

CEMA Business Barometer

Public excerpt March 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



New upward trend has stopped

Executive summary of the survey in March

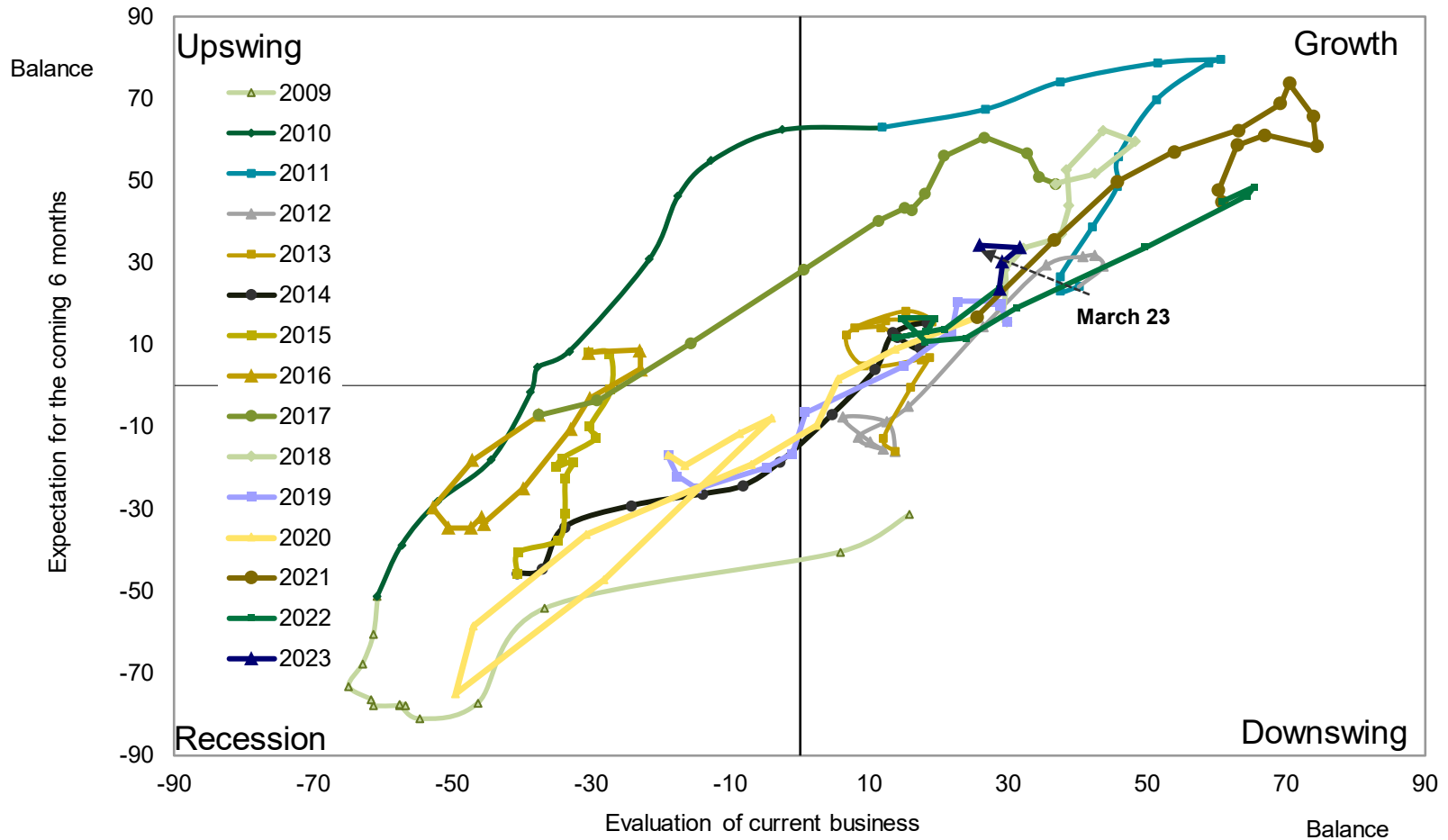
The general business climate index for the agricultural machinery industry in Europe has stopped its first significant upward trend since the sharp declines in the course of the Russian war against Ukraine, but remains still at a relatively good level. In March, the index decreased from 36 to 24 points (on a scale of -100 to +100).

The decline is mainly caused by a less favourable evaluation of the current business situation. Every fifth company reports that its business is not running well. Especially companies based in France are more pessimistic with regard to their current business. In line with the more critical situation, 40% of the European companies surveyed expect a decline in new orders within the coming six months, while only 16% foresee further increases. However, only 15% of the surveyed companies expect a decline in turnover, while a clear majority of 85% continue to forecast growth or at least a stable trend.

The regional breakdown on the market side indicates that some of the large markets such as Germany, France and Italy are losing some momentum. The representatives of the European industry look nonetheless forward with confidence to the full year of 2023: the survey participants expect for their company on average still an increase in turnover of +5%.

Business Climate

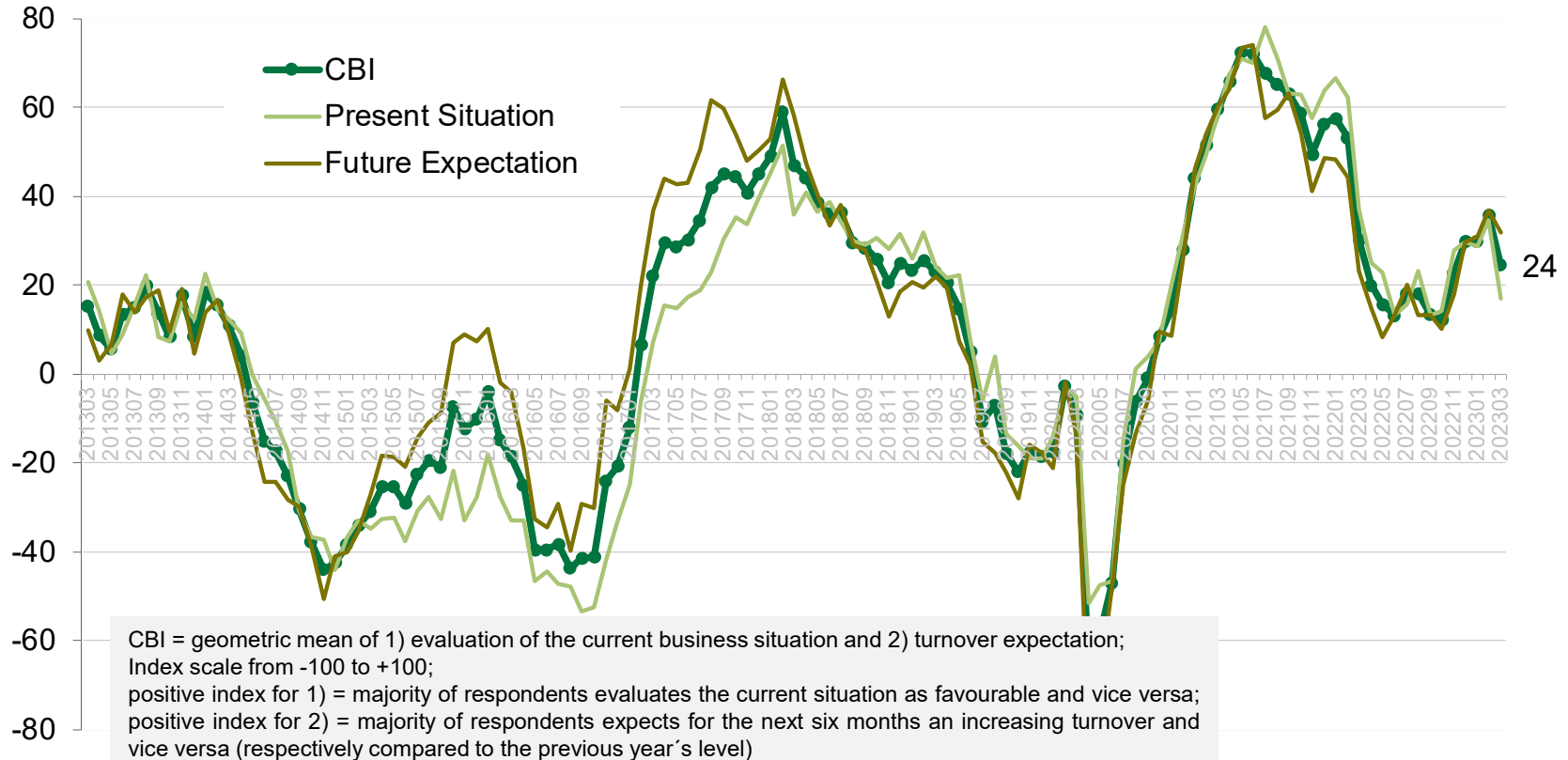
Illustration of Business Cycle



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

Business Climate Index Development

CEMA Business Climate Index (CBI) -Total



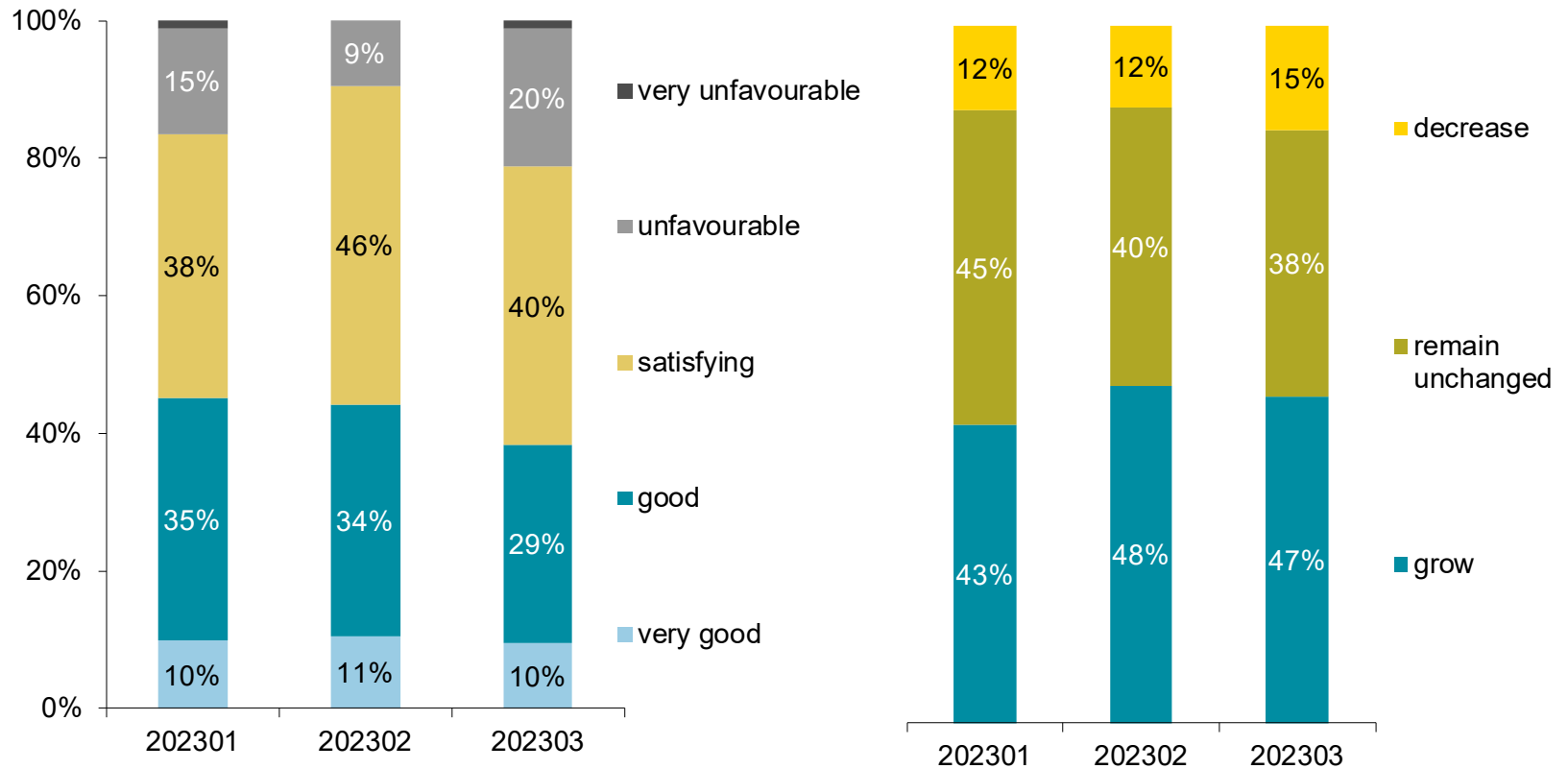
Source: CEMA Business Barometer

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....

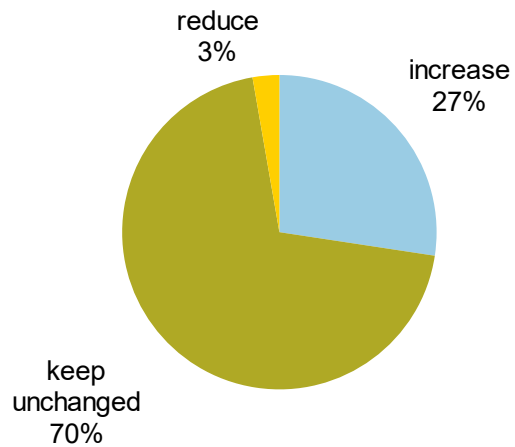


Source: CEMA Business Barometer

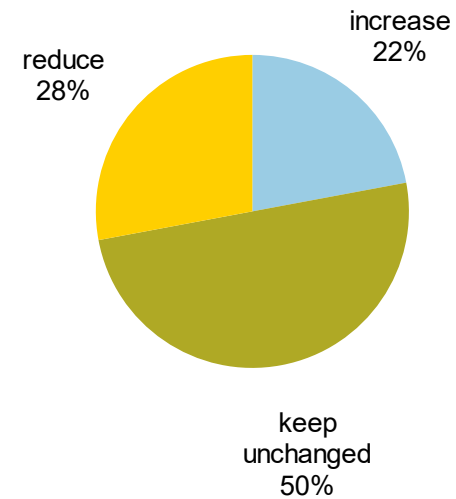
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer March 2023