Lenskart Solutions Ltd. (LENSOL)

CMP: ₹722 | Target ₹ 900(24%) | Target Period: 12 months | BUY

November 5, 2026

Strong Q2 driven by scale and sourcing efficiencies...

About the stock: Lenskart Solutions Ltd. (Lenskart) is a leading D2C eyewear player in India and with presence across select international markets. It sells wide range of prescriptive eyewear, sunglasses and contact glasses. India business forms ~60% of the revenues while international business contributes ~40%.

Q2FY27 performance: Consolidated Revenues grew by 36% YoY to Rs.2,854cr driven by 28% YoY volume growth and 6% realisation growth. Gross margins expanded 100bps YoY to 70% led by strong volume growth and sourcing capabilities. EBITDA margins expanded 210bps YoY to 21.9% led by better operating leverage. EBITDA grew by 50.1% to Rs.622cr during the quarter. Strong operating performance coupled with higher other income led to 2.2x growth in PAT to Rs232cr.

Investment Rationale:

India business – Revenues grew by 33%; product margins stood at 64% in H1FY27: Lenskart's India business revenues grew by 33% YoY to Rs3,199cr in H1FY27. Strong growth was driven by (1) a widening eye-test funnel (grew by 44% YoY to 70lakhs); (B) volume growth (26.5% YoY to 8.6mn pairs); (C) a deepening customer franchise anchored by Gold (reached 1cr members); (D) higher ASPs led by strong traction to premium lenses (grew by 6.9% YoY to Rs1,904 per pair); (E) expanding omnichannel network (added 259 stores; India store count 2,326 stores). India business SSSG growth of 20.8% was broad base across metros, Tier 1 and Tier 2+. India business product margins improved by 60bps YoY to 64.0%. Increased in-house manufacturing of frames and lenses and centralised manufacturing coupled with strong volume growth is aiding in product margin expansion despite INR depreciation against RMB. This along with better operating leverage aided in EBIDTA margins improved by 220bps YoY to 21.7%. In India, the company is planning to invest in building store penetration in bharat, scaling eye tests to fuel conversion and growth, adding innovative products and leverage on backward integration/AI to grow its customer base in the coming years. We expect India business revenues grow to at a CAGR of 27% over FY26-29 (volumes to grow at CAGR of 23%).

International business – revenues grew by 34%; product margins improved to 77% in H1FY27: Lenskart's international business revenues grew by 34% YoY to Rs2,404cr in H1FY27 with strong performance across geographies Japan, Southeast Asia, Middle East and Other geographies. Eyewear units sold grew by 31.5% YoY to 4.3mn pairs while realisation stood almost flat at Rs5,540 per pair. The strong volume growth is on back of sustained investment in the omni-channel platform and consumers opting for alternate B2C brands. Store acceleration is steady in international business with addition of 38 stores in H1FY27. Product margins improved by 160bps YoY to 77.1% benefiting from the continued integration of Meller and Owndays into in-house supply chain and increasing mix towards high margin sunglasses. EBIDTA margins improved to ~22% in H1FY27. In the international business, the company's large focus will be on driving double digit volume growth with ASP remaining stable in the coming years. We expect international business revenues to grow at a CAGR of 28% over FY26-29E (driven by 27% volume growth).

Strong cash flow generation taking care of store addition and working capital requirement: Lenskart generated Rs388 crore operating cash flow during H1 FY27, comfortably covering Rs187 crore of capital expenditure on stores, refurbishments and remote optometry. The company's current cash balance stands at Rs3,855cr.

Rating and Target Price: We recommend a Buy with a price target of Rs.900 (rolling it over average FY28-29E EV/EBIDTA; valuing at 40x).

Particulars

Particuar	Amount
Market Capitalisation (₹ crore)	125369
Debt (FY26) -₹ crore	3786
Cash (FY26) - ₹ crore	1885
EV (Rs crore)	127271
52-week H/L (₹)	698 / 356
Equity capital (₹ crore)	347.3
Face value (₹)	2

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	17.6	17.6	17.5	17.5
FII	3.9	4.3	12.8	18.3
DII	15.9	15.5	23.6	26.8
Others	62.7	62.7	46.2	37.4

Price Chart



Key risks

I. Advancement in medical infrastructure could lead to decline in demand for eyewear products.

II. Slower Innovation in product portfolio, and lower number of launches can hamper growth of the company.

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Revenues	5427.7	6652.5	8814.0	27%	11694.2	14758.0	18242.9	27%
EBIDTA	673.3	975.5	1753.0	61%	2594.7	3424.1	4455.2	36%
EBIDTA Margins (%)	12.4	14.7	19.9		22.2	23.2	24.4	
Adjusted PAT	-10.2	163.6	513.5	-	934.9	1410.0	2044.1	58%
EPS (Rs.)	-0.1	0.9	3.0		5.4	8.1	11.8	
PE (x)	-	766.4	244.1		134.1	88.9	61.3	
EV to EBIDTA (x)	187.6	129.5	72.6		48.4	36.4	27.5	
RoE (%)	-0.3	5.0	6.8		10.2	13.6	16.9	
RoCE (%)	3.5	7.1	13.6		18.9	23.6	27.9	

Source: Company, ICICI Direct Research

Q2FY27 – Key Performance highlights

- Lenskart reported consolidated revenue growth of 36% YoY to Rs.2,845cr in Q2FY27 driven by volume growth of 27.8 % YoY to 10.6mn eyewear units. Revenue growth was also supported by ASP growth of 6.2% YoY to Rs.2681.5/unit (as per our calculations).
- Consolidated gross margins expanded by 100bps YoY to 70% supported by backward integration initiatives, strong sourcing capabilities, favourable product mix and scale-up in volumes.
- EBIDTA margin expanded by 209bps YoY to 21.9% driven by operating leverage from higher volumes and improved store fundamentals. Consolidated EBIDTA grew by 50% YoY to Rs.622cr.
- Higher other income further supported adjusted PAT growth of 2.2x YoY to Rs.232.3cr in Q2FY27.

Exhibit 1: Q2FY27 Consolidated result snapshot (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Total Revenue	**2845.0**	**2096.1**	**35.7**	**2714.2**	**4.8**
Raw material cost	854.0	650.2	31.3	807.3	5.8
Employee cost	626.9	502.5	24.7	599.4	4.6
Other expenses	742.2	529.1	40.3	719.1	3.2
Total operating cost	**2223.0**	**1681.8**	**32.2**	**2125.7**	**4.6**
EBITDA	622.0	414.4	50.1	588.5	5.7
Other income	54.3	33.3	63.2	68.5	-20.8
Interest & other financial cost	53.2	45.2	17.7	53.2	-0.1
Depreciation	320.6	253.4	26.5	304.6	5.2
Profit Before Tax	302.5	149.1	102.9	299.1	1.1
Tax	72.0	44.5	61.7	71.2	1.2
Adjusted PAT	230.5	104.5	120.5	228.0	1.1
Minority Interest (MI)/ Profit from associates	1.8	-1.1	-	0.5	-
Adjusted PAT after MI	**232.3**	**103.5**	**124.5**	**228.4**	**1.7**
Extra-ordinary items	0.0	0.0	-	0.0	-
Reported PAT	**232.3**	**103.5**	**124.5**	**228.4**	**1.7**
Adjusted EPS (Rs.)	1.3	0.7	103.8	1.3	1.1
Margins	**Q2FY27**	**Q2FY26**	**bps**	**Q1FY27**	**bps**
GPM (%)	70.0	69.0	100.1	70.3	-27.4
EBITDA Margin (%)	21.9	19.8	209.4	21.7	18.1
NPM (%)	8.2	4.9	322.8	8.4	-25.3
Tax rate (%)	23.8	26.6	-278.8	23.8	1.7

Source: Company, ICICI Direct Research

H1FY27 – Key Performance highlights

- Consolidated revenue grew by 39.3% YoY to Rs.5,559.3cr driven by volume growth of 26.6% YoY to 21mn eyewear units in H1FY27.
- Consolidated gross margins expanded by 155bps YoY to 70.1% in H1FY27.
- EBITDA margins expanded by 297bps YoY to 21.8%. EBITDA grew by 61% YoY to Rs.1,210.5cr
- Adjusted PAT grew by ~2.8x YoY to Rs.460.7cr in H1FY27.

Consolidated Business highlights

- Lenskart witnessed strong volume growth of 27.8% YoY to 10.6mn units. No. of eye testes performed grew by 40.5% to 7.9mn in Q2FY27.
- Quarterly transacting customers grew by 20% YoY to 5.8mn during the quarter. Eye tests performed were 1.4x the number of transacting customers.
- The company added 165 net stores (143 in India and 22 in international markets) taking the total store count to 3,624 stores.

Exhibit 2: Key Metrics- Consolidated

Operating metrics	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
No. of eye tests (mn)	5.6	6.3	6.8	7.1	7.9
YoY Growth (%)	43.6%	53.8%	44.7%	39.6%	40.5%
No. of Eyewear units sold (mn)	8.3	8.9	9.7	10.5	10.6
YoY Growth (%)	20.3%	29.7%	24.4%	25.4%	27.8%
Quarterly Transacting customers (mn)	4.8	5.0	5.3	5.6	5.8
YoY Growth (%)	23.1%	28.2%	26.2%	20.0%	20.0%
Net new stores added during the quarter	142	195	183	132	165
No. of active stores	2949	3144	3327	3459	3624
Financial metrics	**Q2FY26**	**Q3FY26**	**Q4FY26**	**Q1FY27**	**Q2FY27**
Revenue from operations (₹ crore)	2096.1	2307.7	2515.7	2714.2	2845.0
YoY Growth (%)	20.8%	38.3%	45.6%	43.3%	35.7%
Product Margin (₹ crore)	1485.1	1590.7	1751.2	1907.0	1991.0
Product Margin (%)	70.8%	68.9%	69.6%	70.3%	70.0%
YoY Growth (%)	25.8%	38.9%	40.1%	36.6%	34.1%

Source: Company, ICICI Direct Research

India Business highlights

- India business revenues grew by 35.3% YoY to Rs.1,668cr driven by 25.7% volume growth in Q2FY27. Growth was also supported by ASP growth of 6.9% YoY to Rs.1,950/unit driven by higher sales of premium lenses (Owndays, Rodenstock, Tokai) and progressive lenses.
- India eye tests grew 44% YoY to 7mn, with more than half of them being first-time eye tests. This supported 25.7% YoY growth in eyewear units to 8.6mn units, with healthy growth across prescription eyeglasses, progressives and contact lenses. Sunglasses witnessed strong growth led by Meller.
- India SSSG stood at 20.8% (vs 14.8% in Q2FY26) with broad-based growth across Metro, Tier 1 and Tier 2+ markets.
- Quarterly transacting customer accounts grew 17.7% YoY to 4.6mn during the quarter. Lenskart Gold membership increased by 38.6% YoY to cross 10.3mn active customers as of Q2FY27.
- The company added 143 net stores (94 in Tier 2+) in India, taking the total store count to 2,868.
- India business product margins expanded by 60bps YoY to 64% in Q2FY27 (vs 63.4% in Q2FY26) aided by increased in-house manufacturing despite currency headwinds due to appreciation of RMB against Rupee during the quarter.

Exhibit 3: Key Metrics- India Business

Operating metrics	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
No. of eye tests (mn)	4.9	5.5	6.0	6.3	7.0
YoY Growth (%)	48.5%	61.8%	53.8%	43.2%	43.5%
No. of Eyewear units sold (mn)	6.8	7.4	7.9	8.3	8.6
YoY Growth (%)	21.4%	32.1%	23.4%	23.1%	25.7%
Quarterly Transacting customers (mn)	3.9	4.1	4.3	4.2	4.6
YoY Growth (%)	26.6%	28.1%	30.3%	13.5%	17.7%
Net new stores added during the quarter	133	169	170	116	143
No. of active stores	2270	2439	2609	2725	2868
Financial metrics	**Q2FY26**	**Q3FY26**	**Q4FY26**	**Q1FY27**	**Q2FY27**
Revenue from operations (₹ crore)	1232.9	1385.3	1475.0	1531.0	1668.0
YoY Growth (%)	22.2%	40.4%	44.1%	30.7%	35.3%
Product Margin (₹ crore)	782.2	882.8	944.7	982.0	1068.0
Product Margin (%)	63.4%	63.7%	64.0%	64.1%	64.0%
YoY Growth (%)	23.0%	40.7%	44.1%	32.2%	36.5%

Source: Company, ICICI Direct Research

International Business highlights

- International business revenues grew by 29.4% YoY to Rs.1,201cr (~23% constant currency growth), with strong performance across Japan, Southeast Asia, Middle East and other geographies. International ASP stood broadly flat YoY at Rs.5,833/unit and grew 10.7% on QoQ basis as the sunglasses share of units.
- India eye tests grew 20% YoY to 0.8mn. This supported 28.8% YoY growth in eyewear units to 2.1mn units.
- Quarterly transacting customer accounts grew 23% YoY to 1.2mn during the quarter.
- The company added 22 net stores (12 in Southeast Asia, 3 in Middle East, 2 in Japan and 5 in other markets), taking the total store count to 756 in international markets.
- Product margins expanded by 160bps YoY to 77.1% in Q2FY27 supported by Meller and Owndays integration into the supply chain and a higher-margin sunglasses mix.

Exhibit 4: Key Metrics- International Business

Operating metrics	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
No. of eye tests (mn)	0.7	0.8	0.8	0.8	0.8
YoY Growth (%)	16.7%	14.9%	14.3%	17.1%	20.0%
No. of Eyewear units sold (mn)	1.6	1.5	1.8	2.3	2.1
YoY Growth (%)	14.3%	25.0%	28.6%	34.1%	28.8%
Quarterly Transacting customers (mn)	1.0	0.9	1.0	1.2	1.2
YoY Growth (%)	18.8%	11.3%	30.0%	22.0%	23.2%
Net new stores added during the quarter	9	26	13	16	22
No. of active stores	679	705	718	734	756
Financial metrics	**Q2FY26**	**Q3FY26**	**Q4FY26**	**Q1FY27**	**Q2FY27**
Revenue from operations (₹ crore)	927.8	935.9	1054.0	1203.0	1201.0
YoY Growth (%)	26.2%	32.7%	35.4%	38.0%	29.4%
Product Margin (₹ crore)	700.2	709.1	807.7	927.0	926.0
Product Margin (%)	75.5%	75.8%	76.6%	77.1%	77.1%
YoY Growth (%)	28.4%	36.3%	38.0%	40.0%	32.2%

Source: Company, ICICI Direct Research

25% EBITDA margin target driven by ownership of all seven profit pools across the value chain

Lenskart aims to achieve 25% EBITDA margin (pre-Ind AS 116) through its integrated factory-to-face model, wherein it controls all seven profit pools – brand ownership, frame manufacturing, lens manufacturing, fitting, retail, R&D and operating systems. The company has built in-house capabilities across these functions, including owned or exclusively licensed brands, frame manufacturing at its own plants, lens surfacing and coating laboratories, centralised fitting, company-owned retail stores and online channels, and in-house R&D for materials, processes and design. This enables Lenskart to capture margins across the entire value chain rather than sharing them with multiple intermediaries, while ensuring better quality control, operating efficiencies and continuous product improvements. Management believes that increasing the contribution from these seven profit pools will drive a gradual improvement in the overall EBITDA margin towards its 25% target.

Exhibit 5: Seven pools of profit

Profit Pool	What we own today	What moved in the last twelve months	What is still ahead
Own brands	Most frames and lenses sold are brands we own or hold exclusively, designed and made by us	Q2 FY27 YoY India ASP: +6.9%; Product margin : 60bps improvement YoY	More brands owned, acquired or exclusively licensed; specialised, IP-led products
Own frame manufacturing	Plants in India, China and Thailand (JV); own moulds and processes	Q2 FY27 YoY in -house frames : +71.7%	Backward integration into tooling and plating; more in India; mould cost per piece falls with scale
Own lens manufacturing	Progressives, complex powers and coatings	Q2 FY27 YoY in -house lenses : +52.2%	More in India, more markets served from India; raw material, process, coatings; sun, contact and myopia -management lenses
Own edging and fitting	Nearly every India pair made in Bhiwadi or Manesar; Bhiwadi 75% automated	Q2 FY27 YoY India eyewear units : +26.5%	More automation, robotics and utilisation; bulk pre-making on data; scale; Hyderabad, 50 Mn pairs, 12 months out
Own channels	3,624 stores, app, home eye test; 1 Cr Gold members; every eye test on record	Q2 FY27 SSSG : 20.8%; India rent : 5.7% of revenue vs 6.1% last year	Every point of SSSG; data -led conversion, staffing, merchandising, logistics; marketing efficiency
Own R&D and innovation	Frame and lens materials, coatings, progressive, process and mould design	Over the year: progressives a larger share of mix; night -drive lenses, Air and B launched	R&D in lens design, frame materials, process and mould design
Own tech -first operating model	The whole stack, built in -house: POS, eye -test software, store opening, replenishment, hiring, Factory Management System, logistics, support, CRM	Over the year: AI into hiring, training, calls, warranty, replenishment, site selection	100 million pairs and 10,000 stores without people and overheads growing in step; operating leverage into margin

Source: Company, ICICI Direct Research

Q2FY27 Earnings call highlights

- **Revenue growth to remain volume-led, driven by customer acquisition**
    - India remains an underpenetrated market and the company sees significant headroom to expand its customer base. Management reiterated that its focus remains on expanding the eyewear market and increase volumes.
    - The company aims to expand its range of affordable products while also increasing premiumisation through progressive and premium lenses which leads to higher ASPs. Along with this, existing customers purchasing more pairs will help drive volumes. Management highlighted that units per customer increased from 1.8 to 1.9 units.

- The company will continue expanding its product portfolio and acquire more customers rather than actively maintaining ASP at a particular level.
- Hustlr Club, which offers a complete pair of glasses for Rs.500, is aimed at attracting first-time eyewear buyers. The company is increasing domestic manufacturing of Hustlr products. Management believes this initiative will help bring the next 100 million Indians into the Lenskart ecosystem.
- The long-term target remains selling 100 million pairs annually in India.

- **International growth to remain volume-led; ASP to remain flat**
  - Management aims to continue driving international growth through a wider product range, competitive pricing and a strong customer experience rather than increasing ASPs.
  - Markets such as Singapore and other Southeast Asian markets will provide significant opportunities to grow due to the high prevalence of myopia and the relatively high prices customers pay for eyewear. Lenskart aims to offer better value to customers in these markets at a given price point which could lead to higher volumes with increasing customer base.
- **Store expansion to continue, with focus on Tier 2 markets**
  - Management indicated that store addition in FY27 will broadly be in line with the previous year (603 stores were added in FY26), with increasing focus on Tier 2 markets and entry into new cities. The company is opening 1.8 stores per day, continuously expanding the store network.
  - Management indicated that long-term target remains selling 100mn pairs annually and operating 10,000 stores.
- **Integration of India and International supply chain leading to better product margins**
  - Currency depreciation against the RMB remains the key challenge for India product margins, which management is addressing through higher domestic manufacturing and investments in Thailand and China.
  - Management highlighted that deeper integration of the India and international supply chains will support further product margin improvement. India-made lenses are already being supplied to international markets, while frame manufacturing capabilities are being expanded across India, China and Thailand.
- **Margin outlook: 25% EBITDA margin (Pre-IND AS) in the long term**
  - Management highlighted that revenue growth and profitability are positively correlated, as higher volumes allow fixed costs to be spread over a larger revenue base. It expects margins to expand with increase in volumes and in-house manufacturing.
  - The company is increasing in-house manufacturing of frames and lenses across India, China and Thailand to reduce dependence on external vendors and retain more margins. In-house frame production increased 72% YoY in Q2FY27, while lens production grew 52%. It is also increasing domestic manufacturing of premium lenses, tooling and plating.
  - The upcoming Hyderabad facility is designed to manufacture 50 million pairs annually under one roof. Management expects it to take manufacturing capabilities to the next level, with the benefits becoming visible around 12 months after commissioning.

- Retail store network also provides operating leverage as store rent and employee costs are largely fixed. Growth at existing stores with increasing customer acquisition is expected to improve profitability.
- Management targets 25% EBITDA (pre-IndAS 116) margin over the long term. This will be driven by ownership of the entire value chain, in-house manufacturing, automation, scale benefits, own brands, R&D and technology-led operations.

Revision in earnings estimates

We have broadly maintained our earning estimates for FY27E and FY28E. We will keenly monitor the performance in H2FY27 to make any material revision in the earnings estimates.

Exhibit 6: estimates

(₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	11606.1	11694.2	0.8	14533.9	14758.0	1.5
EBIDTA	2644.7	2594.7	-1.9	3475.2	3424.1	-1.5
EBIDTA margin (%)	22.8	22.2	-60	23.9	23.2	-71
PAT	942.5	934.9	-0.8	1424.2	1410.0	-1.0
EPS (Rs.)	5.4	5.4	-0.8	8.2	8.1	-1.0

Source: Company, ICICI Direct Research

Exhibit 7: Key Operating Assumptions

Particulars	FY26	FY27E	FY28E	FY29E
Consolidated				
Stores	3326	3881	4381	4856
Volumes (in mn)	35.3	45.2	55.7	67.1
YoY Growth (%)	29.8%	27.9%	23.5%	20.3%
Average Selling Price (In Rs./unit)	2496.9	2589.8	2647.2	2719.9
YoY Growth (%)	2.1%	3.7%	2.2%	2.7%
Revenue (In Rs.cr)	**8814.0**	**11694.2**	**14758.0**	**18242.9**
YoY Growth (%)	**32.5%**	**32.7%**	**26.2%**	**23.6%**
India Business				
Stores	2609	3109	3559	3984
Volumes (in mn)	28.8	36.6	45.1	53.9
YoY Growth (%)	25.7%	27.2%	23.1%	19.4%
Average Selling Price (In Rs./unit)	1828.1	1910.3	1958.1	2007.0
YoY Growth (%)	3.1%	4.5%	2.5%	2.5%
Revenue (In Rs.cr)	**5264.8**	**6999.5**	**8832.9**	**10812.8**
YoY Growth (%)	**29.7%**	**32.9%**	**26.2%**	**22.4%**
International Business				
Stores	717	772	822	872
Volumes (in mn)	6.5	8.5	10.6	13.2
YoY Growth (%)	51.5%	31.0%	25.0%	24.0%
Average Selling Price (In Rs./unit)	5830.2	5888.5	5947.3	6006.8
YoY Growth (%)	-5.2%	1.0%	1.0%	1.0%
Revenue (In Rs.cr)	**3789.6**	**5013.6**	**6327.5**	**7927.6**
YoY Growth (%)	**43.6%**	**32.3%**	**26.2%**	**25.3%**

Source: Company, ICICI Direct Research

Financial summary

Exhibit 8: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Total Operating Income	**8814.0**	**11694.2**	**14758.0**	**18242.9**
Growth (%)	32.5	32.7	26.2	23.6
Raw Material Expenses	2735.7	3477.5	4382.3	5326.2
Gross Profit	6078.4	8216.7	10375.7	12916.7
Gross Profit Margins (%)	69.0	70.3	70.3	70.8
Employee Expenses	2043.6	2623.0	3316.2	4116.9
Other Expenditure	2281.8	2999.1	3635.3	4344.6
Total Operating Exp.	7061.1	9099.6	11333.8	13787.7
EBITDA	**1753.0**	**2594.7**	**3424.1**	**4455.2**
Growth (%)	79.7	48.0	32.0	30.1
Interest	178.5	248.3	262.2	260.9
Depreciation	1048.4	1178.7	1345.3	1515.4
Other Income	174.3	136.3	147.3	165.7
PBT	**700.4**	**1304.0**	**1963.9**	**2844.6**
Less Tax	182.5	365.1	549.9	796.5
Adjusted PAT	517.9	938.9	1414.0	2048.1
Profit or loss from Associates	-4.4	-4.0	-4.0	-4.0
Adjusted PAT	**513.5**	**934.9**	**1410.0**	**2044.1**
Exceptional Items	-12.6	0.0	0.0	0.0
Reported PAT	**501.0**	**934.9**	**1410.0**	**2044.1**
Reported EPS	**3.0**	**5.4**	**8.1**	**11.8**

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit/(Loss) before taxation	526.1	1167.7	1816.6	2678.9
Add: Depreciation & Amort.	1048.4	1178.7	1345.3	1515.4
Add:Other income	174.3	136.3	147.3	165.7
Tax	182.5	365.1	549.9	796.5
Net Increase in Current Assets	-2008.5	290.3	-829.8	-914.9
less: 'Net Increase in Current Liab.	-308.3	-359.8	-368.3	-416.9
CF from Operating activities	**-133.8**	**2767.7**	**2297.9**	**3065.5**
Investments & Bank bal.	107.2	-2338.7	-1500.0	-1600.0
(Purchase)/Sale of Fixed Assets & Intangible Assets	-2239.8	-1125.0	-1161.6	-1164.3
Goodwill	-322.1	0.0	0.0	0.0
Others	-208.4	-26.2	-27.6	-29.1
CF from Investing activities	**-2663.0**	**-3489.8**	**-2689.2**	**-2793.5**
(inc)/Dec in Loan	293.9	0.0	0.0	-103.3
(inc)/Dec in lease liabilities	650.2	217.8	224.6	82.0
Change in equity & reserves	2294.8	11.3	12.5	13.7
Dividend paid	0.0	0.0	0.0	0.0
Deferred tax liability & others	44.3	12.2	13.1	14.1
CF from Financing activities	**3283.1**	**241.3**	**250.1**	**6.5**
Net Cash Flow	486.3	-480.9	-141.2	278.5
Opening cash	487.1	973.4	492.5	351.3
Closing cash balance	**973.4**	**492.5**	**351.3**	**629.8**
Free Cash Flow	-1065.4	1850.8	1266.3	2051.2

Source: Company, ICICI Direct Research

Exhibit 10: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	347.3	347.3	347.3	347.3
Reserve and Surplus	8391.2	9330.1	10744.1	12792.2
Total Shareholders funds	8738.5	9677.4	11091.4	13139.5
Non-controlling interest	113.2	124.6	137.0	150.7
Total Debt	909.2	909.2	909.2	805.9
Lease Liabilities	2877.0	3094.8	3319.4	3401.4
Deferred Tax Liability	172.7	172.7	172.7	172.7
Long-Term Provisions	114.4	120.2	126.2	132.5
Other Non Current Liabilities	64.3	70.7	77.8	85.6
Total Liabilities	**12989.4**	**14169.5**	**15833.6**	**17888.2**
Gross Block - Fixed Assets	7570.5	8687.3	9868.9	11033.2
Accumulated Depreciation	2028.4	3207.1	4552.4	6067.8
Net Block	5542.1	5480.2	5316.5	4965.4
Capital WIP	111.9	120.0	100.0	100.0
Fixed & Intangible Assets	**5654.0**	**5600.2**	**5416.5**	**5065.4**
Goodwill	2197.7	2197.7	2197.7	2197.7
Investments	230.1	230.1	230.1	230.1
Other non-Current Assets	661.2	687.4	715.0	744.1
Inventory	1037.0	1666.0	2102.5	2599.0
Debtors	174.7	208.3	262.8	324.9
Current Investments	341.0	2750.0	4000.0	5500.0
Other current assets	471.2	518.4	570.2	627.2
Loans	2102.8	1102.8	1389.7	1689.0
Cash	973.4	492.5	351.3	629.8
Bank balance	570.3	500.0	750.0	850.0
Total Current Assets	5670.4	7237.9	9426.5	12219.9
Creditors	952.1	1281.6	1617.3	1999.2
Provisions	93.3	102.6	112.9	124.2
Other Current Liabilities	378.5	399.6	421.9	445.6
Total Current Liabilities	1423.9	1783.7	2152.1	2569.0
Net Current Assets	4246.5	5454.2	7274.4	9650.9
Application of Funds	**12989.4**	**14169.5**	**15833.6**	**17888.2**

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per share data (₹)				
Diluted EPS	3.0	5.4	8.1	11.8
Cash EPS	9.0	12.2	15.9	20.5
BV per share	51.0	56.4	64.7	76.5
Operating Ratios (%)				
Gross margins	69.0	70.3	70.3	70.8
EBIDTA margins	19.9	22.2	23.2	24.4
Adjusted PAT Margins	5.8	8.0	9.6	11.2
Asset Turnover (x)	1.3	1.4	1.6	1.7
Return Ratios (%)				
RoNW	6.8	10.2	13.6	16.9
RoCE	13.6	18.9	23.6	27.9
RoIC	9.6	14.6	21.3	29.0
Valuation Ratios (x)				
P/E	244.1	134.1	88.9	61.3
EV / EBITDA	72.6	48.4	36.4	27.5
EV / Net Sales	14.4	10.7	8.4	6.7
Market Cap / Sales	14.2	10.7	8.5	6.9
Price to Book Value	14.2	12.8	11.2	9.4
Solvency Ratios				
Debt / EBITDA	0.4	0.4	0.4	0.3
Net Debt / Equity	0.2	0.0	-0.1	-0.2
Inventory days	43	52	52	52
Debtor days	7	7	7	7
Creditor days	39	40	40	40
Operating cash cycle	11	19	19	19

Source: Company, ICICI Direct Research

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