



CEMA Business Barometer

Public excerpt April 2017

What is the CEMA Business Barometer?

- ▶ A monthly survey within the European agricultural machinery industry (started in 2008)
- ▶ Coverage of all major sectors – from tractors to municipal equipment
- ▶ Target group: 140 senior managers from 9 (CEMA) countries
- ▶ Implementation: online survey
- ▶ Questionnaire available in five languages
- ▶ Executed by VDMA for CEMA
- ▶ Subjects of the survey:
 - ▶ current and future business situation
 - ▶ situation of order intake
 - ▶ development of turnover
 - ▶ turnover expectation per country
 - ▶ production plans
 - ▶ employment plans
 - ▶ special topics, e.g. delivery times
- ▶ Deadlines: starting ca. 5th each month, closure: ca. 13th



Business climate index with highest value since 2012

Executive summary of the survey in April

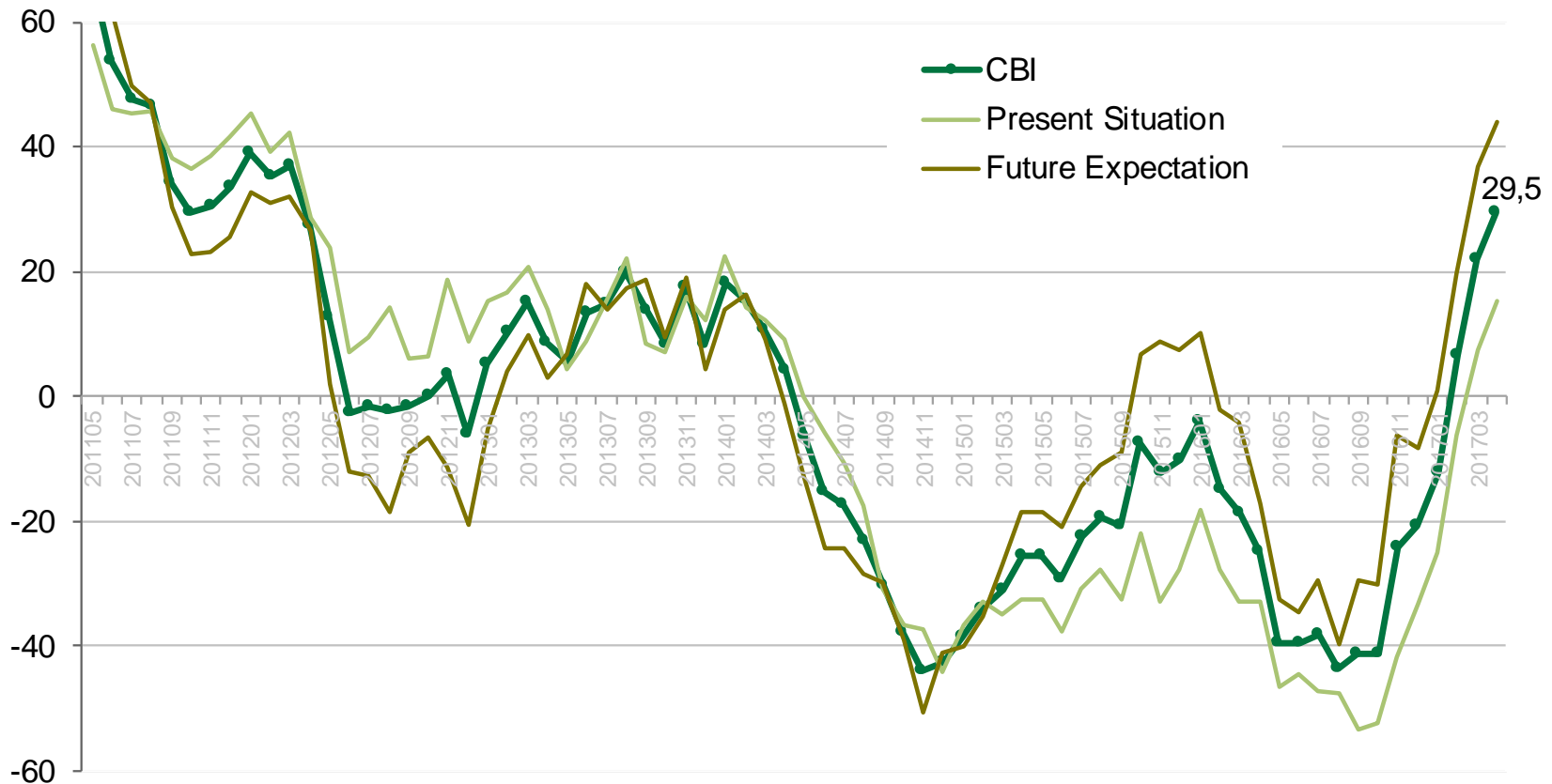
The general business climate index of the agricultural machinery industry in Europe has reached its highest value since 2012. Yet, the future expectations have risen significantly more sharply than the evaluation of the current situation, so that a new divergence between these two variables is arising.

In April, only 9% of the survey participants expects a decreasing turnover for the next six months. Within the industry, especially the future expectations of arable equipment manufacturers have greatly improved. Their expectations are now above the total industry average.

The industry sees in all European countries the current dealer stock levels with new machines being below the average of the past three years. An exception is Poland (two-part opinion). However, a clear majority expects the polish market to grow within the next six month. Better expectations have only Spain and the CIS markets. Hot on the heels is in the meanwhile Germany. The upward trend for the German market is strongly solidifying based on increasing order intakes. France continues among the worst evaluated markets, however, compared to the last months, especially companies located in the country, have become significantly less pessimistic. On the other hand, some of the extreme euphoria among dealers located in the UK has disappeared (now 35% of them rate their situation positive, compared to 65% two months ago).

Business Climate Index Development

CEMA Business Climate Index (CBI)

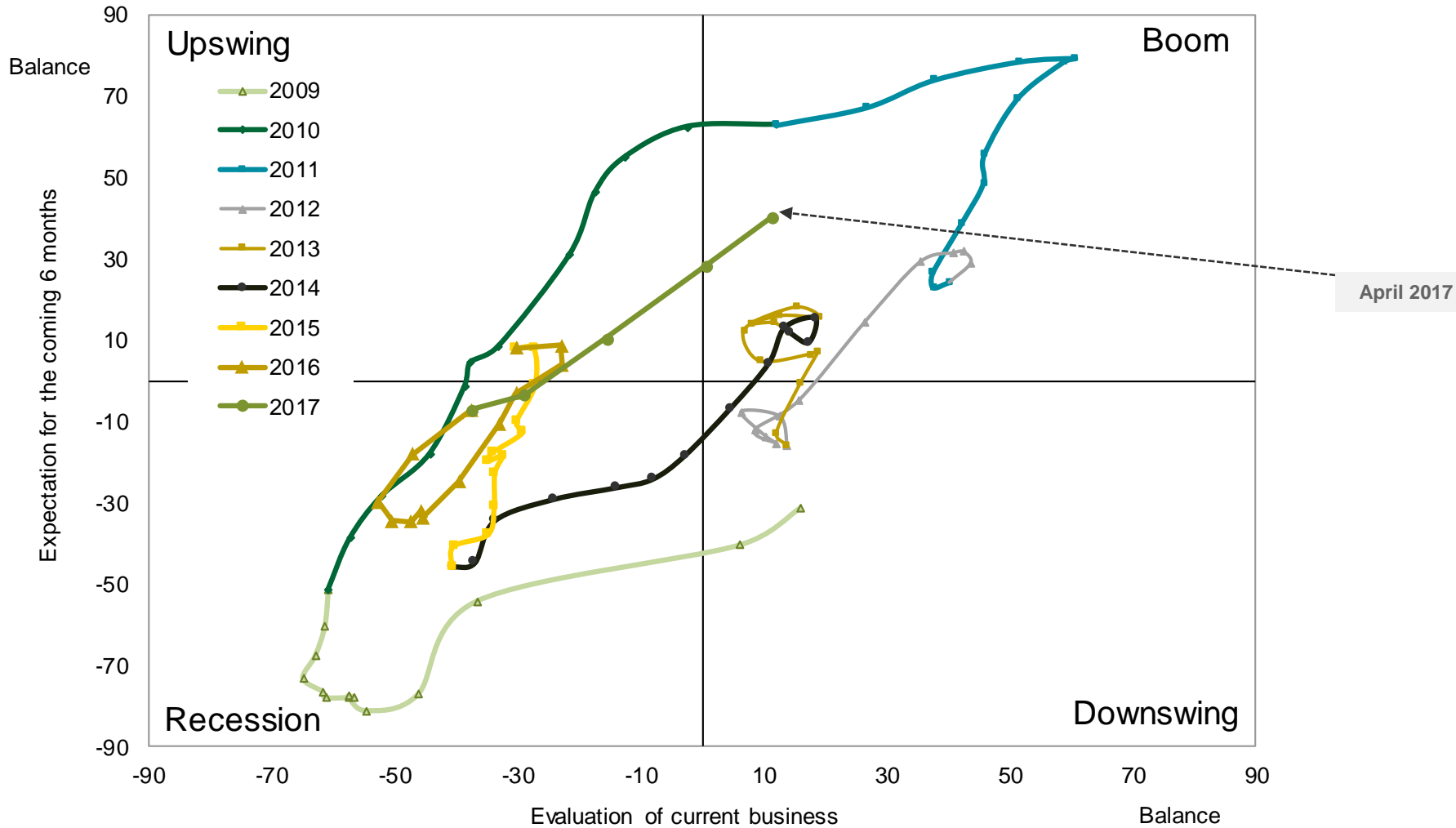


Source: CEMA Business Barometer

Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

Business Climate

Illustration of Business Cycle

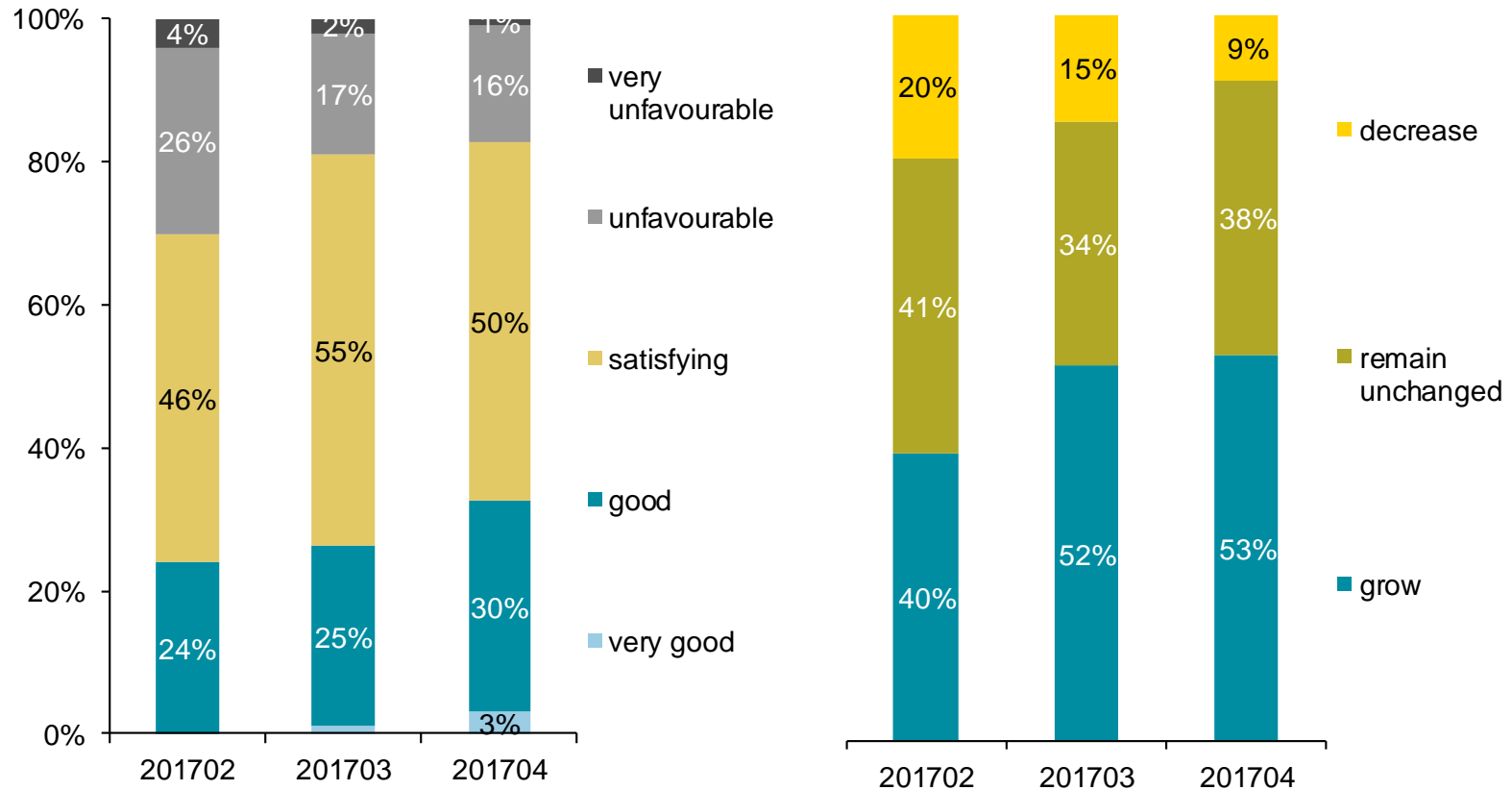


Business Climate

Current Evaluation and Expectations

Question: We consider our current business to be

Question: We expect our overall turnover within the next 6 months to....

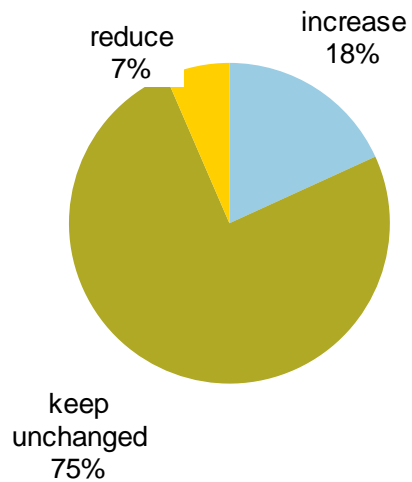


Source: CEMA Business Barometer

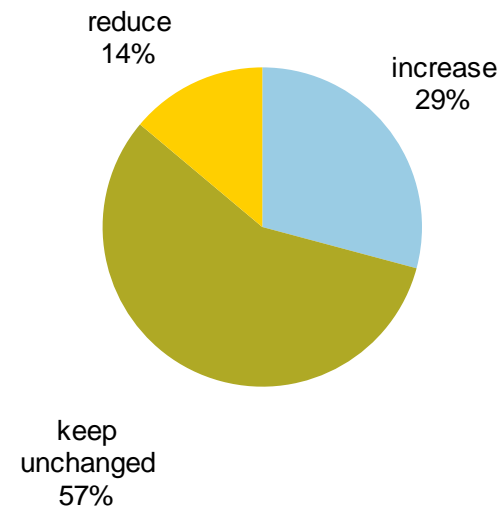
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer April 2017