CEMA Business Barometer

Public excerpt October 2020



CEMA

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 positive after more than a year
Executive summary of the survey in October

The general Business Climate Index for the Agricultural Machinery Industry in Europe has repeatedly improved and is now back in positive range for the first time since mid-2019. In October 2020, the index is at +8 points (on a scale of -100 to +100).

For almost all segments the business climate indices have improved. A (very) negative exception is the segment of lawn, garden and municipal equipment. Another outlier is the livestock equipment, which has slipped back into the negative after three very positive months.

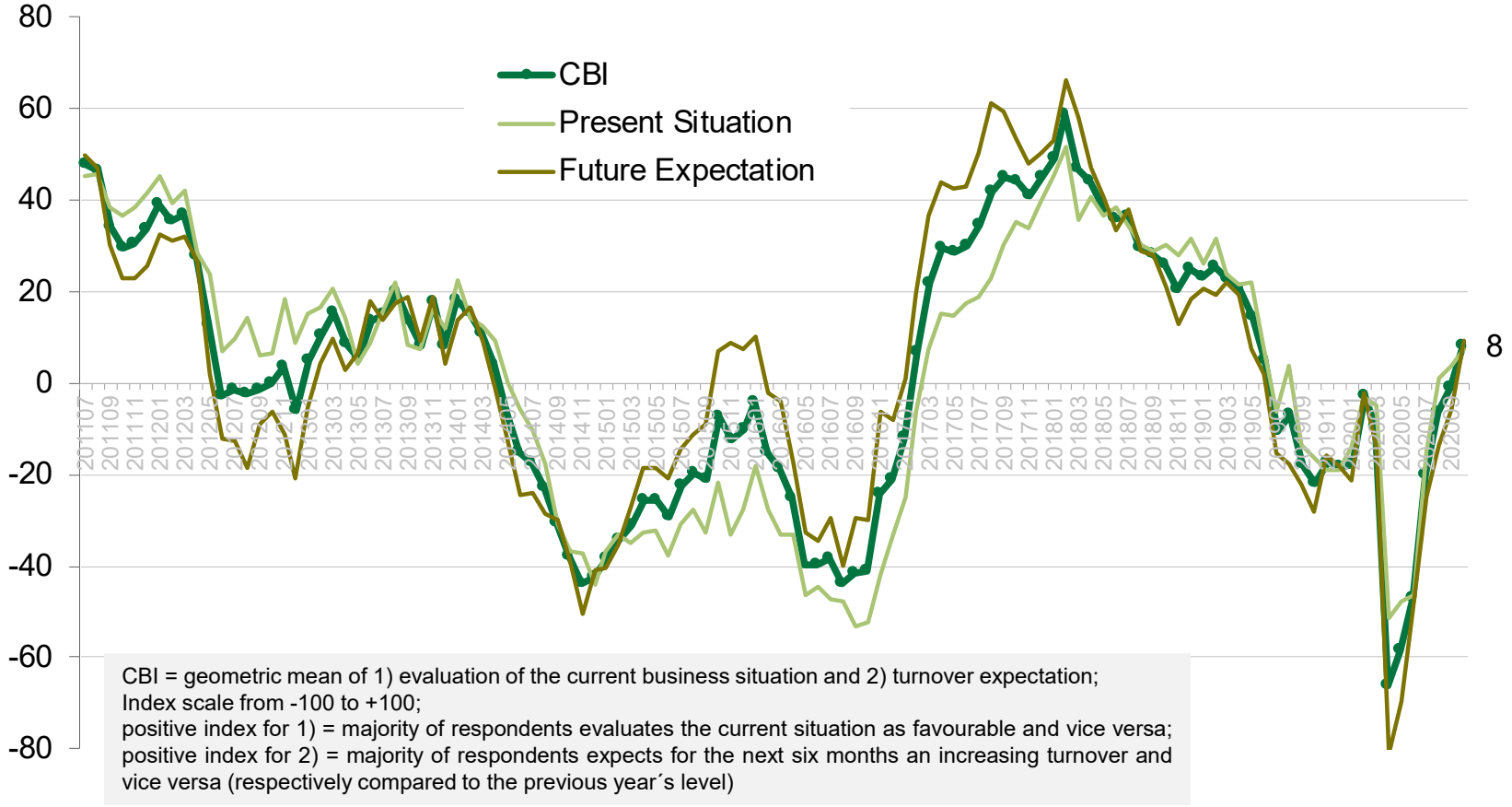
Overall, turnover and incoming orders from both within and outside the EU have risen significantly in recent weeks. However, in contrast to the turnover, further increases in order intake are not expected. It should also be noted that the business climate has not improved across all production locations in Europe. In a comparison of the major production locations, a clear majority with positive evaluations can only be found in Germany.

With regard to the market side, the expectations have continued to further improve for several European countries. Only South-Eastern Europe, UK and the Netherlands are currently facing a negative outlook. Meanwhile, also the current dealer stock levels with new machines are considered to be below average across almost all markets, except for the UK.

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Business Climate
Index Development

CEMA Business Climate Index (CBI) -Total

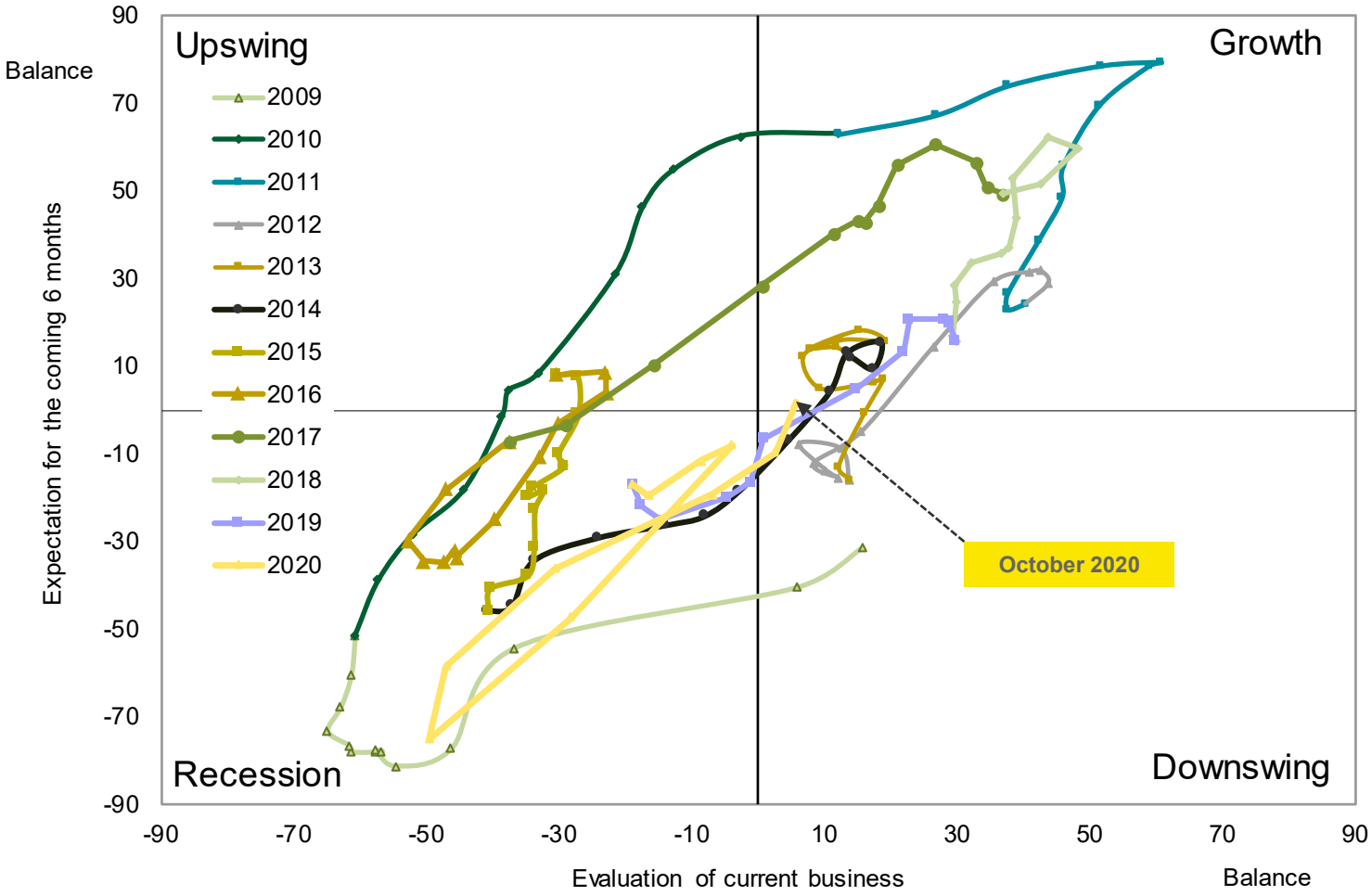


CBI = geometric mean of 1) evaluation of the current business situation and 2) turnover expectation;
Index scale from -100 to +100;
positive index for 1) = majority of respondents evaluates the current situation as favourable and vice versa;
positive index for 2) = majority of respondents expects for 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

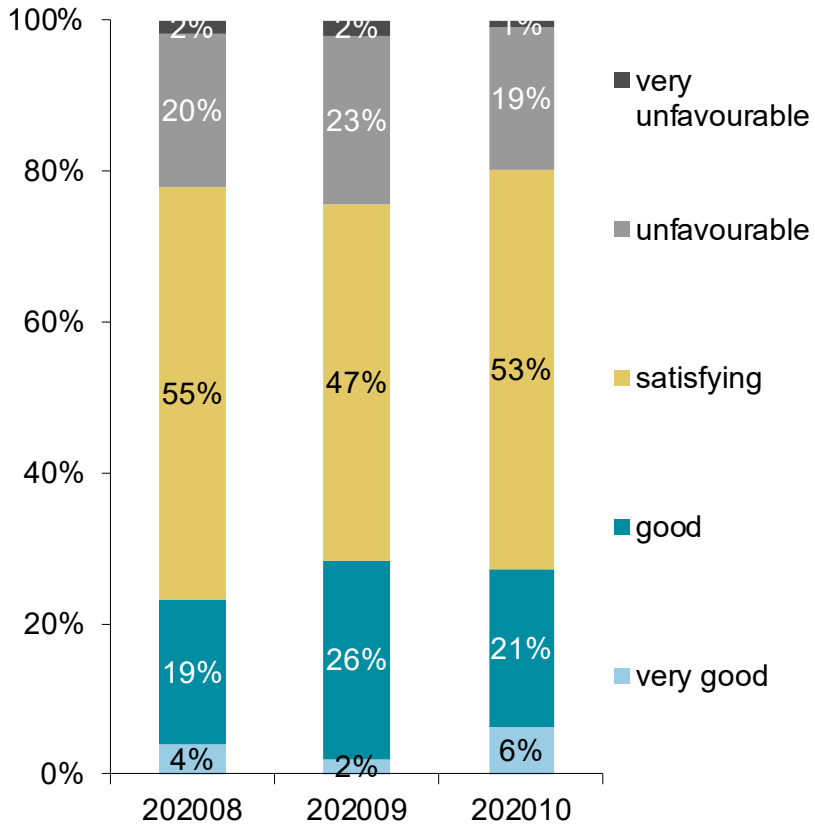


Source: CEMA Business Barometer, each value as an average of the last two months

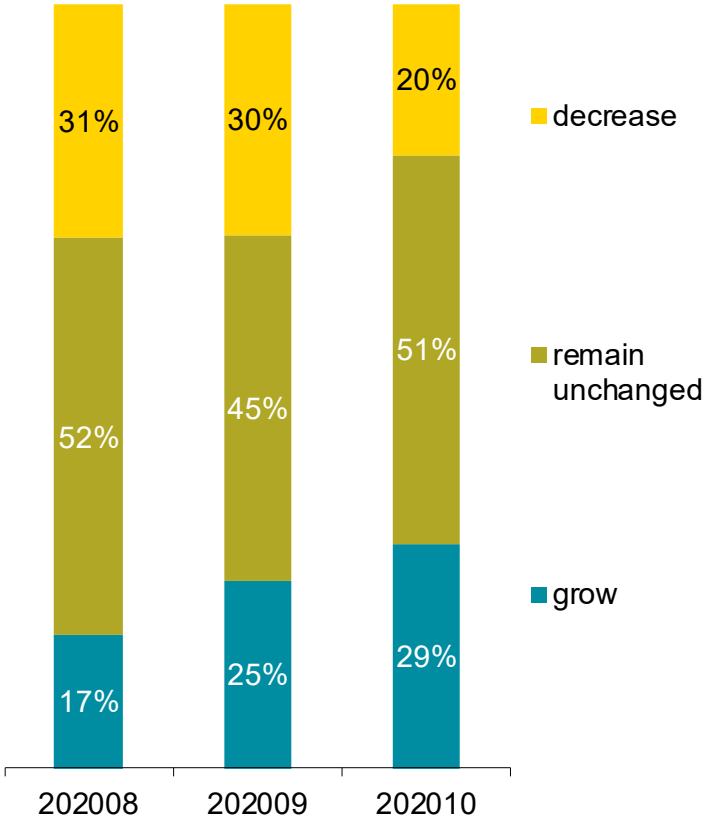
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Business Climate
Current Evaluation and Expectations

Question: We consider our current business to be ….



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



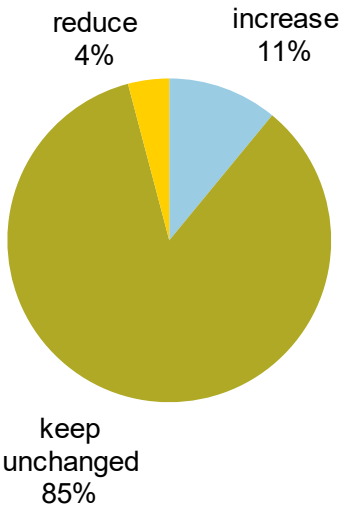
Source: CEMA Business Barometer

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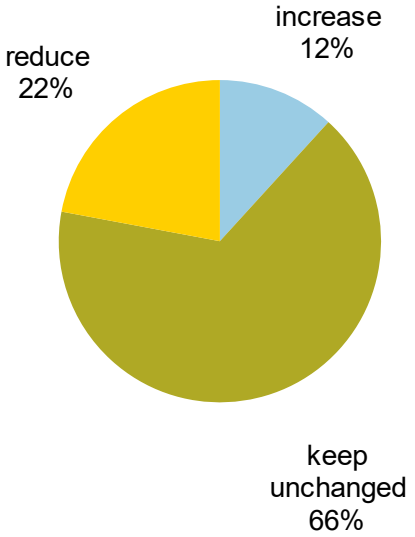
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer October 2020

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