

Campus Activewear (CAMPUS) - BUY

Result Update

Current Market Price (CMP) Rs. 236	Fair Value (FV) Rs.310
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Rationale:

- Campus posted ~11%/12%/15% volume/sales/EBITDA yoy growth in Q4.
- It reported ~4%/11%/20% (after 20% yoy growth in A&P spends) in FY26.
- Sneaker sales doubled during the year, aiding realizations and margins.
- Campus has taken sufficient price hikes to offset the impact of inflation on RM/wages and is cautiously optimistic about growth.
- Soft launch of the new brand logo was encouraging.
- The broader consumer adoption remains a key monitorable.
- We cut the FY27/28E EPS by ~10%/2% and upgrade the rating to BUY (from ADD) with an unchanged FV of Rs310.
- We expect earnings to grow 10.4% in FY27E and 30.7% in FY28E.

👍 Positives:

- Revenues grew ~12.3% yoy to Rs460 cr (in-line).
- Growth led by 5.5%/19% yoy growth in MBO/DTC online sales.
- Volumes grew 10.6% yoy to 6.8 mn pairs (~4.3% beat).
- EBITDA margin expanded ~50 bps yoy to 18.1% (KIE: 17.3%).
- PBT/PAT grew ~24%/26% yoy to Rs58.8 cr/Rs44.1 cr (~9.3%/~12.1% beat).

👎 Negatives:

- Employee costs grew ~21.5% yoy to Rs37.0 cr.



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

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
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- 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.
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- 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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