

Retail Research	IPO Note
Sector: Retail	Price Band (Rs): 382 – 402
28th October 2025	Recommendation: SUBSCRIBE FOR LONG-TERM

Lenskart Solutions Ltd

Company Overview:

Lenskart Solutions Ltd. (Lenskart) is a tech-driven & integrated eyewear company primarily selling prescription eyeglasses, sunglasses and other products such as contact lenses and eyewear accessories. The company sells its products in India (largest market) and has recently expanded into select international markets like Japan, Southeast Asia and the Middle East. Lenskart designs and sells a wide range of eyewear products under multiple owned in-house brands and sub-brands. As of Jun'25, the company operated a total of 2,806 stores (2,137 stores in India and 669 stores internationally) and offered collections across 22 brands and sub-brands.

Key Highlights:

1. Centralized supply chain & manufacturing processes: The traditional prescription eyeglasses supply chain in India is fragmented, with multi-layered procurement and cutting & fitting processes that are often managed by individual retailers. This results in increased costs for customers, inconsistent quality and high dependence on locally available skilled manpower. To tackle this, the company operates a centralized supply chain which spans from centralized procurement of frames & lenses to coating/edging/polishing of lenses and ultimately assembling lenses & frames. Lenskart manufactures prescription eyeglasses at its centralized manufacturing facilities, in-store capabilities or through 3rd-party agreements, and has manufactured ~70% of its prescription eyeglasses sold at its centralized manufacturing facilities in India as of FY25. Going ahead, Lenskart plans on implementing a centralized supply chain and manufacturing models in international markets such as Singapore and the United Arab Emirates.

2. Evolving towards a manufacturer-to-consumer model: In the traditional supply chain model, products pass through multiple intermediaries, from the manufacturer to an importer/brand owner, to a wholesaler/distributor, and finally to a retailer who sells products to the end customer. In contrast, Lenskart earlier used to follow a direct-to-consumer supply chain model, wherein it sourced frames & lenses from select manufacturers through long-term supply relationships and acted as the single point of contact for both suppliers and customers. However, now the company is shifting towards a manufacturer-to-consumer model, where it manufactures frames & lenses in-house and sell directly to customers. This enables the company to deliver products to customers at an affordable cost combined with next-day deliveries.

3. Assortment of brands and sub-brands: Lenskart targets different customer categories through a portfolio of brands and sub-brands that include premium collections through John Jacobs and Owndays, and economy & affordable premium collections through Lenskart Air, Vincent Chase, hustlr, and Hooper Kids. As of FY25, the price points for the company's prescription eyeglasses ranged from Rs 399 to Rs 41,199 in India and from USD 48.4 (~Rs 4,270) to USD 670.1 (~Rs 59,140) internationally. Additionally, the company offered over 79,000 SKUs across its frames portfolio in India across the economy, affordable premium and premium categories.

Valuation: Lenskart is India's largest and amongst the top 2 players in Asia in the organized retailers of prescription eyeglasses in terms of B2C eyeglasses sales volumes. The company has demonstrated significant growth over the years in both financial and operational metrics. It is broadening its presence in the rapidly expanding Indian eyewear market. At the upper band of Rs 402, the IPO is valued at FY25 EV/Sales and EV/EBITDA multiples of 10.1x and 68.7x, respectively, based on post-issue capital. Valuation of Lenskart seems be stretched and hence listing gain is likely to be muted. However, looking at the robust business model, the company is well placed to encash on the fast-growing domestic organized underpenetrated eyeglasses market. Moreover, as business scales up, there is scope of improvement in profitability over medium to long term. Listed international peers have robust margin profile and going forward, street will keenly track the path to profitability for Lenskart too. As per the historical track record, the company has consistently improved its reported EBITDA margin[#] (7.0% in FY23 to 14.7% in FY25) and incremental improvement will be keenly tracked by the investors. We recommend investors to SUBSCRIBE to the IPO for long term at the cut-off price.

Issue Details	
Date of Opening	31 st October 2025
Date of Closing	04 th November 2025
Price Band (Rs)	382 – 402
Offer for sale (Rs cr)	5,128.0
Fresh Issue (Rs cr)	2,150.0
Issue Size (Rs cr)	7,278.0
No. of shares	18,10,45,160 @upper price band
Face Value (Rs)	2.0
Post Issue Market Cap (Rs cr)	69,741 @upper price band
Employee Discount (Rs)	19.0
BRLMs	Kotak Mahindra Capital Company Ltd, Morgan Stanley India Company Pvt Ltd, Avendus Capital Pvt Ltd, Citigroup Global Markets India Pvt Ltd, Axis Capital Ltd, Intensive Fiscal Services Pvt Ltd.
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	37 shares and in multiple thereof
QIB shares	75%
Retail shares	10%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization from net proceeds (Rs cr)
Capital expenditure towards set-up of new CoCo stores in India	272.6
Capex Expenditure for lease/rent/license agreements related payments for CoCo stores operated by the company, in India	591.4
Investing in technology and cloud infrastructure	213.4
Brand marketing and business promotion expenses for enhancing brand awareness	320.1
Unidentified inorganic acquisitions and general corporate purposes*	-
Net proceeds from the issue	-

**To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The aggregate amount to be utilized for general corporate purposes and unidentified inorganic acquisition shall not exceed 35% of the Gross Proceeds. The amount to be utilized for general corporate purposes or unidentified inorganic acquisition, individually, as the case may be, shall not exceed 25% of the Gross Proceeds. The Company confirms that the amounts, if any, that will be utilized towards capital expenditure related items as part of either general corporate purposes and/or unidentified inorganic acquisitions, such amount(s) shall not exceed 25% of the Gross Proceeds.*

Source: RHP, SSL Research

As per IND AS 116, reported EBITDA margin excludes rent expense which is captured as Right-of-use assets in depreciation and Lease Liabilities in the Finance cost

Shareholding Pattern – Pre vs Post Issue

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	33,45,19,726	19.9
Public & Others	1,34,68,54,556	80.1
Total	1,68,13,74,282	100.0
Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	30,72,83,288	17.7
Public & Others	1,42,75,73,581	82.3
Total	1,73,48,56,869	100.0

Source: RHP, SSL Research

Shareholders Selling through OFS

Shareholder Name	Category	No. of shares offered
Peyush Bansal	Promoter	2,04,88,978
Amit Chaudhary	Promoter	28,68,457
Sumeet Kapahi	Promoter	28,68,457
Neha Bansal	Promoter	10,10,546
Total Promoter Selling through OFS	-	2,72,36,438
Shareholder	Category	No. of shares offered
SVF II Lightbulb (Cayman) Ltd.	Public	2,55,18,098
Schroders Capital Private Equity Asia Mauritius Ltd.	Public	1,90,64,344
PI Opportunities Fund - II	Public	87,01,817
MacRitchie Investments Pte. Ltd.	Public	78,58,841
Kedaara Capital Fund II LLP	Public	73,60,340
Alpha Wave Ventures LP	Public	66,64,179
TR Capital III Mauritius II	Public	46,95,909
TR Capital III Mauritius	Public	39,86,272
Birdseye View Holdings II Pte. Ltd.	Public	37,32,756
Bay Capital Holdings Ltd.	Public	31,78,826
Kedaara Norfolk Holdings Ltd.	Public	29,44,137
Kariba Holdings IV Mauritius	Public	19,09,372
Epiq Capital B, L.P.	Public	10,96,220
IDG Ventures India Fund III LLC	Public	9,50,282
Madison India Opportunities V VCC	Public	8,21,813
TR Capital II L.P.	Public	6,85,455
Chiratae Trust	Public	5,34,532
Technology Venture Fund	Public	4,74,446
ECLK Innovations LLP	Public	1,48,496
Total Public Selling through OFS	-	10,03,26,135
Total Selling Shareholders through OFS	-	12,75,62,573

Source: RHP, SSL Research

Key Financials & KPIs

Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from operations	3,788.0	5,427.7	6,652.5	1,894.5
EBITDA#	263.8	673.3	975.5	336.0
PAT	(68.0)	(17.5)	295.6	60.1
EBITDA Margin (%)	7.0	12.4	14.7	17.7
PAT Margin (%)	(1.8)	(0.3)	4.4	3.2
Adj. PAT	(68.0)	(17.5)	128.4	64.9
Adj. PAT Margin	(1.8)	(0.3)	1.9	3.4
RoE (%)	(1.2)	(0.3)	2.1	4.2^
RoCE (%)	(0.2)	3.0	8.3	9.2^
P/E (x)*	-	-	526.4	260.4^
Transacting Customer Accounts (mn)	7.7	10.2	12.4	4.4
Number of Eyewear Units Sold (mn)	16.0	21.2	27.2	7.9
Total No. of Stores	1,959	2,389	2,723	2,806

As per IND AS 116, excluding rent expense which is captured as Right-of-use assets in depreciation and Lease Liabilities in the Finance cost.

Adjusted PAT is PAT adjusted for exceptional items and one-time FVTPL Gain on deferred consideration relating to purchase of additional stake in Owndays Inc.

RoE, RoCE and P/E ratios are calculated on Adj. PAT

*Note: Pre-issue P/E based on upper price band

^Annualized

Source: RHP, SSL Research

Risk Factors

- Import risk:** The company sources some of its raw materials and frames from China, where it also operates a manufacturing facility via Boafeng Framkart Technology Ltd (JV – company holds 51% stake). The JV was incorporated in 2018 and is engaged in the production and sale of spectacle lenses, frames and accessories. The supply of raw materials and finished goods from suppliers in China may be disrupted due to factors outside of the control of the company and thus, could adversely affect its operations.
- Risk from medical advancements:** The company operates in the eyewear industry, which is subject to technological changes and innovations that may affect the demand for its products. In particular, medical advancements in eyecare, such as laser-assisted in situ keratomileusis (LASIK) and small incision lenticule extraction (SMILE) surgeries, may reduce the need for corrective eyewear among potential customers. Refractive error correction through surgical procedures such as LASIK and SMILE is increasingly accessible across emerging markets.
- Franchisee-operated retail stores:** A portion of the company's retail stores are owned or operated through franchise agreements with third-party entities. As of Jun'25, the company operated 472 franchise stores globally which represented ~22% of its total retail store network. Under these franchise agreements, the company provides its franchisees with the right to use brand name, intellectual property (including trademarks, designs, patents, designs, as well as marketing support), and in-turn receives a fixed one-time license fee. However, the company does not have complete operational or financial control over the actions of franchisees. As a result, there lies a risk that franchisees may take actions that are inconsistent with the company's brand standards, operational policies or strategic objectives.

Growth Strategies

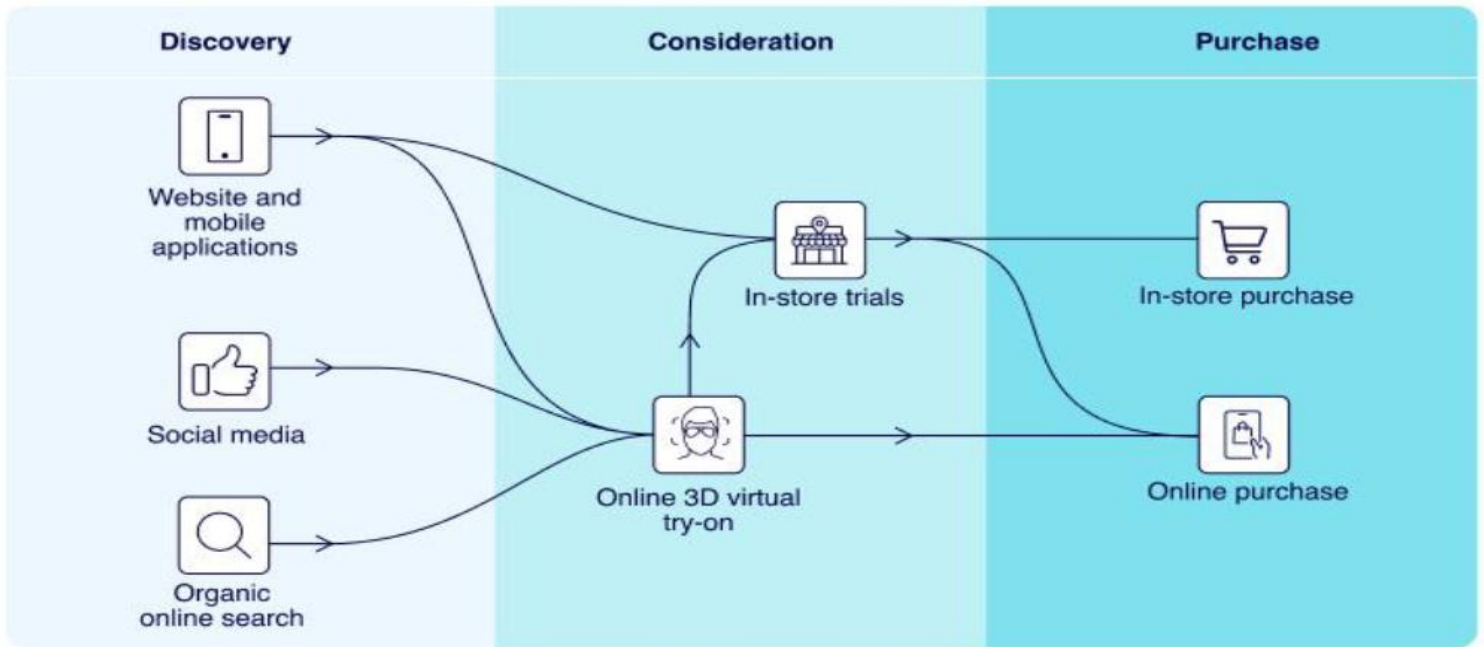
- Increase penetration in existing markets, enter new markets/geographies, and expand customer access across channels.
- Strengthen manufacturing and supply chain capabilities by reducing dependency on imported raw materials & expanding manufacturing capacities.
- Continue to innovate and expand product portfolio.

Traditional vs Centralized Supply Chain



Source: RHP, SSL Research

Lenskart Omnichannel Model



Source: RHP, SSL Research

Select Brands and Sub-brands



Source: RHP, SSL Research

Global Store Network

Particulars	FY23	FY24	FY25	1QFY26
India	1,416	1,785	2,067	2,137
Metro cities	656	791	900	928
Tier-1 cities	277	385	469	491
Tier-2 towns/cities & beyond	483	609	698	718
Japan	232	259	267	272
Southeast Asia	214	229	251	258
Middle East	17	28	39	39
Others*	80	88	99	100
Total	1,959	2,389	2,723	2,806

*Others comprise Taiwan, Hong Kong and Australia.

Source: RHP, SSL Research

Store Network in India – FY25

State/Union Territory	No. of Stores
Maharashtra	325
Karnataka	228
Tamil Nadu	205
Uttar Pradesh	139
West Bengal	130
Kerala	123
Gujarat	118
Telangana	117
Delhi	89
Rajasthan	72
Others	521
Total	2,067

Source: RHP, SSL Research

Global Store Network by CoCo and Franchise Stores

Particulars	FY23	FY24	FY25	1QFY26
CoCo Stores				
India	1,036	1,417	1,749	1,823
International	383	433	475	488
Total	1,419	1,850	2,224	2,311
Franchisees (including Company-owned, JV and Franchise-operated)				
India	380	368	318	314
International	160	171	181	181
Total	540	539	499	495

Source: RHP, SSL Research

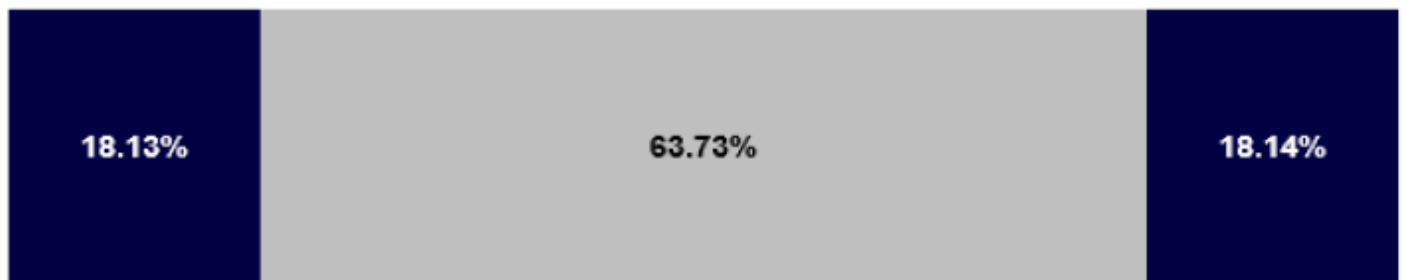
Capacity Utilization across Manufacturing Facilities

Facility	FY23		FY24		FY25		1QFY26	
	Capacity (units)	Utilization	Capacity (units)	Utilization	Capacity (units)	Utilization	Capacity (units)	Utilization
Gurugram	1,27,31,000	52.3%	1,27,31,000	44.5%	1,27,31,000	40.9%	31,83,000	39.2%
Bhiwadi	21,95,000	19.9%	89,63,000	48.1%	1,42,67,000	54.3%	38,41,000	68.3%
Singapore	2,72,000	27.6%	2,72,000	42.7%	3,05,000	54.4%	76,000	61.9%
Dubai	-	-	-	-	1,48,000	22.2%	37,000	40.6%
Total	1,51,98,000	47.2%	2,19,66,000	45.9%	2,74,51,000	47.9%	71,37,000	55.1%

Source: RHP, SSL Research

Transaction Value of Orders – FY25

Distribution of Lenskart’s Sales by Transaction Value Size in India (FY25)



Transaction Value < ₹2,000

Transaction Value between ₹2,000 - ₹10,000

Transaction Value > ₹10,000

Source: RHP, SSL Research

Remote Optometry Solutions offered by Lenskart

India



Customer in Jodhpur Store

Optometrist in Kolkata Centre

International



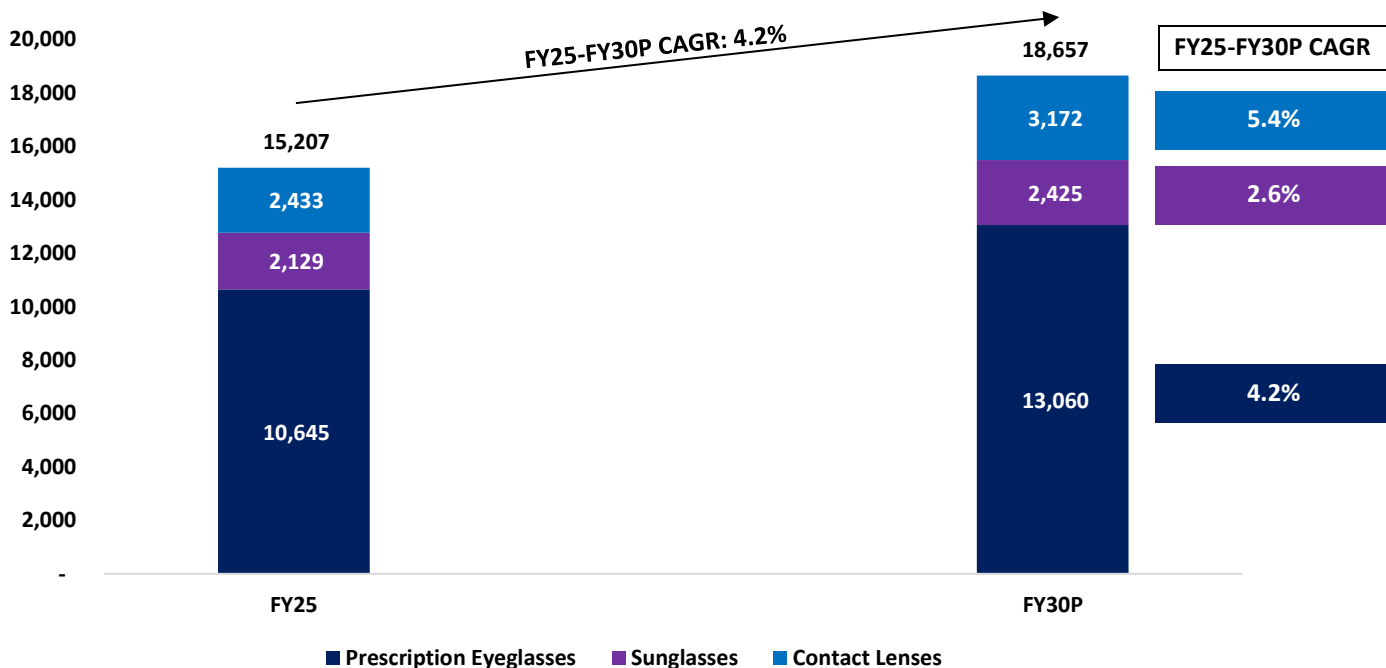
Optometrist in Bangkok Centre

Customer in Bangkok Store

Source: RHP, SSL Research

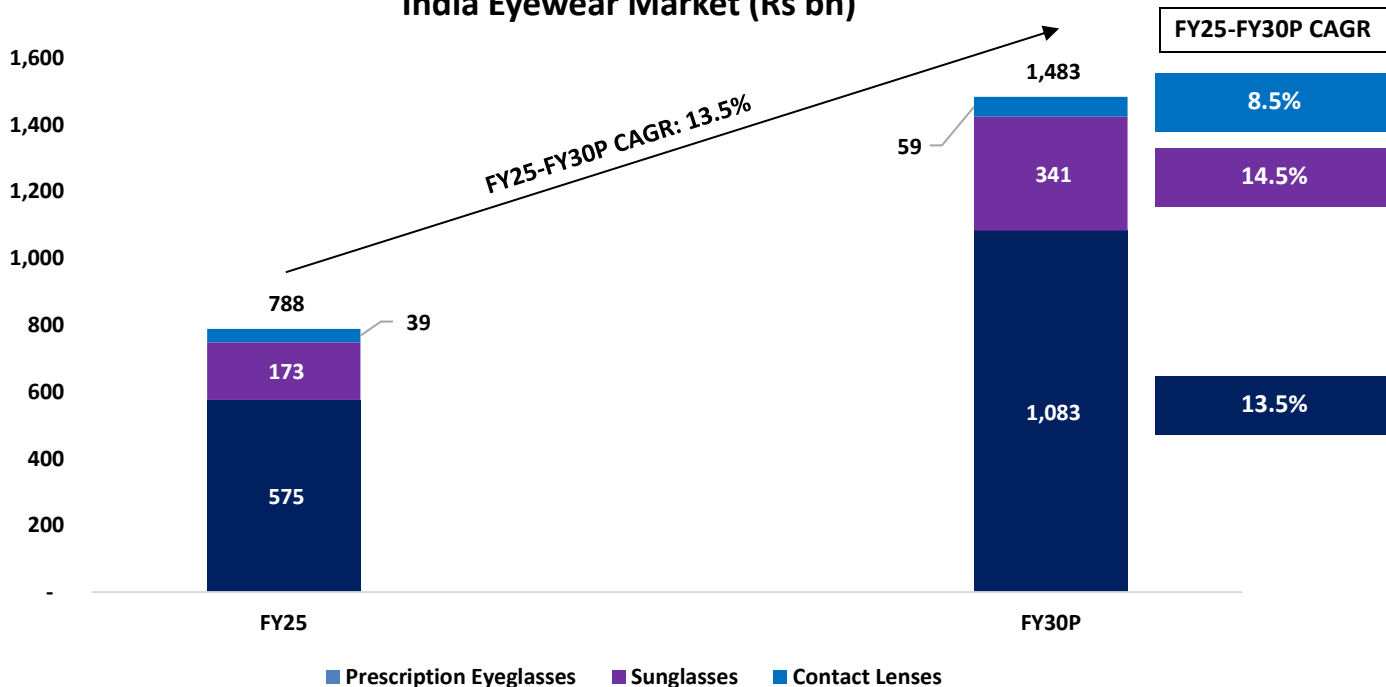
Industry Overview

Global Eyewear Market (Rs bn)



Source: RHP, SSL Research

India Eyewear Market (Rs bn)



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Revenue from Operations	3,788	5,428	6,653	1,894
YoY growth (%)	-	43.3%	22.6%	-
COGS (incl Stock Adj)	1,368	1,776	2,134	604
Gross Profit	2,420	3,652	4,518	1,290
Gross margins (%)	63.9%	67.3%	67.9%	68.1%
Employee Cost	718	1,086	1,379	466
Other Operating Expenses	1,439	1,892	2,164	489
EBITDA#	264	673	975	336
EBITDA margins (%)	7.0%	12.4%	14.7%	17.7%
Other Income	140	182	357	52
Interest Exp.	83	123	146	41
Depreciation	418	672	797	237
PBT	(97)	60	390	110
Exceptional item	-	-	-	(10)
Tax	(37)	69	88	39
Share of profit of associates and JVs	(4)	(1)	(4)	1
Minority Interest	4	7	2	1
Adj. PAT	(68)	(17)	128	65
Adj. PAT margin (%)	-1.8%	-0.3%	1.9%	3.4%
Adj. EPS	(0.4)	(0.1)	0.8	0.4

As per IND AS 116, excluding rent expense which is captured as Right-of-use assets in depreciation and Lease Liabilities in the Finance cost
Adjusted PAT is PAT adjusted for exceptional items and one-time FVTPL Gain on deferred consideration relating to purchase of additional stake in Owndays Inc.

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1QFY26
Assets				
Net Block	721	945	1,340	1,374
Capital WIP	134	71	107	119
Right of use assets	831	814	2,109	2,268
Intangible Assets	974	907	907	905
Goodwill	1,862	1,867	1,876	1,876
Other Non-current Assets	1,093	1,488	503	612
Current Assets				
Inventories	611	688	1,081	1,158
Current Investment	751	962	988	1,044
Trade receivables	281	341	126	139
Cash and Bank Balances	987	805	865	932
Other Current Assets	1,283	641	570	420
Total Current Assets	3,913	3,437	3,630	3,692
Current Liabilities & Provisions				
Trade payables	577	516	740	790
Other current liabilities	271	325	392	431
Short-term provisions	42	51	76	80
Total Current Liabilities	891	893	1,208	1,301
Net Current Assets	3,022	2,544	2,422	2,391
Total Assets	8,637	8,638	9,263	9,545
Liabilities				
Share Capital	33	182	321	321
Reserves and Surplus	5,441	5,467	5,777	5,894
Total Shareholders' Funds	5,474	5,649	6,099	6,216
Minority Interest	96	107	107	108
Total Debt	917	497	346	335
Long Term Provisions	62	66	92	95
Lease Liabilities	1,441	1,679	2,227	2,400
Other Long Term Liabilities	484	489	240	240
Net Deferred Tax Liability	163	151	151	151
Total Liabilities	8,637	8,638	9,263	9,545

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1QFY26
Cash flow from Operating Activities	95	487	1,231	283
Cash flow from Investing Activities	(2,976)	159	(266)	(166)
Cash flow from Financing Activities	2,777	(722)	(535)	(194)
Free Cash Flow	(304)	62	815	128

RATIOS				
Particulars	FY23	FY24	FY25	1QFY26
Profitability				
Return on Capital Employed	-0.2%	3.0%	8.3%	9.2%^
Return on Equity	-1.2%	-0.3%	2.1%	4.2%^
Margin Analysis				
Gross Margin	63.9%	67.3%	67.9%	68.1%
EBITDA Margin	7.0%	12.4%	14.7%	17.7%
Net Profit Margin	-1.8%	-0.3%	1.9%	3.4%
Short-Term Liquidity				
Current Ratio (x)	3.2	3.1	2.7	2.6
Quick Ratio (x)	2.7	2.5	1.9	1.8
Avg. Days Sales Outstanding	27	23	7	-
Avg. Days Inventory Outstanding	163	141	185	-
Avg. Days Payables	60	40	48	-
Fixed asset turnover (x)	5.3	5.7	5.0	-
Debt-service coverage (x)	0.0	0.3	1.1	-
Long-Term Solvency				
Total Debt / Equity (x)	0.2	0.1	0.1	0.1
Interest Coverage Ratio (x)	-0.2	1.5	3.7	3.7
Valuation Ratios*				
EV/EBITDA (x)	256.0	99.9	68.8	49.8^
P/E (x)	-	-	526.4	260.4^
P/B (x)	12.3	12.0	11.1	10.9
EV/Sales (x)	17.8	12.4	10.1	8.8^
Mkt Cap/Sales (x)	17.8	12.5	10.2	8.9^

RoE, RoCE and P/E ratios are calculated on Adj. PAT

*Valuation ratios are based on pre-issue capital at the upper price band

^Annualized

Source: RHP, SSL Research

Peer Comparison

Lenskart Solutions Ltd does not have any listed like-to-like industry peers in India.

However, we have compared the issue to the publicly-listed leading global organized retailers of prescription eyeglasses such as Essilor Luxottica SA, Fielmann AG, Warby Parker Inc. and National Vision Holdings, Inc.

Particulars	FY25 - Rs cr	CY24 - USD mn			
	Lenskart Ltd	EssilorLuxottica SA	Fielmann Group AG	Warby Parker Inc	National Vision Holdings Inc
Country	India	France	Germany	USA	USA
Market Cap	69,741	1,71,007	4,797	2,622	2,055
Sales	6,653	28,676	2,451	771	1,823
EBITDA	975	7,080	509	73	156
Adj. PAT	128	3,377	165	32	41
EBITDA Margin (%)	9.5	16.8	51.1	29.4	88.7
Adj. PAT Margin (%)	1.4	4.1	10.6	2.8	7.6
P/E (x)	543.2	50.6	29.2	80.8	50.3
RoE (x)	2.1	6.0	17.9	-6.4	-3.5
Mkt Cap/Sales (x)	10.5	6.0	2.0	3.4	1.1

Kindly note the business model of international industry peers may differ from that of Lenskart Solutions Ltd, and hence may not be an apple-to-apple comparison.

For Lenskart Solutions Ltd., Market Cap, P/E(x), Market Cap/Sales(x) are calculated on post-issue equity share capital based on the upper price band.

Source: Bloomberg, SSL Research

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