

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 tracking trends. Two diffusion indexes are created using this data, the AV Sales Index (AVI-S) and AV Employment Index (AVI-E). The diffusion index is calculated based on the positive response frequency from those who indicated their business had 5 percent or more increases 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 over 50 indicates an increase, while an index under 50 indicates a decline).

Economy Remains Strong

Highlights:

- The AV Sales Index (AVI-S) jumped over two points to reach 67.4 for the month of June, which is 9.7 points higher than the same period last year and represents the second highest score in the 22-month history of the index. Overall, the panel points to consumer confidence, clients spending money, and new technologies/projects as reasons for June growth. Others point to being understaffed and overworked as a roadblock to continued growth.

“The continued growth in the sound masking and mass notification segments in Canada is driving increased demand for our products.”

– Manufacturer, North America

“This June, as many in previous years, has been one of the two highest grossing months. Many developer and user conferences traditionally happen in May or June, so it’s expected, year over year.”

– Live Events, North America

- Consistent with the continued expansion of the AVI-S, the Institute for Supply Management (ISM) said its index of national factory activity (PMI)

jumped to 60.2 in June, indicating an expansion in manufacturing. While manufacturing is in a growth period, concerns loom as the potential for a trade war escalates.

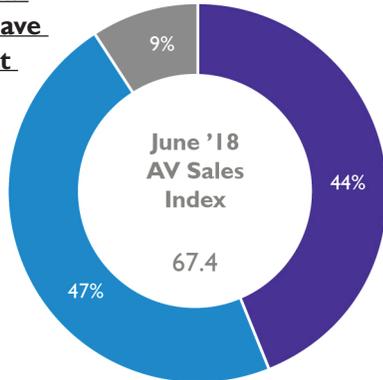
“The potential trade war with China and the tariffs are going to have severe impacts on us, as most manufacturers now either build everything in China or at least get a lot of their parts from China. We already have significant back orders from a number of manufacturers, and it is getting worse, not better.”

– Systems Integrator, North America

- Despite the U.S. unemployment rate raising from an 18-year low of 3.8 percent to 4 percent, the U.S. saw another month of added jobs, potentially increasing the labor shortage. The AV Employment Index (AVI-E) continues to reflect the strong U.S. economy with a growth in employment opportunities at AV firms increasing to 62.9 for June. Many are expecting job gains to slow as it becomes increasingly difficult to find qualified workers.
- Construction also remains strong through the summer months, picking up 25,000 new jobs in June.

Compared with the previous month, have the billings/sales at your location...

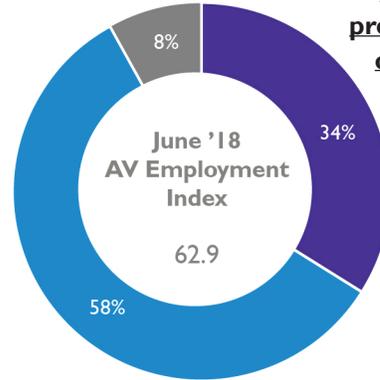
N-100



- Sales increased significantly (5% or more)
- Sales remained unchanged
- Sales decreased significantly (5% or more)

Compared with the previous month, is the overall employment at your location...

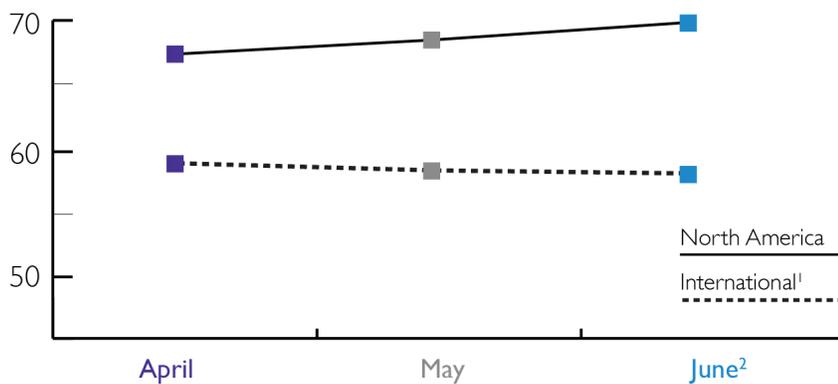
N-97



- Employment increased significantly (5% or more)
- Employment remained unchanged
- Employment decreased significantly (5% or more)

International Outlook

The June North American preliminary² Pro-AV Sales Index continues to increase, jumping 2.2 points to 70.6 while the international index remains steady at 58.8.



¹ Global 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 2018 index is preliminary, based on the average of March 2018 and April 2018 and will be final with May 2018 data in the next report.

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

Pro-AV Business Index, Historical Data (Previous 3 Months)

	April 2018	May 2018	June 2018
Pro-AV Sales Index*	61.8	65.0	67.4
Pro-AV Employment Index*	57.5	60.5	62.9

** For more data starting September 2016, please see past reports or join the panel to get the monthly report and data emailed to you directly.*

Methodology

The survey behind the AVIXA Pro-AV Business Index was fielded to 677 members of the AVIXA AV Intelligence Panel (AVIP), June 27 – July 9, 2018. A total of 171 AVIP members completed the survey. Only respondents who are service providers and said they were “moderately” to “extremely” familiar with their companies’ business conditions were factored in Index calculations. The AV Sales and AV Employment Indexes are computed as a diffusion index, 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 above 50 indicates that firms in aggregate are reporting an increase in activity that month compared to the previous month, while a score below 50 indicates a decrease in activity. Any score above 50 indicates an increase in sales/billings.

About the AVIXA AV Intelligence Panel

The AVIXA AV Intelligence Panel (AVIP) is a research community of industry volunteers willing to share their insights on a regular basis to create actionable information. Members of the panel are asked to participate in a short, two-to-three-minute monthly survey designed to gauge business sentiment and trends in the AV industry. Surveys may be taken via your phone or computer.

In return for their time and effort, AVIXA AV Intelligence Panel members will be eligible to:

- Earn points toward Amazon online gift cards
- Include select questions of their own in panel surveys

The AVIXA AV Intelligence Panel is designed to be a global community, 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 panel, enjoy benefits, and share your insights with the AV industry, please apply at avixa.org/insight/marketintel/AVIP.