

CEMA Business Barometer

Public excerpt December 2023



What is the CEMA Business Barometer?

- ▶ A monthly survey within the European agricultural machinery industry (started in 2008)
- ▶ Coverage of all major sectors – from tractors to municipal equipment
- ▶ Target group: 140 senior managers from 9 (CEMA) countries
- ▶ Implementation: online survey
- ▶ Questionnaire available in five languages
- ▶ Executed by VDMA for CEMA
- ▶ Subjects of the survey:
 - ▶ current and future business situation
 - ▶ situation of order intake
 - ▶ development of turnover
 - ▶ turnover expectation per country
 - ▶ production plans
 - ▶ employment plans
 - ▶ special topics, e.g. delivery times
- ▶ Deadlines: starting ca. 5th each month, closure: ca. 13th



Business climate in deep recession

Executive summary of the survey in December

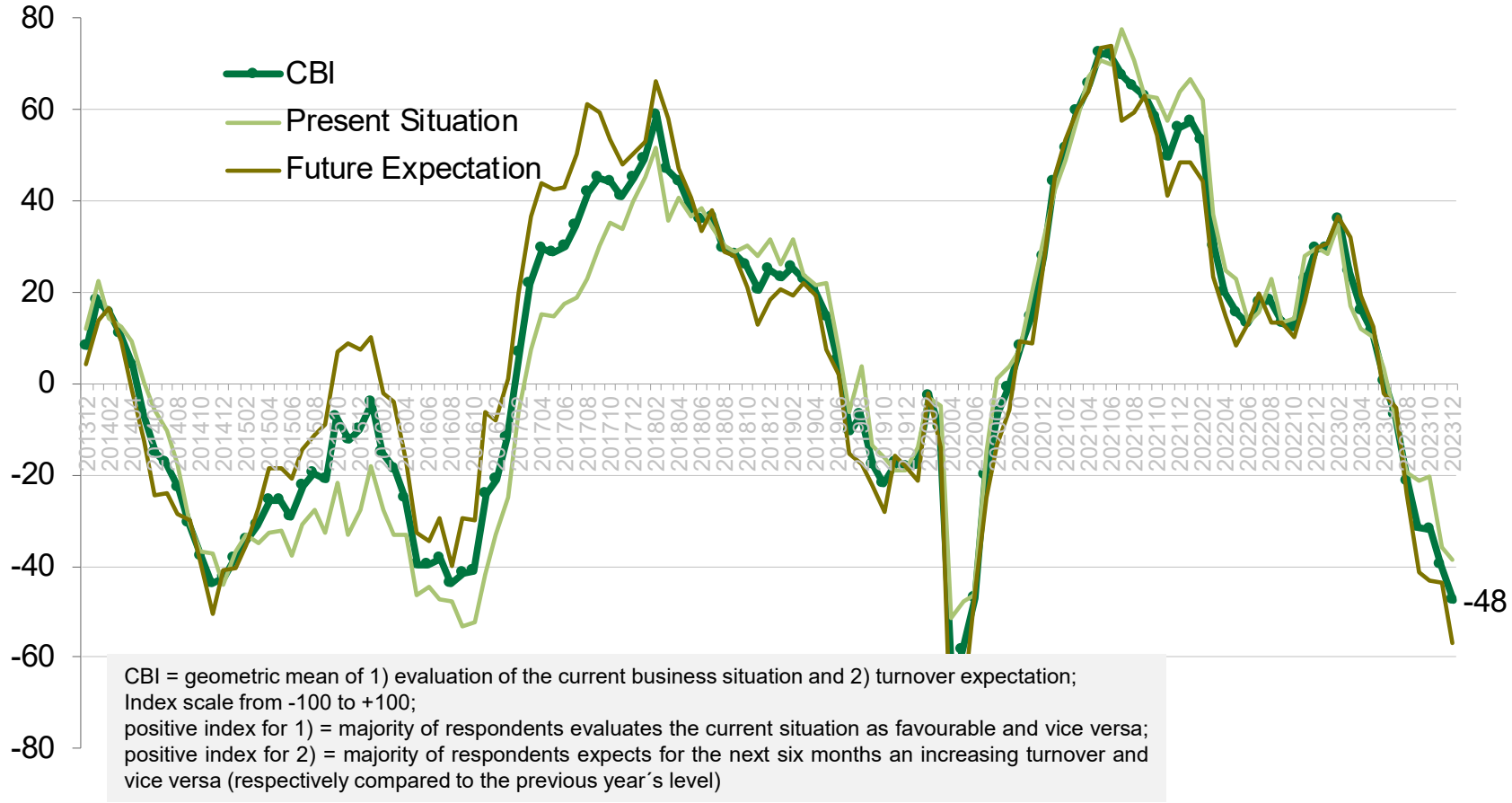
The general business climate index for the agricultural machinery industry in Europe has continued to drop and has reached deep recession territory. In December, the index decreased from -40 point to -48 points (on a scale of -100 to +100).

While once again more than half of the survey participants consider the current business situation to be unfavorable, in the meantime even two thirds expect their turnover to decline in the coming six months.

On the other hand, although confidence levels for all European markets remain negative, the same indicator shows some slight improvements within these markets. Manufacturers are possibly encouraged by the fact that incoming orders from Europe, among others, were slightly less negative last month. In any case, manufacturers are not too pessimistic with view to the coming year 2024. For the full year of 2024, the survey participants expect their company's turnover to decline only slightly on average (-5% in the median and -2% in the arithmetic mean).

Business Climate Index Development

CEMA Business Climate Index (CBI) -Total

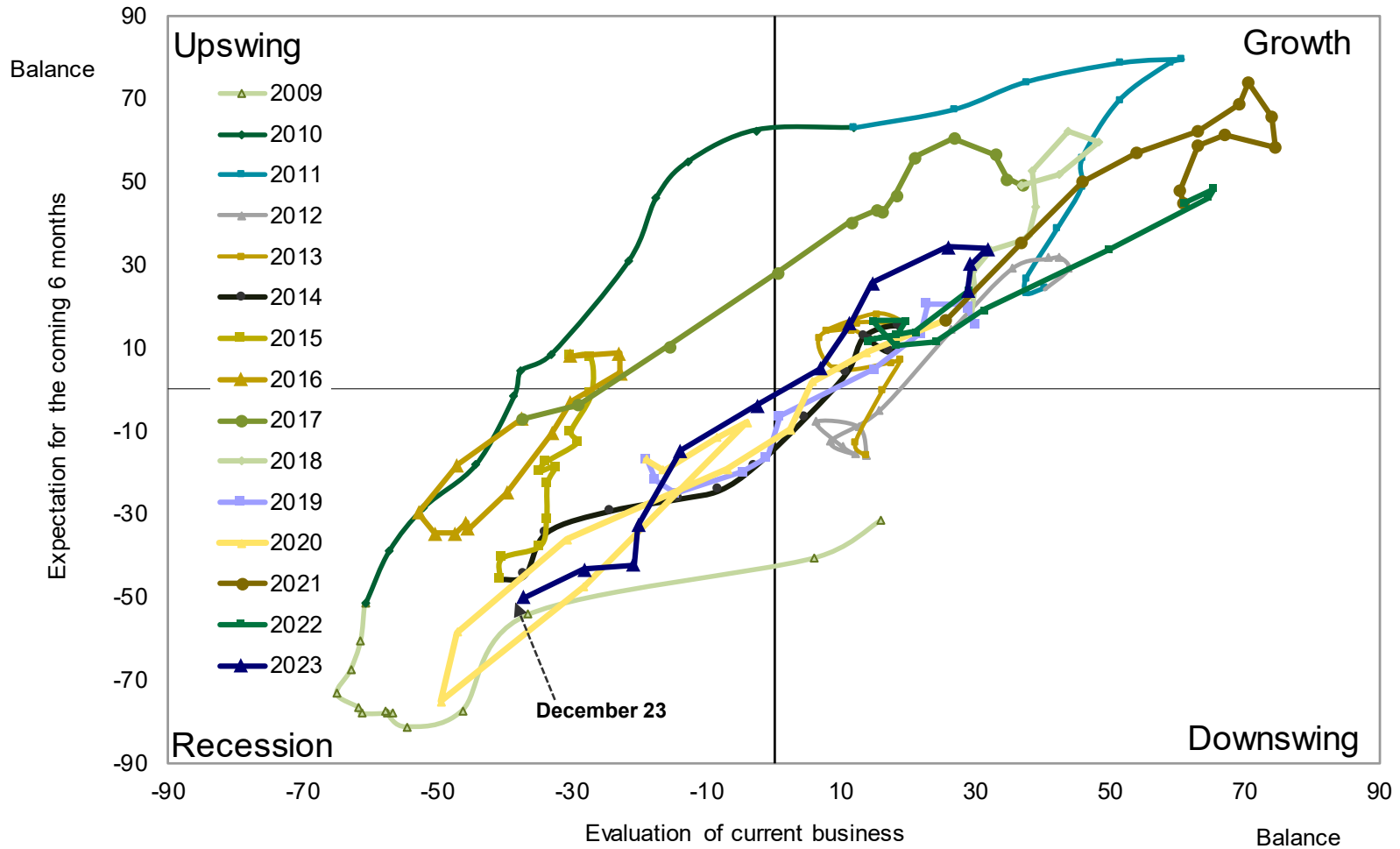


Source: CEMA Business Barometer



Business Climate

Illustration of Business Cycle



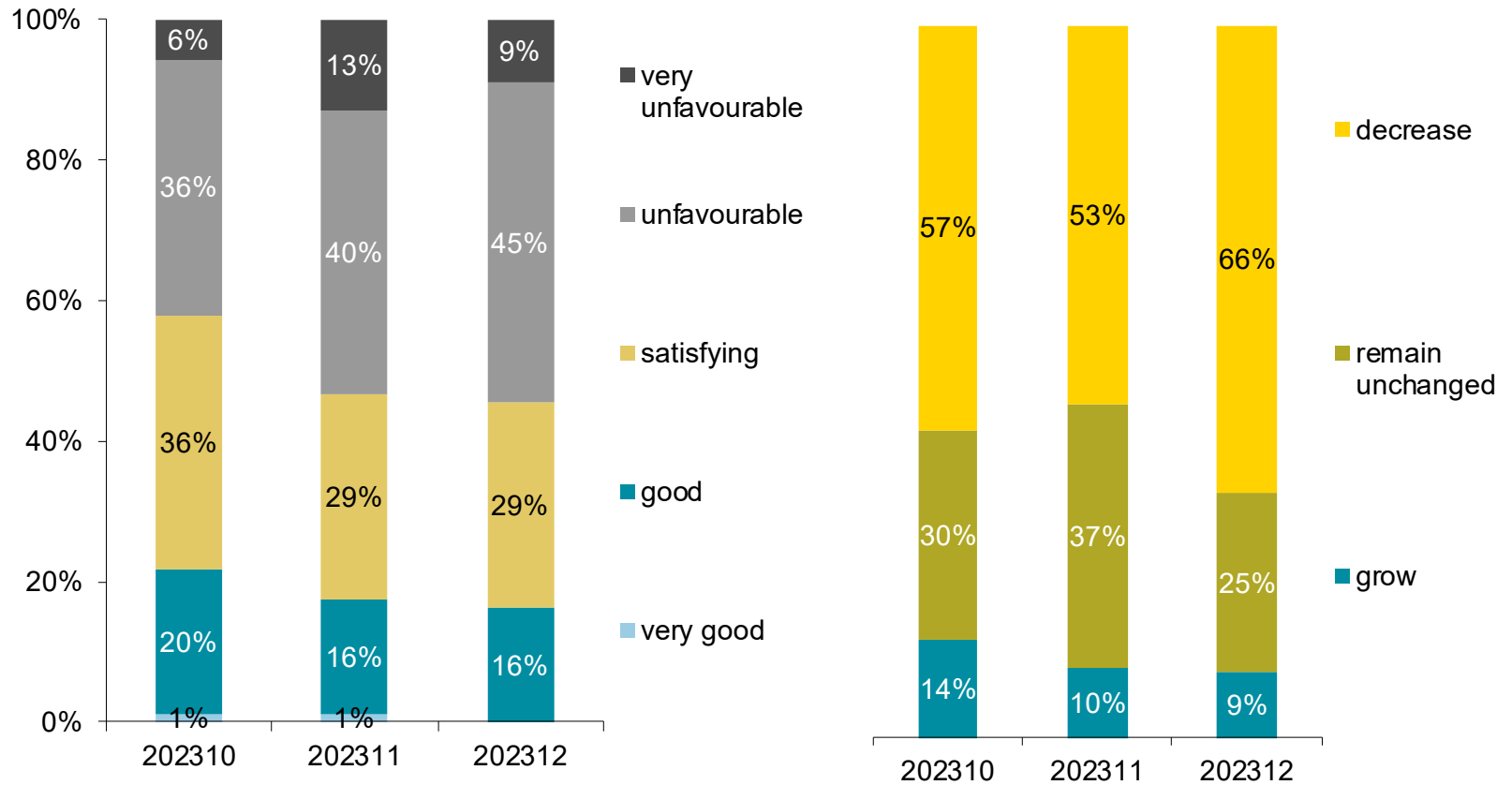
Source: CEMA Business Barometer, each value as an average of the last two months

Business Climate

Current Evaluation and Expectations

Question: We consider our current business to be

Question: We expect our overall turnover within the next 6 months to....

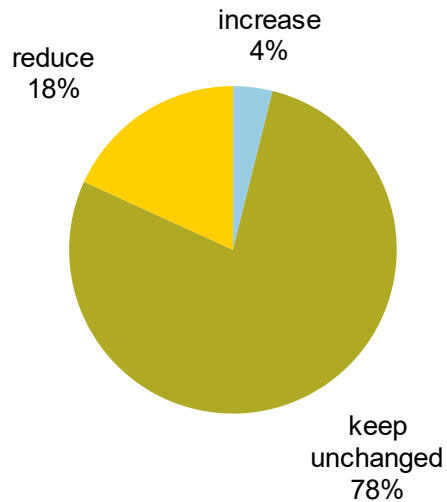


Source: CEMA Business Barometer

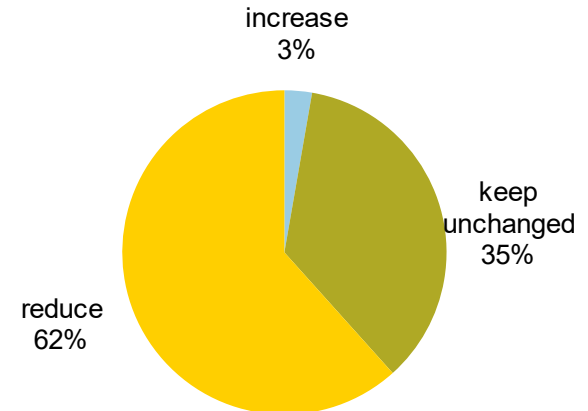
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer December 2023