



# VARUN BEVERAGES LIMITED



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

February 6, 2023

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.

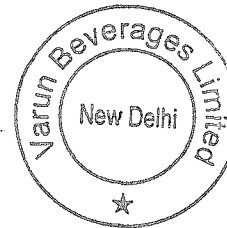
The same is also being uploaded on website of the Company at [www.varunpepsi.com](http://www.varunpepsi.com).

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' Q4 & CY2022 Financial Results

<u>Q4 CY2022</u>	<u>CY2022</u>
<b>Revenue grew 28% YoY to Rs. 22,142 mn</b>	<b>Revenue grew 49% YoY to Rs. 131,731 mn</b>
<b>EBITDA higher by 48% YoY to Rs. 3,075 mn</b>	<b>EBITDA higher by 69% YoY to Rs. 27,881 mn</b>
<b>PAT higher by 150% YoY to Rs. 815 mn</b>	<b>PAT increased by 108% to Rs. 15,501 mn</b>

**Gurugram, February 6, 2022:** 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, 2022.

### Financial Performance Highlights\*

#### Performance Review for Q4 CY2022 vs. Q4 CY2021

- Revenue from operations (net of excise / GST) grew by 27.7% YoY to Rs. 22,142 million
  - Net realization increased by 6% to Rs. 164 primarily due to price hike in select SKUs, rationalized discounts/incentives, and improvement in mix of smaller SKUs (250ml) especially the energy drink – Sting, which has a higher net realization
  - Sales volumes grew by 17.8% in Q4 CY2022 to 132.0 million cases
- EBITDA increased by 48.1% to Rs. 3,075 million from Rs. 2,076 million
  - EBITDA margins improved by 192 bps to 13.9% in Q4 CY2022
- PAT improved by 150.2% to Rs. 815 million from Rs. 326 million in Q4 CY2021 in a seasonally weak quarter

#### Performance Review for CY2022 vs. CY2021

- Revenue from operations (net of excise / GST) grew 49.30% YoY to Rs. 131,731 million in CY2022 as compared to Rs. 88,232 million in CY2021
  - Sales volume grew by 40.9% in CY2022 to 802 million cases supported by strong performance in India as well as International territories
- EBITDA increased by 68.5% to Rs. 27,881 million in CY2022 from Rs. 16,546 CY2021
  - Gross margins reduced by 180 bps to 52.5% from 54.3% in CY2022 primarily due to increase in preform prices by over 30% during the year
  - EBITDA margin improved by 241 bps to 21.2%, led by higher realizations and operating leverage from increased sales volume

- PAT increased by 107.8% to Rs. 15,501 million from Rs. 7,461 million in CY2021, driven by high growth in revenue from operations, improvement in margins, and transition to a lower tax rate in India
  - Depreciation increased by 16% in CY 2022 on account of capitalization of assets and Finance cost remained almost flat in CY 2022

*\*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 & 2022 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,**

*"We are pleased to close the year on a strong note with exceptional operational and financial performance reported throughout CY2022. The strong recovery in demand post the pandemic and our continued efforts towards expanding the distribution network across markets resulted in a 41% growth in consolidated sales volume. Additionally, we achieved growth in realization per unit through strategic measures such as selective price hikes, rationalized discounts and incentives, and improved product mix. This allowed us to deliver revenue growth of 49% and PAT growth of 108% YoY on a consolidated basis in CY 2022.*

*We are excited to share that our energy drink, Sting, had a remarkable year, contributing significantly to both volume and realization growth. As the product is in an expanding category, we anticipate its strong performance to sustain in the coming year. Our recent launches in the value-added Dairy segment have also been well-received by consumers, and we are confident that these products will continue to drive growth in the future.*

*As a leading beverage company serving over 1.3 billion customers globally through our extensive network of over 3 million retail outlets, we take our responsibility to the environment seriously. We are committed to sustainable & responsible operations and have taken a proactive stance in promoting sustainability in the beverage industry. Our aim is to minimize our impact on the environment and foster sustainable practices throughout our supply chain.*

*Looking forward, we aim to further strengthen our position as a key player in the beverage industry by leveraging our strong presence in fast-growing markets, solid infrastructure, and well-established distribution network. Our focus remains on delivering high-quality products, further expanding our reach in key markets, and capitalizing on new opportunities to create sustainable long-term value for all stakeholders."*

– 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, Pepsi Black, Mountain Dew, Sting, Seven-Up, Mirinda Orange, Seven-Up Nimbooz Masala Soda and Evervess. PepsiCo NCB brands produced and sold by the Company include Tropicana 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 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 ~80% of revenues from operations (net) in Fiscal 2022. 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) 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.*