

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).

Spring Holds Steady

Highlights:

- The AV Sales Index (AVI-S) fell this month to 61.8 from 67.2 but continues to reflect net industry growth. According to some panel members, April tends to be a slower month with business increasing even more during the summer. Last year the AVI-S Index also reflected industry expansion slowing from April through the summer months before a growth in expansion.

“At the end of our fiscal year, we saw an increase in AV expenditures. April/May are typically slower months, while in June and July [we] will see an increase as classrooms become available for AV upgrades.”

— North American End User

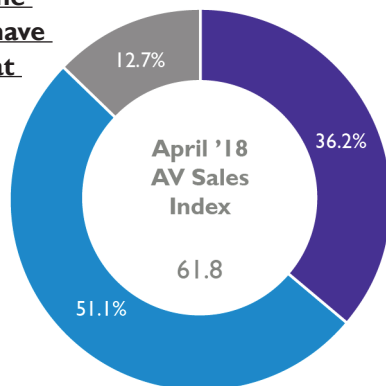
- Construction declines in the UK may put some constraints on pro-AV revenue opportunities in those markets, shifting projects from new build to remodel and refurbish. According to the Office for National Statistics (ONS) data, construction activity in the UK contracted by 0.8 percent year-on-year in the three months to February 2018, and it was down by 3.0 percent year-on-year in

February 2018. UK construction activity came in relatively strongly in 2017, largely due to the continuation of ongoing projects in regulated sectors and those backed by public finance. In 2018 the UK saw a sharp downturn in construction.

- AV companies continue to find it a challenge to fill open positions with qualified staff as the U.S. unemployment rate remains historically low, even while the AV Employment Index (AVI-E) continues to reflect a growth in employment opportunities at AV firms. According to the Labor Department, unemployment fell to 3.9 percent in April. In the past half-century, only the late 1960s brought an extended period when the rate stayed below 4 percent. The steady economy has produced 91 straight months of job growth. April job gains occurred in professional and business services, manufacturing, health care, and mining. While low unemployment and job growth have both been welcome by employees, wage increases have barely kept up with inflation, suggesting the labor constraints do not yet mean firms are truly competing for talent.

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

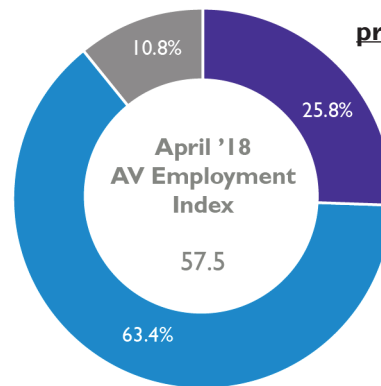
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- Sales increased significantly (5% or more)
- Sales remained unchanged
- Sales decreased significantly (5% or more)

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

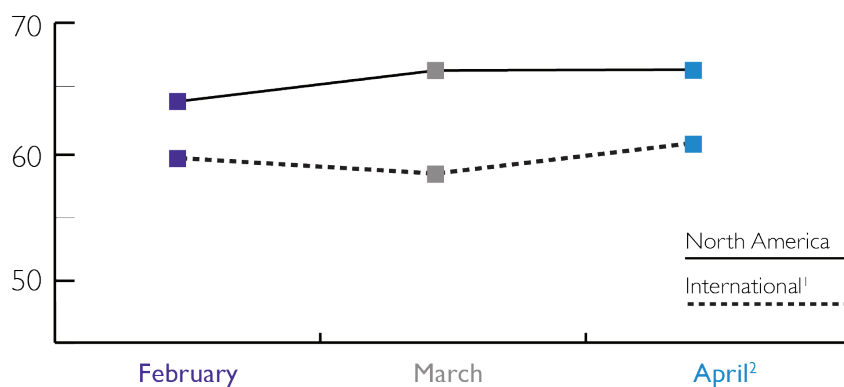
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- Employment increased significantly (5% or more)
- Employment remained unchanged
- Employment decreased significantly (5% or more)

International Outlook

The April International and North American preliminary² Pro-AV Sales Indexes continue in a growth period as the global economy remains strong. The preliminary April 2018 North American Pro-AV Sales Index remains unchanged at 66. The preliminary International Pro-AV Sales Index increased slightly to 61.7.



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.

Do You Know the Market?

Market research plays an important role in strategic business decisions and can be essential to keeping companies one step ahead of their competitors. In the pro-AV industry, research can keep firms abreast of sales forecasts, technology and employment trends, customer needs, new opportunities, and so much more! But, this doesn't mean every firm chooses to invest in research, given the diverse needs and resource availability of any given company. Data from our panel sheds a bit more light on the exact breakdown within the pro-AV industry.

Some 38 percent of our panel members have internal staff who work on some form of AV research, though less (30 percent) have purchased research from a third party. Manufacturers tend to be the most likely to purchase research, given their need to understand the market trends to create and sell their products in a competitive manner. As one would expect, companies with more revenue are more likely to have internal staff who work on AV research and purchase research from third parties.

Revenue

	\$5 million or less	\$5.1 to \$25 million	Over \$25 Million
Purchased Research	23%	25%	52%
Have Internal Research Staff	28%	46%	49%

** 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.*

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

	February 2018	March 2018	April 2018
Pro-AV Sales Index*	61.1	67.2	61.8
Pro-AV Employment Index*	60.8	64.4	57.5

** 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 665 members of the AVIXA AV Intelligence Panel (AVIP), April 26 - May 3, 2018. A total of 157 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.