



Lenskart Solutions Limited

Q2 FY'26 Earnings Conference Call

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MANAGEMENT:

Peyush Bansal – Co-Founder and Chief Executive Officer, Lenskart Solutions Limited

Abhishek Gupta – Chief Financial Officer, Lenskart Solutions Limited

Nikunj Mall – Head of Investor Relations, Lenskart Solutions Limited

Moderator:

Ladies and gentlemen, good morning and welcome for Lenskart Q2 FY '26 Earnings Call. To present the results, we have with us Mr. Peyush Bansal, Co-Founder and Chief Executive Officer, Mr. Abhishek Gupta, Chief Financial Officer and Mr. Nikunj Mall, Head of Investor Relations. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during the conference call, you may use the chat option to interact with the moderator. Please note that this conference is being recorded. I now hand over the conference over to Mr. Nikunj Mall, Head of Investor Relations from Lenskart. Thank you and over to you sir.

Nikunj Mall:

Thank you Neerav. Good morning everyone and thank you for joining Lenskart earnings call for the second quarter of fiscal year 2026. Before we begin, I would like to remind you that some of the statements we make today may be forward looking in nature and are subject to risks and uncertainties.

The conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. We have uploaded our Q2 results and a detailed shareholder's letter on our website and stock exchanges.

Please note that during the call, consistent with our IPO prospectus, the financial numbers we are going to be presenting are referring to the pro forma financials for like-to-like comparison unless stated otherwise. Reported financial statements reflect acquisition of Dealskart, Meller and GeolQ from their respective transaction closing dates. Pro forma financial statements present the financials as if the acquired business had always been a part of the company and hence represent a clearer business trajectory.

For instance, international growth, the reported financials would indicate a higher Q2 revenue growth of 34% YoY due to inorganic addition of Meller during the period. Hence, pro forma financials of 26% revenue growth are a better representation on a like-for-like basis. Similarly, in India, the underlying actual business growth for Q2 FY '26 is 22% Y-o-Y as reflected in the pro forma financials.

However, it will appear as 13% basis reported financials. This disparity exists because in the last year Q2 numbers as per reported financials did not consolidate Dealskart and was higher than the actual secondary customer sales because of higher B2B primary sales between Lenskart and its master franchisee Dealskart ahead of the festive season stocking. In addition, our reported EBITDA is excluding other income and includes all ESOP costs and R&D expenses.

With that, I would now turn over the call to Peyush.

Peyush Bansal:

Hi, Good morning, everyone. I am really thankful for all to joining the call today. I am grateful to all of you for putting faith in us with your capital and also with your eyes. Thank you. At Lenskart, we have spent a decade with one single mission. How do we get vision correction and a high quality pair of glasses accessible to everyone?

We think it will take a decade more at least for us to make any kind of impact. The journey towards vision for billion has just begun. If you look around you, you will easily find six, seven out of 10 people wearing glasses.

This has grown increasingly as the time we spend on digital screens has increased. Our view is that almost half of India today, more than 750 million people need vision correction. About 70% of adults and 40% of children in India have some form of vision impairment.

This isn't just a market, it's a fundamental human need. And we believe we are not just participating in this market, we are catalyzing market creation. In H1 FY '26, we conducted 9.3 million eye tests in India, up 47%⁽¹⁾ year on year. But here's the number that matters most to us. 46% of these were first time users. People who didn't know they needed vision correction until we made eye testing accessible.

The majority of them discovered a prescription issue and bought their first pair of glasses at Lenskart. This is why we started Lenskart, to transform India from the blind capital to the world of vision capital. We are still very early in our journey.

We have less than 5% market share in India. And the solution we are building here are relevant for international markets as well. But how are we doing this? Let me explain. At the core of this problem solving, lies technology. At Lenskart today, we have 500 plus engineers and are one of the most tech invested eyewear companies in the world.

Technology solves three critical problems. Where to open stores, how to scale eye testing, how to deliver everywhere. Our AI platform GeoIQ analyzes 3000 plus variables to identify optical locations, ensuring disciplined expansion and low paybacks.

We have deployed remote eye testing in 500 plus stores in India and even Japan now, allowing one optometrist to serve multiple locations using AI-enabled co-pilots with a high degree of efficiency and quality. We have built a centralized technology-led supply chain that delivers next day in 58 cities and now even same day in some cities. Behind every pair of glasses we ship, there's a network of automation and AI solving real problems at scale.

And this technology combined with our other investments is now creating a meaningful compounding effect. For the last decade, we have been building the pillars of our business. Now these pillars are giving shape to a new phase of sustained compounding.

⁽¹⁾ H1FY26 India Eye-tests YoY growth has been inadvertently stated as 47%, it is 52%

This is our compounding flywheel in action with four interconnected pillars. First, our vertical integration. Our product margin is 69.2% in Q2, is realized through scale and centralization, giving us 35% to 40% cost advantage. We have been scaling in-house frame manufacturing from 4.4 million frames a year in FY '23 to almost 4 million in H1 FY '26. Second is technology-led omni-channel. 45% of our sales are digitally influenced in India.

With our mobile app driving high intent purchases to features like AI virtual try-on, geo-analytics and retail analytics. Third is the Lenskart brand itself. Lenskart brand has high word of mouth that has brought our marketing cost down from 9.7% in FY '23 to 7.5% of revenue in H1 through just brand pull. Fourth is operating leverage. Our store level EBITDA in India is about 33%, including opening large number of new stores, versus our EBITDA pre-Ind AS margin of 13%, giving us large operating leverage runway towards the industry steady state of 25% pre-Ind AS. Importantly, this compounding effect transformed transcends borders and currencies.

The same flywheel that works in India operates profitably in Singapore, Japan, Thailand and the Middle East. We are building a global compounding machine. This flywheel is what drives our sustainable profitable growth.

And you can see this playing out in our financial results. Let me take you through Q2 and H1 FY '26 results. For Q2 FY '26 on a like to like basis, revenue of INR21,466 million up 24% year on year. EBITDA of INR4,258 million up 34.3%⁽²⁾ year on year, representing a 19.8% margin up from 18.3% in Q2 FY '25.

PAT of INR1,130 million up 50% year on year, representing a 5.3% margin up from 4.4% in Q2 FY '25. H1 FY '26 highlights : Revenue of INR41,788 million up 25.3% year on year. EBITDA of INR7,908 million up 37% year on year, representing an 18.9% margin up from 17.3% in H1 FY '25. PAT of INR1,937 million up 98.1% year on year, representing a 4.6% margin. What's remarkable is that our H1 PAT of INR1,922⁽³⁾ million is almost equal to our full year FY '25 PAT ⁽⁴⁾.

Our EBITDA margin has improved from 8.3% in FY '23 to 19.8% in Q2 FY '26. A 1,150 basis points expansion in 3 years. This is the math of operating leverage at work. Let me break this down by geography. Our India business grew 24.7% in H1 with a 19.5% EBITDA margin and 13.4% pre-Ind AS margin up from 10% in H1 FY '25.

⁽²⁾ Q2FY26 Consol EBITDA YoY growth has been inadvertently stated as 34.3%, it is 34.5%

⁽³⁾ H1FY26 PAT has been inadvertently stated as INR1,922, it is INR1,937

⁽⁴⁾ It has been inadvertently stated as PAT, it is Adjusted PAT, PAT adjusted for one-time benefit recorded as other income FVTPL amounting INR1,672 Mn

Our stores delivered an adjusted same store growth of 15% consistent with FY '25 levels. Beyond that, we achieved approximately 20% adjusted same pin code sales growth, indicating that we are gaining market share within existing geographies.

The growth was primarily volume driven with eyewear units sold up 24%. We expanded into new cities and went deeper into Tier 2 markets. Our loyalty program Gold now has 7.4 million active members.

Coming to international business. Our international business grew 26.1% in H1 with 18.2% EBITDA margin and 5.9% pre-Ind AS⁽⁵⁾ margin up from 4.7% in H1 FY '25. What's important here is that the majority of the growth came from same store performance. We are leveraging our India capabilities, supply chain, technology, manufacturing to drive growth and profitability across our markets.

Our international strategy is phased and deliberate. Each market is at a different stage. Singapore and UAE are established with market leadership. Saudi Arabia is in early investment phase. Japan and Thailand are scaling with improving economics.

Now let me explain what I mean by market creation. The most important question, what is our runway for growth? Third party reports estimate the Indian eyewear market at \$9.2 billion. While we believe this is a reasonable estimate, we are confident it still understates the true opportunity.

As one of the few scale players in a highly fragmented market, our data reveals a much broader and more nuanced perspective. Our market creation thesis is built on solving problems that have remained unaddressed for decades. Same-day delivery, high-quality eye testing at scale, availability in remote towns as well as right in your neighborhood through centralized manufacturing, reimagining eyewear as fashion with virtual try-on and introducing the first paid subscription program for eyewear through gold membership.

We are pushing the boundaries of eyewear design with creative collaboration including Batman, Harry Potter, Masaba, Hello Kitty and now Pop Mart, bringing new consumers into the category and expanding its relevance. Importantly, our pricing is not determined by competition. We price for affordability and accessibility.

Each of these innovations has had a direct and measurable impact on expanding the market. What we are seeing in quick commerce today reinforces a principle we understood early in our journey. When you remove friction for the consumer, you don't just serve the market, you create it.

⁽⁵⁾ Pre-IndAS EBITDA across the document should be read as EBITDA (pre-IndAS 116)

We began with 4-day delivery, moved to three, then two. Today we deliver next day in 58 cities in India and recently introduced 2-hour delivery service in Singapore. Each step towards greater convenience has unlocked new demand.

So first, we are creating the category. As I mentioned, 46% of our eye tests were for first time users, people who were not part of any market estimate. We are converting latent need into active demand.

Second, our micro market performance proves the depth of demand. In cities across India, across Tiers in India, we have tripled our stores and doubled revenue per store at the same time. Whether it is a metro, Tier A, Tier 2, this is not cannibalization, this is market expansion.

Let me be specific. We have stores opposite each other in locations like Chembur in Mumbai. Over the last 2 years, cannibalization has been minimal. When we add density to a postal code, we are not splitting the same pie. We are doubling the TAM in the postal code. Our runway is therefore not just about capturing share in a fixed market. It is about two powerful vectors of market creation.

One, geographic expansion. We have identified about 2,800 unserved pin codes in our existing 431 cities plus 2000 new towns through our GeoIQ platform where we have no presence but dynamics are similar to our existing towns. Second, market densification. Our data shows we can continue adding stores in existing markets with minimal cannibalization.

When you combine these vectors, the addressable opportunity is multiple times our current footprint, a decades-long expansion runway. And this is not just an India story. The solutions we are building here are relevant for international markets as well.

In Singapore, we are now the largest eyewear player with about 1 out of four people wearing a Lenskart pair of glasses. The playbook is global. We are executing on this with discipline and speed. In H1 FY '26, we added 203 net new stores in India. For the full year FY '26, we are targeting more than 450 net store additions in India.

As we expand, we are also thinking about the future of the category itself. Eyewear hasn't seen a new generation of brands in decades. Traditional brands grew on global platforms. But today's D2C brands need a different ecosystem. We are building the platform for the next generation of eyewear brands. Our house of brands serves different customer segments, John Jacobs for premium fashion, Owndays for quality and value across Asia, Meller for fashion-forward sunglasses, and collaborations like Pop Mart for younger trend-driven consumers.

Meller is a gem. The love for this brand is the best we have seen in many years. It gives us the right price point for fashion sunglasses combined with a strong European design DNA and some of the most aggressive and creative marketing you'll see in the eyewear category. We recently launched it across our network in India and Middle East and the response has been overwhelming.

I encourage you to check it out online or at your nearest Lenskart store. Could Meller be to Lenskart what Ray-Ban is to Luxottica? I don't know, but the potential is certainly there. Our goal is to be the enabling platform for the future of eyewear, bringing customers more choice and helping new brands scale on our infrastructure. But the biggest transformation is yet to come. Customer experience remains central to everything we do.

Our NPS improved from 70% in FY '23 to 79% in Q2 FY '26. AI is becoming the cornerstone of everything we are doing, because we believe it's the only way to solve the problem of vision correction at scale. When you get your eyes tested, AI is helping our optometrists.

When you try on frames, AI is powering your frame recommendations. When you place an order, AI is optimizing our supply chain to get your glasses to you faster. Even when you interview with Lenskart, there's an AI agent conducting most rounds today.

And the future is even more exciting. B, our new smart glasses, allows eyewear to do much more for you and is a core part of our purpose. B will enable hands-free calling, taking photos, videos, real-time translation, AI assistance, food logging, UPI payments, and seamless integration into your digital life all through your glasses.

This transforms us from an eyewear company to an eyewear and data company. This is not just another product. It's a combination of our full stack approach. We are designing the hardware, developing the software, and mobile app in-house, and building it on Qualcomm's advanced AR1 chip. And this is just version one. This is one of the greatest times for us as we look forward.

We are grateful to all our shareholders, customers, employees for your trust. We are excited about the journey ahead. This is still day zero. With that, we'll open the call for your questions.

Moderator:

First question is from the line of Vivek Maheshwari. Please go ahead.

Vivek Maheshwari:

Hi, good morning, Peyush and team. This is Vivek from Jefferies. Since this is the first time that we are speaking to you after your listing, my questions may be a bit basic. But the first one is on your comments in your shareholder letter as well as today on the compounding bit with a focus on margins led by, let's say, operating leverage. Of course, you mentioned that. But now that you're listed, how do you manage or ensure that you don't lose sight of the growth and do not overly focus on the margin? So, that's the first question.

Peyush Bansal:

Thank you, Vivek. Great question. See, in our business, we have been investing for the last decade plus into fundamental pillars which are driving this margin. This margin is not driven by reducing marketing cost or controlling costs in the short-term. They are fundamentally coming from a few pillars which are core to our business. First of them being vertical integration, manufacturing that we have invested.

Our product margin in the last five years, if you see from FY '23, has grown from 64% to now 69%. So, this is a very, very strong pillar that we see in our business. Even as we look at how we acquire customers, our omnichannel approach, today 45% of the sales is digitally influenced.

Our marketing costs have come down from over 9% to 7.5%, not by reducing absolute marketing costs, but by actually just the brand pull and word of mouth. So, we have actually spent more, but the growth has outpaced the marketing costs, which is what is kicking into the business.

And then there is the operating leverage, whether it is the employee cost. There are a lot of fixed costs in the business, like technology costs. So, while we continue to invest in growth, even if you look at examples like B, you know, they are getting funded from the growth itself. I just want to reassure you, growth is our priority.

In fact, I would say, volume growth is our priority. So, I would say, the operating leverage is coming from fundamental pillars in the business, one of which is also the Lenskart brand. It is not coming at the cost of growth.

Vivek Maheshwari:

Got it, Peyush. That is good to know. Two more questions. The second one is on the GST bit. You have mentioned that there has been an impact in the month of September. A lot of consumer companies have had quantified this impact.

Is it possible for you to either quantify what is the impact in September quarter or how October, November, ex of this, once the GST bit settled down, where the numbers are trending? Because you have given some reference to October, November in the shareholder letter.

Peyush Bansal:

Yes. Thank you, Vivek. I was expecting that question. So, overall, I would say we still had a very strong quarter too. We did see demand softening in the month of September because of anticipation of revision in GST rates, but I would say we still did fairly well. What we have seen is this has more than normalized in October and November.

In fact, I would say because we passed the GST benefit to the consumers, we have seen a very, very strong demand coming from consumers in a category like ours. So, I would say, I am not -- we do not give future guidance, but I would say we have seen very, very encouraging signs in demand coming in Q3.

Vivek Maheshwari: Okay, got it. And last one, Peyush. This 10-month payback, you know, what you have mentioned in the shareholder letter, and of course, that is what, let us say, 80% plus of your stores have done in the past also, as given in RHP.

How fixated you are, you know, as you penetrate, and I understand the maths that you have, and it is a brilliant piece of information in the letter about the time via your stores. But how fixated you are to this 10-month payback, number one.

Number two, do you think, and again, sorry if it is a naive question, but let us say you have mentioned about how digital influences users and they in turn walk up to your stores. Is there a possibility that, you know, into the future, you need -- may not need as many stores as you are thinking because customers will be very comfortable, let us say, placing orders online?

I know it is a very personalized category, but do you see that part playing out? So, two parts to this question, and that is about it.

Peyush Bansal: Thank you, Vivek. Yes, I will take that one. So, the first one, sorry, the first one?

Abhishek Gupta: 10 months. Are we fixated on 10 months?

Peyush Bansal: See, we are not fixated on 10 months, to be honest. I think we prioritize growth and market share. You know, our core goal is that we want to serve more and more customers and create the market. We do care about economics and discipline to make sure that it is making sustainable sense for us.

That being said, the geoanalytics platform that we have been building for over 7 years now is becoming more and more powerful. You know, over the last 3 years, as we expanded into Tier 1, Tier 2 cities, we were amazed amount of machine learning that was kicking in.

To give you an example, we already have, you know, a few years back, we had 1,000 stores. And across these 1,000 stores, we had thousands of variables which we were tracking. And the amount of data that was available on the internet was also limited. So, the predictability of the model was up to a certain extent.

But as years have passed by, now today we have over 2,000 stores. And across these 2,000 stores, we track even more variables, plus the data that is available in the cloud is even higher. And when you merge all of this and put it into, you know, regression, the learning of the model is very, very refined.

Today, we track mobility patterns of people on both sides of the street. We know where do people stop. We even know where people are coming from on a particular latitude, longitude, where are they going to. We understand through satellite imagery today, what is happening, you know, what is the growth index of the country, in which part growth is?

In fact, we are no more going into markets where there is retail. We are actually almost the first retailer in any market because the data has become really, really powerful. So, what you see in the payback is not because we are fixated that only 10 months we will open. What is coming out of just pure data and science and analytics, right

So, that, you know, and then the model has got further refined in terms of prioritization. Today, we do not go and say, okay, go open a store in a locality. We started from a city, we moved to a pin code, then we moved to a locality.

Today, we say within 50 meters of this point, right? And even the properties are coming to us on our retail IQ platform, where people, we are only allowed to open. So, I think just the science of it has become very, very strong.

Abhishek Gupta: Yes, I would say it is not, Vivek it's Abhishek here. It is not a constraint. It is a prioritization discipline.

Peyush Bansal: Yes. And the second question?

Abhishek Gupta: Second question is that in future, will the go-to-market evolve and will we make -- it might be a time consuming?

Peyush Bansal: I would say that, you know, if I look at any market in the world, even the developed markets, the population, you can segment into three buckets. There is a population that is buying online. In India, let us say that number is 200 million-250 million. Then there is a bucket which is influenced online, but they are shopping offline. And there is a bucket which is not online at all. Now, in any market you go to, the middle bucket is the largest.

That being said, you know Lenskart's core model leverages into that bucket, because when you are not leveraging into that bucket, a lot of the marketing cause that you are doing is actually going waste, because the consumer is digital, they are coming, your marketing dollars are not changing. So, what a store is really doing is actually becoming the conversion point.

So, let me explain you. So, let us say, you have 100 people coming on the website, and the best case conversion on a website is 4 to 5. Now, even in an evolved market, this 4 to 5, let us say, goes to 10, right? But is 10 good enough? Now, the same consumer today, you know, who is coming on the website, checking out your customer reviews, doing virtual try-on, is ready to convert with a little bit of assistance.

Now, that assistance could come over a call, it could be through an AI stylist, which we have just launched on our app, or it could be in a store. And then that conversion of 100 from 5 moves to 10. And with the store, it moves to 20 to 30. And then you have someone coming to your house to do an eye test, it moves to 35. And that is where the operating leverage and the profitability comes in, right?

What we are seeing today in online is adoption is increasing more and more. In the global markets, we see people are getting comfortable buying eyewear online. But I would still say that the goal that Lenskart is looking at is an omni-channel model where we are not really building omni-channel, we are building omni-consumer in that sense.

And I would say customers are shopping across. We have customers who come online, visit a store, and actually come back and buy online again. A lot of customers are actually going for their first purchase because they want to do an eye test in the store, but their repeated purchases are coming online.

And some, after coming online, call somebody at home to complete their purchase. And this is evolving. So, at Lenskart, I think we see this all as online. But yes, adoption is increasing. We have launched recently a new assistant called B, which is also called B because it's an extension of our glasses, where you can chat with an AI agent. They scan your face.

You can have a live video chat. It's very, very smart. It is in multiple languages. It scans how you look, thousands of facial features. It looks at your clothes and it recommends you real-time the glasses. And that, we have seen very, very great response. We are seeing people spend hours like they would spend in a store.

Vivek Maheshwari: Got it. Fascinating one, indeed. Thank you very much, Peyush and team, for the elaborate answer. And I wish you and your team all the best.

Peyush Bansal: Thank you. Thank you, Vivek.

Moderator: Thank you very much. Next question is from the line of Tejas Shah. Please go ahead.

Tejas Shah: Yes. Thanks for the opportunity. This is Tejas Shah from Avendus. First of all, thanks for very detailed newsletter for sharing very, very minute details. First, impressive SSG 15%, all volume-driven. Peyush, you just spoke about that our focus will be on volume-driven growth. So, just wanted to know, as a strategy, do you think pricing or premiumization becomes a meaningful lever in medium term?

And second, the GST benefit as we kind of pass it on to the customers, just wanted to understand how the category reacts to elasticity when such correction happens. And where does it take our competitive position versus unorganized, in particular?

Peyush Bansal: Thank you, Tejas. Great question. See, pricing definitely plays a role. I think in India, if I look at the overall market, there is a market, which is the middle of the market, where Lenskart has largely been playing. And there is a market, which is below that price point. And there is a market.

And I think, as we stated in our prospectus, we have added market share in both of these. We almost are doing close to 18% business now, below INR2,000, as much we are adding to the 10,000. I think market is evolving and growing on both the sides right now.

But pricing does play a role. I think this market is growing so rapidly. And going back to my point about friction, you know, the more friction we remove from the category, it unlocks latent demand, because a lot of times people need a little bit of trigger.

I'll give you an example. We launched a new service. We have been in the business of selling glasses with prescription with the lenses. We have been a very small player where people bring their existing glasses to change their lenses. Recently, we invested in the supply chain ecosystem. And now we offer a service where you can bring existing glasses from any brand and get lenses replaced. And we saw huge demand of consumers. Now, if you see, lens replacement usually happens at slightly lower ticket size than frame and lens. But we saw great demand, we saw margin sustaining, and more market share coming into the picture.

And I would say GST, coming to your second question, definitely has unlocked more demand, because it was a category which was sitting at 12% GST, which has now come at 5%. And I think the team has done a great job by passing that benefit to the consumer, at not only at every price point, but I would say the lower price points even more to unlock demand. The blue computer glasses at Lenskart, which is what India, digital India needs right now with everybody spending more and more time on mobile, is more affordable than ever. And we have seen great uptake.

Tejas Shah:

Very clear. Second, same pin code versus SSG. You mentioned that 20% same pin code growth versus 15% SSG. Now, this 500 bps gap suggests limited cannibalization. But going forward, how should we think about this number? Usually, has it remained this gap in past or has it narrowed down or it expands with all the gen IQ data or expansion that we are doing that it actually kind of plays positively as we go ahead?

Peyush Bansal:

See, at Lenskart, our goal is to gain market share in every locality. And if you look at a pin code, it is a pretty large area, right? And within a pin code, there are multiple micro markets that exist. So, I would not necessarily say that between SPSG and SSG there is cannibalization. In a city like Bangalore today, you need, I think, 10 minutes or 15 minutes to get to a kilometer. So, at least what our data suggests is there is no cannibalization between SPSG and adjusted SSG.

We do optimize for same pin code sales growth as a business because the way our model works is that we are bringing people online onto our platform, and then we are converting them into the neighborhood. I'll give you a very, very interesting case study that we have done. When we ask people, what is the biggest reason for you to shop at Lenskart?

Invariably across surveys, we say 60% people say it's quality followed by style. But, you know, you'll be surprised despite having 2,200 stores, you can do a survey yourself that what is the biggest reason for you to not shop at Lenskart? People will say, I don't have a neighborhood Lenskart store in the vicinity.

So, yes, coming to your second question, has this trend been the same? Last year, we saw a similar trend of both SPSSG and SSG. We are a very hyper local business. And in fact, I would say a pin code is a very, very large base for us. Within a pin code, there are multiple markets, and then there are micro markets.

Unfortunately, I think we do not track enough data traditionally to be able to segment these consumers. We look at mobility patterns. So, if I am sitting in BKC, people are coming to BKC at a particular latitude, longitude, from what area and where are they going to? Do they come during the day? Do they come in the evening? Are they coming, you know, lunchtime?

It defines what a market is. And I think markets and catchments cannot be seen in the way we have seen them traditionally. There are more data points that need to be applied. And today you have so much data point about with quick commerce or food delivery patterns that are happening. So, that is how at least we look at it right now. And we continue to go deeper in every pin code and we will continue to.

Tejas Shah: Very good, Peyush. Thanks and all the best for coming quarters.

Peyush Bansal: Thank you.

Moderator: Thank you very much. Next question is from the line of Ayush Rastogi. Please go ahead.

Ayush Rastogi: Hi. Thank you so much. A couple of questions from my side. Correct me if my observation is wrong, Peyush. First would be in terms of implied ASP for 2H FY '25, it seems, you know, a high jump from 5,500 sort of a number to 9,000. So, can you just let us know what has led to that? And again, from 2H of FY '25 to 1H of FY '26, if we see there has been a sharp drawdown in terms of ASP from 9,000 to 5,000. That is the first thing.

Second question would be, definitely the margins, you know, have been very good in this quarter or maybe you can say in 1H also. But most of it has come on the back of, you know, reduction in the other expenses, which can be attributed to the marketing expense. So, going forward, what is the thought process for the marketing expense?

Like, can one expect the same momentum to continue? Or like, should we expect maybe a bit increase in the marketing expense, which can dent the margins or maybe like adjust the operating leverage that we would be having as a lever going forward? So, these are the questions from my side.

Abhishek Gupta: Let me take the second question first. I think on the margin expansion, like we discussed earlier, there are three fundamental pillars. First is the product margin improvement. So, if you see in the international markets, we added about 1 percentage point of product margin in this period.

Second is marketing efficiency. And we spoke about marketing already. India has seen about 2 percentage points improvement year-on-year on marketing expense, whereas we have invested more in international on the marketing side.

Then in the other expenses, you also see incentives and commissions have been going down because as we are not adding new franchise stores, the relative share of the franchise commission expense keeps going down and that brings some operating leverage, right? At the same time, you will see overall, you know, fixed cost operating leverage through technology and a fixed infrastructure cost. So, I would say, like Peyush earlier mentioned, the steady state margin in this category globally are about 25%, right?

Nikunj Mall: Pre-Ind AS.

Abhishek Gupta: Pre-Ind AS. And we have added about 10 percentage points in the last few years. Our priority continues to be growth and margin is a normal outcome because there is positive correlation between growth and profitability for us.

Peyush Bansal: And Ayush, thank you. I would just like to add to that. The product margin expansion would also continue in this category. If we look at our international business and we look at mature markets to new markets, we see a delta there because our international markets require technology and supply chain integration, which happens in a phased manner.

As markets get integrated, we start seeing margin leverage coming into the picture. Even in India, moving forward, you will see further margin improvement with economies of scale, more backward integration that is coming into the category as we set up our Hyderabad plant and we integrate more manufacturing into India. Plus, we have launched brands like Meller, which are premium brands, which inherently have a higher margin there.

So, I think there is opportunity for further net margin improvement in the business. And like Abhishek said, the steady state margin in our category is around 25% pre-Ind AS. It is not something that we are committing that will happen in the next two to three years. It is a long runway because growth is our big priority. But in the long term, that is where I think the business will move towards.

Nikunj Mall: And Ayush, can you just clarify on the first question when you are looking at the ASPs, which period and which geographies are you referring to?

Ayush Rastogi: On the international front, for 2H of FY '25 versus 1H of FY '25 or 1H of FY '26?

Abhishek Gupta: Yes. So, if you see our overall growth in international markets, Ayush, you will see about 26% growth year-on-year. Within that, the volume growth is about 16% to 17%. And the price growth or the ASP growth is about 9%. And one of the reasons it can be attributed to is because of the currency impact.

We do not report constant currency financials because we have a natural hedge in our business. We earn revenues in multiple currency beyond INR, JPY, Singapore dollars, Thai Baht, Saudi Riyals.

But at the same time, we also import raw materials into India. So, they kind of offset each other and the net impact is not really significant. But that is the major reason for the ASP increase that you see in the international markets. In the past, trends also that we have seen, the overall currency impact in our net financials is insignificant.

Ayush Rastogi: Okay. But the implied for 2H of FY '25 seems to be, you know, way too high from 5,500 to almost 9,000. So, like, how much would have been led by the FX and how much would have been led by the increase and then again, the sharp reduction?

Abhishek Gupta: The currency impact that I have is about 8% to 9%. The remaining, I am not able to...

Peyush Bansal: Correlate the numbers. We will just check. We will get back to you.

Abhishek Gupta: Why don't we check that again and maybe towards the end of the call, if we can get an answer?

Ayush Rastogi: Sure. Thank you so much.

Abhishek Gupta: Thank you.

Moderator: Thank you very much. Next question is from the line of Shrenik Bachhawat. Please go ahead.

Shrenik Bachhawat: Hi, team. Good morning. Shrenik from Mahindra Mutual Fund. Thank you so much for the opportunity and congratulations on good set of numbers. My first question is, can you throw some more detail on how the growth path will look in the international markets and how do we look at the store additions in the international markets over the medium term? And also, I have seen the Bhiwadi factory, which is very impressive, but how does the manufacturing operations and supply chain operations affect the international markets?

Peyush Bansal: Hi. Sorry. Thank you. Can you repeat the second part of the question once?

Shrenik Bachhawat: So, how does the manufacturing operations and supply chain operations work in the international markets like India we have a great amount of backward integration and our own manufacturing capacities. Do we have our own manufacturing capacities in the international markets as well?

Peyush Bansal: Thank you, great question. And I will answer the second question first and come back to the first one on how we do look at growth in international. So our international markets are relatively new. Over the last few years, the vertical integration has been progressively increasing. We run a hybrid approach where India you would assume, I would say is the core of supply chain and then the last mile is local.

Usually all the high value activities happen in India and then the low cost activities happen locally. We are not yet fully integrated our supply chain across international. In markets like Singapore and Dubai, our supply chain is well integrated because these markets have matured where unit economics are also now very similar to what we see in India in terms of growth, payback, etcetera.

Whereas in other markets, every quarter that passes by, integration is happening right now. So, we operate at a hybrid approach. I think overall as a business philosophy in international supply chain, technology is very centralized. In fact, I would say all financial, HR, all these functions are run centrally.

What we do locally in every geography is marketing and design, which is very, very core for us to succeed in any market. Whether it is the design that works in the market to develop styles, I think traditionally what eyewear players have missed is that design and I have seen even the most global players when they sell their products, they sell the same product that they sell in US as what they sell in Asia.

But if you look at the preferences of consumers and even the face shape, they are very different across these markets and at least the wins that we saw in UAE and Singapore came out of designing to the market, collaborating with partners to the market. So, that is very local. Our marketing is largely content led and social media led, which again it makes very, very big sense to do it.

So, I think we have arrived at a very, very good balance here, which ensures that we run a very, very low cost operation, but at the same time, we do what is needed locally. So, to summarize, I think supply chain integration is underway. It is not where India is, but in the times to come, it will get there.

Coming to the first question on how we think about international. See, I would say international is following our trajectory in India. We are about three years behind India. But one thing which is very heartening for us to see in international is that the operating leverage and profitability is kicking in sooner than it kicked in India.

In India, actually, we see profitability come in at a much later stage. But because large part of the pillar systems, whether it is supply chain and the knowledge that the company has on how to market and the strategy, we are seeing this kick in. If you see our international business and we did not see this in India this early, it was pre-Ind AS negative 4.3% in FY '23.

And it has already reached about 5.9% in H1 FY '26. Now, this is not forced. This is again coming, I think large part of what you see here is coming out of the pillars that we have established locally in India. One thing for us to note is that in international, our margin is about 75% versus 63% to 64% in India, which is 10%, 11% higher and in mature markets, even higher than this.

Now, this is another 11% and in the higher markets, even more differential for us to create value for the customers. And secondly, the myopia rates in our markets is very, very high. In India, we are talking about 60%. In Southeast Asia, the government declares myopia rates at 80%.

If you go to the government of Singapore website, they say 83% of people get myopic by the age of 18. So, the demand is increasing very rapidly. In fact, I would reiterate that the demand in the markets that we operate is also growing very rapidly. In fact, the demand is moving towards D2C brands.

But the solutions that are available in the market, A, do not cater to the styles that the consumers, sorry, the consumers are used to, plus the price points at which they are available are very, very high. Now, if you look at kids, at about 12 years or 6 years, large number of kids get myopic.

The solutions available in these markets cost into hundreds of dollars. And we, with our supply chain, centralized supply chains, and with our economies of scale are able to provide products at even a much large differential in these markets that we have, we do in India. So, I see the opportunity here very, very large.

And it is a multi-market approach, I would say. International, I would say, one should take a longer-term view. We are very positive. In fact, we are very excited. Growth is what matters to us there. And we are taking a very calibrated approach. In FY, till three, four years back in India, we used to open only 50 to 100 stores a year. And then, as we calibrated into markets, we expanded this journey.

And our geo analytics platform right now, we are scaling to international, as we speak right now. Our Tango Eye, which allows us to do retail analytics. And that is why you see same-store growth coming into this category right now. But what you see in international is a combination of markets. When you look at certain mature markets, they are actually very similar to India. So, we are very, very excited and positive about India, about international. I think it is even stronger than India in many ways.

Shrenik Bachhawat: Thank you for that...

Moderator: Shrenik sorry to interrupt, but we are losing your audio.

Shrenik Bachhawat: Am I audible now?

Peyush Bansal: Yes, can you be closer to the -- yes thank you. Please go ahead.

Shrenik Bachhawat: Yes. So, it is last question. So, on the India manufacturing bit, I believe, if I am not wrong, our Bhiwadi capacity had come up three years back and now we are planning a large capex starting December. So is it that every four years, we will have to plan a large capex to cater to the strong growth that we see in India or incrementally, we will have to plan much larger capacities so that we can delay the large capex's every incrementally?

Peyush Bansal: Yes. See, overall, I want to mention that our capex is divided into two parts. There is a structural capex of building civil infrastructure, which is not the majority part of capex. It is a relatively smaller percentage of the capex. And because we are so positive on the latent demand that is coming into both India and international.

It is better to invest in it ahead of time because it takes approximately 2.5 years for the infrastructure to come up. And then the machinery, which is the larger part of the capex is normalized and invested in closer to how we see the demand coming up. That being said, right now, we are investing in Hyderabad, but as we speak, our Bhiwadi utilization is already at 64%.

Our Hyderabad plant is still about 18 to 24 months away. By that time, this utilization will go up further. And that is when this plant would come in. I do want to iterate that through these factories, we are not just creating backward integration. We are actually taking customer experience to the next level and which is what is driving this growth and which I mentioned about in the market creation.

Today, we are delivering in 58 cities next day through one factory in Bhiwadi, right. And as we see, when we move from four day to one day, the demand that got unlocked was very, very massive for us. Because even sitting in the same city, people were not able to do that. Our overall investment in Hyderabad is also to create that customer experience right now.

It is not necessarily to say that every dollar needs a capex investment, we have capacity right now. But right now, we have to think about long term, we are just scratching the surface, but it is, I know we have capacity, but at the same time we have higher demand than the capacity we will create we have in the next few years.

Abhishek Gupta: Yes and look we are looking to expand in the next three years, 3x of the current capacity, which will -- in anticipation of the growth that we are seeing. So, this is an upfront investment.

Peyush Bansal: Yes and it is in a phased manner. Civil infrastructure, if I am investing a dollar, it is about 20% of that dollar, 20 cents of that dollar, remaining of that happens in a phased manner like we did in Bhiwadi. So, I think we feel quite comfortable about it.

Shrenik Bachhawat: Thank you for the detail response and all the very best.

Peyush Bansal: I just want to add to this, one of the things that we are also doing increasingly now is moving frame manufacturing into India. And that we see we are able to manufacture in India and save at least 20%, 25% on the cost when we do it in India and our ability to do engineering innovation is much higher, our lead time reduces, so working capital also becomes better.

So, these investments are also fueling margin expansion, lead time reduction, higher innovation, which is what India needs right now. And what we have done in Hyderabad

particularly is we have opened, the location is very strategic, it is about seven minutes away from the airport. And so, the access we get into the international markets is very large.

Nikunj Mall:

And just wanted to get back to the previous question on the ASP. Ayush, I think the numbers you are looking at are not like-to-like probably the volume which you are considering for H2 FY '25 or the full year FY '25 is excluding Meller and the shareholder letter which represent data including Meller for H1 25. So, hence the delta which you are getting reduces the volume, which is showing a higher ASP, there is no material movement in H1 '25 to H2 '25 on ASP. Of course, we can connect offline to go through the reconciliation post call.

Moderator:

Thank you very much. Next question is from line of Mihir Shah. Please go ahead.

Mihir Shah:

Hi, Peyush and team. Thank you for taking my question. This is Mihir Shah from Nomura. Firstly, congrats on a good set of numbers. Usually, when one looks at the throughput per store in a metro versus a Tier 1 or Tier 2, there is a materially higher difference between both of those stores. But believe your throughput appears between these, between the metro stores and the Tier 1 does not appear to be much materially very large.

Wanted to understand if that is a correct understanding and if so, what is driving higher throughput per store in the Tier 2 stores similar to the ones that is there in the metro stores? So, that is question number one.

Peyush Bansal:

Thanks, Mihir. Great question. I think I would say it is slightly better only in Tier 2. That has been our learning. See, I think what we are seeing is that the availability of more high quality and professional opticians in Tier 2 is relatively lesser than what you see in a metro and a Tier 1.

And there is, in fact, even a larger set of population which is coming into the category for the first time in these markets as we go increasingly there. And when we look at new people that enter into the category, for them Lenskart is a preferred choice for the majority. So, what we are seeing and we are seeing this across, right, we have now thousands of Tier 2 plus stores. And even this year, we have added 94 odd stores in Tier 2, 93, 94 stores in Tier 2.

Now, what we are seeing here, in fact, is lower rentals, similar throughput, slightly larger size stores, which are coming into the picture. And so, I think in the longer term, these stores will do very well. We have ourselves been very, very pleasantly surprised or presently happy with the demand that is coming in this, whether we look at Ayodhya or you look at Srinagar, the demand for eyewear consumption that we are seeing coming into these markets is very high.

I think they are looking at this category very differently. It is almost like when you skip a generation, because, when a lot of people did not get to the laptops, they got to the same,

straight to the mobile. So, I would say I would attribute it to that. I recently spent, last year, the whole management team, we went to Vellore and we drove from Chennai for about 4, 5 hours.

And the store is not even in Vellore, it is actually towards the edge of Vellore, just near VIT. And we spent about a day there, and we were amazed to see the way people look at fashion there. I think for a lot of us, we have a pre-notion about this category, that it is not fashion, I should not change my glasses that often.

But when we see the new incumbents in the category, they are coming with a very, very clear and fresh mindset. They do not see why should I not buy two pairs. In fact, their demand is why, when will you have an offer which will allow me to buy three pairs. So, I think the demand here is going to be continued to be high, and we are also quite pleasantly happy with what we are seeing there.

Mihir Shah:

Interesting points highlighted, Peyush. Thank you for that. Secondly, I wanted to just check if you can possibly share, what is the average ASP difference for you versus the other players in the international markets like Singapore, Japan, Saudi Arabia. I mean, and maybe even for India, if you can, if you have done some study on what is the average pricing and the differential between you and the other folks? Thank you. And I will come back in the queue for other questions.

Peyush Bansal:

Firstly, I want to say thanks, great question. I think, see, we do not price the competition. I think, and for over a decade now, I think we have been very obsessed with customers and not competition. I think we look at accessibility, we look at which is the category and we also are quite empathetic towards certain segments.

One thing I would tell you about India is the price at which I feel we are able to today provide a pair of glasses to a customer would largely be similar to what it would cost majority of the market to, as a retailer to buy that pair of spectacles, right?

So, the differential is large. I think we have been, one thing which we are super obsessed about a company is cost, right? I do think as a discipline for over a decade right now, and it does not stop, I mean, we run it, we run Kaizen every day that passes by, every quarter that passes by, and there is always more that we find.

We have a dedicated commercial team in the company and a set of engineers which are trying to find efficiency in every corner, every inch of a box to a packaging, to a tray, to a process engineering that we look at.

In international, and then there are certain products where we also invest for in the long term. I will give you an example in international, from a market like Singapore, we feel that in the years to come, kids as a category is going to be very big because kids used to be 20% myopia. Today, it is 40%-50% in India.

In international markets like Singapore, where data is very well published, this number is already 60%-70%, and by the age of 18. So, we are investing heavily in this market. We also are very empathetic towards kids.

So, in a market like Singapore, where average kids glasses would cost \$300, \$400, our starting price point for kids glasses for two pairs, including lenses is \$50. So, that delta is very wide. So, I think we play depending on a combination of markets where the growth is going to be for the future, what do we need to do for the present, and then the strategy is very different when it comes to the premium segments.

But we want to be a brand for all. We operate at all price points. But one thing which I would say we do at all price points, whether you buy at \$10, \$50, or you buy at \$400, the value differential you would get at Lenskart would be 60%-70% is what we aim towards in getting there.

Of course, this value differential grows much higher as you go towards premium price points. And we do not differentiate on quality and promise across price points. So, you can buy INR1000 product from us, and you can buy INR20,000 product from us. Our service levels for you is going to be, in fact, our store staff today is not incentivized on value. They are incentivized on number of customers, not just in India, but globally.

So, our view on this is that we do not look at what competition is doing. We look at what is unlocking. Even as GST came in, I think we were very clear that India needs BLU Lenses. And now, I do not think this is driven by competition, but we just think with India being one of, and Asia being the areas where screen time is so large, everybody will feel better if, their eyes will be better if they wear BLU Protection Lenses. So, we priced, we made, we slashed the prices there the most.

Mihir Shah: Great. Thank you, Peyush. Wishing guys all the very best. You guys are doing a good job on the product side and the services side. Thank you and all the very best.

Peyush Bansal: Thank you, Mihir. Thank you.

Moderator: Thank you very much. Next question is from line of Amit Purohit. Please go ahead.

Amit Purohit: Yes. Hi. Good morning. Thank you for the detailed press release and explanation on the questions. Two things I wanted to understand. One on the competitive scenario, wherein what I wanted to know is that there are many unorganized guys as well. And you have highlighted in the DRHP also the share of organized is pretty low.

And I try to look at what are the key differentiated unorganized guys would be probably offering maybe a relationship, a specific brand or a quicker delivery. Whereas now with the new facility in Hyderabad, some of these things will be addressed by you and just your thoughts on why are the unorganized guys not able to launch some one plus one free offer?

Is it because of the backend infrastructure that they lack? And that becomes an added advantage for us. And plus the quicker delivery comes in. So probably next 2, 3 years, we may see a better growth, even faster growth and not just 20%. Is that a scenario possible?

Peyush Bansal:

Thank you, Amit. See, I think, yes, faster growth is what we aspire for. Faster yet managed growth is what we aspire for. I think one of the things that we have built Lenskart is on and I think you can walk into any Lenskart store globally. One number, I can understand a store staff not knowing their sales, but they would definitely know their net promoter score. Right.

And that is a number that we see is a leading indicator of our growth. And under any circumstance, that number supersedes even our expansion. We would never let that number drop, not in India, not in international. And we started our journey net promoter score from 40 to 48 to 50, and the journey to 60 to 70, and now 79. And what we have seen is that once you cross 70, every point takes more work than the last 10 points ever took. So I think for our, what we have seen is that it is difficult. I would say, I have never even really looked at, and at the company we do not obsess over competition.

I think everybody in India, considering the problem the way it is. And globally also now we need more players to unlock accessibility in the market, and everybody plays their role. And like you said, local opticians or the unorganized opticians bring a level of touch and personalization, but our endeavor into go deep into customer. I would say people buy from Lenskart.

Of course, there are fundamental pillars of quality, of the way we cut our lenses, but it goes beyond these pillars. It goes into the culture and the fabric of how we work? We believe in the principle that good is not good enough.

I mean, when I will give you example, when we say delivery next day, we have a choice to measure it using average or we have a choice to measure it using P99. So when we say we deliver next day, we deliver it not 80% next day, and then the balance 10% will come in the second day, and then the last 10% will have a three to four day tail, that is what we have seen in most of the logistics ecosystems around.

And that is why we had to invest in a proprietary logistics ecosystem where we commit ourselves, that either we will deliver next day or we will give you 50% of your money back, and that gets credited without you asking for it. You don't need to make a call, and that pushes the bar every day. And that is why we deliver with 95%, 96%, 97% reliability. This is just one example of how.

So I think why people, this is a slightly longer answer of why people choose Lenskart? It's not one answer. I think it's because what we believe is good today is not going to be tomorrow. We don't think we have found any mousetrap.

Even if you look at packaging today, we are moving towards sustainable packaging. We don't need to. I don't think the market today is talking about sustainable packaging. A market like Singapore, we have already moved to sustainable packaging. So when we look at our business -- and consumers look, we believe that satisfaction is not good enough.

It is all about delight. It is all about whether we will become a part of the dinner conversation today or not. And so decisions are based on that. Every Tuesday, the whole management sits for the first two hours in the morning, 9 to 11. And we do a call with store managers across the globe where they tell us what customers are saying. A chart is made.

I have a detail -- I have a dedicated person in my CEO office who is then tracking every detail. And that detail is what matters in the long term. You know, in airport, I was there, a few days back when we had come for the IPO ceremony and someone I bumped into the airport, they said, I'm shocked that they deliver glasses to my gate in our airport store just within 20 minutes.

So I can place an order at the airport store. There's a remote optometry, which is 24 hours, which happens sitting in Kolkata. And after you place an order, somebody brings it to the lounge or to the door. I think that last mile of customer experience is what brings customers back into the Lenskart ecosystem.

Amit Purohit:

Thanks a lot. Just one thing. The Hyderabad facility will further improve our logistics and deliverability?

Peyush Bansal:

Absolutely. I think there is no end to this, because, like I said, this is a Kaizen. We will improve it before Hyderabad comes up further. And with Hyderabad, we will take it to the next level. I mean, we have worked very hard to make sure that this location is close to the airport and every minute counts in our business. So, yes, today, Bhiwadi, where we are, is about two hours away from the airport.

This is seven minutes away from the airport. So there is going to be. In Singapore, we just launched a two-hour service, and we have seen amazing response and unlocking of demand like never before for contact lenses. And we continue to experiment and innovate to make the service better and better every day.

Amit Purohit:

And the last question is, just on trying to get some data points on the balance sheet side. There is some intangible assets which is figuring in queue to balance sheet, which is intangible assets under development. Is that, any explanation on that?

Abhishek Gupta:

Yes, I'm Abhishek here on the balance sheet size. This is a good question. Good catch, actually. This is the goodwill and intangibles that we have capitalized as a part of our purchase accounting for the Meller brand. So it is, we do not capitalize any internally generated software or any R&D. This is something which is part of the goodwill purchase accounting.

- Amit Purohit:** Sure. Thanks a lot.
- Moderator:** Thank you very much. Next question is from the line of Pallavi Deshpande. Please go ahead.
- Pallavi Deshpande:** Yes. I just wanted to understand on the Crizal lens that we offer in Singapore is not widely offered in India. Any particular reason for that?
- Peyush Bansal:** I will check, but we do not offer Crizal lenses in Singapore. There could be a pilot that the team could be doing. I will recheck on it. But we do not offer Crizal lenses. We offer lenses – it could be a pilot, if you saw it, I understand, but what we do is we offer lenses in four categories.
- We – and maybe we are doing A-B testing to see how customers understand or maybe a quality check. But we offer Lenskart lenses. Then we offer Owndays lenses, which is the next segment of lenses, which we are supplying in India also and also in Japan. And then we have two more brands, Rodenstock and Tokai. Tokai is a Japanese brand. What we got into our portfolio and exclusively in India and now expanding to other markets is they use neuroscience technology.
- We were earlier importing these lenses. Now we are manufacturing these lenses in our factory in Biwadi. Our latest addition is Rodenstock, which is a German lens, which we are also now manufacturing. But I look into it, and thank you for pointing it out. But right now our strategy is to create lens brands for the future. And where we find specific use case or an R&D, then we try to do a license partnership and try to manufacture it ourselves.
- Pallavi Deshpande:** Right. My second just, what do you say, observation or guidance would be that, on the blue block lens, maybe more needs to be done in terms of quality. I have been using one Lenskart blue block lens and it has been giving me a headache. So, just a pointer on that side. That is all from my side.
- Peyush Bansal:** Thank you, Pallavi. Thanks for the feedback. I will be in touch with you. Thanks for sharing this feedback. We do take this very seriously. We invest actually in the whole science of our blue block lenses from material to monomer to coating is done by our R&D team.
- We will be getting in touch with you within minutes of this call and I will be speaking to you to take this feedback, and we will do everything that it takes to get you satisfied.
- Pallavi Deshpande:** Yes, no, this was not for my satisfaction. I'm just saying that since you said, you've said it twice on the call today that you want to take this more widely. So, I'm just worried about any damage to the brand in case it's not fully prepared in terms of quality.
- Peyush Bansal:** No, no, absolutely. Every feedback is crucial for us.
- Pallavi Deshpande:** Thank you.

Peyush Bansal: Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we'll take that as a last question. I'll now hand the conference over to Mr. Nikunj Mall for closing comments.

Nikunj Mall: Thank you everyone for joining. For any further questions, please feel free to reach out to me or write us at investor.relations@lenskart.in. We look forward to seeing you again in next quarter. Thank you.

Moderator: Thank you very much. On behalf of Lenskart, that concludes this conference. Thank you for joining us and you may now leave the meeting. Thank you.