

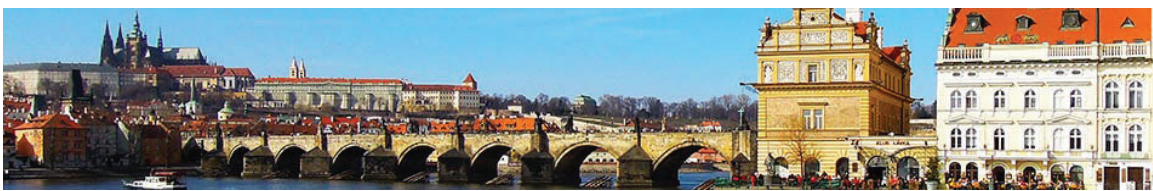


Czech Association Hydraulics and Pneumatics (CAHP)

Martin Čadan

Czech Republic

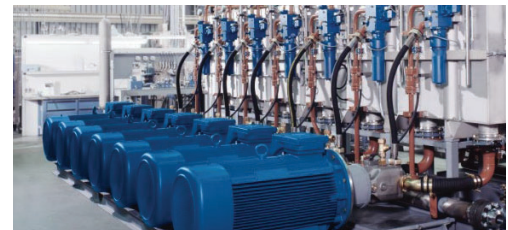
Economic Outlook 1Q 2023



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 February 2023 Orders - Down
- Forecast 2023 Sales - Down
- Forecast 2023 + 3% (After Summer recovery)

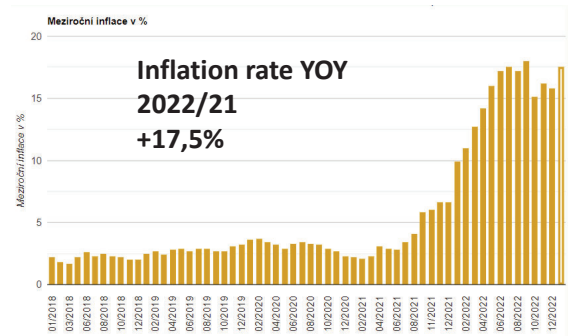


Pneumatic Industry

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



- 1. Consumer price indices - inflation - January 2023:** The price level increased by 6% compared to December, year-on-year consumer prices increased by 17.5%
- 2. Very HIGH Inflation** causes the destruction of consumer demand pressures = the drop in consumption in our country is the largest of all EU countries.
- 3. Currency CZK:EUR – STRONGER** Czech Crown YOY +9% limit competitiveness of Czech producers in Export Markets
- 4. 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
- 5. low added value.** Czechs are in 23rd place in the EU in terms of PRODUCT added value, low level of automation



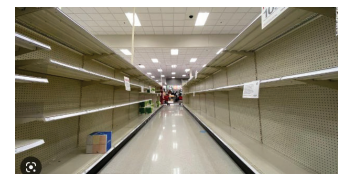
Specific developments in customer industries

- Overstocking in consumer channels from last year demand (fear of long delivery time) causes low orders (all sectors)
- Customer ask to postpone deliveries due to lack of other machine components
- Fatigue - 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
- Shortages in supplies of base materials as well as Delivery times and Re-confirmations = still issues



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

- 2023 Energy (elektricit + 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



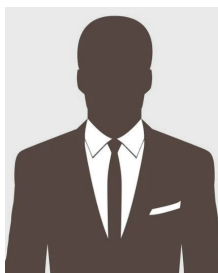
CAHP

CAHP - Board of Directors



President CAHP

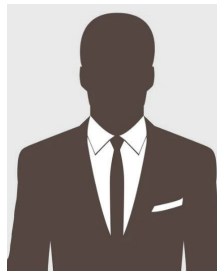
Ing. Martin Čadan



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**Thank you for your
attention!**