



# VARUN BEVERAGES LIMITED



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CIN No. : L74899DL1995PLC069839

November 1, 2022

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 <b>Symbol: VBL</b>	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Email: corp.relations@bseindia.com <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.varunpepsi.com](http://www.varunpepsi.com).

You are requested to take the above on record.

Yours faithfully,

**For Varun Beverages Limited**

**Ravj Batra**  
**Chief Risk Officer & Group Company Secretary**



**Encl.:** As above



## Varun Beverages' Q3 & 9M CY2022 Financial Results

<u>Q3 CY2022</u>	<u>9M CY2022</u>
Revenue grew 32% YoY to Rs. 31,766 mn	Revenue grew 55% YoY to Rs. 109,589 mn
EBITDA higher by 41% YoY to Rs. 6,990 mn	EBITDA higher by 71% YoY to Rs. 24,806 mn
PAT higher by 53% YoY to Rs. 3,955 mn	PAT increased by 106% to Rs. 14,686 mn

**Gurugram, November 01, 2022:** 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, 2022.

### Financial Performance Highlights\*

#### Performance Review for Q3 CY2022 vs. Q3 CY2021

- Revenue from operations (net of excise / GST) grew by 32.5% YoY to Rs. 31,766 million, on account of robust volume growth over last year and higher realization on a consolidated basis
  - Net realization per case improved by 6.8% to Rs. 167 per case in Q3 CY2022, driven by a higher mix of smaller SKUs (250ml) especially the energy drink - Sting which has a higher net realization, and its mix is increasing in the sales volumes
  - Sales volumes in India grew by 22.1% in Q3 CY2022 to 148 million cases and in international markets grew by 31.3% to 42 million cases. Total volume for the quarter 190 million cases
- EBITDA increased by 41.3% to Rs. 6,990 million from Rs. 4,947 million
  - Gross margins for Q3 CY2022 increased by 90 bps to 53.7% from 52.8% in Q3 CY2021, despite the inflationary raw material environment
  - EBITDA margins stood healthy at 22% in Q3 CY2022, led by the higher realization and operating leverage from increased sales volume
- PAT increased by 53.3% to Rs. 3,955 million from Rs. 2,579 million in Q3 CY2021, driven by high growth in revenue from operations, improvement in margins, and transition to a lower tax rate in India

#### Performance Review for 9M CY2022 vs. 9M CY2021

- Revenue from operations (net of excise / GST) grew 54.6% YoY to Rs. 109,589 million in 9M CY2022 as compared to Rs. 70,889 million 9M CY2021
- EBITDA increased by 71.4% to Rs. 24,806 million in 9M CY2022 from Rs. 14,471 million in 9M CY2021
- PAT higher by 105.8% to Rs. 14,686 million in 9M CY2022 from Rs. 7,135 million in 9M CY2021
- \*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 2022 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,**

*"We are pleased to report yet another strong quarter, delivering a net revenue growth of 32% and a PAT growth of 53% YoY. Our India business has delivered a solid organic volume growth of 22% led by a favorable demand environment and strong performance of our energy drink - Sting. In addition, healthy double-digit sales volume growth of 31% in our key international markets further assisted performance during the quarter.*

*Post Covid related setbacks over the last two years, we are now increasingly improving our presence by expanding our distribution reach across markets. This will help us gain a larger share in the growing market.*

*On the product portfolio front, we are pleased to share that Sting continues to perform exceedingly well across geographies. Similarly, our launches in the value added Dairy segment are seeing healthy consumer response and we remain confident of improving contribution from these new launches, going ahead.*

*Overall, the demand environment for the beverage industry has been robust and we are witnessing a healthy offtake in India as well as in our international markets. The festive season in Q4 is expected to further aid consumption trends in this calendar year. We are confident that we can sustainably deliver healthy volume growth across all product categories going forward and further strengthen our market position in the 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 franchisees 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, Diet Pepsi, Seven-Up, Mirinda Orange, Mountain Dew, Mountain Dew Ice, Seven-Up Nimbooz Masala Soda, Evervess, Sting, Gatorade and Slice Fizzy Drinks. PepsiCo NCB brands produced and sold by the Company include Tropicana Slice, Tropicana Juices (100%, Delight, Essentials), Nimbooz, 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 ~75% of revenues from operations (net) in Fiscal 2021. 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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## **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.*