



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

October 22, 2024

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: Presentation on Unaudited Financial Results of the Company for the Quarter and Nine Months ended September 30, 2024

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 Unaudited Financial Results of the Company for the Quarter and Nine Months ended September 30, 2024.

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

October 22, 2024



(a PepsiCo franchisee)

Varun Beverages Limited

Q3 & 9M CY2024 Results Presentation



Disclaimer

This communication contains certain forward-looking statements relating to the business, financial performance, strategy and results of Varun Beverages Limited (“VBL” or the “Company”) 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.



Company Overview



Chairman's Message



Q3 & 9M CY2024 Results Overview



Performance Highlights



Sustainability Initiatives

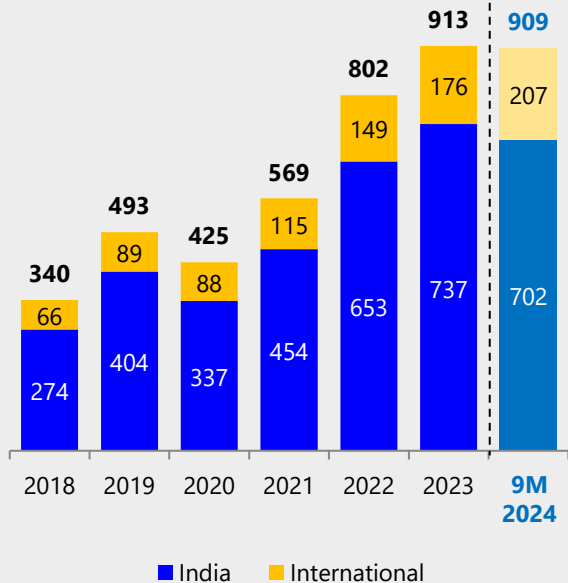
Company Snapshot



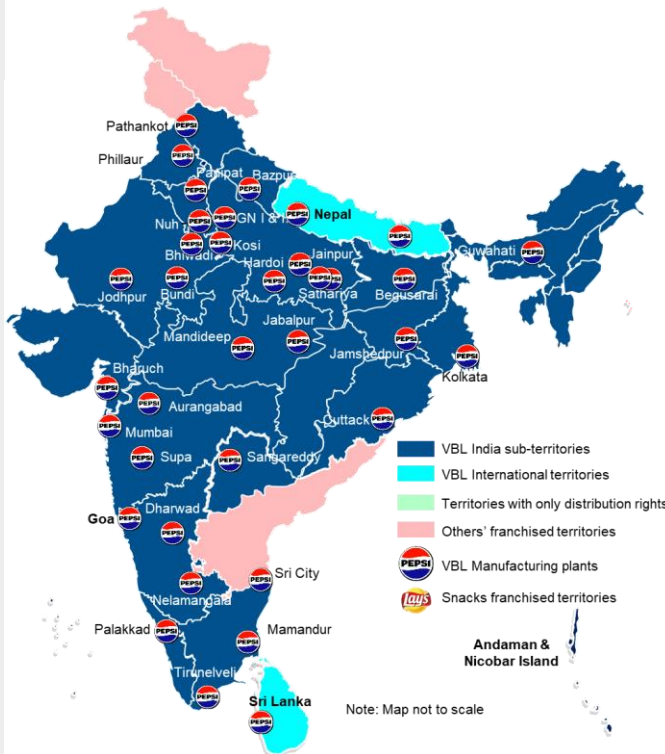
Key player in the global beverage industry and the second largest franchisee of PepsiCo in the world (outside US) with operations spanning across **10 countries** with franchise rights and additional **4 countries** with distribution rights.

Total Sales Volumes (mn Cases*)

2018-2023: Sales Volume CAGR: ~21.8%

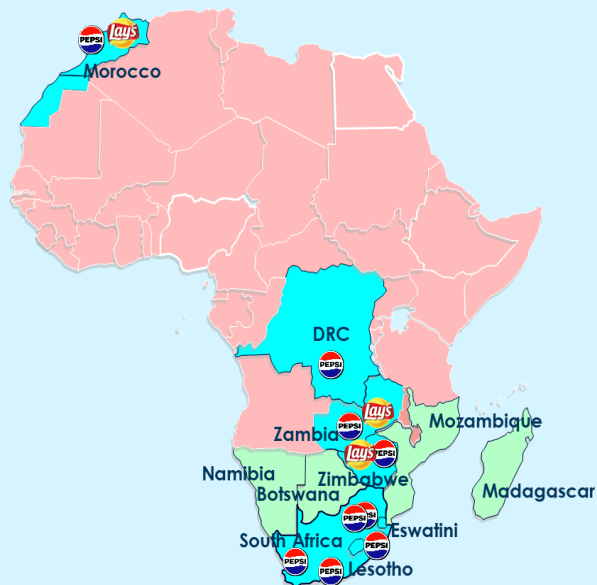


Note: *A unit case is equal to 5.678 liters of beverage divided in 24 bottles of ~ 237 ml each



Note: Map not to scale

On 27th March, 2024, we consolidated the franchised territories of South Africa, Lesotho & Eswatini and the territories with distribution rights in Namibia, Botswana, Mozambique and Madagascar.



Note: Map not to scale

Complete Brand Portfolio



Brands licensed by PepsiCo:

Carbonated Soft Drinks



Club Soda



Fruit Pulp / Juice Based Drinks



Energy Drink



Sports Drink



Carbonated Juice Based Drinks



Ice Tea



Packaged Water



Snacks#



Own Brands^:

Carbonated Soft Drinks



Energy Drink



Packaged Water



Dairy Based Beverages*



Manufacturing of Cheetos (underway) & Distribution of Frito Lay, Doritos and Cheetos in Morocco; Manufacturing & Distribution of Simba Munchiez (underway) in Zambia and Zimbabwe; Co-manufacturing of Kurkure Puffcorn in India.
 ^ Manufacturing & Distribution of own brands is restricted in select territories.
 * "CreamBell" trademark has been licensed to be used by VBL for ambient temperature value added dairy based beverages.



Demand Delivery

- Production Facilities
- Sales & Distribution – GTM & Logistics
- In-outlet Management – Visi-Coolers
- Consumer Push Management (BTL) - Market Share Gains

32+
Years of Association
(agreement in India valid till April, 2039)

90%+
of PepsiCo India Sales Volume

Demand Creation

- Trademarks
- Formulation through Concentrate
- Product & Packaging innovation through investment in R&D
- Consumer Pull Management (ATL) - Brand Development

Key Player in the Beverage Industry – Business Model



VBL- END-TO-END EXECUTION ACROSS VALUE CHAIN



Chairman's Message



Commenting on the performance for Q3 & 9M CY2024, Mr. Ravi Jaipuria, Chairman – Varun Beverages Limited said:

"We are pleased to report another strong quarter, despite the challenges posed by excessive rainfall in India. We achieved consolidated revenue growth of 24.1%, including contributions from BevCo, driven by our expanded distribution network, increased product penetration, and favorable demand trends in key markets. Enhanced operating efficiencies led to an improvement of 117 bps in our EBITDA margins, resulting in a robust 30.5% growth in EBITDA, and a healthy 22.3% growth in PAT for the quarter.

On the operational front, we are excited to share the successful commissioning of our greenfield facility in the Democratic Republic of Congo (DRC). In response to strong demand and our limited presence in the region, we have swiftly ramped up the facility to 100% utilization on three shift basis. This performance has encouraged us to move forward with expansion plans including backward integration and a second facility, expected to commence operations in the next calendar year. Furthermore, we are making significant progress on new facilities across India, which are on track to be commissioned before the key season next year. These developments reflect our commitment to capturing high-growth opportunities and enhancing both our domestic and global footprint.

As part of our commitment to long-term growth, the Board of Directors has approved a proposal to raise funds through the issuance of equity shares, with an aggregate amount not exceeding Rs 7,500 crore via QIP, subject to shareholders' approval. This capital will be instrumental in supporting our growth plans, including expansion into new territories, potential strategic acquisitions, and further strengthening of our balance sheet.

Overall, our focus remains on sustaining healthy growth in both Indian and international markets. The Indian market, with its growing consumption class and evolving consumer preferences, continues to offer immense opportunities. Meanwhile, our global operations, particularly in Africa, are positioned to drive further growth as we capitalize on emerging demand trends and enhance our operational capabilities. Our proven execution capabilities have been instrumental in delivering exceptional value to all stakeholders, and we remain committed to sustaining this momentum well into the future."

1. Proposed Qualified Institutions Placement (QIP) Issue:

- The Board of Directors of the Company approved the proposal for "raising of funds by way of issuance of equity shares for an aggregate amount not exceeding Rs 7,500 crore through QIP subject to receipt of approval of equity shareholders of the company."

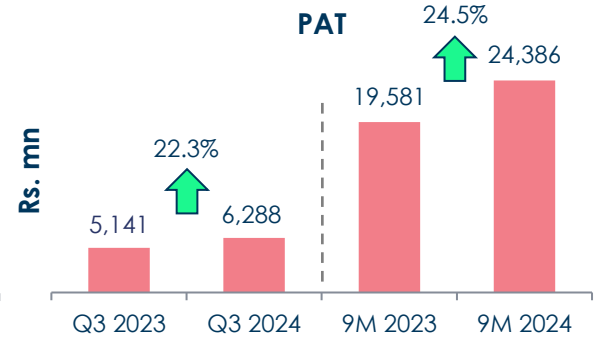
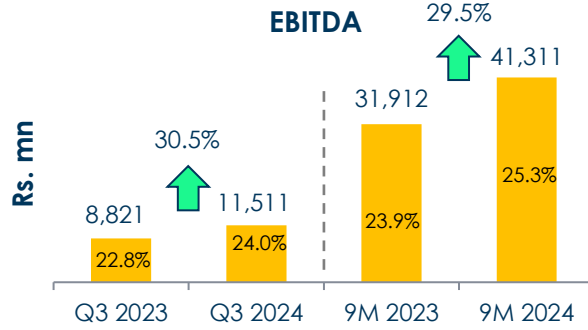
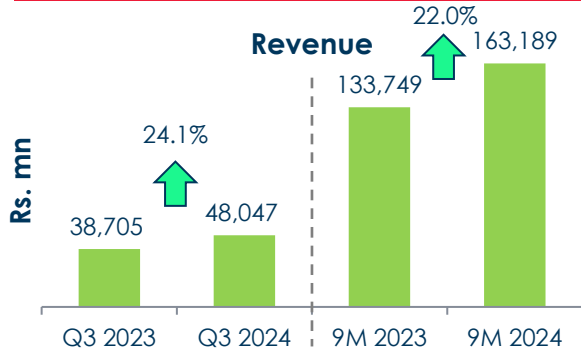
2. Commencement of Commercial Production at Kinshasa, Democratic Republic of Congo :

- Commenced production of carbonated soft drinks and packaged drinking water at our production facility in Kinshasa, Democratic Republic of Congo.
- The plant has two CSD/Water PET lines (swing) with an installed capacity of 550 BPM each.

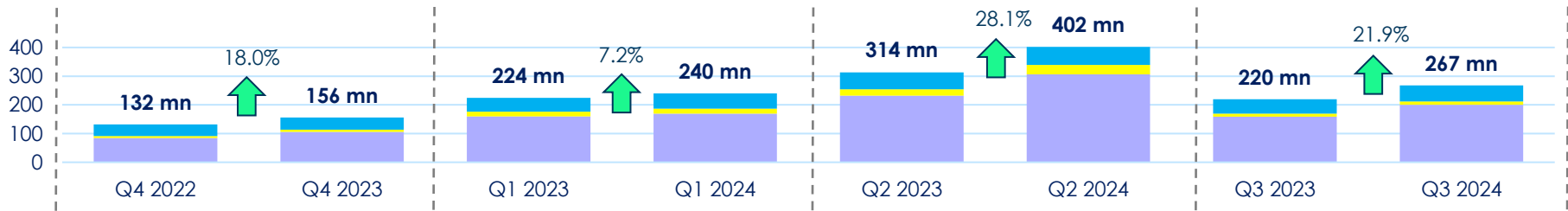
3. Sub-division/split of existing equity shares of the Company :

- The Company on September 12, 2024 ("Record Date"), sub-divided/split of existing Equity Shares of the Company from 1 (one) equity share having face value of Rs. 5 each, fully paid-up, into such number of equity shares having face value of Rs. 2 each fully paid-up.

Results Overview



Quarterly Sales Volumes (Category-wise mn unit cases)



Period	Q4 2022		Q4 2023		Q1 2023		Q1 2024		Q2 2023		Q2 2024		Q3 2023		Q3 2024	
CSD	85	65%	106	68%	160	71%	169	71%	232	74%	306	76%	159	72%	200	75%
Juice	7	5%	8	5%	16	7%	18	7%	23	7%	32	8%	10.6	5%	11.3	4%
Water	40	30%	42	27%	48	22%	53	22%	59	19%	63	16%	50	23%	56	21%

Consolidated Profit & Loss Statement

Particulars (Rs. million)	Q3 2024	Q3 2023	YoY (%)	9M 2024	9M 2023	YoY (%)
1. Income						
(a) Revenue from operations	49,320.61	39,377.56	25.3%	166,637.13	135,900.81	22.6%
(b) Excise Duty	1,273.78	672.41	89.4%	3,448.55	2,151.89	60.3%
Net Revenues	48,046.83	38,705.15	24.1%	163,188.58	133,748.92	22.0%
(c) Other income	242.50	185.06	31.0%	766.29	702.43	9.1%
2. Expenses						
(a) Cost of materials consumed	17,850.07	16,347.36	9.2%	65,882.56	58,177.72	13.2%
(b) Purchase of stock-in-trade	1,463.20	1,098.10	33.2%	5,415.51	3,605.06	50.2%
(c) Changes in inventories of FG, WIP and stock-in-trade	2,050.67	(148.42)	-1481.7%	1,547.15	697.15	121.9%
(d) Employee benefits expense	5,130.40	3,715.52	38.1%	14,060.03	10,752.78	30.8%
(e) Finance costs	1,185.35	625.00	89.7%	3,413.81	1,944.40	75.6%
(f) Depreciation and amortisation expense	2,566.11	1,708.08	50.2%	6,866.04	5,149.34	33.3%
(g) Other expenses	10,041.27	8,871.19	13.2%	34,972.33	28,604.23	22.3%
Total expenses	40,287.07	32,216.83	25.0%	132,157.43	108,930.68	21.3%
EBITDA	11,511.22	8,821.40	30.5%	41,311.00	31,911.98	29.5%
3. Profit before share of loss of associates and joint venture (1-2)	8,002.26	6,673.38	19.9%	31,797.44	25,520.67	24.6%
4. Share of loss of associates and joint venture	(0.95)	(4.21)	77.4%	(7.92)	(6.87)	-15.3%
5. Profit before tax (3+4)	8,001.31	6,669.17	20.0%	31,789.52	25,513.80	24.6%
6. Tax expense	1,713.06	1,528.60	12.1%	7,403.11	5,933.29	24.8%
7. Net profit after tax (5-6)	6,288.25	5,140.57	22.3%	24,386.41	19,580.51	24.5%

Discussion on Financial & Operational Performance

Sales Volumes / Net Revenues

- Consolidated sales volume grew by 21.9% to 267.5 million cases in Q3 CY2024 from 219.5 million cases in Q3 CY2023. This includes ~34 million cases from BevCo and DRC during the current quarter.
- Heavy rains through out the quarter led to India volumes growing in mid single digits i.e. 5.7% and International volumes grew by 7.9% organically.
- Net Revenue from operations grew by 24.1% YoY in Q3 CY2024 to Rs. 48,046.8 million from Rs. 38,705.2 million in Q3 CY2023 inline with the volume growth. Net realization per case increased by 1.9% to Rs. 179.6 in Q3 CY2024.
- CSD constituted 75%, JBD 4% and Packaged Drinking Water 21% in Q3 CY2024 at a consolidated level.
- Non-carbonated beverage portfolio (juice based drinks, value added dairy beverages, sports drinks) in India has grown by 23.9% in 9M CY 2024 YoY. Mix on consolidated level has come down post consolidation of SA & DRC markets which have primarily CSD in sales mix.

Gross Margins / EBITDA

- Gross margins increased by 22 bps to 55.5% in Q3 CY2024, compared to 55.3% in Q3 CY2023.
- ~ 49% of our consolidated sales volumes come from Low sugar / No sugar products in 9M CY2024.
- EBITDA increased by 30.5% to Rs. 11,511.2 mn and EBITDA margin improved by 117 bps to 24.0% in Q3 CY2024, driven by operational efficiencies.

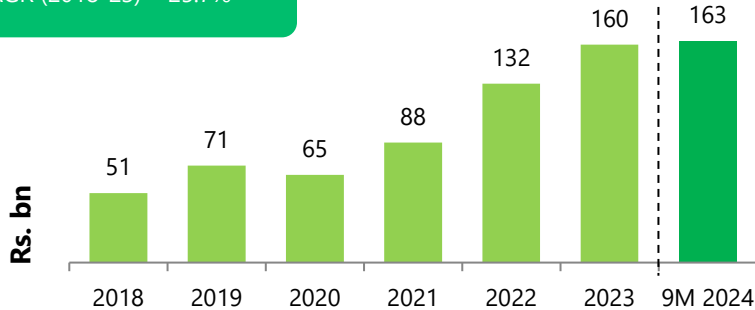
PAT

- PAT increased by 22.3% to Rs. 6,288.3 mn in Q3 CY2024 from Rs. 5,140.6 mn in Q3 CY2023 driven by volume growth & improved margins.
- Depreciation increased by 50.2% in Q3 CY2024 on account of acquisition of BevCo and setting-up of new production facilities in India & DRC.
- Finance cost increased by 89.7% in Q3 CY2024 primarily due to new production facilities, acquisition of BevCo as well as increased cost of borrowing.

Performance Highlights (CY2018 – CY2023 & 9M CY2024)

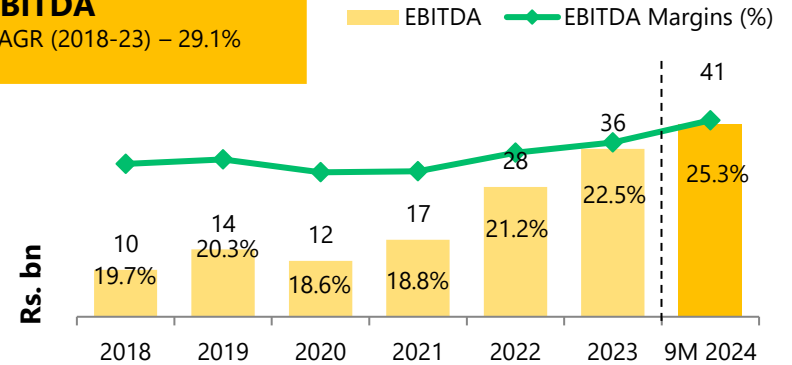
REVENUE

CAGR (2018-23) – 25.7%



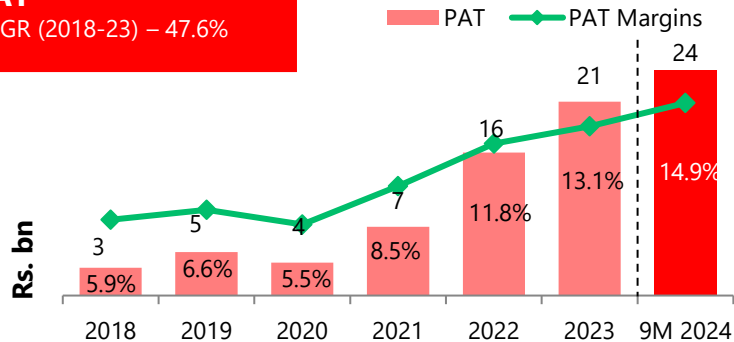
EBITDA

CAGR (2018-23) – 29.1%



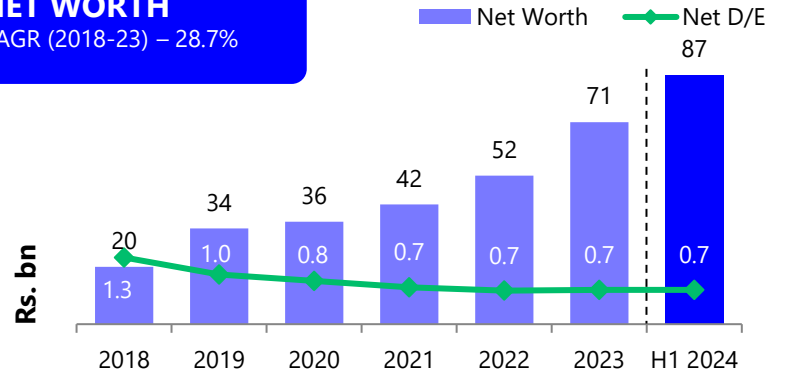
PAT

CAGR (2018-23) – 47.6%



NET WORTH

CAGR (2018-23) – 28.7%





SUSTAINABILITY – Being Water Positive



Increase ground water level

2x
WRR



151 Water bodies (ponds & check dams) maintained



Using only half of recharged water for manufacturing



Reduce water usage (WUR)

-35%
by 2025

Per liter of beverage produced



1.89

2021



1.70

2022



1.54

2023



1.48

2024E



1.40

2025
Target



150+

Process Improvements



SUSTAINABILITY – Reducing Carbon Footprint

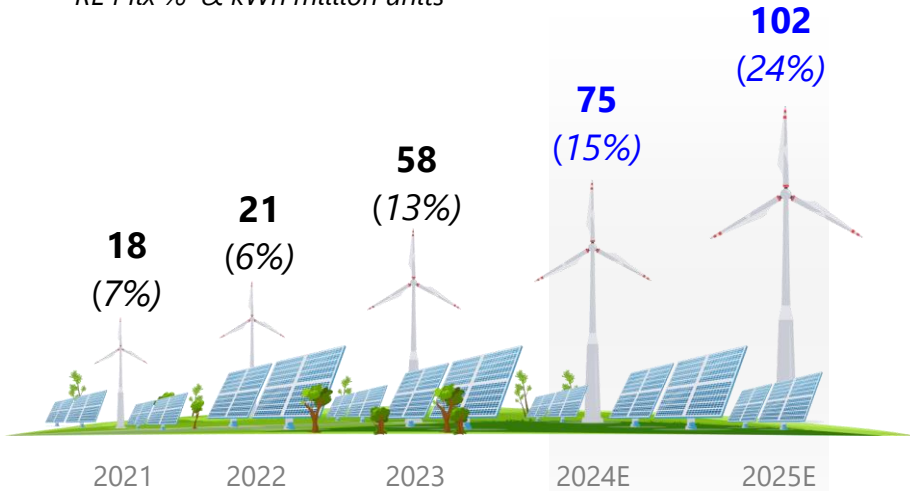


Increase Renewable Energy

30%
by 2030

Solar (Rooftop + Captive Power Solution) & Windmill

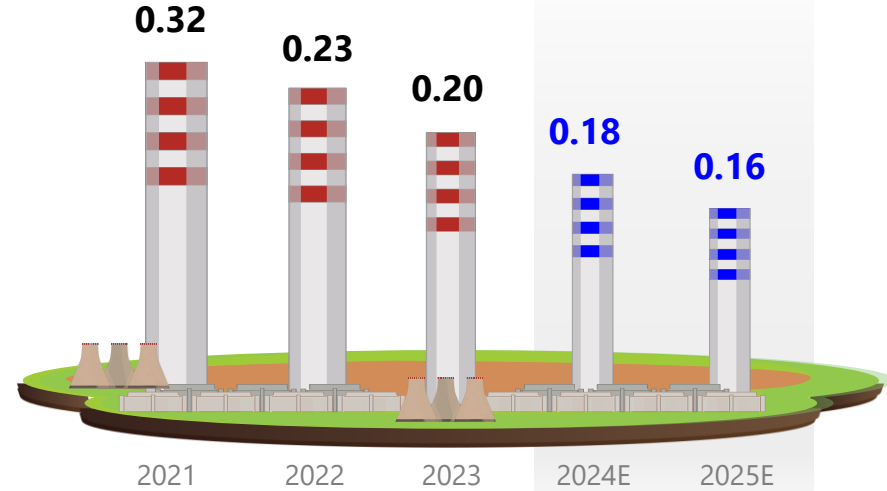
RE Mix % & kWh million units



Reduce GHG Emissions

Net Zero
by 2050

Emissions Kg CO₂ e/Litre



POSITIVE CLIMATE ACTIONS



2,000+
EV in trade
for last mile



~375K
Plantations



Efficient Visi Coolers – R290
(all new coolers starting 2023)



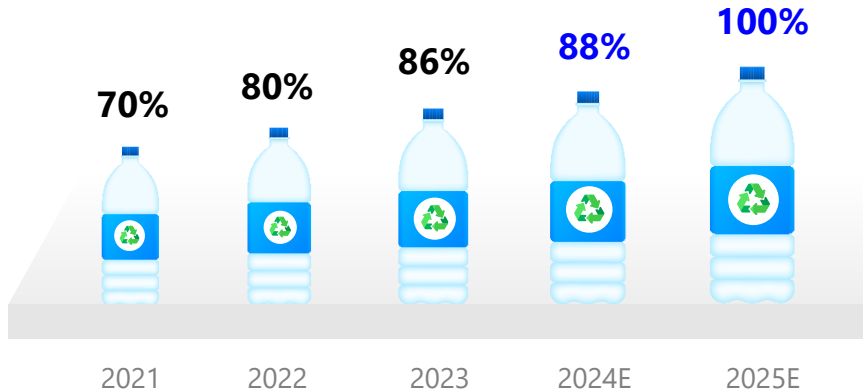
SUSTAINABILITY – Robust Packaging & Plastic Recycling



Increase Plastic Waste Recycle



Ahead of EPR Regulations



←----- rPET -----→



Pilot on Pepsi Zero Sugar in 2023



12000 MT in 2024



30% rPET (~72K MT) by 2025

INDORAMA JV

Reduce Plastic Usage



Packaging rationalization

In some CSD packs (since Sep'23)

(~26K MT of paper reduction, equivalent to 500k trees)



Closures by 20-25%

CSD/Juices/Water (2010 to-date)



Preforms by 10-20%

600ml to 2.25 liters (2010 to-date)

Varun Beverages Limited Q3 & 9M CY2024 Earnings Conference Call

Time • Tuesday, October 22, 2024 at 2:30 PM IST

Conference dial-in Primary number • +91 22 6280 1141 / +91 22 7115 8042

International Toll Free Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133

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, 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 ~79% of revenues from operations (net) in Fiscal 2023. 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 more information about us, please visit www.varunbeverages.com or contact:

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Thank You!
