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11th August 2026

To,

BSE Limited Corporate Relationship Department 1st Floor, New Trading Ring, Rotunda Building, P. J. Towers, Dalal Street, Mumbai – 400 001 **SCRIP CODE: 543523**	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **SYMBOL: CAMPUS**

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Earnings Call held with Investors/Analysts

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Earnings Call held with the Investors/Analysts on Thursday, 06th August 2026 and the same is also available on the Company's website i.e. www.campusactivewear.com.

You are requested to take the same on your records.

Thanking you

For **Campus Activewear Limited**

Archana Maini

Digitally signed by Archana Maini
Date: 2026.08.11 15:03:29 +05'30'

Archana Maini
General Counsel & Company Secretary
Membership No. A16092

Encl: As above

Campus Activewear Limited
Q1 FY'27 Earnings Conference Call
August 06, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Campus Activewear Limited's Q1 FY'27 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. If you do need assistance during this conference call, please signal an operator by pressing "*", then "0" on your touch-tone phone. Please note that this conference is being recorded. And now, I hand the conference over to Mr. **Hiral** Keniya from E&Y LLP. Thank you, and over to you, sir.

Hiral Keniya: Thank you, Neerav. Good evening, everyone. On behalf of Campus Activewear Limited, I welcome you all to the Company's Q1 FY'27 Conference Call.

To discuss the performance of the company and to answer your questions we have with us the Management Team comprising of Mr. Nikhil Aggarwal – Whole-Time Director and CEO, Mr. Uplaksh Tewary – COO, and Mr. Neeraj Gupta - Finance Controller.

Before we proceed this call, I would like to draw your attention to the fact that today's discussion may contain forward-looking statements that are subject to various risks, uncertainties, and other factors which would be beyond management's control. We kindly request to bear in mind that there might be uncertainties while interpreting such statements. Please note that this conference is being recorded. We would now like to start the session with opening remarks from the management team. Afterwards, we will open the floor for an interactive Q&A session.

I would now hand over the conference call to Nikhil sir for his opening remarks. Thank you and over to you, sir.

Nikhil Aggarwal: Good evening, everyone, and thank you for joining us today for our Q1 FY'27 Earnings Call.

We are extremely pleased to begin FY'27 with a relatively strong quarter, delivering 12.2% revenue growth, 11.7% volume growth, stable EBITDA margins of 15.9%, and 17.7% growth in profit after tax. We believe these results reflect the continued strength of the Campus brand, healthy consumer demand across categories and channels, and disciplined execution across the organization.

What makes this performance particularly noteworthy is the operating environment in which it was delivered. During the quarter, businesses continued to navigate geopolitical uncertainties, volatility across global supply chains, and inflationary pressures on key raw materials. In addition, we absorbed a significant increase in labor costs following statutory minimum wage revisions, as well as approximately Rs. 2.5 crores of additional depreciation arising from the commissioning and ramp-up of our new manufacturing facilities at Paonta Sahib and Pantnagar.

Despite these headwinds, we remained focused on protecting profitability through calibrated pricing actions, disciplined cost management, and operational efficiencies.

A key point I would like to highlight is that the impact of our pricing actions is not yet fully reflected in our ASP growth. During the quarter, we implemented MRP increases of approximately 8% across key product categories, resulting in an underlying ASP increase of around 5% in our core Stuck-On category.

However, this improvement was largely offset by two temporary factors:

1. First, the revised accounting treatment for Walmart that is Flipkart and Myntra, which came into effect from July 2025, resulted in lower revenue Y-O-Y due to GT charges being netted off from sales this quarter. This suppressed the ASP by approximately 2.5%, which will bounce back Q2 onwards.
2. Second, we witnessed an exceptional recovery in our school shoes business, with revenue from this category growing by nearly 50% Y-O-Y. We have moved this entire business from DIP to Stuck-On, which has a much better ASP and is a margin-accretive category versus DIP.

While strategically very encouraging, the inherently lower ASP of school shoes as a category diluted our blended ASP by another 2%. As these temporary effects normalize, we expect the underlying benefits of our pricing initiatives to become increasingly visible from Q2 onwards, supporting both reported ASP growth and a stronger margin profile in the quarters ahead. Beyond the financial performance, the quarter once again demonstrated the resilience of the campus brand.

Growth was broad-based across channels, categories and geographies, with particularly encouraging momentum in our women and kids' portfolio. Consumer response to our latest product launches remained highly encouraging, reaffirming our ability to anticipate evolving consumer preferences and delivering compelling value across price points. Operationally, we also took several strategic steps to strengthen the business for the future. In anticipation of a stronger festive demand, we recorded our highest ever Q1 production and continued this momentum into July, being the highest ever production month ever, proactively building inventory to ensure superior availability across key channels and categories. This was a conscious strategic decision that positions us well for the upcoming season.

The quarter also marked the launch of Elan by Campus, our entry into the rapidly growing neo-casual footwear segment, further expanding our addressable market and reinforcing our ambition of becoming a comprehensive lifestyle footwear company. Alongside this, we continued investing in product innovation, refreshed our brand identity with the unveiling of our new logo, and strengthened our partner ecosystem through one of our largest ever distributor meets, where we have received record orders giving us a very good visibility of the upcoming festive season.

Looking ahead, we remain confident in the structural growth opportunity within India's branded footwear market. Supported by a strong brand, expanding distribution, continuous product innovation, enhanced manufacturing capabilities and disciplined execution, we believe Campus is very well positioned to continue delivering sustainable, profitable growth and long-term value for our stakeholders.

Thank you and I would now like to hand over the call to the moderator for the Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Vidisha Seth from Ambit Capital. Please go ahead.

Vidisha Seth: Hi Nikhil. My first question was on the MRP increase of 8% undertaken in key products. This seems to be a little higher versus the industry. So, what gives the comfort that volumes or market share gain momentum will not be impacted given that key products could be in the economy segment where demand would have an element of elasticity?

Uplaksh Tewary: This price increase was done on effective 1st April. Since the input RM pressure scale started coming into the business effective March itself where the entire geopolitical situation turned. And from April onwards even the minimum wage impact started coming into the system across states that we operate in currently. So, 8% is a reasonably fair price hike that has gone and the input costs were under pressure. And pretty much over the last three months we have been able to pass on these costs by a lot of absorbing some through better negotiations into our ecosystem as well as passing on the relevant price increase into the market. And 8% is a reasonably fair price hike and the same has been accepted in the market. This was done about four months back now. The price hike is effective 1st April. We have not done any further revisions. The effective price increase happened effective 1st April and we have not seen too much resistance to the price increase so far.

Nikhil Aggarwal: And the volume has grown in spite of the price hike.

Uplaksh Tewary: Absolutely.

Vidisha Seth: And are you all evaluating another round of price hike considering that RM inflation might not be fully absorbed or has it been fully absorbed by this 8% hike?

Nikhil Aggarwal: RM inflation has been fully absorbed. And in fact as the volatility subsides we believe that and we will not be obviously taking the MRP increases correction again. Like we will not go down on the MRPs. Right. So, we expect that as and when the market stabilizes with respect to raw material we should have that benefit flowing back into the P&L.

Vidisha Seth: Sure. The second question was on volumes. Now volumes in the base quarter were disrupted due to I think some warehouse transition which was being undertaken and also lower sales of open footwear. So, on a relatively weaker base what drove the lower growth in volumes? Was it a little bit of, I mean was it impacted because of demand or any channel dynamics? Any thoughts over that?

Uplaksh Tewary: So, the growth is tapered to a certain extent by two factors primarily. There is a revision of the way we account our Walmart businesses. The Flipkart and the Myntra reporting measures are different and they were effective July last year, July'25. So, quarter 1 is not a like-to-like comparison of these two businesses. Last year there was no GT charges in our business and this year it has. And it has about a 2.5% direct impact on our revenue. And parallelly we have also transitioned over the last three months our entire franchise business from an outright business based model to an SOR model where we control the entire inventory and discounting of these products. It is a complete transition of our 158 franchise stores which is almost now completed. So, this quarter would begin about a reasonably strong 25% plus de-growth on a franchise business because of the transition of the model where we had to basically change the way we account this. Last year it was a pure outright business model with our franchise network. Now we have completely converted into a SOR model. So, about another 2%, 2.5% of revenue growth has been tapered off there. So combined just these two factors have had about a 4.5% to 5% impact on our growth which are temporary factors effective only to this quarter. We see franchise to be very aggressively growing quarter going ahead as a channel as well as GT being normalized because from July effective last year this is part of the base number itself. The growth is about 4% not a like-to-like comparison. So, if you add that 4% that would be the normalized growth that we would have seen this quarter.

Nikhil Aggarwal: Just to give you one data point like our FOFO stores we have opened basically a total EBU stores of about 18 stores this quarter which is like the highest in the last six, seven to eight quarters. And the reason for that is one is the SOR model that Uplaksh just mentioned that has led to a lot of confidence coming back to our franchisee partners.

Vidisha Seth: Sure, maybe I will just clarify it offline again. And the last bit was in terms of price segment. Going forward where are the new launches and marketing investments being focused towards?

Is it more towards the north of 1500 price points or on the economy range? What is expected to drive the FY'27 growth?

Nikhil Aggarwal: So, it is actually all across, right? Like for us every price point is strategically very important. It plays a specific role in our portfolio. And therefore, the marketing that the plan that we make at the beginning of the year is supposed to cater to every single price point. And that is how we look at it. So of course, the focus is on premiumization which we have continued to invest behind with respect to the newer categories, premium categories that we have launched.

Vidisha Seth: Got it. I will get back in the queue. Thank you.

Moderator: Thank you. Next question is from the line of Avinash from Motilal Oswal. Please go ahead.

Avinash: Hi, sir. Good evening. So again, on the same question regarding the price points. So, if I look at it like on a two-year CAGR basis, the price of the products revenue which is up to Rs. 1500 have actually de-grown by 7% CAGR. So, is this because of curtailment of certain ASP of products or how should we look at it?

Nikhil Aggarwal: So, it is basically, we are in the process of, so we recognize that there has been some, you know, we have left some spots price points behind with respect to economical price points. So, we are working on it and within the next couple of months, these price points will be fully covered by the portfolio that we have seen. So, there is no intentional gap with respect to that. This is something that we are working on and will be covered in the subsequent months, before the season begins.

Avinash: So, correct me if I am wrong. So basically, in 1Q FY'25, these two segments, less than 1000 and less than 1500, both put together take somewhere around Rs. 200 crores of revenue. Now they have gone down to Rs. 180 crores because you have voluntarily left some products.

Uplaksh Tewary: So, there are multiple factors to it, right? So, the products, when there is a 8% price hike that you do, a lot of products sitting in the Rs. 1499 now sit in the Rs. 1649 segment now. So, there is a shift of the way you report these product categories now, because there is a natural 8% hike that you have taken. Normally we do not take over the last couple of, I mean, last three years, I think we have never taken across the board price hike the way we have done on 1st April. So, the entire way you report your number has been shifted a bit. And our growth also disproportionately has come from shoes over the open footwear category, right? So there has been a share shift towards slightly higher on the closed shoe, and that has also affected the way you are seeing that number, right? So, we are not exiting any price points. We are there below Rs. 1500 remains, Rs. 999 to Rs. 1500 remains the very core part of our shoe segment of our business. Other things, which is this price hike has of course changed the way we report our numbers, plus a small shift in the way, in the share of our slipper and sandal business, as compared, the growth is slightly higher on the closed shoe business as compared to the open footwear. That has also led to a slight increase in the share of categories.

Avinash: Okay, understood. And the second question is, can you put some light on how the sneaker portfolio has done in this quarter? And after the production started from the Pantnagar facility and Haridwar facility, was there any incremental delta growth that you have seen in terms of sneaker portfolio?

Uplaksh Tewary: Sneaker has been an extremely key lever of our entire brand repositioning, you know, being relevant and the investments in Haridwar too, as well as Pantnagar and Paonta Sahib have been in those directions as well. We are looking, since the scale is now getting bigger, this year we are looking at a close to 30% growth on this category. And we are investing and our product launches as well as the category growth are in sync with that. So, our anticipation from a volume growth is to the tune of 30% for this category. Because now the base is enormously higher. We were growing at close to 100% earlier, but since the base is now a bit higher, we are looking at about a 30% growth on this category this year.

Avinash: Okay, understood. And one last bookkeeping question. So, if I look at the annual assembly capacity, like two years back it used to be like 36 million pairs. Now it is 31 million pairs. So why has this changed?

Nikhil Aggarwal: This is actually the DIP capacity that we let go of, right? Last year we called it out. So, we had basically 4 million to 5 million capacity of DIP that we sort of shut down because it is a very old, archaic technology and very like cheaper economical price points, which were not viable for us. So therefore, this is something that we have, which I just called out in my remarks, is the sports shoe segment that we moved from DIP completely to stuck on now, right? So, this is a much better, higher ASP segment with more margin accretors than DIP. So, it is just a recalibration of the DIP. The stuck on is the main portfolio, which is going very strong with respect to capacity.

Avinash: Got it. So that is it from my side. I will join the queue.

Moderator: Thank you. Next question is from the line of Umang Mehta from Kotak Securities. Please go ahead.

Umang Mehta: Hi, thanks for the opportunity. My first question was on volume growth. So, this 50% growth in school shoes, which you have seen, how much would that have contributed to volume growth of this quarter? And when you said that the dilutive impact on ASPs would go away in the coming quarters, the positivity in terms of volume growth would also go away, right? Just wanted to get that clarification.

Nikhil Aggarwal: So, hi, Umang. So, we are targeting mid-digit, mid-double-digit growth, as we have highlighted before, right, for the year. And we are very much on track with that. So, that would be a combination of both your volume and ASP. ASP, we are looking to deliver back again like 6% to 7% at least, right, which will come back from quarter 2 onwards. And the balance would be volume growth. And volume, of course, like there has been about 40% approximately share of school shoes in our volume growth this quarter, right, which would get normalized from next quarter.

Umang Mehta: Understood. And in similar kind of, on similar line, margins, are you still confident that on a full year, which is 17 to 19, which was your kind of aspiration? There is no reason not to be in that band?

Nikhil Aggarwal: Absolutely, Umang. Yes, we are 100% confident of delivering that. There is no reason not to deliver the margin.

Umang Mehta: Understood. And just one last question on other expenses, ex of A&P. So, this mid-teen kind of growth, is some part of minimum wage also sitting here through your processing charges? Or is it entirely in your cash call.

Nikhil Aggarwal: In the, sorry, can you repeat?

Umang Mehta: Sir, the other expenses, other than A&P, the growth is slightly higher than what we were building. So just wanted to check what is the reason behind that.

Neeraj Gupta: So, hi Umang, it is Neeraj. So, in other expenses, basically Rs. 5 crores is sitting for minimum wage increase for the quarter.

Umang Mehta: Understood.

Neeraj Gupta: So, Rs. 5 crore is on account of minimum wage, Rs. 2.5 crores on account of advertising and marketing, like we have done a great distributor meet plus logo launch. And Rs. 2.5 crores is the indirect course of the newly commissioned plant, which were not there in the base number last year, like Paonta Sahib and Pantnagar.

Umang Mehta: Understood, okay. Thank you so much and all the best.

Neeraj Gupta: Thank you.

Moderator: Thank you. Next question is from Abhishek Shankar from ICICI Direct. Please go ahead.

Abhishek Shankar: Yes, thanks for taking my question. Congrats on the good set of results. So, you spoke about sneaker, right? So approximately what would have been the sneaker contribution towards volumes?

Nikhil Aggarwal: Quarter 1?

Abhishek Shankar: Yes, in quarter 1.

Nikhil Aggarwal: Give us a second.

Moderator: Abhishek, can I request you to mute your line?

Nikhil Aggarwal: About 12% to 13%.

Abhishek Shankar: Okay, yes. Thank you.

Moderator: Thank you. Next question is from Shraddha Kapadia from SMFS Limited. Please go ahead. Shraddha, can I request you to unmute your line and proceed with your question?

Shraddha Kapadia: Hello, am I audible?

Moderator: Yes.

Shraddha Kapadia: Yes, thank you for the opportunity. So, I just wanted to understand that following a healthy start to FY'27, are you comfortable of sustaining the double-digit volume growth for the full year? And what are the key assumptions underpinning your outlook?

Nikhil Aggarwal: So, hi, Shraddha. So we are, yes, we will be close to double-digit. We cannot promise a double-digit volume growth, but it will be high single digits for sure, right? It will be a combination of both ASP and volume growth that will lead us to mid-double-digit overall growth, right, for the year. And, of course, we are focused on the same growth vector that we called out earlier as well. Those are the key priorities for us. Like the women and kids' segment is doing exceptionally well. Great response there. And same with sneakers as a portfolio. Then school shoes, like we just called out, is back on track. That should give additional leverage with respect to additional volumes over and above our budgeted plans. And, yes, so these are basically the product categories that we are focused on at this point, which will lead us to incremental growth over our budgeted numbers.

Shraddha Kapadia: Sure. That was quite helpful. And I just wanted to understand that how has the Elan been received so far? And what role do you expect it to play in driving premiumization and ASP growth over medium term?

Uplaksh Tewary: So, Elan is almost a two-month-old launch now, and it is doing extremely well. It is selling currently in about 100 or 110 of our own stores, as well as actively selling on Amazon, Myntra, and our own brand.com. These are the core points of sale as of now, right? And we have seen extremely positive response. It is a very, very new category that we have entered from a product position. We have never done products of this sort. So, it, of course, has a rub-off effect on the brand perception and the value, as well as the ASP accreditation, right? This product normally, from a selling price, sells between the Rs. 1899 to Rs. 2599 price bucket today, right? It is significantly on the higher end of our entire portfolio. So whatever incremental sale we see in this category, it is too early to call out what kind of volume that we will reach in this category. It is just a 60-day-old category, but the initial signs are extremely positive. We would expand with the further launch of a new set of products in the same category during festive again. So, that is our level of conviction on this category, that we already launched our first set of products, and we have already logged in our next set of orders for the same category. So, we believe that this category is here to stay, and we see very high potential on this category because it is completely new, and we are able to cater to a newer set of consumers through this category who were earlier not considering Campus because the product profile is very different from what we were initially. And the value proposition of the product, as well as the brand is extremely high on this.

Shraddha Kapadia: Sure. Okay. Just one last question from my side. So, you have built the inventory ahead of the festival season. So, what is your current reading on the demand visibility, and are the secondary sales tracking in line with the expectations?

Uplaksh Tewary: So normally we, as an organization, like to build inventory prior to festive, primarily because the demand that comes during festive is significantly higher than our capacity to produce in that quarter, plus the challenges of lower production volumes during chhath puja and diwali, because the factories do not operate at full capacity during those 10 days. So, by default, it is a strategy that we have believed in, and we believe the inventories are completely under control. There has been a bit of tapering of demand in the last quarter across the board. There were factors of geopolitical, as well as certain factors like Maharashtra and Gujarat, suffering due to deep flood situations there. So of course there were factors that affected certain amount of demand, but our demand reading is still very positive. We believe that we will have a very strong, and we do not want inventory to be the reason why we are not able to fulfill our potential as an organization. Hence, we have been able to build the right sort of products. We already had the indication of the distributor meet, which gave a very strong visibility on what we need to produce ahead of the curve. And we have invested directly in those products, believing that being ready with those products will give us the first right to win when the demand fully reaches its potential.

Shraddha Kapadia: Sure. Thank you so much and all the best for the future.

Uplaksh Tewary: Thank you.

Moderator: Thank you. Next question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal: Yes, sir. Hi. Thanks for the opportunity. I just wanted to build upon the previous question. So, your commentary for upcoming festive season sort of seems to be very positive. You also indicated that manufacturing levels are at an all-time high. Can you highlight as in what is your growth expectation for the upcoming season based on whatever manufacturing you are doing? And secondly, there is some shift in the festive season, right? So, this time around, Diwali is in November. So, do you expect growth volatility in Q2 because of this?

Uplaksh Tewary: So, correct, right? Normally, the big festive events would be specific closer to November because Diwali is in November this year. So big events like BBD will be starting in October vis-a-vis September last year. So, there would be a bit of shift of revenue between September and October. But to build up to these festivals from an outright buy for Flipkart or any other buy from an outright channel, point of view, it happens significantly earlier. So, we do not see much of a difference. Of course, the marketplace operations, because of the date of the event shift from 22nd, say, September last year to maybe 5th or 6th October this year, there would be some marketplace operations or revenue shifting from quarter 2 to quarter 3. But we do not see a very, very significant movement in the spirit of the quarter.

Devanshu Bansal: And on the first part, sir, as in you must be having some planning from that perspective from what you are targeting for the upcoming season?

Uplaksh Tewary: As Nikhil mentioned, we are looking at a mid-double-digit growth as an overall annualized impact of a business. Closely split between ASP and volume. That is the direction that we are working on. And we believe that we are on track to be hitting these numbers. That is our aspiration. And we believe that our groundwork as well as the build-up to the festival is on the right track for that.

Devanshu Bansal: Okay. And second, sir, this is kind of to understand that impact because of accounting change by Walmart. So, I understood that revenue growth would have been impacted by this change. But was there an impact on EBITDA per pair also because of this accounting change? So, our EBITDA growth also in this quarter is 11%. So how should we see it? So, revenue growth at 15%, 16% and EBITDA growth at 11%. Is this a comparable number versus last year? So, I wanted to take your views here.

Uplaksh Tewary: So, on the Walmart piece, it is just an accounting treatment. The reduction in earlier this was treated as a commission element which would go from an expense item. Now it has been netted out directly from the top-line revenue. So, it is an accounting treatment primarily. There is no change from an EBITDA working primarily, from an absolute EBITDA working standpoint. So, it is the same exact number which is early an expense item. Now it is a revenue reduction item. So, when the settlement comes from the partners, they net off their commission and their GT charges and they settle the transaction. Earlier there was a separate invoice that would get received against this. This would completely get normalized from July because July last year is when this was introduced between Myntra and Flipkart both.

Devanshu Bansal: No, exactly. So that is what I am trying to sort of understand. So, whatever EBITDA per pair you were making earlier, this time around also you are making the same EBITDA per pair. So, how should we see your revenue growth? So, you indicated that 4% to 5% is just because of this. So that adjusted your revenue growth would stand at 15%, 16%. Then why is your EBITDA growth 11% is what I was trying to understand.

Nikhil Aggarwal: Well, there has also been a proportionate increase in costs with respect to HR like employee cost and the other SG&A which Neeraj just called out. So, HR also like there is actually an element of like 10%. So, 15% is the overall HR impact of which 10% would be annualization plus increments and 5% is basically new hiring. So, there is some impact of that along with other SG&A.

Uplaksh Tewary: And the 5% you mentioned at 4.5% to 5% had two components to it. About 2% driven by the GT impact and about 2.5% driven by the franchise model transition where we have changed the model from an outright business model to a SOR business model completely. So, I mean that 5% was not driven by the Walmart transition. It was a split of two change of model. One is Walmart and one was the franchise operations.

Devanshu Bansal: Got it. Just last thing sir. From an employee expense perspective, what is your expectation as percentage of sales for this complete year FY'27?

Nikhil Aggarwal: It would be proportionate to last year like how it would be in the same proportion as a percentage.

Devanshu Bansal: Okay, on a full year basis you do not see that hurting you, right?

Nikhil Aggarwal: Not at all because whatever increments and the additional we had to do it has already been baked in. We are not seeing any additional cost from here on.

Devanshu Bansal: Okay, thank you Nikhil. Uplaksh, thanks for taking my question.

Nikhil Aggarwal: Thank you.

Moderator: Thank you. Next question is from the line of Prerna Jhunjhunwala from Elara Securities. Please go ahead.

Prerna Jhunjhunwala: Thank you for the opportunity. Just wanted to understand the outlook for opening the number of stores this year as we have accelerated in this quarter. So, will FY'27 in future years see a higher number of openings by Campus?

Nikhil Aggarwal: Yes, so last year was actually an anomaly where we did some correction, right, which we called out previously. This year we are back on track with respect to at least 80 to 120 stores is what we are targeting. Let us say give more or less about 90 to 100 stores is what we should achieve by the end of this year. And we are well on target to achieve that. So yes, the new SOR model for FOFO is also significantly helping us. Not just with respect to getting new partners on board but also displaying the kind of inventory that we want to showcase at the EBOs. This gives us much better control as a company with respect to what we want to sell versus the partner deciding what they want to sell.

Prerna Jhunjhunwala: And any strategy, which areas you are focusing on opening these stores? Metro, non-metro, Tier-2, Tier-3? Because you have launched a new brand logo, how is it aligning with the store openings? Could you help us understand this as well?

Uplaksh Tewary: Our expansion plan so far also has been a Tier-1, Tier-2, Tier-3 expansion. And we continue to expand across all portfolios. We would have 40-odd stores in Delhi, NCR as we speak and about 15% in Bombay. Plus, we will be in all Tier-2, Tier-3 towns as well. Our current penetration is a bit lower in a couple of states like Kerala and Tamil Nadu and only one store in Northeast. Other states we are pretty much having a reasonable presence today. And we will further keep building. Just to give an example, Gujarat being one of our top states with about 60-odd stores. In there, we will have a store in Anand as well as CG Road. So, we will cover all aspects of the market. Of course, the store size, the rentals, the facades of course will be a factor to determine what kind of products, what kind of markets we enter into. But it will be a pan-India expansion strategy. Focus would of course be, some pockets of our focus will be Rajasthan, Maharashtra, MP, CG. We have seen extremely good growth and positive response in these areas. So, they will overpower the expansion. But it is not that the other states will not be part of the expansion strategy per se. I am saying even the transition that has happened. So, the first state to completely transition to the SOR model was Rajasthan, which happened in the month of March. And we have seen extremely positive like-to-like SSG growth in these markets. So, they pretty much are hitting the numbers that they delivered in last year's Diwali in this quarter. Because we are able to control promotions as well as inventory very regularly. Hence, we are already seeing very strong, the impact of this change of model. We believe once a quarter with 100% of our transition, when the impact starts coming, it will have a very, very strong impact from a revenue growth point of view for the channel. And we have been able to add a lot of partners also this year. About eight new partners have been added from the franchise model. We are operating on a slightly more exclusive statewise partner. But we have been able to now add one or two more partners in all big states. So that we have multiple partner strategy in these states as well.

Prerna Jhunjhunwala: Sir, we are focusing on one particular franchise, getting a master franchise for a state or something like that?

Uplaksh Tewary: Yes, that was the model so far also. So, the 150 store that we have opened was operating on the same principle. Some partners were having sub-franchises under them, but we would only be dealing with the master franchising only in those cases. But also now we are adding a set of new partners. So, there were about eight, nine master franchises we were earlier operating with. Now this number would increase to about 16. We would not be dealing with partners who are just opening one or two stores. That is not the model that we want to expand into. A partner normally in a stable state would at least have five to six stores in their portfolio.

Prerna Jhunjhunwala: Understood. And how is the new logo feedback and what are the basic purpose of changing the logo and how is it aligning with our strategy?

Uplaksh Tewary: So, the logo has been going into the product since December of last year. We had a grand event to launch it and make it into a public event in the month of May. And it has been extremely positively accepted in the market. All the products that have been launched since January have all been done with the new logo and the new identity. And it has been extremely positively impacted. The reason, since you mentioned why did we do it, it was to connect to a much younger audience as well as do a brand refresh and do an identity change. And we believe this was the feedback and we were listening to the market and there was a demand for us to be more attractive to a younger audience and this has helped us connect to them as well.

Prerna Jhunjhunwala: Understood. One more question on the franchisee part. Who is paying the rent? Is it the franchisee partner or the company? And any store metrics that you can call out in terms of what kind of guarantees or what kind of ROTs the franchisees will be earning on the brand?

Uplaksh Tewary: On the model, we do not pay any rent. We only pay rent for our own company, own company operated stores. The franchisee owned and franchisee operated stores, the entire dynamics from agreement to rent to store operations are controlled by the franchise partner. The only change in this model is that we control inventory and discounting now. So, they pay us a deposit on the inventory and we supply the inventory and we control the discounting as well as the promotions around it. And we control the entire replenishment cycle. So, there is no, sorry?

Prerna Jhunjhunwala: Inventory will be in your book. So, you will book it when it is sold to the customer.

Uplaksh Tewary: Yes. The final accounting treatment will be settled once the transaction happens finally. It is a similar principle to how a big modern trade accounts like Lifeshell and others operate across. It is the same principle on which we are operating. And from a ROI point of view, it will range from 18% to 30% range depending on store-to-store economics. So, it will be in that range.

Prerna Jhunjhunwala: Understood. Thank you. And I will come back for the question if it is required. Thank you.

Moderator: Thank you. Next question is from the line of Ajay Nandavar, an individual investor. Please go ahead.

Ajay Nandavar: Thank you for the opportunity and congrats on a decent quarter in this environment. In Gujarat, can you please help us understand what is the mix from different channels in all your trade, D2C online and D2C offline?

Uplaksh Tewary: So, of course, our big business is trade. But our franchise business is also extremely big in this market. So, the franchise business, approximately would be about 75% of the trade business here as of now. Online business, we do not have very, very clear indication of the exact data. We will have to get back on that information, especially to Gujarat. But it is amongst our best performing states today. And for the last three years, when we started focusing on west, Maharashtra, from a GT point of view, just to give a perspective, for general trade, Maharashtra is now our second biggest state after UP. And Gujarat also has significantly grown in the last three years since we have focused on the west market. So, I will have to get back on the share of the marketplace operations business from Gujarat. I do not have that number on me as of now. But for GT, as well as for franchise, this entire growth that I am talking about, the 60 stores that we have opened, the first store opened in 2021 only. So, this entire growth that we are talking about is less than a four-year growth for the entire Gujarat market.

Ajay Nandavar: Understood. And sir, how does the trade growth in Gujarat compare to the rest of your company during this period that you expanded your D2C offline presence in Gujarat ahead of other states?

Uplaksh Tewary: Of course, from a franchise point of view, it is the fastest-growing territory for us with more than 60 stores already operational today. So that is incremental. Even if a store in dynamics is at Rs. 6 lakhs per month, that is Rs. 70 lakhs or Rs. 80 lakhs of secondary revenue coming into 60 stores a year. So, it is a good amount of secondary revenue that comes from the state from a model that did not exist earlier. In the same interim period, our general trade also has grown at least 20% to 25% higher growth than the rest of the country. So, it is not that the growth has come at the back of our general trade business subsiding in that territory. We have still grown double-digit on Gujarat for our general trade business along with adding 60 of the mono-branded stores through a franchise network.

Ajay Nandavar: Sir, if I could, may I just add one more question to that? That sounds very counterintuitive. Can you help us understand what is happening in the marketplace? How does your D2C offline, whether your store or a franchise store, impact your trade business and vice versa? Because it seems very counterintuitive. I would imagine that your franchise business cannibalizes your trade business, but that is not what you are saying.

Uplaksh Tewary: So, we have never competed with the franchise channel through a pricing lens. It is through a differentiated product lens as well as a service lens. So, the consumer will never find a cheaper product in an EBO which he will not find it in the multi-brand channel. So, it is never a price-cutting strategy which some brands might adopt. We have not adopted that strategy. It is a product exclusivity and an experience adjustment. And I genuinely believe there are two ways. One is your share in the pie, of course, and you can take away share from other players also in the market. And there would be natural growth of the category within that state. Right? So, I mean, my business cohort does not remain fixed year-on-year. The size of the market is also changing as well as I can take away share from other players as well. So, we have done a very good job on retail expansion. We are one of the fastest growing stories. I mean, to open 50 stores in less than 36 months is almost one and a half stores every month in a state. It is a very commendable story. And that has also helped build the credibility of the brand in that state. So, more and more GT partners looking at the EBO network of a company would want to get associated with the brand and would reach out to the local distributors to start working with Campus. So, it has a whenever we have added franchise businesses, it has had a positive ramification on the rest of our business and not the other way around. It has a very positive ramification on the visibility of the brand on the availability of the brand and how the brand is perceived in these markets.

Ajay Nandavar: Understood. If I may just one more question. What drove slower growth in open footwear this quarter compared to other products?

Uplaksh Tewary: It is not a negative growth. It is a slightly lower growth. Some part of it is defined due to, so, sandals specifically work on a slightly different technology of hot and cold which was dependent on the CNG supply in our factories which was restricted during the war period. So, there is some constraint of supply on the sandals category which led to a bit of production lag. You would be aware there was some restriction that the government had laid on LPG supplies to our factories. So that was one of the factors. Plus the growth is lower but it is not substantially lower. It will be about 4% to 5% lower growth than the rest of the category. So, it is not that we are not focusing on the category. The focus on the other category, the sneaker build-up, the women's build-up as well as the school shoe build-up was much stronger.

Ajay Nandavar: So, this is the only category where you had production constraints because of CNG?

Uplaksh Tewary: There would be constraints. Of course, from a raw material standpoint, CNG because it works on a slightly different machine which is a hot and cold machine which works on this current model of supply of LPG. Hence, there was a constraint.

Nikhil Aggarwal: But broadly, the other categories were, we have been able to manage them. That is also something that we are very proud of our team. In such a challenging scenario, they have been able to maintain production with those constraints.

Ajay Nandavar: I have one more question and I can get back in the queue. Can I go ahead with it? Sir, price hike you mentioned that you have taken in starting April but you are saying it will flow in partly due to, how is that?

Uplaksh Tewary: So, the factor of school shoes, the change in the product mix primarily is a quarter 1 phenomenon which will start tapering out in quarter 2. I will not have as big a school shoe share going ahead into the season because this is the biggest quarter for school shoes. As well as GT has an impact which was a quarter 1 only phenomenon. It will also have a 2% change in my ASP mix. These two factors would naturally lead to 4% to 5% ASP improvement naturally. The rest of the newer product and newer category does not have much impact because I was also selling some of the FG that was existing on 31st March in my business. That product is also part of my sale in quarter 1. Once my entire production and inventory start moving to a new price point, automatically that will further flow into my ASP.

Nikhil Aggarwal: The raw material pricing also, as it comes down, which we are expecting it to start tapering now, that will also have a positive impact.

Moderator: Thank you. Ajay I request you to come back for a follow-up. Next question is from Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal: Thanks for the follow-up opportunity. Sir, I wanted to check. You mentioned you have taken 8% price hike. Is this ballpark in the range which has been taken by other players also in the industry? And sub-part to it is since we have taken price hikes now, is this also a result of reduced competitive intensity which is giving you this confidence of taking such price hikes?

Nikhil Aggarwal: Well, yes. I mean, as far as we know, there have been other players also who have taken price hikes in similar range or slightly lesser. But we have been able to deliver very, very reasonable volume growth with respect to after such a steep price hike also, right? So that gives us the confidence in the brand and the ability to be able to continue delivering it. And, in fact, the dealer meet happened in May, right? So that is after the price hike where we collected record orders and volume. So that, again, reinforces our confidence going into the season.

Devanshu Bansal: Nikhil, so broadly, this would be primary level confidence, right? So, again, can you give us some indication which gives you confidence that consumer has also sort of accepted this price point maybe in your D2C channels, etcetera? So, are you getting that confidence?

Nikhil Aggarwal: Absolutely. Like, you know, we also track secondaries. We have a very strong secondary tracking mechanism. Of course, like Uplaksh mentioned that we have seen little bit of tapered demand. That is, again, on the back of our secondary data, you know, that we track. So, we are able to know exactly at what point how the demand is behaving, right? But, having said that, we also know that the entire industry has been forced to take a price hike. It is not out of option or it is by force. Like, you know, everybody has to do it. So, therefore, this is the new norm now. Like, the prices have gone up and the customers will actually have to accept there is no other brand. There will not be any other choices left for them. So, this is unfortunate, but this is how the inflation is working right now in the country.

Uplaksh Tewary: So, our multiple businesses, right, which we are directly connected with the consumer, right? So, we had a mid-double-digit growth on our marketplace operations. We had a 20-odd percent growth on our SSG level on our company-owned stores. Our brand.com grew over 100% this quarter over last year, right? So, the businesses where we are controlling the entire value chain, we have seen extremely strong growth, right? And we have been able to pass on those prices as well as grow these businesses. That gives us the confidence that in a more stable and a much more positive environment, we will be able to grow significantly better as well.

Devanshu Bansal: Got it. And sir typically when there is such level of RM inflation, the unorganized competition just goes for a toss, right? So, are you seeing that happening in the industry? Maybe in terms of reduced competitive intensity also?

Uplaksh Tewary: So, there were constraints, I mean, without taking too many names here, there were production constraints that we are able to find that happen to some smaller or unorganized places as well because, of course, the cost of the working capital gets under stress. So, there were challenges that we are aware of. To what impact will it affect their supply during festive is something that we will have to find out when the time comes, but in this quarter for sure there has been constraints at certain competitions in unorganized and organized as well.

Devanshu Bansal: Thank you, sir. Thank you for taking my question.

Uplaksh Tewary: Thank you.

Moderator: Thank you very much. As there are no further questions and in case of any further queries, please reach out to the Campus Activewear Investor Relations team at ird@campusshoes.com. On behalf of Campus Activewear Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.