



After a temporary mood slump, the industry enters the new year with more optimism

The business climate in the companies of the global railway industry has eased somewhat at the end of the year. Despite the concerns of many companies about their future development, the rail sector is looking more positively into the coming year at the end of 2022. It remains to be seen to what extent this good business expectation will become a sustainable trend. The demand for products and services continues to rise, and most companies rank digitalisation and a realignment of supply chains as the most important strategic goals. This is shown by the current SCI RAIL BUSINESS INDEX - a regular survey of top managers in the global rail industry by the consultancy SCI Verkehr.

SCI Rail Business Index

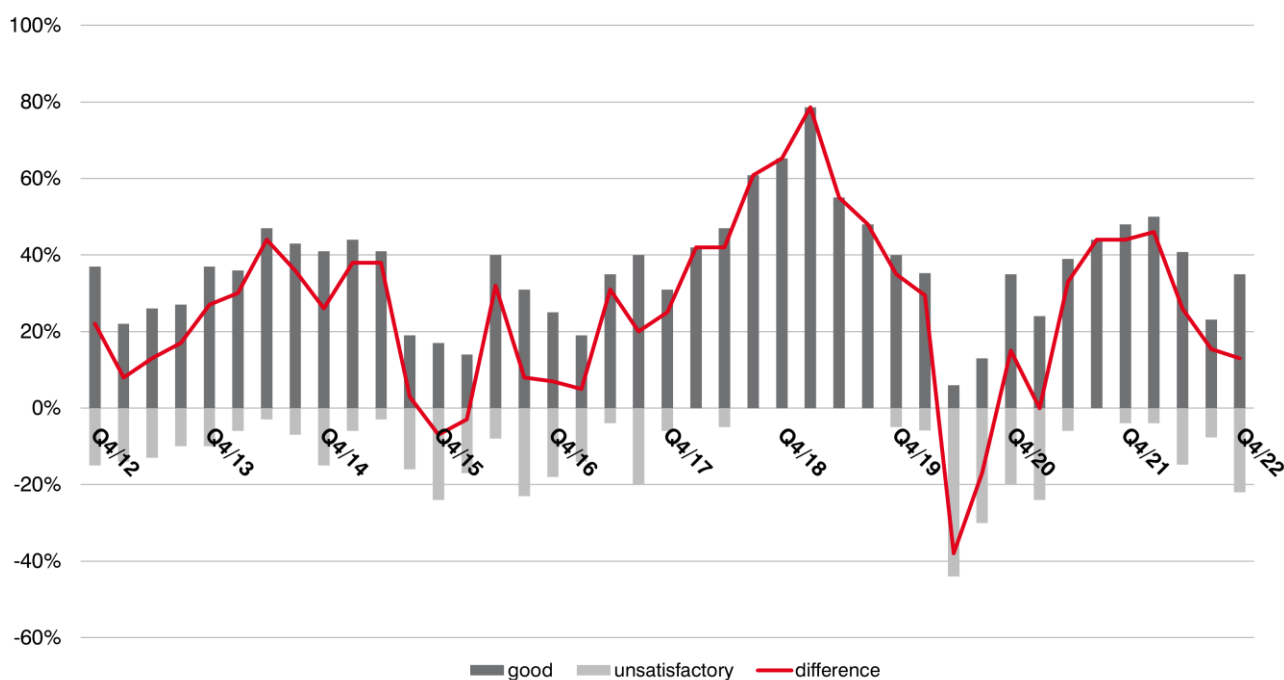


Source: SCI Verkehr GmbH

Figure 1: SCI Rail Business Index

According to the current survey, the managers surveyed assess the situation as usual for the season (43%) or positive (35%). 22% of the managers assess the situation as unsatisfactory. The majority describes the order backlog as relatively large (70%), while 22% of the survey participants rate it as sufficient. 9% of respondents now say they have an unsatisfactory order backlog, compared to only 4% in the second quarter. The number of companies that described the development of the current business situation as good in the third quarter has nevertheless increased from 23% to 35%.

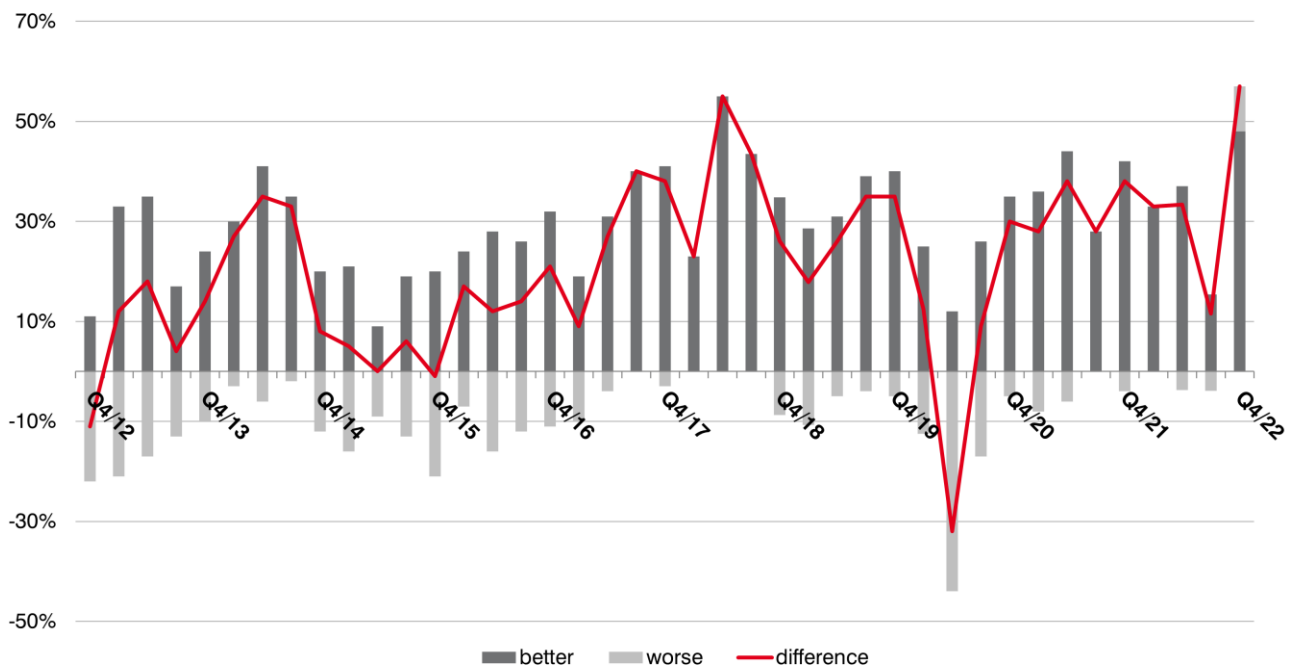
Development of current business situation



Source: SCI Verkehr GmbH

Figure 2: Development of current business situation

Expected business development in next quarter



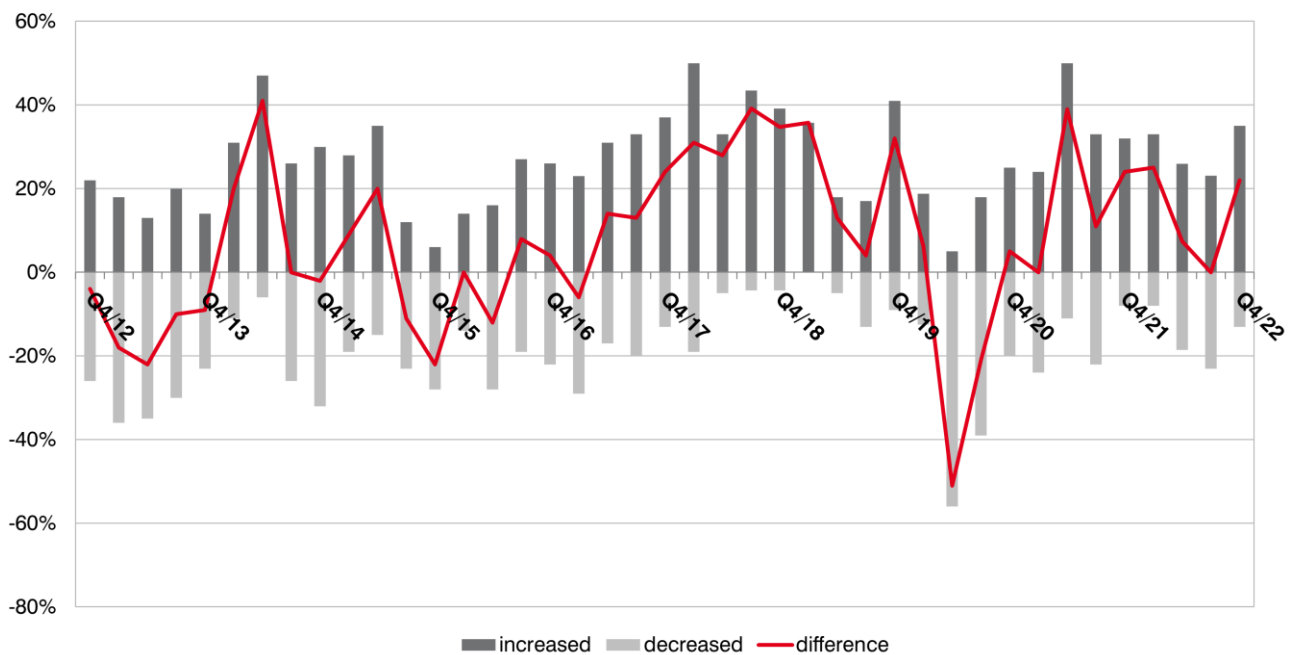
Source: SCI Verkehr GmbH

Since the latest survey, the forecast period for this question is the next quarter (previously: the next 6 months); Up to Q 4/2009, only companies with headquarters in Germany surveyed.

Figure 3: Expected business development in next quarter

With regard to the expected business development in the coming quarter, the survey shows a significantly better assessment compared to the last quarter: Overall, only 9% of the top managers surveyed expect the situation to worsen in the coming quarter and 48% to improve. 43% of the respondents expect business development to remain the same in the coming months. The expected business development is also assessed more positively in the fourth quarter than the development of the current business situation. Overall, expectations for the future business development are positive and the vast majority of respondents expect being able to achieve at least a constant level of business development.

Demand for products and services



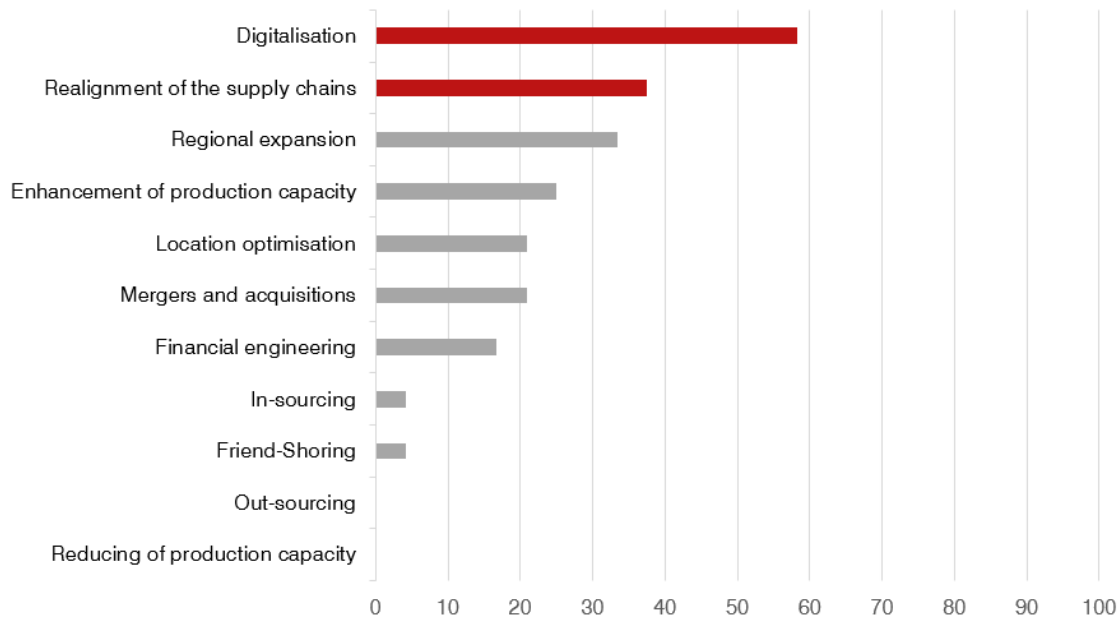
Source: SCI Verkehr GmbH

Since Q3 2020, the reference period for this question is the last quarter (previously: the last 6 months).
Until quarter 4/2009 survey only conducted for companies with headquarters in Germany

Figure 4: Demand for products and services

Demand for products and services has improved compared to the third quarter. 35% of respondents assess the fourth quarter of 2022 more positively than the previous quarter. Only 13% of the participants note that demand has declined (in the previous quarter it was still 23%). However, most of the respondents (52%) continue to rate the demand for products and services as unchanged (46% in the previous quarter).

Strategic objectives for 2023 (in %)



Quelle: SCI Verkehr GmbH

Figure 5: Special question

At the end of the year, SCI Verkehr asked the top managers of the global rail industry about their strategic goals for 2023. As in the previous year, the experts put the issue of digitalisation at the top of the agenda. According to the managers, digitalisation has a broad spectrum of significance with its influence both on internal company processes and increasingly on product development. The renewed designation as a leading strategic goal also shows the ongoing restructuring process in the industry and its massive need to catch up. In times of great upheaval and uncertainty, the experts surveyed want to review their supply chains, which have been destroyed by war and pandemics, and are striving for their optimisation or a complete realignment. In addition, more than every third top manager has set regional expansion as a goal for 2023.



SCI GLOBAL RAIL INDEX

The SCI GLOBAL RAIL INDEX is based on approximately 100 reports from representative companies in the global rail industry. The companies are regularly asked to assess their current business situation and their expectations for the coming six months. They can mark their situation as "good", "satisfactory" or "poor" and their business expectations for the coming six months as "more favourable", "stable" or "less favourable". The balance value of the current business situation is the difference between the percentages of the answers "good" and "poor", the balance value of the expectations is the difference between the percentages of the answers "more favourable" and "less favourable". The business climate is a transformed average of the balances of the business situation and expectations.



Kata Borbély
SCI Verkehr GmbH
Schanzenstraße 117
20357 Hamburg
Tel.: +49 (40) 50 71 97 18
E-Mail k.borbely@sci.de