

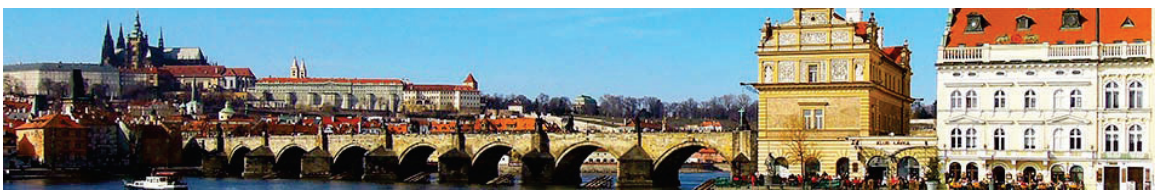


Czech Association Hydraulics and Pneumatics (CAHP)

Martin Čadan

Czech Republic

Economic Outlook 2Q 2023



CETOP Market Outlook conf. Hydraulic & Pneumatic Country market trend

Hydraulic Industry

- National Home sales 2022 165 M EUR (estimate)
- Recorder trend Jan/Dez.2022 + 7,5%
- Trend for May 2023 Orders – Down
- Forecast 2023 Sales YTD – same as 2022
+ 3% (After Summer recovery)



Pneumatic Industry

- National Home sales 2022 70 M EUR (estimate)
- Recorder trend Jan/Dez.2022 + 5%
- Trend for May 2023 Orders – Down
- Forecast 2023 Sales - Down
+ 2% (After Summer recovery)



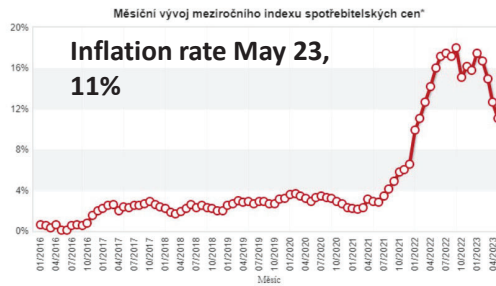


CZECH
REPUBLIC

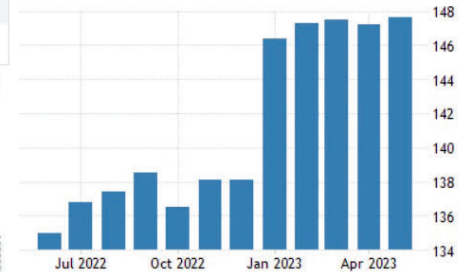
CETOP Market Outlook conf. TOP 5 general market trends in country

CAHP

- Consumer Price Index** CPI in Czech Republic is expected to be 149.85 points by the end of this quarter
- HIGH Inflation** 11% causes the destruction of consumer demand pressures = the drop in consumption in our country is the largest of all EU countries. However on declining curve.
- Currency CZK:EUR – STRONGER** Czech Crown YOY +9% limit competitiveness of Czech producers in Export Markets, May slight weakening
- Material and energy and personal cost increases** - Producers are dealing with too high YOY production cost increases, combined with later time shift to get money from customers by price increases activities



Consumer Price Index



CZECH REPUBLIC



CETOP Market Outlook conf. CZ country market trend

CAHP

Specific developments in customer industries

- Overstocking in consumer channels from last year demand (fear of long delivery time) causes still low orders (all sectors)
- Impact of world geopolitical situation
 - Agriculture – announcement decline in industry Min from 4Q/23 – 2Q/24
 - Industrial Machines – postponed investments, more repair, refurbishments
 - Defence sector – only Booming
- Fatigue of personal - After 3 years of society paradigm changes (2 years COVID and last year war in Europe) we can observe moral and physical employee fatigue

Supply chain and delivery time situation

- Shortage of electronic components and their price increase continues
- Transport costs and lack of personal in transport companies = Improvements

Country strategy and trends emerged as reaction of past year's events

- 2023 Energy (elektricitý + Gas) SPOT Prices - The government has approved a regulation that sets the rules for SPOT energy prices. It will help with high electricity and gas prices not only for households, but also for small and medium-sized businesses.



CZECH REPUBLIC



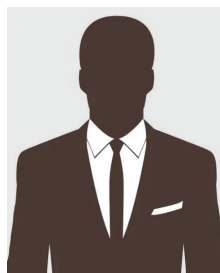
CAHP - Board of Directors

CAHP



President CAHP

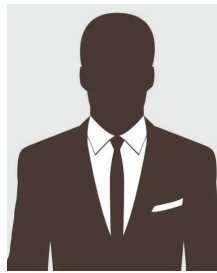
Ing. Martin Čadan



Vice - President CAHP

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**Thank you for your
attention!**