

CEMA Business Barometer

Public excerpt April 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



Business Climate at highest level since 2011

Executive summary of the survey in April

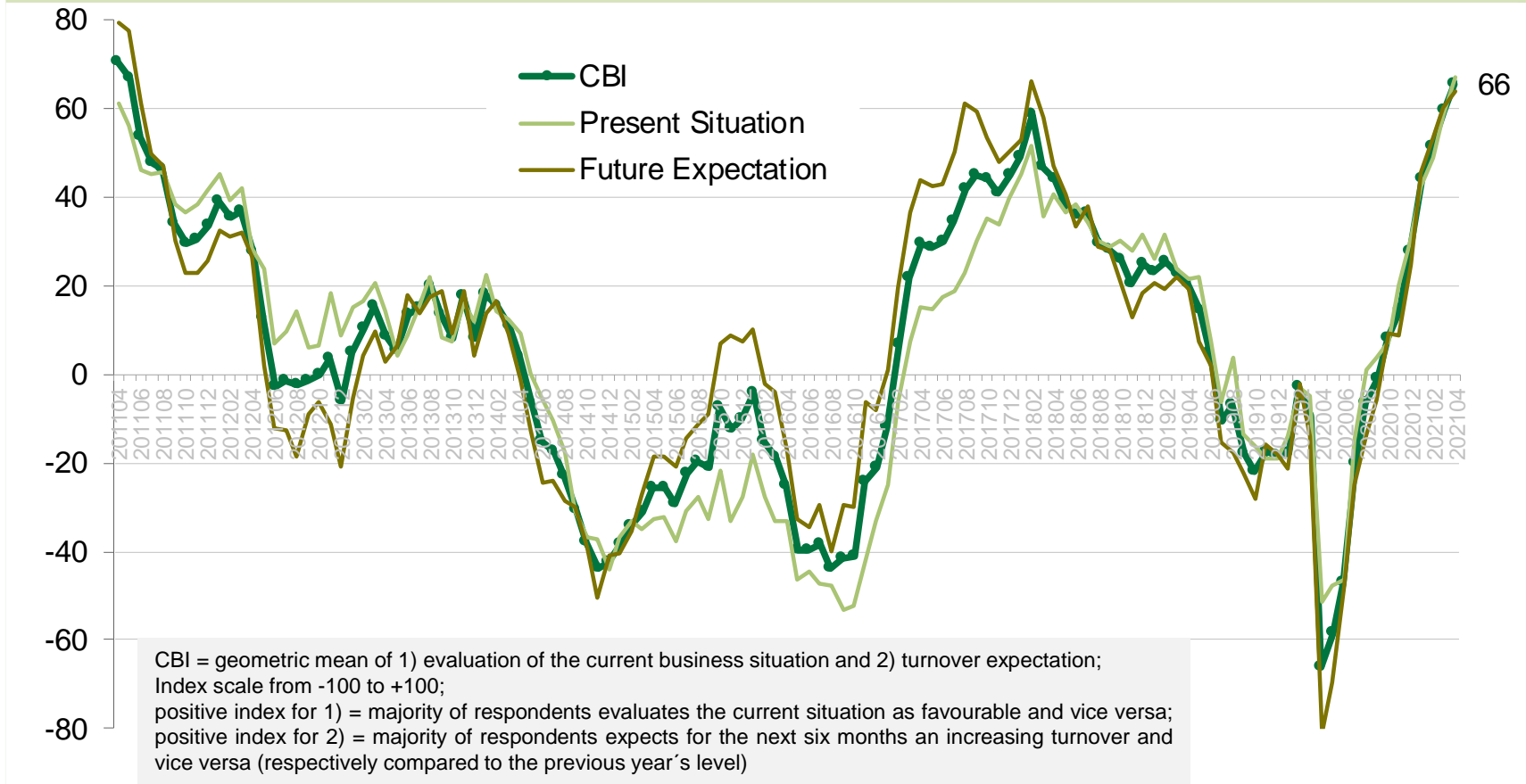
The general Business Climate Index for the Agricultural Machinery Industry in Europe has risen to its highest level since 2011 after having reached the positive range in October for the first time since mid-2019. In April 2021, the index is at +66 points (on a scale of -100 to +100).

Based on a record volume of accumulated incoming orders, very high levels of turnover have already been secured for the coming months. Moreover, only 3% 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. Accordingly, dealer stocks with new machines have been significantly reduced over the past months and may have already fallen below the optimal level in some markets. Likewise, the used machinery stock has been generally cleansed (less for combine harvesters).

Business Climate Index Development

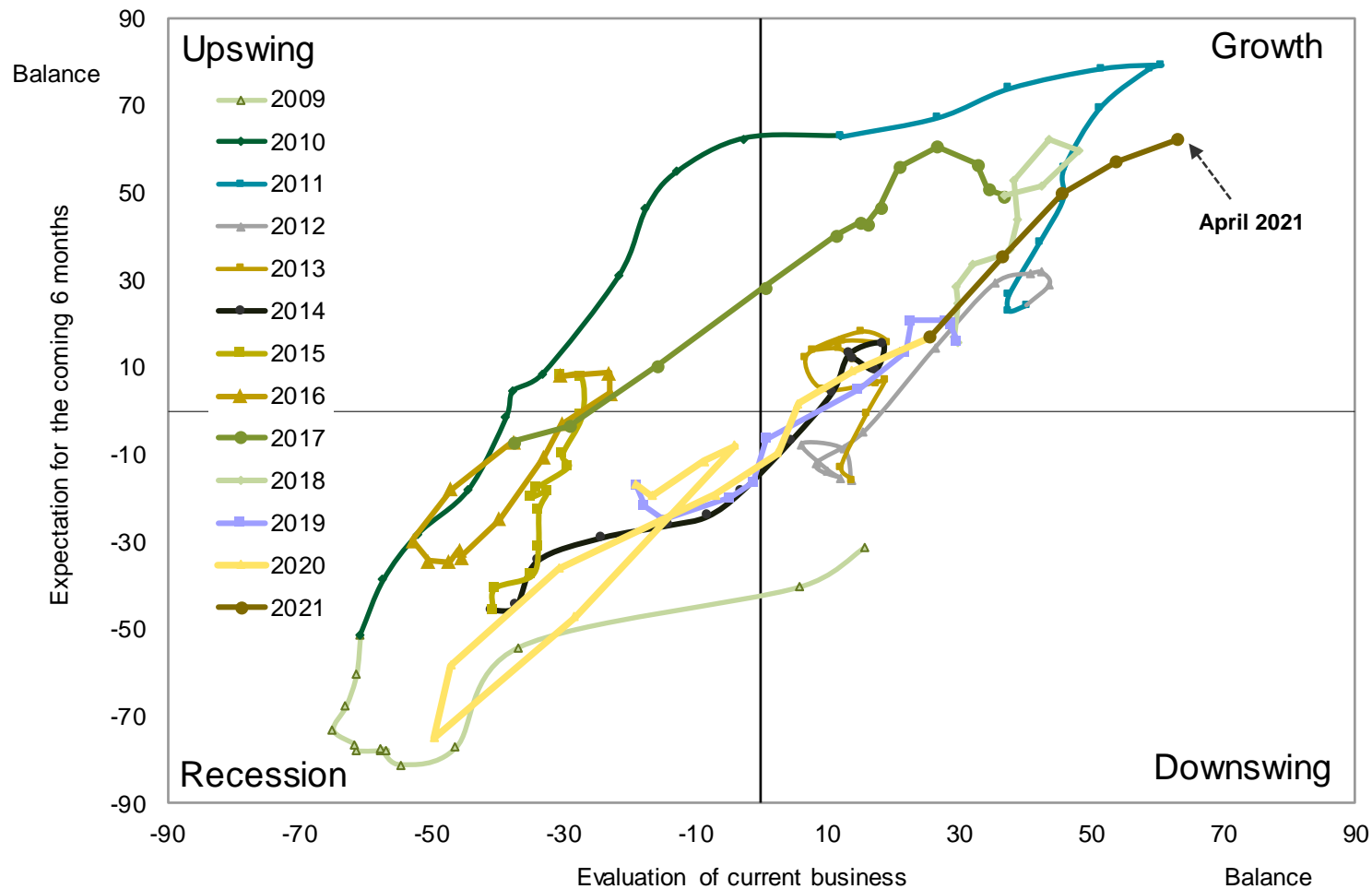
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



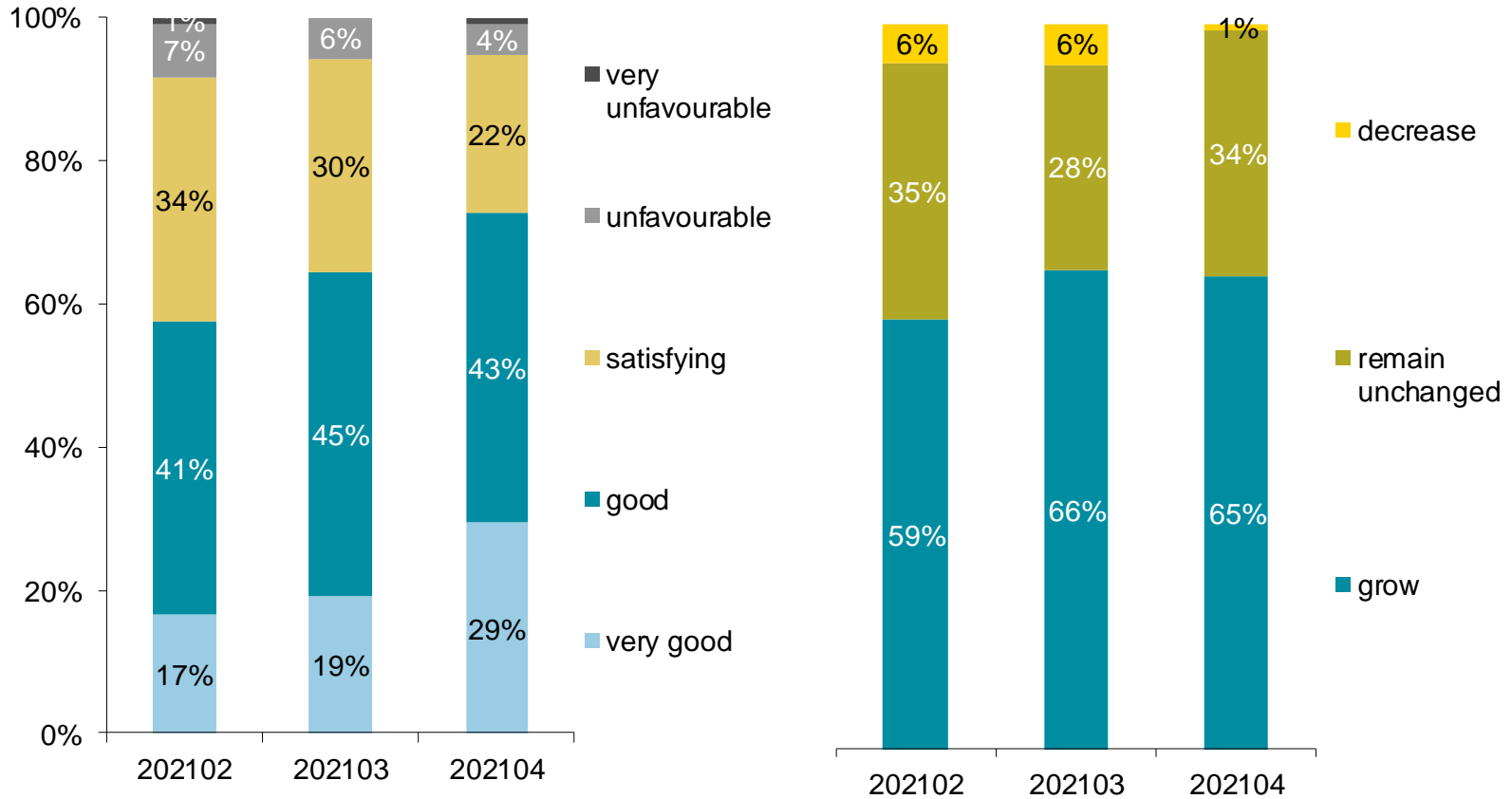
Source: CEMA Business Barometer, each value as an average of the last two months

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....

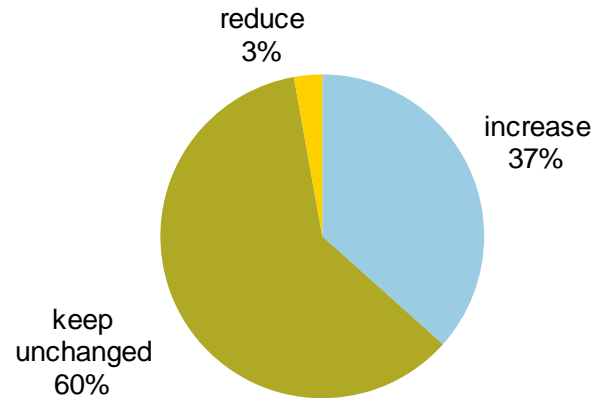


Source: CEMA Business Barometer

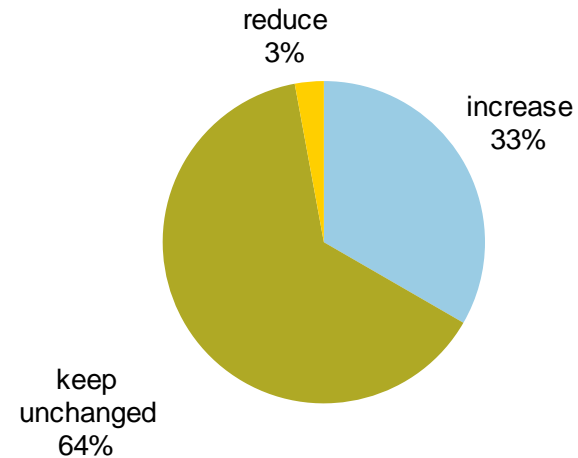
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer April 2021