



VARUN BEVERAGES LIMITED



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May 2, 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 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: 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.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



Varun Beverages' Q1 CY2023 Financial Results

Q1 CY2023

Revenue grew 38% YoY to Rs. 38,930 mn

EBITDA higher by 50% YoY to Rs. 7,980 mn

PAT higher by 62% YoY to Rs. 4,386 mn

Gurgaon, May 02, 2023: 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, 2023.

Financial Performance Highlights*

Performance Review for Q1 CY2023 vs. Q1 CY2022

- Revenue from operations (net of excise / GST) grew by 37.7% YoY to Rs. 38,929.8 million, driven by robust volume growth and an increase in net realization
 - Net realization increased by 10.4% to Rs. 173.7 per case primarily due to price increase, taken towards the end of the corresponding quarter last year, in selected SKUs and continued improvement in the mix of smaller SKUs (250ml), especially the energy drink
 - Total sales volumes grew by 24.7% in Q1 CY2023 to 224.1 million cases compared to 179.7 million cases in Q1 CY2022, on account of strong demand across regions in India
- EBITDA increased by 50.3% to Rs. 7,980.4 million from Rs. 5,309.9 million
 - Gross margins improved by 89 bps to 52.4% from 51.5% in Q1 CY2023 driven by marginal savings in raw material prices and improved product mix
 - EBITDA margins improved by 172 bps to 20.5% in Q1 CY2023 driven by operational efficiencies on the back of strong revenue growth
- PAT increased by 61.8% to Rs. 4,385.7 million from Rs. 2,710.9 million in Q1 CY2022 driven by high growth in revenue from operations, improvement in margins, and transition to a lower tax rate in India
 - Depreciation increased by 31% and Finance cost increased by 33% in Q1 CY2023 on account of capitalization of assets and setting-up of new production facilities

***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 CY2023 Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited said,

"We are pleased to share that the Company achieved remarkable operational and financial performance during the quarter despite weather disruptions in some parts of India in the month of March.

Moving onto our expansion plans, we are happy to report the commissioning of our greenfield production facility at Kota, Rajasthan and brownfield expansion at 6 facilities. The additional Greenfield plant in Jabalpur, MP is expected to be operational very soon. With regard to our international growth plans, construction of a new production facility in DRC has already started. We expect the facility to be operational before the year end.

Our energy drink product has achieved a significant share in our overall mix and has firmly established our leadership position in the category. Our focus now turns towards new performers like Value Added Dairy, Sports Drinks, and Juice segments to sustain the growth momentum. These products continue to be well received by consumers, providing us with the confidence that these products will fuel the Company's next leg of growth.

It gives me immense pleasure to announce, as approved by shareholders in our annual general body meeting, the final dividend of Re. 1 per share taking the total dividend payout for the full year to level of Rs. 3.5 per share. Furthermore, the Board recommended the split of existing equity shares of the Company from One equity share having face value of Rs. 10 each into Two equity shares having face value of Rs. 5 each. This is subject to the approval of equity shareholders of the Company.

We are also committed to safeguarding our environment and promoting sustainability in all our operations. One of the key ways we are doing this is by investing in PET recycling and implementing measures to improve energy and water efficiency. Our goal is to have a net positive impact on the environment, and we are continuously evaluating and implementing new ways to minimize our ecological footprint.

Overall, we are encouraged by our strong start and remain confident about delivering good performance this year. With our robust on-ground execution capabilities, expanding manufacturing capacities, and increasing distribution reach, we believe we are well-positioned to achieve sustainable growth in the medium to long term."

– 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 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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Varun Beverages Ltd

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Safe Harbor

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