

CEMA Business Barometer

Public excerpt July 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



Business climate almost back to pre-COVID-19 level

Executive summary of the survey in July

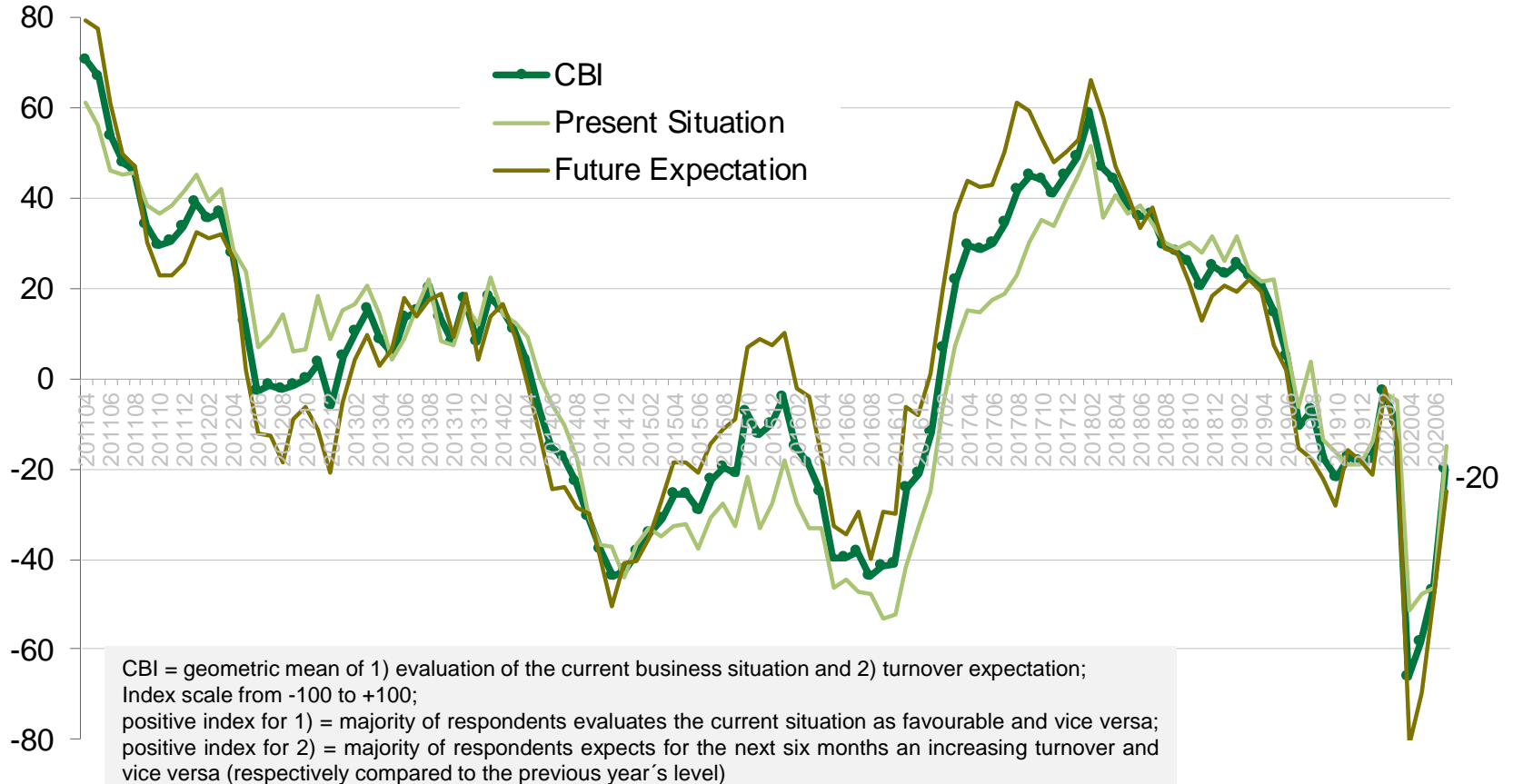
The general Business Climate Index for the Agricultural Machinery Industry in Europe has continued to improve strongly, almost approaching the pre-COVID-19 level, which however was already negative. Now, in July 2020, the index is at -20 points (on a scale of -100 to +100).

While the improvement in the last month was mainly due to less negative future expectations, now in July the evaluation of the current business has also improved significantly. This trend is driven by significantly fewer negative evaluations from participants based in France and Italy. And except for harvesting equipment and components, for which the ratings are still well below average, the improvement took place across all segments, first and foremost for livestock equipment, followed by the arable segment.

Also with regard to the market side, the expectations of the survey participants have improved for nearly all European countries. Further positive signals are now coming from the important markets France and Italy, where meanwhile solid incoming orders and below-average dealer stocks of new machines are reported.

Business Climate Index Development

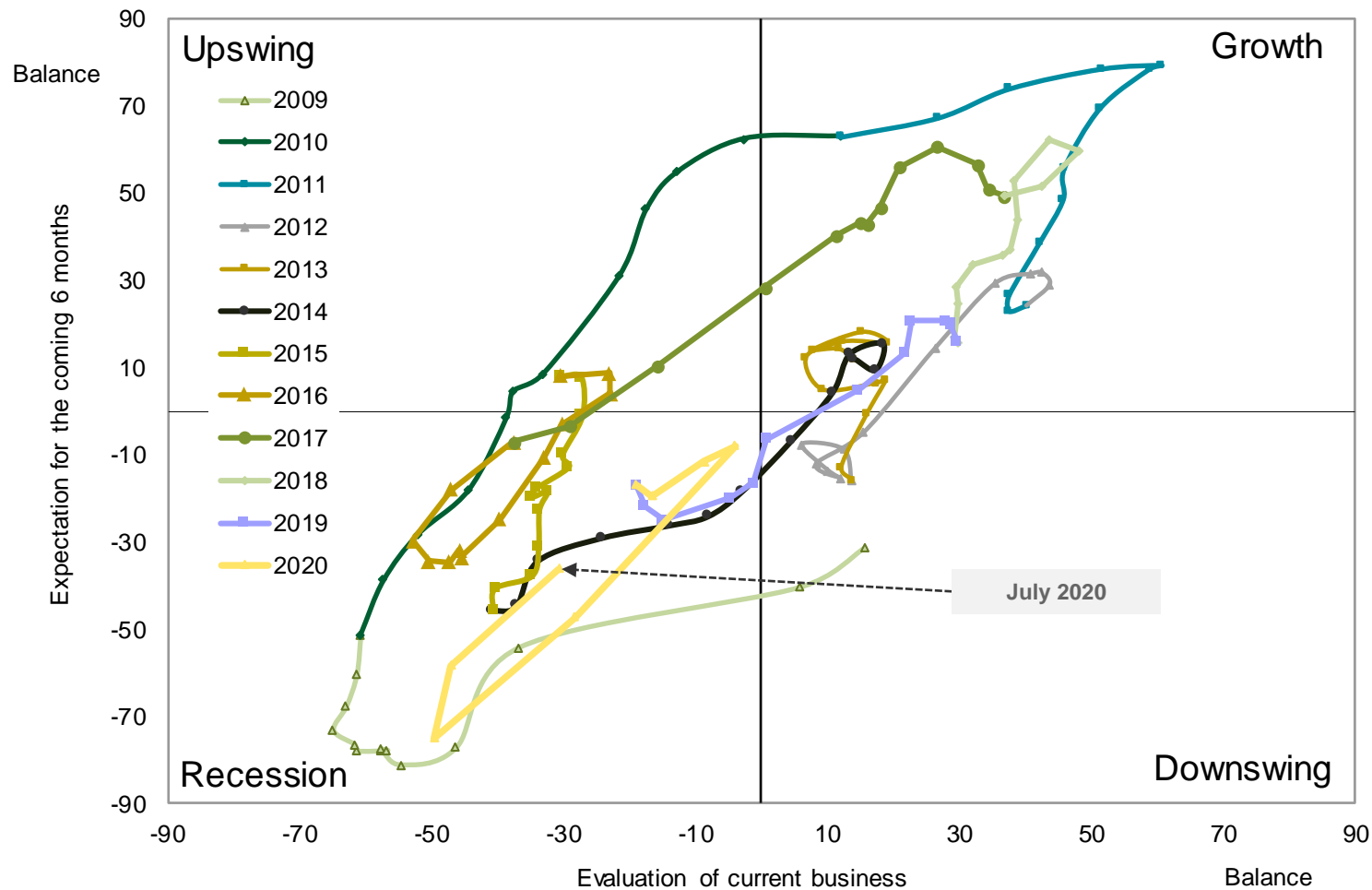
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



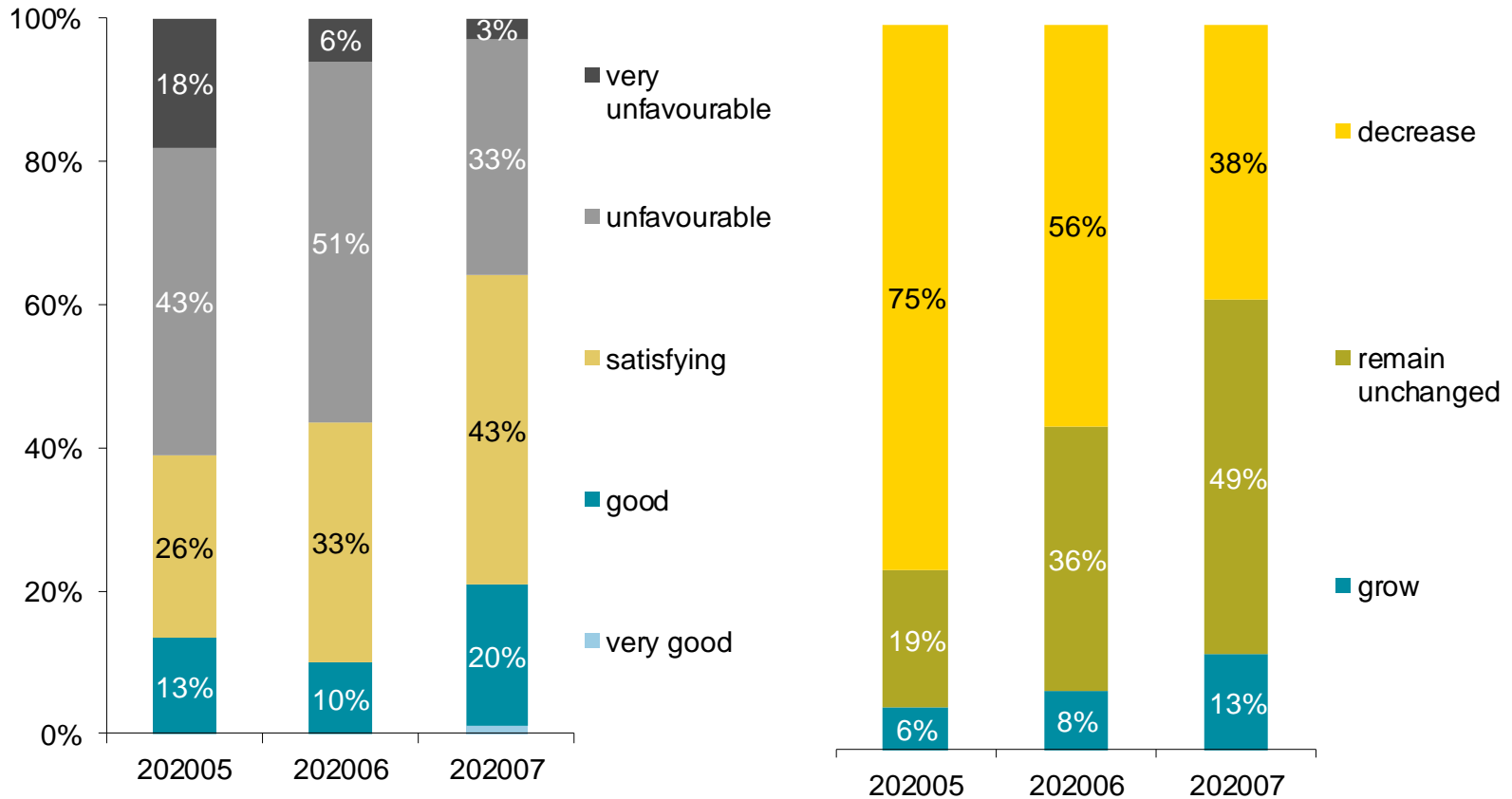
Source: CEMA Business Barometer, each value as an average of the last two months

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....

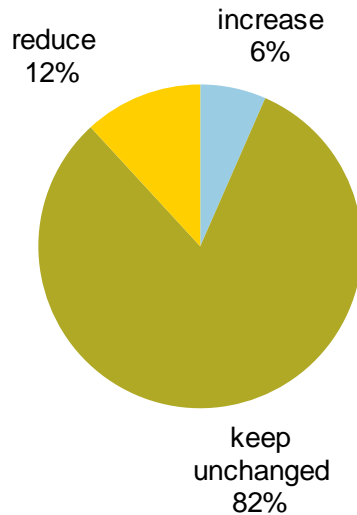


Source: CEMA Business Barometer

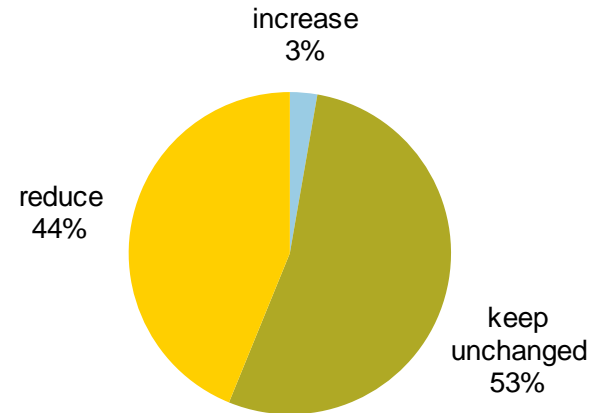
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer July 2020