Expand market leadership and accelerate the future potential of e-beam

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Agenda

1. Growth > 2x faster than the market
2. How we defend our high market share and margin (case 1)
3. How we develop new markets (case 2)
4. How we accelerate the future potential of e-beam
5. Summary
IXT plans to grow >2x faster than the market

Growth is based on our leading technologies and products

- Defend High Market Share
- Gain Market Share
- Expand X-Ray Market
- New Markets & Applications

Expand X-Ray Market

New Markets & Applications

We successfully defend our high market share with tubes

**Defense Strategy**

- Operational excellence leads into best price/performance ratio
- Customized solutions help customers to lower TCO
- iVario (next generation X-ray source) will protect our market share for tubes through innovation
- Global service and support
- Leverage our customer relationships with exclusive agreements
Example: Reduction of TCO for our customers

The Challenge for Customer
- Price pressure by 20% due to new competition
- Potential lack of USP

The Challenge for COMET
- Price reduction by 20%

The COMET Approach
In a joint effort between Comet and customer at customer side a real win-win-solution came up.

The Win-Win-Solution:
A new “Fan Beam High Power Tube”

The Customer Benefit
a) reduce the total cost of the Van significantly (5x more than expected)
b) Increase Scan Speed \(\rightarrow\) USP

The COMET Benefit
a) Price increase by 15%
b) Exclusive Supply Agreement

How to develop new markets based on existing technologies: Example “Sorting”

Main focus areas
- Mineral Sorting (ores, diamonds, coal)
- Recycling (metal, glass, plastic and organics)

Facts of interest
- Recycled material sorting (metal, wood, plastic, organic waste)
- There are more than 12'000 auto recyclers in US
- There are 24'000 coal mines worldwide
- Diamonds are mined in 21 countries – Debeers with ~40% share
Accelerate the future potential of e-beam

1 New organization
- Spin off e-beam into a new business area with dedicated management
- Management under C. Flükiger
- Preparations ongoing - implementation by Q2 2013

2 New applications
- Focus on new markets and applications
- Business development and execution

3 Investment focus on
- Commercialization of the technology
- Production infrastructure

Approach to gain new customers

1. Service
   - COMET offers service line Refurbishing of old emitters

2. Applikations-Labor Comet
   - Feasibility test in COMET lab with specific object customer wishes to test

3. Lab-Unit
   - Customer can buy a Lab-Unit and test e-beam on his own, IP-Protection

4. Development
   - Application- and Product-Development

5. Integration
   - COMET supports with integration into customers production line

6. Production
   - Comet produces e-beam sources for the customers

7. SW-Simulation
   - Feasibility test through software simulation

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Strategic building blocks IXT

Innovative Technologies
- High and ultra-high power tubes (HP, UHP)
- High energy (450-800 kV), low energy (30-100 kV)
- Generator (Trinity)
- Intelligent x-ray source (iVARIO)
- E-beam

Strong Growth
- Launch of the new line of generators in 2013
- Scaling of existing product innovations (high and low energy, e-beam) through product variants for new applications (e.g., sorting)
- Optimization and expansion of sales channels in Asia
- Optimization of business and marketing communication (2nd level marketing)

Emerging Business
- Accelerated development of the e-beam business

Operational Excellence
- Paperless processes, reduction of interfaces
- Further reduction in throughput time (one shot), yield optimization (yield management), expansion of drop shipping
- Cost-effective design (new generator line, e-beam emitter, packaging)