) mainly due to two opposing effects in the Swiss pension plan: the reduced conversion rate (positive effect of CHF 1.6m in pre-tax profit) and the decreased interest rates (negative effect of CHF 1.0m recorded directly to equity)

Strong equity ratio of 51.7% despite significant increase in balance sheet total

Current liabilities eased by CHF 1.9m from year-end, mainly driven by:
- Repayment of current bank debt
- Increase in trade accounts payable and reduction in tax payables

Non-current liabilities increased by CHF 59.3m, largely due to:
- Issuance of CHF 60m bond to finance expansion of production capacity in Flamatt

Equity ratio decreased to 51.7%, from 63.4% at year-end (H1 2015: 58.2%):
- Total comprehensive income of CHF 7.4m for H1 2016
- Net income CHF 8.6m; actuarial loss on defined benefit plans net of tax CHF 0.9m; foreign currency translation losses of CHF 0.3m
- Share-based payments of CHF 0.3m
- Distribution to shareholders of CHF 11.00 per share, totaling a CHF 8.5m pay-out
Net debt in H1 reduced to CHF 13.5m; Ratio of net debt to EBITDA very solid at 0.3

- Decrease in net debt to CHF 13.5m (end of H1 2015: CHF 20.4m) as a result of managing working capital
- Currently high cash position will decrease in line with investments in new building
- No negative interest paid on cash holdings
- Net debt at year-end expected below CHF 10m

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Outlook

Confirming outlook
COMET Group well-positioned for on-track growth

For 2016, the COMET Group expects:
- sales growth to CHF 300m to CHF 320m, and
- an EBITDA margin between 11% and 13%

Based on foreign exchange rates of:
- CHF 0.95 per USD
- CHF 1.05 per EUR

The COMET Group is on a growth trajectory. For more details, join us on Investor Day!

With new applications and strong partnerships, we are shifting into high gear. Following the principle of “exploit & explore”, the aim is to strengthen our core business and at the same time create and seize new opportunities. Look behind the scenes of our growth engine – save the date now:

COMET Group INVESTOR DAY 2016

Wednesday, November 23, 2016,
10:00 a.m. to about 3:00 p.m.
COMET AG, Flamatt

An official invitation with full program details will follow at beginning of October 2016
Q&A

Financial calendar for the COMET Group

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 23, 2016</td>
<td>Investor Day</td>
</tr>
<tr>
<td>March 23, 2017</td>
<td>Publication of 2016 annual report</td>
</tr>
<tr>
<td>April 20, 2017</td>
<td>Annual shareholder meeting in Berne</td>
</tr>
</tbody>
</table>

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

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Chief Financial Officer VP Corp. Communications
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