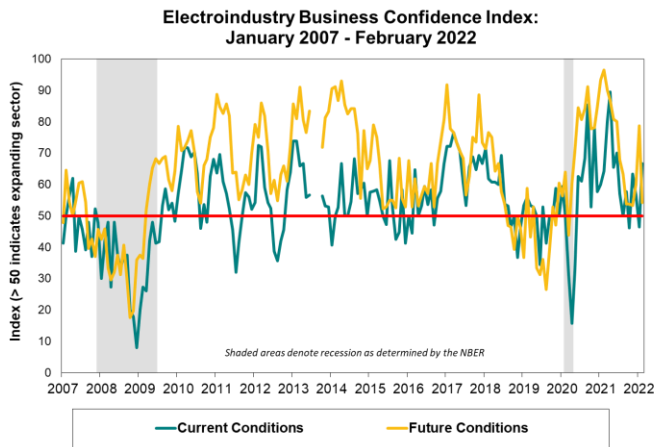


February 2022 NEMA Electroindustry Business Confidence Index

February 24, 2022

Strong demand boosts current conditions component

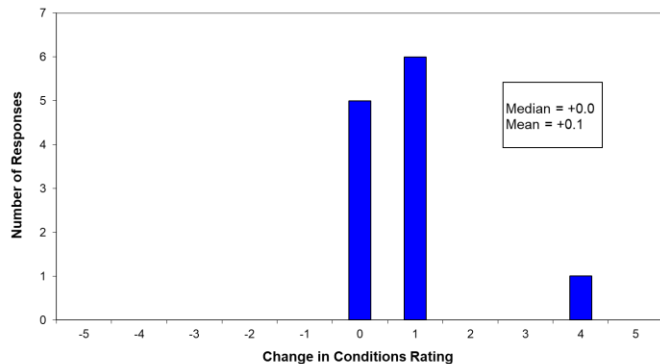


Bouncing back from last month’s dip to 46.4, the current conditions component recorded the highest reading since last spring, coming in at 66.7 points in February. The 20-point swing was propelled by a sharp increase in the proportion of respondents that reported “better” conditions, even as “worse” responses dropped to zero. Comments painted a picture of robust demand, as evidenced by strong orders activity, hampered by transportation and other supply chain difficulties, with one commenter summing up the situation: “Record quotations

and orders, now if we could only ship the stuff.”

The median reported magnitude of change in current electroindustry business conditions moved to +1.0 in February, deviating from 0.0 for the first time since May 2021, and the mean value of the magnitude measure increased to +0.8 from January’s mark of +0.1. *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:
February 2022**



The outlook regarding future conditions cooled this month but remained in the expansion zone at 54.2 points. After attaining a near-term high point of 78.6 in January, a sharp uptick in the share of respondents expecting “worse” conditions eroded some of that earlier optimism. Comments continued to demonstrate concern about supply chain constraints as one respondent noted that they do not expect “improvement on the people or supply chain side until 2023.” As with the current conditions component, panel members reported a sense of strong demand held somewhat in check for now.

NOTE: All responses were recorded prior to Russia’s coordinated military actions against Ukraine.

SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	66.7	▲	54.2	▼
% Better	33%	▲	42%	▼
% Worse	0%	▼	33%	▲
% Unchanged	67%	▼	25%	▼

Number of Respondents =12

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 10-18, 2022.

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.