NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB Italy Construction PMI®

First fall in new construction orders in three months in November

Key findings:

Housing sector performs worst of the three monitored categories

Total activity falls at fastest rate since August

Outlook dims while employment growth near-stalls

Data were collected 12-28 November 2025.

There was a renewed drop in total construction activity in Italy, according to latest HCOB PMI® data, which confirmed that October's period of growth was in fact short-lived. All three monitored sub-sectors signalled a contraction.

A lack of incoming new work influenced companies' decision making in November. Firms were slower to hire new staff and they also opted to reduce their input purchases. Finally, looking ahead, constructors were notably less positive than they were a month ago.

Down from 50.7 in October, the headline **HCOB Italy Construction PMI® Total Activity Index** — which measures month-on-month changes in total industry activity — dropped back below the crucial 50.0 no-change mark in November. At 48.2, the latest reading pointed to a modest decrease in construction activity across Italy and one that was the strongest in three months.

The downturn at the top level reflected declines across all three sub-sectors of construction. The residential sector was the worst performing for the first time in 15 months. Here, the decrease in output was the first in three months and solid overall. Meanwhile, both commercial and civil engineering recorded modest falls in activity.

When asked about their 12-month expectations for activity, Italian construction companies were less confident that output levels would rise in November. Panel members highlighted worries around the prospect of subdued order numbers. After having signalled a recovery in October, the overall level of positive sentiment dropped to one of the lowest readings of the year so far.

Lower confidence towards the future coincided with reduced hiring activity, so much so that there was just a slight increase in payroll numbers at construction firms. The rate of job creation was the weakest in current 15-month trend of growth. Meanwhile, the usage of subcontractors was lowered for the fifth month in a row.

Weighing on firms' hiring decisions, the overall volume of new business received by Italian construction firms decreased in November. The reduction contrasted with growth in September and October, but was only marginal overall. In their reports, panellists linked the decline to reduced customer interest and generally muted demand conditions.

As input requirements were lower, firms signalled retrenchment with respect to purchasing in November. In line with the trend for new business, the drop in buying levels was the first in three months. Here, the reduction was only modest and broadly in line with the series trend.

However, where purchases were made, firms reportedly faced longer delivery times as adverse weather conditions and supply shortages had limited vendors' ability to meet orders in a timely manner. Unchanged from October, the degree to which supplier performance deteriorated was modest overall.

Higher raw material and energy costs were noted as contributing factors behind November's rise in operating expenses. Although the overall rate of cost inflation ticked higher, it remained well below trend.

Comment

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

"Italian construction activity slipped back into contraction in November, ending the brief upturn seen in October. The HCOB Italy Construction PMI fell to 48.2 from 50.7, as all three monitored sub-sectors reported lower output. Residential building was the weakest performer, registering a solid drop in activity, while commercial and civil engineering work also contracted, albeit more modestly.

"The downturn was accompanied by a renewed fall in new orders, ending a two-month run of expansion. Survey respondents pointed to subdued client interest and generally weak demand conditions as factors limiting order inflows. This softer environment prompted firms to curb purchasing activity and slow hiring. Although employment continued to rise for a fifteenth consecutive month, the increase was marginal and the weakest in the current growth sequence.

"Meanwhile, supply chain pressures persisted, as delivery times lengthened for the fourteenth month in a row, partly due to adverse weather and stock shortages. Input cost inflation ticked slightly higher, with panellists mentioning higher raw material and energy prices.

"As 2025 draws to a close, hopes for a sustained recovery appear increasingly cautious. Business expectations eased from October's high, slipping to its second-lowest level of the year. While firms remain broadly optimistic about the year ahead, concerns over fragile demand and the fading impact of earlier support measures such as the ecobonus have tempered confidence."

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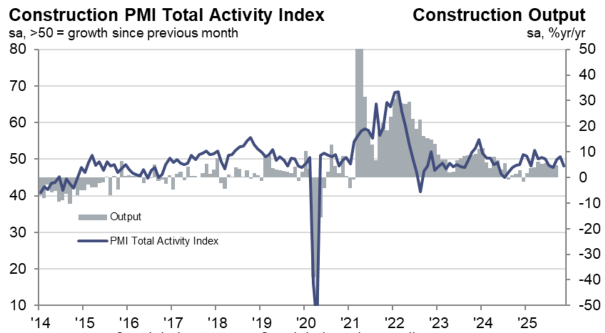
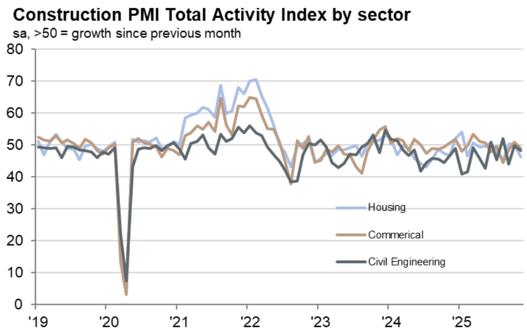


Source: HCOB, S&P Global, ISTAT via S&P Global Market Intelligence.



Source: HCOB, S&P Global.

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Note to Editors

The HCOB Italy Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of over 200 construction companies. The panel is stratified by company workforce size, based on contributions to GDP. Survey data were first collected July 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 Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction 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

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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