

CEMA Business Barometer

Public excerpt January 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 meanwhile clearly booming

Executive summary of the survey in January

The general Business Climate Index for the Agricultural Machinery Industry in Europe has continued to increase sharply after having reached the positive range in October for the first time since mid-2019. In January 2021, the index is at +44 points (on a scale of -100 to +100).

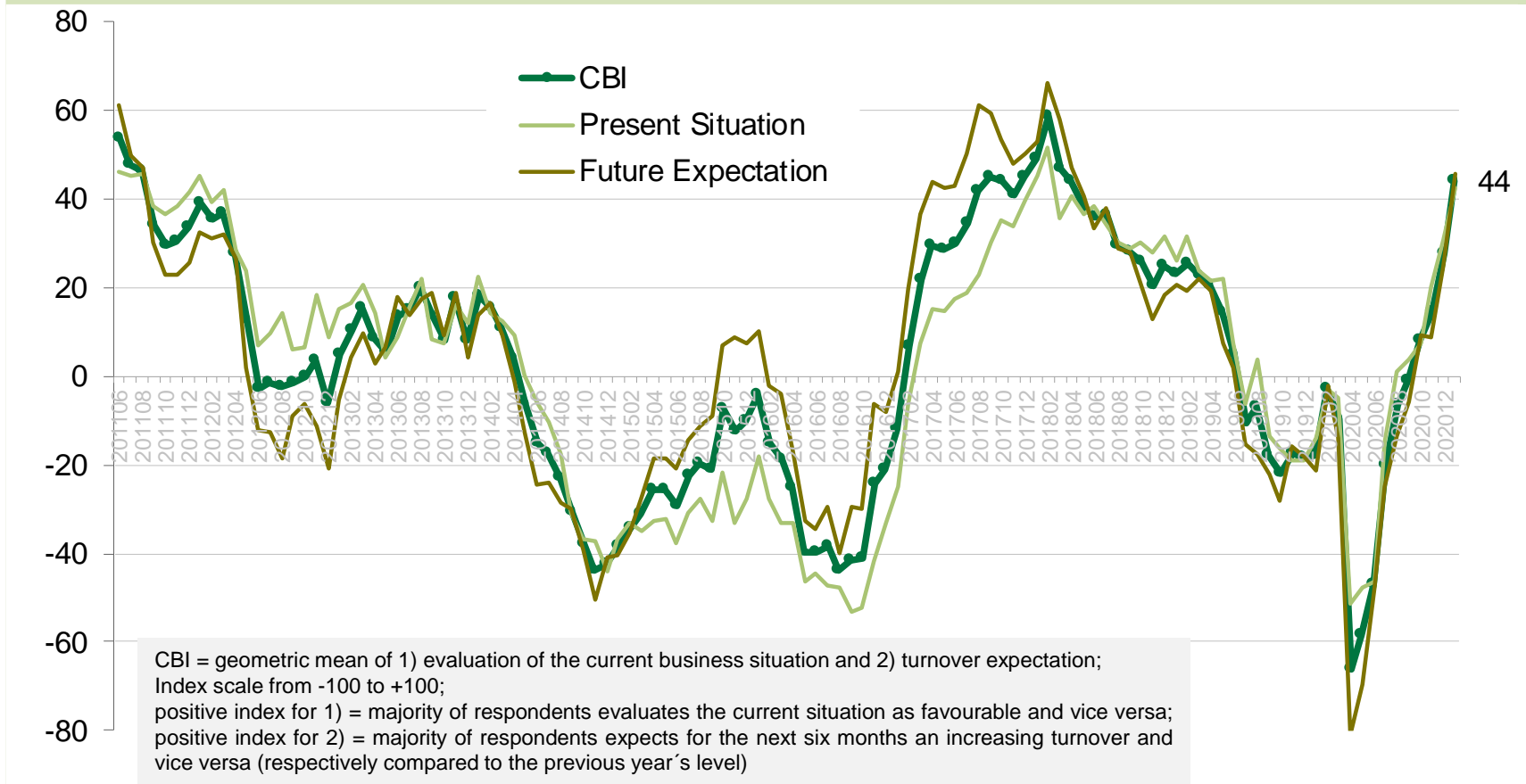
Other than during previous upswing periods (e.g. in 2010 or 2017), this time the current business improvements do not lag behind improved future expectations, but almost the other way around. It rather appears that the industry is continuously adjusting its future expectations to a surprisingly well performing current business.

The current business has gained further momentum. In the last month of December, another significant increase in incoming orders was recorded, both from Europe and from outside of Europe (from Europe somewhat stronger).

Regarding the market side in Europe, the industry representatives have accordingly further raised their expectations significantly into the positive for all countries, except for the UK and Ireland. In addition, the current dealer stock levels with new machines are considered to be below average across almost all markets.

Business Climate Index Development

CEMA Business Climate Index (CBI) -Total

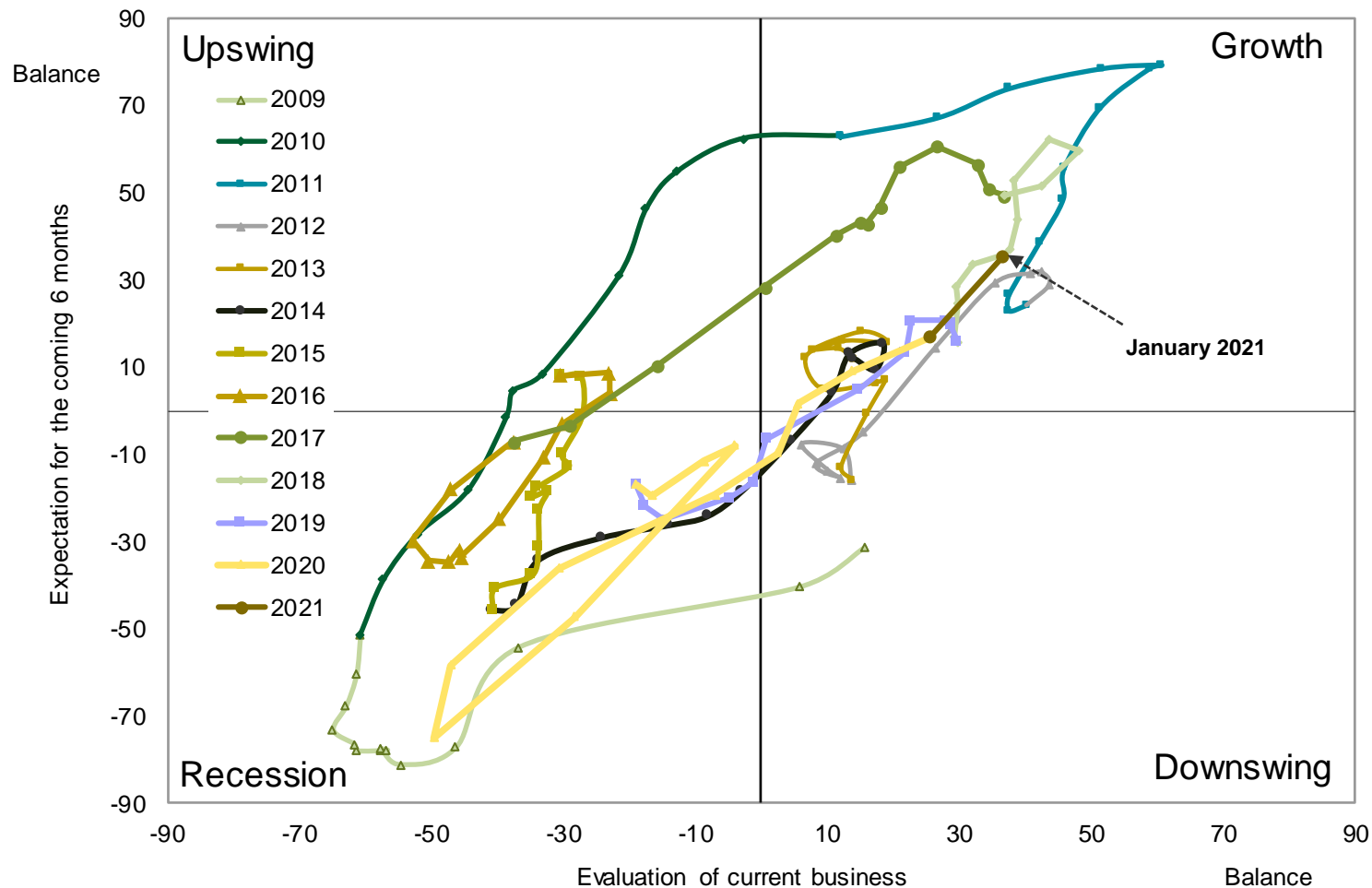


Source: CEMA Business Barometer



Business Climate

Illustration of Business Cycle



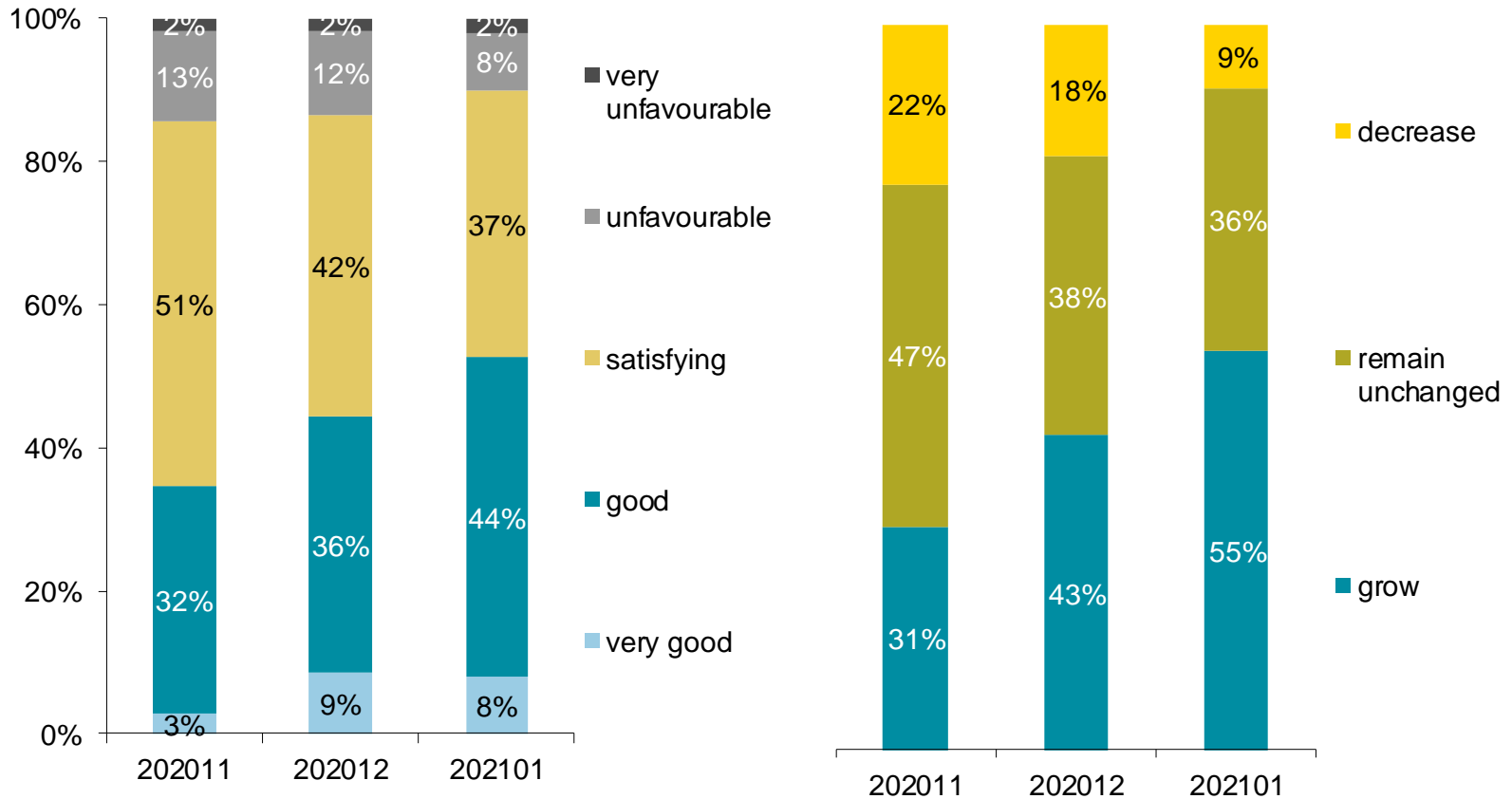
Source: CEMA Business Barometer, each value as an average of the last two months

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....

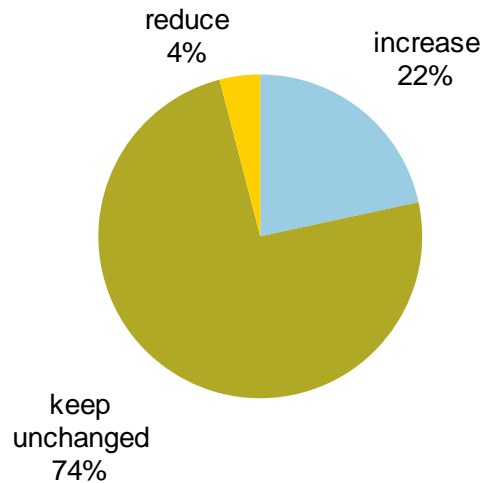


Source: CEMA Business Barometer

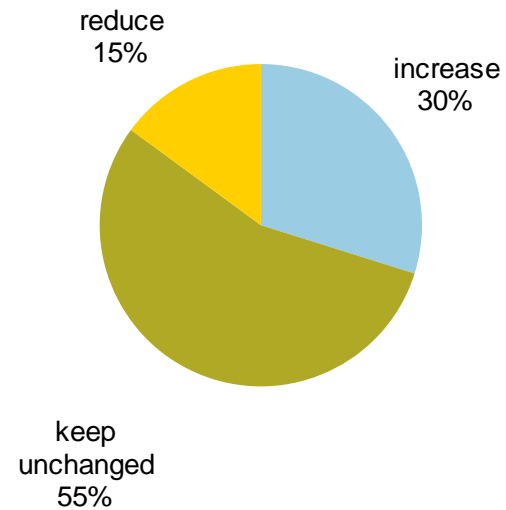
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer January 2021