

CEMA Business Barometer

Public excerpt January 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



Improved business climate confirmed

Executive summary of the survey in January

The general business climate index for the agricultural machinery industry in Europe has confirmed the level it had achieved from its first significant upward trend since the sharp declines in the course of the Russian war against Ukraine. In January, the index maintained its solid December level of 30 points (on a scale of -100 to +100).

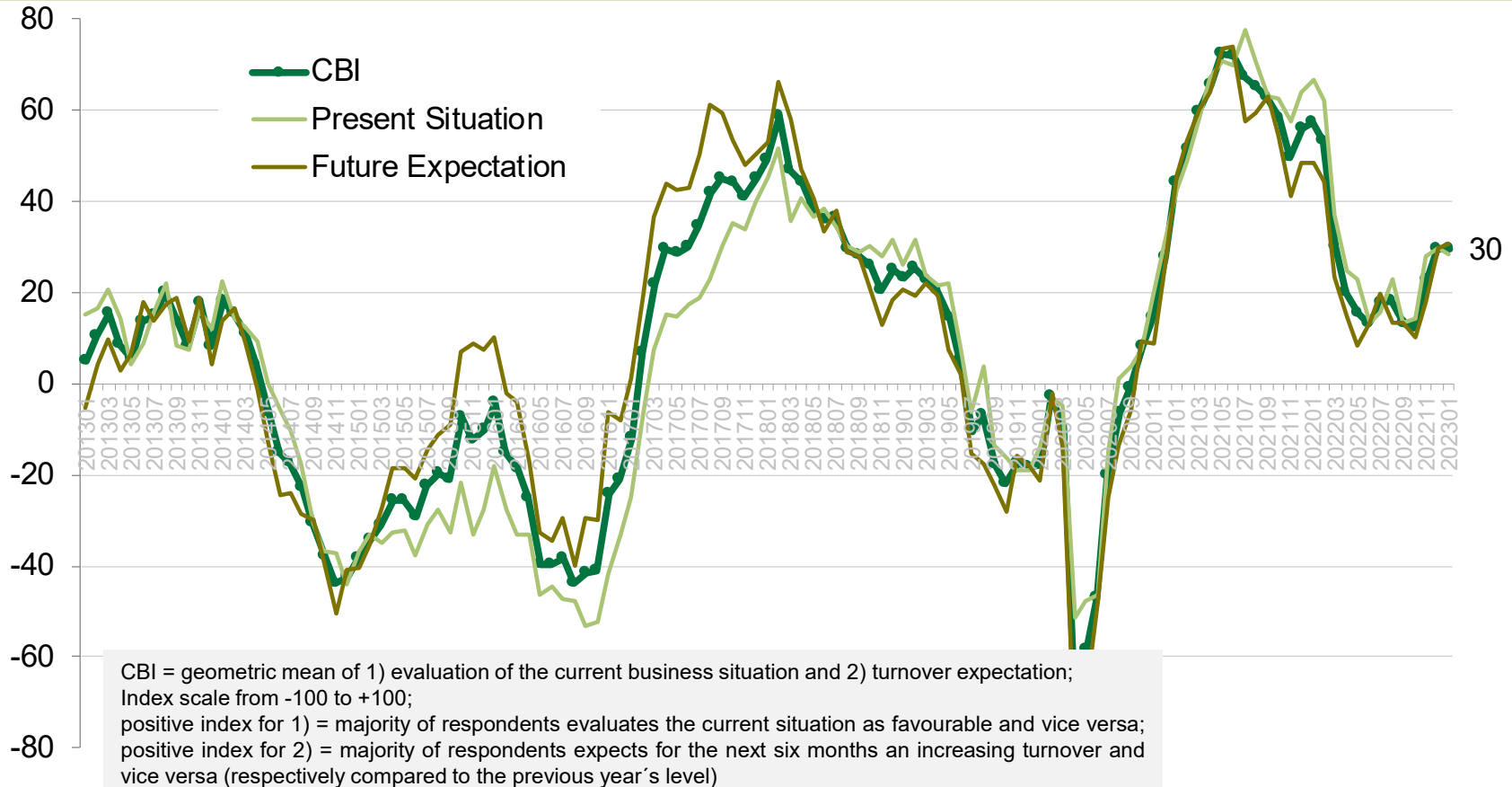
Growth prospects have improved the most for livestock equipment and are currently lowest for lawn, garden and municipal equipment. Supply constraints continue to challenge the production of tractors and harvesting equipment, while manufacturers in many other segments of the industry seem increasingly able to realize their orders.

At the same time, 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 further improved significantly.

The market side in Europe as a whole seems to be regaining additional momentum. The regional breakdown shows for almost every single European market an increase of survey participants expecting turnover growth in the coming six months, with the large market France at the top of the country ranking. Current dealer stocks of both new and used machinery remain low across Europe and may still be below optimal levels in some markets.

Business Climate Index Development

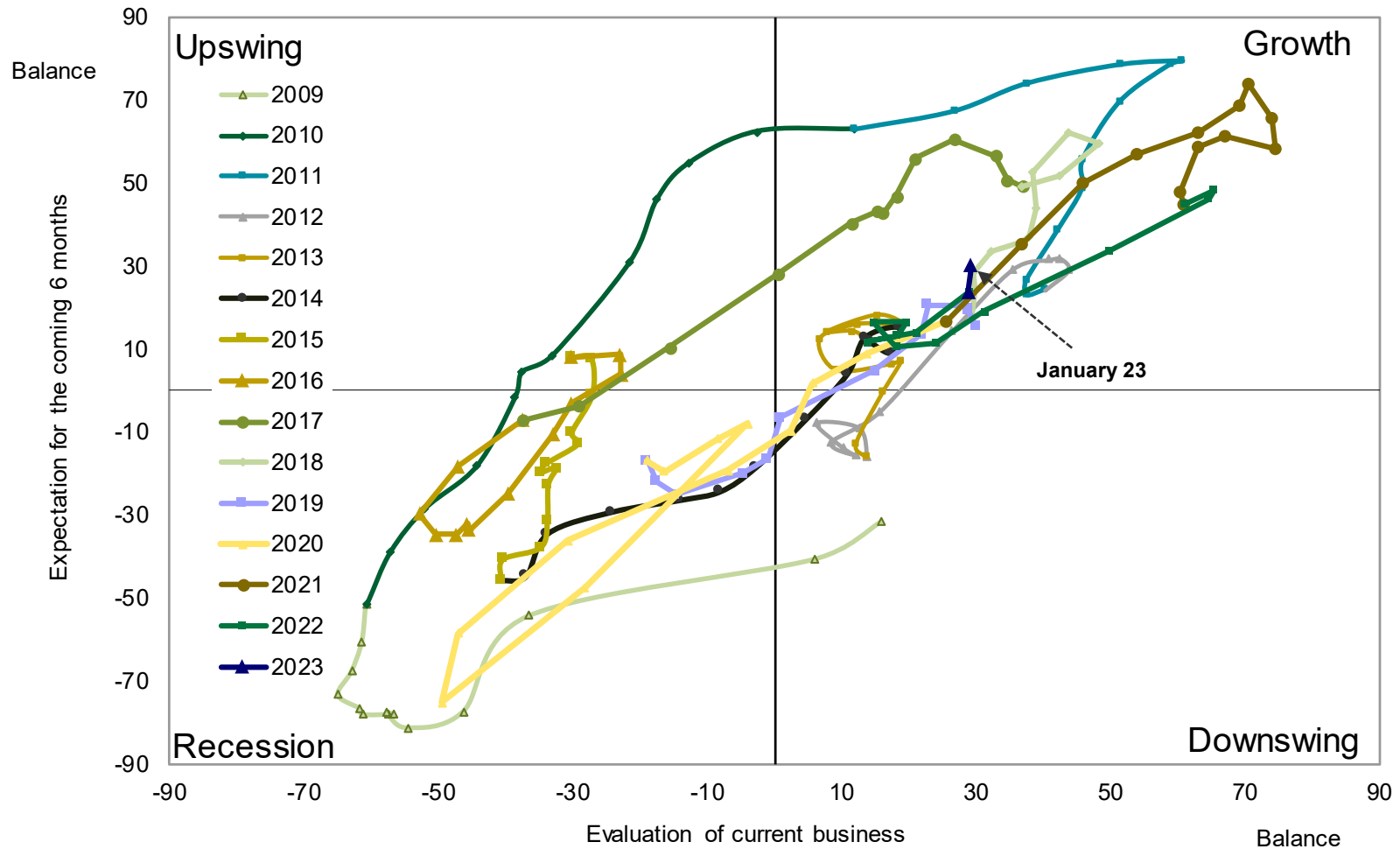
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



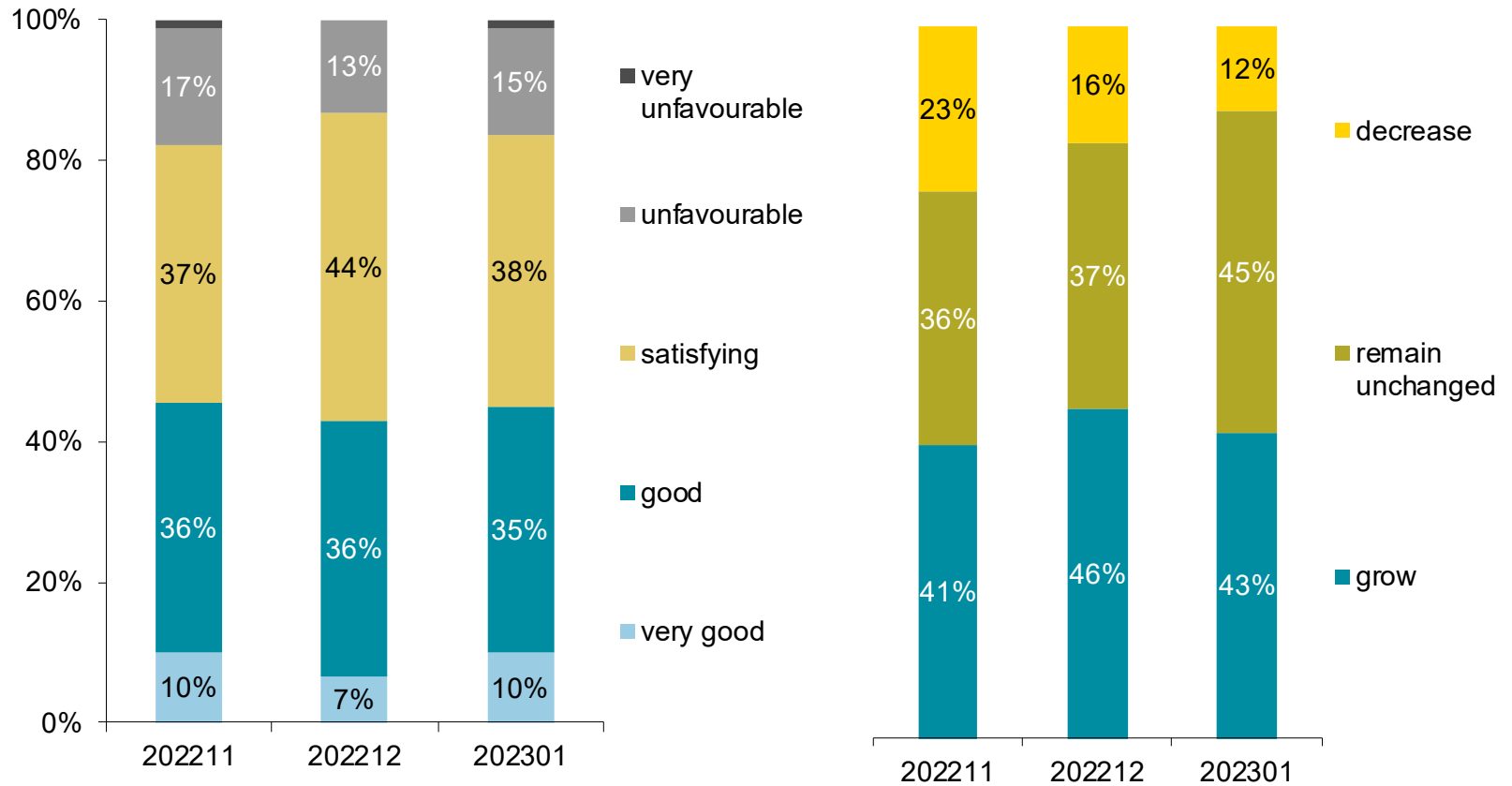
Source: CEMA Business Barometer, each value as an average of the last two months

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....

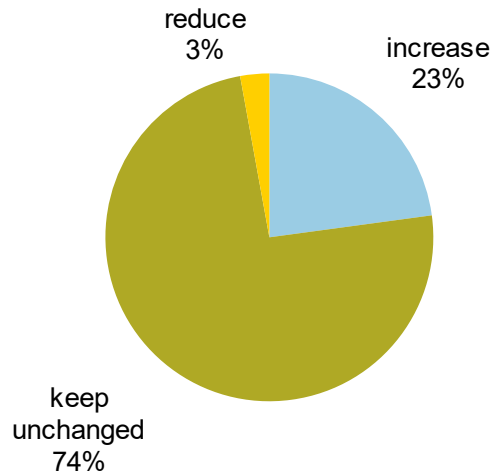


Source: CEMA Business Barometer

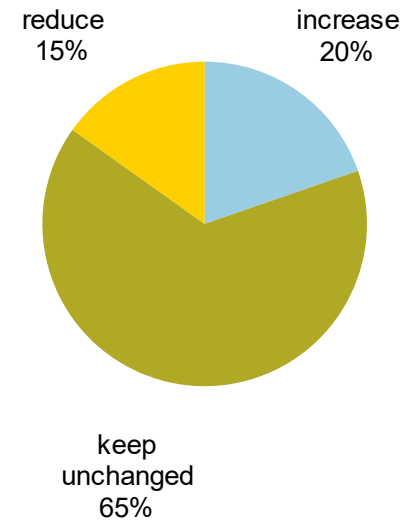
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer January 2023