



October 30, 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
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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: 2026.10.30 12:03:00 +05'30'

Ravi Batra
Chief Risk Officer & Group Company Secretary

Encl.: As above

VARUN BEVERAGES LIMITED

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CIN: L74899DL1995PLC069839 | **Registered Office:** F-2/7, Okhla Industrial Area, Phase-I, New Delhi - 110 020 | **E:** info@rjcorp.in | **Ph:** 011 41706720-25



Varun Beverages' Q3 & 9M CY2026 Financial Results

<u>Q3 2026</u>	<u>9M 2026</u>
Revenue grew 33.2% YoY to Rs. 66,075.6 mn	Revenue grew 23.3% YoY to Rs. 218,145.5 mn
EBITDA higher by 25.1% YoY to Rs. 14,267.1 mn	EBITDA higher by 19.9% YoY to Rs. 52,745.8 mn
PAT higher by 13.5% YoY to Rs. 8,305.9 mn	PAT increased by 15.5% to Rs. 32,023.0 mn

Gurgaon, October 30, 2026: Varun Beverages Limited (BSE: 540180, NSE: VBL), a key player in the beverage industry, announced its financial results for the third quarter and nine months ended September 30, 2026.

Financial Performance Highlights*

Performance Review for Q3 2026 vs. Q3 2025

- Revenue from operations (net of excise / GST) grew by 33.2% YoY to Rs. 66,075.6 million in Q3 2026 as compared to Rs. 49,606.9 million in Q3 CY2025
 - Consolidated sales volume grew by 28.7% to 354.4 million cases in Q3 CY2026 from 275.3 million cases in Q3 CY2025, driven by robust volume growth of 22.5% in India and 39.9% in international territories
 - Consolidated beverage realization per case improved by 2.2% at the consolidated level supported by a 0.5% increase in India on account of growth in high value categories and further launch of premium categories (Ad Rush, Evervess mixers range), calibrated discounting and an efficient price pack architecture.
 - In International markets, realization per case improved on account of improved realization in South Africa and foreign exchange impact.
 - International volumes includes 15.3 million cases during the quarter from the acquisition of Twizza in South Africa.
 - CSD constituted 73.3%, JBD 4.8% and Packaged Drinking Water 21.9% in Q3 CY2026.
- Gross margin declined by 334 bps to 53.1% in Q3 CY2026, primarily due to higher packaging material costs, including preforms, shrink films, closures, and cans, driven by geopolitical disruptions
 - Margins were also impacted by higher sale of non-beverage products like preforms, caps, etc. in India, which increased by 104% during the quarter and has a higher COGS, impacting gross margins by about 100bps in India.

- The increase in sugar prices by about 16% were largely offset by an increase in mix of low sugar / no sugar products growing from 44% in Q3 CY2025 to 88% in Q3 CY2026 in India. This is after considering the sharing of sugar reduction benefits with PepsiCo as part of concentrate cost for transition to low sugar portfolio.
 - In 3M CY2026, mix of Low sugar / No sugar products has increased to ~ 86% of our consolidated sales volumes.
- EBITDA increased by 25.1% to Rs. 14,267.1 million in Q3 2026 from Rs. 11,404.1 million in Q3 2025.
 - EBITDA margin moderated by 140 bps YoY to 21.6% in Q3 CY2026, primarily due to gross margin contraction, partially offset by operating leverage from robust volume growth in India and international territories
 - Despite significant supply chain disruptions arising from geopolitical developments, EBITDA margins in India remained broadly stable YoY during 9M CY2026
- PAT increased by 13.5% to Rs. 8,305.9 million in Q3 CY2026 from Rs. 7,315.1 million in Q3 CY2025 driven by strong volume growth in India and International territories
 - Depreciation and finance costs increased by 34.5% and 53.5% YoY, respectively, primarily on account of the acquisition of Twizza in South Africa and the associated debt funding
 - Other income decreased by 18.8% YoY, reflecting relatively stable currency movements during the quarter

Performance Review for 9M 2026 vs. 9M 2025

- Revenue from operations grew 23.3% YoY to Rs. 218,145.5 million in 9M 2026 as compared to Rs. 176,891.2 million 9M 2025
- EBITDA increased by 19.9% to Rs. 52,745.8 million in 9M 2026 from Rs. 44,008.0 million in 9M 2025
- PAT higher by 15.5% to Rs. 32,023.0 million in 9M 2026 from Rs. 27,721.2 million in 9M 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; **Note 3:** During the quarter ended 30 September 2026, the subsidiary company, namely, VBL Industries (Kenya) Limited acquired business from Devyani Food Industries (Kenya) Limited for a purchase consideration of USD 32 million (Rs. 3,050 Million; 1 USD = Rs. 95.30) with effect from 01 August 2026. The acquisition qualifies as a business combination of entities under common control, as these entities were ultimately controlled by the same company both before and after the business combination, and such control was not transitory.

Accordingly, business combination has been accounted for in accordance with Appendix C of Ind AS 103, Business Combinations, using the pooling of interests method and acquired assets and liabilities of the combining entities have been recognised at their respective carrying amounts. The financial results/statement for the previous reporting period(s) has been restated as if the business combination had occurred from the beginning of the earliest reporting period(s) presented.

The comparative financial results/statement has been restated to give effect to the aforesaid business combination. The restatement has been made for comparative presentation purposes and does not represent a revision of the financial results/statement previously approved and published by the Company, except to the extent of the adjustments arising from the aforesaid business combination.

Commenting on the performance for Q3 CY2026, Mr. Varun Jaipuria, Executive Vice Chairman, Varun Beverages Limited, said,

"We are pleased to report a strong performance in the third quarter of CY2026. Consolidated sales volumes grew by 28.7%, with volume growth of 22.5% in India and 39.9% in international territories. Revenue from operations increased by 33.2% YoY to Rs. 66,075.6 million, while EBITDA grew by 25.1% to Rs. 14,267.1 million. Higher packaging costs weighed on margins during the quarter, although improved realizations and operating leverage from strong volume growth helped partially offset these pressures.

In India, we continued to witness healthy volume growth during the quarter, extending the positive trend seen since May. This performance was supported by our extensive distribution network, expanded manufacturing capacities, and ongoing investments in chilling infrastructure. We also saw improved realizations, supported by growth in higher-value categories such as dairy beverages and the introduction of premium offerings, including 'Ad Rush' and the 'Evervess' mixers range.

Our international business continued to make strong progress during the quarter, with Africa remaining a key continent for expansion. With effect from 01 August 2026, the merger of Twizza with BevCo has been completed, and we expect to unlock significant operational synergies in the coming quarters. During the quarter, we have also started beverage operations in Kenya and introduced two new beverage brands 'BOLT UP' and 'XTREME FIZZ', marking another step towards strengthening our footprint in the fast-growing Africa region. We also entered into an exclusive distribution agreement with Mondelez in Zimbabwe, further broadening our product offerings in the market.

We are also taking measured steps towards diversifying our business into adjacent categories. The incorporation of KIVA Spirits and Company Limited marks an important step in exploring opportunities in ready-to-drink beverages, alcoholic beverages, and allied products. Our approach will remain focused on pursuing opportunities that leverage our execution capabilities and offer attractive long-term growth potential.

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

Looking ahead, our focus will remain on driving growth across our existing markets, supported by the investments we have made over recent years. Alongside this, we will selectively pursue opportunities to broaden our business, while maintaining a clear emphasis on profitability and long-term value creation."

Key Developments

Incorporation of a wholly-owned subsidiary company in India - KIVA Spirits and Company Limited:

- On 29 August 2026, we have incorporated a wholly-owned subsidiary company in India, to carry on the business of Ready to Drink (RTD), Alcoholic Beverages and allied products.

Entered into an Exclusive Distribution Agreement with Mondelez in the territory of the Republic of Zimbabwe:

- On 24 September 2026, Varun Beverages (Zimbabwe) (Private) Limited (a subsidiary of our Company) has entered into an Exclusive Distribution Agreement with Mondelez South Africa Proprietary Limited ("Mondelez") for the exclusive distribution of chocolate, biscuit, candy and gum products of Mondelez in the territory of the Republic of Zimbabwe, with effect from 1 October 2026.

Completion of Merger of Twizza into Bevco, South Africa:

- On 02 July 2026, the Board of Directors of Bevco and Twizza approved to merge Twizza with its holding company i.e. Bevco, subject to applicable laws in South Africa.
- The above-mentioned merger has been completed w.e.f. 01 August 2026, and we expect to unlock significant operational synergies in the coming quarters.

Dividend:

- In line with the guidelines of Company's dividend policy, the Board of Directors 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

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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 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 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 ~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.

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Safe Harbor

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