

News Release

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S&P Global Europe Sector PMI®

Half of all European sectors register growth in activity

Key findings

10 of the 20 monitored sectors register higher activity in February

Tourism & Recreation records strongest output and new order growth

Wider Basic Materials group continues to struggle

There were some tentative signs of recovery in the latest S&P Global Europe Sector PMI® data, which revealed that exactly half of the 20 monitored industries posted within expansion territory in February, up from just five in January and the highest total since May last year.

The Tourism & Recreation industry ranked at the top of the sector league table and registered the fastest increase in activity for nine months. Other notable performances included sustained strong growth in Software & Services as well as fresh and solid upturns in both Banking and Other Financials. However, weakness within the Basic Materials group remained midway through the first quarter of the year, as highlighted by all three of the sector constituents occupying the bottom three places in the output rankings in February. The sharpest reduction was recorded by Chemicals, with Forestry & Paper Products a close second.

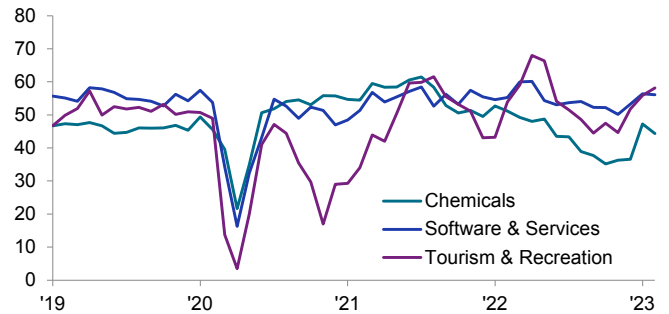
Trends were broadly similar in terms of demand. February data highlighted new order growth in seven of the 20 monitored industries, led by a sharp expansion in order book volumes in the Tourism & Recreation category. Meanwhile, the fastest contraction was registered by Chemicals, followed by Automobiles & Auto Parts.

February data indicated some further cooling in cost pressures across Europe. Five of the 20 monitored industries reported lower input costs, up from just two in January, and rates of cost inflation weakened in all but two of the remaining categories - Software & Services and Industrial Services. Regarding selling prices, the sharpest rate of inflation was registered by Technology & Equipment, while Forestry & Paper Products was, once again, the only monitored industry to have cut charged prices.

Staffing levels increased in 12 of the 20 monitored industries in February. The Technology Equipment sector registered the sharpest rate of job creation, while Forestry & Paper Products recorded the fastest pace of job shedding.

Europe Sector PMI Business Activity Index

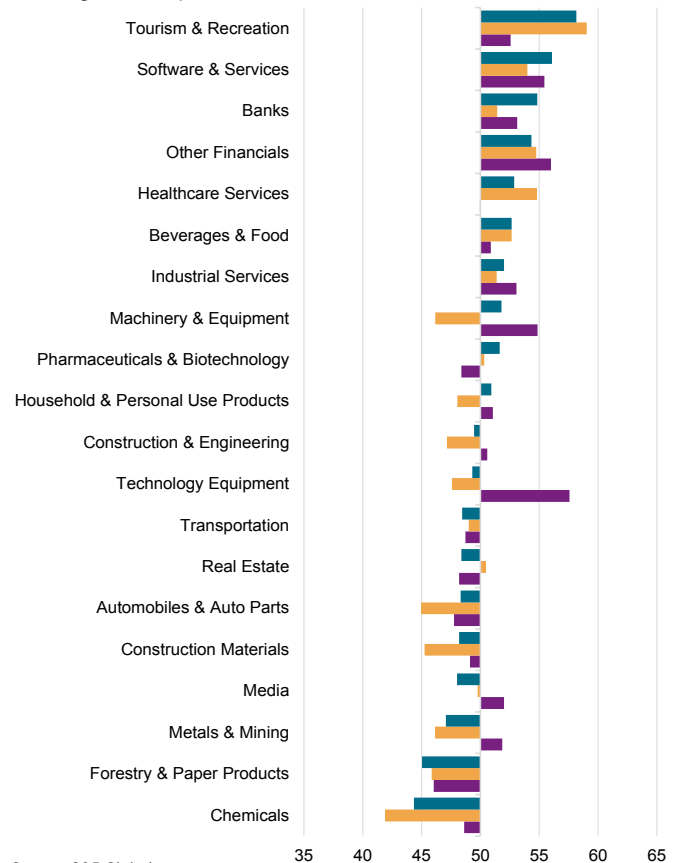
sa, >50 = growth since previous month



Source: S&P Global.

Output Index
New Orders Index
Employment Index

sa, >50 = growth since previous month



Source: S&P Global.

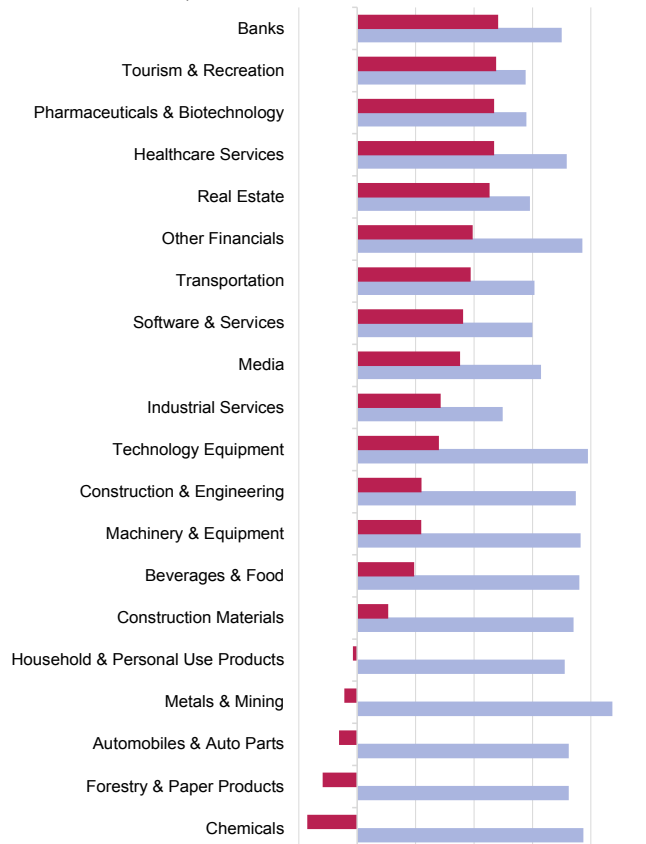
PMI®

by S&P Global

Input Prices Index

■ Feb '23 ■ 2022 high

sa, >50 = inflation since previous month



Source: S&P Global.

Survey methodology

The S&P Global Europe Sector PMI® indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

S&P Global maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. 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.

For manufacturing sectors, 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.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

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

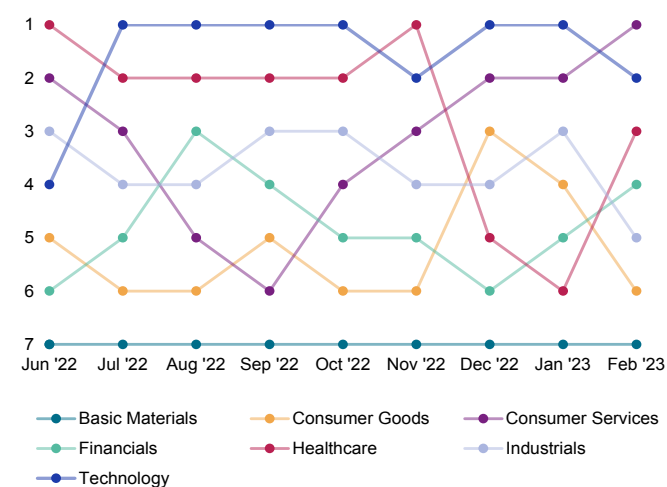
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Output Index

Rank



Source: S&P Global.

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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. ihsmarkit.com/products/pmi.html.