



CEMA Business Barometer

Public excerpt March 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



Industry in Europe in upswing

Executive summary of the survey in March

The agricultural machinery industry in Europe is in the upswing. After turning into positive for the first time since early 2014, the general business climate has further risen sharply.

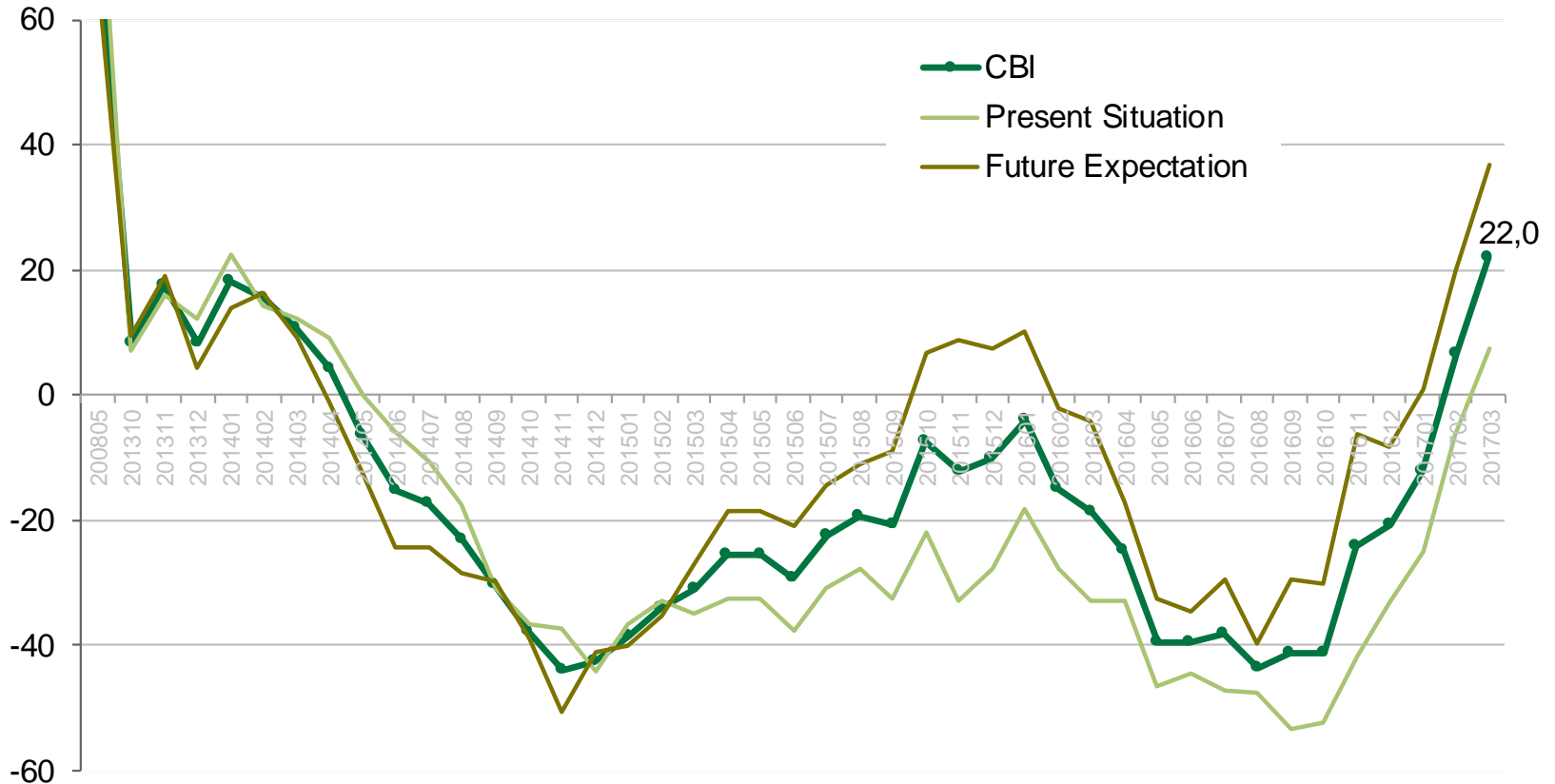
While the current situation has improved particularly due to edge segments, the future expectations turned positive across all segments. In the meanwhile, 42% of the survey participants expect the order intake to grow within the next six months. Order intake expectations for livestock, harvesting equipment and tractors are slightly better than the ones for the segment of arable equipment.

The main reason for the upswing lies in Europe itself. After the incoming orders of the past months have shown more dynamics for exports to the outside of the EU, now since the beginning of the year the order intake from the EU market has followed by repeatedly improving. As a consequence, turnover expectations are much better for Europe, with an repeated overall improvement across all single markets.

However, the improvement is not everywhere based on a solid investment need. A really significantly high requirement of the end user to enlarge or replace agricultural machinery, seems only to exist in the CIS countries, followed by Romania, other new EU member states and Spain.

Business Climate Index Development

CEMA Business Climate Index (CBI)

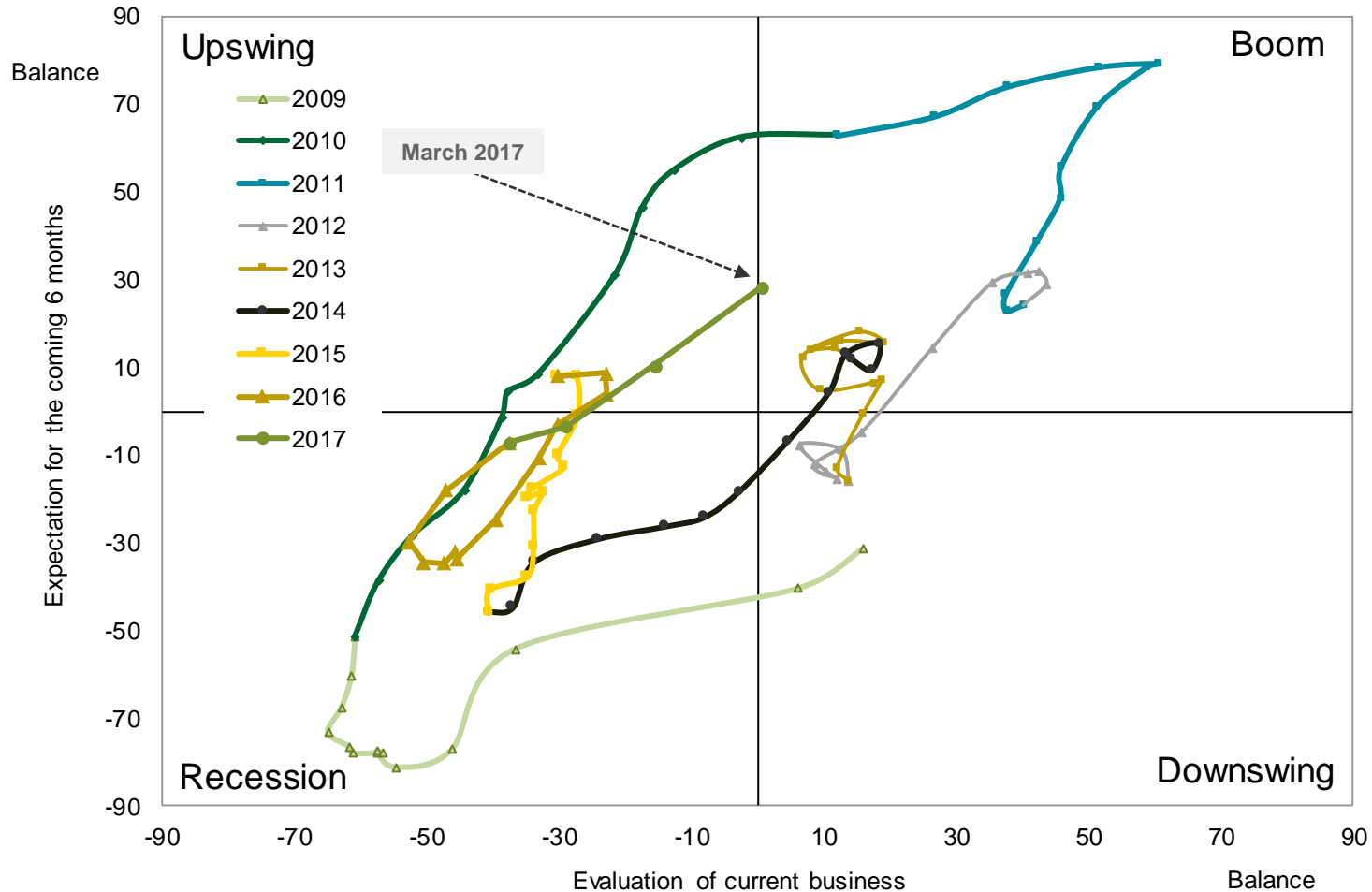


Source: CEMA Business Barometer

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



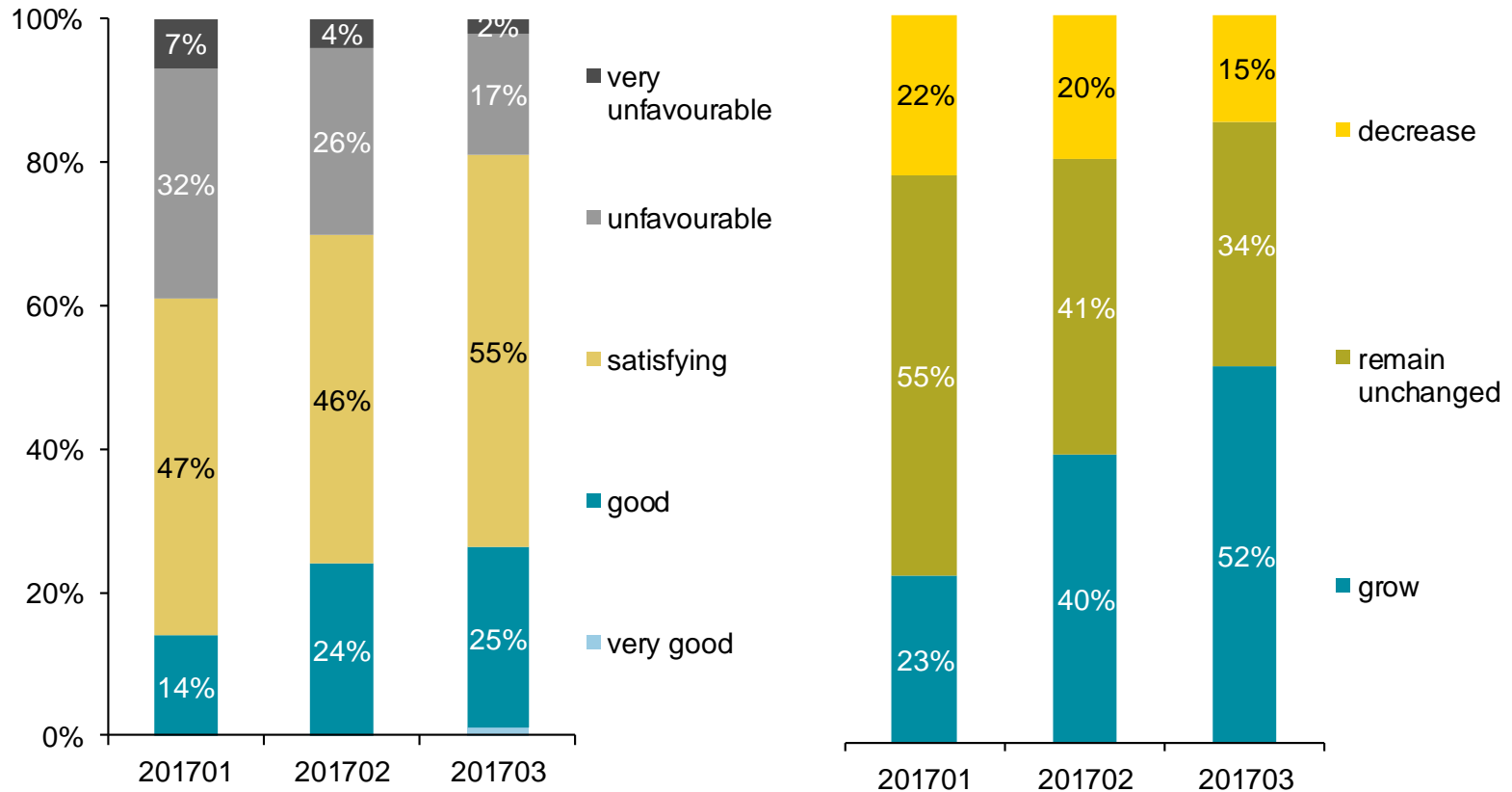
Source: CEMA Business Barometer, each value as an average of the last two months

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....

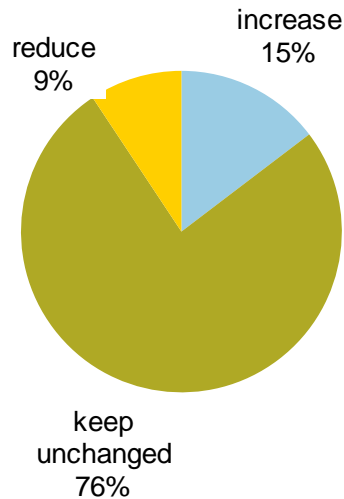


Source: CEMA Business Barometer

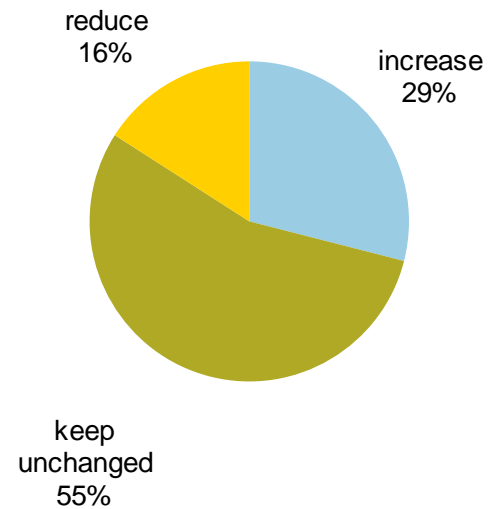
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer March 2017