

Press release

DEKRA remains on course despite global economic and political crises

Entering the Centenary Year with Sustained Sales Growth

- ▶ Core testing, inspection and certification business grows in all regions worldwide
- ▶ Sustained high investment levels in Germany and in global growth markets
- ▶ Market position in future fields such as electromobility, sustainability, cyber security and artificial intelligence expanded further
- ▶ Commitment to targeted and fit-for-purpose regulations and standards

DEKRA could hardly be entering the year of its 100th anniversary on a more future-proof and resilient footing: after the world's largest non-listed testing, inspection and certification company exceeded a sales threshold of €4 billion for the first time in its history in 2023, DEKRA anticipates further growth in 2024. In the first ten months of the year, turnover increases by around 5%, with the core TIC (Testing, Inspections & Certification) business growing by more than 7%.

"We are optimistic that we can close 2024 with a mid-single digit increase in sales," says Stan Zurkiewicz, CEO and Chairman of the Board of Management of DEKRA e.V. and DEKRA SE, at the company's annual review at its Stuttgart headquarters. Despite very challenging external conditions—e.g., recession in DEKRA's home market of Germany and continued shortage of skilled personnel across Europe—all areas of the company's TIC business have contributed to this success. The temporary staffing segment is the only area experiencing a decline in sales, particularly in Germany, due to the difficult framework conditions. DEKRA CEO Zurkiewicz explains: "In this area, we are feeling the effects of the current economic contraction and the crisis afflicting the European automotive industry. However, we are able to offset this with more than 7 percent increase in turnover within our core business and strong demand in new focus areas."

In the current fiscal year, DEKRA has recorded high single- to double-digit growth in the Americas (around 14%), North-West Europe (around 9%) and the Asia-Pacific region

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(around 9%). In its home market of Germany, the core business has grown by around 7%. The new strategic business fields related to future mobility, sustainability, cybersecurity and artificial intelligence have also contributed to this success.

DEKRA aims for continued growth in its 2025 centenary year

DEKRA will celebrate its 100th anniversary next summer. Considering this milestone, the company anticipates maintaining its growth trajectory in 2025—despite potentially volatile geopolitical and economic conditions. DEKRA expects to see another mid-single digit turnover growth in the anniversary year. This confidence stems from DEKRA's strong market position in its traditional business areas—supported by well-established local and globally networked locations with over 500,000 customers—and a robust service portfolio geared towards future growth areas. In recent years, DEKRA has been able to position itself in these areas through significant investments. The company remains committed to this course, even amid a challenging global economy.

Investments increase once more

To sustain growth momentum beyond its centenary year in 2025, DEKRA is increasing its investments again. A double-digit million-euro investment will fund the new battery testing and certification laboratory in Klettwitz (Brandenburg, Germany) creating approximately 40 additional highly skilled jobs. The foundation stone was laid in June 2024, with the opening scheduled for 2025. "This state-of-the-art laboratory will allow us to test battery systems for electric vehicles and high-voltage storage systems for other applications—from early development phases through validation to final acceptance and certification," explains DEKRA's CEO.

The company already offers a patented battery test that enables extremely precise measurement of used electric vehicle battery condition in just a few minutes for over 130 electric car models.

Another example of DEKRA's future-focused investment in Germany is a new Wi-Fi testing laboratory that recently began operations in Stuttgart. Here, DEKRA offers its customers—particularly in the automotive industry—crucial services to test the reliability, interoperability and security of Wi-Fi components.

Sustainability: Paving the way for a hydrogen economy

Another growth area is the emerging hydrogen economy, which is vital for achieving climate targets. Although the development of the green hydrogen economy may be slower than once anticipated, DEKRA sees enormous potential in hydrogen. "Our task is to ensure that the ramp-up of hydrogen production and application is safe," says Zurkiewicz. DEKRA draws on decades of experience in established applications, such as refineries and chemical processes. DEKRA experts understand hydrogen's properties

and the associated challenges, as well as the standards, processes and testing for its safe handling. "DEKRA is well-positioned to ensure hydrogen safety throughout its entire life cycle," says Zurkiewicz. "In this way, we are helping to build confidence for investments in the hydrogen economy."

Striking the right balance between innovation and regulation

In connection with new EU regulations on corporate sustainability reporting, Stan Zurkiewicz notes an imbalance between bureaucratic burdens and market dynamics, resulting in competitive disadvantages for European businesses: "DEKRA has always stood, and will always stand for high standards when they serve a purpose: protecting people's health and safety, safeguarding innovation, and building trust. The current proliferation of regulations, however, poses a hurdle, especially for small and medium-sized companies in Germany." With specific reference to the new Corporate Sustainability Reporting Directive (CSRD), DEKRA is currently advocating to improve the German draft law and to ensure the involvement of technical auditors, or so-called Independent Assurance Service Providers (IASP). "Our aim is to simplify auditing for small and medium-sized enterprises while maintaining a high standard of quality."

AI and cybersecurity: a global competitive advantage with DEKRA

Two years since the release of ChatGPT, DEKRA continues to recognize the challenge that business and society face in making AI systems safe and responsible for people and the environment. "The focus of our work is on quality management systems, risk assessments and the development of test procedures," reports the CEO. DEKRA has already launched its first AI services on the market. In testing AI technologies and models, the company relies on both established standards and proprietary methods. For example, DEKRA has supported a leading company in the field of AI and Advanced Driver Assistance Systems (ADAS) in ensuring the quality of its labeling processes. The process involves precisely labeling large datasets, such as indicating whether an image depicts a car, a person or a traffic sign. These precise labels help the AI to recognize patterns and learn to respond safely and appropriately in real-world scenarios.

DEKRA has also further expanded its cybersecurity business area, now with a global presence that includes locations in Asia, Europe and the Americas. "International corporations turn to us to quickly define reliable test scenarios in the dynamic field of cybersecurity and to implement them in a practical manner," says Zurkiewicz. In Shanghai, for example, the company has recently awarded Lenovo the Radio Equipment Directive Delegated Act (RED/DA) certificate for a commercial notebook, the world's first of its kind, enhancing cybersecurity, personal data protection and privacy for portable IT devices.

Caption: "We are optimistic that we can close 2024 with a mid-single digit increase in sales," says Stan Zurkiewicz, CEO and Chairman of the Board of Management of DEKRA e.V. and DEKRA SE, at the company's annual review at its Stuttgart headquarters. Despite very challenging external conditions, all areas of the company's core TIC (Testing, Inspection, Certification) business have contributed to this success.

About DEKRA

DEKRA was originally founded in 1925 to ensure road safety through vehicle inspection. With a much wider scope today, DEKRA is the world's largest independent non-listed expert organization in the testing, inspection, and certification sector. As a global provider of comprehensive services and solutions, we help our customers improve their safety, security and sustainability outcomes. In 2023, DEKRA generated revenue of €4.1 billion. The company currently employs around 49,000 people who offer qualified and independent expert services in approximately 60 countries across five continents. With a platinum rating from EcoVadis, DEKRA ranks among the top one percent of sustainable businesses.