



TÜV SÜD Annual Results Press Conference

3 May 2023

TÜV SÜD is showing stable development and addressing future-facing topics

Munich. TÜV SÜD represents certainty and sustainability in a rapidly changing world. In 2022, the globally operating service provider increased its revenue by 7.3 per cent year-on-year to approx. EUR 2.9 billion, although difficult overall economic conditions caused earnings to fall by 13.4 per cent to EUR 195 million. TÜV SÜD's global workforce totalled over 26,000 employees in 2022, almost half of them outside Germany.

- Stability in times of crisis: EUR 2.863 billion in revenue, EUR 195 m in earnings (EBIT)
- Investment in the future: EUR 153.8 million for digitalization and testing infrastructure
- Eyes firmly fixed on growth markets: digitalization and sustainability



TÜV SÜD is among the leading international providers of testing, inspection and certification (TIC) services. The company has successfully pursued a growth course for several years. The cornerstone of this success is TÜV SÜD's ability to understand technical and social trends and align its portfolio of services accordingly, as well as developing solutions for crucial future-facing issues such as sustainability and digitalization. TÜV SÜD consistently invests in its employees' training and further development, notching up a total of 128,800 training days in 2022. Ongoing modernisation and expansion of the company's global laboratory facilities has been a further focus of investment; new laboratories were opened at locations including the UK, Thailand, India, China and the USA.

"With the advantage of a broad range of competencies, extensive network of locations and enormous scope of specialist expertise and technical skills among our workforce, TÜV SÜD has laid solid foundations for our company's stable development even in the face of challenging economic conditions", said Dr Johannes Bussmann, Chairman of the Board of Management of TÜV SÜD AG, at

the company's Annual Results Press Conference in Munich. In 2022, the international service provider saw its revenue boosted by 7.3 per cent to a total of EUR 2.863 billion. However, the persistent political and economic upheavals caused by the aftermath of the COVID-19 pandemic and the war in Ukraine could not fail to have an impact, and EBIT fell by 13.4 per cent year on year to EUR 195 million. However, Dr Bussmann concluded, "Given the problematic framework conditions in which we have been operating, we are still satisfied with this development."

Solid growth on a broad base

Professor Matthias J. Rapp, Chief Financial Officer (CFO) of TÜV SÜD AG, expressed particular satisfaction that all segments and regions of the company had played their part in achieving the revenue growth in 2022.

The three segments of the company – INDUSTRY, MOBILITY and CERTIFICATION – each account for around one-third of corporate revenue. In 2022, the workforce of some 7,100 employees in the INDUSTRY segment generated revenue of EUR 961.8 million, a year-on-year increase of 4.2 per cent. The Chief Financial Officer also commended



the impressive performance of the 6,300-plus employees in the MOBILITY segment, who generated revenue of EUR 945.0 million – a rise of 6.7 per cent. And double-digit growth was delivered by the CERTIFICATION segment, where around 8,300 employees achieved revenue of EUR 973.8 million, a year-on-year increase of 11.1 per cent. In view of this result, Professor Rapp commended this segment as particularly robust and resilient.

TÜV SÜD is growing internationally. Its EUROPE region, comprising Europe including Germany, once again achieved the highest revenue in 2022. Professor Rapp outlined, "Our EUROPE region accounted for around three-quarters of our corporate revenue in 2022." However, the AMERICAS region also showed a significant increase in growth, with revenue rising by 19.4 per cent to EUR 177.2 million. The ASIA region likewise delivered a considerable rise in revenue of 12.8 per cent to a total of EUR 517.3 million, marking the first time that the region had cracked the half-billion mark.

The CFO expressed his confidence and optimism in the future, announcing, "In the coming years, we plan to continue expanding our strong employee base and creating new jobs." He highlighted TÜV SÜD's significant investments in the company's advancement; in 2022 alone, EUR 154 million was allocated to expanding global testing infrastructure, developing new services and business models, and directing the focus of the company and its portfolio of services on sustainability.

Climate-neutral by 2025

Dr Bussmann stressed, “We have set ourselves an ambitious goal – TÜV SÜD aims to be climate-neutral by 2025.” The most important starting-points for the company are its building operations and its vehicle fleet. TÜV SÜD’s three foremost building projects – among them the “Algorithm” building currently under construction at the group’s headquarters – comply with the highest possible energy efficiency standards, while plans are in place to instal photovoltaic systems on existing TÜV SÜD buildings and switch the vehicle fleet over to e-mobility.

“If we want to be our customers’ first choice for sustainability and related services, we need to uphold our credibility and take sustainability as the watchword for our business operations”, says Dr Bussmann. “We have the necessary expertise and experience to understand and test the complex technologies and processes that are essential to the energy transition and the shift towards sustainability in our economy and our society.” TÜV SÜD is supporting the advancement of renewable energies and the development of storage options, focusing particularly on offshore wind energy and hydrogen technology.

Sustainability needs standards and transparency

TÜV SÜD’s own GreenHydrogen standard and H₂-Readiness certification for combined-cycle power plants (CCPPs) are ground-breaking solutions that are garnering attention at national and international level. The experts at the company’s laboratories in Frankfurt and Garching near Munich test the hydrogen compatibility of materials and components used for purposes such as passenger and commercial vehicles. TÜV SÜD is also developing new testing methods to speed up workflows and reduce costs. At the LNG terminal at the German port of Wilhelmshaven, the testing procedures for the connecting pipeline performed by TÜV SÜD experts ensured that all specifications of the relevant regulations and standards were upheld despite the enormous time pressure, and guaranteed the pipeline’s hydrogen compatibility with an eye to future use.

“To ensure sustainability is successful, we need uniform standards and absolute transparency”, stressed Dr Bussmann. As an impartial third party, TÜV SÜD conducts certification to the recognised PAS-2060 standard and validates product and corporate carbon footprints in accordance with the ISO 14064 and 14067 standards. The company’s experts also developed a validation and verification process for carbon emissions in production processes, called veriX. The resulting process enables companies to define a reference baseline for their operations, serving as a benchmark for measuring the impacts of their individual improvement measures and their progress through the decarbonisation process.

Cybersecurity and artificial intelligence

A further focus of innovation at TÜV SÜD involves the development and advancement of services related to digitalization. “In this field, we provide services that protect companies and critical infrastructure from cyberattacks and support manufacturers in the automotive sector with pilot autonomous driving projects. As a Notified Body, we also assess the safety and security of medical devices with integrated artificial intelligence technology”, reported Dr Bussmann. He predicts that the use of artificial intelligence (AI) will bring far-reaching changes to processes in many different industries. TÜV SÜD has developed an initial quality management system that brings together the requirements set out in existing regulations and standards, including the IEEE-7000 family of standards – the first globally applicable standard addressing ethical aspects of AI applications. In addition, TÜV SÜD works with the TÜV Verband (the umbrella organisation of leading German TIC providers and industrial companies), further TIC companies and stakeholders from the spheres of industry and society to develop fundamental principles and tools that support comparability in artificial intelligence testing, based on sources including the European Union’s upcoming AI Act.

Alongside providing services for an increasingly digitised world, TÜV SÜD also makes the most of digitalization in developing its own services. At several TÜV SÜD companies, experts conducting inspections already make use of smart glasses to call in colleagues from other fields and tap into their expertise. And in Singapore, TÜV SÜD has developed an innovative solution for performing inspections of skyscraper facades, which combines drones and artificial intelligence.

“Our development of innovative solutions and processes and our work as members of national and international boards and committees highlight our aim and our ability to understand cutting-edge technical developments and social requirements, and to transform them into concrete services”, stressed Dr Bussmann. “In a world that is constantly and ever more dynamically changing, this ability is key to maintaining TÜV SÜD’s position as a champion of safety, security and sustainability – now and in the future.”

More information on the Internet:

- Digital press pack content at <http://www.tuvsud.com/en/press-and-media/press-conference>
- Annual Report at <https://www.annualreport.tuvsud.com/2022/en/>
- Summarised biographies of the Board of Management members at <https://www.tuvsud.com/en/about-us/leadership>

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