

NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB Germany Manufacturing PMI[®]

PMI climbs into growth territory for first time in over three-and-a-half years in February

Key findings:

HCOB Germany Manufacturing PMI at 50.9 (Jan: 49.1). 44-month high.

HCOB Germany Manufacturing PMI Output Index at 52.5 (Jan: 51.4). 5-month high.

Business expectations reach highest since February 2022

Data were collected 10-20 February 2026.

The headline HCOB Germany Manufacturing PMI[®] climbed back into expansion territory for the first time in over three-and-a-half years in February, driven in large part by stronger increases in both output and new orders. The headline index was also buoyed by slower decreases in employment and stocks of purchases. Business expectations meanwhile remained on an upward trajectory, reaching their highest since February 2022.

Elsewhere, the latest survey results indicated an increase in cost pressures faced by goods producers in the eurozone's largest economy, with input price inflation its strongest in over three years. Factory gate charges rose for the first time four months, albeit only modestly.

The headline HCOB Manufacturing PMI is a gauge of overall business conditions derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases. A reading above 50 signals improving conditions, and the further above 50.0 the faster the rate of improvement signalled. At 50.9 in February, up from 49.1 in January, the index signalled improving factory operating conditions in Germany for the first time since June 2022.

Production levels rose for a second month running in February, after having briefly declined at the end of 2025. The rate of growth accelerated to the quickest since last September. The improvement in output was seen alongside a similar upturn in new orders, which recorded a solid rate of expansion that was the fastest in almost four years. Amid reports from surveyed firms of stronger demand at home and abroad, February saw a renewed – albeit only marginal – increase in new export orders.

Although there was another round of staff cutbacks across the manufacturing sector during February, which panellists partly linked to restructuring measures and efforts to boost productivity, the latest reduction in employment was the weakest for seven months. The slower rate of job losses coincided with tentative signs of capacity pressures building as manufacturers recorded a first – albeit marginal – increase in backlogs of work since May 2022.

February also saw a more positive trend in goods producers' purchasing activity, with buying levels showing broadly no change to end a six-month sequence of decline. Stocks of purchases meanwhile fell at a much slower rate, one that was the weakest recorded in the current sequence of depletion stretching back to February 2023. There was also a notable easing in the rate of decline in stocks of finished goods.

Delivery times for purchases meanwhile lengthened for a sixth straight month in February, and to a greater extent than at the start of the year. Panellists attributed delays to some supply shortages, with electronic components mentioned in several cases.

Average input costs faced by German manufacturers rose for the third month running and at the quickest rate since December 2022. According to anecdotal evidence, there was a range of sources of cost inflation, including raw materials (particularly metals), energy, wages, electronic components, and the Carbon Border Adjustment Mechanism (CBAM).

Increased cost pressures led goods producers to raise output prices for the first time since last October. The rate of inflation was only modest and below the long-run average, but it marked only the third time in over two-and-a-half years that an increased in factory gate charges has been recorded.

Lastly, February's survey results showed manufacturers' growth expectations improve for a fourth straight month to the highest since February 2022. Firms reported optimism towards general market conditions and the development of new products.

Comment

Commenting on the PMI data, Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said:

"It finally looks like things are turning around for Germany's manufacturing sector. For the first time in over three-and-a-half years, the headline PMI has climbed back above 50. That's thanks to faster growth in output, a solid jump in new orders - helped a bit by stronger export demand - and longer delivery times, which usually signal rising demand. Most of the gains came from makers of intermediate and capital goods. For a sector that hasn't had much to celebrate in recent years, this is already a pretty upbeat development."

"Input prices shot up in February, rising much faster than the month before. From what people in the industry are saying, costs have been rising from all kinds of directions - metals, energy, wages, electronic components, and even the newly introduced Carbon Border Adjustment Mechanism (CBAM). Companies did manage to pass some of these higher costs on to customers, but margins likely still took a hit."

"Companies kept trimming their staff, although not as sharply as in January, probably because demand has picked up a bit. With output growing for eleven of the past twelve months while employment has been cut significantly during the same period, manufacturers seem to have boosted their productivity. That could set a solid foundation for more sustainable growth in the months ahead."

"Optimism about future production has risen from an already high level. A lot of that confidence likely comes from government infrastructure stimulus and the big jump in defence spending, both of which are driving domestic demand. There really does seem to be a structural shift underway, as over the past five months total orders have consistently outpaced export orders. We expect domestic demand to be the main driver of manufacturing growth this year."

-Ends-

HCOB Germany Manufacturing PMI

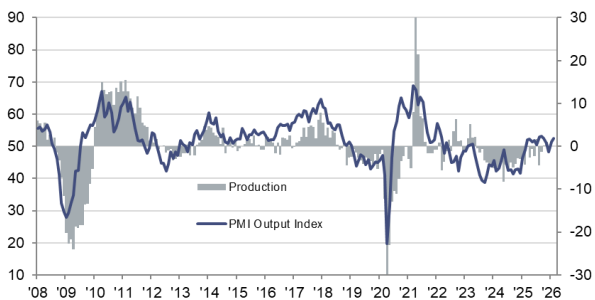
sa, >50 = improvement since previous month



Sources: HCOB, S&P Global PMI.

PMI Output Index

sa, >50 = growth since previous month



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

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Note to Editors

The HCOB Germany Manufacturing PMI[®] is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 420 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 1996.

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.

Flash data were calculated from 88% of final responses. Since January 2006 the average difference between final and flash Manufacturing PMI values is 0.0 (0.3 in absolute terms).

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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