

CEMA Business Barometer

Public excerpt December 2020



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 continues its growth path

Executive summary of the survey in December

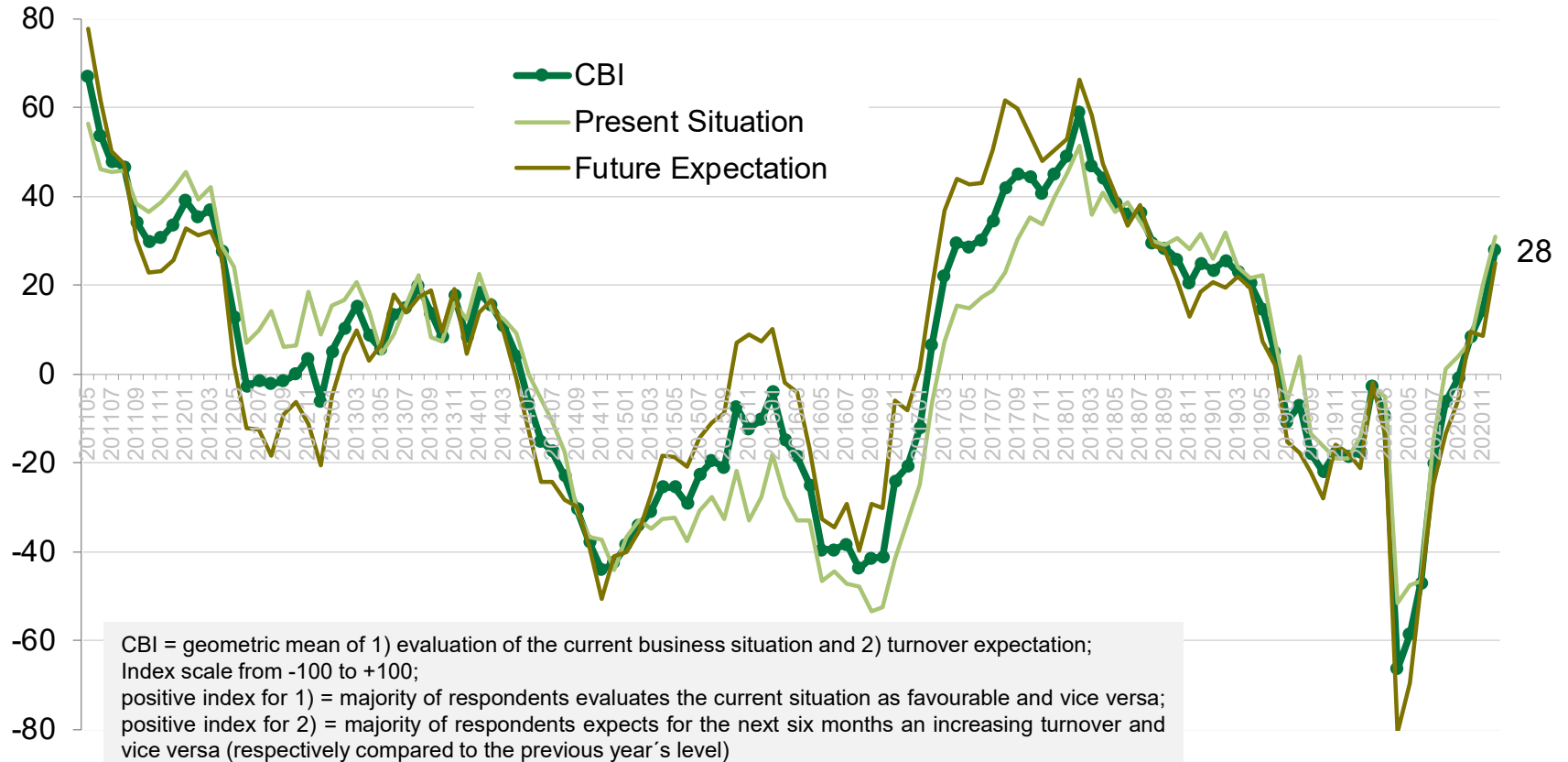
The general Business Climate Index for the Agricultural Machinery Industry in Europe has continued to increase strongly after having reached the positive range in October for the first time since mid-2019. In December 2020, the index is at +28 points (on a scale of -100 to +100).

Other than during previous upswing periods (e.g. in 2010 or 2017), this time the current business improvements do not lag behind improved future expectations, but almost the other way around. It rather appears that the industry is continuously adjusting its future expectations to a surprisingly well performing current business. Meanwhile, only 14% of the survey participants consider their current business to be unfavourable, and only 18% expect a declining turnover in the coming 6 months.

With regard to the full year 2021, the European industry representatives forecast for their company a turnover increase of +4% (arithmetic mean) or +5% (median). 56% see a plus in the single-digit percentage range. The impetus for this positive development is expected to come from Western Europe, North America and Oceania.

Business Climate Index Development

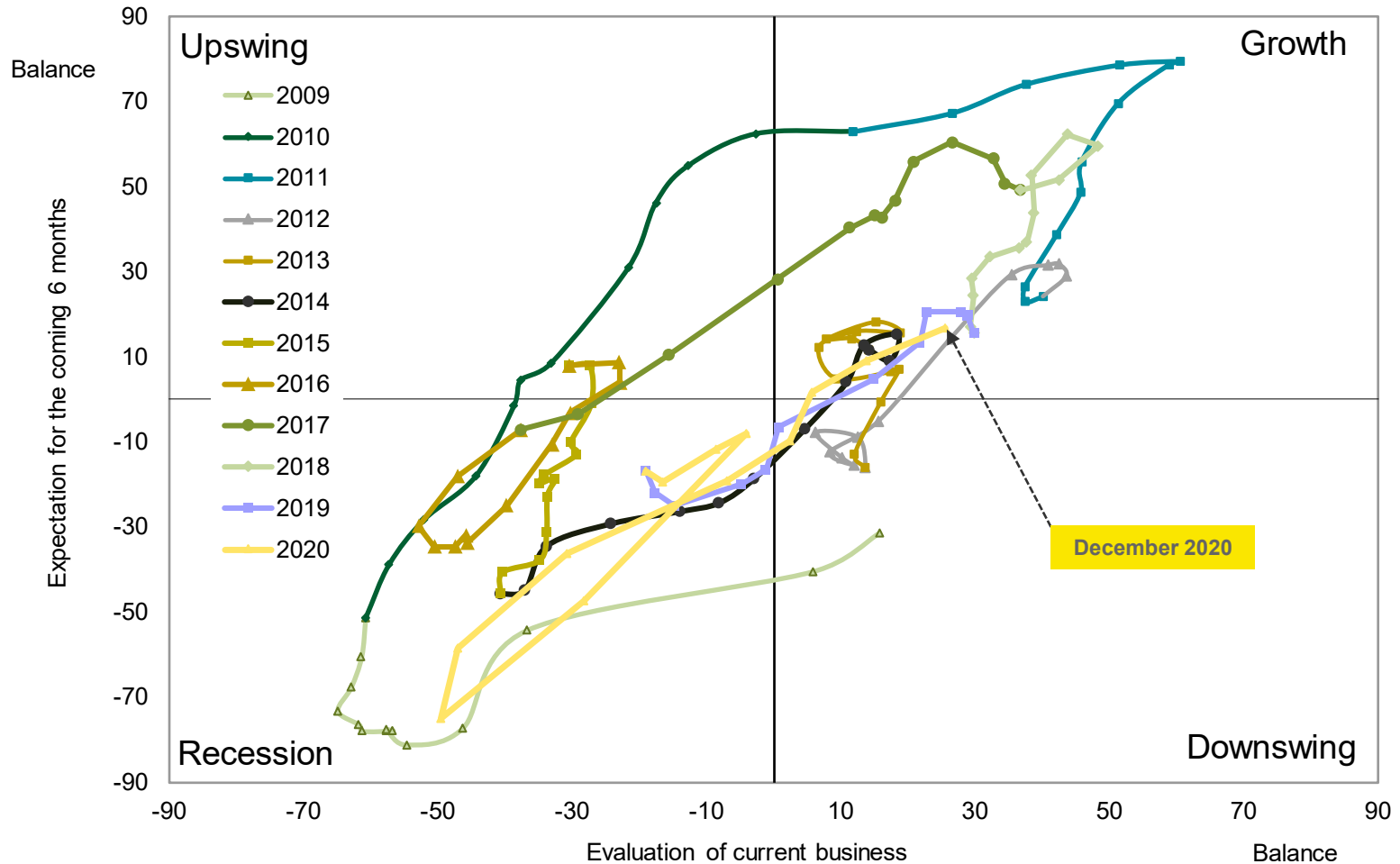
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



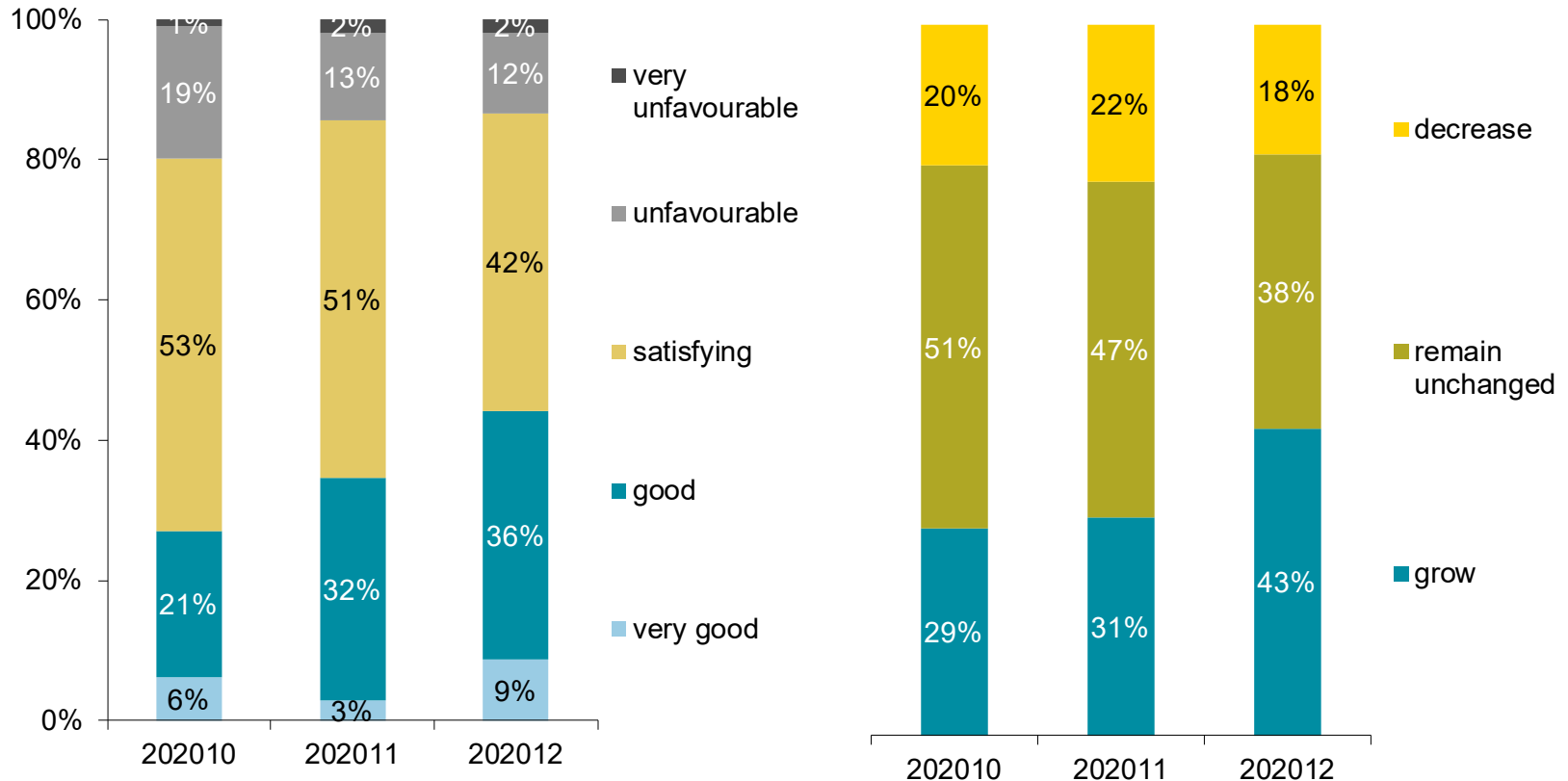
Source: CEMA Business Barometer, each value as an average of the last two months

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....

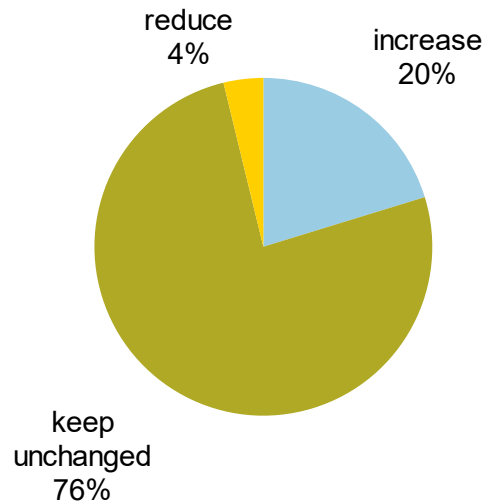


Source: CEMA Business Barometer

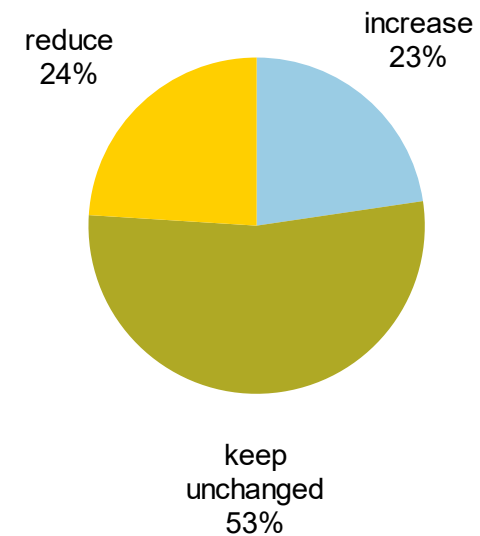
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer December 2020