



VARUN BEVERAGES LIMITED



Corporate Off : Plot No.31, Institutional Area, Sec.-44, Gurgaon, Haryana-122002 (India)
Ph.: +91-124-4643100-500 • Fax: +91-124-4643303/04 E-mail : info@rjcorp.in • Visit us at : www.varunpepsi.com
CIN No. : L74899DL1995PLC069839

October 29, 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' Q3 & 9M CY2021 Financial Results

<u>Q3 CY2021</u>	<u>9M CY2021</u>
Revenue grew 33% YoY to Rs. 23,982 mn	Revenue higher by 39% YoY to Rs. 70,889 mn
EBITDA higher by 30% YoY to Rs. 4,947 mn	EBITDA grew 41% YoY to Rs. 14,471 mn
PAT higher by 60% YoY to Rs. 2,579 mn	PAT higher by 96% to Rs. 7,135 mn

Gurgaon, October 29, 2021: Varun Beverages Limited (BSE: 540180, NSE: VBL), a key player in the beverage industry, announced its financial results for the third quarter and nine months ended September 30, 2021.

Financial Performance Highlights*

Performance Review for Q3 CY2021 vs. Q3 CY2020

- Revenue from operations (net of excise / GST) grew by 33.0% YoY to Rs. 23,981.6 million during Q3 CY2021, primarily on account of robust volume growth over last year and higher realization on a consolidated basis
 - Realization per case improved by 3.6% to Rs. 156.4 per case in Q3 CY2021 driven by higher realizations in international territories
 - Total sales volumes were up 28.4% YoY at 153.3 million cases in Q3 CY2021 as compared to 119.5 million cases in Q3 CY2020
- EBITDA increased by 29.9% to Rs. 4,946.6 million from Rs. 3,807.9 million
 - Gross margins declined by 278 bps YoY during Q3 CY2021 primarily because of increase in pet prices in India
 - Healthy EBITDA margin at 20.6% in Q3 CY2021 despite lower gross margins as higher volumes assisted the Company achieve better operating leverage
- PAT increased by 59.7% YoY to Rs. 2,579.0 million from Rs. 1,614.7 million in Q3 CY2020
 - Finance cost in Q3 CY 2021 declined by 26.4% to Rs. 426.9 million from Rs. 579.6 million in Q3 CY2020
 - The Company continues to reduce its debt and lower its average cost of borrowing

Performance Review for 9M CY2021 vs. 9M CY2020

- Revenue from operations (net of excise / GST) grew 38.5% YoY to Rs. 70,889.0 million as compared to Rs. 51,192.5 million
- EBITDA improved by 40.5% YoY to Rs. 14,470.8 million from Rs. 10,296.4 million
- PAT increased by 95.7% YoY to Rs. 7,134.6 million from Rs. 3,645.1 million

***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 Q3 & 9M 2021 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,

"We are delighted to share that we have reported a robust performance during the quarter, delivering a top line growth of 33% and a PAT growth of 60% YoY. The results were supported by strong volume growth of 28% driven by uptick in demand across markets. Even on a 2-year CAGR basis, our organic volumes were higher by 11%. Wide vaccination coverage in the country along with resumption in day-to-day activities supported demand momentum in the domestic markets.

On the profitability front, we were able to maintain a healthy EBITDA margin of 21% during the quarter backed by higher operating leverage despite an increase in raw material prices. While the industry practice is that any input cost increase is passed on, we have also worked on our cost efficiencies. For example, we are undertaking measures to light weight PET preforms. This will not only assist us in reducing costs in the near-term, but the benefits would be structural in nature. We are continuously monitoring the input prices to sustain our margin that will enable us to further strengthen our position in the beverage industry.

In addition, we continued to reduce our debt as well as rate of interest which helped us in improving our net profit margin during the quarter.

Following easing of lockdown restrictions and improving macro trends, we witnessed enhanced traction in the domestic demand environment which exceeded pre-pandemic levels. Out-of-home consumption registered an uptick driven by increase in travel and resumption in offices.

On the whole, we remain optimistic on the demand environment, given improving macros, onset of festive season and a growing sense of normalcy across domestic and international markets."

– 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:

Raj Gandhi / Deepak Dabas / Rohit Jalan

Varun Beverages Ltd

Tel: +91 124 4643100 / +91 9871100000 / +91 9818187636

Email: raj.gandhi@rjcorp.in /
deepak.dabas@rjcorp.in
rohit.jalan@rjcorp.in

Anoop Poojari / Aesha Shah

CDR India

Tel: +91 9833090434 / 98672 50569

Email: anoop@cdr-india.com /
aesha@cdr-india.com

Safe Harbor

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