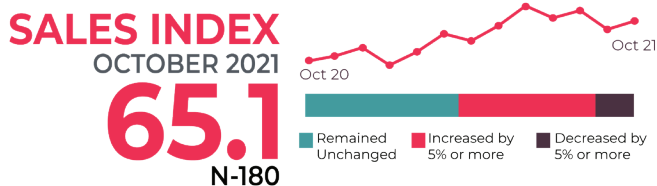


SALES ACCELERATE AS DELTA VARIANT FADES

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 data: 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; an index of more than 50 indicates an increase, while an index less than 50 indicates a decline.



“Expenditures are down, but it is mostly due to supply-chain issues rather than lack of work - we have a record number of requests jobs, we just can't get the material.”

- END USER, NORTH AMERICA

HIGHLIGHTS:

- After a disappointing deceleration in September, the AV sales index (AVI-S) showed an October rebound in the growth rate. October's AVI-S measured 65.1, 2.5 points up from the September figure. In our discussion of September's index, we predicted an acceleration, writing, "Going forward, we are confident that the index will show accelerating sales growth, with a higher AVI-S likely in October." We are pleased to see this materialize and are hopeful growth will continue at a similar pace for the coming months. In keeping with recent trends, COVID-19 and supply issues were the business factors our respondents cited most commonly. Interestingly, supply difficulties were often referenced in conjunction with positive comments on demand, along the lines of, 'The pipeline is great, our only concern is getting equipment.'
- According to the Bureau of Economic Analysis' official advance estimate, U.S. GDP grew at an annualized rate of 2.0 percent in the third quarter, down from 6.7 percent in the second quarter and 6.3 percent in the first. Interestingly, pro AV data has not followed GDP as closely as it usually does, with third-quarter growth only slightly slower than second-quarter growth and significantly faster than first-quarter growth. This is a reminder of pro AV's need to focus on the societal trend of returning to in person. Though the first quarter saw significant economic growth, limited vaccine proliferation held back in-person-centric AV spending. In the third

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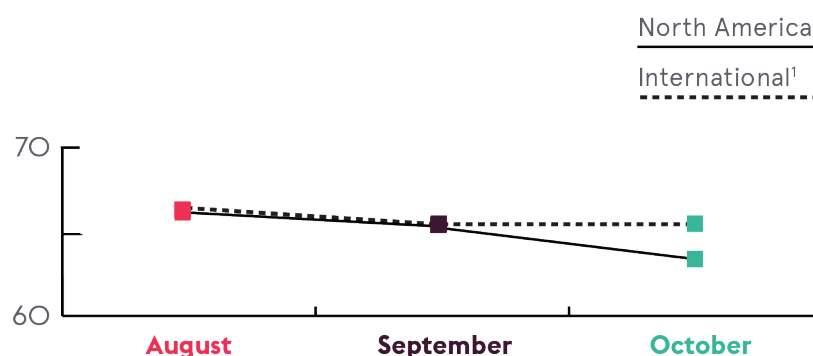
HIGHLIGHTS: *(continued)*

quarter, though the late-summer delta wave was a disruptor, the general continuation of restriction relaxation and return to in-person sustained rapid AV growth even as overall economic growth was more tepid.

- October marked another month in the growing sequence of strong AV payroll growth, as the AV employment index (AVI-E) measured in at 62.0. This is up 1.2 points from the September mark of 62.0. This comes on the back of an exceptionally strong U.S. jobs report. The headline numbers for U.S. jobs were the addition of 531,000 jobs—well beyond expectations of 450,000 jobs—and a decline in the unemployment rate from 4.8% to 4.6%. There was even more good news buried deeper into the report as well. The August jobs report initially showed the addition of just 235,000, but that was revised up to 366,000 in September and to 483,000 with this latest release. September also saw significant revision, from its disappointing 195,000 initial reading to a revised figure of 312,000 after the additional October data collection. In sum, that puts the U.S. economy 769,000 jobs ahead of what the September report showed. That’s a very strong figure! It offers two positive stories for our industry: first, though people aren’t rushing back to work in a flood, they are returning to jobs. This should allay nascent fears of labor shortages. Second, it shows the economic recovery is maintaining a great deal of strength. There is a solid foundation for added AV investment as in-person activity continues to grow.

INTERNATIONAL OUTLOOK

International growth accelerated slightly in October’s initial read while, as expected, North American growth continued to slowly decelerate for the third consecutive month.² The October international figure of 65.6 is 2.4 points higher than the North America figure of 63.2. We stress that both numbers represent strong growth that is strong compared to our 4 years of pre-pandemic data. Going forward, we expect North American growth to start to accelerate again while international growth stays roughly steady at its rapid expansion rate.



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

“Forecast to finish very well this month but stock shortages and lack of certainty around incoming dates have meant some business has been delayed or rolled into next month. It is both the lack of stock availability and the driver shortages affecting projects.”

– DISTRIBUTOR, EUROPE

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. October 2021 index is preliminary, based on the average of September 2021 and October 2021 and will be final with November 2021 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 October 28, 2021, and November 5, 2021. A total of 316 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, with the monthly score 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, while a score lower than 50 indicates a decrease in activity. Any score higher than 50 indicates an increase in activity.

“Due in most part to our activity within the live sports worlds (pre-game entertainment, fan experiential activation) we have seen a HUGE increase in business as one sport approached playoffs and another sport reached the meat of its season. Couple that with a few of our traditional spring ‘tentpole events’ being rolled over to the fall season, and we have had our biggest October in over four years.”

– RENTAL AND STAGIING, 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.