

Varun Beverages acquires Bevco in South Africa

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The board of directors of Varun Beverages Ltd (VBL) has approved the acquisition of The Beverage Company (Proprietary) Limited (Bevco), South Africa along with its wholly-owned subsidiaries.

Bevco manufactures and distributes non-alcoholic beverages in South Africa under PepsiCo Inc. license or their brand.

Bevco holds PepsiCo franchise and distribution rights in South Africa, Lesotho, Eswatini, Namibia and Botswana.

The acquisition will allow VBL to increase its presence in Africa and expand its operations across the continent.

The proposed enterprise-level transaction is valued at Rs 13.2 billion.

The company can accept minority co-investment from a large equity fund. They plan to acquire 100 per cent of the Equity Share Capital of Bevco, including its subsidiaries. Bevco is involved in the manufacturing and distributing of licensed (PepsiCo Inc.) and self-branded non-alcoholic beverages in South Africa.

Bevco has franchise rights from PepsiCo Inc. in South Africa, Lesotho and Eswatini. Further, it also has distribution rights for Namibia and Botswana.