

CEMA Business Barometer

Public excerpt September 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 peaked but remains positive

Executive summary of the survey in September

The general Business Climate Index for the Agricultural Machinery Industry in Europe seems to have reached its peak in the months of May and June (with highest levels since 2008). In September, the index decreased slightly for the third month in a row at a high level (to 63 points on a scale of -100 to +100). The drop this time is the result of some companies evaluating their current business slightly less favourably.

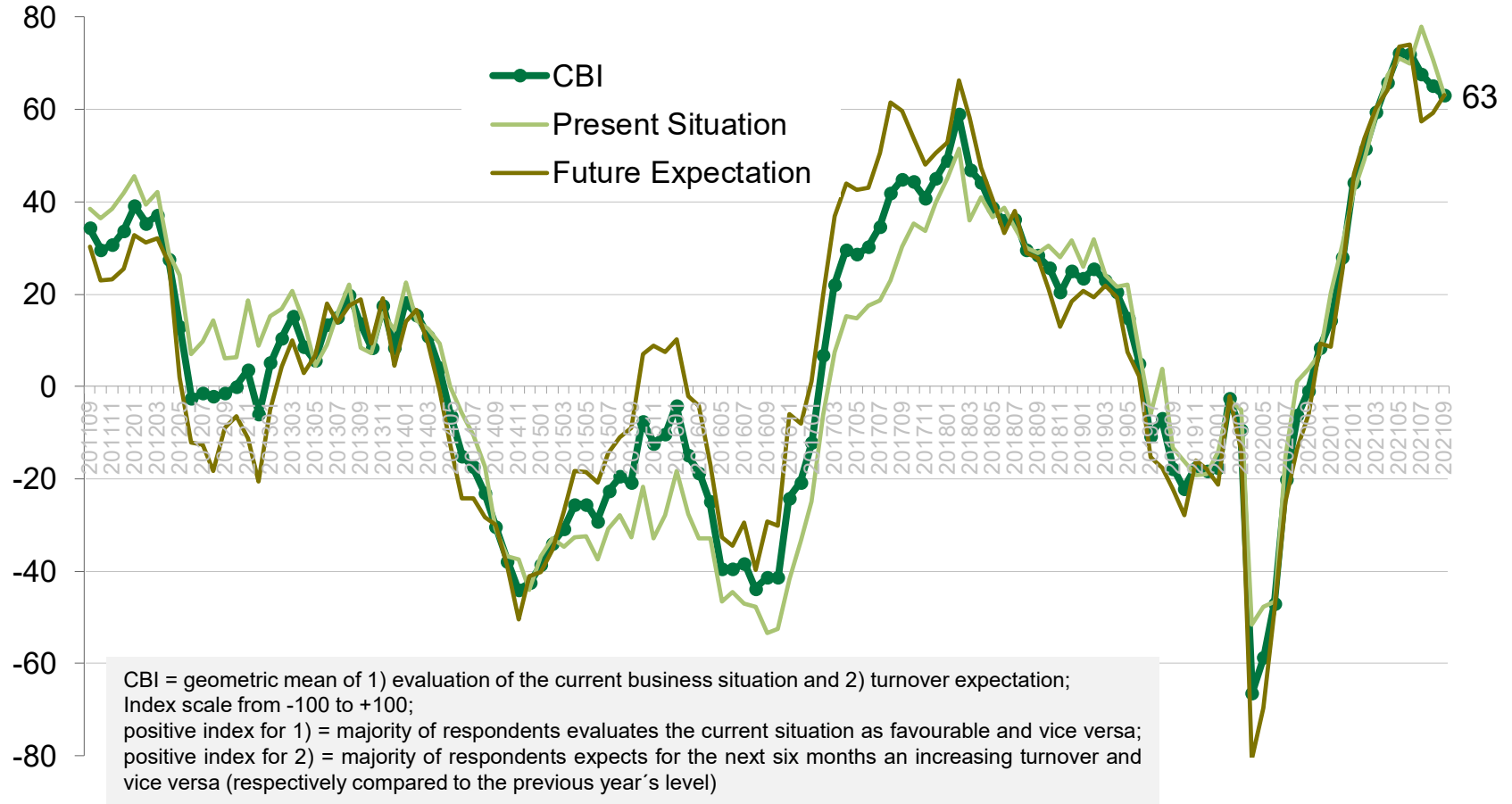
Uncertainty continues as to what extent the orders can be realized against the backdrop of extreme price increases and shortages on the supplier side. Meanwhile, 40% of the companies expect a production stop due to a lack of certain parts in the coming month.

On the other hand, demand from end customers in Europe seems to remain robust. The industry still sees a high need for investment for almost all of Europe, especially among farmers within Central to Eastern Europe. Accordingly, the regional breakdown shows for each single European market a majority of survey participants expecting turnover increases in the next six months, with the CIS countries having moved up the most in the market ranking.

Against this background, the European industry representatives remain confident of closing the year with strong results. With regard to the full year 2021, the survey participants expect for their company a turnover increase of +13% (arithmetic mean) or +10% (median).

Business Climate Index Development

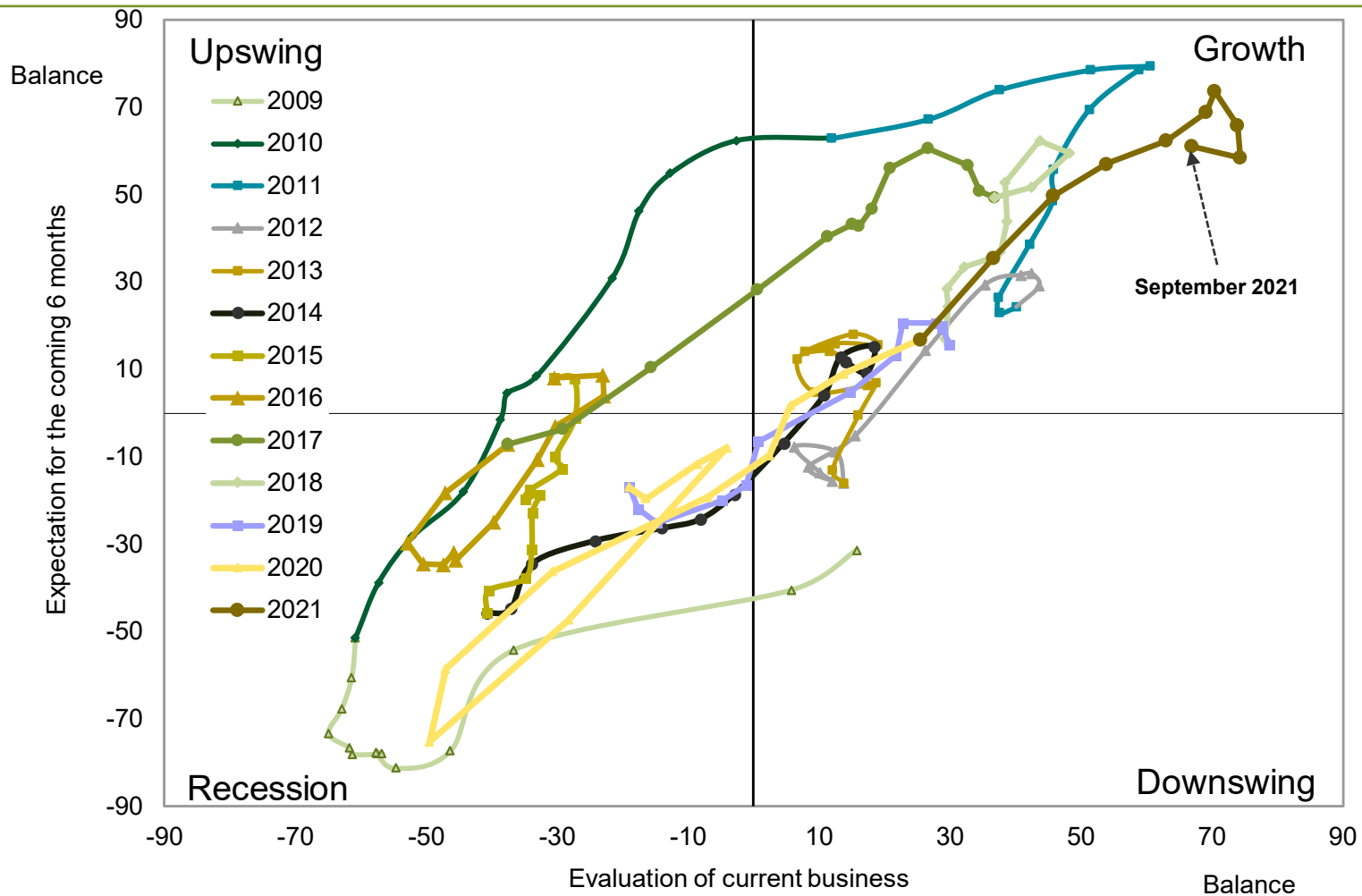
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



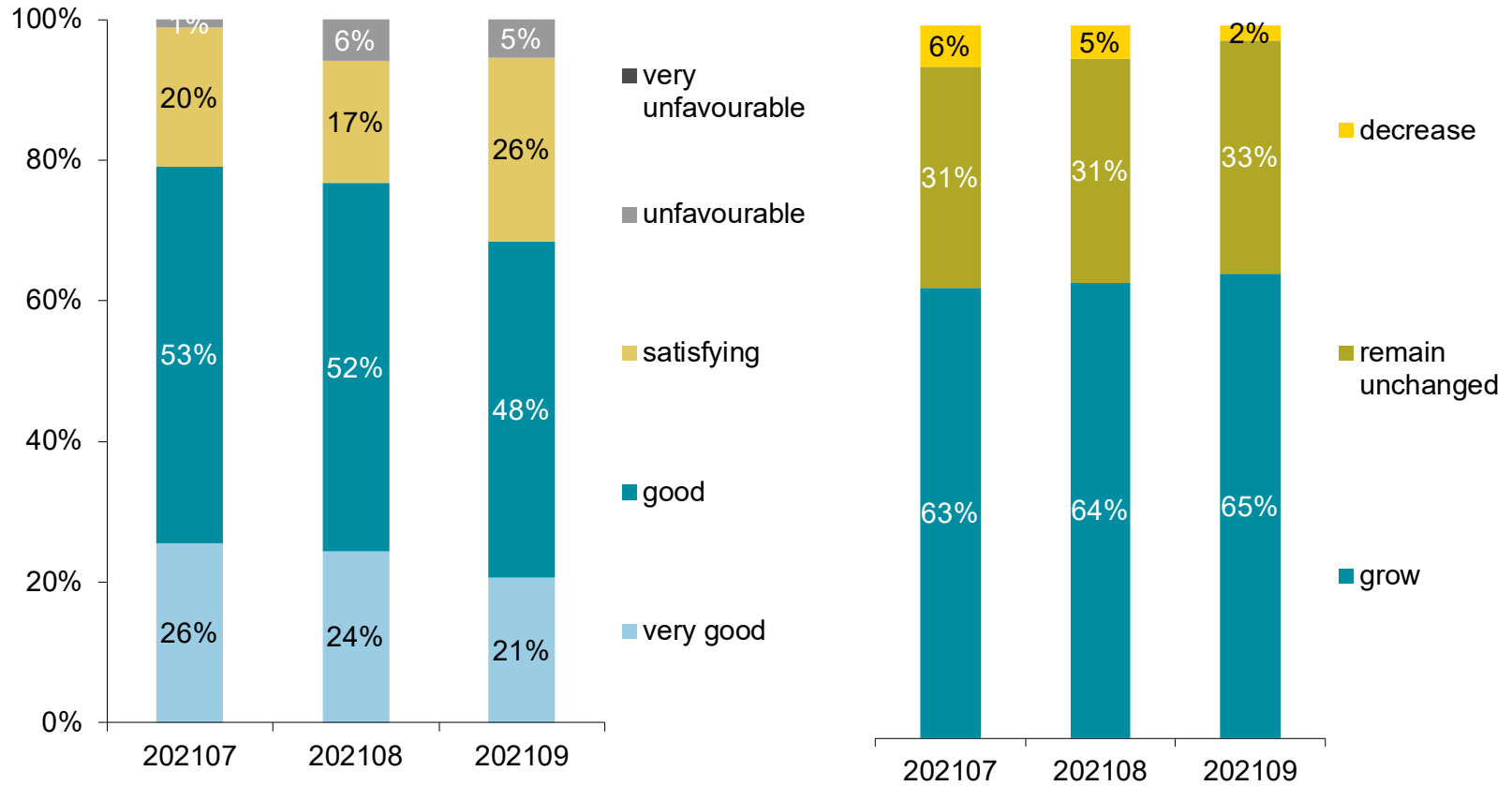
Source: CEMA Business Barometer, each value as an average of the last two months

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....

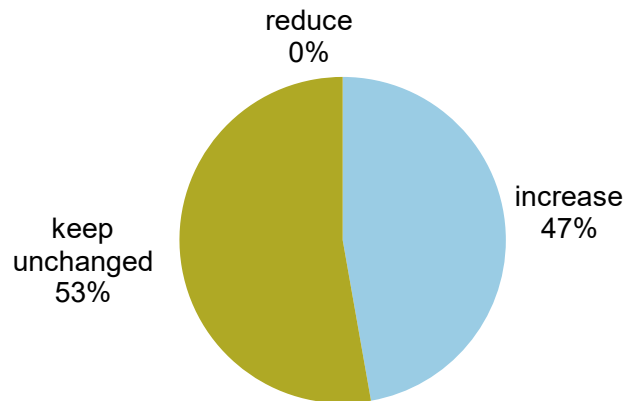


Source: CEMA Business Barometer

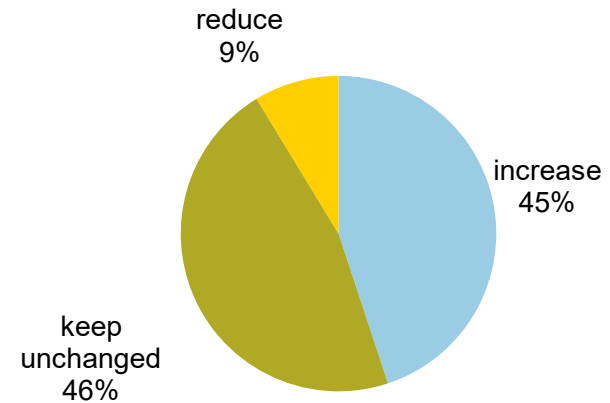
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer September 2021