Lenskart Solutions

Internet

A clear line of sight – growth and moat in place

Lenskart has turned a strong start into a sustained run, delivering >50% returns since its market debut. The company's sustained operational outperformance remains the centrepiece of this rerating story. We think investors would now focus on Lenskart's ability to sustain such growth and the rationale behind the rich valuations. We estimate Lenskart's India business to deliver a revenue CAGR of ~23% over FY26–31E, as we expect its store count to almost treble (2.7x) with SSSG of ~18% over the same period. Further, scale efficiencies could support an EBITDA CAGR of ~37% in India business over the same period. We use a 3-stage DCF, with a 10.5% WACC and 5% terminal growth rate, to arrive at a **TP of INR 750**. We are initiating coverage with a **BUY** rating.

What is priced in?

Lenskart has endured macro vagaries and expanded market share. The company's growth profile, in our view, could prop up its India business EV/EBITDA to 48x (regressing from trend valuations for high-growth Indian retailers). This implies the international business would trade at 20x EV/EBITDA (broadly in line with global peers) at our price target. (Link)

Given the company's supply chain moat created by next-day delivery in 78 cities, vertically integrated manufacturing facilities and owned physical and digital distribution channels, we believe Lenskart is well positioned against competitive threats in the medium term. Put together, this improves earnings visibility for investors and creates room for incremental rerating with every positive news flow. Hence, we are constructive on this scrip despite the perceived 'rich valuations.'

Where is growth coming from?

We see Lenskart's India store count growing from ~2.6k (FY26) to ~4k (FY28E), lifting its domestic market share from ~6% to ~7%, as India revenue rises from INR 53bn (FY26) to INR 82bn (FY28E) — driven ~40% by new store additions (INR 12bn incremental) and ~60% from SSSG (INR 16bn incremental). We expect international store count to climb from 718 (FY26) to 843 (FY28E) across Japan, Southeast Asia, the Middle East and other markets, with revenue growing from INR 38bn to INR 60bn on unit growth and realisation gains. (Link)

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	68,030	90,023	1,15,104	1,41,307
EBITDA	11,554	17,938	26,421	35,451
EBITDA Margin (%)	17.0	19.9	23.0	25.1
Net Profit	3,869	5,336	9,987	15,740
EPS (INR)	2.3	3.1	5.8	9.1
EPS % Chg YoY	418.7	33.5	87.2	57.6
P/E (x)	284.3	212.9	113.8	72.2
EV/EBITDA (x)	90.1	59.9	40.6	29.9
RoCE (%)	11.6	17.0	20.8	24.5
RoE (%)	5.1	6.8	10.9	15.0

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Market Data

Market Cap (INR)	1,139bn
Market Cap (USD)	11,893mn
Bloomberg Code	LENSKART IN
Reuters Code	LENS.BO
52-week Range (INR)	658 /356
Free Float (%)	77.0
ADTV-3M (mn) (USD)	45.8

Price Performance (%)	3m	6m	12m
Absolute	34.5	33.8	0.0
Relative to Sensex	31.4	40.2	0.0

ESG Score	2024	2025	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

What is the moat in the business?

Lenskart is able to procure key materials for eyeglass manufacturing at 35-40% lower cost compared to that incurred by unorganized retail stores for similar quality products

Lenskart's moat combines deep vertical integration — in-house design and manufacturing, product margins of ~70%, and 75% automated plants — which helps reduce fragmented trade markups, and enables it to offer lenses at lower prices than local opticians. Lenskart is able to procure key materials for eyeglass manufacturing at 35-40% lower cost compared to that incurred by unorganized retail stores for similar quality products. Also, quick delivery turnarounds are embedded into their operating model, which we think could be hard to replicate for competitors.

Its multi-brand portfolio (Owndays, John Jacobs, Vincent Chase, etc.) caters to customers across a wide range of price points using classical price laddering strategy while simultaneously driving premiumisation.

Lenskart's unit economics: ~64% product margins in India; 33%+ store-level EBITDA margins; and ~10-month payback

Technology reinforces Lenskart's edge via remote optometry, virtual try-ons, AI store analytics, and GeoIQ site selection. The company's unit economics are also noteworthy: ~64% product margins in India, 33%+ store-level EBITDA margins, and a ~10-month payback (vs. 20–30+ months for peers), led by an asset-light store model and full control of the margin pool vs. intermediary-dependent competitors. (Link)

How have global peers fared?

Lenskart is relatively smaller vs. global peers, but its growth pace is faster. Also, gross margins are already comparable and store growth is higher, though its EBITDA margin still lags

Global eyewear peers span vertically integrated leaders such as EssilorLuxottica (20-30% global share), alongside D2C/value players like Warby Parker, National Vision Holdings, and JINS Holdings. Lenskart stands out in terms of growth outlook among global peers led by deepening presence in Japan, Southeast Asia and the Middle East. On operating metrics, Lenskart's gross margins are already comparable to global peers and store growth is higher, though its EBITDA margin still trails peers. (Link)

What is the risk reward skew?

Bull case: TP INR 900
Base case TP INR 750
Bear case: TP INR 450

In our bull case (TP INR 900), we assume ~30% revenue CAGR over FY26–28E with sustained >20% SSSG, driving ~67% pre-IND AS EBITDA CAGR. In our base case (TP INR 750), we estimate a 25% revenue CAGR with ~18% SSSG, yielding a 54% EBITDA CAGR. In our bear case (TP INR 450), we assume a softer 20% revenue CAGR with mid-single-digit SSSG, still delivering ~41% EBITDA CAGR on operating leverage — overall the risk/reward skews favourable at 1.5:1 (Link).

Valuation

We initiate coverage on Lenskart with a **BUY** rating, using a DCF valuation methodology to arrive at a TP of INR 750. We expect revenue to accelerate at a ~25% CAGR over FY26–28E, with overall pre-IND AS EBITDA margin expanding from 11.2% in FY26 to 17% in FY28E.

Domestic peer regression implies that the India business trades at ~48x FY28E EV/EBITDA. The international segment's implied valuation is at ~20x, which we believe is reasonable vs. 8–19x for global peers (Essilor, Warby Parker etc.) given Lenskart's much higher growth (41% EBITDA CAGR vs. 7-22% for peers over FY26-28E).

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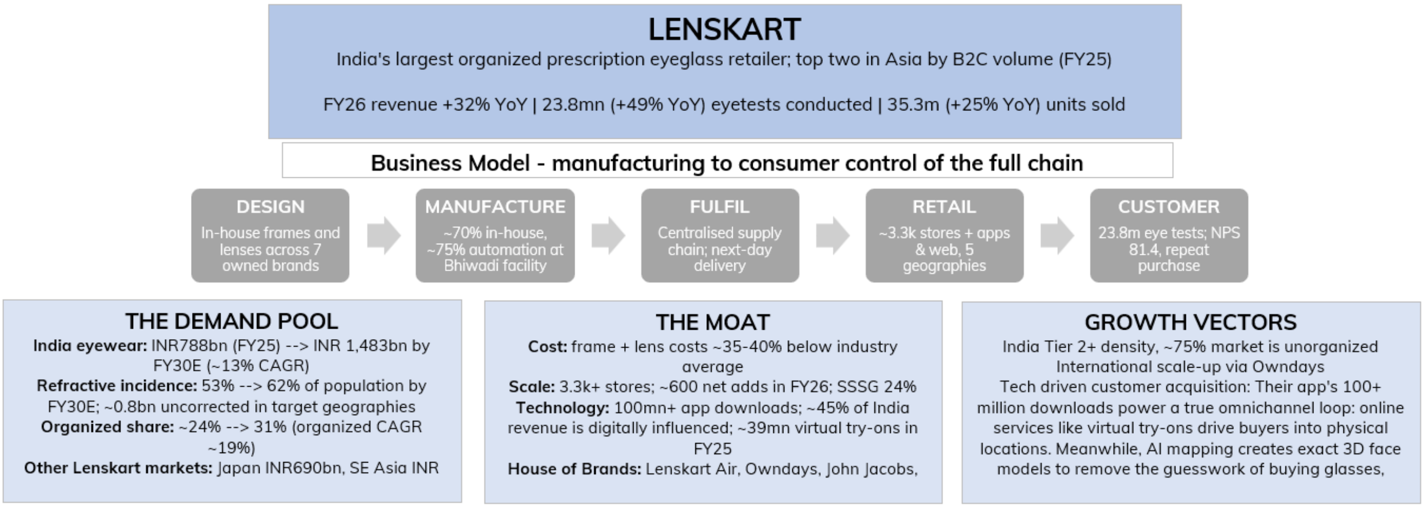
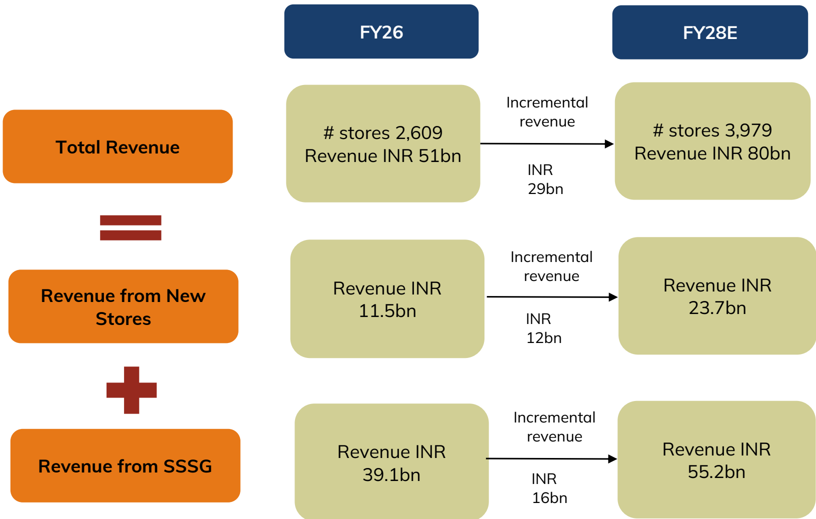


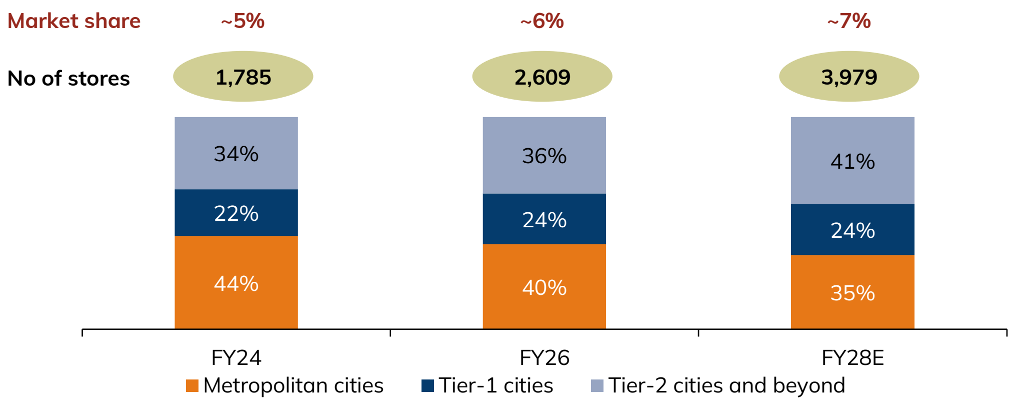
Source: I-Sec research, Company data

Exhibit 2: We expect Lenskart's India business to deliver incremental revenue of INR 29bn; INR 12bn from new stores and INR 16bn from SSSG



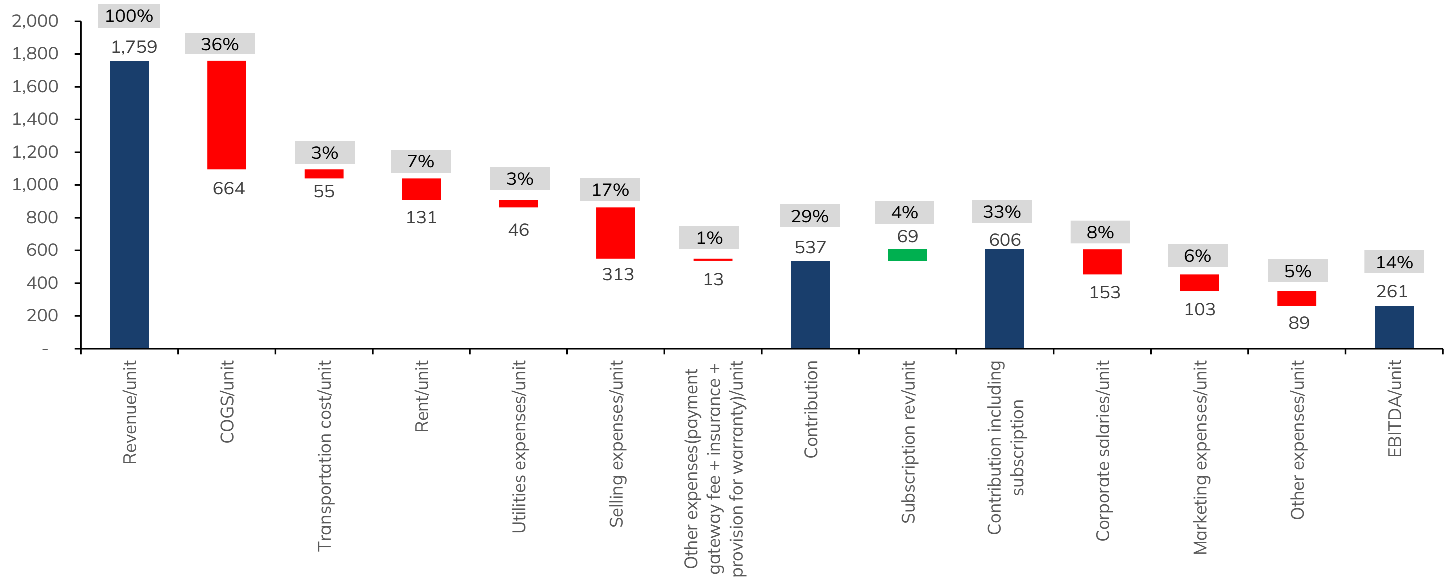
Source: I-Sec research, Company data *Note: India revenue in this chart does not include subscription revenue

Exhibit 3: Lenskart's India snapshot across FY24, FY26 and FY28E – number of stores, distribution by tier and domestic market share



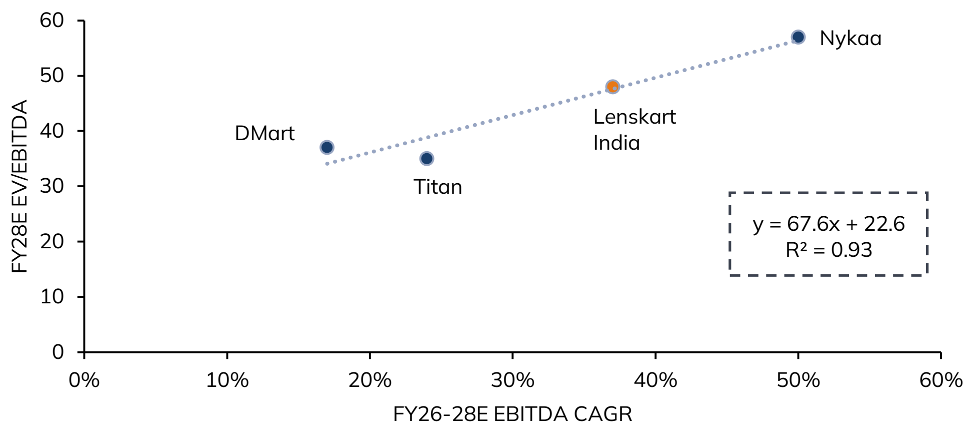
Source: I-Sec research, Company data

Exhibit 4: Lenskart's India unit economics – I-Sec estimates (FY26)



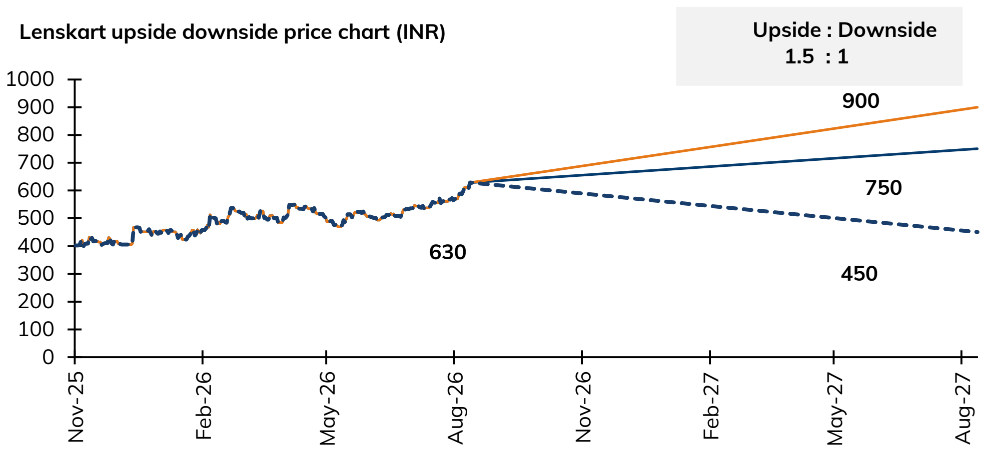
Source: I-Sec research, Company data

Exhibit 5: Domestic peer regression implies that the India business trades at ~48x FY28E EV/EBITDA



Source: I-Sec research, Company data

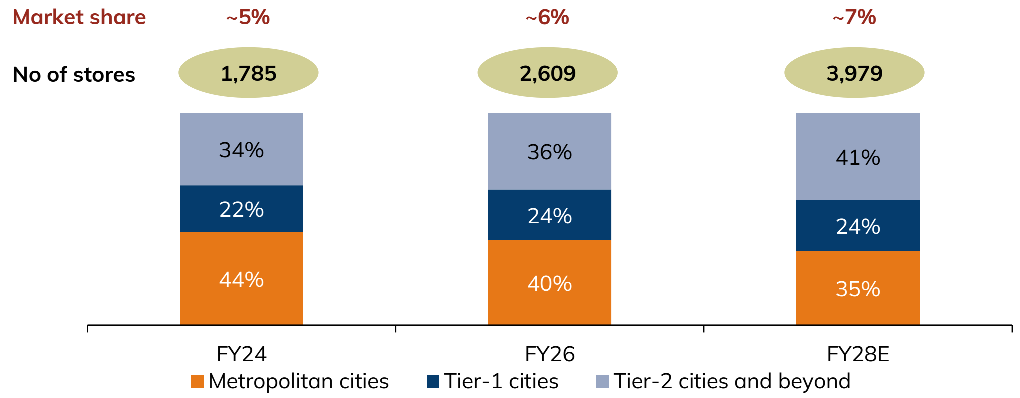
Exhibit 6: We see Lenskart's stock trading at INR 900 in our bull-case scenario and INR 450 in our bear case, implying positively skewed risk-reward



Source: I-Sec research, Bloomberg

Where is growth coming from?

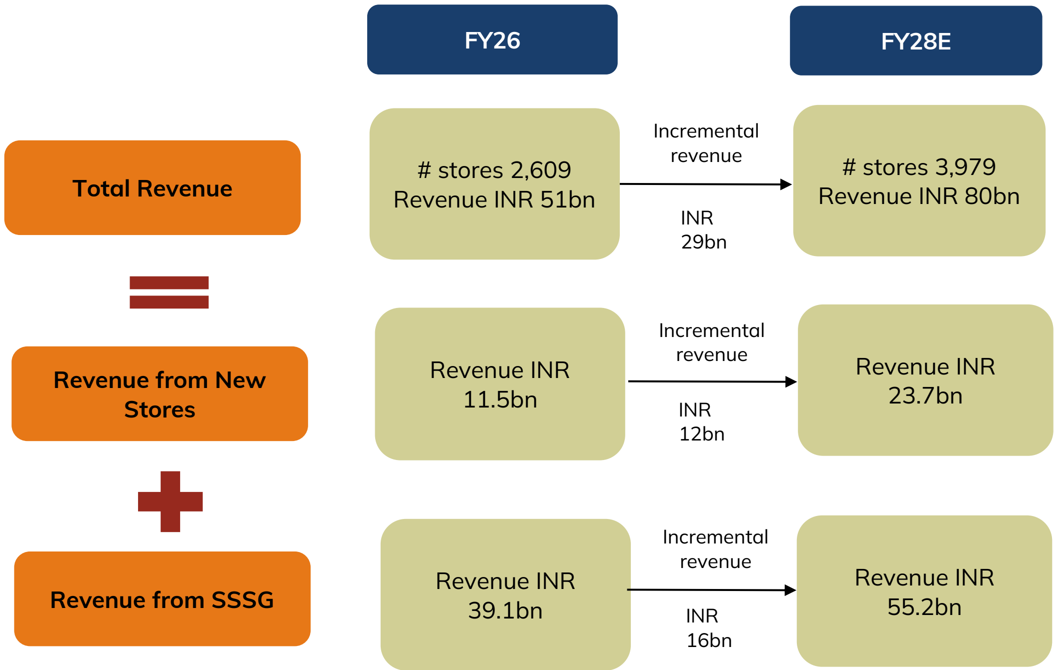
Exhibit 7: Lenskart's India snapshot across FY24, FY26 and FY28E — number of stores, distribution by tier and domestic market share



Source: I-Sec research, Company data

We expect Lenskart's India store count to grow from ~2.6k (FY26) to ~4k (FY28E), potentially lifting its domestic market share from ~6% to ~7%, with India revenue climbing from INR 53bn (FY26) to INR 82bn (FY28E) — driven ~40% by new store additions (INR 12bn incremental) and ~60% from SSSG (INR 16bn incremental).

Exhibit 8: Revenue from new vs. matured stores in India



Source: I-Sec research, Company data

Exhibit 9: Key assumptions — India business

India business	FY23	FY24	FY25	FY26	FY27E	FY28E
India stores (opening store count)	**1,146**	**1,416**	**1,785**	**2,067**	**2,609**	**3,209**
Stores opened	300	399	312	592	650	840
Stores closed	30	30	30	50	50	70
India stores (period-end)	**1,416**	**1,785**	**2,067**	**2,609**	**3,209**	**3,979**
Units sold (mn)	**13.7**	**17.7**	**22.9**	**28.8**	**34.7**	**41.0**
YoY growth (%)		29%	30%	26%	20%	18%
Avg realization (INR)	**1,619**	**1,720**	**1,672**	**1,759**	**1,847**	**1,939**
YoY growth (%)		6%	-3%	5%	5%	5%
India revenue - core (INR mn)	**22,160**	**30,359**	**38,311**	**50,653**	**64,014**	**79,529**
YoY growth (%)		37%	26%	32%	26%	24%
India revenue - subscription (INR mn)	**656**	**661**	**1,080**	**1,995**	**2,354**	**2,731**
YoY growth (%)		1%	64%	85%	18%	16%
India revenue - total (INR mn)	**22,816**	**31,019**	**39,391**	**52,648**	**66,368**	**82,259**
YoY growth (%)		36%	27%	34%	26%	24%

Source: I-Sec research, Company data

Exhibit 10: Key assumptions — International business

Store count (#)	FY23	FY24	FY25	FY26	FY27E	FY28E
Opening store count		543	604	656	718	783
Stores opened		**61**	**52**	**62**	**65**	**60**
Period-ending store count	**543**	**604**	**656**	**718**	**783**	**843**
-Japan	232	259	267	287	302	314
-Southeast Asia	214	229	251	284	316	346
-Middle East	17	28	39	41	43	45
-Others	80	88	99	106	112	118
Total units sold	**2.3**	**3.6**	**5.4**	**6.5**	**8.0**	**9.4**
Yoy growth (%)		59%	51%	20%	23%	17%
Avg realization (INR)	**6,381**	**6,344**	**5,390**	**5,830**	**6,180**	**6,365**
YoY growth (%)		-1%	-15%	8%	6%	3%
Revenue (INR mn)	**14,358**	**22,649**	**29,108**	**37,896**	**49,236**	**59,547**
YoY growth (%)		58%	29%	30%	30%	21%

Source: I-Sec research, Company data

What is the moat in the business

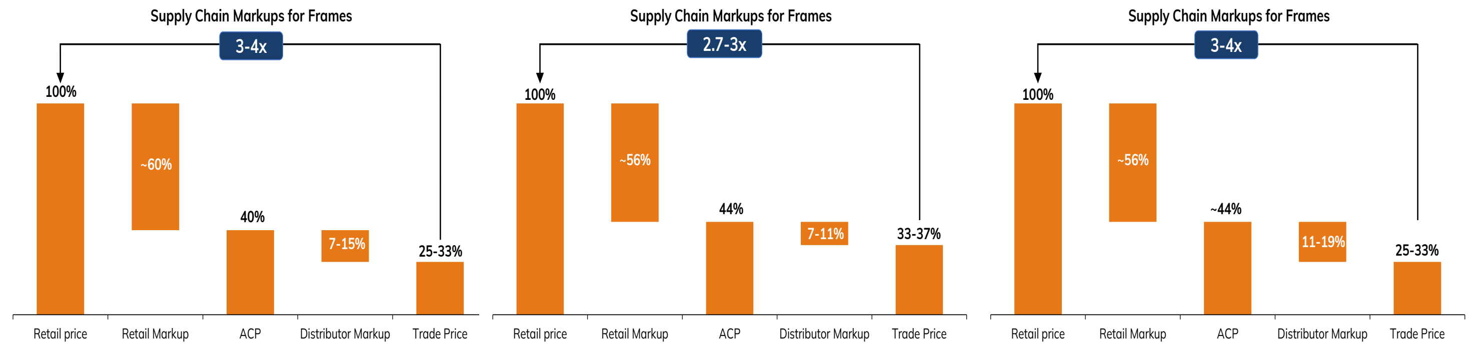
Lenskart controls more of its operations chain than any comparable optical retailer with in-house design, growing in-house frame and lens manufacturing, a centralised supply chain, and asset-light stores that function primarily as experience and order-booking nodes rather than inventory-heavy outlets. Fulfilment is centralised, which allows the store footprint to stay light on working capital while the network expands. These factors contribute to a product margin of ~70%.

Lenskart bypasses traditional middlemen, offering customers affordable eyewear through a direct-to-consumer model

The highly fragmented traditional value chain structure considerably drives up trade prices across the value chain, with markups from multiple intermediaries involved (including importers, national and regional distributors, and wholesalers) before the product even reaches the retailer.

- In emerging markets such as India, where players in the dominant unorganised channel rely heavily on importers, wholesalers and distributors for procuring frames and lenses, markups on frames typically ranges 3–4x over the trade price.
- Lenses typically have a greater variance in markup, typically ranging from 2.7-4x over the trade price, with progressive lenses incurring higher markups than single-vision lenses and unbranded lenses incurring higher markups than branded ones.
- Branded lenses typically offer retailer markups of 40–50%, while unbranded lenses have a large variance in markups, depending on the scale and business model of the retailers, going as high as 100%.
- Within the branded market, developed markets such as Japan, Singapore, and the Middle East command even higher markups, frequently exceeding 4x the trade price, due to elevated operating expenses incurred by retailers, substantial investments in brand positioning and service infrastructure, and higher purchasing power of customers.

Exhibit 11: Markups for frames and lenses in India (as % of retail prices in India)



Source: Company data, I-Sec research; Note: Average Cost Price (ACP) is the average cost price for frames and lenses incurred by traditional retailers

Driven by these factors, vertically integrated large organised retailers such as Lenskart with centralised supply chain are able to provide enhanced and consistent product quality, a wider range of SKUs and reduced waiting times for customers.

Manufacturing footprint and the in-house trajectory

Centralised prescription-eyeglass output rose from 10.1mn to 17.5mn pairs across FY24–26; in-house frames from 5.3mn to 7.8mn; and in-house lenses from 2.5mn to 5.6mn (+124%). Each step up in in-house mix converts a third-party margin into Lenskart's own, and shortens the path from order to delivery.

Exhibit 12: Lenskart's manufacturing footprint and in-house trajectory

	FY24	FY25	FY26
Prescription Eyeglasses manufactured (mn)	10.1	13.2	17.5
Frames manufactured in-house and through JV (mn)	5.3	6.5	7.8
Lenses manufactured in-house (mn)	2.5	4.06	5.6

Source: Company data, I-Sec research

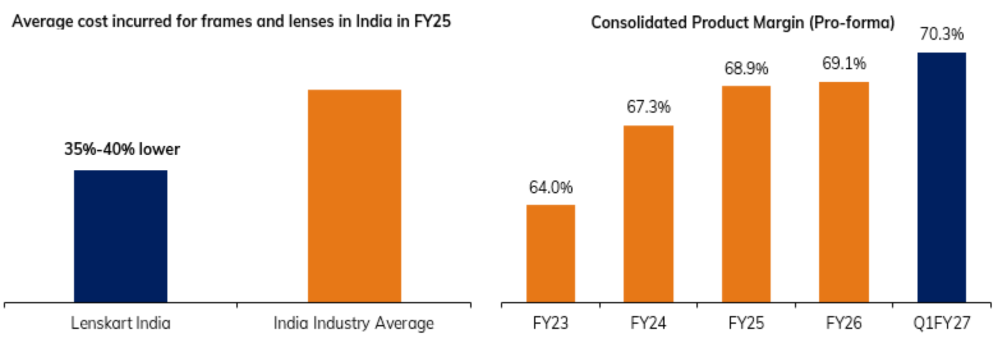
Vertical integration – a strong cost and speed moat

The company operates automated facilities in Bhiwadi and Gurugram, supplemented by regional hubs in Singapore and the UAE, and a JV in China for frame production. The Bhiwadi plant, for instance, is 75% automated and uses German robotic technology for lens cutting and edging.

The company's diversified manufacturing base supports operations across domestic and export markets, and helps better control over quality, design innovation, production timelines and costs. The company also has a JV with Baofeng Framekart Technology Limited, for the production of optical frames, which are supplied exclusively to Lenskart on a cost-plus 10% basis.

The traditional ecosystem does not offer the combination of product choice, lens quality, and speed that a centralised supply chain can deliver. Lenskart offers next-day delivery in 78 cities and even same day in some cities.

Exhibit 13: Lenskart India's product margins are higher than peers



Source: Company data, I-Sec research

Lenskart is able to procure key materials for eyeglass manufacturing at 35-40% lower cost compared to that incurred by unorganized retail stores for similar quality products.

House of brands and the premiumisation ladder

A multi-brand portfolio – John Jacobs, Owndays, Meller, and collaborations like Popmart and Harry Potter – lets Lenskart ladder customers from entry price points to premium, without losing them to another retailer.

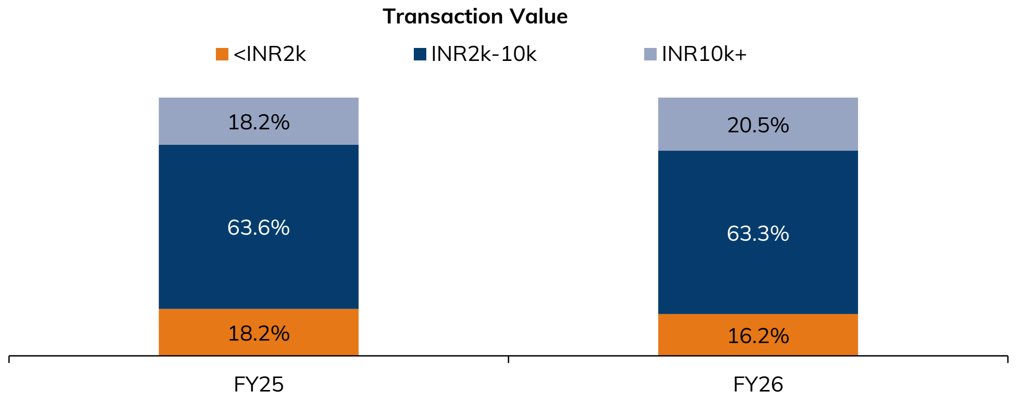
Lenskart's ATV mix shows that it is working. The INR 10k+ band rose to ~20.5% of India revenue in FY26, from ~18.1% in FY25, while the entry (<INR 2k) band shrank from 18.1% to 16.2%. Premiumisation lifts Average Selling Price (ASP) and gross margin simultaneously and, crucially, is a mix shift the company controls through its own brands rather than a price increase it must push through.

Exhibit 14: Lenskart operates a range of brands and sub-brands across 10+ countries, including Lenskart, Owndays, John Jacobs, Vincent Chase and Hustlr

Brand	Positioning	Target	Ownership	Approx. price	Comments
OWNDAYS	Elegant comfort	Working professionals; minimalist, durable, comfortable	~96%; subsidiary	INR 4k–9k+	Mostly titanium; Japan-made
JOHN JACOBS	Ramp fashion	Designers and professionals who track the latest trends	100%; in-house	INR 3k–5k+	Premium wedding line, embedded crystals
VINCENT CHASE	Fast fashion	Fashion-conscious, value-driven buyers	100%; in-house	INR 1k–3k	35+ collections in FY25
lenskart air	Performative comfort	Comfort-seekers, including office professionals	100%; in-house	INR 1k–4k	Lightweight, durable, affordable
hustlr	Enterprising spirit	Creators, entrepreneurs, influencers, professionals	100%; in-house	INR 1k–2k	One frame shape; multiple colours
Hooper	Durable and health centric	Children; comfort & safety	100%; in-house	INR 700–1.5k	Unbreakable, myopia-control
MELLER	Bold fashion +	Gen Z & millennial sunglasses buyers	~80%; subsidiary	INR 4k–7.5k	Barcelona D2C; launched in India in Nov'25
LE PETIT LUNETIER	French design +	Premium, design-led consumers	Associate; minority	INR 4k–8k+	French; acetate and stainless steel

Source: Company data, I-Sec research

Exhibit 15: Distribution of Lenskart's sales by transaction value size in India; share of sales in INR 10k+ band has increased



Source: Company data, I-Sec research

Technology as a cost-to-serve and demand-unlock layer

Lenskart leverages technology as a core driver across its entire value chain to solve common eyewear pain points such as:

- Remote optometry — 623 India stores (FY26-end) — manufactures diagnostic capacity where optometrists are scarce, directly unlocking Tier 2+ demand.

Exhibit 16: Remote optometry solutions offered by Lenskart; remote optometry stores expanded 3.7x in a single year to 623 at FY26-end (from 168 at FY25-end)

Source: Company data, I-Sec research

- Virtual try-on and personalisation — lifts online conversion; digitally-influenced India sales reached ~50% in FY26.

Exhibit 17: Lenskart conducted ~39mn virtual try-ons and ~38mn face/frame size measurements for its customers in India through its mobile applications

Source: Company data, I-Sec research

- Video analytics and insights to enable higher SSSG — Tango Eye uses store CCTV cameras to track customer foot traffic, see which displays people look at most, and check staff helpfulness. Lenskart also uses this AI in its factory to double-check lens quality.

Exhibit 18: Lenskart's AI-based computer vision enabled store conversion analytics

Source: Company data, I-Sec research

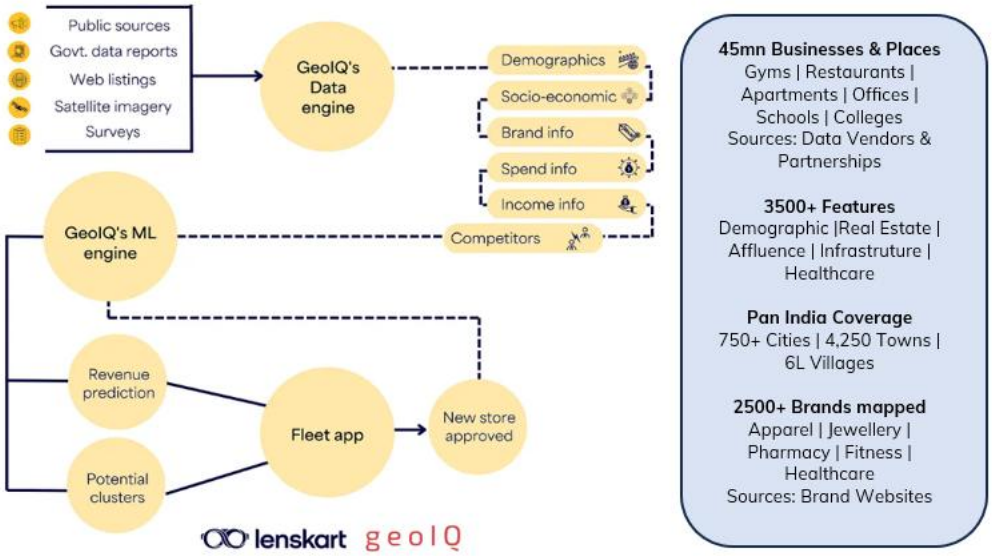
- Site selection/geo-analytics (GeoIQ) — improves new-store hit rates and reduces cannibalisation, protecting payback.

Exhibit 19: Lenskart's stores' locations were augmented with 3000+ location attributes by GeoIQ

Source: Company data, I-Sec research

GeoIQ: The model is able to identify locations with low revenue potential with an accuracy of 98% and with very high revenue potential with over 85%

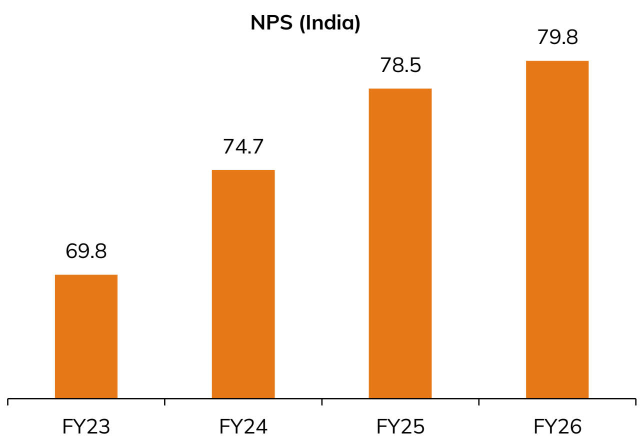
Exhibit 20: GeoIQ flow helps in making more targeted decisions, thereby reducing the ambiguity and recommending best-fit sites for different user segments



Source: Company data, I-Sec research

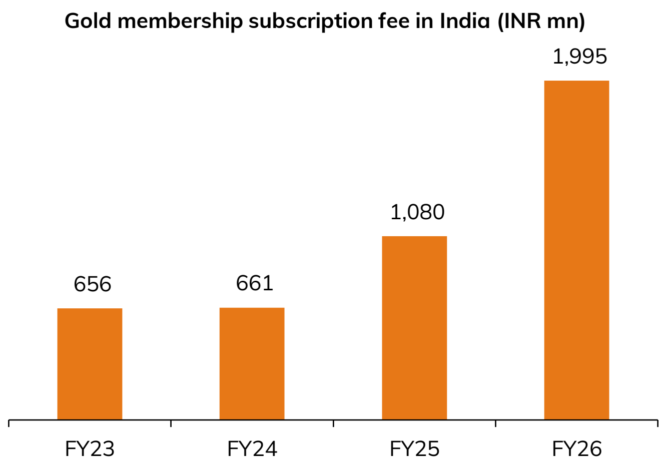
The cumulative effect shows up in customer retention: NPS in India has moved higher to ~80 even as the store base roughly tripled — service quality is scaling with the network.

Exhibit 21: NPS in India has expanded to ~80 in FY26



Source: Company data, I-Sec research

Exhibit 22: Gold membership revenue has seen strong growth (+85% YoY in FY26)



Source: Company data, I-Sec research

Strong store economics with payback of ~10 months

Lenskart's unit economics differ from traditional retail through centralised inventory and in-house manufacturing. This model reduces capital needs and operational risk. Stores act primarily as experience and customer acquisition centres, keeping only ~25% of stock on-site. This display-heavy approach minimises dead stock, obsolescence, and shrinkage.

Robust product margins: Lenskart sustains robust domestic product margins of ~64%. Increasing vertical integration provides further potential for expansion.

Superior EBITDA margins: The company's optimized operating model generates strong store-level pre-IND AS EBITDA margins of 33%+. Reported margins appear lower due to overheads/marketing expenses, which we expect to decline.

Rapid capital recovery: Centralised inventory and strong store-level margins facilitate an accelerated store payback period of ~10 months across all city tiers – lower vs. ~20–30+ months for peers. Additionally, in-house manufacturing and streamlined logistics help ensure a scalable retail model, supporting network expansion without compromising on profitability.

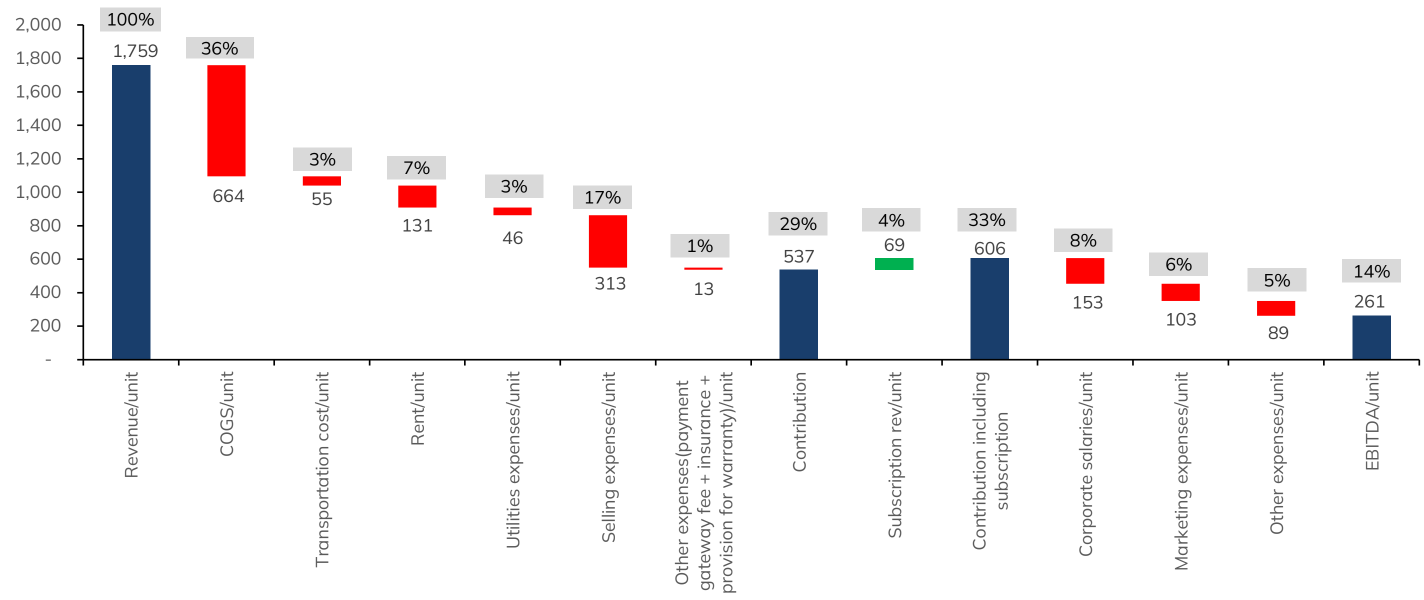
This superior operational efficiency enables the capital deployed for expansion (e.g., the planned addition of over ~600 new stores in FY27) to generate quicker and higher returns.

Exhibit 23: The productivity of Lenskart's new stores continues to trend upwards, with payback periods at ~10 months across tiers

Avg. Revenue/Month/New Store in the period (INR k)	FY24	FY25	9MFY26	CAGR
All new stores	970	1,130	1,270	15.0%
Metro new stores	1,020	1,150	1,220	10.4%
Tier-1 new stores	960	1,120	1,240	14.5%
Tier-2+ new stores	940	1,130	1,320	19.6%

Source: Company data, I-Sec research

Exhibit 24: Lenskart India unit economics – ISec estimates (FY26)



Source: I-Sec research, Company data

Selling expenses: O&M +contractual labour+ commissions + marketplace fee

Exhibit 25: Unlike Traditional and Unorganized retailers, Lenskart's operates a vertically integrated model with a centralized, robotic supply chain that reduces production costs and supports rapid next-day delivery

Category	Metric	Unorganized retailers	Traditional organized retailers	Vertically integrated model (Centralized supply chain) – Lenskart
Product	Number of designs	Basic dated designs; Limited variety	Limited variety in designs	In-house design integrated with retail touchpoints enabling faster feedback loop
	Trend responsiveness	No control over design	Dependent on third-party brands	Real-time trend responsive cycles enabled by co-located teams
Supply chain - Procurement and Manufacturing	Agility in supply chain	Dependent on suppliers and local contractors		Agile model, driven by end-to-end supply chain visibility and JIT inventory management
	Share of margin pool	Low margin due to multiple intermediaries	Low margin due to multiple intermediaries	Entire margin pool - no intermediaries
	Inventory turnover	High inventory at stores / unsold stock	Steadier sales, but significant unsold stock	Low inventory and thereby lesser shrinkages
	Cash conversion cycle	High - manual processes and weak supplier leverage extend the cycle	Consolidated orders help, but slow cash flow	Real-time planning and streamlined supply chain minimizes cash conversion cycle
	Return on capital employed	Low returns - higher fixed costs relative to scale	Moderate returns - smaller scale and manual processes	Maximum returns at scale with centralized supply chain and lower capex
Retailing	Online/offline reach	Relies on local, fragmented access; limited digital presence	Standardized stores with some basic online visibility	Integrated omnichannel access with free eye tests driving both online and offline reach
	SKUs / assortment	basic, limited assortment - focused on essentials	Wider and mixed assortment	Curated, wide assortment fuelled by rapid product innovation
	Brand recall	No/low recall	Moderate recognition - maybe limited to certain regions	Strong recall via omnichannel strategies and compelling brand storytelling
	Repeat purchase rate	Moderate repeat rates driven by need	Moderate repeats driven by need and service standardization	High repeat rates fuelled by fast fashion, personalized offerings and free eye tests
	Customer convenience	Limited in-store interactions with minimal service	In-store convenience with some digital/advisory tools	High convenience through omnichannel access, integrated services, and free eye tests
Tech and R&D	Level of tech adoption and R&D spends	Minimal tech adoptions; limited to basic eye testing	Low to moderate tech; mostly CRM and digital catalogues	AI-driven personalization, omnichannel interface integrated with manufacturing and distribution
	Operational efficiency	Minimal tech adoption	Limited to accounting and some inventory management	High operational efficiency driven by automation and centralized supply chain; higher cost savings and quality control

Source: I-Sec research, Redseer Research, Company RHP

How have global peers fared?

The global eyewear market is led by EssilorLuxottica, which commands a significant market share through prominent brands like Ray-Ban and Oakley alongside major lens production. Other key players span corrective vision, frames manufacturing, and retail – included below:

EssilorLuxottica is a market leader in the eyewear industry, completely vertically integrated and controls the entire optical value chain—design, manufacturing, distribution, and retail—to produce and market both corrective lenses and iconic eyewear brands globally. Operates via both wholesale and D2C channels. Its proprietary brands include Ray-Ban and Oakley.

Warby Parker is a D2C eyewear company that sells affordable, high-quality glasses directly through its website and network of physical stores in US/Canada.

National Vision Holdings Inc. is a leading US-based optical retailer that operates an accessible, value-focused business model—co-locating affordable optometry services with mass-market eyewear—across banners like America's Best Contacts & Eyeglasses and Eyeglass World.

JINS Holdings is a D2C eyewear brand in Japan that designs, makes, and sells prescription glasses, sunglasses, and specialised lenses at transparent, all-inclusive flat rates.

Case study: EssilorLuxottica – vertical-integration playbook

EssilorLuxottica is an example that eyewear rewards vertical integration at scale: 20-30% global market share, EUR 14.03bn H1FY25 revenue (+7.3% cc), ~18.3% operating margin — built over the 7 years since the 2018 Essilor-Luxottica merger and the 2022 GrandVision deal. Lenskart is running the same playbook — R&D-to-retail control, owned + licensed brands, omnichannel funnel — but is still in its first decade, on a fraction of the revenue base.

Key learnings

1. Brand architecture compounds margin, it does not just add SKUs

EssilorLuxottica's mix of owned mass-premium (Ray-Ban, Oakley) and licensed luxury (Chanel, Prada, Armani) lets one manufacturing base serve every price point. Lenskart's Owndays/John Jacobs stack follows similar logic at a smaller scale.

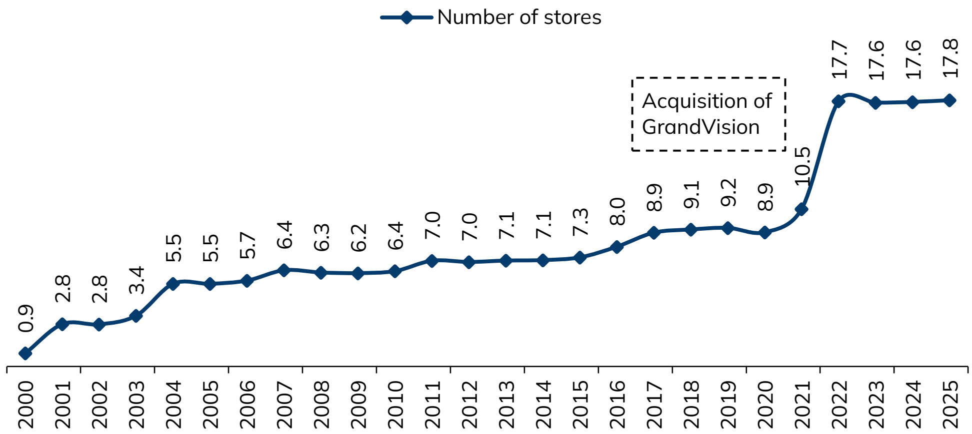
2. Focus on the D2C growth engine

~50% of group revenue is D2C, showing the omnichannel model scales globally.

3. The TAM is still opening, not closing

India’s eyewear market is expected to grow at 13% CAGR over the next 5 years reaching USD17bn by FY30E — the addressable market Lenskart is scaling into is expanding at a fast pace, unlike EssilorLuxottica's more mature core markets.

Exhibit 26: EssilorLuxottica store count trend



Source: I-Sec research, Company data

Exhibit 27: Comparison of Lenskart with global peers

	Lenskart (FY)	EssilorLuxottica	Warby Parker	National Vision Holdings	JINS Holdings
		Revenue (USD mn)			
CY22	472	25,799	598	2,005	553
CY23	656	28,676	670	2,127	530
CY24	787	32,206	771	1,823	551
		Gross margin (%)			
CY22	63.9	59.6	57.2	53.8	76.8
CY23	67.3	59.2	54.7	52.9	77.6
CY24	67.9	59.3	55.5	58.1	78
		EBITDA margin (%)			
CY22	7	21	-13	12.7	10.6
CY23	12.4	20.2	-4.8	11.3	13
CY24	14.7	20.6	2.2	13.3	15.5
		Number of stores (#)			
CY25	3,327	17,750	323	1,250	849
YoY	22.2%	0.3%	17.0%	0.8%	7.6%

Source: I-Sec research, Company data, Bloomberg, Statista

Lenskart stands out in terms of growth outlook among global peers led by deepening presence in Japan, Southeast Asia and the Middle East. On operating metrics, Lenskart's gross margins are already comparable to global peers and store growth is higher, though its EBITDA margin trails that of some peers.

What is priced in?

At ~INR 53bn, Lenskart's FY26 India revenue is ~5x that of its nearest organised peer. Additionally, it holds the single-largest market share at ~5%, while more than 75% of the market remains unorganised. Lenskart controls its design, manufacturing and a centralised, asset-light store network that allows it to undercut the fragmented market on price while expanding its gross margin. We see a long growth runway for Lenskart as penetration, premiumisation and international scale-up potentially compound together.

We initiate coverage on Lenskart with a **BUY** rating, using a DCF valuation methodology to arrive at a TP of INR 750. Our DCF assumptions include a 10.5% WACC and 5% terminal growth.

Exhibit 28: We use DCF valuation methodology for Lenskart to arrive at a TP of INR 750

(INR mn)	FY25	FY26	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	FY36E	FY37E	FY38E	FY39E	FY40E
Revenue	66,525	88,140	1,15,104	1,41,307	1,72,610	2,08,171	2,49,782	2,91,798	3,39,945	3,95,016	4,58,219	5,30,617	6,13,394	7,07,856	8,15,451	9,37,768
YoY (%)	22.6	32.5	30.6	22.8	22.2	20.6	20.0	16.8	16.5	16.2	16.0	15.8	15.6	15.4	15.2	15.0
EBITDA	**4,137**	**10,174**	**17,002**	**24,054**	**32,691**	**40,682**	**49,612**	**59,679**	**71,388**	**82,953**	**1,00,808**	**1,16,736**	**1,41,081**	**1,62,807**	**1,95,708**	**2,34,442**
EBITDA (%)	*6.2*	*11.5*	*14.8*	*17.0*	*18.9*	*19.5*	*19.9*	*20.5*	*21.0*	*21.0*	*22.0*	*22.0*	*23.0*	*23.0*	*24.0*	*25.0*
YoY (%)	*69.4*	*145.9*	*67.1*	*41.5*	*35.9*	*24.4*	*22.0*	*20.3*	*19.6*	*16.2*	*21.5*	*15.8*	*20.9*	*15.4*	*20.2*	*19.8*
Depreciation	3,594	3,444	4,910	5,810	6,376	6,976	7,660	8,464	9,179	10,665	12,372	14,327	16,562	19,112	22,017	25,320
Depreciation (%)	*5.4*	*3.9*	*4.3*	*4.1*	*3.7*	*3.4*	*3.1*	*2.9*	*2.7*	*2.7*	*2.7*	*2.7*	*2.7*	*2.7*	*2.7*	*2.7*
EBIT	544	6,730	12,092	18,244	26,315	33,706	41,952	51,215	62,210	72,288	88,436	1,02,409	1,24,519	1,43,695	1,73,691	2,09,122
EBIT (%)	*0.8*	*7.6*	*10.5*	*12.9*	*15.2*	*16.2*	*16.8*	*17.6*	*18.3*	*18.3*	*19.3*	*19.3*	*20.3*	*20.3*	*21.3*	*22.3*
Adjusted Tax	136	1,682	3,023	4,561	6,579	8,427	10,488	12,804	15,552	18,072	22,109	25,602	31,130	35,924	43,423	52,281
Adjusted tax rate (%)	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
NOPLAT	**408**	**5,047**	**9,069**	**13,683**	**19,736**	**25,280**	**31,464**	**38,411**	**46,657**	**54,216**	**66,327**	**76,807**	**93,389**	**1,07,771**	**1,30,268**	**1,56,842**
CFO (before working cap)	4,002	8,492	13,979	19,493	26,112	32,256	39,124	46,875	55,836	64,881	78,699	91,134	1,09,951	1,26,883	1,52,285	1,82,161
Decrease/ (Increase) in working capital	3,084	983	(3,058)	(277)	(330)	(375)	(439)	(444)	(528)	(614)	(745)	(862)	(1,040)	(1,201)	(1,441)	(1,724)
CFO	**7,086**	**9,475**	**10,921**	**19,216**	**25,782**	**31,880**	**38,685**	**46,432**	**55,308**	**64,268**	**77,954**	**90,271**	**1,08,910**	**1,25,683**	**1,50,844**	**1,80,438**
Net Capex	4,164	8,285	8,500	7,500	5,000	5,000	5,700	6,700	6,799	5,925	4,582	5,306	6,134	7,079	8,155	9,378
Free Cash Flow to Firm (FCFF)	**2,921**	**1,190**	**2,421**	**11,716**	**20,782**	**26,880**	**32,985**	**39,732**	**48,509**	**58,342**	**73,372**	**84,965**	**1,02,777**	**1,18,604**	**1,42,690**	**1,71,060**
Value of operations	**12,73,066**															
Less: Net Debt	(30,397)															
Value available to common stockholders	**13,03,463**															
Value per share (INR)	**750**															
WACC	10.5%															
Perpetual growth rate	5.0%															

Source: Company data, I-Sec research

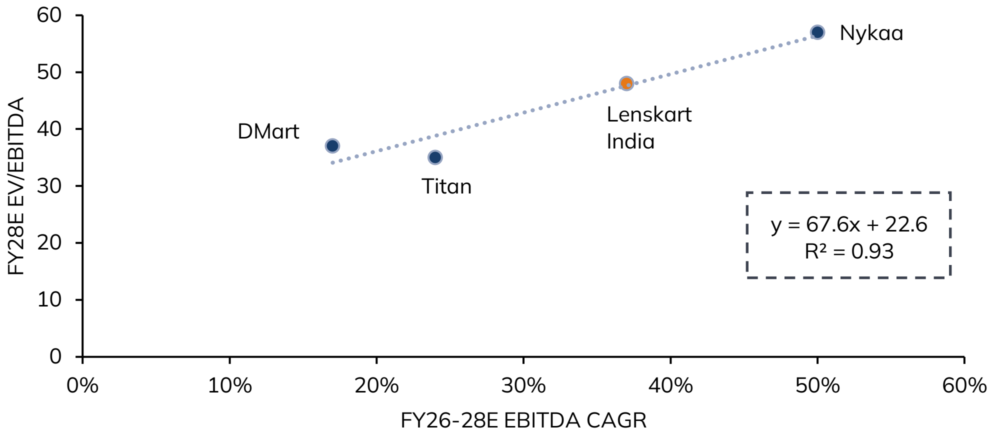
Exhibit 29: Comparison of Lenskart with Indian peers

Company	Mcap (USD mn)	EV/Sales			Rev CAGR (%)	EV/EBITDA			CAGR (%)	PE			EPS CAGR (%)
		FY26	FY27E	FY28E	FY26-FY28E	FY26	FY27E	FY28E	FY26-FY28E	FY26	FY27E	FY28E	FY26-28E
Lenskart	**11,622**	**11.9**	**9.3**	**7.5**	**24.7%**	**59.9**	**40.6**	**29.9**	**40.6%**	**204.3**	**109.2**	**69.3**	**71.8%**
Avenue Supermarts	27,016	4.0	3.4	2.9	16.3%	50.4	43.4	36.5	16.8%	80.8	69.0	57.2	15.9%
VMM	5,061	3.8	3.2	2.6	19.5%	26.3	21.5	17.4	21.2%	58.7	47.8	37.4	27.8%
Titan Company	47,005	5.3	4.4	3.7	26.7%	55.3	42.2	35.4	27.5%	87.0	66.2	54.0	35.7%
Kalyan Jewellers	6,422	1.8	1.5	1.2	26.5%	25.8	22.4	17.7	26.5%	45.3	37.4	29.4	44.2%
Metro Brands	2,633	9.3	7.8	6.7	16.4%	30.7	26.2	21.8	16.8%	61.8	54.2	44.6	17.6%
Vedant Fashion	1,377	7.2	6.4	5.5	9.4%	16.5	14.5	12.0	8.7%	35.1	32.7	27.5	7.2%
Nykaa	9,795	9.8	7.8	6.2	25.7%	130.4	86.3	57.3	53.2%	512.5	181.1	103.7	130.7%
Trent	16,449	8.3	6.8	5.6	20.1%	44.9	34.6	28.5	27.5%	78.8	66.7	58.1	19.5%
Bata India	969	3.0	2.8	2.6	5.1%	13.9	12.8	11.1	-0.1%	49.6	45.7	36.3	-7.2%

Source: Company data, I-Sec research

*Bata India is BBG estimates, Others are all ISec estimates

Exhibit 30: EBITDA CAGR vs. EV/EBITDA trend for Lenskart's key domestic peers



Source: I-Sec research, Company data

Domestic peer regression implies that the India business could trade at ~48x FY28E EV/EBITDA for Lenskart

Exhibit 31: Lenskart's EV calculation

Lenskart – EV calculation (INR mn)	At TP
Lenskart EV	1,274,497
India business FY28E EV/EBITDA multiple (x)	48
India business EV	958,517
International segment EV	315,980
Implied FY28E EV/EBITDA multiple for international segment	20

Source: I-Sec research, Company data

Exhibit 32: Comparison of Lenskart with global peers

Company	EV/Sales			Rev CAGR (%)	EV/EBITDA			EBITDA CAGR (%)	PE			EPS CAGR (%)
	CY25	CY26E	CY27E	CY25-CY27E	CY25	CY26E	CY27E	CY25-CY27E	CY25	CY26E	CY27E	CY25-CY27E
Lenskart (FY)	**11.62**	**9.02**	**7.27**	**26%**	**58.3**	**39.5**	**29.1**	**41%**	**199.0**	**106.3**	**67.4**	**72%**
EssilorLuxottica SA	4.9	2.9	2.7	8%	19.5	11.8	10.6	7%	53.6	21.8	19.7	9%
Warby Parker	3.0	3.2	2.8	14%	28.3	24.6	19.2	22%	81.0	70.3	44.4	47%
National Vision Holdings	1.4	1.0	1.0	4%	12.1	7.5	6.8	14%	37.0	18.4	15.4	31%
JINS Holdings	2.0	1.3	1.2	13%	11.7	8.7	7.8	9%	22.3	17.2	15.2	9%

Source: Company data, Bloomberg, I-Sec research

At our TP, the implied multiple for Lenskart's international business stands at 20x — we believe this is reasonable vs. the 8–19x range for peers, considering the significantly higher growth profile of Lenskart.

Bull and bear cases

Bull case (TP INR 900)

- We assume a stronger revenue CAGR of ~30% over FY26–28E, underpinned by a faster store rollout and sustained >20% SSSG.
- The resulting operating leverage drives a strong pre-IND AS EBITDA CAGR of ~67%.

Base case (TP INR 750)

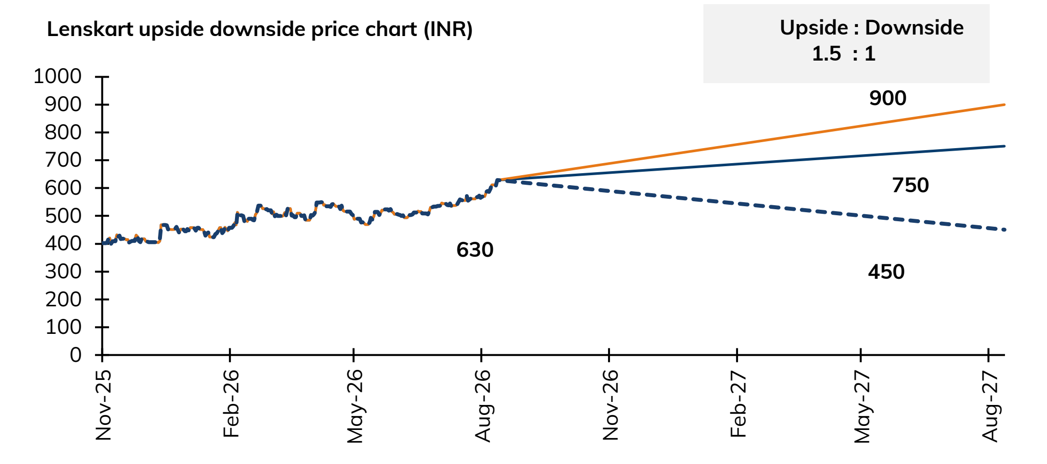
- We estimate a 25% revenue CAGR over FY26–28E, led by continued store additions and ~18% SSSG.
- Operating leverage in the India business and a scale-up in the international business could help deliver a 54% pre-IND AS EBITDA CAGR.

Bear case (TP INR 450)

- We assume a softer revenue CAGR of 20%, reflecting a slower store addition pace and mid-single-digit SSSG.
- Despite meaningful operating leverage playing out, we assume a lower pre-IND AS EBITDA CAGR of ~41%.

The risk-reward is 1.5:1, with our bull case offering more upside than the downside implied by the bear case.

Exhibit 33: Lenskart price chart



Source: I-Sec research, Bloomberg

Demand architecture – underserved category provides long runway for growth

The category and its addressable value

India: India eyewear is a large, still-formalising category. The total addressable market (TAM) for eyewear in India is ~INR 788bn (USD 9.2bn). Considering Lenskart's market share in India in FY25 is 4–6%, this represents a significant headroom for growth. By FY30E, the TAM in India is projected to grow to ~INR 1,483bn (USD 17bn).

International: TAM for international markets in which Lenskart operates is INR 1.6trn → ~INR 690bn (USD 8bn) in Japan, ~INR 637bn (USD 7.4bn) in Southeast Asia, ~INR 162bn (USD 1.9bn) in the Middle East, ~INR 112bn (USD 1.3bn) in Taiwan, and ~INR 39bn (USD 0.5bn) in Hong Kong, as of FY25. This is projected to grow to INR 2.1trn by FY30E.

Exhibit 34: TAM for Lenskart is expected to grow from INR 2.4trn in FY25 to INR 3.6trn in FY30E

Market	2025 (₹ Bn)	2030 (₹ Bn)
India	788	1,483
International	1,641	2,118
Total	**2,429**	**3,601**

Source: Company RHP, I-Sec research

Exhibit 35: India eyewear market bottom-up build – INR 788bn in FY25E, and expected to grow to ~INR 1.5trn by FY30E

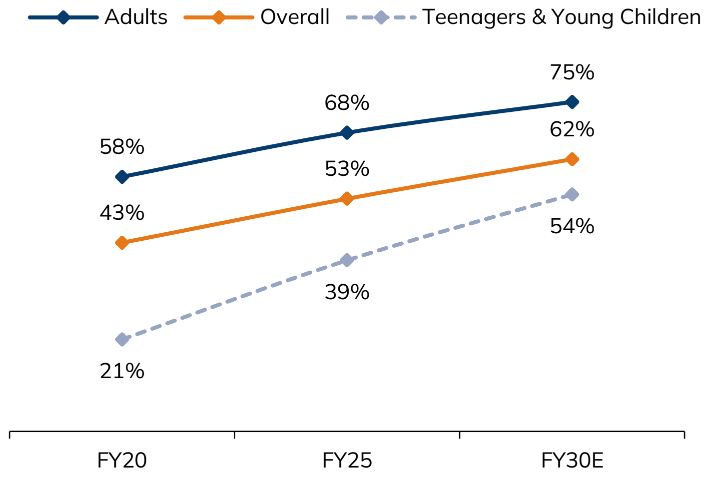
Building Block	FY25E	FY30E
A. India Population (Mn)	1,454	1,516
B. % Needing Vision Correction	53%	62%
C. People Needing Correction (Mn) (A x B)	777	943
D. Penetration (% actually using)	35%	41%
E. Active Eyewear Users (Mn) (C x D)	274	385
F. Purchase Frequency (pairs/year)	0.88x	1.01x
G. Pairs Sold Annually (Mn) (E x F)	242	389
H. Average Selling Price (INR per pair)	2,370	2,797
Rx Eyewear Market (INR bn) (G x H)	573	1,080
+ Contact Lenses + Sunglasses (inr bn)	215	398
Eyewear Market (INR bn)	788	1,478

Source: I-Sec research, Company RHP

The penetration gap is the opportunity

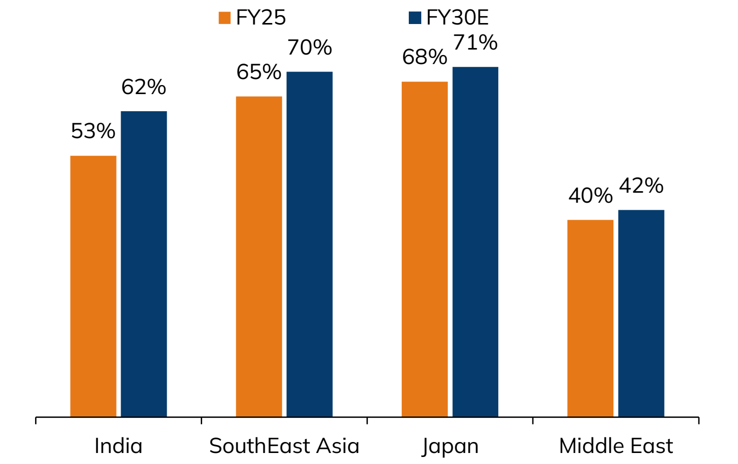
Industry estimates put the share of India's population needing vision correction at ~53% in FY25, up from ~43% five years ago – driven by screen time, urban lifestyles and an ageing population – yet only about a third of those who need correction actually use prescription glasses, against ~60–90% in developed markets.

Exhibit 36: ~53% of India's population needed vision correction is of FY25, up from ~43% five years ago



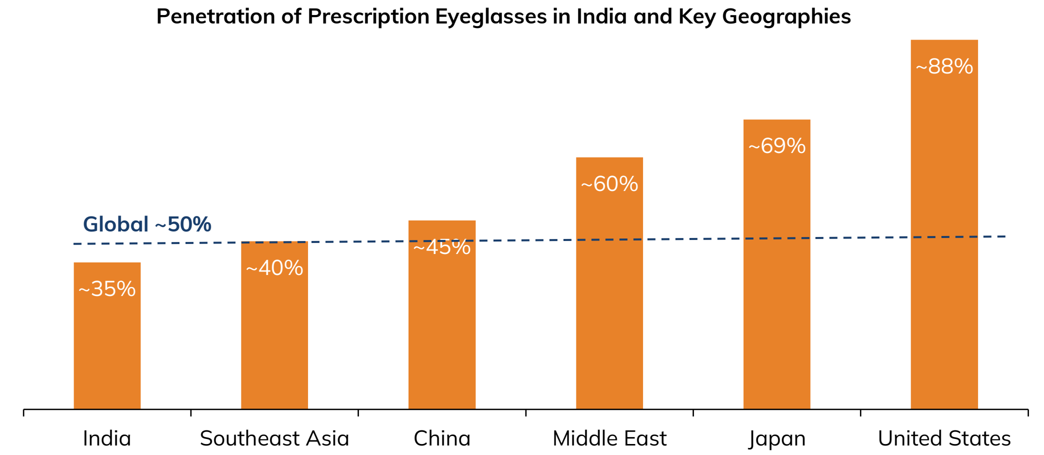
Source: Company RHP, I-Sec research

Exhibit 37: Refractive error share is expected to increase across Lenskart's key markets



Source: Company RHP, I-Sec research

Exhibit 38: Only about a third of those who need correction actually use prescription glasses in India, against ~60–90% in developed markets



Source: Company RHP, I-Sec research

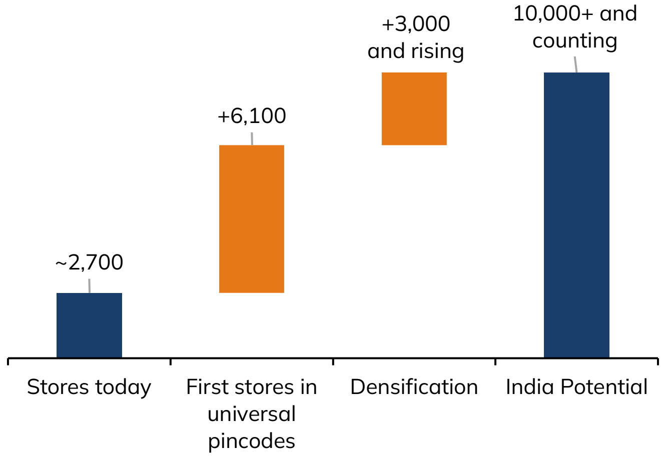
Critically, the gap is structural by geography – prescription-eyeglasses' penetration is ~53% in metros but falls to ~45% in tier-1 and ~32% in tier-2+ cities, where the bulk of the uncorrected population lives. Access – not affordability alone – has been the binding constraint.

Growth in prescription eyeglasses in tier-1 and tier-2+ cities/regions is largely refractive error correction-driven and catalysed by increasing access to affordable eyeglasses, especially among first-time users. While these markets continue to expand driven by essential healthcare needs, lifestyle-led consumption is also gaining ground. At the same time, metros are witnessing a more pronounced shift toward lifestyle-led consumption and premiumisation, driven by higher fashion consciousness and a stronger presence of organised players.

Exhibit 39: Penetration falls sharply outside metros – tier-2+ gap is the volume runway

Source: Company RHP, I-Sec research

Exhibit 40: Entering new pin codes and new towns – represents several thousand store opportunities, as Lenskart expands its footprint across India



Source: Company RHP, I-Sec research

Organised vs. unorganised growth: *Organized sector in India is projected to grow approximately 1.6x faster vs. unorganised sector, accounting for ~31% of the overall market by FY30.*

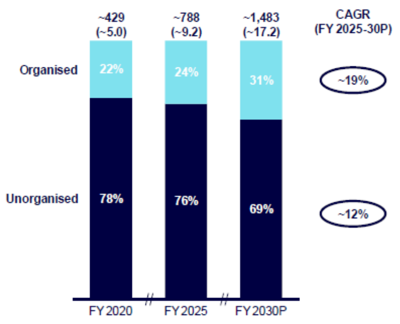
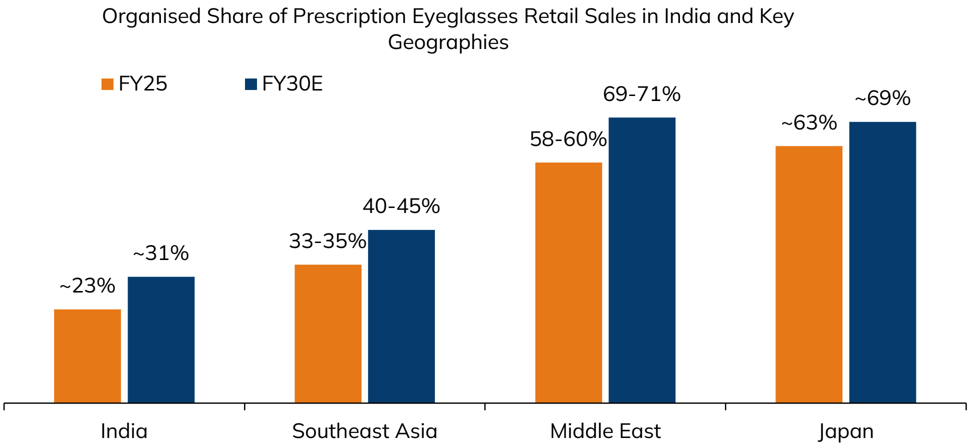
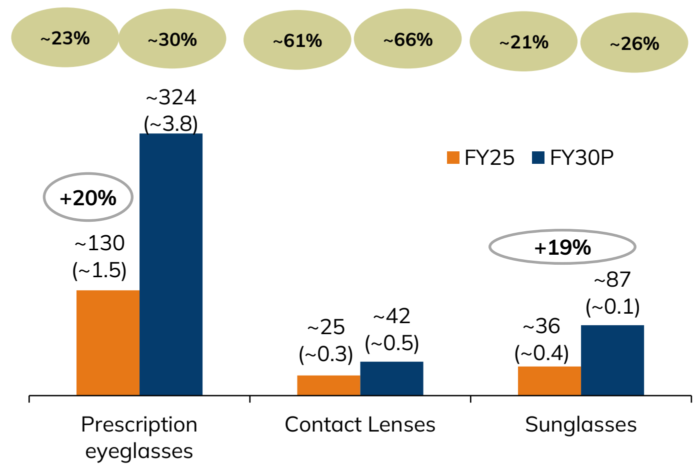


Exhibit 41: Prescription eyeglass market in emerging markets such as India/ Southeast Asia has historically been dominated by unorganised retailers, with only ~23%/33–35% of the markets driven by organised players (as of FY25)



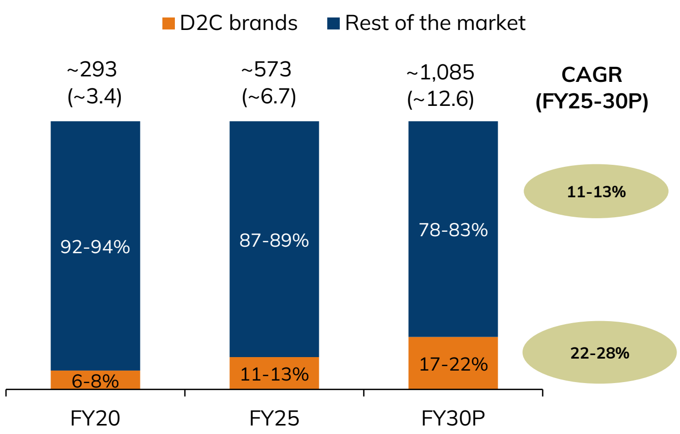
Source: Company RHP, I-Sec research; Note: 1. India data is for FY25 ; 2. Southeast Asia includes Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam; 3. The Middle East includes Saudi Arabia and the UAE

Exhibit 42: India organised eyewear split by category in INR bn (USD bn)



Source: Company RHP, I-Sec research

Exhibit 43: India Prescription Eyeglasses Market - Split by D2C Brands and Others – in INR bn (USD bn)



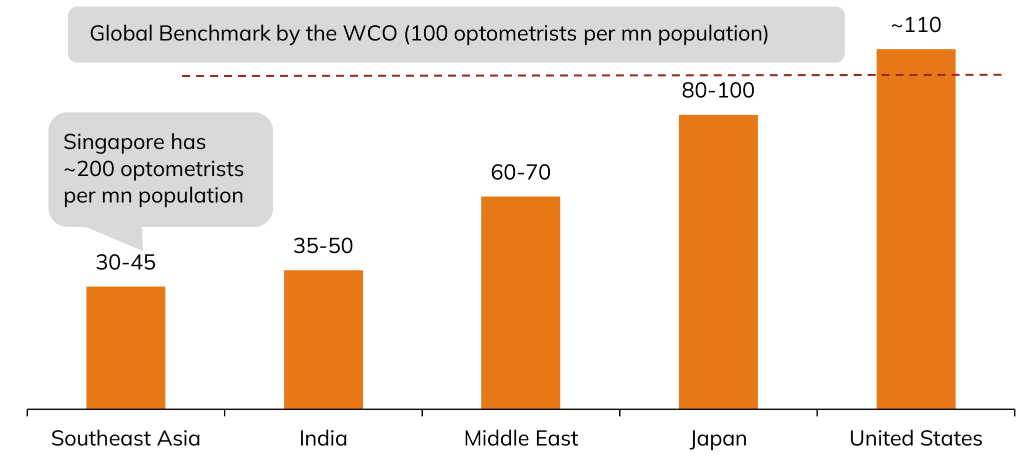
Source: Company RHP, I-Sec research

Why penetration has lagged, and why that is changing?

Three structural bottlenecks have restrained penetration – a thin optometrist base (diagnostic capacity), a retail-density gap versus adjacent discretionary categories, and a highly fragmented, largely unorganised supply side. Lenskart attacks all three.

Remote optometry – disclosed at 623 India stores by Q4FY26, from 168 a year earlier – manufactures diagnostic capacity where optometrists are scarce. The store roll-out closes the density gap. And vertical integration plus scale formalises a category that was largely informal a decade ago.

Exhibit 44: Number of optometrists in India (per million population) and key geographies, as of FY25

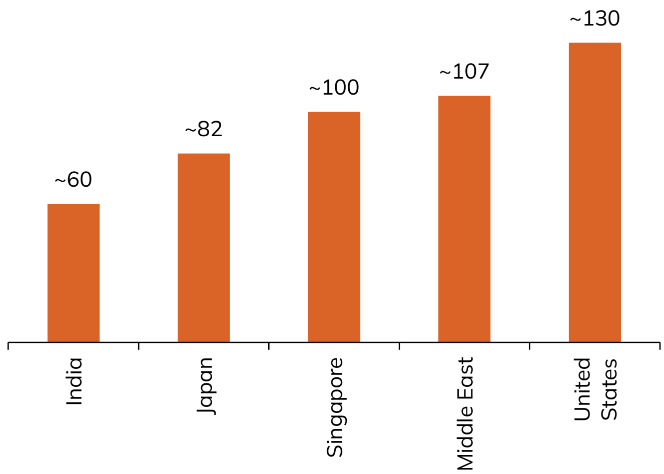


Source: Company RHP; I-Sec research; Note: 1. Southeast Asia includes Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam; 2. The Middle East includes Saudi Arabia and the UAE; 3. WCO stands for World Council for Optometry

Exhibit 45: Remote optometry solutions offered by Lenskart; remote optometry stores expanded 3.7x in a single year to 623 at FY26-end (from 168 at FY25-end)

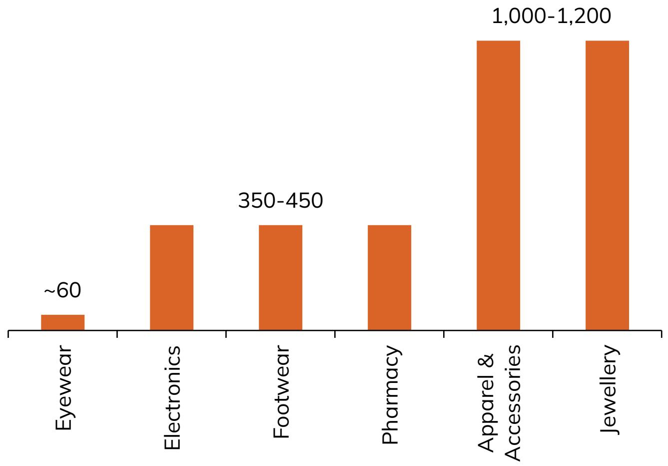
Source: Company data, I-Sec research

Exhibit 46: Number of optical stores in India (per mn population) lags major global markets significantly



Source: Company data, I-Sec research

Exhibit 47: Number of eyewear stores in India (per mn population) lags other retail categories

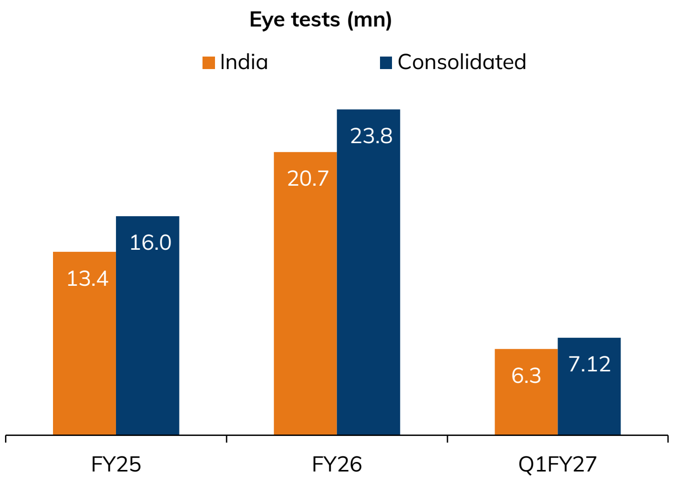


Source: Company data, I-Sec research

The demand creation flywheel

The funnel runs – free or low-cost eye exams bring people in; a meaningful share are first-time exams, i.e. new-to-category users; satisfied users return for additional pairs (sunglasses, screen glasses, a second prescription), lifting pairs-per-user; and shorter replacement cycles further accelerate the growth. Consolidated eye tests rose ~49% to ~24mn in FY26 — indicating the top of the funnel is widening faster than the store base.

Exhibit 48: ~24mn (+49% YoY) annual eye tests feed the demand flywheel



Source: Company data, I-Sec research

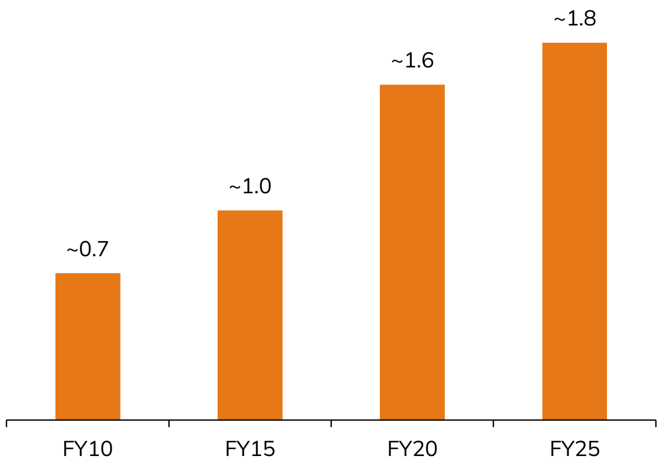
Exhibit 49: While ~40% of existing stores are in metros, 83 of the 116 new store additions in India in Q1 were in tier-2+ markets

	FY24	FY25	FY26	Q1FY27
India stores	**1,785**	**2,067**	**2,609**	**2,725**
-Metro	791	900	1043	1,067
-Tier 1	385	469	614	623
-Tier 2+	609	698	952	1,035
International stores	**604**	**657**	**718**	**724**
Total	**2,389**	**2,724**	**3,327**	**3,459**
YoY change - India stores	**369**	**282**	**542**	**116**
-Metro	135	109	143	24
-Tier 1	108	84	145	9
-Tier 2+	126	89	254	83
International stores	**61**	**53**	**61**	**16**
Total	**430**	**335**	**603**	**132**

Source: Company data, I-Sec research

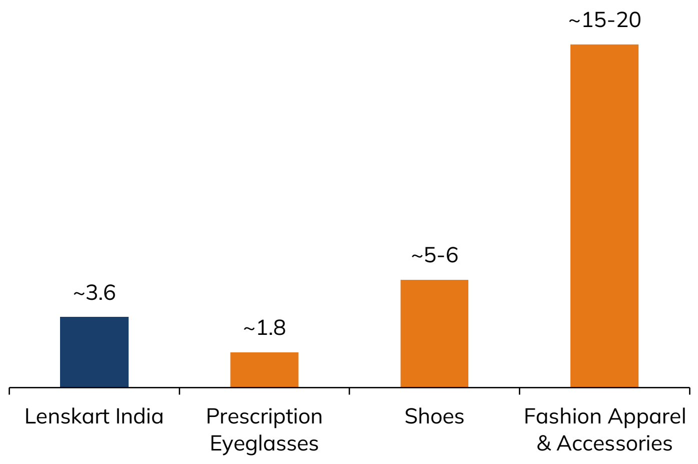
Multi-pair adoption lifts pairs-per-user which has seen steady growth – increasing by ~1.8x in FY25 since FY15. The headroom here is stark. An Indian consumer buys only ~1.8 pairs of prescription glasses over two years, against 5–6 pairs of shoes and 15–20 fashion-apparel items — as eyewear shifts from medical necessity to lifestyle accessory, that frequency gap provides a long runway for growth.

Exhibit 50: Average units of prescription eyeglasses purchased in 2 years among users – India has seen a steady increase



Source: Company data, I-Sec research

Exhibit 51: Average consumer purchases across categories in 2 years – India (FY25); eyewear is bought far less often than adjacent lifestyle categories



Source: Company data, I-Sec research

Lenskart is enabling demand via: 1) raising eyecare awareness with free tests; 2) increasing store count, enabling access; and 3) offering contemporary styles at lower prices vs. peers, which helps increase purchase frequency.

International expansion led by organic growth and strategic acquisitions

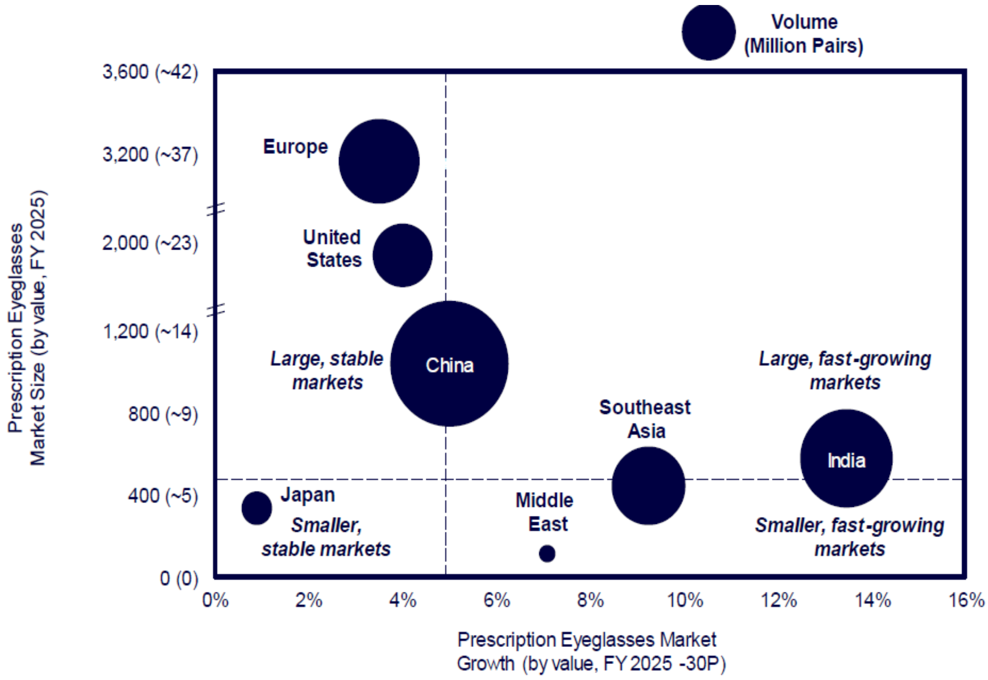
Lenskart has taken its tech-driven, D2C retail model beyond Indian borders. Operating over 700 stores in international markets. Its expansion is anchored by its digital technology and strategic overseas acquisitions.

Geographic footprint and market structure – large TAM opportunity

The global eyewear market is expanding fastest in emerging regions like India and Southeast Asia. This growth is propelled by an increasing prevalence of refractive errors, shifting trends toward organised retailers, rising disposable incomes, and a stronger consumer focus on premium, fashion-oriented eyewear.

Developed markets (US, Europe, Japan, Singapore) are projected to experience steady growth in the eyewear market. This is driven by premiumisation, lifestyle spending, and an organized retail environment dominated by established brands

Exhibit 52: Prescription eyeglasses market size and growth across India and key geographies; market size for FY25 in INR bn (USD bn), market expansion CAGR from FY25–30P in %, volume as bubble size



Source: Company data

Exhibit 53: Key metrics for prescription eyeglasses in India and key geographies

Parameters	Global	India		Southeast Asia		Japan		Middle East	
	FY25	FY25	FY30E	FY25	FY30E	FY25	FY30E	FY25	FY30E
Population (mn)	~8,200	~1,454	~1,516	~614	~634	~124	~120	~45	~49
Prevalence of Refractive Errors (%)	~49%	~53%	~62%	~65%	~70%	~68%	~71%	~40%	~42%
Population with Refractive Errors (RE) (mn)	~4,000	~777	~943	~401	~445	~84	~85	~18	~21
Penetration of Prescription Eyeglasses (%)	~50%	~35%	~41%	~40%	~44%	~69%	~64%	~60%	~64%
Population with Prescription Eyeglasses (mn)	~2,000	~274	~385	~161	~197	~58	~54	~11	~13
Population with RE but without Prescription Eyeglasses (mn)	~2,000	~503	~558	~240	~248	~26	~31	~7	~8
FY26 market size (INR bn)		~894		~668		~716		~174	
Organised / D2C Growth Opportunity (FY25-FY30)		**13%**		**10-14%**		**7-10%**		**15-20%**	

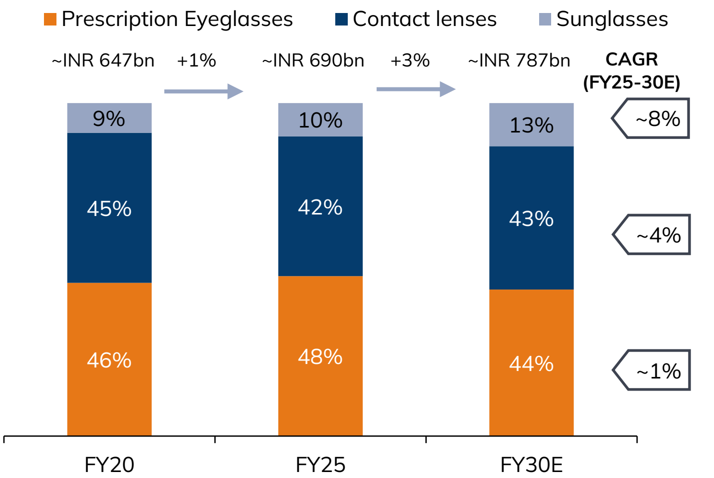
Source: Company data, I-Sec research

Note: 1. Southeast Asia includes Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam; 2. The Middle East includes Saudi Arabia and the UAE

Lenskart's footprint spans relatively mature markets and markets that are still in a scale-up phase; all of which share a structural feature with India – elevated incidence of refractive error – but carry materially higher ASPs, which provides a disruption opportunity.

Japan: Large, mature and highly organised market valued at ~INR 690bn (USD 8bn) in FY25, projected to reach ~INR787bn by FY30 (~3% CAGR). Refractive-error incidence ~68% in FY25, expected to reach ~71% by FY30. Organised retailers hold ~63% share; value-focused D2C brands – the segment Owndays operates in – have been growing ~7–10% vs. ~2–3% for the industry. ASPs have declined long-term (USD 200 in FY01 to ~USD 143 in FY25), aiding multi-pair ownership.

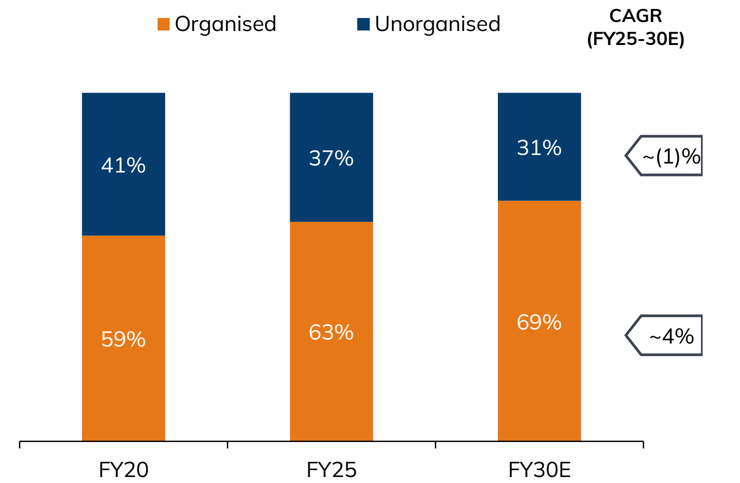
Exhibit 54: Japan eyewear - market value in INR bn



Source: Company RHP, I-Sec research;

Note: Considering exchange rate of US$ 1 = INR 86

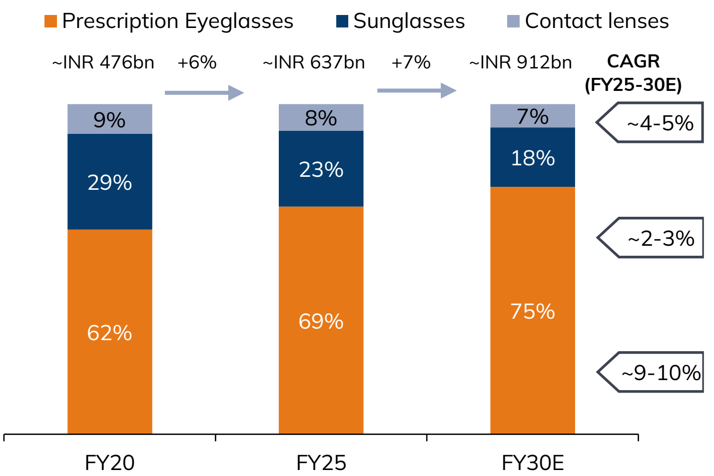
Exhibit 55: Japan eyewear split by channel; market size in INR bn



Source: Company RHP, I-Sec research

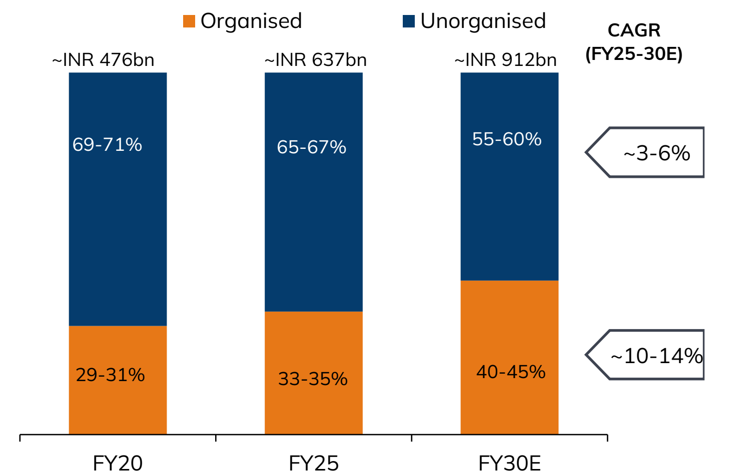
Southeast Asia: Covering Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam; valued at ~INR 637bn (USD 7.4bn) in FY25, projected to INR 912bn by FY30 (~7% CAGR). Prescription eyeglasses ~69% of the market. Organised penetration expected to rise from ~33–35% in FY25 to ~40–45% by FY30. ASPs range from USD 25–30 (Indonesia, the Philippines) to USD 96 (Singapore).

Exhibit 56: Southeast Asia eyewear – market value in INR bn



Source: Company RHP, I-Sec research

Exhibit 57: Southeast Asia eyewear split by channel; market size in INR bn

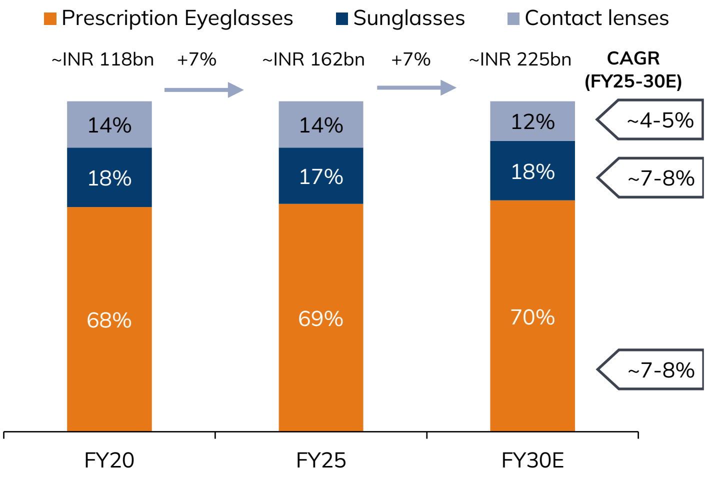


Source: Company RHP, I-Sec research

Middle East: Primarily Saudi Arabia and the UAE; valued at ~INR162bn (USD1.9bn) in FY25, projected to reach ~INR225bn by FY30 (~7% CAGR). Organised share 58–60% in FY25, expected to climb to 69–71% by FY30. ASP ~USD171. D2C share rising from 7–10% (FY20) to 12–15% (FY25), targeted at 20–25% by FY30.

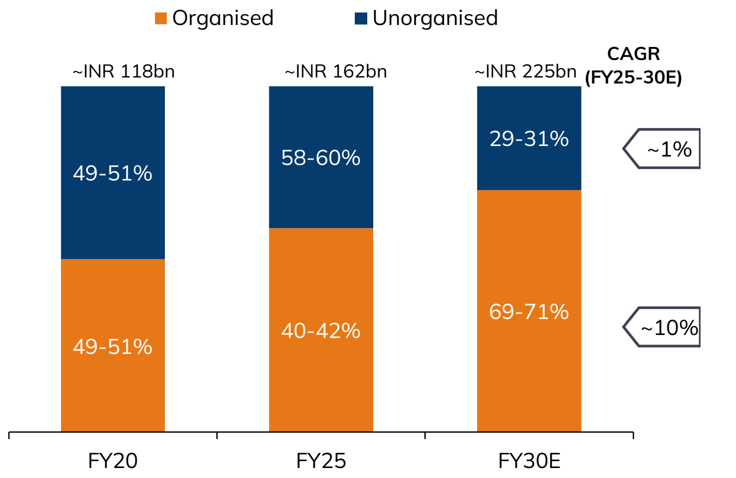
Across these markets, the disclosed TAM for Lenskart is ~INR 2.3trn, with the company's international market share at ~1.8% in FY25, providing a long runway for growth.

Exhibit 58: Middle East eyewear – market value in INR bn



Source: Company RHP, I-Sec research

Exhibit 59: Middle East eyewear split by channel; market size in INR bn



Source: Company RHP, I-Sec research

Acquisition-led build: Owndays and Meller

Owndays — the platform anchor

Lenskart acquired Japanese eyewear retailer Owndays in Aug'22, executed via Lenskart Solutions Pte. Ltd. (Singapore) with an initial ~92% stake, at an estimated deal size of USD 400mn. The acquisition reshaped the revenue mix, with international revenue rising from <10% of sales (FY22) to 40%+ (FY26). Owndays operates in the premium, minimalist segment across Japan and Southeast Asia (Singapore, Taiwan, Thailand, Malaysia).

Post-acquisition, Owndays has been retained as an independent brand while integrated into Lenskart's manufacturing, procurement and technology stack (centralised sourcing, India manufacturing arbitrage, remote optometry, inventory optimisation). The integration also contributed to expansion of 500bp+ in international product margins between FY23 and FY26.

Meller — filling the designer-sunglasses whitespace

Meller is a Barcelona-based, digital-first affordable-premium sunglasses brand, acquired via a ~84% stake in Stellio Ventures S.L. (funded through internal cash, with deferred consideration). FY25 financials: revenue ~INR2.7bn (54% CAGR FY23–25), product margins 76–78%, and pre-IND AS 116 EBITDA margin ~16%.

Global learning and Lenskart's edge

Apart from revenue diversification and scale, global presence provides a strong strategic benefit to Lenskart in terms of organisational learning. Operating internationally exposes the company to advanced consumer behaviours, specialised supply chains, and retail ecosystems, driving continuous improvement across its operations.

- **Consumer behaviour insights:** Lenskart learns how to adapt its product offerings and marketing strategies by studying distinct regional fashion preferences and vision care needs
- **Technological innovation:** Collaborating with international tech firms (like Israel's 6over6) allows Lenskart to test and integrate advanced AI and augmented reality features into its app
- **Supply chain efficiency:** Operating globally refines manufacturing and sourcing processes, ensuring that the company can deliver high-quality, cost-effective eyewear at massive scales
- **Acquisition knowledge:** Integrating acquired global brands, such as Japan's Owndays, provides valuable lessons in omnichannel management and international retail operations

Margin structure: High product margins; scaling profitability

The international segment carries structurally higher product margins than India, ~76% in FY26 (vs ~64% in India) — reflecting materially higher ASPs (international ASP ~3x India ASP). Despite higher product margins, international pre-IND AS EBITDA margin was lower at ~7% in FY26, owing to higher rental intensity (~12% vs. ~6% in India), higher employee cost ratio (~28% vs. ~17%) and limited scale-led operating leverage across a smaller store base.

Exhibit 60: While ASP in international markets is ~3x India, ACP has historically been ~2x – leading to structurally higher product margins in International markets

9MFY26 (INR)	India	International
Average Selling Price (ASP)	1,813(x)	5,792(~3x)
Average Cost Price (ACP)	662(x)	1,405(~2x)

Source: Company data, I-Sec research

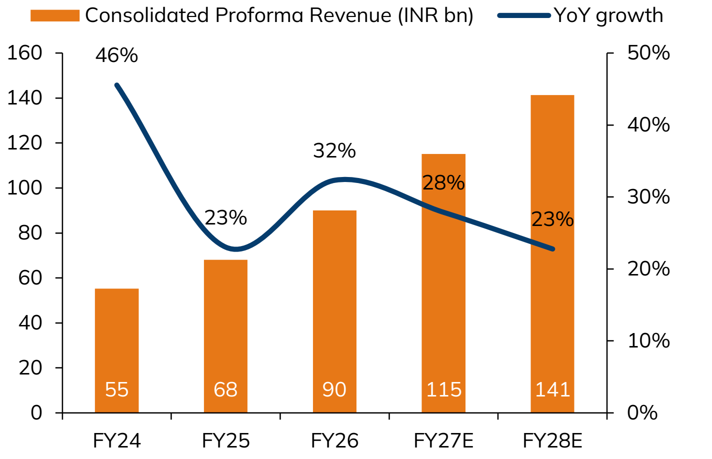
Exhibit 61: Profitability ramp-up of international is ahead of India's at a comparable scale – at ~1,400 stores, India was at ~0.3% pre-IND AS EBITDA margin; whereas, international has reached ~7% at 718 stores in FY26 — attributed to applying India operating experience earlier and to structurally higher product margins

	India				International			
	FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26
Number of stores	1,416	1,785	2,067	2,609	543	604	656	718
Price per unit (INR)	1,667	1,757	1,716	1,828	6,381	6,344	6,151	5,830
Eyewear units sold (mn)	13.7	17.7	22.9	28.8	2.3	3.6	4.3	6.5
Revenue (INR mn)	22,816	31,019	39,320	52,648	14,358	22,649	26,387	37,896
Product margin	58.8%	62.4%	63.6%	63.7%	70.4%	72.8%	74.7%	76.0%
EBITDA margin (Pre-IND AS)	30.0%	6.5%	9.8%	14.3%	-4.3%	1.4%	3.6%	7.0%

Source: Company data, I-Sec research

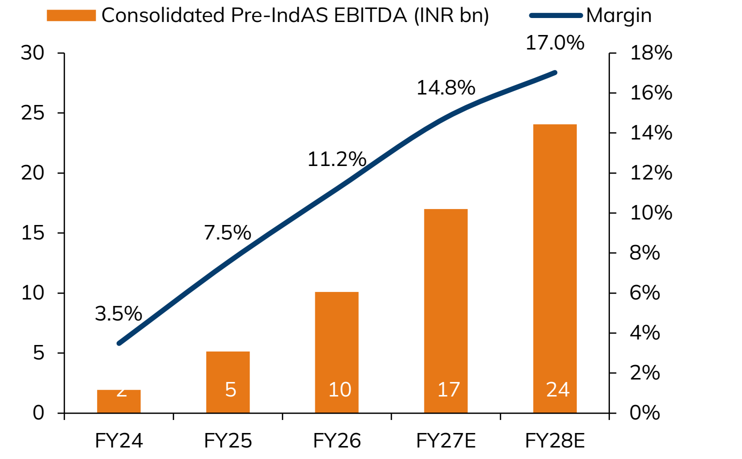
Financials

Exhibit 62: We expect consol. pro forma revenue to grow at 25% CAGR over FY26–28E



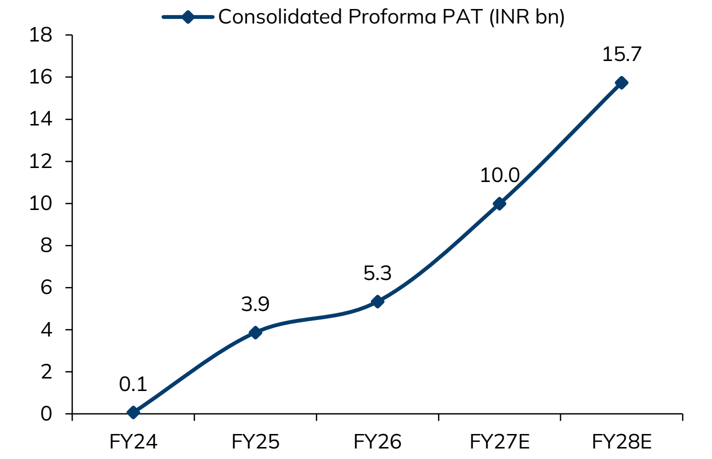
Source: Company data, I-Sec research

Exhibit 63: We expect consol. pre-IND AS EBITDA to expand at 54% CAGR over FY26–28E, led by 580bps of margin expansion



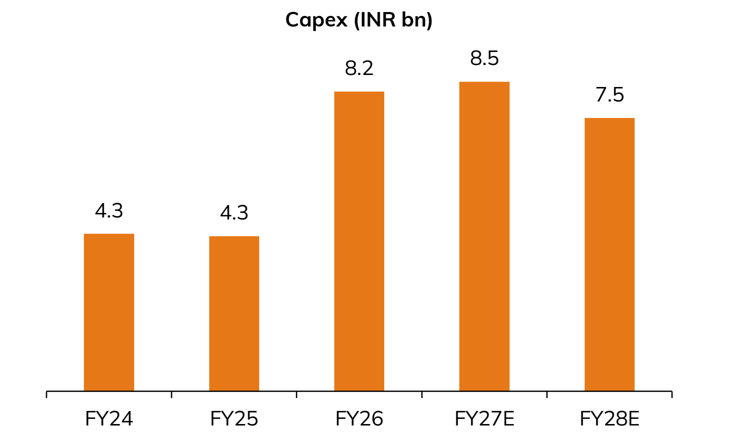
Source: Company data, I-Sec research

Exhibit 64: We expect PAT to grow at ~68% CAGR over FY26–28E



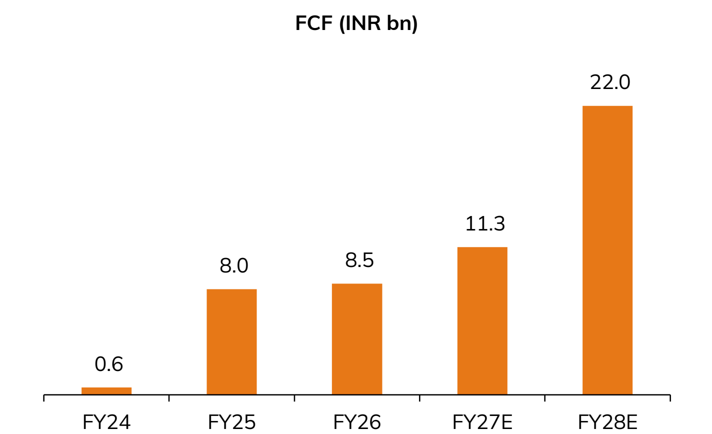
Source: Company data, I-Sec research

Exhibit 65: We expect capex spends to taper, post faster rollout of stores and manufacturing capacity expansion till FY28E



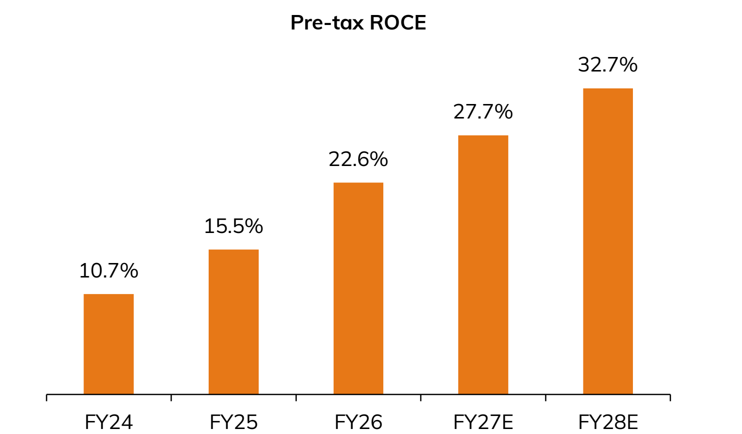
Source: Company data, I-Sec research

Exhibit 66: FCF trend



Source: Company data, I-Sec research

Exhibit 67: ROCE trend



Source: Company data, I-Sec research

Risks

Demand and competition

- Penetration progresses slower or more affordability-capped than assumed; or a well-capitalised competitor (online marketplace, vertically integrated entrant) compresses pricing.

Supply chain risk

- With the company sourcing some of its raw materials and frames from China, it could be impacted by any adverse currency movement, tariffs or regulations

Execution

- Opening new retail locations is an important driver of company growth but carries specific risks, including site availability, high rent costs, regulatory delays, and staffing shortages.

Margin

- Manufacturing ramp/yield slips, premiumisation stalls, or marketing intensity stays elevated, capping the pre-lease margin climb.

Capital allocation and international

- Further M&As could impact free cash flow. Additionally, there are integration risks related to recent acquisitions.

Structural and governance

- Founder/key-person dependence, regulatory change in optical/healthcare retail, and FX translation risk.

Medical advancements could adversely impact demand for eyewear

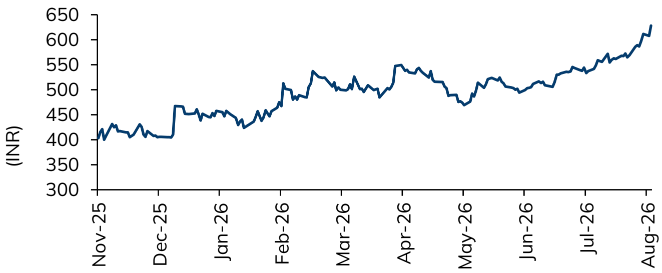
- The demand for corrective eyewear among potential customers could be adversely impacted by medical advancements, such as Laser-assisted In Situ Keratomileusis (LASIK) and Small Incision Lenticule Extraction (SMILE) surgeries. While there has not been any significant impact on the recurring demand for prescription eyeglasses, any improvement in accessibility through affordable pricing could pose threat to industry growth.

Exhibit 68: Shareholding pattern

%	Dec'25	Mar'26	Jun'26
Promoters	17.6	17.6	17.5
Institutional investors	19.8	19.8	36.4
MFs and other	15.2	14.9	21.9
Banks/ FIs	0.3	0.3	0.3
Insurance Cos.	0.4	0.3	1.4
FIIs	3.9	4.3	12.8
Others	62.6	62.6	46.1

Source: Bloomberg, I-Sec research

Exhibit 69: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 70: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	**68,030**	**90,023**	**1,15,104**	**1,41,307**
Operating Expenses	35,303	44,294	54,280	64,056
EBITDA	**11,554**	**17,938**	**26,421**	**35,451**
EBITDA Margin (%)	17.0	19.9	23.0	25.1
Depreciation & Amortization	8,640	10,499	11,949	12,849
EBIT	2,914	7,439	14,472	22,602
Interest expenditure	1,575	1,785	1,884	2,406
Other Non-operating Income	3,597	1,745	1,131	1,297
Recurring PBT	**4,936**	**7,398**	**13,719**	**21,494**
Profit / (Loss) from Associates	**(30)**	**(43)**	**(43)**	**(43)**
Less: Taxes	975	1,898	3,567	5,588
PAT	3,961	5,500	10,152	15,905
Less: Minority Interest	(62)	(122)	(122)	(122)
Extraordinaries (Net)	(119)	(157)	-	-
Net Income (Reported)	**3,750**	**5,179**	**9,987**	**15,740**
Net Income (Adjusted)	**3,869**	**5,336**	**9,987**	**15,740**

Source Company data, I-Sec research *Note: FY25 and FY26 are on Proforma basis

Exhibit 71: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	26,422	53,294	65,165	82,918
of which cash & cash eqv.	8,649	15,437	18,210	29,962
Total Current Liabilities & Provisions	12,085	17,438	24,072	30,306
Net Current Assets	**14,337**	**35,856**	**41,093**	**52,612**
Investments	10,378	5,711	5,711	5,711
Net Fixed Assets	13,405	18,486	22,336	24,285
ROU Assets	21,085	27,134	27,820	29,963
Capital Work-in-Progress	1,069	1,119	1,119	1,119
Total Intangible Assets	27,823	31,777	31,518	31,259
Other assets	3,713	4,926	6,127	7,303
Deferred Tax Assets	815	1,686	1,686	1,686
Total Assets	**92,625**	**1,26,695**	**1,37,410**	**1,53,938**
Liabilities				
Borrowings	**3,459**	**2,196**	**2,196**	**2,196**
Deferred Tax Liability	**1,515**	**1,144**	**1,144**	**1,144**
provisions	920	1,727	1,899	2,089
other Liabilities	2,401	4,341	4,775	5,252
Equity Share Capital	1,543	3,473	3,473	3,473
Reserves & Surplus	59,444	83,912	94,020	1,09,881
Total Net Worth	**60,987**	**87,385**	**97,493**	**1,13,354**
Minority Interest	1,074	1,132	1,132	1,132
Total Liabilities	**92,625**	**1,26,695**	**1,37,410**	**1,53,938**

Source Company data, I-Sec research

Exhibit 72: Quarterly trend

(INR mn, year ending March)

	Sep-25	Dec-25	Mar-26	Jun-26
Net Sales	21,466	23,077	25,157	27,142
% growth (YOY)	23.9	37.4	40.5	33.6
EBITDA	2,384	2,666	3,216	3,610
Margin %	11.1%	11.6%	12.8%	13.3%
Other Income	332	404	490	685
Extraordinaries	-	-53	-	
Adjusted Net Profit	1,128	1,327	2,036	2,284

Source Company data, I-Sec research

Exhibit 73: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**12,306**	**16,697**	**19,752**	**29,542**
Working Capital Changes	3,084	983	(3,058)	(277)
Capital Commitments	(4,257)	(8,231)	(8,500)	(7,500)
Free Cashflow	**8,049**	**8,466**	**11,252**	**22,042**
Other investing cashflow	**1,598**	**(19,017)**	**1,131**	**1,297**
Cashflow from Investing Activities	(2,659)	(27,248)	(7,369)	(6,203)
Issue of Share Capital	1,598	21,136	-	-
Interest Cost	(138)	(97)	(190)	(190)
Inc (Dec) in Borrowings	(833)	(1,285)	-	-
Dividend paid	-	-	-	-
Others	(41)	81	-	-
Cash flow from Financing Activities	(5,348)	12,005	(9,609)	(11,588)
Chg. in Cash & Bank balance	**597**	**6,788**	**2,773**	**11,751**
Closing cash & balance	8,649	15,437	18,210	29,962

Source Company data, I-Sec research

Exhibit 74: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	2.3	3.1	5.8	9.1
Adjusted EPS (Diluted)	2.3	3.1	5.8	9.1
Cash EPS	7.4	9.1	12.6	16.5
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	36.3	50.4	56.2	65.3
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	23.0	32.3	27.9	22.8
EBITDA	43.8	55.3	47.3	34.2
EPS (INR)	418.7	33.5	87.2	57.6
Valuation Ratios (x)				
P/E	284.3	212.9	113.8	72.2
P/CEPS	87.9	71.7	51.8	39.7
P/BV	18.0	13.0	11.7	10.0
EV / EBITDA	90.1	59.9	40.6	29.9
P / Sales	15.5	12.1	9.5	7.7
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	68.9	69.1	70.1	70.4
EBITDA Margins (%)	17.0	19.9	23.0	25.1
Effective Tax Rate (%)	19.8	25.7	26.0	26.0
Net Profit Margins (%)	5.7	5.9	8.7	11.1
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	(0.2)	(0.2)	(0.2)	(0.3)
Net Debt / EBITDA (x)	(1.3)	(0.9)	(0.7)	(0.9)
Profitability Ratios				
RoCE (%)	11.6	17.0	20.8	24.5
RoE (%)	5.1	6.8	10.9	15.0
RoIC (%)	5.1	6.8	10.9	15.0
Fixed Asset Turnover (x)	4.7	4.6	4.9	5.6
Inventory Turnover Days	59	43	55	55
Receivables Days	7	7	7	7
Payables Days	41	39	40	40

Source Company data, I-Sec research

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BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION
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