VARUN BEVERAGES

RJ CORP

July 28, 2026

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**

Sub: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: 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 Digitally signed by Ravi Batra
Date: 2026.07.28 12:20:42 +05'30'

Ravi Batra
Chief Risk Officer & Group Company Secretary

Encl.: As above

Varun Beverages' Q2 & H1 CY2026 Financial Results

Q2 2026	**H1 2026**
Revenue grew 20.4% YoY to Rs. 84,512.3 mn	***Revenue grew 19.4% YoY to Rs. 150,254.2 mn***
EBITDA higher by 17.2% YoY to Rs. 23,430.4 mn	***EBITDA higher by 18.7% YoY to Rs. 38,719.6 mn***
PAT higher by 15.1% YoY to Rs. 15,253.6 mn	***PAT increased by 16.9% to Rs. 24,040.7 mn***

Gurgaon, July 28, 2026: Varun Beverages Limited *(BSE: 540180, NSE: VBL)*, a key player in the beverage industry, announced its financial results for the second quarter and half year ended June 30, 2026.

Financial Performance Highlights*

Performance Review for Q2 2026 vs. Q2 2025

- Revenue from operations (net of excise / GST) grew by 20.4% YoY to Rs. 84,512.3 million in Q2 2026 as compared to Rs. 70,173.7 million in Q2 CY2025
    - Consolidated sales volume grew by 19.8% to 466.7 million cases in Q2 CY2026 from 389.7 million cases in Q2 CY2025, driven by volume growth of 14.4% in India and 38.4% in international territories
    - In India, we saw healthy volume growth in twenties since the onset of season i.e. from March onwards except for the month of April which was about flat resulting in overall volume growth for the quarter of 14.4%.
    - International volumes include 11.8 million cases during the quarter from the acquisition of Twizza in South Africa
    - Realization per case - beverages improved by 1.2% at the consolidated level with improved realizations in international territories.
- Gross margins improved by 44 bps to 55.0% in Q2 CY2026, supported by higher mix of International business
    - In India, early stocking of key raw materials and savings in sugar consumption with higher mix of low sugar / no sugar products helped in maintaining gross margins despite the high inflationary raw material environment
- EBITDA increased by 17.2% to Rs. 23,430.4 million in Q2 2026 from Rs. 19,987.7 million in Q2 2025
    - EBITDA margins declined by 76 bps to 27.7% in Q2 CY2026 due to consolidation of Twizza business, which currently operates at lower margins

- In India, EBITDA margins improved by 38 bps, driven by operational efficiencies from healthy volume growth, which were partially offset by higher other expenses, primarily transportation and distribution costs

- PAT increased by 15.1% to Rs. 15,253.6 million in Q2 CY2026 from Rs. 13,254.9 million in Q2 CY2025 driven by strong volume growth in India and International territories
  - Depreciation increased by 33.6% on account of commissioning of new plants in India last year, which were not present in the base quarter, and on account of acquisition of Twizza in South Africa
  - Finance cost increased by 55.8% on account of the acquisition of Twizza in South Africa in the current quarter

Performance Review for H1 2026 vs. H1 2025

- Revenue from operations grew 19.4% YoY to Rs. 150,254.2 million in H1 2026 as compared to Rs. 125,843.1 million H1 2025
  - In H1 CY2026, mix of Low sugar / No sugar products have increased to ~ 73% of consolidated sales volumes
- EBITDA increased by 18.7% to Rs. 38,719.6 million in H1 2026 from Rs. 32,627.4 million in H1 2025
- PAT higher by 16.9% to Rs. 24,040.7 million in H1 2026 from Rs. 20,568.5 million in H1 2025

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 Q2 CY2026, Mr. Ravi Jaipuria, Chairman, Varun Beverages Limited, said,

"We are pleased to report a strong performance during this quarter across our markets. Consolidated sales volumes grew by 19.8% and, together with improved realizations, translated into a 20.4% increase in net revenue from operations. EBITDA increased by 17.2% to Rs. 23,430.4 million in Q2 CY2026.

In India, we saw healthy volume growth in twenties since the onset of season i.e. from March onwards except for the month of April which was about flat resulting in overall volume growth for the quarter of 14.4%. Our expanded manufacturing footprint, extensive distribution network and continued investments in chilling infrastructure continued to drive growth.

We also extended our exclusive bottling and trademark licence agreement with PepsiCo in India until April 2049 and removed the earlier restriction requiring VBL to operate solely as an SPV for PepsiCo's business, strengthening our long-term partnership and creating greater operational flexibility to pursue opportunities that can deliver scale, and synergies.

We also entered a strategic alliance with Asahi Group Holdings to introduce the iconic CALPIS brand in India, marking our entry into the value-added fermented dairy beverage category.

The international business maintained strong momentum. Twizza, in South Africa, helped overcoming capacity constraints, while strengthening our manufacturing footprint and route-to-market capabilities in South Africa. We also entered into an agreement to acquire the business of Devyani Food Industries (Kenya) Limited, which will provide us with the ready GTM in Kenya for expansion into carbonated soft drinks and energy drinks.

In accordance 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 remain confident in the long-term growth potential across our markets, supported by favourable demographics, rising disposable incomes and increasing consumption of packaged beverages. With adequate capacities, a growing and diversified portfolio, strong partnerships and an extensive distribution network, we are well positioned to deliver sustained and profitable growth and create long-term value for all our stakeholders."

Key Developments

Revised Exclusive bottling appointment and trademark license agreement – India (PepsiCo):

- Varun Beverages Limited ("VBL") and PepsiCo Inc. and its affiliates ("PepsiCo") have entered into a revised Exclusive bottling appointment and trademark license agreement for India ("EBA") on May 21, 2026
- Key revisions include:
    - (i) Extension of the EBA term to April 30, 2049 (from April 30, 2039), and
    - (ii) Removal of the earlier restriction requiring VBL to operate solely as an SPV for PepsiCo's business, providing greater operational flexibility to explore, expand and avail benefits of scale and synergies

Entered into a franchise agreement with Asahi Group for 'CALPIS' Brand in India:

- On 18 June 2026, VBL entered into a business alliance with Asahi Group Holdings to introduce and commercialize the CALPIS brand in India through a franchise arrangement, expanding its portfolio of non-alcoholic beverages
- CALPIS is Japan's iconic fermented milk-based beverage brand with a legacy of over 100 years. The brand offers both concentrate and ready-to-drink products. VBL plans to launch CALPIS in India with Original and Mango variants

Entered into an agreement for acquisition of business in Devyani Food Industries (Kenya) Limited "DFIKL":

- On 06 July 2026, VBL Industries (Kenya) Limited, a wholly-owned subsidiary of VBL, entered into a Business Transfer Agreement to acquire the business in DFIKL, a promoter group company, for a purchase consideration of USD 32 million (~INR 3,050 million, 1 USD = 95.30 INR) based upon the valuation of net assets from an independent third-party valuer
- DFIKL has net revenue of over Rs. 3,000 million for value-added dairy, juices, packaged drinking water, etc. for the financial year ended March 2026. DFIKL also has an existing GTM infrastructure in place.

Dividend:

- In line with the guidelines of the Company's dividend policy, the Board of Directors has approved an interim dividend @ 25% of face value, i.e. Rs. 0.50 per share. Total cash outflow would be ~Rs. 1,691 million

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About Varun Beverages Limited:

Varun Beverages Limited ("VBL" or the "Company") is a key player in the beverage industry and one of the largest franchisees 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, Adrenaline Rush, Seven-Up, Mirinda, Nimbooz Jeera 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 has, 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 ~67% of revenues from operations (net) in Fiscal 2025. 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 further information, please contact:

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Safe Harbor

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