

Ad hoc announcement pursuant to Art. 53 LR

Flamatt, Switzerland – July 28, 2022

Comet Group on plan for full year guidance, successfully managed supply chain in the first half of 2022

First half of 2022

- Net sales growth of 7.7% to CHF 267.5 million (H1 2021: CHF 248.3 million)
- EBITDA margin of 14.1% (H1 2021: 17.8%); adjusted EBITDA margin of 17.4%
- Strong book-to-bill ratio of 1.23

Outlook for second half of 2022

- Underlying semiconductor and electronics market environments remain strong
- Aerospace market continues on recovery path, while automotive and security markets remain sluggish
- Supply chain challenges and geopolitical uncertainties persist
- Full-year 2022 guidance narrowed: net sales of CHF 580 million to CHF 610 million, EBITDA margin of 21.0% to 23.0%

Comet increased net sales by 7.7% to CHF 267.5 million in the first half of the year (H1 2021: CHF 248.3 million). This solid growth was achieved despite the unexpected shutdown of the company's China factories due to the zero-COVID policy and longer lead times for critical parts. The lockdown in China halted production at the PCT division facilities in Shanghai for six weeks and also affected the X-Ray Systems division (IXS). At IXS, revenue relating to the installation of systems was pushed back to the second half of the year. EBITDA was reduced by inflation-related higher costs for raw materials and logistics, supply chain constraints, China's COVID lockdown, as well as a one-off expense for Comet's actions against XP Power to defend Comet's trade secrets (see media release of March 24, 2022). As a result, H1 2022 EBITDA was CHF 37.7 million, versus CHF 44.3 million in H1 2021, and the EBITDA margin came to 14.1% (H1 2021: 17.8%). Adjusted EBITDA, excluding the one-time XP trial impact, results in EBITDA earnings of CHF 46.7 million and 17.4% margin. The company expects the year-over-year impact of these challenges to moderate via agreed commercial negotiations with its customers throughout the second half of 2022.

Underlying conditions in Comet's primary markets, the semiconductor and electronics sectors, remained strong and at an all-time high. Also, the aerospace market continued its upward trend despite China's COVID lockdown slowing growth in aerospace in China. The security inspection and automotive markets showed a lower ramp than expected, with the war in the Ukraine causing further supply chain disruptions.

In this environment, Comet systematically continued to execute on its strategy. The Group formally launched the new Synertia® radio frequency generator family to its customers, strengthened its focus on the semiconductor and electronics markets in the x-ray businesses, and recorded increasing market share gains in the X-Ray Modules division. These important milestones support Comet's medium-term goals.

Comet ended the first half of the year with a strong balance sheet, an equity ratio of 52.9% (year-end 2021: 56.1%) and cash and cash equivalents of CHF 87.8 million, providing the Group with the flexibility to implement its focus strategy.

PCT: continued growth in the semiconductor industry – market launch of the Synertia® RF generator family

The Plasma Control Technologies (PCT) division achieved a 19.3% year-over-year increase in net sales to CHF 173.5 million (H1 2021: CHF 145.4 million) in a persistently strong market environment. However, a less favorable product mix, the costs of litigation against XP Power as well as price increases not yet fully effective in H1 2022 led to an operating profit at EBITDA level that was 1.2% lower at CHF 34.3 million (H1 2021: CHF 34.7 million) and a lower margin of 19.8% compared to 23.9% in the first half of the prior year.

The transfer of volume production of matchboxes from San Jose, California, to Penang in Malaysia continues ahead of plan. Capacity utilization in excess of 60% in Penang is expected by the end of the year, which will significantly boost the division's profitability. Following a successful test phase, the first product variant of the Synertia® RF generator family was presented to the wider plasma etch and deposition community in July at Semicon West, the leading trade show for the semiconductor industry. This means that for the first time, Comet can now offer a complete RF power delivery system. Comet recognized initial Synertia® sales in H1 2022, continued the beta testing with new potential customers and plans to bring a second model of Synertia® into the test stage toward the beginning of 2023. Comet is planning to consolidate its currently four locations in San Jose, California, into one site in 2023. This single site provides an innovative workspace for Comet's employees and enables efficient, broader and secure collaboration with customers.

IXS: progress in entry into advanced packaging inspection – earnings impacted by lockdowns in China

The X-Ray Systems (IXS) division was the one most impacted by the lockdowns in China as the zero-COVID measures resulted in the postponement of system installations at customer sites. In addition, the supply-chain related slowdown in its automotive market segment led to a weaker than expected first half-year. Net sales reached CHF 60.0 million, a decrease of 14.5% compared to H1 2021 (CHF 70.2 million). EBITDA decreased from CHF 4.5 million in H1 2021 to a deficit of CHF – 1.6 million. The EBITDA margin was –2.6% (H1 2021: 6.4%). The division expects to catch up in sales revenue in the second half of the year through the realization of deferred sales and to deliver an EBITDA-positive performance for the year.

The strategic realignment of the X-Ray Systems division with the expansion of its presence in the semiconductor/electronics market and the development of the advanced packaging market continues as planned, with sustained high margin sales into this arena.

IXM: double-digit sales growth – market position improved

The X-Ray Modules (IXM) division performed well in all core markets of non-destructive testing and safety inspection despite strong supply chain bottlenecks and the impact of the China zero-COVID lockdown. New tubes and modules for the semiconductor and electronics industries, as well as growing applications in battery testing, additive manufacturing, and metrology, provide high growth

momentum. Net sales increased by 9.9% to CHF 41.0 million (H1 2021: CHF 37.3 million) and EBITDA rose by 4.6% to CHF 6.1 million (H1 2021: CHF 5.9 million). At 15.0%, the EBITDA margin was slightly below the prior year (H1 2021: 15.8%).

The division's stable or increasing market shares in the traditional markets and in the semiconductor/electronics space, as well as superior delivery capability compared to the competition, underline the good prospects for IXM.

Outlook

Comet experienced good order momentum overall in the first half-year. The company finished the reporting period with an all-time high order backlog, and a strong book-to-bill ratio of 1.23.

The long-term drivers for the semiconductor and electronics markets are intact. The aerospace market remains on its recovery path from the pandemic environment, while the automotive and security sectors are expected to remain weak in the second half of 2022. In this market environment, Comet remains committed to meeting the needs of its customers and will continue to focus on addressing challenges in the supply chain and geopolitical uncertainties.

Based on this view, Comet is on track to achieve another record year in sales and EBITDA. Therefore, the company narrows its full-year guidance for 2022 of net sales in the range of CHF 580 million to CHF 610 million and an EBITDA margin of 21% to 23%. This assumes no deterioration in the current economic and geopolitical situation.

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Webcast / Conference Call for media and analysts/investors

The detailed half-year results will be presented in a webcast / teleconference on July 28, 2022, at 10:00 a.m. CEST in English.

Dial-in numbers:

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

+44 (0) 207 107 0613 (UK)

+1 (1) 631 570 5613 (USA)

For other countries: [LINK](#)

Webcast (Link):

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=f40GdlsO>

Capital Markets Day

The Comet Group will hold its Capital Markets Day on November 16, 2022, as an in-person event in Zurich. A separate invitation will be published at a later date.

Definition of alternative performance measures (APM)

Book-to-bill ratio: ratio of orders received to the amount billed for a specific period

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

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

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Company Calendar

November 16, 2022
Oktober 20, 2022
March 2, 2023

Capital Markets Day
Trading update Q3
Full-year results 2022

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 and electronics 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 1,500 people worldwide, including about 500 in Switzerland. Besides production facilities in China, Denmark, Germany, Malaysia, Switzerland and the USA, we maintain various other subsidiaries in Canada, China, Japan, Korea, Taiwan and the USA. Comet (COTN) is listed on the SIX Swiss Exchange.