

Octavian Seminar

Zurich, Switzerland / January 12, 2023

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.

Global presence close to our customers

42%
of 2021
group sales

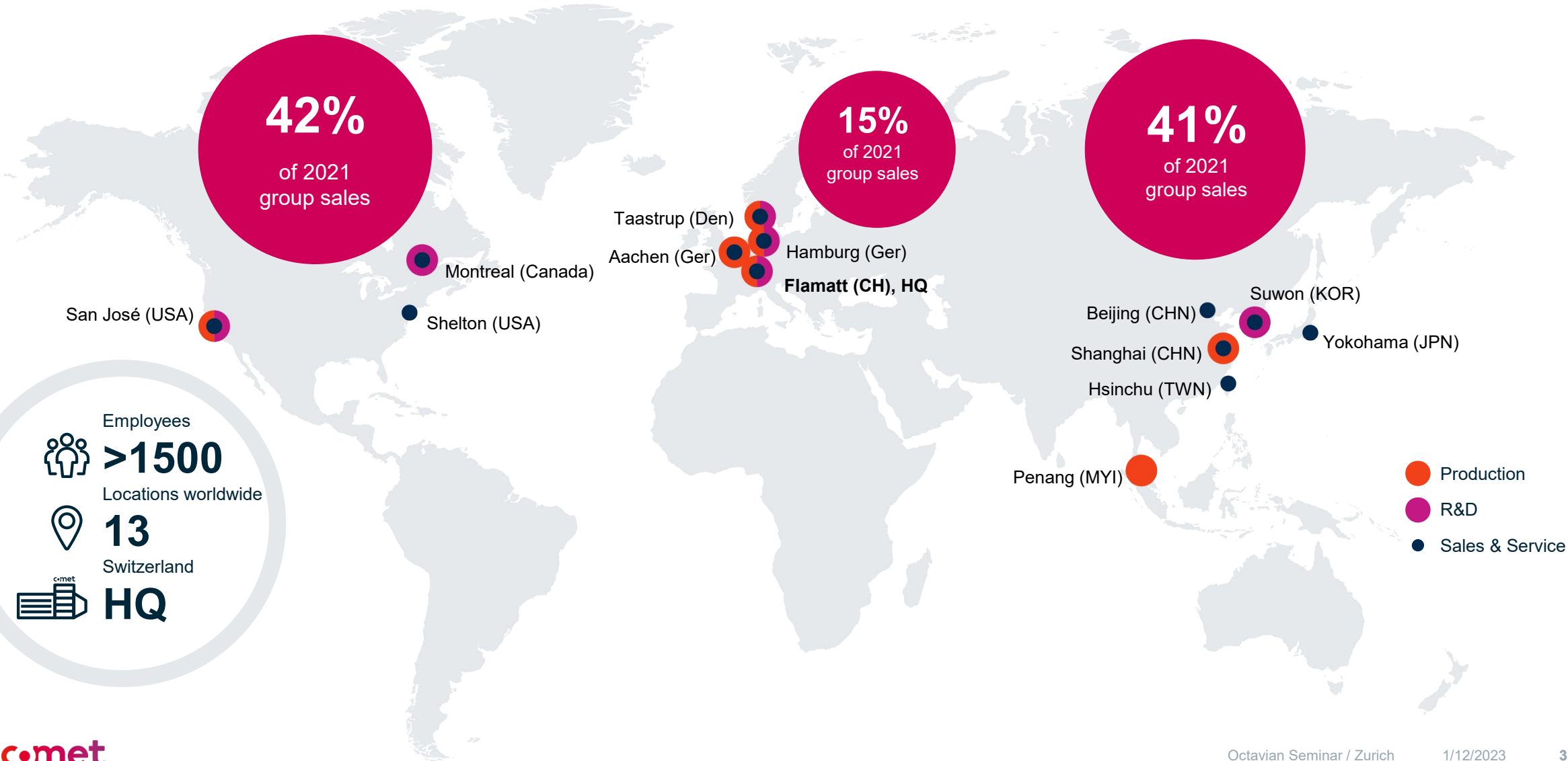
15%
of 2021
group sales

41%
of 2021
group sales

Employees **>1500**

Locations worldwide **13**

Switzerland **HQ**

Leading market positions in radio-frequency (RF) power delivery and x-ray technology

Plasma-Control Technologies (Division PCT)

#1

in vacuum capacitors
and matchboxes



59%

of Group sales FY21

Industrial X-Ray Systems (Division IXS)

Top 3

in served markets



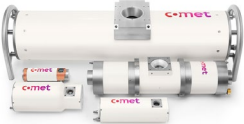
28%

of Group sales FY21

Industrial X-Ray Modules (Division IXM)

#1

in metal ceramic x-ray tubes

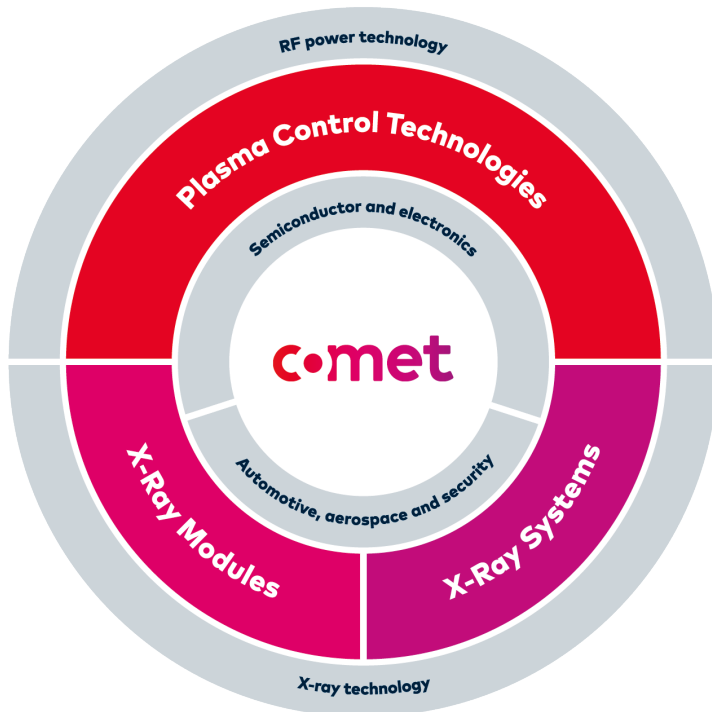


13%

of Group sales FY21

Focus strategy as the key to success

Strategic focus

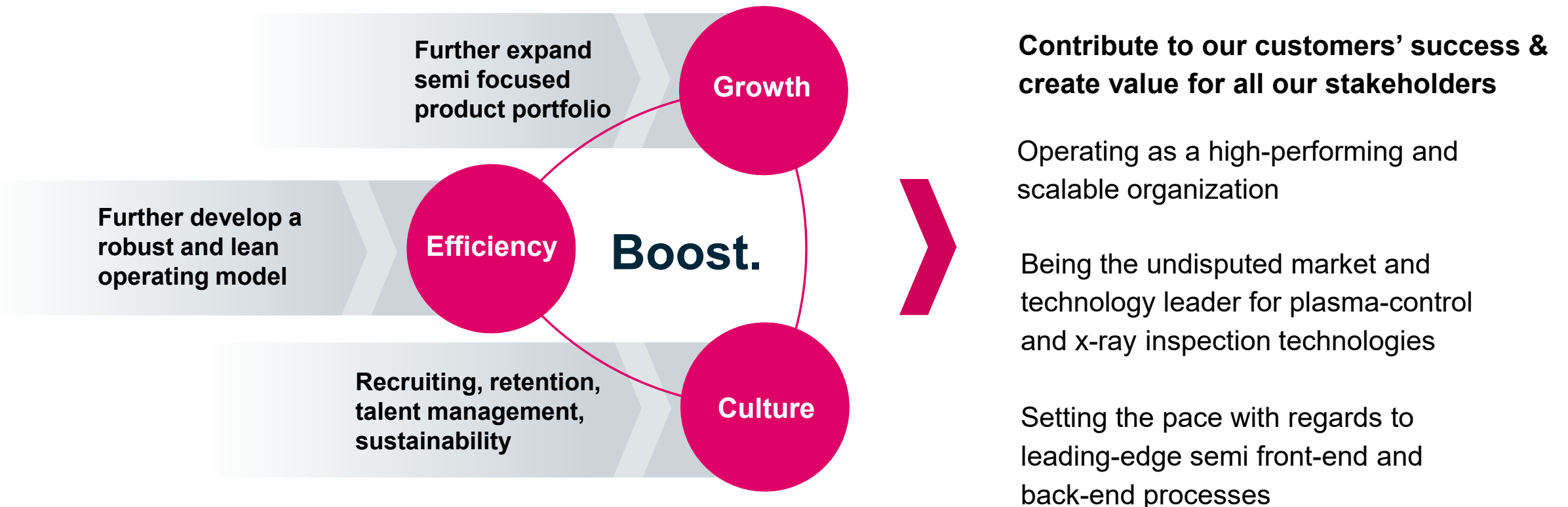


- 1 company
- 2 core technologies
- 3 divisions
- 4 primary end markets with a focus on semi/electronics

Boost program

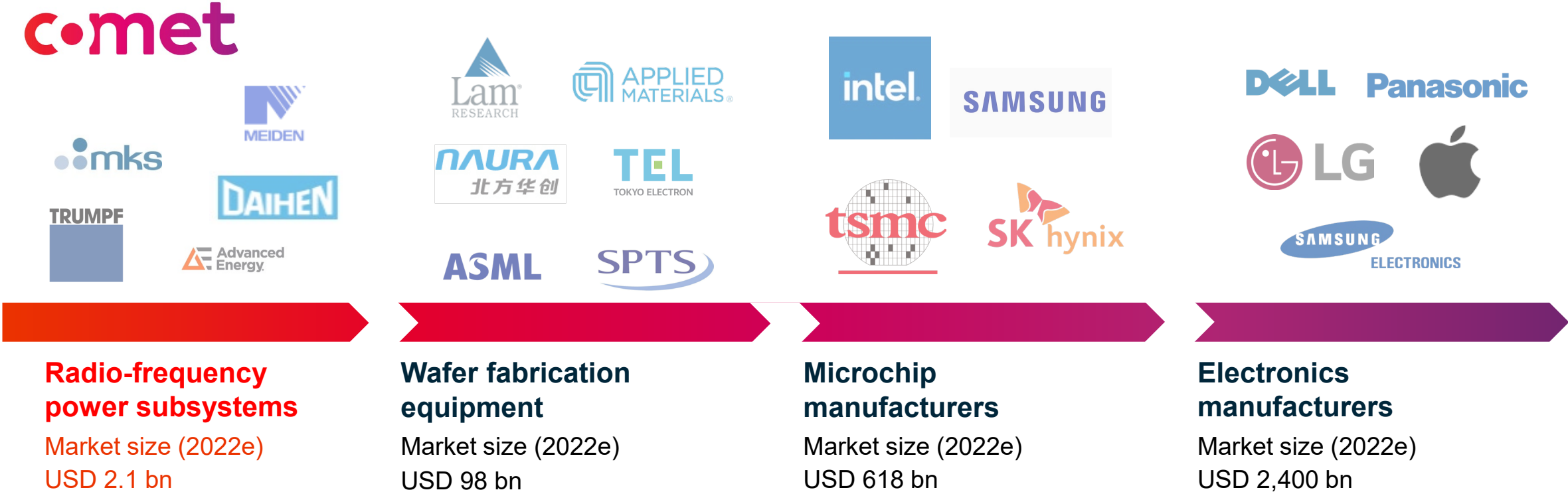


Growth ambitions based on a sound strategic framework



**Well positioned to benefit from
growth in our target markets**

A vital role in the global semiconductor value chain: total available market (TAM) of USD 2.0 bn



Sources: Gartner, TechInsights

Comet covers the semi / electronics value chain from the front-end to the back-end



comet
pct

RF power subsystems for wafer fabrication equipment

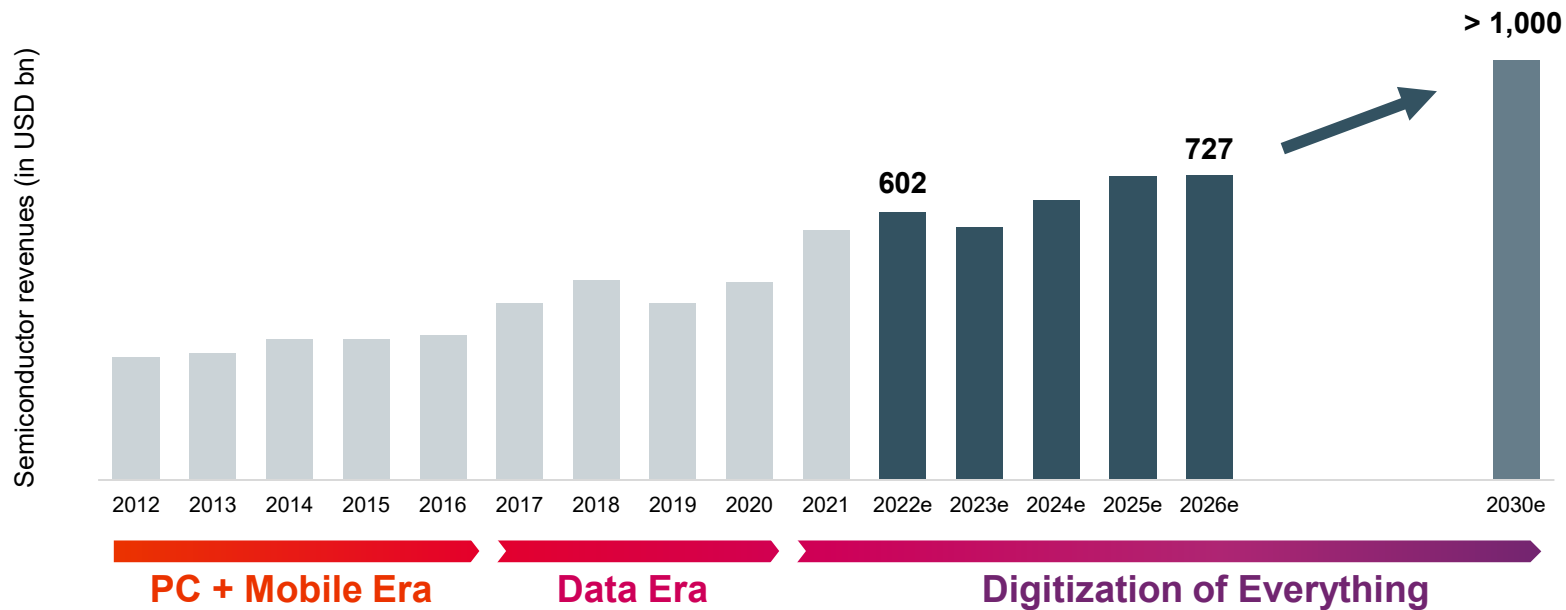
comet
x-ray

comet
yxlon

X-ray systems and modules for quality control of semiconductors and electronic components

Structural long-term demand growth for microchips remains unbroken with diversification of end markets

Worldwide semiconductor revenues estimated to exceed USD 1 trillion by 2030

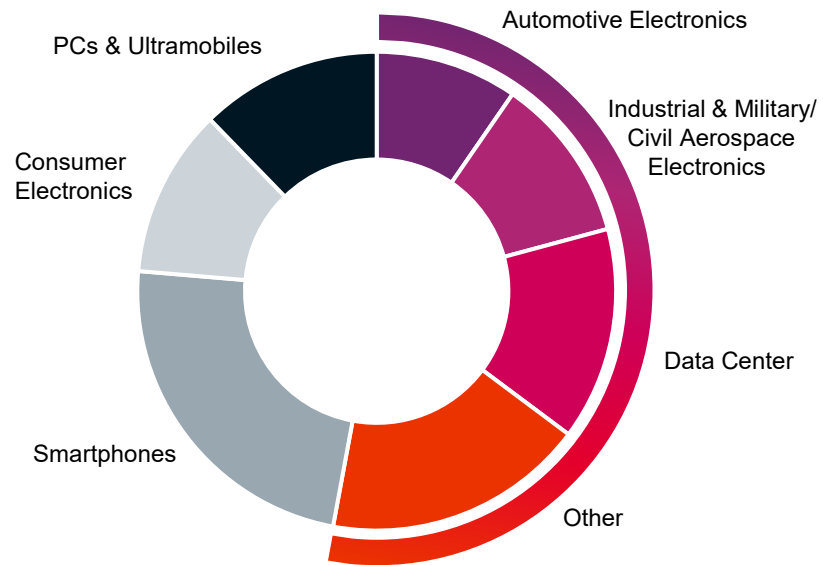


- Semi demand fueled by data-driven economy and AI
- Cyclical semi downturn pulled forward from 2024 to 2023
- Driver of downcycle: memory
- Logic/Foundry still expected to grow
- Projected revenue growth 2023: -6.5%, excl. memory at -2.5%

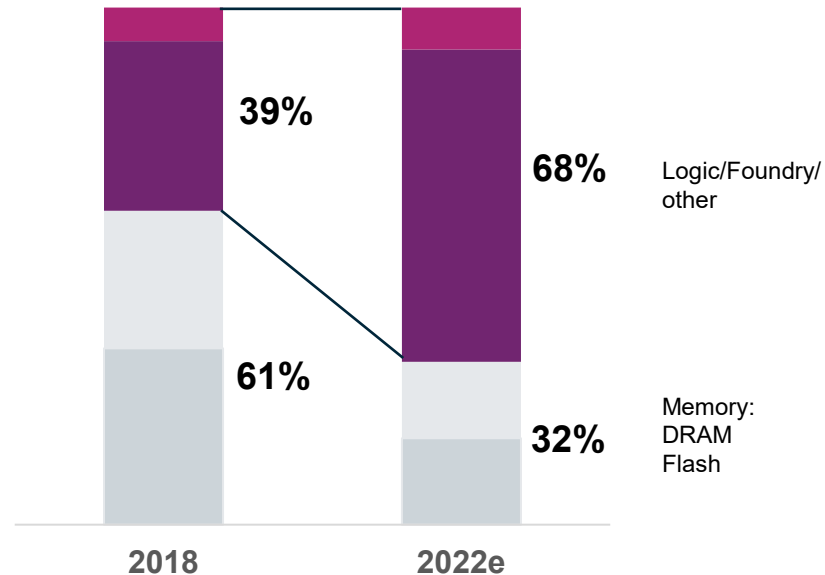
Sources: Gartner Semiconductor and Electronics Forecast Database, Worldwide, Q3/22 update; Comet, Semi, TechInsights, McKinsey.

Diminished influence of memory and consumer-driven end markets compared with previous years

Semiconductor revenues 2022e by end market



WFE spend by device type

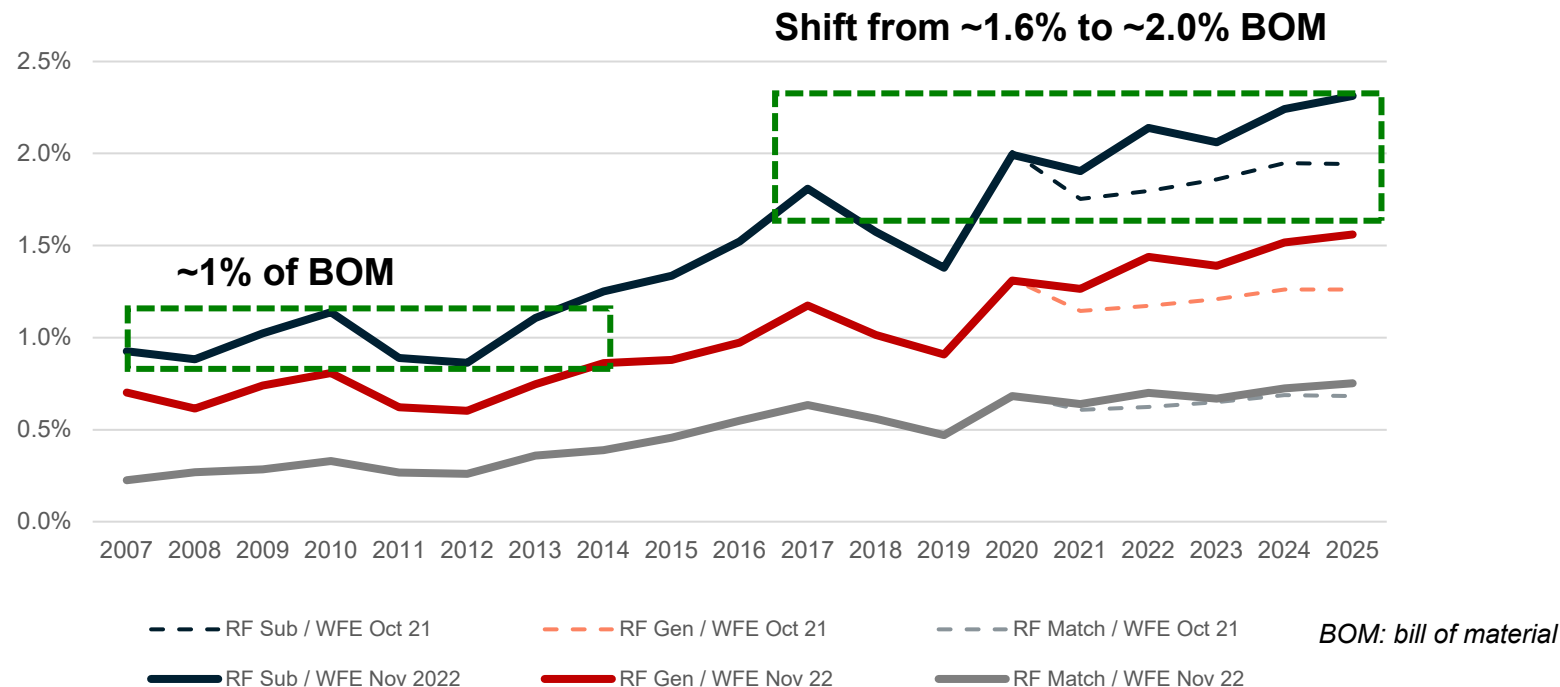


- Macro uncertainty weighs on consumer electronics, smart phones, PCs
- Non-consumer segments: >50% of market
- Memory: lower share of total market
- Logic/Foundry customers continue to invest
- Comet: <50% memory exposure (2018: approx. 70%)

Sources: Gartner, Semi

Chip (device) complexity requires more plasma-based equipment and RF power subsystems

RF Power Ratio to WFE



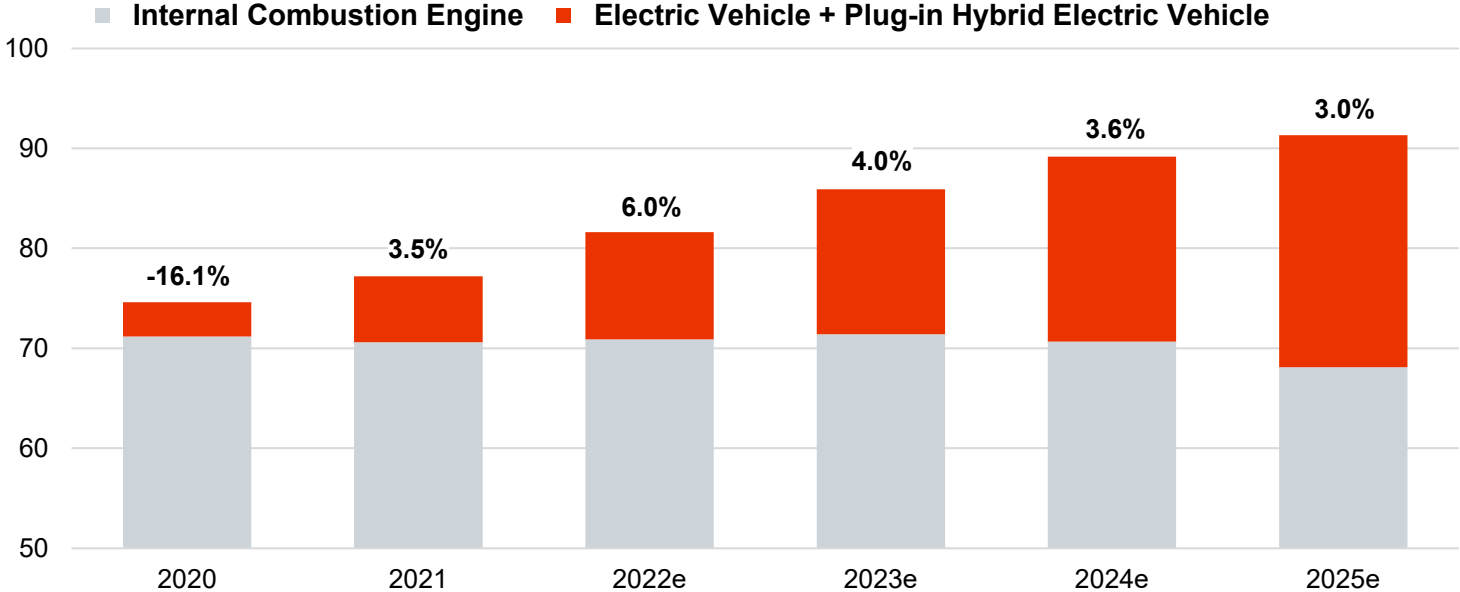
- WFE spend forecasts yoy*:
2022: 8.6% / 2023: -18.3%
- Bill of materials for RF subsystems per production unit increasing:
 - complexity chip architectures
 - smaller technology nodes
- RF Subsystem expected CAGR 2021 to 2025: 10.3%

* Average of 6 estimates for 2022 and 5 estimates for 2023 (Gartner, Semi, TechInsights, Lam Research, KLA, Applied Materials (2022 only))

Sources: TechInsights, company data

Transition to electric vehicles opens attractive entry point

Global light vehicles production forecast (million units and yoy growth)

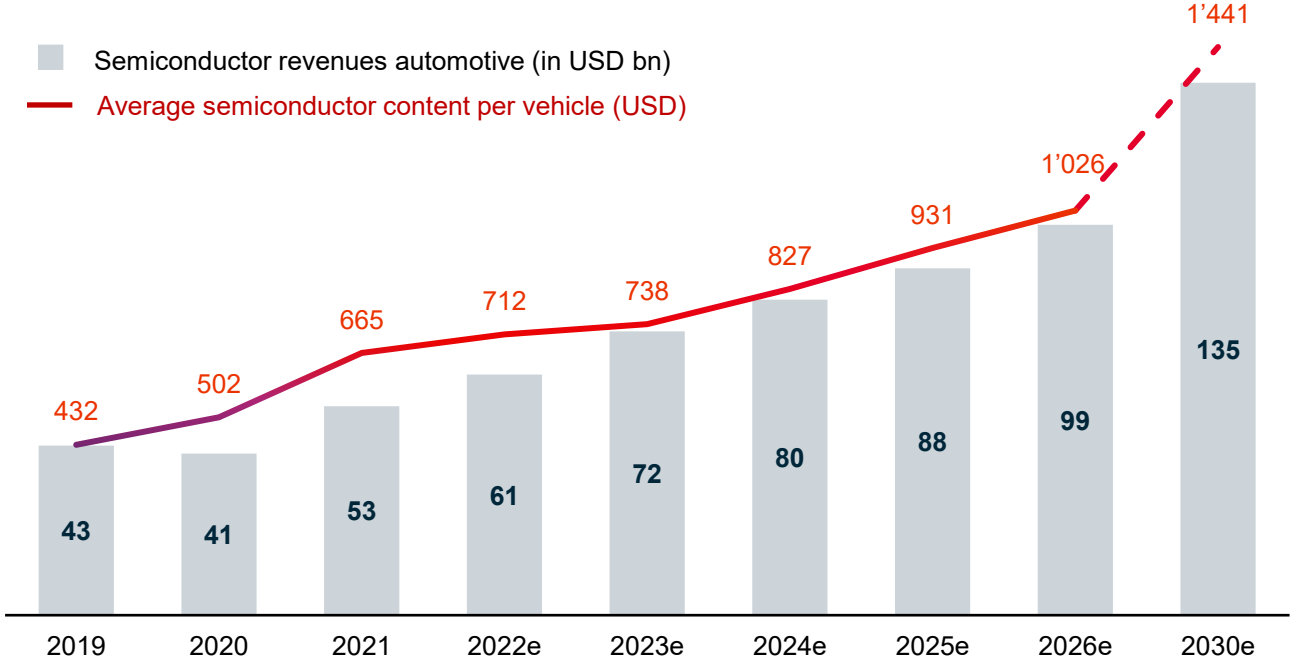


- CAGR 2021 to 2025e: approx. 5%
- Accelerated transition towards EVs
- EV production share: 8.5% in 2021 to ~28% in 2025e

Sources: IHS Markit Sept 2022, Comet

Average semiconductor content per vehicle expected to exceed USD 1,000 by 2026

Automotive industry: microchips revenues >USD 100bn by 2030



Opportunities:

- Significantly higher microchips value in EVs
- Battery inspection with x-ray

Source: Gartner Semiconductor Forecast Database, Worldwide, 2022 Update

**Consistently pursuing our
medium-term goals**

Proximity to customer, production, R&D: expansion laying the foundation for future growth

Expansion focus on fast growing Asian markets



**Aachen
Germany**

Production of Synertia®



**Montreal,
Canada**

AI expertise through acquisition of ORS



**Suwon,
South Korea**

Design center for Asian customers



**Hsinchu,
Taiwan**

Demonstration/training center for local customers



**Yokohama,
Japan**

Offering for customers expanded



**Penang,
Malaysia**

Assembly of RF matches



**Flamatt,
Switzerland**

Expansion of vacuum capacitor production



**Shanghai,
China**

Activities consolidated in one site

Preparing for further growth



San Jose: consolidation of 4 sites into 1 (2023), focus on new product introduction and pilot line

Location(s) to be evaluated:

Looking beyond 2025 to capture additional growth in matchboxes and vacuum capacitors

Penang: a crucial step towards our 2025 targets

Move of global high-volume matchbox assembly from San Jose to Penang progressing, completed by mid-2023

San Jose



This stays in SJ:

R&D: Innovation Center Lab One

Close to major customers

Consolidation of operations into one building (early 2023)

high-volume
production



Penang



Major driver for 2025 targets achievement

Close to Asian growth markets

Local supply chain installed

Serving customers globally

Favourable labor costs

Expansion opportunities



PCT: successful Synertia® launch



- Product launch at Semicon West in July 2022
- Beta site tests with 8 potential customers underway
- First purchase orders received
- Marginal sales in FY22, ramp-up in FY23, significant revenues expected in FY24



IXS: portfolio transformation on track



- Progressed in strategy execution: number of hardware and software platforms reduced to targeted level
- Enhance productivity at customers through integration of AI-based visualization software well on track with first launches in 2022
- Focus on high-growth semiconductor and electronics markets on track
- Improvement in financial performance back-end loaded towards 2025 targets



IXM: grown market position in semi/electronics, battery

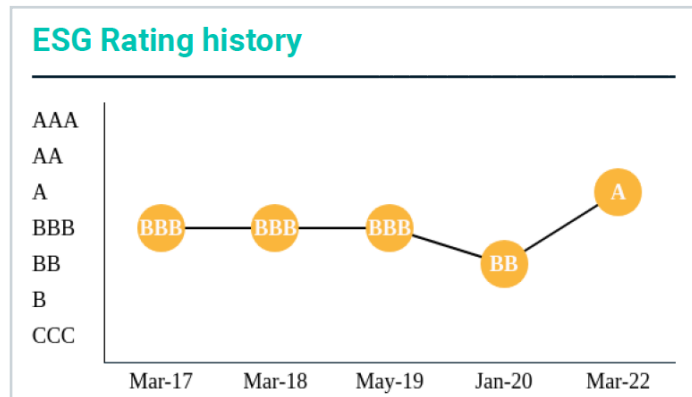


- New products: 13% of Division sales in 2022e
- Market share grown in semi/electronics
- Sales/marketing activities in focus market Asia ramped up
- Strong entry into battery market based on MesoFocus platform



Making sustainability part of our DNA

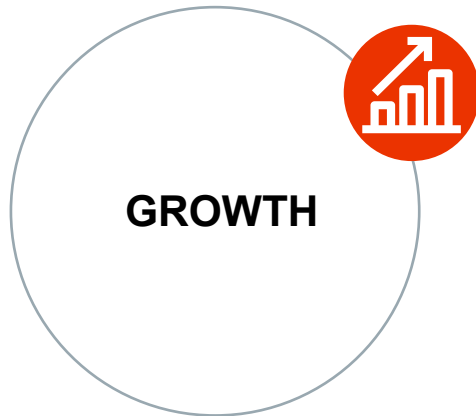
- Comprehensive ESG program initiated in early 2021
- Published first sustainability report in March 2022 (in accordance with GRI Standards)
- GHG Protocol:
 - Scope 1 and 2 emissions for the years 2020 to 2022 calculated
 - Scope 3 screening completed by year-end 2023
- Disclosed to CDP Climate Change
- MSCI rating improved: BB → A
- 2023: commit to SBTi targets, non-financial KPIs for exec compensation



Energy consumption (total)	MWh	15,787
Electricity (total)	MWh	11,571
of which renewable	MWh	8,283
Heating (total)²⁾	MWh	3,637
Natural gas	MWh	2,535
LPG/propane	MWh	1,102
Fuels (total)	MWh	579
Diesel	MWh	467
Petrol	MWh	112
Greenhouse gas emissions (total)³⁾	tCO₂e	2,923
Greenhouse gas emissions (total)		
Scope 1 (total)	tCO₂e	927
Heating	tCO ₂ e	774
Fuels	tCO ₂ e	153
Scope 2 (total)	tCO₂e	1,996
Electricity ⁴⁾	tCO ₂ e	1,996

Financials

Continued focus on growth drivers, operating leverage and capital deployment



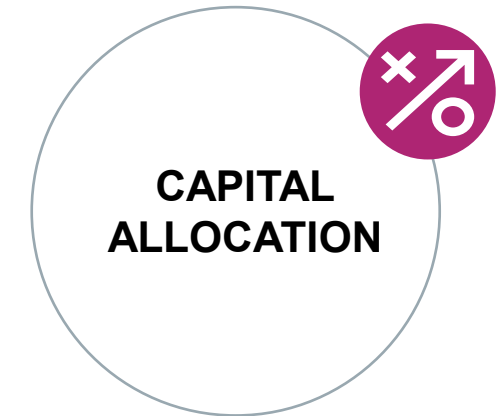
- Industry growth drives demand for Comet's technologies
- New products and applications will open new addressable markets



- Committed to operational excellence
- Focused investments in R&D to drive our semi / electronics product portfolio



- Strengthened balance sheet absorbs business cycle uncertainties
- Asset light manufacturing in Penang, Malaysia allows for speed and flexibility

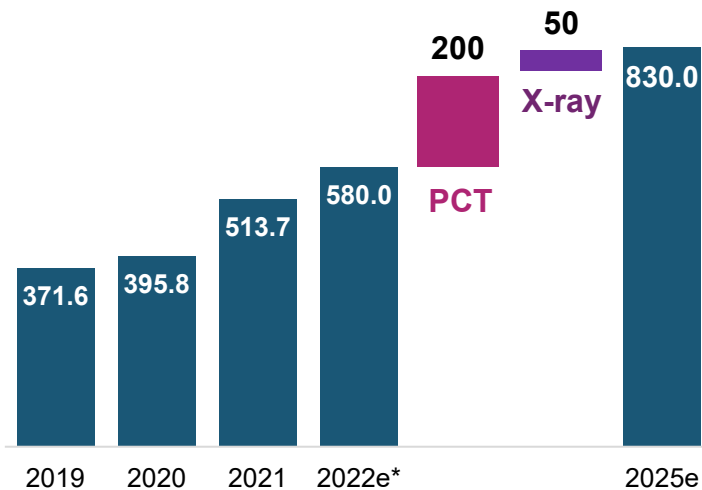


- Strategic capital allocation to support growth initiatives
- Committed annual dividend strategy
- Organic growth as a priority, smaller M&A (technology, processes)

Progress towards 2025 target model



Net sales in CHF millions

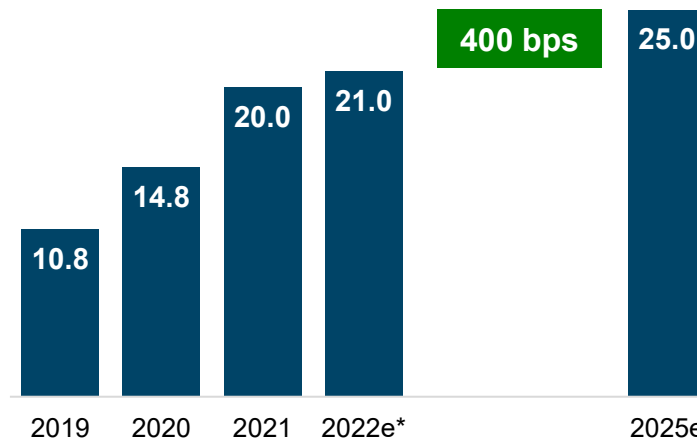


CAGR 2019/2022e:
16.0%

CAGR 2022e/2025e:
~13%



EBITDA margin in %



Incremental YoY margin expansion...well on track

Main drivers

- Outperform market growth
- Higher process control intensity
- New product introductions
 - Synertia® RFG + RFM
 - MesoFocus
- Market realignment of X-Ray systems & applications

CAGR(e) 2022 to 2025

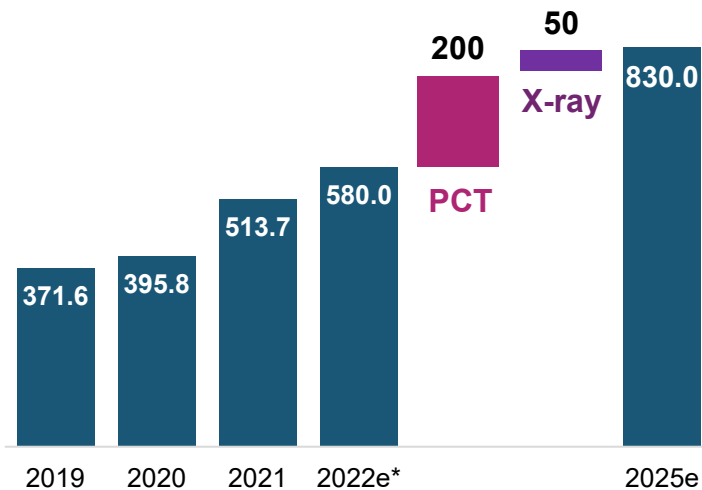
- PCT division ~15%
- X-Ray divisions ~8%

* assumption: lower end of guidance 2022 achieved: net sales of 580 to 610 million / EBITDA between 21% and 23%

Progress towards 2025 target model



Net sales in CHF millions

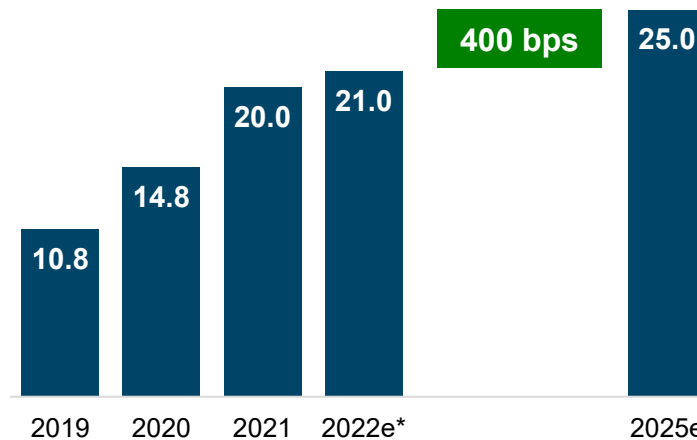


CAGR 2019/2022e:
16.0%

CAGR 2022e/2025e:
~13%



EBITDA margin in %



Incremental YoY margin expansion...well on track

Main drivers

- Outperform market growth
- Higher process control intensity
- New product introductions
 - Synertia® RFG + RFM
 - MesoFocus
- Market realignment of X-Ray systems & applications

CAGR(e) 2022 to 2025

- PCT division ~15%
- X-Ray divisions ~8%

* assumption: lower end of guidance 2022 achieved

Focused investments support organic growth



	FY19 – FY21	Target 2025
Capex	CHF 44 million ~3.4% of sales	~5% of sales on average
R&D investments	CHF 157 million ~12% of sales	~10 - 12% of sales on average

Priorities

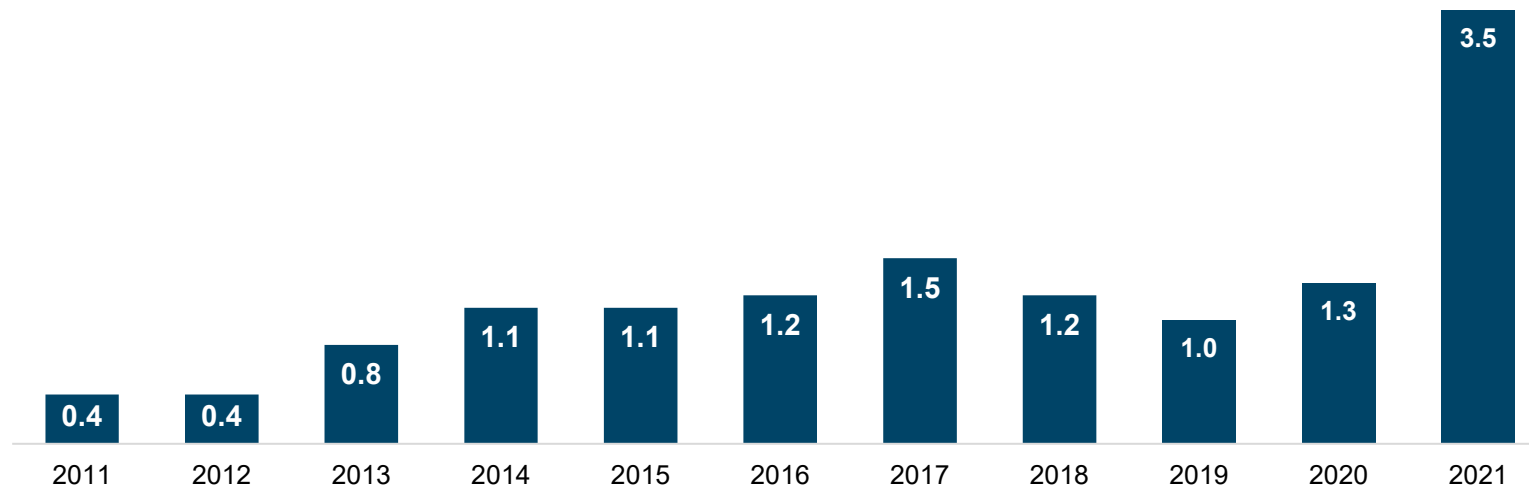
- Organic business growth
- Building lean / efficient operations
- Driving scalable infrastructure (digital business processes, IT)

Returning cash to shareholders a key element of Comet's capital allocation



Dividend history

in CHF/share



Dividend policy

- Shareholders to participate in the success of Comet
- 25% to 40% of net income
- Yearly evaluation by Board of Directors
- Other ways of returns to shareholders constantly evaluated, e.g., share buyback, stock dividend
- Priority to keep financial flexibility

Summary and outlook

Challenges have intensified, multiple opportunities remain



Recruiting
Retention



Trade
conflicts



Supply
chain



Energy
costs / shortages



Armed
conflicts



New products
and markets



Financial
flexibility



Long-term
favorable markets



Mindset
change



Regional semiconductor
manufacturing

Comet's strong performance has built a robust financial footing.

Comet is well positioned to capitalize on the market opportunities by 2025 and beyond.

c•met
group