

CEMA Business Barometer

Public excerpt December 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 remains at a good level

Executive summary of the survey in December

The general business climate index of the agricultural machinery industry in Europe has recovered from last month's loss - and thus remains at a good level. Mainly the tractor manufacturers have become more optimistic with view to the next six months.

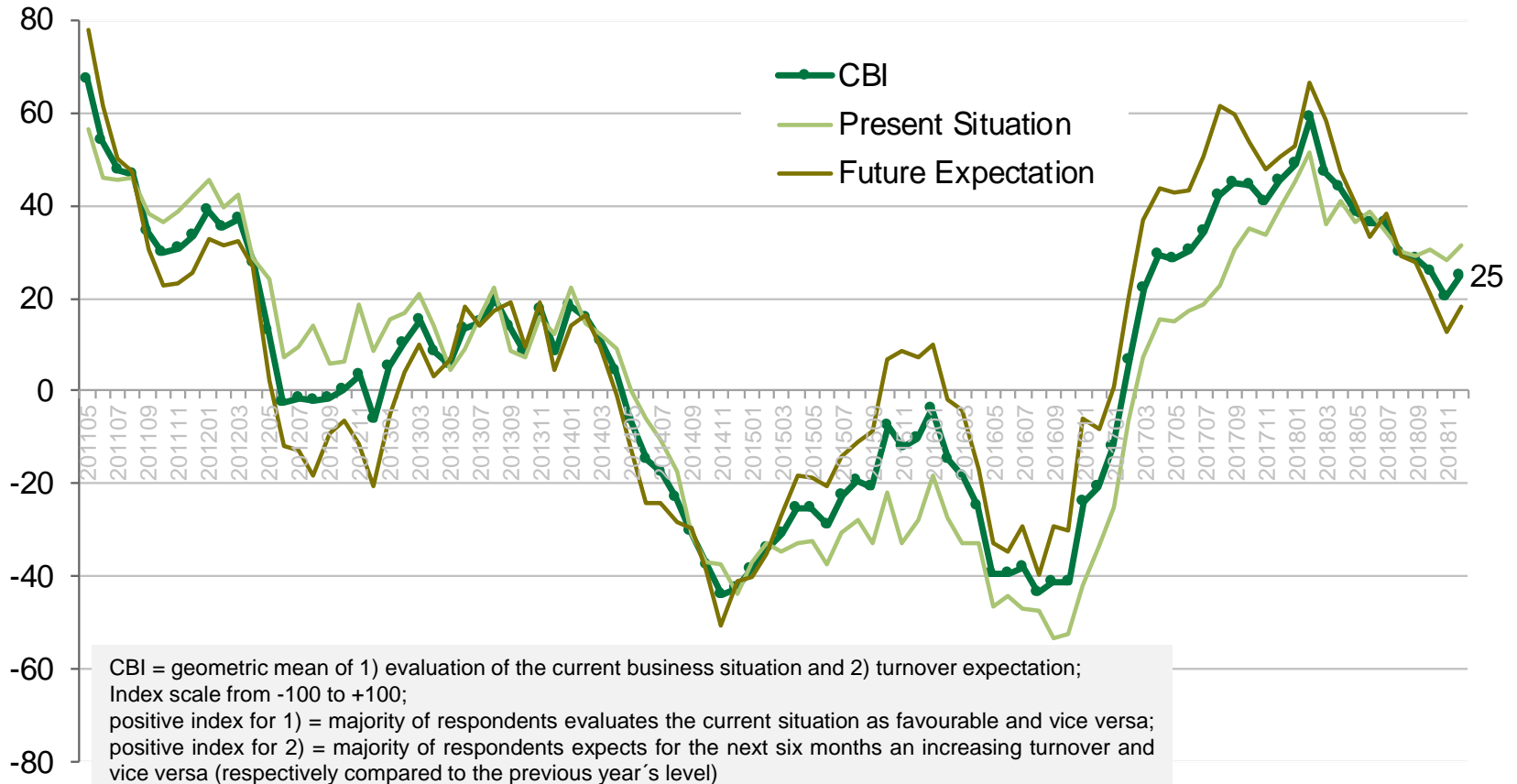
New orders from outside of the EU have become significantly weaker in the last month. However, with regard to important markets within the EU, the industry is quite confident again. Especially in the large market France, an upward trend seems to solidify.

The French industry continues to be the least satisfied in terms of its current business, but is the most optimistic one (together with the Spanish industry) with regards to the coming six months. By contrast, manufacturers from Germany are increasingly rather pessimistic about the future.

Altogether, the forecasts of the European industry remain positive: On average, the companies expect their turnover to grow by 6% in 2018, and by 3% in 2019.

Business Climate Index Development

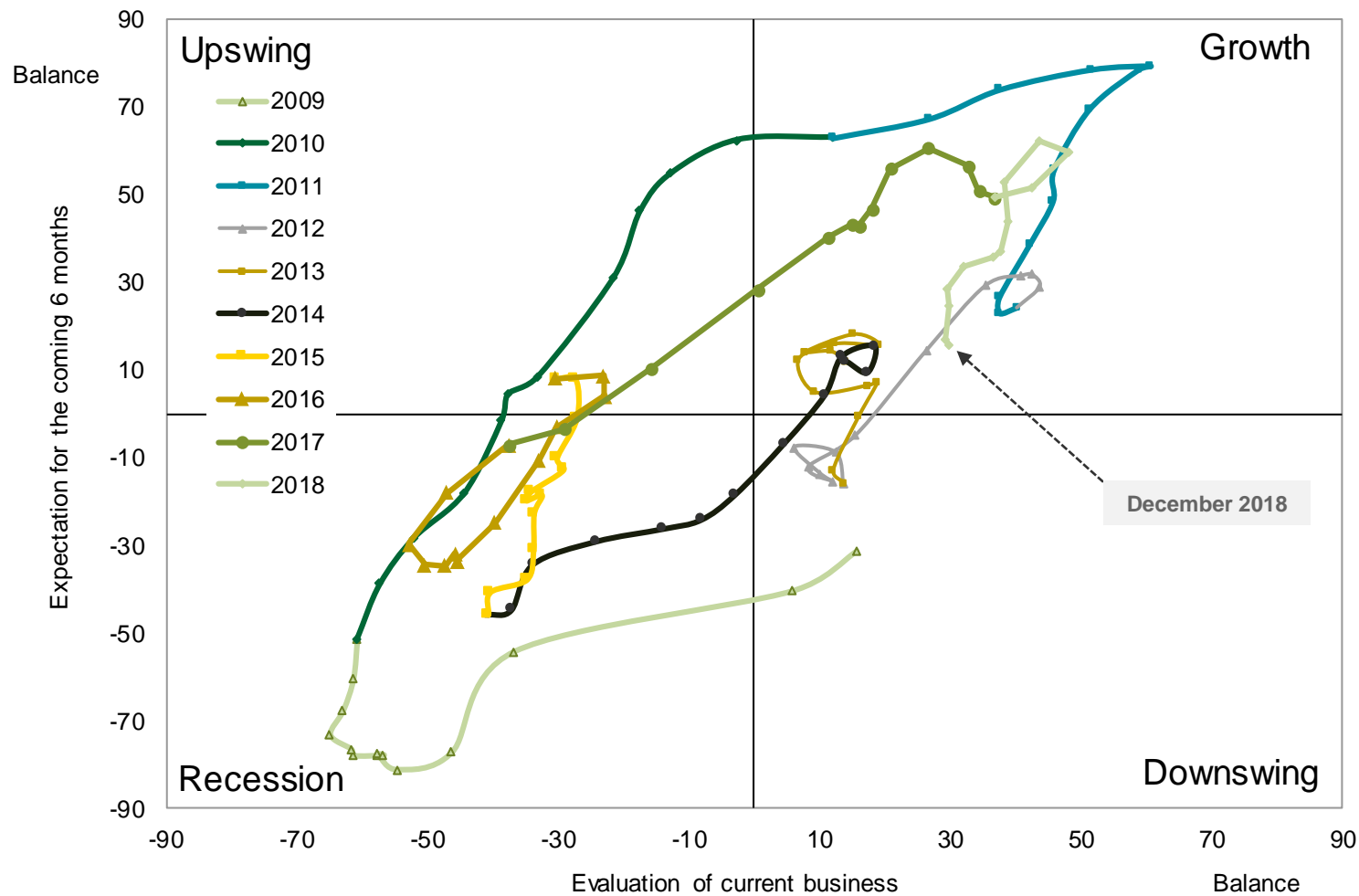
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



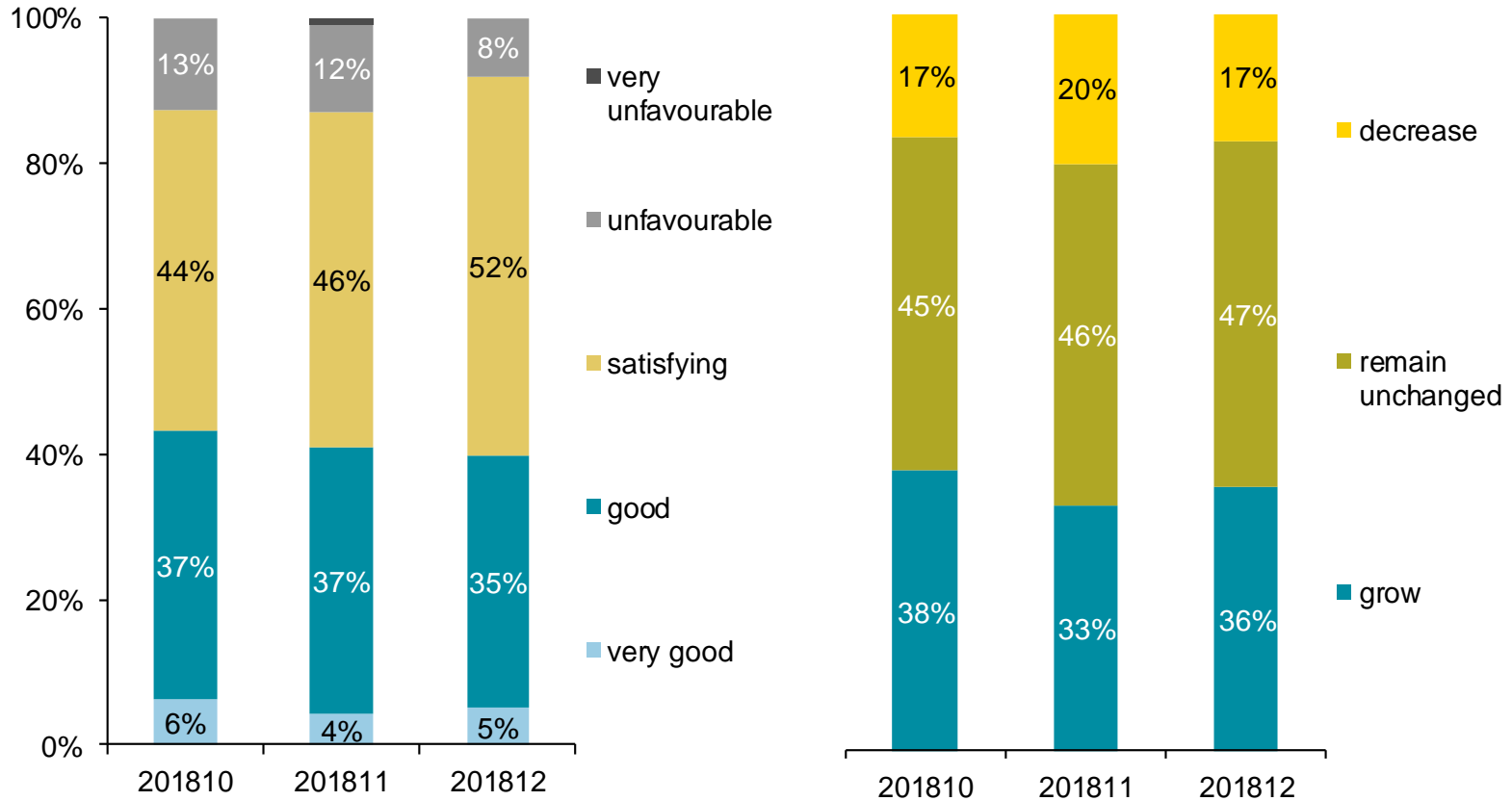
Source: CEMA Business Barometer, each value as an average of the last two months

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....

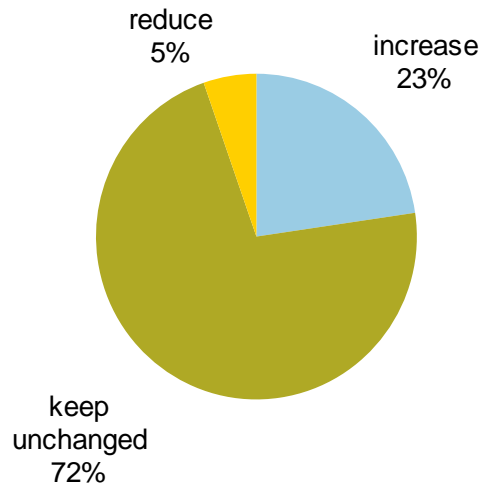


Source: CEMA Business Barometer

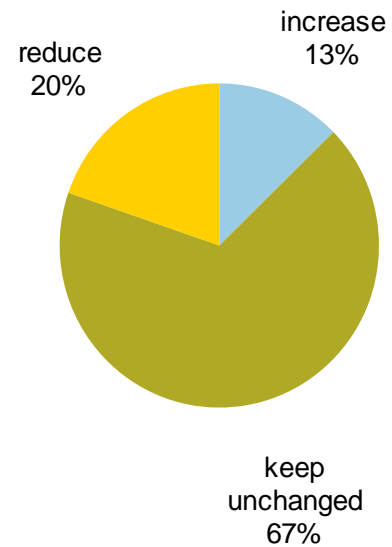
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer December 2018