

**6<sup>th</sup> February 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 <b>SCRIP CODE: 543523</b>	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 <b>SYMBOL: CAMPUS</b>
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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 2<sup>nd</sup> February 2026 and the same is also available on the Company's website i.e. [www.campusactivewear.com](http://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**  
**Q3 FY '26 Earnings Conference Call**  
**February 02, 2026**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Campus Activewear Limited Q 3 and 9 Months FY '26 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. Should you need assistance during the conference call, please signal an operator by pressing \*, then 0 on your touchtone phone.

Before we proceed on this call, let me remind you that the discussion may contain forward-looking statements that may involve known and unknown risks, uncertainties and other factors. It must be viewed in conjunction with our businesses that could cause future results, performance or achievement to differ significantly from what is expressed or implied by such forward-looking statements.

The Campus Activewear's management team is represented by Mr. Nikhil Aggarwal – Whole-Time Director and CEO; Mr. Sanjay Chhabra - CFO and Mr. Uplaksh Tewary - CBO.

I now hand the conference over to Mr. Nikhil Aggarwal – Whole-Time Director and CEO for his opening remarks. Thank you and over to you, sir.

**Nikhil Aggarwal:** Thank you. Good evening, everyone. Thank you all for joining us today for our Q3 and 9-M FY '26 Earnings Call. We continue to demonstrate strong performance in Q3 and 9M FY '26 driven by our focus on widening distribution and strengthening our product mix, which has resulted in a higher ASP. The robust demand during the festive season coupled with the positive impact of GST rationalization has further accelerated our performance.

During the quarter, we are related to report that our revenue surged by 14.3% Y-o-Y and our profit after tax grew by 37% Y-o-Y owing to sustained growth across the channels. We take a highly focused approach to product segmentation with a portfolio encompassing various occasion, channels and consumer mindsets. Building on this strong foundation, we are expanding our design expertise into full-scale apparel, maintaining the same agility and consumer-centric innovation that has characterized our Activewear journey. As pioneers in offering Premium Sneakers at affordable prices, we remain committed to making high-quality design-forward footwear accessible to a wider audience. Our Sneaker portfolio has doubled in volume, validating strong consumer adoption. The trend of premiumization continues to play

out positively for us, with ASP rising by 5.2% Y-o-Y to INR 711 in Q3 FY '26. This growth has been aided by a higher saliency of premium SKUs and strong acceptance of our refreshed collections.

At the beginning of quarter 3, we launched our brand campaign, "You Go, Girl" featuring the actor Kriti Sanon. This campaign has meaningfully strengthened our connection with women consumers who navigate life on their own terms, unbothered by labels and guided by choice. We are thrilled to see that the campaign resonated strongly with our female consumers, resulting in an improvement in the women's category mix.

On the manufacturing front, we are pleased to share that our Poanta Sahib facility, which focuses on upper manufacturing, has now fully stabilized. Additionally, we commenced commercial production of premium uppers at our Pant Nagar facility in January 2026. This enhancement of our integrated manufacturing capabilities will equip us to meet the rising demand for premium products in the coming quarters. With more than 90% of our raw materials sourced locally and all assembly conducted in-house, our manufacturing ecosystem is not only compliant but also strategically independent within a BIS-regulated environment. As a natural progression of our brand, we have strategically ventured into Athleisure apparel in January 2026. This expansion not only broadens our addressable market, but also unlocks incremental revenue opportunities from our existing customers, while enhancing store productivity. This move aligns perfectly with campus' long-term vision of becoming one of India's prominent lifestyle brands.

Looking ahead, we remain focused on disciplined execution, customer-centric innovation, and strengthening our operational efficiencies. These efforts are aimed at ensuring long-term value creation for all our stakeholders. Thank you and now I hand over the call to our CFO, Mr. Sanjay Chhabra, to take you through more details on the Q3 and 9M performance.

**Sanjay Chhabra:**

Thank you, Nikhil. Good evening, everyone and thank you for joining us in Q3 and 9M FY '26 Earnings Call for Campus Activewear. Highlighting on Q3 FY '26 performance, our operational revenue grew by 14.3% Y-o-Y to INR 589 crores in Q3, largely benefited by higher distribution which has registered a growth of 9% and online channel which has grown by around 18%. The company sold approximately 8.3 million pairs in Q3 FY '26.

The average selling price grew by around 5% year-on-year to Rs. 711 in Q3 FY '26. Women's and kids' share in the revenue mix has improved from 18.7% last year to around 22% during this quarter. Our gross margins were 53.1% in Q3 FY '26 versus 51.2% in Quarter 3 last year due to higher Sneaker mix and higher other income or operating revenues which is partly offset by lower mix of open footwear and also because of change in accounting policy by our e-com portals Flipkart and Myntra resulting in a lower revenue and lower trade or commission cost.

Our EBITDA for Q3 FY '26 was INR 115.8 crores. The EBITDA margin stood at 19.5% during the quarter, an improvement of 290 basis points versus last year, driven by seasonality and

execution led higher sales in key channels helping us to leverage our fixed costs more efficiently. Our PAT for Q 3 FY '26 was INR 63.7 crores. The PAT margin stood at a healthy 10.7% during the quarter, an improvement of 175 basis points versus last year. Our balance sheet remains strong with return ratio that is return on capital employed at 20% and return on equity of 17.6% as of December 25.

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, sir. We will now begin the question-and-answer session. The first question is from the line of Videesha Sheth from Ambit Capital. Please go ahead.

**Videesha Sheth:** Yes, hi. I hope I am audible. Thank you for the opportunity. So growth in the second and third quarter combined has been as high as 15%. So A, if you can break down the underlying levers of this double-digit growth, I understand you talked about widening distribution and product mix, etc. But probably in terms of the strategic alignment, if you could highlight the granularity. And B, since we are a month into the quarter now, have similar growth trends sustained? That was my first question.

**Uplaksh Tewary:** In terms of quarter 2 and Quarter 3 growth, like you mentioned, around the 15% number at a blended level. The core reason for this, of course, is the strength of our distribution and the execution process, back with a very strong product story on the lines of Sneakers, as well as the women's story that both Nikhil and Sanjay mentioned before. So very strong execution, partner focus, along with a very strong product point of view, backed with a very strong marketing campaign, which was the "You Go, Girl" campaign that we executed last quarter. I think all of these things playing together is the reason why we are delivering this. And on the forward-looking, I don't think we will be able to give any specifics on the guidance.

**Videesha Sheth:** Got it. My second question was that if I were to break down the region-wise revenue mix, there has been a good spike in the northern region, where the mix has gone up from 40%-47% odd. So are there any focused efforts being undertaken for the specific region, or would it be pertaining to weakening competition? If you can throw some light on the same, please?

**Nikhil Aggarwal:** No, it is basically a complete focus on, of course, we have very different strategies now for every region. So the way we are playing out the distribution channel is, it is almost like a state-specific strategy that has been formulated. And we have been addressing that for the past 2 quarters now, almost. So that is what is giving us the leverage also, apart from obviously having a very strong product line, which is again like channel-focused and region-specific also at the same time. So multiple initiatives of these kinds have come together to give us this growth.

**Videesha Sheth:** Thanks. Got it. And lastly, just on the Sneaker portfolio, you mentioned that the volume has nearly doubled. So what would the current Sneaker portfolio mix be in terms of volume and overall revenue?

**Nikhil Aggarwal:** So we don't share that number in terms of volume. We just wanted to let you know, of course, the base is also, it is like a new category, which you just entered in the last 1, 1-1/2 years. But we are basically doubling that volume for the past, every quarter, almost, for the last one year. And it is a premium category. It is about Rs. 900- 910 ASP contribution just from Sneakers. So it does materially add to the premiumization.

**Videesha Sheth:** Got it. I had a few more questions. I will get back in the queue. Thank you. All the best.

**Nikhil Aggarwal:** Sure. Thanks.

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

**Gaurav Jogani:** Congratulations on the strong set of numbers. And thank you for taking my question. My first question is with regards to the growth in the online format this quarter. It seems quite great. How much is this due to the shift of the festivity led and how much you would see in terms of the core growth on the online space? Also, in addition, if you look at, while the number of touchpoints for you have increased from 20,000-29,000 odd, however, if you look at the number of distributors, this quarter, it seems that they have come down. So if you can help us on these two aspects?

**Uplaksh Tewary:** On the two questions that you asked, specifically on the online front, about 2 years back, we started pivoting our business from an outside based model to a market based model, right. I think we are pretty much complete on the journey. Only one big platform we do outside business model with them. Every other platform today sits on a pure market based business, gives us much stronger control, gives us much stronger levers of running this business, right. And within the larger market based ecosystem, I think we have been able to deliver extremely good performance in certain accounts like Amazon. I think the pivot from outright to a marketplace business has been the strongest in this channel, and which is also leading to the overall growth of this vertical. On the general trade side, we have launched a newer format of a super stockist, right. And smaller wholesalers or smaller distributors have been mapped under the super model. And hence, you might see a small reduction in the overall distributor account because those are not directly mapped to us. They will be mapped to an intermediary of a super stockist.

**Gaurav Jogani:** That is helpful. Uplaksh, Thanks. Just one more thing. In the past, what we have noticed is there has been quite a volatility in terms of the quarterly performances that we have seen. But going

now, how confident are you of at least sustaining these kinds of trends or performances going ahead?

**Nikhil Aggarwal:** Gaurav, we understand your apprehensions. That is what we are trying to fix. We have done a lot of interventions over the past 3 years to bring a sustainable growth and predictable growth to the organization. And you will appreciate that for the past at least 2-3 quarters, we have been consistent in doing that. And therefore, we have a high degree of confidence on the way forward as a lot of those initiatives which have been planned for the past 3 years are now materializing and coming together. So we have a high degree of confidence on the way forward.

**Gaurav Jogani:** Sure. And just one last question from my end is in terms of the gross margin expansion that we are seeing. And it is also collaborating with the premium contribution of the Sneakers portfolio also increasing. So can we take the current margins, the gross margin levels at least as a sustainable one going ahead, if not expanding? And if you can also help us in terms of the certain cost initiatives that are helping you to bring the overall cost down. That would be the last set of questions for me?

**Sanjay Chhabra:** Yes, we targeted an improvement in gross margin versus our last year numbers in our annual business plan. And we are sort of consistently heading towards that. However, our business is dependent on seasonality or sort of skewed by seasonality, festivals, and marriage seasons, and also the product mix. We are trying to be consistent. And the next quarter would be more towards open footwear. So it would be unfair to compare quarter-on-quarter gross margins on a full year basis. That would be a right reflection. And the aspiration is to improve versus last year. And on the cost side, of course, we are trying to be more consistent in terms of phasing of our production. That helps us to plan our facilities or lines and optimize on the cost side, which is able to help us in mitigating the inflation on account of minimum wages, etc. And that is what is translating into leverage benefit, which is getting reflected in the numbers.

**Gaurav Jogani:** Sir, just one clarification. Actually, the reason why I have this question was based around if you look at the ad spends, the ad spend was quite a decent jump of around Rs. 65 crores in absolute that we saw. So what are your comments in this context that is the ad spend this quarter a bit more higher because of the seasonality and probably this would normal out for the yearly average that we normally have seen in the past?

**Sanjay Chhabra:** Yes, of course. This quarter, the ad spends are higher because of our TV campaign and also the digital campaign.

**Nikhil Aggarwal:** But it was just to give more clarity on that. We are, as you know, focused on long-term brand building and we did about 10.2%, if I am correct, in Quarter 3 last year on the ad spend versus 10.9%. So this is, of course, a quarterly seasonality thing as well. At the same time, we have

been in line with the overall ad spend that we have planned within the budget. So we don't want to reduce on the ad spend at this point.

**Gaurav Jogani:** Sure. And just lastly, sorry if I may slip in one more question. On the new Athleisure apparel venture, if you can give us more insight into what, is it just now, right now, only introduced in the EBOs or is it also piloted in some MBOs as well? How are you going about it? How are you thinking about it? Some more color you can give out?

**Nikhil Aggarwal:** Sure. So currently, we are very excited to launch this entire new category. This has been on our bucket list for quite some time and we are glad that we came around to getting it launched. Basically, it is going to increase our addressable market significantly and we expect, because this is a similar model to how the bigger companies, the MNCs have grown across the world and this is a natural pivot for us as a sports company and organization. And this should incrementally add to the first-door economics meaningfully. But at this point, it is basically a pilot that we have done in about 60 odd EBOs and we will continue to add more EBOs because there is a small change we have to make into the EBO as well to add a trial room and a certain area dedicated for apparel space. So as we are doing that, we will continue adding more and more stores to the mix. But at the same time, we have also launched it on our brand.com and Myntra and Amazon. So it has been launched on these three platforms at the same time. So far, the result is very encouraging.

**Gaurav Jogani:** Thank you, Nikhil. That is it from my side.

**Nikhil Aggarwal:** Thanks, Gaurav.

**Moderator:** Thank you. The 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 great quarter. My first question was on online. So continuing on what Gaurav was mentioning, you have seen an acceleration in online growth despite a slightly early festive this time around. Are you tracking share gain on the platform? Anything on that front, if you can highlight, with whatever data you get from the platform?

**Uplaksh Tewary:** So yes, like I mentioned earlier, that there is a very strong pivot towards the market-based business and we are aggressively expanding the channel as well. This means the pivot has been very strong as well as the women pivot. One of the strongest channels to have delivered both of these key organizational directives has been the online channel. And I mentioned earlier, there has been a very strong shift or incremental uptake in our Amazon business as well. We have pivoted completely from an outright plus market business to complete market business over the last 18 months. And we have been able to work a lot on the input metrics or the metrics that are required to succeed. So we are trying to get better at the marketplace operations as much as we can. And as well as since there is no published data that these

channels offer us, I would not be able to comment on that. But of course, there will be some improvements for sure, looking at our performance.

**Umang Mehta:** And what was the mix of marketplace versus outright and 3Q?

**Uplaksh Tewary:** So apart from, there is only one platform that we do outright business to do as a stick.

**Umang Mehta:** Are you able to share a percentage of online sales, which came from marketplace versus outright?

**Nikhil Aggarwal:** Would be approximately 80-20 or like 75-25, roughly.

**Umang Mehta:** Got it. And second question was for Sanjay sir. So on this inverted duty structure, what would be the approximate impact if there is no resolution by year end for the full year?

**Sanjay Chhabra:** We are still evaluating. As far as raw materials is concerned, we have started filing the refunds with the state governments for the inverted duty structure.

**Umang Mehta:** Got it. And just one bookkeeping. So could you call out the optical or physically the adjustment in business model of the online platform? What was the impact on topline and other item this quarter?

**Sanjay Chhabra:** Yes. For this quarter, it was approximately Rs. 10 Cr.

**Umang Mehta:** Got it. Thank you so much. All the best.

**Moderator:** Thank you. The next question is from the line of Sameer Gupta from India Infoline. Please go ahead.

**Sameer Gupta:** Hi. Good evening, sir. And thanks for taking my question. First of all, congratulations on a good set of numbers. Sir, I believe that there is a GST rate cut for a large part of the products that you sell. And this quarter would also have seen some impact of channel upstocking, which is what the feedback is wherever there are GST cuts. So if you step out or let us say just look at channel upstocking first, would you be able to give us an adjusted number of our growth this quarter if you adjust for that?

**Sanjay Chhabra:** We don't see any channel upstocking. Our inventory with the channel partners continue to be at 84 days at the end of this quarter from our DMS data, which hovers in the range of 80-90 days. So it is very much within the norms. And so far as we believe that we are working on replenishment models. So whatever secondaries are happening, we are able to match it with commensurate primary sales and keeping an eye on the inventory levels with the distributor partners.



**Sameer Gupta:** Got it, sir. And if I may ask, at a consumer level, what would be the price reduction on a blended basis for Campus as a company?

**Sanjay Chhabra:** At a consumer level?

**Sameer Gupta:** Yes.

**Sanjay Chhabra:** At different price points, we had to change the MRP. So let us say the MRP reduction would be in the range of 5%-6%.

**Sameer Gupta:** But for you, like a large part would be in the range of INR 1,000-2,500 MRP, right?

**Nikhil Aggarwal:** All of it actually, yes.

**Sameer Gupta:** But there the GST cut is from 18 to 5%. So technically, a 10%-11% kind of a price cut should have been passed on, right?

**Sanjay Chhabra:** No, but our price, our selling price normally is below INR 1,000. So it is for us, the expected pricing is normally at 12%.

**Nikhil Aggarwal:** You are looking at the MRPs, Sameer, right?

**Sameer Gupta:** Yes.

**Nikhil Aggarwal:** You are looking at the MRPs, but our transaction value, our billing value is like 50% of the MRP, approximately, as a thumb rule.

**Sameer Gupta:** But, sir, the GST rate would be dependent on the MRP only, right?

**Sanjay Chhabra::** Sameer, sorry, if your correction is at the consumer level, the benefit would be higher.

**Sameer Gupta:** Thanks for this. Lastly, sir, with free trade agreements being signed, I know it is out of context, but footwear as a sector has become more competitive as an export. And given your manufacturing prowess, would you be like exploring this opportunity going forward?

**Nikhil Aggarwal:** Yes, absolutely. It is an exciting opportunity, given that we are one of the lowest cost producers as a country, right. So we will definitely be exploring that market.

**Sameer Gupta:** So any plans as to CAPEX or supply augmentation in near future?

**Nikhil Aggarwal:** No, we have already invested, as you know, into Pant Nagar and Poanta just came online and stabilized. And Pant Nagar, the new investment that we recently announced 4 months back is already live with production. So now we expect to stabilize that plant soon and that will

definitely add to the existing capacity. So we are good for the time being. We don't need to invest more.

**Sameer Gupta:** But sir that would be for the domestic market, right? If you are exploring newer markets and exports, you would still need more capacity plus some level of business exploration, etc. Some team there or something on those lines also, right?

**Nikhil Aggarwal:** Adding capacity is not a constraint as we already, we have invested into the landed building of Pant Nagar, which is anyways very large. And we are just activating a small portion of that. So we have enough space to add capacity as and when required. And it is very quick for us, like we don't take time to do that.

**Sameer Gupta:** Great, sir. Thanks for this. I will be back in the queue for any follow-ups. Thanks a lot.

**Nikhil Aggarwal:** Sure. Thanks.

**Moderator:** Thank you. The next question is from the line of Resham Jain from VVT Asset Managers. Please go ahead.

**Resham Jain:** Yes. Hi, Nikhil. So I have two questions. First one is with respect to the Apparel business, you mentioned that you are doing Athleisure apparel primarily through EBOs right now. Is that correct?

**Nikhil Aggarwal:** Hi, Resham. So it is EBOs, of course, is a big focus. But we have also launched on brand.com, i.e., campusshoes.com, Myntra and Amazon.

**Resham Jain:** And possibly, compared to the existing footwear business, this will have a much larger online play, given that this category itself is very large and you are the largest player on the footwear side. So that will give some kind of help to you on the online side?

**Nikhil Aggarwal:** Yes. Absolutely. Online is a big market for this category. On the offline side, we have just started with EBOs. First, we would like to cover the base of EBOs and possibly we can look at the GT model later. But that is a little too early to call that out. Online would be definitely a key market for us to focus on.

**Resham Jain:** Understood. And the second one is on the EBOs. It is a very small piece right now. But given that our price point, which is comparatively much lower than most of the other footwear retail players, how are we thinking about the EBO strategy? Also, in context to most of the foreign brands now, they are more focusing on the experience store rather than a typical retail store. So any thoughts on the EBO strategy?

**Nikhil Aggarwal:** Yes, absolutely. So we have not actually increased the overall count in this last one year versus last year, FY '25. In these 9 months FY '26, our count is more or less static because we have

shut down a few non-profitable stores and we have opened a few, right. So currently, the focus for us is on profitability first. We are focusing a lot on profitability and opening stores very judiciously accordingly. So rather than just going all out on opening stores and adding to the cost. And apparel is a big part of that as it will add to incremental revenues on a per square feet basis. So we want to absolutely bring profitability first and then continue adding more stores, so possibly going a little bit slower than what we initially anticipated to. Uplaksh, you may want to add anything?

**Uplaksh Tewary:**

Yes, on the EBO front, we are trying to get a unit economics at the store level perfectly right. The apparel and the other some ancillary category addition to the store is an effort in that direction as well, right. We as a strategy, wanted to open commercially viable stores because a large part of our EBO network is operated through our franchise partners. So profitability of those partners is very imperative and we want to get that unit economics perfectly right. In terms of the experiential stores, there will be certain important stores that we will open. We have had some stores on those lines like Bandra in Bombay and some other stores on those lines. We have had some stores which were made to exhibit the brand in its entirety. But yes, at an overall level, profitability will be a very strong favor because these stores are being opened across the country through multiple franchise partner networks. And to ensure that they are making strong returns on their investment, we need to ensure profitability stays as a core. But this year, since we have opened about 300 stores in less than 4 years, this year we are as a way to correct our footprint and do a short correction of unit economics. And then, after maybe a few months or quarters, we will again get back to expansion on this channel.

**Resham Jain:**

Thank you so much. Congratulations and compliments, especially on the working capital that you guys are managing. Quite incredible. So thanks.

**Nikhil Aggarwal:**

Thank you.

**Moderator:**

Thank you. The next question is from the line of Rehan Syed from Trinetra Asset Managers. Please go ahead.

**Rehan Syed:**

Yes. Good evening for the team and thank you for giving me the opportunity. Like most of the questions have been answered, so I just want an understanding regarding your replenishment model. So sir, in recent replenishment and never-out-of-stock models are key pillars. So approximately what proportion of Quarter 3 sales came from replenishment versus fresh launches? And how does this mix influence gross margin inventory risk going forward?

**Nikhil Aggarwal:**

We couldn't get that completely. I think there was some voice jittery there. But what I understand is you are asking about replenishment versus the core. Like replenishment is a core model definitely that we follow. It is a DMS and the digital apps that we have on the feet on street that the sales officers use. And through that model, we basically replenish the inventory, which we see at the distributor's top level, which is diminishing but which has high sales. So

that is how we replenish and it is an automatic replenishment model. So we are moving towards that direction. Currently, we are developing technology to auto-replenish the depleted stock levels.

**Rehan Syed:** And just for clarification, you have mentioned that for this Quarter 3 sales, majority of our revenue comes from replenishment, right?

**Uplaksh Tewary:** I am just trying to explain how the model works. There is a made-to-stock and made-to-order model, right. So we are trying to move as close to the made-to-order model, right. We have distributor meets and retailer meets that we have to have through the year, right. We have a grand distributor meet that happened in May this year and followed by a host of this retailer meet where the distributor calls the retailer partner. And this was done primarily in quarter 2 this year and extended into Quarter 3 as well, right. Through this mechanism, we collect orders through a varied host of networks in the general trade side, right plus, we have started using digital tools to make this even more efficient. We are trying to leverage the inventory visibility in DMS to plan our inventory management. We are using a tool to do order gathering at the DMS meet, at the distributor meet, as well as the retailer meet. We have genesis in our retail pause through which we use our weekly replenishment cycle for our EBOs as well. And online also, we use Unicommerce as a partner through which we run our daily and weekly replenishment cycles, right. So there is no way to distinguish what replenishment is. I thought I will explain the definition of replenishment. We use basically a secondary tracking mechanism to be able to drive our business objectives, right. It is not made to stock and then try to put it in the system. We take extra efforts to get input from the market through the EBOs, be it online or via the general trade or retailer network and create orders or products according to that, right. So that is what our replenishment model is.

**Rehan Syed:** Thank you for clarification. Thank you.

**Moderator:** Thank you. The next question is from the line of Ankit Kedia from Phillip Capital. Please go ahead.

**Ankit Kedia:** Sir, three questions. First is, for the quarter, we saw 5% plus ASP increased. At the same time, you mentioned because of the GST, we took a 6% price cut. That makes it a nearly 11% on product-wise increase. So where are we getting this increase from in the market?

**Nikhil Aggarwal:** Sorry, Ankit. Can you come back again with your question?

**Ankit Kedia:** Sure. I saw there was an ASP increase of 5%.

**Moderator:** Ankit, I am sorry to interrupt. There is a background noise from your end. That is why we are not able to understand what you are speaking. Can you please move to the pointer?

**Ankit Kedia:** Sorry. Can you hear me now?

**Nikhil Aggarwal:** Yes.

**Ankit Kedia:** We saw 5% ASP increase in the quarter, while at the same time, you mentioned that there was 6% price cut due to GST. So if the GST cut would not have happened, probably the ASP increase would have been 11%-12% odd. Where are we getting this ASP increase from at the full portfolio?

**Sanjay Chhabra:** Ankit, I think your understanding is incorrect. GST never gets added to my sales revenue and hence will not impact my ASP. The 5% increase in my ASP during the quarter is primarily driven by improvement in mix. And it is two types of mix. One is your channel mix and one is the product category mix. So in the product category side, our Sneaker has shown almost doubled versus last year. So that is one key contributor. And on the other side, on the channel side, the more we sell in the marketplace and our own brand.com, we are able to get a better realization and that results in an improvement in ASP. So the GST has nothing to do with my ASP because that is never part of my sales revenue.

**Ankit Kedia:** Understood. My second question is on the revenue contribution then. We saw upwards of Rs. 1,500 contribution increase from 53%-58%. While understand on Sneaker portfolio, which will be sub INR 1,000, that contribution increasing from 16%-21%. What has led to the above Rs. 1,500 contribution?

**Sanjay Chhabra:** So it is again as I mentioned, the second lever, the channel lever. So on the online site, the realizations are higher and hence what you call saliency has shifted from Rs. 1,200-Rs. 1,500 more towards Rs. 1,500 and above. And that is what is getting reflected.

**Ankit Kedia:** Is it a conscious effort to reduce inventory in Rs. 1,000-Rs. 1,500 price point?

**Sanjay Chhabra:** There is always an effort to move towards premiumization. So my sneakers are, my realization is higher, the MRP is also higher. So that way the brackets would change towards premium mix

**Nikhil Aggarwal:** Ankit, it is also a seasonality mix because quarter 3, of course, we sell higher premium mix, slightly higher premium than let us say, quarter 1, which would be more focused towards open category. So there would be some changes in terms of that mix on quarter-on-quarter basis also, in terms of the premiumization and semi premium saliency.

**Ankit Kedia:** Referring to more on Y-o-Y basis, because Q3 FY '25 numbers we have. And on that basis, even in sub INR 1,000 price point, we have seen a good 400-450 bps movement, sub INR 1,000. So that I can understand it could be, due to, the Sneakers where you said is average is 900-950 bps price point. But the gap between INR 1,000 and 1,500 from 31% to 20% odd is a very big change in positioning also in the semi premium category?

**Nikhil Aggarwal:** Sure. That is also in part to some of the Sneakers that have done very well for us in the INR 1,500 plus category, right. So their saliency has also added to this mix change.

**Uplaksh Tewary:** Just I think there is a bit of a confusion. When you are mentioning INR 900, right, when you are talking about INR 900 as the ASP for Sneakers, right, that is my ASP in my revenue, right. And the table I think you are referring to is the MRP table, the share of INR 1500-3000 that you are referring to in the table that is the MRP table. So that INR 900 would be correlated to about an INR 1,800 MRP. So just to clarify these things, right. So the INR 900 is my realization, MRP of the product would be tentatively about INR 1,700-1,800.

**Ankit Kedia:** Sure, got it. My last question is on your new brand ambassador. Now, Kriti Sanon was a brand ambassador for competitor retailer for 3-4 years. And in that time, if I look at that retailer's revenue, it didn't move significantly. In fact, they lost significant market share. So what made you sign her as a brand ambassador for the new women's product?

**Nikhil Aggarwal:** Well, we think she resonates very well with the long-term brand building aspiration that we have. And she has significantly contributed. The campaign has done incredibly well. So I am not sure of her past or like whatever happened in the previous company. But she has done extremely well, in terms of consumer pull, has been significant as the women category, as you know, has grown by almost 40%. So yes, some share of that credibility, we will have to credit her also to that.

**Ankit Kedia:** Understood. Thank you, Nikhil and all the best.

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

**Devanshu Bansal:** Yes. Hi, Nikhil. Congratulations for growth pickup. Nikhil, first question is on Athleisure category. The growth is struggling for quite some time now, right? So this is the data that is available for some of the publicly listed players. And we will be competing against various MNC brands over the preferred online channel, where all these players are also present. So I just wanted to check how have we positioned our products to sort of gain share within this category?

**Nikhil Aggarwal:** So yes, great question. So firstly, of course, this is part of a strategy in terms of leveraging the brand equity that you have created over the years, right. And as you know, we are very strong in the Tier 2 and 3 markets and now Tier 1 as well is the share is very significant. So this is a very good add on, supplementary category to invest for us as a brand, like it may not be a very good decision for a newcomer, but for a mature brand like us, it makes a lot of sense. And at the same time, like the quality and the price point that we have launched it is very attractive. So very high quality at very reasonable pricing, right. As we understand, it is a competitive space. So it will take some time to build this category up for sure. But the pilot so far has been

very encouraging and also currently the mix that we have launched in this is more towards summer apparels. The winter collection is still quite fairly new and like less in terms of SKUs. So as we progress into the summer season, we are sure that we are going to get an even better response on top of this.

**Devanshu Bansal:** Great, sir. And second, there is this big GST reduction that has happened for the upcoming launches for the new season launches that will take place now. So I wanted to check, will we be working with the lower MRP price points or we are focusing on providing better products at similar pre-GST MRP price points?

**Nikhil Aggarwal:** Yes, the value proposition definitely will increase significantly, right. So for example, the same shoe for INR 1,500 bucks, INR 1,499 will have significantly more value than what it previously had in terms of the new product launches.

**Devanshu Bansal:** So the MRP, that magic price point that we operate at, right. So they will broadly remain stable and we will be providing better products is the right understanding, right?

**Nikhil Aggarwal:** Absolutely, yes. So there will be more value addition, if I can put it crudely, like there will be definitely more value addition in the same price point.

**Devanshu Bansal:** Understood. And last question from my end, Nikhil. So when we see from a demand environment post this big GST cut, if you can share your reading from the channel perspective, because our growth has definitely picked up, but there are certain new businesses like women, sneakers, etc., which have added to the overall growth. The like-to-like growth in, say, men's footwear would still be relatively lower versus the company average, if my assumptions are right. So what is your reading on the demand environment as of now? Has it improved or it is still a bit of a challenge?

**Nikhil Aggarwal:** So demand has improved to the extent that it normally does a little bit better, of course, in terms of the season as well in terms of quarter 3. And after GST cut, it has improved a little. But I would say it may improve further going forward because it is still not as per what the industry is expected. And this is for the entire industry. The demand hasn't picked up the way the industry anticipated it. And in terms of the growth, what we have done is we have added and diversified into newer categories like increasing the share of sneakers and women. So these are the ancillary categories that have helped us overcome this demand, let us say, stagnation or whatever you want to call it in the market. And as the GST benefit overtime starts flowing into the overall industry demand, it should definitely help us as a tailwind as well.

**Devanshu Bansal:** Sir, just one small final bookkeeping question. From a channel margin perspective, I am talking about, say, a retailer or a distributor, how are their margins? Are they on MRPs or there is a fixed component that they get on selling a pair of shoes? So suppose if the MRP is INR 1,500,

so the retailer gets like, say, around 20%-30% of that MRP, or is it like a fixed amount that he gets for selling that pair?

**Sanjay Chhabra:** We have different margin structures, both for retailers and distributors to take care of, by and large, their fixed costs. And we do run periodic or seasonal schemes or incentive programs, which are targeted both for primary and secondary to drive certain behaviors. Let us say, if I want to propel a woman category or I want to propel some sales in a higher price point, so those all are through tactical seasonal schemes. However, there are defined margin structures for both distribution and retail channel to take care of their fixed costs.

**Devanshu Bansal:** So these margins are percentage of MRP or what do we say, the anchor point?

**Sanjay Chhabra:** Yes. They are on a percentage to MRP and not per pair basis.

**Devanshu Bansal:** And even for distributors? Or for distributors, it is on percentage of what you bid?

**Sanjay Chhabra:** No, everywhere it is percentage to MRP.

**Devanshu Bansal:** Great, sir. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Aliasgar Shakir from Motilal Oswal Mutual Fund. Please go ahead.

**Aliasgar Shakir:** Yes. Hi, Nikhil and Sanjay. How you are all? Thanks for the opportunity. Just wanted to understand on the demand side. So pretty commendable numbers. We have not seen similar kind of growth by other footwear companies which have posted or are likely to post now. So if you can just share some color in terms of what has driven numbers for us vis-a-vis others. I understand that online has been a big driving force for you. So if you can just share some more insight over here because online, historically, we were having multiple models and the outright model that you were selling didn't really work. So how have things changed and what is the sustainability of this growth?

**Nikhil Aggarwal:** Hi, Ali. So like we have already called out in the call. So multiple initiatives, we have taken. So demand certainly isn't as expected by the industry. It has not picked up as much as is evident from the other companies' results also. So what has worked differently is that a culmination of things like sneakers portfolio edition and women's, we have added to the women's category significantly in terms of the SKU account and the NPD launches have been very well received along with the brand ambassador. So that has worked really well and apart from that, online, of course, is a big focus area. It has always been, but we have also been very aggressive online along with the profitability, it is not just a burn model for us. It is profitable, more than, I think, the other companies that operate on. And of course, in terms of general trade, we have added a number of retailers as well, like 29,000 count is the first time we have reached that kind of



count. So that has given much more predictability to the cash cow channel for us, which is the distribution channel, right. So number of these things, nothing has changed for us in one quarter, is what I am trying to say. This is a culmination of the effort for the past 2 years, like any product range that we need to launch today, the journey for that starts at least a year before, like to conceptualize and think about the future products that have to be launched. So for example, currently, we are working on 2027 range, 26 is already done industry trade for us, like it is already in the bag. So that is the cycle in terms of innovation and product development that you work on. And so, whatever has happened in this quarter is, of course, incredible performance by the sales team. And at the same time, we were able to execute very well in terms of all the demand that was generated for the articles, right. So yes, it is just a number of things coming together, I would put it like that.

**Aliasgar Shakir:**

Got it. This is very useful. So incremental growth, if you can share how much has come from the women category, as well as the new Sneaker category that you have launched. And I understand this would have come mainly on the online channel, given that is the segment which has grown significantly?

**Nikhil Aggarwal:**

So Sneaker has done well across both the platforms across distribution and online, right. So distribution, of course, the MRP would be slightly lower than online. But overall, like Sneaker has been very well accepted across platforms. And so we see a healthy growth going forward. So that is where we have invested in terms of capacities as well, to make very high-end sneakers and I don't think many setups exist in India today, at least to manufacture these qualitative sneakers, the ones that we have invested in.

**Aliasgar Shakir:**

So could you share out of this 14% growth, how much would have been your new products, specifically the women and Sneaker category, would have contributed to your growth?

**Nikhil Aggarwal:**

We don't share that data Ali, unfortunately. Because it is like a strategic confidential data, right?

**Aliasgar Shakir:**

Sure. And that is what has also driven your margins, improved realization and margin is mainly because of the new products coming at a slightly higher price point.

**Sanjay Chhabra:**

Yes, Ali. I would attribute that margin expansion primarily to the mixed part. As I mentioned earlier, it is both the levers, product mix, and which is Sneakers and the channel mix, which is online. So both played its role as far as material or gross margin is concerned. And we are highly skewed towards quarter 3. This is our biggest quarter. So that has resulted in some leverage also, fixed cost leverage, which has helped us to expand our EBITDA margins.

**Aliasgar Shakir:**

Got it. And going now into the new season, you think, this kind of growth is sustainable with the new products that you have launched and the amount of funding that you are creating towards creating new products?

**Sanjay Chhabra:** Again, I think it is a forward looking statement, I would refrain from commenting on that. However, our sales are like each quarter is a different quarter by virtue of seasonality, festival occasion or marriage season. And as I mentioned, initially that quarter 4 would be the later part would be more towards open footwear. So we need to take that into perspective, both in terms of revenue and also in terms of product mix.

**Aliasgar Shakir:** Yes, I understand that.

**Moderator:** Mr. Shakir, I am sorry to interrupt you, sir. I would request you to rejoin the queue for follow up question.

**Aliasgar Shakir:** Sure.

**Moderator:** Thank you. We will take the next question from the line of Tejash Shah from Avendus Spark Institutional Equities. Please go ahead.

**Tejash Shah:** Hi, thanks for the opportunity. Sir, you highlighted Sneakers and new category, women category as a key growth lever for this quarter. What percentage of our network is currently dealing in these products?

**Uplaksh Tewary:** Hi, Tejash. Uplaksh this side. Every part of our network today primarily would be dealing in these two categories. The extent of penetration of these categories will be different depending on the evolution of the channel. A more modern channel will have a slightly higher share of women than Sneakers. A slightly traditional channel will have a lower share, but there would be no channel currently in our ecosystem that you would not be focusing on these categories. Does that answer your question?

**Tejash Shah:** Yes, it does. So basically, as of today, whichever channel fit that we understand, the products are placed there. So placement-led lever is not there from here on. Is that the right understanding?

**Uplaksh Tewary:** Placement can be wider. Placement can be deeper, right. So those levers will always keep on getting activated. Even if you are there in Sneakers stores, you can always be in stores, right. So that will never stop, I think. And since these are newer categories from our evolution, I think there will always be scope for further enhancement of these categories. The scale and the quantum of growth will, of course, over time taper once we reach a critical mass. But I think they will continue to be growth drivers for us, at least in the near future.

**Tejash Shah:** Perfect. Very clear. Second, what is the primary kind of value proposition that is working for us in Sneakers? Is it largely fashion or functionality or is it performance in price? Obviously, the answer could be all of this, but just as a key proposition, what is working?

**Uplaksh Tewary:** By the construct of this category, it works on fashion and look and feel more than functionality. That is the reason why consumers buy this category to look good and not to go for a run, right. That is the intrinsic nature of this category. So this category first pivots on fashion and look and feel. But also, we would want to, since we as a brand have been known for our value proposition of comfort and durability, we would build these added advantages to every product that we do. So that underlying value proposition of Campus will never go away. But of course, this category being a fashion-driven category or something you wear to look good, right. So that fashion element will always be there. And hence, we try to take aspiration and inspiration from the best in the industry or from the leading trends of the market.

**Tejash Shah:** Sure. And last one follow-up here. In this stage of product NPD evaluation and then acceptance also, how do we get confidence that there is a demand pull or repeat purchase which is getting created and then hence, there is a very wider acceptance of the product and not just the initial kind of push growth which is happening?

**Uplaksh Tewary:** So the first phase, of course, is to get the products placed, right. There is a demand generation which we do through our partner network. Our partners can be distributors, can be a review partner, can be LFR partners, can be an online partner, right. We take inputs from them in terms of what are the requirements. We create products accordingly. We do our consumer immersion. We understand what is happening in the market, what is happening in other countries, what is happening in competition, what is happening from a trend point of view, right? Then our first objective is to get these products placed in the market to the extent possible, right. So there has to be a minimum throughput placement to drive understanding of the success of the product, right. For that, we do understanding of feedback from a retailer or a consumer point of view to understand what works well and what doesn't. We have a very big network of our own stores as well, right. 300 stores is a very big base for us to do any form of A-B testing that we want to do, right. So we get that feedback and depending on the feedback and the response, we know whether this will be one of our top iconic products or will it be a great product or it may not be as high a volume as we might have anticipated, right. So that is the first step primarily goes into reach and then depending on the consumer or retailer's point of view, we take a call on how do we replenish it, right. But our first will is wide enough to ensure that we get a very strong data input from the market.

**Tejash Shah:** Quite clear. Thanks and all the best for coming quarters.

**Nikhil Aggarwal:** Thank you.

**Moderator:** Thank you. Due to time constraint, that was the last question for today's concall. 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](mailto:ird@campusshoes.com). Once again, thank you ladies and gentlemen and you may now disconnect your lines. Thank you.