

CEMA Business Barometer

Public excerpt October 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



Supply bottlenecks could slow down growth

Executive summary of the survey in October

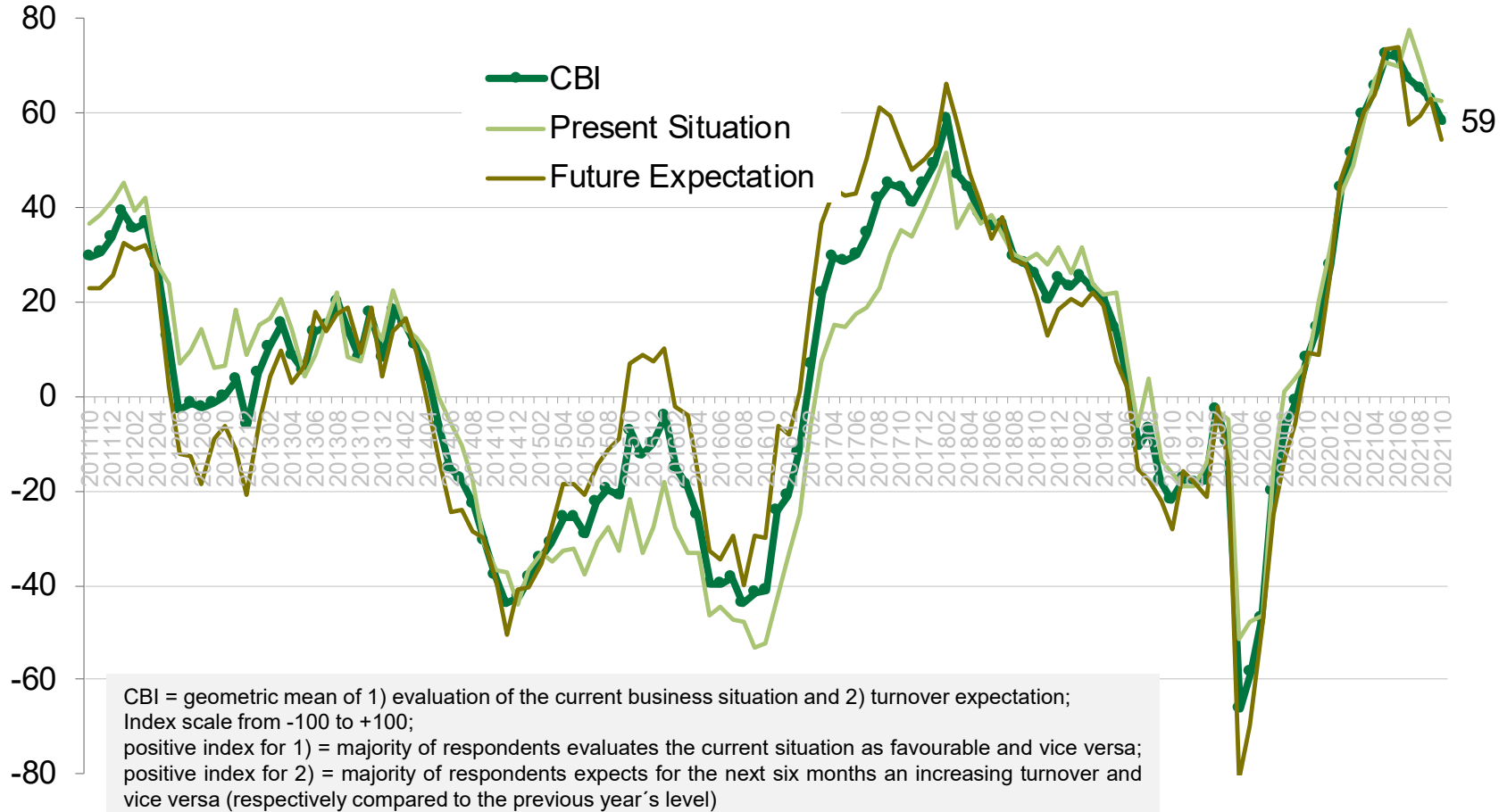
The general Business Climate Index for the Agricultural Machinery Industry in Europe seems to have reached its peak in the months of May and June (with highest levels since 2008). In October, the index decreased slightly for the fourth month in a row at a high level (to 59 points on a scale of -100 to +100).

Despite order books at record levels, the manufacturers continue to be faced with a very dynamic order intake. According to the survey, dealer stocks with new machines have been significantly reduced over the past months and thus may have already fallen below the optimal level in most of the markets. Likewise, the used machinery stock has been generally cleansed.

The main uncertainty at present is to what extent the orders can be realized by the manufacturers against the backdrop of extreme price increases and shortages on the supplier side. Meanwhile, 45% of the companies expect a production stop due to a lack of certain parts in the coming month. Even more critical appears the situation for combine harvester and tractor manufacturers, where three out of four are forced to temporarily stop production in the coming four weeks.

Business Climate Index Development

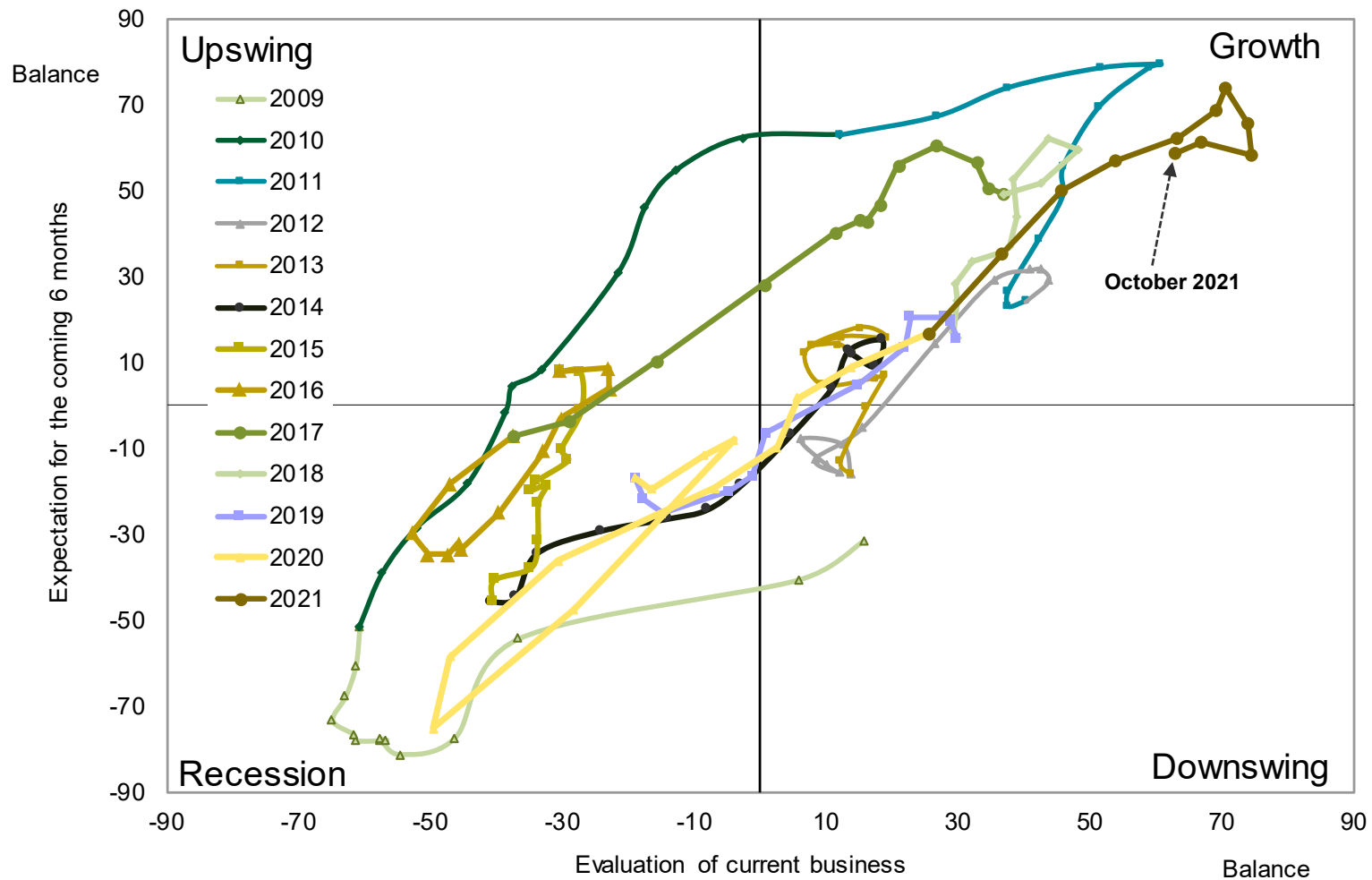
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



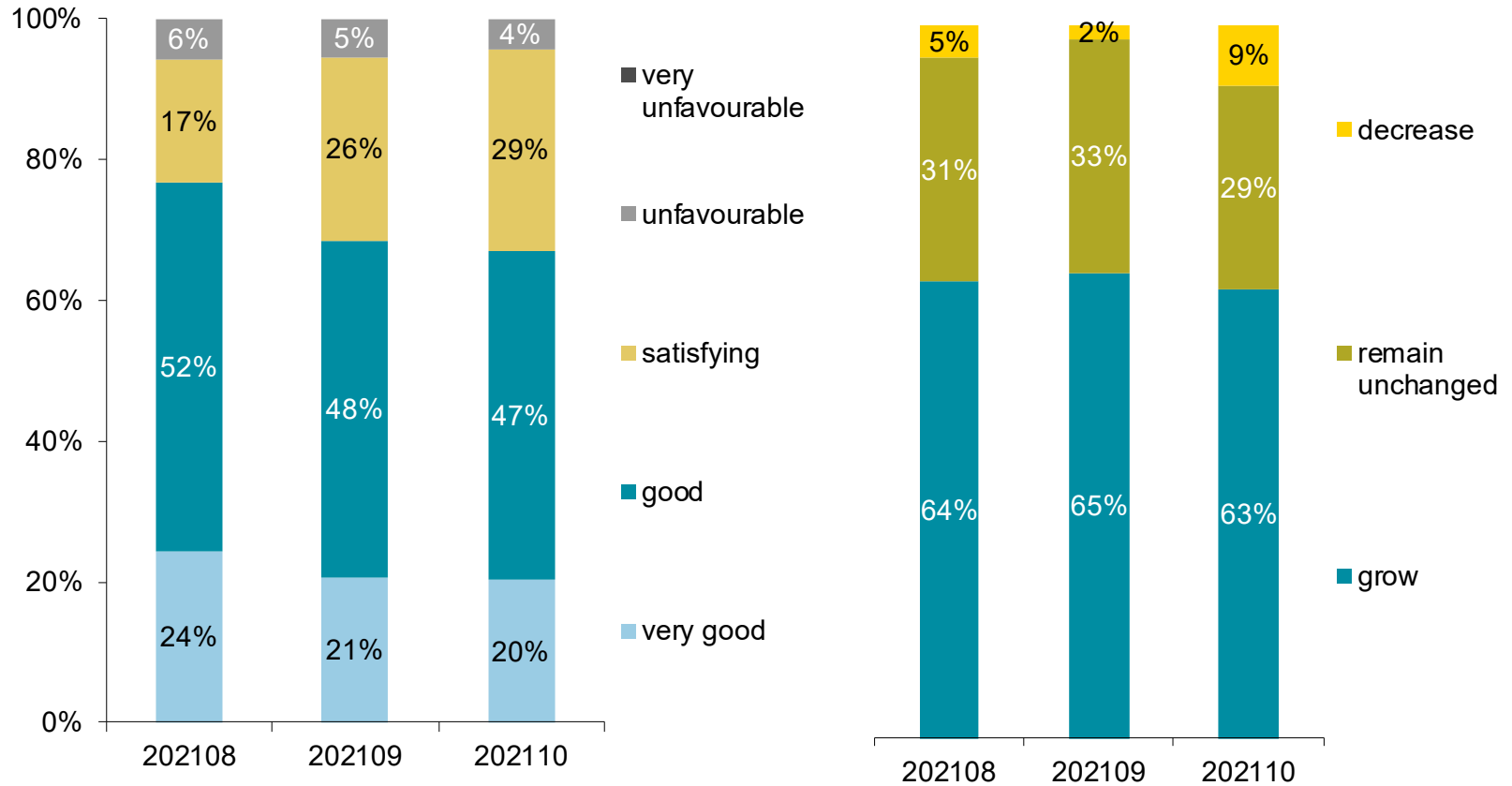
Source: CEMA Business Barometer, each value as an average of the last two months

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....

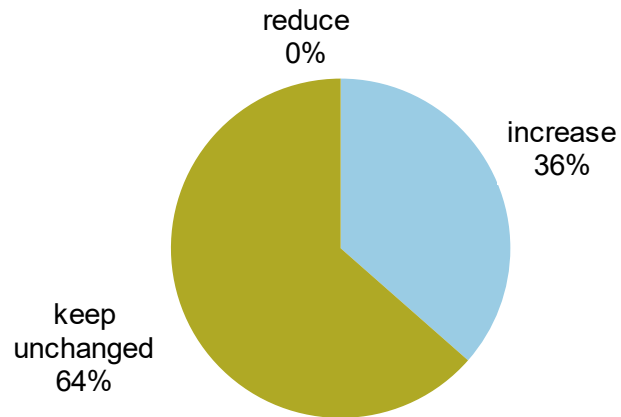


Source: CEMA Business Barometer

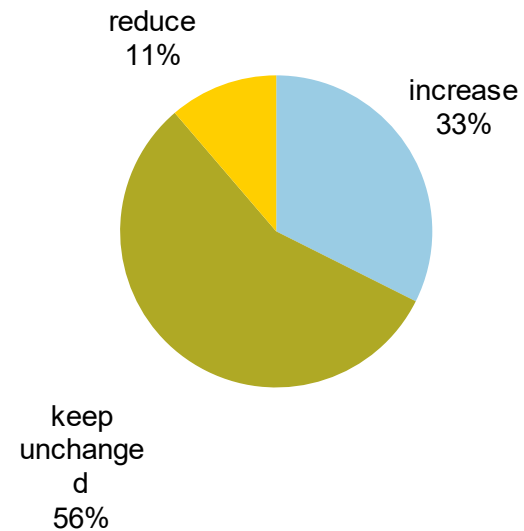
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer October 2021