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Unilever Reports Flat Foods Growth in Q3 2026 Amid Weakness in Developed Markets

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Unilever reported nearly flat underlying sales growth in its Foods business for the third quarter of 2026, as gains in emerging markets and Unilever Food Solutions were offset by weaker performance in developed market retail. The company recorded 0.1 per cent underlying sales growth in the segment, with a 1.1 per cent decline in volume partly offset by 1.3 per cent price growth.

“We have delivered another quarter of competitive growth, led by continued strong volume delivery and a step up in price to offset the impact of higher commodity costs,” said Fernando Fernandez, CEO, Unilever. He noted that emerging markets remained a key growth driver, led by India, alongside continued strength in Latin America and Southeast Asia, while developed markets faced tougher prior-year comparators and softer Foods performance.

For the third quarter, Unilever's Foods business saw Unilever Food Solutions deliver low-single-digit growth, while Cooking Aids and Condiments remained broadly flat. Growth in emerging markets and the foodservice business was offset by a decline in developed market retail, reflecting continued weak market conditions and increased competition in US condiments.

The company said it was taking corrective measures to improve its US Foods performance, including introducing new products to strengthen competitiveness and implementing pricing actions. Unilever Food Solutions recorded an improvement in North America, where growth accelerated to the mid-single-digit range.

At the group level, Unilever reported third-quarter turnover of €13.3 billion, an increase of 6.7 per cent compared with the corresponding period last year. Underlying sales growth stood at 5.2 per cent, comprising 2.9 per cent volume growth and 2.3 per cent price growth.

The company's Power Brands recorded 5.8 per cent underlying sales growth, supported by strong performances across Beauty & Wellbeing, Personal Care and Home Care. However, Foods remained the weakest-performing business segment during the quarter.

Emerging markets support growth

Regional performance highlighted a divergence between developed and emerging markets. Emerging markets recorded 9.5 per cent underlying sales growth, driven by 6 per cent volume growth and 3.3 per cent price growth. India, Turkey, Vietnam and Pakistan delivered double-digit growth, while Latin America, Indonesia and Southeast Asia recorded high-single-digit growth.

In contrast, developed markets reported a 0.9 per cent decline in underlying sales, with volumes falling 1.7 per cent despite 0.7 per cent price growth. North America declined 0.7 per cent, while Europe recorded a 1.7 per cent decline.

Unilever advances Foods combination with McCormick

Unilever also reported progress on its proposed combination of its Foods business with McCormick, announced in March 2026. The transaction is intended to create a global flavour business while enabling Unilever to focus on its Home Care, Personal Care and Beauty & Wellbeing businesses.

Separation and integration activities are progressing, supported by more than 200 employees across 20 cross-functional teams. Regulatory filings have been submitted according to schedule, with the company reporting progress across jurisdictions.

Completion remains subject to McCormick shareholder approval, regulatory clearances and other customary closing conditions. Works Council consultations are also underway.

2026 outlook

Following its performance during the first nine months of 2026, Unilever upgraded its full-year outlook. The company now expects at least 3 per cent underlying volume growth for the full year, while maintaining its expectation of 4–6 per cent underlying sales growth and a modest improvement in underlying operating margin compared with 20 per cent in 2025.

Fernandez said the company was continuing its transformation towards a simpler and more focused business, with stronger execution across its brands. He added that the progress would support sustained and competitive performance.