

CEMA Business Barometer

Public excerpt March 2024



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



Current business has reached a new low

Executive summary of the survey in March

The general business climate index for the agricultural machinery industry in Europe has again deteriorated slightly following the sharp downturn of the previous months. In March, the index decreased from -52 to -55 points (on a scale of -100 to +100).

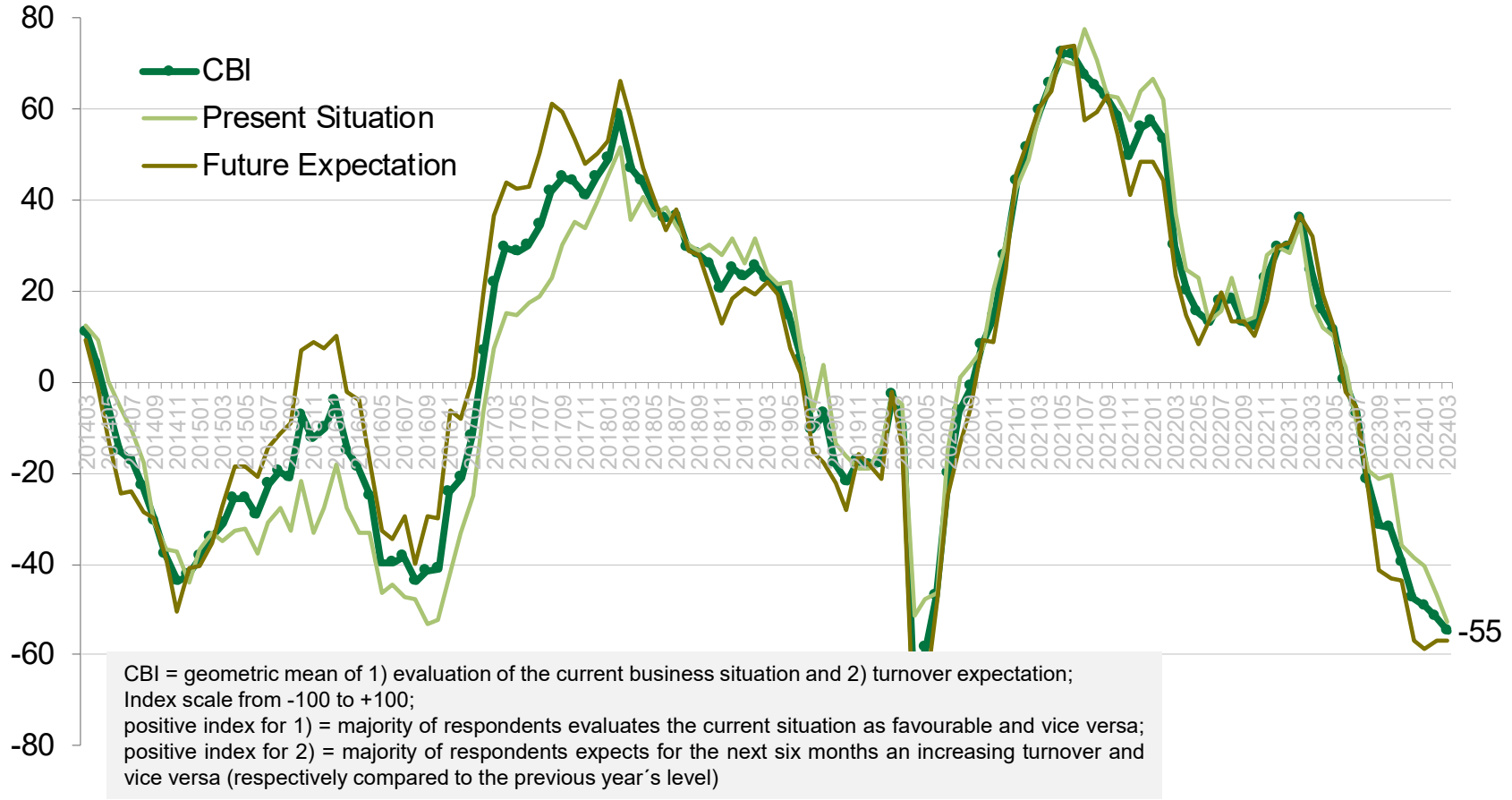
The renewed deterioration in the business climate is this time solely due to the fact that current business evaluations have followed the already lower expectations downwards. According to the survey participants, current business is now worse than it has been for more than 7 years. Meanwhile, only 8% of industry representatives consider the current business situation to be favorable.

With regard to the coming six months, the outlook is rather gloomy as well. Once again two thirds of the survey participants expect their turnover to decline during this period. The need for investment seems to be exhausted in all European end-customer markets and there is not one single European market for which a majority of survey participants would have positive turnover expectations.

The outlook appears to be slightly better with a view to the year as a whole, particularly when considering the expectations for other regions of the world. A gradual stabilization can also be seen in expectations for the coming order intake (an indicator that is not included in the calculation of the overall barometer index). For the full year of 2024, the survey participants expect their company's turnover to decline in the single-digit range.

Business Climate Index Development

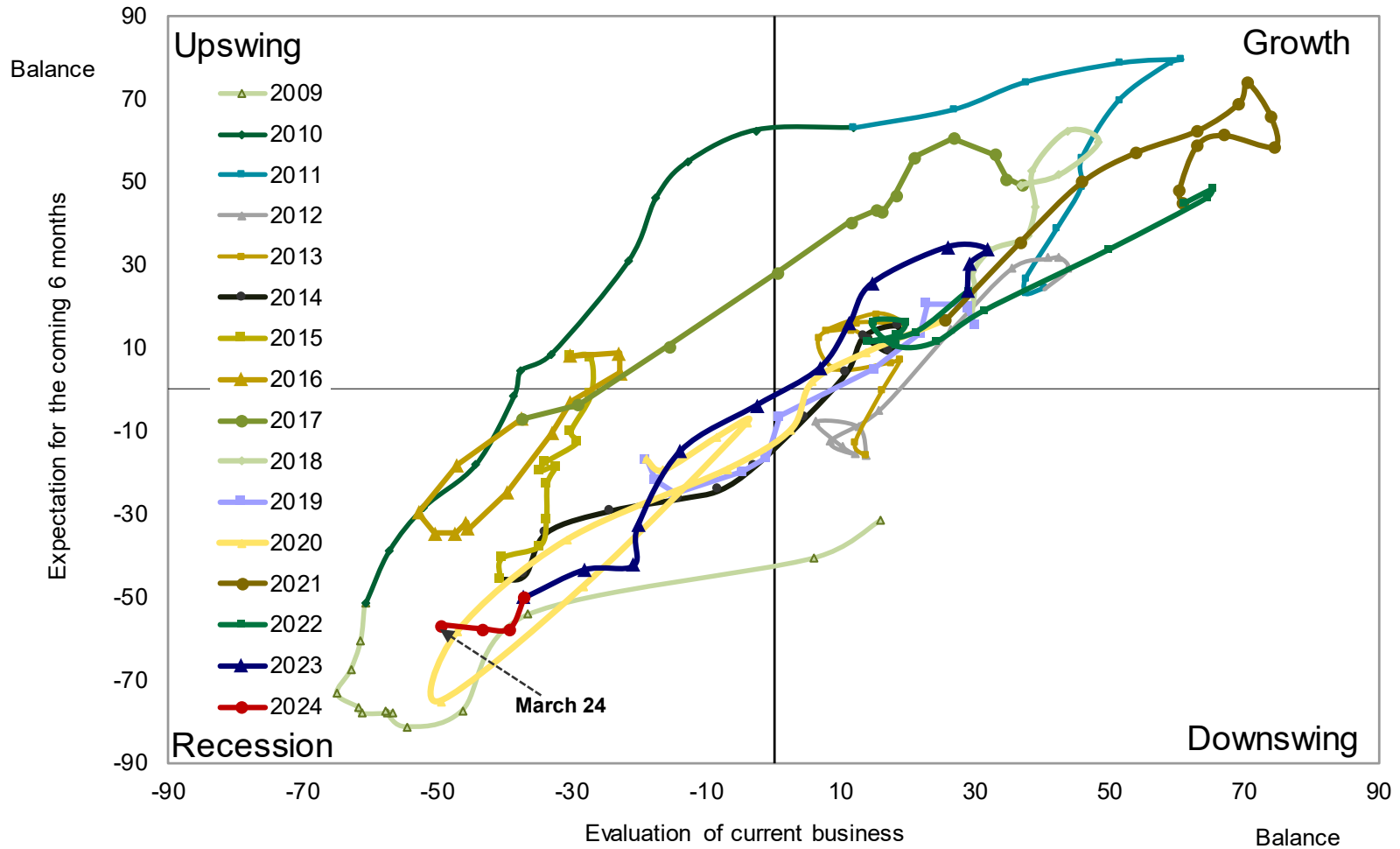
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



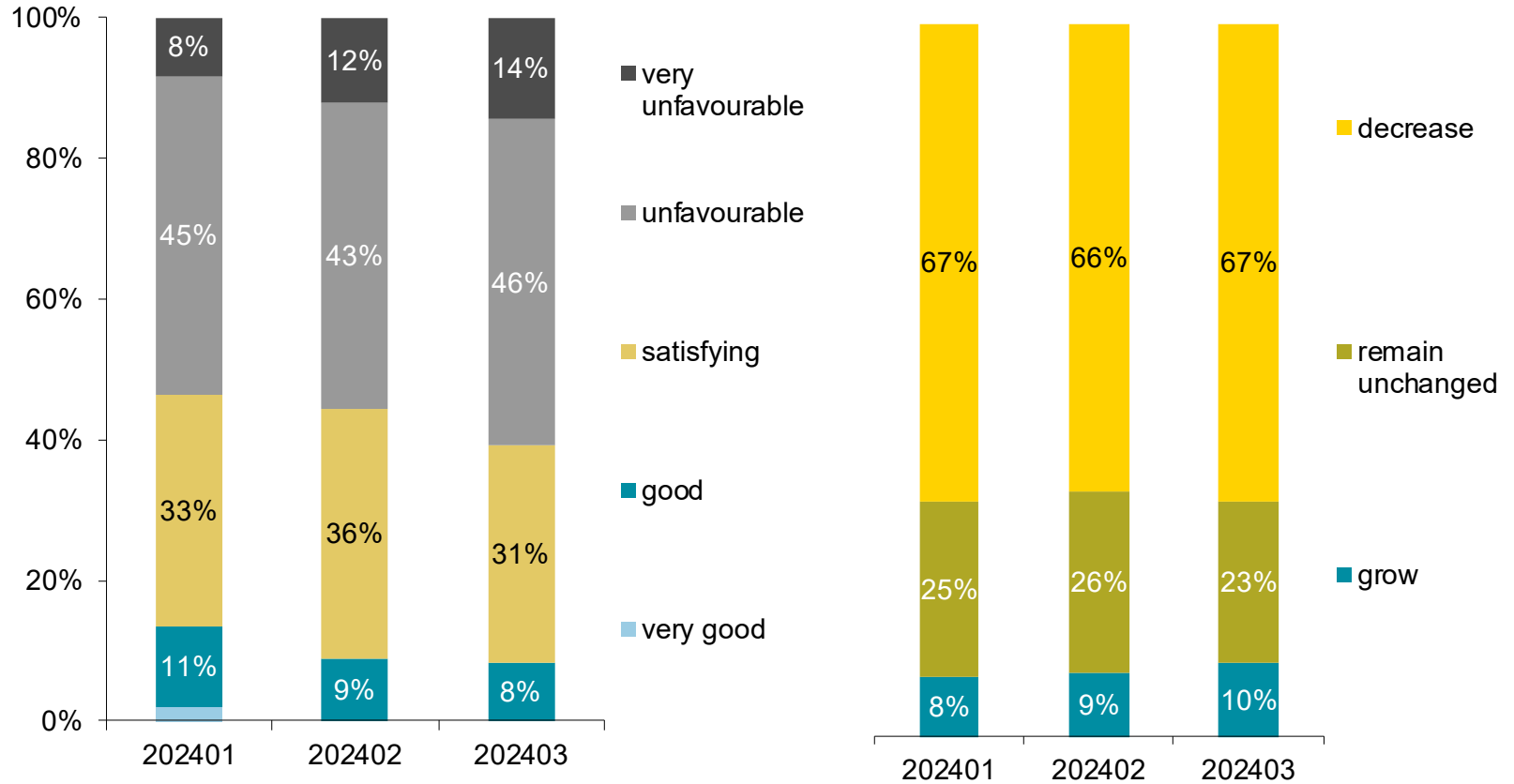
Source: CEMA Business Barometer, each value as an average of the last two months

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....

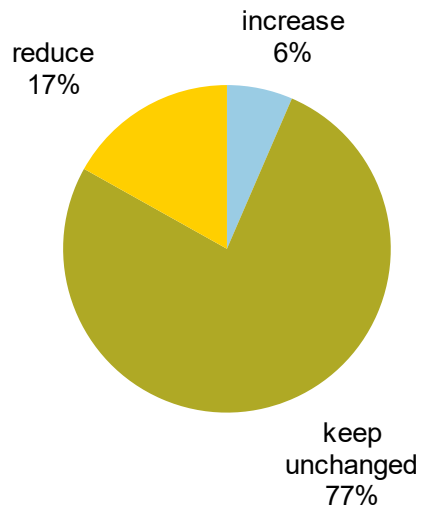


Source: CEMA Business Barometer

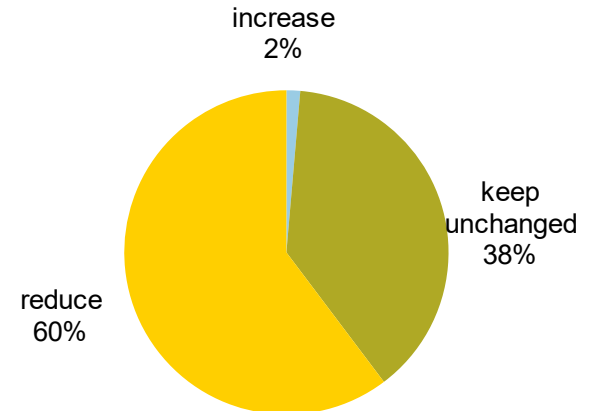
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer March 2024