

Analysis August 18/ September 18 / February 19

Despite all the instability all over the world, the latest results show somehow a stability in our industry.

The EuRA Index is at **121.6** which is 1.0 points lower than last month.

Current EuRA Index Aug/Sep/Feb	121.6	
EuRA Index last month	122.6	
Increase/Decrease vs. last month	- 1.0	▼
Increase/Decrease vs. last month as %	99.2	▼
EuRA Index last year Aug/Sep/Feb	116.2	
Increase/Decrease vs. last year	+ 5.4	▲
Increase/Decrease vs. last year as %	104.6	▲

Current Rolling 12 Aug/Sep/Feb	120.6	
Rolling 12 last month	120.2	
Increase/Decrease vs. last month	+ 04	▲
Increase/Decrease vs. last month as %	100.3	▲
Rolling 12 EuRA Index last year Aug/Sep/Feb	119.8	
Increase/Decrease vs. last year	+ 0.8	▲
Increase/Decrease vs. last year as %	100.7	▲

The EuRA Index in comparable months in the previous years:

Aug 10 Sep 10 Feb 2011	115.0
Aug 11 Sep 11 Feb 2012	113.4
Aug 12 Sep 12 Feb 2013	113.6
Aug 13 Sep 13 Feb 2014	116.3
Aug 14 Sep 14 Feb 2015	116.8
Aug 15 Sep 15 Feb 2016	115.3
Aug 16 Sep 16 Feb 2017	117.9
Aug 17 Sep 17 Feb 2018	116.2
Aug 18 Sep 18 Feb 2019	121.6

The average of the EuRA Index for A / S / F for the last nine years is at 116.2 which is 2.3% lower than last month.

The Rolling 12 figure for the EuRA Index is at 120.6 which is 0.4 points higher than last month.

The Rolling 12 figures for the EuRA Index in comparable months in the previous years:

Aug 11 Sep 11 Feb 2012	116.4
Aug 12 Sep 12 Feb 2013	110.7
Aug 13 Sep 13 Feb 2014	113.7
Aug 14 Sep 14 Feb 2015	116.8
Aug 15 Sep 15 Feb 2016	115.6
Aug 16 Sep 16 Feb 2017	116.8
Aug 17 Sep 17 Feb 2018	119.8
Aug 18 Sep 18 Feb 2019	120.6

The average R12 for the last eight years is at 116.3 which is just 0.1 point higher than last month.

The figures below show the indices for **Aug/Sep/Feb** per country/region:

Country / Region	Last month	Current A/S/F	▲ ▼
UK	105.6	92.5	▼ 13.1
Ireland	134.7	114.3	▼ 20.4
Germany	123.0	133.5	▲ 10.5
France	105.0	102.9	▼ 2.1
Benelux	144.5	141.9	▼ 2.6
Southern Region	122.0	110.7	▼ 11.3
Nordic Region	123.3	139.2	▲ 15.9
Switzerland	74.8	69.6	▼ 5.2
Austria	74.2	90.2	▲ 16.0
Eastern Region	116.1	125.8	▲ 9.7
Total	122.6	121.6	▼ 1.0

4 countries/regions show a higher result with an average of 13.0 points, 6 countries/regions show a lower result with an average of minus 9.1 points.

This month 4 countries/regions topped the average result of 121.6

141.9	Benelux
139.2	Nordic Region
133.5	Germany
125.8	Eastern Region

As in previous months there are graphs which illustrate how the trend is going in the individual countries/regions. The EuRA website offers a new attractive design. Have a look and get an idea of what the trends are.

As you know the EuRA Index is a result of weighted answers to our three questions (Result for last month multiplied by 1, result for the following month multiplied by 1.5 and result for 6 months from now multiplied by 2).

Looking at the results without weighting gives some interesting insights into the development of our industry.

The following are the average results for the three questions on a “pan-European” basis (voting from 1 to 6):

1. How do you rate the last month (**August ‘18**)?

Current Result Q1 EuRA Index Aug ‘18	4.37	
Result Q1 EuRA Index last month	4.35	
Increase/Decrease vs. last month	+ .02	▲
Increase/Decrease vs. last month as %	100.5	▲
Result Q 1 EuRA Index last year Aug	4.04	
Increase/Decrease vs. last year	+ .33	▲
Increase/Decrease vs. last year as %	108.2	▲

Current Rolling 12 for Q1 Aug '18	4.11	
Rolling 12 Q 1 last month	4.08	
Increase/Decrease vs. last month	+ .03	▲
Increase/Decrease vs. last month as %	100.7	▲
Rolling 12 Q 1 last year Aug	4.10	
Increase/Decrease vs. last year	+ .01	▲
Increase/Decrease vs. last year as %	100.2	▲

Question 1 is clearly the most important one in our research because your answer gives the most up to date judgement of how satisfied you are with your business. However, this is only relative because it does not show whether and how much the business is up or down in absolute figures. The result for this month (3.37) is the second highest in the history of the Index project. The highest (3.38) was in July 2013.

Comparing the selective results for August in previous years gives us the following picture:

Aug	2010	4.13	minus .13 to previous month
Aug	2011	3.89	minus .36 to previous month
Aug	2012	3.95	plus .16 to previous month
Aug	2013	4.00	minus .38 to previous month
Aug	2014	4.02	minus .19 to previous month
Aug	2015	4.07	minus .13 to previous month
Aug	2016	4.28	plus.25 to previous month
Aug	2017	4.04	minus .22 to previous month
Aug	2018	4.37	plus .02 to previous month

The 9-year-average for August '18 is 4.08 which is 2.6% lower than July '18.

The Rolling 12 results for the last 8 years:

Aug	2011	3.99	minus .02 to previous month
Aug	2012	3.80	plus .01 to previous month
Aug	2013	3.91	plus .01 to previous month
Aug	2014	3.92	sames as in previous month
Aug	2015	3.97	same as in previous month
Aug	2016	3.99	plus .02 to previous month
Aug	2017	4.10	minus .02 to previous month
Aug	2018	4.11	plus .03 to previous month

The following are this month's results compared to last month.

Country / Region	Last month	Current A/S/F	▲ ▼ %
UK	4.60	4.50	▼ 97.8
Ireland	5.50	5.00	▼ 90.9
Germany	4.00	3.88	▼ 97.0
France	3.00	3.40	▲ 113.3
Benelux	5.00	5.00	Even
Southern Region	4.67	4.25	▼ 91.0
Nordic Region	5.00	5.67	▲ 113.4
Switzerland	4.50	3.75	▼ 83.3
Austria	4.00	5.25	▲ 131.3
Eastern Region	4.00	5.00	▲ 125.0
Total	4.35	4.37	▲ 100.5

This month 4 countries/regions show a higher score with an average increase of 20.8%, 5 countries/regions show a lower score with a minus of 10.0% and 1 country/region shows the same result than in previous month.

The Rolling 12 for question 1 is at 4.11 which is .03 higher than in last month.

2. How do you rate the coming month (**September '18**)?

Current Result Q2 EuRA Index Sep '18	4.23	
Result Q2 EuRA Index last month	4.18	
Increase/Decrease vs. last month	+ .05	▲
Increase/Decrease vs. last month as %	101.2	▲
Result Q2 EuRA Index last year for Sep	3.95	
Increase/Decrease vs. last year	+ .28	▲
Increase/Decrease vs. last year as %	107.1	▲

Current Rolling 12 for Q2 Sep '18	4.08	
Rolling 12 Q2 last month	4.06	
Increase/Decrease vs. last month	+ .02	▲
Increase/Decrease vs. last month as %	100.5	▲
Rolling 12 Q2 last year for Sep	4.03	
Increase/Decrease vs. last year	+ .05	▲
Increase/Decrease vs. last year as %	101.2	▲

These are the results for the previous years:

Expectation

for Sep 2010	3.97	.09 lower than in previous month
for Sep 2011	3.90	same as in previous month
for Sep 2012	3.85	.06 higher than in previous month
for Sep 2013	3.99	.39 lower than in previous month
for Sep 2014	3.99	.17 lower than in previous month
for Sep 2015:	3.97	.03 lower than in previous month
for Sep 2016:	4.03	.08 higher than in previous month
for Sep 2017:	3.95	.02 higher than in previous month
for Sep 2018:	4.23	.05 higher than in previous month

Average 9 years: 3.99 which is .05 points lower than last month.

Actual Aug / Expectation Sep / Actual Sep

2010	4.13	3.97	4.10
2011	3.89	3.90	3.80
2012	3.95	3.85	3.82
2013	4.00	3.99	4.09
2014	4.02	3.99	3.66
2015	4.07	3.97	3.86
2016	4.28	4.03	4.31
2017	4.04	3.95	4.18
2018	4.37	4.23	
Average	4.08	3.99	3.98

The Rolling 12 result for Question 2 is 4.08 which is .02 points higher than in last month.

3. What are your expectations for your business in 6 months from now (February 19)?

Current Result Q3 EuRA Index Feb '19	4.00	
Result Q3 EuRA Index last month	4.13	
Increase/Decrease vs. last month	- .03	▼
Increase/Decrease vs. last month as %	96.9	▼
Result Q3 EuRA Index last year for Feb	3.96	
Increase/Decrease vs. last year	+ .04	▲
Increase/Decrease vs. last year as %	101.0	▲

Current Rolling 12 for Q3 Feb '19	4.17	
Rolling 12 Q3 last month	4.17	
Increase/Decrease vs. last month	+/- .00	
Increase/Decrease vs. last month as %	100.0	
Rolling 12 Q3 last year for Feb	4.18	
Increase/Decrease vs. last year	- .01	▼
Increase/Decrease vs. last year as %	99.8	▼

Expectation	for Feb 2011	3.80	.22 lower than previous month
	for Feb 2012	3.85	.33 lower than previous month
	for Feb 2013	3.88	.14 higher than previous month
	for Feb 2014	3.96	.10 lower than previous month
	for Feb 2015	3.99	.27 lower than previous month
	for Feb 2016:	3.86	.02 higher than previous month
	for Feb 2017:	3.91	.01 higher than previous month
	for Feb 2018:	3.96	.13 lower than previous month
	for Feb 2019:	4.00	.03 lower than previous month

On average, in the last 9 years the 6-month-predictions for February are at 3.91, which is 0.11 points (2.7 %) lower than January.

When comparing the 6-month-predictions for Feb with the actual results for Feb we see the following picture:

	Pred For Feb	Result Feb	Result	
2011	3.80	3.69	.11	lower
2012	3.85	3.66	.19	lower
2013	3.88	3.71	.17	lower
2014	3.96	3.71	.25	lower
2015	3.99	3.72	.27	lower
2016	3.86	3.91	.05	higher
2017	3.91	3.90	.01	lower
2018	3.96	3.84	.12	lower
Average	3.90	3.77	.13	lower

On average the results for February are 3.3% lower than the predictions.

The Rolling 12 result of 4.17 is the same as in last month.

Participation

338 members in the various countries and/or regions could potentially participate in the EuRA Index. The figure for the EuRA Global Index is 155.

There is still a low participation. This month we had **43 participants in the EuRA Index, 3 more than last month**. 43 represents 12.7% of the overall potential. Although slightly higher than last month, this result is still **far too low** for meaningful interpretations.

Many thanks to those who participated in the EuRA Index. And to those 295 who have not, we would like - once again – to repeat our appeal to invest 3 minutes (at most) to fill in our research next time. **Your participation would benefit the entire association**. The more members take part, the better and more meaningful the results will be.

The “Rolling 12” result for the participants is now at 49 which is the new **lowest R12 score since the beginning of the project**.

The following table shows the number of potential participants, the number of actual participants and the percentage of participation. The members in the countries/regions can draw their own conclusions to see where there is room for improvement.

Aug 18/Sep 18/Feb 19

	Potential	Actual	in %
UK	48	4	8.3
Ireland	7	1	14.3
Germany	38	8	21.1
France	40	5	12.5
Benelux	31	3	9.7
Southern Europe	68	8	11.8
Nordic Region	32	3	9.4
Switzerland	24	4	16.7
Austria	9	4	44.4
Eastern Region	41	3	7.3
Total	338	43	12.7

EuRA Global Index

14 members have participated, 3 more than in last month. Based on 155 potential participants this represents 9.0% which is **by far not enough** to enable us to obtain reliable results. Our appeal is that more members join those who are already supporting this project.

Thank you to those who participated by answering our 3 questions and investing 2 (or 3 ??) minutes of their time. In order to make this project even more meaningful we look forward to getting more responses from these 6 regions:

- Europe (only RMC input, all other members participate in the EuRA Index)
- North America
- South America
- Africa
- Middle East
- Australasia

Here are the key figures for the EuRA Global Index

Question 1:	Result August 2018	3.86	(previous month 3.55)
Question 2:	1-month prediction	3.79	(previous month 3.36)
Question 3:	6-month prediction	3.86	(previous month 3.64)
EuRA Global Index		85.1	(previous month: 78.3)

The comparison with the EuRA Index is still not very viable, however, these are the figures:

	<u>EuRA Index</u>	<u>EuRA Global Index</u>
Q 1: Result August 2018	4.37	3.86
Q 2: Prediction September 2018	4.23	3.79
Q 3: Prediction February 2019	4.00	3.86
Index	121.6	85.1

It is very unfortunate that the available collated data does not allow a reliable and meaningful picture of the development of our industry.

The same applies to the comparison of EuRA Index and EuRA Global Index. A higher participation would allow a much more meaningful analysis.

Therefore and once again comes our “mantra”:

Please support the EuRA Index and EuRA Global Index by investing 3 minutes (at most) to answer the three questions. Please support “your” EuRA.

Many thanks to all participants.

Best regards
Tad Zurlinden & Helmut Berg
CEO & EuRA Analyst