

CEMA Business Barometer

Public excerpt July 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 appears to have reached its peak

Executive summary of the survey in July

The general Business Climate Index for the Agricultural Machinery Industry in Europe seems to have reached its peak with the past two months. After peaking in May and June at its highest level since 2008, the index declined by 4 points in July to 68 (on a scale of -100 to +100).

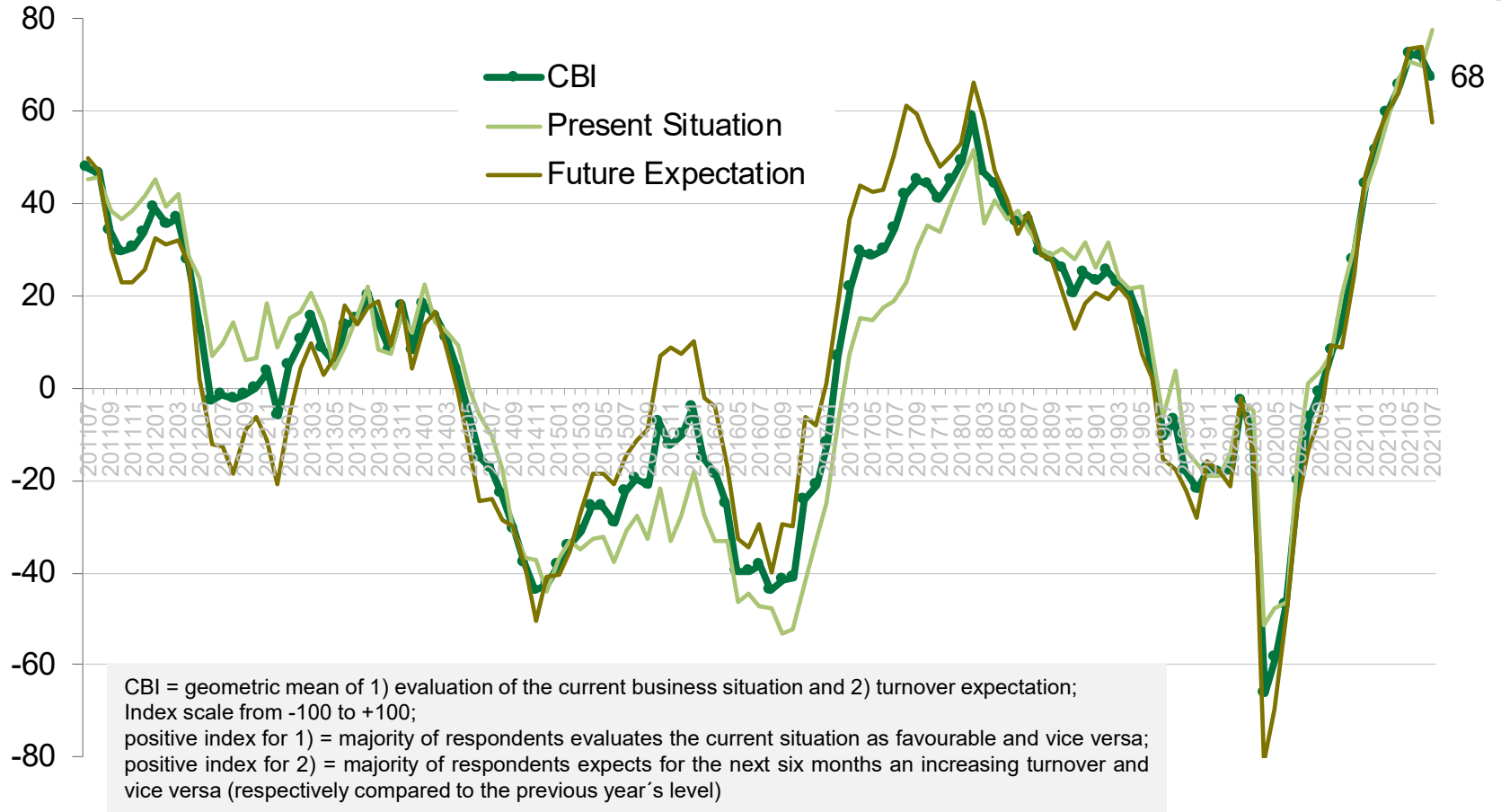
The current business continues very positive (was even evaluated slightly better than in the past two months), but less companies expect further turnover growth for the coming six months. With regard to expectations for the coming order intake (an indicator which does not feed into the general Business Climate Index), the shift was even more pronounced: the share of survey respondents expecting an increase in orders dropped to less than a third, the lowest level this year.

Another uncertainty concerns the extent to which the incoming orders can be realized against the backdrop of extreme price increases and shortages on the supplier side. More than 90% of the companies participating in the survey complain about supply bottlenecks. 36% of the respondents from the tractor factories expect a production stop due to a lack of certain parts in the coming month.

Despite all uncertainties, the European industry representatives remain confident of closing the year with strong results. With regard to the full year 2021, the survey participants forecast for their company a turnover increase of +12% (arithmetic mean) or +10% (median).

Business Climate Index Development

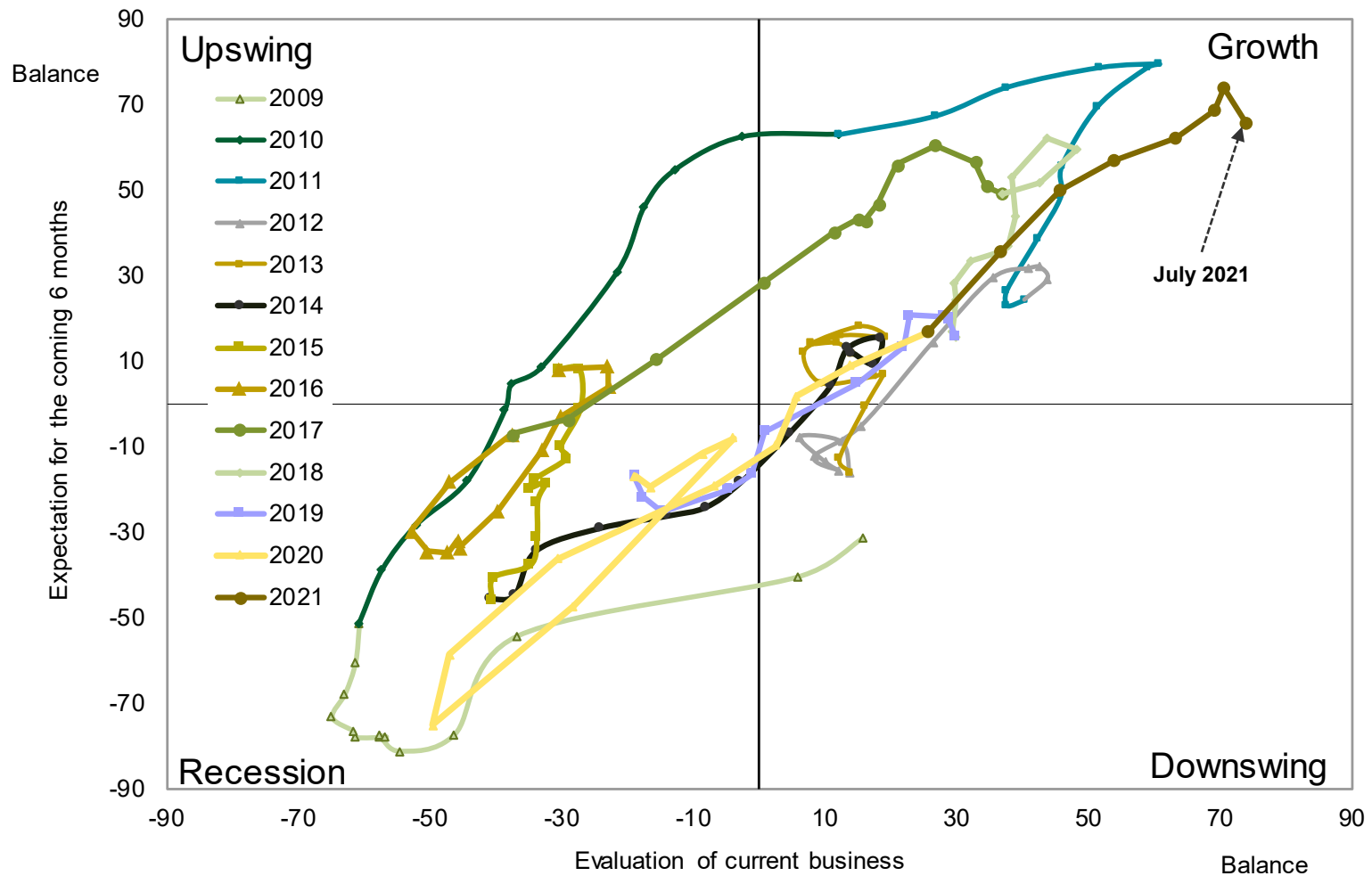
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



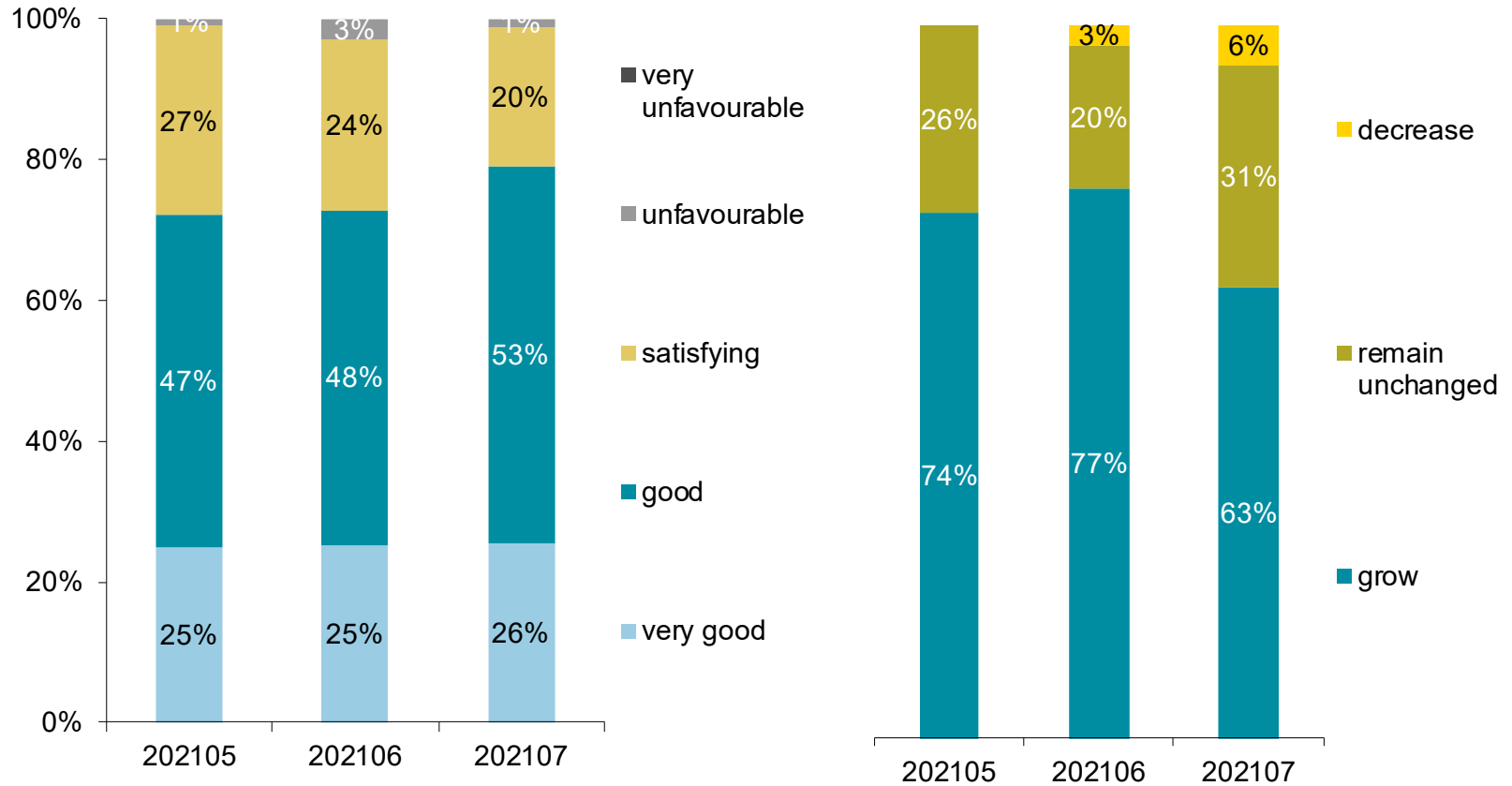
Source: CEMA Business Barometer, each value as an average of the last two months

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....

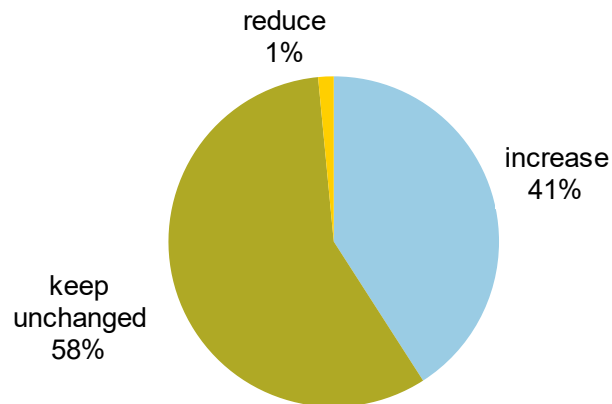


Source: CEMA Business Barometer

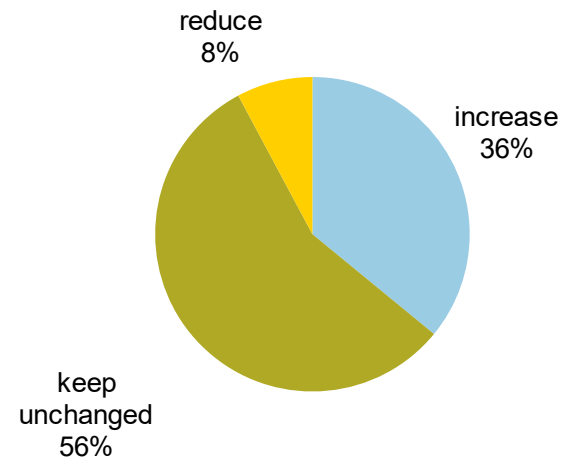
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer July 2021