

## Press Release

### Record Revenue Exceeds Own Expectations

## DEKRA Builds on Excellent Fiscal Year 2023

- Revenue at all-time high of 4.1 billion euros (+8% vs. 2022)
- Adjusted EBITDA grew by 7.8%, adjusted EBIT by 12.8%
- ‘Strategy 2025’ gains momentum: Further growth expected, based on a strong core business and the Future Mobility, Cyber Security, Sustainability, and Artificial Intelligence focus areas

2023 was an excellent year for DEKRA. Global revenue increased significantly to an all-time high of 4.1 billion euros (+8% vs. 2022: 3.8 billion euros) – exceeding the company’s own expectations and demonstrating strong growth compared to its industry peers. Earnings grew substantially to yield adjusted EBITDA of 455.5 million euros (+7.8% vs. 2022) and adjusted EBIT of 255.3 million euros (+12.8% vs. 2022).

On this basis, in 2024, DEKRA plans to fully exploit its early mover advantage in future technologies and newly established regulations. As its ‘Strategy 2025’ gains momentum, revenue growth is expected to be in the mid-single-digit range. By **2025**, the year of the company’s 100th anniversary, DEKRA aims to be the partner of choice for cutting-edge TIC (testing, inspection, and certification) services in the growing business areas of Future Mobility, Cyber Security, Sustainability, and Artificial Intelligence (AI).

“In 2023, DEKRA once again improved its business performance – despite a tense economic and geopolitical environment,” said DEKRA CEO Stan Zurkiewicz at the company’s Annual Press Conference. “All six regions and all Service Divisions contributed to our strong sales momentum and our all-time revenue high. Our strong core businesses and our early mover advantage in future topics make us highly confident that we will grow both revenue and margins, and achieve our strategic goals.”

While DEKRA’s Americas (+27%) and Central East Europe & Middle East (+13%) **regions** delivered the highest growth rates in 2023, the largest revenue in absolute terms was generated in the GSA region (Germany, Switzerland, Austria: 2.6 billion euros).

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From a **business area perspective**, vehicle-related services continued to be the primary source of revenue. DEKRA has, once more, confirmed its role as the global market leader in vehicle testing with 31.6 million tests carried out.

In 2023, DEKRA's adjusted EBIT margin increased slightly by 0.2 percentage points to 6.2%, despite the negative impact of higher provisions and higher operating expenses due to inflation. The equity ratio remained at a very high level of 39.3% (2022: 41%).

DEKRA's 'Strategy 2025' is proving successful. Over the past year, the company further invested in its service portfolio in the Future Mobility, Cyber Security, Sustainability, and AI focus areas. "In sum, investments reached a record high of 143.5 million euros," explained DEKRA CFO Wolfgang Linsenmaier. "Additionally, DEKRA optimized its bottom line by streamlining its organizational set-up, for example. We also further expanded our employee base." At the end of 2023, around 49,000 experts were working for DEKRA in some 60 countries.

"Our investments have been fundamental to successfully launching new services in future technologies," added Zurkiewicz. "In 2024, we will ramp up our investments to further grow our service portfolio."

### **Optimistic outlook for 2024**

Against the backdrop of geopolitical and economic crises, DEKRA expects global growth in 2024 to remain subdued. However, the company had a solid start to **fiscal year 2024** with revenue of just over one billion euros in Q1 2024 (+2.5% vs. Q1 2023). Based on its strong position in current and future markets, DEKRA anticipates continuing its upward trend. Revenue is expected to increase in the mid-single-digit range in fiscal year 2024, primarily as the result of organic growth supplemented by strategic acquisitions. Additionally, DEKRA expects a further increase in EBIT.

**Beyond 2024**, DEKRA also aims to strengthen its profitability by developing a cutting-edge service portfolio and applying digitalization and AI in both internal processes and customer solutions. Accordingly, in the second half of this decade, DEKRA plans to achieve a margin in the range of 8 to 9%.

### **Strategic growth areas: Revenue from Future Mobility to triple by 2025**

DEKRA already reaped benefits in its strategic growth areas in 2023.

In Future Mobility, DEKRA successfully launched a wide range of new services. One example is its **patented battery test** that addresses a key obstacle in the used electric vehicle market: the uncertainty about the remaining lifespan and performance of car batteries. Within minutes, the test provides clarity with highly accurate measurements, facilitating transparent price negotiations. DEKRA's test currently covers 12 European countries and over 100 vehicle models, including Tesla, with forecasts to significantly increase testing volume.

DEKRA is also focusing on growth opportunities in **automated and connected driving**. One distinct service is the offering of highly complex test scenarios for advanced driver assistance systems and automated driving functions, using digital twins to align real-world testing with the digital realm. DEKRA conducts these tests at its site in Klettwitz, Germany, which is poised to become the world's most comprehensive independent automated and connected driving testing facility. In terms of connected vehicle functions, the test site in Malaga, Spain, also plays a key role.

By 2025, DEKRA expects its Future Mobility business to grow by around 200% compared with 2022. This will solidify its position as the clear leader in the global automotive TIC market, which is expected to be worth 18 billion euros annually by 2025.

“Vehicle safety has been our mission since our founding almost a century ago. As technology evolution accelerates and AI plays an increasingly central role in new generations of vehicles, we are continuously expanding our services,” said Zurkiewicz.

### **Cyber Security & AI: New innovative services to grow revenues by 2025**

Over the past seven years already, DEKRA has successfully built its Cyber Security business with a strong **global presence** spanning over Asia, Europe, and the Americas. Its renowned customer base includes leading technology companies such as Amazon, Apple, Google, BYD, BMW, and Continental. In the past year, DEKRA has doubled its workforce and tripled its revenue in this area, achieving double-digit margins.

“The threat of cyberattacks keeps growing. In Germany, BITKOM assumes damage amounting to 206 billion euros each year. Our clients choose DEKRA for our ability to identify vulnerabilities in their future products early in the development stage and define reliable test scenarios,” explained Zurkiewicz.

One example is DEKRA's **Cyber Security Certification Program** for drones. This makes it possible to address the critical risks associated with wireless and networked technologies. A second example is DEKRA's unique certification of the safety and reliability of **digital car keys**, with endorsement from over 330 industry partners including BMW, Toyota, Ford, Apple, and Samsung. With four accredited laboratories worldwide, DEKRA is primed to serve industry leaders with rigorous testing procedures and unparalleled cybersecurity expertise.

The rapid adoption of AI will require additional cybersecurity measures in the future. Consequently, DEKRA pioneered a first wave of **AI training and testing** services in 2023, with the focus on the high-risk AI applications that are prevalent in aircraft, vehicles, medical devices, and other products covered by EU safety regulations.

In light of its current strategic emphasis on safeguarding AI, DEKRA introduced comprehensive services for its customers to train them in navigating EU regulations effectively. In a **pilot project** for Migros Bank and Gowago, Switzerland's largest online car leasing company, DEKRA, together with its partner LatticeFlow, successfully ensured the accuracy and reliability of an underlying AI model by assessing data quality, model robustness, and compliance with forthcoming EU regulations.

Building on its strong market position in the field of cybersecurity and its early mover advantage in AI, DEKRA plans to increase revenue from AI fivefold and to more than double revenue from Cyber Security by 2025.

### **Sustainability Services: Ambition to reach 40% revenue share by 2025**

Sustainability remained a clear strategic priority in 2023. DEKRA has more than 500 sustainability services in place, making up one third of its service portfolio. As well as ESG, this portfolio covers circular economy and product sustainability as well as decarbonization and energy transition topics.

With regards to the latter, **hydrogen** has emerged as an important focus topic. "Today, DEKRA is one of the pioneering organizations accredited to provide comprehensive hydrogen testing," said Zurkiewicz, "and we expect to become one of the first TIC companies recognized by the EU Commission to certify green hydrogen."

With a growing number of complex **regulatory frameworks**, such as the Corporate Sustainability Due Diligence Directive, DEKRA is increasingly assisting companies in navigating these frameworks and developing matching ESG strategies.

By 2025, DEKRA's ambition is to reach a revenue share of 40% sustainability related services in this growth area.

### **Further progress in sustainability performance confirmed by CDP B score**

Consequently, DEKRA remains highly committed to sustainability and to transparency about its own activities. The company therefore disclosed through **CDP** for the second time in 2023. "Our B score attests to our good environmental management. This is of high value to us because CDP has a strong reputation in the market. Going forward, we will implement further measures to incentivise even stronger emission reductions," said Linsenmaier, who is also responsible for sustainability on the DEKRA Management Board.

DEKRA is also currently preparing for its next evaluation by **EcoVadis**, the leader in sustainability assessments for global value chains. The company has already received the EcoVadis Platinum Medal three times in a row.

## **DEKRA Annual Report 2022/23**

<https://report.dekra.com/en>

### **Caption:**

DEKRA built on an all-time high in fiscal year 2023, with revenue rising by 8 percent to 4.1 billion euros. The figures were presented by the DEKRA Management Board at the company's Annual Press Conference, which was broadcast digitally from its headquarters in Stuttgart (from left): Stan Zurkiewicz, Chairman of the Management Board of DEKRA e.V. and DEKRA SE (CEO), Petra Finke, Member of the Management Board of DEKRA SE (CDO), Peter Laursen, Member of the Management Board of DEKRA SE (COO), and Wolfgang Linsenmaier, Member of the Management Board of DEKRA e.V. and DEKRA SE (CFO). Picture credits: DEKRA

### **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 EUR 4.1 billion. The company currently employs around 49,000 people who offer qualified and independent expert services in approximately 60 countries on five continents. With a platinum rating from EcoVadis, DEKRA is now in the top one percent of sustainable businesses ranked.*