NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB Italy Manufacturing PMI®

Italian manufacturing sector health improves for first time in three months

Key findings:

Fresh growth in output and new orders, ending two-month run of decline

Brightest 12-month outlook in just over five years

Intensification of cost and charge inflation

Data were collected 10-20 February 2026.

The Italian manufacturing sector pulled out of contraction in February, according to latest HCOB PMI® data. The improvement in the health of the sector was partly linked to renewed growth in both production and total order books. The outlook for output over the coming 12 months was much brighter, with the overall level of confidence at its strongest in over five years. However, Italian manufacturers continued to face elevated cost pressures, which limited job creation and continued to discourage the purchase of inputs. With stronger demand, firms were more aggressive when it came to setting their charges.

At 50.6, the **HCOB Italy Manufacturing Purchasing Managers' Index™ (PMI®)**, a composite single-figure indicator of manufacturing performance derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases, rose above the neutral 50.0 threshold for the first time in three months in February. Up from 48.1 in January, the latest reading signalled a slight improvement in operating conditions. Employment was the only one of the five headline PMI components to impart a negative directional influence (albeit only slight).

An improvement in demand conditions was signalled by fresh growth in Italian manufacturers' order books in February. Although only modest in nature, the upturn contrasted moderated declines seen in the previous two months. However, the expansion in total new orders was limited by a further decrease in export sales that was the strongest in five months, amid reports of raised levels of international uncertainty.

In line with orders, Italian manufacturers increased production for the first time in three months in February. The rate of output growth was among the strongest in three years, albeit only modest overall.

More factory jobs were created to support incoming volumes of work in February. The level of employment rose only slightly, however, as some firms reported instances of voluntary staff leavers. There was again sufficient capacity to work through outstanding orders, as evidenced by a solid pace of backlog depletion.

Although Italian goods producers were still in retrenchment mode when making purchasing decisions, the reduction in input buying was one of the weakest seen in a year-and-a-half and only slight overall. At the same time, there was broadly no change in stocks of purchases at Italian factories.

Supply chain conditions were seen to have improved again, with delivery times shortening for a second month running during February. Subdued demand for inputs and improved stock availability reportedly helped vendors to keep on top of their orders.

Still, average prices paid for inputs increased again, amid reports of greater raw material costs, including metals. As well as being steep in nature, the rate of input price inflation was the most pronounced since October 2022.

At the same time, there was a moderate increase in prices charged for Italian manufactured items in February. The rate of inflation was the strongest in ten months and above the long-run trend.

Italian goods producers looked to the coming 12 months with an improved sense of confidence in February. In fact, the degree of positive sentiment was its most upbeat in over five years, as firms were hopeful that economic conditions would pick up. The launch of new products and plans to enter new markets are also expected to be conducive to growth.

Comment

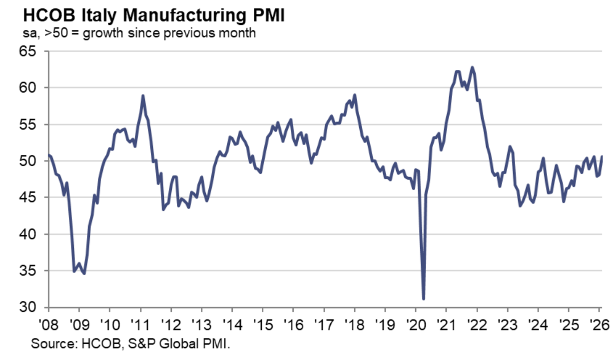
Commenting on the PMI data, Jonas Feldhusen, Junior Economist at Hamburg Commercial Bank, said:

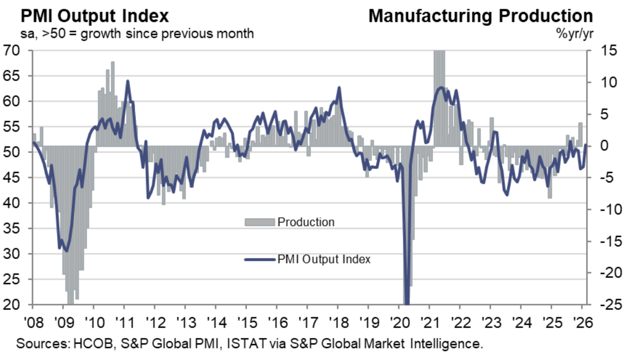
“In February, we saw tentative signs of improvement in Italy’s manufacturing sector, but this is not yet a meaningful step forward. The recent uptick, following two weak months, still rests on a fragile foundation. Only if a more sustained recovery emerges over the coming months, marked by continuous growth in production and new orders, can we then speak of a genuine upswing in manufacturing. Until then, the situation remains strained.

“In the latest month, a divergence has appeared between total new orders and export orders. While exports continue to suffer from the fragile global environment, total orders have edged slightly higher, supported by stronger market interest from both existing and new clients. The improvement in order intakes could be a factor that has boosted business confidence for the months ahead, which is now at its highest level since the post-pandemic recovery. It is possible that deregulation initiatives from Brussels, such as those in the automotive sector, are contributing to this renewed optimism among manufacturing firms.

“Input costs facing Italian manufacturers are rising, which could become a problem if the trend seen in recent months continues. Although cost pressures remain far below the levels of 2022, the Input Cost Index has now reached its highest level in 40 months and should therefore be taken seriously, especially since companies have also passed on more of these costs to customers. Raw materials, particularly metals, have been major drivers of increased expenses.”

-Ends-





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Note to Editors

The HCOB Italy Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in June 1997.

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 Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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

Hamburg Commercial Bank (HCOB) is a private commercial bank and specialist financier headquartered in Hamburg, Germany. The bank offers its clients a high level of structuring expertise in the financing of commercial real estate projects with a focus on Germany as well as neighboring European countries. It also has a strong market position in international shipping. The bank is one of the pioneers in European-wide project financing for renewable energies and is also involved in the expansion of digital and other areas of important infrastructure. HCOB offers individual financing solutions for international corporate clients as well as a focused corporate client business in Germany. The bank's portfolio is completed by digital products and services facilitating reliable, timely domestic and international payment transactions as well as for trade finance.

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S&P Global (NYSE: SPGI)

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About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi.html

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