



# VARUN BEVERAGES LIMITED



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CIN No. : L74899DL1995PLC069839

April 28, 2022

To,

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| National Stock Exchange of India Ltd.<br>Exchange Plaza, Block G, C/1, Bandra Kurla<br>Complex, Bandra (E), Mumbai – 400 051<br>Email: cmlist@nse.co.in<br><b>Symbol: VBL</b> | BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai – 400 001<br>Email: corp.relations@bseindia.com<br><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 CY2022 Financial Results

### Q1 CY2022

**Net Revenues higher by 26% YoY to Rs. 28,275 mn**

**EBITDA increases 39% YoY to Rs. 5,310 mn**

**PAT grew 98% YoY to Rs. 2,711 mn**

**Gurgaon, April 28, 2022:** 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, 2022.

### Financial Performance Highlights\*

#### Performance Review for Q1 CY2022 vs. Q1 CY2021

- Revenue from operations (net of excise / GST) grew by 26.2% YoY to Rs. 28,274.7 million led by robust volume growth and improved net realizations
  - Realization per case improved by 6.3% to Rs. 157.3 per case driven by price hike in select SKUs, change in SKU mix and higher realization in international markets
  - Total sales volumes were up 18.7% YoY at 179.7 million cases as compared to 151.4 million cases driven by strong demand across geographies
- EBITDA increased by 39.1% YoY to Rs. 5,310.0 million in Q1 CY2022 from Rs. 3,816.2 million in Q1 CY2021
  - Gross margins reduced by 427 bps to 51.5% primarily due to increase in preform/pet chips prices by ~30% over Q1 CY2021.
  - Despite increase in input costs, EBITDA margin improved by 175 bps to 18.8% in Q1 CY2022 led by higher realization and operating leverage from increased sales volume.
- PAT increased by 98.2% YoY to Rs. 2,710.9 million in Q1 CY2022 from Rs. 1,367.6 million in Q1 CY2021
  - PAT growth was driven by improvement in margins, reduction in finance cost and higher profitability from our international operations.
  - Finance cost in Q1 CY2022 declined by 19.0% to Rs. 469.6 million primarily because of lower average cost of borrowing.

**\*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 CY2022 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,**

*"We have started the year on a strong note, delivering notable growth across all parameters. Robust demand in both domestic and international markets, also supported by the early onset of summer in India, translated to healthy volumes during the quarter. This along with improved net realizations resulted in a solid net revenue growth of 26.2% in Q1 CY2022.*

*On the profitability front as well, we have delivered enhanced performance despite significant increase in input costs during the quarter. Our EBITDA grew by 39.1% and our margins improved to 18.8% in Q1 CY2022.*

*On the demand front, we are seeing a solid uptick in consumption. The summer season in the domestic market has begun well and as we enter the peak months, we are well prepared to cater to the anticipated demand by optimizing our capacity utilization across all our plants and further enhancing our reach across established and underpenetrated markets.*

*During the quarter, the Board approved the proposal to manufacture "Kurkure Puffcorn" for PepsiCo India as part of their network of co-packers. The commercial production is expected to begin from Q3 CY2022.*

*As we look ahead, on the back of an improving demand environment, we remain confident of delivering healthy volume growth in the medium to longer term. We are also happy to share that as a token of appreciation to all our shareholders, the Board today has recommended a bonus issue of 1 equity share for every 2 equity shares held by shareholders of the Company as on the record date. Overall, our initiatives towards improving our market share, building infrastructure, and expanding reach continue to hold us in good stead and we are confident of delivering strong and sustainable growth 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, 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:**

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Varun Beverages Ltd

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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) 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.*