Aditya Birla Money Ltd.

ADITYA BIRLA CAPITAL
STOCKS & SECURITIES

IPO Note – LENSKART SOLUTIONS LIMITED

31 October 2025

Technology driven largest eyewear retailer in India:-

Lenskart is a technology driven, omni channel eyewear retailer and the largest B2C seller of prescription eyeglasses in India, and among the top two in Asia by B2C eyeglasses volumes in FY25. It has invested in technology solutions, AI tools and automation across customer engagement, supply chain, post order fulfilment, retail store operations and internal functions to enhance experience and efficiency. The network comprised 2,806 stores as of Q1FY26, including 2,137 in India and 669 in Japan, Southeast Asia, the Middle East, Taiwan, Hong Kong and Australia. The portfolio targets distinct customer segments through brands such as John Jacobs and Owndays at the premium end, and Lenskart Air, Vincent Chase, hustlr and Hooper Kids in economy and affordable premium. In FY25 the company launched 105 new in house designed and engineered collections, including collaborations with popular brands and celebrities.

Centralized manufacturing and supply chain gives strong competitive advantage:-

Lenskart is transitioning from a sourcing led direct to consumer approach to a manufacturer to consumer model, producing frames and lenses in house and selling directly to customers. The model enables quality at scale, affordable pricing and fast fulfilment, with next day delivery in 58 cities and three day delivery in 49 cities in India for single vision prescription eyeglasses as of 30 June 2025. Manufacturing is centralised across India, Singapore and the UAE, with installed capacity of 27.45 mn units in FY25. Utilisation was 47.9% in FY25 and improved to 55.1% in Q1FY26. The omni channel stack includes Home Try On and Remote Optometry Solutions, supported by 358 home try on agents offering at home eye tests in India as of 30 June 2025. Frame recommendation and virtual try on with size are the most used features on the mobile applications, and customers completed 38.59 mn virtual try ons in FY25 across applications and websites.

Focus on deepening penetration and elevate customer experience:- Management plans to deepen penetration in existing cities, enter new geographies, and broaden access across channels while strengthening manufacturing and supply chain to reduce import dependence and add capacity. Lenskart estimates a 4-6 % share of prescription eyewear in India in FY25. The share of individuals with refractive errors in India rose from about 43% in FY20 to about 53% in FY25 due to limited awareness, insufficient access to optometrists and stores, and affordability gaps, which the company aims to address. IPO proceeds are focused on Company owned Company operated expansion and customer experience. Store expansion is skewed to Company owned Company operated stores given an average payback of about 10 months. The centralised model is planned for roll out in Singapore and the UAE to support faster delivery and consistent quality. With store density still low outside metros and a data led omni channel approach to site selection and customer acquisition, the runway for growth remains large.

Key Risks: - 1) Volatility in raw material could affect margins. 2) High depedence on import of raw materials from China. 3) Medical advancements in eyecare, such as LASIK and SMILE surgeries, may reduce the need for corrective eyewear among potential customers

Financials & valuation: -

Lenskart has delivered strong growth in both financial and operating metrics and is widening its reach in a fast-expanding Indian eyewear market. At the upper price band, the offer implies FY25 EV/Sales of ~10x and EV/EBITDA of ~69x on a post issue basis. On these metrics, valuation appears rich, so near term gains may be limited. Even so, the integrated model, brand portfolio and omni channel scale position the company well to capture growth in an under penetrated organised market. As the network scales and mix upgrades, profitability should improve over the medium to long term. We recommend **SUBSCRIBE** for long-term investors.

Key Financials (₹ Cr)	Mar-23	Mar-24	Mar-25
Revenue from operations	3,788	5,428	6,653
EBITDA	264	673	975
EBITDA Margin (%)	*7.0*	*12.4*	*14.7*
PAT	(64)	(10)	297
PAT Margin (%)	*-1.7*	*-0.2*	*4.5*
Net Worth	5,570	5,756	6,206

Source: ABML Research, RHP

Rating	SUBSCRIBE
Issue Details	
Issue Opens	31-Oct-25
Issue Closes	04-Nov-25
Face Value (₹)	2
Price Band (₹)	382-402
Bid Lot	37 shares
Issue Size (₹ Cr)	7,278
Market cap at upper price band (₹ Cr)	69,700
Listing	NSE/BSE
BRLMs	Axis Capital, Citi, Morgan Stanley, Kotak Capital, Avendus
Registrar	MUFG Intime India Pvt Ltd

Shareholding Pattern (%)

	Pre-Issue	Post Issue
Promoters	19.9	17.7
Public	80.1	82.3
Total	**100**	**100**

Issue Structure (In Cr no. of shares)

Issue size	**18.10**
Fresh Issue	5.34
OFS	12.75
Break-up of net issue to public (%):	
QIB portion	75.0
Non-Institutional portion	15.0
Retail Portion	10.0

Source: ABML Research, RHP

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