

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).

Jump Into Summer

Highlights:

- The AV Sales Index (AVI-S) increased from 61.8 to 65 for the month of May, slightly above the same period last year. Depending on the sectors covered by an integration firm, summer can be a slow period or a busy season. As noted by one live events company “We experience a lot of seasonality in our business and we are entering some slow months for the summer.” The opposite can be said of those who work in education, as schools close for the summer AV upgrades and new builds hit full stride.

“Our AV spending increases at this time of year for two reasons. First, our budget year begins on April 1, so we have money again. Secondly, the summer is when all the upgrades get done as the classrooms are mostly empty.”

– End User, North America

- Brazil and Mexico have seen first quarter slowdowns causing the regional GDP growth to be in approximately 1.7 percent annually in the first quarter, below the fourth quarter’s nearly four-year high of 2.0 percent. This slowdown has Latin

American panel members showing a decrease in AV sales in May. They point to political uncertainty with the July 1 election in Mexico and the U.S. policies toward Mexico as potentially contributing to a decline in AV sales.

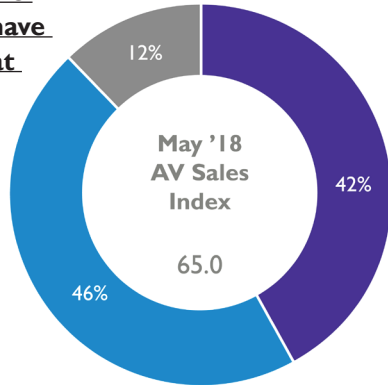
“The current recession at a countrywide level has negatively impacted on business activity. There is a sustained refusal to invest in technical updates on the part of current users. Government retrenchment and cuts in investment has also had a negative impact.”

– Systems Integrator, Latin America

- The U.S. unemployment rate hit its lowest point since 2000 at 3.8 percent. Hiring was strong across the board with retail and healthcare leading the way. The United States has gained 95,000 manufacturing jobs and 110,000 construction jobs from the start of the year through May. Hiring in manufacturing this year is off to the best start since 2011. 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 60.5 for May.

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

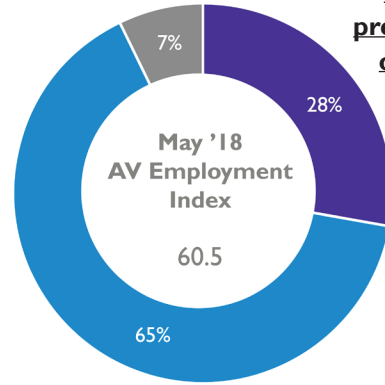
N-100



- 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...

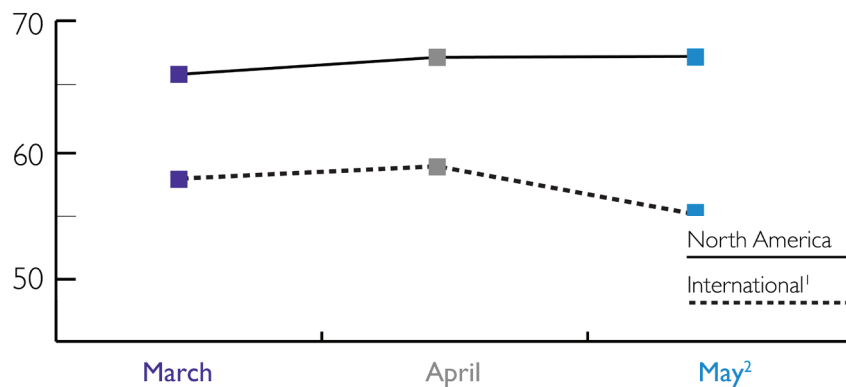
N-100



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

International Outlook

The May International and North American preliminary² Pro-AV Sales Indexes continue a growth period as the global economy remains strong. The preliminary May 2018 North American Pro-AV Sales Index remains level at 67.7. The preliminary International Pro-AV Sales has dropped to 55.8.



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)

	March 2018	April 2018	May 2018
Pro-AV Sales Index*	67.2	61.8	65.0
Pro-AV Employment Index*	64.4	57.5	60.5

** 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 679 members of the AVIXA AV Intelligence Panel (AVIP), May 29 – June 5, 2018. A total of 176 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.