

CEMA Business Barometer

Public excerpt October 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 worse, expectations better

Executive summary of the survey in October

The general business climate index for the agricultural machinery industry in Europe has improved slightly but continues deep in negative territory. In October, the index increased from -54 point to -52 points (on a scale of -100 to +100).

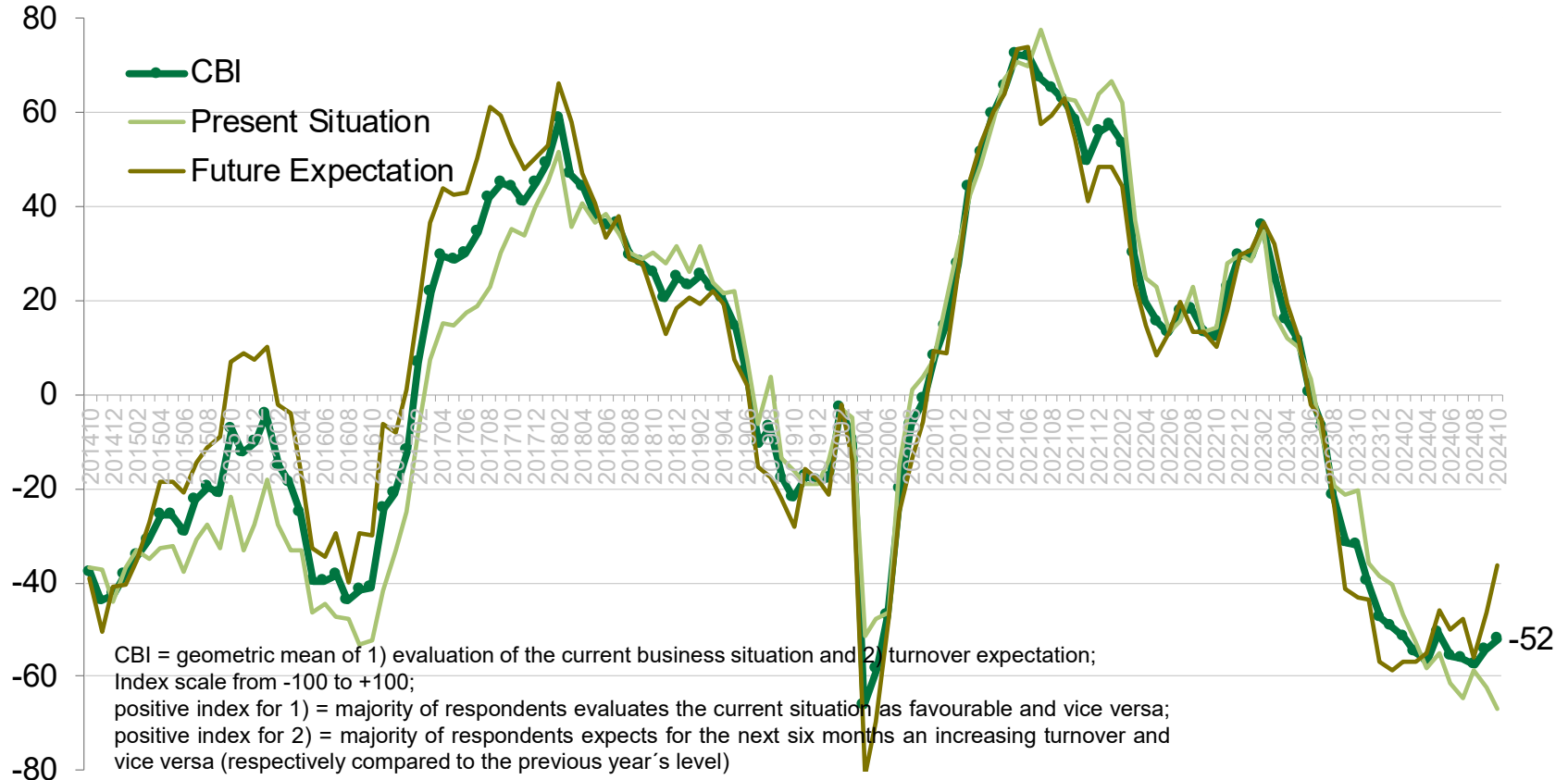
The slight improvement in the business climate is for the second time in a row solely due to less negative expectations for the coming six months, while the current business has again been downgraded and is now evaluated at a record low level.

The survey confirms once again that the direct customers of the manufacturers, the dealers, have still not been able to pass on their numerous orders to the end customers. According to the survey, the dealer stocks remain at very high levels in almost all European markets.

Against this background, despite slight improvements, there is still not one single European market with positive confidence levels from the perspective of manufacturers. The markets that have seen the largest declines to date, such as Spain and Italy, are at the top and upper part of the regional ranking, meaning that fewer survey participants have negative turnover expectations for these countries over the coming six months. Germany, Austria and other Central European countries, conversely, are found at the lower end of this confidence ranking.

Business Climate Index Development

CEMA Business Climate Index (CBI) -Total

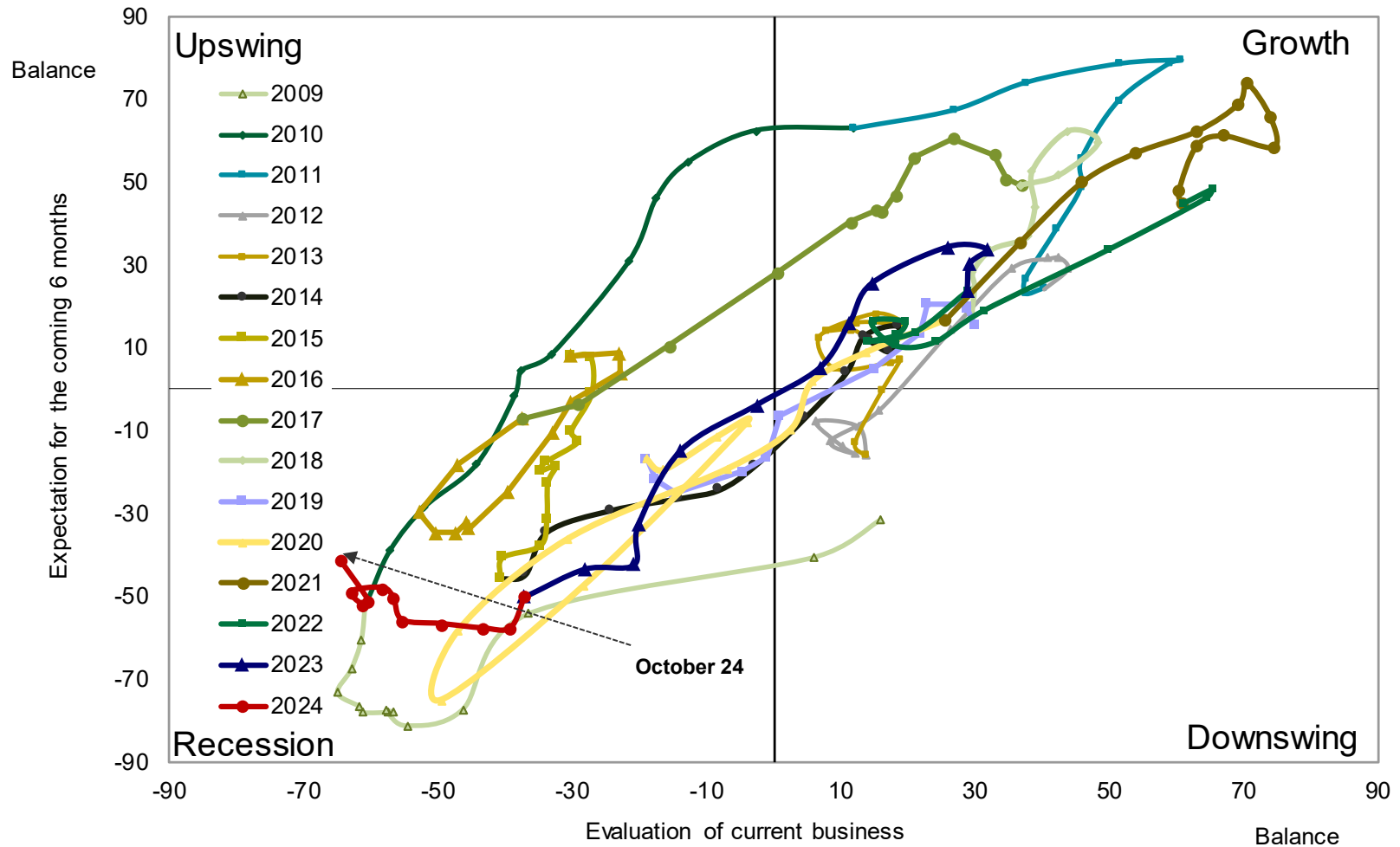


Source: CEMA Business Barometer

CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

Business Climate

Illustration of Business Cycle



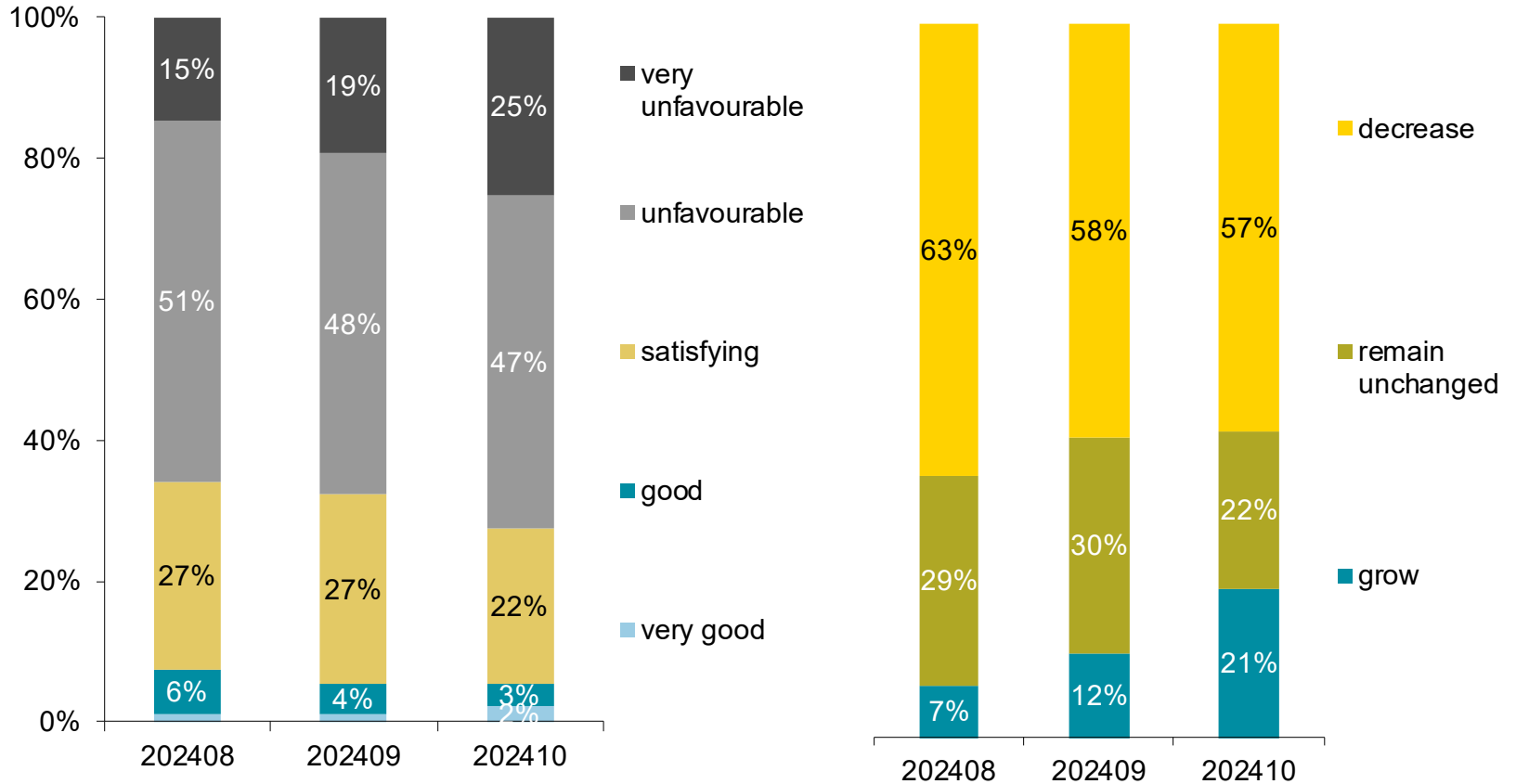
Source: CEMA Business Barometer, each value as an average of the last two months

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....

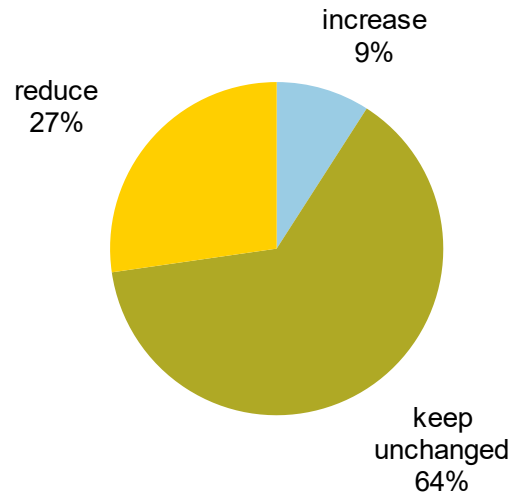


Source: CEMA Business Barometer

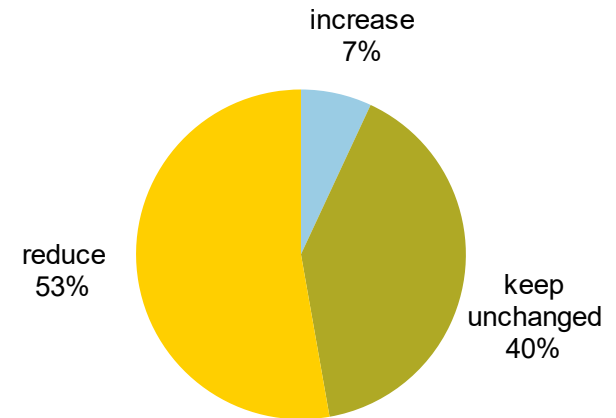
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer October 2024