

CEMA Business Barometer

Public excerpt June 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 has further deteriorated

Executive summary of the survey in June

The general business climate index for the agricultural machinery industry in Europe has dropped to its lowest level since the crash in the wake of COVID-19, but is still at a balanced level even with this further decline. In June, the index decreased from 11 to 1 point (on a scale of -100 to +100).

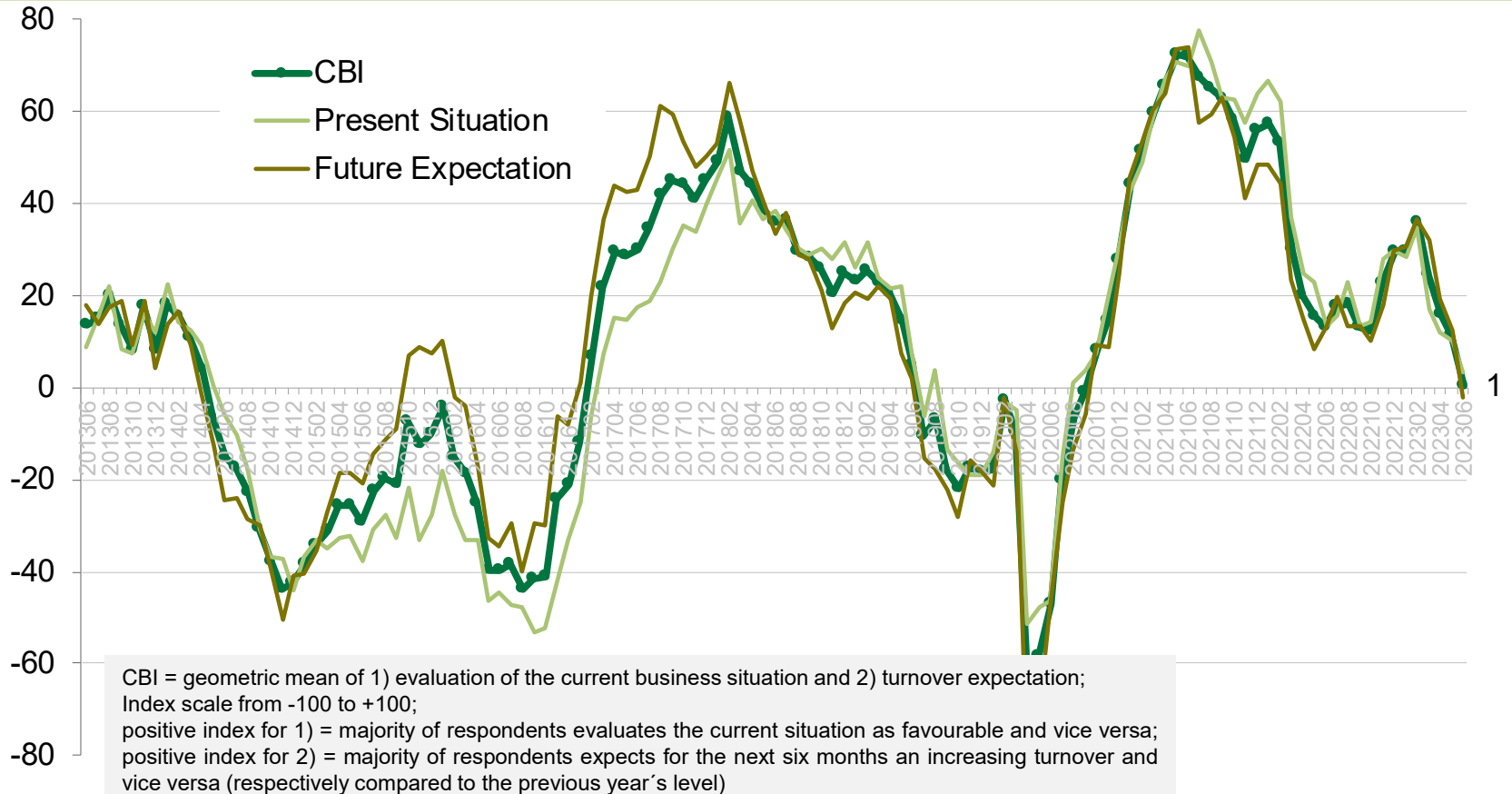
After some easing on the supply side, uncertainties are increasing with regard to the market side, and confidence levels are declining accordingly. Along with the deterioration in evaluations for the current business, industry representatives have further downgraded their future expectations.

The differences within segments and regions thereby have increased: while the climate for livestock and harvesting equipment is still at a positive level, the climate for tractors and arable equipment, among others, has clearly slipped into negative territory. Also, there is still a moderate majority of company representatives with positive turnover expectations for some large markets such as France and Germany, whereas confidence has basically disappeared for the markets of Italy and Poland.

For 2023 as a whole, the survey participants still expect a slight increase in turnover for their company on average, among others, due to high turnover at the beginning of the year as a result of the reduction in manufacturers' order backlogs.

Business Climate Index Development

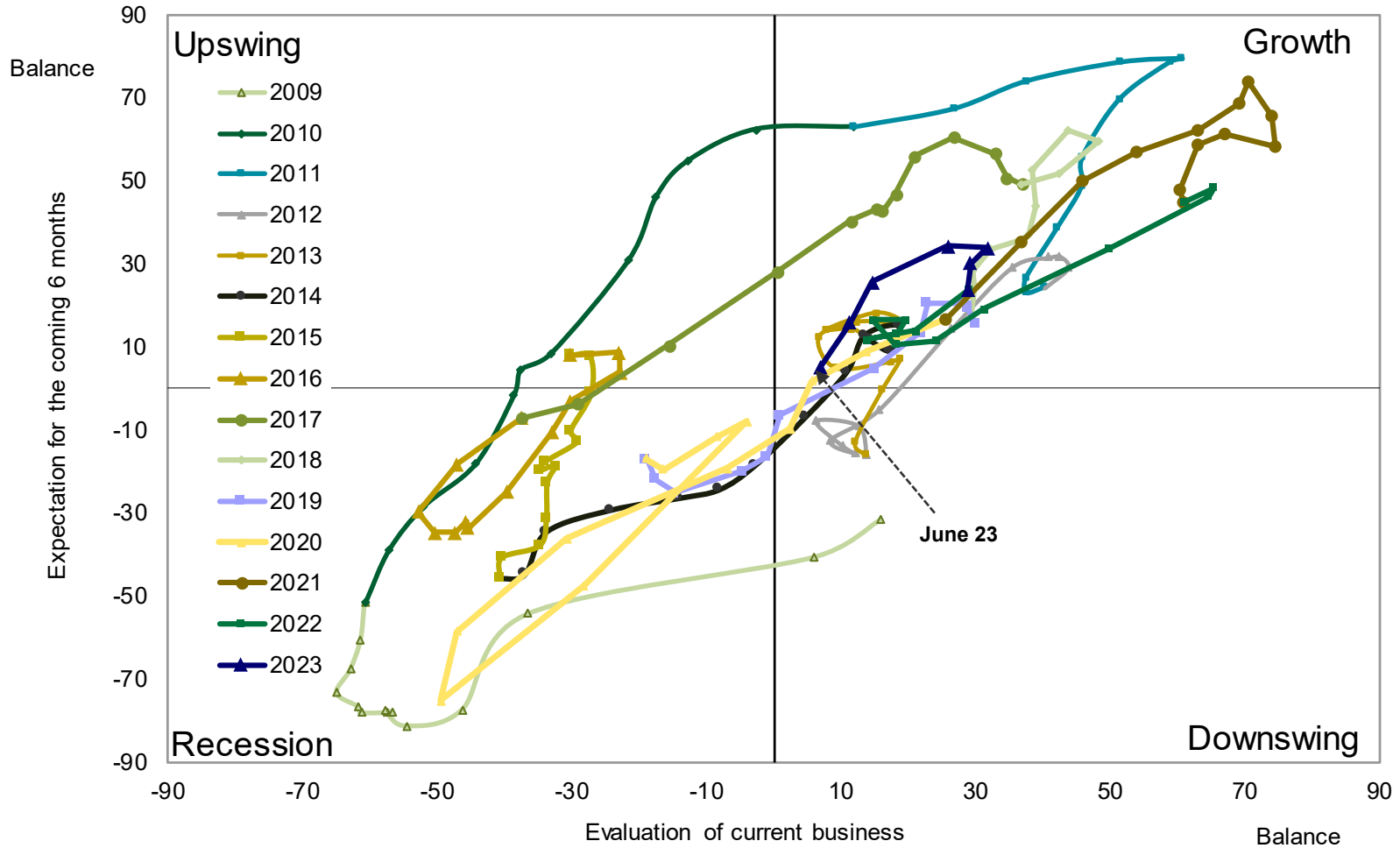
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



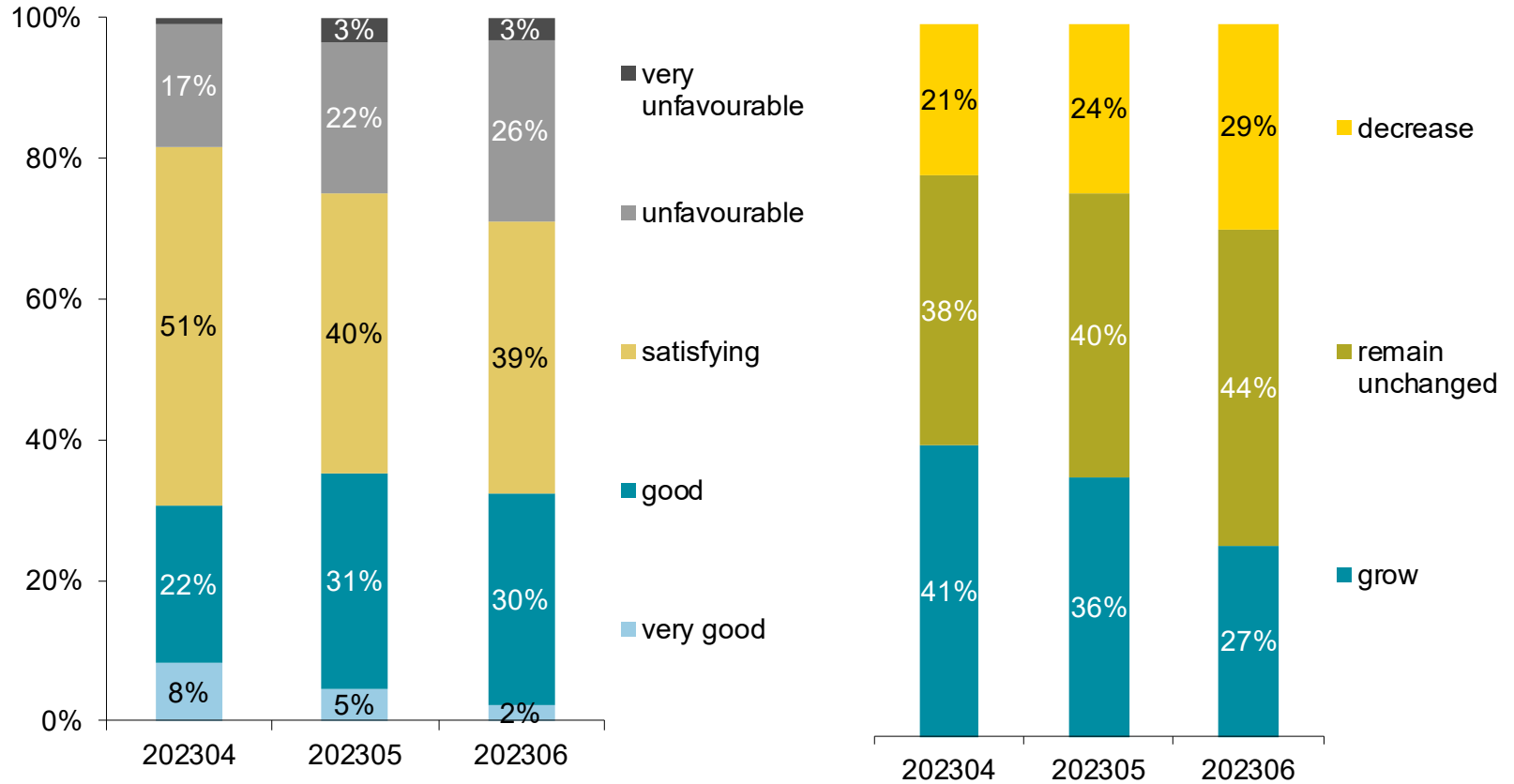
Source: CEMA Business Barometer, each value as an average of the last two months

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....

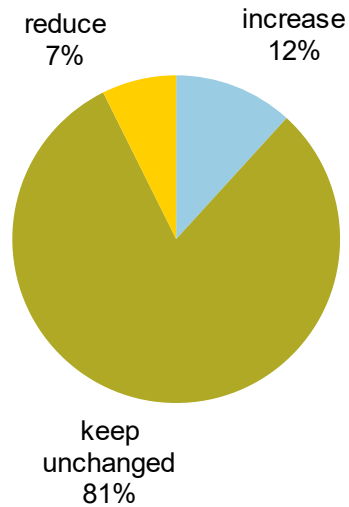


Source: CEMA Business Barometer

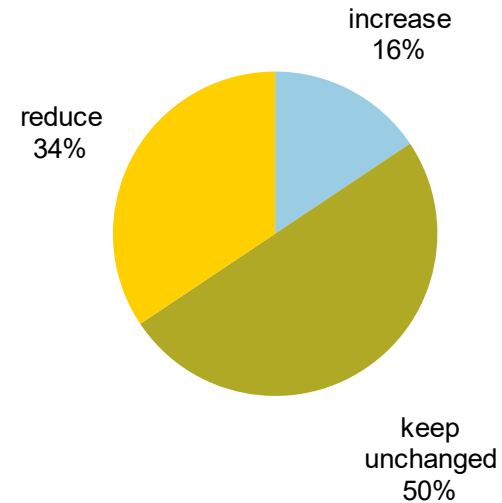
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer June 2023