

selected Penang, Malaysia, as the location, evaluated a partner, determined the production facility design and, in early 2020, established the subsidiary as a legal entity.

X-Ray Modules

The Industrial X-Ray Modules division once more proved its robustness in fiscal year 2019. Thanks to a taut cost regime, it raised its profitability at EBITDA level for the fourth consecutive year, despite a slowdown in the core market of non-destructive testing.

As was the case for the sister division X-Ray Systems, the market environment in the module business was defined by the decelerated global economic growth and weaker demand for investment goods. This was particularly noticeable in the automotive and aerospace markets. Sales in the security segment closed the full year in positive territory after a difficult first six months. For the Industrial X-Ray Modules division overall (also referred to in this report simply as "X-Ray Modules"), sales were CHF 78.1 million (prior year: CHF 81.2 million), representing a year-over-year decrease of 3.8%.

By lowering production costs and through rigorous cost management across all functions, the division was able to counteract the effects of the reduced sales. EBITDA operating earnings improved to CHF 21.7 million (prior year: CHF 20.7 million) and the EBITDA margin was high at 27.8% (prior year: 25.5%).

With the development of its sealed, high-precision and high-resolution Xplorer microfocus tube, the division reached an important milestone for the entry into the semiconductor and electronics market. As well, at the end of 2019, X-Ray Modules

announced the introduction of two new product families: "ION" for the security segment, and "Meso-Focus" for the non-destructive testing market.

X-Ray Systems

The X-Ray Systems division in 2019 fully met the expectations placed in it, rapidly putting remedial measures into action and strongly improving its profitability from the weak previous year. The division also strategically realigned its business and thus laid the foundation for a suc-

Key financials of X-Ray Modules at a glance

CHFm	2019	2018
Net sales	78.1	81.2
EBITDA	21.7	20.7
EBITDA margin	27.8%	25.5%
Number of employees worldwide	279	314

Sales by market in percent

