

CEMA Business Barometer

Public excerpt December 2022



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 further improving

Executive summary of the survey in December

The general business climate index for the agricultural machinery industry in Europe has solidified its first significant upward trend since the sharp declines in the course of the Russian war against Ukraine. In December, the index increased from 23 to 30 points (on a scale of -100 to +100).

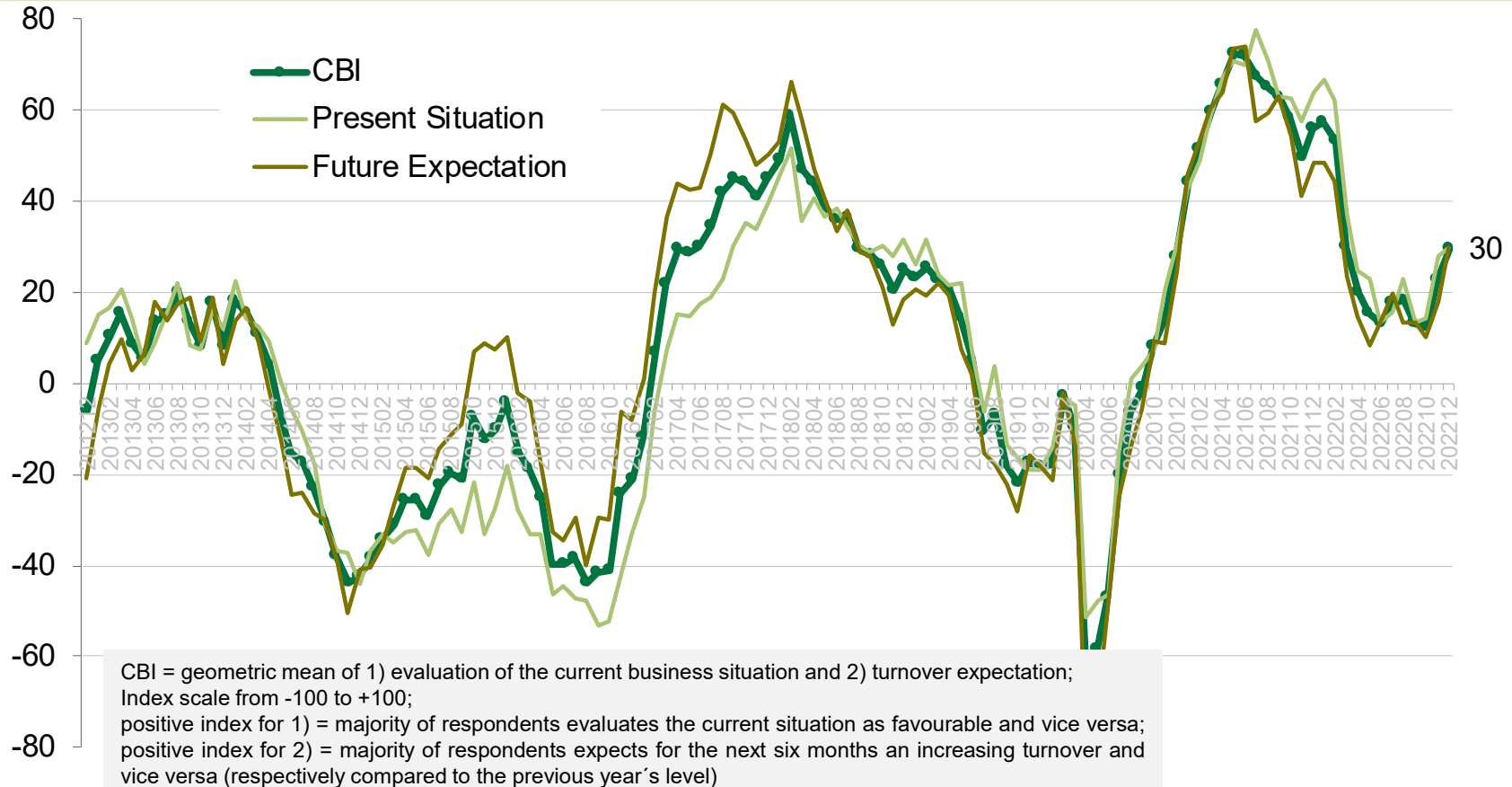
Improvements have been recorded across all segments. In addition, the expectation for the coming order intake, an indicator which does not feed into the general Business Climate Index and which had been predominantly negative in recent months, has now also improved.

Supply constraints appear to have become more acute again “only” in the production of tractors and harvesting equipment, while manufacturers in many other segments of the industry seem increasingly able to realize their orders.

The representatives of the European industry look forward with confidence to the coming year. For the full year of 2023, the survey participants expect for their company on average an increase in turnover of +5%. According to the survey, the expected lost turnover from Eastern Europe will be more than counterbalanced by further growth in the rest of the world, especially in Oceania and South America as well as in North America, Central and Western Europe.

Business Climate Index Development

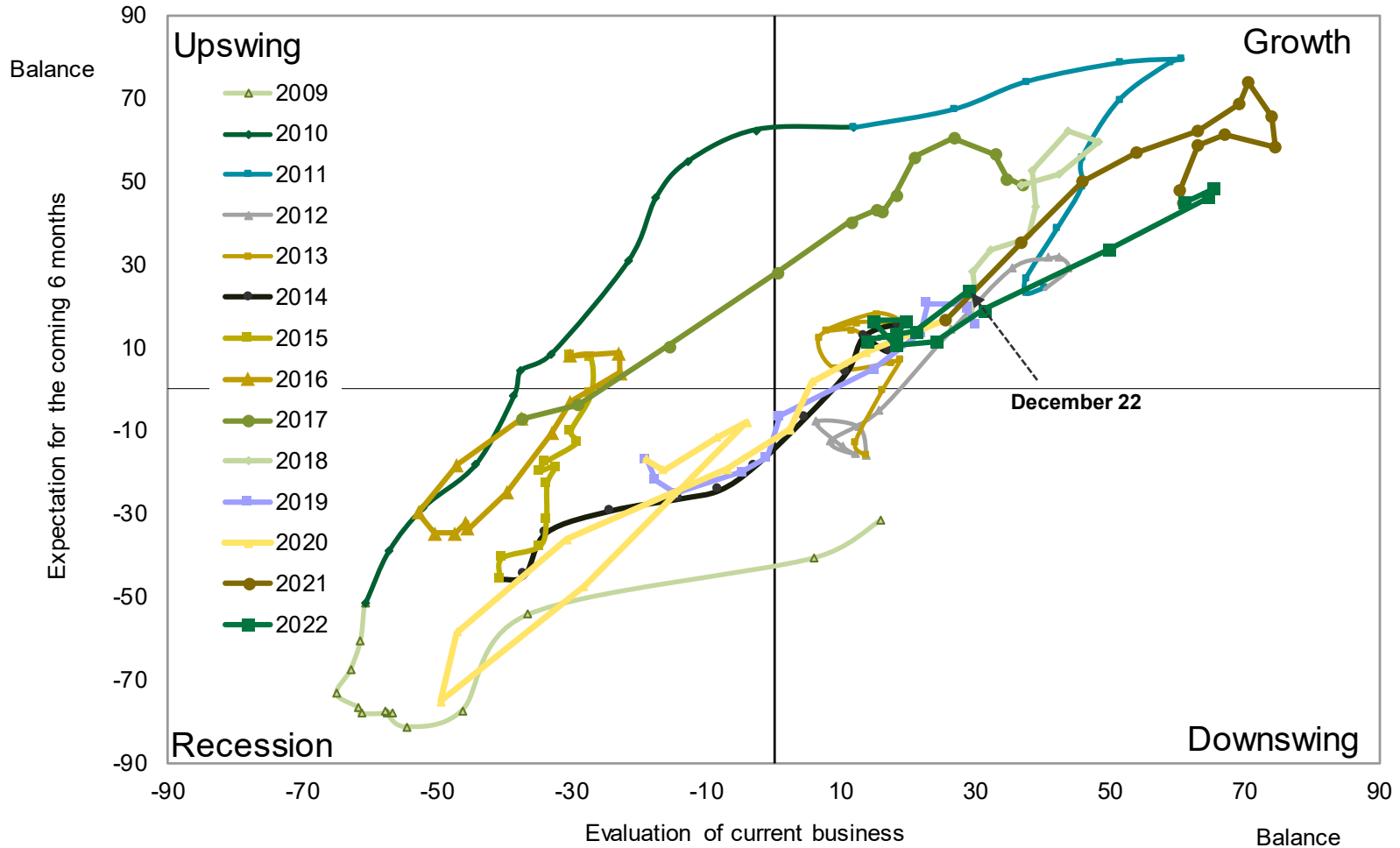
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



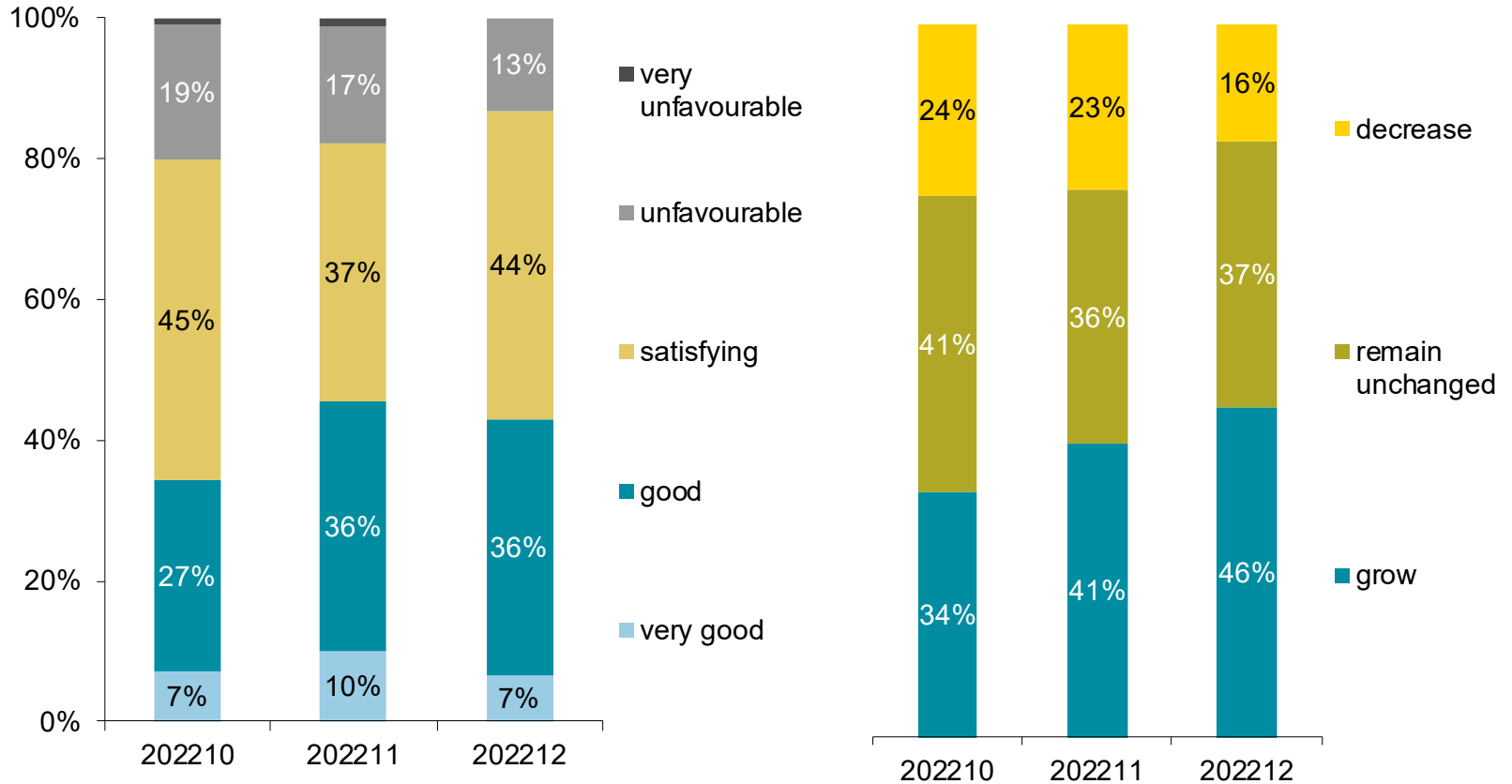
Source: CEMA Business Barometer, each value as an average of the last two months

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....

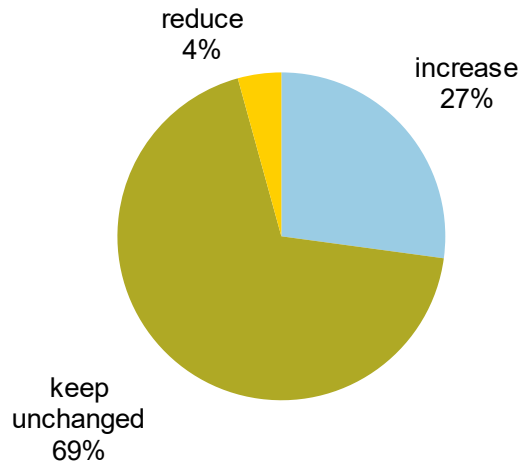


Source: CEMA Business Barometer

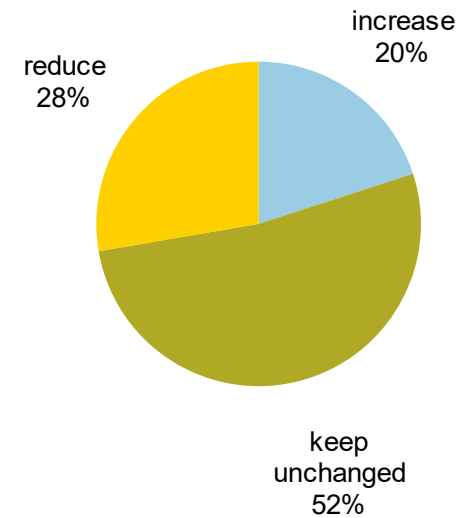
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer December 2022