NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB Spain Services PMI®

Slowdown of service sector growth continues in February

Key findings:

Weakest rises in activity and new business since mid-2025

Expectations down to lowest in six months

Cost inflation highest in a year

Data were collected 10-24 February 2026.

Spain's service sector economy continued to expand in February, but again at a slower rate amid reports of softer demand growth and cooler market conditions. Similarly, employment also rose to a lesser degree, with some evidence of firms not replacing leavers as expectations about the future softened to their lowest for six months. Cost pressures also intensified, with input price inflation accelerating to its highest level in a year. In response, firms raised their output charges to a faster degree.

The headline seasonally adjusted **HCOB Spain Services PMI® Business Activity Index** registered 51.9 in February. Although remaining above the critical 50.0 no-change mark and extending the current period of continuous growth to two-and-a-half years, the index was down from 53.5 and its lowest level since last June.

The weaker rise in business activity was closely correlated to slower demand growth. Firms reported that market conditions had cooled, especially when compared to the end of last year, with the net result a weaker rise in new business. Moreover, with new work from abroad declining for the third time in the past four months, growth was again primarily domestic driven. Some firms attributed the net rise in new work to successful commercial and marketing campaigns.

Employment levels meanwhile rose again in February, meaning the current period of expansion was extended to nearly three-and-a-half years. Firms noted taking on extra staff in line with increased volumes of new work and expectations of growth in the coming 12 months. However, the degree to which employment rose was the softest since last September amid some reports of the non-replacement of leavers due to slower demand growth. Moreover, capacity was sufficiently high to comfortably keep on top of overall workloads, with work outstanding declining (marginally) overall for a third successive month.

February's survey data indicated a steep rate of input cost inflation, having accelerated to its highest level for a year. Service providers reported that typical vendor prices had risen since January, whilst higher salaries also contributed to an above-average increase in overall operating expenses. Responding, service providers raised their own charges to the greatest degree since last October. Output price inflation has accelerated in each of the past three months.

Finally, looking ahead to the coming year, companies signalled expectations of an improvement in activity from present levels. Positive sentiment was linked to the planned start of new projects and expectations of organic business growth. However, some companies are concerned that the recent slowdown in market activity and demand will continue. Subsequently, confidence overall declined to its lowest level since last August.

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Comment

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

"The Spanish private sector economy is continuing to lose growth momentum, with the HCOB Composite PMI posting at the lowest level since May 2025. The modest impetus is a result of weaker services-sector business activity growth combined with a contraction in manufacturing output.

"The service sector is losing steam. This applies both to demand-driven business activity and to new orders, as well as hiring intentions. Several panellists report that market demand has been cooling since the beginning of the year. This effect is especially visible in foreign new business, which has declined in three out of the last four months. Foreign clients appear increasingly cautious to spend in the face of heightened macroeconomic uncertainty.

"Looking ahead, the current slowdown is beginning to weigh on corporate expectations. The future confidence index dropped sharply and now sits below its historical average. This deterioration is consistent with slower hiring activity, with some firms choosing not to replace departing staff due to the softer growth backdrop. At the same time, outstanding business continues to decline, offering further evidence of weakening activity levels.

"Price dynamics remain a point of concern in Spain's services economy. Input price inflation, which is strongly influenced by wage pressures, accelerated to its fastest pace in a year. These cost increases are being passed where possible directly through to output prices. Although the euro area has avoided a wage-price spiral in the aftermath of the pandemic and the Russia-Ukraine conflict, signs persist that this risk remains more pronounced in the Spanish economy."

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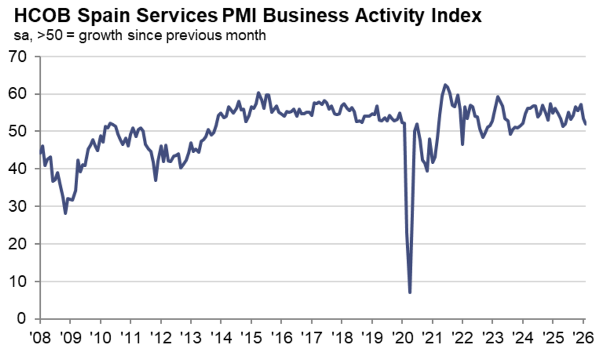
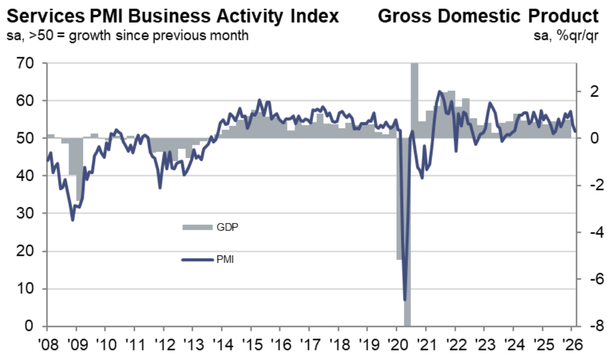


Sources: HCOB, S&P Global PMI.



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

HCOB Spain Composite PMI®

Slowest growth of private sector output since May 2025

Although remaining above the critical 50.0 no-change mark, the seasonally adjusted **HCOB Spain Composite PMI® Output Index** fell to its lowest level since May 2025, posting 51.5 in February, down from 52.9 in January.

Modest growth reflected a slower rise in service sector activity, and a contraction in manufacturing output. Similar sector trends were also seen for both new orders and employment.

Inflation in the private sector meanwhile picked up, both for input prices and output charges. Expectations about activity sank to a six-month low.

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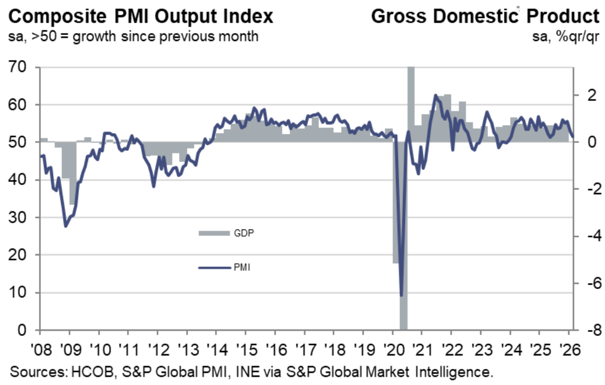

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Note to Editors

The HCOB Spain Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 350 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 August 1999.

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.

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Hamburg Commercial Bank aligns its activities with established ESG (Environment, Social, and Governance) criteria and has anchored sustainability aspects in its business model. It supports its clients in their transition to a more sustainable future.

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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AERCE is a member of the International Federation of Purchasing and Supply Management (IFPSM).

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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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