Kotak Securities

Dated: 13th November 2025

Campus Activewear (CAMPUS) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.276	**Rs.310**

Rationale:

- Campus reported a 16% yoy revenue growth in 2Q.
- It was led by 7.4%/8% growth in volume/ASP.
- Growth was led by the MBO channel (+20%), sneakers (grew >100%), women's footwear (+200 bps yoy increase in the mix) and better in market execution.
- The EBITDA margin miss was largely due to higher A&P spend (early festive season).
- We tweak estimates, roll over and revise FV to Rs310.
- We believe that Campus will be one of the key beneficiaries of the GST rate cut in footwear. Maintain ADD.
- We expect earnings to grow by 21.0% in FY27E & grow by 19.0% in FY28E.
- Stock is currently trading at valuation of 39.4x P/E FY28E EPS.

Positives:

- Revenues grew ~16% yoy to Rs390 cr (~5.5% beat).
- There was 33%/20%/6% yoy growth in DTC offline/MBO/DTC online sales.
- The company recorded a 7.3% yoy volume growth to 5.75 mn pairs.
- Inventory/receivable/payable days were down 1/1/3 days yoy to 117/39/62 days.

Negatives:

- Gross Margins expanded 100 bps yoy (down 130 bps qoq) to 53.3% (KIE: 54.6%).

Holding Period: 12 months

Rating Scale (Private Client Group)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	**Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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