

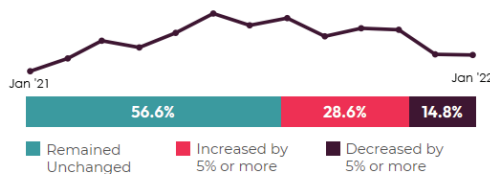
PRO AV GROWTH STEADY WHILE OMICRON PEAKED

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 the business activity; more than 50 indicates an increase, while less than 50 indicates a decline.

SALES INDEX

JANUARY 2022

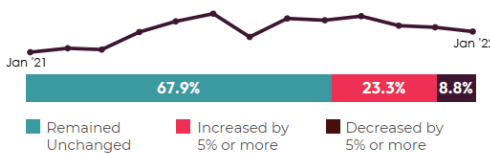
56.9



EMPLOYMENT INDEX

JANUARY 2022

57.3



“We are slowly improving. Due to Omicron, we have seen a slowdown of in-person meetings, and our teams are constantly evaluating the return to our offices.”

- INTEGRATOR, NORTH AMERICA

HIGHLIGHTS:

- With the Omicron wave on its downslope, we can now say the new variant managed only to moderate the pace of AV Sales growth. In January, the AV Sales Index (AVI-S) registered 56.9, almost identical to the rate observed while Omicron was rising in December. For comparison, the January 2021 AVI-S was at 52.0. Commenters confirmed the effect of omicron, with two specific business outcomes being further postponements of return to office and another dose of uncertainty about plans for live events. Also significant are supply chain issues. Commenters had a wide range of sentiments on this. Most didn't mention them at all. For some, they're an annoyance, where business happens on longer timelines but still in a welcome volume. For a few, they're a significant hindrance impacting the bottom line. At AVIXA, we don't anticipate the supply issues resolving quickly, but we believe things will generally improve throughout 2022. We warn that if demand spikes for certain solution areas—live events, for example—it will create supply shortages for that specific segment.
- In this month's survey, we asked providers to share their expectations for 2022 revenues compared to 2021. Translating that into a predictive AVI-S, we get a value of 74.9. That reflects that 57.3% expect sales growth over 5%, and just 7.5% predict, a decrease of more than 5%. Even in a challenging moment for our industry, optimism abounds!

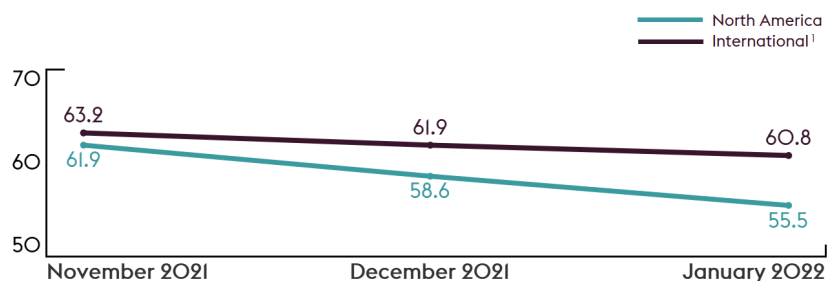
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HIGHLIGHTS: *(continued)*

- Employment growth is in the offing too. 73% of providers expect to add new workers, against just 17% who do not (10% responded “Don’t know”). 44% of end users are planning to add AV workers as well. Hiring could be a pain point for AV this year. With so many companies seeking to hire at once, placed against a backdrop of worker scarcity—especially in the US—it won’t be easy to find great candidates. Starting your search early is a good countermeasure, as it will give you time to recruit more candidates and help you get to the best options before your competitors do.
- Steadiness in sales extended to employment in January, as the AV employment index (AVI-E) measured 57.3. This was just over a point lower than the December AVI-E but well above what we saw at the start of 2021. The main takeaway for AV employment is that payrolls are steadily expanding. The AV payroll expansion occurred amidst a strong labor market in the U.S., as the January jobs report showed the addition of 467,000 jobs along with upward revisions for the November and December reports totaling 709,000 jobs. This one jobs report boosted numbers by almost 1.2 million! The labor market is recovering exceptionally well, which will continue to support workers looking for work and squeeze companies seeking to hire. That said, the report also offered good news on worker availability, as unemployment ticked up from 3.9% to 4.0%. That increase reflects more people rejoining the workforce, a welcome sign of economic normality.

INTERNATIONAL OUTLOOK

After spending the first half of 2021 growing more slowly than North America, the rest of the world has fared well of late and is now growing significantly faster. In January’s preliminary reading, the regional AVI-S registered 55.5 for North America and 60.8 for International.² For both regions, the growth rates were slower than what was observed in December, though the drop was significantly larger for North America. All signs point to a continuation of this trend, with the gap perhaps even growing when February’s data comes in.



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

••••• “Still the same issue, plenty of work but can’t receive equipment as manufacturers have back-order delays. My estimation is that this entire year will push out one quarter (things sold in Q1 won’t be done until Q2 etc.).”

••••• **– INTEGRATOR, 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. January 2022 index is preliminary, based on the average of December 2021 and January 2022 and will be final with February 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 January 27, 2022, and February 3, 2022. A total of 330 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 indicates a decrease in activity.

“The Xmas summer break is always a slow time, but with Omicron numbers high, the major capitals are dead, so all of our corporate support is scaled back, particularly client-side consulting (as there are no people in the offices, no additional spending, and low equipment and staffing availability).”

– PROVIDER, ASIA PACIFIC

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.