CONSTRUCTING THE EUROPE OF TOMORROW

CECE Business Barometer September 2019

COMMITTEE FOR EUROPEAN CONSTRUCTION EQUIPMENT

CECE Business Barometer Summary September 2019

Business Climate and Sales in Europe:

- The end of the boom is there, as business climate index touches the neutral line
- Sales growth on the European market came to a halt in September

Incoming Orders past month:

- Incoming orders decreased substantially in September compared to the previous year
- No differences between European and international markets observable

Expectations for the next 6 months:

- For the first time in four years, a majority of companies expects business declines
- Expectations for the UK market drop sharply amid recent Brexit turmoil
- Components manufacturers are the most pessimistic sub-group of companies

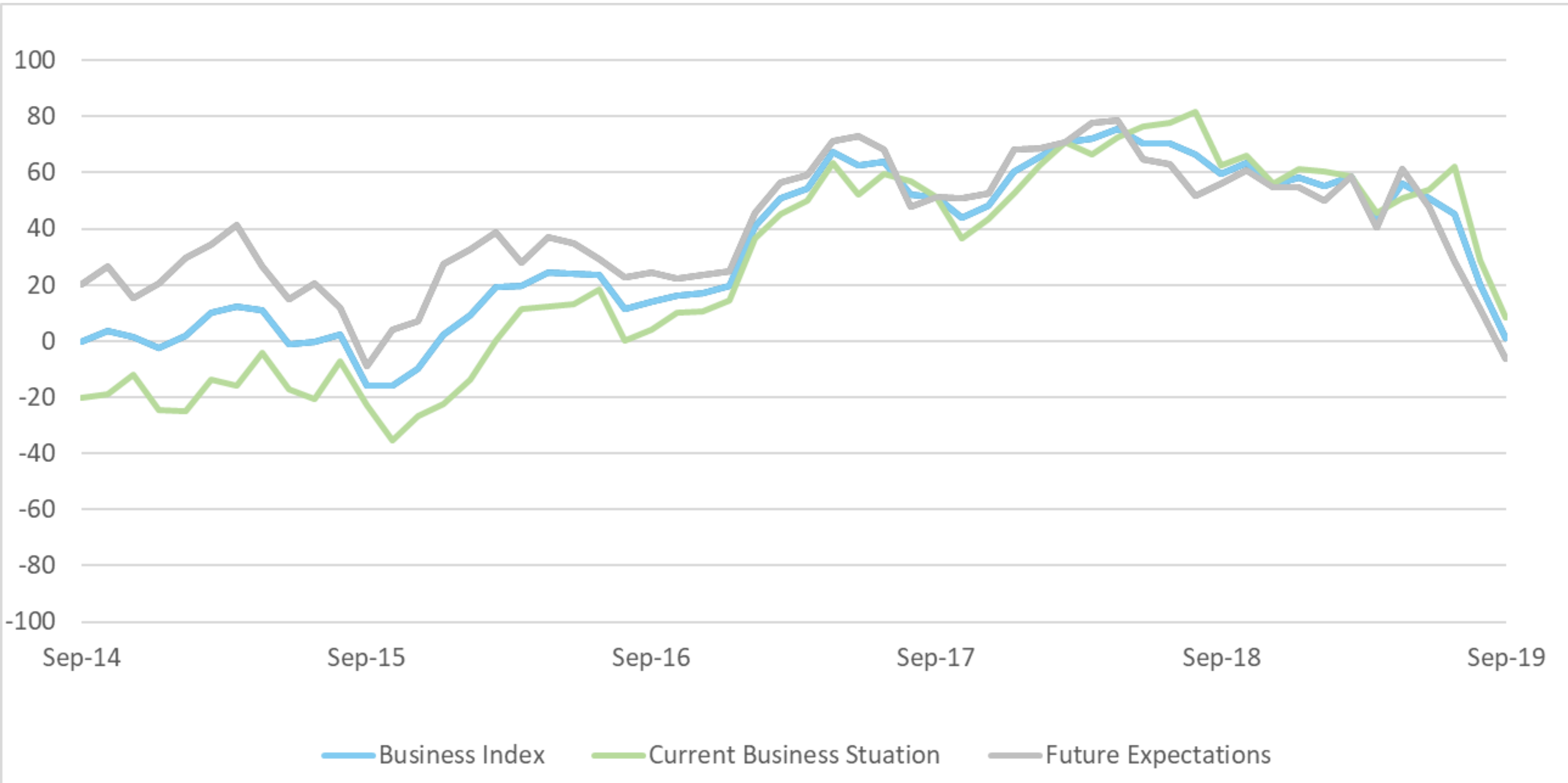
Factors limiting demand:

- Macroeconomic climate and construction industry demand affect demand most negatively
- Availability of components and production capacities are no longer an issue

Capacity utilization:

- Average capacity utilization stays on healthy levels, as two out of three manufacturers still have a utilization rate of at least 80%

CECE Business Climate Index



Source: CECE Business Barometer September 2019

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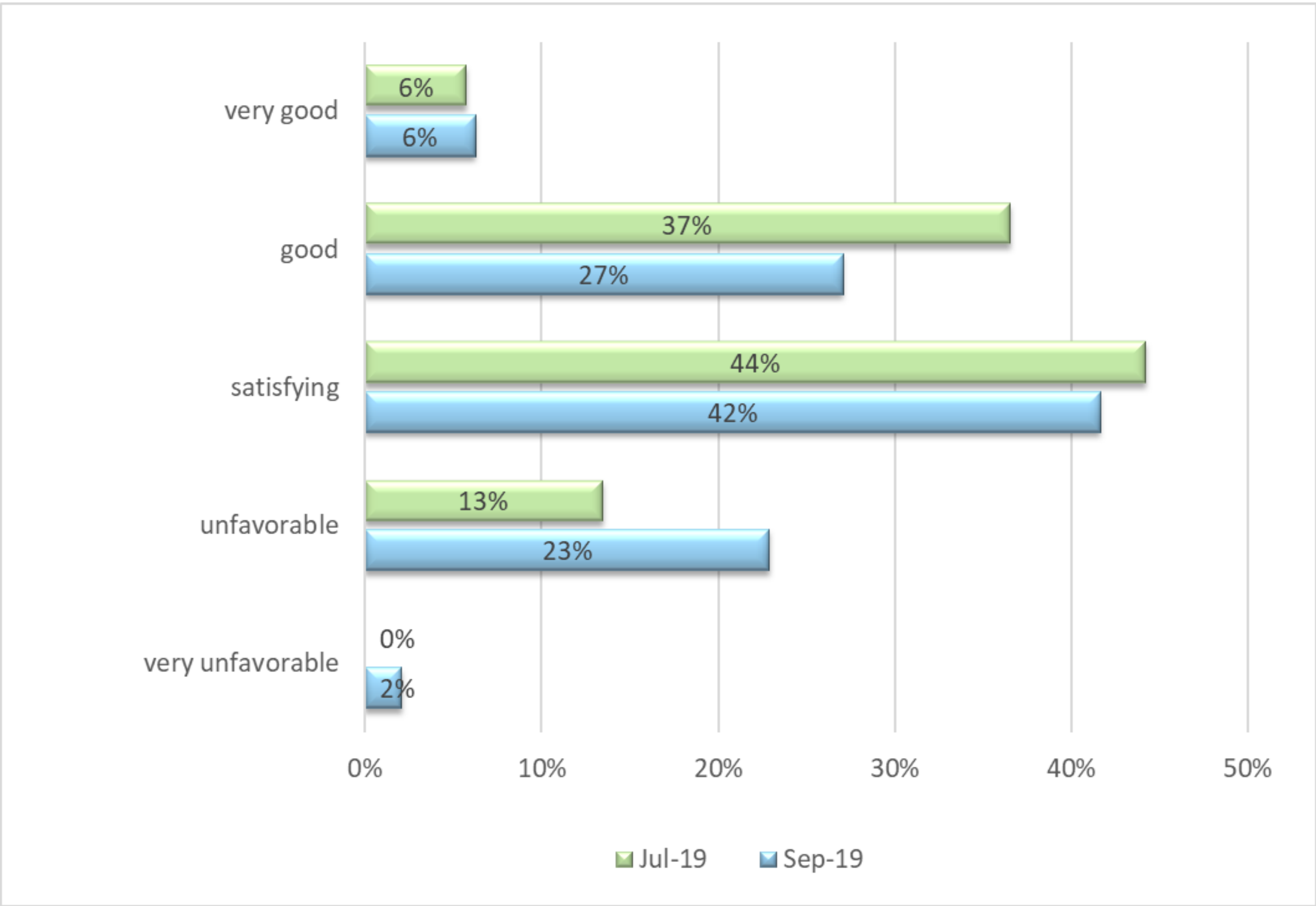
We consider our current business to be…



A distinct negative shift is observable, but still three out of four manufacturers see their business at least satisfactory.

Source: CECE Business Barometer September 2019

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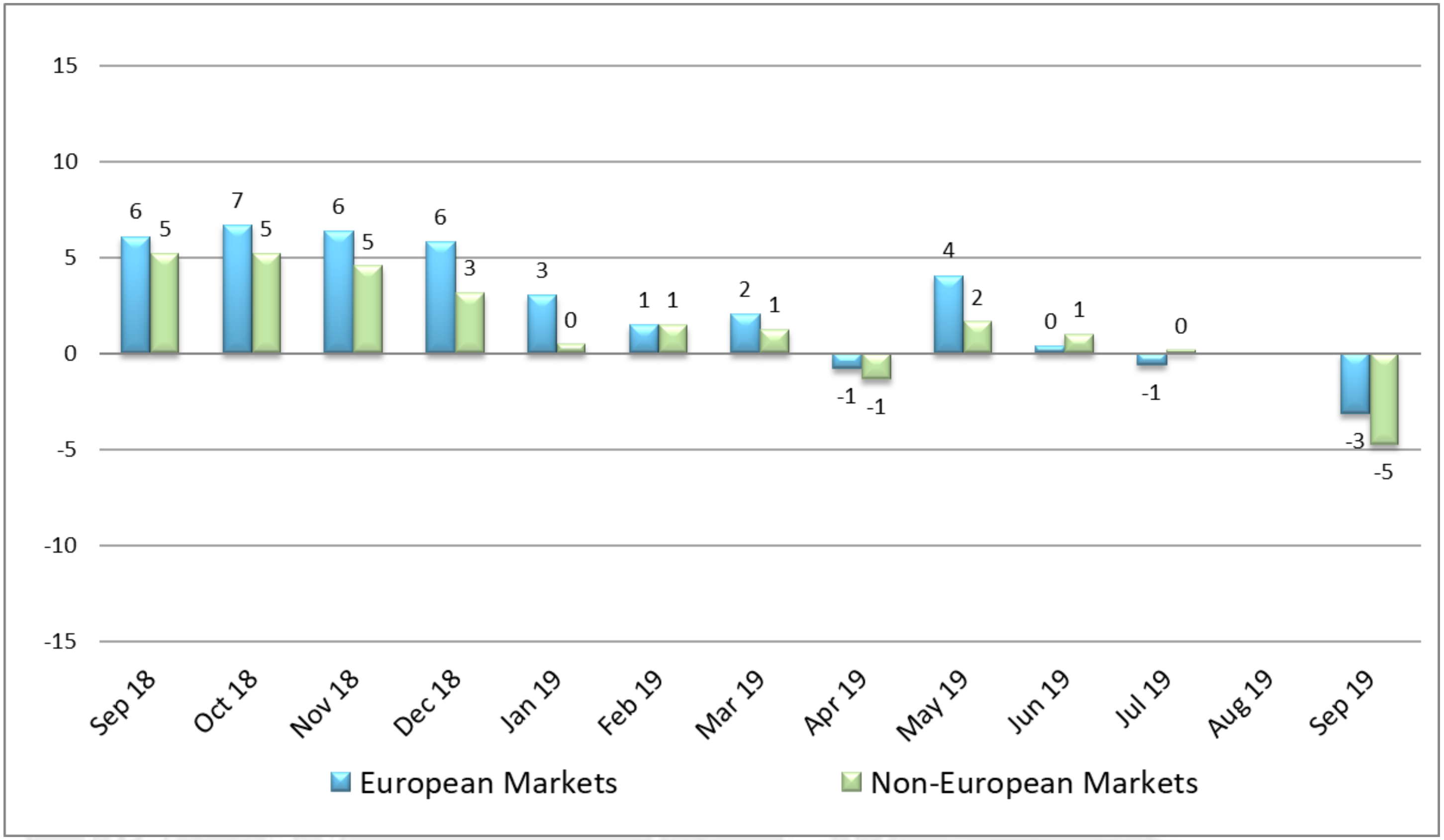
Incoming Orders in the past month

Compared to the same period a year ago



Very much in line with expectations, incoming orders did not pick up after the summer and stay behind 2018 levels.

Source: CECE Business Barometer September 2019

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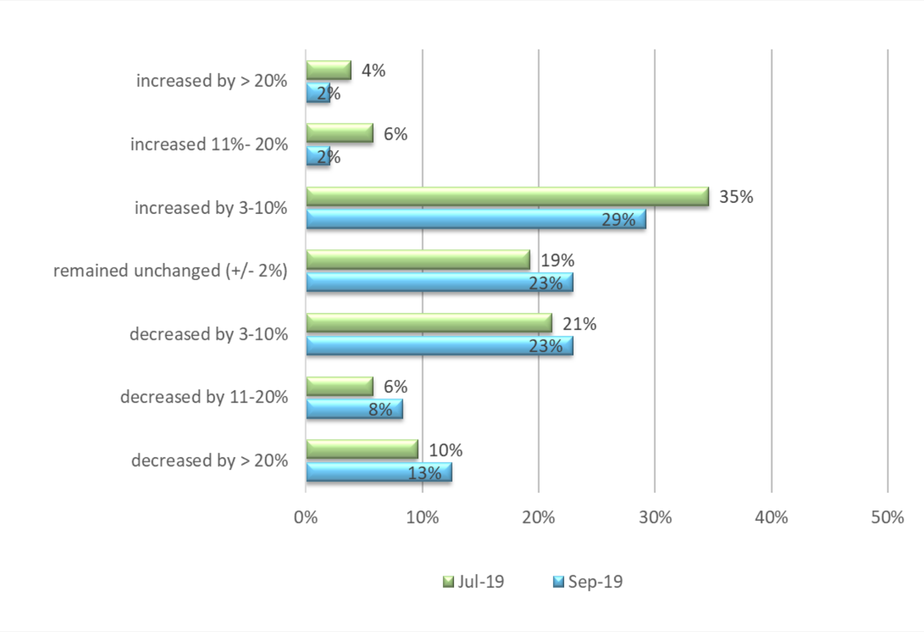
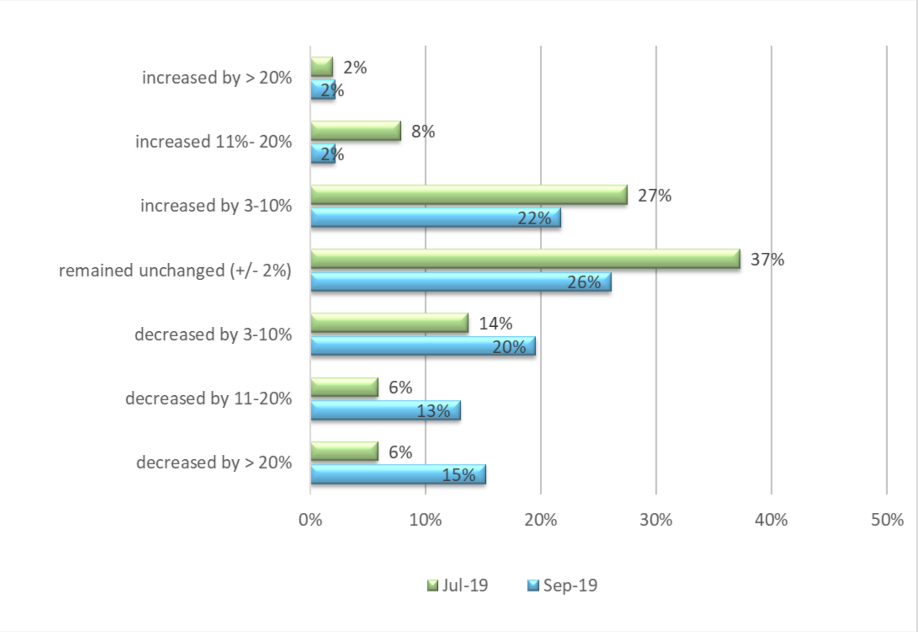
Incoming Orders in the past month

Compared to the same period a year ago

European Markets



Non-European Markets



Source: CECE Business Barometer September 2019

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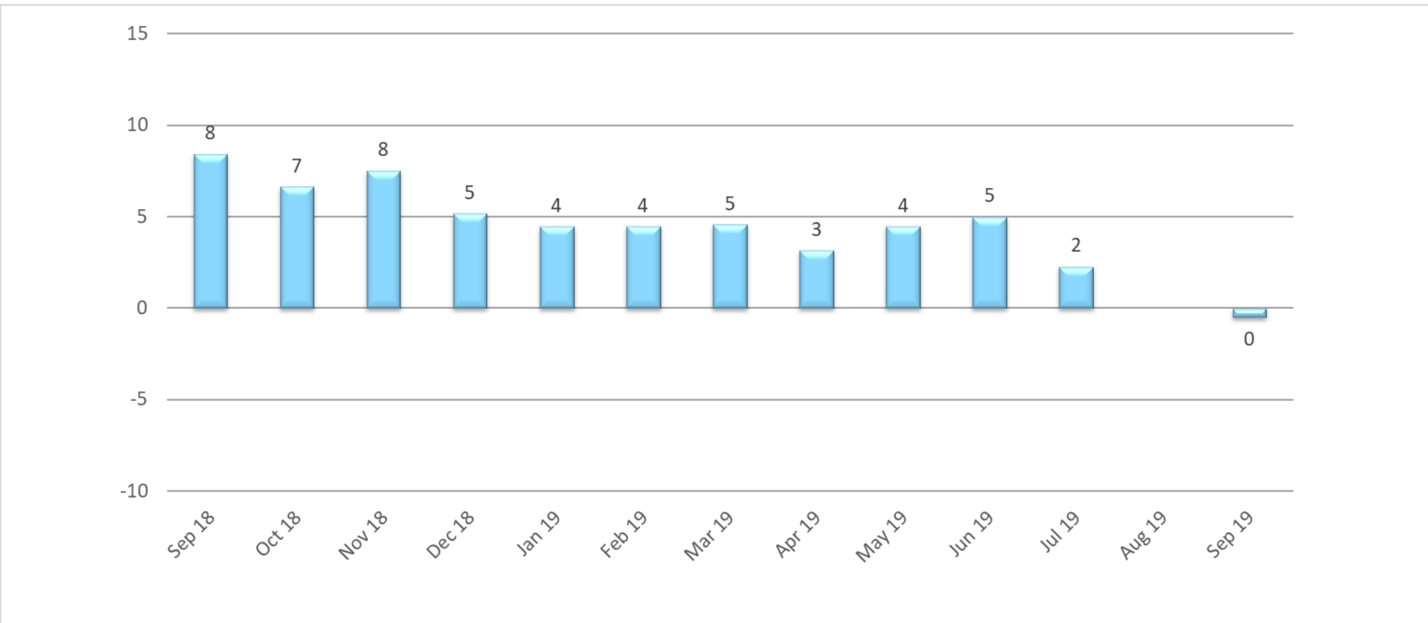
Sales in Europe in the past month

Compared to the same period a year ago



For the first time in 42 months, sales on the European market declined.

Source: CECE Business Barometer September 2019

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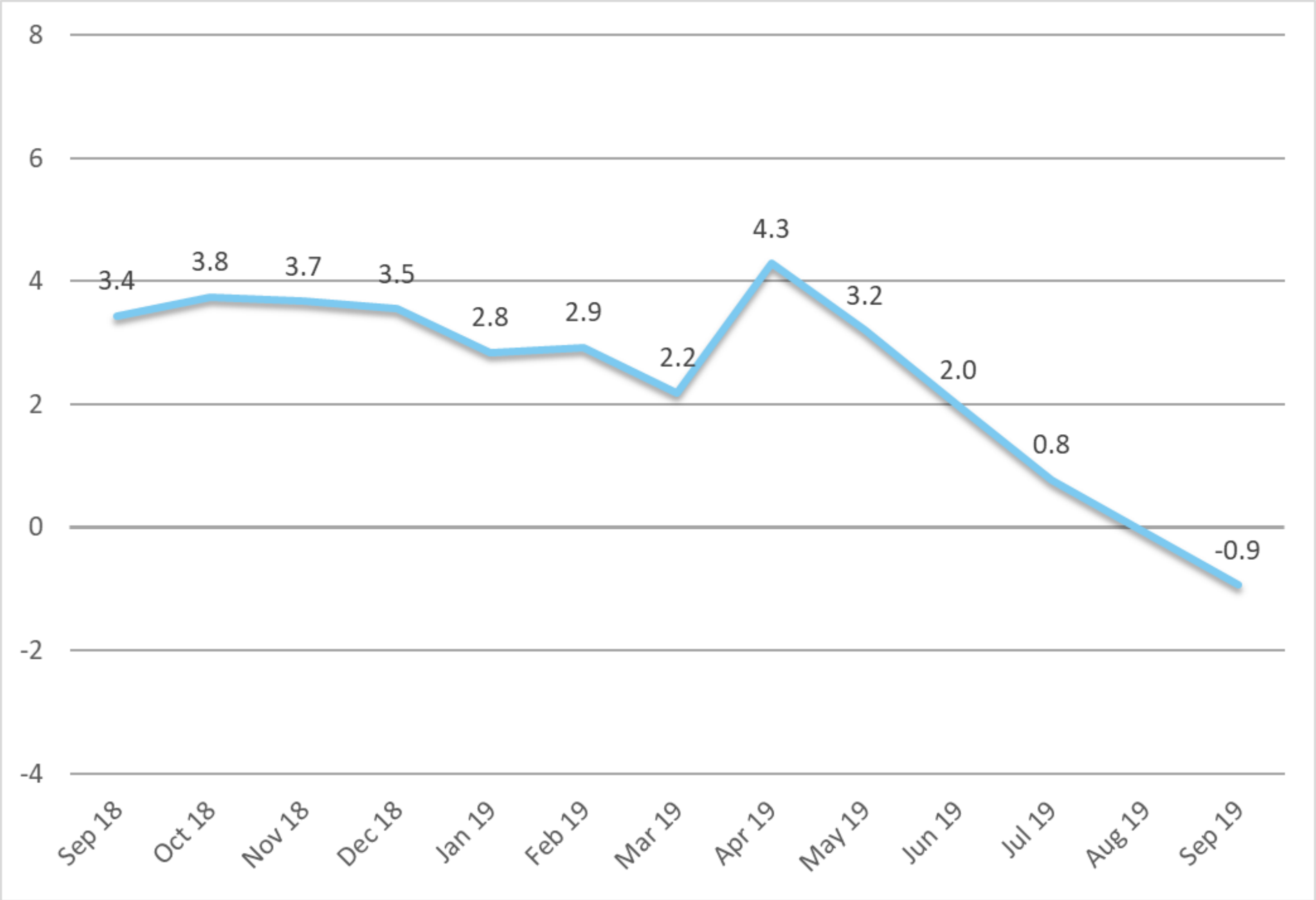
Total sales expectations for the next 6 months

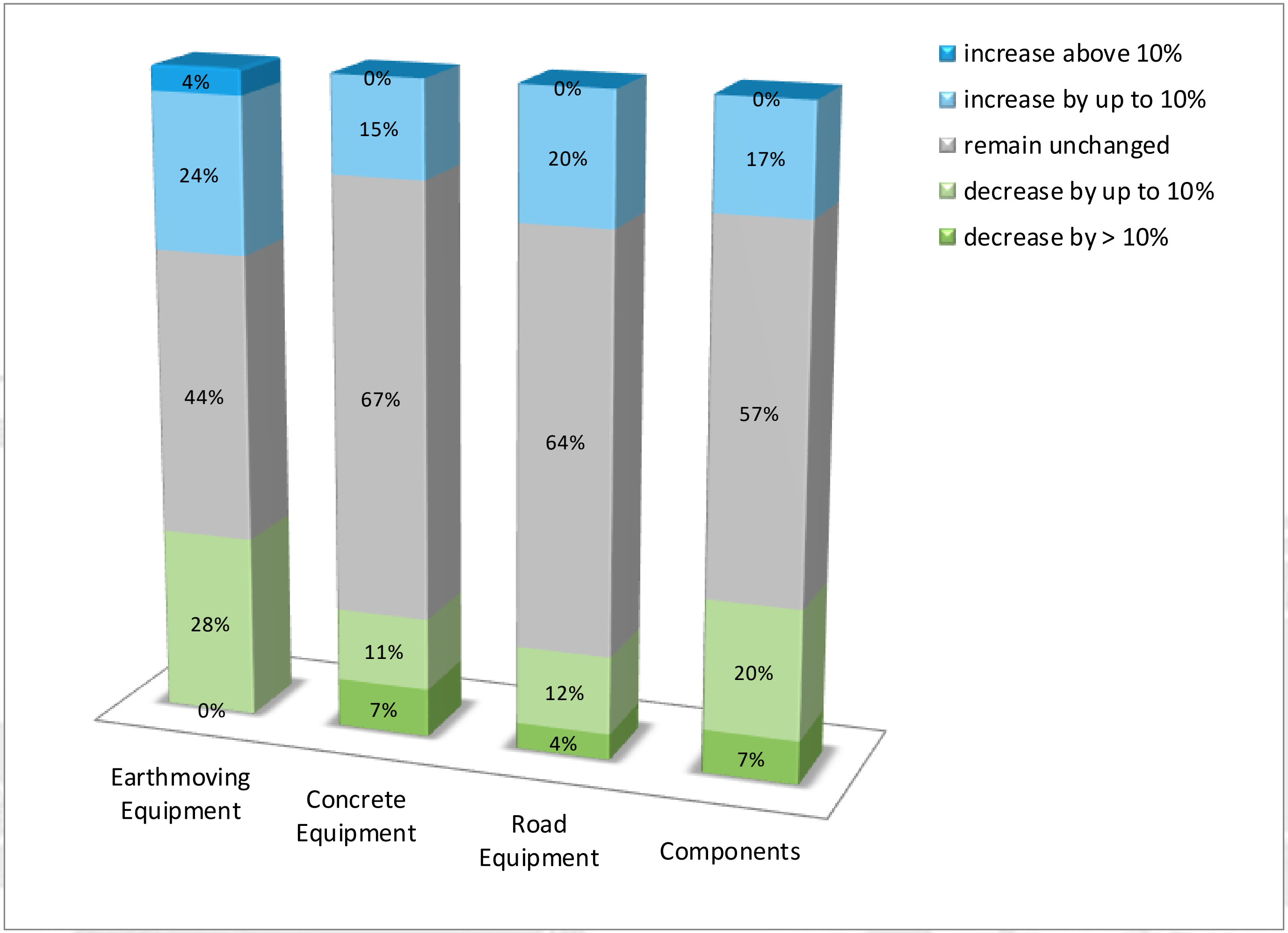


The fall of business expectations continues unbrokenly, and hits levels last seen four years ago.

Source: CECE Business Barometer September 2019

Total sales expectations for the next 6 months

by equipment type



Source: CECE Business Barometer September 2019

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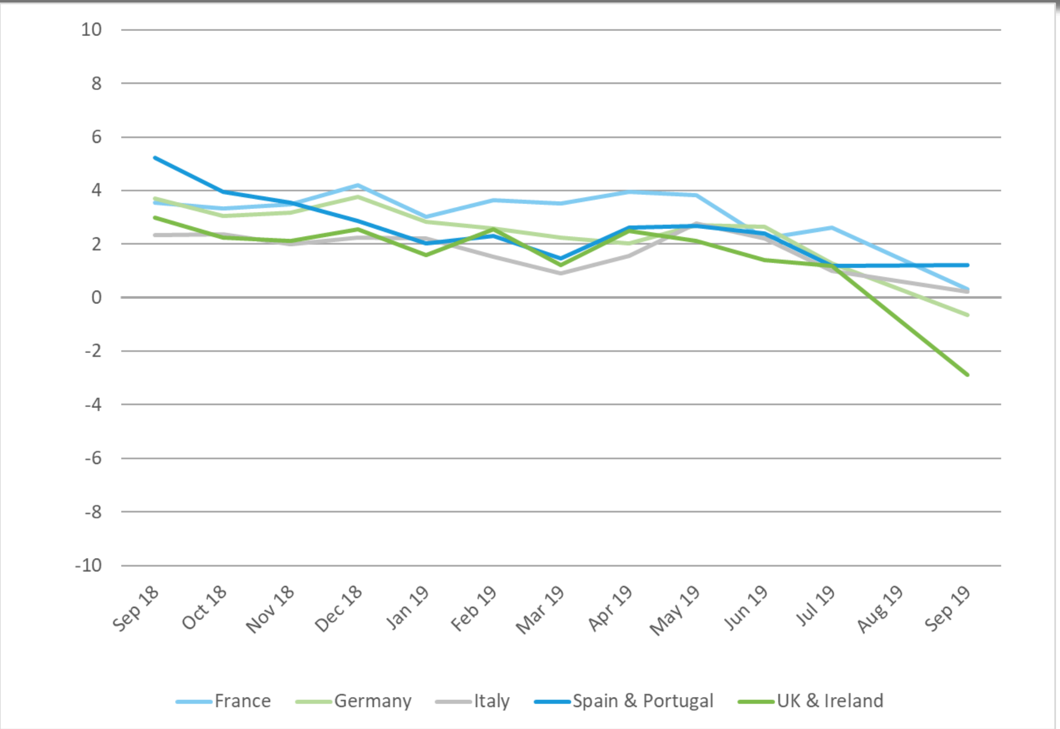
Our sales expectations for the next 6 months For the following markets are…



September 2019	France	Germany	Italy	Spain & Portugal	UK & Ireland
increase more than +10%	9%	6%	2%	11%	9%
increase between +3% and +10%	23%	19%	36%	18%	9%
flat between + 2 and - 2%	38%	36%	32%	53%	29%
decrease between -3% to -10%	23%	32%	26%	13%	33%
decrease more than -10%	6%	6%	4%	4%	20%

Source: CECE Business Barometer September 2019

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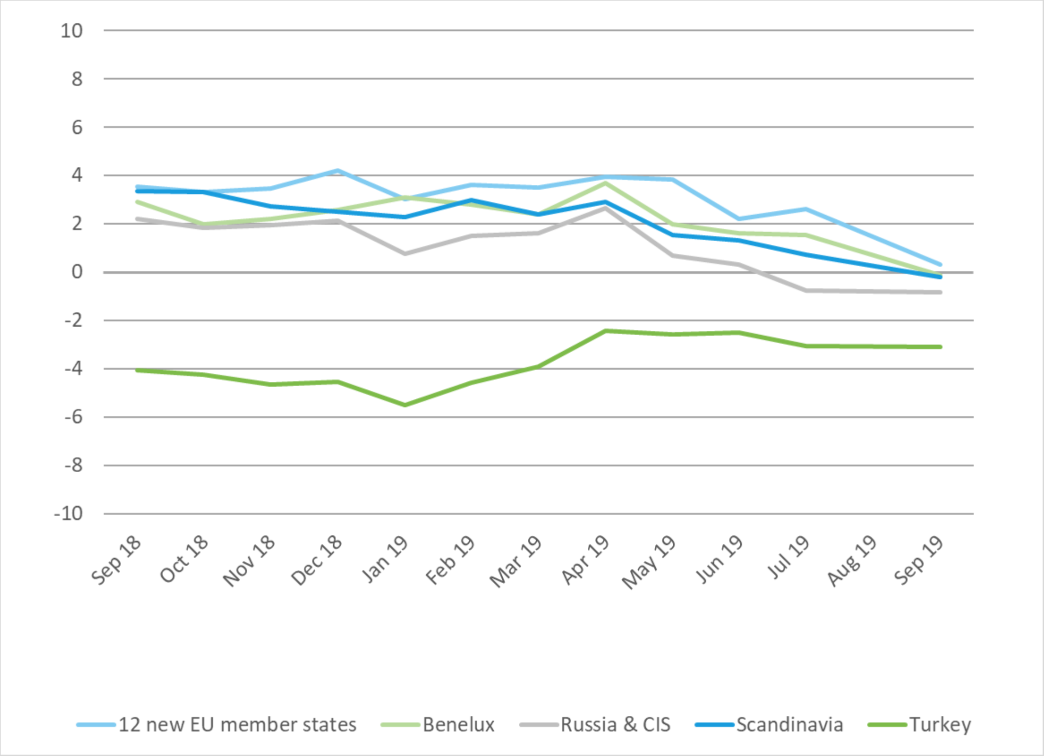

September 2019	12 new EU	Benelux	Russia & CIS	Scandinavia	Turkey
increase more than +10%	9%	7%	7%	4%	5%
increase between +3% and +10%	23%	18%	14%	19%	7%
flat between + 2 and - 2%	38%	44%	50%	49%	48%
decrease between -3% to -10%	23%	27%	17%	23%	19%
decrease more than -10%	6%	4%	12%	4%	21%

Source: CECE Business Barometer September 2019

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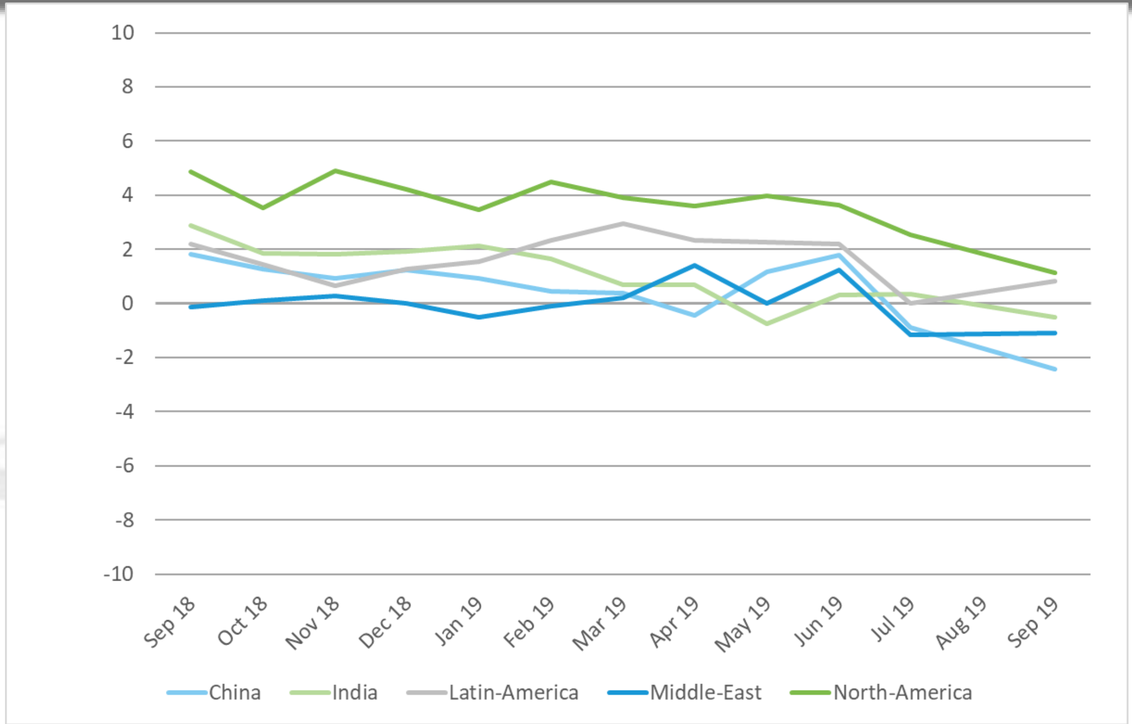
Our sales expectations for the next 6 months For the following markets are…



Opinion balance

compared to the same period a year ago

September 2019	China	India	Latin America	Middle East	North America
increase more than +10%	3%	8%	10%	0%	11%
increase between +3% and +10%	10%	13%	19%	12%	32%
flat between + 2 and - 2%	56%	54%	55%	63%	32%
decrease between -3% to -10%	13%	15%	10%	20%	16%
decrease more than -10%	18%	10%	7%	5%	9%

Source: CECE Business Barometer September 2019

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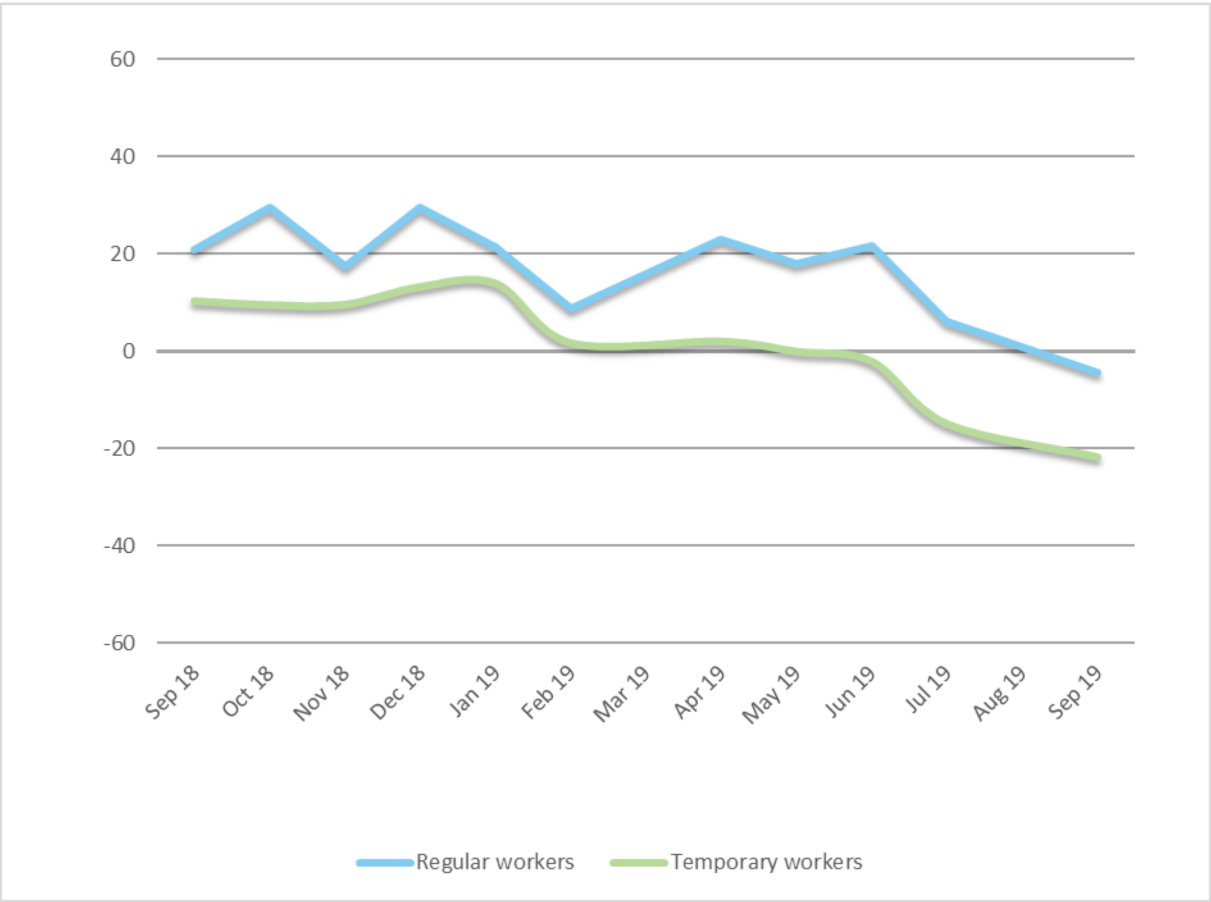
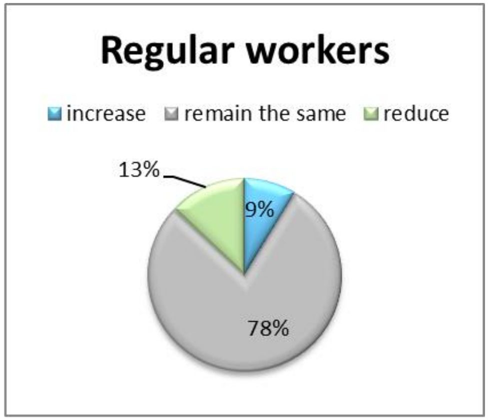
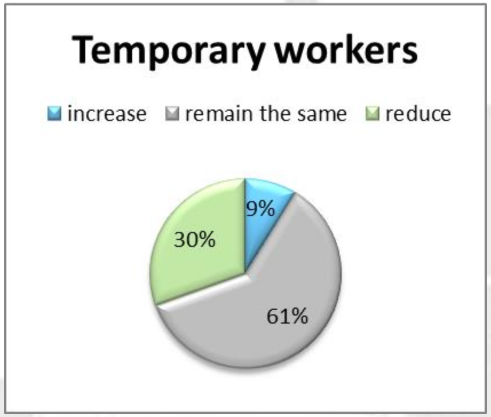
Workforce
Plans for the next 6 months:



September 2019





Source: CECE Business Barometer September 2019

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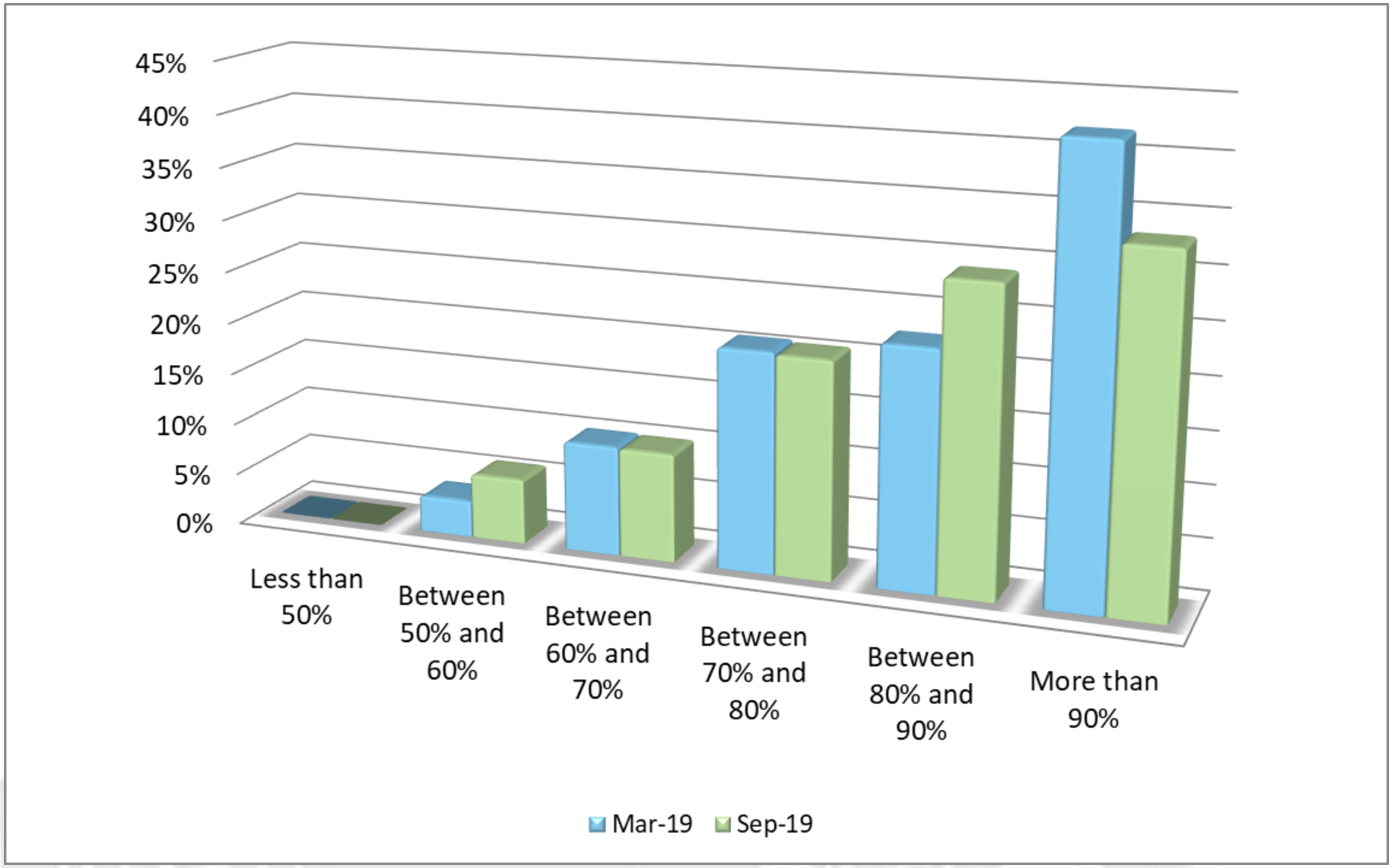
The rate of production capacity utilization…



Capacity utilization went down compared to six months ago, but stays on a healthy level.

Source: CECE Business Barometer September 2019

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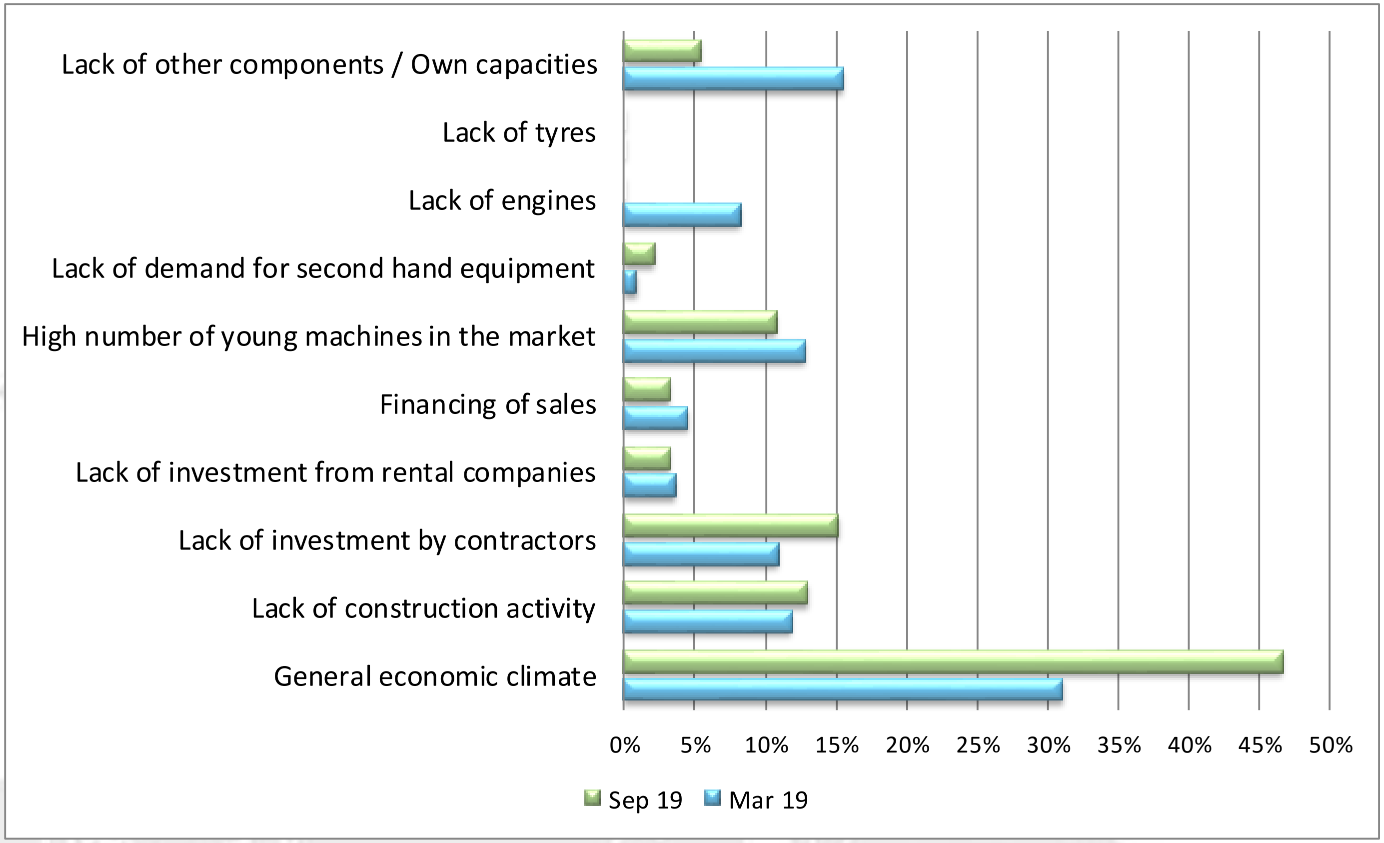
The main factors limiting the sales of construction equipment



The various risks and uncertainties are affecting the general economic climate.

Source: CECE Business Barometer September 2019

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Thank you for your participation!

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