CEMA Business Barometer

Public excerpt September 2022



CEMA

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



Contact: Philip.Nonnenmacher@vdma.org

Business climate in sideways movement

Executive summary of the survey in September

The general business climate index for the agricultural machinery industry in Europe has broadly continued its sideways movement at a positive level after the sharp declines in the course of the Russian war against Ukraine. In September, the index dropped back slightly to the level of June, ending up again at 13 points (on a scale of -100 to +100).

The European industry representatives have maintained their turnover outlook for the full year 2022 almost unchanged at a plus of around 5% and forecast further slight turnover growth on average for 2023, albeit only in the low single-digit range.

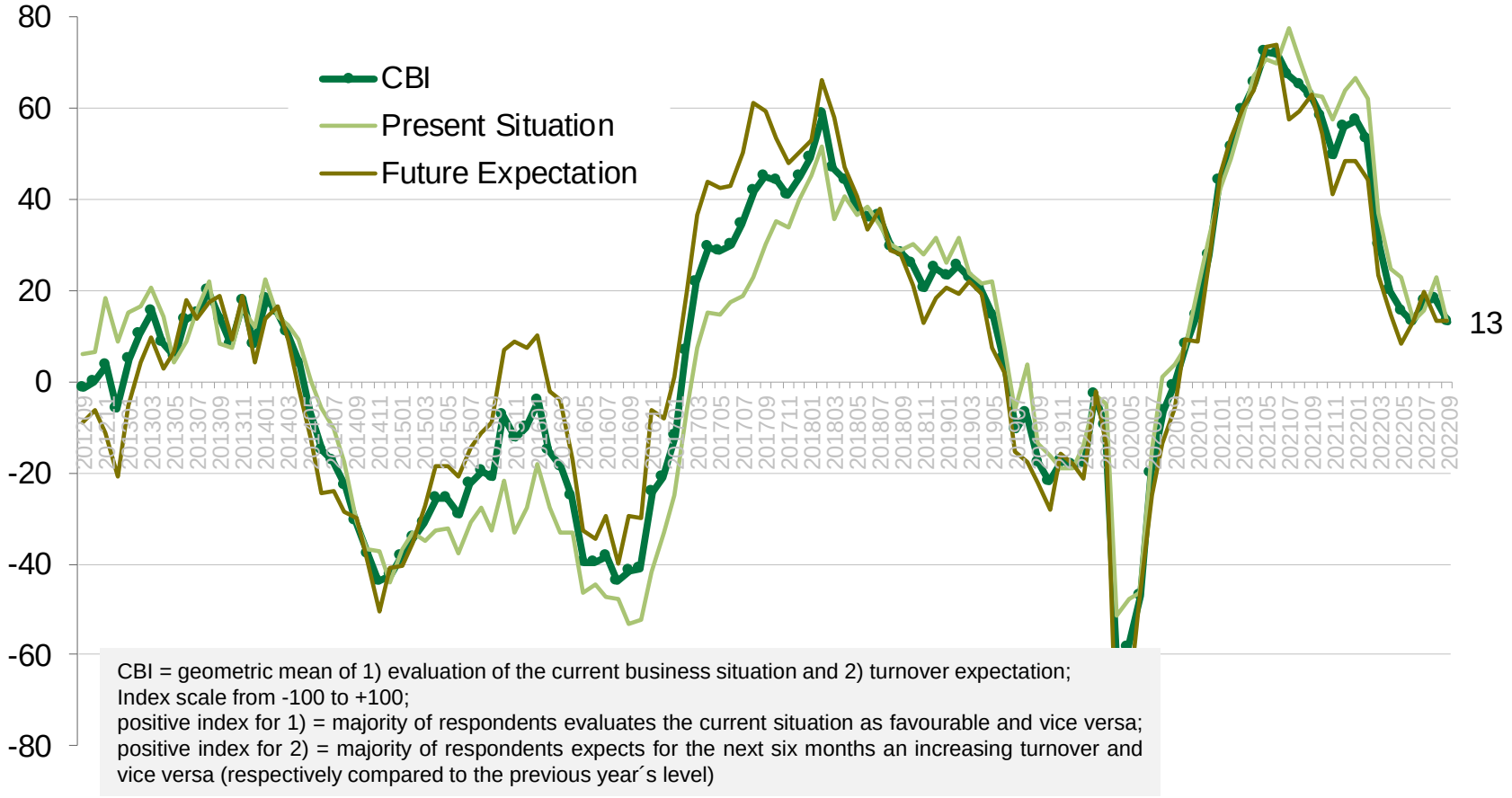
Price increases and bottlenecks on the supplier side continue to challenge the industry, but some slight easing is observable. Currently, 31% of the companies are planning a temporary production stop due to shortages in the coming four weeks.

The regional breakdown on the market side shows decreasing confidence levels for some, mainly larger, European markets. According to the survey participants, moreover, the need for investment in almost all end customer markets, except in Romania and Eastern Europe, seems to have become somewhat exhausted.

Contact: Philip.Nonnenmacher@vdma.org

Business Climate
Index Development

CEMA Business Climate Index (CBI) -Total



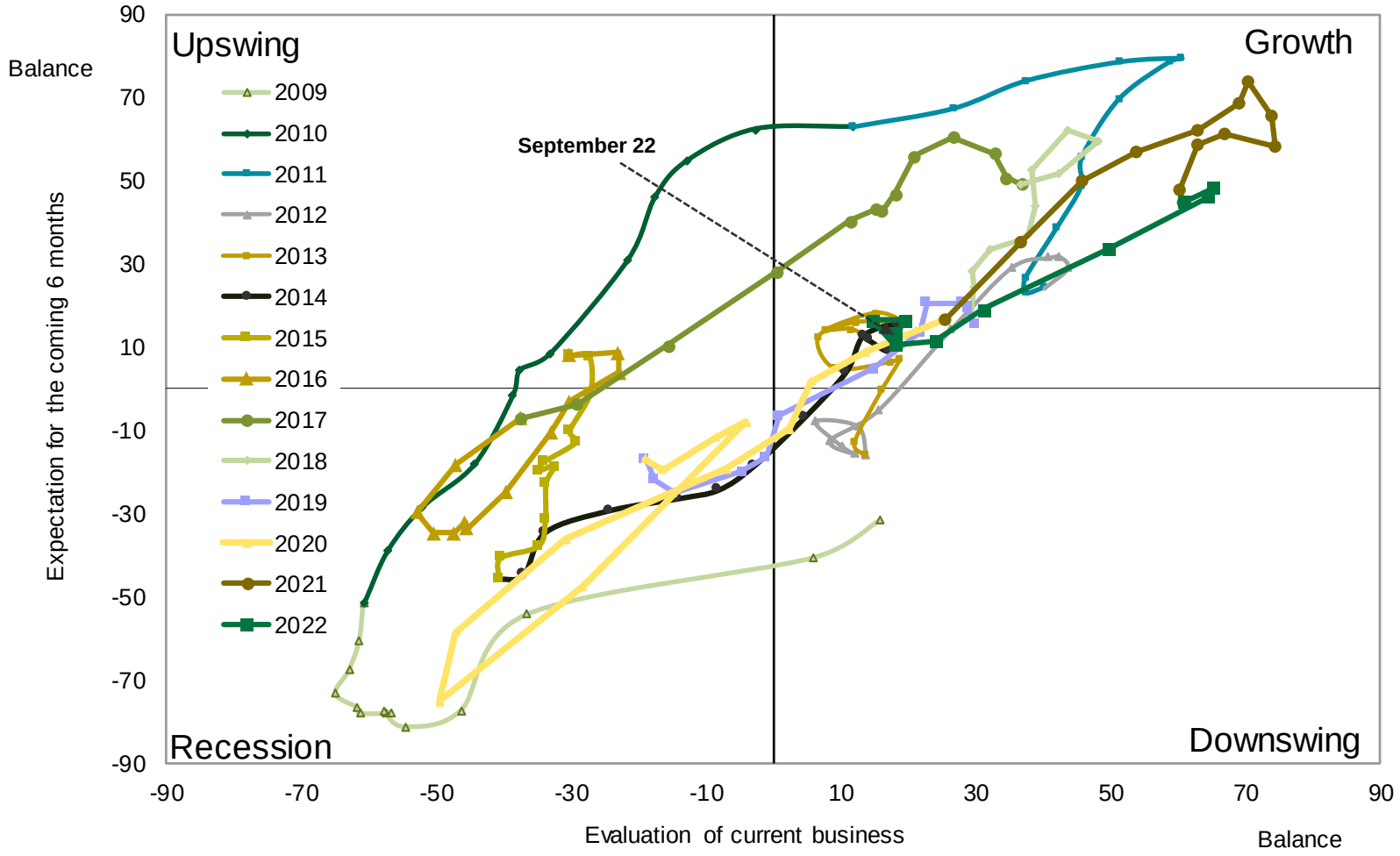
CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation;
Index scale from -100 to +100;
positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa;
positive index for 2) = majority of respondents expects for the next six months an increasing turnover and vice versa (respectively compared to the previous year´s level)

Source: CEMA Business Barometer

Contact: Philip.Nonnenmacher@vdma.org

Business Climate

Illustration of Business Cycle



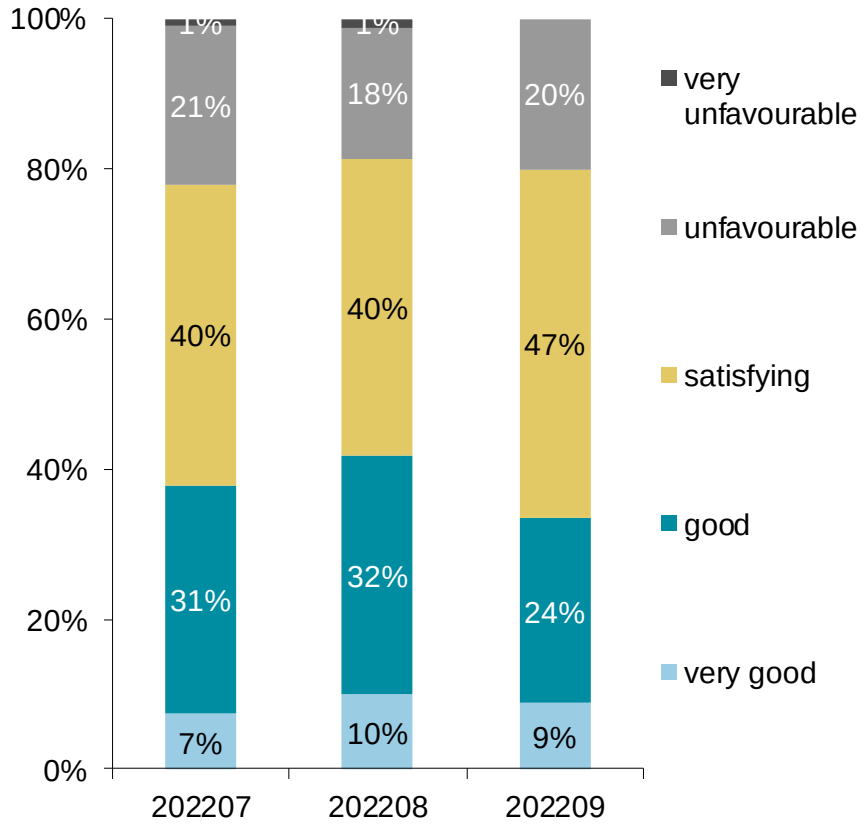
Source: CEMA Business Barometer, each value as an average of the last two months

Contact: Philip.Nonnenmacher@vdma.org

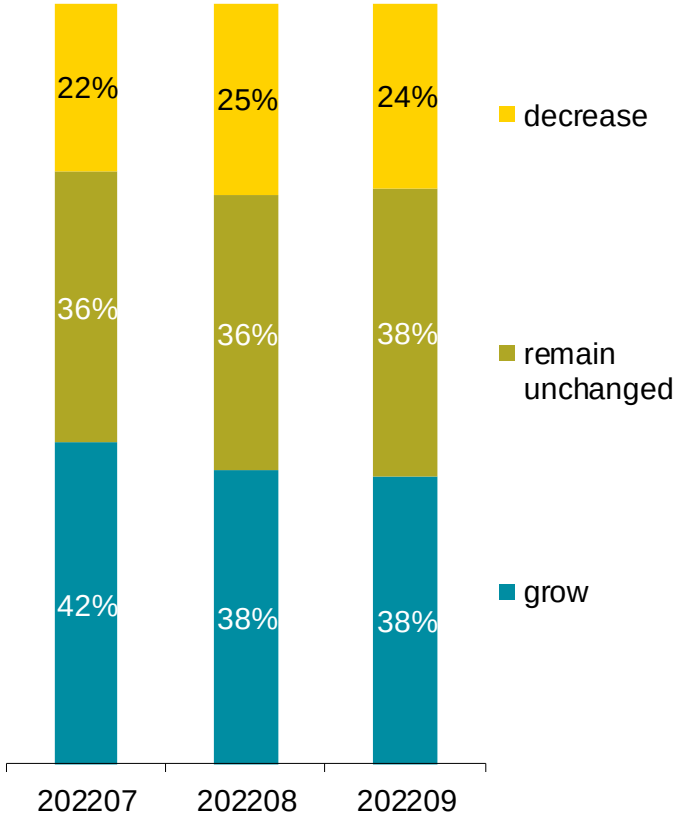
CEMA

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....



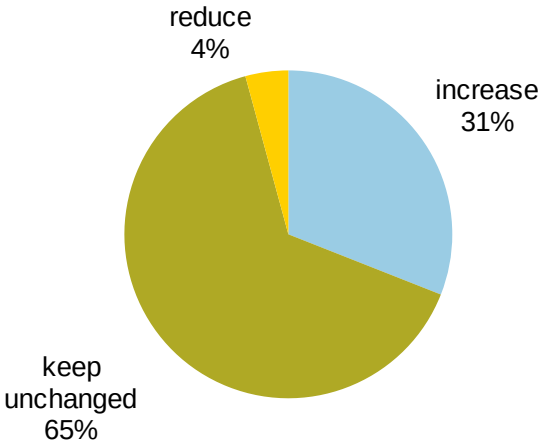
Source: CEMA Business Barometer

Contact: Philip.Nonnenmacher@vdma.org

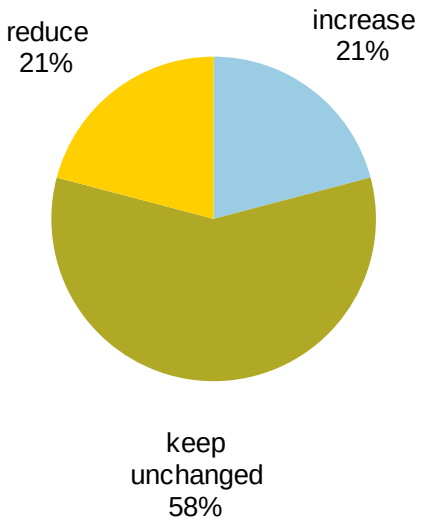
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer September 2022

Contact: Philip.Nonnenmacher@vdma.org