

Nestlé® Reports Steady Q1 Growth, Maintains 2026 Outlook Amid Global Uncertainty

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Global food and beverage major Nestlé® has reported a solid start to 2026, posting organic growth of 3.5 per cent in the first quarter, driven by its Real Internal Growth (RIG)-led strategy and strong performance across key categories and emerging markets.

Chief Executive Officer Philipp Navratil said the company's performance reflects the effectiveness of its growth strategy. "Our first-quarter performance demonstrates that our RIG-led growth strategy is delivering. Results were strong across most Zones and categories, particularly in Coffee and Food & Snacks," he noted, adding that growth in emerging markets stood out while Europe and the US remained resilient.

Nestlé's organic growth of 3.5 per cent was supported by 1.2 per cent real internal growth and 2.3 per cent pricing. RIG remained positive across all geographies and categories, except for infant formula within the Nutrition segment.

Coffee emerged as a key growth driver with broad-based acceleration, while Food & Snacks also showed improved momentum, particularly in confectionery. Geographically, emerging markets continued to outperform, recording 6.8 per cent organic growth and 2.9 per cent RIG (excluding China). Europe delivered stable trends, and the US market showed resilience despite macroeconomic pressures.

The company noted that the infant formula recall had a temporary impact of approximately 90 basis points on both organic growth and RIG in Q1, though product availability has now normalised.

Nestlé reaffirmed its focus on accelerating RIG through targeted investments in high-growth platforms and brand-building initiatives. The company has also undertaken extensive marketing upskilling, reaching over 50,000 employees globally.

Among key brand initiatives, Nestlé's premium coffee brand Nespresso recently partnered with global artist Dua Lipa as its new ambassador, reflecting its continued focus on strengthening consumer engagement.

On the portfolio front, Nestlé has initiated discussions with potential partners for its Waters & Premium Beverages division and is exploring divestment of its mainstream vitamins, minerals, and supplements business. It has also reached an agreement to sell Blue Bottle Coffee as part of its portfolio optimisation strategy.

Despite rising geopolitical and macroeconomic uncertainties, Nestlé has maintained its full-year guidance. The company expects organic growth to range between 3% and 4%, with RIG accelerating compared to 2025, supported by focused growth initiatives.

Underlying trading operating profit (UTOP) margins are projected to improve year-on-year, with stronger performance anticipated in the second half of 2026. Free cash flow is expected to exceed CHF 9 billion.

Navratil emphasised the company's confidence in navigating a complex global environment, crediting employees, customers, and consumers for their continued trust as Nestlé advances its strategy for sustainable growth.