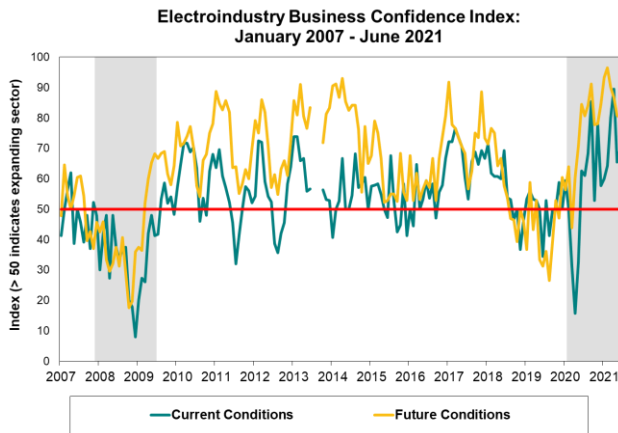


June 2021 NEMA Electroindustry Business Confidence Index

June 30, 2021

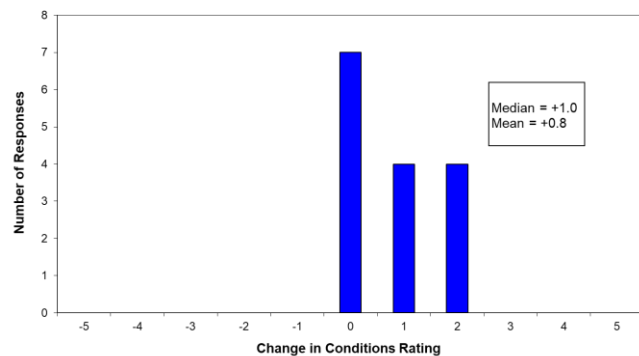
Current and future conditions hold steady at broadly expansionary level



A slight improvement in confidence boosted the current conditions index from a reading of 65.4 last month to 70 points in June. The share of panelists reporting better conditions increased, as did those indicating unchanged conditions. Concurrently, the number of respondents indicating worse conditions than in the prior month dropped to zero. Although one comment, regarding projects that were previously on hold and are now proceeding, was quite positive, most reflected a bit of ambivalence, especially regarding the effects of supply chain challenges and inflationary pressures.

The median reported magnitude of change in current electroindustry business conditions remained unchanged at +1.0 in June. The mean magnitude measure also held steady from its May value, clocking in at +0.8. Unlike with last month's results, in which some reported a negative direction for the magnitude of change, all of the June responses were greater than or equal to 0. *Panelists are asked to report the magnitude of change on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*

EBCI Current Conditions Magnitude: June 2021



Expectations for conditions six months ahead barely budged from last month's reading, coming in at 80 points this month, compared to 80.8 in May. This broad-based, sanguine view of conditions electrical manufacturers will likely face a few months from now was supported by comments expressing confidence that supply disruptions will be less prevalent and business activity will have begun moving to a "new normal." Some comments maintained an undercurrent of concern about the same matters currently dogging many producers: supply chain unreliability, labor shortages, and materials inflation.

SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	70.0	▲	80.0	▼
% Better	40%	▲	67%	▼
% Worse	0%	▼	7%	▼
% Unchanged	60%	▲	27%	▲

Number of Respondents =15

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 June 10-25, 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.