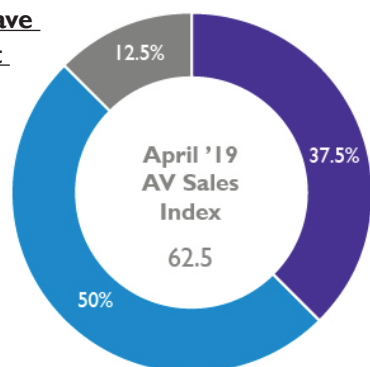


## Strong Pro-AV Indexes Match Strong Macroeconomic Numbers

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 5 percent 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.

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

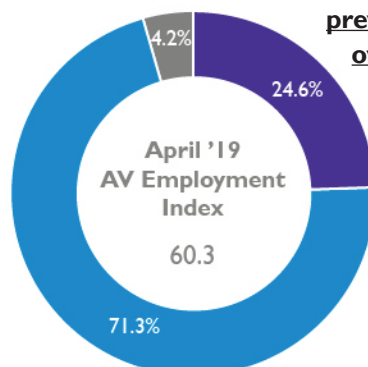
N-160



- 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-167



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

## Highlights:

- The pro-AV sector continued to grow in April, as the AV Sales Index (AVI-S) stayed well above the neutral 50 mark. At 62.5, this month's value was essentially unchanged from last month's mark of 62.2. Commenters identified the generally strong economic conditions as a primary driver of growth. Following recent trends, political challenges and competition for skilled workers pose headwinds to continued growth. A number of respondents expressed optimism for the coming months as summer is often considered a "busy season." However, reports on seasonal trends varied by country and hemisphere.
- Initial reports on first quarter U.S. GDP growth exceeded expectations in March, with the Bureau of Economic Analysis recording a 3.2 percent change. Economists had been expecting an increase of about 2.5 percent. This is the first time first quarter GDP growth has topped 3 percent since 2015.
- Major stock exchanges such as the S&P 500 reached record highs in April. After major declines in late 2018, numbers this high are a reminder that equity markets are fundamentally uncertain. Wisdom lies in taking the long view as much as possible, both when the market is down

as in November and December, and when it is up as it is now.

- The U.S. job market set a record for persistent increase as April marked the 103rd consecutive month of job growth. The economy did not limp to its record either: It added 263,000 jobs as unemployment reached a 50-year-low of 3.6 percent. Encouragingly for pro AV, construction was one of the growth drivers this month, with 33,000 jobs added into the sector. Pro AV had a good month of its own, extending its more modest record of 27 straight months of growth. At 60.3, April's AV Employment Index was 1.5 points above the March level. The increase confirms our prediction that the decline from February to March was noise rather than a negative trend. Again, despite bounces up and down, the index has remained above 50, indicating continued payroll growth in pro AV.

*"The economy seems to be boosting our business right now. People are spending money and wanting to do more video work. So that's always good."*

– Content Creator, North America

*"We have grown with increasing headcount to deal with the increased work, now we are consolidating that in order to upskill all staff to not only be on the same page but be able to offer more than our competitors for continued longer term work and interest from clients."*

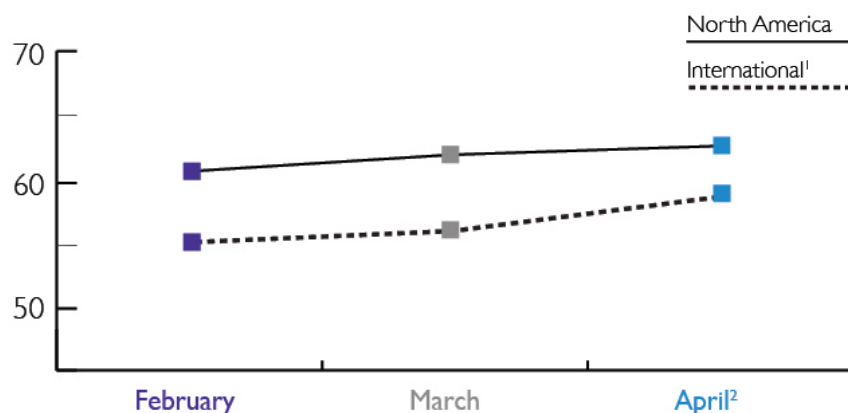
– AV Provider, Asia-Pacific

*"Things are steady. We know the summer will be very busy and are enjoying this time to do some employee training, prep for the future and reinforce customer relationships."*

– AV Integrator, North America

## International Outlook

The April regional preliminary<sup>2</sup> AV Sales Index showed reassuring growth. Preliminary numbers for March suggested International sales had declined 5 consecutive months, nearing the no-growth mark of 50. However, with the added data from April, it now appears sales growth had begun to rebound in March. Furthermore, the initial April numbers show a healthy bounce of 2.6 points. North American billing increased in April, but at about the same rate as it did in March. At the moment, North American sales growth is modestly higher than the International pace, but both regions are experiencing excellent conditions.



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

<sup>1</sup> Global regions include Europe, Latin America, Middle East/Africa, Asia-Pacific

<sup>2</sup> Due to the small sample, the North American and International indexes are based on a 3-month moving average. April 2019 index is preliminary, based on the average of March 2019 and April 2019 and will be final with May 2019 data in the next report.

## Methodology

The survey behind the AVIXA Pro-AV Business Index was fielded to 600 members of the AVIXA AV Intelligence Panel (AVIP), April 25 to May 1, 2019. A total of 275 AVIP 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 billings/sales.

## 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](https://avixa.org/insight/marketintel/AVIP).