



VIEWPOINT

Result Update - Q4CY2025

SECTOR

Consumer Goods

COMPANY DETAILS

Market cap:	Rs. 1,54,320 cr
52-week high/low:	Rs. 569 / 419
NSE volume: (No of shares)	57.9 lakh
BSE code:	540180
NSE code:	VBL
Free float: (No of shares)	137.2 cr

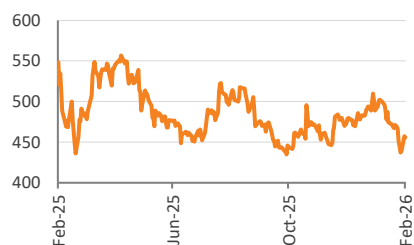
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	59.4
FII	20.6
DII	13.6
Others	6.4

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-6.8	-1.6	-10.8	-16.9
Relative to Sensex	-7.6	-2.5	-15.3	-25.9

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **POSITIVE**

CMP: **Rs. 456**

Upside Potential: **27%**

Quick Snapshot

- VBL's Q4CY25 numbers were good, with volume-led revenue growth of 14% y-o-y and adjusted PAT rising by 33.7% y-o-y driven by higher other income and lower interest cost. OPM fell 52 bps y-o-y to 15.2%.
- Management expects CY26 domestic volume growth to be in double digits, with margins sustained at 22-23%.
- No major capex lined up in India in CY26 due to adequate capacity, while international capex would be limited to small brownfield additions, mainly in South Africa.
- Stock trades at 44x/36x its CY26E/CY27E EPS, respectively. We stay Positive and expect an upside of 27% over the next 12 months.

Result overview

- Revenue grew 14% y-o-y to Rs. 4,204 crore, with volume growth at 10.2% y-o-y to 237.1 million cases and a 3.4% y-o-y rise in net realisations to Rs. 177.3 per case driven by improved realization in international territories.
- Sales volumes in India grew by 10.5% y-o-y supported by wide distribution network and strong brand portfolio, while international volumes grew by 10.0% y-o-y with South Africa delivering a healthy volume growth.
- Product mix stood at 72%/4%/24% for CSD/Juices/Water versus 73%/4%/23% in Q4CY24.
- Gross margin and OPM fell by 70 bps and 52 bps y-o-y to 55.4% and 15.2%, respectively largely due to adverse product mix.
- Operating profit grew by 10.2% y-o-y to Rs. 639 crore.
- Depreciation expense rose 27% y-o-y, owing to commissioning of new plants in India and the Democratic Republic of Congo (DRC) and brownfield expansions across international markets.
- Higher other income (up 122% y-o-y), supported by increased interest income in India and forex gains and lower interest cost led to 33.7% y-o-y growth in the adjusted PAT to Rs. 263 crore. Reported PAT stood at Rs. 260 crore.
- CY25 consolidated volumes grew by 7.9% y-o-y, driving revenue growth of 8.4% y-o-y to Rs. 21,685 crore, while OPM remained largely stable y-o-y at 23.3% and PAT increased by 16.2% y-o-y to Rs. 3,062 crore. Low/no added sugar products contributed 59% of consolidated volumes, up from 53% in CY24.
- The board has recommended a final dividend of Rs. 0.50 per share for CY25.

Our Call

Stable growth in domestic market, better distribution reach, expansion of the snacks portfolio outside India, increased penetration in African territories, and commissioning of multiple greenfield and brownfield facilities across geographies will help VBL post an 14%/18% revenue/PAT CAGR over CY25-27E. The stock trades at 44x/36x its CY26E/CY27E EPS, respectively. We stay Positive and expect an upside of 27% over the next 12 months.

Key Risks

Incremental tax on carbonated beverages, heightened competition from new entrants or raw material inflation will act as a key risk to our earnings estimates.

Valuation (Consolidated)

Particulars	CY23	CY24	CY25	CY26E	CY27E
Revenues	16,043	20,008	21,685	24,686	28,339
OPM (%)	22.5	23.5	23.3	23.5	23.8
Adjusted PAT	2,056	2,595	3,036	3,498	4,240
Adj. diluted EPS (Rs.)	6.3	7.7	9.0	10.3	12.5
P/E (x)	72.0	59.4	50.8	44.1	36.4
P/B (x)	21.3	9.3	7.9	6.8	5.8
EV/EBIDTA (x)	41.7	32.1	28.7	24.6	20.8
RoNW (%)	34.9	22.4	17.0	16.9	17.5
RoCE (%)	25.5	22.6	18.9	19.7	21.5

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Feb xxx, 2026

Concall highlights**• Twizza Acquisition (South Africa):**

- VBL has announced the proposed acquisition of Twizza (Pty) Ltd through its subsidiary, The Beverages Company (The BevCo), for an enterprise value of ~ZAR 2.1 billion, subject to customary regulatory approvals across South Africa, Botswana, and Eswatini.
- The transaction is targeted for completion by June 2026.
- Twizza's three manufacturing units with integrated backward capabilities are expected to meaningfully expand VBL's production base and distribution reach in South Africa, Africa's largest soft drinks market, while generating operational and supply-chain synergies with existing assets.

• Strategic Diversification & Alcoholic Beverages:

- VBL has initiated its foray into alcoholic beverages through an exclusive distribution partnership with Carlsberg Breweries A/S, beginning with select African markets.
- Carlsberg will be the initial focus, while management continues to evaluate additional opportunities within the category.
- To support this initiative, VBL is setting up its first greenfield brewery in Africa, with construction expected to commence in CY26 and operations targeted by CY27-end.
- Accordingly, VBL has broadened its Memorandum of Association to include ready-to-drink and alcoholic beverages, providing strategic flexibility to scale participation across beer and other alcohol formats over time (wine, liquor, whisky, gin, rum, vodka), leveraging its strong distribution network and execution capabilities across geographies.

• Investment in refrigeration capabilities:

- VBL has acquired a 50% ownership interest in Everest Industrial Lanka (Pvt.) Ltd, a Sri Lanka-based company specialising in the manufacture, distribution, and sale of commercial visi-coolers and allied refrigeration solutions.
- In addition, VBL has entered into a joint venture with Everest Industrial Lanka to establish White Peak Refrigeration Private Limited in India, aimed at domestic manufacturing of visi-coolers and refrigeration equipment.
- This move strengthens VBL's cold-chain infrastructure, enhances cost efficiencies, and supports scalable growth across beverages and adjacent categories.

• Capex updates

- VBL capitalised net capex of ~Rs. 4,500 crore (including ~Rs. 1,650 crore incurred in CY24).
- Investments were largely directed toward capacity creation and supply-chain strengthening, with ~Rs. 1,700 crore allocated to four greenfield plants across Prayagraj, Buxar, Damtal, and Mendipathar, and ~Rs. 300 crore towards brownfield expansions at Sricity and Gorakhpur.
- Internationally, ~Rs. 1,300 crore was deployed for PET and can lines, backward integration, and snacks manufacturing facilities across DRC, South Africa, Morocco, and Zimbabwe.
- The remaining spend covered visi coolers, returnable packaging, logistics assets, along with write-offs and forex-related adjustments.
- As on December 31, 2025, CWIP and capital advance amounted to ~Rs. 540 crore.
- VBL is expected to maintain its strong growth momentum, supported by multiple strategic drivers including
 - Successful acquisition of BevCo, strengthening its presence in South Africa and DRC.
 - Expansion of its snacks portfolio beyond India, particularly in Zimbabwe and Zambia.
 - continued efforts to enhance distribution reach with a focus on rural penetration
 - Commissioning of several greenfield and brownfield facilities to boost manufacturing capacity and market access while optimising logistics costs
 - Ongoing expansion of the high-margin Sting energy drink, along with a sharper focus on value-added dairy, sports drinks (Gatorade), and juice categories
 - entry into alcoholic beverages.
 - These initiatives are expected to further reinforce the company's long-term growth trajectory and profitability.
- VBL India continued to remain net debt free with a free cash of ~ Rs. 1,225 crore, however, consolidated net debt stood at ~Rs. 25.6 crore as of CY25-end.
- Post repayment of debt from QIP proceeds, finance cost in India is negligible, in the International markets finance cost is primarily in South Africa which also includes the fair value adjustment of leases as per Ind AS-116.

Results (Consolidated)

Particulars	Rs cr				
	Q4CY25	Q4CY24	y-o-y (%)	Q3CY25	q-o-q (%)
Total Revenue	4,204.4	3,688.8	14.0	4,896.7	-14.1
Raw Material cost	1,876.1	1,620.2	15.8	2,119.2	-11.5
Employee cost	586.3	479.0	22.4	553.3	6.0
Other expenditure	1,102.8	1,009.6	9.2	1,076.7	2.4
Total Expenditure	3,565.2	3,108.8	14.7	3,749.3	-4.9
Operating Profit	639.3	580.0	10.2	1,147.4	-44.3
Other Income	99.1	44.6	122.0	148.0	-33.0
Depreciation	330.2	260.8	26.6	307.6	7.3
Interest charges	46.7	109.0	-57.2	45.2	3.3
PBT	361.5	254.8	41.9	942.6	-61.7
Tax	98.9	58.5	69.0	195.7	-49.5
Adjusted PAT	262.6	196.3	33.7	746.9	-64.8
Share of profit from associates	-2.6	-0.7	-	-1.7	54.2
Reported PAT	260.0	195.6	32.9	745.2	-65.1
Adjusted EPS (Rs.)	3.9	2.9	33.7	11.0	-64.8
			BPS		BPS
GPM (%)	55.4	56.1	-70	56.7	-134
OPM (%)	15.2	15.7	-52	23.4	-823
NPM (%)	6.2	5.3	92	15.3	-901
Tax rate (%)	27.4	23.0	440	20.8	659

Source: Company; Mirae Asset Sharekhan Research

Sales volume (million cases)

Particulars	Q4CY25	Q4CY24	y-o-y (%)	Q3CY25	q-o-q (%)
Carbonated soft drink (CSD)	170	158	7.6	202	-15.8
Non-carbonated beverages (NCB)	10	8	25.0	12	-16.7
Packaged drinking water	57	49	16.3	60	-5.0
Total	237	215	10.2	274	-13.5

Source: Company; Mirae Asset Sharekhan Research

Category-wise sales mix

Particulars	Q4CY25	Q4CY24	y-o-y (bps)	Q3CY25	q-o-q (bps)
Carbonated soft drink (CSD)	72%	73%	-176	74%	-199
Non-carbonated beverages (NCB)	4%	4%	50	4%	-16
Packaged drinking water	24%	23%	126	22%	215

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Norges Bank	1.95
2	Life Insurance Corp. of India	1.91
3	Blackrock Inc.	1.76
4	Vanguard Group Inc.	1.76
5	Nippon Life India AMC Ltd.	1.73
6	Republic of Singapore	1.64
7	SBI Funds Management Ltd.	1.52
8	NPS Trust A/c UTI Retirement Solutions Ltd.	1.06
9	Schroders PLC	1.04
10	Canara Robeco AMC Ltd.	0.93

Source: Bloomberg

Key management personnel

Name	Designation
Ravi Kant Jaipuria	Promoter & Chairman
Varun Jaipuria	Promoter, Executive Vice-Chairman and Whole-time Director
Pankaj Madan	Chief Financial Officer
Ravi Batra	Company Secretary and Compliance Officer

Source: Company Website

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