



VARUN BEVERAGES LIMITED



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CIN No. : L74899DL1995PLC069839

August 2, 2021

To,

National Stock Exchange of India Ltd. Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Email: cmlist@nse.co.in Symbol: VBL	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Email: corp.relations@bseindia.com Security Code: 540180
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Sub: Regulation 30: Press Release

Dear Sir/Madam,

Please find attached herewith a copy of the Proposed Press Release to be issued by the Company.

The same is also being uploaded on website of the Company at www.varunpepsi.com.

You are requested to take the above on record.

Yours faithfully,
For Varun Beverages Limited


Ravi Batra
Chief Risk Officer & Group Company Secretary



Encl.: As above



Varun Beverages' Q2 & H1 2021 Financial Results

<u>Q2 2021</u>	<u>H1 2021</u>
Revenue grew by 49.4% YoY to Rs. 24,498 mn	Revenue grew by 41.4% YoY to Rs. 46,907 mn
EBITDA grew by 51.1% YoY to Rs. 5,708 mn	EBITDA grew by 46.8% YoY to Rs. 9,524 mn
PAT increased by 123.0% YoY to Rs. 3,188 mn	PAT increased by 124.4% to Rs. 4,556 mn

Gurgaon, August 02, 2021: Varun Beverages Limited (BSE: 540180, NSE: VBL), a key player in the beverage industry, announced its financial results for the second quarter and half year ended June 30, 2021.

Financial Performance Highlights*

Performance Review for Q2 2021 vs. Q2 2020

- Revenue from operations (net of excise / GST) grew by 49.4% YoY to Rs. 24,498.5 million
 - Total sales volumes were up 45.4% YoY at 152.3 million cases in Q2 2021 as compared to 104.8 million cases in Q2 2020
- EBITDA increased by 51.1% to Rs. 5,708.0 million from Rs. 3,777.0 million
 - EBITDA margins improved by ~30 bps to 23.3% in Q2 2021 from 23.0% in Q2 2020
- PAT increased by 123.0% to Rs. 3,188.0 million in Q2 2021 from Rs. 1,429.8 million in Q2 2020
- In line with the guidelines of dividend policy, the Board of Director's have recommended an interim dividend of Rs. 2.5 per share
 - Total cash outflow would be ~ Rs. 1,082.6 mn.

Performance Review for H1 2021 vs. H1 2020

- Revenue from operations (net of excise / GST) grew 41.4% YoY to Rs. 46,907.4 million in H1 2021 as compared to Rs. 33,166.2 million H1 2020
- EBITDA increased by 46.8% to Rs. 9,524.2 million in H1 2021 from Rs. 6,488.5 million in H1 2020
- PAT higher by 124.4% to Rs. 4,555.6 million in H1 2021 from Rs. 2,030.4 million in H1 2020

***Note 1:** VBL follows a calendar year of reporting (Jan to Dec); **Note 2:** Given the seasonality in the business, it is best to monitor the business on an annual basis as a significant portion of the revenues and profits are realized in the Apr-June quarter

Commenting on the performance for Q2 2021 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,

"We have delivered an encouraging set of results during the quarter, despite a soft operating environment due to pandemic-induced lockdowns and restrictions. While we registered strong sales in the month of April, May witnessed moderate sales on account of the disruptions. I am happy to share that our team efficiently outlined and executed a set of SOPs and workflows to secure our business model and ensure continuity across operations during this time. With last year's learnings, we had all the necessary protocols in place to handle and mitigate the business impact to a certain extent. Further, as lockdowns and curbs started easing from June onwards, we saw faster recovery in demand, which assisted growth in the quarter.

Overall, we have delivered a healthy performance, with a topline growth of 49.4% YoY. The higher growth rate is on account of robust volume growth over a lower base of previous year as well as marginal increase in realizations. On the profitability front, we were able to maintain most of the cost-optimization measures that we had undertaken last year, allowing us to report stable EBITDA margin at 23.3%. PAT increased by 123.0%, primarily driven by lower finance cost on account of lowering of average cost of borrowing and reduction in total debt. We are also pleased to share that in-line with our dividend policy the Board of Director's have recommended an interim dividend of Rs. 2.5 per share.

As we look ahead, momentum in demand and consumption should further strengthen with higher vaccination drives, improving economic indicators and supportive macros such as good monsoons. We remain confident of reporting robust performance in the quarters ahead."

– ENDS –

About Varun Beverages Limited:

Varun Beverages Limited ("VBL" or the "Company") is a key player in beverage industry and one of the largest franchisee of PepsiCo in the world (outside USA). The Company produces and distributes a wide range of carbonated soft drinks (CSDs), as well as a large selection of non-carbonated beverages (NCBs), including packaged drinking water sold under trademarks owned by PepsiCo. PepsiCo CSD brands produced and sold by VBL include Pepsi, Diet Pepsi, Seven-Up, Mirinda Orange, Mirinda Lemon, Mountain Dew, Mountain Dew Ice, Seven-Up Nimbooz Masala Soda, Evervess, Sting, Gatorade and Slice Fizzy Drinks. PepsiCo NCB brands produced and sold by the Company include Tropicana Slice, Tropicana Juices (100%, Delight, Essentials), Nimbooz, as well as packaged drinking water under the brand Aquafina.

VBL has been associated with PepsiCo since the 1990s and have over two and half decades consolidated its business association with PepsiCo, increasing the number of licensed territories and sub-territories covered by the Company, producing and distributing a wider range of PepsiCo beverages, introducing various SKUs in the portfolio, and expanding the distribution network. As on date, VBL has been granted franchises for various PepsiCo products across 27 States and 7 Union Territories in India. India is the largest market and contributed ~76% of revenues from operations (net) in Fiscal 2020. VBL has also been granted the franchise for various PepsiCo products for the territories of Nepal, Sri Lanka, Morocco, Zambia and Zimbabwe.

For further information, please contact:

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Safe Harbor

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