

TÜV Rheinland: Growth with Sustainability

Balance sheet in the 2022 anniversary year / Revenues around EUR 2.3 billion, earnings over EUR 180 million / Sustainability: significant growth planned / TÜV Rheinland is investing in the future and remains an attractive employer

Cologne, May 11, 2023. “In 2022, we once again demonstrated that TÜV Rheinland is on a stable footing, even in times of uncertainty and multiple crises. In the year of our 150th anniversary, we generated revenues of around EUR 2.3 billion and solid earnings of more than EUR 180 million. We could not have achieved this without the excellent performance and considerable expertise of our employees. The positive results mean that we can invest in our future and sustainable growth,” says Dr. Michael Fübi, CEO of TÜV Rheinland AG. TÜV Rheinland celebrated its 150th birthday in 2022. The company was founded on October 31, 1872, as the “Verein zur Überwachung der Dampfkessel in den Kreisen Elberfeld und Barmen” (Association for the Inspection of Steam Boilers in the Districts of Elberfeld and Barmen).

TÜV Rheinland significantly increased both its revenues and profit in 2022. The global testing service provider closed the 2022 financial year with revenues of EUR 2.275 billion (2021: EUR 2.09 billion), corresponding to a year-on-year increase of 8.8%. In the 2022 financial year, TÜV Rheinland’s EBIT exceeded that of the previous year at EUR 180.3 million (EBIT in 2021: EUR 157.8 million). The EBIT margin reached 7.9% after 7.5% in 2021. The number of employees increased by 3.1%, which meant that TÜV Rheinland’s employee headcount in 2022 was 20,870 full-time equivalents worldwide. In 2022, TÜV Rheinland invested over EUR 33 million more than in the previous year at EUR 90.8 million. Investment volume rose by 57.4% year-on-year.

TÜV Rheinland’s equity increased by EUR 205.1 million from EUR 436.2 million to EUR 641.3 million in 2022. This brought the equity ratio up to 27% in the reporting year (2021: 17.7%). Positive cash flow from operating activities totaled EUR 245.8 million in the 2022 financial year (2021: EUR 205.9 million).

Test, certify, educate: growth across all business streams and regions

In 2022, TÜV Rheinland increased its revenues across all business streams and in all regions in which the company operates. The Group’s employees carried out around 400,000 industrial inspections worldwide and tested around 300,000

products. In addition, its experts inspected nearly ten million vehicles and have now awarded a total of 50,000 certificates in accordance with ISO standards. In 2022, around 150,000 people received advanced training at seminars held by the TÜV Rheinland Academy.

Growth with sustainability services

TÜV Rheinland's aspiration is to achieve growth in the coming years – particularly with sustainability services – and to significantly increase their share of total revenues. In 2022, the company generated around EUR 529 million in revenues for sustainability services in the environmental, social and governance (ESG) segment, equating to roughly 21% of total revenues. Sustainability services currently offered include measurement of greenhouse gas emissions, health protection, and testing for green hydrogen, photovoltaic systems and batteries. The company has also established competence centers for hydrogen and for services related to the reduction of carbon emissions. "Our tests, certifications, and academy and consulting business allow us to play a significant part in making sure that tangible changes for greater sustainability are possible and verifiable," emphasizes Michael Fübi.

TÜV Rheinland not only offers sustainability services, but also backs them up with its own sustainability targets. The company is aiming to be climate-neutral from 2028, and the German group companies from as early as 2025. TÜV Rheinland is also aiming for Gold status from EcoVadis, the world's leading provider of sustainability rankings. Since October 2021, TÜV Rheinland has been rated Gold status, putting it among the best 5% of companies rated. The Group's commitment is globally oriented. The fact that in 2006 TÜV Rheinland was the first testing company in the world to sign up to the United Nations Global Compact to promote responsible business and sustainability is further evidence of this.

TÜV Rheinland is investing in the future

TÜV Rheinland significantly increased its investment volume in the 2022 financial year. The Group invested in future and digitalization topics in particular such as electromobility and autonomous driving. In June 2022, for example, the company opened a large testing laboratory for electrical vehicle drive batteries in Aachen. By the end of 2023, the laboratory will be further expanded at a total cost of EUR 24 million. Another new development is the Yangtze River Delta Operation Hub. In the first phase, which took place in 2022, TÜV Rheinland invested around

EUR 10 million in this laboratory center in Taicang near Shanghai, China. Items that the company's experts will test here include photovoltaic modules, electrical and electronic products, and automotive electronics. The second construction phase will run until the end of 2023. Other investments in 2022 included the construction and modernization of vehicle inspection centers in Chile and the expansion of testing capacities for wireless technologies in Taiwan.

"TÜV Rheinland will continue its investment strategy in 2023. In February, we started construction of a testing and certification site for high-tech products in the Greater Boston area in the US," says Philipp Kortüm, Chief Financial Officer of TÜV Rheinland AG. The state-of-the-art facility is set to open at the end of 2023 and will be the largest of its kind in the northeastern United States.

TÜV Rheinland remains an attractive employer worldwide

In 2022, TÜV Rheinland employed an average of 20,870 full-time equivalents. This represents an increase of 3.1% on 2021. TÜV Rheinland's internationality is reflected by its employees: in 2022, 12,547 employees (60.1%) were based outside Germany. In Germany, TÜV Rheinland employed an average of 8,323 full-time equivalents in 2022. TÜV Rheinland is currently creating new jobs, both in Germany and in numerous regions worldwide. There are currently 600 vacancies in Germany alone, and 1,300 worldwide.

Performance in Germany and internationally

The German market accounted for 50.6% of TÜV Rheinland's total revenues in 2022, with the international regions contributing 49.4%. Revenues in Germany grew by EUR 58.3 million, totaling EUR 1.152 billion in 2022. Outside of Germany, revenues amounted to EUR 1.124 billion compared with EUR 997.5 million in 2021. All TÜV Rheinland regions recorded growth in revenues in 2022, some with significant growth rates.

Outlook

TÜV Rheinland has set itself clear goals for the years ahead, which will allow it to continue to grow profitably through independent safety and quality inspections. These goals include sustainability services in particular, an area TÜV Rheinland believes will grow vastly in importance. In addition, TÜV Rheinland intends to continue investing heavily in the capabilities of its own employees and expand its workforce to cater to the growing global demand for testing services. Michael Fübi:

“For us, the topics of safety, quality and sustainability represent a single entity. As one of the world’s largest independent testing service providers, we see our role as supporting the transformation of the economy today for greater sustainability tomorrow.”

TÜV Rheinland stands for safety and quality in virtually all areas of business and life. The company has been operating for more than 150 years and ranks among the world’s leading testing service providers. It has more than 20,000 employees in over 50 countries and generates annual revenues of around 2.3 billion euros. TÜV Rheinland’s highly qualified experts test technical systems and products around the world, support innovations in technology and business, train people in numerous professions and certify management systems according to international standards. In doing so, the independent experts generate trust in products as well as processes across global value-adding chains and the flow of commodities. Since 2006, TÜV Rheinland has been a member of the United Nations Global Compact to promote sustainability and combat corruption. Website: www.tuv.com

Your contact for editorial inquiries:

Ulrike Rabanus, Group Spokesperson, Global Officer Marketing & Communications, phone: +49 (0)2 21/8 06-21 48

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