

CEMA Business Barometer

Public excerpt February 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 February

The general business climate index for the agricultural machinery industry in Europe has again deteriorated slightly following the sharp downturn of the previous months. In February, the index decreased from -50 to -52 points (on a scale of -100 to +100).

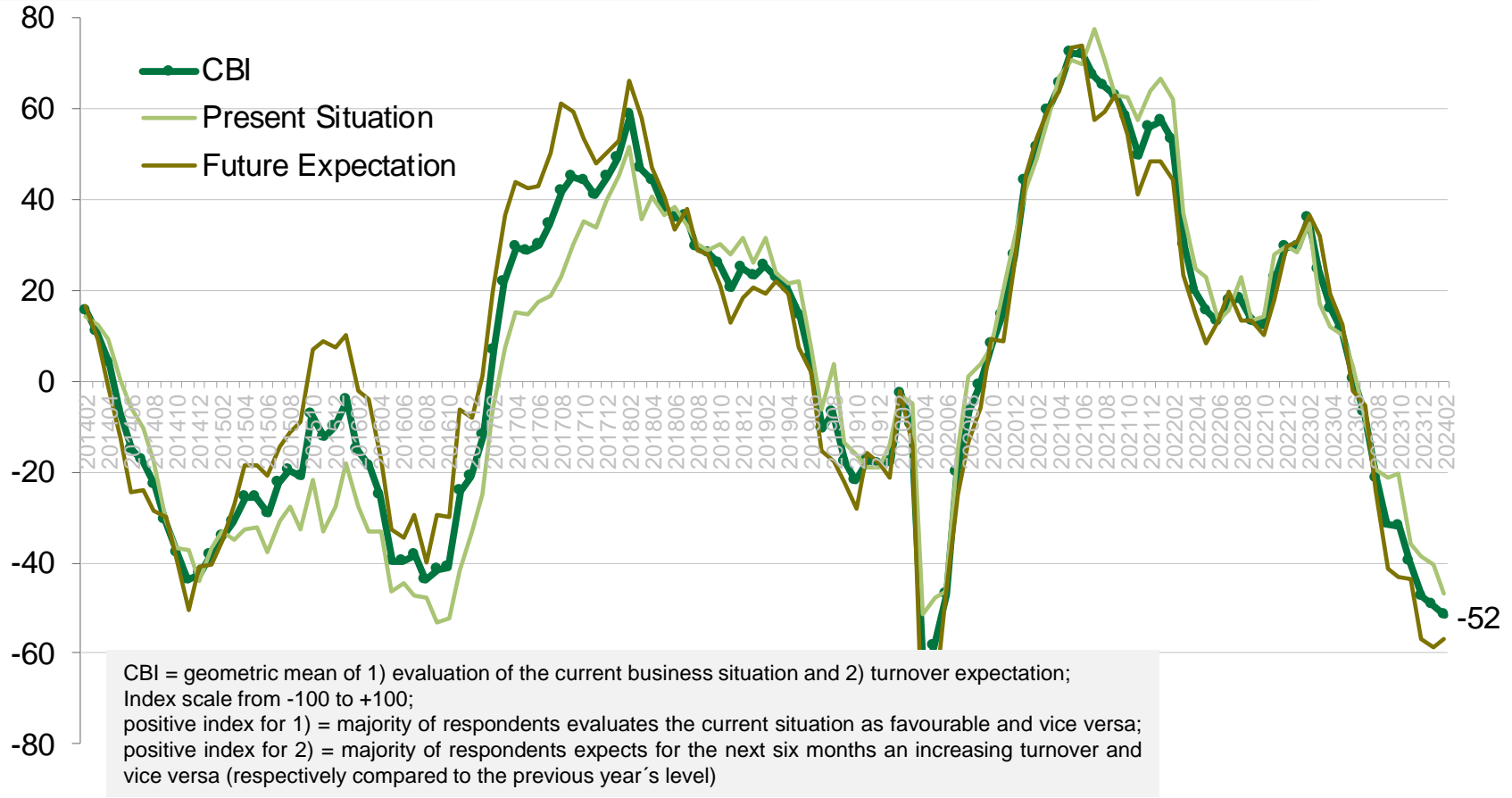
While the business climate indices for transportation and livestock equipment have improved to a certain extent at less negative levels, the indices for the manufacturers of tractors and harvesting equipment have dropped to historic lows.

Overall, across all segments, 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. A gradual stabilization could only be seen in the expectations for the coming order intake (an indicator that is not included in the calculation of the overall barometer index).

After order backlogs had peaked at the beginning of last year, the volume of orders has seen a repeated significant reduction and is now corresponding to a production period of 3.9 months, which is still relatively high in a long-term comparison, but lower than at the beginning of any year over the last three years.

Business Climate Index Development

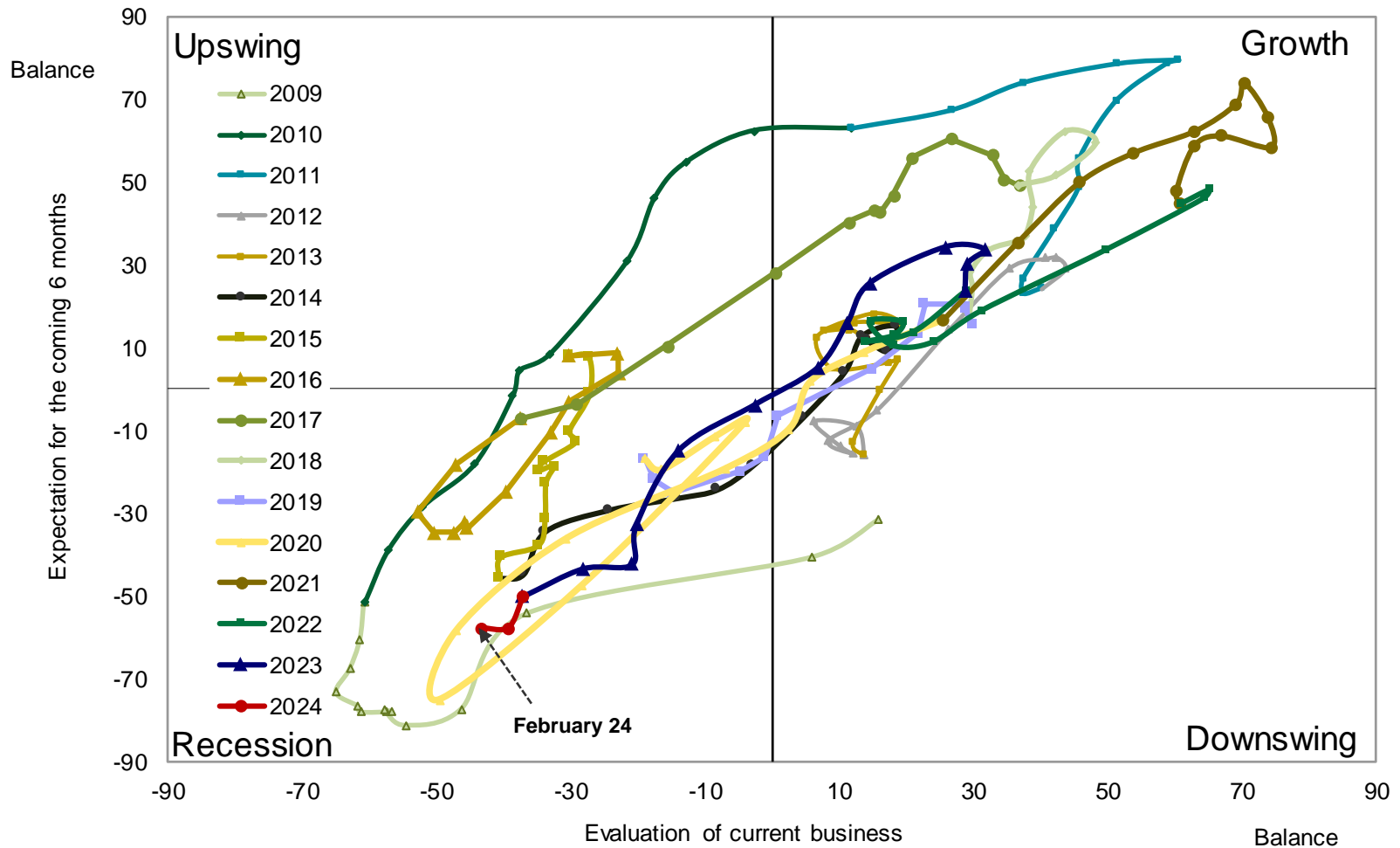
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



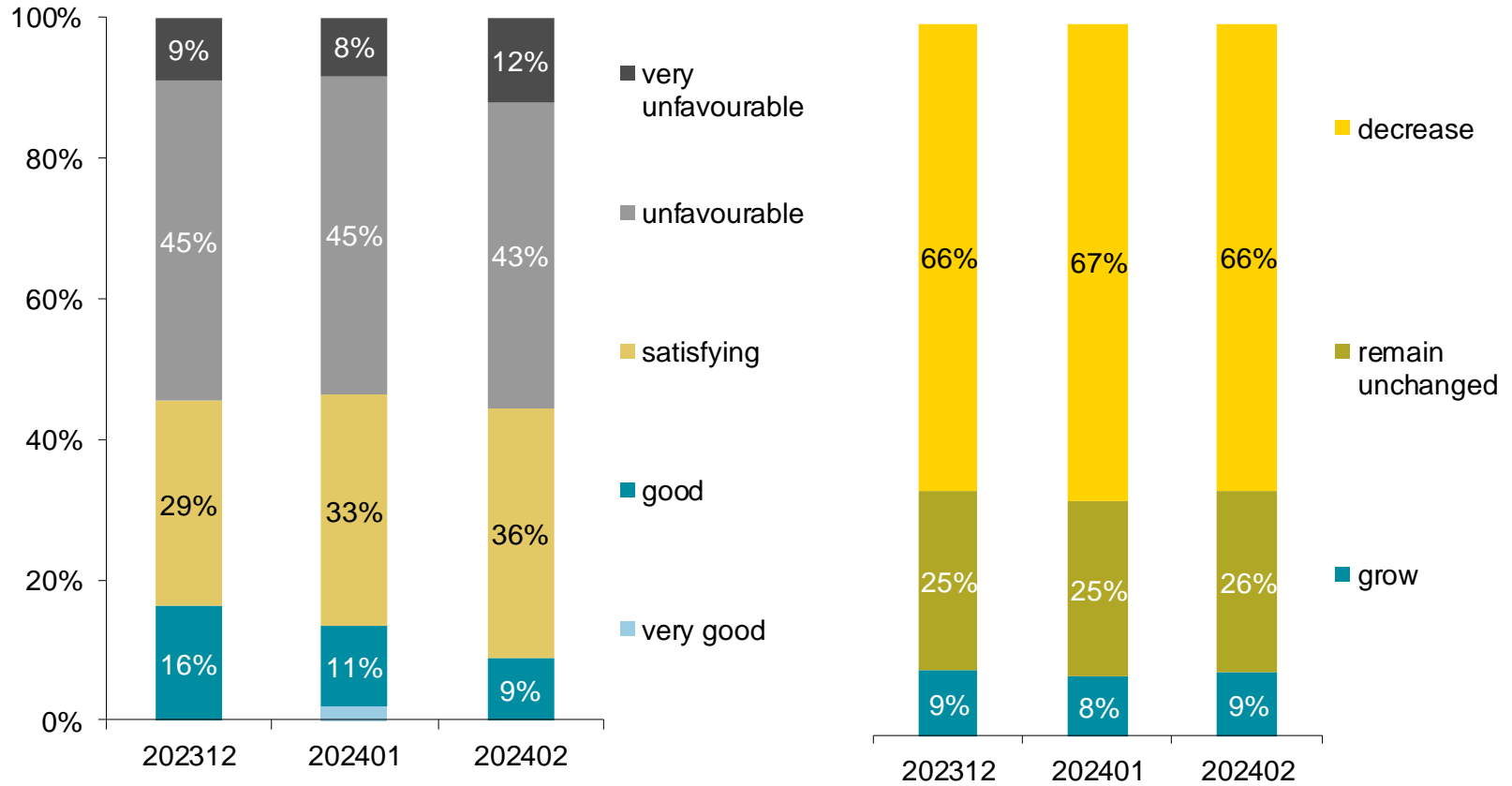
Source: CEMA Business Barometer, each value as an average of the last two months

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....

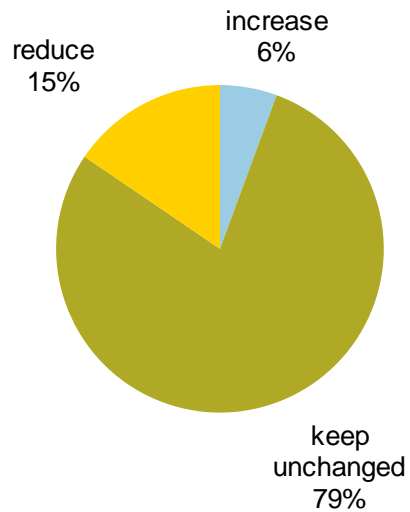


Source: CEMA Business Barometer

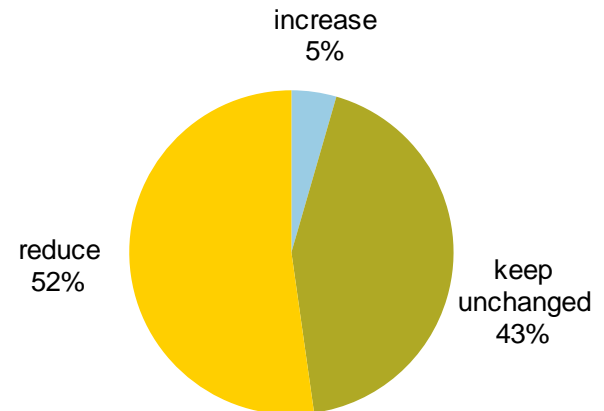
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer February 2024