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# Focus.

Comet Holding AG  
Half-Year Report  
2020



**c•met**  
group

# The Comet Group

**The Comet Group 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 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 2020

## Improved half-year results in a challenging market environment – Strategic projects driven forward

### First half of 2020

- Sales growth of 3.0% to CHF 182.3 million (H1 2019: CHF 177.0 million)
- EBITDA margin boosted to 10.3% (H1 2019: 4.8%)
- Equity ratio remains at about 50%

### Outlook for second half of 2020

- Expecting continuing strong demand in semiconductor sector
- Stabilization of demand in the x-ray-business at a low absolute level
- Exit from the ebeam business
- Consistent implementation of forward-looking projects
- Start of production at new manufacturing facility in Penang, Malaysia

The Comet Group proved robust in the first half of 2020 amid a weak economic environment. This resilience was due mainly to the strength of the semiconductor industry, which was able to decouple from the global economic trend. By contrast, IXM and IXS, the two divisions that provide x-ray technology, felt the downturn in the automotive, aerospace

and security end markets, which was partly structural and partly COVID-19-related.

Overall, the opposing trends resulted in sales growth of 3% to CHF 182.3 million, from CHF 177.0 million in the same period last year. The higher sales, a favorable product mix and a lower cost base led to a disproportionate increase in EBITDA, which rose to CHF 18.8 million from the first half of the prior year (H1 2019: CHF 8.5 million). The EBITDA margin expanded to 10.3% (H1 2019: 4.8%). Net income was CHF 6.5 million, after a net loss of CHF 3.1 million in the year-earlier period.

The consolidated equity ratio of 49.2% and cash and cash equivalents of CHF 48.7 million underscore the Comet Group's sound financial footing. Even in the current challenging economic environment, this financial stability allows the company to invest in the projects of strategic significance for the future as planned and without appreciable cut-backs.

## Performance of the divisions

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### **PCT: Profit at EBITDA level increased six-fold thanks to high demand from semiconductor industry – Key projects well on track**

After a pronounced low in demand in the prior year, the semiconductor market strongly continued the upswing that began in the final quarter of 2019. Sales of the Plasma Control Technologies (PCT) division rose 33% year-over-year to CHF 96.9 million (H1 2019: CHF 73.1 million). Driven by the high sales growth and advances in productivity, the division increased EBITDA almost six-fold to CHF 18.6 million (H1 2019: CHF 3.2 million). Its EBITDA margin surged from 4.3% to 19.2%.

Much of the strong result reflected significant operational improvements at all manufacturing sites. In Flamatt, despite the sharp rise in production volumes for vacuum capacitors, efficiency was greatly improved and capacity expanded by about 50%. PCT also made good progress in the implementation of key strategic projects. The installation work at the new production site in Penang, Malaysia, has been completed, so that the manufacturing of impedance matching networks (also known as matchboxes) can begin in the fourth quarter. At the site in Aachen, Germany, preparations progressed for the scheduled production start of the new radio frequency generator in 2021. In matchboxes, further groundbreaking projects were won with the largest customers.

Indications for unbroken high semiconductor demand in the second half of 2020 are good and should mean a continuing positive trend for PCT (barring disruptive macroeconomic events).

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### **IXS: Realignment guided by strategy is in full swing – Business slowed by structural weakness in end markets and COVID-19**

Business in the X-Ray Systems (IXS) division was hit hard by the in some cases pronounced weakness in the important end markets of automotive and aerospace. This was due both to the spreading pandemic, and to the structural challenges that had already been affecting the automotive industry for some time. Relative to the first half of 2019, the division's sales declined by 20% from CHF 67.3 million to CHF 53.7 million. In EBITDA terms, IXS registered a loss of CHF 2.1 million, compared to earnings of CHF 3.5 million in the same period last year.

The trajectory of the first six months shows the importance of the adopted focus strategy, under which IXS is focusing on the promising semiconductor and electronics sectors in order to achieve sustained improvements in sales and profitability. In addition to the intensified cultivation of these two markets, IXS is also working consistently on the development of modular standardized systems and the renewal and streamlining of the product portfolio.

New orders at IXS have steadied at a low level in the first weeks of the second half of the year. Whether this stabilization will be a lasting one depends largely on the further course of global economic activity. The division will proactively adapt to the uncertain environment through further cost reductions.

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**IXM: Sales and margins down for market reasons – New product families launched – Transfer of microfocus tube business from IXS to IXM**

Similar to the IXS division, the X-Ray Modules (IXM) business also experienced a market-driven setback. The division's dependence on the cyclical core markets of non-destructive testing and security inspection led to a sales decline of 18% to CHF 30.2 million (H1 2019: CHF 36.8 million). EBITDA decreased by 46% to CHF 4.2 million, compared to CHF 7.8 million in the first half of 2019, and the EBITDA margin fell accordingly from 21.1% to 13.9%.

IXM made significant advances through the introduction of its new product ION, which enables new applications in non-destructive examination and in security inspection, respectively. In addition, the transfer of the open microfocus x-ray sources from IXS to IXM was started; it is to be completed in early 2021 and will give IXM wider access to the electronics market going forward.

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**EBT: Well-advanced process to exit ebeam – Costs cut in half – EBITDA improved**

The decided-upon disposal of the ebeam business (EBT) is at an advanced stage. Thanks to tight cost management, the EBITDA result improved markedly to a loss of CHF 0.3 million in the period under review (H1 2019: loss of CHF 3.0 million).

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**Outlook**

The driving forces for continued dynamic growth in the semiconductor industry are intact. In its latest outlook, the SEMI industry association expects investment in wafer fab equipment to increase by nearly 12% from a 2020 level of USD 63.2 billion to USD 70.5 billion in 2021. Unlike the semiconductor market, the near-term trend in the global economy is much more difficult to forecast due to the COVID-19 pandemic and geopolitical turbulence. Despite current headwinds, the Comet Group believes it is ideally positioned in the medium to long run to benefit from the continuing trend towards digitalization.

In order to achieve its long-term goals, the Comet Group management team, completed by CEO Kevin Crofton (from September 1) and CFO Lisa Pataki (from October 1), will concentrate on vigorously driving forward the focus strategy and the Boost initiatives to increase sales and efficiency.

For the second half of 2020, from today's perspective, the Comet Group expects continued robust growth in the semiconductor business and a continuation of the current business environment in the X-Ray Systems and X-Ray Modules markets. In view of the numerous uncertainties, Comet is refraining from issuing quantitative guidance for fiscal year 2020.

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**Publication of half-year results**

Due to the restrictions imposed by COVID-19, the Comet Group is not physically holding its usual media and analyst conference.

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**Conference calls in German and English**

Instead, the detailed half-year figures will be presented on August 13 in two conference calls by Heinz Kundert, Chairman of the Board of Directors and CEO, and Nicola Rotondo, Vice President, Group Controlling. A conference call in German will be held at 10:00 a.m. CEST and a call in English will follow at 4:15 p.m. CEST.

**Dial-in numbers:**

+41 (0) 58 310 50 00 (Europe)

+44 (0) 207 107 0613 (UK)

+1 (1) 631 570 5613 (USA)

Other countries:

[https://media.choruscall.ch/documents/Attended\\_DI\\_numbers.pdf](https://media.choruscall.ch/documents/Attended_DI_numbers.pdf)

**Webcast (link):**

German, 10:00 a.m. CEST:

<https://78449.choruscall.com/dataconf/productusers/comet/mediaframe/40060/indexl.html>

English, 4:15 p.m. CEST:

<https://78449.choruscall.com/dataconf/productusers/comet/mediaframe/40061/indexl.html>

**Consolidated statement of income (unaudited)**

In thousands of CHF	2020 Six months to June 30	2019		Change %
		Six months to June 30	Absolute	
Net sales	182,309	176,959	5,351	3.0%
Cost of sales	(113,610)	(112,589)	(1,021)	0.9%
<b>Gross profit</b>	<b>68,699</b>	<b>64,370</b>	<b>4,330</b>	<b>6.7%</b>
Other operating income	2,943	2,317	626	27.0%
Development expenses	(26,327)	(25,488)	(839)	3.3%
Marketing and selling expenses	(22,076)	(26,623)	4,547	-17.1%
General and administrative expenses	(14,117)	(15,808)	1,691	-10.7%
<b>Operating income or (loss)</b>	<b>9,122</b>	<b>(1,232)</b>	<b>10,354</b>	<b>-</b>
Financing expenses	(2,964)	(3,146)	182	-5.8%
Financing income	852	896	(44)	-5.0%
<b>Income or (loss) before tax</b>	<b>7,010</b>	<b>(3,483)</b>	<b>10,493</b>	<b>-</b>
Income tax	(487)	375	(862)	-229.9%
<b>Net income or (loss)</b>	<b>6,523</b>	<b>(3,108)</b>	<b>9,631</b>	<b>-</b>
Earnings per share in CHF, diluted and basic	0.84	(0.40)	1.24	-
<b>Operating income or (loss)</b>	<b>9,122</b>	<b>(1,232)</b>	<b>10,354</b>	<b>-</b>
Amortization	2,325	2,366	(40)	-1.7%
<b>EBITA</b>	<b>11,447</b>	<b>1,133</b>	<b>10,314</b>	<b>910.3%</b>
Depreciation	7,306	7,379	(73)	-1.0%
<b>EBITDA</b>	<b>18,753</b>	<b>8,513</b>	<b>10,240</b>	<b>120.3%</b>

**Consolidated statement of comprehensive income (unaudited)**

In thousands of CHF	2020 Six months to June 30	2019		Change %
		Six months to June 30	Absolute	
Net income or (loss)	6,523	(3,108)	9,631	-
<b>Other comprehensive income</b>				
Foreign currency translation differences	(1,415)	(760)	(655)	86.2%
<b>Total items that will be reclassified to the income statement on realization</b>	<b>(1,415)</b>	<b>(760)</b>	<b>(655)</b>	<b>86.2%</b>
Actuarial gain or (loss) on defined benefit plans	726	(2,716)	3,442	-
Income tax	(93)	381	(474)	-124.4%
<b>Total items that will not subsequently be reclassified to the income statement</b>	<b>633</b>	<b>(2,334)</b>	<b>2,967</b>	<b>-</b>
<b>Total other comprehensive income</b>	<b>(783)</b>	<b>(3,095)</b>	<b>2,312</b>	<b>-74.7%</b>
<b>Total comprehensive income</b>	<b>5,741</b>	<b>(6,203)</b>	<b>11,944</b>	<b>-</b>

## Consolidated balance sheet (unaudited)

In thousands of CHF

	June 30, 2020	%	Dec. 31, 2019	%	Change	June 30, 2019
<b>Assets</b>						
Cash and cash equivalents	48,710		60,255		(11,545)	43,680
Trade and other receivables	69,202		62,627		6,575	60,847
Other financial assets	207		271		(64)	191
Tax receivables	337		609		(272)	3,328
Inventories	96,929		85,184		11,745	86,492
Prepaid expenses	10,483		8,296		2,187	4,566
<b>Total current assets</b>	<b>225,868</b>	<b>57.2%</b>	<b>217,243</b>	<b>55.5%</b>	<b>8,626</b>	<b>199,104</b>
Property, plant and equipment	112,872		115,702		(2,830)	115,772
Right-of-use assets	9,606		11,682		(2,076)	9,955
Intangible assets	36,013		38,318		(2,305)	40,934
Financial assets	266		367		(101)	212
Deferred tax assets	10,045		8,397		1,648	9,009
<b>Total non-current assets</b>	<b>168,803</b>	<b>42.8%</b>	<b>174,467</b>	<b>44.5%</b>	<b>(5,664)</b>	<b>175,882</b>
<b>Total assets</b>	<b>394,671</b>	<b>100.0%</b>	<b>391,710</b>	<b>100.0%</b>	<b>2,961</b>	<b>374,986</b>
<b>Liabilities and shareholders' equity</b>						
Current debt	67,934		12,000		55,934	12,771
Current lease liabilities	4,398		4,635		(237)	4,402
Trade and other payables	33,844		36,609		(2,765)	30,715
Contract liabilities	38,399		28,273		10,126	25,407
Other financial liabilities	10		41		(31)	188
Tax payables	3,391		2,480		911	1,727
Accrued expenses	22,269		18,470		3,799	20,866
Current provisions	8,508		9,346		(837)	10,978
<b>Total current liabilities</b>	<b>178,753</b>	<b>45.3%</b>	<b>111,853</b>	<b>28.6%</b>	<b>66,900</b>	<b>107,054</b>
Non-current debt	–		59,893		(59,893)	62,853
Non-current lease liabilities	6,723		8,754		(2,032)	7,468
Non-current provisions	11		11		(0)	46
Employee benefit plan liabilities	14,998		15,250		(253)	14,594
<b>Total non-current liabilities</b>	<b>21,731</b>	<b>5.5%</b>	<b>83,909</b>	<b>21.4%</b>	<b>(62,178)</b>	<b>84,960</b>
<b>Total liabilities</b>	<b>200,484</b>	<b>50.8%</b>	<b>195,762</b>	<b>50.0%</b>	<b>4,722</b>	<b>192,015</b>
Capital stock	7,768		7,764		4	7,764
Additional paid-in capital	11,631		11,184		447	11,184
Retained earnings	202,481		203,277		(796)	188,775
Foreign currency translation differences	(27,692)		(26,277)		(1,415)	(24,752)
<b>Total equity attributable to shareholders of Comet Holding AG</b>	<b>194,187</b>	<b>49.2%</b>	<b>195,948</b>	<b>50.0%</b>	<b>(1,761)</b>	<b>182,971</b>
<b>Total liabilities and shareholders' equity</b>	<b>394,671</b>	<b>100.0%</b>	<b>391,710</b>	<b>100.0%</b>	<b>2,961</b>	<b>374,986</b>



**Consolidated statement of cash flows (unaudited)**

In thousands of CHF	2020 Six months to June 30	2019 Six months to June 30	Change
Net income or (loss)	6,523	(3,108)	9,631
Income tax	487	(375)	862
Depreciation, amortization and impairment	9,631	9,745	(114)
Net interest expense	989	1,024	(35)
Share-based payments	262	111	151
Gain on disposal of property, plant and equipment	(7)	—	(7)
Other non-cash expense or (income)	1,223	593	630
Change in provisions	(719)	(993)	274
Change in other working capital	(9,443)	7,704	(17,146)
Taxes paid	(1,107)	(307)	(800)
<b>Net cash provided by operating activities</b>	<b>7,840</b>	<b>14,394</b>	<b>(6,555)</b>
Purchases of property, plant and equipment	(3,134)	(7,543)	4,410
Purchases of intangible assets	(413)	(951)	538
Interest received	31	0	31
Disposals of property, plant and equipment	110	14	96
Disposals of other financial assets	97	—	97
<b>Net cash (used in) investing activities</b>	<b>(3,309)</b>	<b>(8,480)</b>	<b>5,171</b>
Proceeds from bank debt	—	7,824	(7,824)
Repayment of bank debt	(4,000)	—	(4,000)
Repayment of lease liabilities	(2,253)	(1,958)	(296)
Interest paid	(1,557)	(1,527)	(30)
Distribution to shareholders of Comet Holding AG	(7,764)	(9,312)	1,548
<b>Net cash (used in) financing activities</b>	<b>(15,575)</b>	<b>(4,972)</b>	<b>(10,603)</b>
Net increase or (decrease) in cash and cash equivalents	(11,045)	942	(11,987)
Foreign currency translation differences on cash and cash equivalents	(500)	(269)	(231)
Net cash and cash equivalents at January 1	60,255	43,007	17,247
<b>Net cash and cash equivalents at June 30</b>	<b>48,710</b>	<b>43,680</b>	<b>5,030</b>

**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
<b>December 31, 2018</b>	<b>7,760</b>	<b>18,496</b>	<b>196,027</b>	<b>(23,991)</b>	<b>198,292</b>
Net income or (loss)			(3,108)		(3,108)
Other comprehensive income			(2,334)	(760)	(3,095)
<b>Total comprehensive income</b>			<b>(5,442)</b>	<b>(760)</b>	<b>(6,203)</b>
Distribution to shareholders		(7,760)	(1,552)		(9,312)
Increase in capital (for stock compensation)	4	448	(421)		31
Share-based payments			163		163
<b>June 30, 2019</b>	<b>7,764</b>	<b>11,184</b>	<b>188,775</b>	<b>(24,752)</b>	<b>182,971</b>
<b>December 31, 2019</b>	<b>7,764</b>	<b>11,184</b>	<b>203,277</b>	<b>(26,277)</b>	<b>195,948</b>
Net income or (loss)			6,523		6,523
Other comprehensive income			633	(1,415)	(783)
<b>Total comprehensive income</b>			<b>7,156</b>	<b>(1,415)</b>	<b>5,741</b>
Distribution to shareholders			(7,764)		(7,764)
Increase in capital (for stock compensation)	4	447	(363)		88
Share-based payments			175		175
<b>June 30, 2020</b>	<b>7,768</b>	<b>11,631</b>	<b>202,481</b>	<b>(27,692)</b>	<b>194,187</b>

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

### 01 Significant accounting policies

The half-year report for the six months ended June 30, 2020 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 2019 annual 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 add up precisely to the totals indicated.

#### Changes in accounting policies

The accounting principles applied in the half-year report are those described in the 2019 consolidated financial statements, except for the changes set out below.

With effect from January 1, 2020, Comet has applied the following new or adjusted IFRS/IAS for the first time:

- IFRS 3 – Business Combinations (amendment): Definition of a Business
- IAS 1 – Presentation of Financial Statements, and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (amendments): Definition of Material
- IFRS 7 – Financial Instruments: Disclosures, IFRS 9 – Financial Instruments, and IAS 39 – Financial Instruments: Recognition and Measurement (amendments): Interest Rate Benchmark Reform
- Conceptual Framework for Financial Reporting (revision, issued March 29, 2018)
- IFRS 16 – Leases (amendment): Covid-19-Related Rent Concessions

On May 28, 2020, the International Accounting Standards Board (IASB) published an amendment to IFRS 16 concerning COVID-19-related rent concessions. Lessees have the option to waive the assessment of whether a rent concession related to COVID-19 represents a lease modification as defined in IFRS 16. Instead, the lessee may treat such lease concessions as if they were not a modification and recognize the effect as a variable lease payment in profit or loss. The amendment is effective from June 1, 2020 and applies to rent concessions granted until and including June 30, 2021. Earlier application is permitted, including in financial statements not yet authorized for issue at May 28, 2020. Comet has applied this practical expedient. This provided a relief effect of less than CHF 0.1 million in net income in the half-year period under review.

The other amended standards and interpretations have no material effect on these interim financial statements.

#### New accounting rules becoming effective in subsequent periods

Other than the rent concessions-related amendment discussed above, Comet has not early-adopted any of the issued future new standards, interpretations or amendments. The future application of these adjusted accounting rules is likely to have no, or no significant, impacts on the Group's financial position, results of operations and cash flows.

### Changes in presentation

Foreign currency translation gains and losses arising on the same position are no longer presented in gross terms but net. This change applies, for example, to unrealized translation gains or losses on loans held in foreign currency. The change makes the reported financing expense and income more meaningful and easier to understand, and has no impact on the Group's earnings. The comparative data have been restated as follows:

Six month to June 30, 2019			
	Reported	Change in presentation	Adjusted
Total financing expenses	4,329	(1,183)	3,146
Total financing income	2,079	(1,183)	896

### Basis of consolidation

The basis of consolidation (i.e., the composition of the consolidated group of companies) at June 30, 2020 changed compared with December 31, 2019 through the addition of the newly established Comet Technologies Malaysia Sdn. Bhd. in Penang, Malaysia.

### Estimates

The preparation of the half-year report requires assumptions and estimates by management, which have been made on the basis of the best knowledge and of all 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. As well, Comet is able to meet its contractual and financial obligations in full.

### Foreign currency translation

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

Foreign currency translation		June 30, 2020	Closing rate		Average rate Six months to June 30		
			Dec. 31, 2019	June 30, 2019	2020	2019	
USA	USD	1	0.952	0.968	0.976	0.966	1.000
Eurozone	EUR	1	1.069	1.085	1.109	1.064	1.130
China	CNY	1	0.135	0.139	0.142	0.137	0.147
Japan	JPY	100	0.883	0.891	0.906	0.893	0.909
Denmark	DKK	1	0.143	0.145	0.149	0.143	0.151
Republic of Korea	KRW	1,000	0.795	0.838	0.845	0.800	0.873
Malaysia	MYR	1	0.222	-	-	0.225	-

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**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 narrative first part of this report.

In connection with the COVID-19 pandemic, Comet received government support in the six-month period under review. This consisted mainly of reductions in social security contributions. The positive effect on net income was CHF 0.3 million. The support received has been recognized as offsets within the corresponding expense items in the income statement.

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**03 Segment reporting**

Comet is managed on the basis of the four operating divisions described below, which are delineated based on their products and services. For financial reporting purposes the divisions are also referred to here 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 and 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.
- The **ebeam Technologies (EBT)** division develops, manufactures and markets compact ebeam sets for the treatment of surfaces in the food and printing industries.

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, 2020

In thousands of CHF

	Plasma Control Technologies (PCT)	X-Ray Systems (IXS)	Industrial X-Ray Modules (IXM)	ebeam Technologies (EBT)	Elimination of interseg- ment sales	Corporate	Consolidated
<b>Net sales</b>							
External net sales	96,915	53,588	24,341	7,465	–	–	182,309
Intersegment sales	–	69	5,824	–	(5,894)	–	–
<b>Total net sales</b>	<b>96,915</b>	<b>53,657</b>	<b>30,166</b>	<b>7,465</b>	<b>(5,894)</b>	<b>–</b>	<b>182,309</b>
<b>Earnings</b>							
Segment operating income or (loss)	14,940	(4,980)	1,697	(919)	(800)	–	9,939
Unallocated costs	–	–	–	–	–	(817)	(817)
<b>Operating income or (loss)</b>	<b>14,940</b>	<b>(4,980)</b>	<b>1,697</b>	<b>(919)</b>	<b>(800)</b>	<b>(817)</b>	<b>9,122</b>
Financing expenses							(2,964)
Financing income							852
<b>Income before tax</b>							<b>7,010</b>
Income tax							(487)
<b>Net income</b>							<b>6,523</b>
<b>EBITDA</b>	<b>18,587</b>	<b>(2,097)</b>	<b>4,183</b>	<b>(304)</b>	<b>(800)</b>	<b>(817)</b>	<b>18,753</b>
EBITDA in % of sales	19.2%	–3.9%	13.9%	–4.1%			10.3%
<b>Segment assets, June 30, 2020</b>	<b>128,286</b>	<b>110,090</b>	<b>80,390</b>	<b>16,564</b>	<b>–</b>	<b>59,342</b>	<b>394,671</b>
<b>Segment liabilities, June 30, 2020</b>	<b>35,695</b>	<b>72,975</b>	<b>15,055</b>	<b>4,710</b>	<b>–</b>	<b>72,049</b>	<b>200,484</b>

### Six months to June 30, 2019

In thousands of CHF	Plasma Control Technologies (PCT)	X-Ray Systems (IXS)	Industrial X-Ray Modules (IXM)	ebeam Technologies (EBT)	Elimination of intersegment sales	Corporate	Consolidated
<b>Net sales</b>							
External net sales	73,080	67,119	29,732	7,028	–	–	176,959
Intersegment sales	–	133	7,068	–	(7,202)	–	–
<b>Total net sales</b>	<b>73,080</b>	<b>67,252</b>	<b>36,801</b>	<b>7,028</b>	<b>(7,202)</b>	<b>–</b>	<b>176,959</b>
<b>Earnings</b>							
Segment operating income or (loss)	(248)	474	5,185	(3,794)	(1,374)	–	242
Unallocated costs	–	–	–	–	–	(1,475)	(1,475)
<b>Operating income or (loss)</b>	<b>(248)</b>	<b>474</b>	<b>5,185</b>	<b>(3,794)</b>	<b>(1,374)</b>	<b>(1,475)</b>	<b>(1,232)</b>
Financing expenses							(3,146)
Financing income							896
<b>Loss before tax</b>							<b>(3,483)</b>
Income tax							375
<b>Net loss</b>							<b>(3,108)</b>
<b>EBITDA</b>							
	<b>3,165</b>	<b>3,457</b>	<b>7,751</b>	<b>(3,011)</b>	<b>(1,374)</b>	<b>(1,475)</b>	<b>8,513</b>
EBITDA in % of sales	4.3%	5.1%	21.1%	–42.8%			4.8%
<b>Segment assets, December 31, 2019</b>							
	<b>109,507</b>	<b>112,813</b>	<b>82,941</b>	<b>16,801</b>	<b>–</b>	<b>69,648</b>	<b>391,710</b>
<b>Segment liabilities, December 31, 2019</b>							
	<b>31,904</b>	<b>66,320</b>	<b>15,610</b>	<b>6,164</b>	<b>–</b>	<b>75,764</b>	<b>195,762</b>

### 03.2 Geographic information

Comet markets its products and services throughout the world and has its own companies in Switzerland, Germany, Denmark, the USA, China, Japan, South Korea and Malaysia. Net sales are allocated to countries on the basis of customer location.

#### Net sales by region

In thousands of CHF	2020 Six months to June 30	2019 Six months to June 30
Europe	35,506	41,001
USA	79,479	70,287
Asia	61,922	58,647
Rest of world	5,402	7,025
<b>Total</b>	<b>182,309</b>	<b>176,959</b>

**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, 2020		December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>	FVTPL <sup>1</sup>	At amortized cost	FVTPL <sup>1</sup>	At amortized cost
Cash and cash equivalents	48,710	*	60,255	*
Trade receivables, net	59,620	*	54,323	*
Derivatives	207	207	271	271
Non-current financial assets	266	*	367	*
<b>Total</b>	<b>207</b>	<b>108,597</b>	<b>271</b>	<b>114,945</b>
Of which current assets	207	108,330	271	114,578
Of which non-current assets		266		367
<b>Financial liabilities</b>	FVTPL <sup>1</sup>	At amortized cost	FVTPL <sup>1</sup>	At amortized cost
Current debt	67,934	68,158	12,000	12,042
Trade and other payables	31,772	*	34,398	*
Derivatives	10	10	41	41
Non-current debt (fixed rate)			59,893	60,870
<b>Total</b>	<b>10</b>	<b>99,706</b>	<b>41</b>	<b>106,291</b>
Of which current liabilities	10	99,706	41	46,398
Of which non-current liabilities		-		59,893

<sup>1</sup> 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.

The impairment test of trade receivables performed in light of the effects of the COVID-19 pandemic did not identify a materially higher risk of default in the six-month period under review.



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**05 Financing income and expenses**

In thousands of CHF	Six months to June 30, 2020	Six months to June 30, 2019
Net interest expense	(989)	(1,024)
Net foreign currency translation (losses)	(1,123)	(1,226)
<b>Net financial items</b>	<b>(2,112)</b>	<b>(2,250)</b>

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**06 Financing**
**06.1 Debt**

The bond maturing on April 20, 2021 was reclassified from non-current to current debt in the first half of 2020. Also, in the reporting period, Comet repaid CHF 4.0 million of current debt.

**06.2 Shareholders' equity**
**Distribution to shareholders**

The Annual Shareholder Meeting on April 23, 2020 approved the payment of a dividend of CHF 1.00 per share to shareholders from retained earnings; each share has a par value of CHF 1.00. In the prior year, Comet paid a distribution of CHF 1.00 per share from distributable paid-in capital and of CHF 0.20 per share from retained earnings. Comet Holding AG paid this year's dividend, which totaled CHF 7.8 million, on April 29, 2020.

**Authorized capital for purposes other than equity-based compensation**

The Annual Shareholder Meeting of April 23, 2020 approved authorized capital of 800,000 registered shares for non-compensation purposes with a par value of CHF 1.00 per share for a period of two years until April 23, 2022. This gives the Board of Directors the flexibility to swiftly take advantage of strategic opportunities through partial use of equity.

**Authorized capital for equity-based compensation**

In payment of retainers to the Board of Directors and of 2019 profit-sharing compensation to the members of the Executive Committee, 3,679 shares with a par value of CHF 1.00 per share were issued in the first half of 2020 from authorized capital designated for equity compensation. At the end of the reporting period, the remaining unissued authorized capital for equity-based compensation therefore amounted to 195,233 shares or CHF 195,233.

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**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.

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**08 Release of the half-year report for publication**

At its meeting on August 6, 2020 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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