

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).

Global Economy Strengthens, Pro AV Parallels Trend

Highlights:

- The AV Sales Index jumped to 67.2 this month, with only 5.9 percent of the panel saying they saw a significant decrease in billings/sales during the past month. This indicates continued industry growth and remains consistent with last year when we saw a strong growth period in March with the AVI-S Index topping out at 71.6.
- Global construction has picked up, following a sluggish 2017, with growth in these worldwide markets rising to 2.7 percent this year, according to the Construction Intelligence Center (CIC). The global increase is primarily due to the improvement expected in construction output within the U.S. AVIXA's Panel members are forecasting a steady growth within the construction sector, while looking forward to their bookings for the upcoming warmer months.

“New building construction and lifecycle refresh remains stable, which is adding complexity and driving more videoconferencing solutions into the workplace.”

This is expanding the amount of AV-capable rooms in the environment, also adding a layer of dependencies to the environment that did not exist a year ago. Truly driving the workforce to the hybrid AV/IT roles.”

– End User, North America

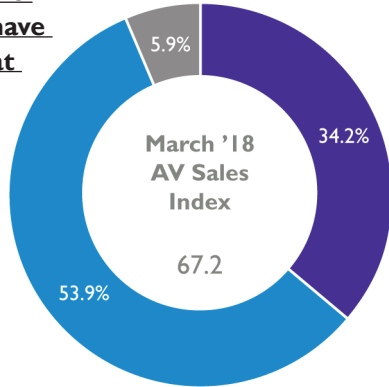
- March U.S. unemployment remained at 4.1 percent for its sixth consecutive month. The Pro-AV Employment Index charted in the same direction, increasing another 3.6 points to 64.4. Following a very strong February, employment increased by 103,000 in March with 22,000 of those jobs in manufacturing and 22,000 in healthcare, a field that has been consistently growing over the past year. The growth in healthcare presents an opportunity to expand the use of new pro-AV technologies within the industry.

“We have seen massive growth in healthcare. We need to keep on top of the meeting needs and the AV associated with these meetings.”

– End User, North America

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

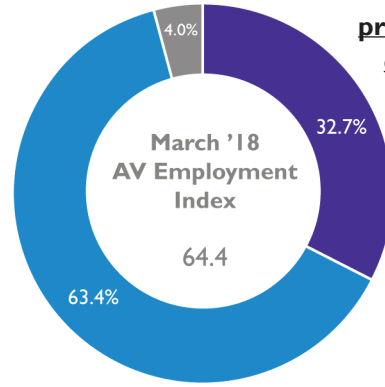
N-102



- 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...

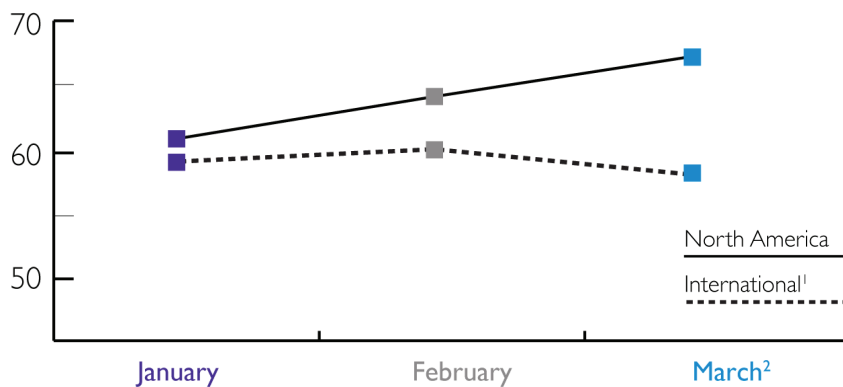
N-101



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

International Outlook

The March International and North American preliminary² Pro-AV Sales Indexes continue in a growth period as the global economy remains strong. The preliminary February 2018 North American Pro-AV Sales Index increased 2.3 points to 67.2 from February. The International Pro-AV Sales Index remains in expansion mode, with a score of 58.7.



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

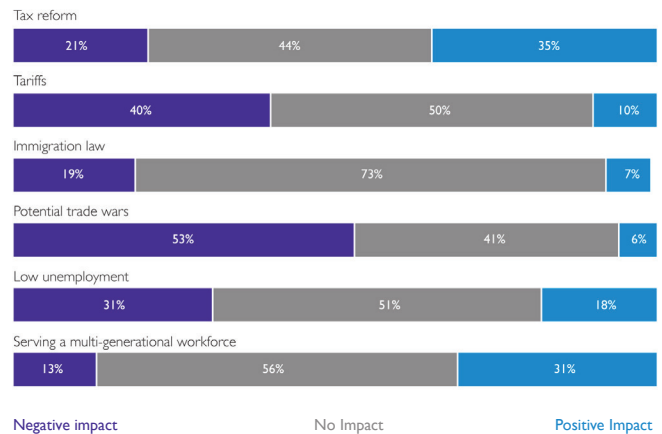
Global regional indexes are three-month moving averages (based on prior, forward and current months) due to relative small sample size.

What is Impacting Pro-AV Business?

While the economy remains strong there are many unknowns for the future, including the actual impact of evolving global economic policies. Most concerning to pro-AV providers on the panel is the potential for trade wars, with 53 percent expecting a negative impact. Tariffs came in second as potentially resulting in negative impacts. Providers likely are concerned tariffs and a trade war could raise prices on electronics, causing a decrease in demand for pro-AV installations and upgrades. Finding qualified staff rose to the top concern for end users, thanks to a booming job market.

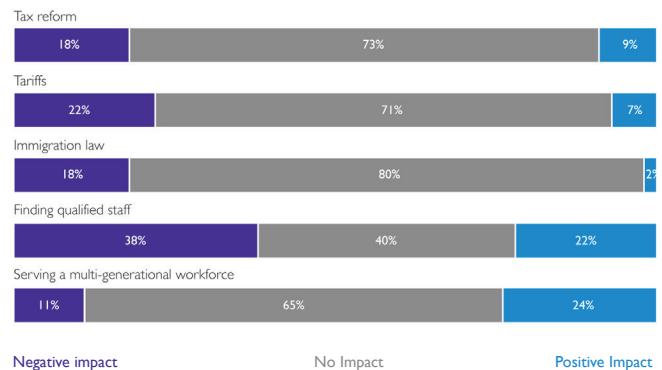
How do you expect the following factors to impact your business over the next year?

N-128 Pro-AV Providers



How do you expect the following factors to impact on your AV spending over the next year?

N-45 Pro-AV End Users



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

	January 2018	February 2018	March 2018
Pro-AV Sales Index*	61.9	61.1	67.2
Pro-AV Employment Index*	57.6	60.8	64.4

* 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 692 members of the AVIXA AV Intelligence Panel (AVIP), March 1-11, 2018. A total of 161 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.