



VARUN BEVERAGES LIMITED



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

April 30, 2025

To,

National Stock Exchange of India Ltd. Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Email: cmplist@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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Presentation on Unaudited Financial Results of the Company for the Quarter ended March 31, 2025

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 ended March 31, 2025.

The same is also being uploaded on website of the Company at 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



(a PepsiCo franchisee)

Varun Beverages Limited

Q1 CY2025 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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Chairman's Message



Q1 CY2025 Results Overview



Performance Highlights



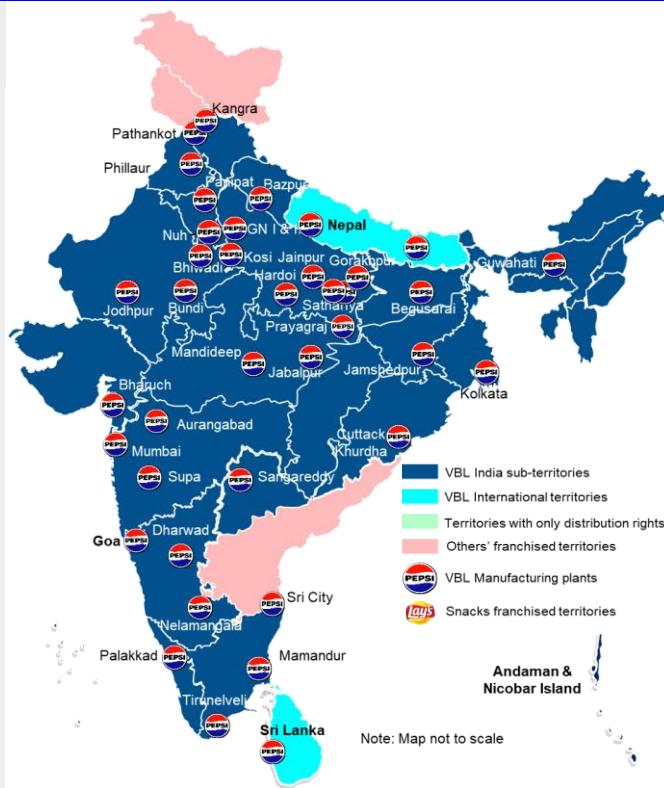
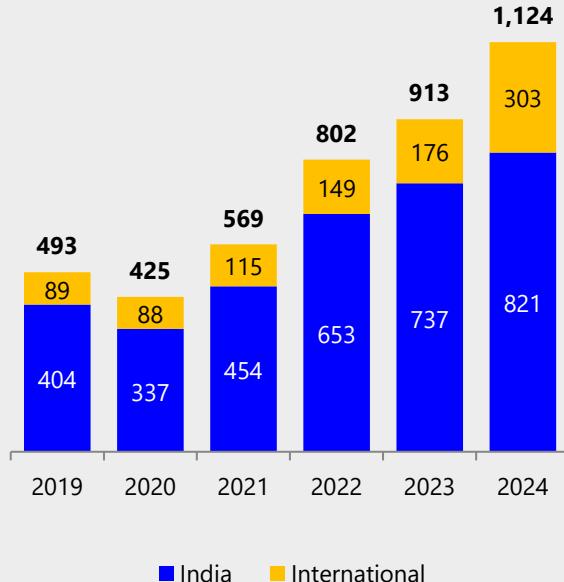
Sustainability Initiatives

Company Snapshot

Key player in the global beverage industry and the second largest franchisee of PepsiCo in the world (outside US) with operations spanning across **10 countries** with franchise rights and additional **4 countries** with distribution rights.

Total Sales Volumes (mn Cases*)

2019-2024: Sales Volume CAGR: ~18%



Note: *A unit case is equal to 5.678 liters of beverage divided in 24 bottles of ~ 237 ml each

Complete Brand Portfolio

Brands licensed by PepsiCo:

Carbonated Soft Drinks



Club Soda



Fruit Pulp / Juice Based Drinks



Energy Drink



Sports Drink



Carbonated Juice Based Drinks



Ice Tea



Packaged Water



Snacks#



Own Brands^:

Carbonated Soft Drinks



Energy Drink



Packaged Water



Dairy Based Beverages*



Manufacturing of Cheetos (underway) & Distribution of Frito Lay, Doritos and Cheetos in Morocco; Manufacturing (underway) & Distribution of Simba Munchiez 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

Demand Delivery



Demand Creation



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

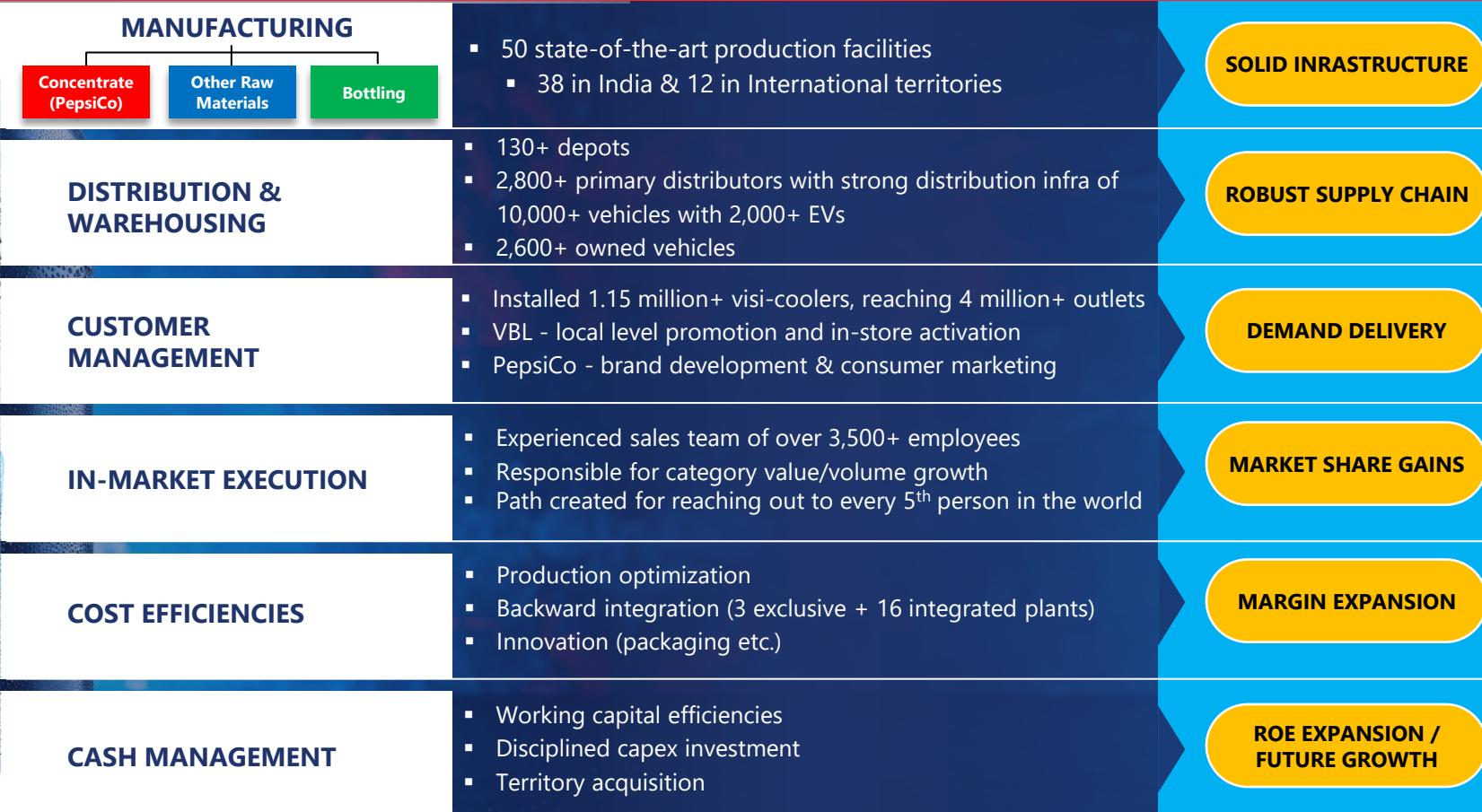


- Trademarks
- Formulation through Concentrate
- Product & Packaging innovation through investment in R&D
- Consumer Pull Management (ATL) - Brand Development

Key Player in the Beverage Industry – Business Model



VBL - END-TO-END EXECUTION ACROSS VALUE CHAIN



Chairman's Message



Commenting on the performance for Q1 CY2025, Mr. Ravi Jaipuria, Chairman – Varun Beverages Limited said:

"We are pleased to report a strong operational and financial performance in the first quarter of CY2025. Consolidated sales volumes grew by 30.1% YoY, driven by healthy organic volume growth of 15.5% in India.

The integration of the SA territory has progressed well, with focused efforts on strengthening on-ground infrastructure, streamlining operations, and enhancing execution across the market. We achieved 141 million cases in SA over the trailing four quarters, marking a growth of ~13% over the same period last year. Historically, net realizations in SA are lower due to a higher mix of own brands; however, we are actively working to scale PepsiCo's portfolio, which is expected to support improvements in realizations and margins going forward.

We recently commenced operations at our new greenfield production facilities in Kangra (Himachal Pradesh) and Prayagraj (Uttar Pradesh), significantly enhancing capacity concurrently with the peak summer season. The implementation of other two greenfield production facilities scheduled for 2025 season in Bihar and Meghalaya is on track and shall commence the commercial production very soon. Additionally, we have established backward integration facilities at Prayagraj and DRC, further strengthening our operational backbone and supply chain efficiency.

Building on our nascent presence in the snack food segment, we have initiated the distribution and sale of PepsiCo's snack products in Zimbabwe and Zambia. These markets present a significant growth opportunity within the packaged foods category, supporting our focus on portfolio expansion across high-potential regions.

In-line with our dividend policy, the Board of Directors has approved an interim dividend of 25% of face value, i.e., Rs. 0.50 per share, resulting in a total cash outflow of approximately ~Rs. 1,691 million.

Looking ahead, we see immense headroom for growth in India's beverage market, supported by rising per capita incomes, accelerating urbanisation, expanding electrification, and improving cold-chain infrastructure. With adequate capacities in place, a diversified product portfolio, and a strengthened distribution network, we remain well-positioned to capitalise on these opportunities and deliver sustainable value to all stakeholders."

Key Developments

1. Commencement of Commercial Production at Kangra and Prayagraj :

- We have commissioned new production facilities at Kangra (Himachal Pradesh) and Prayagraj (Uttar Pradesh).
- Further, we have set-up backward integration facilities at our Prayagraj plant in India, as well as at our DRC plant in the international region.

2. Agreement to distribute & sell PepsiCo's snack products in Zimbabwe and Zambia :

- Varun Zimbabwe and Varun Zambia (subsidiaries of the Company) started distribution & selling of PepsiCo's snack products in the territory of Zimbabwe and Zambia w.e.f. 1 February 2025.

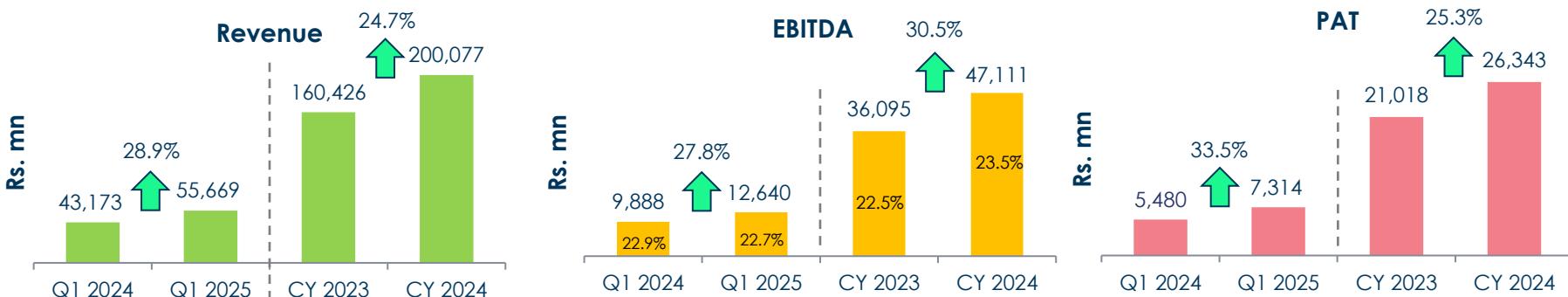
3. Dividend :

- Final dividend of Rs. 0.50 (Fifty paise only) per equity share of the face value of Rs. 2 each for the year ended 31 December 2024, was approved by the shareholders at the Annual General Meeting held on 03 April 2025 and subsequently paid in April 2025.
- 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. 0.50 per share. Total cash outflow would be ~Rs. 1,691 million.

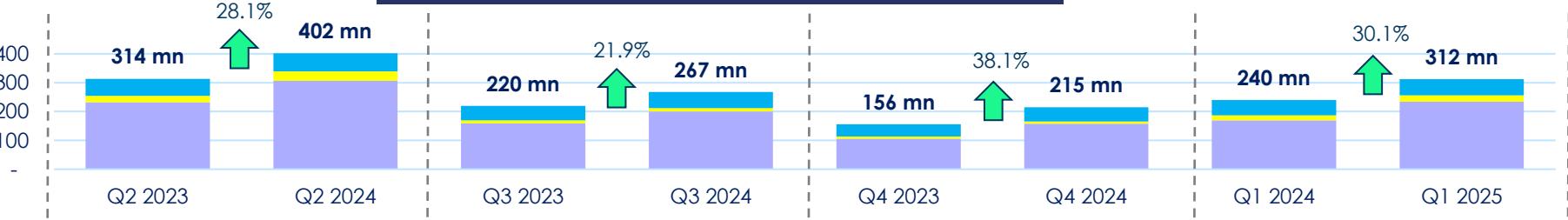
4. Credit Rating Upgrade :

- CRISIL (an S&P Global Company) upgraded the companies long-term rating for bank loan facilities to Crisil AAA/Stable from Crisil AA+/Stable.

Results Overview



Quarterly Sales Volumes (Category-wise mn unit cases)



Period	Q2 2023		Q2 2024		Q3 2023		Q3 2024		Q4 2023		Q4 2024		Q1 2024		Q1 2025	
CSD	232	74%	307	76%	159	72%	200	75%	106	68%	158	73%	169	71%	234	75%
NCB	23	7%	32	8%	11	5%	11	4%	8	5%	8	4%	18	7%	22	7%
Water	59	19%	63	16%	50	23%	56	21%	42	27%	49	23%	53	22%	56	18%

Consolidated Profit & Loss Statement

Particulars (Rs. million)	Q1 2025	Q1 2024	YoY(%)	CY 2024	CY 2023	YoY (%)
1.Income						
(a) Revenue from operations	56,800.26	43,979.80	29.2%	204,813.28	163,210.63	25.5%
(b) Excise Duty	1,130.91	806.67	40.2%	4,736.78	2,784.82	70.1%
Net Revenues	55,669.35	43,173.13	28.9%	200,076.50	160,425.81	24.7%
(c) Other income	280.58	83.53	235.9%	1212.68	793.59	52.8%
2. Expenses						
(a) Cost of materials consumed	26,710.71	19,309.22	38.3%	82,937.43	70,264.61	18.0%
(b) Purchase of stock-in-trade	711.84	2,352.15	-69.7%	6,859.21	4,626.96	48.2%
(c) Changes in inventories of FG, WIP and stock-in-trade	(2,131.92)	(2,785.88)	23.5%	(749.40)	(842.69)	11.1%
(d) Employee benefits expense	5,115.02	3,936.72	29.9%	18,850.26	14,465.87	30.3%
(e) Finance costs	411.24	936.87	-56.1%	4,503.86	2,680.99	68.0%
(f) Depreciation and amortisation expense	2,725.13	1,875.16	45.3%	9,473.86	6,809.06	39.1%
(g) Other expenses	12,624.06	10,473.31	20.5%	45,068.29	35,816.21	25.8%
Total expenses	46,166.08	36,097.55	27.9%	166,943.51	133,821.01	24.8%
EBITDA	12,639.64	9,887.61	27.8%	47,110.71	36,094.85	30.5%
3. Profit before share of (loss)/profit of associates and joint venture (1-2)	9,783.85	7,159.11	36.7%	34,345.67	27,398.39	25.4%
4. Share of loss of associates and joint venture	(5.77)	(1.61)	-258.4%	(14.78)	(4.79)	-208.6%
5. Profit before tax (3+4)	9,778.08	7,157.50	36.6%	34,330.89	27,393.60	25.3%
6. Tax expense	2,464.50	1,677.68	46.9%	7,988.04	6,375.47	25.3%
7. Net profit after tax (5-6)	7,313.58	5,479.82	33.5%	26,342.85	21,018.13	25.3%

Discussion on Financial & Operational Performance



Sales Volumes / Net Revenues

- Consolidated sales volume grew by 30.1% to 312.4 million cases in Q1 CY2025 from 240.2 million cases in Q1 CY2024 driven by strong organic volume growth of 15.5% in India and in-organic volume contributions from South Africa and DRC.
- Net Revenue from operations grew by 28.9% in Q1 CY2025 to Rs. 55,669.4 million from Rs. 43,173.1 million in Q1 CY2024.
- Realization per case increased by 1.8% in India and remained flat in International markets (ex. South Africa). There is a decline of 0.9% in net realization per case at the consolidated level because of lower realization in own brands in South Africa market.
- We have achieved 141 million cases in South Africa in the trailing four quarters which is a ~13% growth over same period last year.
- CSD constituted 75%, NCB 7% and Packaged Drinking Water 18% in Q1 CY2025

Gross Margins

- Due to relatively lower margin profile of owned brands in the South African market and the higher mix of CSD in India, Gross margins stood at 54.6%, a decline of 171 basis points as compared to Q1 CY2024.
- In Q1 CY2025, mix of Low sugar / No sugar products has increased to ~ 59% of our consolidated sales volumes.

Discussion on Financial & Operational Performance



EBITDA

- EBITDA increased by 27.8% in Q1 CY2025 to Rs. 12,639.6 million from Rs. 9,887.6 million in Q1 CY2024 in-line with Net Revenue growth.
- EBITDA margins improved in India by 111 bps on account of operational efficiencies from the robust volume growth.
- EBITDA margins marginally declined at the consolidated level by 20 bps because of the lower profitability in South Africa market @ 14.4% and its higher mix in the Q1 CY2025.

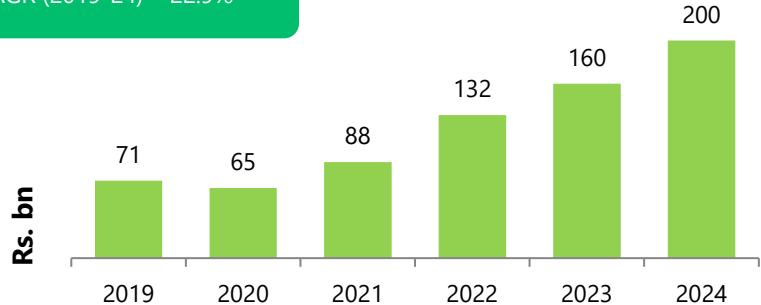
PAT

- PAT increased by 33.5% to Rs. 7,313.6 million in Q1 CY2025 from Rs. 5,479.8 million in Q1 CY2024 driven by robust volume growth and lower finance cost.
- Depreciation increased by 45.3% on account of commissioning of new plants of last year (Supa, Gorakhpur and Khordha) which were not present in the base quarter and consolidation of SA & DRC in the current quarter.
- Post repayment of debt through QIP proceeds, finance cost in India is negligible and there is interest income of Rs. 108 million during the quarter.
- Interest cost in international markets is primarily in South Africa which also includes the lease rentals under Ind AS 116 of Rs. 86 million as the manufacturing facilities in South Africa are on lease.

Performance Highlights (CY2019 – CY2024)

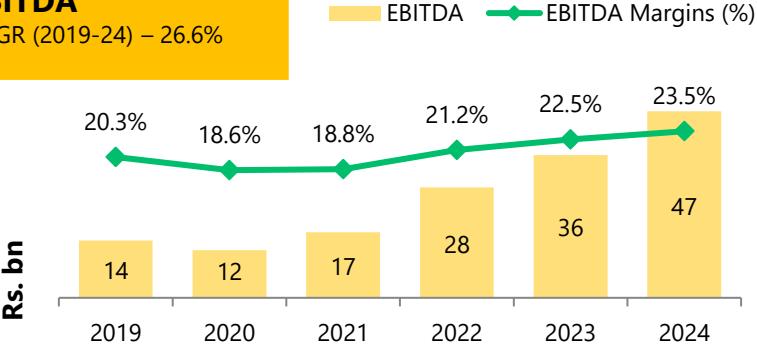
REVENUE

CAGR (2019-24) – 22.9%



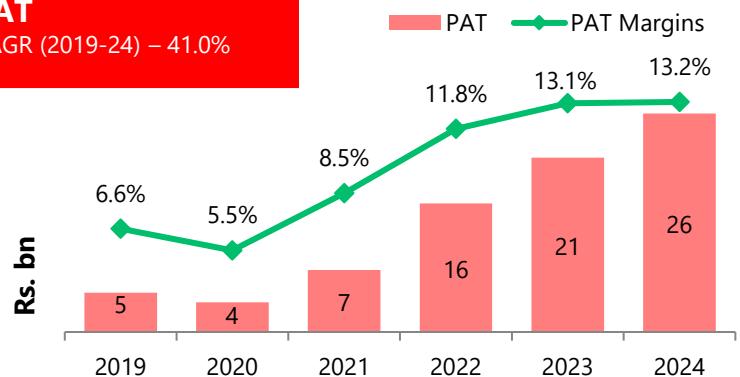
EBITDA

CAGR (2019-24) – 26.6%



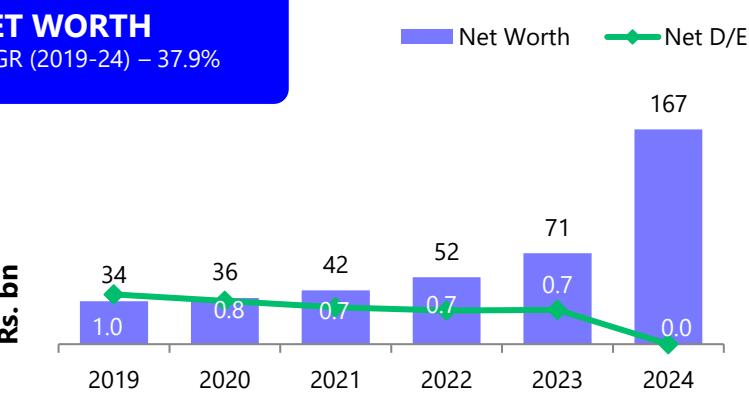
PAT

CAGR (2019-24) – 41.0%



NET WORTH

CAGR (2019-24) – 37.9%





SUSTAINABILITY – Being Water Positive (CDP water rating: A-)



Increase ground water level

2x
WRR



190+ Water bodies (ponds & check dams) maintained



Using only half of recharged water for manufacturing

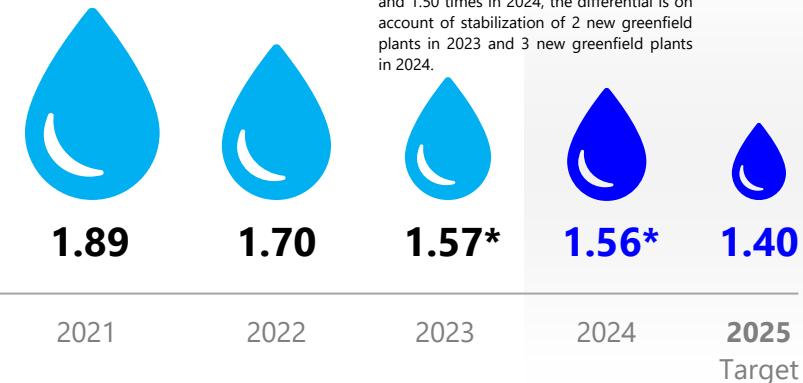


Reduce water usage (WUR)

Water consumed Per liter of beverage produced

-26%
by 2025

* Steady state WUR was 1.54 times in 2023 and 1.50 times in 2024, the differential is on account of stabilization of 2 new greenfield plants in 2023 and 3 new greenfield plants in 2024.



Process Improvements



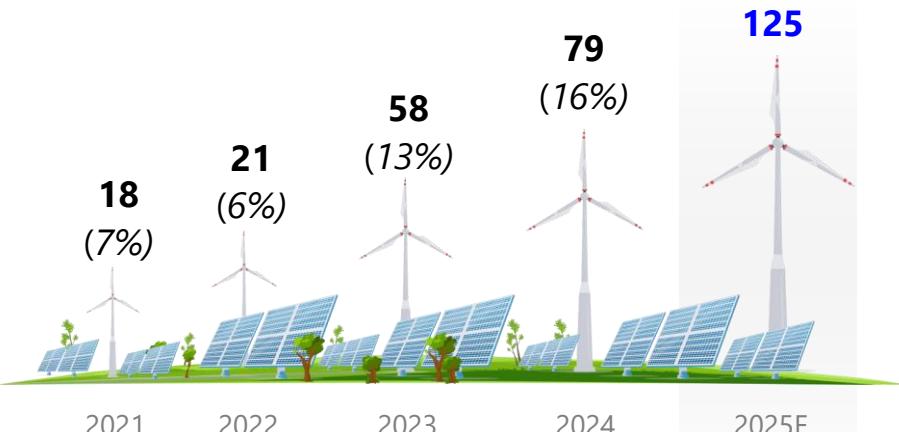
SUSTAINABILITY – Reducing Carbon Footprint (CDP climate rating: A)



Increase Renewable Energy

30%
by 2030

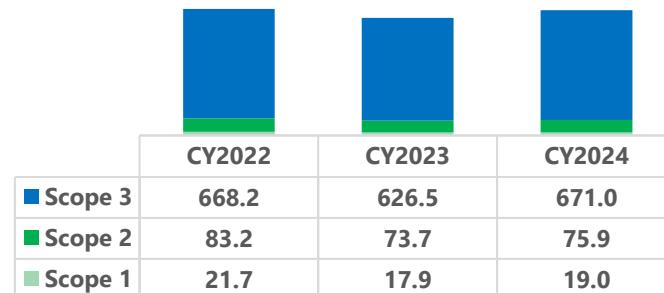
Solar (Rooftop + Captive Power Solution) & Windmill
RE Mix % & kWh million units



GHG Emissions

Net Zero
by 2050

Operational boundaries across different scopes



Note: The increase in GHG emissions is attributed to inorganic acquisitions in CY 2024.



2,000+
EV in trade
for last mile

POSITIVE CLIMATE ACTIONS



375K+ Plantations
(since 2020)



Efficient Visi Coolers – R290
(all new coolers starting 2023)

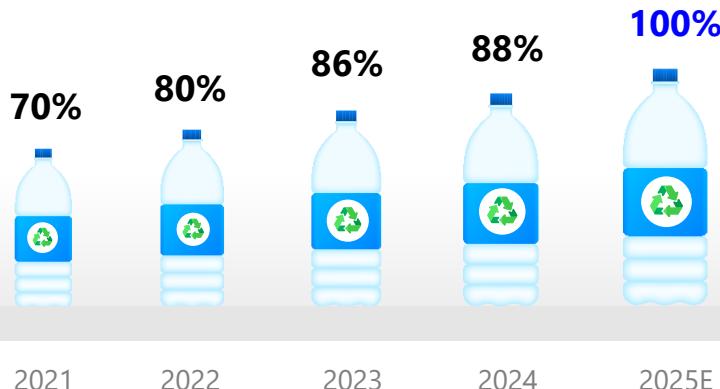


SUSTAINABILITY – Robust Packaging & Plastic Recycling



Increase Plastic Waste Recycle

Ahead of EPR Regulations



Reduce Plastic Usage



Packaging rationalization

- Removal of pads (20k MT of paper saving, equivalent to 400k trees)
- Shrink film and label rationalization (1.4 MT of material saving)



Closures by 20-25%

CSD/Juices/Water (2010 to-date)



Preforms by 10-20%

600ml to 2.25 liters (2010 to-date)

rPET



Pepsi Zero Sugar and Sting energy come in rPET packaging



~7,000 MT used in 2024



30% rPET mix in packaging by 2025
INDORAMA JV

Varun Beverages Limited Q1 CY2025 Earnings Conference Call

Time

- Wednesday, April 30, 2025 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

About Us



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 Zero, 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 three 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 26 States and 6 Union Territories in India. India is the largest market and contributed ~72% of revenues from operations (net) in Fiscal 2024. 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 or contact:

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Thank You!
