

29th May 2026

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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
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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 Monday, 25th May 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
General Counsel & Company Secretary
Membership No. A16092

Encl: As above

Campus Activewear Limited
Q4 & FY '26 Earnings Conference Call
May 25, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Campus Activewear Limited Q4 FY26 Earnings Conference Call.

As a reminder, all participant lines will be disconnected and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on the touchtone board.

Please note that this conference is being recorded. I now hand over the call to Mr. Hiral Keniya from EY LLP. Thank you and over to you.

Hiral Keniya: Thank you Yashashree. Good evening, everyone. On behalf of Campus Activewear Limited, I welcome you all to the company's Q4 and FY26 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. Sanjay Chhabra – CFO and Mr. Uplaksh Tewary – COO.

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: Thank you. Good evening. Thank you all for joining us today for our Q4 and FY26 Earnings Call.

We continue to demonstrate strong performance in Q4 and FY26 and are proud to report a 12.3% YOY growth driven by 18.9% growth in our online channel and 5.5% growth in our distribution channel. This reflects the strength of our execution across key levers, expanding distribution reach, accelerating online channels and enhancing our product mix, all of which contributed to a higher average selling price. Our ASP grew by 7% YOY to INR 683 driven by

robust demand for our sneaker range and our healthy product mix in women and kids category, reinforcing Campus as a trusted brand for the entire family.

As a leader in making premium sneakers accessible, we remain steadfast in our commitment to democratizing design-led high-quality footwear. Our sneaker portfolio continues to deliver strong momentum, accounting for a rising share of total volumes and reaffirming growing consumer preference.

Our accelerated time to market of 80-100 days enabled by a fully integrated manufacturing ecosystem gives us a distinct edge in rapidly introducing new designs and silhouettes while seamlessly aligning with market demand. We strengthen consumer engagement through the launch of nearly 250 new SKUs in FY26. The premiumization trend remains firmly in our favor, well supported by a richer mix of premium SKUs and a strong response to our refreshed product offerings.

During the year, we sharpened our brand identity with the launch of a new brand logo and the same was unveiled through a very successful brand meet with our distributors last week. At the core of this identity shift are three outward arrows symbolizing multiple paths and possibilities, reinforcing the idea that growth and self-expression are not bound to a single direction. Reflecting the move your way philosophy, the refreshed identity celebrates freedom of movement as an extension of personal ambition, culture and individuality. With a global design perspective rooted in the spirit of Indian youth, it represents a generation that values authenticity and the freedom to shape its own journey while marking Campus' evolution into a culture-led brand spanning fashion, sports and everyday lifestyle.

While we prioritize profitability over aggressive retail expansion this year, our exclusive brand outlet network remains steady at 300 stores. Meanwhile, our upper manufacturing facilities at Paonta Sahib has stabilized and we have commenced production at Pant Nagar unit. Currently, these units are delivering an approximately 2 lakhs average monthly output, which is likely to double by end of FY27, enabling us to efficiently serve rising demand across sneakers and other fast-moving categories.

Despite ongoing capacity expansion, we maintain disciplined working capital management resulting in a strong balance sheet and healthy return ratios with return on equity and return on capital employed at 18.1% and 22.4% respectively.

In the context of evolving geopolitical developments and inflationary pressures in certain raw materials, we took timely calibrated price actions across the entire range to safeguard margins. Looking ahead, we remain firmly focused on our long-term strategic priorities, driving innovation, staying agile and maintaining a consumer-first mindset.

With a product portfolio anchored in technology, design responsiveness and evolving lifestyle needs, Campus is well placed to further strengthen its position as a trusted everyday brand for young Indians.

Thank you and now I hand over the call to our CFO – Mr. Sanjay Chhabra to take you through more details on the Q4 and FY26 performance.

Sanjay Chhabra:

Thank you. Good evening, everyone and thank you for joining us on Q4 and FY26 earnings call for Campus Activewear.

First of all, I will take you through the Quarter 4 performance:

Our revenue from operations grew by 12.3% year-on-year to INR 456 crores, largely benefited by higher revenue in the online channel, which has registered a growth of around 19% and distribution channel, which has grown by around 5.5%. The company sold approximately 6.8 million pairs during this quarter, and the average selling price grew by 1.5% year-on-year to INR 668 per pair.

The revenue mix between men and women and children category stood at 78:22 versus 81:19 respectively in the last year same quarter. Our gross margins were at 52.1% in Q4 FY26 versus 52.3% in Q4 FY25. Marginal dilution in gross margin is driven by the GT charges impact in online business, which is largely offset by better channel mix, which is higher online saliency. Our EBITDA for Q 4FY26 was at INR 88.5 crores. The EBITDA margin stood at 19.2% during the quarter and improvement of 50 basis points versus last year driven by volume and revenue growth. Our PAT for Q 4FY26 was at INR 44.1 crores. The PAT margin stood at 9.6% during the quarter an improvement of 100 basis points versus last year, once again driven by revenue and volume growth.

Now I will take you through the full year performance. Our operational revenue for the FY26 grew by 11.4% to INR 1,774 crores, largely benefited by higher distribution which has registered a growth of 10.5% and online channel which grew by 9.8%. The company sold approximately 26 million pairs during the whole year FY26. The average selling price grew by 7% year-on-year from INR 658 to INR 683. The revenue mix between men and women category and children stood at 79: 21 versus 80: 20, which shows a 100-bps improvement in women and children category. Our gross margins were at 53.5% in FY26 versus 52.3% in FY25 and improvement of 120 basis points driven by product and channel mix. Our EBITDA for the year FY26 was at INR 314.7 crores. The EBITDA margin stood at 17.5% during the year and improvement of 145 basis points versus last year driven by revenue growth. Our PAT for FY26 was at INR 150.1 crores. The PAT margin stood at 8.4% versus 7.5% last year and improvement of 80 basis points driven by higher EBITDA margins.

Our balance sheet remains strong with return ratio that is Return on Capital Employed at 22.4% and Return on Equity at 18.1% as of March '26.

With this summary, I will now conclude my remarks and open the floor to the moderator for Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We will take our first question from the line of Aditya Soman from CLSA. Please go ahead.

Aditya Soman: Hi, good evening. Two questions for me. Firstly, if I look at the product mix in the pyramid that you shared, compared with 4Q FY25, we have seen a significant increase in the number of shoes sold below INR 1,000. One, could you just explain what happened? Why was there a shift between INR 1,000 to INR 1,500? And second, this pricing is MRP or is it the price at which it was actually sold?

Sanjay Chhabra: This price is the price which the company realizes, which is our average selling price. And if you are referring to the last slide of the investor deck, and the increase or the movement between different price points, that is a reflection of the corrections in MRP which happened post the GST change.

Aditya Soman: I understand. So, in other words, basically we have got many of the pairs of shoes that were priced above INR 1,000 are now priced below Rs. 1,000 and that would be the reason.

Sanjay Chhabra: Yes, because 12% GST got revised to 5%. Correct.

Aditya Soman: Okay, now that is very clear. And second question, just in terms of online mix improving, can you just throw a little more light on what is really helped with that?

Uplaksh Tewary: Hi. On the marketplace operation, of course you are aware that for the last three years we have increased our overall focus on marketplace operation as compared to the outright business. So, the growth levels have been three-pronged, of course, apart from Flipkart being the biggest partner for us. We have made a lot of improvements in our revenue mix with Amazon, Snapdeal, as well as our own brand.com. So, there have been further very aggressive growth that we have had on these platforms as well, along with our larger players continuing to grow, hence the higher salience in the last quarter.

Aditya Soman: That is very clear. Thank you.

Moderator: Thank you. Next question is from the line of Gaurav Jogani from JM Financial. Please go ahead.

Gaurav Jogani: Thank you for taking my question, Sir. So, first question is regarding the price increase. Nikhil had mentioned that we have taken a price increase because of the raw material prices increasing. What was the kind of price hike that we have taken?

Nikhil Aggarwal: Hi, Gaurav. So, I would not like to diverge into numbers, but there has been macro inflationary pressures with respect to raw material pricing and minimum wage impact, right, which has

affected the entire industry. So proportionately we have taken price hikes across the range. We are also working on cost-saving initiatives internally within the organization, but at the same time we have taken price hikes to mitigate these pressures as far as possible. So, rest assured we are doing everything we can to still deliver healthy growth and margins.

Gaurav Jogani: So I will ask the question because the raw material inflation has been sustaining. So the recent price hikes that you have taken, shall that suffice for you to cover the inflation or you might need to take more price increases?

Nikhil Aggarwal: No, we have taken enough increase in pricing to cover the inflationary impact. We do not see the RM impact going worse from here. I think we have seen the peak and with time, in maybe a quarter or so, it should start coming down as the war settles, but the pricing will not change. So that should benefit us in the latter half of the year.

Gaurav Jogani: My other question is for Mr. Sanjay. Our other expenses for the quarter and also for the year, Ex of the ad spend has increased by 5% only. Now for this particular quarter, if you look at the online salience, the online revenue has grown also by 19%. So the commissions I am assuming would also increase. So despite that, the other expenses have only increased by 5%. So what is leading to this 5% growth only and how should we build in for the periods ahead?

Sanjay Chhabra: It has a couple of elements. So, you said rightly online commission. Online commission again is a dynamic negotiation between our platforms or the channel partners and at times there are waivers based on events. So that is one element. And also, if you see, as Nikhil mentioned, that our store count remained flat, which means that there was no new cost associated with EBO stores which came in this quarter. So that is also one of the reasons. So, these two things kept the increase in other costs to the range of 5% to 6%.

Gaurav Jogani: Sir, just because the lease line item, if you look at the rentals, the lease line item shows a sharp increase in the lease related cost in the cash flows. So, if you can give us a sense what kind of rent we have paid for the entire year, FY26 versus FY25, because the lease line item looks sharply increasing, almost 3X.

Sanjay Chhabra: It is a technical accounting thing. The Pantnagar facility which we acquired, technically it is on a 71-year lease from the state government. So, the cash outflow is shown as a payment of lease liability, whereas like in a normal course you would treat it as a fixed asset acquisition. So that is why that number looks a bit inflated compared to previous year.

Gaurav Jogani: Sir, what would be the normal rental if we have to just have for FY26 versus FY25?

Sanjay Chhabra: For a full year, if you eliminate INR 65.4 CR, that is the normal number.

Gaurav Jogani: Sure, Sir. Thank you. That is all, Sir.

Moderator: Thank you. Next question is from the line of Aryan Garodia from Ambit Capital. Please go ahead.

Aryan Garodia: Hi, Sir. Thank you for taking my question. Sir, for FY26, if I see the inventory days, it has increased by approximately 5 to 6 days. So, if I see that, which leads to increase in cash conversion cycle. So how one should think of going ahead with respect to inventory days and what are the drivers for increasing in inventory days for FY26?

Sanjay Chhabra: Okay. I just want to highlight a bit here. Last year we reached to a FG inventory level in terms of pairs or in terms of days of cover to a very, very minimal level and we had to do that correction. We were deferring that correction. First, we were prioritizing liquidation of non-BIS inventory and then eventually where we have reached as of March '26, that is the right level of inventory to sustain the kind of growth or what we are aspiring for. So I would say that the level at which we are in terms of FG inventory, that is the right level. Going forward, it will continue to be that.

Aryan Garodia: Got it. And so second question is like what drove the decision to undertake the recent brand refresh, like including the logo change and the broader branding initiative undertaken this year? Like what benefit do we expect this year to deliver in terms of consumer perception or say brand positioning or consumer acquisition and in the long-term growth per se?

Nikhil Aggarwal: So you know this is something been on our cards for a long time actually. It is not like a very recent decision. Of course we have executed it right now. So broadly you know the idea behind that is that the logo, we wanted to come up with a refresh logo to also project the initiatives and the changes that have taken in the brand. We have really transitioned and transformed the entire brand positioning in the last two years or so. And therefore, the brand refresh or the logo refresh was important to be able to justify that to the end consumer. And this is something that we do a very detailed consumer study every year in January across cities with thousands of consumers. And this is also something that was very well received as a question that we put up to them. So, they did really appreciate the brand refresh, the new identity. So, it has been very well accepted in the market, very positive feedback from all the trade partners including distribution channels, online partners. Because the word mark has obviously been very, very strong as Campus word mark. But we do believe that the brand in today's time it needed a new identity in terms of logo as well.

Aryan Garodia: Got it. So just one last question. So, which could be the areas where the cost can be saved going ahead? Like would Ad spend be a part of this exercise since it would land up impacting the market share growth?

Nikhil Aggarwal: No, great question. So Ad spend is something that specifically I would rephrase that as marketing in the brand building initiatives. We don't want to compromise on that at all. And in fact we have taken a fairly aggressive budget in FY27 on the marketing side of course keeping the overall margin in mind. And that is something that we have never compromised over the

last 20-25 years. It is the philosophy of our brand identity that we have continued to invest in marketing no matter how the markets have behaved. And that is why we have continuously grown the market share. So, we will continue doing that this year as well. Because we don't want to deliver margins just by cutting corners with respect to marketing.

Aryan Garodia: Got it Sir. Thank you so much for answering my questions.

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 and congrats on a strong year. My first question is on the sneaker's portfolio. Possible to share how much did they grow? What was the mix in terms of volumes, revenues in FY26? And how are you looking to scale that up going forward?

Nikhil Aggarwal: We have had a very exciting year with respect to sneakers portfolio. We have grown this portfolio about a 100% year-on-year. But this year we have delivered also like a 100% plus growth on an annual basis. And quarterly it's been like 50% plus growth with respect to a sneaker portfolio. So, it is a testament to the fact that the development with respect to the products that we have done in sneakers and the quality we are able to produce it at from our new plants at Pantnagar and Haridwar has been phenomenal and very well received in the market. So we will continue doing that. It is something that is a big priority for us as a brand and a company. And it is definitely adding to the premiumization mix as well.

Umang Mehta: So can we assume that you are constrained by capacity as of now and these 2 lakhs per month which you are adding, these 24 lakhs annually will entirely kind of potentially grow your portfolio by another 60-70% in FY27 assuming that demand is robust.

Nikhil Aggarwal: So I would not say that capacity is a constraint at this point. I mean we have enough capacities and this number of 2 lakhs is actually a very dynamic number. We are continuing to increase capacity. The plants have been set up in a way that the capacity for Pantnagar for example after 2 phases of development can go up to 6 lakh pairs of sneakers per month and HRD2 can go up to 2 lakh pairs which it already is currently operating at. So, we are targeting in totality 8-9 lakh pair monthly production of sneakers and we are well on track to do that. So it is a phase development. I would not say we are short with respect to capacity at the moment.

Umang Mehta: And the second question was around pricing and margins. So historically have you taken such large a hike as you would have taken, I am assuming a high single digit hike could have happened. Does it lead to any temporary demand shock in terms of volumes? And in that context do you think FY27 you could kind of come to your aspirational margin band of 17 to 19% or would we push that milestone by year FY28 given the tough macro backdrop?

Uplaksh Tewary: So I do not think we have seen such an inflationary pressure in any of the past years. I mean as much as my memory can take me with the kind of pressure that have come from a raw material

standpoint as well as from a minimum wages' standpoint. It is a very major increase that we have seen. We have tried our best to pass on this increase through an MRP increase through the entire portfolio. We are trying to balance between the increase in ASP versus ensuring that demand also sustains. So, we are in a very nascent stage right now. This price increase happened in the first week of April. So we are just in the process. Of course, there would always be resistance when you take a reasonably strong price across your entire portfolio. But we are trying to mitigate it through better supply with better product launches as well as increasing our share of new product development that we do into the market. So we are trying to balance the two while we need to protect our margins but at the same time we do not want to lose our market share. So we are trying to find the right solution. The inflationary pressure is very high. Of course that is the bottom line. And we see us trying to maintain our market share without compromising on margins. And in April we were able to have a reasonably good start as well. So April was also on a positive note.

Umang Mehta:

Understood. Any margin guidance you can share for F27?

Nikhil Aggarwal:

No guidance, unfortunately. But we will definitely endeavor to stay within the range we have guided before, 17% to 19%.

Umang Mehta:

Thank you so much, Nikhil, and all the best.

Nikhil Aggarwal:

Thank you.

Moderator:

Thank you. Next question is from the line of Avinash from Motilal Oswal. Go ahead.

Avinash:

Hello. So my question is regarding the EBOs. So last year and the year before we have seen a good number of consolidations in the storefront and the storefront has more or less been flat. So how do we see this number going forward?

Nikhil Aggarwal:

Sure. So last year we did a correction. This was the year where we actually focused a lot on profitability. So, we shut down about 9 to 10 odd stores and we have opened about 13 to 14 new stores. And that has, of course, improved the P&L for this specific channel. Going forward, this year we will be back with respect to opening of new stores and we expect to open anywhere between 60 to 70 stores or about 80 stores, I would say.

Avinash:

Another bookkeeping question would be the CAPEX for these stores and also for the facilities that you will be incurring next year?

Nikhil Aggarwal:

CAPEX for the stores, right? Right. So we only do CAPEX for our COCO stores wherein we can assume the mix to be 40-60 approximately, like 40 COCO and 60 FOFs. So there would be some CAPEX with respect to our 30-35 odd stores that we will be opening.

Avinash: Thank you for that. But no, I am really asking from the company level CAPEX, how should we see things that our Pant Nagar facility has incurred a major CAPEX last year. So how should we see this number next year?

Sanjay Chhabra: Last year, since it was an acquisition of Pant Nagar facility, so the CAPEX was relatively higher. But apart from that, the CAPEX would continue to be in the normal range, which is plant routine maintenance CAPEX plus regular CAPEX on mold, regular CAPEX on EBO store additions and IT infra, etc. So we will go back to the normal range and then over a period of next three years, we will be incurring CAPEX for expanding our Pant Nagar facility, including addition of assembly lines. But first, at this point in time, we will try to optimize on the utilization of the upper facility at the first place in Pant Nagar. So we don't see FY26 like CAPEX spends in FY27.

Avinash: Got it, Sir. Thank you. That's it from my side.

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

Devanshu Bansal: Yes, Hi, Nikhil. Congratulations. Thanks for taking my question. Sir, we have recently concluded our annual distribution meet. I believe this is an important annual event for you. Checking if you can share some insights from the meet, based on whatever you witnessed during the meeting.

Nikhil Aggarwal: Yes, so we had a very successful meet. Concluded that last week. It was a two-day affair. And, of course, all our top distributor partners and our franchisee partners and online partners were all present. So we have received a really, really encouraging set of orders. I will not be able to share the numbers around that, unfortunately. But this is something that is like a four-month forward number, which helps us predict our supply and demand. And, of course, this meet was also focused around not just the orders, but also the new brand logo reveal. And a couple other surprises, which I will not be able to share at this point, due to confidentiality reasons. So, in all, this meet has given us very good visibility with respect to the orders and with respect to demand forecasting that we need to do to plan our supply chain.

Devanshu Bansal: Fair enough, Nikhil. I understand the competitive nature of the industry. But maybe in comparison to last year, whatever demand trends or obviously, these all are qualitative things as well. So, if you could just compare our last few years, how was the environment, and maybe compare that with the current year, that would also be helpful. Maybe if you could share some insight.

Uplaksh Tewary: On the order front, what I can say is that we had wanted to take our entire order booking till the month of September. Depending on the AOP alignments with our distributor partner, we were able to close that over 100%. So, the total alignment, which was deployed to the partner network till September, after excluding April revenue, which is already recognized by that thing. The balance number is what was committed and was aligned with the partners to come

and place an order for, and they were 100% of that number. So whatever is our AOP alignments with our distributors has been concluded till September. Now the execution phase starts. The orders are in right now.

Devanshu Bansal: Fair enough. This is really encouraging. Secondly, as a footwear industry, we are entering an inflationary environment. If you could share some insights around possible impact on the demand front, as well as key raw materials. I also sort of understand that this is a period where you can also sort of gain a good amount of share from the unorganized channels. So if you could share some sort of insights around that.

Nikhil Aggarwal: Well, we have seen inflation across categories, actually in raw materials, because most of it is linked to crude in some way or the other. But major impact we have seen is in EVA and PU pricing. But already, like I mentioned before, we have seen the peak of it. And as we speak, the prices have started to come down a little. And our latest purchase was at a slightly lower price, which is encouraging signs because the market is reacting to it. So it's a very dynamic environment at the moment. And we have factored in the peak raw material pricing within our cost and within our pricing that we have passed on. So that way we should be covered. With respect to demand, it is something that we are yet to see. I mean, as Uplaksh mentioned, we have seen a strong start to the quarter, quarter one. And of course, it will be difficult to predict as we go on. But we are fairly confident of maintaining market share and growing market share actually at this time because the impact that we have passed on as a brand, I don't think it's very comfortable and easy for a lot of the other smaller players to pass on in the market. Therefore, we believe that we should gain as a brand in terms of market share.

Devanshu Bansal: Any initial signs of consolidation, Nikhil, that last bit if you could address?

Nikhil Aggarwal: There are signs of it. I mean, signs with respect to because you'll have to understand that not every brand will have the pricing power to pass it on and also at the same time absorb all the entire raw material cost. So, there have been signs in the industry with respect to slowing down of production. That's come to our knowledge. So, there are many companies that have slowed their production at this time.

Devanshu Bansal: Thank you, Nikhil. That's it from my end. Thank you.

Moderator: Thank you. Next question is from the line of Sameer Gupta, IIFL.

Sameer Gupta: Firstly, Sir, on the ASP growth of 1.5% this quarter, now there is a healthy growth in the D2C online and offline space and typically here realizations are higher given no or low trade margins. So, unless the overall mix has been kind of unfavorable, what explains the low ASP growth this quarter?

Sanjay Chhabra: It's primarily the GT charges, in fact. So, last year in the online business, let's say we were having an ASP of INR 100, but in this year or since 16th of June, the portals changed their accounting,

wherein they are rather we are not billing. Instead of billing at INR 100, we are billing them at INR 82. INR 18 rupees towards freight is being billed directly by them and hence to that extent my revenue has come down and resulting into a lower ASP. So, this change happened with effect from 16th of June, which was not reflected in last year Q4, but is fully reflected in this year Q4.

Sameer Gupta: Got it, Sir. This explains. Second, sir, and this is more of an industry question, there has been a chatter around BIS rethink. Any indication you are hearing that there could be any relaxations on the BIS front or it is just a chatter with no substance?

Nikhil Aggarwal: I think it's just a chatter at the point, like there is nothing that we have heard of officially from the government yet. And as a company, we are fully covered with respect to the compliance. So, as we speak, we are left with hardly any stock of BIS. So, we will be fully compliant by 31st of July.

Sameer Gupta: Sure, Sir. That's all from me. All the best. Thank you.

Moderator: Thank you. Next question is from the line Shraddha Kapadia, SMIFS.

Shraddha Kapadia: Congratulations on good set of numbers. So, if we take a look, then there is an increase in competition from the global as well as the local brands, especially in the affordable athleisure segment. So, what does the management believe the Campus' strongest move as of today? So, would it be distribution, pricing, speed?

Nikhil Aggarwal: I am sorry. Your voice is not very clear, Shraddha.

Shraddha Kapadia: I am already on handset.

Nikhil Aggarwal: Shraddha, you are not very clear. I am sorry.

Sanjay Chhabara: Can you please repeat your question, Shraddha?

Moderator: Can you repeat your question, Shraddha? Sorry, Shraddha. Can you return back to the queue because you are sounding muffled? Please check your network, please. We will take our next question from the line of Nilesh Doshi from Prospero Tree. Please go ahead.

Nilesh Doshi: Thanks for the opportunity. Sir, my first question is related to the PAT margin. During the Quarter 4, the company has reported the 9.6% PAT margin in comparison to Quarter 4, FY25, 8.5%. And for the full year, it is 8.4%. Particularly because in Quarter 4, we have reported the ASP of INR 668, which is lower than the full year ASP of 683. So, what has actually occurred and what is the trigger point by which our PAT margin has increased during the Quarter 4? Can you please throw some light on the pat margin, sir?

Sanjay Chhabra: The PAT margin growth is primarily driven by revenue and volume growth. If you are trying to link it purely with ASP, the ASP is a function of channel mix as well. So, Quarter 3 ASP or full year ASP is higher because of Quarter 3. Quarter 3 ASP is higher because of higher saliency in online and Quarter 3 being season, right? Quarter 4, when we enter Quarter 4, the mix changes, which also includes more of school shoes and hence the ASP is slightly subdued. However, having said that, lower ASP does not mean that lower material margin, right? And in Quarter 4, we have shown decent growth in both volume and revenue, which has resulted into a better PAT margin.

Nilesh Doshi: So, is it particularly the Quarter 4 episode or can it happen in another quarter also? Because you mentioned that the school shoes were sold during Quarter 4. I think there is more contribution from the school shoes segment. Is it like that or Quarter 4 is one time during the full year?

Sanjay Chhabra: School shoes is highest in Quarter 4 and then again there is school shoes in somewhere around September, October, which can fall either in quarter 2 or Quarter 3, right? Which will result in slightly lower ASP, that's it. But that does not mean it will result in a lower margin.

Nilesh Doshi: Okay. And sir, I go through the presentation. The outsource versus the in-house ratio is still in favor of the outsourcing. Sir, is it our well-thought policy or will it be changed gradually by capacity? Or by increasing that capacity, can we improve the quality and overall margin for the company?

Sanjay Chhabra: Okay, it will definitely improve over a period of time, but it will show a very gradual change in the mix of in-house because the upper is still, we have a very good number of outsourced partners who make upper for us, exclusively. So, that will continue to be there. What will happen or what will change with the investment in newer capacity is that the sneaker volume, which has a high demand and requires investment in machinery, which we have done and not our outsourced partners. So, the sneaker volume will continue to be in-house, right? So, that will help us to improve the mix to serve our consumers in the category where the demand is and will result in a higher ASP as well. So, basically you can foresee this as that the future growth will be met from our in-house facilities by and large and that will result in a gradual shift in this saliency of in-house versus outsourced mix.

Nilesh Doshi: Any outsourced party is a related party or all are the third party?

Sanjay Chhabra: All are fragmented, very small. We have approximately 100 odd job workers which work exclusively for us.

Nilesh Doshi: And, Sir, my last question related to D2C channel. See, it is mentioned in the presentation that during the quarter, D2C channel has contributed around 48.3% versus 44.8% on a YOY basis. So, which vendors are falling under the D2C category and how this margin profile?

Sanjay Chhabra: By D2C, we mean both D2C online which is the portals primarily Flipkart, Myntra, Amazon, Snapdeal, etc. and D2C offline. By D2C offline, we mean the D2C is direct to consumer. D2C offline means all our EBOs, franchisee partners and large format stores like D-Mart, We-Mart, Lifestyle, Reliance Footprint. So, all this where we reach directly to consumer instead of reaching through intermediaries. So, that is D2C.

Nilesh Doshi: And how it affects your margin profile?

Sanjay Chhabra: We work on a certain margin threshold that remains the principle or criteria for we selling a product barring the EBO channel or exclusive stores where it is more about reaching out to consumers or reaching out in the new markets and the gestation period for such stores is slightly higher versus any other D2C online channel.

Nilesh Doshi: So, can I assume that D2C...

Moderator: Nilesh, may I request you to turn back the Q&A?

Nilesh Doshi: Okay, that's fine. Thank you, sir.

Moderator: Thank you. We will take our next question from the line of Gaurav Jogani from JM Financial. Please go ahead.

Gaurav Jogani: Thank you for taking my question again, sir. My question is with regards to, again, you know, the competitive intensity. You know, given the fact that you are now able to produce sneakers and also many of your competitors are facing issues in terms of production or getting footwear from outside India due to BIS reasons and many other reasons. So, how that has helped you over the last one year in terms of market share gains? If you can highlight some of the scenarios where it has played out?

Nikhil Aggarwal: Well, we think, Gaurav, that while we haven't done, honestly, a detailed study on market share post the IPO, but we do track the industry growth rate and, you know, we don't think the industry has grown last year beyond 7% to 8%, you know, at most. And us growing at about 12%, we think we have definitely gained market share. So there is some bit of consolidation that has happened in the market, both with respect to sports and sneaker range. So, you know, definitely given the current situation, we have a good opportunity on hand to further increase our market share in the market.

Gaurav Jogani: And, Nikhil, just one last bit from my end is in terms of the logo now. You know, given that we have a completely new logo, has there been any issues that you would have faced because people would associate a brand Campus with the older logo? And how do you communicate the newer logo to this? And because of this, have you faced any disruptions in the interim?

Nikhil Aggarwal: It's a very valid question, Gaurav. So we actually did a soft launch of this logo in October, November last year, where the new products that were being launched in the market were all

with the new logo, starting October 2025. So that was a soft launch. We didn't announce it at that point. And we have seen, like, you know, and the numbers basically tell the story, right? Like, O&D, we have had great results, and even quarter four. So that is clearly reflecting that all our NPDs that have been launched with the new logo have been very well received in the market. Therefore, that gives us confidence that the logo is, you know, very well accepted.

Gaurav Jogani:

Thank you, Nikhil, for answering the question. Thank you.

Moderator:

Thank you. Before we take the next question, I would like to remind participants to ask a question, please, the star and one on your phone. Next question is from the line of Mansi Joshi from SMIFS. Please go ahead.

Mansi Joshi:

Hi. Congrats for such a strong performance. There are two questions from my side. So Campus has been strong in North India, while South and West regions still contribute relatively lower shares. So, what are the key consumer differences, consumer behavior differences in these markets? And are you making any changes for being made to product assortment or branding to improve the penetration across these regions? The second one is given the competition from global as well as local brands, so the competition is increasing in affordable S&A segments. What are the campuses' strong moves today? Is it distribution reach or pricing or any local trend responsiveness? So what makes it different from the other global and local brands?

Uplaksh Tewary:

So Hi Uplaksh this side. On the first question, right, you asked about us being a North heavy business. Actually, that might be an older philosophy. I think we have been able to extract and reach a lot more markets. Just to give context, currently our second-largest state is Maharashtra, right, which wasn't so five years back from a Channel trade point of view, right? So there has been significant increase in a lot of states, including Maharashtra, Gujarat, MP, West Bengal, a lot of other states, right, including South. So we have done a reasonably strong job in AP and Telangana, and we are focusing on other states as we speak. There is a product differentiation from a market requirement. Some markets are slightly more open-heavy. Some markets are slightly more shoes-heavy. Some markets are slightly more sneaker-heavy. We try to customize our offering looking at the requirements of the particular channel as well as the geography. So the requirements of an online business will be slightly different. The consumer profile will be a bit different, and the general trade consumer will be slightly different. The consumer cohort is different. The geography cohort is different. So since we have a very wide assortment, we are able to customize our offering depending on the requirements of the particular market. So our team does regular visits to find out what exactly is the need. We do competition benchmarking. We do online benchmarking to understand what's happening in the market, and we build that into our product development cycle, right? So, we are not really North heavy company. Amongst our top five cities, there is Pune and Bangalore in our online business as well, right? And number two general trade state is Maharashtra today. So we have pretty much a very strong pan-India story and not really a regional story, and that's one of the reasons for our scale as well. On the second piece, when you mentioned what there is competition from multiple sites, local players, incoming, right? So the moat of Campus is a

multi-fold moat, right? We have a completely vertical and horizontally integrated supply chain vertical. We have the strongest distribution network. We have a very strong back-end R&D engineering, and we have a legacy and a brand identity and customer loyalty of over 20 years. All these add up to where our brand models, and I do not see it's very easy for anyone to want to replicate it. Of course, there would be competition, and that is part of our business, but all these moats are very difficult, if not impossible, to replicate in today's environment. So we believe that we have a right to win in the market, and we will continue doing so.

Nikhil Aggarwal:

Just to contextualize a little bit in numbers, we did just a very small check, you know, at our end with respect to anybody trying to replicate our supply chain, you know, would need maybe close to around INR 2,000 crores today to replicate the same level of supply chain that we have with respect to land, building, the plant and machinery that we have set up over the years. So it is something that, and it's not just the investment part of it, it is much more than that to be able to, you know, grow together with the entire vendor base to take them along with you, your partners, your channel partners. So, it's a very fairly complex ecosystem that has been created with a lot of rigor and, you know, brand, of course, investment as well over the years, which is something that we don't think is very easy to replicate by anybody else very easily.

Mansi Joshi:

Okay. Thank you very much.

Moderator:

Thank you. We will take our next question from the line of Tejas Shah from Avendus Spark Institutional Equities. Please go ahead.

Tejas Shah:

Hi. Thanks for the opportunity. Three questions. So first, this quarter was a very complicated quarter from the sense to gauge consumption demand sentiment because a lot of development happened at the fag end of the quarter. So just from your assessment or the way you are looking at data, would you say there was a perception or there is rather a perception shift in demand momentum which should sustain in FY27 or you believe that the whole event that has played out or unfolded in the last 60-odd days kind of disrupt the momentum which was created?

Nikhil Aggarwal:

So, no, you are right. There has been a very dynamic market at this point, but more so from a supply point of view, I would say. And like I mentioned, we have seen the peak of it with respect to availability of raw material and the pricing around it. Now, going forward, we see stability and some raw material has started to correct already. But on the demand side as well, yes, till March we have not seen really much of an impact. There was some impact in the month of March, but not very significant. Going forward, of course, if the war sustains, then it's anybody's guess, to be very honest. Nobody will be able to commit any kind of numbers with this kind of scenario, prolonging for a very long time, right? But if it sort of settles at this point, we see a good recovery in place and the market should recover also fairly soon.

Tejas Shah:

So second, on our better performance in online versus the other channels, was there any concentrated effort which actually played out or kind of resulted in good performance

surfacing this year in the channel? That's one. Second, based on the data, because online is a very reflexive channel on that front, do you believe that we would have gained market share or the channel itself did very well for the category at large?

Uplaksh Tewary:

I think the growth of marketplace is a growth that has been happening for some time for us, right? This is a journey that we have been over the last three years, where we have been building our own capabilities of running a marketplace operation. Over the last 12 to 18 months, we have also started leveraging the infrastructure of Flipkart, Amazon, and Myntra as well through the FBA, FBF, and Edge JIT models, which we supplied through their warehouse infrastructure, to be closer to the consumer cohorts. Last quarter, of course, the big call-outs for the quarter would, of course, be our long-term partnership with Amazon and the growth potential that we are seeing there. It's been a story that has been playing out for over 18 months now, and we see it continuing into the long-term future as well. Our brand.com is a very successful story, only launched about three years back. It will be among the top four marketplace platforms, if I compare it as an individual marketplace as well, as well as Snapdeal, which has also been a very, very strong turnaround story for us. While Myntra and Flipkart continue to be very big players for us, we have also been able to scale up the other partners and bring them to a certain pedestal. So, we don't see marketplace growth slowing down anytime soon. Of course, it's a tough space because it's extremely competitive, extremely expensive, extremely complicated, looking at the way this business is run overall, looking at the complication of return, logistics, marketing, other factors, as well as the alignments with the larger players. We have been signing off JBPs and JMPs with all these big players so that we have a long-term alignment and visibility with them. And we are able to focus on long-term growth creation with these partners. So, marketplace operation is extremely positive. Only Flipkart is the only partner we work with from an outright business point of view. All of the businesses for us on the online side are pure marketplaces.

Tejas Shah:

And so last one on brand logo change. Usually such an established brand, when it goes for a renewal on the logo side, at least for the initial period, it needs a lot of branding and marketing support to create that recall. So, should we expect some heightened branding spend this year or will it be part of the path of course in terms of what we will spend on this?

Nikhil Aggarwal:

No, so it will be part of the regular spend only, but more focused on the brand building side rather than performance marketing. So that is something that we endeavor to do this year is focus more on the brand building side.

Tejas Shah:

Got it, Sir. Thanks, and all the best.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today's Con call. On behalf of Campus Activewear Limited, that concludes this conference. Thank you for joining us. And in case of any further queries, please reach out to Campus Activewear's investor relations team at ird@campusshoes.com. You may now disconnect your lines.