News Release

Embargoed until 1000 CEST (0800 UTC) 26 June 2019

UNICREDIT BANK AUSTRIA MANUFACTURING PMI®

Downturn in Austrian manufacturing sector gathers pace in June

KEY FINDINGS

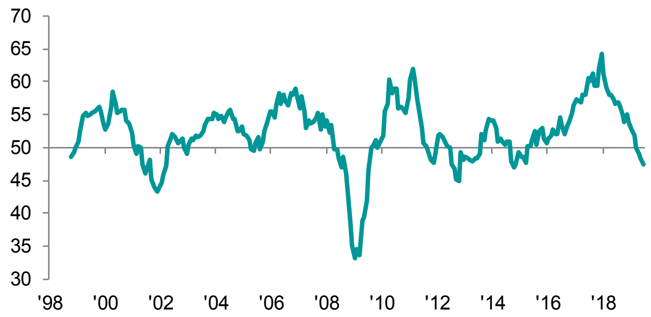
PMI down to 55-month low of 47.5 in June

Orders from at home and abroad tumble

Input delivery times improve noticeably and input prices fall

Manufacturing PMI

sa, >50 = improvement since previous month



Sources: Bank Austria, IHS Markit.

Operating conditions for Austrian manufacturers continued to deteriorate in June. Output and orders both declined, in line with an increasingly challenging economic environment. Firms responded by cutting purchasing activity further, which in turn reduced pressure on vendors and led to the fastest improvement in delivery times since August 2012. Input costs were also down, though firms continued to push ahead with their own output price increases.

The headline UniCredit Bank Austria Manufacturing PMI slipped further below the neutral 50.0 mark in June. The PMI, which is a composite single-figure indicator of manufacturing performance, derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases, recorded 47.5 for June. That was down from May's 48.3 and represented the greatest deterioration in operation conditions since November 2014.

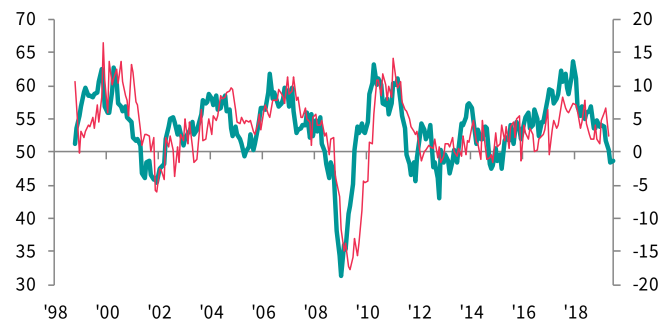
Principal downward pressure on the PMI came from deteriorating volumes of new orders, which declined at a rate that matched April's near four-and-a-half year record. There were reports of weakness in demand from both domestic and external markets, especially those related to the automotive sector. June's survey showed that export orders fell at a considerable and accelerated pace that was the sharpest since October 2012.

Market group data revealed that softness in output and, most noticeably for new orders, was centred on the investment goods category. June's survey indicated that orders received for capital goods deteriorated at a rate not seen since the peak of the financial crisis in 2009. Intermediate goods producers also recorded falls in new work and output, but growth was sustained for consumer goods.

Many manufacturers responded to the deteriorating trend in order books by lowering their own purchasing activity and utilising existing inventories wherever possible. The reduction in buying levels was the sharpest registered by the survey for over four years, and this was a key factor behind a rapid improvement in suppliers' delivery times. Faced with lower orders, vendors were able to enhance their delivery performance to the greatest degree since August 2012.

In line with emerging supply-side slack, input prices fell (albeit modestly) for the first time in 34 months. Companies reported that prices for metals and chemicals were lower. Nonetheless, firms chose to raise their own charges as part of ongoing efforts to bolster margins.

Looking ahead, firms were broadly neutral about the outlook. Worries over the recent economic downturn, especially in the automotive sector, were in part offset by hopes for growth related to new product launches and the planned expansion into new markets. Nonetheless, the subdued outlook weighed on jobs. Although growth was sustained for a thirty-ninth month in a row, the net increase in June was the weakest in this sequence.



Sources: Bank Austria, IHS Markit, Eurostat.

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Methodology

The Bank Austria Manufacturing PMI® is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 300 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

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.

June 2019 data were collected 12-21 June 2019.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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. To learn more go to ihsmarkit.com/products/pmi.html.

UniCredit Bank Austria

Our customers' success is one of our primary concerns. For this reason we are pleased to prepare the Purchasing Managers' Index on a monthly basis jointly with IHS Markit, thereby enhancing the quality of our information on the Austrian economy. Because having access to accurate information at the right time is decisive for business decisions, especially in an increasingly harsher competitive environment.

The high level of expertise of UniCredit Bank Austria's employees in complex issues concerning finance, financial investments and investment projects is one of the reasons why UniCredit Bank Austria is a leading commercial bank. Our employees take advantage of the information lead. We use this acquired knowledge for the business success of our customers.

OPWZ

The OPWZ is a leading partner of business, administration, health care and NGOs for the training and advanced qualification of their employees and management.

In cooperation with experts from economy and science, the OPWZ is setting standards in education that meet international requirements and national needs.

With its experience of more than 60 years and over half a million graduates the OPWZ is the knowledge motor of productivity and economic efficiency in Austria, enhancing the competitive capacity of corporations and organizations. www.opwz.com/forum-einkauf/

About IHS Markit

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.