

# H1 2021 Financial Results

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# 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.

# Agenda

**01** Business & Industry Review

**02** Financial Results

**03** Outlook

**04** Q & A

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**04 Q & A**

# Best half-year result in the company's history

## Delivered record sales and EBITDA margin

Market share gains from design & application wins

## Fueled by the semi boom, strengthening aerospace and automotive industries

## Positioned to seize new opportunities

New product launches, expansion of geographic footprint

## Managed potential impact of tight supply chain

Inventory positions taken to maintain deliveries

## Progressed with programs to strengthen organization, infrastructure and cultural alignment; initiated formal ESG program

**248.3**

Net sales in CHF millions  
(+36.2% vs. H1 2020)

**17.8%**

EBITDA margin  
(H1 2020: 10.3%)

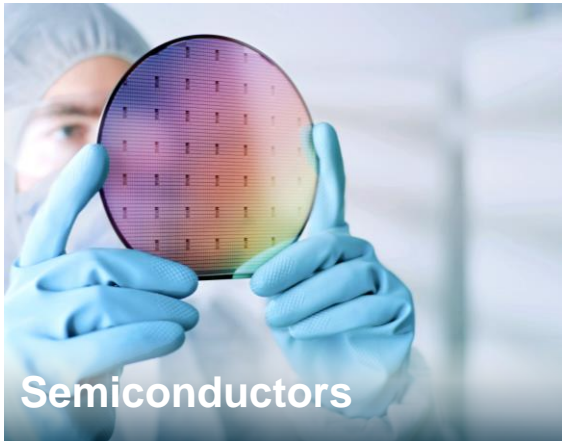
**15.3**

Free cash flow in CHF millions  
(H1 2020: CHF 4.5 million)

**21.1%**

Return on Capital Employed  
(ROCE) (H1 2020: 7.0%)

# Momentum in H2 2020 accelerated in H1 2021



Continuous upgrades in Semiconductor Device and Wafer Fab Equipment spend in H1 2021

Outlook remains bullish



Stable recovery from trough levels of 2020

Shortage in microchips limiting pace of growth, unlikely to be resolved in 2021



Signs of a slow recovery for commercial aviation due to pandemic swings

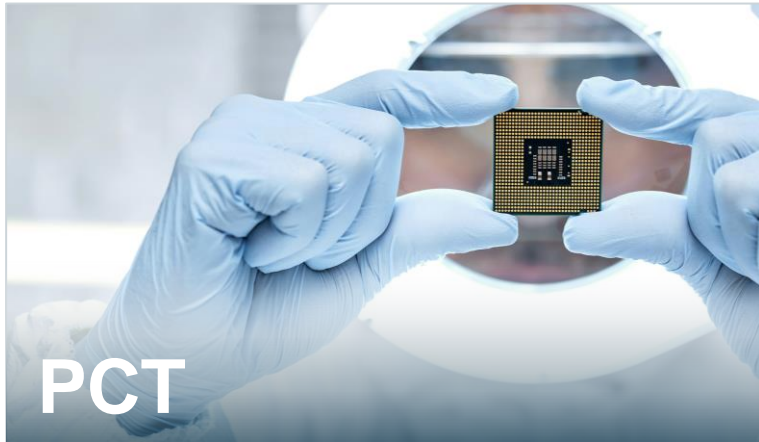
Business jet and defense segments stable



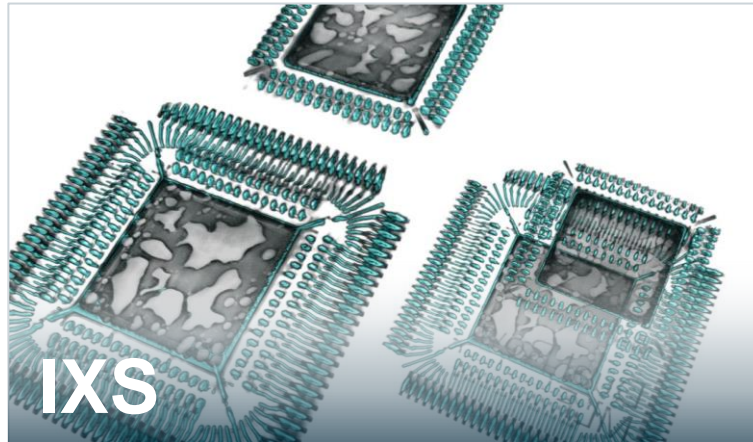
Airport security prospects strongly depend on travel restrictions

Other security markets (ports, borders) offering opportunities

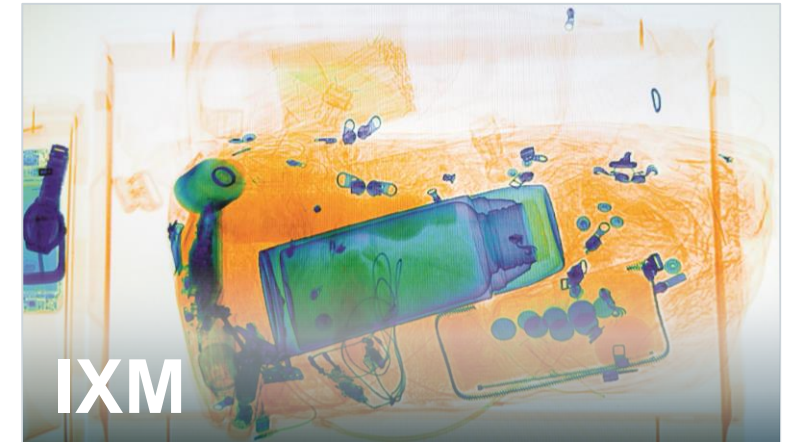
# Good progress in all divisions



- Multiple radio frequency (RF) match design wins, supported by opening of design center in Suwon (South Korea)
- Penang qualified for high-volume manufacturing, ramp continues
- RF Generator: beta tests with Tier 1 and 2 customers ongoing



- Improving market conditions in most end markets, led by Electronics and Automotive in China
- Successful inroads into semi and electronics industry in Taiwan, leveraging new Sales & Services center in Hsinchu
- Sales growth driven by x-ray systems launched in past two years and new applications



- Non-destructive testing markets build up momentum across all regions
- Enhanced development and marketing investments paid off: successful market entry with new products (e.g. Microfocus tubes for semi/electronics)

# Summary

- Implementation of strategic growth targets reflected in record first-half results
- PCT riding the semi wave, upward trend in x-ray divisions
- Global supply chain issues prudently managed; no impact in first half-year



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# H1 2021 financial results\*

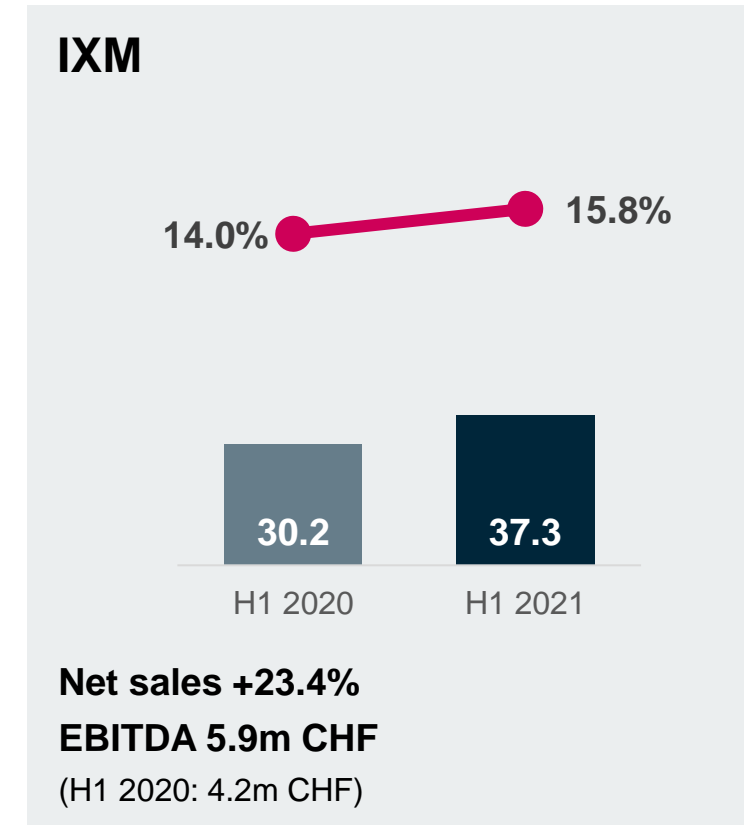
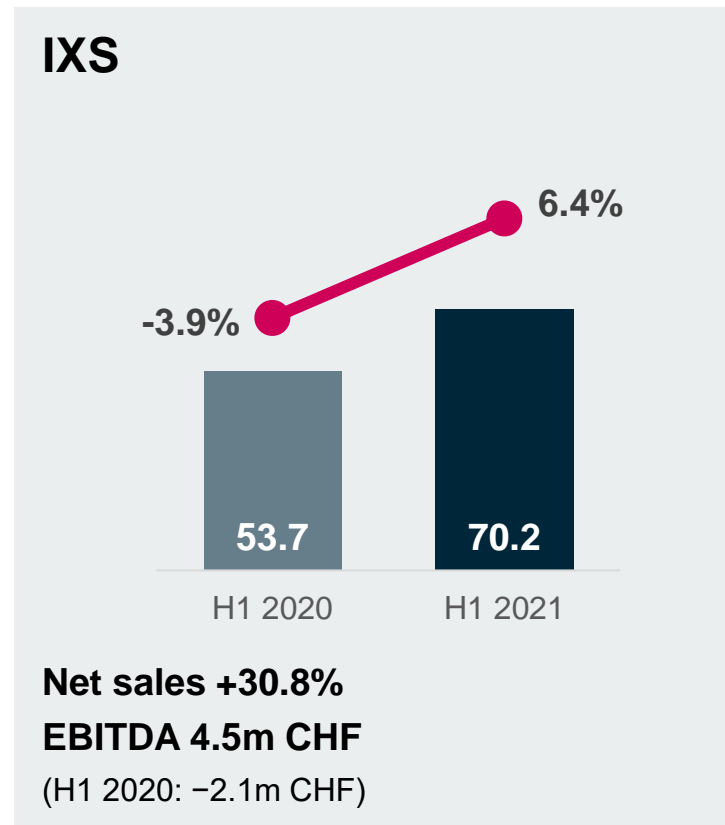
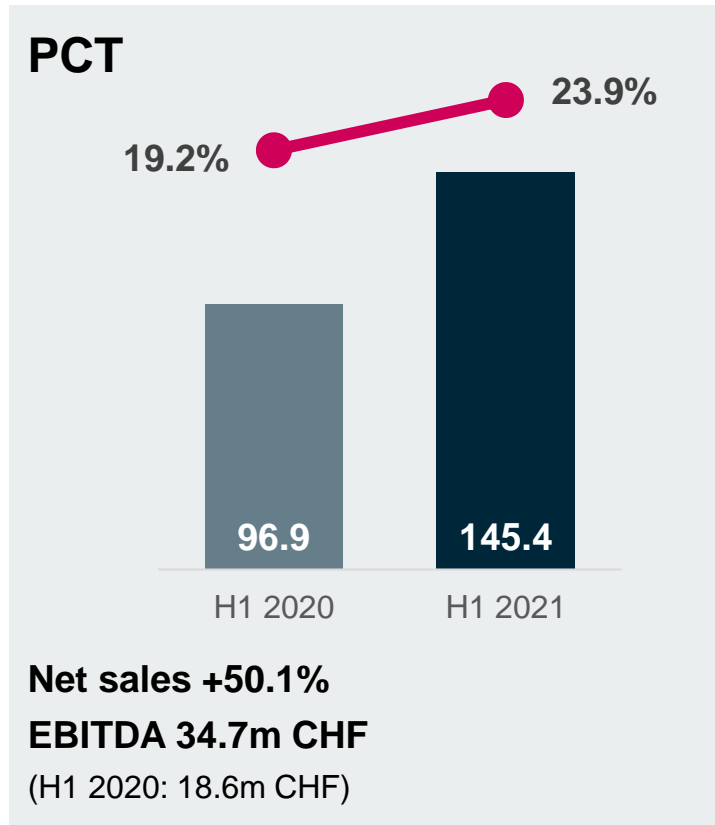
in CHF millions, otherwise indicated	H1 2021	H1 2020	Change**
Net sales	248.3	182.3	+36.2%
Gross profit margin (in %)	42.8%	37.7%	+510 bps
EBITDA	44.3	18.8	+136.0%
EBITDA margin (in %)	17.8%	10.3%	+750 bps
Net income	27.8	6.5	+326.2%
Earnings per share (in CHF)	3.58	0.84	+2.74

\* see page 20 for a definition of financial key figures

\*\* rounding differences may occur

# H1 2021 results: strong performance in all divisions

■ Net sales [in CHF millions]    ● EBITDA margin



# H1 2021 balance sheet & financial metrics\*

in CHF millions, otherwise indicated	H1 2021	H1 2020	Change**
Free cash flow	15.3	4.5	+236.9%
CapEx	6.2	3.5	+76.1%
CapEx as % of net sales	2.5%	1.9%	+60 bps
	Jun 2021	Dec 2020	Change**
Cash and cash equivalents	76.4	74.7	+2.2%
Net debt	6.1	7.1	-14.7%
Equity	236.9	215.0	+10.2%
Equity ratio (in %)	52.6%	50.1%	+250 bps

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# Digital age is creating long-term demand already today

Today

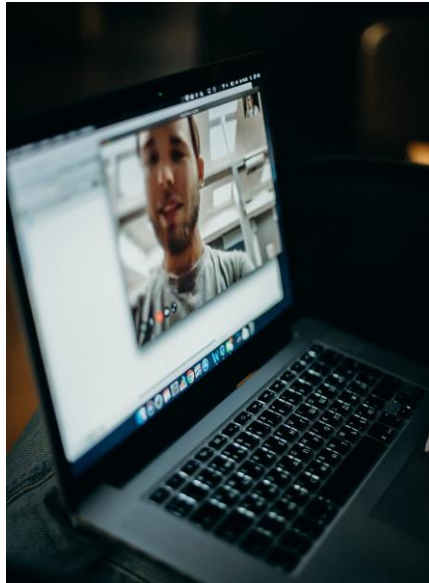
## Internet



Physical world becomes digitized

- Data centers
- 4G internet
- Wireless, Cloud
- Broadband

## Social era



People get information from each other

- Social media
- Collaborative platforms
- Video conference
- Gaming

## Collaborative economy



People get what they need from each other

- E-commerce
- On-demand

## Autonomous world



Human tasks become more automated

- IoT, Industry 4.0
- Autonomous Driving
- Machine Learning
- Artificial Intelligence
- Smart cities/homes, 5G

## Modern wellbeing



We turn to technology to become more human

- Remote healthcare
- Wearables
- Extended reality (AR, VR, MR)

## Off planet



Leaving Earth becomes accessible

- Satellites as a service

*Basic source: Jeremiah Owyang*

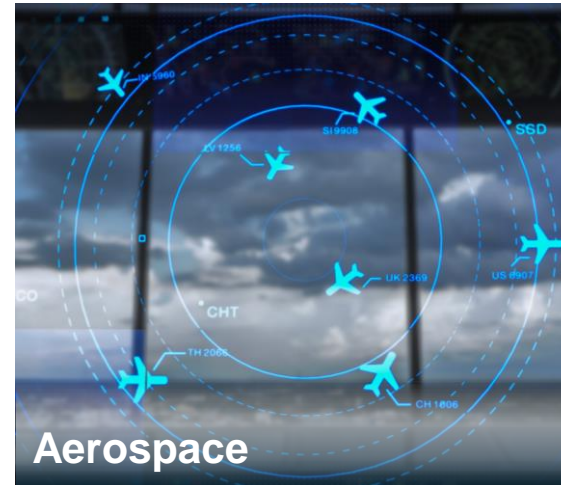
# Demand drivers building momentum in every sector



Semiconductor industry in unprecedented supercycle



Car demand & production picking up



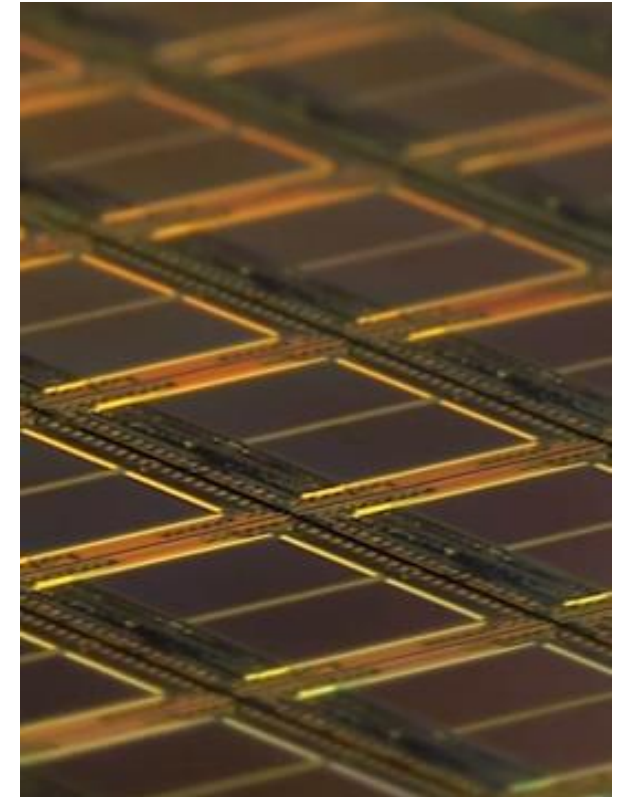
Some optimism in civil aviation



Long-term growth in global goods trade

# Relentless focus on execution in 2021, drive for market share gains, increased operational excellence

<b>PCT</b>	<ul style="list-style-type: none"><li>• Go-to-market: new RF Generator; extend market share in RF Match products</li><li>• Fill Penang plant with volume production</li><li>• Secure global best cost supply chain</li><li>• Manage capacity expansion amid buoyant demand</li></ul>
<b>IXS</b>	<ul style="list-style-type: none"><li>• Gain market share and capture opportunities in post-COVID recovery</li><li>• Continue streamlining product portfolio</li><li>• Strengthen footprint in electronics: leverage new location in Taiwan</li><li>• Go beyond inspection: develop AI and ML/DL offering after ORS acquisition</li></ul>
<b>IXM</b>	<ul style="list-style-type: none"><li>• Extend and expand product portfolio in key focus markets (electronics)</li><li>• Gain share in served markets</li><li>• Harvest fruits from investments into R&amp;D during pandemic: roll-out new products</li><li>• Evaluate Best Cost Regions of Supply</li></ul>



# Outlook: robust projection for full-year, strong performance expected in H2 2021

## Prioritize the safety of all employees and customers

Protect our team, support our customers

## Execute on growth strategy & cultural change

Create a more focused, customer-centric, agile, sustainable company

## Capitalize on booming semi market and recovery of industrial end markets

Drive growth in sales and increased profitability, tight cost control

## Protect Comet from supply chain restrictions; account for lingering pandemic effects

Balance between higher inventory tolerances and cash flow generation

## Guidance FY2021

Net sales (in CHF millions)

**480 to 500**

EBITDA margin (in %)

**18.0 to 20.0**

# Q & A

# Appendix

## **Definition of financial key figures** (pages 10 and 12)

**Gross profit margin:** Net sales less cost of goods and materials sold as a percentage of net sales

**EBITDA:** Operating income as per consolidated statement of income before depreciation, amortization and impairment losses on property, plant and equipment, right-of-use assets and intangible assets

**EBITDA margin:** EBITDA as a percentage of net sales

**Free cash flow:** Sum of net cash flows from operating and investing activities

**CapEx:** Purchases of property, plant and equipment and intangible assets shown under investing activities in the consolidated cash flow statement

**Net debt:** Interest bearing debts (such as current and non-current debt and lease liabilities) minus cash and cash equivalents

**Equity ratio:** Total equity attributable to the shareholders of Comet Holding AG divided by total assets

# Consolidated statement of income

in CHF millions <small>(rounding differences may occur)</small>	H1 2021	H1 2020	Change
<b>Net sales</b>	248.3	182.3	36.2%
<b>Gross profit</b>	106.2	68.7	54.6%
• Other operating income	1.8	2.9	-40.1%
• Development expenses	-28.6	-26.3	8.8%
• Marketing and selling expenses	-24.0	-22.1	8.6%
• General and administrative expenses	-20.4	-14.1	44.8%
<b>Operating income</b>	<b>34.9</b>	<b>9.1</b>	<b>282.7%</b>
• Financial result	0.2	-2.1	-
<b>Income before tax</b>	<b>35.1</b>	<b>7.0</b>	<b>401.2%</b>
• Income tax	-7.3	-0.5	1405.9%
<b>Net income</b>	<b>27.8</b>	<b>6.5</b>	<b>326.2%</b>
• Earnings per share (in CHF)	3.58	0.84	2.74
<b>Operating income</b>	<b>34.9</b>	<b>9.1</b>	<b>282.7%</b>
• Depreciation and Amortization	9.3	9.6	-3.0%
<b>EBITDA</b>	<b>44.3</b>	<b>18.8</b>	<b>136.0%</b>

# Consolidated statement of cash flows

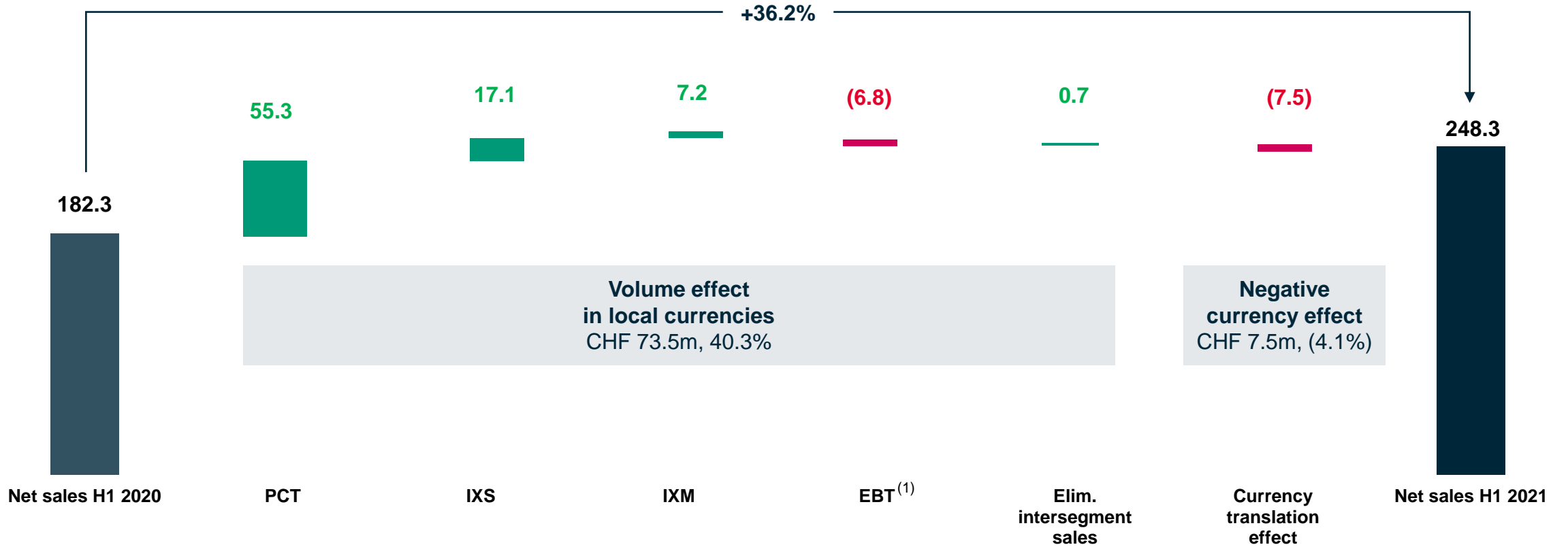
<b>in CHF millions</b> (rounding differences may occur)	<b>H1 2021</b>	<b>H1 2020</b>	<b>Change</b>
<b>Net cash provided by operating activities</b>	<b>21.8</b>	<b>7.8</b>	<b>178.1%</b>
in % of net sales	8.8%	4.3%	450 bps
Net cash (used in) investing activities	-6.5	-3.3	97.6%
<b>Free cash flow</b>	<b>15.3</b>	<b>4.5</b>	<b>236.9%</b>
in % of net sales	6.1%	2.5%	360 bps
Net cash (used in) financing activities	-14.5	-15.6	-6.7%
<b>Net increase or (decrease) in cash and cash equivalents</b>	<b>0.7</b>	<b>-11.1</b>	<b>-</b>
FX translation differences on cash and cash equivalents	0.9	-0.5	-
<b>Net cash and cash equivalents at Jan 1</b>	<b>74.7</b>	<b>60.3</b>	<b>23.9%</b>
<b>Net cash and cash equivalents at Jun 30</b>	<b>76.4</b>	<b>48.7</b>	<b>56.7%</b>

# Consolidated balance sheet

<b>in CHF millions</b> (rounding differences may occur)	<b>H1 2021</b>	<b>in %</b>	<b>YE 2020</b>	<b>in %</b>
Current assets	257.3	57.1%	238.3	55.5%
Non-current assets	192.9	42.9%	191.0	44.5%
<b>Total assets</b>	<b>450.2</b>	<b>100.0%</b>	<b>429.3</b>	<b>100.0%</b>
Current liabilities	120.0	26.7%	180.6	42.1%
Non-current liabilities	93.2	20.7%	33.7	7.8%
<b>Total liabilities</b>	<b>213.3</b>	<b>47.4%</b>	<b>214.3</b>	<b>49.9%</b>
<b>Total equity attributable to shareholders of Comet Holding AG</b>	<b>236.9</b>	<b>52.6%</b>	<b>215.0</b>	<b>50.1%</b>
<b>Total liabilities and shareholders' equity</b>	<b>450.2</b>	<b>100.0%</b>	<b>429.3</b>	<b>100.0%</b>

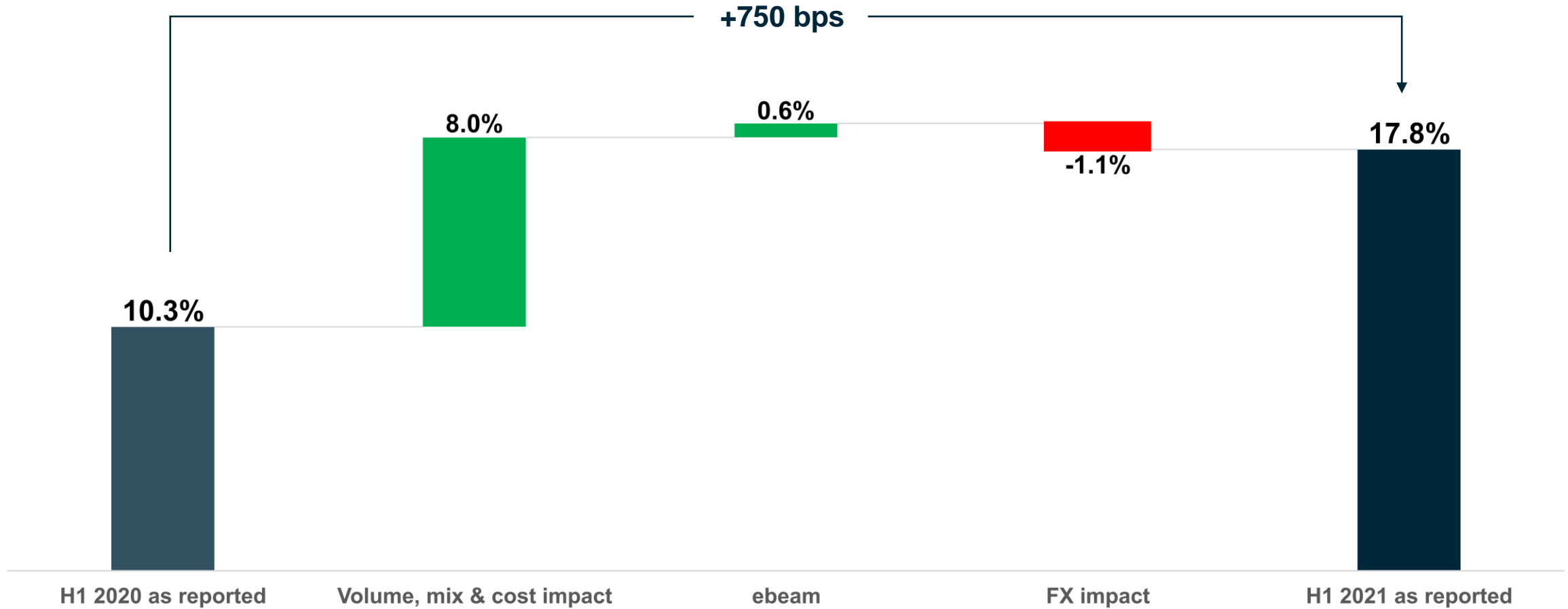
# Net sales walk H1 2020 to H1 2021

in CHF millions



(1) Comet sold the ebeam lamp business effective November 30, 2020. No sales activities incurred in 2021.

# EBITDA margin walk H1 2020 to H1 2021



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