



# VARUN BEVERAGES LIMITED



Corporate Off : Plot No.31, Institutional Area, Sec.-44, Gurgaon, Haryana-122002 (India)  
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CIN No. : L74899DL1995PLC069839

July 30, 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 <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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Presentation on Unaudited Financial Results of the Company for the Quarter and Half Year ended June 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 Half Year ended June 30, 2024.

The same is also being uploaded on website of the Company at [www.varunbeverages.com](http://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

July 30, 2024



*(a PepsiCo franchisee)*


# Varun Beverages Limited

## Q2 & H1 CY2024 Results Presentation



# Disclaimer

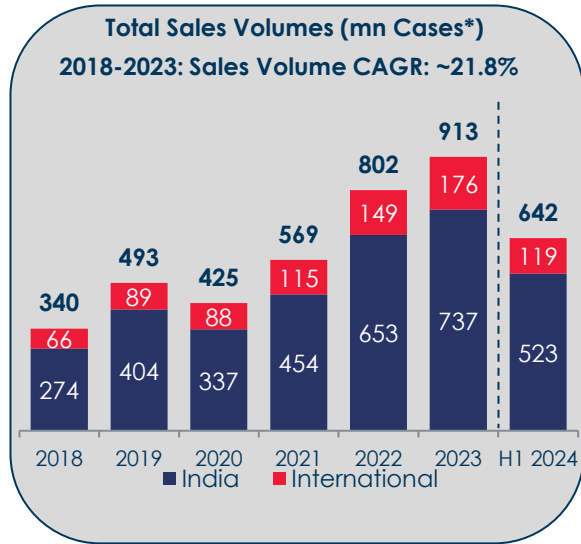
This communication contains certain forward-looking statements relating to the business, financial performance, strategy and results of Varun Beverages Limited (“VBL” or the “Company”) and/ or the industry in which it operates. Such forward-looking statements involve a number of risks, uncertainties 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.



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# Company Snapshot

- \* **Key player** in the global beverage industry with operations spanning across **10 countries** with franchise rights and additional **4 countries** with distribution rights.
- \* For fiscal year 2023, 3 territories in the Indian Subcontinent (India, Sri Lanka, Nepal) contributed **~83%** to revenues; 3 territories in Africa (Morocco, Zambia, Zimbabwe) contributed to **~17%** of total revenues.
- \* Over **32** years strategic association with PepsiCo – accounting for **90%+** of PepsiCo's beverage sales volume in India.



On 27<sup>th</sup> 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:** \*A unit case is equal to 5.678 liters of beverage divided in 24 bottles of ~ 237 ml each

# Brand Portfolio

## Brands licensed by PepsiCo:

### Carbonated Soft Drinks



### Club Soda



### Energy Drink



### Fruit Pulp / Juice Based Drinks



### Sports Drink



### Carbonated Juice Based Drinks



### Ice Tea



### Packaged Water



## Own Brands^:

### Carbonated Soft Drinks



### Energy Drink



### Packaged Water



### Dairy Based Beverages\*



### Snacks#



# 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.

# Symbiotic Relationship with PepsiCo

## VBL – Demand Delivery

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



## PepsiCo – 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

MANUFACTURING		
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; background-color: #fff9c4;">Concentrate (PepsiCo)</div> <div style="border: 1px solid black; padding: 5px; background-color: #fff9c4;">Other Raw Materials</div> <div style="border: 1px solid black; padding: 5px; background-color: #fff9c4;">Bottling</div> </div>	<ul style="list-style-type: none"> <li>▪ 48 state-of-the-art production facilities                             <ul style="list-style-type: none"> <li>▪ 36 in India &amp; 12 in International territories</li> </ul> </li> </ul>	<span style="color: white; font-weight: bold; background-color: #e91e63; padding: 10px 20px; border-radius: 10px;">SOLID INRASTRUCTURE</span>
<b>DISTRUBUTION &amp; WAREHOUSING</b>	<ul style="list-style-type: none"> <li>▪ 130+ depots</li> <li>▪ 2,500+ primary distributors</li> <li>▪ 2,500+ owned vehicles</li> </ul>	<span style="color: white; font-weight: bold; background-color: #e91e63; padding: 10px 20px; border-radius: 10px;">ROBUST SUPPLY CHAIN</span>
<b>CUSTOMER MANAGEMENT</b>	<ul style="list-style-type: none"> <li>▪ Installed 1.02 million + visi-coolers, reaching 4 million + outlets</li> <li>▪ VBL - local level promotion and in-store activation</li> <li>▪ PepsiCo - brand development &amp; consumer marketing</li> </ul>	<span style="color: white; font-weight: bold; background-color: #e91e63; padding: 10px 20px; border-radius: 10px;">DEMAND DELIVERY</span>
<b>IN-MARKET EXECUTION</b>	<ul style="list-style-type: none"> <li>▪ Experienced region-specific sales team</li> <li>▪ Responsible for category value/volume growth</li> <li>▪ Path created for reaching out to every 5<sup>th</sup> person in the world</li> </ul>	<span style="color: white; font-weight: bold; background-color: #e91e63; padding: 10px 20px; border-radius: 10px;">MARKET SHARE GAINS</span>
<b>COST EFFICIENCIES</b>	<ul style="list-style-type: none"> <li>▪ Production optimization</li> <li>▪ Backward integration (3 exclusive + 14 integrated plants)</li> <li>▪ Innovation (packaging etc.)</li> </ul>	<span style="color: white; font-weight: bold; background-color: #e91e63; padding: 10px 20px; border-radius: 10px;">MARGIN EXPANSION</span>
<b>CASH MANAGEMENT</b>	<ul style="list-style-type: none"> <li>▪ Working capital efficiencies</li> <li>▪ Disciplined capex investment</li> <li>▪ Territory acquisition</li> </ul>	<span style="color: white; font-weight: bold; background-color: #e91e63; padding: 10px 20px; border-radius: 10px;">ROE EXPANSION / FUTURE GROWTH</span>





## Commenting on the performance for Q2 & H1 CY2024, Mr. Ravi Jaipuria, Chairman – Varun Beverages Limited said:

*"We are pleased to report robust performance for the second quarter of CY2024, achieving a consolidated sales volume growth of 28.1%, which includes volumes from BevCo. The impressive volume growth of 22.9% in India primarily contributed to this outstanding performance, supported by our expanded capacities, enhanced distribution network, and a strong summer season. Meanwhile, our international markets remained relatively flat, moreover it was a seasonally weak quarter for African market.*

*We are excited to announce further expansion in our partnership with PepsiCo, having entered into an Exclusive Snacks Franchising Appointment to manufacture, distribute, and sell "Simba Munchiez" in Zimbabwe by October 2025 and in Zambia by April 2026. This follows our recent announcement to manufacture and package Cheetos in Morocco by May 2025. These agreements complement our existing distribution of PepsiCo's portfolio, marking another significant step forward in our strong, symbiotic partnership.*

*Additionally, we are pleased to share that we have commenced commercial production of carbonated soft drinks and packaged drinking water at our Greenfield facility in DRC. With the region representing an untapped market for PepsiCo, this expansion offers a huge growth opportunity for us.*

*In line with our dividend policy, the Board of Directors has approved an interim dividend of 25% of the face value, i.e., Rs. 1.25 per share. Additionally, the Board has considered and recommended the sub-division/split of existing equity shares of the Company from 1 equity share with a 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. This is subject to the approval of equity shareholders of the Company. This is intended for wider retail participation.*

*With strong performance in a key quarter, we are on track to deliver healthy double-digit growth in this calendar year. India remains a high-demand market with massive growth potential, driven by a growing consuming class and a young population. To capitalize on this demand, we are focused on further strengthening our infrastructure, distribution network, and product portfolio. With a focus on strategic growth and leveraging new opportunities in both India and international markets, we are confident in our ability to deliver sustainable value to all stakeholders."*

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

- Commenced commercial production of carbonated soft drinks and packaged drinking water at our production facility in Kinshasa, Democratic Republic of Congo on 22<sup>nd</sup> July, 2024.
- The plant has two CSD/Water PET lines with an installed capacity of 550 BPM each.

## 2. Exclusive Snacks Franchising Appointment with PepsiCo for Zimbabwe and Zambia :

- Varun Foods (Zimbabwe) (Private) Ltd and Varun Beverages (Zambia) Ltd (a wholly owned subsidiaries of the Company) has entered into an Exclusive Snacks Franchising Appointment with Premier Nutrition Trading LLC, Dubai (subsidiary of PepsiCo Inc.) to manufacture, distribute, and sell "Simba Munchiez" in the territory of Zimbabwe & Zambia.
- Estimated investment in manufacturing facility would be around USD 7 mn (approx. INR 600 mn) for an annual capacity of ~5,000 MT at each location of Zimbabwe and Zambia.
- Manufacturing facilities are expected to be operational for Zimbabwe on or before 1st Oct, 2025 and for Zambia on or before 1st Apr, 2026.

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

- The Board considered and recommended sub-division/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, subject to the approval of equity shareholders of the Company through postal ballot.

### 4. Dividend :

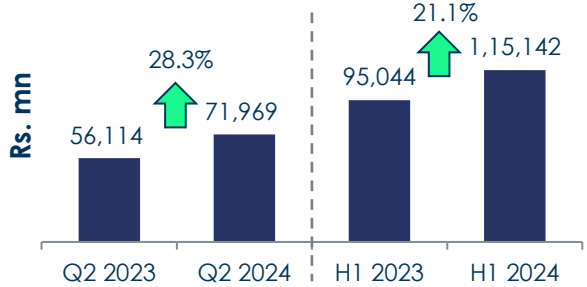
- In line with the guidelines of Company's dividend policy, the Board of Director's have approved an interim dividend @ 25% of face value i.e. Rs. 1.25 per share. Total cash outflow would be ~Rs. 1,624.30 mn.

### 5. Awards and Accolades :

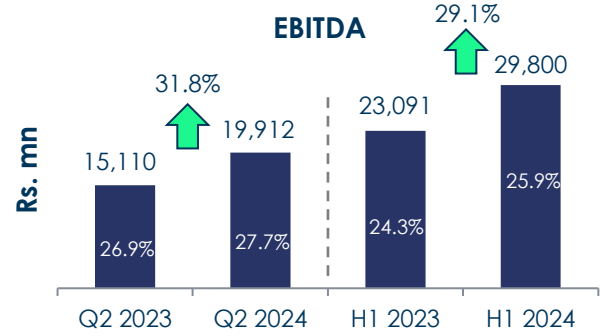
- **Mr. Varun Jaipuria** – Executive Vice Chairman recognized as one of the young business leaders by the Economic Times in their **ET 40 Under Forty Awards**.
- VBL was awarded as **Best Organization in Sustainable Waste Management 2023** at the 3<sup>rd</sup> edition of the Sustainability Summit 2024.
- VBL has been recognized for its achievement in **EHS Best Practices** (Employee Health & Safety) for several production facilities by Greentech Foundation.

# Results Overview

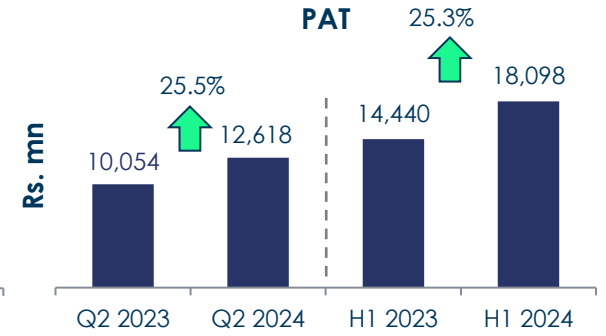
## Revenue



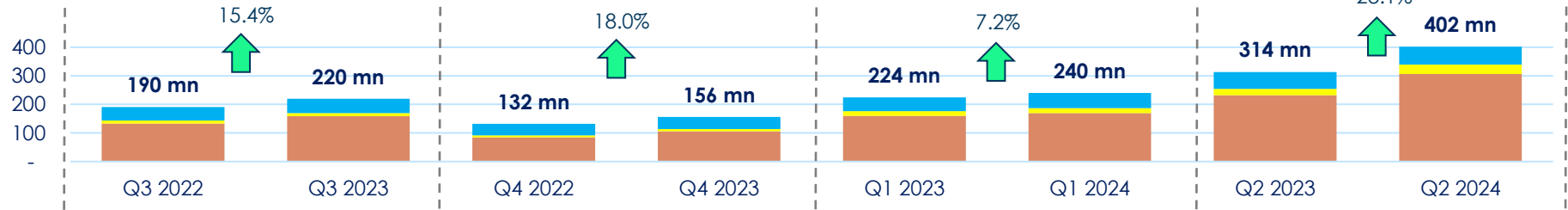
## EBITDA



## PAT



## Quarterly Sales Volumes (Category-wise mn unit cases)



Period	Q3 2022		Q3 2023		Q4 2022		Q4 2023		Q1 2023		Q1 2024		Q2 2023		Q2 2024	
CSD	133	70%	159	72%	85	65%	106	68%	160	71%	169	71%	232	74%	306	76%
Juice	11	5%	11	5%	7	5%	8	5%	16	7%	18	7%	23	7%	32	8%
Water	46	25%	50	23%	40	30%	42	27%	48	22%	53	22%	59	19%	63	16%

# Consolidated Profit & Loss Statement

Particulars (Rs. million)	Q2 2024	Q2 2023	YoY(%)	H1 2024	H1 2023	YoY (%)
1. Income						
(a) Revenue from operations	73,336.72	56,997.34	28.7%	117,316.52	96,523.25	21.5%
(b) Excise Duty	1,368.10	883.32	54.9%	2,174.77	1,479.48	47.0%
<b>Net Revenues</b>	<b>71,968.62</b>	<b>56,114.02</b>	<b>28.3%</b>	<b>115,141.75</b>	<b>95,043.77</b>	<b>21.1%</b>
(c) Other income	440.26	416.01	5.8%	523.79	517.37	1.2%
2. Expenses						
(a) Cost of materials consumed	28,723.27	22,187.25	29.5%	48,032.49	41,830.36	14.8%
(b) Purchase of stock-in-trade	1,600.16	1,289.66	24.1%	3,952.31	2,506.96	57.7%
(c) Changes in inventories of FG, WIP and stock-in-trade	2,282.36	3,188.82	-28.4%	(503.52)	845.57	-159.5%
(d) Employee benefits expense	4,992.91	3,646.04	36.9%	8,929.63	7,037.26	26.9%
(e) Finance costs	1,291.59	693.68	86.2%	2,228.46	1,319.40	68.9%
(f) Depreciation and amortisation expense	2,424.77	1,719.27	41.0%	4,299.93	3,441.26	25.0%
(g) Other expenses	14,457.75	10,692.05	35.2%	24,931.06	19,733.04	26.3%
<b>Total expenses</b>	<b>55,772.81</b>	<b>43,416.77</b>	<b>28.5%</b>	<b>91,870.36</b>	<b>76,713.85</b>	<b>19.8%</b>
<b>EBITDA</b>	<b>19,912.17</b>	<b>15,110.20</b>	<b>31.8%</b>	<b>29,799.78</b>	<b>23,090.58</b>	<b>29.1%</b>
3. Profit before share of loss of associates and joint venture (1-2)	16,636.07	13,113.26	26.9%	23,795.18	18,847.29	26.3%
4. Share of loss of associates and joint venture	(5.36)	(2.39)	-124.3%	(6.97)	(2.66)	-162.0%
<b>5. Profit before tax (3+4)</b>	<b>16,630.71</b>	<b>13,110.87</b>	<b>26.8%</b>	<b>23,788.21</b>	<b>18,844.63</b>	<b>26.2%</b>
6. Tax expense	4,012.37	3,056.65	31.3%	5,690.05	4,404.69	29.2%
<b>7. Net profit after tax (5-6)</b>	<b>12,618.34</b>	<b>10,054.22</b>	<b>25.5%</b>	<b>18,098.16</b>	<b>14,439.94</b>	<b>25.3%</b>

# Consolidated Balance Sheet

Particulars (Rs million)	30-Jun-24	30-Jun-23
<b>Equity and liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	6,497.20	6,495.68
(b) Other equity	79,280.46	58,389.81
(c) Non-controlling interest	1,681.50	1,340.74
<b>Total equity</b>	<b>87,459.16</b>	<b>66,226.23</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	35,412.33	17,871.78
(ia) Lease liabilities	3,885.47	2,032.75
(b) Provisions	2,245.97	2,008.61
(c) Deferred tax liabilities (Net)	3,849.83	3,401.33
(d) Other non-current liabilities	65.92	5.55
<b>Total non-current liabilities</b>	<b>45,459.52</b>	<b>25,320.02</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	27,473.16	16,966.77
(ia) Lease liabilities	838.20	392.82
(ii) Trade Payables	14,086.54	11,022.22
(iii) Other financial liabilities	6,729.20	4,416.62
(b) Other current liabilities	7,622.93	7,166.48
(c) Provisions	952.28	301.35
(d) Current tax liabilities (Net)	3,180.58	2,373.70
<b>Total current liabilities</b>	<b>60,882.89</b>	<b>42,639.96</b>
<b>Total liabilities</b>	<b>106,342.41</b>	<b>67,959.98</b>
<b>Total Equity and liabilities</b>	<b>193,801.57</b>	<b>134,186.21</b>

Particulars (Rs million)	30-Jun-24	30-Jun-23
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	96,294.01	69,858.39
(b) Capital work in progress	9,420.85	5,312.38
(c) Right of Use of Assets	12,837.87	10,147.90
(d) Investment properties	-	20.08
(e) Goodwill / franchise rights*	6,931.24	242.30
(f) Other intangible assets	6,638.98	5,488.33
(g) Investment in associates and joint venture	392.27	51.44
(h) Financial assets	1,147.19	611.34
(i) Other non-current assets	3,436.06	3,883.57
<b>Total non-current assets</b>	<b>137,098.47</b>	<b>95,615.73</b>
<b>Current assets</b>		
(a) Inventories	27,960.18	20,907.24
(b) Financial assets		
(i) Trade receivables	10,254.84	6,035.76
(ii) Cash and cash equivalents	2,121.61	2,065.62
(iii) Other bank balances	1,955.87	1,056.66
(iv) Loans	-	10.00
(v) Others	9,195.86	5,448.18
(c) Current tax assets (Net)	55.50	2.95
(d) Other current assets	5,159.24	3,044.07
<b>Total current assets</b>	<b>56,703.10</b>	<b>38,570.48</b>
<b>Total assets</b>	<b>193,801.57</b>	<b>134,186.21</b>

\* Purchase price allocation for BevCo acquisition to be updated during annual audit.

# Discussion on Financial & Operational Performance

## Sales Volumes / Net Revenues

- Consolidated sales volume grew by 28.1% to 401.6 million cases in Q2 CY2024 from 313.5 million cases in Q2 CY2023. This includes ~ 28 million cases from BevCo during the quarter.
- India volumes grew by 22.9% while International volumes (before BevCo volumes) was almost flat primarily on account of volumes in Zimbabwe getting affected due to portfolio transition to zero sugar without affecting profits.
- Net Revenue from operations grew by 28.3% YoY in Q2 CY2024 to Rs. 71,968.6 million from Rs. 56,114.0 million in Q2 CY2023 inline with the volume growth. Net realization per case was flat due to consolidation of BevCo (realization per case for own brands is lower).
- CSD constituted 76%, JBD 8% and Packaged Drinking Water 16% in Q2 CY2024.

## Gross Margins / EBITDA

- Gross margins improved by 222 bps to 54.7% from 52.5% during Q2 CY2024 primarily due to timely procurement and storage of PET chips to avail pricing benefits as well as the focus on reducing sugar content and light-weighting of packaging.
- ~ 46% of our consolidated sales volumes come from Low sugar / No sugar products.
- EBITDA increased by 31.8% to Rs. 19,912.2 mn and EBITDA margin improved by 74 bps to 27.7% in Q2 CY2024, led by higher gross margins.
- With enhanced capacity of preform manufacturing, majority of preform requirement is now being manufactured in-house leading to shifting of conversion costs from COGS to other expenses.
- Current quarter was a low season for African markets.

## PAT

- PAT increased by 25.5% to Rs. 12,618.3 mn in Q2 CY2024 from Rs. 10,054.2 mn in Q2 CY2023 driven by volume growth & improved margins.
- Depreciation increased by 41% in Q2 CY2024 on account of acquisition of BevCo and setting-up of new production facilities.
- Finance cost increased by 86.2% in Q2 CY2024 primarily due to new production facilities, acquisition of BevCo as well as increased cost of borrowing. Also, higher stocking of PET chips was an arbitrage between savings in cost of goods sold and partial offset with enhanced interest cost.

# Discussion on Financial & Operational Performance

## Debt

- Net debt stood at Rs. 58,808 mn as on Jun 30, 2024 as against Rs. 47,345 mn as on Dec 31, 2023.
- During H1 2024, the Company spent ~ Rs. 12,000 mn on capex of CY2024, ~ Rs. 6,000 mn for capex of CY2025, acquired BevCo for Rs. ~11,629 mn (payment for equity and loan taken over) and the net debt has increased only by ~ Rs. 11,500 mn, balance being funded through internal accruals.
- Debt : Equity ratio stood at 0.67x as on Jun 30, 2024; Debt : EBITDA (TTM) ratio stood at 1.37x as on Jun 30, 2024.

## Capex (capitalization)

- During H1 CY2024, the net capex capitalized amounting to ~Rs. 30,000 mn (excluding BevCo assets) includes –
  - Setting up greenfield production facilities for Rs. 24,500 mn. Location-wise split is Supa (Maharashtra) for ~ INR 10,000 mn, Gorakhpur (UP) for ~ Rs. 9,000 mn & Khordha (Odisha) for ~ Rs. 5,500 mn.
  - Brownfield expansion in Morocco for Rs. 2,500 mn including backward integration.
  - Balance capex comprises International / visi-coolers / containers / vehicles / net of write-offs / forex fluctuation.
- As on Jun 30, 2024, the CWIP and Capital advances of ~Rs. 12,000 mn are primarily towards –
  - ~ Rs. 4,000 mn for DRC plant which commenced commercial production in Jul'24.
  - ~ Rs. 2,000 mn for Phase 2 of Gorakhpur plant primarily for Juice / VAD lines expected to commissioned in Q3 CY2024.
  - Balance for capex for next year including brownfield expansion in other international territories.
- Net capitalization capex for CY2024 is expected to remain around Rs, 36,000 mn.

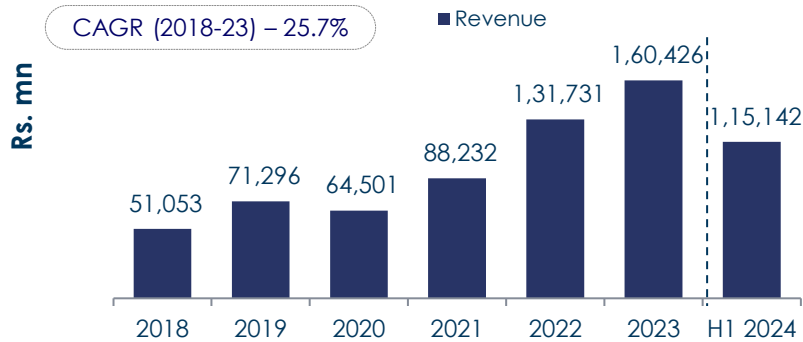
## Working Capital

- Working capital days increased to ~ 33 days as on Jun 30, 2024 from ~ 21 days as on Jun 30, 2023. This increase is attributed to strategic purchasing of pet chips in India and in-organic expansion in the new markets (BevCo and DRC plant).

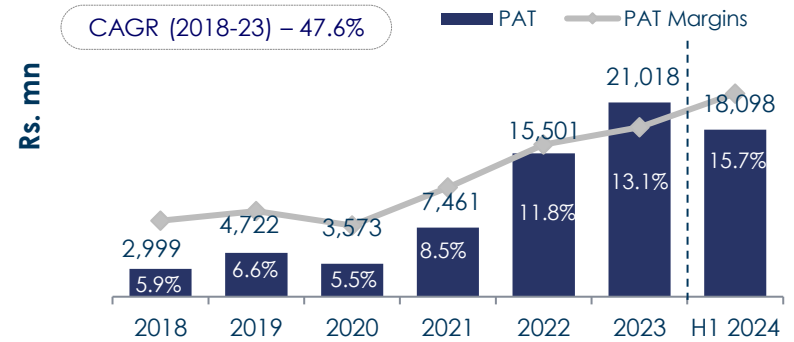


# Performance Highlights (CY2018 – CY2023 & H1 CY2024)

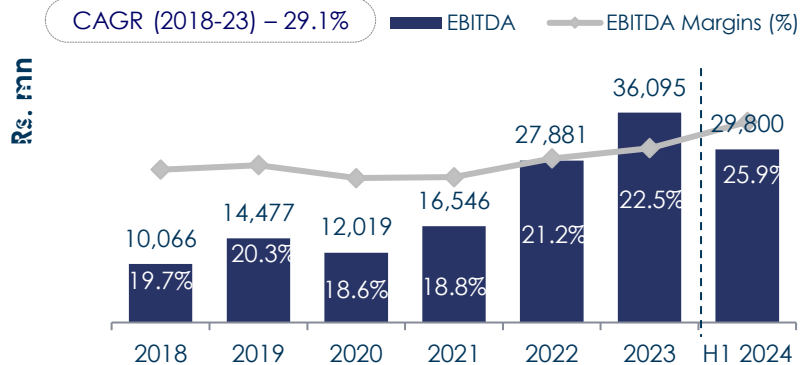
## REVENUE



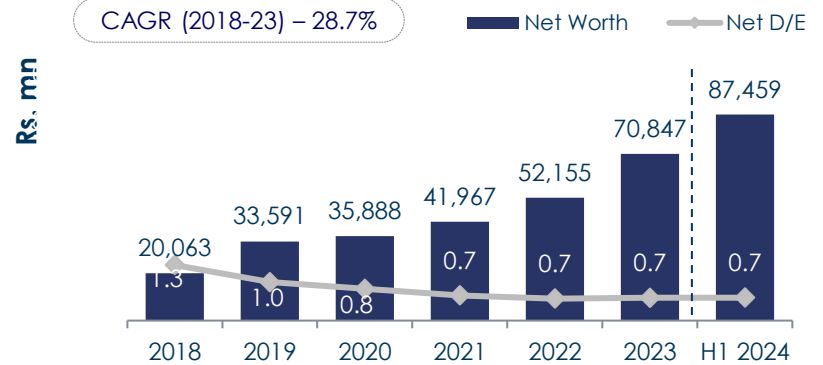
## PAT



## EBITDA



## NET WORTH



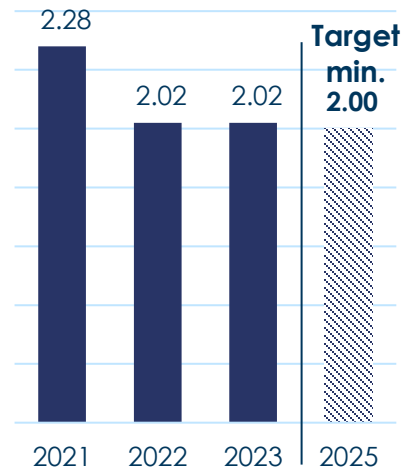
# Sustainability Initiatives - Water Stewardship

Parameter (mn KL)	CY2021	CY2022	CY2023
Fresh Water Usage Details:	Certified	Certified	Certified
Total water consumption (A)	4.86	6.32	6.39
Beverage production (B)	2.57	3.73	4.14
Water Usage Ratio (A/B)	1.89 times	1.70 times	1.54 times
Water recharge (C)	11.10	12.79	12.95
Water recharge ratio (C/A)	2.28 times	2.02 times	2.02 times
# ponds/check-dams adopted	110	116	124

Water assurance conducted by Deutsch Quality Systems (India) Private Ltd. Scope covered all manufacturing plants in India.

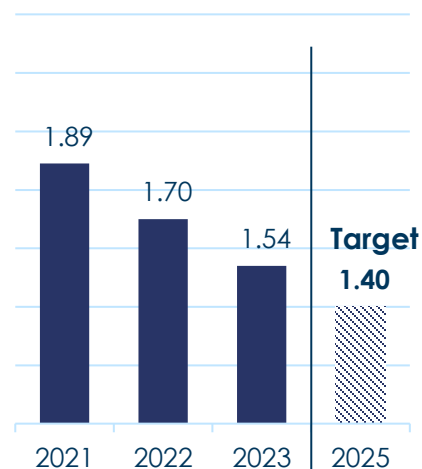
- Key water conservation initiatives included rain water harvesting, ponds adoption, development & maintenance, waste water management on the principles of Reduce, Reuse and Recycle, for optimal water consumption.
- 100% of the water discharged from our manufacturing operations goes to effluent treatment plants that ensure sufficient quality of discharged water.

## Water Recharge Ratio#



# Total water recharged per litre of water consumed

## Water Usage\*

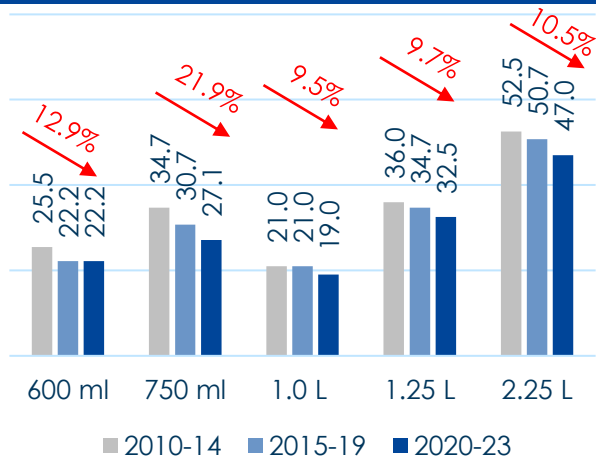


\* Litres of water consumed per litre of beverage produced

- In CY23, out of the 33 plants in India, 7 plants fall in "over-exploited" / "critical" category of Central Ground Water Authority of India which contributed ~16% of total production.
- The balance 26 plants contributed ~84% of the total production in CY23.

# Sustainability Initiatives – Plastic Waste Management

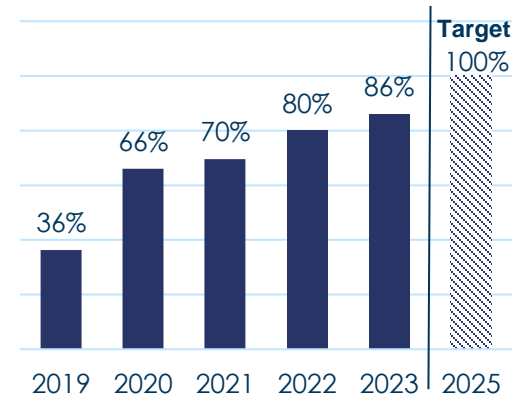
## Weight Reduction of Pre-forms (grams)



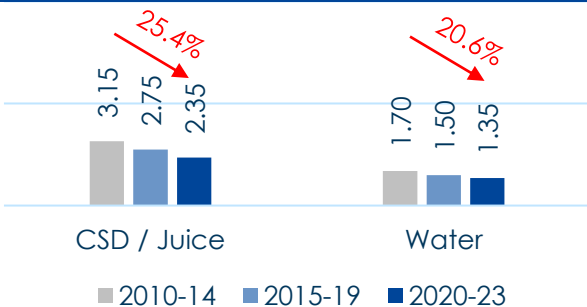
Plastic usage reduction through light weighting of Preforms and Closures for PET bottles.

Plastic Waste Recycling % = % of plastic waste recycled per kg of PET sold in finished products. Plastic waste includes PET, shrink film, plastic closures, labels & laminates post consumption

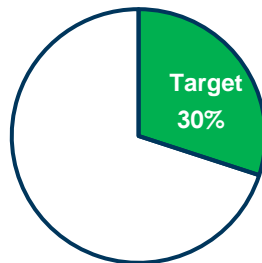
## Plastic Waste Recycling %



## Weight Reduction of Closures (grams)



## rPET bottles %



- **Certified by GEM Enviro Management Pvt. Ltd.**, a Delhi based Central Pollution Control Board ("CPCB") recognized PRO (Producer Responsible Organization).
- VBL has engaged with GEM Enviro Management Pvt. Ltd. for phased implementation of 100% recycling of used PET bottles.
- VBL has introduced 100% recycled PET bottles for Pepsi Black in certain sub-territories.
- VBL has entered into a joint venture with Indorama and set a target to use **30% rPET in the total PET packaging by 2025**.

# Sustainability Initiatives - Climate Action

mn Kg CO<sub>2</sub>e

Grams / litre\*

GHG Emissions	mn Kg CO <sub>2</sub> e		Grams / litre*	
	CY 2020	CY 2023	CY 2020	CY 2023
Scope 1	26.84	42.93	14.01	10.36
Scope 2	129.11	210.41	67.39	50.79
Scope 3	534.76	581.93	279.14	140.47
<b>Total</b>	<b>690.70</b>	<b>835.27</b>	<b>360.54</b>	<b>201.62</b>

\* Grams / litre = Grams of CO<sub>2</sub>e emission per litre of beverage produced during the year

GHG emissions are certified by **Deutsch Quality Systems (India) Private Limited (DQS India)**, an Internationally reputed independent field expert. Scope 1 and Scope 2 emissions are verified according to the requirements of ISO 14064-1.

For more details, please refer to our latest Sustainability Report <https://varunbeverages.com/wp-content/uploads/2024/03/1-Placement-Document-1.pdf>, our GRI Report - <https://varunbeverages.com/wp-content/uploads/2024/02/VBL-Sustainability-Report-CY2022.pdf> and the website - <https://varunbeverages.com/sustainability/>

Reduction of Carbon emissions / litre  
(base year – 2020)



**Achievement:**

↓ ~44% reduction in 2023 over base year

**Target:**

↓ 50% reduction in 2030 over base year

**Reduce GHG Emissions ↓**



Solar

Plantation

EV for last mile

Efficient V3j-Cooler

## Varun Beverages Limited Q2 & H1 CY2024 Earnings Conference Call

### Time

- Tuesday, July 30, 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](http://www.varunbeverages.com) or contact:*

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**Thank You!**

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