

2022-Q4 Market Outlook Report Now Available

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Billings & Pipeline Increasing, Backlogs Come Off of Historic Peak

The Solomon Coyle 2022-Q4 Market Outlook Report is now available. While there has been a slight decrease in Bookings, growth in that area is forecasted to start trending up again over the next two quarters. Billings and Pipeline activity grew significantly. Backlogs are coming off highest point pre- and post-pandemic.

Key Findings This Quarter

- The current survey has captured a 2.8% decrease in Q4'22 bookings over Q3'22, worse than the expected 2.5% increase previously forecasted. This suggests some demand has softened or been delayed in Q4.
- Dealers forecast bookings growth increasing 3.7% in Q1'23 over Q4'22 and an increase of 1.2% in Q2 of 2023 over forecasted Q1'23 levels.
- Billings grew significantly, with the index increasing from 65.6 to 69.7. This would indicate that dealers continue to employ best practices in invoicing, delivery, and installation, effectively reducing the backlog and increasing invoicing.
- The backlog index is at 97.8 compared to 99.7 in the Q3'22 results, bringing it down off the highest point in the last three years, pre- and post-pandemic. This would signal a slight improvement in supply chains, lead times, and a possible improvement in construction delays.
- There is a significant increase in pipeline activity in all regions, and all sectors except for tech companies, and all product categories, except for technology/AV, likely due to an ongoing desire to create extraordinary environments that encourage a return to the office.

Solomon Coyle's managing principal Paul Holland states, "We see good news in the 2022-Q4 Market Outlook Report, with little to be concerned about in the data. Dealer invoicing lifted as backlogs have started to come down off their peak. Booking softened slightly but is forecasted to increase again in Q1 and Q2 this year. Additionally, Pipeline Activity lifted in all regions, most sectors, and most products indicating continuing demand for dealer products and services despite ambiguous economic news."

John Joseph, head of business analytics for Solomon Coyle, adds, "For the second consecutive quarter, healthcare, education, and government – three sectors that may respond relatively slowly to softening demand – are showing the highest pipeline growth. Given the overall strength we're seeing, however, we

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caution against looking too much into this particular signal. For now, it's something we will continue keeping an eye on.”

Access the Report

Distributors that complete the quarterly survey receive the full report containing regional and subregional information, where available. To view the current report, visit: www.solomoncoyle.com/dealer-market-outlook-report/.

For inquiries regarding participation, email support@solomoncoyle.com.

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