

Nestlé® Posts 3.6% Organic Growth in H1 2026, Maintains Full-Year Guidance

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Nestlé reported 3.6 per cent organic growth for the first half of 2026, driven by improving real internal growth (RIG), broad-based performance across markets and continued investment in its leading brands, with Chief Executive Officer Philipp Navratil saying the company is making "steady progress" towards its medium-term growth targets despite an uncertain external environment.

"Our RIG-led growth strategy is delivering, with organic growth of 3.7 per cent and RIG of 1.8 per cent in Q2, making steady progress towards our medium-term guidance. Emerging markets growth accelerated, and we delivered solid performance in developed markets. We are increasing and prioritising our investment behind our leading brands and growth platforms, sharpening our portfolio focus and driving further efficiencies to reinvest. While the external environment remains uncertain, we are taking actions to accelerate consistent growth," said Philipp Navratil, CEO of Nestlé.

The food and beverage major posted sales of CHF 43.1 billion for H1 2026, compared with CHF 44.2 billion in the same period last year, reflecting a reported decline of 2.5 per cent due to unfavourable foreign exchange movements. Organic growth was supported by 1.5 per cent real internal growth (RIG) and 2.1 per cent pricing, while second-quarter organic growth improved to 3.7 per cent, with RIG strengthening to 1.8 per cent.

Underlying trading operating profit stood at CHF 7.08 billion, with the underlying trading operating profit margin at 16.4 per cent, down 10 basis points year on year but improving sequentially from the second half of 2025. Net profit declined 31.4 per cent to CHF 3.47 billion, while free cash flow rose 46.3 per cent to CHF 3.38 billion.

Emerging markets continued to drive growth, delivering 7.1 per cent organic growth excluding China, with 3.9 per cent RIG. Nestlé said China has stabilised following the completion of its planned trade inventory reduction. Developed markets also delivered solid results, with 2.3 per cent organic growth, supported by resilient consumer demand in Europe and robust sell-out in the United States.

The company increased advertising and marketing investment to 8.9 per cent of sales, supporting its leading brands and growth platforms, which recorded 7 per cent organic growth. Nestlé also continued to reshape its portfolio by announcing a planned 50:50 joint venture for its waters and premium beverages business, expected to generate approximately CHF 2.8

billion in net cash proceeds in the first half of 2027. During the period, it also acquired the remaining stake in yfood, divested Blue Bottle Coffee, and classified its mainstream vitamins, minerals and supplements (VMS) and ice cream businesses as assets held for sale.

The company's Fuel for Growth programme has generated cumulative cost savings of CHF 1.7 billion, keeping it on track to achieve its CHF 2 billion savings target by the end of 2026.

Looking ahead, Nestlé reaffirmed its 2026 guidance, expecting organic growth of between 3 and 4 per cent, with further acceleration in RIG compared with 2025. It also expects its underlying trading operating profit margin to improve year on year and free cash flow to exceed CHF 9 billion.