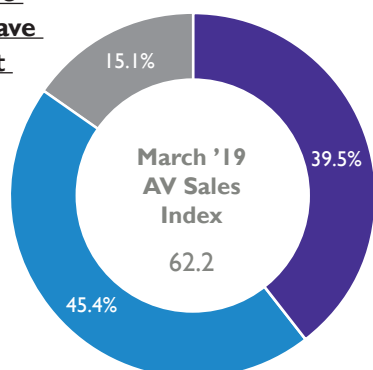


Steady Sales and Strong AV Employment Growth Despite Political Risks

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...

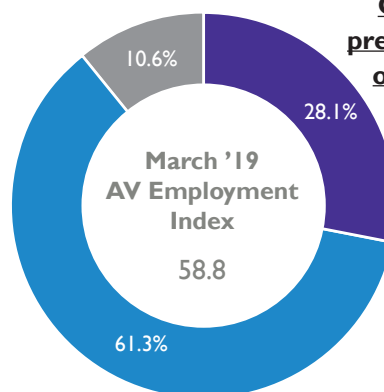
N-152



- 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-160



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

Highlights:

- The AV Sales Index (AVI-S) edged up two points in March, reaching a score of 62.2. The movement brings the AVI-S to a 5-month high. Historically, this seems to match trends of quieter starts to the year before sales heat up with the seasons, a trend that some commenters mentioned. Respondents identified the expanding definition of pro AV as a driver of growth, pointing to technologies like unified communications solutions as catalysts.
- Supply chains were given a reprieve in late March as two cases of global trade brinksmanship ended in postponement. In the ongoing Brexit saga, the U.K. has agreed to hold elections for the EU Parliament in late May, a necessary condition for a multiple-month Brexit delay. In the U.S., President Trump backed off his threat to close the border with Mexico, turning his threat into a “one-year warning.” Though these developments do not eliminate trade and supply chain uncertainty, they do reduce the threat of major problems for the time being.

- The U.S. employment market bounced back in March, as the economy added 196,000 jobs. The strong March figure is a reassurance that February's weak growth was a blip rather than a trend. The lone point of concern was a decline in the hiring of temporary help, which is sometimes considered a leading indicator of slowed hiring. In the context of such an overall positive report, a single bad aspect should not be given too much weight. In pro AV, employment increased for the 26th consecutive month. Though this month's AV Employment Index (AVI-E) mark of 58.8 signals continued employment growth, it is down significantly from the February mark. The AVI-E has bounced around quite a bit over the last six months, so it seems safe to conclude the slowing of growth is not the start of a major trend.

"The beginning of the new year has traditionally been a slow time; however, with a lot of projects rolling over into the new year, the billing has been very steady the first quarter, which is better than most years."

– AV Integrator, North America

"The increase in demand for unified communications products and support services across the board has driven a large increase in the requirement for more staff as well as increased revenue."

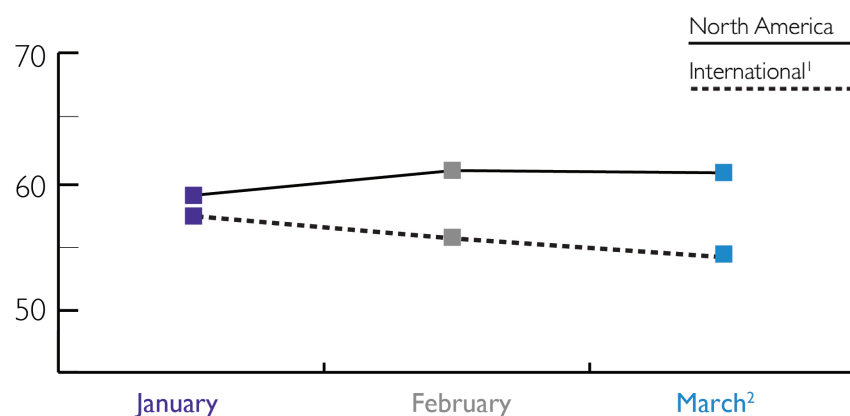
– AV Provider, Asia-Pacific

"With AV's growing involvement in other disciplines, we are currently reviewing new consulting services we can provide our clients to fill these gaps. Considerations include network assessments, UC consulting services, acoustics..."

– AV Provider, North America

International Outlook

The March regional preliminary² AV Sales Index shows shared global growth. The International AVI-S was once again below the North American equivalent, by seven points this month. The decline in the AVI-S has slowed substantially and shows signs of ticking back up in coming months. Either way, at a preliminary score of 54.4, the international pro-AV market remains in growth conditions.



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. March 2019 index is preliminary, based on the average of February 2019 and March 2019 and will be final with April 2019 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.

Methodology

The survey behind the AVIXA Pro-AV Business Index was fielded to 590 members of the AVIXA AV Intelligence Panel (AVIP), March 26 to April 8, 2019. A total of 247 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.