



# VARUN BEVERAGES LIMITED



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CIN No. : L74899DL1995PLC069839

May 3, 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 <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**

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

**Encl.:** As above



## Varun Beverages' Q1 2021 Financial Results

**Revenue higher by 34% YoY to Rs. 22,409 million**

**EBITDA increases 41% YoY to Rs. 3,816 million**

**PAT increases 128% to Rs. 1,368 million**

**Gurgaon, May 03, 2021:** Varun Beverages Limited (BSE: 540180, NSE: VBL), a key player in the beverage industry, announced its financial results for the first quarter ended March 31, 2021.

### Financial Performance Highlights\*

#### Performance Review for Q1 2021 vs. Q1 2020

- Revenue from operations (net of excise / GST) grew by 33.7% YoY to Rs. 22,408.9 million
  - Total sales volumes were up 32.8% YoY at 151 million-unit cases in Q1 2021 as compared to 114 million-unit cases in Q1 2020
- EBITDA increased by 40.7% to Rs. 3,816.2 million from Rs. 2,711.6 million
  - EBITDA margins improved by 86 bps to 17.0% in Q1 2021 from 16.2% in Q1 2020 on account of sustainable cost-optimization measures that were implemented last year
  - Gross margins reduced by 294 bps to 55.8% in Q1 2021 primarily due to change in product mix and lower gross margins from international operations
- PAT increased by 127.7% to Rs. 1,367.6 million in Q1 2021 from Rs. 600.6 million in Q1 2020
  - PAT growth was driven by higher revenues, improvement in margins and higher profitability from international operations
  - In addition, repayment of debt as well as lower average cost of borrowing resulted in reduced finance cost, which further aided PAT growth

**\*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 Q1 2021 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,**

*"We have started the year 2021 on a healthy note delivering progressive performance across parameters in Q1. The Company registered a strong volume growth of ~33% YoY. The macro-environment in the quarter was largely supportive as consumption was almost nearing a sense of normalcy. This resulted in a healthy volume growth of ~34% YoY for our India business. The growth momentum continued in our international territories registering a ~26% YoY volume growth during the quarter.*

*On the earnings front, a higher operating leverage, cost-optimization measures and increased profitability from our international operations have enabled us to report improved profits in Q1, with PAT registering a growth of 128% YoY. In addition, repayment of debt as well as lower average cost of borrowing resulted in reduction in finance cost during the quarter.*

*From a demand standpoint, while we saw a notable recovery in the domestic markets in Q1, the environment has evolved now with the onset of the second wave of Covid infections in the country. We are now witnessing more localized, micro lockdowns and restrictions being imposed rather than a nation-wide lockdown witnessed last year. The situation is being addressed by wider vaccination drives being carried out across the nation, which we expect will restore normalcy sooner than later.*

*Notwithstanding short-term non-linearity in business, we remain confident of the medium to longer-term outlook of the business. Keeping that in view, the Board of Directors has recommended a bonus issue of One equity share for every Two equity shares held indicating our belief in the continued growth trajectory for our Company.*

*In the face of adversity last year, our business model showed a strong sense of resilience and we were able to deliver steady operational and financial performance. We expect that once things stabilize during the current year, we should be able to swiftly bounce back. In conclusion, we are on a strong footing and will continue to diligently work towards strengthening our position as a key player 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 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 ~74% 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**

*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.*