NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB France Manufacturing PMI®

Production growth continues into February, although demand conditions remain frail

Key findings:

Factory output increases, with goods placed into stock amid falling sales

Cost pressures pick up, driving output price inflation up to an 18-month high

Year-ahead expectations remain upbeat

Data were collected 10-20 February 2026.

Manufacturing output in France rose again in February, latest HCOB PMI® data showed, marking back-to-back months of increase at the start of 2026. However, production was expanded in the absence of new order growth, leading stocks of finished goods to increase. Nevertheless, reports of healthy sales pipelines and positive demand forecasts underpinned a confident year-ahead outlook.

Meanwhile, inflationary pressures picked up across France's manufacturing sector. Higher prices for metals and metal products drove a quicker rise in input costs. Subsequently, prices charged were raised to the greatest extent in a year-and-a-half.

The seasonally adjusted **HCOB France Manufacturing Purchasing Managers' Index™ (PMI)** slipped from January's 43-month high of 51.2 to 50.1 in February. Posting only just above the no-change threshold (50.0), the headline measure of the survey indicated a broad stagnation in the health of France's manufacturing sector.

This result reflected a dichotomy between falling new order inflows — the respective sub-index carries the largest weight in the calculation of the PMI — and rising output. Factory production rose for a second successive month in February, albeit at a slightly softer pace than that seen in the opening month of the year. By contrast, new business intakes decreased, with surveyed companies attributing lower sales to unfavourable economic conditions. That said, February's decline in total orders was only marginal overall.

Export markets were a major drag on demand for French goods, underlying data revealed. In fact, new orders from international customers fell at the sharpest rate in seven months. Lower demand stemmed from clients in Europe, Asia, South America and parts of Africa, according to panel member reports.

A result of decreasing new business and rising output was inventory expansion. Stocks of finished goods rose for the first time since last July in February. That said, the accumulation was only marginal. As for pre-production holdings, French manufacturers showed greater caution as purchasing volumes were reduced and stocks of inputs held broadly steady. According to some panellists, this reflected efforts to maintain lean warehouses due to weakness in prevailing demand conditions.

Meanwhile, factory employment in France decreased during February, marking the first reduction in three months. Permanent staff were reportedly let go, according to anecdotal evidence. Elsewhere on the supply-side, latest survey data revealed delays in the receipt of items from vendors. However, the extent to which average lead times lengthened was the least marked in nine months.

Turning to prices, French manufacturers reported greater input costs midway through the first quarter. In fact, the rate of inflation accelerated to a six-month high. Panellists often attributed the rise in their expenses to higher prices for metals and metal products. Prices charged moved in the same direction, with firms lifting their fees more aggressively in February. Factory gate charges registered their steepest uplift in a year-and-a-half.

Lastly, French manufacturers were optimistic of growth over the next 12 months. Confidence in the outlook for demand underpinned firms' positive assessment.

Comment

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

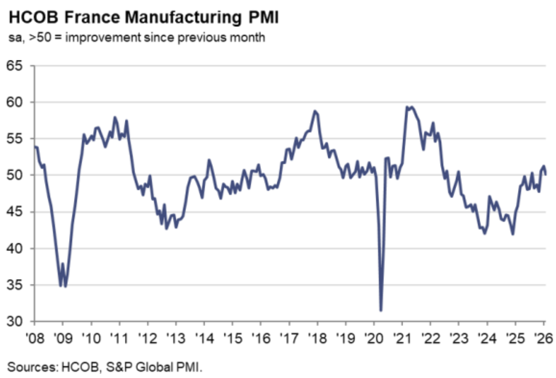
"The French manufacturing sector continues to struggle to generate meaningful momentum. The HCOB Manufacturing PMI declined slightly, but several underlying indicators offer cautious optimism. Production increased in the first two months of the year, a development that several surveyed firms attribute to improved conditions in the automotive and aerospace industries. Both sectors are likely to benefit in the coming months from deregulation and sustained public-sector demand.

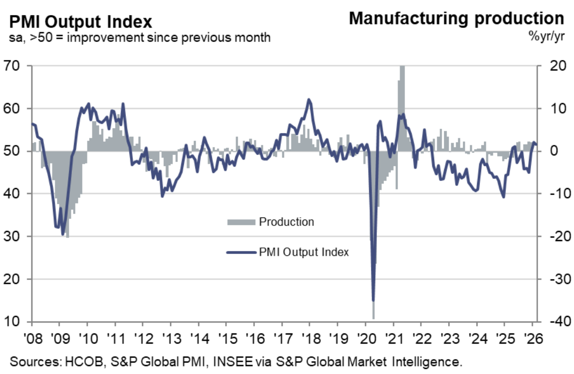
"As long as incoming orders in France's manufacturing sector remain in decline, it is premature to declare the downturn in the sector as over. That said, the index for order books is only marginally below the expansion threshold, and significantly better than the average level recorded from 2023 to 2025. However, export markets continue to provide little support, as foreign orders have fallen again since the start of the year, with February seeing weaker new business from Europe, Asia, South America, and parts of Africa.

"Against the backdrop of rising output and declining orders, inventories of finished goods increased in February. Conditions around purchasing and stocks of purchases also appear to be shifting. After three years of continuous destocking, manufacturing firms are once again expanding their holdings of purchases to meet higher production needs.

"Business expectations have stagnated in recent months, though they remain at a level clearly above that of previous years. Confidence among manufacturers therefore appears to be improving. This is partly driven by expectations of rising demand from the public sector."

-Ends-





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Note to Editors

The HCOB France 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 April 1998.

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 94% of final responses. Since January 2006 the average difference between final and flash Manufacturing PMI values is 0.1 (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 CNA

CNA (Conseil national des achats – National Purchasing Council), is a non-profit making, non union trade association, gathering individuals, and people actually involved in the purchasing activity of companies or public services. Its aim is to increase the efficiency of the purchasing function in the economy by training and informing those concerned, defining and applying a professional ethic, providing studies, research, surveys, and all actions of general interest in any field directly or non directly related to purchasing and subsidiary functions.

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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