

Executive Summary

Lenskart, founded in 2010, has matured into a tech-driven, vertically integrated eyewear leader, with global ambitions and a robust domestic foundation. In FY2025, the company posted record revenue (₹6,653 crore) and its first full-year consolidated profit (₹297 crore), underscoring scale, operational leverage, and the success of its omnichannel expansion. As Lenskart transitions through its ₹2,150 crore IPO process, investors are presented with a growth story that blends Indian consumption, digital innovation, and international scale.

Business Model: Vertical Integration Meets Omnichannel Scale

Central to Lenskart's value proposition is complete vertical integration. The company manages everything from frame design and manufacturing (at world-class facilities in Rajasthan and soon Telangana) to last-mile delivery through an expanding store network and direct-to-home services. This allows Lenskart to control quality, manage costs, and introduce rapid, customer-centric innovation (AI-powered virtual try-on, "Home Eye Checkup," etc.) at scale.

What differentiates Lenskart from traditional optical chains is its seamless blend of e-commerce and brick-and-mortar channels. The network, with over 2,700 stores (2,000 in India, over 700 abroad), is supplemented by a robust online presence. This omnichannel strategy not only ensures widespread access—reaching deep into India's Tier 2/3 towns as well as Japan, Singapore, and emerging Gulf Cooperation Council (GCC) markets—but also delivers a frictionless customer experience. More than 9.9 million customers transacted in FY2025, a reflection of increasing brand trust and digital engagement.

Financial Performance and Trajectory

Lenskart's revenue has grown at a CAGR of over 33% (2022–2025), from ₹1,502 crore in FY2022 to ₹6,653 crore in FY2025—a nearly 4.4x growth in three years—while successfully narrowing and then eliminating its net losses. Achieving positive net profit in FY2025 after a period of sustained investment confirms the viability of its expansion model and operational discipline.

International markets now contribute nearly 40% of total revenue, with particularly rapid growth in Japan and Southeast Asia, where the Owndays acquisition (2022) catalyzed a pan-Asian push. Lenskart's model of affordable, designer eyewear—supported by local and offshore manufacturing, and localized marketing—has begun to scale outside its home market, marking a rare globalization for an Indian consumer brand.

Funding, IPO, and Capital Allocation

Lenskart's IPO—slated for late 2025, with a fresh issue size of ₹2,150 crore and an estimated valuation of ₹70,000–75,000 crore (\$8.5–9.0 billion)—enters a window of opportunity shaped by a maturing business and global ambitions. The offering includes an offer-for-sale component, with partial exits by early investors such as SoftBank, Alpha Wave, and Kedaara, reflecting confidence in current valuation and the company's future.

Proceeds are earmarked for three critical areas: a major new manufacturing plant in Telangana (aiming to double production and create over 2,100 jobs), advanced technology infrastructure (cloud, automation, AI-driven fulfillment), and aggressive international rollout. The post-IPO vision includes

opening 600+ new stores, deepening penetration in India's under-served "Bharat" markets, accelerating global expansion, and unlocking economies of scale—each aimed at sustaining double-digit revenue growth while expanding operating margins.

Competitive Position and Barriers

Lenskart dominates the organized Indian e-optical market, controlling roughly 90% of online share and outpacing direct rivals such as Titan Eye+, Himalaya Optical, Specsavers, and emerging DTC and e-commerce players. Its proprietary blend of technology, manufacturing scale, and consumer convenience has created formidable entry barriers—rivalled only by global majors with far greater capital intensity.

The company's early lead in AI, robotics, and proprietary optical measurement systems underpins what could become a global technology-first eyewear brand, not merely a retail chain. Private label brands (John Jacobs, Vincent Chase, Lenskart Air) further insulate margins and enhance brand stickiness.

Key Success Factors

- Omnichannel infrastructure: Physical reach and digital conversion simultaneously.
- Tech-driven efficiency: AI for inventory and supply chain, robotics in manufacturing.
- Franchise model innovation: FOFO and COCO models deploy capital efficiently while maintaining brand standards.
- Customer loyalty ecosystem: 6.8 million Lenskart Gold members, high repeat rates.

Risks and Execution Challenges

- While the story is compelling, it is not without risks:
- Execution risks in rolling out a new manufacturing facility and more stores, especially across geographies with distinct regulatory and logistical environments.
- Litigation and compliance risks: Notable franchisee and labor cases (e.g., Karnataka 2024) highlight the growing pains of fast expansion.
- Margin pressure: Global expansion, fixed cost intensity, and increased competitive moves may temper profitability.
- Supply chain concentration: Heavy reliance on North/South India for production, exposing Lenskart to regional disruptions.

Future Outlook

With the IPO proceeds, Lenskart plans to accelerate its transformation from India's optical leader to a global vision tech brand. Over the next 3–5 years, the company is expected to maintain 20%+ revenue CAGR, aggressively gain international market share (especially in Asia and the Middle East), and drive operating margin improvement through scale and automation. A disciplined approach to omnichannel expansion, technology investments, and supply chain diversification will be essential to realizing its long-term ambition: to become the world's largest, most innovative direct-to-consumer eyewear brand.

Research Report: Lenskart

Company Overview

History & Milestones:

- Founded by: Peyush Bansal, Amit Chaudhary, Sumeet Kapahi (2010)
- Headquarters: Gurugram, India
- Evolution: Began as an online eyewear retailer, launched physical stores in 2013, rapidly expanded to 2,700+ stores worldwide (FY2025)
- Key Brands: Lenskart, John Jacobs, Vincent Chase, Lenskart Air
- Manufacturing: Vertically integrated, with state-of-the-art facilities in Rajasthan and new plants planned in Telangana

Global Footprint:

- India: ~2,000 stores, core market with 60% revenue share.
- International: Rapid expansion in Southeast Asia (Japan, Singapore, Saudi Arabia), especially since the Owndays acquisition.

Leadership & Governance:

- CEO: Peyush Bansal
- Backed by marquee investors: SoftBank, Temasek, Alpha Wave, Kedaara Capital.
- Standard private company governance evolving towards a public-company model.

Financial Performance & Growth Trajectory

| Fiscal Year | Revenue (₹ crore) | Net Profit/Loss (₹ crore) | Net Margin (%) |
|-------------|-------------------|---------------------------|----------------|
| FY 2023 | 3,788 | -64 | - |
| FY 2024 | 5,428 | -10 | - |
| FY 2025 | 6,653 | +297 | 4.46% |

- Growth: Revenue CAGR ~33% over 2 years; 4.4x growth since FY2022.
- Profitability: Achieved only in FY2025 after years of investment-driven losses. FY2025 net margin improved to 4.5%.
- Cost Structure: Spends ₹0.99 to earn every ₹1; improving operational efficiency.
- India/International split: 60% India, 40% international revenue; overseas growth is outpacing domestic incrementally.

Other Highlights:

- EBITDA margin: 2–3%
- ROCE: ~6%
- Annual transacting customers: 9.9 million (23% YoY growth)
- Eyewear units sold: 20 million in FY2025.

Business Model & Revenue Streams

- Vertical Integration:
 - Designs, manufactures, distributes, and retails eyewear.
 - In-house production enables cost control and fast innovation.
- Core Revenue:
 - Product sales (prescription eyeglasses, contact lenses, sunglasses, accessories) = ~95% of revenue.
 - Private label brands (John Jacobs, Vincent Chase) deliver higher margins.
 - Rapid adoption of affordable pricing models (frames from ₹999).
- Omnichannel Distribution:
 - Online platforms (website, app) synergized with over 2,000+ physical stores.
 - “Home Eye Checkup” and virtual try-on technology boost accessibility and repeat purchases.
- Service Revenue:
 - Memberships (Lenskart Gold): Fees for benefits like “Buy 1 Get 1” and discounts; 6.8 million members.
 - Eye check-ups (at-home and in-store).
 - Training (optometrists, franchisees).
 - Franchise fees: Lenskart operates both FOFO and COCO models, earning upfront and ongoing royalties.

Market Position & Competitive Landscape

- Market Leadership:
 - 90% market share in organized Indian online eyewear.
 - Largest pan-India and global store network among Indian eyewear companies.
 - Only domestic player with material international presence.
- Competitors:
 - Direct: Titan Eye+ (Tata Group, 707 crore FY24 revenue), Himalaya Optical, Vision Express.
 - Online/Indirect: Amazon, Flipkart, TataCliq, Souled Store, international direct-to-consumer players.

| Player | FY24 Revenue (₹ Cr) | Positioning | Comments |
|------------|---------------------|--|----------------------------|
| Lenskart | 6653 | Omnichannel, affordable, private label | Tech focus, fastest growth |
| Titan Eye+ | 707 | Branded + licensed, premium | Slower growth, Mix Model |
| Specsavers | 500 | Traditional Retail | Lower Digital Presence |

Competitive Advantages:

- Proprietary tech: virtual try-on, e-commerce, AI-powered logistics.
- Strong supply chain: centralized manufacturing, next-day delivery in 40+ cities.
- Brand recall and loyalty from celebrity marketing and customer-centric innovation.

Strategic Initiatives & International Expansion

- Mergers & Acquisitions:
 - Acquired majority stake in Owndays (Japan) in 2022; accelerated pan-Asia expansion.
 - Global subsidiary Neso Brands invests in international eyewear ventures.
- International Rollout:
 - Now operates stores in Japan, Singapore (70+), Saudi Arabia, Thailand, UAE, and is planning 300–400 more in Southeast Asia.
- Tech Innovation and Capacity:
 - Investing ₹213 crore in cloud and AI-led automated fulfillment centers post-IPO.
 - New robotic lens manufacturing facilities and IoT/AI-driven product innovation.
- Supply Chain Investments:
 - Commissioning ₹1,500 crore manufacturing plant in Telangana (expected to add 2,100 jobs).
 - Centralized production exposes Lenskart to regional risks but affords scale advantages.

IPO Details & Cap Table

- IPO Highlights:
 - DRHP filed July 29, 2025.
 - Fresh equity issue: ₹2,150 crore.
 - Offer for Sale (OFS): Partial exits by founders (incl. Peyush and Neha Bansal), early PE/VC backers (SoftBank, Alpha Wave, Kedaara, MacRitchie).
 - Proceeds for: Tech infra, new facilities, marketing, and furthering international expansion.
 - Expected Valuation: ₹70,000–75,000 crore (\$8.5–9.0 billion).
- Use of Funds:
 - ₹1,500 crore new plant (Telangana)
 - ₹213 crore for advanced tech/cloud
 - ₹320 crore for brand marketing
- Listing Timeline: IPO open date projected for Q4 2025, pending SEBI and market conditions.
- Valuation:
 - The total number of share is 1,68,10,15,590
 - If the share price is INR 350 /-
 - The valuation is roughly INR 5,88,35,54,56,500/-

Investment Highlights & Risks

Strengths

- Scalable, tech-enabled, omnichannel model with proven domestic and international validation
- Now profitable at scale, with improving margins and returns as revenue grows
- Market share leader; high entry barriers in manufacturing and distribution
- Diversified revenue by geography and product
- Experienced, founder-led management

Key Risks

- Concentration: Over-reliance on Gurugram industrial cluster and supply chain.
- Execution Risk: Delays in Telangana plant or overseas rollout could disrupt growth.
- Litigation: Pending legal and franchise disputes (notably in Karnataka over accounting practices).
- Competitive Pressure: Entry of new-age e-commerce startups, global eyewear DTC brands.
- Margin Pressure: Expansion into global markets is expensive and may pressure profitability if not carefully scaled.
- Debt: ₹345.9 crore in borrowings (March 2025); risk of breach in debt covenants if profitability wavers.

Future Growth Prospects

- Plan to add 600+ new stores post-IPO domestically and internationally.
- Deeper penetration targeted in Tier-2/3/4 towns and emerging economies.
- Continued R&D in smart and IoT eyewear, AI-enabled customer experience.
- Supply chain and automation investments to further improve margins and delivery speeds.
- Analyst projections: Revenue CAGR of 20%+ and double-digit market share gains in international markets by 2028, as Lenskart leverages its brand and tech innovations globally.

Conclusion

Lenskart has transitioned from a high-growth startup to profitable, globally positioned retail tech leader. Its move to public markets will provide new capital to accelerate innovation, strengthen infrastructure, and enable further global rollouts. While risks exist—namely supply chain, execution, and litigation—the fundamentals point to a rare blend of Indian consumer opportunity, digital innovation, and international scalability that will underpin value creation for both pre-IPO and post-IPO investors.