

CEMA Business Barometer

Public excerpt January 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



Business climate in deep recession

Executive summary of the survey in January

The general business climate index for the agricultural machinery industry in Europe has continued its downward slide in the area of deep recession. In January, the index decreased from -48 to -50 points (on a scale of -100 to +100).

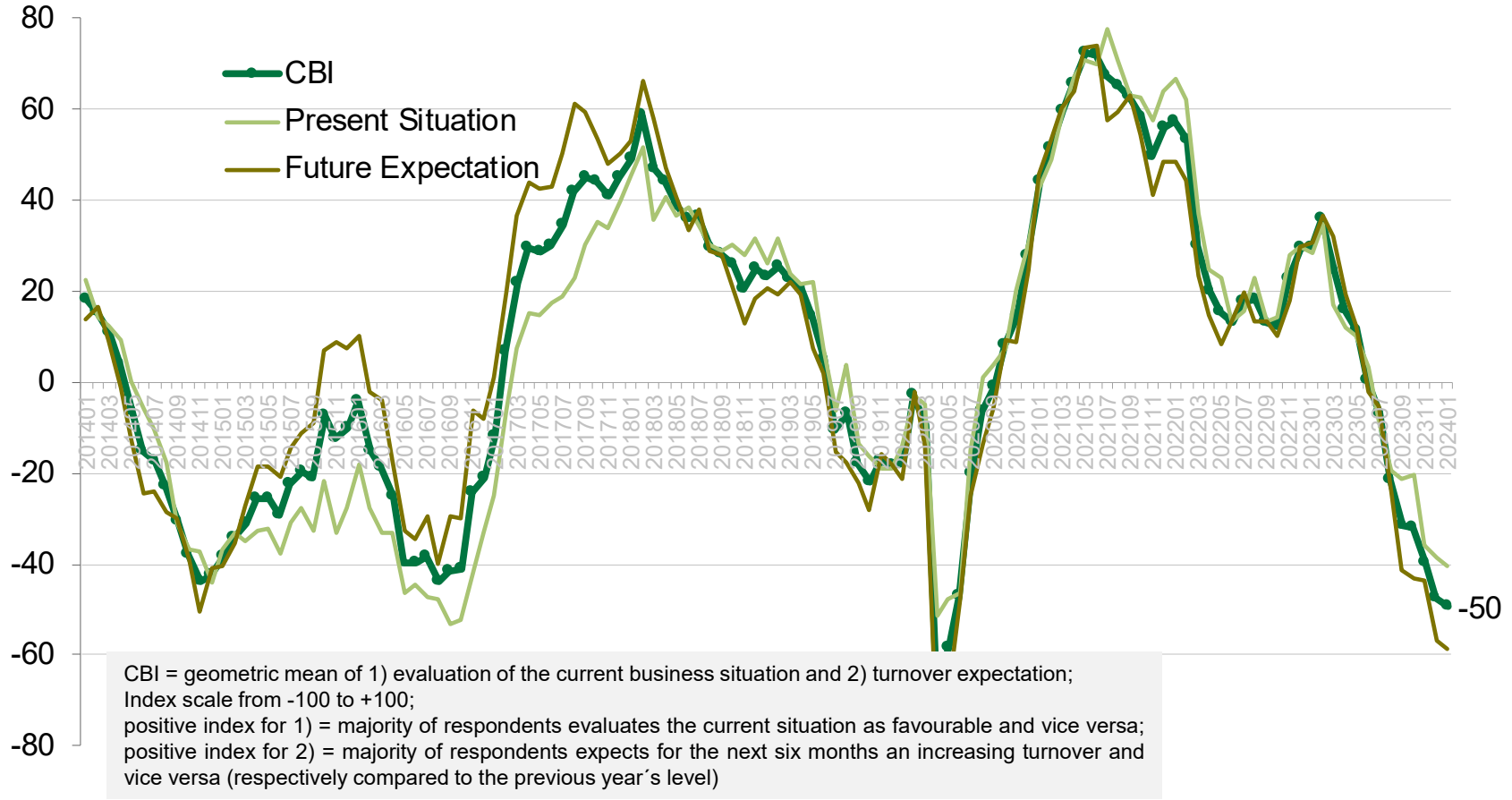
Once again more than half of the survey participants consider the current business situation to be unfavorable and even two thirds expect their turnover to decline in the coming six months.

The survey confirms also again that the direct customers of the manufacturers, the dealers, are not able to pass on their numerous orders to the end customers. According to the survey, the dealer stocks are in most European markets significantly higher than in the year 2019, which went down in history due to high dealer stock levels.

Correspondingly, there is not one single European market for which a majority of survey participants would have positive turnover expectations. For Western Europe and the Nordic countries, the confidence levels are not as negative as for Central and Eastern Europe. One exception is Germany, for which the overall confidence is also very weak (only 14% expect growth in this market while more than 60% expect a significant decline).

Business Climate Index Development

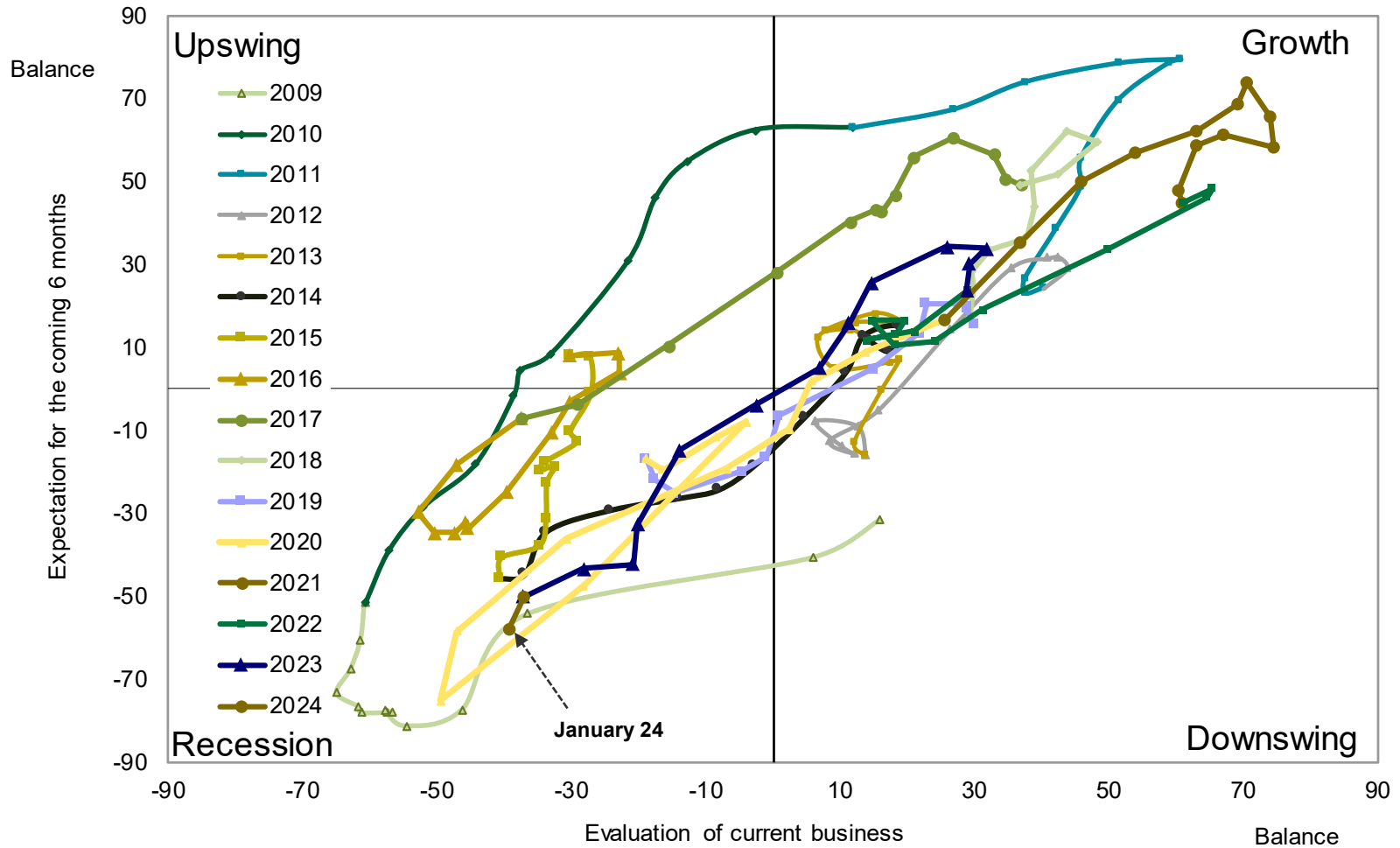
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



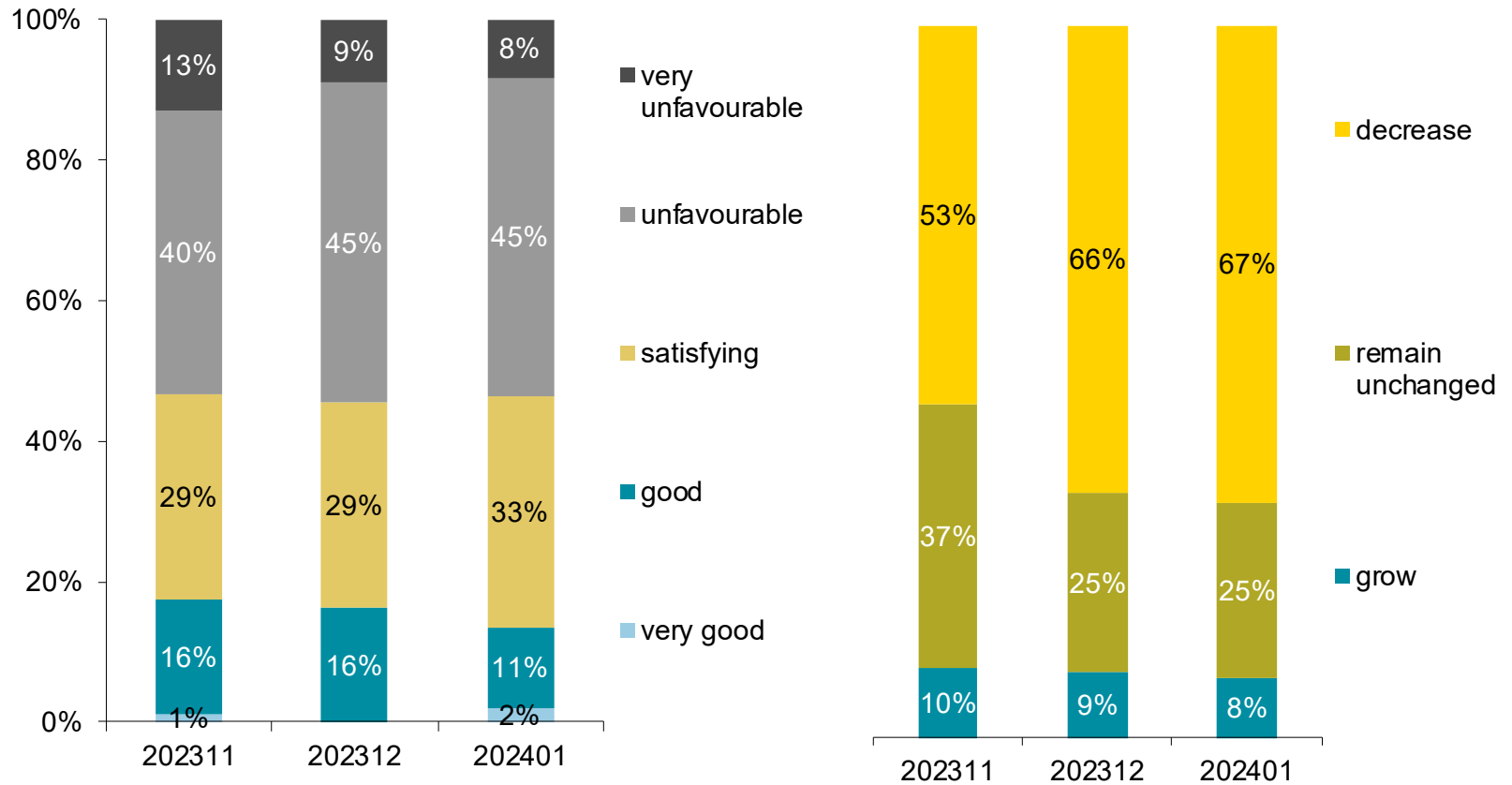
Source: CEMA Business Barometer, each value as an average of the last two months

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....

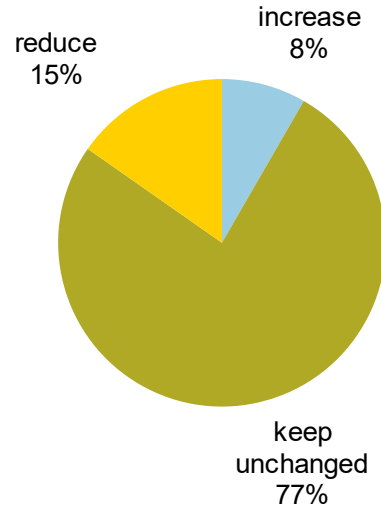


Source: CEMA Business Barometer

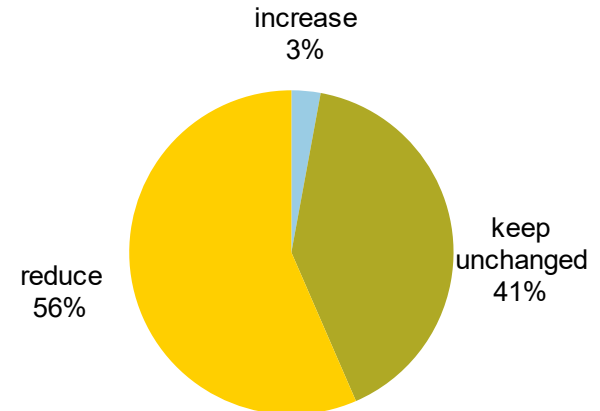
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer January 2024