

14th August, 2024

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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,

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 12th August 2024 and the same is also available on the Company's website i.e. www.campusactivewear.com.

This is for your information and records please.

Thanking you

For **CAMPUS ACTIVEWEAR LIMITED**

Archana Maini
General Counsel & Company Secretary
Membership No. A16092

Encl: As above

Campus Activewear Ltd

Quarter 1 FY 2025

12 Aug, 2024

Moderator:

Ladies and gentlemen, good day and welcome to the Campus Activewear Limited's Q1 FY25 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 question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*', then '0' on your touch tone phone. Before we proceed on this call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risk, uncertainties and other factors. It must be viewed in conjunction with our business that could cause future results, performance or achievements to differ significantly from what is expressed or implied by such forward-looking statements.

The Campus Activewear management team is represented by Mr. Nikhil Aggarwal - Whole Time Director and CEO, and Mr. Sanjay Chhabra - CFO. 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, ladies and gentlemen. I thank you all for joining our Q1 FY25 earnings call today. Despite the challenging market environment, Campus Activewear has demonstrated resilience and strategic prowess reporting a volume growth of 3% year on year in Q1 FY25 amounting to 5.8 million pairs of footwear.

Our agile approach coupled with a keen sense of fashion and segmentation, has allowed us to introduce products that resonate with the evolving preferences of our consumers. We were able to maintain our gross margins at 53.3% during the quarter despite a decline in revenue due to extreme summer season resulting fewer in store footfalls coupled with lower vetting dates.

There has been a noticeable shift in the revenue mix towards open footwear reflecting the consumer's choice in response to the elevated temperatures. Despite these challenges, we have maintained our focus on innovation, continuously offering new and differentiated products tailored to the dynamic Indian consumer by launching 78 new designs in quarter one.

Additionally, we continue to invest in performance marketing to drive sales in marketplace. Despite the increase in minimum wages mandated by the government, which has impacted our margins, we chose not to pass on these higher cost to our consumers during these subdued market conditions.

In line with our long-term strategy to enhance consumer reach, we have strengthened our distribution capabilities by adding a new LFS account in the first quarter. Furthermore, we have expanded our EBO presence by adding 13 new stores, that is 7 COCOs and 6 COCOs across the nation, taking the total count to 275 plus EBOs.

Our extensive distribution network is a cornerstone of our business, ensuring that our diverse product offerings are accessible to consumers throughout India. Further, we have strengthened our Pan India distribution network by adding a couple of super stockists and 8 new distributors, further intensifying the penetration in the interiors of the country. With the quest to offer consumer delight, Campus Active wear product range has further enhanced to 650 plus new retail outlets, raising the total count to 23,100 plus retailers across the country.

With our strong brand reputation, diverse product portfolio, value for money proposition, Omni channel capabilities and robust financial position. Campus Activewear is well positioned to capitalize on the anticipated demand growth in the coming quarters. We anticipate a resurgence in demand post monsoon with additional momentum expected from the festive season. We remain committed in our mission to deliver excellence and would like to express my sincere gratitude to our dedicated team, our loyal customers and our esteemed shareholders for their continued support.

Thank you. Now and I will hand over to our CFO - Mr. Sanjay Chhabra to take you through more details in Q1 FY25 performance.

Sanjay Chhabra:

Thank you, Nikhil. Good evening to everyone and thank you for joining us for the Q1 25 Campus Activewear's earning call. Our operational revenues to that INR 339.2 crores for the first quarter, the company sold approximately 5.8 million pairs of shoes in Q1, up 3.33% year on year owing to our strategic distribution push and higher open footwear sales.

The average selling price stood at INR 585 in Q1, driven by higher saliency of open footwear, which was close to 22% versus 18% last year. Our gross margins at 53.3% is flat versus last year despite the open footwear saliency led ASP drop.

The revenue mix between men and women and kids stood at 77% to 23% versus last year, same quarter, 80% to 20%, reflecting our strategic efforts to expand women and kids category. Our EBITDA for quarter one was at INR 54 crores. The EBITDA margins stood at 15.8% in quarter one owing to higher employee cost driven by headcount addition and inflation, partly offset by lower finance cost.

The total cost excluding COGS was at INR 147.8 crores versus 146.6 crores last year, a marginal increase of 1%, reflecting our efforts to drive efficiencies. The PAT stood at 25.4 crores in quarter one and PAT margins are at 7.4%.

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

Moderator:

Thank you very much. First question is from the line of Priyank Chedda from Vallum Capital. Please go ahead.

Priyank Chedda:

Hi Nikhil. My first question is on channel wise growth. If you can highlight what how has been the growth in trade distribution in B to C online and B to C offline? And within B to C online, if you can also split the growth of marketplace as well as we B to B online, I reckon that we had some challenges B to B online, has that been the decline that we saw in B2B online has been arrested or not? That's my first question.

Nikhil Aggarwal:

Hi Priyank, so we have seen, actually all the channels getting back on track in terms of the volume. So let me give you an example like for MPO for distribution, we have seen two consecutive quarters of 4 and a 1/2% plus volume growth. This is the second quarter consecutive one along with the distribution and store expansion like I mentioned. In the online, again we have seen a marketplace grow by almost 24% in this quarter one y-o-y and of course the O2O has declined. This is in line with the strategy of reducing the B2B business, the dependency on the B2B business. And the retail channels, the offline Epos, have also grown by 8% in quarter one. So, this is very much in line with the strategies of, you know having different strategy for each channel very clearly laid out like distribution is our volume growth channel and EPO and brand.com and our own online channels are basically the ones to drive premiumization and so on. So, Sanjay, you would want to add?

Sanjay Chhabra:

Yeah, just to add on to what Nikhil just now mentioned, so by and large the higher base effect of the B2B and O2O channel would be ending this quarter. So, this quarter again since the base impact was higher, we have seen a de-growth in the B2B, but which has been largely mitigated by

the marketplace channel and net net as far as online is concerned, we are now in the trajectory of less than 5% de-growth. So, the impact of higher B2B base is almost done with.

Priyank Chedda: Sorry I couldn't get the point of 5% is the what was the 5% number and you mean that when the higher wages end this quarter you mean the quarter-on-quarter decline will not be seen from Q2 onwards. These are the two clarifications Sir?

Sanjay Chhabra: So just, just let me give you a sort of split answer. So, our marketplace has grown by around 25%, but the other than marketplace business has de-grown. So net net, our D2C online is showing de-growth in terms of revenue by around 5%.

Priyank Chedda: Right. Right, right. OK. OK. And then when you say that this will end it in this quarter, you mean that the quarter on quarter one will declare will get arrested in the current quarter which is Q1?

Sanjay Chhabra: Yeah, because last year in the same seat, one of the big B2B platform was still operational and did a large amount of sales. And from Q2 onwards they started sort of de-growing big time, so the base is corrected from Q2 onwards. So, we will see a sort of flattish or plus minus 5% sort of impact versus 40 plus percent of de-growth in other than marketplace.

Priyank Chedda: Perfect. So, my question is in terms of sales per touch point. We were at around, say 5.1 lakh rupees per year per touch point. It has fallen down to 3.5 lakh per touch point per year. While the competition is too high higher than ours. So how do you think that this throughput per touch point should turn out going ahead as well as in terms of the net touch point additions for the full year?

Nikhil Aggarwal: Sure, Priyank. So, see, our strategy is to continue to expand the touch points and we have been doing that along with our distribution base. So, the share per counter will also go up. This is just a seasonal effect like in quarter one, we've sold higher volumes because of open footwear, but the overall ASP's have dropped, so this was basically because we also didn't expect you know, so much heat waves across the country, which led to higher, much higher than anticipated share of open category. Therefore, that led to you know an ASP drop and a lower realization per counter like you mentioned but this will normalize, this is just a seasonal effect and going forward we see the share per counter going up.

Priyank Chedda: OK. And on a AFC decline outside this open footwear season that we are seeing, as a strategy period, we did see that you know are temporary consumption slowdown Campus will be focusing back to some ₹1000 SKU. So I mean how ASP China for the full year versus say FY23-24?

Management: Sorry, your voice is muffled, but if I get your question, you're asking ASP change between FY23 and FY24. What like going forward, what do we expect in FY25?

Priyank Chedda: Yes, I mean these are focusing we, we started focusing back to some ₹7000 SKU. Outside this whole issue of heat wave and open footwear getting sold higher. How should ASP plan out for the full year?

Management: No. So, we, like I said, we were not expecting you know this kind of demand for the open category and it's very understandable given the kind of heatwaves we had. So but this should not really impact I mentioned also in our last earnings call that we don't really see a big increase in our ASP in FY25 if you recall, because we anticipated the demand scenario, but we do see you know demand getting back on track very soon like even July onwards we've seen a decent recovery in demand, so therefore we don't, you know, anticipate any further ASP drop. I would say going forward this was just a seasonal thing. And we're on track, the economical portfolio like I also mentioned last time. So, our ratio to economical has actually also slightly gone up for below 1000 to 30%. salience versus 27% year on year and 1000 to 1500 for your semi premium has gone up actually from 25% to 30% again year on year, but our 1500 plus portfolio premium segment has dropped from 46% to 40% year on year. So. This is what is in line with the strategy as well.

Priyank Chedda: Perfect. Now just last question on the overall you know, category growth for the sports and athleisure given the casualization trend that we are witnessing, how would have been the primary

sales being for FY24? Would it be double digit because we had some channel issues so I just want to want to get the sense of how would have been the category growth for the full year FY24. And any reasons to believe that this category growth should not grow more than double digits? In fact, as should sustain double digit in FY25, given that we are a smaller category in whole of a lakh crore kind of a space. So, what should be the overall category growth in FY25? Where should be Campus, I assume that we would be looking out for some market share gains in this category tailwind. And yeah, if you can share overall thoughts on the category growth?

Management: So, see, this is definitely the fastest growing category still. There is no question about that. The whole sports athleisure space is growing faster than any other footwear category currently for the last, I think five years, 6 consecutive years now. We anticipate I think in lower double digit for sure like kind of category growth this year, FY25 to happen, just waiting for the markets to sort of demand scenario to come back. But that's about it and there should be no challenge and we should grow you know in line or faster than the category. So, I don't see any challenge with respect to our market share increase for this year as well. We are just honestly hoping and waiting for the markets to normalize and the demand scenario to come back. But we are fully geared up for you know the coming quarters.

Priyank Chedda: Ohh, amazing all the best team. I'll get back in the queue for further questions.

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

Videesha Sheth: Hi, good evening, Team. My first question was on the channel inventory. So where does it stand as of date given the muted consumption environment, is it still elevated or has it largely normalized?

Sanjay Chhabra: So, channel inventory, if you see the way the quarter shaped up, it was more towards the open footwear which eventually means that we did more primary on the open front, open footwear and slightly lesser as far as the shoes is concerned, so which, which by and large indicates that the channel in inventory is sort of coming to the levels or is that par with the demand in the market. Currently, we continue to hold around 60 odd days of inventory in the distribution channel anywhere between 60 to 80 days and that continues to be the norm considering the peak time for production of the NPDs.

Videesha Sheth: Got it. So, it's largely normalized and going forward the primary growth in the secondary growth will largely be in line?

Sanjay Chhabra: Yeah.

Videesha Sheth: OK. The second question was, if we were to remove the higher mix of the open footwear portfolio that we've seen this quarter, would the increase in portfolio mix of top ₹1000 price point products still happen? The increase that we've seen from 27% to 30%?

Sanjay Chhabra: OK. I would say that it's not that we are by and large, driving a sub ₹1000 price point category, we did try to fill certain gaps in our product portfolio in that particular price point wherever we felt that there is a market demand and we are absent in that price point. However, we would continue to consciously drive mix of our products through different channels. So, let's say the distribution would be a lever for driving volume and our other channels including the online, our brand.com and our own stores would be driving the mix, which means they would be offering the consumers a wider range of product and hence on an overall basis, we will continue to be conscious about our ASP's going forward.

Videesha Sheth: Got it. My third question was if you could elaborate on the consumption of growth pattern seen across three states in the first quarter and the second quarter till date?

Sanjay Chhabra: Which key states are you talking about?

Videesha Sheth: States is in the north.

Sanjay Chhabra: Sure. So North specifically, we have seen slight decline in our salience from let's say 41 to 38%, this is year on year. This is primarily due to the heat wave and we have seen our West and South portfolio grow by almost 4%. The east is also flattish at about has slightly grown from 17 to 18% and central is also grown from 6 to 7.8%, so it's basically not that has taken a little bit of a hit in terms of salience because of the extended heat waves, but we don't see any concern on that side.

Videesha Sheth: Got it. So just to marry these two points, this point and the fact that are open for saliency has increased, so the open footwear portfolio would have largely picked up in the region states of north.

Sanjay Chhabra: That's right, it's actually Pan-India, like even South is a very big market for open category South and East almost like a Pan India category. We can't really say just the north centric.

Videesha Sheth: Got it. All right, noted. And just the last question, what has led to the 21% increase in the employee cost that we've seen this quarter?

Sanjay Chhabra: OK, so this is primarily driven by our additional headcounts primarily in the front-end function, the distribution business and also in the stores with the addition of new floors over period. And so of course the year-on-year inflation through the increment so these two after the driving, the higher employee cost.

Videesha Sheth: Understood. Thank you. That's ultra nice.

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

Umang Mehta: Yeah, hi. Thanks for the opportunity. So, most of my questions answered, just two of them, if you can help me. First one was on your, you mentioned about performance marketing investments continuing. Was there any reason for a special call out or is it in line with what you've been doing historically?

Management: That's perfectly in line with what we have been doing for last three odd quarters. The only reason for the call out is that we have seen a growth in the marketplace and that requires a bit of investment in the performance marketing.

Umang Mehta: Understood. And the second one was on the stores which you opened. So, I realized that the mix of COCOs was bit on the higher end. Again, was that like a one off and you maintain that most of the new stores will be on the franchisee going forward?

Management: No, so it's just a phasing thing Umang. We're still on track with the ratio of almost 65-70 COCOs to 30-35 COCOs. This is just a phasing thing that can vary from quarter to quarter.

Umang Mehta: Got it. Thanks, and all the best. Thank you.

Moderator: Thank you. Next question is from the line of Mousumi from Equentis. Please go ahead.

Mousumi: Yeah. Hello. Thank you for the opportunity. What are your target markets, which are your focused markets when you are looking to expand or come up with a new store?

Management: Sure, sure. So, for EBOs, right?

Mousumi: Yes.

Management: Yeah. So EBOs, we are already present in 27 states as we speak and like for example, we've just opening a new store in Mangalore. So, so there are, you know there are markets basically in South now that we are actively pursuing. That is 1 space that has the least number of stores. So, it's basically South and a West also and South and West, I would say in line with the company strategy.

Mousumi: Guidance on EBITDA margin or gross margins for this year?

Management: We don't give any guidance. We shared we shared some guidance in the last call. Sticking by it.

Mousumi: OK. Thank you.

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

Aliasgar Shakir: Yeah, hi. Thanks for the opportunity. Hi Nikhil. Question on you know the BIS, I just want to understand you know what's the current status there? I understand almost 15-20% of industry revenues, or rather you know products in the particularly sportswear or coming from imports and am I correct that from the 1st of August that has been you know completely stopped. So, if you could just share you know, I mean whether that is true and then how much inventory would be there in the system and how we should benefit with this policy?

Nikhil Aggarwal: Sure. So, BIS is fully in effect now as of 1st of August and you know the government has mandated time till end of June 2025 for everyone to liquidate their non BIS inventory. And we are seeing some changes in the market already like I know from the channels that the Chinese inventory and the fake things that are being imported from China has reduced significantly. The imports have also been largely curtailed, so there is there is definitely a positive impact that we see in the market on account of that at least in terms of imports. It's just a matter of the inventory that they're holding today, all the channels of Chinese imports or the other, you know from other countries and we believe that they should, you know, ideally be liquidating all of that by this season and get done with it.

Aliasgar Shakir: And you said it's the time allowed is till June 2025 to liquidate all of that?

Nikhil Aggarwal: That's right. Yes, for non-BIS.

Aliasgar Shakir: For Non-BIS. And what about the domestic market even here I think a lot of small and organized, you know players had you know sportswear with non-probably BIS compliance. So, what's the policy here and you know I mean what is the impact of that we would also have in terms of the cost that we will have to bear for the BIS compliance.

Nikhil Aggarwal: So, for us the cost impact on BIS is very, very small, very, very, very small. Because we were already making very high-quality shoes. So, for us really the cost on in terms of materials with respect to BIS standards has not really changed. But we expect the other smaller players in the industry to have a significant cost impact on account of BIS, because they'll have to really upgrade the specification of the material that they use.

Aliasgar Shakir: OK. Can you just throw some little more color when you say the increase in cost for them, you know what kind of cost increase will happen because obviously there was a lot of big price arbitrage between the products that we were selling and they were selling and what is the kind of compliant they will have to have?

Sanjay Chhabra: Hi, Ali, this is Sanjay. So, from a cost perspective, what as Nikhil mentioned for us, it was a very little impact for us. It was more of a cost for labeling for having some equipments to label the finished goods. But by and large our components were fully compliant even prior to the BIS coming into effect, however, for smaller players they will have to get back to the drawing room and see that their soles, whether they are compliant in terms of flexibility and composition, whether the uppers are using the right kind of fabric as specified by the guidelines, if at all they don't have a in-house labs to test, then they'll have to get the tests conducted through the external labs and that will have a cost impact. So, these are the three cost elements which are the basic ones post the BIS implementation which will trigger to all the footwear players.

Aliasgar Shakir: What this is very clear and there is no clear timeline yet for the domestic industry right for the SME and ME, they're still not given a deadline right for BIS compliance or has it been?

Management: That's right. Yeah. I think turnover of less than 50 crores companies are not falling into the BIS bracket at the moment. But we expect that to change. That is the I think the endeavor of the government is to mandate it for everybody.

Aliasgar Shakir: Got it. This is very useful. Just last question on the margin. So, if you can first just remind what is the margin outlook you gave in the last quarter and you know assumed that if as Sanjay also mentioned that you know this was the last quarter where we saw the impact where because of B2B if that gets normalized and we get into a run rate of double digit growth, then what is the normalized margin our business can do? Can we go back to the stable state margin we were doing earlier of you know 17-18%? Yeah. Thank you.

Management: Ya sure. If you really want me to call it out, we will be aspiring to get to those numbers for sure. There is no doubt even in a very tough macro to be very honest, whatever one was highly muted in terms of demand and in spite of that, we've been able to deliver 15.8% EBITDA margins, which obviously we're very proud of because it was, it was unprecedented in terms of the demand this quarter. So therefore, in a normalized scenario, we certainly expect a higher margin.

Aliasgar Shakir: Got it. And just last bookkeeping question on the can you just call out what is the share of B2B in the overall D2C online business in this quarter?

Management: Yeah, in the in the overall scheme of things, it is around 10 odd percent.

Aliasgar Shakir: Of the total revenue and almost 50% of our revenue is D2C, right?

Management: No. I'm sorry. I don't understand your definition of D2C.

Aliasgar Shakir: OK, I'm saying online, basically the entire online business out of 340 crores is 50%?

Management: Around 35 to 37%.

Aliasgar Shakir: OK. And out of that of the total revenue, 10% is the B2B.

Management: Yeah.

Aliasgar Shakir: Got it. OK, this is very clear. Thank you so much and wish you all the best for the coming quarters.

Moderator: Thank you. Next question is from the line of Ankit Kedia from Philip Capital. Please go ahead.

Ankit Kedia: Sir, you spoke open footwear doing exceedingly well in the quarter. While you didn't intend to, you know, have so much, you just wanted to know, you know, is the product expense, you know very good that you know the consumers came to us for open footwear because competition could also be there. Secondly, if there was so much demand, you know, from an inventory perspective, how could you meet this demand because you would have not thought of such unprecedented demand in open footwear.

Management: So, hi Ankit. So, we do have a very agile supply chain. You know, like we've mentioned in the past as well. So, we did prepare for higher offtake. We expected a higher offtake than the previous year on year, quarter one in terms of open category, it was more than what we anticipated, but we were kind of prepared with it as we have a very agile supply chain and we could manage it within the same season to be supplied, right. So that is what gave us a higher volume uptake in the open category.

Ankit Kedia: And what will be the ASP difference between a closed footwear and open footwear for you? And typically, in open footwear, what exactly are we selling?

Management: So open is basically all around sandals and slippers. These are the broadly two major categories we do a bit of clogs as well, but that's still much smaller compared to the other two, the ASP difference in the range of ₹150 to ₹200. The difference would be 150 to 200.

Ankit Kedia: Sure. And do you think going forward or given the response which you have, it makes sense to push open. Footwear going forward as well or do you want to maintain it that you know around 20% plus, minus range?

Management: Sure. So open definitely, you know strategically it will be an important category going forward. This is a seasonal category, which is basically mostly in quarter one. And you know, given the demand and the brand positioning that we command the top of mind, we call it definitely is a very low hanging fruit that that we can, you know encash upon. So, we would be looking to drive this category properly and with a much more rigor even from next year onwards. Therefore, but at the same time we do not expect our close footwear category share to sort of be cannibalized by the open category. By doing that, we should be able to maintain you know our ASP's or at least not that can drop beyond the point.

Ankit Kedia: Sure. You know, my next question is on the trade channel. You know, this quarter also has declined by around 6-7% overall, you know 52% contribution. Do you think this can go back to the 60% odd contribution in next three years given the growth and investments you are doing in the offline channel or this will remain in that 50-55% ballpark?

Management: So, our trade distribution revenue has dropped largely on account of ASP drop because of open category. It's not the volume. The volume is actually grown in the offline channel. So as soon as you know the closed is back let's say in quarter 2 onwards, we should be able to recover the revenue growth in the distribution channel and going forward, I mean the aspiration has always been to have a 50-50 mix between distribution and D2C so I see really no change in going forward because our detail is now retail like Offline EPOs, LFS, Canteen, CSD, CPC, our own brand.com all of these put together have also been now been a significant contributor. The share of this offline channel has gone up from almost 11% to 13%. So, you know we do expect this to now also contribute significantly going forward, so distribution will probably remain at 50-51% in this range going forward.

Ankit Kedia: Sure. And my last question is on the margins. You know with this open footwear coming in, do you see open footwear at a lower margin versus closed footwear or it's pretty much similar multiplier?

Management: OK. Just on the gross margin front, we were flat versus last year despite the increase in saliency of open footwear, which is a clear reflection of the fact that we are not trying to sort of down sell or rather maintain the product portfolio in a range which meets to our margin thresholds. I hope that answers your question.

Ankit Kedia: Sure. And if I could squeeze in one more, you know, how is the discounting by competition because you know pretty much, we have, you know had a tough quarter, competition would have the worst quarter, right? And given that you know and last few quarters have been challenging, how are they liquidating inventory because they would not have working capital to have new products in the system. Are you seeing discounting being higher by competition, they are reducing the shifts from 3 to 2 to 1. What's happening out there?

Management: Yeah, we're seeing higher discounting by the competition. I'm talking about the private smaller players in the market. They are definitely discounting by much, much higher level. So, and this is largely due to the BIS impact as well. So, we have been able to maintain our margins while also selling the non-BIS inventory and selling the open category. You know we've been able to maintain margins so and going forward you know, we expect as the demand picks up, the ASP's to also pick up.

Ankit Kedia: And your manufacturing is in full swing today or you have also cut down shifts at the factory given this demand environment?

Management: No, we definitely calibrated the factory output in line with the demand also because there was a robust drive from our end in terms of selling the non-BIS goods as well as mandated by the government. So, keeping both the views in mind, the muted demand and the sellout of the non-BIS, we have calibrated our production accordingly in quarter one.

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

Moderator: Next follow up question is from the line of Priyank Chedda from Vallum Capital. Please go ahead.

Priyank Chedda: Nikhil, what would be our contribution from the sneakers as a category and how has been the progress over here? Any growth numbers, any revenue contribution numbers that you would like to talk on this?

Nikhil Aggarwal: Sure Priyank, this is something we're very excited about. The sneakers portfolio has basically grown by almost 120% even though the base is obviously smaller compared to the sports portfolio. But the demand and the acceptance in the market is very promising, so going forward it is definitely one of the key areas that we would be continuing to focus on. It's a big growth lever along with the women and kids category where the women share has also gone up both in sneakers and in sports.

Priyank Chedda: Perfect. And then on the South as a regional mix where our efforts have been concentrating for quite some time now. So, any overall change in the GTM strategy for South, I mean we understand that we have a largely online as a channel to penetrate in South markets. So, what are the efforts that are left to you know penetrate further, deeper and as well as in the breadth via trade channel in the southern markets?

Nikhil Aggarwal: Sure. So, South has been a focus both on online and offline. So, in distribution in the traditional channel also we've opened a couple of new distributors in South and enrolled a few more stores along with enhancing and you know we've invested in the sales team. And created a very, very good team on ground as well. So, you know also in terms of product portfolio, they do require a higher share of open versus closed category. That is also in line, you know with the growth strategy in South. So, we are doing all of these efforts in order to grow our south portfolio. So, there's no reason that we should not see a growth from there very soon like within this year.

Priyank Chedda: OK. And on the new LFS account that we have opened, so would that mean that the growth in that account would gradually pick up or is it that day one, we grow it in that Channel and would that add another 200 or touch points from 1300 to say 1500?

Sanjay Chhabra: Hi, this is Sanjay. The growth in the LFS is a gradual progression. I mean, we do get an entry into certain number of test stores and then eventually it amplifies based on the success of our product or the particular category. So, it will be a period of I would say three to four quarters wherein we would be present in all those stores of that particular chain, it will be a gradual progression.

Priyank Chedda: Got it and Sanjay, just last clarification on that B2B online which you said it would be around say 10% of the total revenues, which would mean that it would be 30-35 crores of total revenue and annualized that would be around say 120 crores, 140 crores and so for the full year, it would remain flat, right? I mean we ended B2B around 130-140 crores last year?

Sanjay Chhabra: Yeah, that's right, 150 odd crores.

Priyank Chedda: Got it, got it. Thank you.

Moderator: Thank you. Next question is from the line of Niraj Mansingka from White Pine Investment Management Private Limited. Please go ahead.

Niraj Mansingka: There are few things. One, what is our presence in can you share tell us something about what is your estimate of the market share in the sports category in LFS and the retail side?

Nikhil Aggarwal: LFS is a fast-growing channel for us. Honestly, we won't have the numbers for market share for Campus. We don't track that yet as it's still a very, you know, small contributor to the overall revenue. So, there's ample growth for revenue like it's a completely white space for us at the moment. So, the focus is more on adding every quarter and every you know, regularly adding big and strong LFS partners on board and that's what we're driving at the moment. So, I think the market share number would be relevant probably a couple of quarters from now.

Niraj Mansingka: OK. Any thoughts on how your market share has moved in the open footwear over the last few years, one or two years?

Nikhil Aggarwal: Open again. No, we wouldn't have a very significant market share on the open side to be honest, even that you know, like I mentioned earlier, it's a low hanging fruit. It's a white space. The only thing we'll have to be conscious of is our ASP's and the margins being contributed from the open category, but given how strong the brand acceptance is in the market, we've received a very, very good response in quarter one from the open category. So, it is encouraging to definitely you know increase the share of this category going forward.

Niraj Mansingka: And the open footwear we're talking about is generally the Eva based products growth going faster in the last?

Nikhil Aggarwal: We have two price points. We do have single Eva. We also have Eva with rubber and TPR outsole which is a more premium product on the sandal and slipper side. So, it's a range we start at almost 499 and we go up as high as 999. 999 in the open category is a very premium offering which very few brands in the country are basically providing.

Niraj Mansingka: And the last question. Any thoughts on you you're opening a lot of retail stores and I thought that athleisure was an area that you may look at. So, any thoughts on that?

Nikhil Aggarwal: So we are already doing a couple of other categories like we have backpacks, we have socks which is actually doing quite well. They're very decent contributor to the revenue of the news. We also have some other accessories like caps and stuff. But apparels is a big category which we would need a little bit more time to venture into. It's not on the cards at the moment.

Niraj Mansingka: But is it that after some threshold or some Eva, you would like to look at that? Is it that the way?

Nikhil Aggarwal: Right. Yeah. It would make more sense after we have a couple of 100 stores.

Niraj Mansingka: Thank you very much.

Moderator: Thank you. As there are no further questions from the participants, on behalf of Campus Activewear Limited, we conclude this conference. Thank you all for joining us. 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. Thank you.