



VARUN BEVERAGES LIMITED



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CIN No. : L74899DL1995PLC069839

April 30, 2025

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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: 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.

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' Q1 CY2025 Financial Results

Q1 2025

Revenue grew 28.9% YoY to Rs. 55,669.4 mn

EBITDA higher by 27.8% YoY to Rs. 12,639.6 mn

PAT higher by 33.5% YoY to Rs. 7,313.6 mn

Gurgaon, April 30, 2025: Varun Beverages Limited (BSE: 540180, NSE: VBL), a key player in the beverage industry, announced its financial results for the first quarter ended March 31, 2025.

Financial Performance Highlights*

Performance Review for Q1 CY2025 vs. Q1 CY2024

- Revenue from operations (net of excise / GST) grew by 28.9% YoY to Rs. 55,669.4 million in Q1 CY2025 as compared to Rs. 43,173.1 million in Q1 CY2024
 - Consolidated sales volume grew by 30.1% to 312.4 million cases in Q1 CY2025 from 240.2 million cases in Q1 CY2024 driven by strong organic volume growth of 15.5% in India and in-organic volume contributions from South Africa and DRC
 - Net realization per case increased by 1.8% in India and remained flat in international markets (ex. South Africa). There is a decline of 0.9% in net realization per case at the consolidated level because of lower realization in own brands in the South African market. South Africa achieved 141 million cases in the trailing four quarters, reflecting ~13% growth over the same period last year
- Due to relatively lower margin profile of owned brands in the South African market and the higher mix of CSD in India, Gross margins stood at 54.6%, a decline of 171 basis points as compared to Q1 CY2024.
 - CSD constituted 75%, NCB 7% and Packaged Drinking Water 18% in Q1 CY2025
 - In Q1 CY2025, the mix of Low sugar / No sugar products increased to ~ 59% of consolidated sales volumes
- EBITDA increased by 27.8% in Q1 CY2025 to Rs. 12,639.6 million from Rs. 9,887.6 million in Q1 CY2024 in-line with Net Revenue growth
 - EBITDA margins in India improved by 111 bps on account of operational efficiencies from robust volume growth
 - EBITDA margins marginally declined at the consolidated level by 20 bps because of the lower profitability in South Africa market @ 14.4% and its higher mix in the Q1 CY2025.

- PAT increased by 33.5% to Rs. 7,313.6 million in Q1 CY2025 from Rs. 5,479.8 million in Q1 CY2024 driven by robust volume growth and lower finance cost
 - Depreciation increased by 45.3% on account of commissioning of new plants of last year (Supa, Gorakhpur and Khordha) which were not present in the base quarter and consolidation of SA & DRC in the current quarter.
 - Post repayment of debt through QIP proceeds, finance cost in India is negligible and there is interest income of Rs. 108 million during the quarter.
 - Interest cost in international markets is primarily in South Africa which also includes the lease rentals under Ind AS 116 of Rs. 86 million as the manufacturing facilities in South Africa are on lease.

***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 Q1 CY2025 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited, said,

"We are pleased to report a strong operational and financial performance in the first quarter of CY2025. Consolidated sales volumes grew by 30.1% YoY, driven by healthy organic volume growth of 15.5% in India.

The integration of the SA territory has progressed well, with focused efforts on strengthening on-ground infrastructure, streamlining operations, and enhancing execution across the market. We achieved 141 million cases in SA over the trailing four quarters, marking a growth of ~13% over the same period last year. Historically, net realizations in SA are lower due to a higher mix of own brands; however, we are actively working to scale PepsiCo's portfolio, which is expected to support improvements in realizations and margins going forward.

We recently commenced operations at our new greenfield production facilities in Kangra (Himachal Pradesh) and Prayagraj (Uttar Pradesh), significantly enhancing capacity concurrently with the peak summer season. The implementation of other two greenfield production facilities scheduled for 2025 season in Bihar and Meghalaya is on track and shall commence the commercial production very soon. Additionally, we have established backward integration facilities at Prayagraj and DRC, further strengthening our operational backbone and supply chain efficiency.

Building on our nascent presence in the snack food segment, we have initiated the distribution and sale of PepsiCo's snack products in Zimbabwe and Zambia. These markets present a significant growth opportunity within the packaged foods category, supporting our focus on portfolio expansion across high-potential regions.

In-line with our dividend policy, the Board of Directors has approved an interim dividend of 25% of face value, i.e., Rs. 0.50 per share, resulting in a total cash outflow of approximately Rs.1,691 million.

Looking ahead, we see immense headroom for growth in India's beverage market, supported by rising per capita incomes, accelerating urbanisation, expanding electrification, and improving cold-chain infrastructure. With adequate capacities in place, a diversified product portfolio, and a strengthened distribution network, we remain well-positioned to capitalise on these opportunities and deliver sustainable value to all stakeholders."

Key Developments

Commencement of Commercial Production at Kangra and Prayagraj:

- Commissioned new production facilities at Kangra (Himachal Pradesh) and Prayagraj (Uttar Pradesh)
- Further, the Company has set-up backward integration facilities at Prayagraj plant in India, as well as at DRC plant in the international region

Agreement to distribute & sell PepsiCo's snack products in Zimbabwe and Zambia:

- Varun Zimbabwe and Varun Zambia (subsidiaries of the Company) started the distribution & selling of PepsiCo's snack products in the territory of Zimbabwe and Zambia w.e.f. 1 February 2025

Dividend:

- Final dividend of Rs. 0.50 (Fifty paise only) per equity share of the face value of Rs. 2 each for the year ended 31 December 2024, was approved by the shareholders at the Annual General Meeting held on 03 April 2025 and subsequently paid in April 2025
- In line with the guidelines of Company's dividend policy, the Board of Directors have approved an interim dividend @ 25% of face value i.e. Rs. 0.50 per share. Total cash outflow would be ~Rs. 1,691 million

Credit Rating Upgrade:

- CRISIL (an S&P Global Company) upgraded the Company's long-term rating for bank loan facilities to Crisil AAA/Stable from Crisil AA+/Stable

– 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 Zero, Mountain Dew, Sting, Seven-Up, Mirinda, 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 three 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 26 States and 6 Union Territories in India. India is the largest market and contributed ~72% of revenues from operations (net) in Fiscal 2024. VBL has also been granted the franchise for various PepsiCo products for the territories of Nepal, Sri Lanka, Morocco, Zambia, Zimbabwe, South Africa, Lesotho, Eswatini & DRC and distribution rights for Namibia, Botswana, Mozambique and Madagascar.

For further information, please contact:

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