

Zurich, 22 August 2013

## Presentation of Results for the First Half of 2013



Ronald Fehlmann, CEO  
Markus Portmann, CFO

**COMETGROUP**  
Technology with Passion

## Agenda

1	COMET Group at a Glance	R. Fehlmann
2	Review HY 1, 2013 Business Segments	
3	Geographical Evolution	
4	Financial Results	M. Portmann
5	Outlook 2013	R. Fehlmann
6	Questions & Answers	all

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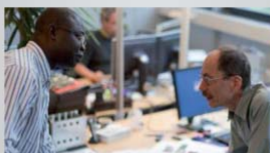
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Group at a glance

## COMET Group at a glance

Leading global provider of high-quality systems, components and services in industrial x-ray, radio frequency and e-beam technologies.

- 12 subsidiaries / branch offices worldwide
- CHF 214.4m sales\*
- 99% of sales from outside Switzerland
- SIX SWISS Exchange (2002 COTN)



\*2012

> 770 employees

Headquarters in Flamatt (CH)



1948 foundation

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Review HY1 2013

## HY1 2013: COMET Group on track

- HY1 2013 in line with prior year and expectations
  - CHF 106.0m sales, 9.2% EBITDA margin
- Strategy implementation on track
  - Further improved gross margin in systems business
  - Intensified market development and sales activities
  - Market-oriented organization into 3 segments
- Net income of 2.7m CHF on previous year level
- Solid financial position with 58.3% equity ratio
- Positive FY guidance 2013 confirmed

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Business Segments

## Market-oriented organization into 3 segments supporting strategy of focussed growth

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YXLON

X-Ray Systems

Former Systems division

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Plasma Control Technologies

Former Modules & Components division

COMET ebeam

X-Ray & ebeam Technologies

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Business Segments

## HY1 2013 business segment overview

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YXLON

X-Ray Systems

Net Sales **52.2m**  
in CHF (HY1 2012: 51.5m)

EBITDA **4.2%**  
(HY1 2012: 7.6%)

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Plasma Control  
Technologies

Net Sales **33.3m**  
(HY1 2012: 35.0m)

EBITDA **8.7%**  
(HY1 2012: 7.2%)

COMET ebeam

X-Ray & ebeam  
Technologies

Net Sales **31.0m**  
(HY1 2012: 27.5m)

EBITDA **18.6%**  
(HY1 2012: 22.3%)

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X-Ray &amp; ebeam Technologies

## XET: Solid growth due to intensified market approach

+11.1% growth in local currencies thanks to

- broader and intensified market reach and
- new and customized x-ray products

leading to strong growth especially in China  
and USA

18.6% EBITDA margin vs. 22.3% HY 2012

- Strategic investments in ebeam and
- Shifts in the product mix



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X-Ray &amp; ebeam Technologies

## XET: ebeam according to plan

- ebeam now a separate business unit
- New dedicated team staffed and up & running
  - to answer the needs for Tetra Pak rollout
  - to open up new fields of application in further industries
- Tetra Pak rollout according to schedule (Integration of ebeam technology into packaging system platforms)
- Several lab units placed with large potential customers for application development



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Plasma Control Technologies

## PCT: On track with winning market shares supported by recovery of semicon market and FPD

**-5.6% sales in local currencies - close to reaching strong HY1 2012**

- RF matchbox: Increased demand nourished by switch to new technologies (TSV, multilayer, 3D)
- VacCaps: Semicon and revived display / flat panel market
- RF generators: entry in the laser industry and promising projects in the solar and semicon markets

**Organization adopted to support market orientation**

**Improved EBITDA of 8.7% (HY1 2012: 7.2%) due to tighter cost management**



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X-Ray Systems

## IXS: Weak start, strong back-log, gross margin up

### + 0.6%\* sales growth vs. HY1 2012

below expectations due to weak start and missing large orders for customized systems mainly in the US

### Gross margin profitability further improved

- increased share of higher margin products
- higher discipline in the sales process and in project management

4.2% EBITDA-margin vs. 7.6% in HY1 2012 due to strategic investments in R&D and market reach

### Strong HY2 expected

- high backlog of +20% vs. HY1 2012
- robust new orders in Q2 to turn into sales HY2 and book-to-bill at 1.33



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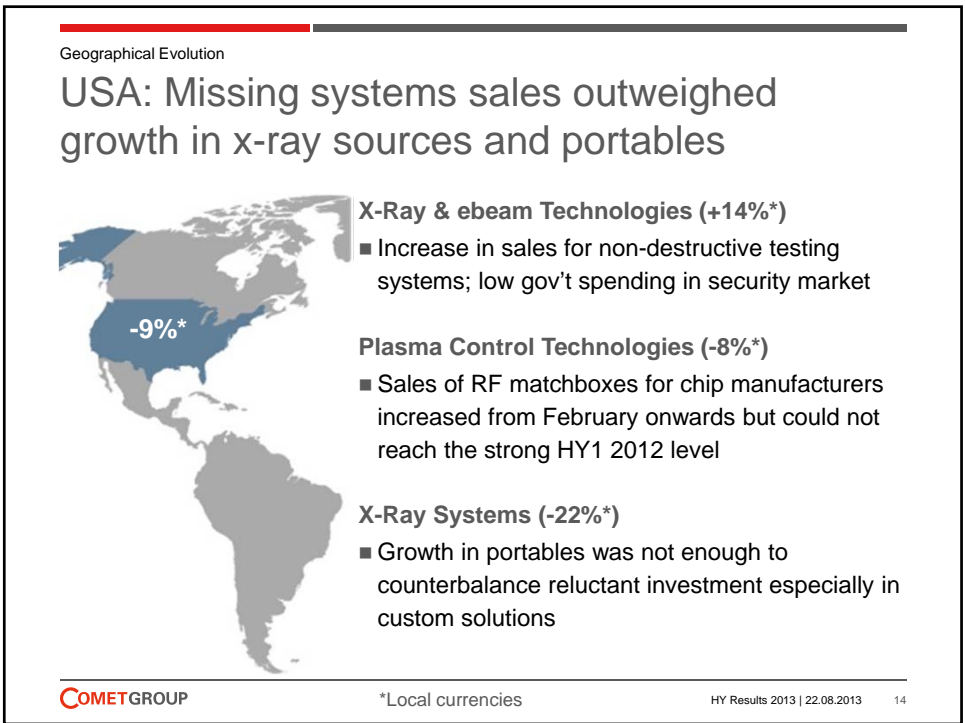
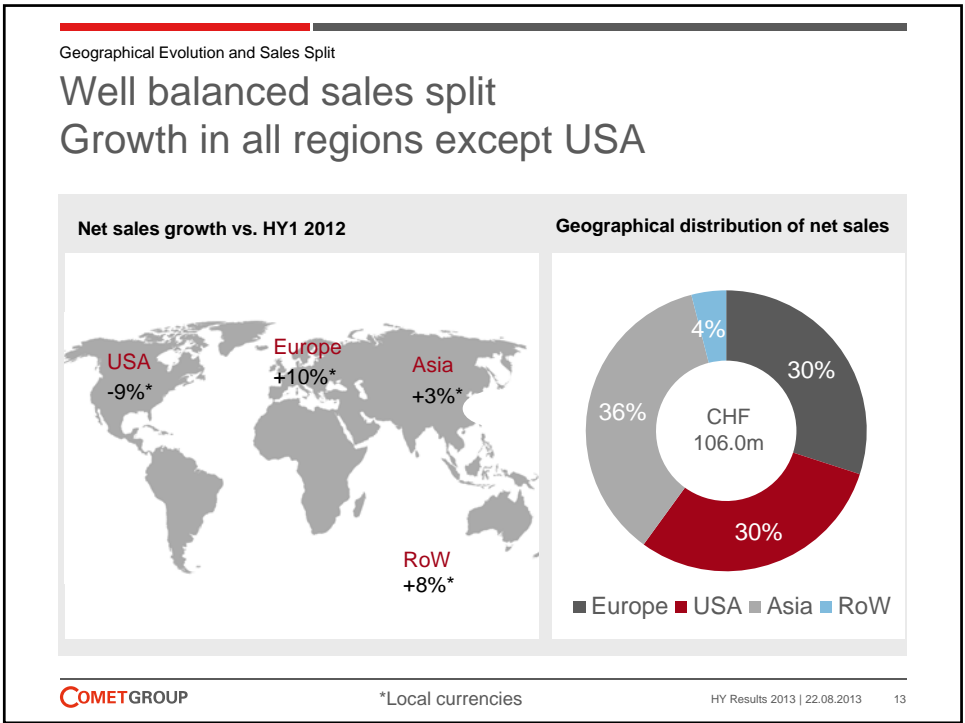
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Geographical Evolution

## Asia: Broad market approach bearing fruits, increased demand for RF matchboxes



**X-Ray & ebeam Technologies (+36%\*)**

- Strong growth, particularly in China, driven by intensified and broader marketing approach

**Plasma Control Technologies (+7%\*)**

- Increased demand for matchboxes and vacuum capacitors in semicon and revived flatpanel display market

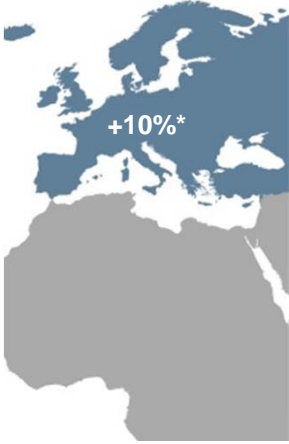
**X-Ray Systems (-4%\*)**

- Hesitant investment at the beginning of the year especially in China

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Geographical Evolution

## Europe: Solid growth in NDT market



**X-Ray & ebeam Technologies (+1%)**

- Slight growth with second tier customers and portable systems

**Plasma Control Technologies (-20%)**

- Hesitant demand for vacuum capacitors
- Foothold in laser market with RF generators

**X-Ray Systems (+19%)**

- Growth thanks to several large systems
- Successful market penetration with portables

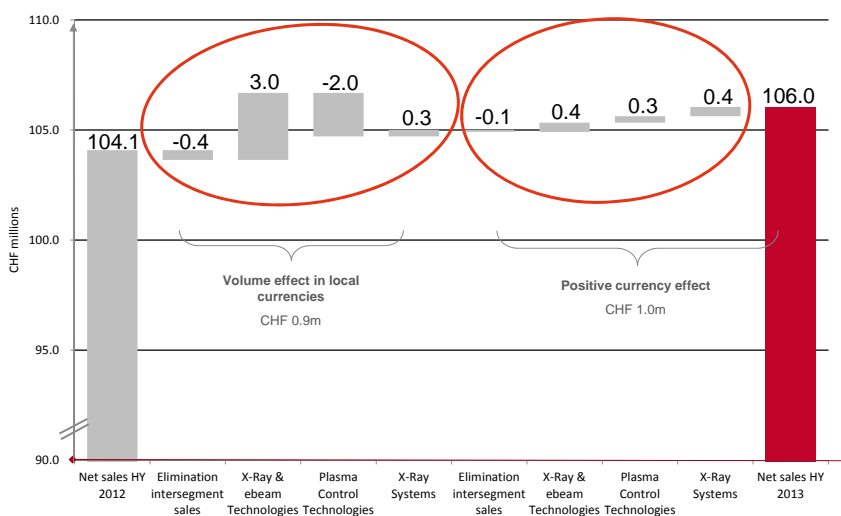
**COMETGROUP** \*Local currencies HY Results 2013 | 22.08.2013 16



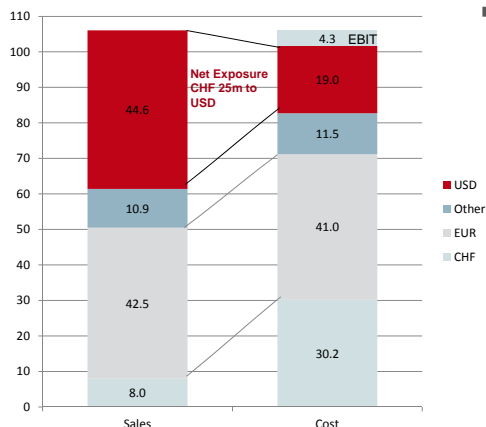
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## Higher net sales driven by higher local sales volumes supported by positive currency effects



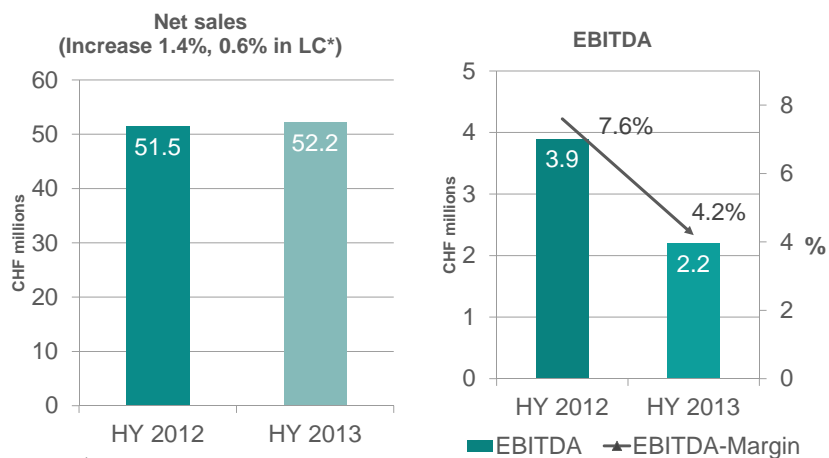
### Net exposure of CHF 25m to USD for HY 2013



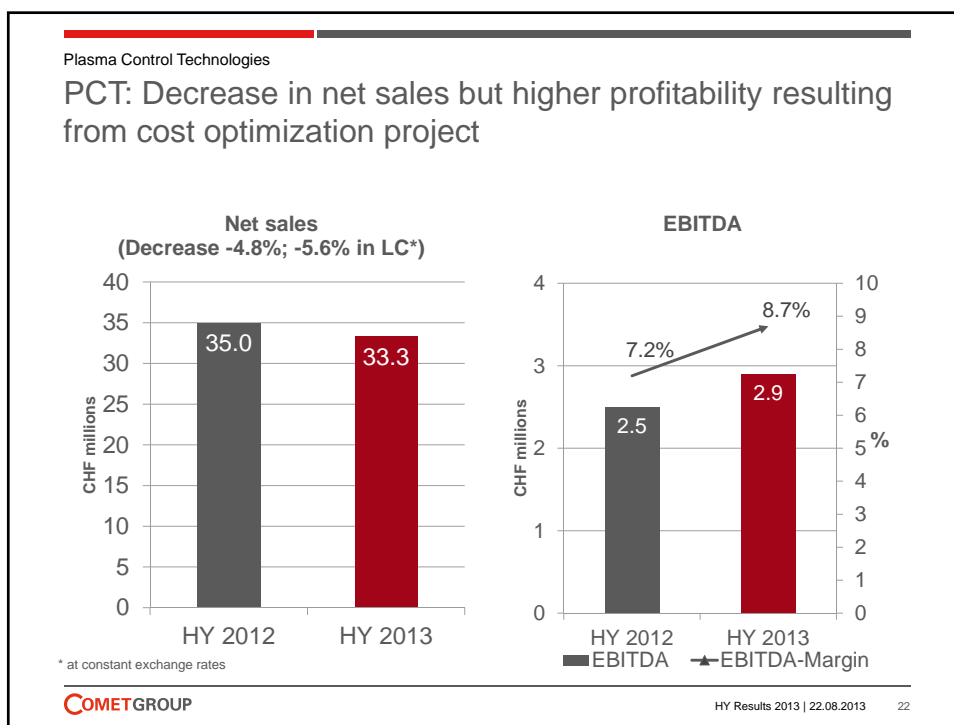
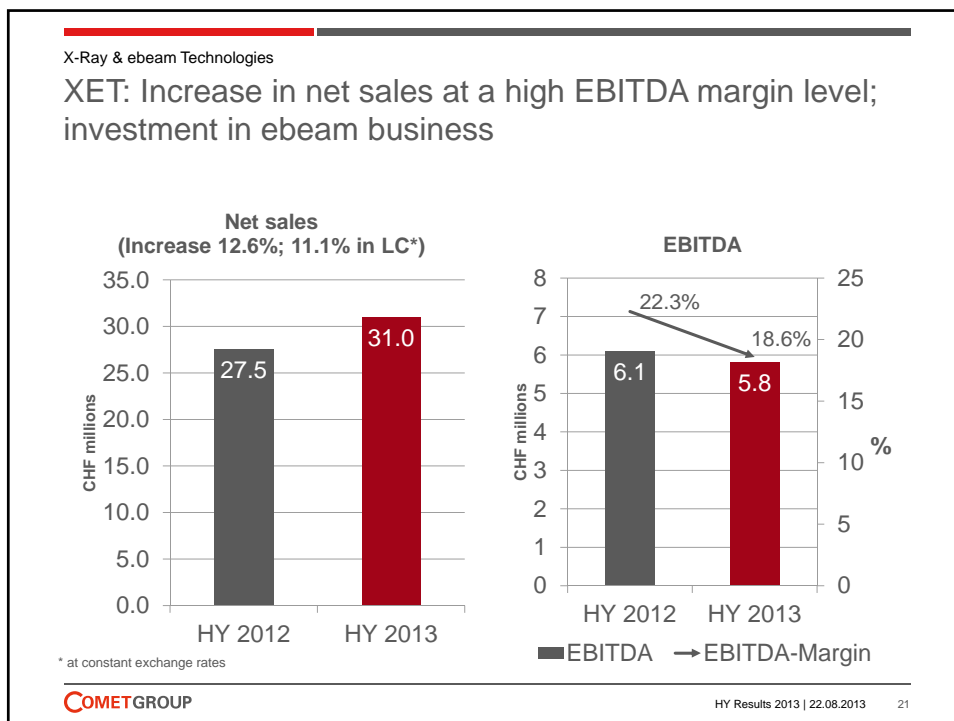
- Weaker CHF had a positive impact on Sales and EBIT
- **Net sales:** The positive net impact of the weaker Swiss franc amounted to CHF 1.0m (EUR CHF +0.9m; USD CHF +0.4m and JPY CHF -0.4m; other currencies)
- **EBIT:** positive net impact of CHF 0.4m (due to the natural hedge on EUR little overall impact)

### X-Ray Systems

IXS: Slight increase in net sales at higher gross margin; investments in front-end to support future business



\* at constant exchange rates



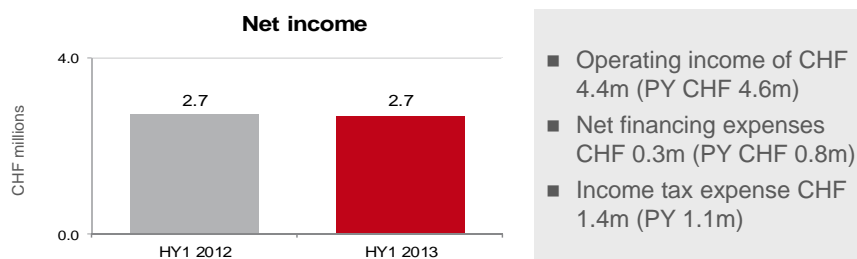
## Growing sales, strong new order and improved gross profit margin in a challenging market environment

in thousands of CHF	HY		Change	
	2013	2012	Absolut	in%
<b>Incoming Orders</b>	131'452	113'595	17'857	16%
<b>Net sales</b>	106'046	104'082	1'964	2%
Cost of sales	-64'424	-63'488	-937	
<b>Gross profit</b>	41'622	40'594	1'028	
<b>Gross profit margin in %</b>	39.2%	39.0%	0.2%	
Other operating income	1'555	2'376	-821	
Development expenses	-13'715	-14'591	876	
SG&A	-25'100	-23'789	-1'311	
<b>Operating income (EBIT)</b>	4'362	4'590	-228	-5%
Financing result and income taxes	-1'676	-1'894	218	
<b>Net income</b>	2'686	2'696	-10	0%
<b>EBITDA</b>	9'791	11'041	-1'250	
<b>EBITDA margin in %</b>	9.2%	10.6%	-1.4%	

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## Net income in HY1 2013 on prior year level



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Financing items improved due to lower interest-bearing debt and favorable currency exchange rates

**Net financing items amounted to an expense of CHF 0.3m (PY CHF 0.8m), reflecting the following factors:**

- Interest expenses were CHF 0.9m (PY CHF 1.0m) related mainly to senior debt and mortgage on building in Flamatt
- Due to the weaker Swiss franc, a net currency transaction gain was recorded in the income statement of CHF 0.6m (PY CHF 0.2m)
  - Almost naturally hedged position in EUR
  - Net exposure in USD hedged by means of forward exchange contracts

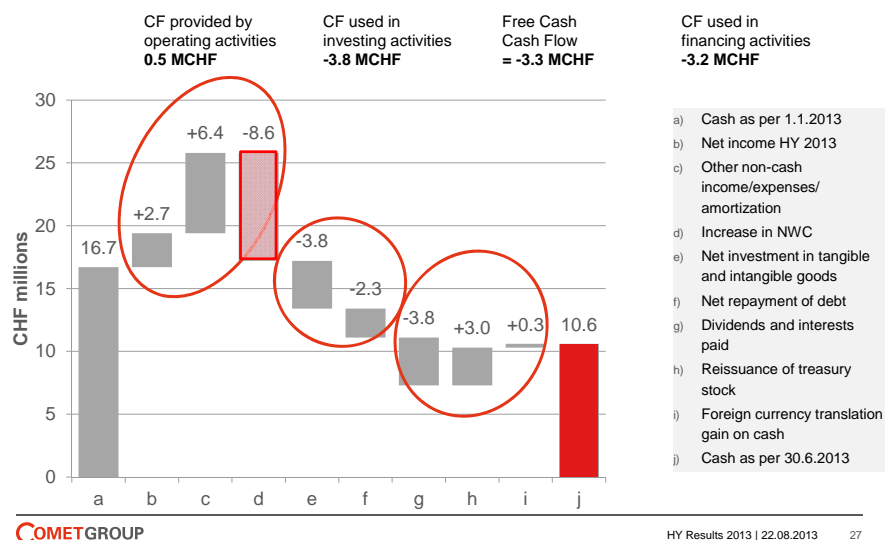
**Currency impact on balance sheet:**

- A currency translation gain of CHF 1.0m was recorded directly to equity, mainly related to the net asset exposure in Euros

Income tax rate slightly above expected level due to an uneven distribution of profits between subsidiaries

- Applying the expected Group tax rate, the EBT of CHF 4.1m would lead to an expected tax expense of CHF 1.1m
- Total income tax expense reported sums up to CHF 1.4m (PY CHF 1.1m). The difference to the expected tax expense of CHF 1.1m is explained as follows:
  - Non-recognition of tax losses CHF 1.2m (no DTA recognized on HY1 2013 losses)
  - Recognition of DTA on losses of previous periods CHF -0.4m
  - Tax holiday Canton of Fribourg CHF -0.3m
  - Other effects, net CHF -0.2m
- The base income tax rate for normalized profits is at 28%. The expected tax rate for FY 2013 is at approx. 30%

## Working capital increase related to expected growth in HY2 2013 is leading to a temporary negative FCF



## Slight increase of total assets and sound balance sheet ratios

In millions of CHF	Jun 30, 2013		Dec 31, 2012 *)	
Current Assets	99.9	48.2%	94.9	47.3%
Non-current Assets	107.3	51.8%	105.9	52.7%
Total Assets	207.2	100.0%	200.8	100.0%
Liabilities	86.4	41.7%	85.0	42.3%
Equity	120.8	58.3%	115.8	57.7%
Total Liability and Equity	207.2	100.0%	200.8	100.0%

\*) PY restated

- Compared to year-end 2012 liquidity decreased by CHF 6.1m driven by investments in working capital and fixed assets (undrawn credit facilities of CHF 20.3m)
- Improved equity ratio to 58.3% driven by profitability, other comprehensive income and reissuance of treasury stock of CHF 3.0m

## Stable average working capital ratios

### Working capital ratios compared to HY1, 2012

- Net working capital increased by CHF 6.5m or 12% driven by the expected revenue increase in HY2
- Monthly average net working capital in % of net sales reached 26.7% (PY 26.8%) reflecting our efforts to optimize capital employed
- Increase in trade receivables to CHF 37.3m (PY CHF 29.6m) reflecting strong net sales volumes in half-year. DSO (monthly average days sales outstanding) reached 43 days (PY 41 days)
- Inventories increase to CHF 42.3m (PY CHF 41.7m) reflecting the expected increase in business in HY2 2013. DIO (monthly average days inventory outstanding) reached 73 days (PY 76 days)

## Increase in Capital expenditures in HY1 2013

### Non-current assets increased by CHF 1.4m or 1.3% compared to prior year-end (restated)

- Property, plant and equipment and intangible assets increased by CHF 0.2m
  - Cash capital expenditures as a mixture of replacement and capacity increases totaled CHF 3.8m (PY CHF 2.5m); net increase demo equipment CHF 1.1m
  - Non-current assets included depreciation of CHF 3.4m and amortization of CHF 2.0m (including CHF 1.2m from purchase price allocation of YXLON and Stolberg)
  - Positive translation effects from weaker Swiss franc totaled CHF 0.7m
- Restated pension assets increased to CHF 1.8m (PY CHF 1.0m)
- Deferred tax assets increased to CHF 1.4m (PY CHF 0.8) mainly due to the capitalization of deferred tax assets on tax loss carry forwards in Denmark

## Impact of implementation of IAS 19 revised

### Restatement 2012 – no material impact

#### ■ Impact on results

- HY1 2012: no restatement – P&L figures remain as published at the time
- FY 2012: Net income reduced by CHF 0.2m (EPS CHF 0.32)

#### ■ Impact on equity driven by lower pension asset

Equity	June 30, 2012		December 31, 2012	
	CHFm	%	CHFm	%
Originally reported	117.0	56.4%	117.8	58.0%
Restated	116.1	56.3%	115.8	57.7%
Change	-0.9	-0.1%	-2.0	-0.3%

### Effects of IAS 19 revised on HY1 2013

- Impact on HY1 of modified calculation of pension cost not material
- Change in actuarial assumptions with impact on balance sheet only.
  - Equity increased net of tax by CHF 0.6m (via other comprehensive income) due to (i) a slight increase in discount rate and (ii) performance on plan assets
  - Impact on equity ratio with +0.1% not material

## Stable liabilities and strong equity ratio

### Current liabilities increased by CHF 0.8m, mainly driven by:

- Increase in trade payables
- Increase in accrued expenses (bonus, vacation and overtime credits)
- Decrease in current debt and income tax payables

### Non-current liabilities slightly increased by CHF 0.6m, mainly due to:

- Increase in deferred income tax liabilities

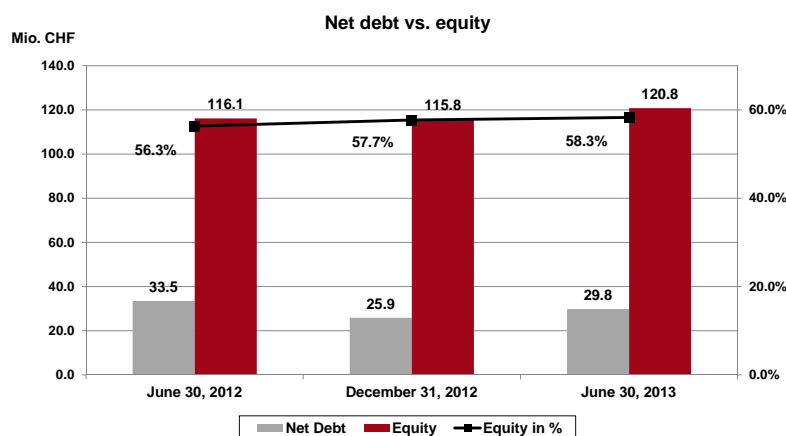
### Increase in equity ratio from 57.7%\* to 58.3%:

- Net income of CHF 2.7m for the HY1 2013
- Share-based payments of CHF 0.6m for the HY1 2013
- Distribution to shareholders of CHF 4.00 per share totaling CHF -3.0m
- Other comprehensive income CHF 1.6m (currency translation 1.0m; Pensions 0.6m)
- Reissuance of treasury stock of CHF 3.0m

\*) PY restated



## Improved net debt and increased equity ratio



- Increase of the equity ratio from 56.3% to 58.3% compared to HY1 2012
- Improved net debt by CHF 3.7m compared to HY1 2012

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Outlook

## Outlook 2013 confirmed



- For 2013 Board of Directors and Management confirm:
  - CHF 230-250 million sales
  - 12% to 14% EBITDA margin
- HY2 2013 expected with significantly stronger development vs. HY1 2013 and vs. strong HY2 2012
- Continuing high demand from semiconductor industry and continued growth with x-ray sources expected
- High back-log and increasing level of incoming orders in systems business

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Outlook

## Significantly stronger HY2 2013 vs. HY1 2013 and strong HY2 2012 expected

		Sales HY1 2013 Vs. HY2 2013
Industrial X-Ray Systems	Significant increase in sales expected due to high book-to-bill of 1.33, high backlog +20% vs. HY1 2012 and increasing incoming orders in Q2	
X-Ray & ebeam Technologies	Stable growth based on intensified market- and customer development supported by new products and applications Preparation of rollout for Tetra Pak and targeting of new applications. No significant contribution to sales in 2013 yet	
Plasma Control Technologies	Continuing high demand from semicon and from display/flatpanel market, first signs of recovery of solar market in Asia for RF generators	

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Coming up next

## Investor Day: 14. November 2013 in Flamatt „Growth through innovative technologies“

What is our state of progress? How are we doing with the vigorous marketing of our innovative technologies and products?

Under the theme of “Growth through innovative technologies”, we cordially invite you to join us for an update on our growth position and trajectory.

- Part 1: Growth to 2015: Strategy Update

*Plenary presentations*

- Part 2: Future Lab

*Interactive part illustrating selected innovations to create customer value beyond 2015*

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## Financial calendar for the COMET Group

November 14, 2013	Investor Day in Flamatt
March 20, 2014	Publication of 2013 annual financial statements

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