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Heritage Foods Q2 Revenue Rises 19% to Rs 1,319.6Mn amid Higher Milk Costs

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Heritage Foods Limited reported a 19 per cent year-on-year increase in consolidated revenue to Rs 1,319.6 crore for the second quarter of FY27, supported by strong growth in value-added dairy products, higher realisations and continued consumer demand. Despite elevated milk procurement costs weighing on profitability, the company is focusing on premiumisation, product innovation and expanding its nutrition-led portfolio. “Our focus remains on strengthening the procurement ecosystem, expanding VAP capacity and accelerating innovation across premium and nutrition-led categories,” said Brahmani Nara, Executive Director, Heritage Foods.

For the quarter ended September 30, 2026, earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at Rs 74 crore, down 4 per cent year on year, while the EBITDA margin declined 133 basis points to 5.6 per cent. Profit after tax (PAT) fell 39 per cent to Rs 30.9 crore.

Gross margin contracted 271 basis points year on year to 21.8 per cent, reflecting persistent inflation in milk procurement costs. The average landed procurement price increased 11 per cent to Rs 47.73 per litre during the quarter.

Milk revenue grew 8.5 per cent year on year, supported by 2.5 per cent volume growth and a 6 per cent increase in average realisation to Rs 60.34 per litre.

Value-added products (excluding ghee and butter) recorded 32 per cent revenue growth to Rs 451 crore in Q2 FY27. Lassi revenue surged 91 per cent, followed by ice cream at 81 per cent, buttermilk at 66 per cent, paneer at 38 per cent and curd at 26 per cent.

Heritage continued to strengthen its nutrition-focused portfolio with the launch of Nourish+ High Protein Curd, offering 25g of protein, and Greek Yogurt. The company also expanded its premium offerings with organic curd and new ice cream variants.

For the first half of FY27, consolidated revenue rose 18 per cent to Rs 2,657.7 crore, while EBITDA declined 10 per cent to Rs 135.8 crore and PAT fell 39 per cent to Rs 55.8 crore.

Heritage Foods said it remains focused on improving profitability through premiumisation, cost control, operational efficiencies and a greater contribution from higher-value dairy products.