

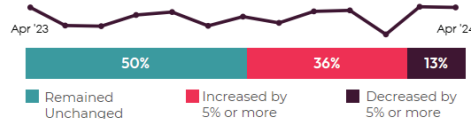
FROM STRENGTH TO STRENGTH: APRIL NUMBERS REINFORCE MARCH POSITIVITY

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 2024

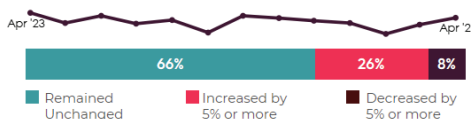
61.6



EMPLOYMENT INDEX

APRIL 2024

58.7



“We still feel there is some uncertainty in the commercial spaces and budgets are constrained or delayed. Education and government markets seem to be holding steady if not picking up momentum especially as we get closer to summer install season.”

– DISTRIBUTOR, NORTH AMERICA

HIGHLIGHTS:

- Good growth continues. The surprising slowdown recorded for February, when the AV Sales Index (AVI-S) dropped from 60.7 to 53.4, looks more like a blip than ever. In March, the AVI-S immediately rebounded to 61.8, a strong growth level that was actually the highest in a year. The strength continued this month, with the AVI-S measuring 61.6—essentially the same as in March. This level is well above the no-net change mark of 50, meaning that the pro AV industry is expanding at a strong rate. To add more context, 61.6 is also the level that the AVI-S measured in 2019.
- In the wider economy, the news was mixed. For the EU, revisions to their 2023 4th quarter GDP numbers shaved enough off to tip the Eurozone into back-to-back quarters of decline for the second half of 2023 (sometimes referred to as a “technical recession”). On the other hand, Q1 growth came in solid, with annualized expansion of 1.2%. This growth was actually enough to recover from the back-to-back quarters of contraction. In the U.S., Q1 GDP was disappointing. Though it was faster than the Eurozone expansion at 1.6%, it was also comfortably below the expected 2.4%. When adding in news of a little labor market weakness—more on this

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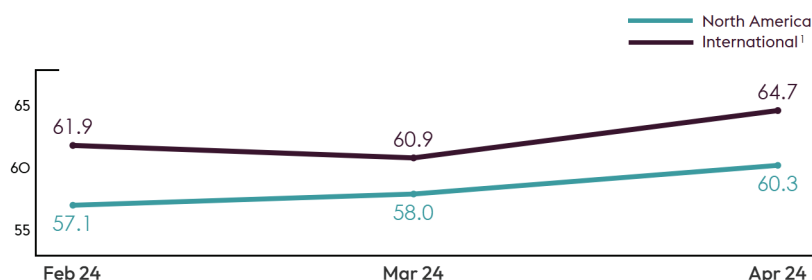
HIGHLIGHTS: *(continued)*

in the next highlight—the momentum is gaining for the U.S. Federal Reserve Board to shift interest rates lower to support economic expansion.

- For pro AV, the employment news was positive. The AVI-E (AV Employment Index) improved 2.1 points from its March level, rising to 58.7. While this is lower than the AVI-S, it's actually the highest result since November 2023. That said, this isn't a particularly high result for the AVI-E. The AVI-E has been somewhat subdued so far in 2024 (though still growing), and the current level is actually still a little shy of what would be normal in pre-pandemic times. In wider employment news, there is increasing worry that the remarkable and sustained strength of so many global labor markets is beginning to subside. In the U.S., the labor force added 175,000 jobs against an expectation of 240,000. If you're going to miss an expectation, it's always good to miss a high one like 240,000 is for the U.S. economy. But it's nonetheless a signal that the remarkable run of post-COVID labor market expansion is running out of steam. Assuming that's true, the challenge now is for the Federal Reserve Board to manage interest rates to get jobs and economic growth to settle in around where it is now, with inflation at target, too.

INTERNATIONAL OUTLOOK

April marked the 8th straight month that the rest of the world has exceeded North America in our regional breakdown of the AVI-S.² The initial read shows North America at 60.3 and the Rest of the World at 64.7. Despite the gap's persistence, persistence of the gap, we expect it to close next month. The current streak of 8 months is not the longest that one region has retained a growth advantage in the index, but it is close. Given that both regions have a mix of economic advantages and disadvantages, we expect the regions to be more even and for the growth advantage to bounce back and forth between the regions in the near future—though that is by no means guaranteed!



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

“Difficulty in recruiting experienced professionals, capable of managing live events without training. Most of them are already in the freelance world and unlikely to take up full employment in-house. General election means funding for events for Central Government are on hold.”

– END USER, 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. April 2024 index is preliminary, based on the average of March 2024 and April 2024 and will be final with May 2024 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 as well as many members of the ISE mailing list between April 26, 2024, and May 7, 2024. A total of 304 AV professionals 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 the aggregate, are reporting an increase in activity that month compared to the previous month. In contrast, a score lower than 50 is a decrease in activity.

“We have engaged new staff on a part-time basis to not overextend our costs, whilst at the same time be in a position to leverage up (which we see happening in the next 6 months).”

- AV PROVIDER, ASIA PACIFIC

“We are at peak event times right now, but, in about a month, it will drop off to a lower volume once the summer hits. The end of the fiscal year comes soon too, where expenses will go up as we all spend the rest of our budget.”

- END USER, 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.