

Media Release

Flamatt, Switzerland – August 16, 2017

Comet Group generates strong results in first six months; second half expected to even be slightly stronger

- Pronounced growth in sales to CHF 214.9 million (H1 2016: CHF 149.8 million)
- EBITDA margin strongly improved to 14.6% (H1 2016: 11.1%)
- Continuing investment in new applications and products
- Doubling of net income to CHF 17.1 million (H1 2016: CHF 8.6 million)
- Outlook for 2017: Expecting sales of CHF 430-450 million and EBITDA margin of 14-16%

The COMET Group continues to grow apace. Sales in the first half of 2017 rose by 43% year-over-year to CHF 214.9 million. All segments and regions contributed to this excellent result, with the Group's highest growth achieved in its powerful solutions for the semiconductor market, which was defined by sustained strong demand.

Executing on its strategy, the Comet Group stepped up its investment in new and promising applications, partnerships and the further professionalization of the supply chain. Thanks to the compelling sales growth and simultaneous improvement in cost structures, the Group sharply boosted its EBITDA earnings to CHF 31.5 million (H1 2016: CHF 16.6 million). The EBITDA margin improved to 14.6% (H1 2016: 11.1%). At CHF 17.1 million, the Group doubled its net income from one year earlier (H1 2016: CHF 8.6 million) – despite a change-over of the defined-benefit pension plans in Switzerland to an insured model that made a negative difference of CHF 2.1 million in net income. The Group again generated value in the first half of 2017. Even with the construction investment of CHF 8.4 million in the expansion in Flamatt during the first six months, net debt remains very low at 0.3x EBITDA. With an equity ratio of 52.8%, the Group has a very sound balance sheet.

PCT – Success story continues; significant growth in semi-conductor market

The lasting high demand in the semiconductor market ensured another record six months for Plasma Control Technologies (PCT). With its high-quality RF impedance matching networks and solutions for the semiconductor industry, the business segment benefited disproportionately from its customers' expansion of their manufacturing capacity, growing its sales by 76% to CHF 106.1 million. In vacuum capacitors, PCT expanded especially the high-end display business with external customers in Asia. As well, PCT received the first orders for the "cito Plus" generator, which is now in serial production. A particular highlight was Comet's recognition with the Supplier of the Year Award for "Innovation and Collaboration" by Applied Materials, Inc., one of the largest suppliers to the semiconductor industry. The high sales volume made up for investment in the expansion of the production infrastructure and in the development of a new innovative RF system platform. The EBITDA margin rose markedly to 29.4% (H1 2016: 20.2%).

IXS – Strong first half thanks to large CT systems

X-Ray Systems (IXS) too had an exceptionally strong first six months compared to the prior years. Sales improved by 23% from the year-earlier period to CHF 66.3 million. IXS's strongest growth was achieved in



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large computed tomography (CT) systems for metal foundries and for the labs/R&D segment, as well as in inspection systems for the electronics industry. To gain a foothold in metrology, IXS expanded its portfolio by adding CT systems with metrology functionality based on the latest product family (FF20 and FF35 CT Metrology) and presented them for the first time in May at Control, the international trade show for quality assurance. As well, in this area, promising projects with customers were put in motion. As a result of the sales growth, the EBITDA margin improved to 6.4% (H1 2016: 4.7%).

IXM – On target, with superior growth in security business

In the Industrial X-Ray Modules (IXM) segment, sales in the first six months rose by 8% to CHF 37.3 million. With its customized, highly reliable solutions, the IXM segment, as planned, grew especially in the security inspection space. Sales also increased in the core business of non-destructive testing in the automotive, aerospace and oil and gas pipeline markets. In the second quarter, IXM reached an important milestone in its forward strategy with the launch of the new IoT-capable iVario™ family of generators, and the first orders were booked. Reflecting both further investment in the expansion of the security inspection business and a shift in product mix, the segment earned an EBITDA margin of 17.6% (H1 2016: 24.1%).

EBT – Sales growing; continual development of business with new applications

The ebeam Technologies (EBT) segment continued to further the development of its business. Its sales rose to CHF 14.8 million (H1 2016: CHF 8.1 million). Contributing to this growth was a high backlog of orders from the prior year in the systems business, which were filled in the reporting period. The aligning of the supply chain for the production for Tetra Pak is progressing. In new applications in the food sector, the prototype developed with Bühler for the inactivation of bacteria on granular dehydrated foods entered field testing at Kündig, the food processing company. In the printing space, a new digital printing system was developed in collaboration with UTECO and INX Digital.

As planned, EBT stepped up its investment in the advancement of existing applications and in promising new ones. The system business came under pressure as a result of sharply intensified competition and the expected earnings contribution was therefore not achieved. The EBITDA loss thus rose to CHF 8.3 million (H1 2016: loss of CHF 4.4 million).

Positioned for continuing strong and profitable growth

The Comet Group is very well-positioned to continue its existing growth trajectory. Under its new CEO René Lenggenhager, it will maintain the strategic focus on new applications in all three core technologies, on increased cross-selling and on the collaboration with key partners. The Group is also strengthening its presence through Lab One, its new technology and application center in Silicon Valley, which gives customers access to all three technologies, promotes their close interaction with the Group's experts and provides space for the development of new applications. With the construction of the expansion in Flamatt progressing on schedule, the Group is also creating the necessary capacity for the further growth of the business from fall 2018.

Second half expected to be slightly stronger yet

For the current fiscal year the Comet Group sees business remaining strong. For the full year 2017 the management and Board of Directors expect sales of between CHF 430 million and CHF 450 million and an EBITDA margin of 14% to 16%. The projections are based on sustained high demand in the semiconductor business and on a continuing strong second half in the other operating segments. At its

Investor Day on November 22, 2017, the Comet Group will provide further insight into its initiatives and markets going forward.

Media and analyst conference

The detailed half-year results will be published on August 16, 2017 and presented at 10:00 a.m. CET on the same day at the media and analyst conference in Zurich (SIX Swiss Exchange, new location: Pfingstweidstrasse 110, 8005 Zurich).

Conference call in English

A conference call in English will be held on August 16, 2017 from 4:00 p.m. to 4:45 p.m. CET, with René Lenggenhager, CEO, and Markus Portmann, CFO. To participate, please dial in 10 to 15 minutes before the scheduled start of the call, using one of the following telephone numbers:

+ 41 (0)58 310 50 00 (Europe)

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Key dates

October 4, 2017	Opening Lab One, Silicon Valley (USA)
November 22, 2017	Investor Day, Flamatt (CH)
March 15, 2018	Publication Annual Report 2017

COMET Group

The Comet Group is a globally leading, innovative Swiss technology company with a focus on the x-ray, radio frequency and ebeam businesses. With premium high-tech components and systems, we enable customers in numerous industries to both enhance the quality of their products and make their manufacturing more efficient and eco-friendly. Our innovative solutions under the Comet, Yxlon and ebeam brands are in demand for applications such as materials testing and security inspection, the coating and treatment of surfaces, and non-contact sterilization.

Based in Flamatt, Switzerland, the Comet Group has a presence in all world markets. We employ about 1,200 people worldwide, including approximately 440 in Switzerland. Besides production facilities in China, Denmark, Germany, Switzerland and the USA, we maintain various subsidiaries in the USA, China, Japan and Korea. Comet's stock (COTN) is listed on the SIX Swiss Exchange.

