



# FIRST QUARTER 2025 FINANCIAL RESULTS

MAY 7, 2025

NASDAQ: EYE

# DISCLAIMER

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements contained under "Fiscal 2025 Outlook," as well as other statements related to our current beliefs and expectations regarding the performance of our industry, the Company's strategic direction, market position, prospects including remote medicine and optometrist recruiting and retention initiatives, and future results. You can identify these forward-looking statements by the use of words such as "outlook," "guidance," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or variations of these words or other comparable words. Caution should be taken not to place undue reliance on any forward-looking statement as such statements speak only as of the date when made. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. The fiscal 2025 outlook is forward-looking, subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and based upon assumptions with respect to future decisions, which are subject to change. Actual results may vary and those variations may be material. As such, the Company's results may not fall within the ranges contained in its fiscal 2025 outlook. The Company uses these forward-looking measures internally to assess and benchmark its results and strategic plans.

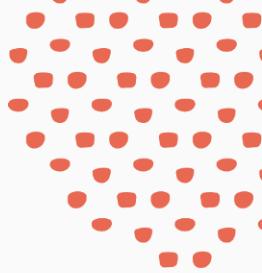
Forward-looking statements are not guarantees and are subject to various risks and uncertainties, which may cause actual results to differ materially from those implied in forward-looking statements. Such factors include, but are not limited to, market volatility, an overall decline in the health of the economy, global macroeconomic conditions and other factors that may affect consumer spending or behavior; our ability to successfully implement our transformation initiatives, or anticipate the impact of important strategic initiatives; our ability to recruit and retain vision care professionals for in-store roles or to provide remote care offerings; our ability to compete in the highly competitive optical retail industry; the success of our marketing, advertising and promotional efforts; our ability to maintain, protect, and enhance the value of our owned brands; our ability to open and operate new stores (including as a result of store conversions) in a timely and cost-effective manner or to successfully enter new markets; our ability to increase sales in existing stores and to successfully reinvest in existing stores; our ability to successfully implement our pricing strategies; changes in the cost of inputs, and factors such as wage rate increases, inflation, cost increases, increases in the price of raw materials and energy prices; significant capital requirements to fund our expanding business including updating our Enterprise Resource Planning ("ERP") and Customer Relationship Management ("CRM"), and other technological, systems and capabilities; the potential for our growth strategy to strain our existing resources and cause the performance of our existing stores to suffer; risks associated with leasing substantial amounts of space, including future increases in occupancy costs; our ability to successfully manage the distinct risks faced by our e-commerce and omni-channel business; our ability to retain our existing senior management team or attract qualified new personnel; seasonal fluctuations in our operating results and inventory levels fluctuate; the potential impacts of catastrophic events, including changing climate and weather patterns leading to severe weather and natural disasters; the potential for certain technological advances, greater availability of, or increased consumer preferences for, vision correction alternatives to prescription eyeglasses or contact lenses, or future drug development for the correction of vision-related problems to reduce the demand for our products; our ability to successfully manage our inventory balances and inventory shrinkage; the potential for the loss of, or disruption in the operations of, one or more of our distribution centers or optical laboratories, which would impact our ability to process and fulfill customer orders and deliver our products in a timely manner, or at all, or result in quality issues; the performance of our Host brands and our ability to maintain or extend our operating relationships with our Host partners; impacts resulting from the termination of our partnership with Walmart; our investments in technological innovators in the optical retail industry, including artificial intelligence; sustainability issues, including those related to climate change; our ability to develop, maintain and extend relationships with managed vision care companies, vision insurance providers and other third-party payors; risks associated with vendors from whom our products are sourced and our dependence on a limited number of suppliers; the impact of any significant failure, inadequacy, interruption or security breach affecting our information technology systems, or those of our vendors; our reliance on third-party coverage and reimbursement, including government programs, for an increasing portion of our revenues; our ability to comply with state, local and federal vision care and healthcare laws and regulations, as well as managed vision care laws and regulations; liability stemming from rapidly changing and increasingly stringent laws, regulations, contractual obligations, and industry standards relating to privacy, data security and data protection; product liability, product recall or personal injury issues; our ability to comply with laws, regulations and enforcement activities or changes in statutory, regulatory, accounting and other legal requirements; the outcome of legal proceedings relating to our business operations; the protection and validity of our intellectual property; risks related to our indebtedness; changes in interest rates; restrictions in our credit agreement that limit our flexibility in operating our business; risks related to conversion of the 2025 Notes; and risks related to owning our common stock. Additional information about these and other factors that could cause National Vision's results to differ materially from those described in the forward-looking statements can be found in filings by National Vision with the Securities and Exchange Commission ("SEC"), including our latest Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC.

## Non-GAAP Financial Measures

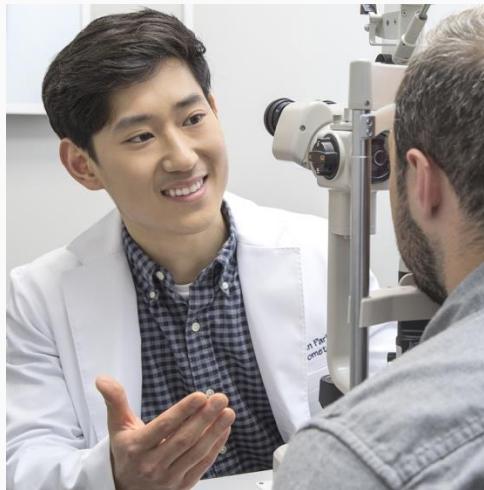
Included in this presentation are certain non-GAAP financial measures designed to supplement, and not substitute, the financial information presented in accordance with generally accepted accounting principles in the United States of America ("GAAP") because management believes such measures are useful to investors. Additional information about these measures and a reconciliation to the nearest GAAP financial measures is provided in the appendix to this presentation and detailed in National Vision's press release regarding financial results for the first quarter of 2025, which is available at [www.nationalvision.com/investors](http://www.nationalvision.com/investors), together with this presentation.

## Discontinued Operations

During fiscal year 2024, the Company ceased its Walmart and AC Lens operations which met the accounting requirements for reporting each of the Legacy segment and the substantial majority of AC Lens operations as a discontinued operation. Accordingly, the condensed consolidated financial statement information presented herein reflects the results of the Legacy segment and AC Lens operations as discontinued operations for all periods presented. Unless otherwise noted, amounts and disclosures herein relate to the Company's continuing operations.



**WE HELP PEOPLE SEE THEIR BEST TO LIVE THEIR BEST.**  
**NATIONAL VISION'S BUSINESS HAS BEEN**  
**DRIVEN BY THIS BELIEF FOR OVER 30 YEARS.**



# Q1 2025 Highlights (Continuing Operations)

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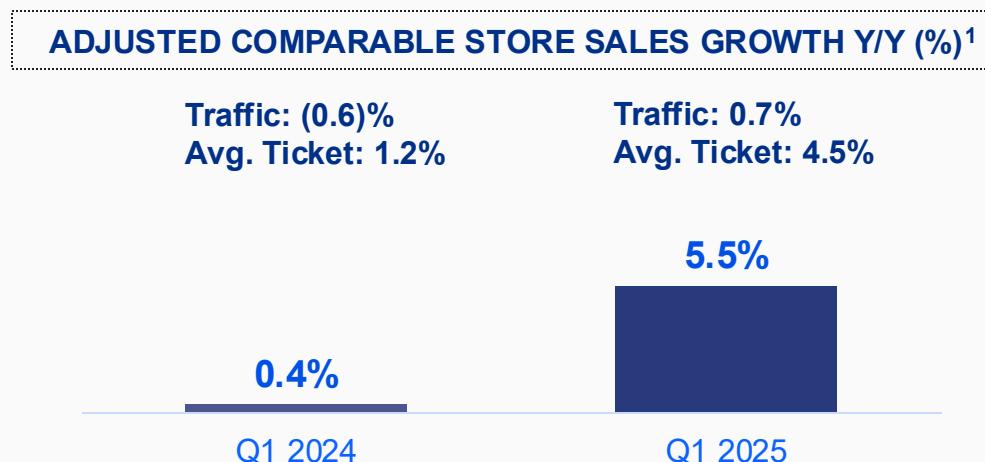
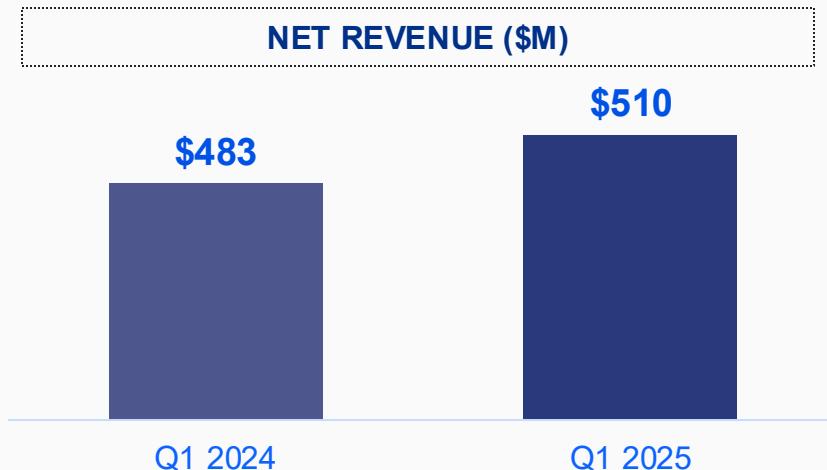
1- Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures

# Financial Results

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# Q1 2025 Revenue Drivers (Continuing Operations)



## Net Revenue

- Increased 5.7% primarily driven by Adjusted Comparable Store Sales Growth and growth from new store sales, partially offset by negative (1.5)% impact from unearned revenue and closed stores

## Store count

- Store count grew 3.0%
- Opened nine new America's Best stores and closed nine Fred Meyer stores and three America's Best stores
- Ended the period with 1,237 stores

## Adjusted Comparable Store Sales Growth<sup>1</sup>

- Q1 adjusted comparable store sales growth driven by higher ticket due to selling initiatives and pricing actions, a slight increase in traffic and strength in managed care

## Q1 Adjusted Comparable Stores Sales Growth<sup>1</sup> by Brand

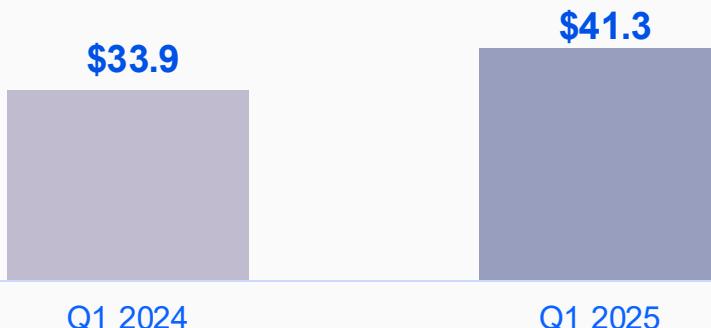
- America's Best: 5.9% compared to 1.2% in Q1 2024
- Eyeglass World: 3.1% compared to -5.0% in Q1 2024

1- Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures

2 - The difference between Traffic and Ticket and Adjusted Comparable Store Sales Growth is attributable to managed care reserve adjustments in the period

# Q1 2025 Results (Continuing Operations)

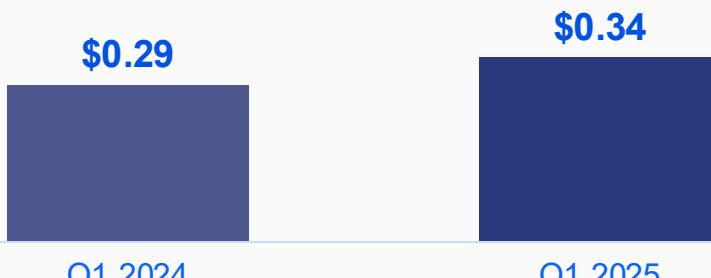
## ADJUSTED OPERATING INCOME (\$M)<sup>1</sup>



Costs applicable to revenue as percentage of net revenue decreased 30 bps to 40.2% vs. Q1 2024:

- Gross margin increased 30 bps on improved product margins of eyeglass frames and lenses, and growth in other add-on sales, which more than offset the dilution in contact lenses product margin and the increase in optometrist-related costs

## ADJUSTED DILUTED EARNINGS PER SHARE<sup>1</sup>



Adjusted SG&A Percent of Net Revenue<sup>1</sup> decreased 50 bps to 47.2% vs. Q1 2024:

- The decrease as a percent of revenue reflects continued cost efficiencies, lower advertising investments partially offset by higher cash compensation expenses

1- Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures

# Q1 2025 Capital Structure and Cash Flow Highlights (Continuing Operations)

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## Capital Expenditures

**\$20 million** deployed YTD, primarily focused on technology and new store openings

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## Debt

**Net debt to TTM Adjusted EBITDA<sup>1</sup> : 1.6x**

No borrowings outstanding under our revolving credit facility

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## Liquidity

**\$374 million**, including cash balance of \$80 million and revolving credit facility available capacity

1- Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures



# Strategic Initiatives

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# Stabilize, Strengthen & Grow

National Vision Continues to Transform for Long-Term Success

## Phase One

Evolve & Strengthen Foundation

Improve Exam Capacity  
w/ Recruiting, Retention &  
Remote Expansion

Enhance Systems to Support  
Further Digitization

2022→

## Phase Two

Evolve Value Offering

Expand Target Demographic

Implement New Pricing  
Architecture

Enhance Customer & Patient  
Experience

Optimize Cost Structure

2024→

# Phase Two: Evolve Value Offering

## Focus on Demand Generation and Cost Efficiency

### Expand Target Demographic

- Modernize marketing and omnichannel capabilities
- Broaden product assortment
- Enhance personalization and segmentation strategies

### Implement New Pricing Architecture

- Better align pricing architecture for managed care and expanded target customer base
- Offset cost increases more effectively

### Enhance Customer & Patient Experience

- Utilize digital tools and evolve selling model
- Maximize benefits for insured customers
- Enhance product assortment
- Leverage OD network and remote capabilities to optimize capacity

### Optimize Cost Structure

- Make significant changes to lower cost of business and enable profit expansion

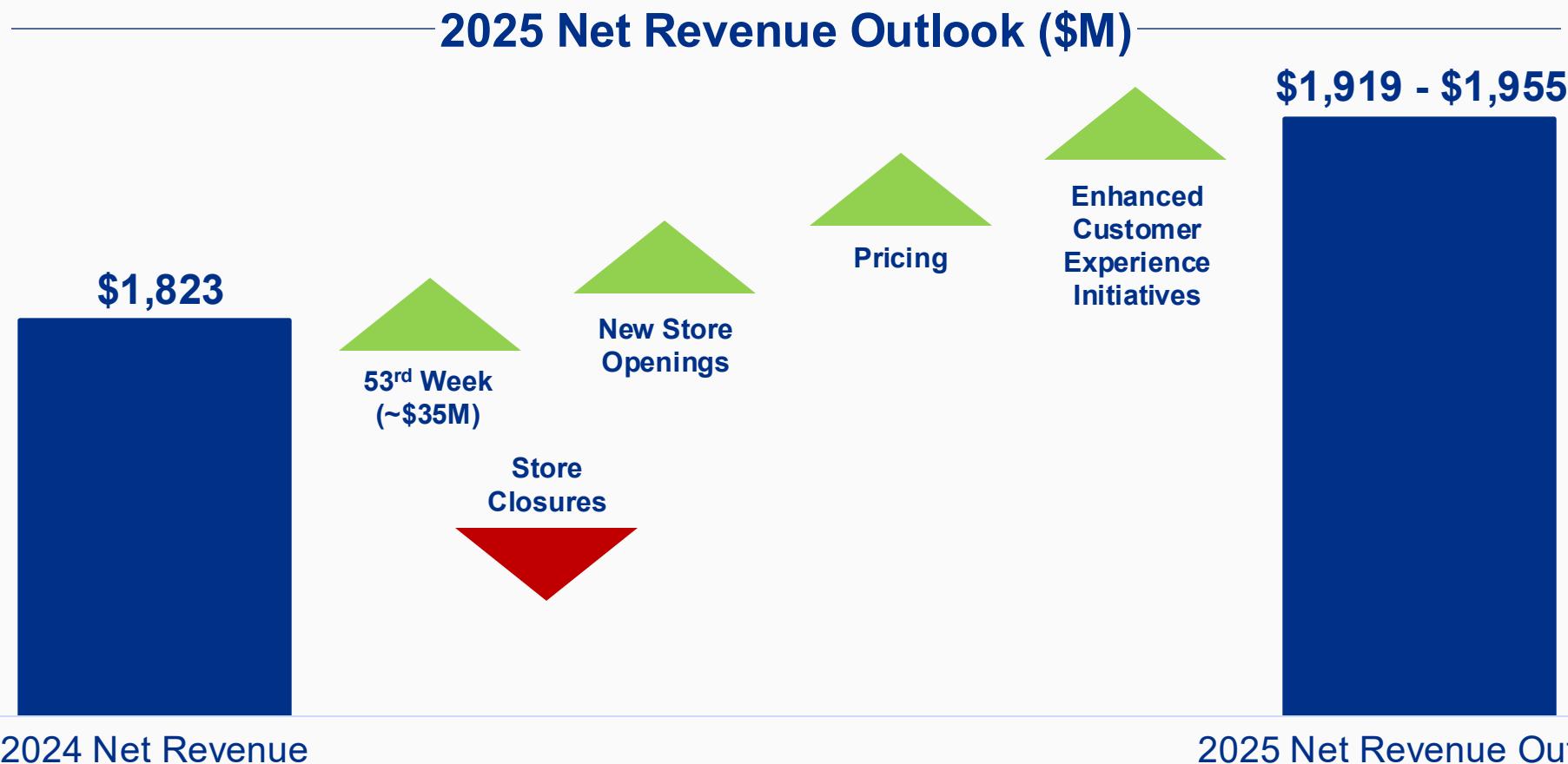
# Outlook

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# Multiple Drivers of Profitable Sales Growth

Initiatives In Place To Drive Ticket & Traffic



# Adj. Operating Margin<sup>1</sup> Expansion Drivers

Sales Growth and Cost Optimization to Offset Investments and Inflation

## 2025 Adj. Operating Margin<sup>1</sup> Outlook



# 2025 Capital Allocation Priorities

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## Invest in Growth

Expecting capital expenditures of \$90 - \$95 million for investments in technology and new store openings

## Debt Structure

Plan to repay the May 2025 convertible notes using a combination of cash on hand and liquidity from our revolving credit facility

**Healthy balance sheet enables robust and disciplined capital plan designed for continued growth to increase long-term shareholder value**



# Fiscal 2025 Outlook

The Company is providing the following outlook for the 53 weeks ending January 3, 2026. The Company estimates the 53rd week of fiscal 2025 will contribute approximately \$35 million to net revenue, and approximately \$3 million to adjusted operating income.

	Prior Fiscal 2025 Outlook	Updated Fiscal 2025 Outlook
<b>New Stores</b>	30-35	30-35
<b>Adjusted Comparable Store Sales Growth<sup>(1)(2)</sup></b>	0.5% - 3.5%	1.5% - 3.5%
<b>Net Revenue</b>	\$1.901 billion - \$1.955 billion	\$1.919 billion - \$1.955 billion
<b>Adjusted Operating Income<sup>(2)</sup></b>	\$73 million - \$88 million	\$81 million - \$92 million
<b>Adjusted Diluted EPS<sup>(2)(3)</sup></b>	\$0.52 - \$0.64	\$0.59 - \$0.67
<b>Depreciation and Amortization<sup>(4)</sup></b>	\$93 million - \$96 million	\$93 million - \$96 million
<b>Interest<sup>(5)</sup></b>	\$17 million - \$19 million	\$17 million - \$19 million
<b>Tax Rate<sup>(6)</sup></b>	27%	27%
<b>Capital Expenditures</b>	\$90 million - \$95 million	\$90 million - \$95 million

1 - For the 52 weeks ending December 27, 2025

2 - Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures

3 - Assumes approximately 79 million shares

4 - Includes amortization of acquisition intangibles of approximately \$0.7 million for continuing operations, which is excluded in the definition of Adjusted Operating Income

5 - Before the impact of gains or losses on change in fair value of derivatives and charges related to amortization of debt discounts and deferred financing costs

6 - Excluding the impact of vesting of restricted stock units and stock option exercises

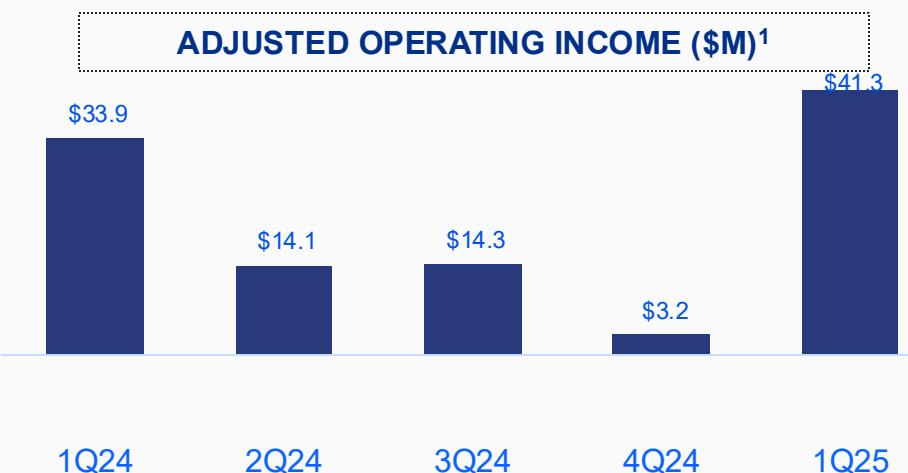
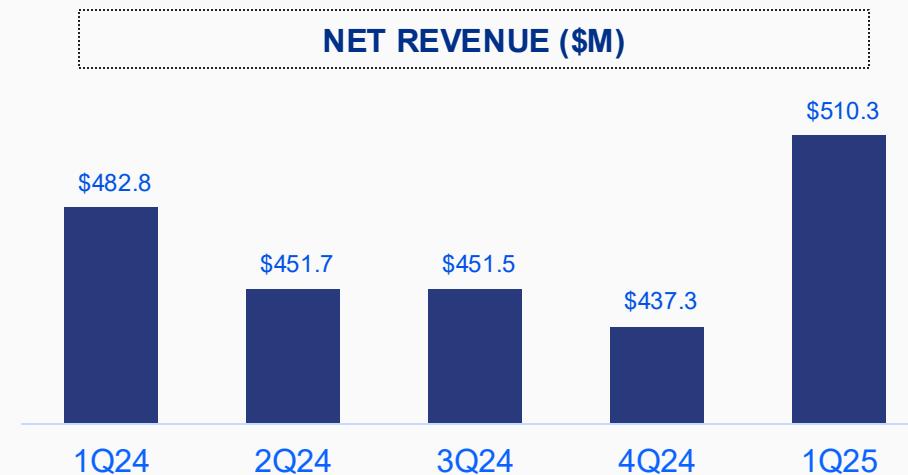
The fiscal 2025 outlook information provided in the table above includes Adjusted Operating Income and Adjusted Diluted EPS guidance, which are non-GAAP financial measures management uses in measuring performance. The Company is not able to reconcile these forward-looking non-GAAP measures to comparable GAAP measures without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact of certain items and unanticipated events, including taxes and non-recurring items, which would be included in GAAP results. The impact of such items and unanticipated events could be potentially significant.

# Appendix

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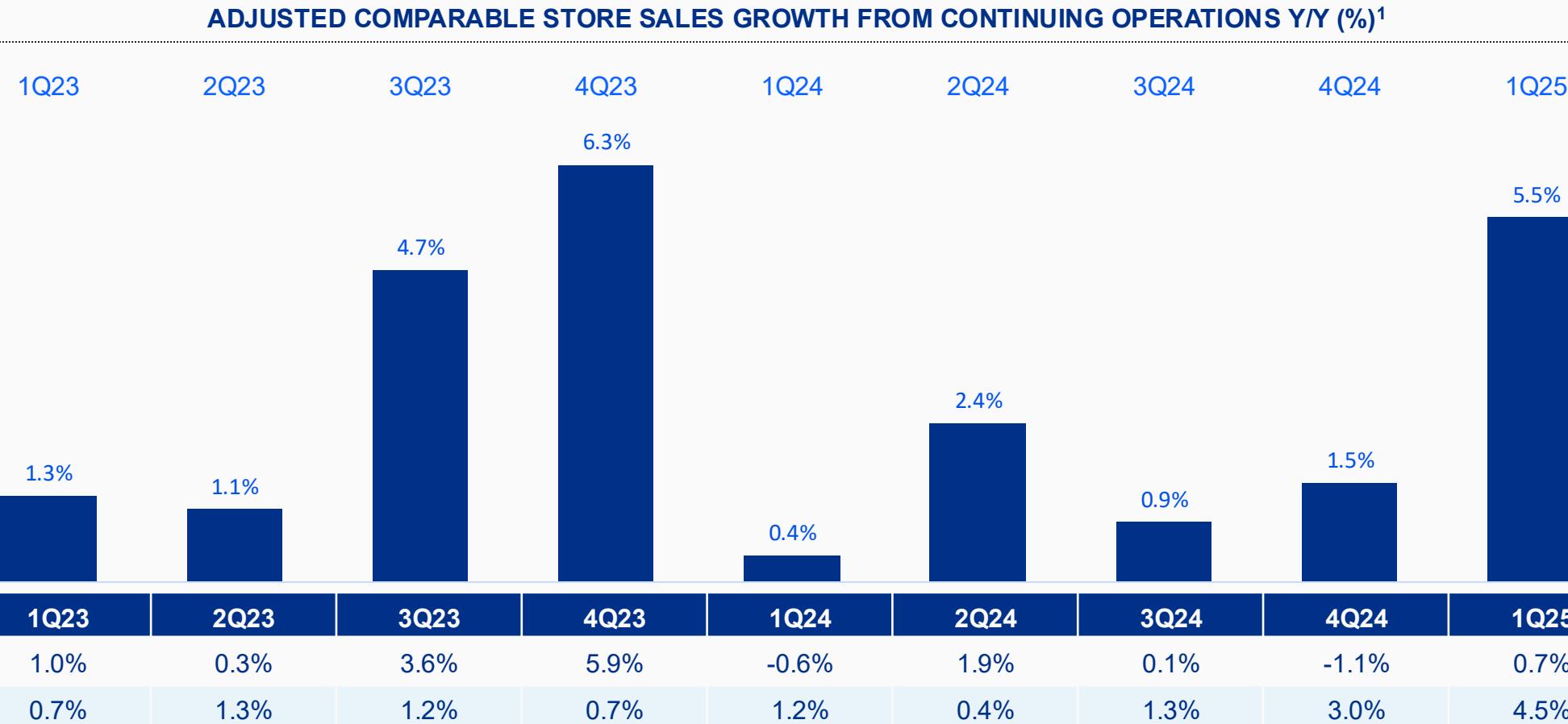


# Quarterly Financial Historical Overview (Continuing Operations)(Unaudited)



1- Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures

# Historical Adjusted Comparable Store Sales Growth from Continuing Operations & Drivers (Unaudited)



1 - Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures

2 - The difference between Traffic and Ticket and Adjusted Comparable Store Sales Growth from Continuing Operations is attributable to managed care reserve adjustments in the period

# Capital Structure and Cash Flow

<u>Q1 2025 Capital Structure (\$M)</u>	Debt Amount	Less: Deferred Financing Costs	Amounts per Balance Sheet	% of Total	Coupon		Maturity
First Lien - Term A Loans	\$ 250.9	\$ (1.5)	\$ 249.4	72 %	Term SOFR + 1.75%		6/13/2028
First Lien - Revolving Credit Facility <sup>1</sup>	—	—	—	— %	Term SOFR + 1.75%		6/13/2028
Convertible senior notes	84.8	(0.1)	84.7	24 %	2.50 %		5/15/2025
Other debt <sup>2</sup>	12.0	—	12.0	4 %			
<b>Total debt</b>	<b>\$ 347.7</b>	<b>\$ (1.6)</b>	<b>\$ 346.1</b>	<b>100 %</b>			
Cash and cash equivalents			80.0				
<b>Net debt</b>			<b>\$ 266.1</b>				
<b>Cash Flow (\$M)</b>					<b>Three Months Ended</b>		
					<b>March 29, 2025</b>	<b>March 30, 2024</b>	
Net cash provided by operating activities					\$ 32.2	\$ 24.0	
Net cash used for investing activities					(20.2)	(18.2)	
Net cash used for financing activities					(5.4)	(5.2)	
<b>Net change in cash, cash equivalents and restricted cash</b>					<b>\$ 6.6</b>	<b>\$ 0.6</b>	

1- \$300.0M facility; \$293.6M available

2- Finance lease obligations

# Q1 2025 Consolidated Financial Results (Unaudited)

In thousands, except per share amounts	Three Months Ended	
	March 29, 2025	March 30, 2024
<b>Revenue:</b>		
Net product sales	\$ 412,765	\$ 388,083
Net sales of services and plans	97,559	94,711
Total net revenue	510,324	482,794
<b>Costs applicable to revenue (exclusive of depreciation and amortization):</b>		
Products	116,914	113,204
Services and plans	88,276	82,342
Total costs applicable to revenue	205,190	195,546
<b>Operating expenses:</b>		
Selling, general and administrative expenses	255,532	240,128
Depreciation and amortization	22,963	23,221
Asset impairment	502	456
Other expense (income), net	—	1
Total operating expenses	278,997	263,806
Income from operations	26,137	23,442
Interest expense, net	4,572	4,256
Earnings from continuing operations before income taxes	21,565	19,186
Income tax provision	7,379	7,433
Income from continuing operations	14,186	11,753
Loss from discontinued operations, net of tax	\$ —	(68)
Net income	\$ 14,186	\$ 11,685
<b>Basic Earnings (loss) per share:</b>		
Continuing operations	\$ 0.18	\$ 0.15
Discontinued operations	\$ —	\$ (0.00)
Total	\$ 0.18	\$ 0.15
<b>Diluted Earnings (loss) per share:</b>		
Continuing operations	\$ 0.18	\$ 0.15
Discontinued operations	\$ —	\$ (0.00)
Total	\$ 0.18	\$ 0.15
Weighted average shares outstanding - basic	78,858	78,384
Weighted average shares outstanding - diluted	79,259	78,826

# Reconciliation of Adjusted Operating Income (Loss) from Continuing Operations to Net Income (Loss) (Unaudited)

	Three Months Ended				
	March 30, 2024	June 29, 2024	September 28, 2024	December 28, 2024	March 29, 2025
<i>In thousands</i>					
<b>Total net revenue from continuing operations</b>	<b>\$482,794</b>	<b>\$451,733</b>	<b>\$451,515</b>	<b>\$437,278</b>	<b>\$ 510,324</b>
<b>Net income (loss)</b>	<b>11,685</b>	<b>(3,125)</b>	<b>(8,468)</b>	<b>\$(28,591)</b>	<b>\$ 14,186</b>
Income (loss) from discontinued operations, net of tax	(68)	(2,084)	(28)	\$ 846	\$ —
<b>Income (loss) from continuing operations</b>	<b>11,753</b>	<b>(1,041)</b>	<b>(8,440)</b>	<b>(29,437)</b>	<b>14,186</b>
Interest expense, net	4,256	3,196	4,108	4,624	4,572
Income tax provision (benefit)	7,433	(1,564)	(3,630)	(758)	7,379
Stock-based compensation expense <sup>(a)</sup>	2,414	4,750	4,615	4,929	7,029
Gain on extinguishment of debt <sup>(b)</sup>	—	—	(859)	—	—
Asset impairment <sup>(c)</sup>	456	3,519	13,726	22,150	502
Litigation settlement <sup>(d)</sup>	4,450	—	—	—	—
Amortization of acquisition intangibles <sup>(e)</sup>	381	381	381	169	169
ERP and CRM Implementation expenses <sup>(h)</sup>	516	2,141	1,804	1,529	2,315
Other <sup>(i)</sup>	2,235	2,691	2,589	22	5,123
<b>Adjusted Operating Income from continuing operations</b>	<b>\$ 33,894</b>	<b>\$ 14,073</b>	<b>\$ 14,294</b>	<b>\$ 3,228</b>	<b>\$ 41,275</b>
<b>Income (loss) from continuing operations margin</b>	<b>2.4 %</b>	<b>(0.2)%</b>	<b>(1.9)%</b>	<b>(6.7)%</b>	<b>2.8 %</b>
<b>Adjusted Operating Margin from continuing operations</b>	<b>7.0 %</b>	<b>3.1 %</b>	<b>3.2 %</b>	<b>0.7 %</b>	<b>8.1 %</b>

*Note: Percentages reflect line item as a percentage of net revenue, adjusted for rounding.*

# Reconciliation of Adjusted Diluted EPS to Diluted EPS (Unaudited)

	Three Months Ended				
	March 30, 2024	June 29, 2024	September 28, 2024	December 28, 2024	March 29, 2025
<i>In thousands, except per share amounts</i>					
<b>Diluted EPS</b>	\$ 0.15	\$ (0.04)	\$ (0.11)	\$ (0.36)	\$ 0.18
Diluted EPS from discontinued operations	(0.00)	(0.03)	0.00	0.01	0.00
<b>Diluted EPS from continuing operations</b>	0.15	(0.01)	(0.11)	(0.37)	0.18
Stock-based compensation expense <sup>(a)</sup>	0.03	0.06	0.06	0.06	0.09
Gain on extinguishment of debt <sup>(b)</sup>	—	—	(0.01)	—	—
Asset impairment <sup>(c)</sup>	0.01	0.04	0.17	0.28	0.01
Litigation settlement <sup>(d)</sup>	0.06	—	—	—	—
Amortization of acquisition intangibles <sup>(e)</sup>	0.00	0.00	0.00	0.00	0.00
Amortization of debt discount and deferred financing costs <sup>(f)</sup>	0.01	0.01	0.01	0.00	0.00
Derivative fair value adjustments <sup>(g)</sup>	0.03	0.04	0.01	—	—
ERP and CRM implementation expenses <sup>(h)</sup>	0.01	0.03	0.02	0.02	0.03
Other <sup>(i)</sup>	0.02	0.03	0.04	0.00	0.06
Tax effects <sup>(j)</sup>	(0.03)	(0.05)	(0.07)	(0.03)	(0.03)
<b>Adjusted Diluted EPS from continuing operations</b>	\$ 0.29	\$ 0.15	\$ 0.12	\$ (0.04)	\$ 0.34
<b>Weighted average diluted shares outstanding</b>	78,826	78,575	78,655	78,754	79,259

*Note: Certain amounts for 2024 have been reclassified to conform with the 2025 presentation.*

# Reconciliation of Adjusted EBITDA from Continuing Operations to Net Income (loss) (Unaudited)

	Three Months Ended		Twelve Months Ended March 29, 2025
	March 29, 2025	March 30, 2024	
<i>Dollars in thousands</i>			
<b>Total net revenue from continuing operations</b>	\$ 510,324	\$ 482,794	\$ 1,850,850
<b>Net income (loss)</b>	\$ 14,186	\$ 11,685	\$ (25,998)
<b>Loss from discontinued operations, net of tax</b>	—	(68)	(1,266)
<b>Income (loss) from continuing operations</b>	14,186	11,753	(24,732)
Interest expense, net	4,572	4,256	16,500
Income tax provision	7,379	7,433	1,427
Depreciation and amortization	22,963	23,221	91,091
<b>EBITDA from continuing operations</b>	49,100	46,663	84,286
Stock-based compensation expense <sup>(a)</sup>	7,029	2,414	21,323
Gain on extinguishment of debt <sup>(b)</sup>	—	—	(859)
Asset impairment <sup>(c)</sup>	502	456	39,897
Litigation settlement <sup>(d)</sup>	—	4,450	—
ERP and CRM implementation expenses <sup>(h)</sup>	2,315	516	7,789
Other <sup>(i)</sup>	5,123	2,235	10,424
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 64,069</b>	<b>\$ 56,734</b>	<b>\$ 162,860</b>
Income (loss) from continuing operations margin	2.8 %	2.4 %	(1.3) %
<b>Adjusted EBITDA Margin from continuing operations</b>	<b>12.6 %</b>	<b>11.8 %</b>	<b>8.8 %</b>
Net debt/Income (loss) from continuing operations margin			-10.8x
Net debt/Adjusted EBITDA from continuing operations			1.6x

## Reconciliation of Adjusted SG&A from Continuing Operations to SG&A from Continuing Operations (Unaudited)

<i>In thousands</i>	Three Months Ended	
	March 29, 2025	March 30, 2024
<b>SG&amp;A from continuing operations</b>	\$ 255,532	\$ 240,128
Stock-based compensation expense <sup>(a)</sup>	7,029	2,414
Litigation settlement <sup>(d)</sup>	—	4,450
ERP and CRM implementation expenses <sup>(h)</sup>	2,315	516
Other <sup>(i)</sup>	5,123	2,235
<b>Adjusted SG&amp;A from continuing operations</b>	\$ 241,065	\$ 230,513
 <b>SG&amp;A from continuing operation Percent of Net Revenue</b>	50.1 %	49.7 %
<b>Adjusted SG&amp;A from continuing operations Percent of Net Revenue</b>	47.2 %	47.7 %

# Reconciliation of Non-GAAP to GAAP Financial Measures Footnotes

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- a. Non-cash charges related to stock-based compensation programs, which vary from period to period depending on the timing of awards and performance vesting conditions.
- b. Reflects the extinguishment gain related to the repurchase of the 2025 Notes of \$217.7 million during fiscal year 2024.
- c. Reflects write-off related to non-cash impairment charges of long-lived assets, primarily impairment of property, equipment and lease-related assets on closed or underperforming stores, and certain store closure decisions made as part of the Company's store optimization review during the three months ended September 28, 2024, and impairment of Eyeglass World goodwill and Fred Meyer contracts and relationship asset for the three months ended December 28, 2024.
- d. Expenses associated with settlement of certain litigation.
- e. Amortization of the increase in carrying values of finite-lived intangible assets resulting from the application of purchase accounting following the acquisition of the Company by affiliates of KKR & Co. Inc.
- f. Amortization of deferred financing costs and other non-cash charges related to our debt. We adjust for amortization of deferred financing costs related to the 2025 Notes only when adjustment for these costs is not required in the calculation of diluted earnings per share under U.S. GAAP.
- g. The adjustments for the derivative fair value (gains) and losses have the effect of adjusting the (gain) or loss for changes in the fair value of derivative instruments and amortization of AOCL for derivatives not designated as accounting hedges. This results in reflecting derivative (gains) and losses within Adjusted Diluted EPS during the period the derivative is settled.
- h. Costs related to the Company's ERP and CRM implementation.
- i. Other adjustments include amounts that management believes are not representative of our operating performance (amounts in brackets represent reductions in Adjusted Operating Income, Adjusted Diluted EPS, Adjusted EBITDA and Adjusted SG&A), which are primarily related to shareholder activism costs of \$2.1 million and severance and employee-related costs associated with organizational restructuring of \$2.1 million for the three months ended March 29, 2025, costs associated with the digitization of paper-based records of \$3.9 million and \$1.8 million for the trailing twelve months ended March 29, 2025 and three months ended March 30, 2024, respectively, and other expenses and adjustments. Adjusted Diluted EPS is also adjusted to include debt issuance costs.
- j. Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates, excluding a portion of Eyeglass World goodwill impairment charge, which was disallowed for income tax purposes, and including tax expense (benefit) from stock-based compensation.

## Reconciliation of Adjusted Comparable Stores Sales Growth (Unaudited)

	Comparable store sales growth from continuing operations <sup>(a)</sup>			2025 Outlook <sup>(b)</sup>					
	Three Months Ended March 29, 2025	Three Months Ended March 30, 2024	2025 Outlook <sup>(b)</sup>						
<b>Owned &amp; Host segment</b>									
America's Best	5.9 %	1.2 %							
Eyeglass World	3.1 %	(5.0)%							
Military	1.7 %	(1.4)%							
Fred Meyer	1.6 %	(5.9)%							
Total comparable store sales growth from continuing operations	4.1 %	1.4 %	2.0% - 4.0%						
Adjustments for effect of: <sup>(b)</sup>									
Unearned & deferred revenue	1.4 %	(1.0)%							
Adjusted Comparable Store Sales Growth from continuing operations <sup>(b)</sup>	5.5 %	0.4 %	1.5% - 3.5%						
	2023		2024	2025					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Total comparable store sales growth	3.4 %	(0.2)%	4.1 %	6.6 %	1.4 %	2.2 %	1.4 %	2.6 %	4.1 %
Adjustments for effects of: <sup>(b)</sup>									
Unearned & deferred revenue	(2.1)%	1.3 %	0.6 %	(0.3)%	(1.0)%	0.2 %	(0.5)%	(1.1)%	1.4 %
Adjusted Comparable Store Sales Growth	1.3 %	1.1 %	4.7 %	6.3 %	0.4 %	2.4 %	0.9 %	1.5 %	5.5 %

- a. Total comparable store sales from continuing operations is calculated based on consolidated net revenue from continuing operations excluding the impact of (i) other segments revenue, (ii) sales from stores opened less than 13 months, (iii) stores closed in the periods presented, (iv) sales from partial months of operation when stores do not open or close on the first day of the month and (v) if applicable, the impact of a 53rd week in a fiscal year. Brand-level comparable store sales growth is calculated based on cash basis revenues consistent with what the CODM reviews, and consistent with reportable segment revenues presented in Note 16. "Segment Reporting" in our Annual Report on Form 10-K for the period ended December 28, 2024.
  - b. Adjusted Comparable Store Sales Growth from continuing operations includes the effect of deferred and unearned revenue as if such revenues were earned at the point of sale, resulting in the changes from total comparable store sales growth from continuing operations based on consolidated net revenue from continuing operations; with respect to the Company's 2025 Outlook, Adjusted Comparable Store Sales Growth includes an estimated 0.5% decrease for the effect of deferred and unearned revenue as if such revenues were earned at the point of sale.

# Adjusted Comparable Store Sales Growth Primer

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## What is Adjusted Comparable Store Sales Growth?

- Calculated using net revenue **on a cash-basis**
- Excludes the impact of unearned and deferred revenue

## Why use Adjusted Comparable Store Sales Growth?

- Provides a clear view of the Company's current operating performance
- Shifts in unearned revenue are difficult to predict and related to short-term customer behavior (see slide 29)
- Used by management to assess business performance and is the basis for store-level business performance
- Consistently applied methodology

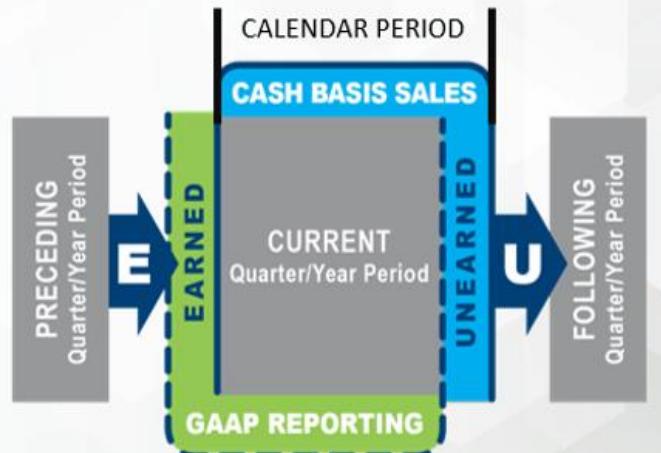
## Adjusted Comparable Store Sales Growth consistently lower than total comparable store sales growth

- Company provides total comparable store sales growth measured on GAAP revenue
- Adjusted measure has been lower than or equal to GAAP measure in 7 of last 12 quarters due to unearned revenue
- Total comparable store sales growth based on GAAP revenue was not calculated prior to 2017 IPO

# Unearned Revenue Primer



## UNEARNED REVENUE ACCOUNTING



- Customers generally pay for products and services at time of order. Eyeglasses are picked up approximately 7 to 10 days later.
- Unearned revenue represents **CASH BASIS SALES** during approximately the last week of a reporting period. **GAAP REPORTING** requires REVENUE RECOGNITION at time of PICKUP.
- The change in unearned revenue depends on relative magnitude of sales for last week of the preceding **E** and current **U** quarters, as well as customer purchase pick-up behavior.
  - The change in activity is then compared to the same periods in the prior year.

### Illustrative Unearned Revenue Primer

Quarter	Revenue Last 7-10 Days of Current Qtr.	Current Qtr. Deferral	Prior Qtr. Recognition	Current Qtr. Revenue Impact
Q4	\$ 75			
Q1	\$ 100	\$ (100)	\$ 75	\$ (25)
Q2	\$ 50	\$ (50)	\$ 100	\$ 50
Q3	\$ 25	\$ (25)	\$ 50	\$ 25
Q4	\$ 75	\$ (75)	\$ 25	\$ (50)

- For a company with growing revenues, unearned revenue should also grow to some degree each year.

***“It’s a short-term timing difference between quarters”***

