



CEMA Business Barometer

Executive summary report November 2015

What is the CEMA Business Barometer?

- ▶ A monthly survey within for 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



Recovery in Europe based on future expectations

Executive summary of the survey in November

The CEMA business climate index declined slightly, however entirely due to an negative evaluation of the present situation. The future expectations kept increasing, after a significant improvement in the past month, which led that they turned into positive for the first time since early 2014.

On the one hand, the European average of the volume of orders is historically low, currently corresponding to a production period of 1.9 months. On the other hand, overall order intake expectations have been steadily rising in the last months.

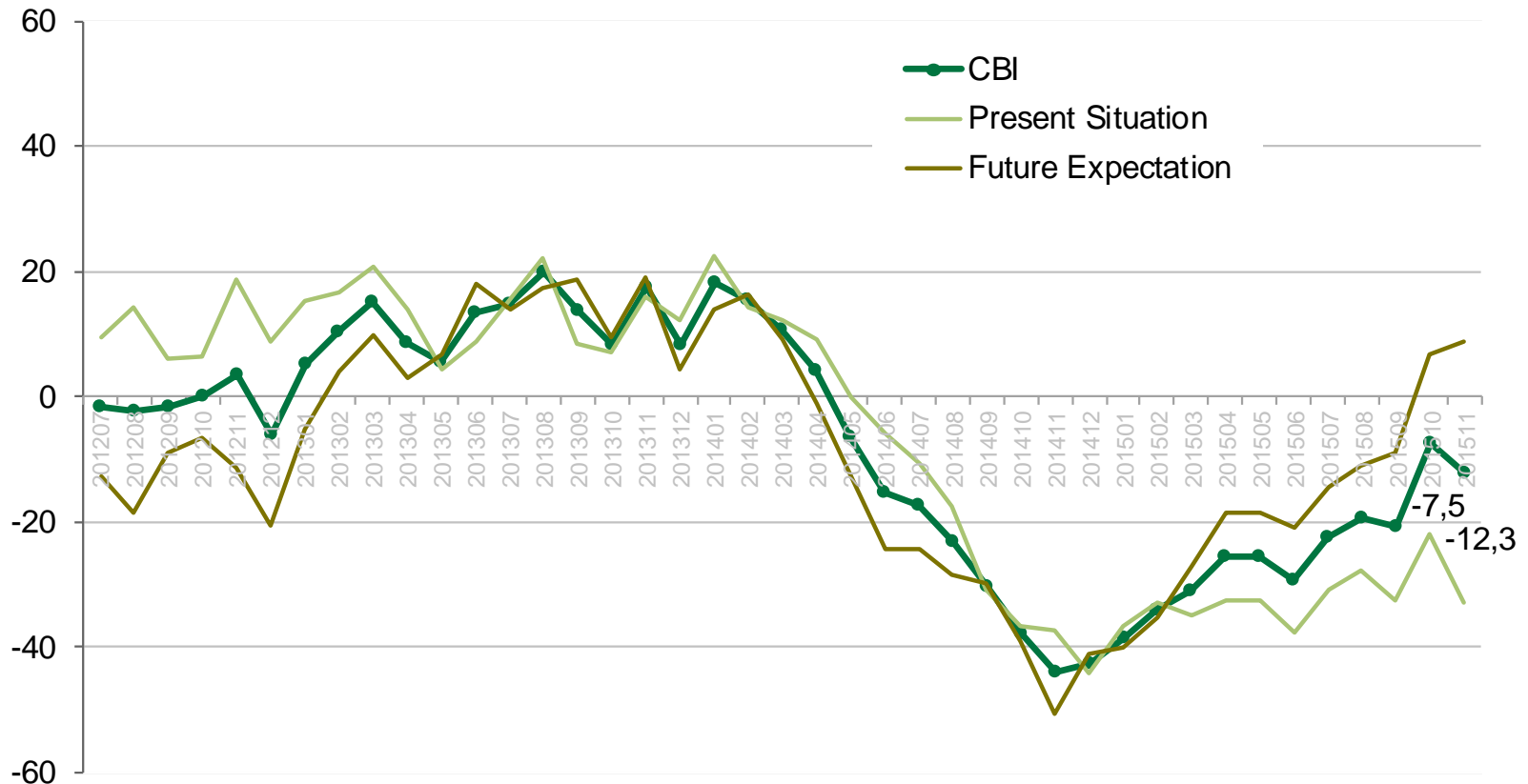
The expectations for both, order intakes and volume of turnover, are the highest in the segment of components, followed by equipment for lawn, garden and municipalities, whereas livestock equipment ranks considerably below total industry average.

France has maintained its dynamic upward path. The turnover expectations in the Eastern European countries remain stable - with exception of Poland for which they strongly slipped down. The expectations in the CIS countries increased sharply for the third time in a row and are by now better than in Germany, Belgium and the Netherlands, where the representatives remain very pessimistic. These markets are slowed down by high dealer stock levels, as well as by the general reduced farm profitability due to low agricultural commodity prices, especially for milk and pigs.

Business Climate

Index Development

CEMA Business Climate Index (CBI)

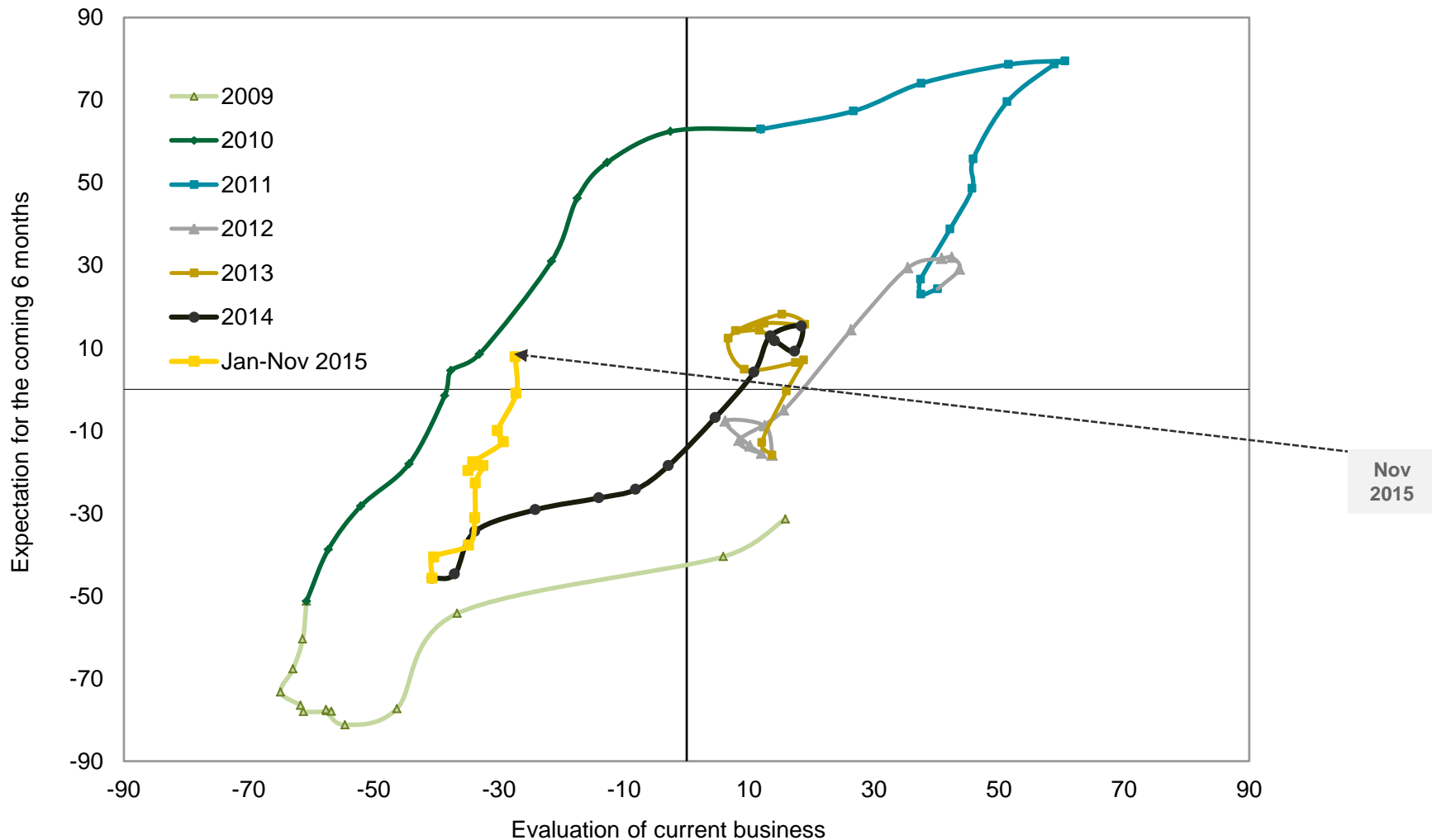


Source: CEMA Business Barometer

Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

Business Climate

Illustration of Business Cycle

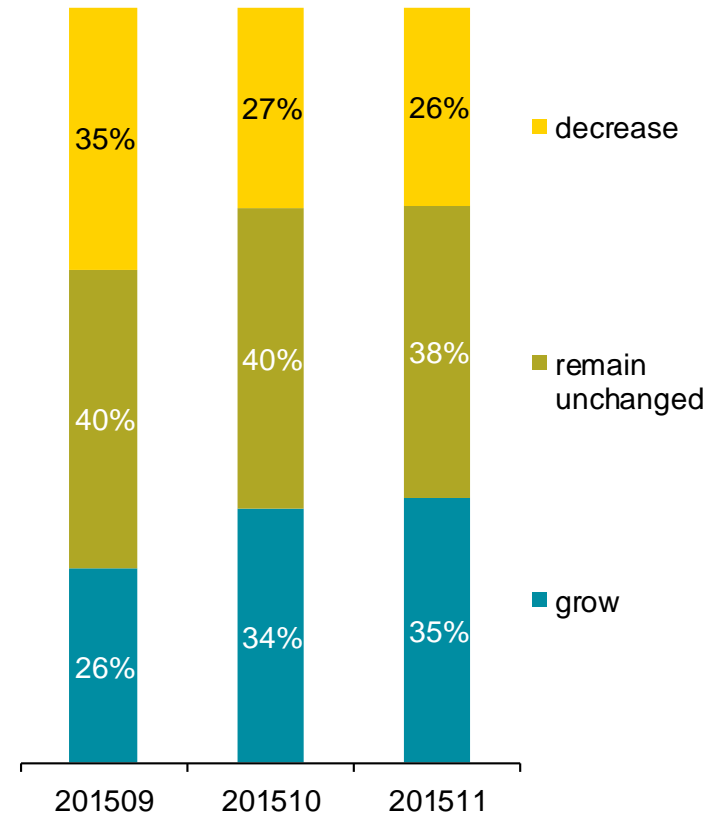
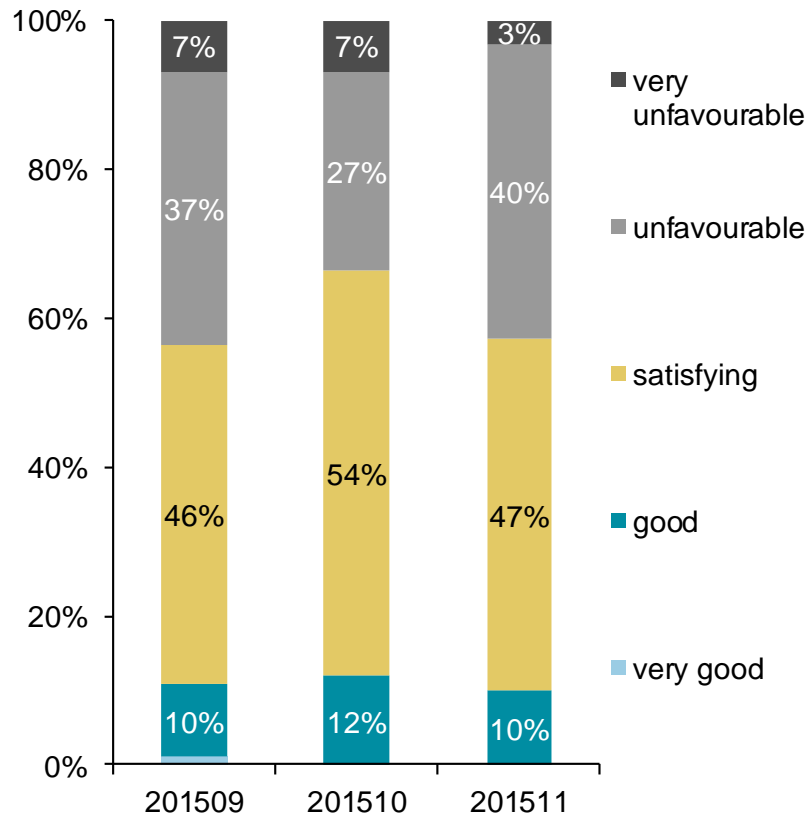


Business Climate

Current Evaluation and Expectations

Question: We consider our current business to be

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

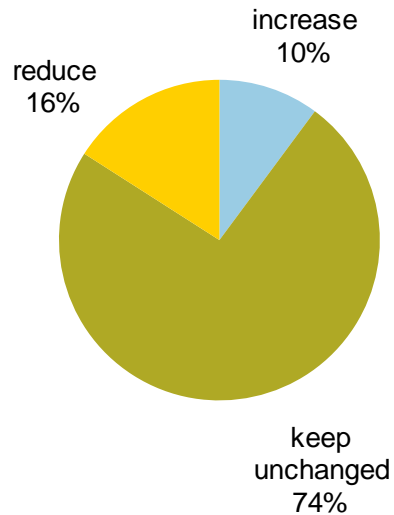


Source: CEMA Business Barometer

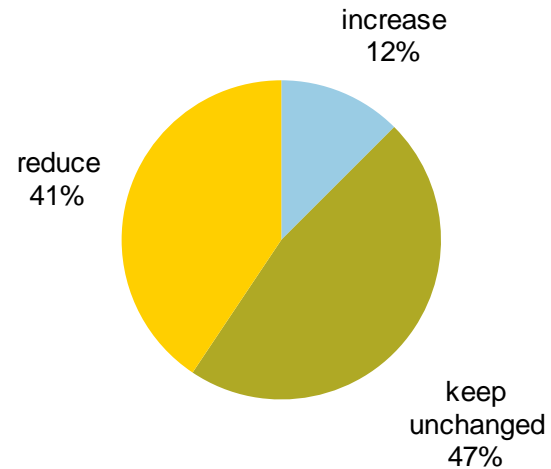
Employment

Question: Our plans regarding the workforce

Regular employees



Temporary employees



Source: CEMA Business Barometer November 2015