

FINANCIAL MODELLING REPORT VARUN BEVERAGES



Disclaimer: Please note that this document is solely prepared for educational purpose. It doesn't constitute financial advice or Investment recommendations. Please consult a qualified investor before making any financial decision .

TABLE OF CONTENTS

- 1. Historical Financial Statements**
- 2. Common Size Statement**
- 3. Ratio Analysis**
- 4. Intrinsic Growth**
- 5. Forcating Growth Rate**
- 6. Forecasting**
- 7. WACC**
- 8. Beta - Regression**
- 9. Return of Market (RM)**
- 10. Discounted Cash Flow**
- 11. Football Field Analysis**
- 12. Comps Valuation**
- 13. Value At Risk :**
Historical Approach
Monte Carlo Simulation

Varun Beverages LTD

(VBL | BSE Code: 540180)



Years	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	LTM
# Income Statement											
Sales	\$3,394.1	\$3,861.2	\$4,003.5	\$5,105.3	\$7,129.6	\$6,450.1	\$8,823.2	\$13,173.1	\$16,042.6	\$20,007.7	\$21,257.3
Sales Growth	-	13.76%	3.69%	27.52%	39.65%	-9.53%	36.79%	49.30%	21.78%	24.72%	6.25%
COGS	\$2,303.29	\$2,470.21	\$2,587.77	\$3,213.75	\$4,555.47	\$4,185.37	\$5,708.37	\$8,447.62	\$9,939.51	\$12,100.64	\$16,272.89
CoGS % of sales	67.86%	63.98%	64.64%	62.95%	63.90%	64.89%	64.70%	64.13%	61.96%	60.48%	76.55%
Gross profit	\$1,090.85	\$1,390.97	\$1,415.77	\$1,891.51	\$2,574.11	\$2,264.77	\$3,114.86	\$4,725.52	\$6,103.07	\$7,907.01	\$4,984.38
Gross profit margins	32.14%	36.02%	35.36%	37.05%	36.10%	35.11%	35.30%	35.87%	38.04%	39.52%	23.45%
Selling & General Expenses	\$448.38	\$581.46	\$577.44	\$855.71	\$1,111.79	\$1,049.81	\$1,420.91	\$1,862.52	\$2,386.33	\$3,092.07	
S&G exp % sales	13.21%	15.06%	14.42%	16.76%	15.59%	16.28%	16.10%	14.14%	14.87%	15.45%	0.00%
EBITDA	\$642.47	\$809.51	\$838.33	\$1,035.80	\$1,462.32	\$1,214.96	\$1,693.95	\$2,863.00	\$3,716.74	\$4,814.94	\$4,984.38
EBITDA margins	18.93%	20.97%	20.94%	20.29%	20.51%	18.84%	19.20%	21.73%	23.17%	24.07%	23.45%
Interest	\$170.15	\$434.74	\$214.59	\$222.80	\$324.31	\$293.74	\$206.97	\$204.09	\$291.60	\$482.86	\$397.83
Interest % sales	5.01%	11.26%	5.36%	4.36%	4.55%	4.55%	2.35%	1.55%	1.82%	2.41%	1.87%
Depreciation	\$317.41	\$322.21	\$346.64	\$385.07	\$488.63	\$528.70	\$531.26	\$617.19	\$680.91	\$947.39	\$1,032.38
Depreciation % sales	9.35%	8.34%	8.66%	7.54%	6.85%	8.20%	6.02%	4.69%	4.24%	4.74%	4.86%
EBT(Earnings Before Tax)	\$154.91	\$52.56	\$277.10	\$427.93	\$649.38	\$392.52	\$955.72	\$2,041.72	\$2,744.23	\$3,384.69	\$3,554.17
EBT margins	4.56%	1.36%	6.92%	8.38%	9.11%	6.09%	10.83%	15.50%	17.11%	16.92%	16.72%
Tax	\$78.85	\$31.30	\$76.90	\$133.93	\$224.07	\$5.23	\$260.55	\$473.53	\$637.55	\$798.80	\$877.5
Effective Tax rate	50.90%	59.55%	27.75%	31.30%	34.51%	1.33%	27.26%	23.19%	23.23%	23.60%	24.69%
Net Profit	\$76.06	\$21.26	\$200.20	\$294.00	\$425.31	\$387.29	\$695.17	\$1,568.19	\$2,106.68	\$2,585.89	\$2,676.68
Net margins	2.24%	0.55%	5.00%	5.76%	5.97%	6.00%	7.88%	11.90%	13.13%	12.92%	12.59%
No. of Equity Share	\$225.72	\$307.67	\$308.15	\$308.21	\$324.77	\$324.77	\$324.78	\$324.78	\$324.80	\$338.15	\$338.15
Earnings per share	\$0.34	\$0.07	\$0.65	\$0.95	\$1.31	\$1.19	\$2.14	\$4.83	\$6.49	\$7.65	\$7.92
EPS growth %	-	-79.49%	840.21%	46.82%	37.29%	-8.94%	79.49%	125.58%	34.33%	17.90%	3.51%
Dividend per Share	\$0.2	\$0.1	\$0.2	\$0.2	\$0.3	\$0.7	\$1.0	\$1.0	-	-	-
Dividend payout Ratio	60.02%	214.77%	36.05%	24.55%	25.45%	58.70%	46.72%	21.56%	0.00%	0.00%	0.00%
Retained Earnings	39.98%	0.00%	63.95%	75.45%	74.55%	41.30%	53.28%	78.44%	100.00%	100.00%	100.00%
# Balance Sheet											
Equity Share Capital	\$133.8	\$182.3	\$182.6	\$182.6	\$288.7	\$288.7	\$433.0	\$649.6	\$649.6	\$676.3	
Reserves	\$90.5	\$1,511.3	\$1,586.8	\$1,815.9	\$3,039.7	\$3,235.3	\$3,646.9	\$4,452.8	\$6,286.9	\$15,933.5	
Borrowings	\$2,527.4	\$2,215.4	\$2,653.7	\$2,807.9	\$3,417.2	\$3,216.1	\$3,386.8	\$3,883.8	\$5,431.3	\$2,826.3	
Other Liabilities	\$1,679.6	\$915.4	\$852.5	\$1,191.6	\$1,630.0	\$1,707.2	\$2,112.8	\$2,632.1	\$2,819.4	\$3,688.2	
Total Liabilities	\$4,431.3	\$4,824.4	\$5,275.6	\$5,998.0	\$8,375.6	\$8,447.4	\$9,579.5	\$11,618.2	\$15,187.2	\$23,124.3	
Fixed Assets Net Block	\$3,495.6	\$3,715.5	\$3,980.5	\$4,387.0	\$6,479.0	\$6,408.6	\$6,310.8	\$6,932.2	\$8,409.2	\$13,401.7	
Capital Work in Progress	\$37.9	\$95.6	\$145.4	\$352.4	\$63.8	\$66.8	\$496.6	\$606.6	\$1,922.2	\$1,166.7	
Investments	\$3.3	\$6.9	\$8.2	\$11.2	-	-	-	\$0.0	\$21.1	\$59.5	
Other Assets	\$313.9	\$319.5	\$457.8	\$447.5	\$607.6	\$611.3	\$766.1	\$1,500.9	\$1,864.9	\$2,409.2	
Total Non Current Assets	\$3,850.6	\$4,137.4	\$4,592.0	\$5,198.1	\$7,150.4	\$7,086.7	\$7,573.5	\$9,039.7	\$12,217.4	\$17,037.2	
Receivables	\$97.9	\$131.4	\$150.3	\$128.0	\$172.6	\$241.8	\$221.3	\$299.3	\$359.4	\$845.8	
Inventory	\$424.7	\$489.9	\$438.9	\$578.4	\$881.5	\$928.8	\$1,448.1	\$1,993.9	\$2,150.5	\$2,791.2	
Cash & Bank	\$58.1	\$65.7	\$94.5	\$93.5	\$171.1	\$190.1	\$336.6	\$285.3	\$459.9	\$2,450.1	
Total Current Assets	\$580.6	\$687.0	\$683.6	\$799.9	\$1,225.2	\$1,360.7	\$2,006.0	\$2,578.5	\$2,969.8	\$6,087.1	
Total Assets	4431.25	4824.42	5275.61	5998.01	8375.58	8447.37	9579.48	11618.24	15187.18	23124.29	
check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	
# Cash Flow Statement											
Operating Activity											
Profit from operations	\$555.0	\$826.0	\$620.0	\$1,000.0	\$1,308.0	\$1,012.0	\$1,231.0	\$1,790.0	\$2,391.0	\$3,381.0	
Receivables	\$645.0	\$820.0	\$873.0	\$1,123.0	\$1,513.0	\$1,200.0	\$1,624.0	\$2,749.0	\$3,732.0	\$4,778.0	
Inventory	-	\$7.0	(\$34.00)	(\$13.00)	(\$32.00)	(\$76.00)	\$15.0	(\$123.00)	(\$73.00)	(\$133.00)	
Payables	(\$135.00)	(\$39.00)	\$45.0	(\$151.00)	(\$185.00)	(\$47.00)	(\$519.00)	(\$557.00)	(\$160.00)	(\$479.00)	
Loans Advances	\$149.0	-	-	-	-	-	-	-	-	-	
Other WC items	(\$56.00)	-	-	-	-	-	-	-	-	-	
Working capital changes	-	\$95.0	(\$207.00)	\$114.0	\$132.0	\$12.0	\$236.0	\$95.0	(\$440.00)	(\$57.00)	
Direct taxes	(\$42.00)	\$64.0	(\$197.00)	(\$50.00)	(\$85.00)	(\$111.00)	(\$269.00)	(\$585.00)	(\$673.00)	(\$669.00)	
cash Flow from operating Activity	\$1,116.0	\$1,773.0	\$1,100.0	\$2,023.0	\$2,651.0	\$1,990.0	\$2,318.0	\$3,369.0	\$4,777.0	\$6,821.0	
Investing Activity											
Fixed assets purchased	(\$578.00)	(\$220.00)	(\$269.00)	(\$792.00)	(\$533.00)	(\$859.00)	(\$754.00)	(\$560.00)	(\$835.00)	(\$1,801.00)	
Fixed assets sold	-	-	\$4.0	\$12.0	\$17.0	\$50.0	\$21.0	\$24.0	\$19.0	\$51.0	
Investments purchased	-	(\$302.00)	(\$550.00)	(\$35.00)	(\$35.00)	-	(\$73.00)	-	-	-	
Investments sold	-	\$8.0	\$512.0	\$35.0	\$35.0	-	\$73.0	-	-	-	
Interest received	\$4.0	\$12.0	\$6.0	\$8.0	\$5.0	\$6.0	\$5.0	\$9.0	\$13.0	\$23.0	
Dividends received	-	\$2.0	-	-	-	-	-	-	-	-	
Investment in group cos	-	-	-	-	-	-	-	-	-	-	
Acquisition of companies	-	-	-	(\$276.00)	(\$212.00)	-	(\$8.00)	-	-	-	
Other investing items	-	-	(\$4.00)	-	(\$23.00)	(\$134.00)	(\$1,583.00)	\$55.0	(\$205.00)	(\$42.00)	
cash Flow from investing Activity	(\$574.00)	(\$500.00)	(\$301.00)	(\$1,048.00)	(\$746.00)	(\$937.00)	(\$2,319.00)	(\$472.00)	(\$1,008.00)	(\$1,769.00)	
Financing Activity											
Proceeds from shares	\$40.0	\$240.0	-	\$701.0	\$4.0	\$1.0	\$900.0	-	-	-	
Proceeds from debentures	-	-	\$320.0	\$180.0	\$300.0	-	-	-	-	-	
Redemption of debentures	-	-	-	(\$500.00)	-	(\$300.00)	-	(\$73.00)	-	-	
Proceeds from borrowings	\$396.0	\$171.0	\$332.0	-	-	\$1,400.0	\$1,958.0	\$1,020.0	\$855.0	\$1,478.0	
Repayment of borrowings	(\$1.00)	(\$87.00)	(\$997.00)	\$71.0	(\$57.00)	(\$644.00)	(\$1,310.00)	(\$1,233.00)	(\$726.00)	(\$1,138.00)	
Interest paid fin	(\$161.00)	(\$186.00)	(\$141.00)	(\$219.00)	(\$156.00)	(\$189.00)	(\$303.00)	(\$277.00)	(\$179.00)	(\$172.00)	
Dividends paid	-	-	-	-	(\$46.00)	(\$46.00)	(\$69.00)	(\$72.00)	(\$108.00)	(\$162.00)	
Financial liabilities	-	-	-	-	-	-	(\$69.00)	(\$11.00)	(\$19.00)	(\$23.00)	
Share application money	-	-	-	-	-	-	-	-	-	-	
Application money refund	-	-	-	(\$21.00)	-	-	-	-	-	-	
Other financing items	-	(\$80.00)	\$250.0	\$17.0	\$113.0	(\$308.00)	(\$69.00)	-	-	-	
cash Flow from Financing Activity	\$274.0	\$58.0	(\$236.00)	\$229.0	\$158.0	(\$86.00)	\$1,107.0	(\$573.00)	(\$177.00)	(\$17.00)	
Net Cash Flow	\$816.0	\$1,331.0	\$563.0	\$1,204.0	\$2,063.0	\$967.0	\$1,106.0	\$2,324.0	\$3,592.0	\$5,035.0	
# Cash flow Statement(condensed form)											
cash Flow from operating Activity	\$1,116.0	\$1,773.0	\$1,100.0	\$2,023.0	\$2,651.0	\$1,990.0	\$2,318.0	\$3,369.0	\$4,777.0	\$6,821.0	
cash Flow from investing Activity	(\$574.00)	(\$500.00)	(\$301.00)	(\$1,048.00)	(\$746.00)	(\$937.00)	(\$2,319.00)	(\$472.00)	(\$1,008.00)	(\$1,769.00)	
cash Flow from Financing Activity	\$274.0	\$58.0	(\$236.00)	\$229.0	\$158.0	(\$86.00)	\$1,107.0	(\$573.00)	(\$177.00)	(\$17.00)	
Net Cash Flow	\$816.0	\$1,331.0	\$563.0	\$1,204.0	\$2,063.0	\$967.0	\$1,106.0	\$2,324.0	\$3,592.0	\$5,035.0	

Varun Beverages LTD

(VBL | BSE Code: 540180)



Common Size Income Statement

Particulars	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Raw Material Cost	51.43%	45.83%	47.04%	45.18%	47.17%	43.12%	46.86%	50.14%	46.68%	44.88%
Change in Inventory	0.85%	0.83%	1.83%	1.22%	2.02%	0.27%	1.13%	2.62%	0.53%	0.37%
Power and Fuel	3.86%	4.05%	4.00%	3.82%	3.91%	4.14%	3.74%	3.64%	3.43%	3.15%
Other Mfr. Exp	3.88%	4.01%	3.86%	3.75%	3.44%	4.10%	3.72%	3.58%	3.35%	3.40%
Employee Cost	9.54%	10.92%	11.57%	11.42%	11.38%	13.80%	11.51%	9.38%	9.02%	9.43%
Selling and admin	12.54%	14.06%	13.14%	33.16%	33.24%	32.43%	15.40%	13.49%	14.05%	14.60%
Other Expenses	0.67%	1.00%	1.29%	-16.40%	-17.65%	-16.15%	0.70%	0.65%	0.83%	0.86%
Other Income	1.05%	0.69%	0.35%	0.11%	0.66%	-0.47%	0.58%	-0.14%	-0.03%	0.24%
Depreciation	9.35%	8.34%	8.66%	7.54%	6.85%	8.20%	6.02%	4.69%	4.24%	4.74%
Interest	5.01%	11.26%	5.36%	4.36%	4.55%	4.55%	2.35%	1.55%	1.82%	2.41%
Profit before tax	5.62%	2.05%	7.27%	8.50%	9.77%	5.62%	11.41%	15.36%	17.08%	17.16%
Tax	2.32%	0.81%	1.92%	2.62%	3.14%	0.08%	2.95%	3.59%	3.97%	3.99%
Net profit	3.33%	1.10%	5.25%	5.74%	6.58%	5.10%	7.87%	11.37%	12.82%	12.97%
Dividend Amount	0.00%	0.00%	1.14%	0.89%	1.01%	1.12%	1.23%	1.73%	2.02%	1.69%
EBITDA	18.93%	20.97%	20.94%	20.29%	20.51%	18.84%	19.20%	21.73%	23.17%	24.07%

Common Size Balance Sheet - VARUN BEVERAGES LTD

Particulars	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Total Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Equity Share Capital	3.02%	3.78%	3.46%	3.05%	3.45%	3.42%	4.52%	5.59%	4.28%	2.92%
Reserves	2.04%	31.33%	30.08%	30.27%	36.29%	38.30%	38.07%	38.33%	41.40%	68.90%
Borrowings	57.03%	45.92%	50.30%	46.81%	40.80%	38.07%	35.35%	33.43%	35.76%	12.22%
Other Liabilities	37.90%	18.97%	16.16%	19.87%	19.46%	20.21%	22.06%	22.65%	18.56%	15.95%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Block	78.88%	77.01%	75.45%	73.14%	77.36%	75.87%	65.88%	59.67%	55.37%	57.96%
Capital Work in Progress	0.86%	1.98%	2.76%	5.87%	0.76%	0.79%	5.18%	5.22%	12.66%	5.05%
Investments	0.07%	0.14%	0.16%	0.19%	0.00%	0.00%	0.00%	0.00%	0.14%	0.26%
Other Assets	7.08%	6.62%	8.68%	7.46%	7.25%	7.24%	8.00%	12.92%	12.28%	10.42%
Receivables	2.21%	2.72%	2.85%	2.13%	2.06%	2.86%	2.31%	2.58%	2.37%	3.66%
Inventory	9.58%	10.16%	8.32%	9.64%	10.52%	11.00%	15.12%	17.16%	14.16%	12.07%
Cash & Bank	1.31%	1.36%	1.79%	1.56%	2.04%	2.25%	3.51%	2.46%	3.03%	10.60%

Varun Beverages LTD

(VBL | BSE Code: 540180)



Years	Ratio Analysis										Trend	Mean	Median
	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24			
Sales Growth		13.76%	3.69%	27.52%	39.65%	-9.53%	36.79%	49.30%	21.78%	24.72%		23.08%	24.72%
EBITDA growth		26.00%	3.56%	23.56%	41.18%	-16.92%	39.42%	69.01%	29.82%	29.55%		27.24%	29.55%
EBT Growth		-66.07%	427.21%	54.43%	51.75%	-39.55%	143.48%	113.63%	34.41%	23.34%		82.51%	51.75%
Net profit Growth		-72.05%	841.67%	46.85%	44.66%	-8.94%	79.50%	125.58%	34.34%	22.75%		123.82%	44.66%
Dividend Growth		-26.62%	57.81%	-0.02%	42.36%	109.99%	42.87%	4.11%	-100.00%	0.00%		14.50%	4.11%
Gross Margin	32.14%	36.02%	35.36%	37.05%	36.10%	35.11%	35.30%	35.87%	38.04%	39.52%		36.05%	35.95%
EBITDA Margin	18.93%	20.97%	20.94%	20.29%	20.51%	18.84%	19.20%	21.73%	23.17%	24.07%		20.86%	20.73%
EBIT margin	9.58%	12.62%	12.28%	12.75%	13.66%	10.64%	13.18%	17.05%	18.92%	19.33%		14.00%	12.96%
EBT Margin	4.56%	1.36%	6.92%	8.38%	9.11%	6.09%	10.83%	15.50%	17.11%	16.92%		9.68%	8.75%
Net Profit Margin	2.24%	0.55%	5.00%	5.76%	5.97%	6.00%	7.88%	11.90%	13.13%	12.92%		7.14%	5.98%
SalesExpenses%sales	13.21%	15.06%	14.42%	16.76%	15.59%	16.28%	16.10%	14.14%	14.87%	15.45%		15.19%	15.26%
Depreciation%sales	9.35%	8.34%	8.66%	7.54%	6.85%	8.20%	6.02%	4.69%	4.24%	4.74%		6.86%	7.20%
Operating Income%sales	9.58%	12.62%	12.28%	12.75%	13.66%	10.64%	13.18%	17.05%	18.92%	19.33%		14.00%	12.96%
Return on capital Employed	11.81%	12.47%	11.12%	13.54%	14.43%	10.18%	15.57%	24.99%	24.55%	19.90%		15.86%	13.99%
Retained earnings %	39.98%	0.00%	63.95%	75.45%	74.55%	41.30%	53.28%	78.44%	100.00%	100.00%		62.69%	69.25%
Return on Equity %	33.91%	1.26%	11.31%	14.71%	12.78%	10.99%	17.04%	30.73%	30.37%	15.57%		17.87%	15.14%
Self Sustained Growth Rate	13.56%	0.00%	7.24%	11.10%	9.53%	4.54%	9.08%	24.11%	30.37%	15.57%		12.51%	10.31%
Interest Coverge Ratio	1.91x	1.12x	2.29x	2.92x	3.00x	2.34x	5.62x	11.00x	10.41x	8.01x		4.86x	2.96x
Debtor Turnover Ratio	34.67x	29.40x	26.65x	39.88x	41.32x	26.68x	39.88x	44.01x	44.64x	23.65x		35.08x	37.27x
Creditor Turnover Ratio	2.02x	4.22x	4.70x	4.28x	4.37x	3.78x	4.18x	5.00x	5.69x	5.42x		4.37x	4.33x
Inventory Turnover	7.99x	7.88x	9.12x	8.83x	8.09x	6.94x	6.09x	6.61x	7.46x	7.17x		7.62x	7.67x
Fixed Asset Turnover	0.97x	1.04x	1.01x	1.16x	1.10x	1.01x	1.40x	1.90x	1.91x	1.49x		1.30x	1.13x
Capital Turnover Ratio	15.13x	2.28x	2.26x	2.55x	2.14x	1.83x	2.16x	2.58x	2.31x	1.20x		3.45x	2.27x
Debtor Days	11 days	12 days	14 days	9 days	9 days	14 days	9 days	8 days	8 days	15 days		11 days	10 days
Payable Days	181 days	87 days	78 days	85 days	83 days	97 days	87 days	73 days	64 days	67 days		90 days	84 days
Inventory Days	46 days	46 days	40 days	41 days	45 days	53 days	60 days	55 days	49 days	51 days		49 days	48 days
Cash Conversion Cycle(in days)	-124 days	-28 days	-24 days	-35 days	-29 days	-30 days	-18 days	-9 days	-7 days	-1 days		-31 days	-26 days
CFO/Sales	32.88%	45.92%	27.48%	39.63%	37.18%	30.85%	26.27%	25.57%	29.78%	34.09%		32.97%	31.87%
CFO/Total Assets	25.18%	36.75%	20.85%	33.73%	31.65%	23.56%	24.20%	29.00%	31.45%	29.50%		28.59%	29.25%
CFO/Total Debt	44.16%	80.03%	41.45%	72.05%	77.58%	61.88%	68.44%	86.74%	87.95%	241.34%		86.16%	74.81%

Varun Beverages LTD

(VBL | BSE Code: 540180)



Intrinsic Growth					
Calculation of ROIC	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
# Current Assets					
Inventories	929.0	1,448.0	1,994.0	2,151.0	2,791.0
Trade receivables -	241.0	221.0	299.0	359.0	845.0
Loans n Advances	192.0	187.0	288.0	253.0	664.0
Other asset items	420.0	579.0	1,213.0	1,612.0	1,745.0
Total current Assets	1,782.0	2,435.0	3,794.0	4,375.0	6,045.0
Current Liabilities					
Trade Payables	511.0	712.0	824.0	758.0	1,560.0
Advance from Customers	173.0	79.0	203.0	180.0	219.0
Other liability items	958.0	1,205.0	1,491.0	1,732.0	1,778.0
Total current Liabilities	1,642.0	1,996.0	2,518.0	2,670.0	3,557.0
# Net Working Capital	140.0	439.0	1,276.0	1,705.0	2,488.0
Non Current Assets					
Land	1,250.0	1,296.0	1,679.0	1,832.0	1,902.0
Building	1,392.0	1,474.0	1,587.0	1,958.0	3,408.0
Plant Machinery	3,831.0	3,967.0	4,401.0	5,499.0	8,598.0
Equipments	1,212.0	1,242.0	1,238.0	1,293.0	1,529.0
Computers	25.0	28.0	33.0	41.0	65.0
Furniture n fittings	26.0	29.0	29.0	41.0	69.0
Vehicles	622.0	690.0	795.0	1,086.0	1,500.0
Intangible Assets	644.0	644.0	644.0	644.0	1,532.0
Other fixed assets	32.0	38.0	35.0	51.0	200.0
Gross Block	9,034.0	9,408.0	10,441.0	12,445.0	18,803.0
Accumulated Depreciation	(2,624.0)	(3,099.0)	(3,509.0)	(4,036.0)	(5,400.0)
# Net non Current Assets	6,410.0	6,309.0	6,932.0	8,409.0	13,403.0
# Invested Capital	6,550.0	6,748.0	8,208.0	10,114.0	15,891.0
EBIT	686.3	1,162.7	2,245.8	3,035.8	3,867.6
# ROIC	10.48%	17.23%	27.36%	30.02%	24.34%
Calculation of Reinvestment rate	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Net Capex	536.00	816.00	1,750.00	3,194.00	3,740.00
Change in working capital		299.00	837.00	429.00	783.00
EBIT	686.26	1,162.69	2,245.81	3,035.83	3,867.55
Marginal Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-T)	514.70	872.02	1,684.36	2,276.87	2,900.66
Reinvestment		1,115.00	2,587.00	3,623.00	4,523.00
Reinvestment rate		127.86%	153.59%	159.12%	155.93%
				4 year Average	149.13%
				4 year Median	154.76%
Calculation of growth rate	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Reinvestment Rate		128%	154%	159%	156%
ROIC	10.48%	17.23%	27.36%	30.02%	24.34%
Intrinsic Growth		22%	42%	48%	38%
				4 year Average	37%
				4 year Median	40%

Varun Beverages LTD

(VBL | BSE Code: 540180)



Quantitative /statistical growth rate

Year Weight	Year	Sales	Sales Growth
1	2015A	3,394.1	
2	2016A	3,861.2	13.76%
3	2017A	4,003.5	3.69%
4	2018A	5,105.3	27.52%
5	2019A	7,129.6	39.65%
6	2020A	6,450.1	-9.53%
7	2021A	8,823.2	36.79%
8	2022A	13,173.1	49.30%
9	2023A	16,042.6	21.78%
10	2024A	20,007.7	24.72%
11	2025E	###	-7.52%
12	2026E	###	9.54%
13	2027E	###	8.71%
14	2028E	###	8.01%
15	2029E	###	7.41%
16	2030E	###	6.90%
17	2031E	###	6.46%

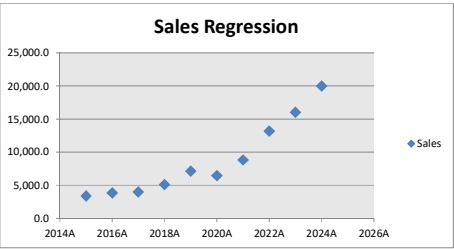
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.931804035
R Square	0.868258759
Adjusted R Square	0.851791104
Standard Error	2206.973953
Observations	10

ANOVA

	df	SS	MS	F	Significance F
Regression	1	256809937.8	256809937.8	52.72509982	8.71006E-05
Residual	8	38965872.23	4870734.029		
Total	9	295775810.1			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-904.7513333	1507.650229	-0.600106919	0.565042228	-4381.398993	2571.896327	-4381.398993	2571.896327
Year Weight	1764.326424	242.9798353	7.261205121	8.71006E-05	1204.01392	2324.638929	1204.01392	2324.638929

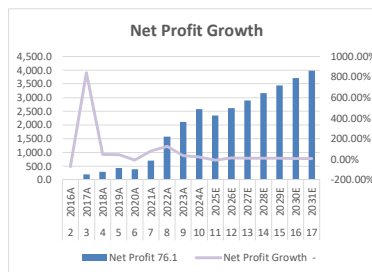
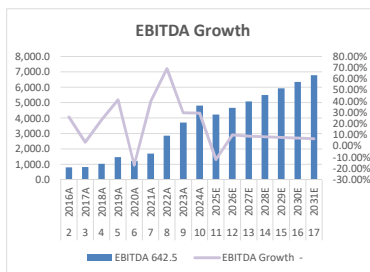
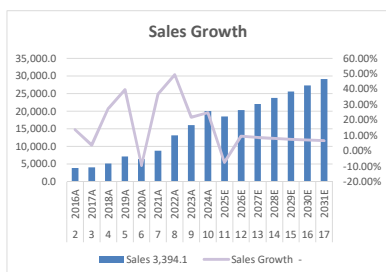


Varun Beverages LTD

(VBL | BSE Code: 540180)



Sales Forecasting				EBITDA Forecasting				Net Profit Forecasting			
Year Weight	Year	Sales	Sales Growth	Year Weight	Year	EBITDA	EBITDA Growth	Year Weight	Year	Net Profit	Net Profit Growth
1	2015A	3,394.1	-	1	2015A	642.5	-	1	2015A	76.1	-
2	2016A	3,861.2	13.76%	2	2016A	809.5	26.00%	2	2016A	21.3	-72.05%
3	2017A	4,003.5	3.69%	3	2017A	838.3	3.56%	3	2017A	200.2	841.67%
4	2018A	5,105.3	27.52%	4	2018A	1,035.8	23.56%	4	2018A	294.0	46.85%
5	2019A	7,129.6	39.65%	5	2019A	1,462.3	41.18%	5	2019A	425.3	44.66%
6	2020A	6,450.1	-9.53%	6	2020A	1,215.0	-16.92%	6	2020A	387.3	-8.94%
7	2021A	8,823.2	36.79%	7	2021A	1,694.0	39.42%	7	2021A	695.2	79.50%
8	2022A	13,173.1	49.30%	8	2022A	2,863.0	69.01%	8	2022A	1,568.2	125.58%
9	2023A	16,042.6	21.78%	9	2023A	3,716.7	29.82%	9	2023A	2,106.7	34.34%
10	2024A	20,007.7	24.72%	10	2024A	4,814.9	29.55%	10	2024A	2,585.9	22.75%
11	2025E	18,502.8	-7.52%	11	2025E	4,234.3	-12.06%	11	2025E	2,342.4	-9.42%
12	2026E	20,267.2	9.54%	12	2026E	4,657.1	9.98%	12	2026E	2,616.3	11.69%
13	2027E	22,031.5	8.71%	13	2027E	5,079.8	9.08%	13	2027E	2,890.2	10.47%
14	2028E	23,795.8	8.01%	14	2028E	5,502.6	8.32%	14	2028E	3,164.1	9.48%
15	2029E	25,560.1	7.41%	15	2029E	5,925.3	7.68%	15	2029E	3,438.0	8.66%
16	2030E	27,324.5	6.90%	16	2030E	6,348.0	7.13%	16	2030E	3,711.9	7.97%
17	2031E	29,088.8	6.46%	17	2031E	6,770.8	6.66%	17	2031E	3,985.7	7.38%



Varun Beverages LTD

(VBL | BSE Code: 540180)



Weighted Average Cost of Capital

All figures are in INR unless stated otherwise

Peer Comps

Name of the Comp	Country	Total Debt	Total Equity	Tax Rate ¹	Debt/ Equity	Debt/ Capital	Leveraged Beta ²	Unleveraged Beta ³
Varun Beverages	India	2826.25	152947.19	30.00%	1.85%	1.81%	1.16	1.17
Tata Consumer	India	2392.68	106655.84	30.00%	2.24%	2.19%	1.14	1.16
Nestle India	India	1166.85	231768.95	30.00%	0.50%	0.50%	0.07	0.07
Hatsun Agro	India	2566.26	21149.66	30.00%	12.13%	10.82%	0.71	0.80
Dabur India	India	950.37	94165.35	30.00%	1.01%	1.00%	0.56	0.57
Average				30.00%	3.55%	3.27%	0.73	0.75
Median				30.00%	1.85%	1.81%	0.71	0.80

Cost of Debt

Pre- Tax Cost of Debt	17.08%
Tax Rate	30.00%
Post Tax Cost of Debt	11.96%

Cost of Equity

Risk Free Rate	6.30%
Equity Risk Premium	9.03%
Levered Beta ⁴	0.81
Cost of Equity	13.59%

Capital Structure

		Current	Target
Total Debt	2,826.3	1.81%	1.85%
Market Capitalization	152,947.2	98.19%	98.15%
Total Capital	155,773.4	100.00%	100.00%
Debt / Equity		1.85%	1.88%

Notes:

1. Tax Rate considered on Marginal Tax Rate for the country
2. Levered Beta is based on 5 year monthly data
3. Unlevered Beta = Levered Beta / (1 + (1 - Tax Rate) * Debt / Equity)
4. Levered Beta = Unlevered Beta * (1 + (1 - Tax Rate) * Debt / Equity)

Levered Beta

Comps median Unlevered Beta	0.80
Target Debt / Equity	1.88%
Tax Rate	30%
Levered Beta	0.81

Weighted Average Cost of Capital

Cost of equity	13.59%
Equity Weight	98.15%
Cost of Debt	11.96%
Debt Weight	1.85%
WACC	13.56%

Varun Beverages LTD

(VBL | BSE Code: 540180)



Regression Beta 5 Years Monthly			Beta Drifting			Beta Calculation		
VARUN BEVERAGES LTD - Monthly Returns			NIFTY Monthly Returns					

Date	osing Price	Return	Date	Closing Price	Return	Levered Raw Beta	1.16	Beta	1.16
2020-08-01	59.6		2020-08-01	11,387.5		Raw Beta weight	0.75		
2020-09-01	58.7	-1.48%	2020-09-01	11,247.6	-1.23%				
2020-10-01	55.0	-6.32%	2020-10-01	11,642.4	3.51%	Market Beta	1.00		
2020-11-01	73.3	33.39%	2020-11-01	12,969.0	11.39%	Market Beta Weight	0.25		
2020-12-01	76.9	4.83%	2020-12-01	13,981.8	7.81%				
2021-01-01	75.6	-1.69%	2021-01-01	13,634.6	-2.48%	Adjusted Beta	1.12		
2021-02-01	87.3	15.49%	2021-02-01	14,529.2	6.56%				
2021-03-01	84.5	-3.22%	2021-03-01	14,690.7	1.11%				
2021-04-01	79.9	-5.43%	2021-04-01	14,631.1	-0.41%				
2021-05-01	85.1	6.46%	2021-05-01	15,582.8	6.50%				
2021-06-01	91.9	8.01%	2021-06-01	15,721.5	0.89%				
2021-07-01	95.9	4.44%	2021-07-01	15,763.1	0.26%				
2021-08-01	106.2	10.73%	2021-08-01	17,132.2	8.69%				
2021-09-01	116.4	9.59%	2021-09-01	17,618.2	2.84%				
2021-10-01	109.9	-5.59%	2021-10-01	17,671.7	0.30%				
2021-11-01	115.4	4.99%	2021-11-01	16,983.2	-3.90%				
2021-12-01	114.5	-0.75%	2021-12-01	17,354.1	2.18%				
2022-01-01	116.7	1.93%	2022-01-01	17,339.9	-0.08%				
2022-02-01	122.1	4.57%	2022-02-01	16,793.9	-3.15%				
2022-03-01	121.6	-0.42%	2022-03-01	17,444.8	3.99%				
2022-04-01	140.1	15.24%	2022-04-01	17,102.6	-2.07%				
2022-05-01	136.7	-2.45%	2022-05-01	16,584.6	-3.03%				
2022-06-01	153.2	12.10%	2022-06-01	15,780.3	-4.85%				
2022-07-01	171.1	11.71%	2022-07-01	17,158.3	8.73%				
2022-08-01	200.3	17.06%	2022-08-01	17,799.3	3.50%				
2022-09-01	204.9	2.26%	2022-09-01	17,094.4	-3.74%				
2022-10-01	206.1	0.59%	2022-10-01	18,012.2	5.37%				
2022-11-01	243.6	18.23%	2022-11-01	18,758.4	4.14%				
2022-12-01	259.5	6.51%	2022-12-01	18,105.3	-3.48%				
2023-01-01	225.2	-13.21%	2023-01-01	17,662.2	-2.45%				
2023-02-01	255.6	13.50%	2023-02-01	17,304.0	-2.03%				
2023-03-01	272.2	6.49%	2023-03-01	17,359.8	0.32%				
2023-04-01	283.3	4.07%	2023-04-01	18,065.0	4.06%				
2023-05-01	333.5	17.71%	2023-05-01	18,534.4	2.60%				
2023-06-01	315.2	-5.46%	2023-06-01	19,189.1	3.53%				
2023-07-01	316.7	0.48%	2023-07-01	19,753.8	2.94%				
2023-08-01	354.3	11.86%	2023-08-01	19,253.8	-2.53%				
2023-09-01	375.3	5.92%	2023-09-01	19,638.3	2.00%				
2023-10-01	360.8	-3.86%	2023-10-01	19,079.6	-2.84%				
2023-11-01	438.5	21.53%	2023-11-01	20,133.2	5.52%				
2023-12-01	490.5	11.87%	2023-12-01	21,731.4	7.94%				
2024-01-01	507.8	3.52%	2024-01-01	21,725.7	-0.03%				
2024-02-01	558.8	10.04%	2024-02-01	21,982.8	1.18%				
2024-03-01	554.6	-0.75%	2024-03-01	22,326.9	1.57%				
2024-04-01	588.0	6.02%	2024-04-01	22,604.9	1.24%				
2024-05-01	568.0	-3.41%	2024-05-01	22,530.7	-0.33%				
2024-06-01	649.3	14.32%	2024-06-01	24,010.6	6.57%				
2024-07-01	628.6	-3.19%	2024-07-01	24,951.2	3.93%				
2024-08-01	598.0	-4.86%	2024-08-01	25,235.9	1.14%				
2024-09-01	605.1	1.18%	2024-09-01	25,810.9	2.28%				
2024-10-01	597.0	-1.33%	2024-10-01	24,205.4	-6.22%				
2024-11-01	619.8	3.82%	2024-11-01	24,111.1	-0.31%				
2024-12-01	637.2	2.81%	2024-12-01	23,644.8	-2.02%				
2025-01-01	535.7	-15.94%	2025-01-01	23,508.4	-0.58%				
2025-02-01	434.6	-18.87%	2025-02-01	22,124.7	-5.89%				
2025-03-01	538.6	23.92%	2025-03-01	23,519.4	6.30%				
2025-04-01	520.0	-3.45%	2025-04-01	24,234.2	3.46%				
2025-05-01	475.4	-8.57%	2025-05-01	24,750.7	1.71%				
2025-06-01	457.6	-3.76%	2025-06-01	25,517.1	3.10%				
2025-07-01	459.8	0.48%	2025-07-01	25,355.3	-0.63%				
2025-07-11	452.3	-1.63%	2025-07-11	25,149.9	-0.81%				

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.46699729
R Square	0.218086468
Adjusted R	0.204605201
Standard E	0.085621666
Observatio	60

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.118595	0.118595	16.177	0.000168914
Residual	58	0.425202	0.007331		
Total	59	0.543797			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.022469426	0.011765	1.909875	0.061099	-0.00108051	0.046019367	-0.001080514	0.046019367
X Variable	1.155780096	0.28736	4.022064	0.000169	0.580566682	1.730993501	0.580566682	1.730993501

Varun Beverages LTD

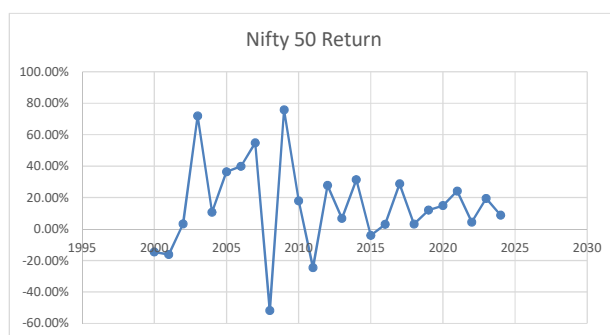
(VBL | BSE Code: 540180)



Return on Markets

Year	Annual
2000	-14.65%
2001	-16.18%
2002	3.25%
2003	71.90%
2004	10.68%
2005	36.34%
2006	39.83%
2007	54.77%
2008	-51.79%
2009	75.76%
2010	17.95%
2011	-24.62%
2012	27.70%
2013	6.76%
2014	31.39%
2015	-4.06%
2016	3.01%
2017	28.65%
2018	3.15%
2019	12.02%
2020	14.90%
2021	24.12%
2022	4.32%
2023	19.42%
2024	8.75%

Average return	15.33%
Dividend Yield	1.24% ¹
Total Market Yield	15.33%



Varun Beverages LTD

(VBL | BSE Code: 540180)



Years	Calculation of PV of FCFF					
	Dec-24A	Dec-25E	Dec-26E	Dec-27E	Dec-28E	Dec-29E
EBIT	3,867.6	5,414.1	7,579.0	10,609.6	14,852.1	20,791.0
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-T)	2,900.7	4,060.6	5,684.3	7,957.2	11,139.1	15,593.3
less: Reinvestment Rate	154.76%	128.55%	102.33%	76.12%	49.91%	49.91%
Free Cash Flow to Firm (FCFF)	(1,588.4)	(1,159.2)	(132.7)	1,900.0	5,579.6	7,810.7
Mid Year Convention		0.5	1.5	2.5	3.5	4.5
Discounting Factor		0.938	0.826	0.728	0.641	0.564
Pv of FCFF		(1,087.8)	(109.7)	1,382.7	3,575.6	4,407.8

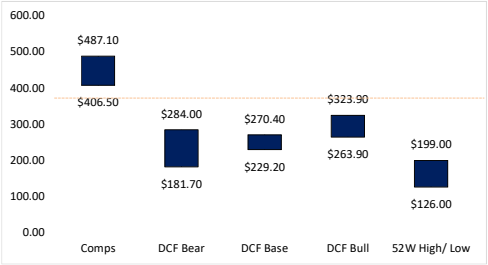
Expected Growth	39.99%
Terminal Growth	4.00%
WACC	13.56%

Calculation of Terminal Value	
FCFF(n+1)	10,933.9
WACC	13.56%
Terminal Growth Rate	4.00%
Terminal Value	114,402.8

Sensitivity Analysis					
215.26	10.00%	13.56%	18.50%	22.00%	
3.00%	285.0	197.1	142.1	120.4	
4.00%	328.4	215.2	150.2	125.7	
5.38%	419.2	247.4	163.4	134.2	
7.00%	632.4	302.5	183.0	146.0	

Calculation of Equity Value Per Share	
Pv of FCFF	8,168.5
PV of Terminal Value	64,560.5
Terminal Growth Rate	114,402.8
Value of Operating assets/ enterprise Value	72,729.1
Add : cash	2,450.1
less: Debt	2,365.0
Value of Operating assets/ enterprise Value	72,814.1
No. of Shares	338.3
Equity value per share	215.26

Share Price	452
Discount/ Premium	110%
	2x



Football Field Ananlysis- Data				
	OpenLow	Low	OpenHigh	High
Comps	406.5	406.5	487.1	487.1
DCF Bear	181.7	181.7	284	284
DCF Base	229.2	229.2	270.4	270.4
DCF Bull	263.9	263.9	323.9	323.9
52W High/ Low	126	126	199	199

Varun Beverages LTD

(VBL | BSE Code: 540180)



Comparable Company Valuation

Figures/ Amount in crores

		Market Data				Financials			Valuations			
Company	Ticker	Share Price	Share Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
Varun Beverages	VBL.NS (NSE: VBL)	452	338.19	152,946	376	153,323	21,257	5,125	2,818	7.2x	29.9x	54.3x
United Spirits	UNSP.NS (NSE: UNSP)	1,358	72.74	98,752	-1,550	97,202	12,069	2,572	1,582	8.1x	37.8x	62.4x
United Breweries	UBL.NS	1,960	26.44	51,825	177	52,002	8,915	877	442	5.8x	59.3x	117.1x
Radico Khaitan	RADICO.NS	2,718	13.39	36,398	693	37,091	4,851	679	345	7.6x	54.7x	105.4x
Allied Blenders	ABDL.NS (NSE: ABDL)	447	27.97	12,510	774	13,283	3,520	452	195	3.8x	29.4x	64.2x
Tilaknagar Inds.	TI.NS / TILK.NS	338	19.38	6,556	-59	6,498	1,434	272	230	4.5x	23.8x	28.6x
India Glycols	INDIAGLYCO.NS	2,053	3.10	6,365	1,814	8,179	3,768	572	231	2.2x	14.3x	27.6x
Piccadilly Agro	PICCADIL.NS	587	9.50	5,578	261	5,839	818	190	102	7.1x	30.8x	54.5x
Globus Spirits	GLOBUSSPR.NS	1,008	2.90	2,923	456	3,380	2,537	161	22	1.3x	21.0x	133.4x
Som Distilleries	SDBL.NS (NSE: SDBL)	149	19.53	2,911	151	3,062	1,443	181	105	2.1x	16.9x	27.9x
High										8.1x	59.3x	133.4x
75th Percentile										7.2x	36.0x	95.1x
Average										5.0x	31.8x	67.5x
Median										6.5x	30.4x	58.5x
25th Percentile										2.6x	21.7x	35.0x
Low										1.3x	14.3x	27.6x

Varun Beverages Comparable Valuation										EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value										137,849	155,610	165,105
Net Debt										376	376	376
Implied market Value										137,473	155,233	164,729
Shares Outstanding										338.19	338.19	338.19
Implied value Per share										406.5	459.0	487.1

source : Screener.in

overvalued Undervalued overvalued

Varun Beverages LTD

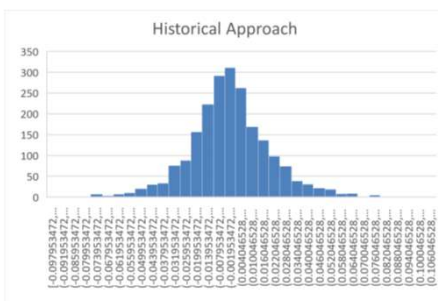
(VBL | BSE Code: 540180)



Calculation of Value at Risk - Varun Beverages (Historical)

Mean	0.001191
Standard Deviation	0.022242
Min	-0.09795
Max	0.109354
CMP	452.25

Percentile	Confidence	VAR %	Stock Price	VAR(INR)
5.0%	95.0%	-3.32%	467.3	-15.0
1.0%	99.0%	-5.58%	477.5	-25.2
0.5%	99.5%	-6.82%	483.1	-30.8
10%	90.0%	-2.40%	463.1	-10.9



Calculation of Value at Risk - Varun Beverages (Simulation)

Mean	0.001029
Standard Deviation	0.022136
Min	-0.10012
Max	0.08007
CMP	452.25

Percentile	Confidence	VAR %	Stock Price	VAR(INR)
5.0%	95.0%	-3.56%	468.4	-16.1
1.0%	99.0%	-5.07%	475.2	-22.9
0.5%	99.5%	-5.50%	477.1	-24.9
10%	90.0%	-2.76%	464.7	-12.5

