

NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB Italy Services PMI®

New order growth hits 17-month high in September

Key findings:

Sharper increases in business activity and new orders

Rate of job creation softens

Business confidence improves

Data were collected 11-25 September 2025.

The Italian service sector saw a pick-up in growth momentum at the end of the third quarter of the year. Particularly positive was a solid expansion of new orders, which increased at the fastest pace in almost a year-and-a-half. Activity and employment also rose, while business confidence strengthened.

On the price front, input costs continued to increase sharply but at a slightly softer pace. In turn, output charge inflation also eased.

The **HCOB Italy Services PMI® Business Activity Index** rose to 52.5 in September from 51.5 in August, posting above the 50.0 no-change mark for the tenth month running and signalling a solid expansion in business activity. Moreover, the rate of growth was the fastest since May.

Where a rise in activity was recorded, respondents often linked this to higher new orders amid improving customer demand and greater interest in their products.

In fact, the latest increase in new orders was solid and the fastest since April 2024. Growth of new business has now been recorded in eight successive months.

The rise in overall new orders was registered in spite of a further reduction in new business from abroad. The latest fall was the fourteenth in as many months and slightly sharper than seen in August. Muted demand in Europe and geopolitical issues were reportedly behind the latest decrease in new export orders.

The improvement in overall new business and an expansion of the services offered by companies meant that employment continued to rise at the end of the third quarter. Staffing levels increased for the eighth month running. That said, the rate of job creation eased again and was the softest since April.

Nonetheless, workforce numbers were sufficient to enable firms to keep on top of workloads despite a sharper increase in new business. Backlogs of work were reduced for the seventh successive month. Although the latest decrease was slight, it was the most marked in five months.

Service providers recorded a further sharp increase in input costs during September, despite the pace of inflation easing slightly from August. Rising salaries were often mentioned as having contributed to inflation, with firms mentioning that pay increases were in some cases linked to collective agreements. In addition, companies also cited higher commodity, energy and rent costs.

Higher input costs and increased fees as a result of events held during September meant that output prices rose again over the course of the month. Charges have now increased on a monthly basis throughout the past four years. In line with the picture for input costs, however, the pace of output price inflation slowed from August. The latest increase was slight and the weakest since November last year.

Confidence that new orders will continue to increase and plans to expand service offerings meant that companies remained optimistic that business activity will rise over the coming year. Sentiment ticked up from the previous month, but remained weaker than the series average.

Some firms predicted that the 2026 Winter Olympics at Milano Cortina would provide a boost to business.

Comment

Commenting on the PMI data, Nils Müller, Junior Economist at Hamburg Commercial Bank, said:

“The latest HCOB PMI data paint a picture of divergence: while the services economy continues to expand, the manufacturing sector has slipped back into contraction. The composite PMI, which reflects the activities of both sectors in a single figure, signalled modest growth at the same pace as in the previous month. Yet this stability masks a growing imbalance between the sectors, raising questions about the sustainability of Italy’s private sector recovery.”

“The services sector ended the third quarter on a strong note, with business activity rising at the fastest pace since May and new orders expanding at the quickest rate in nearly a year-and-a-half. Firms reported improving domestic demand, but export orders continued to decline amid muted European demand and geopolitical uncertainty. Employment rose for the eighth consecutive month, albeit at a slower pace, and backlogs of work were reduced further.”

“Cost pressures remained elevated in September, with service providers citing rising wages – often linked to collective agreements – alongside higher energy, rent and commodity costs. Although the pace of output price inflation eased to the weakest level in ten months, charges continued to rise, extending the sequence of monthly increases to four years. Some companies reported offering discounts to support demand, suggesting that margin pressures are beginning to bite.”

“Sentiment among service companies improved slightly, supported by expectations of further gains in new business and plans to expand service offerings. While confidence remains below the historical average, some firms anticipate a boost from major events such as the 2026 Winter Olympics in Milano Cortina. Overall, the outlook for the Italian economy hinges on whether services can maintain momentum in the face of persistent cost inflation and external headwinds, and whether manufacturing can stabilise to support a more balanced recovery.”

HCOB Italy Services PMI Business Activity Index

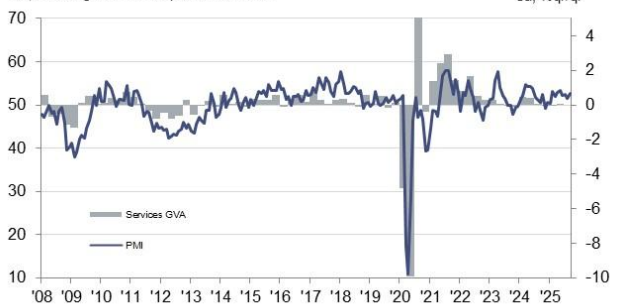
sa, > 50 = growth since previous month



Sources: HCOB, S&P Global PMI.

Services PMI Business Activity Index

sa, > 50 = growth since previous month



Sources: HCOB, S&P Global PMI, ISTAT via S&P Global Market Intelligence.

HCOB Italy Composite PMI[®]

Service sector drives further expansion in output in September

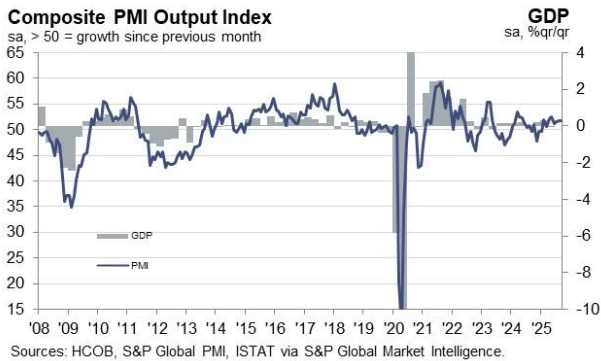
The **HCOB Italy Composite PMI Output Index** was unchanged at 51.7 in September, signalling a further modest increase in private sector business activity as the third quarter of the year came to an end.

The stable pace of growth overall masked differing trends across the two monitored sectors, however. Services business activity increased solidly, and at the fastest pace in four months. On the other hand, manufacturing production decreased following a modest rise in August.

As was the case with output, new order growth was unchanged in September, with the rise in overall new business recorded

despite a further fall in new export orders. The rate of job creation was also stable.

Meanwhile, the pace of input cost inflation ticked up to a three-month high, but output prices rose only slightly and at the weakest pace in ten months.



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Note to Editors

The HCOB Italy Services PMI[®] is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in January 1998.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

Hamburg Commercial Bank AG

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The bank's specialists are as experienced as they are pragmatic. They act in a reliable manner and at eye level with their customers. They provide in-depth advice in order to jointly find efficient solutions that are a perfect fit – for complex projects in particular. Tailor-made financing, a high level of structuring and syndication expertise and many years of experience are just as much a hallmark of the bank as are our profound market and sector expertise.

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