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LENSKART SOLUTIONS LIMITED

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IPO Report

31st Oct '25

Snapshot

Company is a direct-to-consumer company that designs and sells a wide range of eyewear products under company's own brands and subbrands. Company design its eyeglasses, both frames and lenses, supported by its 109-member design and merchandising team, as of June 30, 2025. Company offer products across a wide range of price points and age categories, catering to the requirements of an entire household. During the three months ended June 30, 2025 and the Financial Year 2025, company launched 42 and 105 new in-house designed and engineered collections globally, respectively, including in collaboration with popular brands and celebrities

VALUATION

Company is bringing the issue at price band of Rs 382-402 per share at ev/ebidta multiple of more than 50x on post issue anuualized Q1FY26 basis.

Company has centralized supply chain and automated manufacturing. Also, Company has In-House Frame and Lens engineering and manufacturing capabilities along with Customer-Focused product design capabilities & owned lenskart brand and portfolio of owned sub-brands . Company has technology first approach to customer experience and operational efficiency:
Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	**382-402**
Opening date of the issue	**31st Oct '2025**
Closing Date of the issue	**04th Nov '2025**
No of shares pre issue	1,68,56,33,793 Eq Shares
Issue Size	Rs 7023-7278 Cr
Fresh issue	Rs 2150 Cr
Offer For Sale	12,75,62,573 Eq Shares
Face Value (Rs/ share)	Rs 2/share
Bid Lot	37
Employee Discount	Rs 19/share
BIDDING DETAILS	
QIBs (Including Anchor)	75% of the offer (Approx 13,55,04,020 Eq Shares)
Non-Institutional	15% of the offer (Approx 2,71,00,803 Eq Shares)
Retail	10% of the offer (Approx 1,80,67,202 Eq Shares)
Employee Reservation	Upto Rs 15 Cr
Lead managers	Axis Capital, Kotak Mahindra Financial, Morgan Stanley India, Avendus Capital, Citigroup Global, Intensive Fiscal
Registrar to the issue	MUFG Intime India Pvt Ltd

WHAT WE LIKE

Company's Direct-to-consumer model

Company operate a direct-to-consumer model that eliminates multiple layers of intermediaries in the traditional prescription eyeglasses supply chain, enabling company to deliver products to customers at an affordable cost and with next day delivery. This model also allows company to retain end-to-end control over quality, reduce manufacturing lead times, and, according to the Redseer Report, achieve greater cost efficiency compared to conventional eyewear retailers. According to the Redseer Report, company manufactured the third largest number of prescription eyeglasses globally among leading large organized retailers of prescription eyeglasses in Financial Year 2025.

Company's Lenskart Brand and Portfolio of Owned Sub-brands

Company's Lenskart brand represents its aspiration of allowing people to "Do More" and "Be More". Through its eyewear products, company aim to offer customers a wide and evolving range of choices across occasions, styles, and needs, empowering them to see better every day. In the Financial Year 2025, Lenskart was awarded "India's Most Trusted Eyewear Brand of 2025" by TRA Research.

Company's Omnichannel Retail Network

Company operate an omnichannel retail network comprising company's mobile applications, websites, and physical stores in India and internationally, aligned with its aspiration to provide Eyewear for All. This enables company to cater to customers who only browse online but prefer to transact at its physical stores. Customers can access company's products and services across channels with consistent pricing (excluding a nominal home-delivery charge) and the ability to purchase, return, and exchange products conveniently through any channel.

COMPANY BACKGROUND

Company a technology-driven eyewear company with integrated operations spanning designing, manufacturing, branding and retailing of eyewear products. Company primarily sell prescription eyeglasses, sunglasses, and other products such as contact lenses and eyewear accessories. India is its largest market, and according to the Redseer Report, company is the largest seller of prescription eyeglasses in terms of volumes sold in India in Financial Year 2025, among organized retailers. Leveraging company's experience and capabilities in India, company have expanded into select international markets including Japan, Southeast Asia and the Middle East. Company is India's largest, and in Asia, are amongst the two largest, organized retailers of prescription eyeglasses in terms of B2C eyeglasses sales volumes during the Financial Year 2025, according to the Redseer Report.

Company commenced its operations in India as an online business in 2010 and opened company;s first retail store in New Delhi in 2013. Since then, company have scaled through both the online and offline channels and have established a presence through its retail stores, websites, mobile applications, and other channels. During the three months ended June 30, 2025 and the Financial Year 2025, in India, 3.73 million and 9.94 million customer accounts, respectively, transacted with company, and company sold 6.72 million and 22.91 million units of eyewear, respectively. As of June 30, 2025, company have 2,137 stores in India, of which, 1,831 were owned by company and 306 were franchisee-owned. During the three months ended June 30, 2025 and the Financial Year 2025, company's India segment total revenue as per Ind AS 108 amounted to ₹11,691.84 million and ₹40,604.66 million, respectively, and its India segment results pre-depreciation and amortisation amounted to ₹2,280.77 million and ₹4,894.76 million, respectively, reflecting an India segment total revenue as per Ind AS 108 CAGR of 30.29% and an India segment results pre-depreciation and amortisation CAGR of 111.67% between Financial Years 2023 and 2025. Company is India's largest and fastest-growing eyewear company in terms of revenue from operations for the Financial Years 2025, 2024 and 2023, according to the Redseer Report.

Company's omnichannel model enables it to scale its operations while efficiently investing in its marketing efforts. In India, company's adjusted same-store sales growth ("**SSSG**") and same-pincode sales growth ("**SPSG**") was 15.67% and 20.54%, respectively, in the Financial Year 2025.

The strength of company's omnichannel model is reflected in the growth of its customer base. Company's Annual/Quarterly Transacting Customer Account base (which are accounts that have transacted at least once on any of company's online or offline channels in a given Financial Year/Quarter) in India grew at a CAGR of 25.75% between the Financial Years 2023 and 2025, increasing from 6.29 million in the Financial Year 2023, to 8.06 million in the Financial Year 2024 and 9.94 million in the Financial Year 2025, and to 3.73 mill ion during the three months ended June 30, 2025. Company have scaled its business due to the effectiveness of company's end-to-end operating model, which comprises company's in-house design capabilities, centralised supply chain, and manufacturing that allows company to cater to a growing customer base. Similarly, its Annual/Quarterly Transacting Customer Account base in its International markets grew at 15.73% CAGR year-on-year between the Financial Years 2024 and 2025, increasing from 2.14 million in the Financial Year 2024 and 2.47 million in the Financial Year 2025, standing at 0.70 million in the three months ended June 30, 2025.

OBJECTS OF OFFER

The Offer comprises of a Fresh Issue and an Offer for Sale of Equity Shares by the Selling Shareholders.
Objects of the Fresh Issue
Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects (collectively, referred to herein as the "Objects"):

- Capital expenditure towards set-up of new CoCo stores in India;
- Expenditure for lease/rent/license agreements related payments for company's CoCo stores operated by Company in India;
- Investing in technology and cloud infrastructure;
- Brand marketing and business promotion expenses for enhancing brand awareness; and
- Unidentified inorganic acquisitions and
- general corporate purposes..

RISKS

Company's cost of raw materials consumed constitutes a significant portion of its expenses (amounting to ₹4,673.39 million, or 25.45% and ₹16,229.74 million, or 24.52%, of its total expenses in the three months ended June 30, 2025 and the Financial Year 2025, respectively) and delays, interruptions or reduction in the supply of raw materials to manufacture its prescription eyeglasses or fluctuations in the prices of company's raw materials could adversely affect company's business, results of operations, financial condition and cash flows.

Source:RHP

Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	Q1FY26
Total Revenue (A)	37880.28	54277.03	66525.17	18944.55
Total Expenditure (B)	35242.43	47542.65	56770.19	15584.11
EBIDTA	2637.85	6734.38	9754.98	3360.44
EBIDTA Margin	6.96	12.41	14.66	17.74
Other Income	1399.46	1821.69	3567.59	516.46
Depreciation	4175.53	6722.40	7965.69	2371.31
EBIT	-138.22	1833.67	5356.88	1505.59
Interest	832.78	1229.89	1458.90	410.38
PBT	-971.00	603.78	3897.98	1095.21
Share of profit in Asso	-40.76	-12.47	-44.42	5.84
PBIT	-1011.76	591.31	3853.56	1101.05
Exceptional	0.00	0.00	0.00	103.86
PBT	-1011.76	591.31	3853.56	997.19
Tax	-374.19	691.85	880.16	385.46
PAT	-637.57	-100.54	2973.40	611.73
NPM	-1.68	-0.19	4.47	3.23
ROE%	-1.25	-0.31	4.84	0.97
EPS	-0.43	-0.11	1.77	0.36
Eq Cap	152.86	154.18	1,543.37	1,543.37
Net Worth	54,738.07	56,492.86	60,987.34	62,157.86

(Source: RHP)

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