

Lenskart Solutions Ltd. - IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
31 October 2025	4 November 2025	₹382 to ₹402	Subscribe

Investment Summary

Lenskart Solutions Ltd. is positioned as a market-leading, technology-enabled integrated specialist in the eyewear sector, commanding the largest share in India and ranking among the top two organized retailers in Asia based on B2C sales volumes. The firm employs a substantial omnichannel strategy, utilizing a vast global network comprising 2,806 stores as of June 2025, facilitating expansion into key international geographies including Japan, Southeast Asia, and the Middle East. Investment appeal is strongly supported by the company's proven ability to scale operations efficiently, evidenced by the consistent rise in the reported EBITDA margin (excluding rent) from 7.0% in FY23 to 14.7% in FY25. This operational momentum allowed Lenskart to achieve core financial strength, resulting in a positive Adjusted Profit After Tax (PAT) of Rs 128.4 crore in FY25. The company is strategically equipped to capture significant market share in the rapidly expanding and underpenetrated domestic eyeglasses segment, suggesting a clear path toward sustained margin enhancement and profitability over the long term.

Company Overview

Lenskart Solutions is a technology-driven, direct-to-consumer eyewear company with integrated design, manufacturing, branding, and retail operations across India and select international markets. It sells prescription eyeglasses, sunglasses, contact lenses and accessories under its own brands and sub-brands, serving a wide range of price points and age groups. As of June 30, 2025, the company operated 2,806 stores globally (2,137 in India; 669 international) and had over 100 million cumulative app downloads, underpinning its omnichannel model. Lenskart runs centralized, in-house manufacturing for frames and lenses in Bhiwadi (Rajasthan) and Gurugram (Haryana), supplemented by regional facilities in Singapore and the UAE, enabling faster fulfillment and select next-day delivery. It is India's largest and among Asia's two largest organized retailers of prescription eyeglasses by B2C volumes in FY25. Revenue from operations was ₹66,525.17 million in FY25 and ₹18,944.55 million in the quarter ended June 30, 2025. Its integrated supply chain, automation and owned brands are core to delivering quality at affordable prices.

Business Model

Lenskart Solutions Ltd. operates as a tech-driven and integrated eyewear company that primarily focuses on selling prescription eyeglasses, sunglasses, contact lenses, and eyewear accessories. The company implements an omnichannel business model, leveraging both online platforms and a substantial physical presence. As of June 2025, the company managed a global network of 2,806 stores, with 2,137 located in India. This retail network is composed of both Company-owned, Company-operated (CoCo) stores (2,311 total as of 1QFY26) and franchisee-operated retail stores, which accounted for approximately 22% of its total network (472 stores globally) as of June 2025. The business model is designed to cater to diverse customer categories using a wide portfolio of 22 brands and sub-brands. This assortment includes high-end options like the premium collections from John Jacobs and Owndays, alongside economy and affordable premium collections such as Lenskart Air, Vincent Chase, hustlr, and Hooper Kids. This broad product offering is reflected in the wide price range for prescription eyeglasses in India, which extends from Rs 399 to Rs 41,199.

A core differentiator of Lenskart's business model is its evolution toward a manufacturer-to-consumer (M2C) supply chain model. Historically, the company followed a direct-to-consumer approach, sourcing components from third parties. The current M2C focus involves manufacturing frames and lenses in-house and selling them directly to customers, which facilitates affordable pricing and allows for rapid fulfillment, including next-day deliveries. This M2C operation is underpinned by a centralized supply chain that aims to resolve the fragmentation, inconsistency, and high costs common in the traditional Indian eyewear market. The centralized process covers everything from procurement of materials to the final assembly, including the coating, edging, and polishing of lenses. As of FY25, Lenskart manufactured approximately 70% of its prescription eyeglasses sold at its centralized facilities in India, and the company intends to extend the

implementation of this centralized supply chain and manufacturing model to international markets such as Singapore and the United Arab Emirates.

Industry Outlook

The eyewear industry, particularly the organized segment in India, presents a substantial growth opportunity, allowing Lenskart to capitalize on the fast-growing domestic organized underpenetrated eyeglasses market. The total India Eyewear Market is projected to grow significantly, increasing from Rs 788 billion in FY25 to an estimated Rs 1,483 billion by FY30P. This aggressive market expansion is driven by strong compound annual growth rates (CAGR) projected between FY25 and FY30P. The prescription eyeglasses segment is expected to grow at 8.5% CAGR, while the sunglasses and contact lenses segments anticipate even higher growth rates of 14.5% CAGR and 13.5% CAGR, respectively. Key growth drivers for Lenskart include its strategies to increase penetration in existing markets, expand into new geographies, and enhance its manufacturing capabilities.

Investment Rationale

1. Market Leadership and Expansion into a High-Growth Market

Lenskart Solutions Ltd. is recognized as India's largest and among the top two players in Asia in the organized retail segment for prescription eyeglasses based on B2C sales volumes. The company operates as a tech-driven, integrated eyewear company that sells prescription eyeglasses, sunglasses, contact lenses, and accessories, maintaining a large domestic presence while successfully expanding into key international markets including Japan, Southeast Asia, and the Middle East, managing a network of 2,806 stores globally as of June 2025. This dominant positioning ensures Lenskart is well-placed to capitalize on the fast-growing domestic organized underpenetrated eyeglasses market.

2. Differentiated and Centralized Manufacturer-to-Consumer (M2C) Supply Chain Model

The company addresses the inherent problems of the traditional Indian eyeglasses supply chain—such as fragmentation, high costs, and inconsistent quality resulting from multi-layered procurement and localized manual cutting and fitting—by operating a centralized supply chain. This centralized model encompasses procurement, coating, edging, polishing of lenses, and assembly, enabling the company to manufacture approximately 70% of its prescription eyeglasses at its centralized facilities in India as of FY25, with plans to implement this centralized model in international markets like Singapore and the UAE. Furthermore, Lenskart is strategically shifting from a direct-to-consumer model toward a manufacturer-to-consumer (M2C) model, manufacturing frames and lenses in-house to deliver products efficiently at an affordable cost, often offering next-day deliveries.

3. Diverse Portfolio Targeting All Customer Categories

Lenskart strategically targets a wide range of customer demographics through its assortment of 22 brands and sub-brands. This portfolio includes premium collections offered through brands like John Jacobs and Owndays, alongside economy and affordable premium collections such as Lenskart Air, Vincent Chase, hustlr, and Hooper Kids. As of FY25, the company offered over 79,000 SKUs across its frames portfolio in India, with prices for prescription eyeglasses ranging from Rs 399 to Rs 41,199 domestically, ensuring comprehensive market coverage across all affordability segments.

4. Lenskart Brand and Portfolio of Owned Sub-brands

Lenskart is positioned as an aspirational yet accessible brand. In FY25, it was named "India's Most Trusted Eyewear Brand," and store footfall was strong with 29.52 million entries recorded in the queue system. On social media, the India Instagram handle had over 1.33 million followers as of Mar 31, 2025. The company sells through Lenskart and Owndays plus ~22 curated sub-brands, so it can serve many use-cases and price points (from value to premium) and keep customers coming back. This multi-brand setup brings in new customers and re-engages existing ones by matching styles to different buyer types (comfort-seekers, quality-focused, experimenters, fashion-forward).



5. Consistent Operational Improvement and Path to Sustainable Profitability

Lenskart has demonstrated a robust path to profitability through consistent operational scaling and efficiency gains, reflected in the steady improvement of its reported EBITDA margin (excluding rent expense as per IND AS 116), which increased from 7.0% in FY23 to 12.4% in FY24, and reached 14.7% in FY25. While the Reported PAT in FY25 reached Rs 295.6 crore, the core business showed strength by achieving a positive Adjusted PAT of Rs 128.4 crore for FY25, demonstrating underlying profitability after removing exceptional one-time gains related to the Owndays Inc. transaction. Analysts conclude that given the robust business model and market scale-up, there is significant scope for improvement in profitability over the medium to long term, a metric investors are keenly tracking.

6. Omnichannel Retail Network

Lenskart blends online and offline seamlessly: customers can discover on our apps/websites and shop across 2,806 stores worldwide (2,137 in India; 669 international) with over 100 million app downloads as of June 30, 2025. Customers get consistent pricing (except a small home-delivery charge) and can buy, return, or exchange through any channel. They can also see past purchases, eye-test results, prescriptions, and track orders in one place, making repeat buys fast and simple. Digital discovery drives store sales: in FY25, 44.82% of India revenue came from customers who interacted with us online in the 90 days before purchase. Fulfilment is also flexible as 40.68% of eyewear units in India were shipped directly to customers' homes, supported by a centralized supply chain and limited in-store inventory. India stores delivered ₹23,492.50 revenue per sq. ft. in FY25, the highest among leading organized peers, thus showing network productivity.

Key Risks

1. Import Dependency and Supply Chain Disruption Risk

The company faces exposure to global supply chain disruptions due to its reliance on foreign sources for certain inputs. Specifically, Lenskart sources some of its raw materials and frames from China. The company operates a joint venture there, Boafeng Framekart Technology Ltd., in which it holds a 51% stake, engaged in the production and sale of spectacle lenses, frames, and accessories. Factors outside the company's control could disrupt the supply of these essential raw materials and finished goods from China, which would subsequently adversely affect Lenskart's overall operations.

2. Risk from Disruptive Medical Advancements

As Lenskart operates within the eyewear industry, the demand for its products is sensitive to rapid technological changes and innovations in eyecare. A material risk stems from medical advancements, such as refractive error correction through surgical procedures like LASIK (laser-assisted in situ keratomileusis) and SMILE (small incision lenticule extraction). These surgical options are becoming increasingly accessible, particularly across emerging markets, and widespread adoption of such procedures could potentially reduce the need for corrective eyewear among Lenskart's potential customer base, thus impacting future sales volumes.

3. Lack of Operational Control over Franchisee Network

A notable portion of Lenskart's retail operations is managed through franchise agreements with third-party entities. As of June 2025, the company had 472 franchise stores globally, representing approximately 22% of its total retail store network. Although Lenskart grants franchisees the right to use its brand name, intellectual property, and provides marketing support, the company does not maintain complete operational or financial control over these franchise operators. Consequently, there is an inherent risk that franchisees may take actions or make decisions that are inconsistent with Lenskart's established brand standards, operational policies, or broader strategic objectives, which could harm the brand's reputation.

4. Risk of shutdowns and compliance stoppages

Any slowdown, breakdown, or shutdown can disrupt output and delay deliveries. Facilities operate in India, Singapore, the UAE, and via a JV in the PRC, which adds operational and regulatory complexity. Environmental, health, and safety non-compliance can trigger fines or even stop-work orders. Either event would affect revenue, reputation, cash flows.

**Financial Snapshot**

Metric	In (Cr)		
	FY23	FY24	FY25
Revenue (₹ Cr)	3788	5428	6653
EBITDA (₹ Cr)	264	673	976
Adjusted Net Profit (₹ Cr)	(68)	(17.5)	128
Reported Net Profit (₹ Cr)	-	-	296
EBITDA Margin (%)	7.0	12.4	14.7
Adjusted PAT Margin (%)	-	-	1.9%
Adjusted EPS (Basic) (₹)	-	-	0.7

Capacity Utilization across Manufacturing Facilities

Facility	FY23		FY24		FY25	
	Capacity (units)	Utilisation (%)	Capacity (units)	Utilisation (%)	Capacity (units)	Utilisation (%)
Gurugram	1,27,31,000	52.3%	1,27,31,000	44.5%	1,27,31,000	40.9%
Bhiwadi	21,95,000	19.9%	89,63,000	48.1%	1,42,67,000	54.3%
Singapore	2,72,000	27.6%	2,72,000	42.7%	3,05,000	54.4%
Dubai	-	-	-	-	1,48,000	22.2%
Total	1,51,98,000	47.2%	2,19,66,000	45.9%	2,74,51,000	47.9%

Transaction Value of Orders – FY25

Transaction Value	Percentage of Sales in India (FY25)
Transaction Value < ₹2,000	18.13%
Transaction Value between ₹2,000 - ₹10,000	63.73%
Transaction Value > ₹10,000	18.14%

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Lenskart Solutions Ltd.
IPO Structure	Fresh Capital-cum-Offer for Sale
Issue Size	18,10,45,160 shares (aggregating up to ₹7,278.02 Cr) Fresh Issue : 5,34,82,587 shares (aggregating up to ₹2,150.00 Cr) Offer for sale : 12,75,62,573 shares of ₹2 (aggregating up to ₹5,128.02 Cr)
Price Band	₹382 to ₹402 per share
Face Value	₹2 per share
Post-Issue Market Cap	₹69726.83 Cr. (Upper Band)
IPO Opening Date	October 31, 2025
IPO Closing Date	November 4, 2025
Listing	BSE & NSE
Promoter Holding (Pre/Post)	19.85% /17.52%
Book Running Lead Manager(s)	Kotak Mahindra Capital Co. Ltd. Morgan Stanley India Co. Pvt. Ltd. Aventus Capital Pvt. Ltd. Citigroup Global Markets India Pvt. Ltd. Axis Capital Ltd. Intensive Fiscal Services Pvt.
Use of Proceeds	<ul style="list-style-type: none"> Rs. 272.62 Cr - Capital expenditure towards set-up of new CoCo stores in India Rs. 591.44 Cr - Expenditure for lease/rent/license agreements related payments for our CoCo stores operated by the Company, in India Rs. 213.38 Cr. - Investing in technology and cloud infrastructure Rs. 320.06 Cr. - Brand marketing and business promotion expenses for enhancing brand awareness Unidentified inorganic acquisitions and general corporate purposes

Valuation and Recommendation

At the upper price band of **₹402**, Lenskart India is valued at **10.5x market-cap-to-sales** on a **post-issue market cap of ₹69,726.83 crore**. The organized eyewear market in India is underpenetrated and growing fast. The total India eyewear market is projected to rise from ₹788 billion in FY25 to ₹1,483 billion by FY30P. Within this, prescription eyeglasses are expected to grow at 8.5% CAGR, while sunglasses and contact lenses are projected to grow at 14.5% and 13.5% CAGR, respectively. The valuation for Lenskart looks stretched, but given the robust business model, there is scope for improvement in profitability over the medium to long term. Reported EBITDA margin improved from 7.0% in FY23 to 14.7% in FY25, and Adjusted PAT was ₹128.4 crore in FY25, marking positive core profitability. Failure to scale consistently or to show steady margin gains could pressure the high multiple. Hence, we recommend **Subscribing to the IPO for listing gains**, with a plan to monitor post listing for evidence of continued scale-up, durable margin improvement, operating leverage and delivery against growth targets.

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