Lenskart Solutions (LENSOL)

CMP: Rs. 693 | Target: Rs. 850 (23%) | Target Period: 12 month | BUY

September 10, 2026

Clear vision of growth with moat in place....

About the company: Lenskart Solutions Ltd. (Lenskart) is a leading D2C eyewear player in India and with presence across select international markets. It sells wide range of prescriptive eyewear, sunglasses and contact glasses. India business forms ~60% of the revenues while international business contributes ~40%.

Investment Rationale

- **Rising refractive errors and shift to organise players provides large opportunity in the Indian eyewear market:** Rising prevalence of refractive errors in India, growing awareness of eyecare and shift to organised players will help India's eyewear market to grow at CAGR of 13% to Rs.1,48,300cr over FY25-30, expanding by 3x of the global eyewear industry. Refractive errors amongst the India's population are expected to go up to 62% by FY30 (will be highest amongst teenagers & children at 75%) from 43% in FY20. Penetration level for eyeglasses in India is low at 35% compared to US and Japan at 88% and 69% respectively. Strong business models are aiding organised D2C players gaining high demand through affordability, omni-channel presence and better services. Organised brand's share is expected to move to 31% by FY30 from 22% in FY20. Lenskart, with strong business model, domestic manufacturing capacity of 25mn units (another ~50mn unit facility will commence in Hyderabad) and extended store network of 2,725 stores in India (as of Q1FY27), is well capitalised to grab large share in the Indian eyewear market with focus on growing the market share from current ~5% in the coming years.
- **AI enabled vertical business model provides strong moat for growth:** AI-enabled vertical integration, strong supply chain capabilities, remote eye-testing technology and an omnichannel delivery platform have helped Lenskart build a strong moat through rapid product innovation, lower production costs and wider assortments. End-to-end control over manufacturing and supply chain provides a structural cost advantage, with Lenskart's cost of materials for eyeglasses stands 35-40% lower than the industry. This along with strong omni channel retail platform enables Lenskart to sell its eyewear products at 50-70% lower than local opticians. This has supported strong customer acquisition, with consolidated annual transacting customers almost doubling to ~16mn in FY26 from 7.7mn in FY23, while eyewear volumes growing by 30.3% CAGR to 35mn units.
- **Strong financial track record; industry opportunity and business model will sustain the strong growth ahead:** Lenskart's consolidated revenue grew at a CAGR of 33% to Rs.8,814cr over FY23-26, driven by 30.3% CAGR in sales volumes (with India volumes growing at 28% CAGR). Consolidated store count grew at 19% CAGR over FY23-26, with India stores growing at 23% CAGR. Its vertically integrated business model and omnichannel platform aided gross margins improving to 69% in FY26 (from 64% in FY23) and EBIDTA margins improving to 19.9% in FY26 from 7% in FY23. With store additions across India/international markets expected to grow at 13% CAGR, better product mix through innovation and transacting customers growing at 22% CAGR over FY26-29E, we expect consolidated revenue/EBITDA/PAT to grow at 27%/37%/59% CAGR over FY26-29E. With strong cash generation, we expect Lenskart to cumulatively generate FCF of ~Rs.5300cr over FY26-29E.

Rating and Target Price: We initiate our coverage on Lenskart with a Buy rating and target price of Rs.850 (valuing at 43x FY28E EV/EBIDTA).

lenskart

Particulars

Particular	Amount
Market Capitalisation (Rs crore)	120334
Debt (FY26) - Rs crore	3786
Cash (FY26) - Rs crore	1885
EV (Rs crore)	122235
52-week H/L (Rs)	698 / 356
Equity capital (Rs crore)	347.3
Face value (Rs)	2

Shareholding pattern (%)

	Dec-25	Mar-26	Jun-26
Promoters	17.6	17.6	17.5
FII	3.9	4.3	6.1
DII	14.9	17.3	16.7
Others	63.7	60.9	59.6

Price Chart

Key risks

- Advancement in medical infrastructure leading to decline in demand for eyewear products.
- Slower Innovation in product portfolio, low number of launches can hamper growth of the company.

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Key Financial Summary

Key Financials (Rs. Crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Revenues	5427.7	6652.5	8814.0	27%	11606.1	14533.9	17930.8	27%
EBIDTA	673.3	975.5	1753.0	61%	2644.7	3475.2	4507.7	37%
EBIDTA Margins (%)	12.4	14.7	19.9		22.8	23.9	25.1	
Adjusted PAT	-10.2	163.6	513.5	-	942.5	1424.2	2058.3	59%
EPS (Rs.)	-0.1	0.9	3.0		5.4	8.2	11.9	
PE (x)	-	735.6	234.3		127.7	84.5	58.5	
EV to EBIDTA (x)	180.1	124.4	69.7		45.6	34.4	26.1	
RoE (%)	-0.3	5.0	6.8		10.2	13.7	16.9	
RoCE (%)	3.5	7.1	13.6		19.0	23.8	28.0	

Source: Company, ICICI Direct Research

Company Background

Lenskart Solutions (Lenskart) is a technology-driven, vertically integrated and omnichannel eyewear company built around the proposition of making quality eyewear accessible and affordable. Its model integrates product design, manufacturing, technology, supply chain, eye testing and retail, allowing it to control the customer journey from discovery and eye testing to product selection, fulfilment and after-sales service. The company operates across age groups, price points, occasions and geographies through a combination of digital and physical touchpoints.

A key differentiator is Lenskart's vertically integrated manufacturing and centralised supply chain. The company's Bhiwadi facility integrates procurement, lens coating, edging, cutting, polishing, assembly and dispatch, and operates at 75% automation. Prescription eyeglasses manufactured at its just-in-time centralised facilities increased to 17.5mn in FY26 from 10.1mn in FY24 growing at 32% CAGR over FY24-26. In-house frame manufacturing, including the China JV, increased to 7.8mn from 5.3mn, and in-house lens manufacturing increased to 5.6mn units from 2.5mn units over the same period. Frame and lens costs are 35–40% below the industry average in India, highlighting the economic benefit of this integration. The company is also building a large manufacturing facility in Hyderabad to further deepen backward integration and increase capacity by 50mn units.

As of Q1FY27, Lenskart had 3,459 active stores globally, comprising 2,725 stores in India and 734 international stores. Within India, the network stood at 1,067 stores in metros, 623 in Tier-I cities and 1035 in Tier-II and beyond markets. Internationally, the network comprised 289 stores in Japan, 288 in Southeast Asia, 43 in the Middle East and 114 in other markets. This expansion has been accompanied by strong volume growth. India eyewear volumes increased to 28.8mn in FY26 from 17.6mn units in FY24, a 27.8% CAGR, while international volumes increased to 6.5mn units in FY26 from 4.4mn in FY24, a 21.1% CAGR. Consolidated volumes reached 35.3mn units in FY26.

Exhibit 1: Lenskart's Store portfolio

Particulars	FY23	FY24	FY25	FY26	Q1FY27
India					
Metro Cities	656	791	900	1043	1067
Tier-I cities	277	385	469	614	623
Tier-II cities and beyond	483	609	698	952	1035
India Stores	**1416**	**1785**	**2067**	**2609**	**2725**
International					
Japan	232	259	267	287	289
Southeast Asia	214	229	250	284	288
Middle East	17	28	39	41	43
Other	80	88	101	106	114
International Stores	**543**	**604**	**657**	**718**	**734**

Source: Company, ICICI Direct Research

Lenskart has evolved into a House of Brands, with the portfolio spanning Lenskart, John Jacobs, Owndays, Meller, Hooper, Vincent Chase and Le Petit Lunetier. The strategy is to address distinct customer segments and occasions through multiple brands, with the Lenskart platform providing the underlying technology, supply chain and distribution infrastructure. Its international footprint extends across Japan, Southeast Asia and the Middle East, with India remaining the core market.

Exhibit 2: Lenskart is creating a house of brands

lenskart

JOHN JACOBS | OWNDAYS | lenskart air

hustlr | Hooper | VINCENT CHASE

Source: Company, ICICI Direct Research

Lenskart has a core tech-driven vision to scale up and conduct 100mn eye tests per year from current ~20+mn eye test. Rising refractive error incidence and vertically integrated business model provide large opportunity for Lenskart to tap into growing eye care customer base in India and other international markets.

Brief profile of promoter and top management

- **Mr. Peyush Bansal (Chairman, MD & CEO):** He is the founder, Chairman, MD & CEO of Lenskart Solutions Ltd. He holds a bachelor's degree in engineering (honours electrical) from McGill University, Canada. He was previously associated with Microsoft Corporation, USA. He has more than 17 years of experience in the company.
- **Ms. Neha Bansal (Executive Director, Global Head of Merchandising):** She is the co-founder and promoter of Lenskart Solutions Ltd. She is a qualified Chartered Accountant and has completed her bachelor's degree in commerce (honours) from Gargi College, University of Delhi. She is responsible for strategic planning, optimisation and development of the merchandising function at Lenskart.
- **Mr. Amit Chaudary (Executive Director, Global Head of expansion):** He is also a co-founder and promoter of Lenskart, He is responsible for the company's expansion strategy, developing and scaling its operations across new markets and geographies. He holds a bachelor's degree in engineering from the Birla Institute of Technology, Mesra. He has been associated with the company for over 16 years.
- **Mr. Abhishek Gupta (Chief Financial Officer):** He holds a bachelor's degree in commerce from Panjab University, Chandigarh. He is a qualified Chartered Accountant and has completed post graduate program in management from Indian School of Business. He is responsible for managing financial planning, controllership and strategic financial decision-making functions of Lenskart at global level.
- **Mr. Ramneek Khurana (Global Head of Technology):** He holds a Master of Science in Industrial Engineering degree from Georgia Institute of Technology, Atalanta, USA. He is responsible for shaping and driving the Company's innovation and growth, including its global technology strategy, digital transformation and AI initiatives.
- **Mr. Ashwani Agarwal (Global Head of Operations):** He holds Bachelor of Technology in Chemical Engineering from IIT, Kanpur. He is responsible for driving the company's global operational strategy and enhancing core business processes.

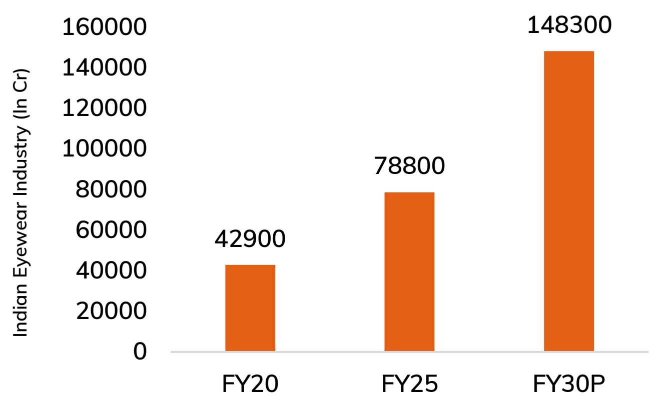
Industry Overview

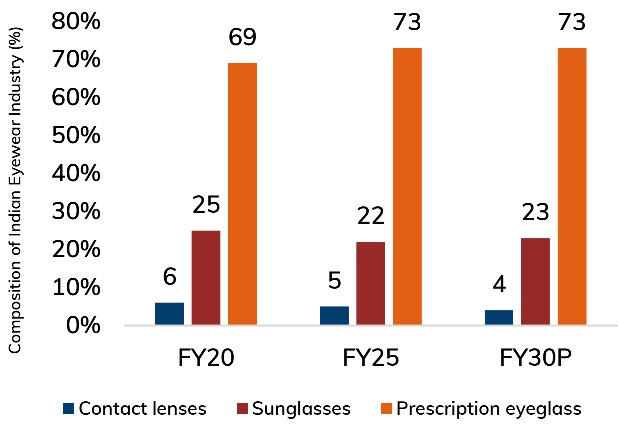
India is one of the fastest growing eyewear markets

The Indian eyewear market is projected to grow at a CAGR of ~13% between FY25 and FY30 outpacing the overall retail market by ~1.5x and expanding by ~3x of the global eyewear industry. The market size is expected to nearly double, reaching ~Rs.1,48,300cr (US $17.2bn) by FY30 from Rs.78,800cr (US $ 9.2bn) in FY25.

Prescription glasses remain the dominant segment accounting for ~73% of market value.

Exhibit 3: India Eyewear Industry (In Rs.cr) Composition of the Indian Eyewear Industry (%)





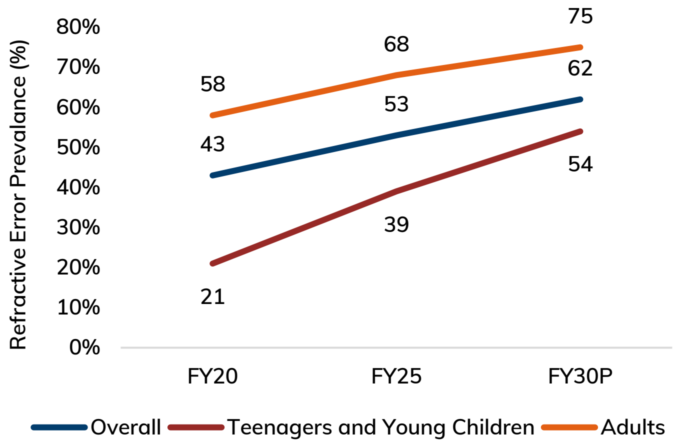
Source: Company, ICICI Direct Research

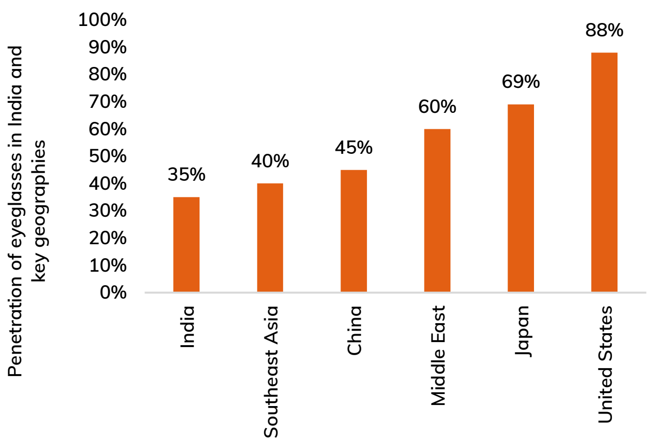
Key Drivers of the Indian Eyewear Industry

<u>Increasing Refractive errors in India; Increasing prevalence among youngsters and children</u>

The prevalence of refractive errors in India has risen significantly, especially among children and teenagers due to factors like increased screen time and reduced outdoor activities. Overall, it increased from 43% in FY20 to 53% in FY25, projected to reach 62% by FY30. Large part of rising refractive errors among Indian population is caused by Myopia. Among children, prevalence rose from 21% in FY20 to 39% in FY25, expected to hit 54% by FY30. Adults saw an increase from 68% in FY20 to a projected 75% by FY30. However, penetration level of eyeglasses in India is low at 35% compared to some of the developed economies such as Japan and United States (USA) at 69% and 88%. Southeast Asia penetration for eyeglasses is also relatively lower at 40% compared to global average of 50% penetration.

Exhibit 4: Refractive error across age groups in India Penetration of eyeglasses in India well below global average



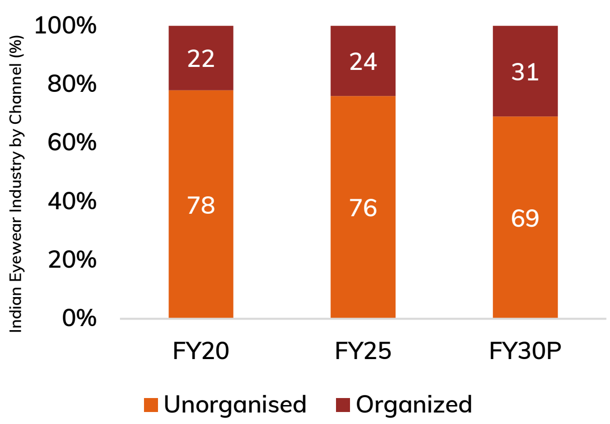


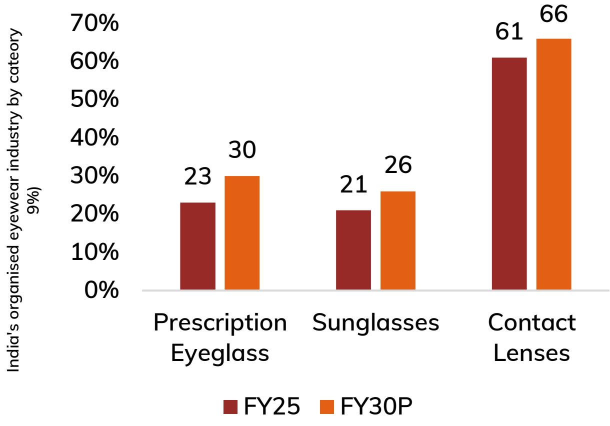
Source: Company, ICICI Direct Research

<u>Increasing salience of organised channels aiding access, affordability and driving growth in Indian eyewear industry</u>

The Indian eyewear market is fragmented, with organized players accounting for ~24% of sales in FY25, projected to rise to ~31% by FY30. By FY30, their share is expected to increase to ~30% in prescription glasses, ~66% in contact lenses, and ~26% in sunglasses. D2C brands are capturing value-focused demand through affordability, omnichannel presence, and better service. Their share in prescription eyeglasses expanded from 6–8% in FY20 to 11–13% in FY25 and is projected to reach 17–22% by FY30, growing at a CAGR of 22–28%

Exhibit 5: India Eyewear Industry by channel mix | **India's organised eyewear industry by category**





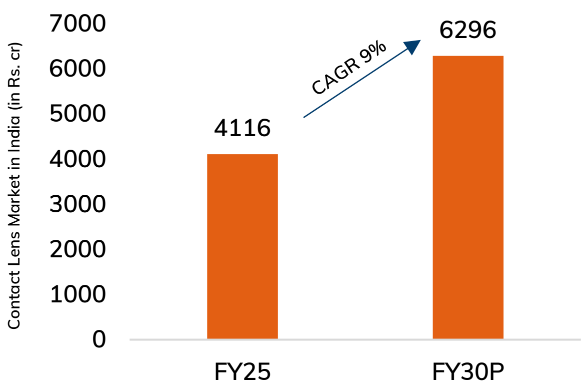
Source: Company, ICICI Direct Research

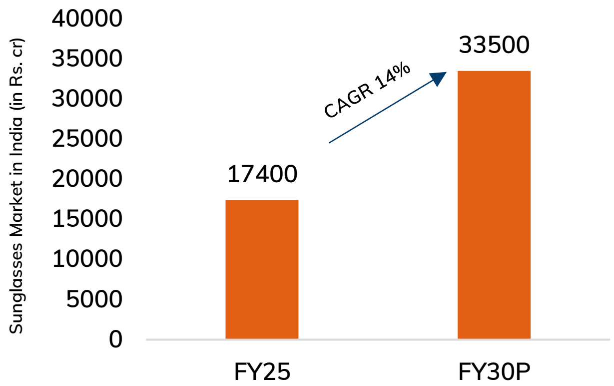
Growing appetite for contact lenses and sunglasses

The sunglasses market in India is valued at ~Rs.17400cr (~US$ 2 billion) in FY25 and is projected to grow at a CAGR of ~14%, reaching ~Rs.33500cr (~US$ 3.9 billion) by FY30P. This growth is fuelled by shifting consumer perceptions of sunglasses as both a functional necessity and a lifestyle accessory, alongside rising disposable incomes and a growing affinity for premium and branded offerings.

The contact lenses category is also poised for sustained growth, driven by evolving consumer preferences. The market for contact lenses in India is sized at ~Rs.4116.4cr (~US$ 480 million) in FY 2025 and is projected to grow at a CAGR of ~9%, reaching ~Rs.6296.6cr (~US$ 730 million) by FY30P.

Exhibit 6: Contact lenses market in India (In Rs.cr) | **Sunglasses market in India (In Rs.cr)**





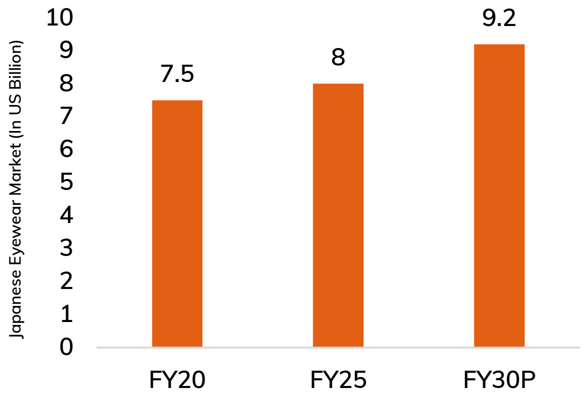
Source: Company, ICICI Direct Research

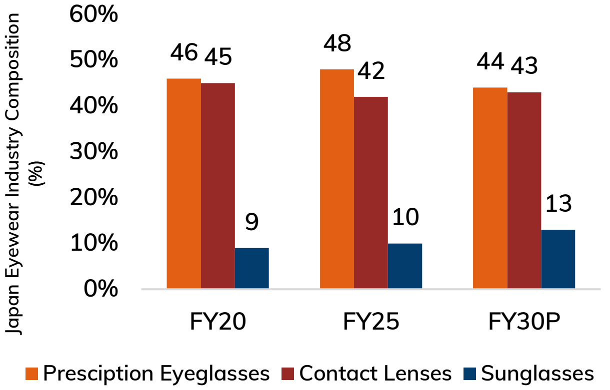
International markets where Lenskart is present...

Japan Market is largely stable with growth led by value-focused players

The Japanese eyewear market is large and stable, valued at ~US$ 8.0 billion in FY25 and is projected to grow at a CAGR of ~3%, reaching ~US$ 9.2 billion by FY30 which is expected to by aided by growing refractive error problem due to ageing population, value-focused D2C brands, low cost standardised pricing eyewear models, increased traction of buying among younger customers.

Exhibit 7: Japanese eyewear market (In USD bn) | **Japanese eyewear market composition**





Source: Company, ICICI Direct Research

Key Drivers of the Japanese Eyewear Industry

Increasing cases of refractive error due to ageing population

Approximately, 68% of Japan's population is affected by refractive errors as of FY25, prescription eyeglasses remain the largest category with stable growth supported by an ageing population, driving an increasing incidence of presbyopia and sustained demand for refractive error correction solutions. Prevalence of refractive errors is further projected to increase to ~71% of the population in FY30.

Value-focused D2C and private brands dominate prescription eyeglass market in Japan

The prescription eyeglasses market in Japan, in value terms has remained stable while organised retailers have witnessed slightly higher CAGR of 4-5% from FY 2020-25, compared to a CAGR of 2-3% for overall prescription eyeglasses market during the same period.

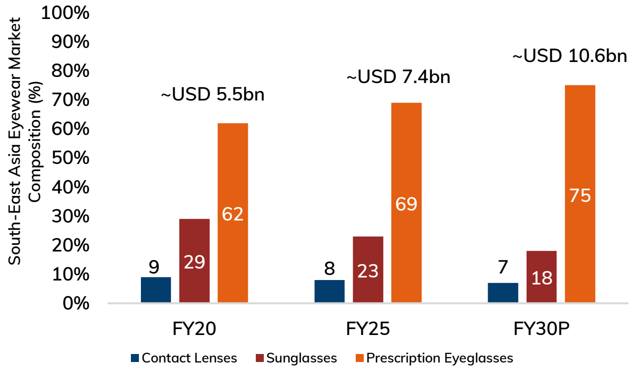
Value-focused brands disrupting market through reduced Average Selling Price (ASP) over the years

Over the past two decades, large-organized retailers have disrupted the eyewear market by introducing low-cost, standardized pricing models, making prescription glasses more accessible. The average selling price (ASP) of prescription eyeglasses has declined from ~$200 in FY01 to ~$143 in FY25, driven by shifts towards value-focused models and a supply-side shift in manufacturing from Japan to lower-cost hubs like China.

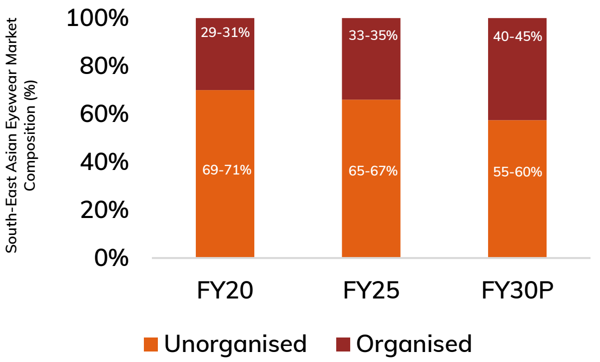
South-East Asian market growing due to increasing adoption of eyewear

The Southeast Asian eyewear market is growing due to penetration in emerging markets like Indonesia, Vietnam, Malaysia, Philippines, and Thailand, alongside rising organized retail in more developed markets like Singapore. The market is projected to grow from ~$7.4 billion in FY25 to ~$10.6 billion by FY30 at a CAGR of ~7%. Prescription eyeglasses penetration stands at ~40% of refractive error incidences, with variation across countries indicating potential for further adoption.

Exhibit 8: South-East Asian Eyewear Market



South-East Asian Eyewear market composition



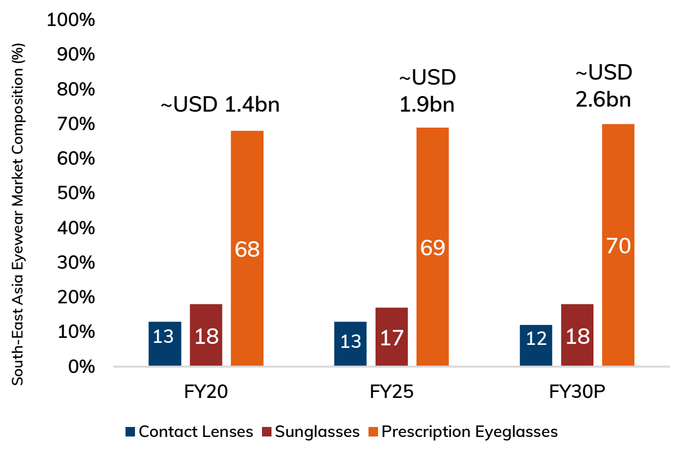
Source: Company, ICICI Direct Research

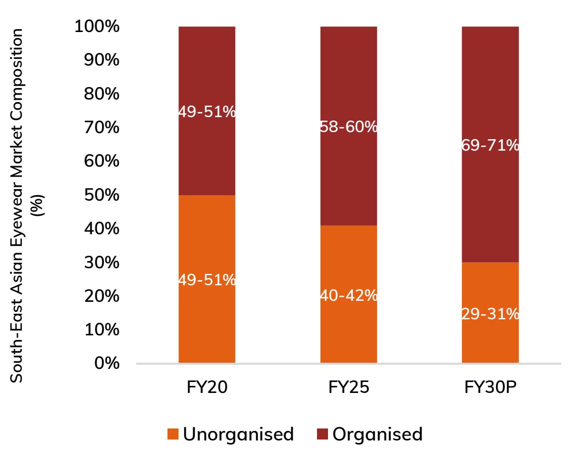
Middle-East Eyewear market witnessing growth through higher frequency purchases, rising share of D2C brands and omnichannel approach

The Middle East eyewear market is projected to grow from ~$1.9 billion in FY25 to ~$2.6 billion by FY30 at a CAGR of ~7%, driven by rising disposable incomes, expanding retail infrastructure, and a preference for premium eyewear. The prescription eyeglasses market is evolving similarly to those in Europe and the U.S., with optical store density lower than mature markets like the U.S. and France, indicating growth potential. The average selling price (ASP) stands at ~$171, with some organized players commanding premium ASPs as high as ~$400.

Exhibit 9: MiddleEast Eyewear Market

Middle East Eyewear market composition





Source: Company, ICICI Direct Research

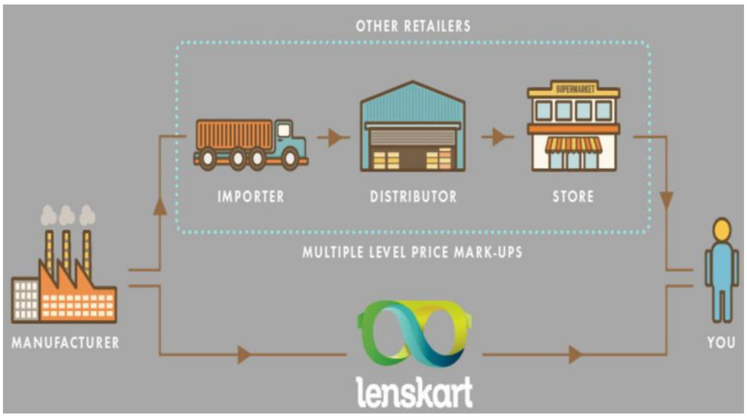
Investment Rationale

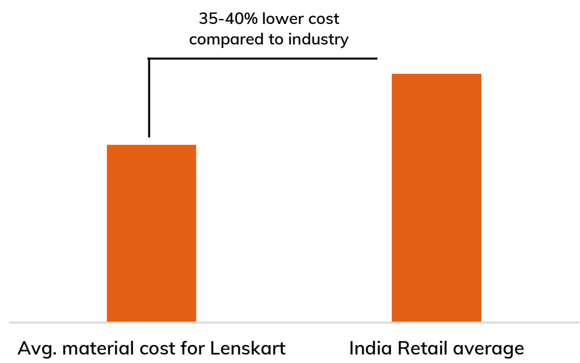
Vertically integrated supply channel model – enables fresh product at relatively lower price; adds to product margins

The vertically integrated model with centralised supply chain allows Lenskart to retain end-to-end control over quality, reduce manufacturing lead times, and achieve greater cost efficiency compared to local opticians. It maintains end-to-end control over the manufacturing process, including robotic handling of lenses for higher precision. Centralised workflows minimise manual intervention, reduces defects and ensures that complex prescriptions eyeglasses/lens geometries are handled more effectively than in a manual or semi-automated retail setting. This enables Lenskart to deliver products to customers at a lower cost and with quicker delivery timelines (next-day delivery for prescription eyeglasses in India, the company is running trials for same day delivery in Gurgaon and Singapore). End-to-end control over manufacturing process and supply chain has led to competitive advantage in terms of cost for Lenskart. It has helped Lenskart's cost of materials to be 35-40% lower than the industry. Hence, customers' average cost of consumption of lens/frames from Lenskart in India are ~50-70% lower than the local opticians.

Exhibit 10: Supply chain dynamics of Lenskart

Lenskart's supply chain and manufacturing control aiding cost efficiency





Source: ICICI Direct Research

Exhibit 11: Competitive pricing over local opticians

Lens Type	Local Optician	Lenskart
Polycarbonate Lens with Anti-reflection coating	Rs.2000-Rs.6000* *Higher the eye-power, Higher the price	Rs.1045 (saving 70%)
Thin 1.6 index MR-8 lens with Anti-reflection coating	Rs.2600-Rs.7000* *Higher the eye-power, Higher the price	Rs.1390 (saving 73%)
1.56 Plastic CR with Anti-reflection coating	Rs.1400-Rs.2500* *Higher the eye-power, Higher the price	Rs.799 (saving 50%)
1.56 Plastic CR Aspheric (flat) lens with anti-reflection & Super Hydrophobic coating	Rs.1800-Rs.4000* *Higher the eye-power, Higher the price	Rs.1045 (saving 50%)

Source: Company, ICICI Direct Research

With a focus on efficiency and quality, Lenskart is well-positioned to meet the growing demand for eyewear products in India and other international markets. This allows the company to offer customers a wide assortment of products, without being constrained by in-store SKU availability. Further, it allows to reduce inventory risk, improve demand forecasting, and improve inventory turnover. While the company maintain limited inventory at physical stores owing to centralized supply chain and manufacturing, customers have access to entire collection through online channel.

Exhibit 12: Competitive edge over local opticians

Frame & lens	Local Optician	Lenskart
Quality of Frames	Inconsistent	Imposed Material with 7-Layer polishing standard
Quality of Lenses	Anti-Glare & Manual Inspection	Aspheric, Anti-Glare, Super Hydrophobic Lens with Robotic Inspection
Accuracy of Power	Up to 7-degree error tolerance	Zero Degree Error
Quality of Fitting	Manual cutting of Lens	Robotic Laser cutting using German technology

Source: Company, ICICI Direct Research

Lenskart's long-term goal is self-reliance in frame and lens manufacturing — it improves margin, speed to market, and working-capital days, and reduces dependence on imported components. As of Q1FY27, Its in-house frame manufacturing (in-house frame manufacturing forms 50% of overall frames requirement of Lenskart) grew by ~55% YoY to 2.8mn units (FY27 Annual run rate of 11.2mn units) and in-house lenses manufacturing (in-house lens manufacturing forms 25% of overall lens requirement of Lenskart) grew by ~35% YoY to 1.8mn units (FY27 Annual run rate of 7.2mn units), driven by India and China facilities while Thailand JV facility is ramping up. Lenskart also increased its investment in Baofeng Framekart, China frame-manufacturing JV, to add in-house capacity. Further, Hyderabad facility with 50mn eyeglass capacity (yet to be commissioned) will be the next major step in the journey of in-house manufacturing, aiding in further cost benefits in the coming years.

Exhibit 13: Manufacturing capabilities

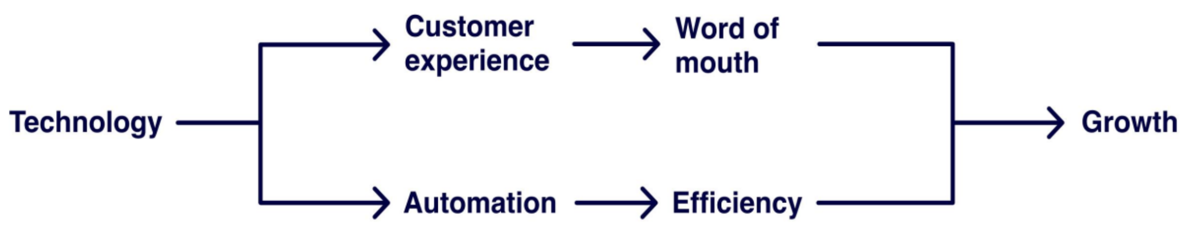
Particulars	FY24	FY25	FY26	CAGR
Prescription eyeglasses manufactured (mn) (100% in-house manufacturing)	10	13	18	32%
In-house Frame manufacturing through China JV (mn)	5	7	8	21%
In-house Lens manufacturing (mn)	3	4	6	50%

Source: ICICI Direct Research

AI based business model is creating sustainable competitive advantage

Lenskart operates as a technology driven eyewear retail company solving vision correction for end consumer. Over the years it has been focusing on transforming itself from a consumer-tech company into an AI-first operating model. The company has invested in a range of customized technology solutions, AI tools and automation to improve customer experience, automate the key processes (including design) to drive consistent growth and operating efficiency, which acts a competitive moat.

Exhibit 14: Lenskart is a technology driven eyewear retail company



Source: Company, ICICI Direct Research

Exhibit 15: FY27 priority- sustaining growth by transforming Lenskart from consumer tech to consumer AI company

An AI-First Operating Model	Embedding AI at every level and function of operations to deliver highly personalised vision care at scale.
Unlocking non-linear customer acquisition	Step up R&D investments for automating eye testing and accelerating new customer acquisition through innovation; targeting 1bn customers across globe.
Investing in new formats	Launched B by Lenskart – AI Powered, prescribed lens smart glasses. 30,000 customers in waitlist. The company will continue to innovate in smart eyewear.
Evolving stores into Multi-Role community Hubs	Stores will be more than a retail showrooms; will act as a neighbourhood hub for every eyewear need – eye test, frame trial and pick-up & drop from stores.
Building a global consumer brand	Vision is to become global consumer brand to serve distinct consumers; focusing stepping up investments in global collaboration and strategic partnerships.
Reinventing customer experience	Emphasis on improving customers end-to-end experience by enhancing services on app and in-store experience by underpinning by power of data and AI.

Source: Company, ICICI Direct Research

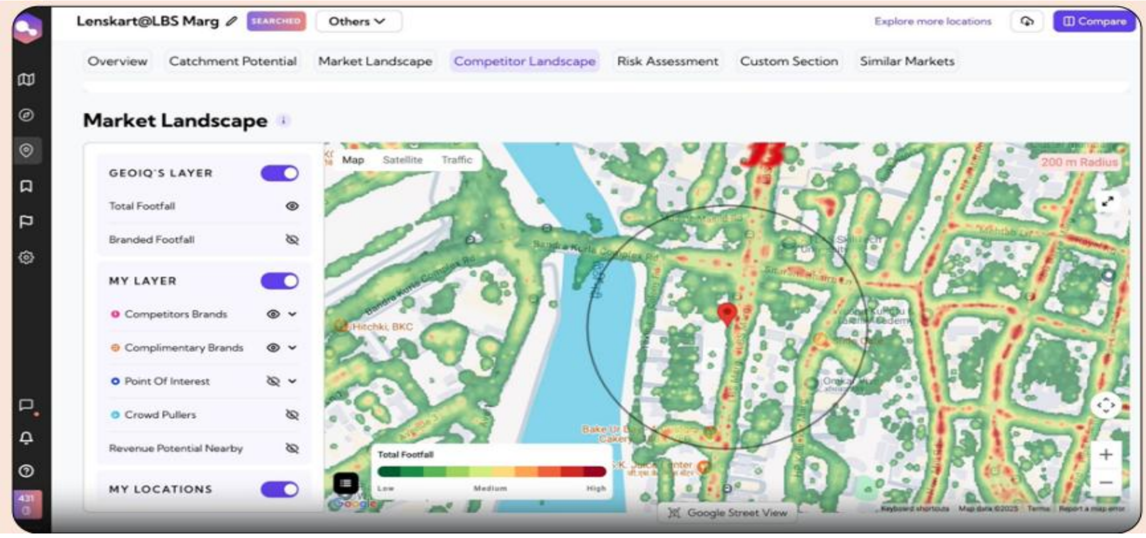
AI first operational model – creating more market; helping it increase the customer base

Remote eye testing – unlocking market opportunities: AI-enabled remote optometry platform (established in Japan), has scaled in India from 168 stores in FY25 to 623 stores in FY26. This allows centrally located optometrists to conduct precise eye tests for customers hundreds of miles away. AI-enabled remote optometry stores use proprietary connected diagnostic equipment and real-time video links to decouple eye exams from physical optometrist locations. It enables single optometrist to monitor multiple stores across different cities.

Facial recognition – helps in creating large customer database: The company captures over 100,000 face scans daily, enabling a seamless journey for a customer. Walk into any Lenskart store or log onto store or log on to its app, and the company recognizes the customer with face shape and preferences. With this continuous data flow, the company's frame recommendation engine is learning fast and delivering increasingly accurate personalized recommendations to customers.

GeoIQ - Cannibalization modelling: GeoIQ platform has consistently predicted store-level revenue with high accuracy. It has further enhanced the model by adding detailed predictive cannibalization, improving revenue predictability before the store is opened. GeoIQ is now being deployed in the international operations, applying the same data-driven rigor to Japan, Middle East, and Southeast Asia.

Exhibit 16: Geo IQ Model – Aiding greater store productivity with high store location accuracy



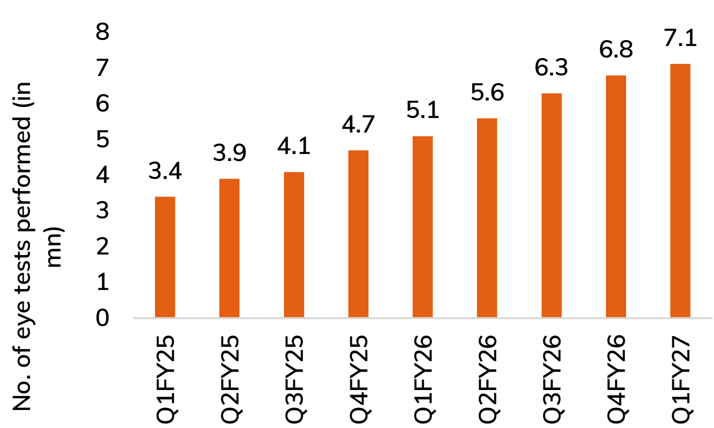
Source: Company, ICICI Direct Research

B by Lenskart – AI-Powered lenses: In Q4FY26, Lenskart launched B by Lenskart - AI-powered, prescription-lens capable smart glasses designed for everyday use. 30,000+ customers have joined the waitlist so far. Early feedback on wearability, Google Gemini integration, and camera quality has been very positive.

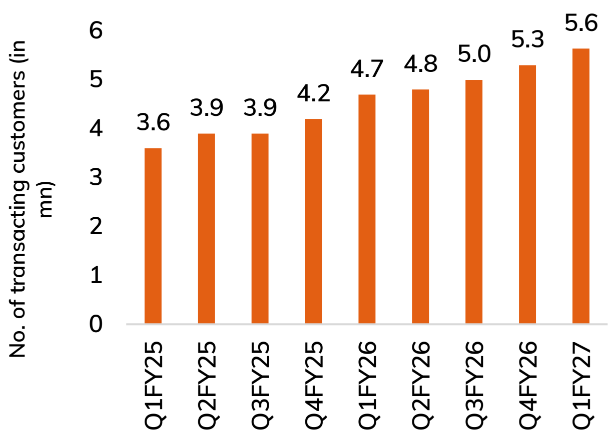
Exhibit 17: B by Lenskart – AI powered eyeglasses

Source: Company, ICICI Direct Research

Exhibit 18: Increase in number of eye testing (in mn)



No. of transacting customers (in mn)



Source: Company, ICICI Direct Research

AI - reducing Cost to Serve

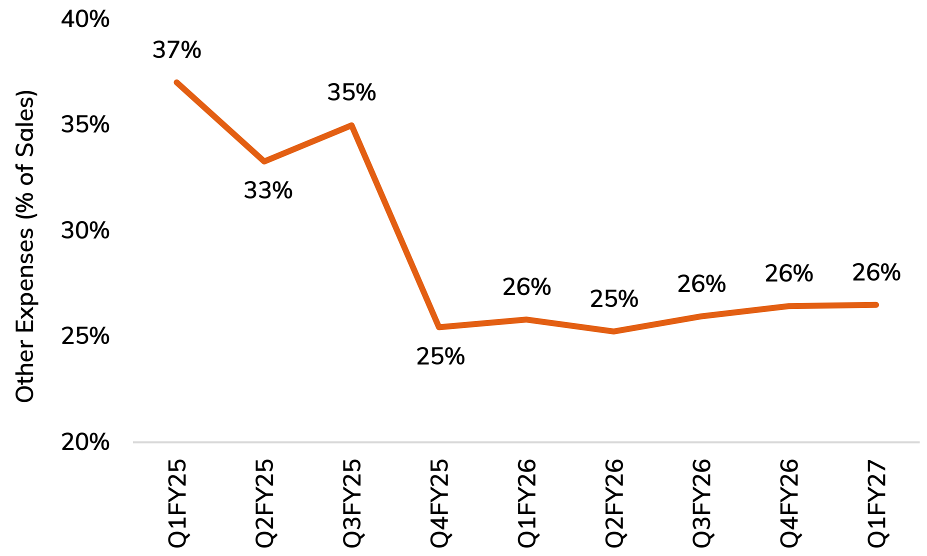
Hiring - largely AI-Enabled, higher Talent Density: The company has automated the entire hiring process from frontline staff to CXOs across all markets. At stores, 100% of employees are hired via AI, allowing it to scale hiring capacity while reducing recruiters.

Customer Service - automated, faster, better: All warranty and return claims are now processed via AI. Implementation of AI has reduced contact-to-order ratio by ~30% (fewer customer service contacts) while improving India NPS to 79.8. Processing times moved from hours to real-time for 50%+ of transactions.

Store intelligence - digitized, data-driven: Lenskart has optimised its store operations through implementation of Tango-Eye computer vision platform which, provides real-time visibility into merchandising. The company is piloting audio analytics to capture customer-staff conversations, gaining insights into demands and experience gaps.

Supply Chain - automated, faster, cheaper: Supply chain automation has reduced picking times further and improved inventory allocation. The company has extended next-day delivery from 40 cities in FY25 to 75 cities in FY26. Same-day delivery for contact lenses is live in Singapore, with quick commerce being developed for India as well. The company integrated RFID technology at the store level to power its omnichannel retail model, utilizing smart shelves and itemized inventory systems to achieve high stock accuracy and hyper-personalization.

Exhibit 19: Operational efficiencies aiding lower expenses



Source: Company, ICICI Direct Research

Direct to Consumer (D2C) model enabling faster and affordable fulfilment of orders and driving cost efficiency

Lenskart operates a D2C model that eliminates multiple layers of intermediaries in the traditional prescription eyeglasses supply chain, enabling it to deliver products to customers at an affordable cost and with next day delivery.

As per the traditional eyewear supply chain model, products pass through multiple intermediaries, from the manufacturer to an importer or brand owner, to a wholesaler and subsequently a distributor, and finally to a retailer who sells products to the end-customer. In contrast Lenskart operates a manufacturer-to-consumer D2C model, where it can manufacture its frames and lenses in-house and sell directly to its customers through its stores and online channels.

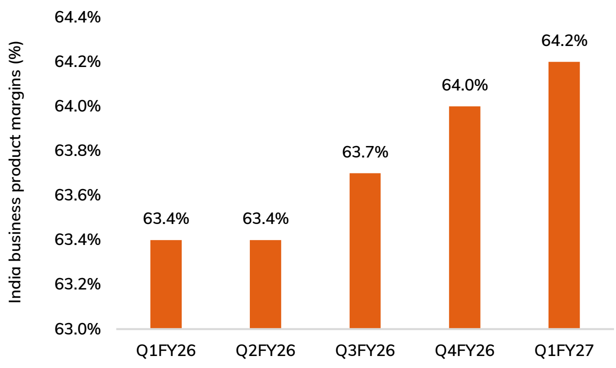
Exhibit 20: Rising share of D2C model in the business

Source: Company, ICICI Direct Research

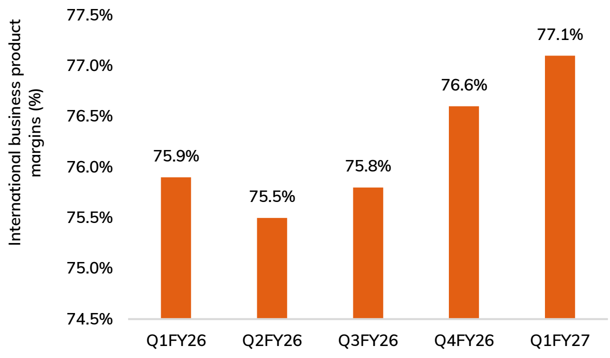
Consolidated product margins crossed 70%+ in Q1FY27

Lenskart's consolidated product margins crossed 70%+ for the first time in Q1FY27 despite depreciating rupee against major currencies. India business product margin stood at 64% while international business product margins improved to 77% in Q1FY27. Product margin has been resilient in India and International operations, absorbing the currency impact through two structural drivers: growing premiumization and increasing in-house manufacturing. Lenskart's India operations product margins remained at 63-64% in last six quarters. Structural levers such as vertically integrated supply chain model, improvement in the product mix, scale-driven negotiations with vendors and D2C led business model coupled with ramp-up in the in-house manufacturing would help the India operations product margins to consistently improve in the coming years. Further, Lenskart is systematically integrating international operations with its centralized supply chain, which will unlock substantial cost efficiencies in the coming years. This will bring international average cost of production (ACP) closer to India's ACP while maintaining premium average selling price (ASP). In markets where integration is advanced, such as Singapore and UAE, Product Margins are trending to ~80%, vs international average of ~77%. This provides a clear and repeatable pathway to drive significant product margin expansion across international portfolio in the medium to long run.

Exhibit 21: India business product margins



International business product margins

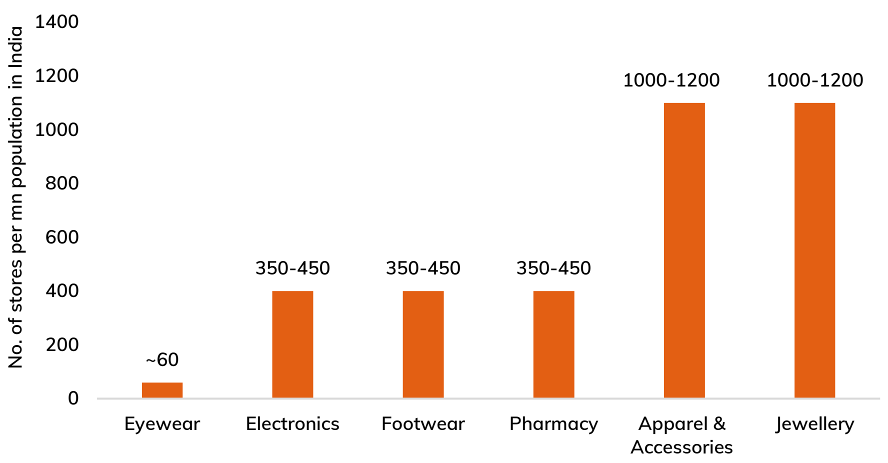


Source: Company, ICICI Direct Research

Reaching customers and creating new demand through new store addition

The problem of refractive errors is growing at fast pace in India. However optical store density remains very low, creating hindrance for customers looking for an eye test while creating an opportunity for player like Lenskart to scale-up fast leveraging on its strong business model. One of the key challenges behind this low density has been the limited penetration of organised players, led by complexities in both the manufacturing supply chain and eye testing, each requiring highly skilled manpower. Many customers do not have easy access to optometrists or organised eyewear stores. Others delay the purchase because of cost, limited product choice, inconsistent quality, poor guidance or long delivery timelines.

Exhibit 1: Number of stores per million population in India



Source: Company, ICICI Direct Research

Lenskart stores are different from traditional retail. They are neighbourhood access points, not large inventory warehouses. They bring together eye tests, frame trials, assisted discovery, order booking, pick-up, fitting, repair and post-purchase service. This matters because eyewear is a high-trust, high-assistance and service-led category. Customers often need guidance before purchase and support after purchase. The company's stores bring Lenskart brand closer to customers while its centralised supply chain gives each store access to the wider Lenskart assortment. The company is increasing focus on CoCo (Company Owned, Company Operated) execution, particularly where greater control over premium feel, service consistency, brand presentation and customer experience is important and remains with the company.

Exhibit 2: Lenskart customer survey response

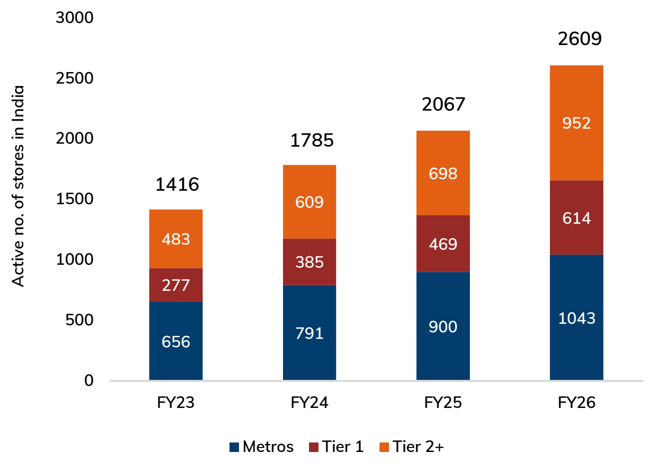
Before purchasing from Lenskart, how did customers usually buy eyewear	**% of customers**
Local Independent optical store	47%
Never purchased before	32%
Hospital or eye clinic	18%
Branded optical retail chain	14%
Referrals from eye doctors	6%
Other online platforms	5%
Informal/local vendors or street-side shops	3%
Eye camps or schools/ workplace screenings	2%
Used inherited or hand me down glasses	1%

Source: Company, ICICI Direct Research

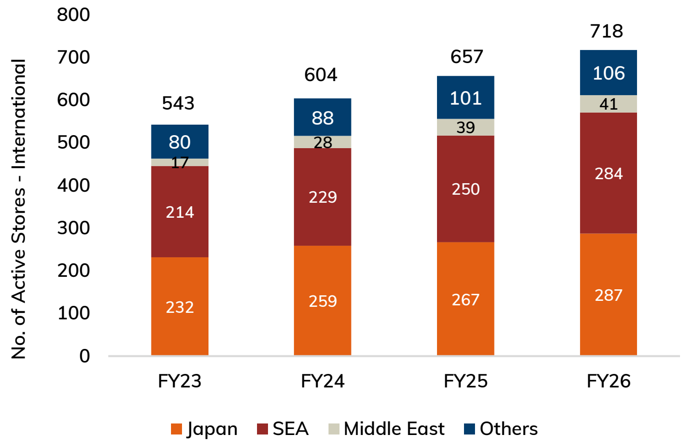
In a recent customer survey, 32% of respondents said they had never purchased eyewear before Lenskart. Another 47% had previously purchased from local independent optical stores. This shows that Lenskart is not only competing for existing demand but also bringing new customers into the category and helping to switch from unorganised purchases to more accessible and trusted eyewear brand. Lenskart currently has 5% market share in the domestic market. However rising problem of refractive errors and large unorganised play provides opportunity to expand market share in the coming years.

In FY26, net store additions reached 603 (542 India, 61 International), taking total active store count to 3,327. In India, 254 stores added in Tier 2+ markets (~3x of the 89 added in FY25), entering 157 new cities and taking total city footprint to 556. Lenskart's centralised model, remote optometry capability, and tech-enabled delivery allow it to serve a customer in a Tier 2+ town with the same product range, eye tests quality, and turnaround as in a metro. For Tier 2+ markets, the company has also invested in dedicated calibration gathering local mobility, density, and consumer behaviour data to improve prediction accuracy for these catchments. The company operating cash flows is very strong which aided in funding 600+ net new store addition (1.8x ahead of previous year). Lenskart is expected to add 450-500 stores p.a. with large part store addition expected to happen in India.

Exhibit 3: Active stores in India



Active Stores in International market

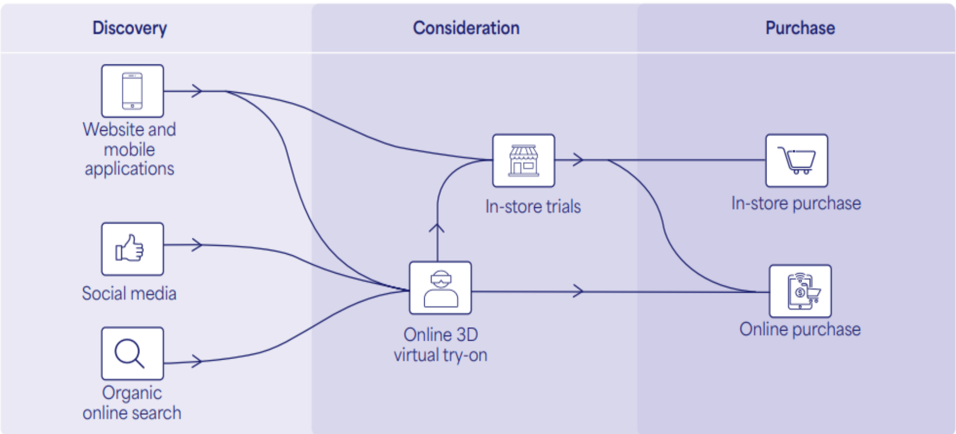


Source: Company, ICICI Direct Research

Leveraging on omni-channel model to provide greater experience to customers

A key pillar of Lenskart's strategy is its omnichannel retail model. The company allows customers to discover products online, visit physical stores for eye testing and frame selection, and complete purchases through the channel of their choice (online or offline). By integrating digital platforms with company-owned and franchise-operated stores, Lenskart provides customers with flexibility while creating a consistent shopping experience across multiple touchpoints. This omnichannel approach also enables the company to reach a broader customer base while strengthening customer engagement.

Exhibit 4: Lenskart's omnichannel model



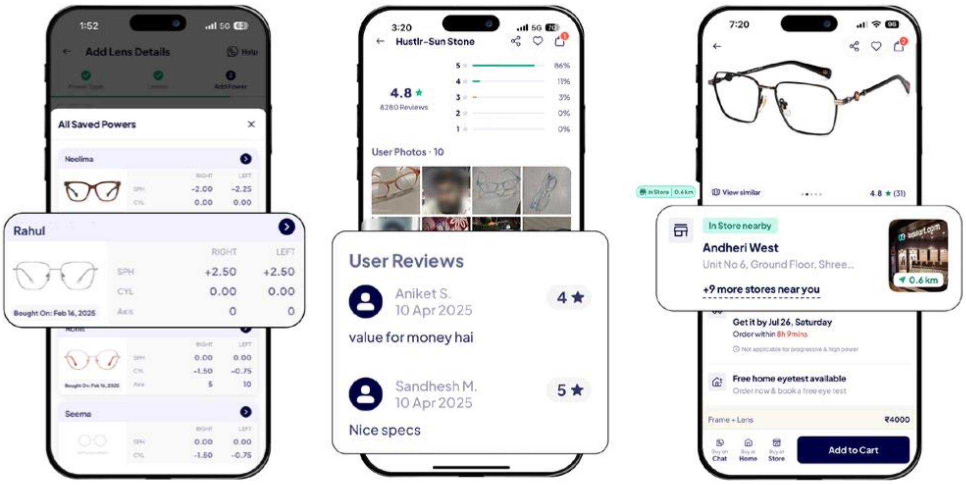
Source: Company, ICICI Direct Research

Customers need both convenience and confidence while purchasing eyewear. Digital channels create discovery and intent, while stores provide proximity, trust, eye testing and assisted conversion. This makes Lenskart stores more productive as they are not only dependent on walk-in traffic but also benefit from digitally influenced demand, in which customers have already explored products, compared options, or engaged with the company before visiting the store.

The Lenskart app is different from many commerce apps because it is not only a catalogue. In eyewear, customers need confidence in fit, prescription, style, price and service before they purchase. The app supports this journey through virtual try-on, frame measurement, AI-led recommendations, customer reviews, appointment booking, eye-test records, store location, order tracking and repeat engagement. Around 100mn+ Lenskart mobile app downloads across its ecosystem globally. In

FY26, around 50% of Lenskart's India business revenues was digitally influenced compared to around 45% in FY25.

Exhibit 5: Lenskart's mobile app infrastructure



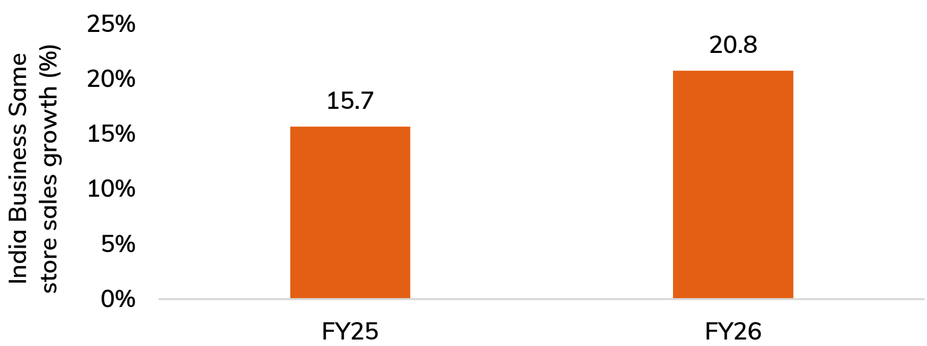
Source: Company, ICICI Direct Research

Home Try-on (HTO) caters to elderly customers who are unable to visit the store for an eye test, or anyone unwilling to step out into the summer heat just to try on a pair of glasses. A trained Lenskart vision care professional visits the customer at home, brings a curated set of frames, performs a 12-step eye check, and helps the customer choose and order without leaving home. No queuing is required. In FY26, HTO operated across 1,000+ pin codes. The service converted attended customers at very high rates, meaningfully above walk-ins or purely digital rates.

Omni-Channel business model driving consistent double digit SSSG in India and international business

Lenskart's omni-channel model enables it to scale up the operations while efficiently investing in the marketing efforts. The clearest evidence of this is consistent growth in same-store sales (SSSG) across both in India and international markets. In India, the company delivered 20.8% SSSG in FY26. More importantly, same pin-code sales growth (SPSG) stood at 27.3%, 645bps ahead of SSSG. This indicates that new stores in the same micro-market are creating incremental demand rather than cannibalising the revenues of existing store. Each store addition improves proximity, convenience, and trust about the brand amongst the customers. Thus, the strength of Lenskart's omni channel model is reflected through growth in the customer base. In India, Annual transacting customers grew by 24.2% YoY to 12.3mn customers in FY26, which is also one of the key drivers for double digit SSSG during the year. Lenskart is focusing on growing customer base through gold membership. Active Gold members in India reached 8.8 million (+29.5% YoY), generating Rs.199.5cr in subscription fees (+84.7%). The same dynamics are playing out in the international markets. With 61 net store addition in FY26, largely international revenue growth of 30.2% was driven by double digit SSSG. In Singapore, the dual-brand strategy (Owndays for premium, Lenskart for accessibility) is deepening wallet share within existing catchments. Japan continues to deliver strong same-store growth with improving unit economics.

Exhibit 6: India Business SSSG (%)

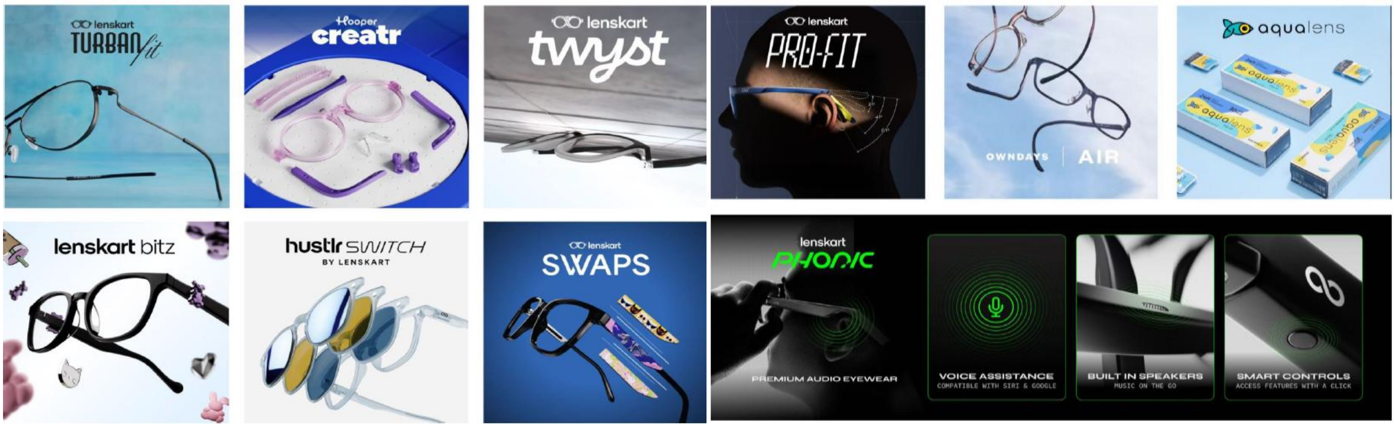


Source: Company, ICICI Direct Research

Lenskart is stregthening its design portfolio and is creating a house of brands

Lenskart has developed holistic design and merchandising capabilities, enabling it to respond quickly to evolving customer preferences and translate consumer insights into differentiated products. The company has consistently increased its new product launches, with ~105 new in-house designed and engineered products launched in FY25. Importantly, product innovation is increasingly focused not only on aesthetics but also on solving specific customer needs and creating additional occasions for eyewear ownership, thereby supporting higher purchasing frequency. Some key customer-centric innovations include:

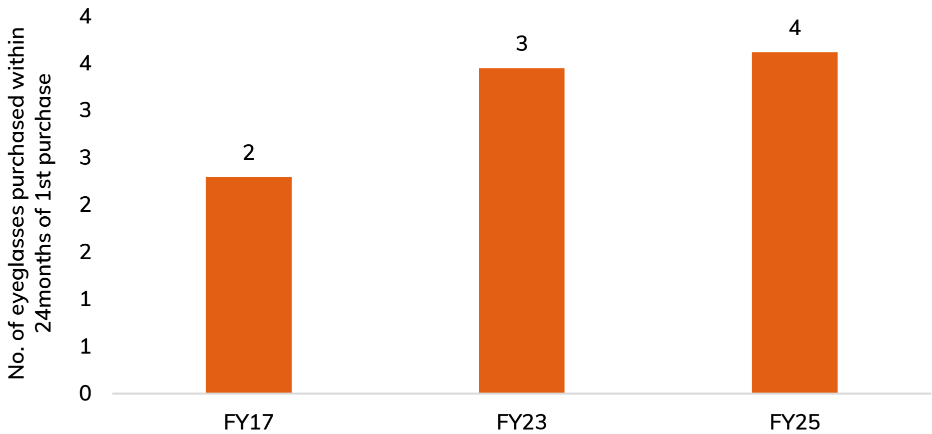
Exhibit 7: Newer eyewear concepts aiding higher eyewear purchases



Source: Company, ICICI Direct Research

Beyond the "Eyewear for All" proposition, Lenskart is increasingly positioning eyewear as a means of self-expression, lifestyle and occasion-based consumption. The company aims to encourage customers to own multiple pairs for different occasions, identities and use cases. Its presence across 14+ countries also provides access to diverse consumer preferences and global design trends, which can subsequently be adapted and introduced across markets. This combination of functionality, personalisation and trend-led designs is already translating into higher customer engagement, with frequency of purchases by customers acquired in FY25 increased to ~4 eyeglasses within 24 months of their first purchase from ~2 eyeglasses for customers acquired in FY17.

Exhibit 8: Newer designs aiding higher number of eyewear purchases by customers



Source: Company, ICICI Direct Research

The House of Brands strategy further allows Lenskart to address a much wider spectrum of consumer preferences and price points. Rather than relying on a single brand proposition, the company has built a portfolio comprising the Lenskart brand, acquired brands such as Owndays and Le Petit Lunetier, and ~23 other brands curated around specific customer needs and emerging trends.

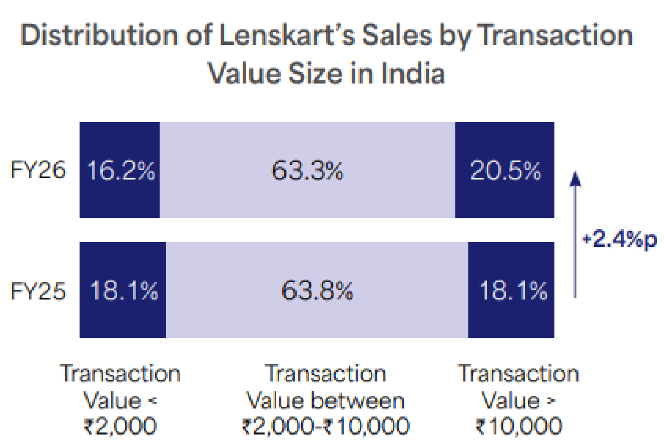
Exhibit 1: Lenskart's house of brands

Particulars	Target Customers	Price Range
Owndays	Working professionals, comfort seekers	Rs.4000-5000+
John Jacobs	Fashion-conscious, On Trend customers	Rs.3000-5000+
Vincent Chase	Fashion-First customers	Rs.1000-3000
Lenskart Air	Working professionals, comfort seekers	Rs.800-3000
Hustlr	Occasion-led, fashion focused	Rs.1000-3000
Hooper	Kids-focused eyewear	Rs.800-2000
Meller	Premium Sunglasses	Rs.5000+
Le-Petit Lunetier	Premium eyeglasses	Rs.2000-5000+

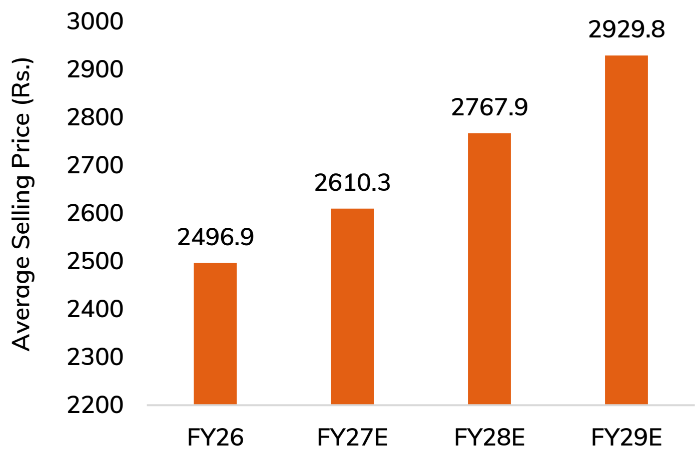
Source: Company, ICICI Direct Research

This differentiated brand architecture can become an important driver of mix improvement. Store integrated eyewear tests and full guidance from purchase to delivery has built customer trust in the brand. As customers become comfortable with a brand, they tend to upgrade their wallet spends towards the brand. The multi-brand architecture of Lenskart helps them to move towards higher price points. This is clearly evident in the product mix of Lenskart. As of FY26, the <Rs.2000 transaction value category salience in the portfolio stood at 16.2% which has moderated from 18.1% in FY25. Whereas, the transaction value of >Rs.10000 category salience has witnessed 240bps YoY expansion to 20.5% in FY26. This clearly shows that customers have upgraded consciously to higher points and are likely to continue doing so as as Lenskart continues to offer a differentiated portfolio. As of FY26, the India business ASP stood at ~Rs.2500 while international business ASP stood at ~Rs.5800. Over the coming years, the expansion of its multi-brand portfolio along with rising wallet share of customers should aid reduction in gap between India and International business ASP. We expect Lenskart's ASP to grow at CAGR of 5% over FY26-29E to ~Rs.2930.

Exhibit 2: Premiumisation aiding product mix



Consolidated ASP to grow consistently..



Source: Company, ICICI Direct Research

The company is also expanding into on-trend sunglasses, a category that offers an additional avenue for premiumisation and higher-margin growth. Lenskart has picked up a stake in Stellio Ventures S.A., which markets sunglasses under the Meller brand. Positioned towards younger, trend-conscious Gen-Z consumers, Meller provides Lenskart with an entry into a high-growth, fashion-led segment. Following the acquisition, Lenskart has expanded Meller beyond Barcelona into Japan and the Middle East through online channels, Lenskart stores and select Meller stores. Its international sunglasses portfolio grew 36.3% in FY26, highlighting the early traction from this strategy.

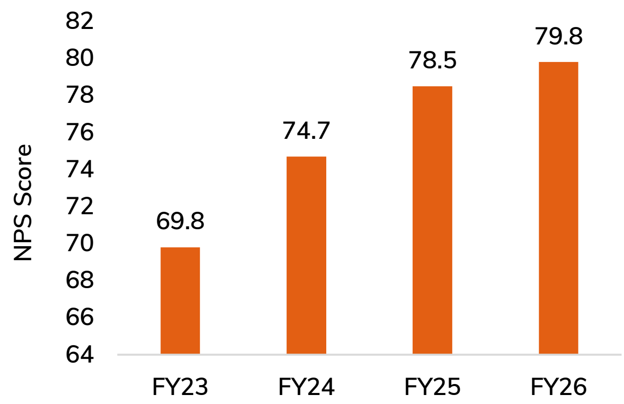
Lenskart's competitive advantage is increasingly shifting from simply offering eyewear at attractive prices to creating a differentiated product ecosystem around consumer preferences. The combination of frequent new launches, functional innovation, a multi-brand architecture and expansion into fashion-led categories should support higher purchase frequency, greater wallet share and a progressively premium product mix, providing a structural tailwind to revenue growth and margins.

Enhanced customer experience aiding higher customer participation and store productivity

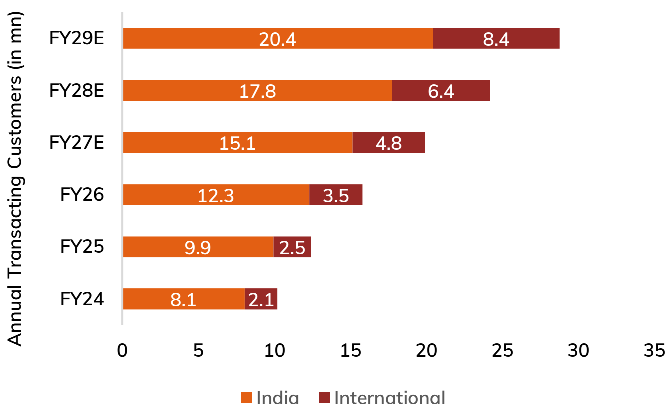
Lenskart has built a strong customer pool through differentiated offerings, enhanced product quality and transparent pricing, supported by a robust delivery system and consistent service across its online and offline touchpoints. These initiatives have helped strengthen customer confidence and loyalty, while improving the overall customer experience. A key pillar of customer retention and satisfaction has been Lenskart's delivery speed, enabled by its centralised supply chain, manufacturing automation and AI-driven routing intelligence. The company has expanded next-day prescription eyeglass delivery to 78 cities across India with 95% reliability, while further extending its service proposition through 2-hour delivery for contact lenses and same-day prescription eyeglass delivery in Singapore. It is also testing same-day delivery for made-to-order glasses in select markets such as Gurugram.

Lenskart's large-scale use of AI has further enhanced customer engagement and service efficiency. The company served 12.3mn customers in FY26 in India, with technologies such as Smart Assist helping break down customer requests and provide prompt solutions, while Customer 360 enables service teams to access a customer's history and initiate solutions with the relevant context already available. The company has also simplified warranty servicing through "Warranty claims in few clicks". Continued customer-focused enhancements across its technology and service ecosystem are helping build greater loyalty and trust in the Lenskart brand, which in turn can support higher customer participation and repeat interactions across its online and offline channels. This is reflected in the company's Net Promoter Score (NPS), which has consistently scaled up to 79.8 in FY26 from 69.8 in FY23. A stronger and more engaged customer base, coupled with a differentiated and seamless store experience, should support higher footfalls and repeat visits, thereby improving store throughput and productivity as the company continues to expand its retail footprint.

Exhibit 3: Better customer satisfaction leading to better NPS



Annual Transacting Customers (in mn)



Source: Company, ICICI Direct Research

International Business – Building Scale through market specific playbooks

Lenskart's strategy to scale its international business is not to replicate the India model, but to build differentiated playbooks tailored to individual markets. The company is targeting specific white spaces within each geography and adapting its brands, products and distribution strategy to local customer preferences.

In Southeast Asia, Lenskart has adopted a market-specific approach. Singapore was its first international market, where the company followed a dual-brand strategy. It targeted the premium segment through acquired brand Owndays, while consciously expanding the store network. This strengthened Owndays' distribution and simultaneously provided a platform to scale Lenskart's core own brands. Thailand presents a different opportunity, with the market being more fashion centric. Owndays has gained strong traction in the country, while Lenskart's core brands are being introduced through differentiated propositions such as the Pop Mart collection. This approach has supported strong customer traction in the fashion-focused Thailand market. Lenskart continues to deepen its Southeast Asian presence through consistent store expansion, with the store count network witnessing a 12% CAGR over the last three years.

Japan is Lenskart's largest international market and is benefiting from structural tailwinds in the eyewear category. An ageing population continues to drive the incidence of refractive errors in the country. Owndays allows the company to cater to value-focused, D2C customers. Lenskart is also deepening its presence through GeoIQ, which has enabled expansion across underpenetrated prefectures. Japan store count has grown at a 5% CAGR over the past three years to 289 stores as of June 30, 2026.

The Middle East represents another differentiated opportunity, with Lenskart expanding its store presence by ~3x over the last three years. The region is characterised by higher ASPs and a young, digitally native consumer base, with greater relevance for premium and fashion-focused eyewear. In the UAE, Lenskart has continued to build relevance by aligning its proposition with local culture. Saudi Arabia remains at an early stage of investment, with the company similarly adapting its offering to local cultural trends. Lenskart's focus is to increasingly penetrate the local native customer base.

Prescription eyeglasses remain the key volume driver for the international business. International volumes have grown at a 42% CAGR over FY23-26 to 6.5mn pieces. Consistent store expansion, value-accretive acquisitions such as Owndays and accelerated volume growth have enabled international revenue to grow at a ~38% CAGR over FY23-26 to Rs.3,789cr. The combination of market-specific customer playbooks, a widening physical network and a multi-brand portfolio provides Lenskart with a scalable platform to deepen penetration across its international markets.

Exhibit 4: Lenskart's house of brands

Market	Stage of Journey	Focus
Singapore	Established Market	Deepening the dual-brand playbook, with OWNDAYS serving premium customers and Lenskart expanding accessibility through a wider portfolio.
UAE	Established Market	Strengthening a digital-first proposition through online growth, localised journeys, Meller and improved fulfilment
Japan	Scaling Market	Building on OWNDAYS' strong base, same store growth, improving unit economics, remote optometry and brand campaigns that strengthen recall
Thailand	Scaling Market	Building fashion-led relevance through localised collections, collaborations and a stronger supply chain foundation
Saudi Arabia	Investment Phase	Localising the proposition for a young, digitally native customer base, with culturally relevant assortment, digital journeys and market-specific execution.

Source: Company, ICICI Direct Research

Key Operating Assumptions

Exhibit 5: Key Operating Assumptions

Particulars	FY24	FY25	FY26	FY27E	FY28E	FY29E
Consolidated						
Stores	2389	2723	3326	3806	4281	4731
Volumes (in mn)	21.2	27.2	35.3	45.4	55.4	66.5
YoY Growth (%)		28.1%	29.8%	28.6%	22.1%	20.0%
Average Selling Price (In Rs./unit)	2556.6	2445.8	2496.9	2557.2	2622.0	2696.6
YoY Growth (%)		-4.3%	2.1%	2.4%	2.5%	2.8%
Revenue (In Rs.cr)	**5427.7**	**6652.5**	**8814.0**	**11606.1**	**14533.9**	**17930.8**
YoY Growth (%)		**22.6%**	**32.5%**	**31.7%**	**25.2%**	**23.4%**
India Business						
Stores	1785	2067	2609	3034	3459	3859
Volumes (in mn)	17.7	22.9	28.8	36.9	44.8	53.3
YoY Growth (%)		29.8%	25.7%	28.0%	21.5%	19.0%
Average Selling Price (In Rs./unit)	1816.5	1772.4	1828.1	1873.8	1920.6	1968.6
YoY Growth (%)		-2.4%	3.1%	2.5%	2.5%	2.5%
Revenue (In Rs.cr)	**3206.2**	**4060.5**	**5264.8**	**6909.0**	**8602.7**	**10492.2**
YoY Growth (%)		**26.6%**	**29.7%**	**31.2%**	**24.5%**	**22.0%**
International Business						
Stores	604	656	717	772	822	872
Volumes (in mn)	3.6	4.3	6.5	8.5	10.6	13.2
YoY Growth (%)		19.8%	51.5%	31.0%	25.0%	24.0%
Average Selling Price (In Rs./unit)	6326.5	6150.9	5830.2	5888.5	5947.3	6006.8
YoY Growth (%)		-2.8%	-5.2%	1.0%	1.0%	1.0%
Revenue (In Rs.cr)	**2264.9**	**2638.7**	**3789.6**	**5013.6**	**6327.5**	**7927.6**
YoY Growth (%)		**16.5%**	**43.6%**	**32.3%**	**26.2%**	**25.3%**

Source: Company, ICICI Direct Research

Key Financial Summary

Revenues to grow at CAGR of ~27% over FY26-29E...

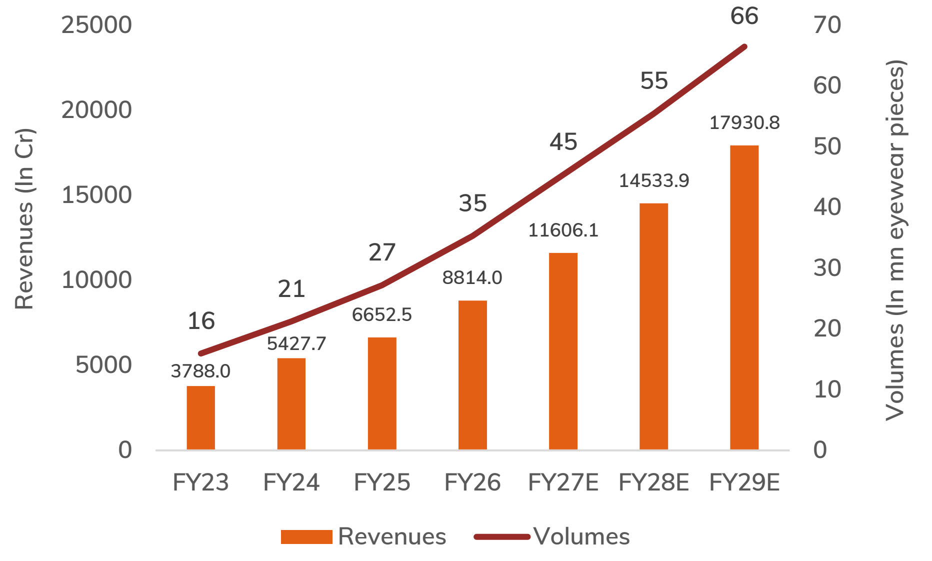
Lenskart has delivered a strong 33% revenue CAGR to Rs.8,814cr over FY23-26 which was largely volume-led. Consolidated eyewear volume witnessed CAGR of 30% over FY23-26 to 35.3mn pieces. Among key business segments, India and International revenues grew at 30% and 38% CAGR to Rs.5,265cr and Rs.3,790cr, respectively.

In India, volumes grew 28% CAGR to 28.8mn units over FY23-26, supported by accelerated store additions across micro-markets. Store expansion witnessed CAGR of 21% over FY24-26 to 2609 stores. The expanding store network has helped Lenskart create incremental demand even as it densified its presence. Its integrated proposition, from eye testing and assisted product selection to final purchase, has supported both customer acquisition and repeat purchases. Annual transacting customers increased to 12.3mn in FY26 from 6.3mn in FY23. As per our calculation, transaction value/customer to Rs.4280 in FY26 from Rs.3,803 in FY23, while Eyewear Units sold/store also increased to 8431 in FY26 from 7175 in FY23. These metrics indicate that Lenskart was able to acquire and scale footfalls through accelerated store additions while subsequently indicating higher repeat purchases and value per customer. The resulting volume growth drove SSSG to 20.8% in FY26 from 15.7% in FY25, despite continued store densification. India ASP increased to Rs.1,828 in FY26 from Rs.1,772 in FY25, supported by premiumisation.

International revenue grew 38% CAGR to Rs.3,790cr, supported by a 42% volume CAGR to 6.5mn units over FY23-26. Prescription eyewear remained the key driver while Sunglasses volumes grew 36.3% YoY, aided by Meller. Acquisitions such as Owndays has helped the scale faster in high demand Asian markets such Japan and Singapore. Also, Omnichannel growth has strengthened customer reach and store productivity. The company added 61 net international stores in FY26, taking the network to 718 stores.

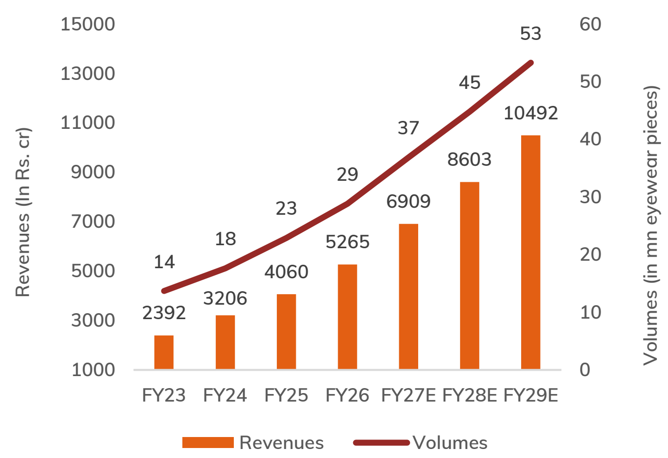
Going ahead, we expect the store network and increasing footfall to remain the primary growth engine which will continue to drive the volume growth ahead. India and International store counts are expected to grow at 14% and 7% CAGR over FY26-29E reaching 3,859 and 872 stores respectively. The expanding network should drive higher customer acquisition. Improving store productivity and repeat purchases should further support volumes. We estimate India volumes to increase to 53.3mn units and international volumes to 13.2mn units over FY26-29E implying CAGR of ~23% and ~37% respectively. Premiumisation should provide an additional growth lever through higher ASPs which we expect to expand at CAGR of ~5%. We expect consolidated revenue to reach ~Rs.17,930.8cr by FY29E, implying ~27% CAGR over FY26-29E.

Exhibit 6: Consolidated Revenues to grow at ~27% CAGR during FY26-29E

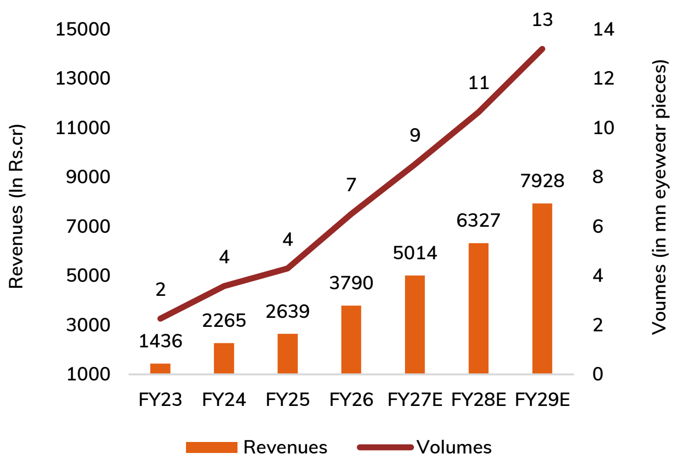


Source: Company, ICICI Direct Research

Exhibit 7: India business revenues and volumes



International business revenues and volumes



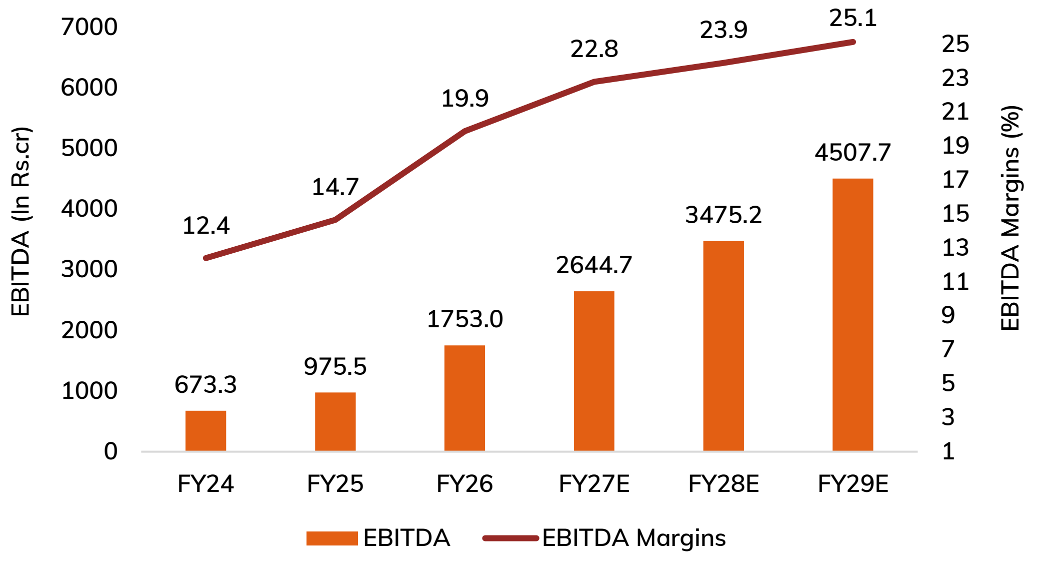
Source: Company, ICICI Direct Research

EBITDA margins to expand by ~600bps over FY26-29E...

Lenskart's EBITDA margin has expanded to 20% in FY26 from 7% in FY23, supported by a sharp improvement in gross margins as well as operating leverage. Gross margin improved to 69.0% in FY26 from 63.9% in FY23, driven by better product economics and increasing vertical integration. Lenskart's vertically integrated and centralised supply chain provides greater control over manufacturing and sourcing, with its cost of materials estimated to be 35-40% lower than the industry, while increasing in-house frame and lens manufacturing and scale-led vendor negotiations are further improving cost efficiency. Product margins have also remained resilient, with India product margin improving to 63.7% in FY26 from 58.8% in FY23, while international product margin increased to 76.0% in FY26 from 70.4% in FY23. Further, vertical integration, incremental in-house manufacturing, supply chain efficiencies and higher volumes is expected to help narrow the gap between India product margins and international product margins in the coming years. The shift towards higher-value products is further supporting mix, with transactions above Rs.10,000 increasing to 20.5% in FY26 from 18.1% in FY25. These improvements in product economics, together with better store productivity, have translated into broad-based profitability improvement, with India EBITDA margin increasing to 20.3% in FY26 from 12% in FY24, while International EBITDA margin improved from 12.0% to 19.3% over the same period.

Going ahead, we expect continued premiumisation, greater in-house manufacturing and supply-chain efficiencies to sustain gross-margin improvement, while maturing stores, increasing scale and likely reduction in the gap between India and International product margins should provide operating leverage. We therefore expect EBITDA to scale at CAGR of 37% over FY26-29E to Rs.4507.7cr with EBITDA margin expected to expand by ~600bps to 25.1% in FY29E from ~19.9% in FY26.

Exhibit 8: EBITDA margins to expand by ~600bps over FY23-26

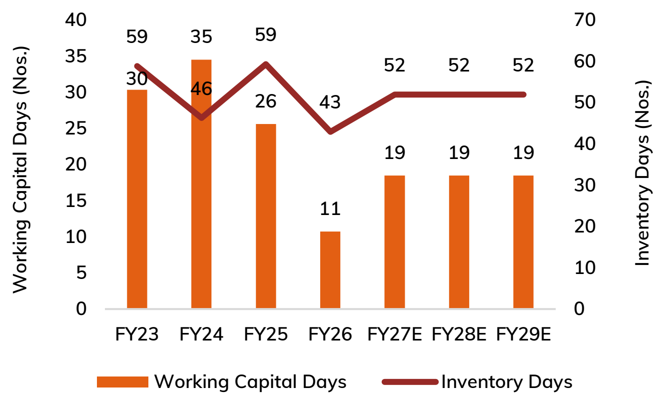


Source: Company, ICICI Direct Research

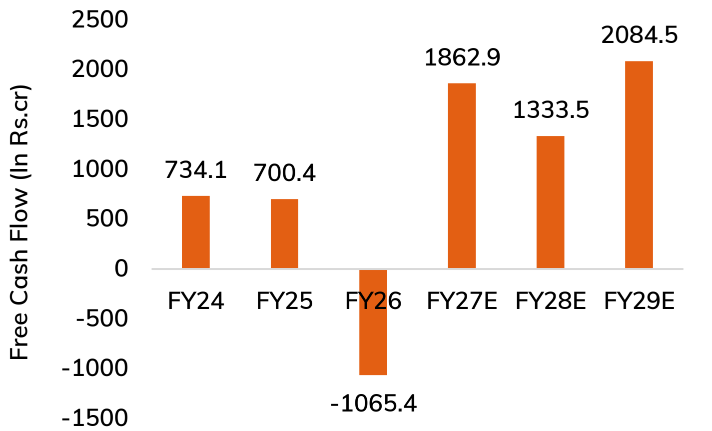
Working capital days reduced in FY26; OCF/FCF to consistently improve in the coming years

Working capital days reduced to 11 days in FY26 from 26 days in FY25 with inventory days coming down to 43 days in FY26 from 59 days in FY25. Strong customer demand resulted quick inventory churn from the store shelves. Inventory days are expected to normalise little upward (at 50-55 days) as the company is rebuilding stock to cater its future demand. Increase in scale of revenues/EBIDTA will help operating cash flows to consistently increase with working capital days remaining stable at 18-20 days over the next two years. Consistent improvement in the operating cash flows will take care of new store addition in the coming years. The company can generate cumulative free cash flow (FCF) close to ~Rs.5,300cr over FY27-29E.

Exhibit 9: Working capital cycle to remain stable ahead



Free Cash flow to improve ahead...



Source: Company, ICICI Direct Research

Key Risk and Concerns

Demand for Eyewear Products could decrease with advancements in medical infrastructure for eyecare

Lenskart operates in a dynamic industry subject to technological changes that may impact Lenskart. It faces risks from technological advancements like LASIK and SMILE surgeries, which could reduce demand for corrective eyewear. Increased accessibility of these procedures in emerging markets may impair growth prospects and revenues. Additionally, competition from other eyewear companies and medical service providers offering such surgeries could impact profitability. If Lenskart fails to adapt timely to these trends, it may affect its business performance and financial health.

Slower Launch of newer products or failure of newer launches in the market could lead to drag in revenues hampering the growth of the business

Lenskart operates in a competitive and dynamic eyewear industry where customer preferences are influenced by factors like quality, price, service, innovation, and sustainability. The company may face challenges in launching new brands or products due to factors such as failure to innovate, competition, or changes in customer preferences. Unsuccessful launches could negatively impact growth plans and financial performance.

Financial Summary

Exhibit 10: Profit and loss statement Rs. crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Total Operating Income	**8814.0**	**11606.1**	**14533.9**	**17930.8**
Growth (%)	32.5	31.7	25.2	23.4
Raw Material Expenses	2735.7	3460.9	4310.2	5222.1
Gross Profit	6078.4	8145.2	10223.7	12708.7
Employee Expenses	2043.6	2572.3	3240.6	4010.9
Other Expenditure	2281.8	2928.2	3507.9	4190.1
Total Operating Exp.	7061.1	8961.4	11058.6	13423.1
EBITDA	**1753.0**	**2644.7**	**3475.2**	**4507.7**
Growth (%)	79.7	50.9	31.4	29.7
Interest	178.5	248.3	262.2	260.9
Depreciation	1048.4	1178.7	1343.0	1509.9
Other Income	174.3	96.8	113.5	127.3
PBT	**700.4**	**1314.5**	**1983.6**	**2864.3**
Less Tax	182.5	368.1	555.4	802.0
Adjusted PAT	517.9	946.5	1428.2	2062.3
Profit or loss from Associates	-4.4	-4.0	-4.0	-4.0
Adjusted PAT	**513.5**	**942.5**	**1424.2**	**2058.3**
Exceptional Items	-12.6	0.0	0.0	0.0
Reported PAT	**501.0**	**942.5**	**1424.2**	**2058.3**
Reported EPS	**3.0**	**5.4**	**8.2**	**11.9**

Source: Company, ICICI Direct Research

Exhibit 11: Cash Flow Statement Rs. crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit/(Loss) before taxation	526.1	1217.8	1870.1	2737.0
Add: Depreciation & Amort.	1048.4	1178.7	1343.0	1509.9
Add:Other income	174.3	96.8	113.5	127.3
Tax	182.5	368.1	555.4	802.0
Net Increase in Current Assets	-2008.5	304.4	-791.7	-892.0
less: 'Net Increase in Current Liab.	-308.3	-350.2	-353.4	-407.2
CF from Operating activities	**-133.8**	**2779.8**	**2332.9**	**3087.4**
Investments & Bank bal.	107.2	-2338.7	-1500.0	-1600.0
(Purchase)/Sale of Fixed Assets & Intangible Assets	-2239.8	-1125.0	-1129.5	-1152.9
Goodwill	-322.1	0.0	0.0	0.0
Others	-208.4	-26.2	-27.6	-29.1
CF from Investing activities	**-2663.0**	**-3489.8**	**-2657.1**	**-2782.1**
(inc)/Dec in Loan	293.9	0.0	0.0	-103.3
(inc)/Dec in lease liabilities	650.2	217.8	224.6	82.0
Change in equity & reserves	2294.8	11.3	12.5	13.7
Dividend paid	0.0	0.0	0.0	0.0
Deferred tax liability & others	44.3	12.2	13.1	14.1
CF from Financing activities	**3283.1**	**241.3**	**250.1**	**6.5**
Net Cash Flow	486.3	-468.8	-74.1	311.8
Opening cash	487.1	973.4	504.6	430.5
Closing cash balance	**973.4**	**504.6**	**430.5**	**742.3**
Free Cash Flow	-1065.4	1862.9	1333.5	2084.5

Source: Company, ICICI Direct Research

Exhibit 12: Balance Sheet Rs. crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	347.3	347.3	347.3	347.3
Reserve and Surplus	8391.2	9337.7	10765.9	12828.2
Total Shareholders' funds	8738.5	9685.0	11113.2	13175.5
Non-controlling interest	113.2	124.6	137.0	150.7
Total Debt	909.2	909.2	909.2	805.9
Lease Liabilities	2877.0	3094.8	3319.4	3401.4
Deferred Tax Liability	172.7	172.7	172.7	172.7
Long-Term Provisions	114.4	120.2	126.2	132.5
Other Non-Current Liabilities	64.3	70.7	77.8	85.6
Total Liabilities	**12989.4**	**14177.1**	**15855.4**	**17924.1**
Gross Block - Fixed Assets	7570.5	8687.3	9836.8	10989.7
Accumulated Depreciation	2028.4	3207.1	4550.1	6060.0
Net Block	5542.1	5480.2	5286.7	4929.7
Capital WIP	111.9	120.0	100.0	100.0
Fixed & Intangible Assets	**5654.0**	**5600.2**	**5386.7**	**5029.7**
Goodwill	2197.7	2197.7	2197.7	2197.7
Investments	230.1	230.1	230.1	230.1
Other non-Current Assets	661.2	687.4	715.0	744.1
Inventory	1037.0	1653.5	2070.6	2554.5
Debtors	174.7	206.7	258.8	319.3
Current Investments	341.0	2750.0	4000.0	5500.0
Other current assets	471.2	518.4	570.2	627.2
Loans	2102.8	1102.8	1373.4	1663.9
Cash	973.4	504.6	430.5	742.3
Bank balance	570.3	500.0	750.0	850.0
Total Current Assets	**5670.4**	**7235.8**	**9453.5**	**12257.3**
Creditors	952.1	1271.9	1592.8	1965.0
Provisions	93.3	102.6	112.9	124.2
Other Current Liabilities	378.5	399.6	421.9	445.6
Total Current Liabilities	**1423.9**	**1774.1**	**2127.5**	**2534.8**
Net Current Assets	**4246.5**	**5461.8**	**7326.0**	**9722.5**
Application of Funds	**12989.4**	**14177.1**	**15855.4**	**17924.1**

Source: Company, ICICI Direct Research

Exhibit 13: Ratio Analysis Rs. crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per share data (I)				
Diluted EPS	3.0	5.4	8.2	11.9
Cash EPS	9.0	12.2	15.9	20.5
BV per share	51.0	56.5	64.8	76.7
Operating Ratios (%)				
Gross margins	69.0	70.2	70.3	70.9
EBIDTA margins	19.9	22.8	23.9	25.1
Adjusted PAT Margins	5.8	8.1	9.8	11.5
Asset Turnover (x)	1.3	1.4	1.6	1.7
Return Ratios (%)				
RoNW	6.8	10.2	13.7	16.9
RoCE	13.6	19.0	23.8	28.0
RoIC	9.6	14.7	21.5	29.3
Valuation Ratios (x)				
P/E	234.3	127.7	84.5	58.5
EV / EBITDA	69.7	45.6	34.4	26.1
EV / Net Sales	13.9	10.4	8.2	6.6
Market Cap / Sales	13.7	10.4	8.3	6.7
Price to Book Value	13.6	12.3	10.7	9.0
Solvency Ratios				
Debt / EBITDA	0.4	0.4	0.4	0.3
Net Debt / Equity	0.2	0.0	-0.1	-0.2
Inventory days	43	52	52	52
Debtor days	7	7	7	7
Creditor days	39	40	40	40
Operating cash cycle	11	19	19	19

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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