

Heritage Foods reports 8% revenue growth in Q3

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Heritage Foods Limited reported an 8 per cent year-on-year increase in consolidated revenue to Rs 11,192 million for the quarter ended December 31, 2025 (Q3), driven by sustained momentum in its value-added products (VAP) portfolio despite elevated input costs and adverse weather conditions.

The consumer dairy business, excluding bulk fat sales, grew 13 per cent year-on-year, led by value-added products, which posted 13.8 per cent revenue growth. Consumer fats such as ghee and butter recorded a strong 22.6 per cent growth, increasing their contribution to overall revenues to 38.4 per cent, up from 33.5 per cent a year earlier. In contrast, the B2B bulk fats business declined sharply during the quarter.

VAP volumes grew 6.8 per cent year-on-year, with most categories registering positive growth despite higher-than-normal rainfall and prolonged cooler temperatures. Curd volumes rose 6 per cent, crossing 400 tonnes per day for the first time in Q3, while paneer grew 25 per cent. Ice creams and drinkables also showed strong traction, with ice cream volumes up 18 per cent, lassi up 29 per cent, and milkshakes rising 36 per cent.

Profitability, however, was impacted by sharp increases in procurement costs. Average landed raw milk prices rose about 9 per cent year-on-year to Rs 45.55 per litre due to supply tightness across regions. EBITDA declined 15 per cent year-on-year to Rs 629 million, with margins contracting 154 basis points to 5.6 per cent. Net profit fell 20 per cent year-on-year to Rs 346 million.

Milk procurement volumes declined 9 per cent year-on-year to 16.73 lakh litres per day, though the company reported sequential stabilisation during the quarter. Milk sales volumes increased 2.1 per cent year-on-year, supported by a 4.9 per cent price hike and improved product mix.

Commenting on the results, Executive Director Brahmani Nara said the company delivered resilient performance amid a challenging supply environment. She added that the upcoming commissioning of new ice cream and flavoured milk plants in Q4 FY26 would support future VAP-led growth.