



# VARUN BEVERAGES LIMITED



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CIN No. : L74899DL1995PLC069839

November 6, 2023

To,

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|---|--|
| National Stock Exchange of India Ltd.<br>Exchange Plaza, Block G, C/1, Bandra Kurla<br>Complex, Bandra (E), Mumbai – 400 051<br>Email: cmlist@nse.co.in<br><b>Symbol: VBL</b> | BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai – 400 001<br>Email: corp.relations@bseindia.com<br><b>Security Code: 540180</b> |
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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.varunbeverages.com](http://www.varunbeverages.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 CY2023 Financial Results

| <u>Q3 2023</u>                                  | <u>9M 2023</u>                                   |
|---|--|
| <b>Revenue grew 22% YoY to Rs. 38,705 mn</b>    | <b>Revenue grew 22% YoY to Rs. 133,749 mn</b>    |
| <b>EBITDA higher by 26% YoY to Rs. 8,821 mn</b> | <b>EBITDA higher by 29% YoY to Rs. 31,912 mn</b> |
| <b>PAT higher by 30% YoY to Rs. 5,141 mn</b>    | <b>PAT increased by 33% to Rs. 19,581 mn</b>     |

**Gurgaon, November 6, 2023:** 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, 2023.

### Financial Performance Highlights\*

#### Performance Review for Q3 CY2023 vs. Q3 CY2022

- Revenue from operations (net of excise / GST) grew by 21.8% YoY to Rs. 38,705.2 million
  - Consolidated sales volumes grew by 15.4% in Q3 CY2023 to 220 million cases compared to 190 million cases in Q3 CY2022, led by double-digit growth in both Indian & International markets
  - Net realization increased by 5.6% to Rs. 176.3 per case driven by an increase in realization per case primarily in International markets
- EBITDA increased by 26.2% to Rs. 8,821.4 million from Rs.6,989.9 million
  - Gross margins improved by 163 bps to 55.3% in Q3 CY2023 primarily owing to the softening of PET chips prices
  - EBITDA margins improved by 79 bps to 22.8% in Q3 CY2023 driven by higher gross margins and operational efficiencies
- PAT increased by 30% to Rs. 5,140.6 million from Rs. 3,954.8 million in Q3 2022 driven by growth in revenue from operations and improvement in margins

#### Performance Review for 9M CY2023 vs. 9M CY2022

- Revenue from operations (net of excise / GST) grew 22% YoY to Rs. 133,748.9 million in 9M CY2023 as compared to Rs. 109,589.1 million 9M CY2022
- EBITDA increased by 28.6% to Rs. 31,912.0 million in 9M CY2023 from Rs. 24,806.0 million in 9M CY2022
- PAT higher by 33.3% to Rs. 19,580.5 million in 9M CY2023 from Rs. 14,685.9 million in 9M CY2022

**\*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 CY2023 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,**

*"We are pleased to report a robust quarter, achieving a top-line growth of 22% and a PAT growth of 30% YoY. Demonstrating remarkable resilience, our consolidated sales volumes registered a solid growth of 15% making a strong comeback following the unseasonal rains in Q2 CY2023 in India. Both our Indian and international markets contributed to this achievement with a healthy double-digit growth.*

*We have achieved notable progress on the operational front by making significant investments to develop both greenfield and brownfield manufacturing facilities throughout India. In addition, our greenfield facility in DRC is progressing well and is slated to be commissioned in the upcoming months. These strategic efforts are tailored to meet the rising consumption and to capture untapped market opportunities. As part of our commitment to diversifying and enhancing our portfolio, we are also enhancing our capacity for juices and value-added dairy beverages to align with evolving consumer demands.*

*As part of our long-term vision and in line with PepsiCo's global PEP+ objectives, we remain committed to sustainability and environmental stewardship. We are making investments that emphasize using green energy as well as reuse of PET which will be instrumental in mitigating environmental impact. These endeavors are aligned with our pledge to the environment and reflect our ambition to nurture a greener future.*

*Given India's dynamic demographic landscape, marked by a burgeoning young population and evolving consumption patterns, we believe the Indian beverage market offers a monumental growth opportunity for the decades ahead. As we intensify our foothold in India and expand our reach in Africa, our strategic initiatives are aimed towards strengthening our position in the global beverage industry."*

*– 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, Pepsi Black, Mountain Dew, Sting, Seven-Up, Mirinda Orange, Seven-Up Nimbooz Masala Soda and Evervess. PepsiCo NCB brands produced and sold by the Company include Slice, Tropicana Juices (100% and Delight), Seven-Up Nimbooz, Gatorade 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 ~80% of revenues from operations (net) in Fiscal 2022. 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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Varun Beverages Ltd

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## **Safe Harbor**

*This communication contains certain forward-looking statements relating to the business, financial performance, strategy and results of Varun Beverages Limited (VBL) and/ or the industry in which it operates. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Neither the Company nor its affiliates or advisors or representatives nor any of its or their parent or subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise. Given these uncertainties and other factors, viewers of this communication are cautioned not to place undue reliance on these forward-looking statements.*