



VARUN BEVERAGES LIMITED



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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: 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' Q3 & 9M CY2024 Financial Results

<u>Q3 2024</u>	<u>9M 2024</u>
Revenue grew 24.1% YoY to Rs. 48,046.8 mn	Revenue grew 22.0% YoY to Rs. 163,188.6 mn
EBITDA higher by 30.5% YoY to Rs. 11,511.2 mn	EBITDA higher by 29.5% YoY to Rs. 41,311.0 mn
PAT higher by 22.3% YoY to Rs. 6,288.3 mn	PAT increased by 24.5% to Rs. 24,386.4 mn

Gurgaon, October 22, 2024: 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, 2024.

Financial Performance Highlights*

Performance Review for Q3 CY2024 vs. Q3 CY2023

- Revenue from operations grew by 24.1% YoY to Rs. 48,046.8 million in Q3 CY2024 as compared to Rs. 38,705.2 million in Q3 CY2023. Net realization per case increased by 1.9% to Rs. 179.6 in Q3 CY2024.
 - 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 throughout the quarter led to India volumes growing in mid-single digits i.e. 5.7% and international volumes grew by 7.9% organically
 - CSD constituted 75%, JBD 4% and Packaged Drinking Water 21% in Q3 CY2024 at a consolidated level.
- EBITDA increased by 30.5% to Rs. 11,511.2 million from Rs. 8,821.4 million
 - Gross margins increased by 22 bps to 55.5% in Q3 CY2024, compared to 55.3% in Q3 CY2023
 - ~ 49% of consolidated sales volumes came from Low sugar / No sugar products in 9M CY2024
 - EBITDA margin improved by 117 bps to 24.0% in Q3 CY2024, driven by operational efficiencies
- PAT increased by 22.3% to Rs. 6,288.3 million in Q3 CY2024 from Rs. 5,140.6 million in Q3 CY2023 driven by volume growth and improved margins

Performance Review for 9M CY2024 vs. 9M CY2023

- Revenue from operations (net of excise / GST) grew 22.0% YoY to Rs. 163,188.6 million in 9M CY2024 as compared to Rs. 133,748.9 million 9M CY2023
- EBITDA increased by 29.5% to Rs. 41,311.0 million in 9M CY2024 from Rs. 31,912.0 million in 9M CY2023
- PAT higher by 24.5% to Rs. 24,386.4 million in 9M CY2024 from Rs. 19,580.5 million in 9M CY2023

***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 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."

Key Developments

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."

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

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

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.

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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 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 has 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 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 further information, please contact:

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Safe Harbor

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