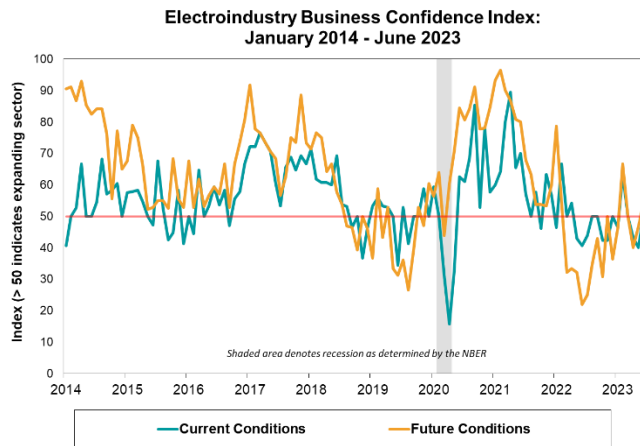


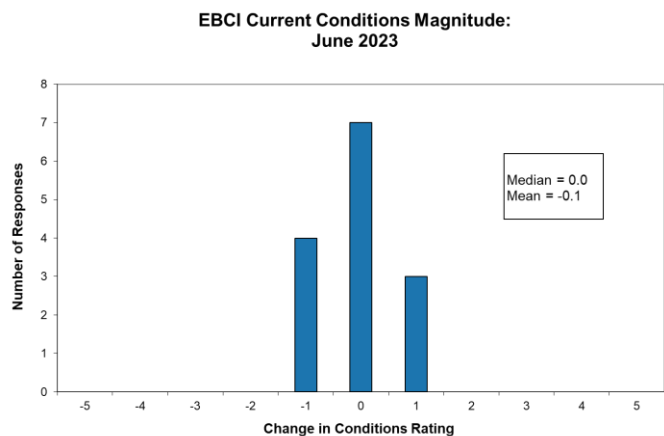
Current and future components both improved in June



Rebounding from its post-lockdown low of 40 points in May, the current conditions component leapt 10 point to a score of 50 in June. At 50 points, the current component suggests unchanged conditions compared to the prior month, which is unsurprising since 86 percent of respondents reported “unchanged” conditions in June. Comments largely reflected the quantitative measure, with some supporting the sense of status quo, along with a sprinkling of positive sentiment such as “new orders steady,” mixed with less upbeat assessments: “some slowdown continues in commercial and residential segments.”

The reported magnitude of change in current conditions remained centered around the midpoint as the median value held firm at 0.0 again in June, and the mean ticked up from -0.4 in May to -0.1 in the latest reading. *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 first time since February, the future conditions gauge moved above 50, signaling growth expected in the six-months ahead period. The nearly 7-point increase in the forward-looking component, from 46.7 previously to 53.6 in June, was led by a bump in the share of panel members who indicated that they anticipated seeing “better” conditions, with more than one-third reporting that expectation. Although comments offered notes of caution, including some concern about election year effects on the economy, improvements in inventories, as well as strength in sectors such as utilities, data centers, semiconductors, and LNG provided notes of optimism.



SURVEY RESULTS:

	Current Conditions (Compared to Previous Month)		Conditions Six Months From Now (Compared to Current Conditions)	
EBCI	50.0	▲	53.6	▲
% Better	7%	▼	36%	▲
% Worse	7%	▼	29%	▼
% Unchanged	86%	▲	36%	▼

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 June 15-26, 2023.

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.