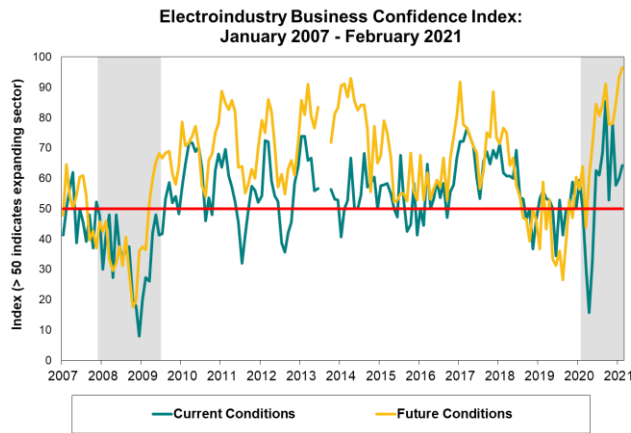


February 2021 NEMA Electroindustry Business Confidence Index

February 25, 2021

Future component remains sky high



Although we noticed some concern about the ephemeral nature of optimism regarding business conditions, the current conditions component expanded to 64.3 in February, compared to 60 last month. The majority of respondents noted unchanged conditions, and the share indicating worse conditions edged down slightly, leading to the modest improvement seen in the topline measure.

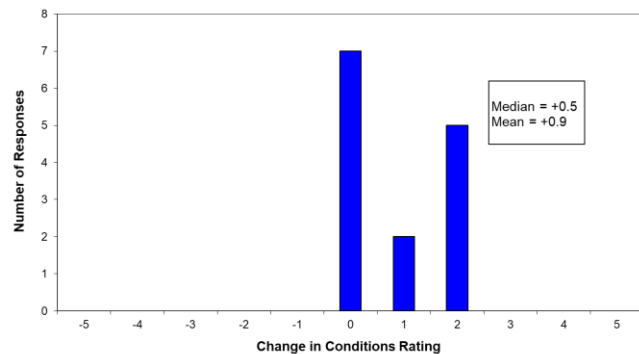
This month we asked the first in a series of occasional questions about matters that may affect business conditions. The inaugural topic

concerned the effect that congestion at ports of entry in the U.S. had on panel members' businesses. Nearly 43 percent reported little or no effect, but a substantial minority of almost 36 percent reported that the bottlenecks had affected their businesses a lot or a great deal. One respondent indicated having to switch to air freight because of shipping stagnation.

The median reported magnitude of change in current electroindustry business conditions moved up from 0 last month to +0.5 in February, and the mean increased to +0.9 this month from +0.3 in January. *Panelists are asked to report the magnitude of change on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*

For the second consecutive month, none of the responses has pointed to expectations for worse business conditions in six months. The smattering of responses suggesting unchanged conditions ahead did not keep the future component from hitting a new series high of 96.4 in February, up three points from previous record that was set just last month.

EBCI Current Conditions Magnitude:
February 2021



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	64.3	▲	96.4	▲
% Better	36%	▲	93%	▲
% Worse	7%	▼	0%	■
% Unchanged	57%	▲	7%	▼

Number of Respondents =14

Values reflect the percentage of respondents expecting "Better" conditions, plus one-half of the percentage of respondents expecting "Unchanged" conditions.

A score of 50 or higher suggests conditions appropriate to expansion of the electroindustry sector.

Please note that survey responses were collected from the period of February 10-29, 2021.

EBCI METHODOLOGY:

The EBCI indexes are based on the results of a monthly survey of senior managers at NEMA member companies and are designed to gauge the business environment of the electroindustry in North America (defined here as the United States and Canada).

The survey contains the following questions:

1. How would you rate current economic conditions in North America, as they affect your business, compared to the previous month?
 - a. Using the following scale, please describe the magnitude of change in economic conditions in North America this month compared to economic conditions last month? [Scale structured as follows: 5 (improved significantly), 4, 3, 2, 1, 0 (stayed the same), -1, -2, -3, -4, -5 (deteriorated significantly)]
2. How do you expect economic conditions in North America, as they affect your business, to have changed six months from now?

Respondents are asked to indicate whether conditions are better, worse or unchanged. The survey also provides space for respondents to comment on current conditions. These comments are included below the table containing the index levels.

The index value is the percentage of respondents expecting "Better" conditions, plus one-half of the percentage of respondents expecting "Unchanged" conditions, which follows the methodology used by the Institute for Supply Management (ISM; formerly the National Association of Purchasing Management) in the construction of their manufacturing index.