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Unilever Upgrades 2026 Outlook After Delivering 4.8% Underlying Sales Growth in H1

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Unilever has upgraded its full-year 2026 outlook after reporting 4.8 per cent underlying sales growth (USG) in the first half of the year, driven by robust volume growth across all business groups and strong performance in emerging markets. Chief Executive Officer Fernando Fernandez said the company delivered its best quarterly volume growth in more than a decade while continuing to transform its portfolio.

"We have delivered a strong volume-led performance in the first half, with a significant step-up in the second quarter – the best volume quarter at Unilever in over a decade. Our Power Brands continued to outperform, with all Business Groups delivering volume-led growth. Emerging markets showed momentum – India, Indonesia and Latin America all delivered strong growth – while North America again outperformed its market," said Fernando Fernandez, CEO of Unilever.

"These results show our ability to continue performing while transforming our portfolio. Our brands are stronger, our execution is sharper and we are driving Desire at Scale. Our combination of Foods with McCormick is progressing well and will unlock significant value, making Unilever a focused pureplay HPC company, while giving Foods the platform to thrive as part of a global powerhouse in flavour. The macroeconomic environment remains uncertain, but our consistency, discipline and strong first-half performance give us confidence that we are well positioned to deliver our upgraded full-year outlook," he added.

The company reported turnover of €25.6 billion for the first half of 2026, up 0.5 per cent year on year. Growth was impacted by a 4.9 per cent negative currency effect, while acquisitions, net of disposals, contributed 0.7 per cent to turnover.

Underlying sales growth of 4.8 per cent was driven primarily by 4.2 per cent volume growth and 0.6 per cent pricing. Performance accelerated in the second quarter, with 5.8 per cent underlying sales growth, including 5.5 per cent volume growth, marking the strongest quarterly volume performance for the company in over ten years.

Unilever's Power Brands continued to outperform, delivering 6.0 per cent underlying sales growth, supported by 5.4 per cent volume growth. All business groups recorded volume-led growth, with Beauty & Wellbeing, Personal Care and Home Care accelerating in the second quarter.

The Foods business posted 1.2 per cent underlying sales growth, entirely driven by volume, while pricing remained flat. Growth was supported by emerging markets, although developed markets experienced softer demand and heightened competition in the US condiments segment. Unilever Food Solutions delivered low single-digit growth during the period.

Emerging markets, which account for 60 per cent of group turnover, remained the company's strongest growth engine, recording 7.0 per cent underlying sales growth and 5.8 per cent volume growth. India delivered 8 per cent underlying sales growth, accelerating to 10 per cent in the second quarter, driven by double-digit growth in Beauty & Wellbeing and Home Care. Indonesia recorded 7 per cent growth, while Latin America achieved 7.6 per cent growth, supported by a strong recovery in Brazil and continued momentum in Argentina and Mexico. China also delivered mid-single-digit growth, led by premium innovations and strong digital and e-commerce execution.

In developed markets, underlying sales grew 1.5 per cent, with North America delivering 2.7 per cent growth and continuing to outperform the market, while Europe recorded a 0.9 per cent decline amid weaker consumer demand and pricing pressures in Foods.

Looking ahead, Unilever raised its guidance for 2026 and now expects full-year underlying sales growth to be within its multi-year target range of 4 to 6 per cent, supported by approximately 3 per cent underlying volume growth. The company also expects underlying sales growth of 4 to 5 per cent in the second half, led by pricing, and anticipates a modest improvement in its underlying operating margin compared with 20.0 per cent in 2025.