

**Details of the Issue**

Price Band	₹ 278 - ₹292
Issue Size	₹ 1,400.1 Cr
Face Value	₹ 5
Bid Lot	51
Listing on	BSE, NSE
Post Issue Implied Mcap -Upper Price	Rs. 8,886 Cr
Investment Range	Rs.14,178 - 14,892

**Important Indicative Dates (2022)**

Opening	26-Apr
Closing	28-Apr
Basis of Allotment	04-May
Refund Initiation	05-May
Credit to Demat	06-May
Listing Date	09-May

**Lead Managers**

JM financial
BofA Securities
CLSA India
Kotak Mahindra Capital

**Offer for sale**

No of Shares	47,950,000
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**Offer Details**

Offer Size	Rs.1400.14 Cr.
Fresh Issue	Rs. 0 Cr (0%)
OFS	Rs 1400.14 cr (0%)

Type	No. of shares (k)	In Rs Cr		% of Issue
		Lower	Upper	
QIB	23,875	663.7	697.15	50%
NIB	7162	199.1	209.1	15%
Retail	16712	464.3	488.0	35%
Total	47,950	122.40	130.05	100%

Type	Pre-Issue		Post-Issue	
	No. Shares (k)	% of Total	No. of Shares	% of Total
Promoter	224,942	73.9%	212,442	69.8%
P. group	13,066	4.3%	13,066	4.2%
Public	66,317	21.8%	78,817	25.9%
Total	304,326	100%	304,326	100%

Source: RHP, GEPL Research

**Company Background**

Campus Activewear Limited (“Campus”) was incorporated on September 24, 2008. As per DRHP’s data is the largest sports and athleisure footwear brand in India in terms of value and volume in FY 2021. It introduced their brand ‘CAMPUS’ back in 2005 and is a lifestyle-oriented sports and athleisure footwear enterprise that offers a multiple product portfolio for the entire family. It offers multiple choices across styles, color palettes, price points and an attractive product value proposition.

**Company’s Market**

The Indian footwear retail market is estimated to grow at a CAGR of 8% from FY 20 to FY 25, and 21.6% from FY21 to FY25, Which is one of the fastest growing discretionary categories. Company’s target segment is growing due to factors such as the transition from the unorganized to organized sector driven, rising levels of disposable income in India, favorable trends in Indian demographics such as increasing population of young adults and the growing demand for women’s footwear.

Campus more than 85% of the total addressable market for sports and athleisure footwear in India as of FY21, which is the largest market coverage amongst key sports and athleisure footwear brands. (source: DRHP)

**Utilization of IPO/FPO Proceeds:**

- IPO proceeds will be going towards selling shareholders and not company. The OFS/IPO size is INR 1400 Cr.

**Products Portfolio and Distribution Network:**

It has extensive product portfolio with 1,433 active styles for men, 241 active styles for women and 485 active styles for kids and children as on December 31, 2021, and it has pan-India reach that helps it to sell, 1.30 crore and 1.37 crore pairs in FY21 and 9 months ended December 31, 2021.

**Promoters:**

- Company is promoted by Mr. Hari Krishan Agarwal (CMD) who has 37 years of experience in footwear industry and Mr. Nikhil Agarwal, CEO who has 14 years of experience in footwear manufacturing and trading sector.
- Mr. Anil Nand Thadani, Anil Channa, madhumita Gangulli, Nitin Savara, Jai Kumar Garg are also forming board of director in the company.

**Key Managerial Persons:**

- Mr. Raman Chawla is the Chief Financial Officer of the company. He is has been on CFO post since 2019. He has 26 years of experience in accounting and finance.
- Mr. Piyush Singh is the chief strategy officer, he has been associated with company since 2018. He has 13 years of experience in Investment banking and consultancy space.

**Company’s Strength**

- India’s largest sports and athleisure footwear brand and fastest growing scaled sports and athleisure footwear brand with a robust product portfolio across the demand spectrum (Source: DRHP)
- Sustained focus on design and product innovation facilitating access to the latest global trends and styles through our fashion forward approach.
- Difficult to replicate integrated manufacturing capabilities supported by robust supply chain.
- Strong brand recognition, innovative branding and marketing approach.
- Experienced management team.

## Strategies for Growth

### Leverage the brand and leadership position

The Indian footwear retail market is expected to grow at a CAGR of 21.6% from Fiscal 2021 to Fiscal 2025. These factors may enable company to maintain and consolidate its leadership position in industry segment. It also intend to enhance the number of styles and products in the women and kids and children category.

### Further Expand and Deepen Omni Channel Experience

Company aim to expand trade distribution network in India through two steps: 1. Increase distribution network in states currently operate and 2. Deepen presence in western and southern regions of India. It aim to increase the roll out of our EBOs and franchisees to increase its presence in select geographies across India.

### Targeted product development to increase diversification

Campus to diversify revenues from operations through a number of measures, they have been steadily increasing the number of launches in the premium category of the sports and athleisure segment. Company launched 122 new styles in this category in FY21 compared to 106 styles in FY20.

## Financial Snapshot

Particulars	As of 31 Dec -21	2021	2020	2019
Equity Share Capital	152.1	151.87	151.87	0.10
Reserves	250.	160.76	132.8	201.68
Net worth as stated	402.5	312.6	284.75	201.77
Revenue from Operations	841.84	711.28	732.0	594.9
EBITDA as stated	165.2	119.8	138.33	101.9
EBITDA (%) as stated	19.6%	16.84%	18.9%	17.12%
Profit Before Tax	113.9	69.9	98.8	66.33
Net Profit for the period	84.8	26.86	62.8	38.60
Net Profit (%) as stated	10.07%	3.7%	8.5%	6.49%
EPS (₹)	2.82	0.88	2.05	1.28
RoNW (%)	21.2%	8.60%	21.63%	19.04
Net Asset Value (₹)	13.25	10.3	9.4	6.72

## View and Recommendation

- Company's annualized Post tax earnings arrives at -Rs 113 Cr. which makes an Earnings multiple of 78.6(x) (on basis of Post Issue Implied Mcap). Which is in line with the peer companies valuation Relaxo (101x of FY21 earnings).
- It enjoys an almost monopoly in branded sports and athleisure footwear in India due to its superior design, manufacturing, and distribution capabilities, and have strong product portfolio to cater various verticals in footwear segment.
- We assign **SUBSCRIBE** rating to the Issue.

## NOTES :

GEPL Capital Pvt. Ltd (formerly known as Gupta Equities Pvt. Ltd.)  
Head Office: D-21/22 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400001  
Reg. Office : 922-C, P.J. Towers, Dalal Street, Fort, Mumbai 400001

Research Analyst - Mr. Harshad D. Gadekar, + 022-6618 2685, [Harshadgadekar@geplcapital.com](mailto:Harshadgadekar@geplcapital.com)

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