

Press Release

DEKRA represented on all five continents:

Digitization brings growth surge

- Revenues grow by 6% to EUR 2.9 billion in 2016
- Number of employees rises to over 38,000 for first time
- Strong expansion of testing capacity in Asia-Pacific
- 13 years of continuous growth by expert organization

DEKRA e.V.
Corporate Communications
Handwerkstraße 15
70565 Stuttgart, Germany

www.dekra.de/presse

Safety is a service in great demand all over the world. This is benefiting the global expert organization DEKRA, which will grow for the 13th year in a row in 2016. Consolidated revenues are expected to rise by around 6% to roughly EUR 2.9 billion. More than 80% of the rise in revenues is thanks to strong organic growth. At the same time, DEKRA has invested in the future development of the company. This applies to traditional business areas such as regular vehicle inspections, but also to new testing markets for the Internet of Things. In China alone, five new testing laboratories were opened in 2016 and a total of 15 new laboratories have gone live worldwide over the past two years. Headcount has risen by around 1,700 in 2016 to more than 38,000. Thus, the number of employees has almost doubled in the space of eight years. As the company reported to journalists in Stuttgart on Monday, growth is also expected for 2017: “We have gained international momentum in 2016 and are expecting a further growth spurt in 2017,” said DEKRA CEO Stefan Kölbl. He sees the leading non-listed expert organization as being well on its way to becoming a global preferred partner for technical and organizational security. DEKRA currently operates in more than 50 countries and is the world’s fourth largest company in the TIC industry (testing, inspection, certification).

Bolstered by steady growth and success in internationalization, DEKRA is continuing to implement its Vision 2025 program: “In the three areas of life, on the road, at work and at home, we protect human lives every day as a global partner for a safe world,” explained DEKRA’s CEO Stefan Kölbl. The digitization of processes and services will play an increasingly important role in this. DEKRA has prepared for this with strategic acquisitions in the previous year. In 2016, DEKRA focused on expanding its service portfolio and integrating the Internet of Things companies already acquired: Thus, the company is now positioned on future

Date	Stuttgart, December 12, 2016/Nr. 131
Contact	Dr. Torsten Knödler
Tel. (direct line)	+49 711 7861 2075
Fax (direct line)	+49 711 7861-2913
E-mail	torsten.knoedler@dekra.com

markets with DEKRA AT4 wireless (Spain), QuieTek (Taiwan), and DEKRA iST Reliability Services (Taiwan), a 51% joint venture. This means that the test service provider is already one of the top five providers in the world for business relating to the key issue of connectivity. Secure connectivity is becoming more and more important. For example, this is about checking whether machinery and everyday devices can communicate safely using wireless connections.

DEKRA has also made acquisitions to expand its international testing network for the forthcoming Internet of Vehicles (IoV). In Asia alone, five new labs were opened in six months in 2016 – with another to come in China in January 2017. There, for example, automotive suppliers and spare parts manufacturers can have the connectivity and electromagnetic compatibility of their products tested and certified. Stefan Kölbl: “Demand for safe wireless components and safe electromobility is growing worldwide. We are preparing for this intensively.”

DEKRA Automotive: Constantly on course

DEKRA Automotive will once again make a significant contribution to the success of the DEKRA Group in 2016. Revenues are set to rise by around 6% to EUR 1.5 billion. In addition, almost EUR 150 million will be generated from periodic industrial testing services in Germany carried out by DEKRA Automobil GmbH. DEKRA Automobil GmbH has enjoyed positive growth in Germany. Its revenues are expected to increase by around 3.5% to EUR 1.1 billion. This reflects successes in the core business of vehicle inspections and expert appraisals. For instance, it has consolidated its position as the market leader in testing with eleven million inspections and a market share of around 34%. Furthermore, the market position for recurring industrial testing services, which are performed by DEKRA Automobil GmbH in Germany, was expanded further. For example, the market share in elevator testing business is now more than 10%.

DEKRA Automotive also seized opportunities on the international markets and set course for further growth. The number of inspections developed positively in fiscal 2016 following the establishment and expansion of the testing center network, for example in Bulgaria, Canada, Sweden, and the US. DEKRA is therefore consolidating its position as a world market leader with around 26 million vehicle inspections per year. Furthermore, the starting pistol was fired for joining further markets such as Portugal and Luxembourg. In New Zealand, the first year of the driving tests was very successful.

In the context of digitization, DEKRA also launched “Road Safety 4.0” in 2016. Thus, the introduction of the general inspection adapter in Germany in the middle of last year proved an important first step for the testing of onboard electronic systems. “In view of the rapid advancement of electronic assistance systems and the vision of automated driving, vehicle inspection has to keep on developing as well,” said Stefan Kölbl. DEKRA is therefore committed to binding rules to allow manufacturers access to vehicle data relevant to safety. “Testing organizations have to be on the cutting edge with software updates. Because this could change systems relevant to safety,” explained DEKRA’s CEO. “In terms of environmental protection as well, tailpipe readings are needed in addition to vehicle data when testing for emissions in order to detect possible manipulation.”

Industrial: Expertise in demand

DEKRA Industrial’s work in 2016 is being rewarded with revenue growth of a projected more than 7% to EUR 865 million. “In a highly technological and increasingly digital world, we are successful as an independent testing organization because we test according to recognized methods and standards, thereby ensuring safety,” Stefan Kölbl commented on the business figures.

DEKRA’s high acceptance in the digital environment is highlighted by several new accreditations in the product testing and certification service unit. Moving ahead, the Spanish DEKRA AT4 wireless will be providing test services for the mobile communication standard LTE-U on behalf of the Wi-Fi Alliance so that Wi-Fi and LTE-U can be used side by side without interference. In North America, DEKRA AT4 wireless was also named as the telecommunications certification body and the first accredited test laboratory in North America by the LoRa Alliance.

The material testing and inspection service unit has again benefited from the broad range of its expertise, for example in non-destructive testing and robot-assisted inspection. The service unit has won several major orders from companies in the energy industry in Sweden, Switzerland, and South Africa. In addition, China also saw the successful launch of business with visual inspection services in nuclear power plants.

The year 2016 was defined by the business assurance and insight service unit entering new markets as well. Following the strategic acquisition of AQS Management Systems Inc., Minnesota, DEKRA is the leading provider of training for auditors and quality management experts in the US. The purchase strengthens

both the market position for the certification of management systems and the activities in the areas of occupational safety and process safety. In consulting business, DEKRA Insight compensated for the weaker demand in the key oil and gas industry with new customers from other sectors. DEKRA received major orders from two global players in the food industry to improve organizational and process safety.

DEKRA Personnel: Solid business

Thanks to the encouraging business performance at DEKRA Akademie and DEKRA Arbeit, DEKRA Personnel is expected to increase its revenues by more than 8% to EUR 506 million in 2016.

As one of the largest private training providers in Germany, DEKRA Akademie has achieved growth in corporate client business, for instance, in occupational safety and fire safety. Revenues from fire safety training alone rose by around a third. DEKRA Akademie was also successful here thanks to its early commitment to training and integration services for refugees. On the growth market of online qualifications, DEKRA Akademie has added more subjects to the DEKRA Safety Web. In addition, it developed additional blended learning courses, i.e. combined teaching with virtual lessons and face-to-face training, for security officers, for example.

DEKRA Arbeit has maintained its position as the seventh largest temporary staffing and HR service company in Germany and further expanded its business. Thus, a company was founded in Switzerland and in business with major customers the framework agreement with an automotive manufacturer was extended until 2020.

Positive outlook for 2017

Thanks to its excellent market position, the expert organization assumes that its long-term growth trajectory will continue in 2017. The positive business development is expected to be roughly on par with previous years. DEKRA's CEO Kölbl said: "We have set the course to ensure safety in the digital world as well in the future. In this context, our established expertise as a global market leader for vehicle inspections and the newly acquired business fields in electronics and telecommunications complement each other perfectly. Over the coming years, DEKRA will assume an active pioneering role with regard to the concept development and implementation of the necessary test standards."

About DEKRA

DEKRA has been active in the field of safety for more than 90 years. Founded in 1925 in Berlin as Deutscher Kraftfahrzeug-Überwachungs-Verein e.V., it is today one of the world's leading expert organizations. DEKRA SE is a subsidiary of DEKRA e.V. and manages the Group's operating business. In 2016, DEKRA will generate sales totalling approximately 2.9 billion Euros. The company currently employs more than 38,000 people in more than 50 countries on all five continents. With qualified and independent expert services, they work for safety on the road, at work and at home. These services range from vehicle inspection and expert appraisals to claims services, industrial and building inspections, safety consultancy, testing and certification of products and systems, as well as training courses and temporary work. The vision for the company's 100th birthday in 2025 is that DEKRA will be the global partner for a safe world.