Presentation of results for first half of 2015

Ronald Fehlmann, CEO
Markus Portmann, CFO

Agenda

1. COMET Group at a Glance
2. Review of H1 2015 Group and Business Segments
3. Financial Results
4. Outlook for 2015
5. Questions & Answers
Introduction

COMET Group at a glance: Leading worldwide with x-ray, RF and ebeam technology

1050
EMPLOYEES WORLDWIDE

14
LOCATIONS WORLDWIDE

Global trends as enablers of strong growth

Smart Mobility

Environment & Saving Resources

Miniaturization

Reliability, Safety and Performance
Introduction

Focusing on three key technologies, COMET Group delivers leading solutions

X-ray
Non-destructive testing
Inspection, quality control in automotive, electronics and other industries
Security
Cargo & luggage inspection

RF power
Plasma control
Semiconductor
LED Thin-film
Med tech

ebeam
Sterilization
Food and pharma packaging
Business development
Inactivation of dry food
Curing
Sterilization of tissue-based products

About 52% of Group sales
About 44% of Group sales
About 4% of Group sales

Worldwide presence has grown to 14 locations by acquisition of PCT Engineered Systems LLC

- Flamatt, CH (HQ)
  Hamburg, DE
  Hattingen, DE
  Heilbronn, DE
  Stolberg, DE
  Copenhagen, DK
  Beijing, CN
  Shanghai, CN
  Yokohama, JP
  San José, US
  Hudson, US
  Shelton, US
  Davenport, US

- Sales and service network
Review of H1 2015

H1 2015: COMET Group shows robustness in a more challenging environment …

- Net income same as previous year’s at constant currency rates
- Growth of 15% in operating earnings (EBITDA)
- New orders up 4%
- Sound balance sheet figures
- Solid cash flow provided by operating activities allowing for increased investing activities
Review of H1 2015

... which allows the continuing dynamic implementation of the strategy

- ebeam business strengthened by acquisition of PCT Engineering Systems
- Bühler: ebeam project with second big partner made official
- Hexagon: Alliance with major player to tap future opportunities in CT and metrology
- Mirtec: Cooperation to help customers to leverage industry 4.0 benefits
- Building permit applied for in project to expand production capacity in Flamatt

H1 2015: Factors influencing results

<table>
<thead>
<tr>
<th>Factor</th>
<th>Sales</th>
<th>Profitability</th>
<th>Impact on</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rates</td>
<td>-</td>
<td>+</td>
<td>Group</td>
</tr>
<tr>
<td>Low oil and gas prices</td>
<td>-</td>
<td></td>
<td>XET</td>
</tr>
<tr>
<td>Asia growth</td>
<td>-</td>
<td></td>
<td>IXS</td>
</tr>
<tr>
<td>Reorganization of CT business</td>
<td>-</td>
<td>-</td>
<td>IXS</td>
</tr>
<tr>
<td>Cost management</td>
<td>-</td>
<td>+</td>
<td>Group</td>
</tr>
<tr>
<td>Acquisition of PCT Engineered Systems LLC</td>
<td>+</td>
<td>-</td>
<td>XET</td>
</tr>
</tbody>
</table>
### Review of H1 2015

**H1 2015: COMET Group slightly below H1 2014 with improved operating earnings**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales in CHF</td>
<td>-1.9% vs. year-earlier period</td>
<td>132.6m</td>
<td>130.1m</td>
</tr>
<tr>
<td>Net income in CHF</td>
<td>-62.2% vs. year-earlier period</td>
<td>4.4m</td>
<td>1.7m</td>
</tr>
<tr>
<td>EBITDA in CHF</td>
<td>+14.6% vs. year-earlier period</td>
<td>10.7m</td>
<td>12.3m</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>+1.3% points vs. year-earlier period</td>
<td>8.1%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

### Review FY 2015

**H1 2015: Sound balance sheet figures**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash flow in CHF</td>
<td>-56.9% vs. year-earlier period</td>
<td>12.7m</td>
<td>5.5m</td>
</tr>
<tr>
<td>Net debt in CHF</td>
<td>increased mainly due to acquisition vs. year-earlier period, from 12.3m to 20.4m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity ratio</td>
<td>-0.9% points vs. year-earlier period</td>
<td>59.3%</td>
<td>58.2%</td>
</tr>
</tbody>
</table>
Review of H1 2015

H1 2015: PCT with continued profitable growth; challenging environment reflected in x-ray

### Comet Group

<table>
<thead>
<tr>
<th></th>
<th>X-Ray Systems</th>
<th>Plasma Control Technologies</th>
<th>X-Ray &amp; ebeam Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales in CHF</td>
<td>43.3m (H1 2014: 53.0m)</td>
<td>58.0m (H1 2014: 52.6m)</td>
<td>34.8m (H1 2014: 35.4m)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>6.3% (H1 2014: 5.3%)</td>
<td>18.4% (H1 2014: 15.3%)</td>
<td>-0.8% (H1 2014: 4.1%)</td>
</tr>
</tbody>
</table>

IXS: Profitability improved, tire market contraction in China, expecting stronger H2

12.4% decrease in sales in local currencies
- Downturn in tire market due to changed regulations in China
- As expected, missing revenue from CT systems as a result of the low backlog and the reorganization last year

6.3% EBITDA margin vs. 5.3% in H1 2014
- Further operational improvements
- Favorable product mix
- Positive currency effects

Partnerships with Hexagon and Mirtec as important steps for addressing market trends like industry 4.0 and metrology
**X-Ray Systems**

Decrease in net sales, but higher gross margin; investing in front end to support future business

![Graph showing net sales and EBITDA](image)

*At constant exchange rates

**Plasma Control Technologies**

**PCT: Continued profitable growth, full pipeline**

6.1% sales growth in local currencies

- RF matchboxes: strong business based on the ongoing equipping of fabs producing 3D chips (V-NAND)
- VacCaps: growth in flat panel market
- RF generators: first bigger order in laser market. Cancelled order with Hanergy (China)
- New projects with Asian customers

Improved EBITDA of 18.4% (H1 2014: 15.3%)

- Further revenue growth
- Continued improvement of operational excellence (San José)
Plasma Control Technologies

Strong increase in net sales, higher profitability

- **Net sales**
  - Increase of 10.3% (6.1% in LC*)
  - CHF millions:
    - H1 2014: 52.6
    - H1 2015: 58.0

- **EBITDA**
  - CHF millions:
    - H1 2014: 8.1
    - H1 2015: 10.7

*At constant exchange rates

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X-Ray & ebeam Technologies

XET: Low oil and gas prices and stronger CHF pose challenge in NDT, ebeam passes milestones

- 3.6% growth in local currencies including acquisition of PCT Engineered Systems
  - NDT sales negatively impacted by:
    - Reduced customer spending in pipelines and sorting due to lower oil and gas prices
    - Strong CHF weighing on sales, which are primarily generated in the eurozone
  - Reduced EBITDA margin of -0.8%
    - H1 2014: positive 4.1%
  - Negative impact of strong CHF
  - Cost of acquisition and integration of PCT Engineered Systems
Increase in net sales; investment in ebeam business reduces EBITDA margin

Net sales
Down 1.6% (up 3.6% in LC*)

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>H1 2014</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.4</td>
<td>34.8</td>
<td></td>
</tr>
</tbody>
</table>

* At constant exchange rates

EBITDA

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>H1 2014</th>
<th>H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5</td>
<td>1.5</td>
<td></td>
</tr>
</tbody>
</table>

-0.8%

X-Ray & ebeam Technologies

ebeam reached important strategic milestones

Acquisition of PCT Engineered Systems
- COMET now a fully integrated powerhouse for low-energy ebeam
- Market reach extended to end-customers

Official launch of ebeam-based packaging machine E3 by Tetra Pak at FISPAL in Brazil
- Ongoing preparations of facility and supply chain to scale up production of ebeam engines

Bühler as second strong partner to develop more applications
- Preliminary testing successful and encouraging basis for further collaboration
Agenda

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M. Portmann

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R. Fehlmann

5. Questions & Answers  
All

Increased Incoming Orders and improved operating Performance

<table>
<thead>
<tr>
<th>In CHF thousands</th>
<th>H1 2015</th>
<th>H1 2014</th>
<th>Change</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incoming orders</td>
<td>142'942</td>
<td>137'895</td>
<td>5'047</td>
<td>4%</td>
</tr>
<tr>
<td>Net sales</td>
<td>130'097</td>
<td>132'583</td>
<td>-2'486</td>
<td>-2%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-81'910</td>
<td>-83'845</td>
<td>1'935</td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>48'187</td>
<td>48'738</td>
<td>-551</td>
<td></td>
</tr>
<tr>
<td>Gross profit margin in %</td>
<td>37.0%</td>
<td>36.8%</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Other operating income</td>
<td>2'778</td>
<td>1'846</td>
<td>1'132</td>
<td></td>
</tr>
<tr>
<td>Development expenses</td>
<td>-14'771</td>
<td>-15'547</td>
<td>776</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>-28'759</td>
<td>-29'336</td>
<td>577</td>
<td></td>
</tr>
<tr>
<td>Operating income (EBIT)</td>
<td>7'435</td>
<td>5'500</td>
<td>1'935</td>
<td></td>
</tr>
<tr>
<td>Financing result and income taxes</td>
<td>-5'759</td>
<td>-10'72</td>
<td>-4'963</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>1'676</td>
<td>4'428</td>
<td>-2'752</td>
<td></td>
</tr>
<tr>
<td>EPS in CHF</td>
<td>2.17</td>
<td>5.75</td>
<td>-3.58</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>12'293</td>
<td>10'728</td>
<td>1'565</td>
<td></td>
</tr>
<tr>
<td>EBITDA margin in %</td>
<td>9.4%</td>
<td>8.1%</td>
<td>1.4%</td>
<td></td>
</tr>
</tbody>
</table>
Financial Results

Net USD Exposure of 31m CHF in H1 2015, other currencies mostly hedged

- Stronger CHF had an impact on Sales and EBIT
- The negative net impact of all currencies on Sales was 2.1 Mio. CHF. The EUR had the biggest negative impact with 6.2 Mio. CHF. The USD positively impacted sales by 4.2 Mio. CHF.
- At EBIT level a positive net impact of ~ 1.6 Mio. CHF is shown, driven by the USD

Financial Results

Decrease in net sales driven by negative currency effects and challenging economic environment

H1 Results 2015 | 20. August 2015
Financial Results

At constant exchange rates EBITDA margin increased by 0.6% points despite lower sales

<table>
<thead>
<tr>
<th>Bridge June YTD 2015 vs. PY</th>
<th>as reported @ constant FX rates</th>
<th>@ constant FX rates, w/o M&amp;A</th>
<th>as reported @ current FX rates, w/o M&amp;A</th>
<th>@ constant FX rates vs. PY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>June YTD 2014: 132.6</td>
<td>Δ: -3.6</td>
<td>129.0</td>
<td>June YTD 2015: 127.0</td>
</tr>
<tr>
<td></td>
<td>Impact: -2.1</td>
<td>3.1</td>
<td>130.1</td>
<td>Δ: -2.5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10.7</td>
<td>0.5</td>
<td>11.2</td>
<td>12.7</td>
</tr>
<tr>
<td></td>
<td>0.4</td>
<td>-12.3</td>
<td>1.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Financial expense</td>
<td>-0.3</td>
<td>-0.4</td>
<td>-3.5</td>
<td>-4.0</td>
</tr>
<tr>
<td></td>
<td>Impact: -3.5</td>
<td>-4.0</td>
<td>Δ: -4.0</td>
<td></td>
</tr>
<tr>
<td>Total income tax</td>
<td>-0.8</td>
<td>-1.5</td>
<td>-0.5</td>
<td>-2.0</td>
</tr>
<tr>
<td></td>
<td>Impact: -2.0</td>
<td>0.2</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>-4.4</td>
<td>0.4</td>
<td>4.4</td>
<td>1.7</td>
</tr>
<tr>
<td></td>
<td>Impact: -2.4</td>
<td>2.1</td>
<td>4.4</td>
<td></td>
</tr>
</tbody>
</table>

Sales Growth in %
-2.7% -2.7% -1.6% -2.7% -2.7% -4.2% 2.4% -1.9% -2.7%

EBITDA Margin in %
8.1% 0.6% 8.7% 1.3% 10.0% 0.5% 9.4% 1.3%

€
1.22 -1.22 -1.22 -1.22 -1.22 -1.22 -1.22 -1.22

$0.89 -0.89 -0.89 -0.89 -0.89 -0.89 -0.89 -0.89

Net income below prior year due to currency exchange impacts and higher income taxes

Net income at constant exchange rates would have been at prior year level.
Financial Results

Higher finance costs due to mostly extraordinary losses on foreign currency balances

Net financing items amounted to an expense of CHF 4.0m (PY CHF 0.3m), reflecting the following factors:
- Interest expenses decreased to CHF 0.4m (PY CHF 0.6m)
- The stronger CHF following the SNB’s decision to remove its cap on the currency’s value against the EUR led to losses on foreign currency balances of CHF -3.5m (PY gain of CHF 0.3m).
- Extraordinary adjustments on IC loans and net working capital
- Transactions in EUR almost naturally hedged
- Net exposure in USD partly hedged by forward exchange contracts

Currency impact on balance sheet:
- A currency translation loss of CHF 8.7m was recorded directly to equity (mainly EUR and USD)

Financial Results

Income tax rate temporary up to 52% impacted by currency exchange rate effects

- The reported tax rate of 52% is driven by an extraordinary translation loss on Holding level without tax shield
- Applying the expected Group base tax rate of 28%, the EBT of CHF 3.5m would lead to an expected tax expense of CHF 1.0m
- Total income tax expense reported sums up to CHF 1.8m (PY CHF 0.8m). The difference to the expected tax expense of CHF 0.8m is explained as follows:
  - Non-tax deductible part of currency translation losses: CHF -0.7m
  - Non-recognition of tax losses: CHF -0.2m (no DTA recognized on tax losses)
  - Other effects, net: CHF 0.1m
- The expected effective tax rate for FY 2015 is approx. 35%
Financial Results

Sound balance sheet ratios affected by currency translation impacts and acquisition

<table>
<thead>
<tr>
<th>In CHF millions</th>
<th>H1 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>134.0</td>
<td>134.9</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>112.1</td>
<td>111.0</td>
</tr>
<tr>
<td>Total assets</td>
<td>246.1</td>
<td>245.9</td>
</tr>
<tr>
<td>Liabilities</td>
<td>102.8</td>
<td>86.1</td>
</tr>
<tr>
<td>Equity</td>
<td>143.2</td>
<td>159.8</td>
</tr>
<tr>
<td>Total liability and equity</td>
<td>246.1</td>
<td>245.9</td>
</tr>
</tbody>
</table>

- First time consolidation of newly acquired PCT Engineered Systems LLC, with impact on net working capital, intangible assets and debt
- Equity ratio reduced to 58% driven by currency translation losses after the SNB removed its cap on the CHF’s exchange rate against the EUR

Financial Results

Solid cash flow based on a profitable business, influenced by an acquisition in H1

- CF provided by operating activities: CHF 5.5m
- CF used in investing activities: CHF -14.1m
- Free cash flow: CHF -8.6m
- CF used & provided by financing activities: CHF +9.5m

<table>
<thead>
<tr>
<th>CHF millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Cash as per 1.1.2015</td>
</tr>
<tr>
<td>b) Net income H1 2015</td>
</tr>
<tr>
<td>c) Other non-cash income/expenses incl. depreciation/amortization</td>
</tr>
<tr>
<td>d) Increase in NWC</td>
</tr>
<tr>
<td>e) Income tax, taxes paid</td>
</tr>
<tr>
<td>f) Net investment in PP&amp;E and intangibles</td>
</tr>
<tr>
<td>g) Investment in subsidiary</td>
</tr>
<tr>
<td>h) Proceeds from borrowing</td>
</tr>
<tr>
<td>i) Interest paid and distribution to shareholders</td>
</tr>
<tr>
<td>j) Foreign currency translation loss</td>
</tr>
<tr>
<td>k) Cash as per 30.6.2015</td>
</tr>
</tbody>
</table>
Financial Results

Rolling average working capital increased, driven by acquired working capital

Working capital ratios (12 m avg)
- Total net working capital increased by CHF 5.5m (CHF 3.1m excluding PCT Engineered Systems LLC). Net working capital in % of net sales reached 25.3% (PY 24.4%) reflecting the acquisition
- Decrease in trade receivables (net of prepayments by customers) to CHF 20.6m (PY CHF 33.6m) reflecting the lower net sales compared to second half 2014. DSO (monthly average days sales outstanding) reached 36 days (PY 41 days)
- Inventories increased to CHF 67.3m (PY CHF 51.9m), reflecting the first time inclusion of PCT Engineered Systems LLC with CHF 9.3m and the planned growth in H2 2015. DIO (monthly average days inventory outstanding) reached 75 days (PY 71 days)

Non-current assets almost unchanged, impacted by currency effects and acquisition

Non-current assets increased by CHF 1.1m or 0.9%
- Compared to prior year-end property, plant and equipment and intangible assets increased by CHF 3.5m
- CHF 8.4m acquired with PCT Engineered Systems LLC
- Cash capital expenditures as a mixture of replacement and capacity increases totaled CHF 6.2m (PY CHF 4.7m), divestments CHF 0.3m
- Depreciation of non-current assets totaled CHF 3.8m; amortization: CHF 1.1m (including CHF 0.8m on intangibles recognized from PPA)
- Negative translation effects totaled CHF 6.0m
- Pension assets decreased to CHF 1.6m (PY CHF 3.1m) as a result of the further decreased interest rates (higher present value of defined benefit obligation) in the Swiss plans (directly recorded in equity)
- Deferred tax assets decreased to CHF 5.6m (PY CHF 6.5m) reflecting "consumption" through profits recognized
Financial Results

Strong equity ratio of 58.2% despite significant extraordinary foreign currency impacts

Current liabilities increased by CHF 20.0m, mainly driven by:
- Increase in bank debt related to the acquisition of PCT Engineered Systems LLC, increased capital expenditures and dividend payments
- Lower income tax payable

Non-current liabilities fell by CHF 3.3m, mainly due to:
- Non-current debt becoming current (current debt CHF 28.0m, non-current 10.8m)

Equity ratio decreased from 65.0% to 58.2% (H1 2014: 59.3%):
- Total comprehensive income of CHF -8.3m for H1 2015
- Net income CHF 1.7m, actuarial loss on defined benefit plans net of tax CHF -1.3m, foreign currency translation losses CHF -8.7m
- Share-based payments of CHF 0.2m
- Distribution to shareholders of CHF 11.00 per share totaling CHF -8.5m

Net debt in H1 increased to CHF 20.4m
Ratio Net Debt / EBITDA with 0.5 very solid

Increase in net debt to CHF 20.4m (PY CHF 12.3m), related to
- Acquisition of PCT Engineered Systems LLC
- Increased capital expenditures and dividend payments
Net debt at year-end expected to reach ~ CHF 10m
Outlook for 2015:
Raised forecast for Net sales and EBITDA

COMET Group expects a strong and profitable H2 and thus raises its forecast for 2015 to
- Net sales of CHF 290-310m
- an EBITDA margin of 13.5-14.5%

Based on
- updated foreign exchange rates (CHF 0.95 per USD and 1.06 per EUR)
- additional net sales related to the acquisition of PCT Engineered Systems LLC (effective May 1, 2015)
- challenging economic environment
Outlook

Full year 2015: Sales of CHF 290m to CHF 310m at an EBITDA margin of 13.5% to 14.5%

<table>
<thead>
<tr>
<th>COMET Group</th>
<th>H2 2015 vs. H1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>X-Ray Systems</td>
<td>Significant sales increase expected, coming from all customer segments. Tire: yoy sales will not reach 2014 level.</td>
</tr>
<tr>
<td>X-Ray &amp; ebeam Technologies</td>
<td>Industrial X-Ray: significant organic growth expected in all markets. ebeam: Integration of PCT Engineered Systems, continued preparation of rollout for Tetra Pak, business development with Bühler and other projects; single digit share of group sales in 2015</td>
</tr>
<tr>
<td>Plasma Control Technologies</td>
<td>Commercialization of design wins, continued high demand from semicon market expected. Q3 much stronger expected than Q4</td>
</tr>
</tbody>
</table>

H1 2015: Important steps achieved for further mid- and long-term growth

A strategy update and a presentation on the “Growth Levers 2016+” will be given at:

**COMET Group Investor Day 2015**

Tuesday, November 24, 2015
from 10:00 a.m. to around 3:15 p.m.
COMET AG, Herrengasse 10, 3175 Flamatt (CH)

The program
- Plenary presentations by our management team
- Presentations by high-profile clients
- Interactive break-out sessions

An official invitation with full program details will follow at the end of September.
Q&A

Financial calendar for the COMET Group

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 November, 2015</td>
<td>Investor Day</td>
</tr>
<tr>
<td>17 March, 2016</td>
<td>Publication of 2015 annual report</td>
</tr>
<tr>
<td>21 April, 2016</td>
<td>General Assembly in Berne</td>
</tr>
</tbody>
</table>

For more details on business development and financial data 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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Disclaimer

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