UniCredit Bank Austria Purchasing Managers´ Index

February 2026

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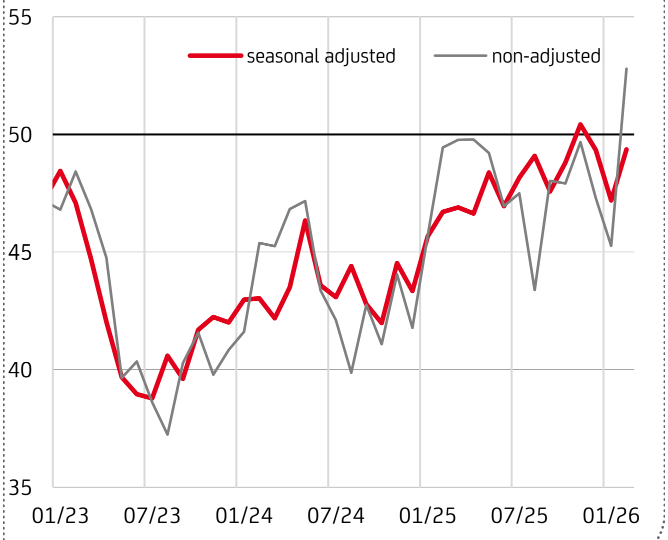
Overview

TAILWIND FOR THE RECOVERY OF THE AUSTRIAN INDUSTRY

- The dip at the beginning of the year has been overcome: The UniCredit Bank Austria Purchasing Managers' Index improved to 49.4 points in February
- Slight rise in new orders led to a minimal increase in production output
- However, the pace of job losses in the domestic industry increased again in February
- The strongest rise in costs for three years triggered the first increase in output prices for ten months despite fierce competition
- Cautious purchasing and cost-conscious inventory management emphasize the only slowly diminishing uncertainty about the sustainability of the recovery underway
- Improving outlook: Expectations index rose to 62.6 points in February, the highest level in four years.

UniCredit Bank Austria
Purchasing Managers´ Index



Source: S&P Global, UniCredit Bank Austria

	UniCredit Bank Austria PMI	New orders	Output	Employ-ment	Suppliers' delivery times	Stocks of purchases	Future output [1)]
Feb-26	**49.4**	50.4	50.1	44.1	46.0	48.1	62.6
In comparison to previous month	↗	↗	↗	↘	↗	↗	↗
average since 2000	↘	↘	↘	↘	↗	↘	↗

[1)] not in the overall index / business expectations 12 months

Source: S&P Global, UniCredit

In details

THE UNICREDIT BANK AUSTRIA PURCHASING MANAGERS' INDEX INCREASED TO 49.4 POINTS IN FEBRUARY

After a weak start to the year, the industrial economy showed signs of improvement again. The UniCredit Bank Austria Purchasing Managers' Index reached 49.4 points in February, a clear increase on the previous month and the second-highest value since the slump in the industrial economy in summer 2022. The recovery of the domestic industry has made progress. The previously volatile upswing has regained a little more stability. The turnaround became a little more visible again, but the pace of economic progress remained subdued and continued to be slower than in previous recovery phases.

The rise in the UniCredit Bank Austria Purchasing Managers' Index was driven by an improvement in almost all components. New orders increased slightly in February, which resulted in a slight increase in production. The slight easing of economic uncertainty was reflected in a smaller decline in purchasing volumes and a slower rate of destocking. The cost increases that were at least partially passed on to customers also fit into the picture of a gradual stabilization of the situation in the sector. However, the big downer in February was the renewed acceleration of staff reductions to increase productivity.

In view of the gradually broader and more stable foundation of the economic improvement in the domestic industry, the prospects for production growth in 2026 are good. Despite the challenges posed by geopolitical uncertainties, increased protectionism in global trade, tougher competition from the Far East and the difficult cost situation, we expect industrial production in Austrian manufacturing to increase by at least 1.5 per cent on average in 2026. Domestic companies have become very optimistic again. The expectations index for production over the next twelve months has risen to 62.6 points, the highest value for over four years.

The current optimism was apparently fuelled by the upward trend in industrial activity in Austria's most important export markets. The preliminary Purchasing Managers' Index for industry in the eurozone rose to 50.8 points in February. The improvement in Germany to 50.7 points, supported by stronger demand at home and abroad, provided the necessary boost..

NEW BUSINESS UP, BUT EXPORT ORDERS LAGGING BEHIND

After domestic companies had significantly reduced their production output in January, February saw a return to the previously slightly positive trend. The production index rose to 50.1 points. Domestic companies increased production slightly because there was some movement in demand. The index for new business reached 50.4 points, signaling at least a slight increase in incoming orders for the first time in three months. However, the revival was exclusively due to increased domestic demand. However, the decline in new export orders in February was at least significantly lower than around the turn of the year.

In addition to the still somewhat subdued demand and geopolitical uncertainties, new business continues to be held back by high prices in some cases and high inventories held by customers. Although the index for new orders was higher than the production index for the first time in over a year in February, domestic companies still had to focus heavily on working off backlogs in order to utilize their capacities, which consequently decreased again. Here too, however, the negative trend slowed down. Despite the reduction in order backlogs, average delivery times increased in February and were even slightly longer than at the start of the year. This was due to production cutbacks on the supplier's side as well as delivery difficulties for some raw materials.

JOB LOSSES IN THE INDUSTRY INTENSIFIED

Despite the slight increase in new orders and output, job losses in Austrian industry have accelerated. The employment index fell to 44.1 points. This indicates the highest rate of job cuts since October. Despite the bright spots, the majority of domestic companies reduced their headcount in February in further adjustment to the lower production requirements compared to 2022 and increased labor costs. The willingness to retain skilled workers in order to get off to a faster start in the increasingly favorable market environment has decreased due to the long period of weakness. As employees continued to be laid off even though production increased slightly, productivity in domestic manufacturing should have increased again in February. A trend that has been continuing for exactly two years.

With a seasonally adjusted figure of over 27,000 people, the number of jobseekers in Austrian industry is now 35 per cent higher than at its lowest point around two and a half years ago. The unemployment rate in the Austrian manufacturing industry has been trending upwards since spring 2023, but has begun to stabilize in recent months. The labor market situation in the industry could begin to ease later in 2026. After averaging 4.3 per cent in 2025, we expect this figure to remain the same in 2026, meaning that the unemployment rate in industry will continue to be significantly lower than in the economy as a whole at 7.3 per cent, although the downward trend will become apparent earlier.

Despite the generally tight labor market situation, skilled workers are still being sought in the domestic industry. Companies have currently registered around 7,500 vacancies. On average, there are currently 3.5 jobseekers for every vacancy in manufacturing in Austria, compared to just 1.5 around two and a half years ago. While there is no national average labor shortage in the industry, the situation is more challenging in individual professions, and this also applies regionally. In Tyrol, the vacancy rate is 1.7, and in Salzburg there are only 2 jobseekers for every vacancy.

STRONG INCREASE IN COSTS

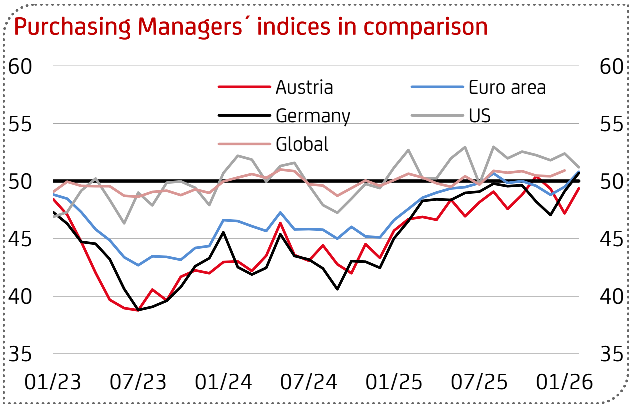
Although domestic companies once again reduced their purchasing volumes in February, which was reflected in a further reduction in inventories of primary materials, there was a significant increase in costs due to supply bottlenecks for some primary products and raw materials. The input price index climbed to 56.2 points, indicating the strongest increase in three years. High energy and labor costs as well as the current shortage of some raw materials caused input prices for Austrian industry to rise for the eighth month in a row. The rise in costs has even accelerated recently. The price increase in purchasing was at least partially passed on to customers for the first time in February. This is a first sign that companies' pricing power is increasing again somewhat due to demand. However, output prices rose only slightly, meaning that the earnings situation of domestic businesses is likely to have deteriorated further on average.

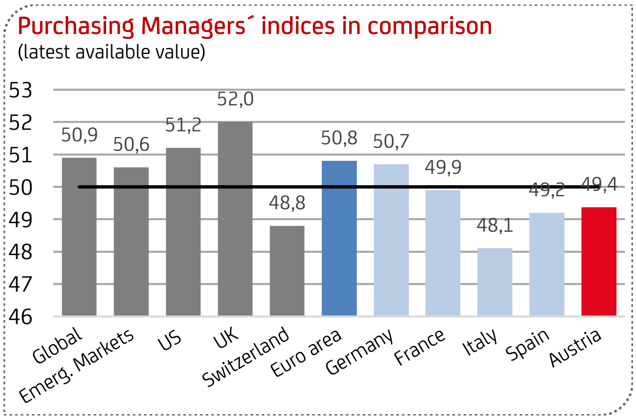
	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Ø since 2000
UniCredit Bank Austria Purchasing Managers' Index	**46.9**	**46.6**	**48.4**	**47.0**	**48.2**	**49.1**	**47.6**	**48.8**	**50.4**	**49.3**	**47.2**	**49.4**	**51.4**
Output	48.2	49.0	50.2	49.1	50.5	52.5	49.7	50.7	52.7	50.2	47.1	50.1	52.2
New orders	47.5	44.1	46.9	44.3	46.2	47.8	46.1	49.0	50.7	47.2	45.6	50.4	50.3
Employment	43.2	47.1	47.0	44.2	45.8	45.6	44.4	43.7	45.4	48.0	45.1	44.1	50.5
Suppliers' delivery times (inverse)	51.2	51.0	50.1	47.2	47.1	47.5	47.4	46.1	45.5	44.3	46.6	46.0	45.1
Stocks of purchases	46.4	44.1	48.8	46.2	46.0	46.2	45.6	46.0	47.9	46.7	47.1	48.1	48.9
Stocks of finished goods[1)]	47.8	45.7	52.4	46.9	48.6	51.8	47.2	50.6	50.1	52.2	52.1	50.9	49.0
Backlog of work[1)]	47.6	44.7	47.7	46.1	49.1	47.7	46.6	45.6	48.7	50.5	46.5	48.7	50.2
New export orders[1)]	45.5	43.9	46.0	44.9	46.3	47.0	46.2	49.1	51.1	46.5	46.0	48.4	49.7
Quantity of purchases[1)]	44.9	44.2	44.2	45.1	49.3	49.8	47.0	45.5	48.1	47.1	46.1	47.4	50.3
Input prices[1)]	53.0	50.5	49.9	49.6	52.1	52.6	54.4	52.5	53.6	52.8	54.0	56.4	57.3
Output prices[1)]	51.8	50.7	48.0	48.5	48.2	49.1	48.6	47.7	49.7	48.7	48.6	50.7	52.0
New orders/Stocks of finished goods[2)]	0.99	0.96	0.90	0.95	0.95	0.92	0.98	0.97	1.01	0.90	0.88	0.99	1.03
Future output[1)]	51.0	55.9	56.1	55.4	59.5	57.1	53.7	59.7	59.2	59.8	58.9	62.6	55.0

1) not in the overall index 2) own calculation

Source: S&P Global, UniCredit

Further improvement in industrial activity in Europe

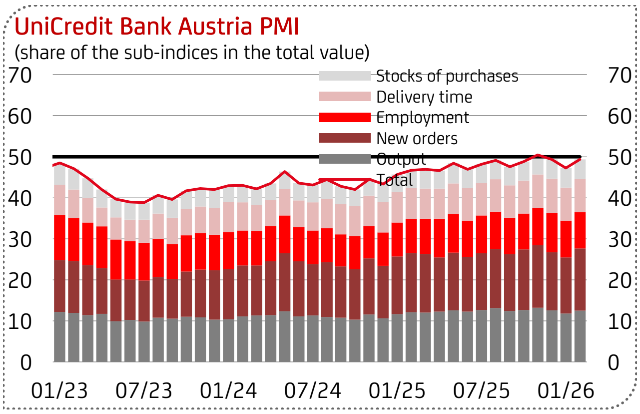


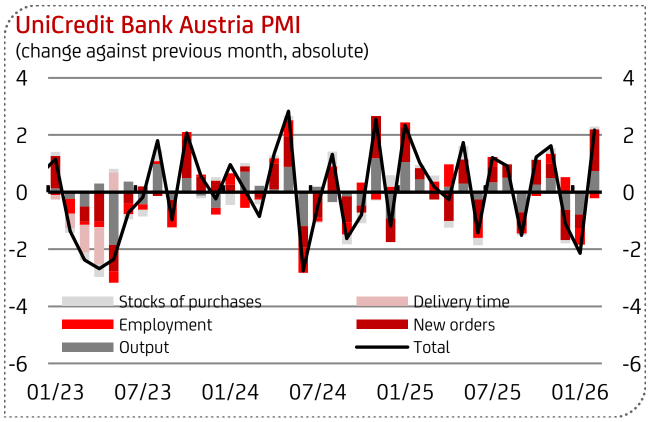


In the euro area, the preliminary purchasing managers' index for the manufacturing industry improved to 50.8 points in February, bringing it back into growth territory for the first time in four months.

The increase in the index in Germany, the largest market, from 49.1 to 50.7 points, boosted by rising order intake, contributed significantly to the better result in the euro area.

Industrial activity leaves unfavorable start to the year

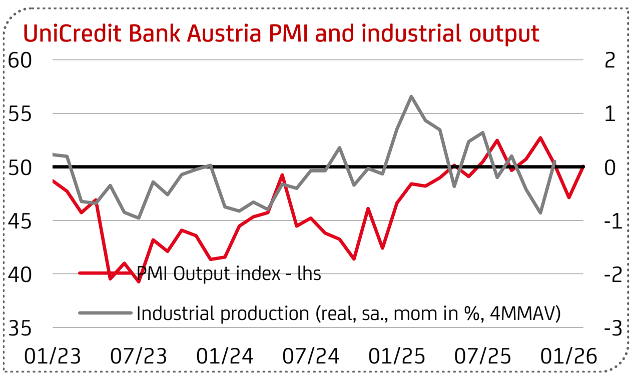


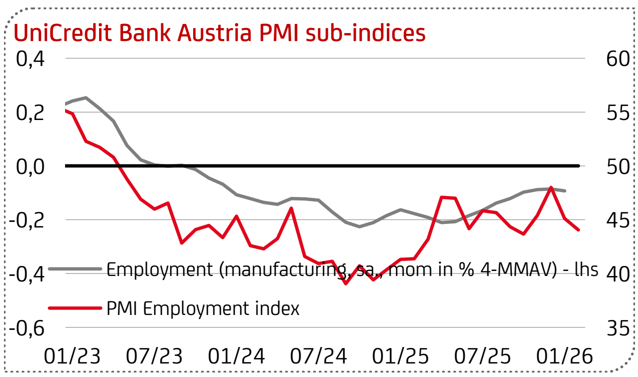


After the slump in the previous month, the UniCredit Bank Austria Purchasing Managers' Index rose to 49.4 points in February.

All sub-indices except the employment index contributed to the increase of 2.2 points in February compared with the previous month.

Production output rose slightly in February, but job cuts continued



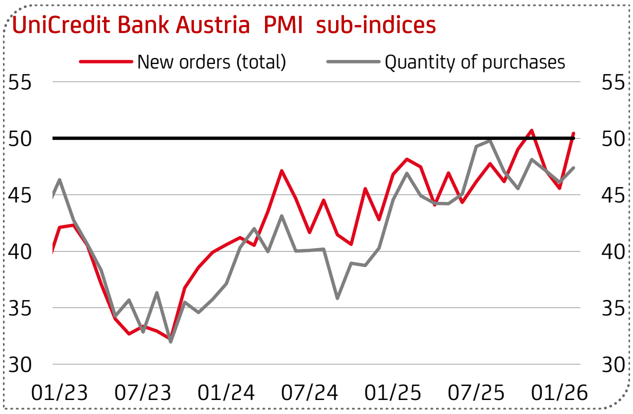


After domestic companies significantly reduced their production output in January, the slightly positive development before was resumed in February. The production index rose to 50.1 points.

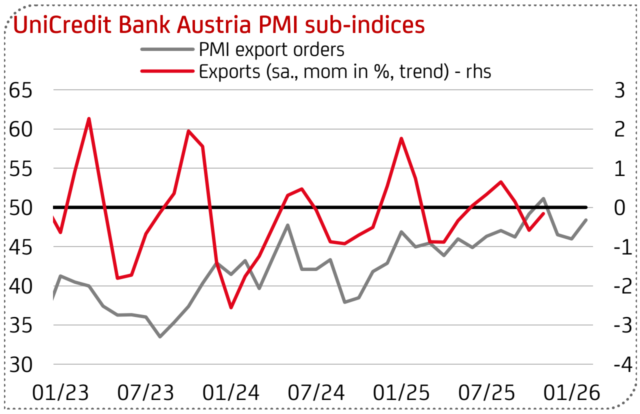
Despite the slight increase in orders and production, job cuts in Austrian industry have accelerated. The employment index fell to 44.1 points.

Sources: S&P Global, Statistik Austria, UniCredit Bank Austria

New business increased slightly

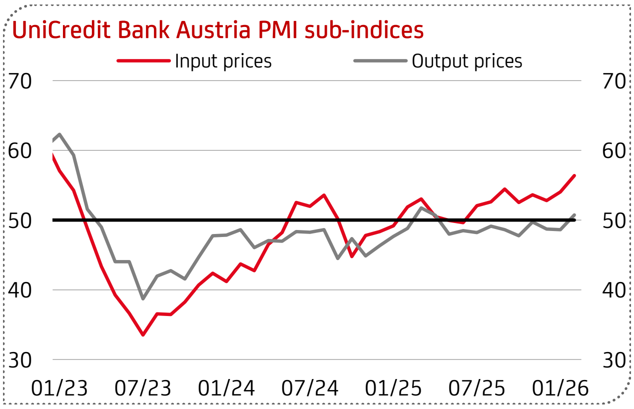


The index for new business reached 50.4 points, signaling at least a slight increase in incoming orders for the first time in three months.

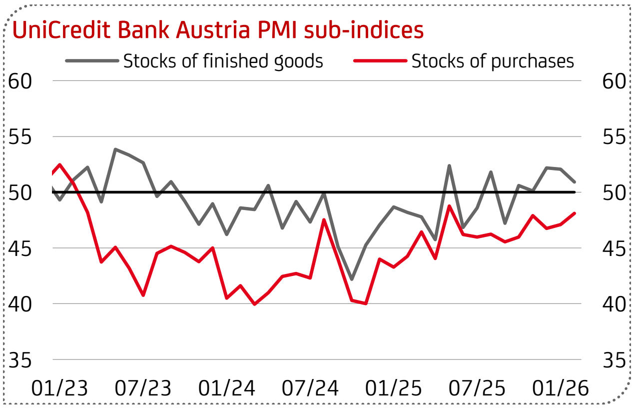


The recovery was solely due to increased domestic demand. The decline in export orders was at least smaller than in the previous month.

Strong cost increase

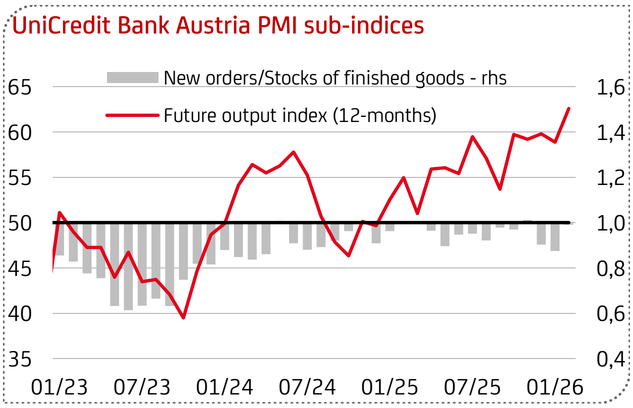


Cost inflation accelerated further in February. For the first time in 10 months, output prices also rose, but at a much lower rate .

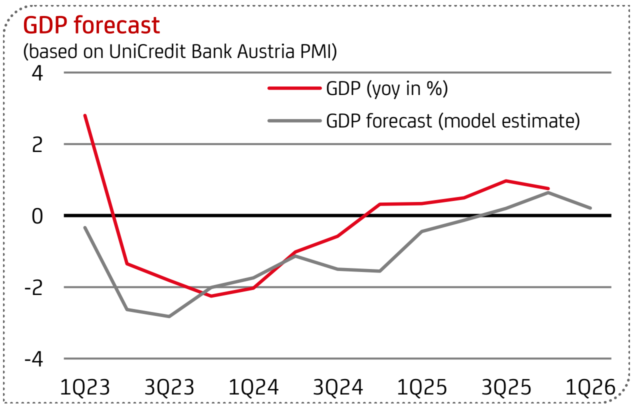


Due to the lower purchasing volumes, inventories of input materials decreased again, but at a slower pace. The pace of increase in stocks of finished goods also slowed

Optimism in industrial companies has risen significantly



The index for production expectations for the next twelve months rose to 62.6 points, the highest level in over four years.



The purchasing managers' index for industry points to a somewhat slowing year-on-year increase in GDP at the beginning of 2026.

Sources: S&P Global, Statistik Austria, UniCredit Bank Austria

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