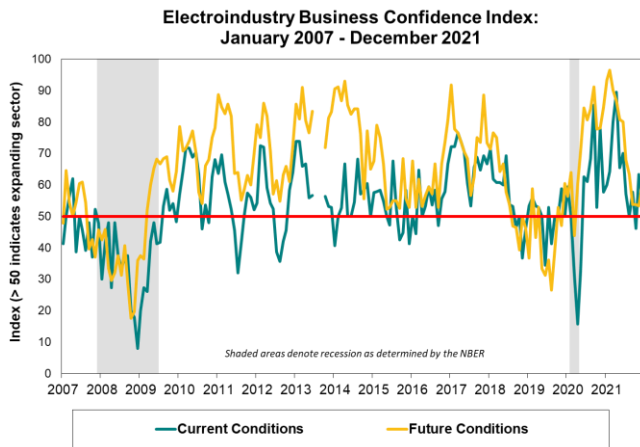


December 2021 NEMA Electroindustry Business Confidence Index

January 7, 2022

Most reported unchanged current conditions in December

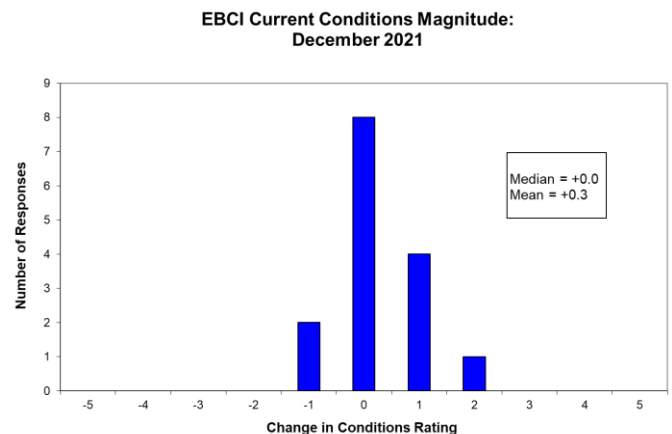


The current conditions component remained in positive territory in December even after giving up a handful of points from November’s reading of 63.3. The move to the current reading of 56.7 was driven by a decline in the share of “better” responses that was directly offset by the increase in the proportion of reported “unchanged” conditions. Although a couple of comments were unambiguously positive or negative, most of the expressed sentiment tended to reflect the muddled conditions of ample demand being dampened by supply

challenges.









December’s survey included a special topic question regarding what effect, if any, recent court rulings have had on company vaccination policy. Note that additional court activity on this matter occurred after the survey period closed. Half of the responses indicated company policy would likely remain unchanged because vaccination was not currently required for any employees. An additional 21 percent noted that companies were less likely to require vaccinations as a result of court actions.

As of December, the median reported magnitude of change in current electroindustry business conditions has remained at 0.0 for six months, and the mean ticked up to +0.3 from last month’s +0.2. *Panelists are asked to report the magnitude of change on a scale ranging from -5 (deteriorated significantly) through 0 (unchanged) to +5 (improved significantly).*



Despite the considerable uncertainty expressed by panel members, the future component improved to 60.0 in December from the previous reading of 53.3.

SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)	Conditions Six Months From Now (Compared to Current Conditions)
EBCI	56.7 	60.0 
% Better	13% 	33% 
% Worse	0% 	13% 
% Unchanged	87% 	53% 

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 December 10-24, 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.