

CEMA Business Barometer

Public excerpt March 2021



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 completely in the boom

Executive summary of the survey in March

The general Business Climate Index for the Agricultural Machinery Industry in Europe has risen to a clear boom level after having reached the positive range in October for the first time since mid-2019. In March 2021, the index is at +60 points (on a scale of -100 to +100).

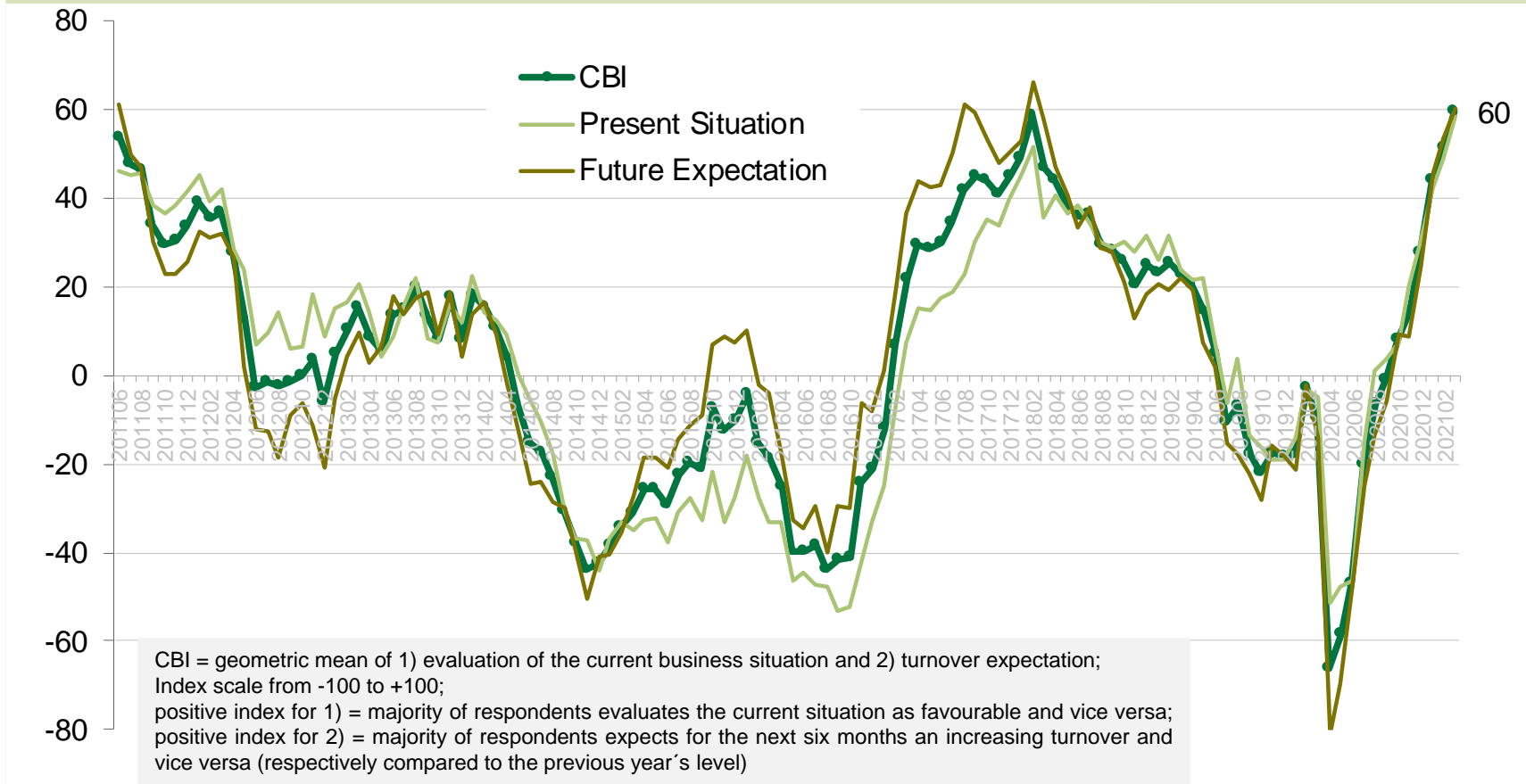
Based on a record volume of accumulated incoming orders, very high levels of turnover have already been secured for the coming months. Moreover, only 10% of the industry representatives expect their incoming orders to decline. Other than during previous upswing periods (e.g. in 2010 or 2017), the current business improvements do not lag behind improved future expectations. It rather appears that the industry is continuously adjusting its future expectations to a surprisingly well-performing current business and to an ever-increasing order intake from month to month.

Also with view to the market side in Europe, the industry representatives have again further raised their expectations for most countries. The regional breakdown shows meanwhile for each single European market a majority of survey participants expecting turnover increases in the next six months. The best rating has achieved Austria, followed by France, Italy and Poland. The expectations for the individual markets, are largely in line with the perceived investment needs, which are considered to be generally high with a few exceptions such as the UK or Benelux.

With regard to the full year 2021, the European industry representatives forecast for their company a turnover increase of +8% (in December, the forecast was still at an average of 4%). The impetus for the positive development is again expected to come from Europe, North America and Oceania.

Business Climate Index Development

CEMA Business Climate Index (CBI) -Total

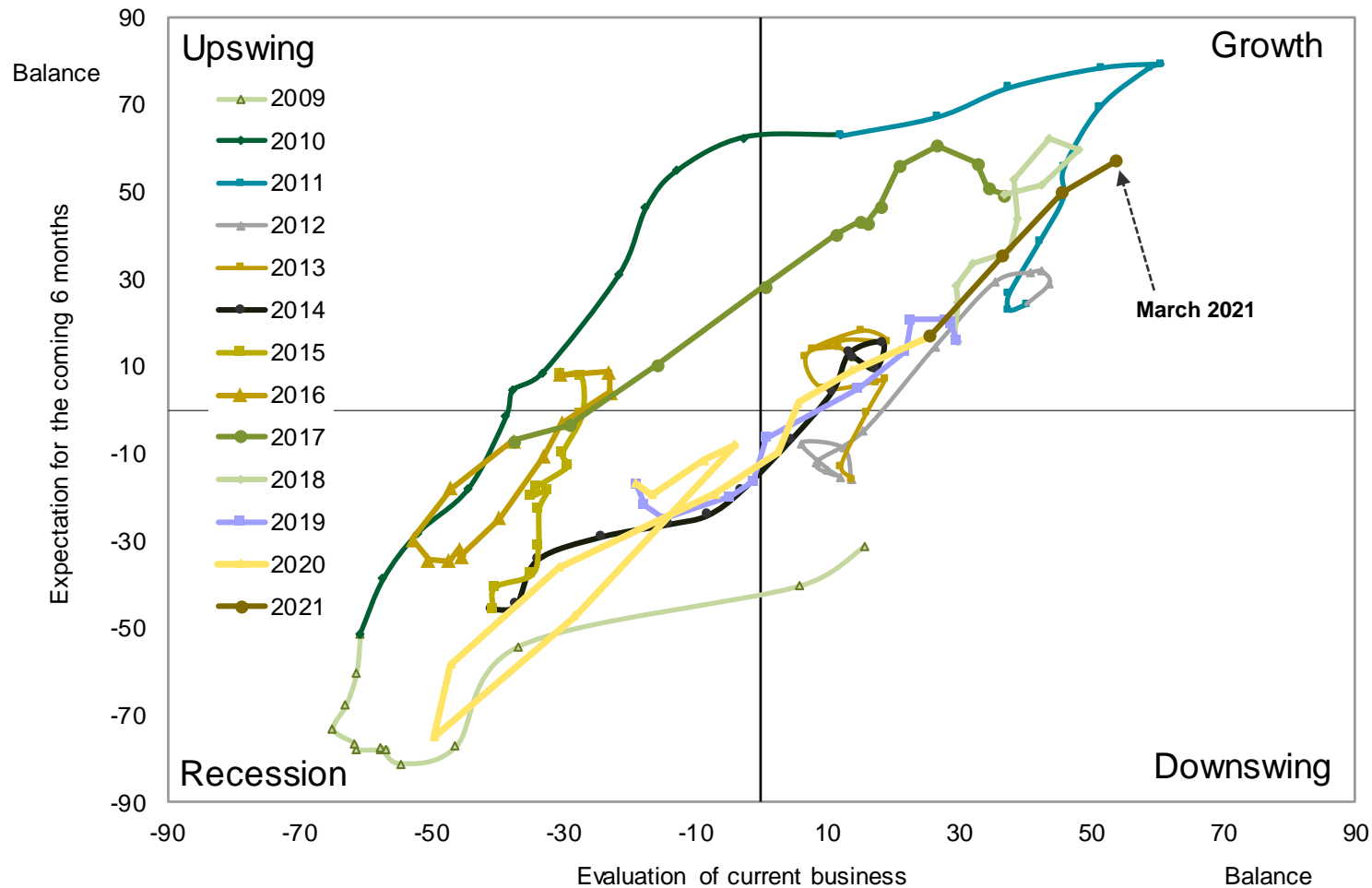


Source: CEMA Business Barometer



Business Climate

Illustration of Business Cycle



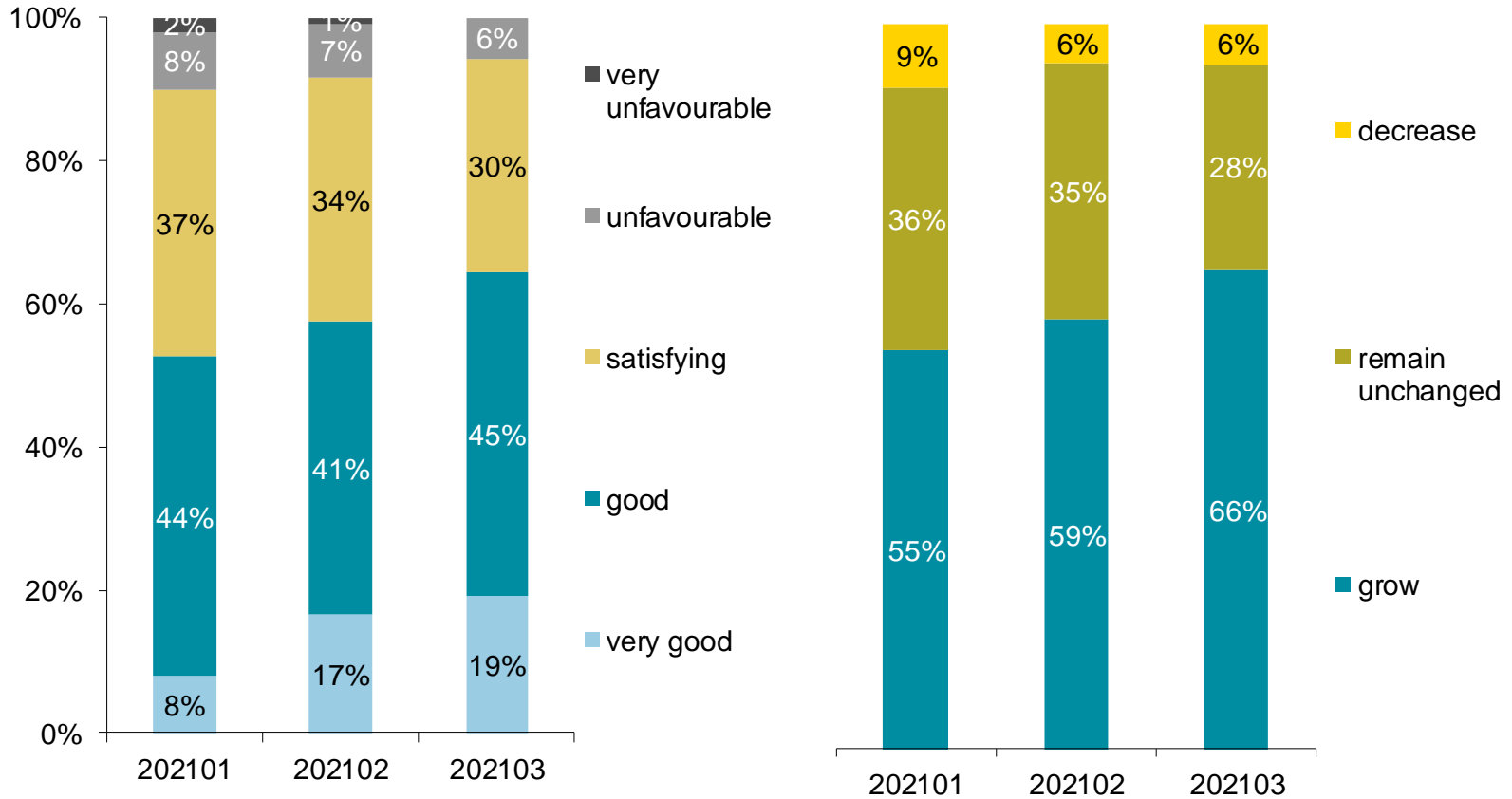
Source: CEMA Business Barometer, each value as an average of the last two months

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....

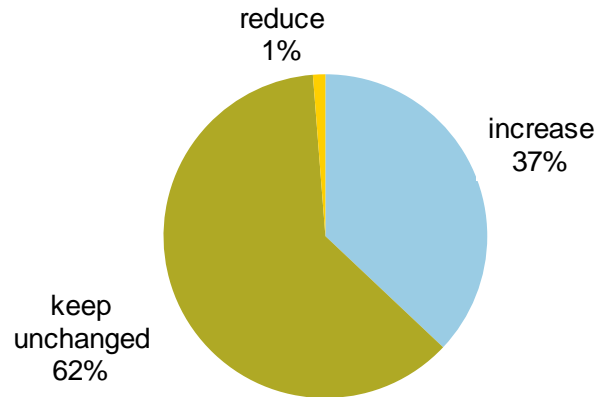


Source: CEMA Business Barometer

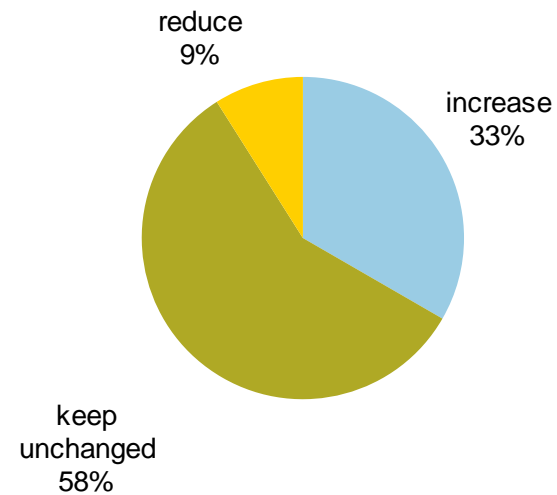
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer March 2021