

CEMA Business Barometer

Public excerpt February 2022



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



Supply bottlenecks delay growth

Executive summary of the survey in February

The general Business Climate Index for the Agricultural Machinery Industry in Europe remains at high level, without any significant changes over the last three months, following some slight downward corrections after its record peak in May and June 2021 (where it reached its highest level since 2008). In February, the index decreased slightly to 53 points (on a scale of -100 to +100).

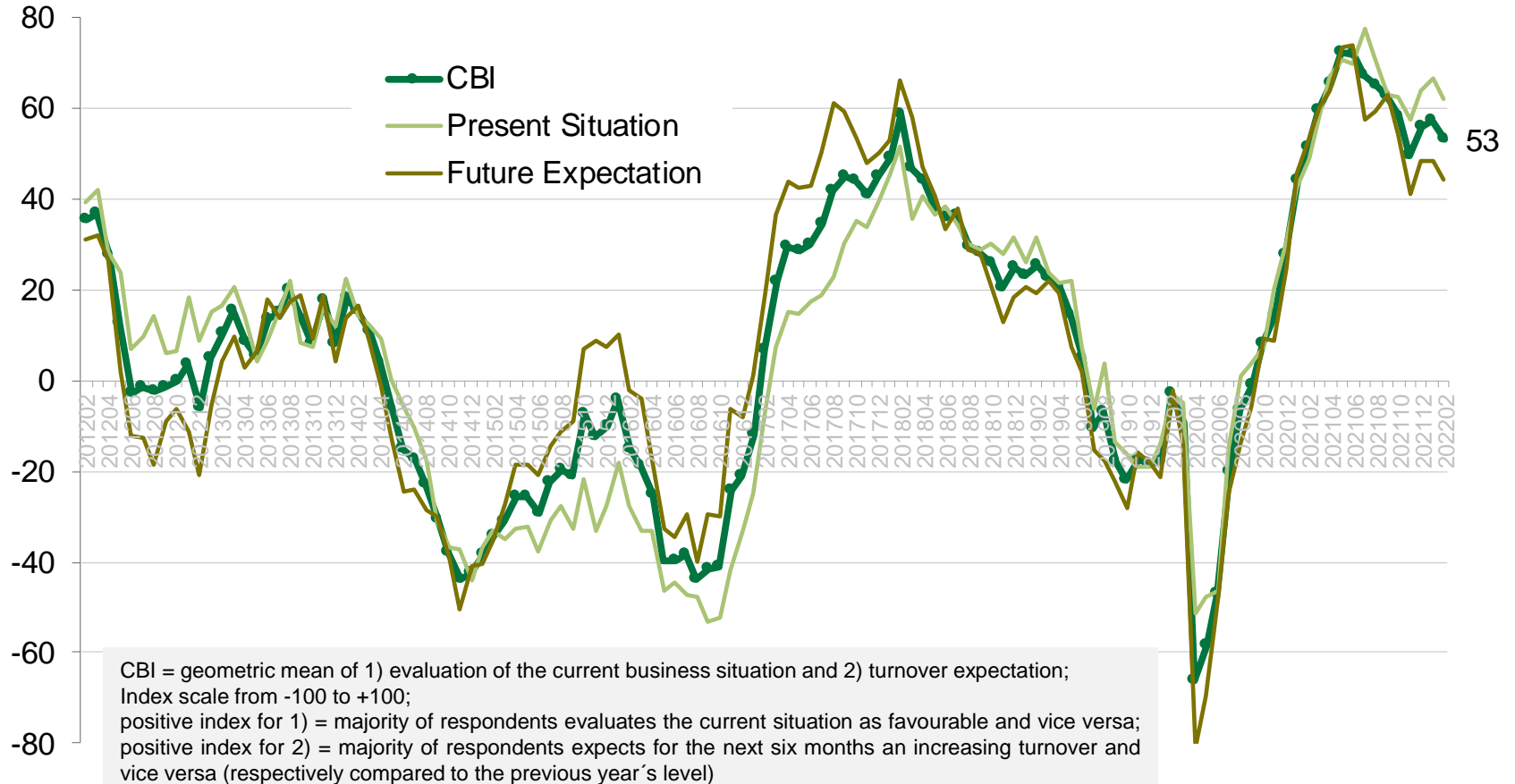
The volume of orders corresponds currently to a production period of 6.1 months, which is another all-time high ever recorded within this survey - and despite order books at record levels, the manufacturers continue to be faced with a dynamic order intake.

However, with regard to expectations for the coming order intake (an indicator which does not feed into the general Business Climate Index), skepticism has meanwhile spread among industry representatives (more pessimists than optimists for the first time since the end of 2020).

In any case, the greatest challenge for the industry is at present to realize the orders in the face of extreme supply shortages and price increases. After the supply bottlenecks seemed to have moderated slightly last month, now once again more than half of the companies expect a production stop due to the lack of certain parts in the coming month. Even more critical appears the situation for combine harvester and tractor manufacturers, where again two out of three are forced to temporarily stop production in the coming four weeks.

Business Climate Index Development

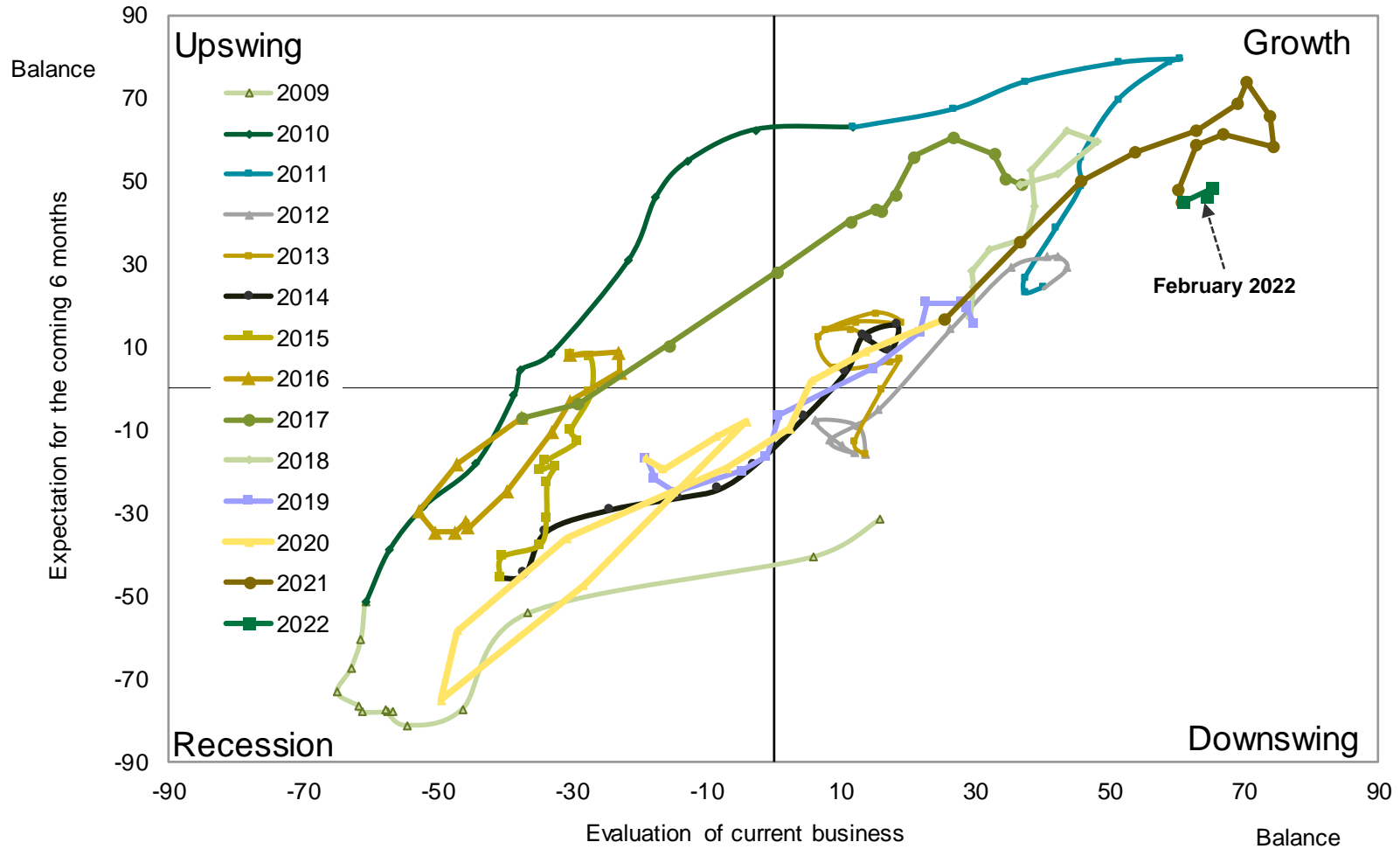
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



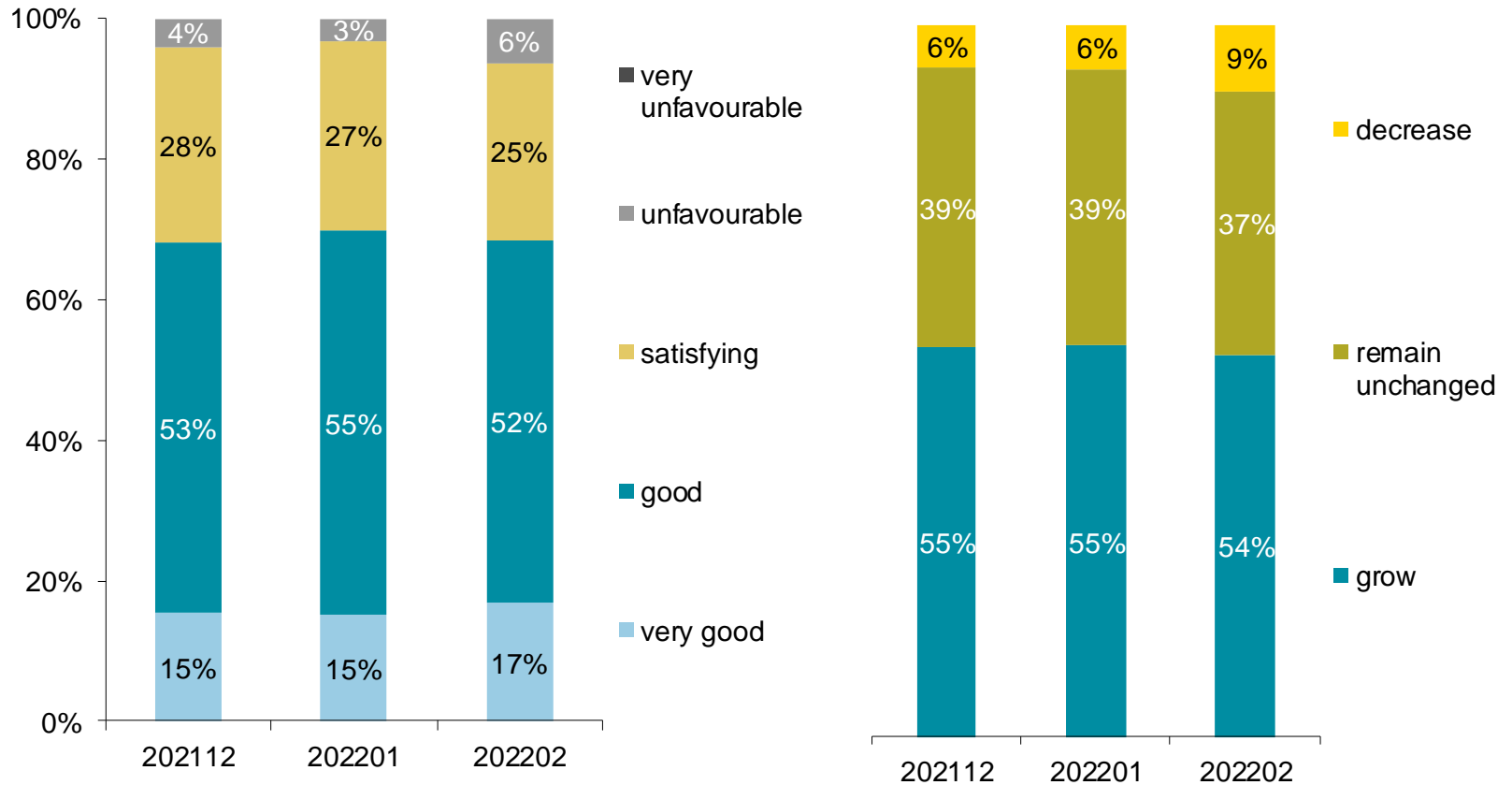
Source: CEMA Business Barometer, each value as an average of the last two months

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....

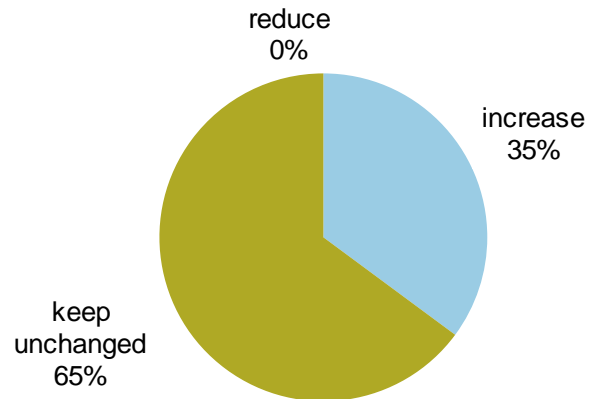


Source: CEMA Business Barometer

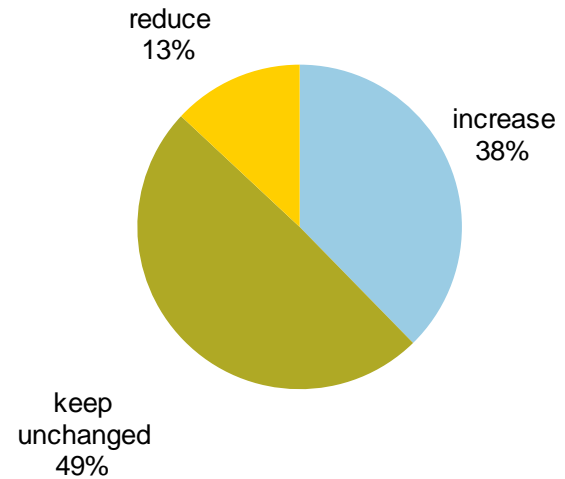
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer February 2022