CEMA Business Barometer

Public excerpt September 2020



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



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Business climate better than before COVID-19
Executive summary of the survey in September

The general Business Climate Index for the Agricultural Machinery Industry in Europe has improved again and is now exceeding the (low) pre-COVID-19 level. Now, in September 2020, the index is at -1 points (on a scale of -100 to +100).

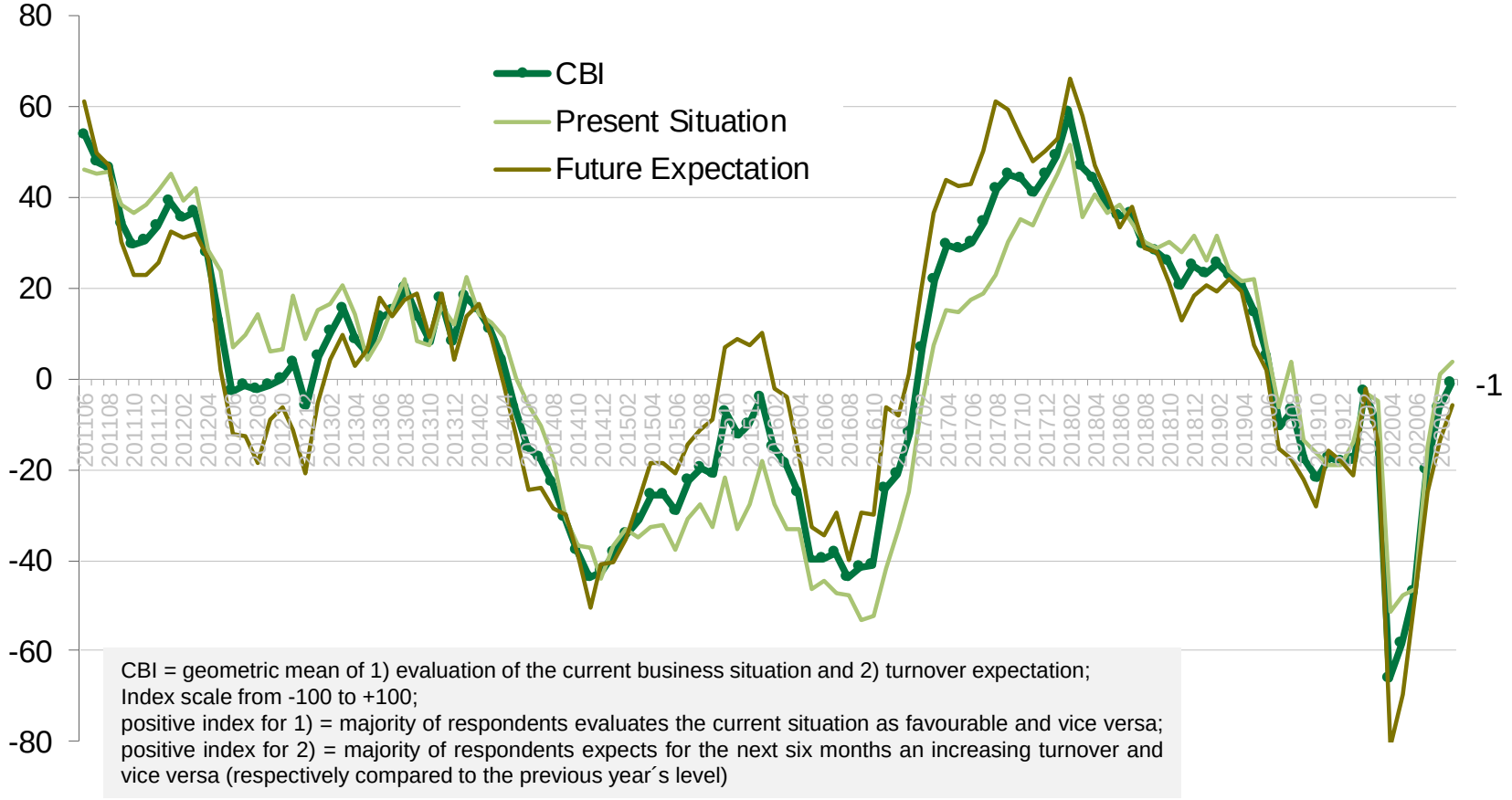
While the improvement in the first months after the COVID-19 shock was mainly due to less negative future expectations, the evaluation of the current business has improved significantly as of July. The index on the current business has further increased (within the plus zone) and is again outperforming the expectations for the coming six months. Meanwhile, the survey participants do not expect any significant decline for the total year of 2020, but an overall flat trend (median: +0%, arithmetic mean: -1%) - and a further recovery in 2021 (median: +3%, arithmetic mean: +3%).

Also on the European market side, the expectations have continued to further improve for several countries. As top growth markets within Europe are considered Poland, Italy, Austria, Switzerland and Scandinavia. Low confidence levels remain on the other hand for the UK and Romania. However, at least in the case of Romania, it might only be a matter of time for this market to catch up. Together with Poland and the CIS countries, Romania is currently assessed as the country with the highest investment need.

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Business Climate
Index Development

CEMA Business Climate Index (CBI) -Total



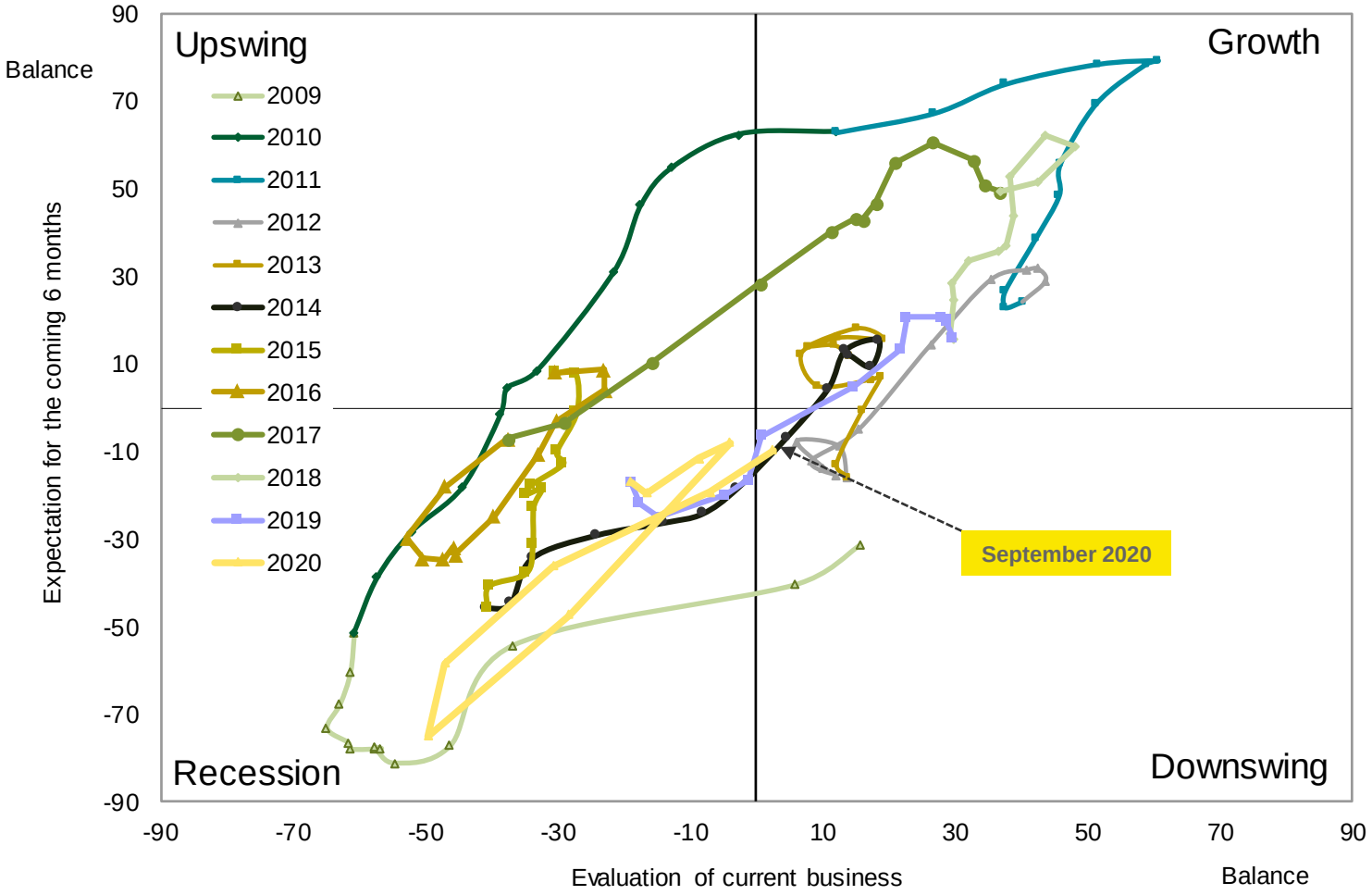
CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation;
Index scale from -100 to +100;
positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa;
positive index for 2) = majority of respondents expects for the next six months an increasing turnover and vice versa (respectively compared to the previous year´s level)

Source: CEMA Business Barometer

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Business Climate

Illustration of Business Cycle

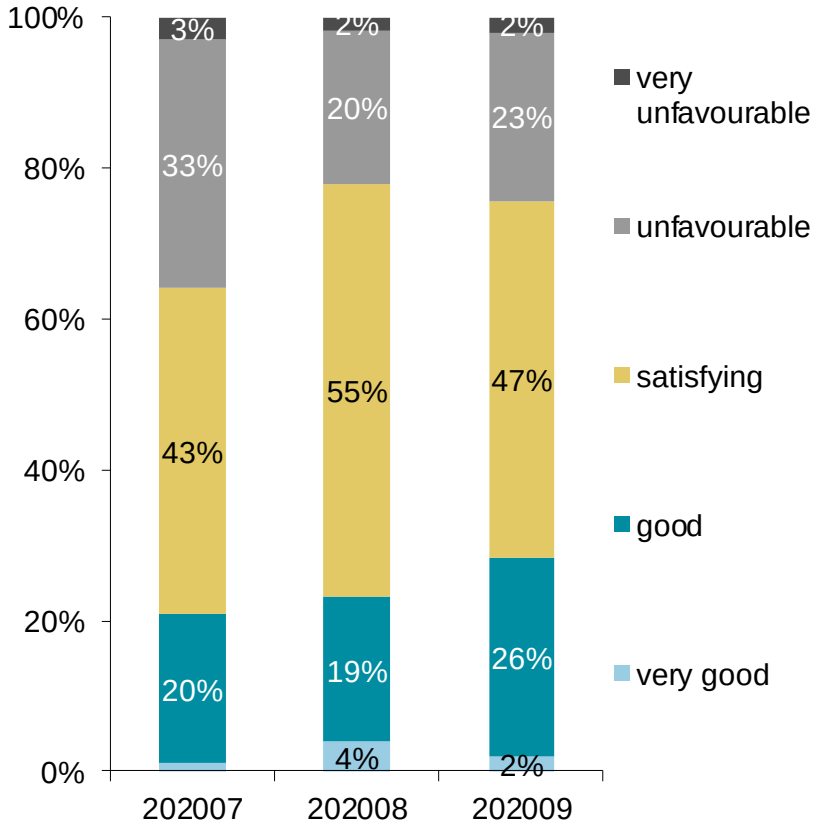


Source: CEMA Business Barometer, each value as an average of the last two months

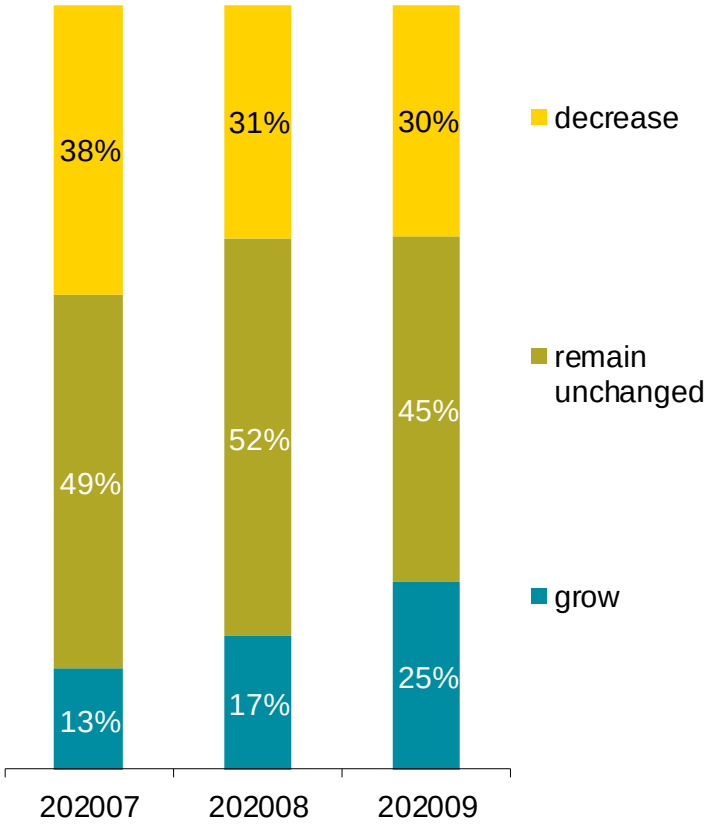
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Business Climate
Current Evaluation and Expectations

Question: We consider our current business to be ….



Question: We expect our overall turnover within the next 6 months to....



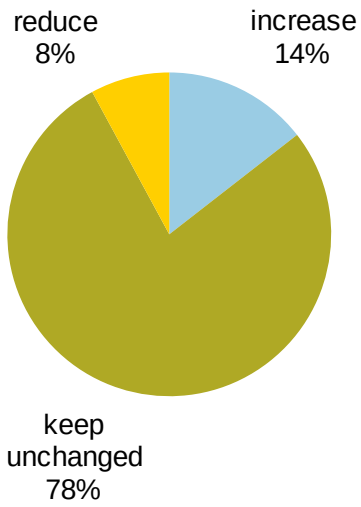
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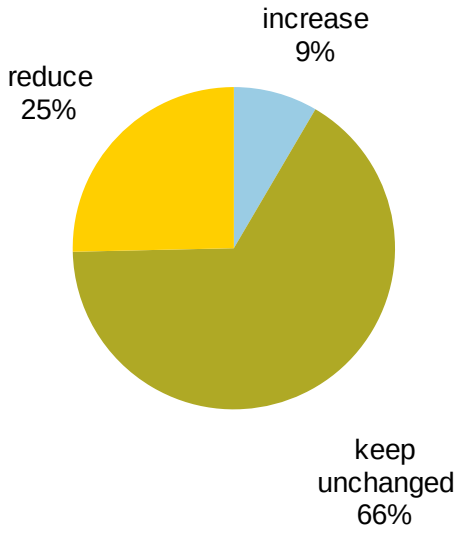
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer September 2020

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