

CEMA Business Barometer

Public excerpt May 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



New upward trend completely reversed

Executive summary of the survey in May

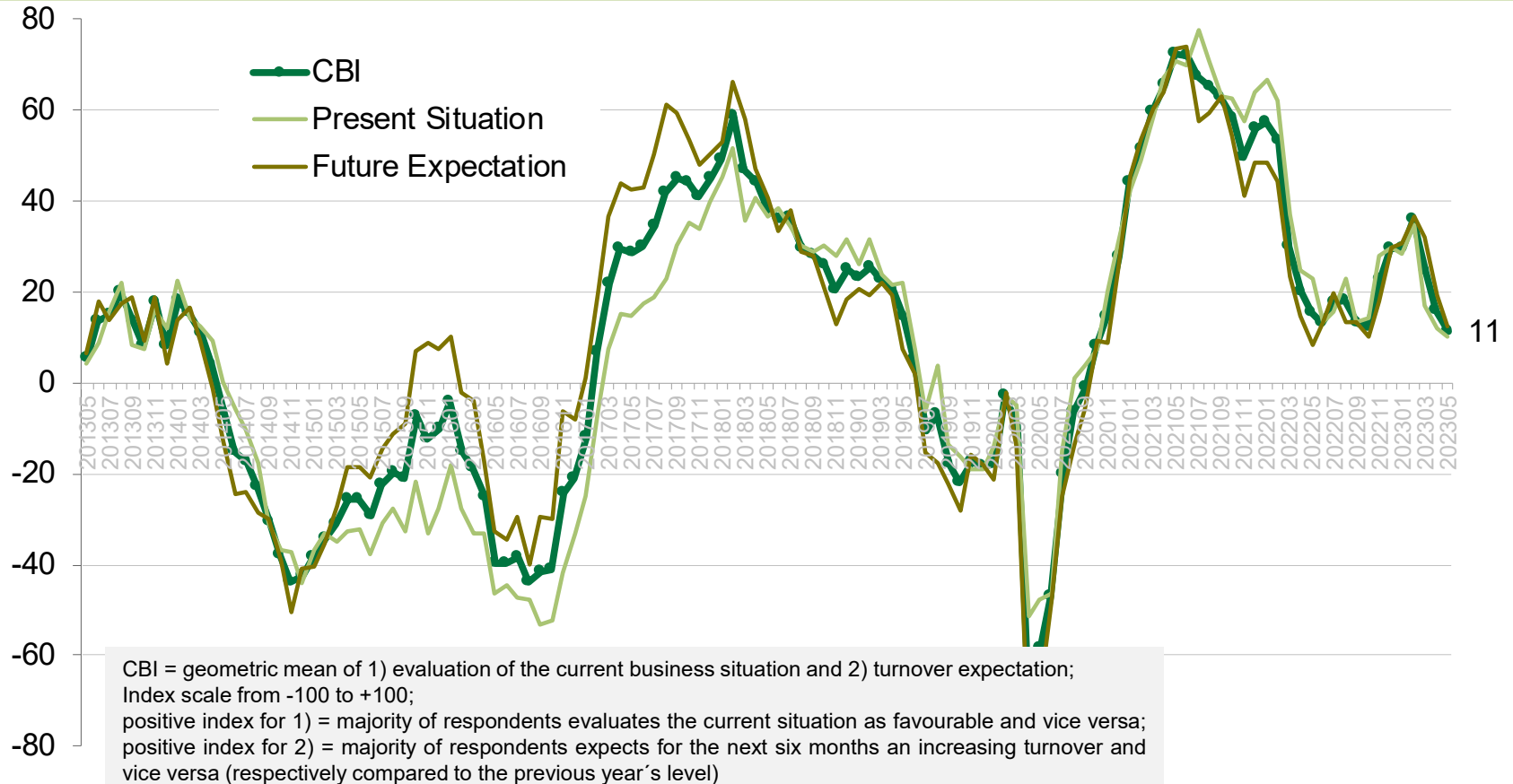
The general business climate index for the agricultural machinery industry in Europe has entirely left its first upward path since the sharp declines in the course of the Russian war against Ukraine, and is still barely at a positive level. In May, the index decreased from 16 to 11 points (on a scale of -100 to +100).

Order backlogs have finally peaked in recent months. The volume of orders has been significantly reduced and is now corresponding to a production period of 5.5 months, which is still very high in a historical comparison, but substantially lower than at any time in the past year.

While considerable easing can be observed on the supply side, uncertainties are increasing with regard to the market side, and confidence levels are declining accordingly. The industry representatives have further downgraded their future expectations. While there is still a moderate majority of company representatives with positive turnover expectations for some large markets such as France and Germany, confidence has virtually collapsed with regard to the markets of Italy, Spain and Poland.

Business Climate Index Development

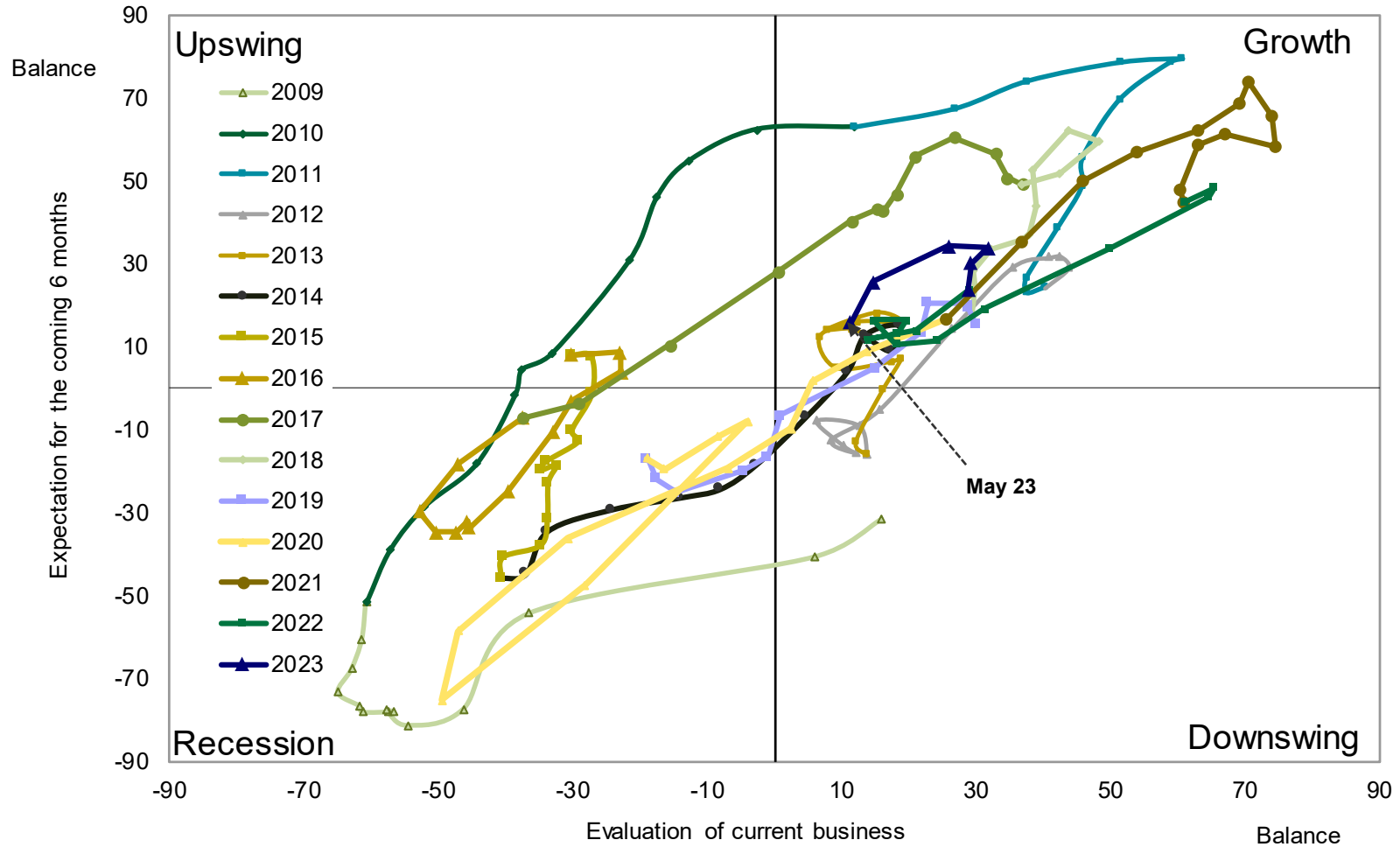
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



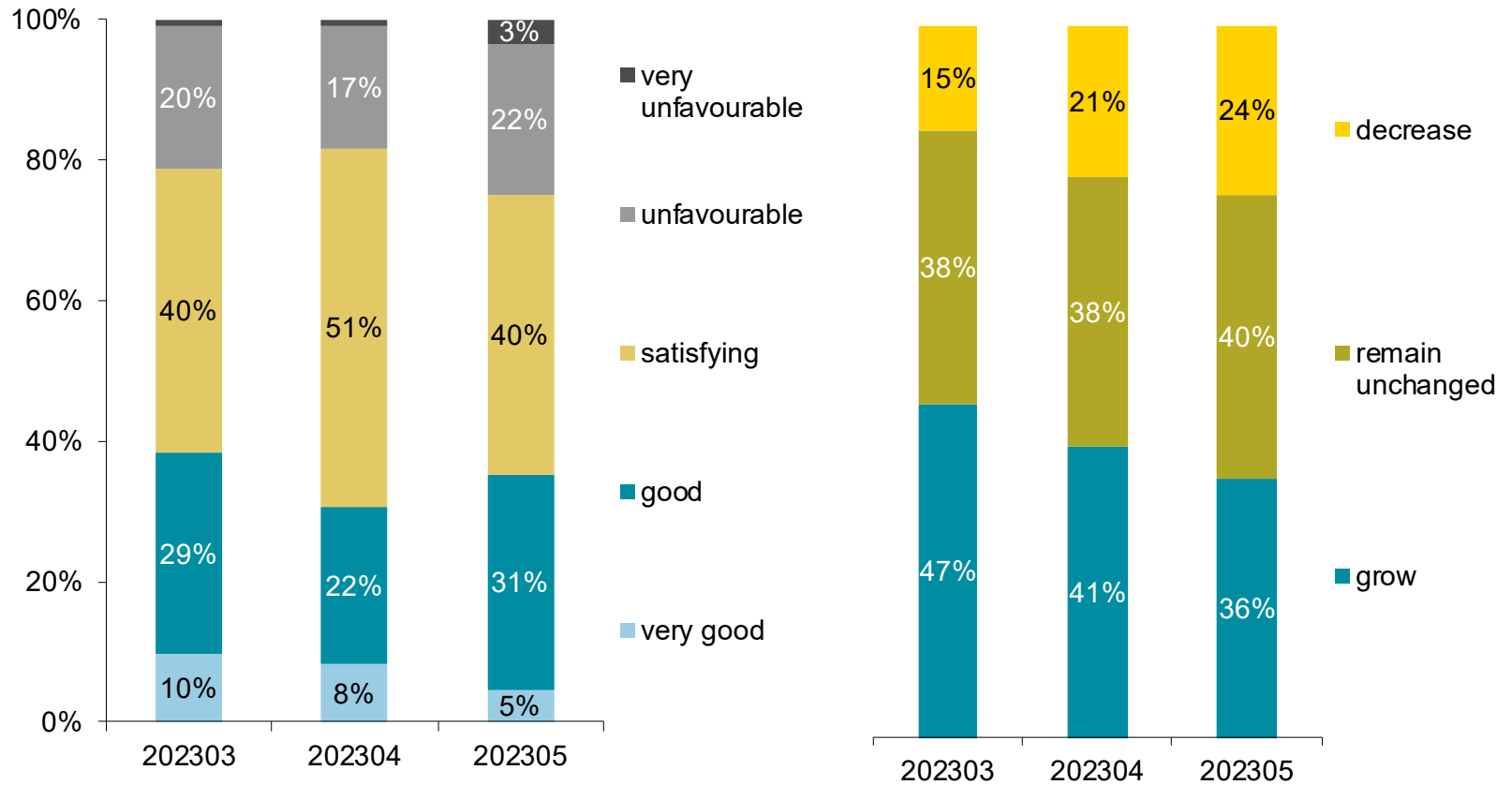
Source: CEMA Business Barometer, each value as an average of the last two months

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....

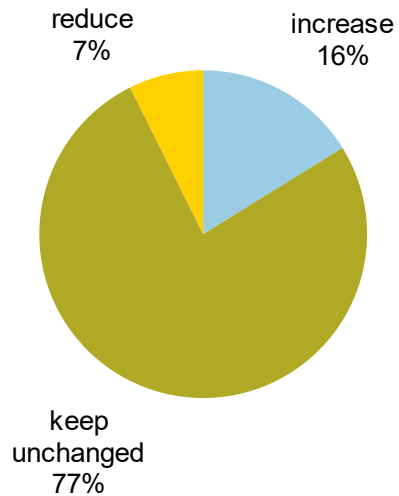


Source: CEMA Business Barometer

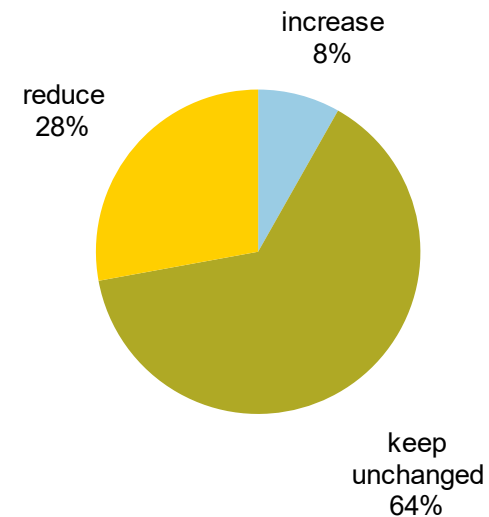
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer May 2023