

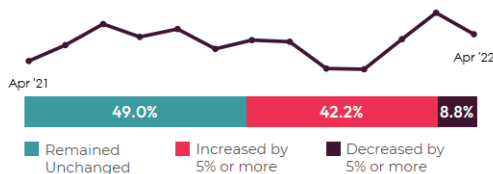
ECONOMIC SHAKINESS INCREASES WHILE PRO AV GROWTH SPEEDS ALONG

AVIXA®, the Audiovisual and Integrated Experience Association, has published the monthly Pro AV Business Index since September 2016, gauging sales and employment indicators for the pro AV industry. The index is calculated from a monthly survey that tracks trends. Two diffusion indexes are created using the survey: the AV Sales Index (AVI-S) and AV Employment Index (AVI-E). The diffusion indexes are calculated based on the positive response frequency from those who indicated their business had a 5% or more increase in billings/sales from the prior month plus half of the neutral response. An index of 50 indicates firms saw no increase or decline in business activity; more than 50 indicates an increase, while less than 50 indicates a decrease.

SALES INDEX

APRIL 2022

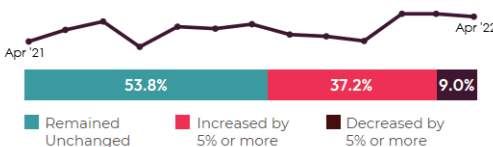
66.7



EMPLOYMENT INDEX

APRIL 2022

64.1



“As a live event business, all our events that were holding for the last two years are now running more or less all at once... Getting trained experienced AV staff is proving impossible and we’ve had to turn down events as we could not staff them in any roles, event management, ICT, AV, and catering.”

– LIVE EVENTS, EUROPE

HIGHLIGHTS:

- AV sales continued at a remarkably high pace in April, with the sales index (AVI-S) coming in at 66.7. This was a substantial deceleration from the single-month record observed in March (72.7), but it still indicates extremely fast growth. In fact, the period from February to April set a new record for the fastest three months of growth, surpassing the 2021 June/July/August growth boom prior to the worst of the Delta wave and the Omicron wave. So yes, deceleration, but still exceptional growth. Commenters pointed first and foremost to the supply chain as a brake on growth, particularly long lead times. On the positive side, the return to in-person activity is driving sales. It’s finally reaching the most COVID-sensitive applications, too, with a wave of positive sentiments coming from live events.
- Overall economic numbers in the first months of the year have been less rosy. U.S. Q1 GDP came in at a contraction of 1.5%. While the economic consensus suggests this is a product of temporary factors, declines in inventory purchasing due to pre-emptive purchasing in late 2021 and record highs in the trade deficit stand out as major contributors that are likely to be less negative in Q2. Why is AV so strong if the overall economy is less wonderful? Return to in person. Decreasing avoidance of situations where COVID-19 could transfer is spurring investment over and beyond what GDP is doing.

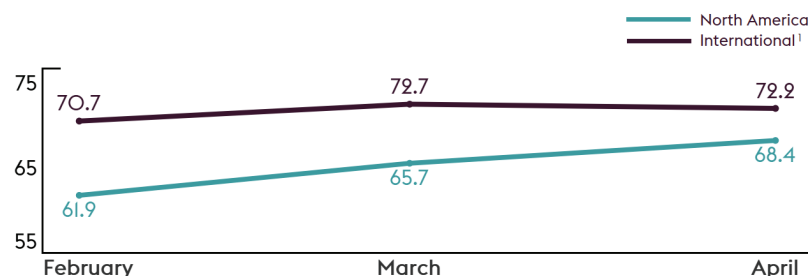
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HIGHLIGHTS: *(continued)*

- Also less rosy were stock markets, especially in the tech sector and especially in April. The drop has been globally shared, as both US and international markets have dropped some 17% since the start of the year. Another favored indicator is VIX, which measures uncertainty. The pandemic era has seen consistently high values compared to prior years, but VIX has moved from being in the 15–20 range for most of 2021 to spending weeks in the 30s in March and April. Among other aspects, the market is nervous about the possibility of a recession. Recession is an increasing possibility, but pro AV at least has the in-person return advantage. If that continues, we could see pro AV growing even despite a modest recession.
- AV employment is growing as fast now as it has in the history of the AVI-E index. This month's number was 64.1, right in line with the 64.9 observed in both March and February. Together, these months set a record for 3-month payroll expansion—just as we saw for AVI-S. Commenters note that hiring is not easy, but clearly, they're managing to add meaningful amounts of staff despite the difficulty. The wider economy also continues to see payroll expansion, as the U.S. economy added over 400,000 jobs for the 12th month in a row. Given that a month of 200,000 new jobs was a good month in the pre-pandemic era, this job run is a strong positive. For more information, keep an eye out for our 2022 Channel Employment Report, which is on track for publication at the end of May.

INTERNATIONAL OUTLOOK

Last month, we saw acceleration likely for both regions, though substantially more so for North America, which was growing quickly though significantly slower than the blistering pace observed in the rest of the world. The expected acceleration did indeed occur for North America in our preliminary April reading, which saw an increase from 65.7 to 68.4.² For the rest of the world, growth instead planed out at an extremely fast rate, as April's initial reading was 72.2, essentially the same as March's finalized 72.7 reading. Going forward, we are confident of continued rapid growth in both geographies, perhaps with more convergence towards similar growth rates.



Global regional indexes are three-month moving averages (based on prior, forward and current months) due to relative small ample size.

“Live events are picking up – except that everyone wants everything now – and lead times are incredibly tight. Hard to forecast past the next 60 days and continue to be conservative on investment decisions. Hoping that does not hurt us later.”

– LIVE EVENTS, NORTH AMERICA

¹ International regions include Europe, Latin America, Middle East/Africa, Asia-Pacific

² Due to the small sample, the North American and International indexes are based on a 3-month moving average. April 2022 index is preliminary, based on the average of March 2022 and April 2022 and will be final with May 2022 data in the next report.

METHODOLOGY

The survey behind the AVIXA Pro AV Business Index was fielded to 2,000 members of the AVIXA Insights Community between April 27, 2022, and May 2, 2022. A total of 284 Insights Community members completed the survey. Only respondents who are service providers and said they were “moderately” to “extremely” familiar with their company’s business conditions were factored in index calculations. The AV Sales and AV Employment Indexes are computed as diffusion indexes. The monthly score is calculated as the percentage of firms reporting a significant increase plus half the percentage of firms reporting no change. Comparisons are always made to the previous month. Diffusion indexes, typically centered at a score of 50, are used frequently to measure change in economic activity. If an equal share of firms reports an increase as reports a decrease, the score for that month will be 50. A score higher than 50 indicates that firms in aggregate are reporting an increase in activity that month compared to the previous month. In contrast, a score lower than 50 a decrease in activity.

“Supply chain is still an issue, but many are opting new cloud offering, which will help reduce that pressure. If NAB is any inclination of what’s to come, I am hopeful that we will see more AV manufacturers start opting what the IT world has been living for the last decade with cloud services-offerings.”

- BROADCAST/MEDIA, NORTH AMERICA

ABOUT THE AVIXA INSIGHTS COMMUNITY

The AVIXA AV Intelligence Panel (AVIP) is now part of AVIXA’s Insights Community, a research group of industry volunteers willing to share their insights on a regular basis to create actionable information. Members of the community are asked to participate in a short, two-to-three-minute monthly survey designed to gauge business sentiment and trends in the AV industry. Community members will also have the opportunity to participate in discussions, polls and surveys.

Community members will be eligible to:

- Earn points toward online gift cards
- Receive free copies of selected market research
- Engage directly with AVIXA’s market intelligence team to help guide research
- Ask and answer other industry professionals’ questions

The Insights Community is designed to be a global group, representative of the entire commercial AV value chain. AVIXA invites AV integrators, consultants, manufacturers, distributors, resellers, live events professionals, and AV technology managers to get involved. If you would like to join the community, enjoy benefits, and share your insights with the AV industry, please apply at avip.avixa.org.