



# 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.varunpepsi.com  
CIN No. : L74899DL1995PLC069839

August 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>
---	--

**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**

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



**Encl.:** As above



## Varun Beverages' Q2 & H1 CY2022 Financial Results

<u>Q2 CY2022</u>	<u>H1 CY2022</u>
<b>Revenue grew 102% YoY to Rs. 49,548 mn</b>	<b>Revenue grew 66% YoY to Rs. 77,823 mn</b>
<b>EBITDA higher by 119% YoY to Rs. 12,506 mn</b>	<b>EBITDA higher by 87% YoY to Rs. 17,816 mn</b>
<b>PAT higher by 152% YoY to Rs. 8,020 mn</b>	<b>PAT increased by 136% to Rs. 10,731 mn</b>

**Gurgaon, August 1, 2022:** Varun Beverages Limited (BSE: 540180, NSE: VBL), a key player in the beverage industry, announced its financial results for the second quarter and half year ended June 30, 2022.

### Financial Performance Highlights\*

#### Performance Review for Q2 CY2022 vs. Q2 CY2021

- Revenue from operations (net of excise / GST) grew by 102% YoY to Rs. 49,548 million, on account of robust volume growth over last year and higher realization on a consolidated basis
  - Total sales volumes were up 96.9% YoY at 300 million cases in Q2 CY2022 as compared to 152 million cases in Q2 CY2021, on account of the strong demand during the peak season and return to normalcy.
  - Realization per case improved by 2.7% to Rs. 165 per case in Q2 2022 driven by price hike in select SKUs, reduction in discounts/incentives, and improvement in mix
- EBITDA increased by 119.1% to Rs. 12,506 million in Q2 CY2022 from Rs. 5,708 million in Q2 CY2021
  - Gross margins declined by 302 bps YoY to 50.5% during Q2 CY2022 owing to increase in preform prices by ~30% over Q2 CY2021
  - EBITDA margins improved to 25.2% in Q2 CY2022, led by higher realization and operating leverage from increased sales volume
- PAT increased by 151.6% to Rs. 8,020 million from Rs. 3,188 million in Q2 CY2021, driven by high growth in revenue from operations and improvement in margins
- In line with the guidelines of dividend policy, the Board of Director's have recommended an interim dividend of Rs. 2.5 per share

#### Performance Review for H1 CY2022 vs. H1 CY2021

- Revenue from operations (net of excise / GST) grew 65.9% YoY to Rs. 77,823 million in H1 CY2022 as compared to Rs. 46,907 million H1 CY2021
- EBITDA increased by 87.1% to Rs. 17,816 million in H1 CY2022 from Rs. 9,524 million in H1 CY2021

- PAT was higher by 135.7% to Rs. 10,731 million in H1 CY2022 from Rs. 4,556 million in H1 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 Q2 & H1 CY2022 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said:**

*"We are pleased to share that we have delivered an all-time high performance during the quarter. Our continuous effort to invest in our business despite the pandemic led disruption of peak season during the last two years and return of normalcy in day-to-day activities translated to robust demand leading to consolidated sales volume growth of 96.9% YoY. In addition, we were able to improve our realization per case by taking price hikes in select SKUs, reduction in discounts/incentives, and improving the mix leading to doubling of our topline during the quarter as compared to last year.*

*On the profitability front, despite the inflationary raw material environment we witnessed limited impact on our gross margins during the quarter because of early stocking of key raw materials and improvement in realizations. Further, operating leverage due to high volume growth translated into improved EBITDA margins of 25.2%. Healthy cash flows during the period enabled us to significantly reduce our debt thereby strengthening our balance sheet position.*

*I am happy to share that in recognition of our operational excellence, end to end execution capabilities, governance practice and strong track record, VBL was recently awarded from PepsiCo as 'Best Bottler in Africa, Middle East and South Asia (AMESA) region' for the year 2021. I am also pleased to share that in-line with our dividend policy, the Board of Directors has recommended an interim dividend of Rs. 2.5 per share.*

*With sustainability being a core principle of our business model, we continue to undertake efforts towards PET-recycling and improving energy & water efficiencies with a goal of having a net positive impact on the planet.*

*On the demand front, we are seeing enhanced consumption trends across markets. Directionally, we continue to implement strategic initiatives to solidify our market position as a key player in the global beverage industry and are confident of continuing our journey of sustainable value creation for all stakeholders."*

*– 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, Diet Pepsi, Seven-Up, Mirinda Orange, Mountain Dew, Mountain Dew Ice, Seven-Up Nimbooz Masala Soda, Evervess and Sting. PepsiCo NCB brands produced and sold by the Company include Tropicana Slice, Tropicana Juices (100%, Delight, Essentials), 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 ~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:****Raj Gandhi / Deepak Dabas / Rohit Jalan**

Varun Beverages Ltd

Tel: +91 124 4643100 / +91 9871100000 / +91 9818187636

Email: [raj.gandhi@rjcorp.in](mailto:raj.gandhi@rjcorp.in) /  
[deepak.dabas@rjcorp.in](mailto:deepak.dabas@rjcorp.in)  
[rohit.jalan@rjcorp.in](mailto:rohit.jalan@rjcorp.in)**Anoop Poojari / Aesha Shah**

CDR India

Tel: +91 9833090434 / 98672 50569

Email: [anoop@cdr-india.com](mailto:anoop@cdr-india.com) /  
[aesha@cdr-india.com](mailto:aesha@cdr-india.com)**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.*