

CEMA Business Barometer

Public excerpt November 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 slow down growth

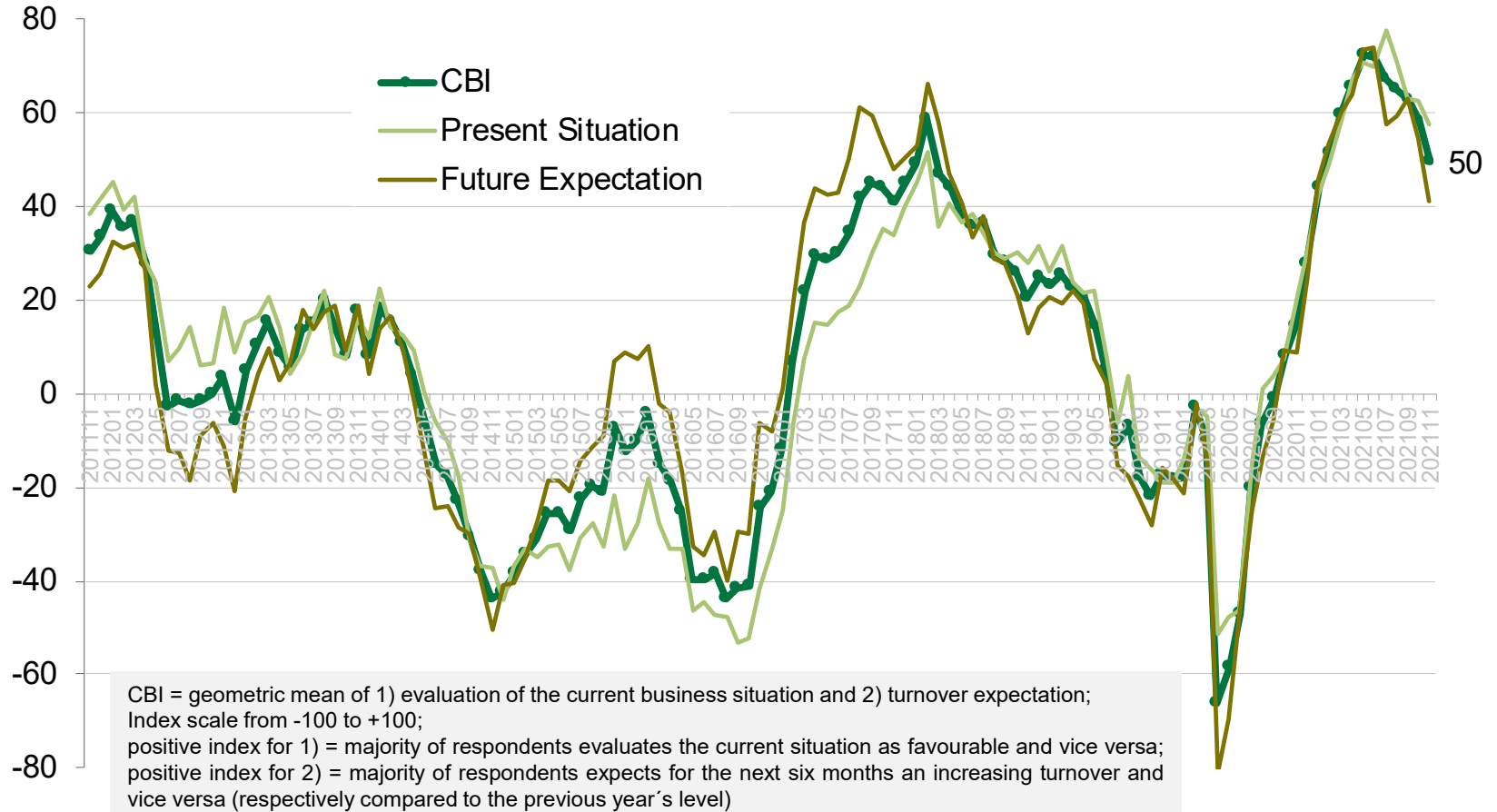
Executive summary of the survey in November

The general Business Climate Index for the Agricultural Machinery Industry in Europe has reached its peak in the months of May and June (with highest levels since 2008). In November, the index dropped again for the fifth month in a row from high level (to 50 points on a scale of -100 to +100). The decline was particularly significant with regard to the expectations for the coming 6 months, thereby most likely not due to developments on the market side, but rather on the production and supply side.

The volume of orders corresponds currently to a production period of 5.9 months, which is another all-time high ever recorded within this survey - and despite order books at record levels, the manufacturers continue to be faced with a very dynamic order intake. At the same time, the uncertainty increases as to what extent the orders can be realized by the manufacturers against the backdrop of extreme price increases and severe shortages on the supplier side. Meanwhile, 53% 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

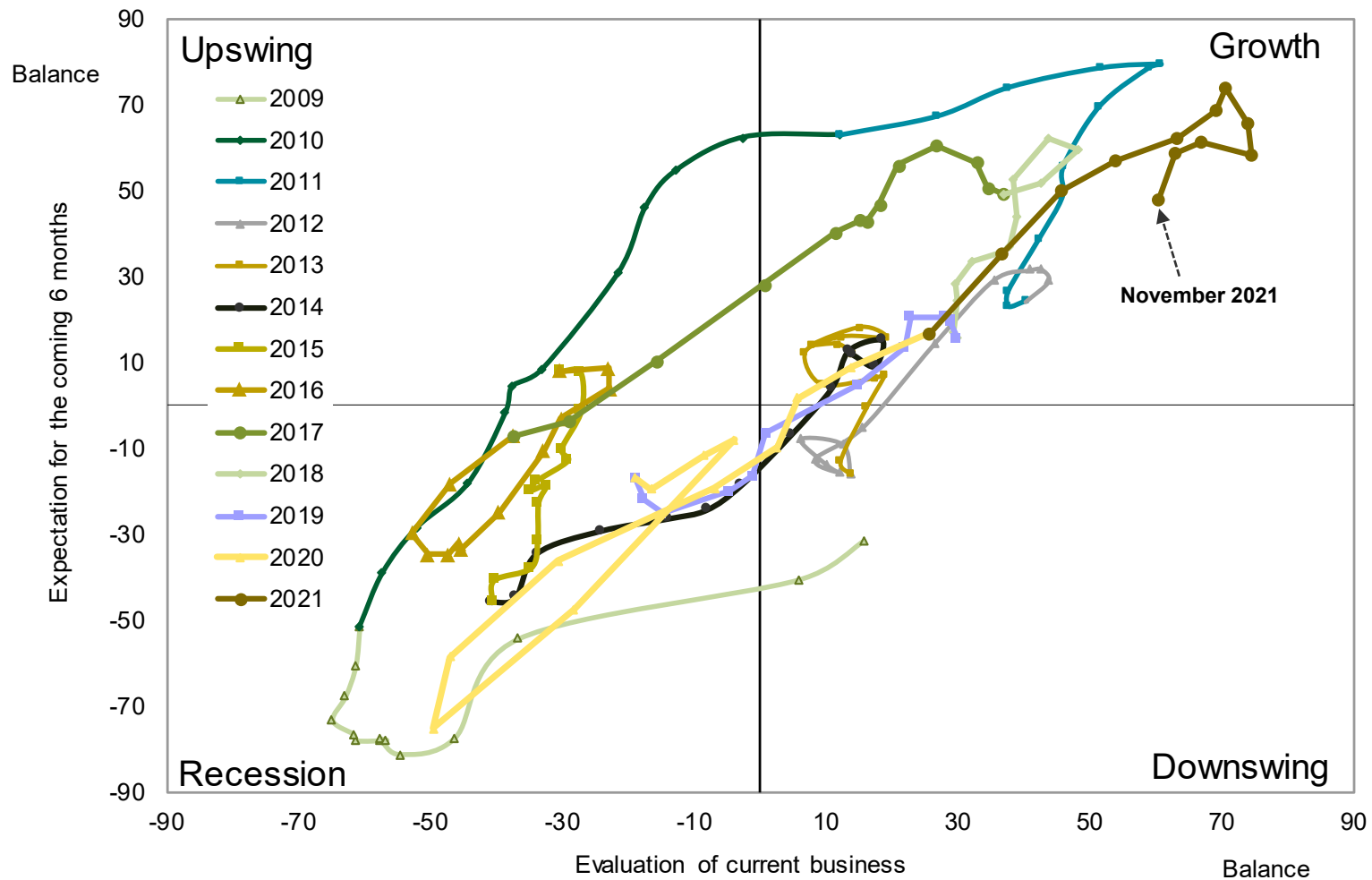
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



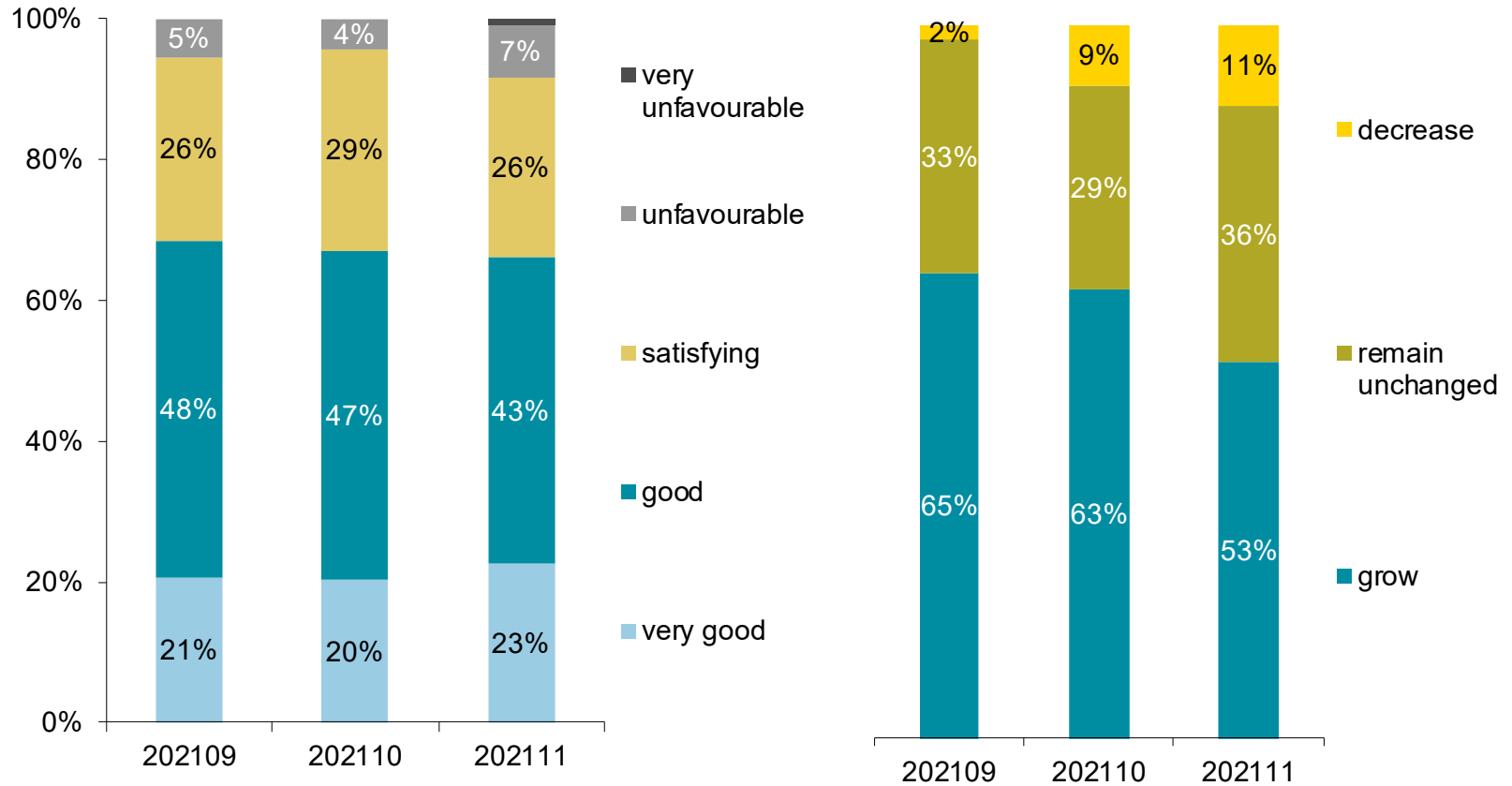
Source: CEMA Business Barometer, each value as an average of the last two months

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....

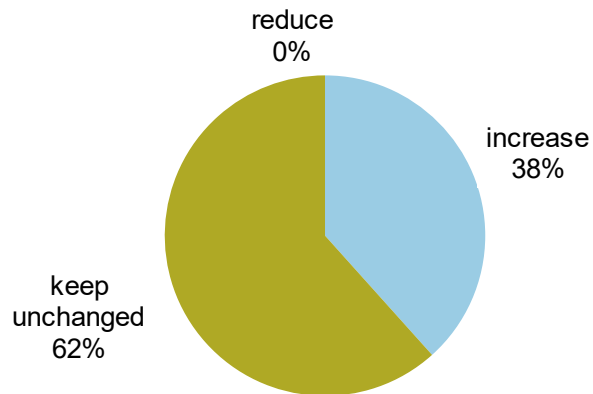


Source: CEMA Business Barometer

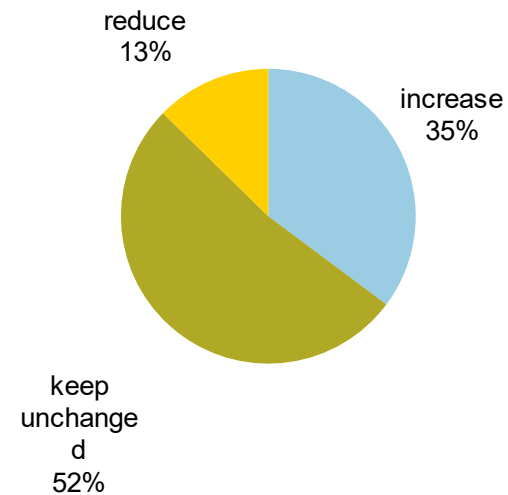
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer November 2021