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IPO Note

October 31, 2025

Lenskart Solutions Limited

HDFC securities 25 YEARS
Powering India's Investments

Issue Snapshot:

Issue Open: October 31 – November 04, 2025

Price Band: Rs. 382 – 402 (Discount of Rs 19 for all eligible employees)

*Issue Size: Up to Rs 7278 cr Fresh issue of upto Rs. 2150 cr + Offer for sale of upto 127,562,573 eq sh)

Reservation for:

QIB	atleast	75% eq sh
Non-Institutional	upto	15% eq sh
((including 1/3rd for applications between Rs.2 lakhs to Rs.10 lakhs))		
Retail	upto	10% eq sh

Face Value: Rs 2

Book value: Rs 36.74 (June 30, 2025)

Bid size: - 37 equity shares and in multiples thereof

100% Book built Issue

Capital Structure:

Pre Issue Equity:	Rs. 336.3 cr
*Post issue Equity:	Rs. 347.0 cr

Listing: BSE & NSE

Book Running Lead Manager: Kotak Mahindra Capital Company Ltd, Morgan Stanley India Company Private Ltd, Avendus Capital Pvt Ltd, Citigroup Global Markets India Pvt Ltd, Axis Capital Ltd, Intensive Fiscal Services Pvt Ltd

Sponsor Bank: ICICI Bank Ltd and Kotak Mahindra Bank Ltd

Registrar to issue: MUFG Intime India Pvt Ltd

Shareholding Pattern

Shareholding Pattern	**Pre issue %**	**Post issue %**
Promoter and Promoter Group	19.90	17.71
Public	79.67	81.87
Employee Trust	0.43	0.42
Total	100.0	100.0

*=assuming issue subscribed at higher band
Source for this Note: RHP

Background & Operations:

Lenskart Solutions Limited (LSL) is a technology-driven eyewear company with integrated operations encompassing design, manufacturing, branding, and retailing of eyewear products, including prescription eyeglasses, sunglasses, contact lenses, and accessories. India is its largest market, where it is the leading organized retailer in prescription eyeglasses by volume for Financial Year 2025, according to the Redseer Report. Leveraging its strong Indian presence, LSL has expanded into select international markets such as Japan, Southeast Asia, and the Middle East. The Company is both India's largest and one of Asia's top two organized prescription eyeglass retailers by B2C sales volume in FY2025, aiming to enhance access to affordable, quality eyewear through tech-enabled supply and distribution solutions.

LSL demonstrated robust financial growth with revenue from operations reaching Rs.66,525 million in FY2025, representing a CAGR of 32.52% from Rs.37,880.28 million in FY2023. For the three months ended June 30, 2025, revenue grew 24.60% to Rs.18,945 million. On a proforma basis (including acquisitions of Dealskart, Stellio Ventures, and Quantduo Technologies), FY2025 revenue reached Rs.68,030 million. EBITDA excluding other income and exceptional items reached Rs.9,711 million (14.60% margin) in FY2025, up from Rs.2,597 million (6.86% margin) in FY2023. The Company achieved profitability with restated profit of Rs.2,973 million in FY2025 compared to a loss of Rs.638 million in FY2023.

As of June 30, 2025, LSL operated 2,806 stores globally—2,137 in India (1,831 company-owned, 306 franchisee-owned) and 669 internationally across Japan, Southeast Asia, and the Middle East. The Company added 1,280 new stores across India between FY2023 and Q1 FY2026, with 81% of stores opened during FY2023-2024 achieving payback within an average period of 10.29 months. The Company's mobile applications recorded over 100 million cumulative downloads, with 104.97 million annual web visitors in FY2025. In India, LSL served 9.94 million annual transacting customer accounts in FY2025 (up from 6.29 million in FY2023), selling 22.91 million eyewear units. Internationally, 2.47 million customer accounts transacted in FY2025, with 4.29 million units sold.

LSL operates a centralized, vertically integrated supply chain controlling the entire prescription eyeglasses value chain from lens and frame design through manufacturing and delivery. The Company's Bhiwandi facility in Rajasthan ranks among the top two vertically integrated centralized manufacturing facilities for prescription eyeglasses globally by capacity, with 75% automation. LSL manufactured 69.87% of prescription eyeglasses sold in FY2025 at its Indian facilities, producing 4.06 million lenses and 6.44 million frames. This centralized model enabled next-day delivery in 58 Indian cities and 3-day delivery in 49 cities. The integrated approach drove product margin improvement from 63.88% in FY2023 to 67.92% in FY2025, and on a proforma basis to 68.88% in FY2025.

The Company employed 491 technology team members as of June 30, 2025, developing proprietary AI-enabled solutions including facial analysis and frame recommendation tools (38.59 million virtual try-ons in FY2025), computer vision platforms for store optimization deployed across all global stores, and geo-analytics for store location planning. LSL's omnichannel model allows seamless purchasing across touchpoints, with 44.82% of FY2025 India revenue coming from customers who engaged digitally in the 90 days prior to purchase. The Company operated 358 home try-on agents in 30 Indian cities and conducted 13.45 million eye tests in India and 2.56 million internationally in FY2025—the highest among leading organized retailers' Remote optometry services covered 298 Indian stores and 266 Japanese stores, employing 164 optometrists at centralized locations.

Objects of Issue:

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their respective proportion of Offer expenses and relevant taxes thereon in accordance with the Offer Agreement. The Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

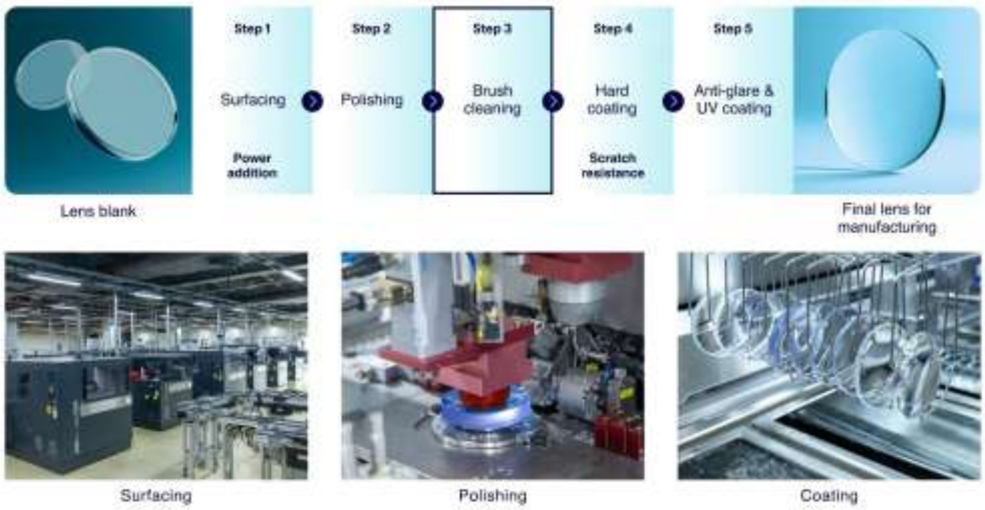
Proposed schedule of implementation and deployment of Net Proceeds. LSL propose to utilize the Net Proceeds in the manner set forth in the table below:

Sr No	Particulars	Total estimated Amount/ expenditure (Rs in million)
1	Capital expenditure towards set-up of new CoCo stores in India	2,726.22
2	Expenditure for lease/rent/license agreements related payments for its CoCo stores operated by the Company, in India	5,914.40
3	Investing in technology and cloud infrastructure	2,133.75
4	Brand marketing and business promotion expenses for enhancing brand awareness	3,200.63
5	Unidentified inorganic acquisitions and general corporate purposes	*
6	**Total Net Proceeds**	*

Competitive Strengths

Centralized Supply Chain and Manufacturing Processes: LSL's centralized prescription eyeglasses supply chain and manufacturing system delivers significant benefits by consolidating complex eyewear production processes into centralized facilities in India. This enables consistent quality control, lowers costs, and facilitates faster fulfillment compared to traditional store-led models. By managing frame and lens production centrally, LSL offers customers a broad selection of eyewear styles with rapid delivery, positioning eyewear as a 'fast fashion' category. This centralized approach removes inefficiencies by reducing reliance on localized suppliers, allows economies of scale, and supports next-day delivery in multiple cities. Consequently, it improves customer accessibility to affordable, high-quality eyewear while ensuring ample product variety and responsiveness to market demand. Set out below are the key benefits of its centralised supply chain and manufacturing in India to its customers:

Frame and Lens Engineering and Manufacturing Capabilities: LSL's in-house manufacturing capabilities for frames and lenses have been developed to enhance quality, reduce dependency on external suppliers, and enable rapid product innovation. The Company began manufacturing frames in China through its joint venture, Baofeng Framekart, in 2017, before establishing dedicated facilities in Gurugram in 2021 and Bhiwadi in Rajasthan. These facilities produce a wide variety of frames using advanced, automated processes such as CNC machining, injection molding, and surface finishing, allowing for frequent new collection launches with innovative and trendy designs like the lightweight and durable Lenskart AIR frames. Additionally, LSL manufactures complex lenses, including progressive, bifocal, and single vision types, in-house, focusing on materials, coatings, and technological enhancements to improve product quality and reduce lead times. Its integrated manufacturing approach ensures consistent quality, cost efficiency, and faster delivery, strengthening its value proposition of offering fashionable, high-quality eyewear at affordable prices. The graphic below outlines the Company's re-engineered processes for lens manufacturing with an additional step of brush cleaning, ensuring stronger coating on lenses:

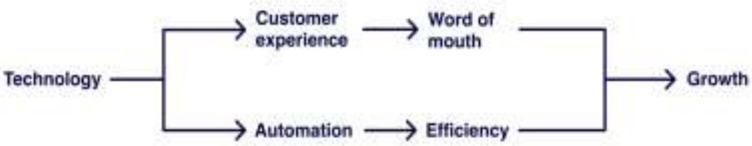


Direct-to-consumer model: LSL operates a direct-to-consumer (DTC) model that eliminates multiple intermediaries in the traditional prescription eyeglasses supply chain. This approach enables the Company to deliver high-quality eyewear directly to customers at affordable prices with next-day delivery. By retaining end-to-end control over manufacturing and quality, LSL reduces lead times and achieves greater cost efficiency compared to conventional retailers, as noted in the Redseer Report. Traditionally, eyewear products pass through layers of importer, wholesaler, distributor, and retailer before reaching the consumer. Initially, LSL sourced frames and lenses from selected manufacturers, acting as importer, wholesaler, distributor, and retailer combined. It is now transitioning towards a manufacturer-to-consumer model by producing frames and lenses in-house, enabling improved quality control, reduced costs, and enhanced speed to market. According to the Redseer Report, LSL manufactured the third-largest number of prescription eyeglasses globally among leading organized retailers in FY2025. This integrated DTC model provides LSL with operational efficiencies, scalability, and a superior customer experience by tightly controlling product design, manufacturing, and distribution. The graphic below illustrates the differences in the traditional prescription eyeglasses supply chain and manufacturing model as compared to its model.

Customer-Focused Product Design Capabilities: LSL has developed comprehensive in-house design and merchandising capabilities, enabling greater innovation and responsiveness to customer needs. Its dedicated 109-member design team expanded new product development to 105 collections in FY2025, significantly increasing launch frequency. The Company positions eyewear not just as vision correction but as an affordable, fashionable lifestyle accessory that empowers individuals to “Do More” and “Be More.” LSL’s designs address specific customer needs with innovative styles such as Turban Fit for turban-wearers, Creatr for Kids offering adjustable and durable frames for children, Twyst with flexible hinges, Bitz featuring magnetic charms, Switch with magnetic lens covers for convertibility to sunglasses, and SWAPS allowing frame temple customization. This broad variety supports owning multiple eyewear pairs for different occasions, driving high purchasing frequency. Reflecting this, customer accounts acquired in FY2017 averaged 2.30 eyeglass purchases in two years, rising to 3.45 for FY2021 cohorts and 3.62 for FY2023, indicating strong customer retention and purchase growth. By integrating functionality with style and diverse offerings, LSL effectively deepens customer engagement and loyalty through fashion-forward, problem-solving eyewear products. The graphic below sets out the above designs launched by the Company:

Lenskart Brand and Portfolio of Owned Sub-brands: LSL’s brand, Lenskart, embodies the aspiration for customers to “Do More” and “Be More” by offering an expansive, evolving eyewear range tailored to diverse occasions, styles, and needs. In FY2025, it was recognized as “India’s Most Trusted Eyewear Brand” by TRA Research, reflecting its strong market position. The brand’s reach is demonstrated by 29.52 million store entries in India during FY2025 and a highly engaged digital presence, including over 1.33 million Instagram followers. Lenskart appeals to a broad customer base with varied spending capacities, with 18.14% of sales from orders over Rs.10,000, 18.13% from orders under Rs.2,000, and the majority (63.73%) between Rs.2,000 and Rs.10,000. Its portfolio includes Lenskart, Owndays, and 22 niche sub-brands designed to address specific customer segments, reinforcing brand engagement and facilitating new customer acquisition. The Company’s design philosophy targets four key customer types: comfort-seekers who prioritize wellness and affordability; quality-focused buyers valuing durability; experimenters embracing new trends; and fashion-forward consumers seeking self-expression. This multi-segment approach drives both brand loyalty and broad market appeal, positioning Lenskart as a versatile, trusted eyewear lifestyle brand across spending tiers and preferences.

Technology First Approach to Customer Experience and Operational Efficiency: LSL’s founder-promoters, Peyush Bansal and Amit Chaudhary, are both engineers by education and believe in leveraging technology to address operational challenges with scalable solutions. Peyush and Amit are supported by its technology team of 491 members, as of June 30, 2025. It has invested in a range of customized technology solutions, AI tools and automation to deliver improved customer experience, automate design and manufacturing processes to drive higher operational efficiency and growth as shown in the graphic below.



The Company's integrates advanced technology across all operational facets, enhancing customer engagement, supply chain efficiency, retail operations, and internal management. Its proprietary tablet-based POS system creates a transparent customer experience by allowing simultaneous viewing by customers and sales associates, enabling better-informed decisions and enabling real-time feature upgrades that boost same-store sales. Digitization extends to queue management and inventory integration, reducing customer wait times and facilitating seamless online-offline browsing. LSL's mobile apps feature popular tools like virtual try-ons and size measurements, recording 38.59 million virtual try-ons in FY2025. The central supply chain leverages the proprietary NexS warehouse management system to enable just-in-time manufacturing and dispatch, achieving 24-hour delivery of customized eyewear in over 58 Indian cities and 72-hour delivery in 49 cities. AI-powered computer vision optimizes store layouts, customer flow, and conversion rates, driving consistent volume-based growth globally. AI tools further support new store site evaluation and revenue forecasting, aiding the Company in opening 1,280 new Indian stores with average payback of 10.29 months. Digitized and remote eye-testing services scale access via optometrists serving 298 stores remotely, while self-administered eye tests are available in 146 stores worldwide. Internally, AI streamlines recruitment, employee engagement, and finance through automated invoicing and forex adjustments, optimizing working capital cycles. This tech ecosystem supports LSL's commitment to superior customer experience, operational efficiency, and scalable growth

Omnichannel Retail Network: LSL operates an omnichannel retail network integrating mobile applications, websites, and physical stores across India and internationally to fulfill its vision of providing "Eyewear for All." This approach supports customers who browse online but prefer in-store purchases, offering consistent pricing (plus a nominal delivery fee) and flexible purchase, return, and exchange options across channels. Customers centrally access their purchase history, prescriptions, and order tracking, with repeat buyers enjoying streamlined shopping as prior choices are saved online. This strategy drives high engagement, with 44.82% of FY2025 India revenue generated by customers interacting digitally before purchase. In-store traffic is optimized by features allowing online browsing with real-time store stock visibility, virtual try-ons, and eye-test bookings, boosting profitability. Lenskart's Indian stores led the market with an average annual revenue per square foot exceeding Rs.23,400 in FY2025 and the quarter ended June 30, 2025, underscoring the success of its unified digital-physical retail model.

Culture and Values: LSL's omnichannel retail network, integrating digital platforms and physical stores, drives its "Eyewear for All" mission by offering consistent pricing and seamless purchasing, returning, and exchanging across channels. Customers can access their purchase histories, prescriptions, and order statuses via any platform, enhancing personalization and loyalty. Digital features like virtual try-ons, store browsing, and appointment bookings boost engagement, contributing to high conversion rates. In FY2025, Indian stores generated the highest revenue per square foot among large organized retailers, supported by a strong online presence with over 7 million website visitors monthly. This integrated approach optimizes customer experience and operational efficiency across markets.

Category Leadership, Scale, and Track Record of Revenue and EBITDA Growth: LSL is India's largest and one of the top two organized retailers of prescription eyewear in Asia, with FY2025 sales volumes including 27.20 million units across its markets. Its extensive store footprint exceeds 1.73 million sq. ft., with over 2,137 stores in India—2.5 times larger than competitors—and 669 stores internationally. The Company's revenue grew at a CAGR of 32.52% from Rs.37,880 million in FY2023 to Rs.66,525 million in FY2025, with a recent quarterly increase of 24.60%. It maintains strong profitability, with margins rising to 14.60% in FY2025, and achieved a net profit of Rs.2,973 crore in FY2025. Its digital footprint includes over 100 million app downloads, and it sold 7.85 million eyewear units in Q1 FY2026. The total addressable market is projected to reach Rs.3,601 billion by FY2030, driven by rising refractive errors and increased adoption of organized retail in India, Southeast Asia, Japan, and the Middle East.

Business Strategy:

Increase Markets' Penetration and, Expand Customer Access Across Channels: LSL is India's largest and among Asia's top two organized prescription eyeglasses retailers by B2C sales volume in FY2025, leveraging a vast store network of 2,137 in India and 669 internationally with a total footprint of 1.73 million sq. ft. in India, 2.5 times larger than its nearest competitor, and 0.69 million sq. ft. internationally. The Company sold 7.85 million units in Q1 FY2026 and 27.20 million units in FY2025. Revenues grew at a CAGR of 32.52% from Rs.37,880 million in FY2023 to Rs.66,525 million in FY2025, with EBITDA margins rising to 14.60% and net profits crossing Rs.2,973 million. Product margins improved to over 67% by FY2025, supported by efficiency in centralized supply chains and automated manufacturing. Proforma revenue showed strong year-on-year growth, reaching Rs.68,030 million in FY2025 with EBITDA margins nearing 17%. The total addressable market across India, Southeast Asia, Japan, and the Middle East is projected to reach Rs.3,601 billion by FY2030, capitalizing on rising refractive errors and increasing penetration of organized retail. This performance underscores LSL's dominant market leadership, operational scalability, and strong financial health.

Strengthen Manufacturing and Supply Chain Capabilities: The Company is strategically focused on reducing reliance on imported raw materials and frames, significantly expanding its manufacturing presence in India. Direct imports from China decreased from 54.15% of total purchases in FY2023 to 42.21% in FY2025, reflecting increased localization. Manufacturing operations commenced in India in 2021, with 69.87% of prescription eyeglasses sold in FY2025 produced at centralized Indian facilities. Capacity at the Bhiwadi plant expanded dramatically, increasing annual output from 2.2 million units in 2023 to over 14 million units by 2025. A new, larger manufacturing facility is planned in Hyderabad, Telangana, supporting growing domestic and international demand while mitigating risks associated with existing sites. LSL plans continued investments to scale lens edging, fitting, quality control, packaging, warehousing, and sorting capabilities in modular formats to meet market growth. Further frame and lens manufacturing enhancements aim to reduce costs, improve quality, and accelerate innovation, potentially involving joint ventures offshore. Additionally, LSL is developing smaller regional facilities internationally under a centralized supply chain model to better serve local demand with faster fulfillment and improved customer experience. This integrated manufacturing expansion underpins LSL's vision of robust, efficient, and scalable supply chain infrastructure for sustainable growth.

Continue to Innovate and Expand Product Portfolio: LSL is expanding and diversifying its brand portfolio to address evolving customer needs and deepen engagement. The Company targets new customer categories and communities across price points by launching new sub-brands through organic design, innovation, collaborations, investments, and acquisitions. Notable initiatives include exclusive branded collections featuring popular fictional characters, the French brand Le Petit Lunetier launched in India, and the acquisition of Owndays in 2022, now available in India and international markets. LSL is pioneering advanced eyewear technologies, developing Bluetooth-enabled audio glasses (Phonic range), and camera-enabled glasses, with plans to invest further in smart glasses hardware and software solutions. Lens innovation is a priority, including myopia control lenses and powered sun lenses, expanding the product range for diverse vision needs and lifestyle applications. The Company also emphasizes sustainability, investing in eyewear made from recycled and eco-friendly materials, and expanding pediatric vision solutions with durable frame designs and myopia management. These strategies position LSL to capture broad market opportunities by combining technology, fashion, and sustainability to meet dynamic consumer preferences.

Invest in New Technologies: LSL integrates advanced technology deeply into its scalable operations and business model to enhance customer experience and operational efficiency. Its in-house developed facial analysis and frame recommendation tool uses AI and machine learning to analyze over 500 facial attributes, offering highly accurate frame size and style recommendations, thereby reducing returns and increasing conversions. Additionally, LSL's AI-enabled Computer Vision tool analyzes retail store footage to optimize customer flow, store layout, and conversion rates, driving consistent volume growth. The Company has digitized eye testing by launching remote optometry solutions and self-eye tests, expanding access through video consultations and automated vision charts deployed across hundreds of stores. Geo-analytics predict revenue potential and payback periods for new store locations, improving site selection and operational productivity. LSL leverages AI and data science throughout sourcing, manufacturing, inventory management, and logistics, allowing data-driven strategic decisions. Future initiatives include expanding AI integration for better frame recommendations, AI-based eye testing to enhance affordability and accessibility, AI-powered buying assistance, AI-driven merchandising to shorten product lead times, increased automation in frame and lens manufacturing, integration of international orders with India's centralized supply chain, and AI-enhanced store identification and productivity improvements. Collectively, these technologies fuel LSL's growth, operational excellence, and superior customer value proposition.

Continue to Enhance Customer Experience: LSL's strategic focus on delivering an improved customer experience drives its growth. Significant investments include enhancing in-store experiences with digital tools like AI-powered recommendations and virtual try-on, scaling remote optometry with advanced telehealth, and expanding its high-quality lens research to incorporate innovative functionalities such as myopia control and powered sun lenses. The Company is also ramping up its fast delivery services, aiming for even quicker order fulfillment. Its data analytics and AI-driven personalization efforts tailor offerings to individual customer preferences, deepening engagement. Additionally, LSL continuously innovates its digital channels—mobile apps and websites—integrating augmented reality features, AI-driven buying assistance, and loyalty program enhancements to foster loyalty and increase lifetime value. Collectively, these initiatives ensure a seamless, immersive, and personalized customer journey across all touchpoints.

Continue to strengthen brand across markets: LSL positions its eyewear portfolio as both functional and fashionable lifestyle products marketed under the Lenskart and Owndays brands, along with a range of sub-brands. The Company invests strategically to maintain brand relevance, especially for Gen-Z and younger consumers, through digital marketing campaigns, influencer endorsements, television advertising, and social media content strategies, with a focus on international markets. Lenskart continues to innovate store designs to enhance brand appeal and customer experience. Environmental sustainability is emphasized by piloting new eco-friendly materials and manufacturing processes, reinforcing the brand's commitment to responsible business practices. These initiatives bolster brand awareness, affinity, and equity while aligning with evolving consumer aspirations.

Industry Overview

Macroeconomic Context and Consumer Demographic Trends

Global economic growth is primarily driven by emerging markets, especially in Asia, including India and Southeast Asia, where sustained GDP growth, rising disposable incomes, and digital adoption are transforming consumption and retail landscapes. Developed economies such as Japan exhibit stability through premiumisation and automation, while Singapore grows on its advanced services economy. The Middle East diversifies economically beyond oil, with growing affluence influencing consumption patterns.

Emerging Asian markets, especially India—poised to be the world's third-largest economy by 2029 with nominal GDP exceeding Rs.525 trillion (~US$ 6,100 billion)—benefit from integration into global supply chains, investment in infrastructure, renewable energy, and digital platforms. Rising GDP drives rising disposable incomes, shifting consumer spending toward discretionary sectors. India crossed a critical GDP per capita threshold (~Rs.1,72,000 or US$ 2,000) in 2019, leading to a PFCE (Private Final Consumption Expenditure) growth of ~11% between FY 2020-25, with PFCE constituting ~61.5% of GDP in FY 2025. The middle-income households' share in India is projected to grow from ~63% in 2024 to 73% by 2029, signifying further discretionary consumption growth.

Retail markets in India and Southeast Asia show rising organisation aided by urbanisation, a tech-savvy young population, and lifestyle-led consumption. Japan's mature retail market grows incrementally via premiumisation and digital enhancements, while the Middle East taps further into lifestyle retail driven by a young digital base and investment in destination malls. Organised discretionary retail in India still has substantial growth headroom compared to more developed markets.

Exhibit 1a: Real GDP Growth - India and Key Geographies
CY 2024 to CY 2029P, in %

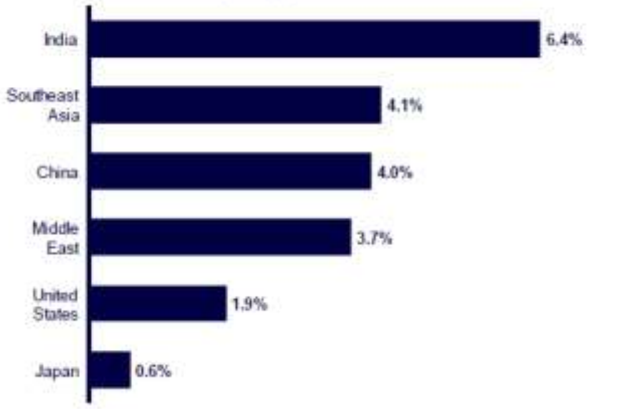
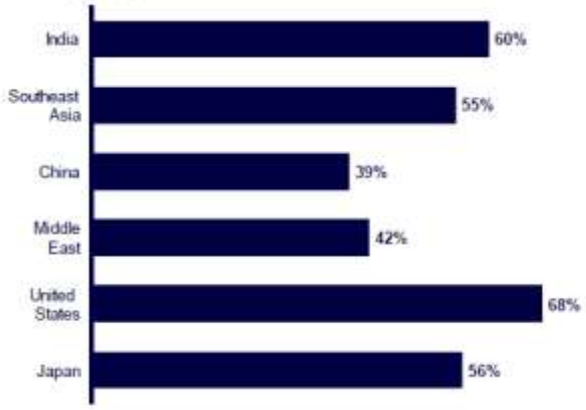


Exhibit 1b: Private Final Consumption Expenditure (PFCE) % of GDP - India and Key Geographies
CY 2023, in %



Rise of Discretionary Retail Consumption and Organised Retail
India stands out as one of the fastest-growing retail markets with increasing discretionary retail fuelled by rising incomes and tech adoption. The share of organised retail continues to grow, driven by improved access and variety. Southeast Asia's retail organisation advances through omnichannel strategies, unified payments, and last-mile logistics. Japan's retail remains resilient with premiumisation and digital integration. The Middle East witnesses experiential retail growth with investments in mixed-use developments.

Discretionary spending covers categories such as FMCG (excluding staples), apparel, eyewear, electronics, appliances, and beauty & personal care—typically sensitive to economic cycles. Non-discretionary includes essential goods like pharmaceuticals and staples, showing steadier demand. Organised retail penetration varies across regions, lower in India and Southeast Asia, higher in Japan and the Middle East.

Emerging Consumer Trends
Lifestyle-Focused Consumption
Increasing disposable incomes and social media influence drive rising consumption in lifestyle segments such as apparel, footwear, eyewear, and beauty & personal care. Consumers become style and value conscious, favouring fast fashion and multiple items ownership. Access to lifestyle brands broadens via digital penetration.

Value Retail and D2C Brand Growth
Value retail rises, propelled by affordable pricing and convenience, with direct-to-consumer (D2C) brands playing a significant role. D2C models eliminate intermediaries, enable tighter control over quality and pricing, and harness online and owned retail channels for discovery and sales, aligning with value-conscious consumers.

Digital Penetration
Digital adoption surges, particularly in India, where internet users are expected to exceed one billion by 2029, ahead of peers at comparable income levels. This digital influence boosts consumption by improving product awareness and shopping convenience. Southeast Asia, the Middle East, Japan, and Singapore also see rising digital adoption, each shaped by different local drivers.
Shift to Digitally Influenced and Omnichannel Purchase Journeys
Globally, digital influence shapes consumer purchase decisions, especially in lifestyle categories. Consumers want flexibility and convenience, fuelling omnichannel retail growth integrating online and offline experiences. Models include flexible purchases (either online or offline) and integrated journeys combining online research with offline validation.

Digital tools such as virtual try-ons, augmented reality, and online prescription capture are emerging to bridge gaps between online and physical retail, improving discovery, conversion, and customer retention.

Core Demand Drivers for Prescription Eyeglasses
Growing Refractive Errors
Refractive errors are a global public health issue, escalating due to lifestyle changes such as increased screen time, reduced outdoor activity, urban pollution, and aging populations. The global prevalence rose from ~45% (~3.5 billion) in 2020 to ~49% (~4 billion) in 2025 and is projected to reach ~55% (~4.7 billion) by 2030. India and Southeast Asia contribute about 30% of global cases, with prevalence rates of ~53% and ~65% respectively. Despite this, eyeglass penetration is low (~35% in India and ~40% in Southeast Asia) due to awareness, access, and affordability challenges.

Types of Refractive Errors
Myopia (near sightedness), presbyopia (age-related near-vision loss), hyperopia (farsightedness), and astigmatism are the main types. Rising screen exposure and lifestyle factors mainly drive growing myopia rates, especially among children and young adults.

Penetration and Adoption Challenges
Globally, about 50% of those needing correction use prescription eyeglasses. Developed markets like the US and Japan have higher penetration (88% and 69%), while developing markets lag. Urban areas in India show higher penetration (~53%) compared to Tier 2+ cities (~32%). Financial barriers and fragmented retail infrastructure limit adoption.

Financial and Productivity Impact of Uncorrected Refractive Errors
Uncorrected vision problems impose significant economic costs. WHO estimates global losses exceeding Rs.21,500 billion (~US$ 250 billion) annually, with Asia accounting for over half. India's losses are estimated at Rs.2,580-3,870 billion (~US$ 30-45 billion). Addressing vision care can boost productivity, education, and reduce health care burdens, highlighting the importance of policy support.

Barriers to Adoption and Market Evolution
Consumer Awareness and Access
Low awareness and reactive healthcare-seeking behaviour delay correction, especially in India and Southeast Asia. Social stigma around glasses also dampens uptake. Improving awareness through free testing and policy initiatives is crucial.

Optometrist and Optical Store Density
India and emerging Southeast Asia have low optometrist densities (~50-60 per million vs. WHO recommended 100) and optical store densities (~60 stores/million in India), much lower compared to developed markets. This restricts geographical access and timely service.

Affordability Constraints
Prices vary significantly across regions. In India and Southeast Asia, economy eyeglasses range under Rs.1,500-3,400 (~US$ 17-40), luxury exceeding Rs.8,600 (~US$ 100). Developed markets have higher price bands reflecting costs and premiumisation. Supply chain dependence on imports, high intermediaries' margins, skilled labour scarcity, and cost of eye exams exacerbate affordability issues.

Market Structure: High Dependence on Unorganised Retail with Quality and Experience Variability
In markets like India and Southeast Asia, 70-77% of eyewear retail is unorganised, often fragmented with inconsistent quality, pricing opacity, and limited product assortment. Traditional organised retailers have better standards but limited reach beyond metros, while large organised retailers dominate developed markets and offer standardised customer experience.

Unorganised channels often lack trained sales staff and technology integration, leading to suboptimal fitting, delayed deliveries, and weaker consumer trust.

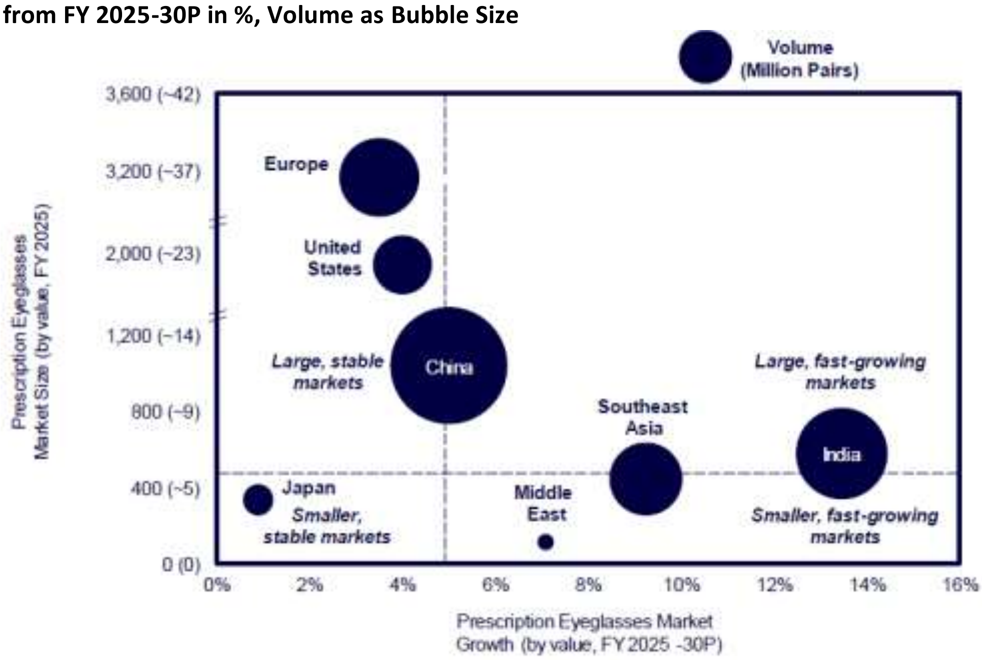
Complexity and Scalability Challenges in Prescription Eyeglasses
Eyeglasses require high customisation—lens prescriptions, coatings, frame styles, and fittings—that complicate manufacturing and retail operations. Millions to billions of SKU combinations exist. Precision fitting involves optician expertise, particularly for progressive lenses. Manual processes limit scalability and quality consistency.

Growth and Challenges in Online Channels
Online eyewear retail remains nascent, constituting under 8% globally and 5% in India. Consumer hesitation stems from lack of tactile experience, fit concerns, and absence of physical adjustments. However, the channel influences offline purchase journeys, driving an omni-channel approach with integration of digital try-ons and AI recommendations, promising future growth.

Evolving Eyewear as a Lifestyle Category
Prescription eyeglasses increasingly serve as fashion accessories beyond medical necessity. Consumers purchase multiple pairs for style and occasions. Social media, influence marketing, and brand collaborations fuel demand for trendy designs, broader assortments, and frequent collections.

Large organised retailers invest in personalised fitting, boutique experiences, and post-purchase services. Product innovations include blue-light filtering, lightweight materials, and smart glasses emerging in advanced markets.

Prescription Eyeglasses Market Size and Growth across India and Key Geographies Market Size for FY 2025 in Rs. billion (US$ billion), Market Growth CAGR from FY 2025-30P in %, Volume as Bubble Size



Global Eyewear Market Overview and Regional Opportunities
In FY 2025, the global eyewear market is valued at ~Rs.15,207 billion (~US$177 billion), projected to grow to ~Rs.18,657 billion (~US$217 billion) by FY 2030 (~4% CAGR). Prescription eyeglasses hold ~70% market share by value, followed by sunglasses and contact lenses. Asia represents 29-37% of the market, with fastest growth expected in emerging markets like India (~19% organised market CAGR) and Southeast Asia (10-14% CAGR).

India
India's eyewear market is growing rapidly (~13% CAGR FY 2025-30), projected to reach ~Rs.1,483 billion (~US$17.2 billion) by FY 2030. Growth drivers include increasing refractive error prevalence (especially in youth), rising penetration levels, and a shift to organised and D2C channels. The market is fragmented, with organised retail share at ~24% in 2025, expected to reach 31% by 2030. D2C brands demonstrate rapid growth (CAGR 22-28%). Sunglasses and contact lenses show strong growth potential.

Japan
Japan's mature and stable eyewear market (~Rs.690 billion in 2025) grows slowly (~3% CAGR to 2030) with high prevalence of presbyopia among aging population (~68%). Value-focused large organised retailers dominate, supported by private labels and D2C models increasing market share (~30-32% in 2025, projected 40-45% by 2030). Sunglasses and contact lenses also register steady growth.

Southeast Asia
The Southeast Asia market (~Rs.637 billion in 2025) grows at ~7% CAGR driven by increasing eyewear adoption and rising organised retail share (33-35% to 40-45% by 2030). Prescription eyeglasses dominate (69% share) with wide variation in penetration and average selling prices across countries.
Middle East
Middle East eyewear market (~Rs.162 billion in 2025) expands at ~7% CAGR with growing disposable incomes, premiumisation, and omnichannel retail adoption. Organised retail dominates (~58-60% share), with rising D2C brand presence. Localised eyewear designs cater to climate and aesthetic preferences.

Supply Chain Overview and Key Success Factors
The prescription eyeglasses value chain is complex, involving product design, frame and lens procurement, manufacturing of finished eyeglasses, and retailing. Traditional supply chains are fragmented with multiple intermediaries, inflating costs and extending lead times. This leads to challenges in quality, pricing, delivery, and product assortment.

Vertically integrated large organised retailers with centralised supply chains leverage technology, automation, and R&D to streamline operations, reduce costs, enhance product quality, offer wide assortments, and shorten delivery times. These models deliver superior value propositions and customer experiences.

Retail Business Models and Market Dynamics
Retailing includes unorganised retailers, traditional organised chains, large organised retailers, and emerging models such as pure-play online and eye care provider models.

- **Unorganised Retail**: Dominates in emerging markets with fragmented operations, inconsistent quality, and limited assortment.
- **Traditional Organised Retail**: Regional chains with some standardisation and better product range but limited backend integration.
- **Large Organised Retail**: Multi-regional integration with strong supply chain control, standardised customer experience, and advanced technology adoption. Approaches vary between partial integration, decentralised supply chains, and centralised vertically integrated models.
- **Emerging Models**: Online-first pure-play retailers cater to digital natives but have limited reach; eye care providers integrate healthcare and eyewear sales.

Product Design and Manufacturing
Product design balances aesthetics and function, requiring advanced materials, precise lens prescriptions, coatings, and ergonomic fit. Frames use materials like thermoplastics, acetate, stainless steel, and titanium, each requiring distinct manufacturing processes.
Lens manufacturing, especially for progressive lenses, demands high technical precision, multi-stage processes including surfacing, polishing, coating, and quality validation, mostly concentrated in mature manufacturing hubs.
Finished eyeglass manufacturing involves glazing lenses into frames, requiring skilled labor and precise equipment. Large organised players utilise automated optical labs for better quality and efficiency.

Retailing Prescription Eyeglasses
Retail success depends on channel presence and retail experience, influenced by eye testing availability, assortment, pricing, and assisted sales.

- Offline-first remains dominant but limited in reach and inventory depth.
- Pure-play online offers breadth but lacks physical trials and eye testing.
- Omnichannel integrates these strengths, improving conversion and customer satisfaction.
- Challenges in traditional retail include inconsistent eye testing services, narrow SKU variety, varying product quality, and insufficient sales assistance.

Technology Adoption and R&D
Technology and R&D are critical across design, manufacturing, and retail for innovation, operational efficiency, and personalised customer experiences.

Advanced materials, coatings, digital optometry, virtual try-ons, and AI-driven recommendations are gaining ground primarily with large organised players, who outperform traditional retailers that lack scale and investment capabilities.

This comprehensive industry analysis outlines the dynamic growth, emerging trends, and evolving structures within the global and regional eyewear markets, highlighting the critical roles of economic growth, digital adoption, consumer behavior, complex value chains, retail formats, and technological advancements as of FY 2025 projections through FY 2030.

Key Concerns

- Raw materials consumed were Rs.4,673 million (25.45% of expenses) in Q1 FY26 and Rs.16,230 million (24.52%) in FY25. Supply interruptions, price fluctuations, or quality issues from key suppliers could disrupt manufacturing and hurt margins.
- Significant imports and manufacturing operations involve China through Baofeng Framekart JV, accounting for 42.21%-54.15% of purchases in recent years. Geopolitical tensions, trade restrictions, or regulatory changes in China could disrupt supply chains or increase costs.
- Manufacturing capacity utilization was 55.10% in Q1 FY26 and about 48% in FY25. Failure to maintain or improve utilization could reduce profitability.
- The Directorate of Enforcement inquiry into procedural delays under FEMA presents potential for penalties or reputational harm, including challenges in obtaining overseas investment approvals.
- Manufacturing facilities face significant environmental, health, and safety regulatory compliance requirements. Non-compliance could lead to penalties or operational disruptions.
- Risks from breakdowns, accidents, labour disputes, cyberattacks, or natural disasters in facilities in India, Singapore, UAE, and China may affect production volumes and delivery timelines.
- Heavy dependence on Gurugram industrial cluster for lens manufacturing concentrates operational risks, with disruptions potentially delaying order fulfilments and impacting customer satisfaction.
- Construction of a Rs.15,000 million greenfield manufacturing facility in Telangana may face delays or regulatory hurdles affecting future capacity expansion.
- As of June 30, 2025, 2,806 stores operated globally with 2,137 in India. Challenges securing leases, changing demographics, and economic fluctuations could affect profitability of retail stores.
- Operating in 14 countries introduces risks from political instability, foreign exchange volatility, legal differences, and compliance challenges.
- Franchise Operations: 22% of stores are franchise-operated with limited operational control leading to potential inconsistent service standards or brand damage.
- The business depends heavily on Promoters and senior management. Loss or inability to attract replacements could impact operations and strategic direction.
- Factors like geopolitical conflicts, pandemics, inflation, tax reforms, or rating downgrades could affect consumer spending or operating conditions.
- Weather events, trade restrictions, geopolitical tensions (e.g., Taiwan-China) may interrupt supplies and operations, affecting costs and fulfillment.
- Reliance on search engines and app marketplaces is subject to algorithm or policy changes that could reduce customer acquisition efficacy.
- Incorrect forecasting or supply fluctuations may cause overstocking or shortages, impacting capital and customer service.
- 242 trademarks registered but brand and product counterfeit risk remains, potentially affecting revenue and reputation.
- Warranty claims could increase with sales volume; lack of insurance for product liability could affect profitability.
- Potential risks in operational and financial controls could lead to fraud or reporting errors impacting reputation.
- Failure to comply with anti-corruption and sanctions laws in multiple jurisdictions could cause penalties or reputational damage.

- Non-compliance with increasingly strict data protection laws (e.g., India's PDP Act 2023) could lead to legal actions and loss of trust.
- Increasing sophistication of cyber-attacks and data breaches pose risks of revenue loss, reputational harm and regulatory penalties.
- Insurance excludes certain risks and coverage limits may be insufficient to cover losses fully.
- Expansions or new machinery are capital intensive; inability to optimise capacity leads to higher costs or lost revenue.
- Difficulties in opening new stores or renewing leases could impede growth. Store closures due to mall shutdowns or franchise issues add risks.
- Rising marketing expenses (Rs.1,276 million in Q1 FY26, 6.74% of revenue) face efficiency risks from increased competition and changing digital algorithms.
- Maintaining price levels amid competitive discounting impacts margins; shifts in product mix may reduce average selling prices.

Profit & Loss

Particulars (Rs in million)	Q1FY26	FY25	FY24	FY23
Revenue from operations	18944.6	66525.2	54277.0	37880.3
Other Income	516.5	3567.6	1821.7	1399.5
Total Income	**19461.0**	**70092.8**	**56098.7**	**39279.7**
Total Expenditure	**15584.1**	**56770.2**	**47543.7**	**35242.4**
Cost of raw materials and packing materials consumed	5123.3	17603.3	14829.4	11328.0
Purchases of stock in trade	1006.5	4573.5	3473.7	2673.8
Changes in inventory of traded and finished goods	-89.4	-832.7	-541.7	-320.8
Employee benefits expense	4656.0	13787.5	10864.9	7175.6
Other expenses	4887.8	21638.6	18917.3	14385.8
PBIDT	**3876.9**	**13322.6**	**8555.1**	**4037.3**
Interest	410.4	1458.9	1229.9	832.8
PBDT	**3466.5**	**11863.7**	**7325.2**	**3204.5**
Depreciation and amortization	2371.3	7965.7	6722.4	4175.5
Exceptional items (net)	103.9	0.0	0.0	0.0
PBT	**991.4**	**3898.0**	**602.8**	**-971.0**
Share of profit/(loss) from associate and joint venture	5.8	-44.4	-12.5	-40.8
Tax (incl. DT & FBT)	**385.5**	**880.2**	**691.9**	**-374.2**
Current tax	497.8	1023.6	593.2	242.3
Adjustment of tax relating to earlier periods	0.0	0.0	-26.0	8.5
Deferred Tax Charge/(Benefit)	-112.3	-143.5	124.7	-624.9
PAT	**611.7**	**2973.4**	**-101.5**	**-637.6**
Minority Interest	10.9	17.5	73.1	42.3
Adj. PAT	**600.8**	**2955.9**	**-174.6**	**-679.85**
EPS (Rs.)	0.4	1.8	-0.1	-0.4
Face Value	2	2	2	2
OPM (%)	17.7	14.7	12.4	7.0
PATM (%)	3.2	4.5	-0.2	-1.7

Balance Sheet

Particulars (Rs in million) As at	Q1FY26	FY25	FY24	FY23
Non-current assets				
Property, plant and equipment	13,743.3	13,404.7	9,453.1	7,212.0
Capital work-in-progress	1,188.7	1,069.0	708.3	1,337.4
Investment properties	0.0	0.0	9,663.3	6,790.4
Right of use assets	22,675.9	21,085.0	8,143.9	8,309.8
Goodwill	18,755.9	18,755.9	18,673.8	18,622.6
Other intangible assets	9,054.6	9,067.0	9,074.7	9,739.2
Intangible assets under development	0.0	0.0	0.0	1.5
Investments accounted for using the equity method	227.6	313.1	265.8	236.4
Financial assets				
Investments	187.0	187.0	150.7	129.9

Other financial assets	3,095.7	2,504.4	3,608.9	2,171.8
Non-current tax assets (net)	590.2	706.5	315.4	314.7
Deferred tax assets (net)	938.3	814.7	444.6	660.4
Other non-current assets	1,076.6	502.5	434.6	623.4
Total non-current assets	**71,533.7**	**68,409.9**	**60,937.2**	**56,149.3**
Current assets				
Inventories	11,576.2	10,814.4	6,880.8	6,111.9
Financial assets				
Investments	10,436.59	9,878.31	9,615.6	7,514.2
Trade receivables	1,388.9	1,258.9	3,414.0	2,810.7
Cash and cash equivalents	6,049.6	6,542.2	3,021.3	3,343.6
Bank balances other than cash and cash equivalents	3,270.1	2,106.6	5,030.7	6,523.0
Other financial assets	1,244.5	2,799.1	4,287.2	10,744.5
Other current assets	2,957.2	2,900.8	2,123.4	2,085.6
Total current assets	**36,923.1**	**36,300.3**	**34,373.0**	**39,133.5**
Total assets	**108,456.8**	**104,710.2**	**95,310.2**	**95,282.8**
EQUITY & LIABILITIES				
Equity				
Equity share capital	1,543.4	1,543.4	154.2	152.9
Instruments entirely equity in nature	1,671.0	1,671.0	1,669.6	172.4
Other equity	58,943.5	57,773.0	54,669.1	54,412.8
Non-controlling interest	1,076.6	1,074.4	1,066.6	959.8
Total equity	**63,234.5**	**62,061.7**	**57,559.5**	**55,697.9**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Borrowings	1,991.7	2,115.3	2,681.1	5,738.1
Lease liabilities	18,237.5	17,011.9	12,906.4	10,875.8
Other financial liabilities	1,796.0	1,765.1	4,423.9	4,403.9
Deferred tax liabilities (net)	1,514.4	1,515.0	1,510.3	1,630.2
Other non-current liabilities	602.1	635.6	469.3	433.5
Provisions	945.7	920.2	659.2	623.1
Total non-current liabilities	**25,087.5**	**23,963.0**	**22,650.3**	**23,704.6**
Current liabilities				
Financial liabilities				
Borrowings	1,363.1	1,344.1	2,290.5	3,434.0
Financial liabilities				
Lease liabilities	5,760.6	5,256.4	3,880.5	3,535.9
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	500.4	482.7	255.7	89.6
Total outstanding dues of other than micro enterprises and small enterprises	7,396.6	6,916.9	4,906.0	5,682.7
Other current liabilities	2,442.4	2,724.6	1,918.8	1,458.9
Provisions	804.0	762.0	514.8	424.6
Other financial liabilities	1,293.9	929.3	1,020.3	951.9
Current tax liabilities (net)	573.9	269.5	314.0	302.8
Total current liabilities	**20,134.8**	**18,685.5**	**15,100.4**	**15,880.4**
Total liabilities	**45,222.3**	**42,648.5**	**37,750.7**	**39,584.9**
Total equity and liabilities	**108,456.8**	**104,710.2**	**95,310.2**	**95,282.8**

Source: Company, RHP

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