



VARUN BEVERAGES LIMITED



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November 4, 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: Transcript of Investors & Analysts Conference Call

Dear Sir / Madam,

Transcript of Investors & Analysts Conference Call held on October 29, 2025 i.e. post declaration of Unaudited Financial Results of the Company for the Quarter and Nine Months ended September 30, 2025 is enclosed.

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 Limited

Q3 & 9M CY2025 Earnings Conference Call

October 29, 2025

Moderator: Ladies and gentlemen, good day, and welcome to the Varun Beverages Limited's Earnings Conference Call.

I now hand the conference over to Mr. Anoop Poojari from CDR India. Thank you, and over to you, sir.

Anoop Poojari: Good afternoon, everyone, and thank you for joining us on Varun Beverages' Q3 CY2025 Earnings Conference Call.

We have with us Mr. Ravi Jaipuria, Chairman of the company; Mr. Varun Jaipuria, Executive Vice Chairman and Whole-Time Director; and Mr. Raj Gandhi, President and Whole-Time Director of the company. We will initiate the call with opening remarks from the management, following which we'll have the forum open for a question-and-answer session.

Before we begin, I would like to point out that some statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the results presentation shared with you earlier. I would now request Mr. Ravi Jaipuria to make his opening remarks.

Ravi Jaipuria: Good afternoon, everyone, and thank you for joining us on our earnings conference call. I hope you've had a chance to review our results presentation for the third quarter and nine months ended September 2025.

We have delivered a steady performance during the quarter, with consolidated sales volumes rising by 2.4%, supported by healthy traction in international markets. While domestic volumes remained subdued due to prolonged rainfall across India, the International operations grew by 9%.

Performance in international territories continued to be healthy, with South Africa delivering another quarter of strong growth. In South Africa, we see significant potential to further strengthen our market position, and we continue to put in place the building blocks to support sustained growth in the region. Our ongoing backward integration initiatives across key locations are driving higher efficiency and operation resilience.

Further, in line with our growth strategy, we are incorporating a wholly-owned subsidiary in Kenya under Varun Beverages Limited to carry on the business of manufacturing, distribution and selling of dairy and beverages. We are also diversifying our product offerings and certain African subsidiaries of VBL shall test market beer in their territories through an exclusive distribution agreement with Carlsberg Breweries A/S for their Carlsberg brand. These developments collectively reflect our continued commitment to broadening our product base and strengthening our presence across key growth markets.

Meanwhile, our snacks facility in Morocco has ramped up to full-scale operations and the upcoming Zimbabwe plant is progressing towards commissioning, marking continued progress in diversifying our portfolio beyond beverages.

While the extended monsoon season impacted consumption trends in India, we remain confident in the significant long-term potential of the domestic beverage industry. With low per capita consumption and rising penetration in the semi-urban and rural markets, the opportunity for growth continues to be immense. Our ongoing investments in capacity expansion, distribution reach, and cold-chain infrastructure are further strengthening on-ground execution, ensuring we are well-prepared to capture demand recovery in the upcoming season and deliver sustainable growth for all stakeholders.

I would now like to invite Mr. Gandhi to share the key highlights of our operational and financial performance. Thank you very much.

Raj Gandhi:

Thank you, Mr. Chairman. Good afternoon, and a warm welcome to everyone on the call today. I will take you through the financial and operational performance for the third quarter and nine months ending 30th September 2025.

Revenue from operations, net of excise and GST, increased by 1.9% YoY in Q3 CY2025 to the level of Rs. 48,966.5 million from earlier level of Rs. 48,046.8 million in Q3 CY2024. Consolidated sales volume grew by 2.4% to the level of 273.8 million cases from 267.5 million cases in the same period last year, reflecting stable overall performance even as heavy rainfall persisted across India through

the quarter. India volumes were largely flat, while international volumes grew by 9%, led by a strong performance in South Africa.

Net realization per case stood at the level of Rs. 178.84 in Q3 CY2025 compared to Rs. 179.62 in Q3 CY2024, owing to a higher mix of packaged drinking water in international markets. CSD constituted 74%, NCB 4%, and Packaged Drinking Water 22% of total sales volumes during the quarter. In 9M CY2025, mix of Low sugar / No sugar products was ~56% of our consolidated sales volumes and ~45% in India.

Gross margins improved by 119 bps to 56.7% in Q3 CY2025, driven by higher contribution from Packaged Drinking Water in international markets and benefits from ongoing backward integration initiatives. However, with increased in-house production of raw materials, a part of expenses has shifted from raw material purchases to employee costs, power and fuel, and other manufacturing overheads. EBITDA remained broadly stable at Rs. 11,473.8 million, with margins moderating marginally to 23.4% from margin level of 24% in Q3 of the last year, reflecting this accounting shift. The underlying business economics remained strong, with efficiency gains from new capex and backward integration expected to become more visible as volumes scale up.

PAT increased by 18.5% to Rs. 7,451.9 million in Q3 CY2025 from the level of Rs. 6,288.3 million in Q3 CY2024, supported by lower finance costs and higher other income, which included interest on deposits in India and favorable currency movements across international territories. Depreciation rose by 19.9%, reflecting the commissioning of new plants in India and the DRC and can line in South Africa, along with brownfield expansion across other geographies. Following repayment of debt through QIP proceeds, finance costs in India are now negligible, while those in international markets, primarily related to South Africa and include lease adjustments under Ind AS 116. We remain debt-free at the consolidated level.

On the regulatory front, the company transitioned to the GST 2.0 framework without any significant adverse impact on operations. The reduction in GST rates across key categories including value-added dairy products, juice-based drinks, soda, packaged drinking water represents a structural positive for the company, directly benefiting nearly one fourth of our portfolio in India. By passing on the full benefit of the rate reduction to consumers, we expect to drive category expansion and support sustained demand growth over time.

Overall, we continue to maintain a strong financial foundation supported by operational efficiencies, prudent cost management, and a robust balance sheet.

While our international businesses continue to scale well, India remains a significant long-term growth driver. With growing per cap consumption, wider electrification, and expanding chilling infrastructure, the domestic market presents ample headroom for sustained double-digit growth.

With that, I conclude my remarks and invite the moderator to open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Vivek Maheshwari from Jefferies. Please go ahead.

Vivek Maheshwari: Hi, good afternoon, team. Firstly, on the base business, I know the season was quite bad and there are a lot of industries which have seen the impact. But what would be the impact of competition? Are you seeing anything on the ground? I know we ask you this question every quarter, but it's an important parameter from our perspective. So, I would love to know your thoughts?

Ravi Jaipuria: We believe competition is good and healthy and will only grow the market for all of us. Obviously, since they are in the market there will be some minor effect temporarily, but we believe that in the long term this is going to be very healthy for the industry. They have woken all of us up and we are becoming more attentive and making sure we are going to the market more often than we were going before.

It's a very healthy sign for the country because we are at such low per capita consumption that in the next 5 to 10 years, this market may double or triple, no one knows. There is huge room and we see only positive in this.

Vivek Maheshwari: That's a very interesting comment, Mr. Jaipuria because, while you say that it has woken you up, but at least, we always believed that you have been top-notch with your execution. So, that's a very interesting comment to hear, I must say. Just a follow-up to what you said. What are your thoughts on Rs. 10 price point, because that is one area where we have seen competition being quite aggressive and there has been somewhat of a reluctance from your side as well as the other competitor?

Ravi Jaipuria: Rs. 10 is such an interesting price point. If you all go back 20 years and go back to the pesticide issue time when we had brought the price down to Rs. 5, which was at that time, mainly by Coke and us. We remember that we ran the lines 24 hours and we couldn't produce enough. So, we think Rs. 10 is so affordable, you can't even get a small cup of tea today for Rs. 10. It's a very aggressive price point

which our competitors have decided to put and this will completely enhance the rural and semi-rural markets. We think we are also reasonably prepared and whatever the market requires, we will be in the market and expand the market.

Vivek Maheshwari: Okay. Sorry, Mr. Jaipuria. So, what exactly that means? Are you signalling towards a launch...?

Ravi Jaipuria: That means, if needed, we are prepared for it. And if necessary, we'll come to the market. There is enough room for everybody, and we'll also play the market when necessary.

Vivek Maheshwari: Okay. And apologies, I still want to close the loop on this one. What exactly do you mean by if necessary? Because as we see it, the Rs. 10 price point is pretty much across states, across markets, wherever we have at least visited. What exactly are you looking for over here before making up your mind?

Ravi Jaipuria: If we see that our market share is being taken, we will come to the party. At present, we see it's the weather which is only making the issue. As soon as the weather changes we can grow in double digits, for example if you look at October, for the next quarter, we are growing in double digits.

Vivek Maheshwari: Okay. Got it. Looking forward to your action on this. On the second part, in terms of alteration in MOA. So, while the presentation does talk about Ready to Drink and AlcoBev and all of that. There is also another thing in your release, which talks about noodles and milk preparations, milk powder, frozen food, etc.? Can you just also elaborate on that, because that doesn't have a mention in the presentation?

Ravi Jaipuria: We are just making the portfolio available to us, because we don't want to go to the shareholders again and again. We are looking for expansion and whenever we get an opportunity, we will be ready to go forward with it.

Vivek Maheshwari: For example, let's say, PepsiCo Foods, are you referring to that side of the portfolio when you say instant noodles.

Ravi Jaipuria: We will never do those products, Pepsi Snacks are done by PepsiCo itself and we will not compete with our parent company. The rest is open to us, and we are open to look at anything interesting coming in.

Vivek Maheshwari: And that comment is specifically for overseas market or for India as well, Mr. Jaipuria?

Ravi Jaipuria: For the time being overseas markets, but it's open to India also.

Moderator: Thank you. Our next question comes from the line of Abneesh Roy from Nuvama. Please go ahead.

Abneesh Roy: My first question is on the GST transition impact. Number 1 company, HUL, called out impact in Q2 and even in October month. So, if you could clarify in your GST impacted segments, what was the kind of impact you have seen in both Q2, which is, say, September quarter and in October month?

Ravi Jaipuria: Well, it affected slightly for a few days in the September quarter because a lot of people could not initially understand it and downsized their stock levels. But we were able to make sure that the goods were sent to them after the GST transition date.

Abneesh Roy: Sure. My second question is on the international volume growth, which is decent at 9%. So, if you could clarify how things are shaping up, which geographies are doing really well there? And second is, on this Carlsberg tie-up, how big is the opportunity? It's looking really interesting. So, what made you go into this kind of tie-up? And how big is the opportunity in Africa, in some other countries also currently, it's a smaller opportunity, but how big is the opportunity for longer term?

Ravi Jaipuria: The growth in Africa is coming back. The challenge earlier was in Zimbabwe, the prices had gone up and consumption dropped slightly because of the sugar tax. Now, Zimbabwe has started growing again. Morocco is doing well for us, and South Africa is doing extremely well, with mid-double digits growth. Going forward with the backward integration and all, we see South Africa will become an important part of our territory in Africa.

Your other question was regarding beer in Africa. We don't have the challenges that India has with restrictions from the government, where it has to be separate. So, we have the same go-to-market. Our trucks can be loaded the same way and same trucks can be used, same people can sell the products. So, it becomes much easier and expandable without an extra expense.

And there is a huge scope on that. In most of the countries there are individual players running the beer business in the country. It's a golden opportunity for us. And we are going to test the market, as soon as we see the test coming right, we'll go forward with it.

Abneesh Roy: One follow-up question there. So, you mentioned go-to-market is common, the employees also can be used for the same new business. But in terms of end

distribution, how much is the opportunity which is available or the end distribution is different.

Ravi Jaipuria: End distribution is common, most of the stores are allowed to carry alcohol, especially beer. It won't be 100% the same, but a lot is common, which helps a lot.

Abneesh Roy: And Carlsberg is already big in India. So, as of now, we should not draw any inference to India tie-up, right?

Ravi Jaipuria: No, nothing to do with India right now.

Abneesh Roy: Right. Last question on the new announcement. So, AlcoBev opportunity in India, how big can that be? A lot of approvals needed. Coca-Cola announced similar thing around 19 months back. We have not seen very high visibility in terms of advertising or in terms of distribution. So, is it more of range completion or do you see that this could become longer-term, big even in India?

Ravi Jaipuria: Well, RTD and low alcohol products are becoming large all over the world. And there is a good scope in India as well. However, in India you can't advertise any alcohol products. We are starting with Africa and have kept ourselves open, let's see what we can do in India.

Abneesh Roy: And is this big for Pepsi in other emerging markets or quite nascent?

Ravi Jaipuria: Well, it's still very nascent and everybody is looking at it for long term. Pepsi has just started with RTD and we are talking to Pepsi if we can start with some of their RTD products. We are taking shareholder approval as we don't want to keep on going back again and again to the shareholders for it.

Moderator: Thank you. Our next question comes from the line of Aditya Soman from CLSA. Please go ahead.

Aditya Soman: Sir, two questions. Firstly, in India, can you give us a sense of which categories and brands and how they performed during the quarter? Particularly with some of these, sort of, fruit beverages or fruit-based drinks and the milk beverages. Any sort of pickup we've seen post the GST cuts? And second, on the Alcobev piece again, in Africa, this Carlsberg partnership, is it applicable for every country that you operate in Africa or it's only a few countries to start with?

Ravi Jaipuria: First, the GST cut for the quarter has only been for eight days, so it's too early to say. But overall, we had a tremendous growth in our hydration category "Nimbooz". We've grown more than 50% in that. We had an excellent growth in our value-

added dairy also, which has grown at about 100%. We see both these categories still firing and doing extremely well. If the weather was slightly favorable, they would have done much better than what they have. And regarding your question of Africa, as of now we have got most of the Southern Africa understanding with them, starting with one or two countries, and then we'll take it forward.

Aditya Soman: I understand. Very clear. And just on the first question again. Last quarter, you said that Sting Gold wasn't as successful, maybe because of the weather and all of that. So, any plans to relaunch this or push this more? Or do you think you'll have to come back with a new product?

Ravi Jaipuria: Well, we've come back with a much better product which is medium-priced at Rs. 60 called "Adrenaline Rush" or "A Rush". This is a fabulous product and we are expecting a very good response on this. We think there is a huge market and scope for this. Currently we are testing this and have launched it in four cities.

Moderator: Thank you. Our next question comes from the line of Arnab Mitra from Goldman Sachs. Please go ahead.

Arnab Mitra: Thanks for taking my question. My first question was on the Carlsberg arrangement. If you could just help us understand what is the kind of commercial terms of the transaction? We know that beer is a capex heavy business. Would it involve you doing end-to-end everything in the markets that you're testing? Or it's just distribution and somebody else does the manufacturing? So, just wanted some sense on the commercial terms that you think here.

Ravi Jaipuria: Well, initially, it's distribution, we are importing the products and testing the market. And as soon as we feel comfortable, then we will go to the back end.

Arnab Mitra: Sure. And sir, the other question was in these markets where you've got the Carlsberg distribution arrangement, does Carlsberg have any existing business or these are white spaces for the brand right now?

Ravi Jaipuria: Mostly white spaces, some small imports happening, but practically white spaces.

Arnab Mitra: Sure. And sir, my last question was on the Kenya subsidiary incorporation. The purpose of it is to long term look at potentially Pepsi's business here or any other business that you're looking at for the subsidiary?

Ravi Jaipuria: We are looking at different categories in Kenya. It's part of the Africa expansion and there's nothing specific at the moment.

Arnab Mitra: Sure. And my last question actually was on the near-term. So, I think, you did mention that October, you've seen a good recovery in the business. However, we know that October has also been quite disrupted by rain in many parts. So, do you see the weather headwind continuing in the near-term or it's much lower than what you faced in the last couple of quarters? Just wanted a broad sense of how the overall market is likely to do over the next 3 months?

Ravi Jaipuria: Well, the weather still has not been the best, but despite that wherever we have had a break in the weather conditions, we have grown in double digits, even after having bad weather in certain regions. Of course, weather is beyond our control. But as soon as we see a break in weather, things look positive and there's no reason why we should not expect double-digit growth going forward.

Moderator: Our next question comes from the line of Devanshu Bansal from Emkay Global.

Devanshu Bansal: Hi. Sir, on Carlsberg arrangement, you mentioned distribution rights are for southern part of African continent. I wanted to check what is the size of beer market in these regions? And eventually, over a period of time, what is the market share that we are targeting in these regions?

Ravi Jaipuria: Well, we think the size of beer market is as large as soft drink or even bigger in most of these African markets. Most of the African countries are very large beer consumption markets. It is too early to say what market share we will hold, as we have not even started testing these markets.

Devanshu Bansal: Almost 1,500 million cases would that be a correct ballpark estimate?

Ravi Jaipuria: It's too early and we don't want to do any guesswork. We will be importing the product right now, give us a little bit time to understand it.

Devanshu Bansal: Sure, sir. Sir, in terms of new products, globally, there are some fruit-based carbonates like cherry, mint, etc., which are gaining healthy traction in UK, China, Pakistan, etcetera. So, are we also, sort of, thinking around these variants to bring them into India?

Ravi Jaipuria: Yes. We will keep launching new products, we have launched the energy drink, "A Rush" now and will be launching some of the new products in the next year. We cannot launch too many products, as we need to make sure the new products are available in the market. The go-to-market needs to be properly done. At present, we are consolidating on our hydration portfolio, which is the Nimbooz, and making sure every store has it. This year we have added the energy drink and next year we will add 1 or 2 more products.

Devanshu Bansal: Understood. Sir, a couple of bookkeeping questions. From Food segment, what is the revenue contribution as of now if you could just highlight?

Ravi Jaipuria: It's still very small, at about Rs. 300 crore. Morocco has just started with the manufacturing and Zimbabwe will hopefully start by the end of this year.

Devanshu Bansal: Understood. And this Rs. 300 crore is annual run rate you are saying or right?

Ravi Jaipuria: Yes, for the time being because Morocco has just started 4 months back and Zimbabwe will be starting. By next year you will see at least two countries giving full year turnover.

Devanshu Bansal: Understood. And lastly, if you can call out volume contribution from South Africa and DRC for the current quarter?

Ravi Jaipuria: Well, we can only tell you that we are growing in double digits in South Africa. In DRC, we are coming back, we made some initial errors earlier but have corrected them, and DRC has started to perform well again. We will not see high growth in DRC this year, but we see huge potential in the next year.

Moderator: Thank you. Our next question comes from the line of Percy Panthaki from IIFL Securities. Please go ahead.

Percy Panthaki: Hi, sir. My question is on the international business. We have done a sales growth of around 7% in the international this quarter. And this includes some part of foods also. So, organically, it might be a tad lower. Our ambition, and I think, what the investors also, sort of, expect is like early to mid-teens kind of revenue growth from the international business. So, is there anything, any particular geography, etcetera, which is pulling this down? Or is that expectation itself not, sort of, reasonable?

Ravi Jaipuria: No, we think double digits in mid-teens is realistic for Africa. Two things which pulled down this year, especially in the last 2 quarters. One was Zimbabwe where the sugar tax came and because of which the prices had gone up and the volumes dipped initially. We have since recovered and September onwards, we are back to double-digit growth in Zimbabwe. The other was DRC, where initially we have made some errors which affected us for the last few months. But now It has bounced back and for next year, we don't see any challenge in the teen's growth.

Percy Panthaki: Right, sir, right. Sir, not just Africa subcontinent, but international as a whole, how fast do you think we can come back to like 13% to 15% revenue growth number?

Ravi Jaipuria: Well, majority of it is Africa. Nepal, Sri Lanka are doing well and are growing reasonably. Nepal, Sri Lanka would grow like India is growing.

Percy Panthaki: Understood. So, in one or two quarters, we should be at least at the early teens revenue growth kind of mark?

Ravi Jaipuria: Yes, hopefully from the next quarter.

Percy Panthaki: Understood. Secondly, on this entry into beer and alcoholic products, just wanted to understand the rationale behind it. Why now? I mean, we have been in this business since 25-30 years of, sort of, beverages. I mean, what has spurred this thought process at this juncture and not earlier?

Ravi Jaipuria: Well, a couple of reasons. One, we were in the acquisition mode for soft drinks for PepsiCo in India, we have now acquired almost the full country. In Africa we don't want to jump over to every country as it takes time to stabilize each country we acquire. It will be much easier for us to grow our business with other categories in these markets, wherever we have stabilized. We are looking at how to grow forward, since we have free cash flows and we need to utilize this cash effectively to grow our business.

Percy Panthaki: Understood. And lastly, can you tell us exactly which geographies this Carlsberg arrangement is for?

Ravi Jaipuria: We are looking at southern part of Africa.

Percy Panthaki: Okay. So basically, South Africa, Mozambique, those regions?

Ravi Jaipuria: That belt from Zambia, Zimbabwe, DRC and South Africa.

Percy Panthaki: So, several companies ultimately will come under that arrangement?

Ravi Jaipuria: At the moment, this is the understanding we have with them. We have to start with it, and once both of us are comfortable we'll take it forward.

Moderator: Thank you. Our next question comes from the line of Sumant Kumar from Motilal Oswal. Please go ahead.

Sumant Kumar: My question is regarding the Sting. How is the Sting performance in this quarter? Is it outperforming the overall growth on consol level?

Ravi Jaipuria: All our carbonated beverages, including energy drink, is performing similar. Everything in our portfolio got affected by the weather, but as the weather has opened up, things have started coming back to normal.

Sumant Kumar: Okay. So, you said Nimbooz and dairy product is growing at higher pace.

Ravi Jaipuria: Nimbooz and value-added-dairy are doing exceptionally well. These are small categories, and won't overall affect the numbers much. Hopefully, going forward next year, both these categories should become large.

Sumant Kumar: In other income, what is the forex amount?

Ravi Jaipuria: About Rs. 100 crore.

Sumant Kumar: Okay. And what was the previous year same quarter?

Ravi Jaipuria: Minus Rs. 10 crore.

Moderator: Our next question comes from the line of Jaykumar Doshi from Kotak.

Jaykumar Doshi: Just a follow-up question on your aspiration to or potential for an India AlcoBev business. Sir, you were present in this industry until 2015. I think you had a JV with AB InBev. And then you probably decided to exit that space. I think in the last 10 years, sector has become a little more challenging from a regulatory standpoint and competitive standpoint also.

So, now what's the thought process here in terms of how should we think about, will it be some JV or partnership with a large existing player that you are considering? Or would you be acquiring smaller brands or local players and building a portfolio over time? And if you could give us some sort of idea of what kind of capital allocation you intend to sort of make for this sector?

Ravi Jaipuria: First of all, the positive side is we understand this business inside out. We ran this business for a long time and now we are looking to expand our categories and growth. We are looking at it in Africa to start with. We understand the beer business. We have enough people in the system who know the business from back end to front end. We are going to start with it and initially start by importing it. And once we get the right success and we feel that it's the right thing to go forward, we will take it forward to a higher level.

Jaykumar Doshi: So, small steps as of now, nothing big?

Ravi Jaipuria: Well, it depends. It could be big, fast enough, but we think first part is we need to test it. So, give us a quarter or 2 quarters.

Jaykumar Doshi: Sure. Second is, I just looked up and I think the PepsiCo bottler in Kenya is SBC with whom you were engaged for Tanzania and Ghana. So, is there a possibility of acquiring rights for PepsiCo in Kenya? Or would you be doing something very on your own?

Ravi Jaipuria: We understand that PepsiCo in Kenya has already been sold to somebody else last year.

Jaykumar Doshi: Okay. So, all right, I was not aware of this. So, in that case, what is your initial thought process at this point of time?

Ravi Jaipuria: We are just looking at how to expand in different parts of Africa. We've just decided to register a company and it's a too early right now. As soon as we have something concrete, we will inform you.

Moderator: Our next question comes from the line of Onkar Ghugardare from Shree Investments.

Onkar Ghugardare: How prepared are you for the next season? I mean, capacity expansion wise in that aspect, I'm asking.

Ravi Jaipuria: We are in-fact over prepared Capacity-wise. We have expanded in the last 2 years, however this year the growth has not happened. So, our capacities are very much intact and even if we grow 50%, we have enough capacities to fulfil that.

Onkar Ghugardare: Okay. And as far as the acquisition of some companies are concerned, I mean in which areas you are looking for it and how to use the capital which you have?

Ravi Jaipuria: We are looking at expanding in Africa that is the first part. With Pepsi itself, we started snacks in Morocco, and we are expanding quite rapidly in South Africa. Also, we have started looking at the beer category in Africa. In India also, we have not stopped expansion as we feel the growth is going to be quite substantial.

Onkar Ghugardare: I mean, this beer business, alcohol business, which you are starting, trying to test in African region. I mean, how capital intensive it is? Is it similar to the beverage industry?

Ravi Jaipuria: It is similar like beverage industry. We are going to test the market and are not going to jump blindfolded. If it looks right, then we'll start one by one. So, it won't be a huge capex going in.

Moderator: Our next question comes from the line of Sorabh Daga from HSBC.

Sorabh Daga: From PepsiCo's point of view, we think that refranchising bottling operations is gaining a lot more attention, and there seems to be urgency too, right? So, I just want to understand your thought process, what can be some of the opportunities if PepsiCo were to advance on refranchising some of its own operations?

Ravi Jaipuria: There's nothing to refranchise. We own most of it here. We own more than 90%.

Sorabh Daga: No, outside. I mean, globally

Ravi Jaipuria: Yes. Globally, we are always keen. We are always open to expand with Pepsi. We've always told Pepsi, any place which is available, we are more than happy to expand with them subject to their operations making sense for us.

Sorabh Daga: All right. And then, maybe on the AlcoBev opportunity, right? Can you share some thoughts on how does this help expand and strengthen your client relationship and distribution capabilities, right? And then probably on the timeline, when should we start expecting some of these numbers to start flowing in, through the P&L?

Ravi Jaipuria: It's still too early. We are initially just going to import and distribute and test the markets. We believe beer is a huge market outside India, especially in Africa and there is an opportunity for us to take that market, because they are mostly single companies running this on a monopoly. We are going to try and see how we can establish ourselves, and we are not going to jump the gun. We are going to go reasonably slow. But as soon as we get traction, we will expand it.

Moderator: Our next question comes from the line of Preeyam Tolia from Antique.

Preeyam Tolia: Sir, there are various global ADR reports suggesting that PepsiCo has increased the price of concentrate by 10%. So, was it related to only US or other markets as well?

Ravi Jaipuria: We have no idea what you're saying. We don't know where they have increased the prices, as PepsiCo don't discuss with us.

Preeyam Tolia: Just wanted to confirm that it was only for the US or any other markets as well. I'll just check one more time. Thanks.

Ravi Jaipuria: As soon as we know, we'll let you know.

Preeyam Tolia: Yes. And can you, sir, just highlight when was the last revision in the concentrate prices? I think, it was long back. But if you can just give us a sense.

Ravi Jaipuria: We have an understanding with them. It's based on our selling price. If we increase our selling price, they automatically get a share of it.

Moderator: Our next question comes from the line of Karan Gupta from ACMIL Portfolio Management.

Karan Gupta: Just one question on the AlcoBev side. I know or we understand that it's too early to ask on the revenue and profit side. But the number of cases you can just tell us, how many volumes that you are targeting on the side.

Ravi Jaipuria: It is just the test marketing, it's very difficult to say how many cases. It's going to be imported and test marketed.

Moderator: Our next question comes from the line of Rajit Aggarwal from Nilgiri Investment Managers.

Rajit Aggarwal: Just a couple of questions. One is on South African market. Could you share what is our market share in that currently?

Ravi Jaipuria: We are around 17% to 18%, approximately.

Rajit Aggarwal: Okay. And I mean, is there any thoughts on what should be our target market share in, let's say, 2 to 3 years?

Ravi Jaipuria: We would love to reverse it if possible. We are trying our best, it's a new market for us and we have got a tough competitor. As long as we can grow in double digits, we believe that is a very healthy growth.

Rajit Aggarwal: Yes. Absolutely, sir. On the subsidiaries, so CY2024, a few of the subsidiaries were negative or were loss at the net level. As of Q3 or as of 9 months, are all the subsidiaries profitable now on net level?

Ravi Jaipuria: Consolidated, they are all at profit. We don't know which one you are saying.

Rajit Aggarwal: No. I'm just talking about individual subsidiaries.

Ravi Jaipuria: Except DRC we don't think anything was negative.

Rajit Aggarwal: I mean, they were marginally negative, they were not largely negative. For example, Zambia was marginally negative.

Ravi Jaipuria: No, we don't think we will be negative. DRC might take a little longer, otherwise we don't see anybody being negative.

Moderator: Thank you. Ladies and gentlemen, we would take that as a last question for today. I now hand the conference over to the management for closing comments.

Raj Gandhi: Thank you. I hope we have been able to answer all your questions satisfactorily. Should you need any further clarifications or would like to know more about the company, please feel free to contact our Investor Relations team. Thank you once again for your interest and support and for taking the time to join us on this call. Look forward to interacting with you soon. Thank you very much.

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