Presentation of Results for the First Half of 2014

Ronald Fehlmann, CEO
Markus Portmann, CFO

Agenda

1 COMET Group at a Glance  R. Fehlmann
2 Review HY 1, 2014
   Business Segments
   Geographical Evolution  R. Fehlmann
3 Financial Results  M. Portmann
4 Outlook 2014  R. Fehlmann
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COMET Group at a glance

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

- 13 subsidiaries / branch offices worldwide
- CHF 249.6m sales*
- 99% of sales from outside Switzerland
- SIX SWISS Exchange (2002 COTN)

Employees > 930

Established 1948

*2013

With 3 technologies, COMET is contributing key solutions

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

**RF power**
- Plasma control
  - Semiconductor
- Thin-film solar
- Medical

**ebeam**
- Sterilization
  - Food and pharma packaging

About 58.1% of group sales
About 39.7% of group sales
About 2.2% of group sales
Disciplined implementation of strategy bearing fruit: Substantial growth in sales and earnings

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Net sales in CHF</strong></td>
<td>+25.0% vs. previous year</td>
</tr>
<tr>
<td></td>
<td>from 106.0m to 132.6m</td>
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<tr>
<td><strong>EBITDA in CHF</strong></td>
<td>+9.6% vs. previous year</td>
</tr>
<tr>
<td></td>
<td>from 9.8m to 10.7m</td>
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<tr>
<td><strong>EBITDA margin</strong></td>
<td>from 9.2% to 8.1%</td>
</tr>
<tr>
<td></td>
<td>mainly due to negative currency</td>
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<tr>
<td></td>
<td>effects</td>
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<tr>
<td><strong>Net income in CHF</strong></td>
<td>+64.9% vs. previous year</td>
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<tr>
<td></td>
<td>from 2.7m to 4.4m</td>
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</table>
Strong financial position

- **Free Cash Flow in CHF**: substantially improved from -3.3m to 8.3m
- **Equity ratio**: continues to be strong from 60.5% to 59.3%
- **Net debt in CHF**: further reduced from 29.8m to 12.3m

Portable x-ray business integrated in XET segment to better exploit synergies
Review HY1 2014

Sales growth in all segments

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<table>
<thead>
<tr>
<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>53.0m (HY1 2013: 45.5m*)</td>
<td>52.6m (HY1 2013: 33.3m)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5.3% (HY1 2013: 4.7%*)</td>
<td>15.3% (HY1 2013: 8.7%)</td>
</tr>
</tbody>
</table>

*restated

XET: Market position expanded
Investment in growth weighs on profitability

+8.5% growth in local currencies thanks to
- Well-proven forward strategy of marketing complete x-ray sources
- Intensified market development in NDT core business
- Growth in security inspection with new projects

4.1% EBITDA margin vs. 17.0% HY1 2013
- Strategic investments in ebeam
- Investment in R&D and expansion of sales channels to stimulate future growth in x-ray sources
- Move of US facility to new location

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EBT: ebeam according to plan

- Integration of ebeam into Tetra Pack packaging platforms according to schedule
  - first machine delivered to Japan
- Preparations of facility and supply chain ongoing to scale up production of ebeam engines
- >100m packs sterilized and sold in field test
- Business development ongoing, current focus on
  - Inactivation of dry granular food
  - Sterilization of web based pharma products

PCT: Powerful, profitable growth in semicon market

+64.2% sales growth in local currencies reaping benefits of previous year’s investments
- RF matchbox: growth with key accounts and new customers driven by customers’ switch to more complex plasma processes
- VacCaps: growth driven by demand from semicon, flat panel display, and Science projects
- RF generators: progress with projects in Korea, development of new powerful features for future deployment in semicon market

Sharply improved EBITDA margin of 15.3% vs. 8.7% HY1 2013
- mainly due to higher volume
**IXS: Strong, profitable growth**  
Strategic investments in front-end pay off

- + 20.5% sales growth* vs. HY1 2013
  - Intensified and strengthened front-end management
  - Growth especially in foundries, tires and wheels market

Improved EBITDA margin of 5.3% EBITDA vs. 4.7% HY1 2013
- driven by higher volume
- despite investment in CT (e.g. new products, concentrating capabilities at the Hamburg location), move to new US facility

New family of computed tomography (CT) systems

**Geographical Evolution and Sales Split**

**Growth in all regions**

**Net sales growth vs. HY1 2013**
- **USA**: +66.3%*
- **Europe**: +21.1%*
- **Asia**: +16.3%*
- **RoW**: +76.3%*

**Geographical distribution of net sales**
- **Europe**: 25%
- **USA**: 39%
- **Asia**: 32%
- **RoW**: 4%
Financial Results

Strong net sales as planned, affected by negative currency effects

Volume effect in local currencies
CHF +31.1m

Negative currency effect
CHF -4.5m

<table>
<thead>
<tr>
<th>CHF millions</th>
<th>Net Sales HY 2013</th>
<th>Elimination intersegment sales</th>
<th>XET</th>
<th>PCT</th>
<th>IXS</th>
<th>CHF</th>
<th>Elimination intersegment sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>106.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+21.4</td>
<td></td>
</tr>
<tr>
<td>-2.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+9.3</td>
<td></td>
</tr>
<tr>
<td>+2.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+0.3</td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>-0.9</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-2.1</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>-1.8</td>
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<tr>
<td>132.6</td>
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</tbody>
</table>
Financial Results

Net exposure of CHF 32m to USD for HY 2014

- Stronger CHF had an adverse impact on sales and EBIT
- **Net sales:** The net impact of the stronger Swiss franc amounted to CHF 4.6m (USD -3.2m; EUR -0.3m; JPY -0.8m; other currencies -0.3m)
- **EBIT:** net impact of CHF 1.8m; (USD -1.6m; CNY -0.2m)

X-Ray Systems

**IXS:** Increase in net sales and investments in front-end to support growing business

**Net sales** (Increase 16.5%, 20.5% in LC*)

<table>
<thead>
<tr>
<th></th>
<th>HY1 2013 1)</th>
<th>HY1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF millions</td>
<td>45.5</td>
<td>53.0</td>
</tr>
</tbody>
</table>

1) restate

**EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>HY1 2013 1)</th>
<th>HY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF millions</td>
<td>2.1</td>
<td>2.8</td>
</tr>
</tbody>
</table>

* at constant exchange rates
XET: Increase in net sales; investments to stimulate future growth with ebeam and x-ray

PCT: Strong increase in net sales and volume related increase in profitability
Financial Results

Strongly growing net sales as a result of strategic initiatives temporally impacting margins

<table>
<thead>
<tr>
<th>HY</th>
<th>2014</th>
<th>2013</th>
<th>Absolut</th>
<th>Change in%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incoming Orders</td>
<td>134'971</td>
<td>131'452</td>
<td>3'519</td>
<td>2.7%</td>
</tr>
<tr>
<td>Net sales</td>
<td>132'583</td>
<td>106'046</td>
<td>26'537</td>
<td>25.0%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-84'027</td>
<td>-64'424</td>
<td>-19'604</td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>48'556</td>
<td>41'622</td>
<td>6'934</td>
<td></td>
</tr>
<tr>
<td>Gross profit margin in %</td>
<td>36.6%</td>
<td>39.2%</td>
<td>-2.6%</td>
<td></td>
</tr>
<tr>
<td>Other operating income</td>
<td>1'646</td>
<td>1'555</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>Development expenses</td>
<td>-15'366</td>
<td>-13'715</td>
<td>1651</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>-29'336</td>
<td>-25'100</td>
<td>-4'236</td>
<td></td>
</tr>
<tr>
<td>Operating income (EBIT)</td>
<td>5'500</td>
<td>4'362</td>
<td>1'138</td>
<td>26.1%</td>
</tr>
<tr>
<td>Financing result and income taxes</td>
<td>-1'072</td>
<td>-1'876</td>
<td>604</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>4'428</td>
<td>2'686</td>
<td>1'742</td>
<td>64.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10'728</td>
<td>9'791</td>
<td>937</td>
<td></td>
</tr>
<tr>
<td>EBITDA margin in %</td>
<td>8.1%</td>
<td>9.2%</td>
<td>-1.1%</td>
<td></td>
</tr>
</tbody>
</table>

Financial Results

Net income in HY1 2014 increased by 65% driven by operating income and low taxes

- Operating income of CHF 5.5m (PY CHF 4.4m)
- Net financing expenses CHF 0.3m (PY CHF 0.3m)
- Income tax expense CHF 0.8m (PY CHF 1.4m)
Financing results

Lower interest expense due to reduced debt offset by lower FX gain

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

- Interest expenses were CHF 0.6m (PY CHF 0.9m) related mainly to senior debt and mortgage on building in Flamatt
- A net currency transaction gain was recorded in the income statement of CHF 0.3m (PY CHF 0.6m)
- 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 loss of CHF 0.8m was recorded directly to equity, mainly related to the net asset exposure in Euro

Income tax

Low income tax rate due to part of profits occurring in entity with tax loss carry-forwards (w/o DTA)

- Applying the expected Group tax rate, the EBT of CHF 5.2m would lead to an expected tax expense of CHF 1.5m

- Total income tax expense reported sums up to CHF 0.8m (PY CHF 1.4m). The difference to the expected tax expense of CHF 1.5m is explained as follows:
  - Effect of profits with tax loss carry-forwards CHF 0.7m (w/o DTA)
  - Tax holiday Canton of Fribourg CHF -0.1m
  - Other effects, net CHF 0.1m

- The base income tax rate for normalized profits is at 28%. The expected effective tax rate for FY 2014 will be higher than in HY1 (different mix of profit contributing entities)
Financial Results

Slight increase of total assets and sound balance sheet ratios

<table>
<thead>
<tr>
<th></th>
<th>Jun 30, 2014</th>
<th>Dec 1, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td>122.9%</td>
<td>120.1%</td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td>107.1%</td>
<td>107.7%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>230.0%</td>
<td>227.8%</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td>93.6%</td>
<td>90.0%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>136.4%</td>
<td>137.8%</td>
</tr>
<tr>
<td><strong>Total Liability and Equity</strong></td>
<td>230.0%</td>
<td>227.8%</td>
</tr>
</tbody>
</table>

- Increase in total assets amount driven by a slight sales related working capital increase in inventory and receivables
- Temporary decrease in equity ratio to 59.3% as dividend payment exceeded YTD net income (and total comprehensive income)

Financial Results

Strong cash flow from operating activities as a result of tight NWC management

<table>
<thead>
<tr>
<th>Description</th>
<th>CHF millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Cash as per 1.1.2014</td>
<td>18.2</td>
</tr>
<tr>
<td>b) Net income HF 2014</td>
<td>4.4</td>
</tr>
<tr>
<td>c) Other non-cash income/expenses incl. depreciation/amortization</td>
<td>+5.5</td>
</tr>
<tr>
<td>d) Decrease in NWC</td>
<td>+2.8</td>
</tr>
<tr>
<td>e) Net investment in PP&amp;E and intangibles</td>
<td>-4.5</td>
</tr>
<tr>
<td>f) Net repayment of debt</td>
<td>-6.8</td>
</tr>
<tr>
<td>g) Dividends and interests paid</td>
<td>-0.1</td>
</tr>
<tr>
<td>h) Foreign currency translation losses on cash</td>
<td>-19.4</td>
</tr>
<tr>
<td>i) Cash as per 30.06.2014</td>
<td></td>
</tr>
</tbody>
</table>

CF used in financing activities CHF -7.0m
Free Cash Flow CHF = 8.2m
CF used in investing activities CHF -4.5m
CF provided by operating activities CHF 12.7m
**Improved average working capital ratios**

Working capital ratios compared to HY1 2013

- Net working capital increased by CHF 4.1m or 6.6% driven by growth related increase in inventories and trade receivables. Monthly average net working capital in % of net sales reduced to 24.4% (PY 26.7%) reflecting our efforts to optimize capital employed.

- Increase in trade receivables to CHF 43.3m (PY CHF 37.3m) reflecting strong net sales volumes. DSO (monthly average days sales outstanding) reached 41 days (PY 43 days)

- Inventories increase to CHF 51.9m (PY CHF 42.3m) reflecting the increase in business. DIO (monthly average days inventory outstanding) reached 71 days (PY 73 days)

- Reduction in net working capital due to the completion of Tokyo Museum project (Poc) and significantly increased prepayments from customers

**Increase in Capital expenditures in HY1 2014**

Non-current assets show slight decrease of CHF 0.6m or 0.6% compared to prior year-end despite of accelerated capital expenditures

- Property, plant and equipment and intangible assets reduced by CHF 0.9m

  - Cash capital expenditures as a mixture of replacement and capacity increases totaled CHF 4.5m (PY CHF 3.8m); net increase demo equipment CHF 0.1m

  - Non-current assets included depreciation of CHF 3.5m and amortization of CHF 1.7m (including CHF 1.0m from purchase price allocation of YXLON and Stolberg)

  - Negative translation effects from weaker Swiss franc totaled CHF 0.2m

  - Pension assets slightly increased to CHF 4.0m (PY CHF 3.8m)

- Deferred tax assets increased to CHF 1.6m (PY CHF 1.5m). No capitalization of deferred tax assets on tax loss carry forwards in first half 2014
Stable liabilities and strong equity ratio

Current liabilities increased by CHF 4.3m, mainly driven by:
- Increase in trade payables
- Increase in accrued expenses (bonus, vacation and overtime credits)
- Increase in warranty provisions

Non-current liabilities slightly decreased by CHF 0.7m, mainly due to:
- Decrease in deferred income tax liabilities

Decrease in equity ratio from 60.5% to 59.3%:
- Net income of CHF 4.4m
- Share-based payments of CHF 0.8m
- Distribution to shareholders of CHF 8.00 per share totaling CHF -6.2m
- Other comprehensive income CHF -0.5m (currency translation -0.7m; Pensions 0.2m)

Strongly improved net debt situation, along with an increased equity ratio YoY

- Increase of the equity ratio from 58.3% to 59.3% compared to HY1 2013
- Improved net debt by CHF 17.5m compared to HY1 2013
Outlook 2014

For 2014, Board and management expect

- sales of CHF 275 million to CHF 295 million
- EBITDA operating earnings slightly above prior year
- EBITDA margin between 13% to 14% due to strong CHF
- increase in net income vs. previous year
- return on capital employed to increase further compared to prior year

- Investments in strategic growth initiatives will be continued as planned
  - a study was commissioned to evaluate the facility expansion at the Flamatt site in preparation for the expected future growth in the ebeam segment
HY2 2014: Further strong sales growth expected

<table>
<thead>
<tr>
<th>COMET Group</th>
<th>Expecting stronger HY2 vs. HY1 2014</th>
<th>HY2 2014 Vs. HY2 2013 sales in CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>X-Ray Systems</td>
<td>Growth especially in electronics, tire &amp; wheel segment</td>
<td></td>
</tr>
<tr>
<td>X-Ray &amp; ebeam Technologies</td>
<td>Industrial X-Ray: Stable development with new products and applications, also in security market ebeam: Preparation of rollout for Tetra Pak and targeting of new applications. Increasing sales with ebeam engines and labs, no significant contribution to Group sales in 2014</td>
<td></td>
</tr>
<tr>
<td>Plasma Control Technologies</td>
<td>Slightly lower demand from semicon market expected compared to strong HY1</td>
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</tbody>
</table>


What progress are we making with our growth strategy? Which areas will drive the Group’s development over the medium to long term? How do COMET’s three key technologies help shape current social trends?

Part 1 - Strategy update

Part 2 - Opportunities for growth from customer, geographical and product perspective
- Status of the Tetra Pak roll-out and the progress with new applications
- How PCT is taking advantage of growth opportunities in Asia
- How IXS is incorporating the increasing trend toward 3D in its product platforms
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   all

Financial calendar for the COMET Group

October 29, 2014
   Investor Day in Flamatt

March 19, 2015
   Publication of 2014 annual report
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