FY2020 Financial Results

March 18, 2021

Kevin Crofton, CEO
Lisa Pataki, CFO
Cautionary statement regarding Forward Looking Statements

This document contains forward-looking statements about the Comet Group that may be subject to uncertainty and risk. Readers should therefore be aware that such statements may deviate from actual future outcomes or events. Forward-looking statements in this document are projections of possible future developments. All forward-looking statements are made on the basis of data 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 events or otherwise.
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01 Business & Industry Review

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Delivered a strong 2020: a base for future growth

Robust Financials
All key metrics improved compared to 2019

Resilience in pandemic
Health of employees protected: rapid deployment of pre-emptive measures

Capitalizing on industry trends
Semiconductor industry in supercycle, launched new products during cyclical downturn in traditional x-ray markets

Focus on product & systems solutions
• RF Generator development on track
• IXM new product sales ahead of plan
• IXS turnaround gains traction

Net sales in CHF million
(+6.5% vs. 2019)

EBITDA margin
(FY2019: 10.8%)

Free cash flow in CHF million
(FY2019: CHF 30.1 million)

Return on Capital Employed
(FY2019: 6.5%)
Successful navigation of troubled waters

**Semiconductors**
Record semiconductor capital equipment spend in 2020
Industry entered the first phase of supercycle, accelerated by the pandemic

**Automotive**
Weakness in car demand in the first three quarters
Overall car demand accelerated in Q4 2020, shortage in microchips

**Aerospace**
Unprecedented reduction in commercial air traffic miles and aircraft demand
Private aviation and defense less impacted

**Security**
Impacted by lower mobility due to COVID restrictions, reduction in trade
2020 Group accomplishments: foundation for the future

Divested Division

ebeam Technologies

Expanded global footprint
asset-light approach

Penang, Malaysia
Aachen, Germany
Qionglin, Taiwan,
co-located at the Hsinchu
Science Park

Reacted with safe response to
the COVID pandemic

Health of employees protected
Undiminished ability to serve
customers

Ongoing cultural change
initiatives boosting a higher-
performing organization

Leadership program with 70
managers and top talents
Division accomplishments in 2020: PCT leading with sharply higher financial performance

- Design wins in matchboxes, market share gains in China, capacitor production expanded
- Production in Penang up and running ten months after investment decision
- Financial performance sharply up

- Challenged by weakness in industrial markets, partly offset by increasing exposure to electronics
- Right-sized to 2020 business environment, commercial successes of narrowed product range
- EBITDA break-even achieved in H2 2020; invested into AI, ML/DL future with acquisition of ORS

- Exposure to cyclical industries weighed on performance, downturn well-managed
- Anti-cyclical investment into new innovative products: rapidly adopted by customers
- Significant efficiency gains: double-digit EBITDA margin achieved
Summary

• Execution on strategic growth objectives reflected in strong financial performance
• All divisions building momentum
• Market conditions in semi favorable to capitalize on opportunities
• Automotive, aerospace, security markets stabilized toward year-end
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# FY2020 Financial Results

## Financial Results

<table>
<thead>
<tr>
<th>in CHF million</th>
<th>2020</th>
<th>2019</th>
<th>Y-O-Y (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>395.8</td>
<td>371.6</td>
<td>+6.5%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>39.8%</td>
<td>38.4%</td>
<td>+140 bps</td>
</tr>
<tr>
<td>EBITDA (1)</td>
<td>58.6</td>
<td>40.0</td>
<td>+46.5%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>14.8%</td>
<td>10.8%</td>
<td>+400 bps</td>
</tr>
<tr>
<td>Net income</td>
<td>27.7</td>
<td>12.0</td>
<td>+130.8%</td>
</tr>
<tr>
<td>Free cash flow (2)</td>
<td>41.6</td>
<td>30.1</td>
<td>+38.2%</td>
</tr>
<tr>
<td>Return on Capital Employed (ROCE) (3)</td>
<td>13.6%</td>
<td>6.5%</td>
<td>+710 bps</td>
</tr>
</tbody>
</table>

(1) including a gain of CHF 4.0m from the divestment of the Division ebeam Technologies
(3) NOPAT/Capital Employed
(4) rounding differences may occur

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(2) Free cash flow = Operating Cash Flow – Net Investing Activities
## FY2020 Division Results*

<table>
<thead>
<tr>
<th>Division</th>
<th>Net sales [in CHF million]</th>
<th>EBITDA margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PCT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2019</td>
<td>10.1%</td>
<td></td>
</tr>
<tr>
<td>FY2020</td>
<td>224.7</td>
<td>22.0%</td>
</tr>
<tr>
<td><strong>IXS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2019</td>
<td>8.6%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>FY2020</td>
<td>139.6</td>
<td>106.8</td>
</tr>
<tr>
<td><strong>IXM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2019</td>
<td>27.8%</td>
<td></td>
</tr>
<tr>
<td>FY2020</td>
<td>78.1</td>
<td>61.4</td>
</tr>
</tbody>
</table>

* without Division ebeam Technologies (divestment closed end of November 2020): net sales 14.6m CHF / EBITDA loss of 0.6m CHF (excl. gain from divestment of 4.0m CHF)
<table>
<thead>
<tr>
<th>in CHF million, otherwise indicated</th>
<th>2020</th>
<th>2019</th>
<th>Y-O-Y (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>74.7</td>
<td>60.3</td>
<td>+23.9%</td>
</tr>
<tr>
<td>CapEx (1)</td>
<td>13.6</td>
<td>18.6</td>
<td>-26.9%</td>
</tr>
<tr>
<td>CapEx as % of sales</td>
<td>3.4%</td>
<td>5.0%</td>
<td>-160 bps</td>
</tr>
<tr>
<td>Net working capital</td>
<td>69.4</td>
<td>80.7</td>
<td>-14.0%</td>
</tr>
<tr>
<td>Net working capital as % of sales (2)</td>
<td>21.8%</td>
<td>24.1%</td>
<td>-230 bps</td>
</tr>
<tr>
<td>Net debt</td>
<td>7.1</td>
<td>25.0</td>
<td>-71.6%</td>
</tr>
<tr>
<td>Net debt / EBITDA</td>
<td>0.1</td>
<td>0.6</td>
<td>-0.5</td>
</tr>
</tbody>
</table>

(1) tangible and intangible items, excl. other items included in Net Cash Flow from Investing Activities  
(2) measured on a 12 months average basis  
(3) rounding differences may occur
## FY2020 Balance Sheet & Financial Metrics

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Y-O-Y (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity (in CHF million)</strong></td>
<td>215.0</td>
<td>195.9</td>
<td>+9.7%</td>
</tr>
<tr>
<td><strong>Equity ratio (1)</strong></td>
<td>50.1%</td>
<td>50.0%</td>
<td>+10 bps</td>
</tr>
<tr>
<td><strong>Earnings per share (in CHF)</strong></td>
<td>3.56</td>
<td>1.55</td>
<td>+129.7%</td>
</tr>
<tr>
<td><strong>Dividend per share (in CHF)</strong></td>
<td>1.30</td>
<td>1.00</td>
<td>+30.0%</td>
</tr>
<tr>
<td><strong>Pay-out ratio</strong></td>
<td>37%</td>
<td>65%</td>
<td>–</td>
</tr>
</tbody>
</table>

(1) equity/total assets  
(2) rounding differences may occur
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Demand drivers in Comet’s targeted industries intact, momentum building in nearly every sector

Semiconductors

Semiconductor industry in new supercycle

Front-end:
- Unprecedented surge in demand for all chips
- New capacity investment
- Taller stacks in 3D NAND > 100 layers in 2021

Back-end: more complex IC packaging requiring x-ray inspection

Automotive

Car demand accelerates across several regions

Chip shortages hampering car production only temporary

Investments in e-mobility and autonomous driving:
- Increased number of safety-critical electronics parts
- Smaller, high-performance components
- Energy-efficient batteries and drives

Aerospace

Some optimism in civil aviation for 2021

Private aviation and defense segments proved to be robust

Structural growth in air travel in Asia, particularly China

Security

Long-term growth in global goods trade

New and evolving security threats across various industries

Structural growth in travel in Asia
Stringent implementation of division strategies in 2021, focus on execution

**PCT**
- Go-to-market: new RF Generator; extend market share: RF Match products
- Fill Penang plant with volume production
- Secure global best cost supply chain
- Manage capacity expansion amid buoyant demand

**IXS**
- Gain market share and capture opportunities in post-COVID recovery
- Continue streamlining product portfolio
- Strengthen footprint in electronics: leverage new location in Taiwan
- Go beyond inspection: develop AI and ML/DL offering after ORS acquisition

**IXM**
- Extend and expand product portfolio in key focus markets (electronics)
- Gain share in served markets
- Harvest fruits from investments into R&D during pandemic: roll-out new products
- Enhanced profitability by bringing IXM production online in Penang
Outlook: confidence in FY 2021

**Priority to the safety of all employees and customers**
Protect our team, support our customers

**Continued growth of global semi market in 2021**
Growth opportunities and margin expansion in PCT
Expanding Applications for IXS and IXM

**Initial signs of recovery in automotive, aerospace and security**
Gradual improvement of x-ray businesses

**Stringent execution of growth strategy & cultural change**
Create a more focused, agile, sustainable, fast, customer-centric company

**Push ESG program to support value creation**
Report on Comet’s impact on environment and society

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**Guidance FY2021**

**Revenue (in million CHF)**
430 to 460

**EBITDA margin (in %)**
17.0 to 19.0