
February 16, 2026

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051

Scrip Code: 544058

Scrip Symbol: MUFTI

Dear Sir/Madam,

Sub: Transcript of the investor/analyst conference call

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the investor/analyst conference call held on February 10, 2026 on unaudited financial results of the Company for the quarter and nine months ended December 31, 2025, is enclosed herewith.

The same is also available on the Company's website at https://www.credobrands.in/investors/financials/#acc_42

This is for your information and dissemination on your website.

Thanking you,

Yours faithfully,
For **Credo Brands Marketing Limited**

Sanjay Kumar Mutha
Company Secretary and Compliance Officer

Encl. As above



“Credo Brands Marketing Limited
Q3 & 9 Months FY '26, Earnings Conference Call”
February 10, 2026



MANAGEMENT:

MR. KAMAL KHUSHLANI - CHAIRMAN AND MANAGING DIRECTOR
MR. RASIK MITTAL - CHIEF FINANCIAL OFFICER

INVESTOR RELATIONS ADVISORS:

STRATEGIC GROWTH ADVISORS

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on February 10, 2026 will prevail.

Moderator: Ladies and gentlemen, good day, and welcome to Credo Brands Marketing Limited Q3 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 the star then zero on your touch-tone phone. Please note that this conference is being recorded

This conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the Company as on the date of this call. These statements are not the guarantees of future performance, and it may contain, involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Kamal Khushlani, Managing Director. Thank you, and over to you, sir.

Kamal Khushlani: Thank you. Good afternoon, everyone. I have with me Mr. Rasik Mittal, our Chief Financial Officer; and SGA, our Investor Relations advisers. I trust you have received the investor deck. If not, it is available on the stock exchange website and on our Company website.

In Q3 FY '26, we continued to make steady progress on our MUFTI 2.0 transformation journey centred around premiumization of the store experience, elevated merchandise and stronger brand storytelling. During the quarter, 12 stores under the new retail identity have already been opened, and while it is still early in the journey, the initial consumer and trade response across these locations has been encouraging, reinforcing our belief in the direction of the transformation. On a 9-month basis, we have opened 27 new stores and closed 22 underperforming stores, reflecting our continued emphasis on quality of network over scale.

The advertising and branding spend for 9 months FY '26 stood at approximately 5% of the revenue, and we intend to increase this to 8% to 10% of revenue for the next year, even if it has a short-term impact on profitability. Q3 FY '26 was a muted quarter for the apparel industry, marked by cautious consumer sentiment and lower footfalls.

For MUFTI as well, the festive season did not meet expectations, which impacted overall sales momentum during the quarter. Against this backdrop, our revenue from operations for Q3 FY '26 stood at INR146.1 crores with EBITDA of INR33.5 crores, translating into an EBITDA margin of 22.9%. PAT for the quarter was INR7 crores.

Gross margins during the quarter were temporarily impacted by recent GST reforms as we consciously passed on tax benefits to customers on products priced below INR2,500 while refraining from price increases on products above INR2,500.

This measured approach was taken to protect volumes and sustain consumer traction during a softer demand phase. However, while top line growth remained under pressure, we maintained gross margins of 56.5%.

On the working capital front, we saw an improvement during the quarter. Working capital days reduced to 179 days as of Q3 FY '26 compared to 217 days as of H1 FY '26 on a trailing 12-month basis, reflecting stronger collections and tighter credit discipline across channels.

While our working capital cycle remains structurally higher due to our deliberate risk absorption model where we retain inventory risk to ensure fresh merchandise and stronger partnership relationships every season. While near-term demand conditions remain subdued, we remain confident in MUFTI's long-term growth strategy.

Our strong brand recall, diversified channel presence, disciplined inventory model and continued focus on premiumization position us well to benefit from a recovery in consumption. As we move forward, our priorities remain clear: strengthening brand equity, scaling profitable growth across channels, expanding our premium store footprint and building long-term value for all stakeholders.

With this, I will now hand over the call to our CFO, Mr. Rasik Mittal, to take you through the detailed financial performance for the quarter.

Rasik Mittal:

Thank you, Kamal, and good afternoon, everyone. First, I will give you the financial highlights for Q3 FY '26. Our revenue for the quarter stood at INR146 crores as against INR156 crores in Q3 FY '25. Gross profit stood at INR83 crores with a GP margin of 56.5% for the quarter. Our EBITDA for the quarter stood at INR34 crores. Our EBITDA margin stood at 22.9%. Profit after tax for the quarter stood at INR7 crores. PAT margin stood at 4.8%.

Coming to 9 months FY '26 performance. Revenue stood at INR430 crores in 9 months FY '26 as against INR465 crores in 9 months FY '25. Gross profit stood at INR250 crores with GP margin of 58.2% for the 9 months. EBITDA for 9 months FY '26 stood at INR113 crores. Our EBITDA margin stood at 26.2%.

PAT for 9 months FY '26 stood at INR32 crores with a PAT margin of 7.5%. ROCE and ROE as of 31 December 2025 basis stood at 13.7% and 11.2%, respectively. Cash flow from operations for December '25 stood at INR115 crores. With this, we now open the floor for question and answers.

Moderator:

The first question is from the line of Gunit Singh from Counter Cyclical PMS. Please go ahead.

Gunit Singh:

So, I just have a question regarding the increase in advertisement spend and the strategy behind it. So for the previous 9 months, we have increased the spend to about 5% of the revenues, but they don't reflect in the numbers. The revenues have gone down despite store opening and all that. But we plan to take it up to about 8% to 10% of total revenues?

So I would like to understand, number one, this will be contracting our margins going forward. So when you planned about increasing the spend, I mean, what were the underlying results of your plan for this that you expect revenues to grow by about 20%, 30% by increasing the spend to about 8% to 10% of the revenues, number one?

And number two, is it so that we will continue to spend about 8% to 10% of revenues? Or is it just -- is it that we will cap the spends to say about once we reach marketing spend about INR40 crores or INR50 crores or so on, do we have a number that despite revenue growing, we will cap the marketing spend to a given number?

Or is it the strategy that even if our, say, revenues double in the next 2 years, we will continue to spend about 8% to 10%. So I just want to understand like, I mean, is this strategy well thought and what outcomes you expect from this?

Kamal Khushlani:

So Gunit, the thing is that the brand has undergone transformation again and is moving towards a premium position in the market. And it is important that there is enough awareness that is created among these consumers regarding the new position that the brand is taking in terms of elevated merchandise, elevated store experience and the way the experience at the store will be curated for them in future.

So to do that, it's at a stage where we have to make these investments, which is going to be in line to keep the brand salient and competitive in the environment which is ever evolving. So this is something which is necessary for the long-term health and future and sustainability for the brand.

So for the next couple of years, for sure, we are going to be spending 8% to 10%-odd of our revenue. However, these are decisions which are taken keeping in mind the longer-term growth, which I'm unable to project right now that when we'll hit the 20%, 30% numbers.

But for the next couple of years, we'll be spending heavily in investing and all the changes that we are making. It's a little early in the journey to say much about it, but there are already positive signs that we see from trade as well as from consumers with a little bit of whatever kind of interactions that we have had with consumers.

Gunit Singh:

Sir, what kind of positive signs are we seeing? Because, I mean, if we consider our business earlier where the spends were limited, not the 8% to 10% levels, we were growing year-on-year, we were having comfortable margins. So I mean, why are the pivot to such higher spends wherein even after 9 months, the revenues are falling?

And obviously, we'll take a long hit on the profitability as well. So, what's the rationale for, I mean, transition? I want to understand basically, I mean, what was the main idea behind this because everything is going well till now, if I'm not wrong?

Kamal Khushlani:

Sure, Gunit. It is certainly going well, and we will still be spending from our profits only. It's not that we are going to hit our bottom line or take it into the negative. The thing is that as the market keeps changing and market keeps evolving, there is new brands, new things that come into the market. So to stay relevant, you have to change your course.

You cannot just continue to do what you were doing in the past. So keeping the future in mind and keeping the current competitive scenario in mind, these are the steps that we are taking, which we believe are going to help sustain the growth for the brand in the future.

- Gunit Singh:** alright, sir. I wish you all the best, and I hope that these will come to fruition soon. This time, our share has fallen about 75% from the all-time high. So I just hope that, I mean, these decisions work well for us?
- Kamal Khushlani:** Sorry, your voice was muffled.
- Gunit Singh:** So I'm saying that -- I mean, if we look at the bottom line, the profitability has gone down. The share has fallen about 70%, 75% from all-time high. So I just hope that, I mean, in future, we are able to create some value for the investors as well from the decisions that you take. Wish you all the best. Thank you very much.
- Kamal Khushlani:** Thank you, Gunit. Thank you.
- Moderator:** The next question is from the line of Nilesh Doshi from Prospero Tree. Please go ahead.
- Nilesh Doshi:** Sir, we are changing the strategy. We are opening the new format store or the premium store, and we are spending 8% to 10% of the revenue for the advertisement. By spending that much money and by opening the premium store, will the Company achieve the earlier revenue and profit or it will be much more higher than the earlier profit?
- Kamal Khushlani:** In future, Nilesh, it will certainly. We aspire and aim to get it to a higher level. The mid-term or short-term for the next couple of years, definitely, our profit will be impacted.
- Nilesh Doshi:** Sir, the profit may be impacted maybe due to the advertisement cost, but our GP margin is lower and our revenue is also degrowing on quarter-on-quarter - sorry, on a Y-o-Y basis. So if we are opening a premium store, naturally, we are selling the premium product, which is higher than the average sale price. So why our revenue is not growing, why our GP margin is not maintaining and why our profit is down?
- Kamal Khushlani:** So at this, you should be looking at our business on a quarter-on-quarter basis. I have even said that in the past. By the end of the year, this should -- EBITDA should come to around 25%-odd by end of Q4. And also our GP margin will be sustained. It's not that it's going to be terribly lower.
- Rasik Mittal** Nilesh, the GP margin has gone down because there have been changes in the GST rates and as we have explained in the presentation, in the Q3, we have not increased the MRPs to take care of the higher GST. However, we have passed on the benefit of the lower GST to the consumer. So that's why the GP margin has been impacted slightly. But however, going forward, we are confident that we'll be able to maintain our GP margins.
- Nilesh Doshi:** So what about the revenue? Will we maintain from quarter 4 onwards, can we maintain the revenue as earlier or further it will go down?
- Kamal Khushlani:** No, no, it won't further go down. But by the end of the year, we might be 5% to 6% lower than last year.
- Nilesh Doshi:** Okay. Because the investors are a little bit worried, at least the investor like me because last 3 to 4 quarters, every time the press release or everything from the Company is informed that there

is a market condition is not good and the demand is not good. So the revenue is down. Now we are spending the money on opening a new store?

At the same time, we are spending the money on advertisement to establish our premium brand. I think this strategy will work for the Company in the future because currently, it does not seem that our revenue is growing because we are opening the stores, then why the revenue is down?

I don't understand because we are closing some nonperforming store and opening the new stores. So I think the revenue must be maintained at least because of the advertisement expense, our operating expenses is higher and EBITDA margin should suffer, not the GP margin and revenue. That's my understanding. I may be wrong, but it is my understanding, sir?

Kamal Khushlani: But these stores have just recently been opened and it's a game of patience, Nilesh. Over the future, definitely, the business will grow, and we are confident about that as the demand picks up. But these stores have just now been opened and underperforming stores have been closed. So they take some time to pick up. And these are investments that are necessary to keep the salience of the brand going forward.

Nilesh Doshi: Okay. Okay. All the best, sir. Thank you. From Q4 onwards, at least we see the revenue growth, at least not the profit growth, but the revenue growth?

Kamal Khushlani: Thank you, Nilesh. Thank you for your wishes.

Moderator: The next question is from the line of Rahil from Sapphire Capital. Please go ahead.

Rahil: Can you hear me?

Moderator: Yes, sir.

Rahil: Yes, Hi, sir. Sir, firstly, I would really like to applaud you and commend you for the journey you've taken upon, I can really see the change. I recently passed by one of your stores in one of the malls, MUFTI 2.0 stores. I also recently visited your website, right?

So I can see the vision which you had portrayed in front of investors that you want to premiumize the brand. It's really working. My only concern is in today's time since COVID, so many small brands have come up, right? And they are also targeting the young generation who want those fancy names and the logos from the market, and they want to wear that. How will you make MUFTI an overnight sensation?

So, for example, recently, I've been hearing a lot from friends and other people that they are into Rare Rabbit and similar brand. So MUFTI has been in the market for such a long time. And now I see that, okay, the quality is there, the whole image has changed. But how will you insert in your mind that okay, MUFTI is something you want to go for against the likes of JACK & JONES, Lacoste, Superdry, etcetera?

Kamal Khushlani: So this is exactly what we are looking to do, Rahil. People have an overhang of the brand from the past. And with whatever changes that we are making, it's important to communicate and

change people's perceptions about the brand because there's a certain rate at which the physical stores will change.

There are many factors that come into play when we are changing or renovating new stores also. Even while renovating a store, we have to keep in mind how much of the lease is still pending, whether the lease is ending in 2 years then those kind of stores can't be renovated because then you have to amortize the depreciation over just 2 years and things like that.

So this will happen at a certain pace. However, we will do it prudently at the fastest pace possible. But that's the reason why we are changing the brand because as the environment and the retail landscape keeps changing, we have to keep changing. So there are times when there are some ups and downs, but it does not impact the long-term sustainability of the brand.

But whatever we are doing right now is to keeping in mind that what competition is doing, what we have to do, how we will have to navigate through this period where we are able to come back on a growth path and rekindle the demand for the brand.

Rahil: Okay, sir. I just want to wish you all the best, sir. I really wish that people are able to see what you have to offer now. I recently purchased from -- yes, even for that matter, the website and the overall, everything is looking -- there is a drastic change in your presentation as well. So -- and if I have to pick out of the bunch all the stores in the mall, I think I would go to MUFTI first from what I've seen from a far. So I think it will work. I think it is working, and I wish you all the best for that.

Kamal Khushlani: Thank you so much, Rahil.

Moderator: The next question is from the line of Deepan Sankara Narayanan from TrustLine Holdings Private Limited. Please go ahead.

Deepan: Sir, firstly, how do we see the growth profile of the Company changing over next 3 years, considering the substantial increase in ad promotion and spend strategy. So do we see the growth profile changing over long-term?

Kamal Khushlani: Certainly. Certainly, we see it changing over the long-term. But however, as we have mentioned earlier, for the next couple of years, we are not going to commit on numbers that this is what we'll do, this is what we do. Typically, we believe in under-committing and overdelivering. So certainly, we should start seeing growth from next year onwards. But after the next couple of years, we'll definitely be back on track.

Deepan: Okay. Okay. So is this change in strategy is mainly due to huge competition coming from these D2C companies, which are being funded by private equity guys, and they have been aggressively growing. So this is reflective of that to stand holding position in the competitive market environment?

Kamal Khushlani: Partly, yes. Partly, yes.

Deepan: Okay, okay.

- Kamal Khushlani:** That is ever-changing market scenario. You have to keep changing with the market.
- Deepan:** Okay. And sir, specifics to the quarter -- yes, sorry. Go ahead, sir.
- Kamal Khushlani:** I said, we have to stand the test of time. That only time will tell us in hindsight.
- Deepan:** Okay. Okay. Sir, specific to this quarter, what is the kind of gross sales growth we had seen adjusting for sales return discounts and the GST impact? What is the kind of gross sales growth we had?
- Rasik Mittal:** So, Deepan, we have not seen any growth in the revenue. In fact, the quarter has degrown by around 6%.
- Deepan:** Okay. 6%, okay. And can you throw some light on the GST impact on this gross margin per se?
- Rasik Mittal:** So GST impact has been only in the third quarter because on 23rd September, the new GST rates got applicable basically. So as a Company, we had taken a call to pass on the benefits of the lower GST rate to the consumers and not increase the MRP for the higher priced GST rate basically for the garments. In fact, the Company took a hit. We didn't want to disturb the consumer sentiment in between the season.
- Moderator:** The next question is from the line of Aditya Varma from Synergy Investments. Please go ahead.
- Aditya Varma:** My question is on the quarter 4. Now we are already sitting in mid of February. How do you see the sales happening? And is there some improvement from the previous quarter?
- Kamal Khushlani:** So, as I mentioned earlier, Aditya, at the end of the year, we should be at about 5% or 6% lower than last year's sale numbers. So it continues to be muted. However, the improvements and changes that we have made in the merchandise, et cetera, hopefully from spring/summer '26, they should start paying dividends.
- Aditya Varma:** Okay, sir. Okay. I had other questions, but I think most of them are answered by previous analysts, so thank you.
- Kamal Khushlani:** All right.
- Moderator:** The next question is from the line of Ashi from Matterhorn Investment Advisors. Please go ahead.
- Ashi:** I had a few questions. On the store opening plans, I wanted to understand what are the plans going forward in terms of the number of stores being planned to be opened in the coming few quarters and the closing as well?
- Kamal Khushlani:** So Ashi, currently, in 9 months, we have opened 27 new stores and closed 22 stores. That's a net addition of 5. However, in the next quarter, we shall be we shall be closing 21 stores and adding 6 new doors in the season. So for the year FY '26, we would be at minus 10, which is 431-odd stores.

And out of these, 20 stores will be of the new retail identity. And going forward, in the next year, we intend to close about 20, 25-odd stores and open 25 to 30-odd stores. We are not going to chase scale. We're going to chase quality for the next year.

Ashi: Understood. Another thing I wanted to get a understanding on was that there was a mention about inventory optimization as well in these stores. Could you dwell a little deeper on that as well?

Kamal Khushlani: Inventory optimization, I don't know what exactly you're referring to, but this is something that we consistently do. It's the business model that we follow, Ashi, where we take risk of the entire inventory. We provide it to all channel partners and whatever is left over at the end of the season, we take it back.

Since the season has been impacted and the performance has been low, the goods will be coming back to us. However, historically, we have always managed to clear these goods at a profit. We don't end up making losses. We take our own time to do it, which impacts our working capital days, but we don't end up eroding the brand by giving extra discounts and trying to liquidate it in a hurry.

Ashi: Understood. Yes, this was around the point that was mentioned about the working capital cycle going down. Just wanted to get an understanding on that. So, thanks for that. Also, there is a mention quite frequently about the market momentum being quite slow in the coming -- in the past few quarters and in the coming few quarters as well. I wanted to understand how do you see this market momentum? Of course, we expect that the Company would be able to recover the invested value, say, by December '26. But how do you see the market moving in this particular segment going forward?

Kamal Khushlani: So we are hopeful that the demand should pick up given the reforms that the government has made. And for the last few quarters, it's been muted. We are hoping that the demand should pick up from spring/summer '26 onwards.

Ashi: Understood. Thanks a lot, sir. I just wanted to point out that I happened to visit one of the stores in the city I live-in and it's commendable that even though store staff is very well worked with the Strategy 2.0 that you guys have implemented. Just wanted to point that out as well. Thanks a lot for your time.

Kamal Khushlani: Thank you, Ashi. Thank you.

Moderator: The next question is from the line of Tanmay from Growth Infinity. Please go ahead.

Tanmay: Hello, sir. Am I audible?

Kamal Khushlani: Could you come closer to the mic and speak because your voice is pretty low.

Moderator: Yes, sir. Can you please use your handset.

Tanmay: Sir, am I audible now?

- Kamal Khushlani:** Yes, better.
- Moderator:** Yes.
- Tanmay:** Sir, I was asking that from Jan only, I have started to observe that there is a large number of views coming towards your advertisement on YouTube and on Instagram as well. So are you able to see some green sprouts coming up and with those advertisements the large number of views that are coming, are they converted into real-time sales on websites or on offline basis?
- Kamal Khushlani:** Yes. Yes. On the website, our business has grown by 87% over the last year same period. And definitely, we are seeing an improvement in that. And from whatever we get in interactions from trade also, like I said, the response is very positive and people are noticing that something has happened even on the website. It looks a lot more premium. The stores look a lot better.
- But however, Tanmay, these are not things because it's not like a call to action advertisement that you're just promoting discounts and you're getting people to your stores. These are investments made for the longer term. So they take some time to pay off. And there's a certain amount of frequency which we have to hit the consumers along with the reach that we have to bear fruit.
- Hence, we say that for the next couple of years, at least we will have to make huge investments in advertising. And post that, looking at the market scenario and the performance, we will take decisions on how we want to invest going further.
- Tanmay:** Okay, sir. And sir, one more question that as for now, we have 12 premium stores. So by the end of quarter 4, can we expect it to reach by 20 or 15, 16 in the better number?
- Kamal Khushlani:** 20.
- Tanmay:** Okay, sir.
- Kamal Khushlani:** End of Q4, there will be 20 new identity stores, out of which 15 will be new stores and 5 will be renovated stores.
- Tanmay:** Okay, sir. And sir, do we have something big collabs coming up with online creators as well or collabs in the means you are expanding the advertisement spend as well. So are we expecting some big collabs between some creators or the industry collabs as well?
- Kamal Khushlani:** That's constant work in progress, but we are not looking at big slaps, but certainly, we are looking at content creators as collaborators with the brand.
- Moderator:** Thank you, sir. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to management for closing comments.

Kamal Khushlani: Thank you. I'd like to thank everyone for being a part of this call. We hope we've answered your questions. If you need more information, please feel free to contact us or SGA, our Investor Relations Advisors. Thank you once again, and have a good day.

Moderator: Thank you, sir. On behalf of Credo Brands Marketing Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

