

## Media Release

Flamatt, Switzerland – November 26, 2020

# Strategy execution on track; confirming positive fiscal 2020 results

- Expecting 2020 sales of between CHF 385 and 395 million and EBITDA margin of 13% to 14%
- Focus on core businesses completed with sale of ebeam
- Boost growth and efficiency program initiatives on track

The Comet Group continued to perform well in the second half of 2020. As in the first half of the year, the Group capitalized on the strong momentum in the semiconductor market. This momentum offset the structural softness in the automotive and aerospace sectors.

At today's Capital Market Day, the Comet Group will provide insight into its progress in implementing the strategic Boost program.

## Focus strategy confirmed: Core markets are semiconductor and electronics

Under the leadership of its new CEO Kevin Crofton, Comet reaffirms the focus strategy announced in August 2019. After the sale of the ebeam division in a transaction that is expected to close November 2020, Comet has focused its resources primarily on the opportunities in the semiconductor and electronics markets. In plasma control and x-ray, Comet has two advanced core technologies to address these fast-growing high-volume sectors.

## Positioned to seize the opportunities of accelerated digitalization and security

The pace of digitalization and generation of big data has accelerated. Around the world, much of life and work has shifted to the virtual space with a new normal emerging. The amount of data grows exponentially - and with it the demand for semiconductor devices to store and process the data grows exponentially as well. In this dynamic growth environment, Comet will further expand its already strong market position and technology leadership in vacuum capacitors, RF match networks, x-ray modules and x-ray systems. In 2020, Comet has set the stage for this expansion in important ways.

## PCT: Successful initial tests of the RF generator - Manufacturing capacity expanded and more flexible

Comet's Plasma Control Technologies (PCT) division made strides in the development of its new radio frequency (RF) generator. After extensive in-house testing, early field trials at customers have yielded promising results verifying the design functionality supporting the move into early beta testing. As planned, the novel generator is to be launched in the market during 2021 and will unlock a new served addressable market for Comet with an estimated USD 900m size in 2025.

To serve the vigorous demands from the semiconductor industry flexibility, efficiency, and cost-effectiveness are keys to success. PCT has aligned its production strategy to reflect these needs by expanding manufacturing capability at three sites:

- 1) In Penang, Malaysia, the new production facility for RF match networks was completed in fall 2020 and is ready for volume production.
- 2) In Aachen, Germany, Comet approximately doubled the manufacturing capacity for generators.
- 3) In Flamatt, Switzerland, Comet expanded the production of vacuum capacitors with a new wing to existing production facilities.

### **IXM: Product portfolio tuned for growth in new markets**

The miniaturization of components and the digitalization in the automotive and aerospace end markets create abundant potential for Comet's x-ray modules. To fully exploit these opportunities, the Industrial X-Ray Modules division (IXM) accelerated its initiatives for entering the growing electronics market. During the course of 2020, IXM introduced three new products during the unprecedented COVID-related downturn. These products increase IXM's serviceable addressable market (SAM) by CHF 100m in 2025. The new products such as the ION series (notably for security inspection) and the robust, extremely high-resolution Mesofocus x-ray tubes (for the core market of non-destructive testing) cement the division's standing as a market and technology leader.

### **IXS: Repositioning and efficiency improvements on track - First commercial success with new product launches**

The Industrial X-Ray Systems division (IXS) adapted quickly to the soft business environment in the automotive and aerospace sectors created by the COVID-19 pandemic. Similar to the IXM division, IXS launched new products and system upgrades into the market. The division secured several orders for the new, award winning UX20 system along with the FF85 system for X-ray and CT inspection of medium and large castings. IXS successfully realigned the organization and narrowed the ongoing R&D projects to focus on the semiconductor, electronic and non-destructive test arenas. These actions lead to a considerably lower cost base allowing the division to be profitable on a lower revenue base.

### **Acquisition of ORS, Montreal Canada – Foundation laid for expanded service offering based on artificial intelligence**

Comet took an important step toward the future with the acquisition announced in September of ORS, a leading provider of artificial intelligence and machine learning software solutions based in Montreal Canada. The company consists of highly specialized software developers and already generates sales in 80 countries. Once the deal has closed in December 2020, Comet lays the foundation to achieve two parallel goals. The first is to enable our x-ray systems to move toward real-time 3D defect detection and recognition to help our customers improve their production processes and ultimately their yields. The second objective is to use the ORS capabilities within the PCT and IXM divisions to apply

AI and ML protocols to improving internal productivity, create new product features, and even change the service offerings to our customers.

## Outlook

For the full year 2020, the Comet Group expects sales of CHF 385 million and CHF 395 million and an EBITDA margin of 13% to 14%.

Through new products and services, the Group is serving addressable markets that are expected to grow more than two-and-a-half-fold from 2019 to 2025. Thanks to the intensified focus on the growing semiconductor and electronics market, Comet is well positioned to achieve its stated ambitions: a CAGR of approximately 15% on average from 2020 to 2025, with an EBITDA margin of 25% and ROCE of around 30% by 2025.

## Virtual Capital Market Day

The Capital Market Day will be held virtually, today, November 26, 2020, from 10:00 am to 12:00 noon CET, in English. The dial-in information for the Capital Market Day is as follows.

## Webcast

**[Link to Meeting Registration](#)** (Zoom)

Or iPhone one-tap

US: +13126266799,,86028327970# or +13462487799,,86028327970#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 312 626 6799 or +1 346 248 7799 or +1 646 558 8656 or +1 669 900 9128 or +1 253 215 8782 or +1 301 715 8592

Meeting ID: 860 2832 7970

International numbers available: <https://us02web.zoom.us/j/86028327970>

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**Key dates**

March 18, 2021

Publication of full-year results for 2020

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**The Comet Group**

The Comet Group is a globally leading, innovative technology company based in Switzerland with a focus on plasma control and x-ray technology. With premium high-tech components and systems, we enable our customers to both enhance the quality of their products and make their manufacturing more efficient and eco-friendly. Our innovative solutions are in demand in the semiconductor market, the aerospace and automobile industry and in security inspection. Headquartered in Flamatt, Switzerland, the Comet Group has a presence in all world markets. We employ more than 1,300 people worldwide, including over 500 in Switzerland. Besides production facilities in China, Denmark, Germany, Malaysia, Switzerland and the USA, we maintain various other subsidiaries in the USA, China, Japan and Korea. Comet (COTN) is listed on the SIX Swiss Exchange.