

CEMA Business Barometer

Public excerpt January 2022



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 merely delay growth

Executive summary of the survey in January

The general Business Climate Index for the Agricultural Machinery Industry in Europe has further stabilized at high level after several months of slight downward correction since its record peak in May and June (where it reached its highest level since 2008). In January, the index increased slightly to 58 points (on a scale of -100 to +100).

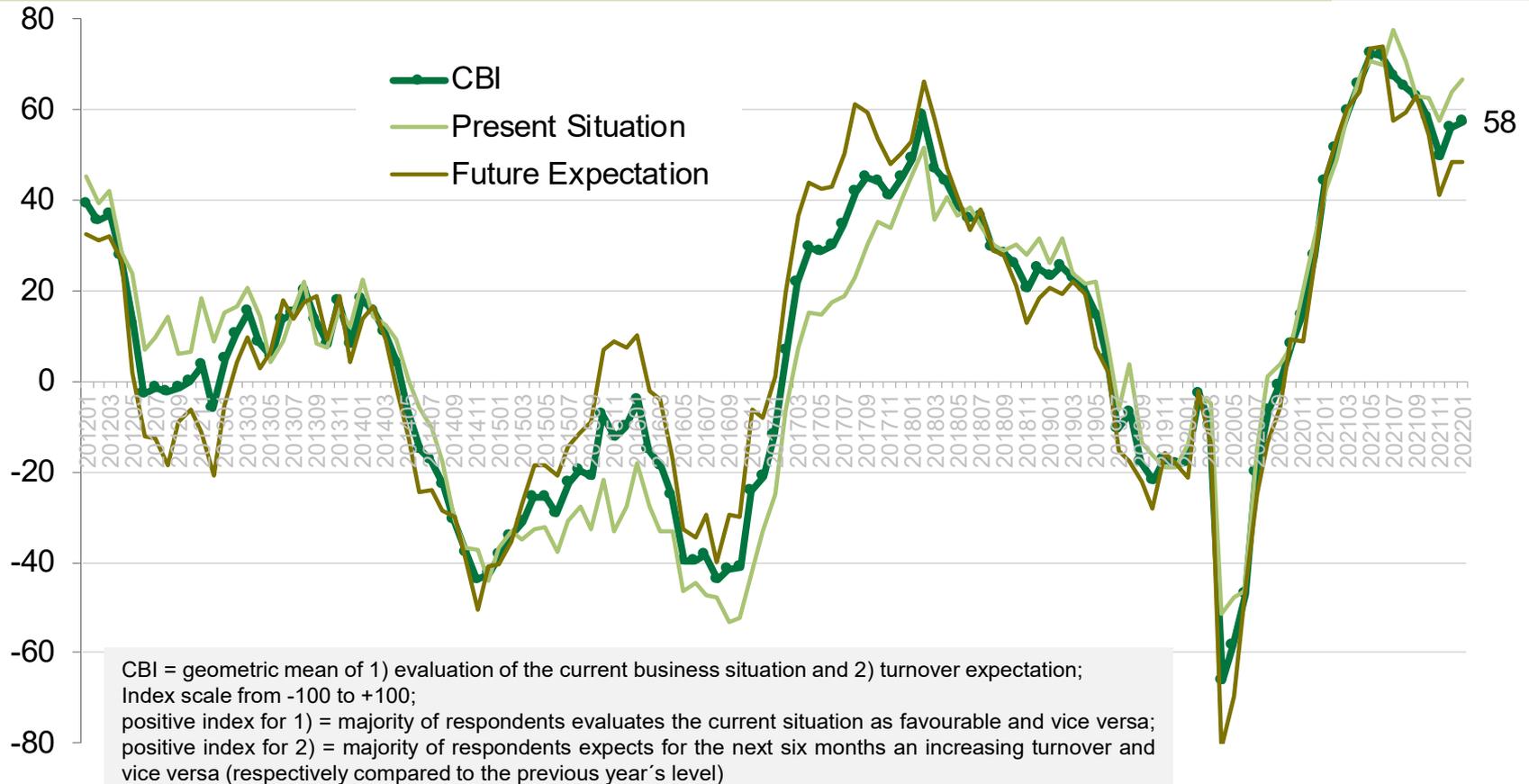
With regard to expectations for the coming order intake (an indicator which does not feed into the general Business Climate Index), skepticism has meanwhile spread among industry representatives (more pessimists than optimists for the first time since the end of 2020).

However, for the moment, the manufacturers continue to be faced with a very dynamic order intake from the dealer side - despite order books at record levels. 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.

Consequently, the near future turnover is already secured and there is still growth potential for the time being, which might initially merely be delayed into the coming months due to the supply bottlenecks. Price increases and shortages on the supplier side appear to have moderated slightly, but continue to challenge the industry heavily. Once again almost half of the companies are planning a temporarily production stop due to a shortage of certain parts in the coming four weeks.

Business Climate Index Development

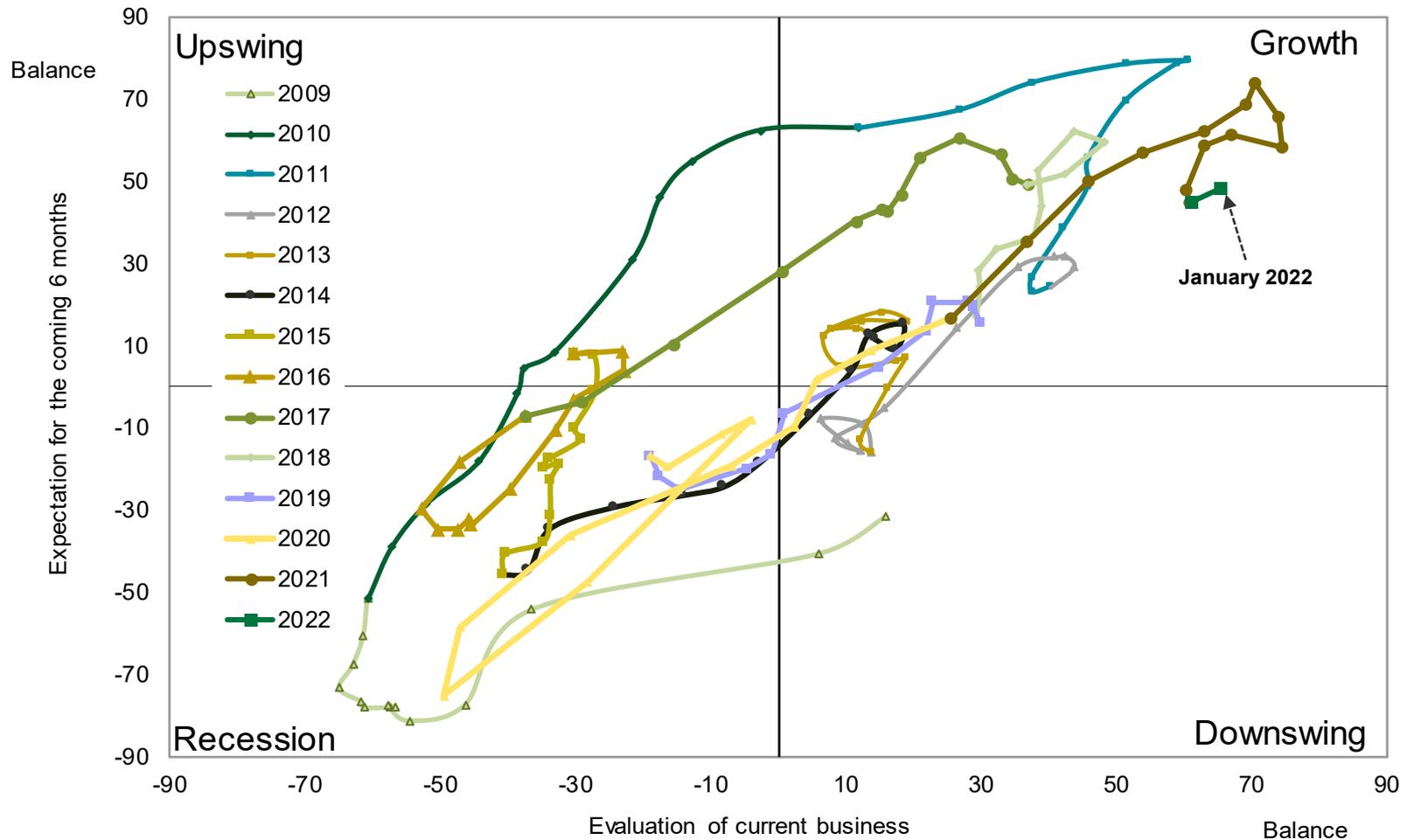
CEMA Business Climate Index (CBI) -Total



Source: CEMA Business Barometer

Business Climate

Illustration of Business Cycle



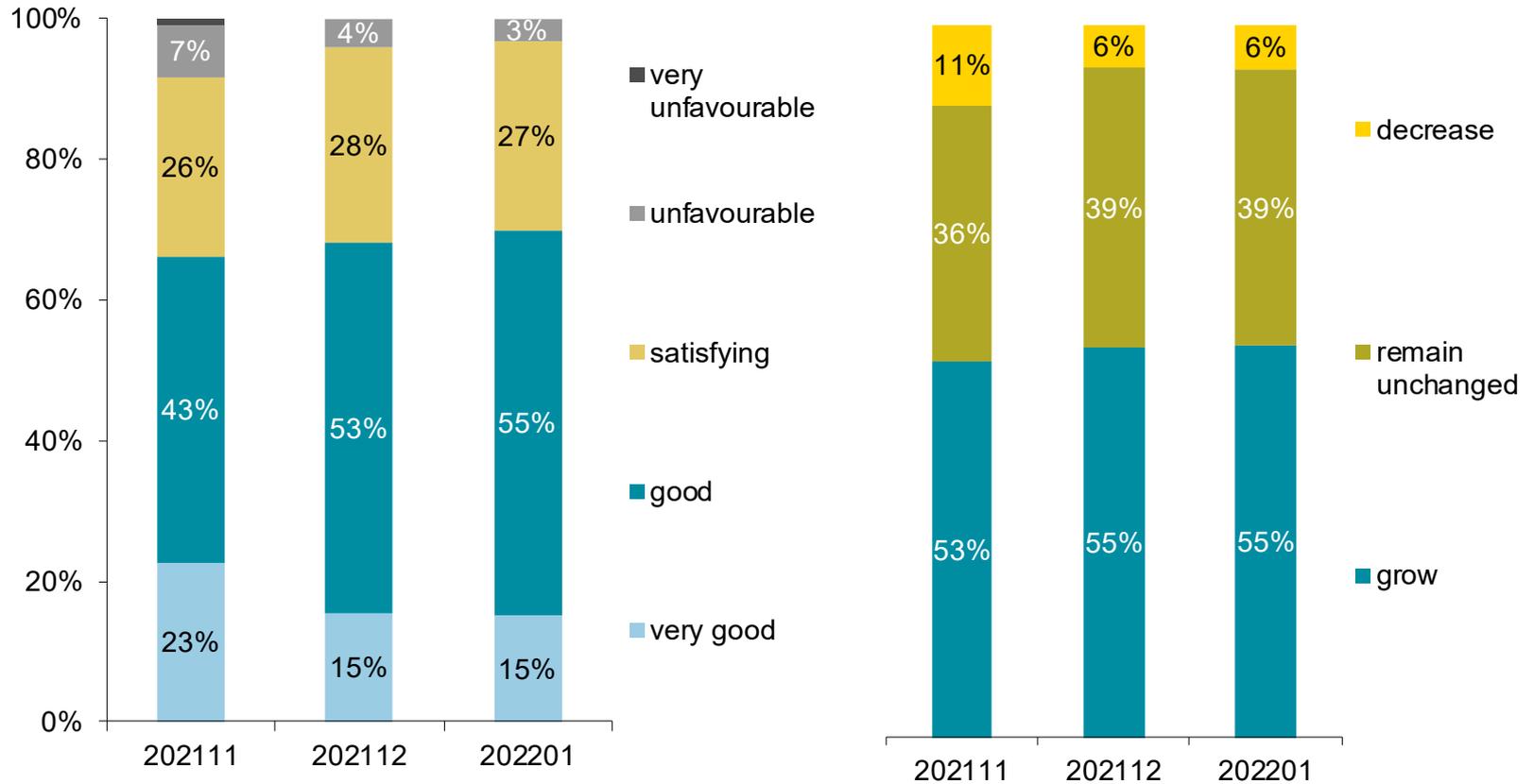
Source: CEMA Business Barometer, each value as an average of the last two months

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....

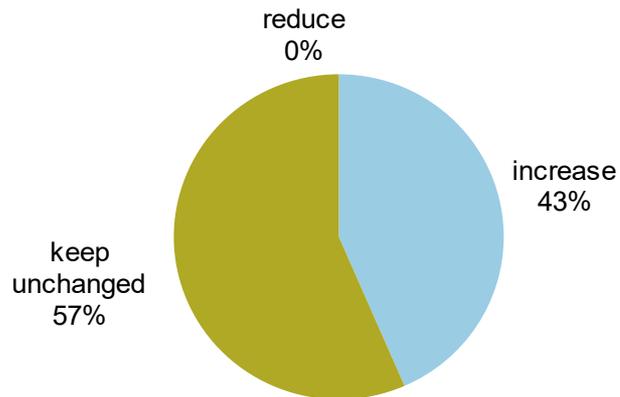


Source: CEMA Business Barometer

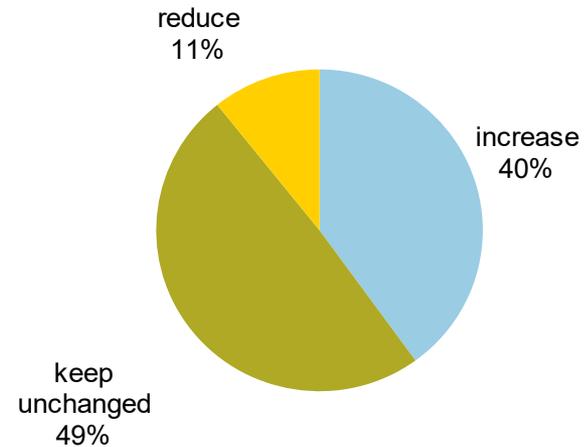
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer January 2022