

CEMA Business Barometer

Public excerpt August 2018



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 slightly deteriorates from high level

Executive summary of the survey in August

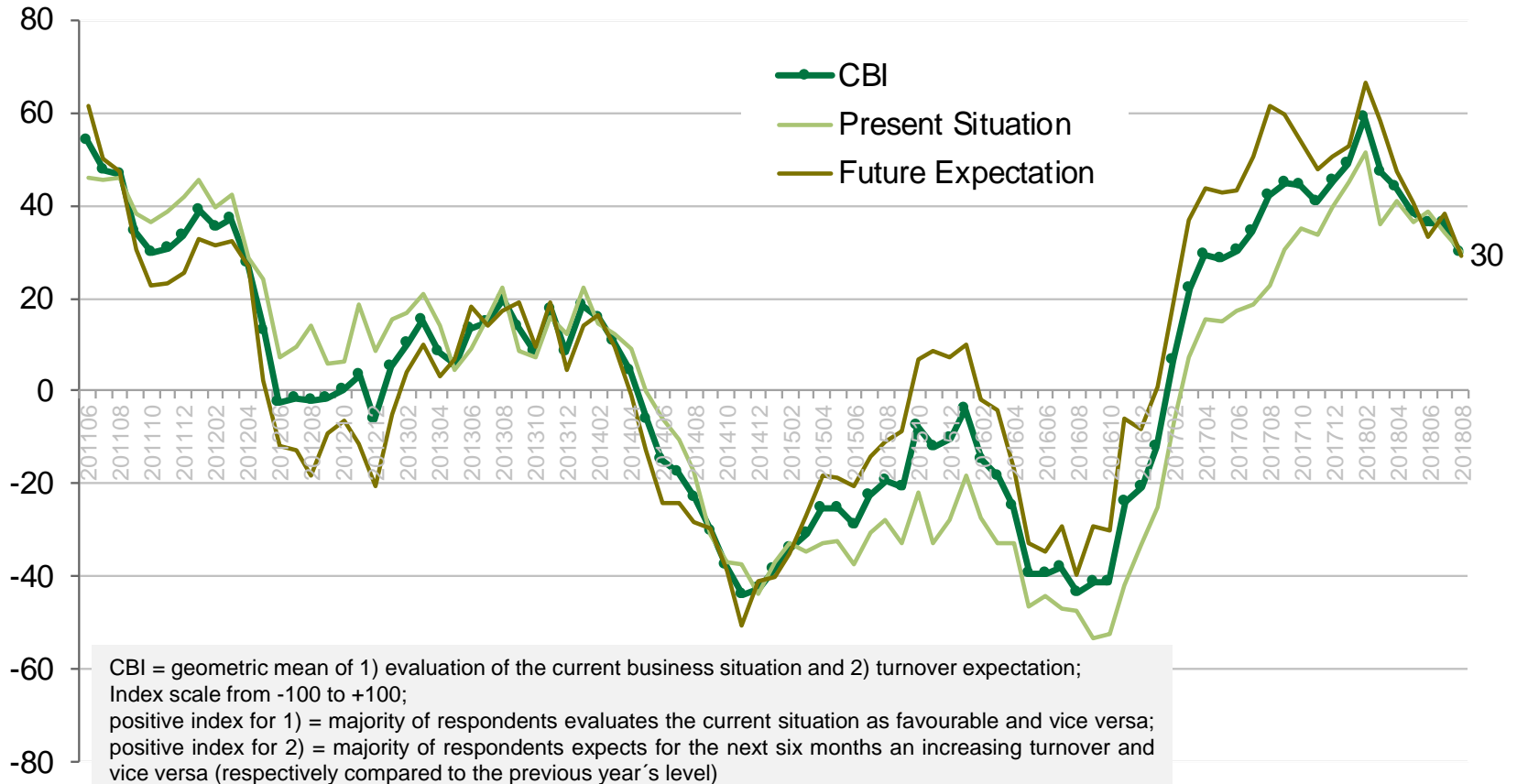
The general business climate index of the agricultural machinery industry in Europe has further deteriorated but is still on high level. The survey participants seem little impressed by the drought in many regions of Europe. The remaining good market conditions, including relatively stable agricultural producer prices, may contribute.

According to the survey, the turnover in the coming six months is secured at high level based on the previous order intake. The order stock of the European industry corresponds again to a production of 3.3 months, which is still the highest value at this point of time. However, there is for the first time since 2016 no longer any majority expecting the order intake to further increase.

Business climate for the livestock equipment continues to be far above the industry average, while manufacturers of arable equipment remain with the widest spread regarding evaluation of the current business. For the major European markets, a majority of survey participants expect still turnover increases. France has particularly stable prospects. Germany suffered the most significant loss of confidence. At the bottom of the confidence ranking remain the Netherlands, the Scandinavian and the CIS countries.

Business Climate Index Development

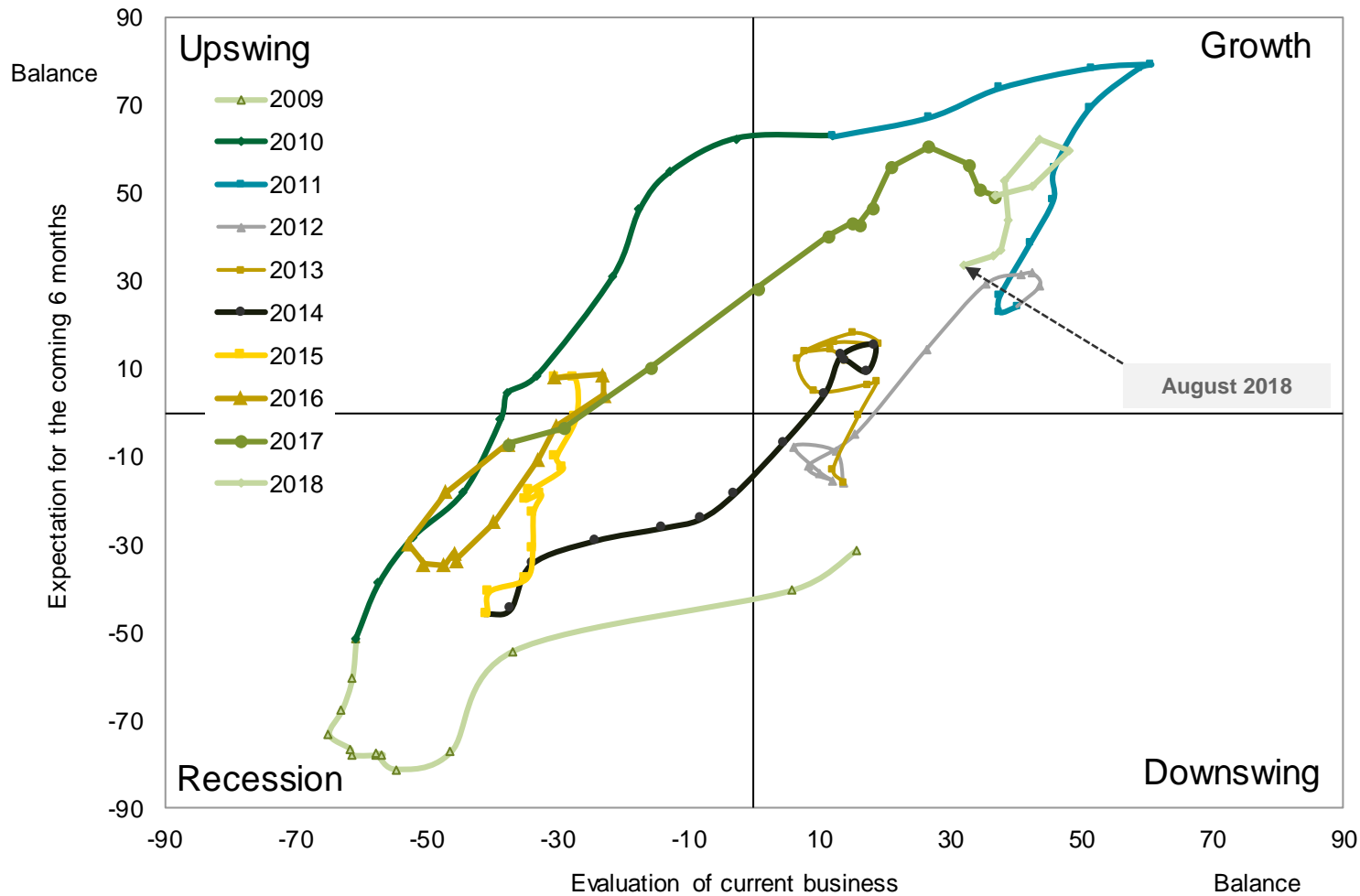
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



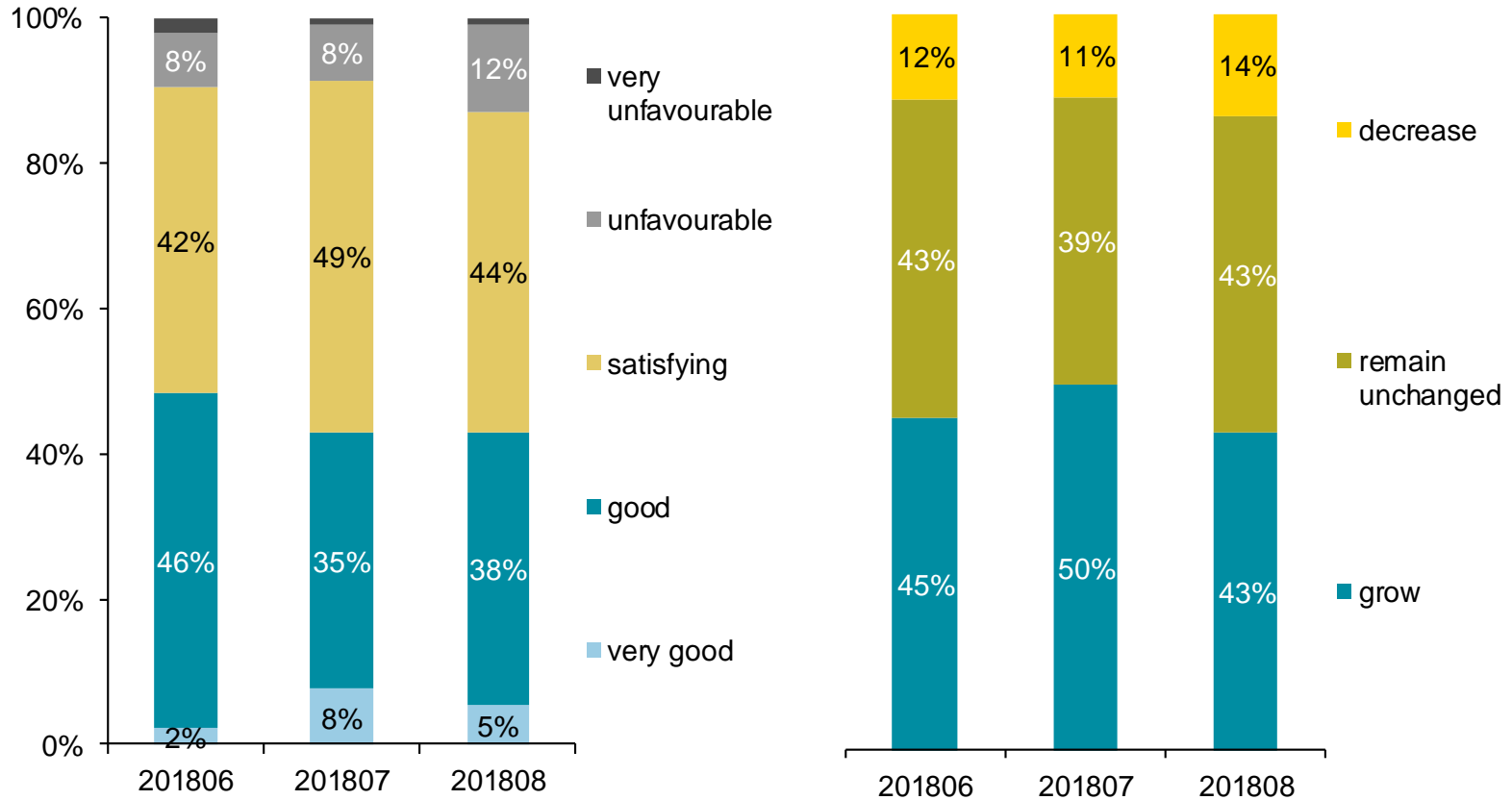
Source: CEMA Business Barometer, each value as an average of the last two months

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....

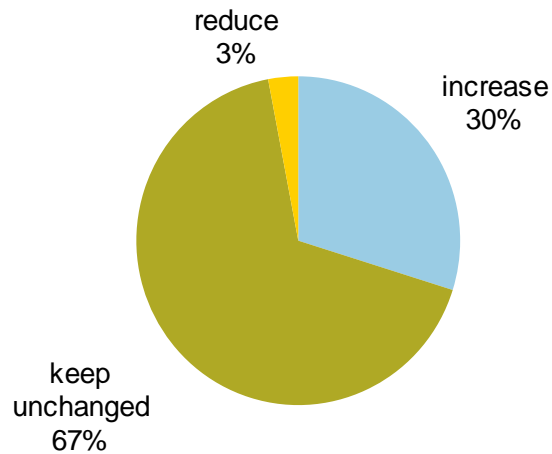


Source: CEMA Business Barometer

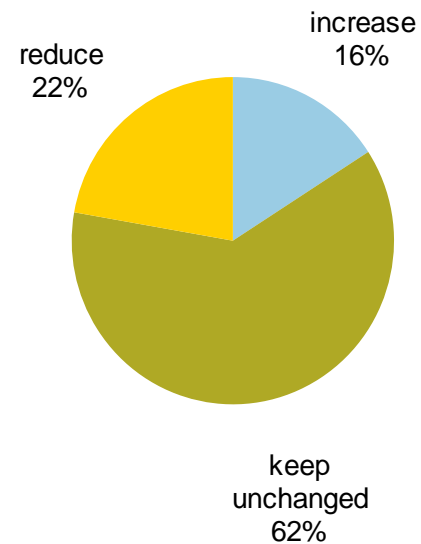
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer August 2018