



VARUN BEVERAGES LIMITED



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CIN No. : L74899DL1995PLC069839

February 16, 2021

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.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' Q4 & 2020 Financial Results

<u>Q4 2020</u>	<u>2020</u>
Revenue grew 9% YoY to Rs. 13,308.9 mn	Revenue de-grew 10% YoY to Rs. 64,501.4 mn
EBITDA higher by 49% YoY to Rs. 1,722.3 mn	EBITDA lower by 17% YoY to Rs. 12,018.7 mn
Loss reduced by 87% to Rs. 72 mn	PAT declined by 24% to Rs. 3,572.7 mn

Gurgaon, February 16, 2021: Varun Beverages Limited (BSE: 540180, NSE: VBL), a key player in the beverage industry, announced its financial results for the fourth quarter and year ended December 31, 2020.

Financial Performance Highlights*

Performance Review for Q4 2020 vs. Q4 2019

- Revenue from operations (net of excise / GST) grew by 9.1% YoY to Rs. 13,308.9 million
 - Total sales volumes (organic) were up 5.6% YoY at 87.1 million cases in Q4 2020
- EBITDA increased by 48.8% to Rs. 1,722.3 million from Rs. 1,157.4 million
 - EBITDA margins improved by 346 bps in Q4 2020 on account of sustainable cost-optimization measures
 - Gross margins improved by 472 bps during Q4 2020 primarily due to favorable PET chips prices (~12.5% decline) and higher mix of CSD
- Losses reduced significantly to Rs. (72.4) million from Rs. (539.5) million in Q4 2019

Performance Review for 2020 vs. 2019

- Revenue from operations (net of excise / GST) de-grew 9.5% YoY to Rs. 64,501.4 million as compared to Rs. 71,295.8 million
 - Realization per case improved by ~4.8% in 2020 due to favorable mix and improvement in realization in the international market
- EBITDA declined by 17.0% to Rs. 12,018.7 million from Rs. 14,476.5 million
- PAT declined by 24.3 % to Rs. 3,572.7 million from Rs. 4,722.1 million

***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 Q4 & 2020 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,

"We have ended the year 2020 on a steady note despite unprecedented macro-economic challenges. The spread of the COVID-19 pandemic in early March 2020 caused significant disruptions in our business operations, particularly during the seasonally strong period of April to June quarter. However, a faster-than-anticipated recovery across key markets in the second half of the year combined with our operational efficiencies enabled us to restrict revenue de-growth at 9.5% YoY for the full year.

On the profitability front, we were able to largely sustain some of the cost-optimization measures implemented during the pandemic that enabled us to report steady profitability in Q3 and Q4. It is also encouraging that even in seasonally soft quarter, the losses in Q4 2020 were significantly lower in comparison to Q4 2019 on account of better business efficiencies, cost rationalization strategies and healthy recovery in international territories.

I am also happy to share that in the month of Feb 2021, we introduced a new product variant - Mountain Dew Ice, which is lemon fruit juice-based drink. The initial response for these products has been positive and we remain highly confident of the long-term growth prospects of this new variant, especially in the upcoming season.

With overall economic activity picking-up sharply across the country, there is an improved consumption trend being witnessed on a month-over-month basis. This bodes well for all our product categories over the medium-to-longer term. On the whole, we are on a strong footing, operationally and financially, and remain confident that further stabilization of the macro-economic environment will translate into strong growth for us going forward"

- 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, Mirinda Lemon, 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, Ambient temperature value added dairy beverages 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 ~76% of revenues from operations (net) in Fiscal 2020. 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

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