

CEMA Business Barometer

Public excerpt November 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



Current business has further improved

Executive summary of the survey in November

The general Business Climate Index for the Agricultural Machinery Industry in Europe has further increased after having reached the positive range for the first time since mid-2019. In November 2020, the index is at +14 points (on a scale of -100 to +100). This time the increase of the total index is primarily the result of an improvement in the evaluation of current business. Meanwhile, only 15% of the survey participants consider their current business to be unfavourable.

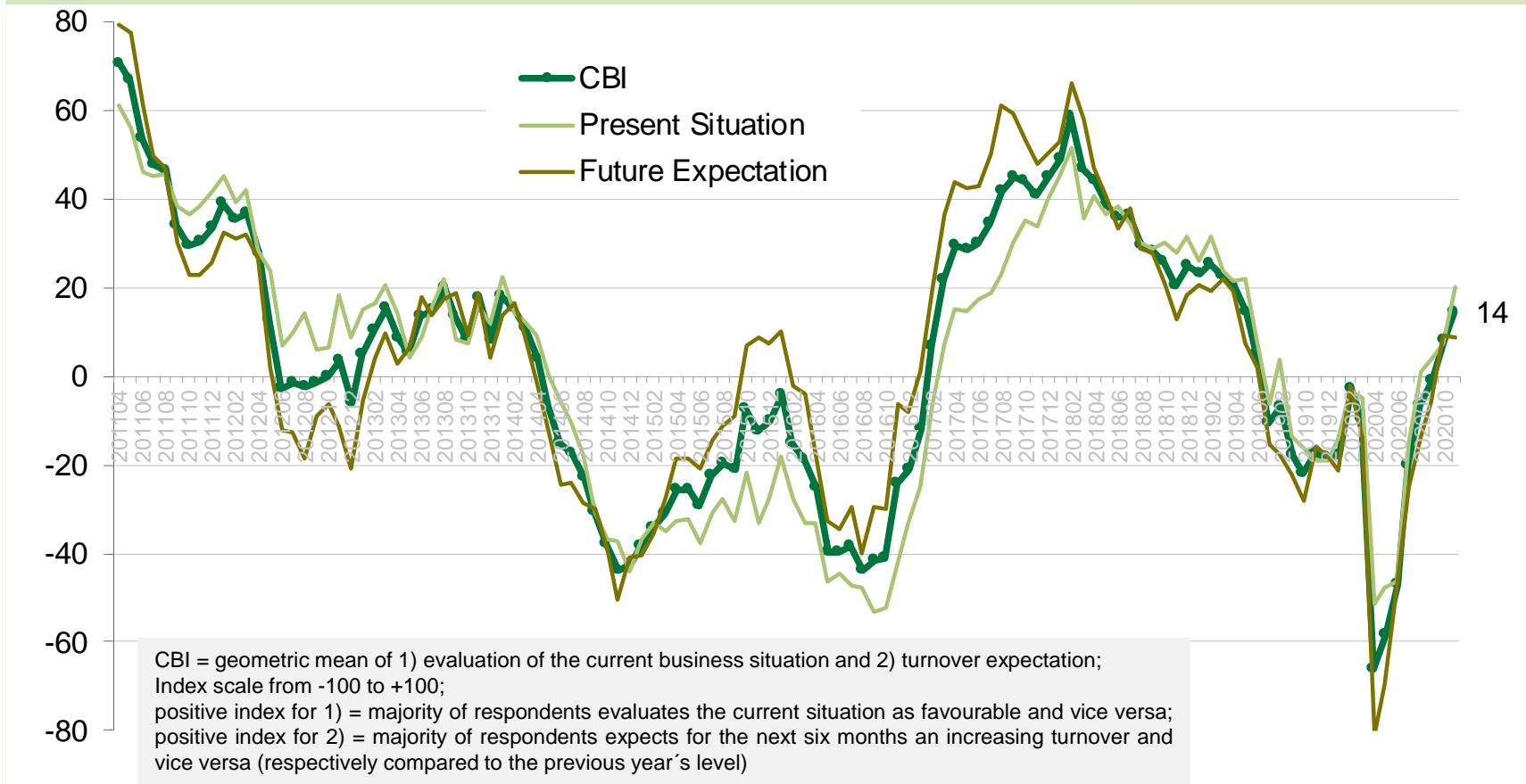
According to the survey, restrictions in the course of COVID-19 seem nearly not existent anymore. In addition, high levels of turnover have already been secured for the coming months. The volume of orders corresponds currently to a production period of 3.1 months, which is the highest November value ever recorded within this survey. However, most companies are no longer expecting a further increase in incoming orders.

Broken down to segment level, there are currently only two exceptions with a negative business climate: lawn, garden and municipal equipment have not come out of the negative zone since the beginning of the year and livestock equipment has slipped back into the negative after some positive months.

With regard to the European market side, the turnover expectations of the survey participants have not further improved. For the major markets France, Germany and Italy can be seen good and stable confidence levels, but for several Eastern European markets, as well as for the UK, the expectations have become more negative again.

Business Climate Index Development

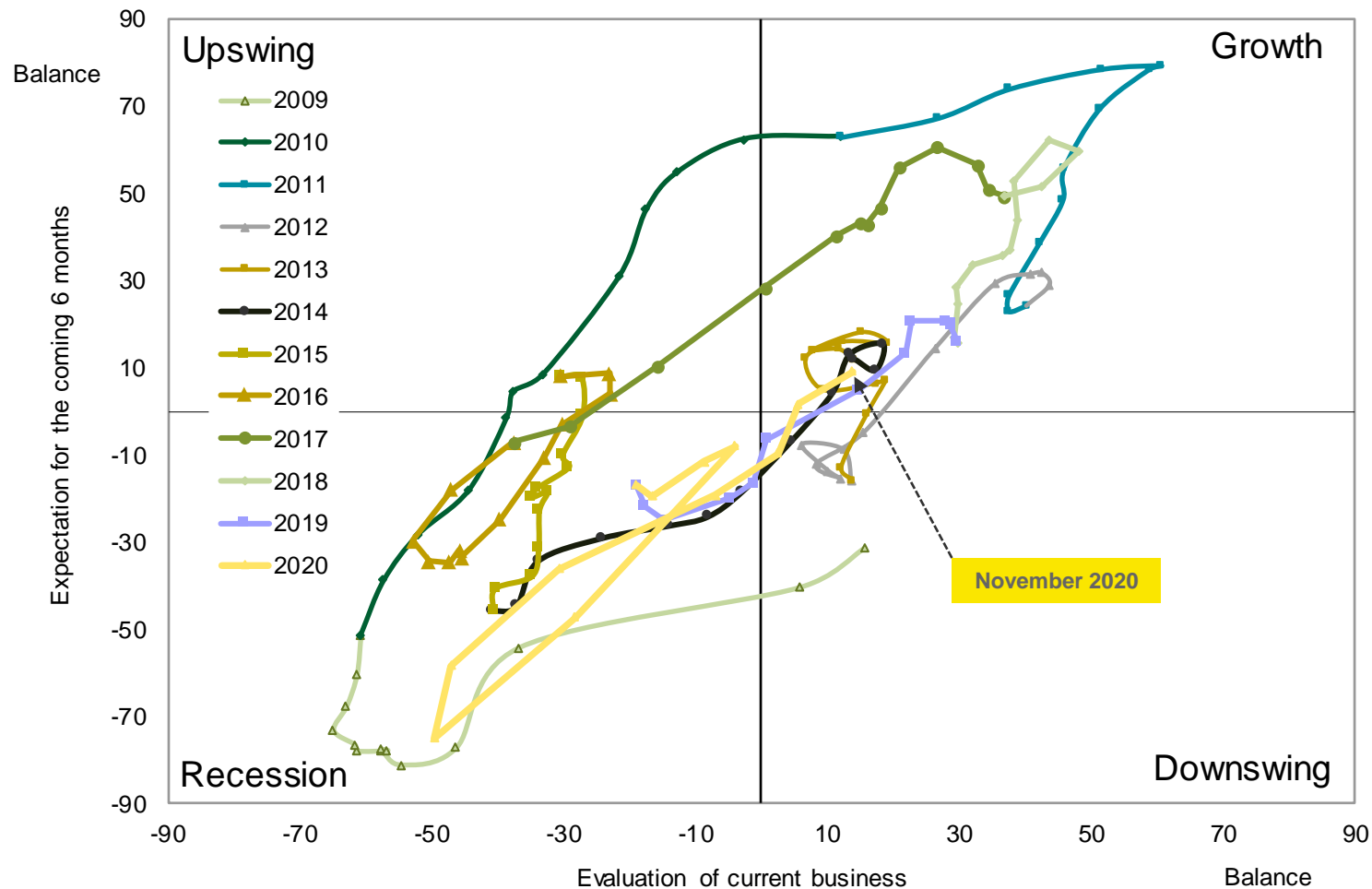
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



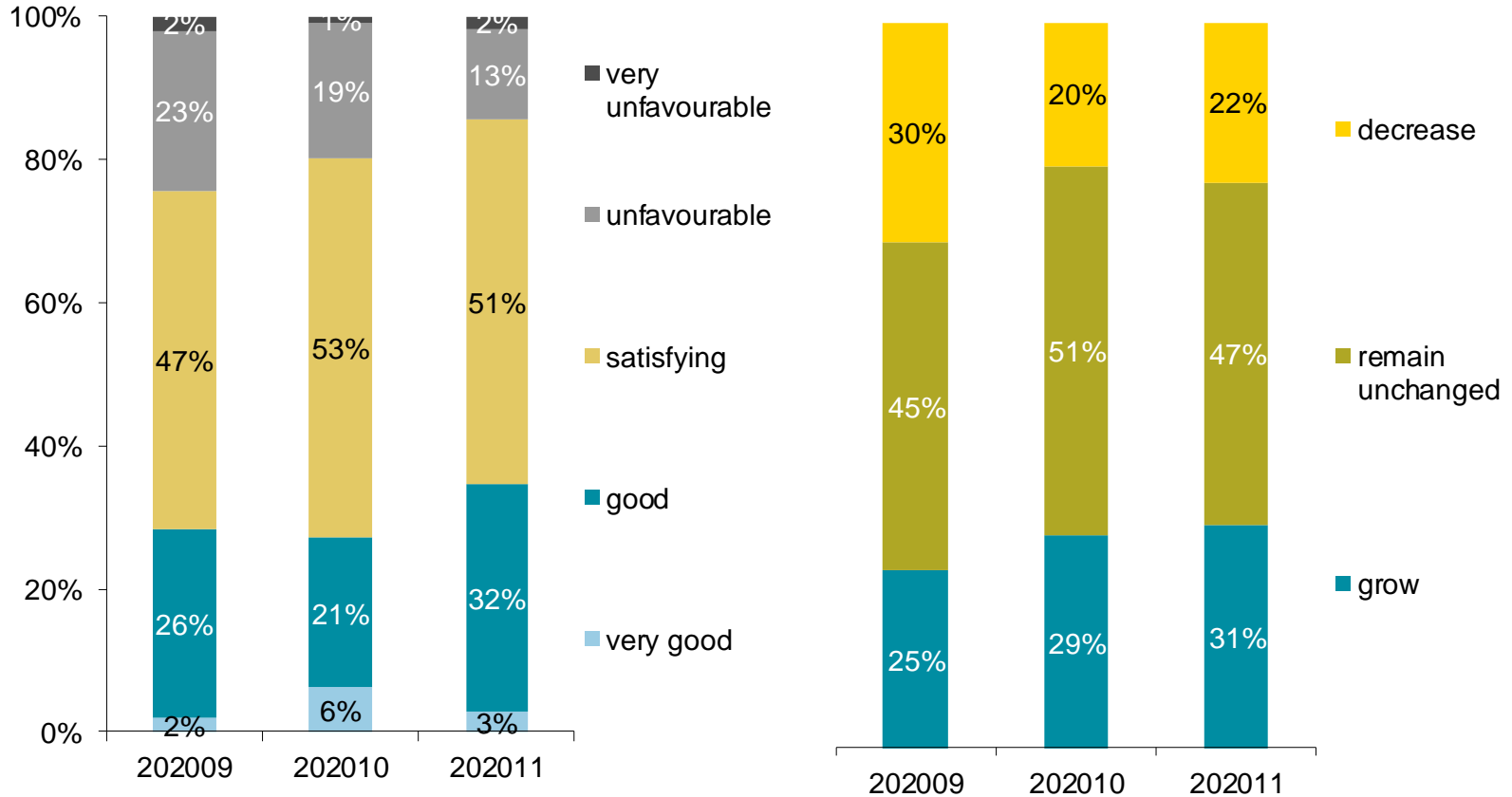
Source: CEMA Business Barometer, each value as an average of the last two months

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....

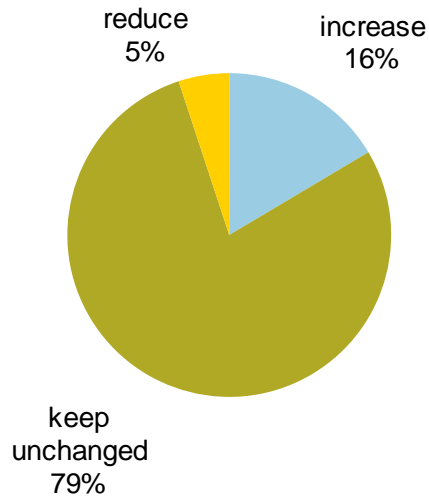


Source: CEMA Business Barometer

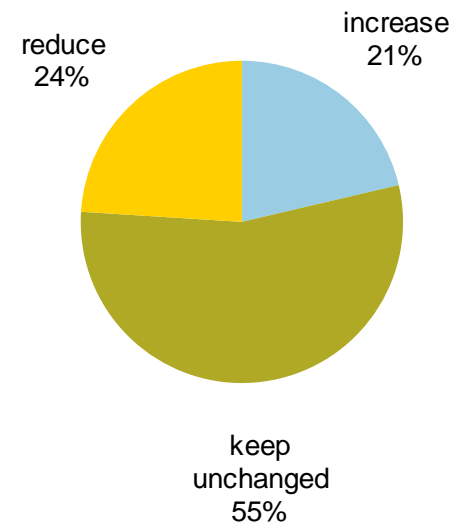
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer November 2020