



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.varunbeverages.com
CIN No. : L74899DL1995PLC069839

December 19, 2023

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: Investor Presentation

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of the Presentation on the proposed acquisition of 100% stake in the business conducted by The Beverage Company (Proprietary) Limited, South Africa along-with its wholly-owned subsidiaries.

The same is also being uploaded on website of the Company at 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




(a PepsiCo franchisee)

December 19, 2023

South Africa territory M&A opportunity





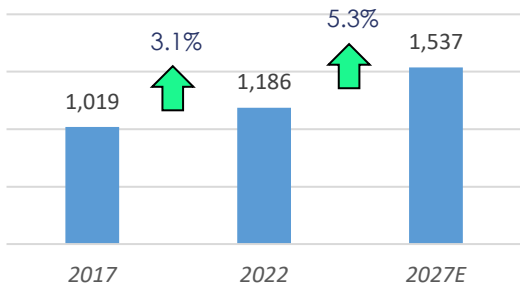
1	Transaction Overview	-----
2	Soft Drinks Industry Overview	-----
3	About BevCo	-----
4	Brands Portfolio	-----
5	Manufacturing footprint in Africa	-----

- Acquisition of 100% stake in the business conducted by The Beverage Company (Proprietary) Limited, South Africa along-with its wholly-owned subsidiaries ("**BevCo**"), with an option to accept minority co-investment from large equity fund, subject to regulatory and other approvals (if any) including but not limited to PepsiCo Inc. and Competition Commission South Africa.
- BevCo is engaged in the business of manufacturing and distribution of licensed (PepsiCo Inc.) / own-branded non-alcoholic beverages in South Africa.
- Bevco has franchise rights from PepsiCo Inc. in **South Africa, Lesotho and Eswatini**. Further, it also has distribution rights for **Namibia and Botswana**.
- Proposed transaction is at an Enterprise Level is valued at ~ **ZAR 3 Billion** (~INR 13.20 bn; 1 ZAR = 4.4 INR). BevCo achieved net revenue of ZAR 3,615 mn (~ INR 15.90 bn) in FY23.

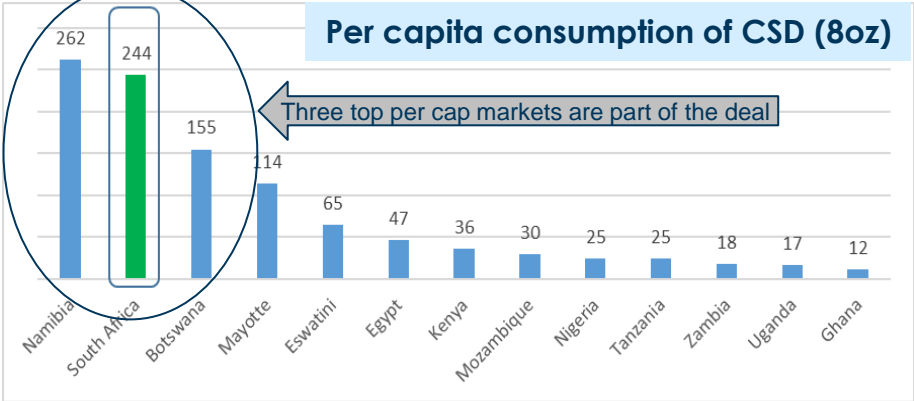
Soft Drinks in SA – Largest market in Africa

Largest Soft Drinks Market in Africa....

Industry Volume CAGR (mn 8oz)



...along with one of the highest per capita consumption



...with favourable demographics

- Total population is 60mn out of which 65% between 15-64 age group.
- Urbanization is between 60%-80%.
- The rising affluence of South African households has resulted in urbanization, coupled with longer workdays and emerging interest from female consumers, which has contributed to the growth in the Industry.

Soft Drinks Industry – Market Share 2022

- The beverage industry is dominated by B-brands with a market share of as much as half of its size.
- Amongst the global brands in the balance half, PepsiCo has insignificant low single digit market share.
- Product portfolio innovation with favourable demographics coupled with thrust on Go To Market Strategy shall drive the lateral growth across segments.

BevCo has an agreement with PepsiCo to bottle and distribute its products in Southern Africa

Sole Licensed Bottler

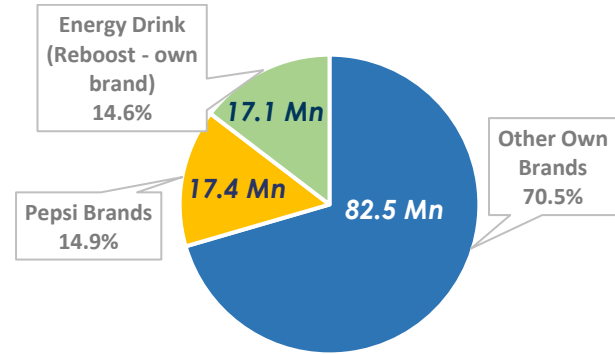
Distribution Rights



South Africa Swaziland Lesotho

Botswana Namibia

Sales Volumes-FY23 (8oz Cases mn) – 117mn



BevCo manufactures and sells the following brands:

- **PepsiCo franchise brands:** 7UP FREE, Mirinda, Mountain Dew, Pepsi, Pepsi Light and Pepsi Max.
- **Refreshhh:** High caffeine content drink available in 2L, 1.5L and 330ml bottles as well as 500ml can.
- **Reboost:** Energy drink available in 500ml can.
- **Coo-ee:** Carbonated drinks in classic flavours (like Cola and Iron Brew) and unique flavour fusions like Mango, Cranberry and Pink Lemonade. Available in four different pack sizes (2L, 1.5L, 1.25L and 300ml).
- **JIVE:** Fizzy Pink Lemonade, Blue Cream Soda & Kola flavours in 500ml and 2L packaging

Brands Licensed and owned by BevCo

Brands licensed by PepsiCo



Pepsi Regular



Pepsi MAX



Pepsi Light



Mountain Dew



Mirinda



7Up Free

Own Brands



Refreshhh



Coo-ee



JIVE

Energy Drink

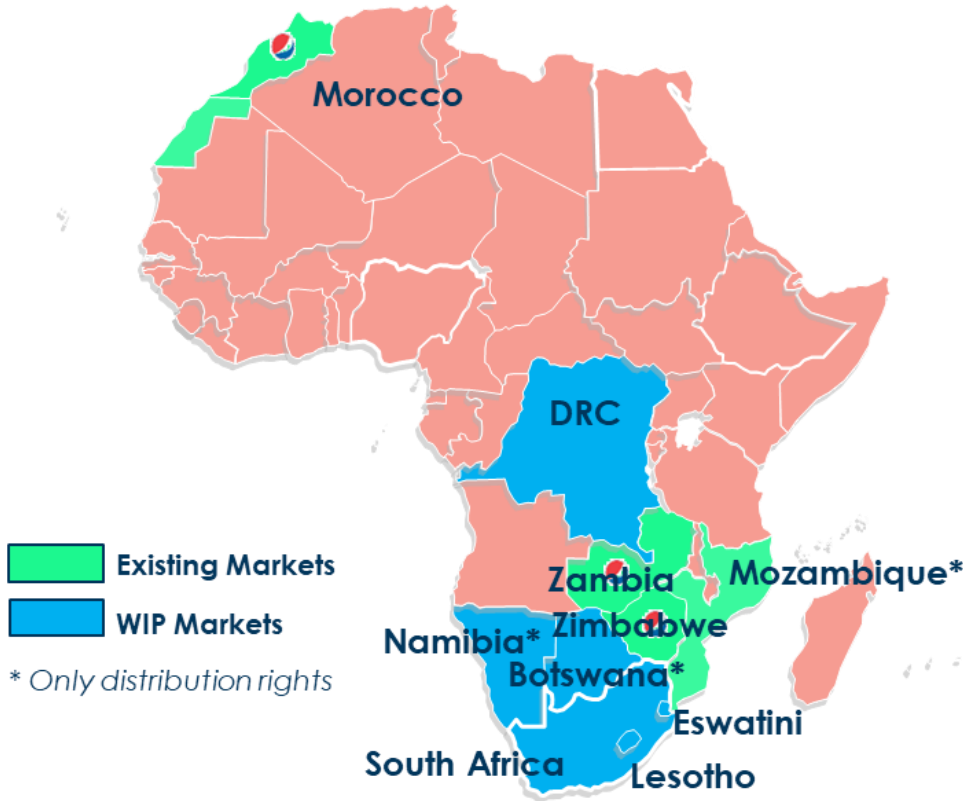


Reboost Energy Drink
Own Brand



Rockstar Energy Drink
PepsiCo Brand

Manufacturing Footprint in South Africa



- ❖ BevCo has **five manufacturing facilities** - two in Johannesburg and one each in Durban, East London and Cape town.
- ❖ Total installed capacity is ~ **3,600 BPM** and peak month capacity is ~**22 million 8oz cases**.
- ❖ There are total **15 beverage manufacturing lines** - 13 for PET and 2 for CAN. Apart from this, company has 1 BIB Line and 1 Pouch line.
- ❖ Out the 5-manufacturing facility, **3 plants are PepsiCo accredited plants**, i.e. Boksburg (JHB), Amanzimtoti (Durban) and Epping (Cape Town).

Thank You!
