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National Vision Holdings, Inc. (EYE)

Jefferies Global Healthcare Conference

CORPORATE PARTICIPANTS

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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 "Total Company Fiscal 2024 Outlook," "Total Company Fiscal 2024 Outlook Considerations" and "Walmart Vision Center and AC Lens FY24 Expected Effect," 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 the negative version 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.

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, the termination of our partnership with Walmart, including the transition period and other wind down activities, will have an impact on our business, revenues, profitability and cash flows, which impact could be material; market volatility, an overall decline in the health of the economy and other factors impacting consumer spending, including inflation, uncertainty in financial markets, recessionary conditions, escalated interest rates, the timing and issuance of tax refunds, governmental instability, war and natural disasters, may affect consumer purchases, which could reduce demand for our products and materially harm our sales, profitability and financial condition; failure to recruit and retain vision care professionals for in-store roles or to provide remote care offerings could adversely affect our business, financial condition and results of operations; the optical retail industry is highly competitive, and if we do not compete successfully, our business may be adversely impacted; if we fail to open and operate new stores in a timely and cost-effective manner or fail to successfully enter new markets, our financial performance could be materially and adversely affected; if the performance of our Host brands declines or we are unable to maintain or extend our operating relationships with our Host partners, our business, profitability and cash flows may be adversely affected and we may be required to incur impairment charges; we are a low-cost provider and our business model relies on the low-cost of inputs and factors such as wage rate increases, inflation, cost increases, increases in the price of raw materials and energy prices could have a material adverse effect on our business, financial condition and results of operations; we require significant capital to fund our expanding business, including updating our Enterprise Resource Planning ("ERP"), and other technological, systems and capabilities; our growth strategy could strain our existing resources and cause the performance of our existing stores to suffer; our success depends upon our marketing, advertising and promotional efforts and if we are unable to implement them successfully or efficiently, or if our competitors are more effective than we are, we may experience a material adverse effect on our business, financial condition and results of operations; we are subject to risks associated with leasing substantial amounts of space, including future increases in occupancy costs; 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 may reduce the demand for our products and adversely impact our business and profitability; if we fail to retain our existing senior management team or attract qualified new personnel such failure could have a material adverse effect on our business, financial condition and results of operations; our profitability and cash flows may be negatively affected if we are not successful in managing our inventory balances and inventory shrinkage; our operating results and inventory levels fluctuate on a seasonal basis; our e-commerce and omni-channel business faces distinct risks, and our failure to successfully manage those risks could have a negative impact on our profitability; we depend on our distribution centers and/or optical laboratories; we may incur losses arising from our investments in technological innovators in the optical retail industry, including artificial intelligence, which would negatively affect our financial results; ESG issues, including those related to climate change, could have a material adverse effect on our business, financial condition and results of operations; changing climate and weather patterns leading to severe weather and disasters may cause significant business interruptions and expenditures; future operational success depends on our ability to develop, maintain and extend relationships with managed vision care companies, vision insurance providers and other third-party payors; we face risks associated with vendors from whom our products are sourced and are dependent on a limited number of suppliers; we rely heavily on our information technology systems, as well as those of our vendors, for our business to effectively operate and to safeguard confidential information; any significant failure, inadequacy, interruption or security breach could adversely affect our business, financial condition and operations; we rely on third-party coverage and reimbursement, including government programs, for an increasing portion of our revenues, the future reduction of which could adversely affect our results of operations; we are subject to extensive state, local and federal vision care and healthcare laws and regulations and failure to adhere to such laws and regulations would adversely affect our business; we are subject to managed vision care laws and regulations; we are subject to rapidly changing and increasingly stringent laws, regulations, contractual obligations, and industry standards relating to privacy, data security and data protection which could subject us to liabilities that adversely affect our business, operations and financial performance; we could be adversely affected by product liability, product recall or personal injury issues; failure to comply with laws, regulations and enforcement activities or changes in statutory, regulatory, accounting and other legal requirements could potentially impact our operating and financial results; adverse judgments or settlements resulting from legal proceedings relating to our business operations could materially adversely affect our business, financial condition and results of operations; we may not be able to adequately protect our intellectual property, which could harm the value of our brand and adversely affect our business; we have a significant amount of indebtedness which could adversely affect our business and financial position, including limiting our business flexibility and preventing us from meeting our debt obligations; a change in interest rates may adversely affect our business; our credit agreement contains restrictions that limit our flexibility in operating our business; conversion of the 2025 Notes could dilute the ownership interest of existing stockholders or may otherwise depress the price of our common stock; and risks related to owning our common stock, including our ability to comply with requirements to design and implement and maintain effective internal controls. 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. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation 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 2024, which is available at www.nationalvision.com/investors, together with this presentation.

PRESENTATION

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Brian Tanquilut Analyst, Jefferies LLC

Good morning, and welcome again to the Jefferies 2024 Global Healthcare Conference. I'm Brian Tanquilut, Healthcare Services Analyst here at Jefferies. And with us this morning is National Vision Holdings, ticker EYE. And joining us are the company's CEO, Reade Fahs; and the company's CFO, Melissa Rasmussen.

Reade, maybe let's start with the state of the union.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Good. Well, actually, I'm going to start with something far more important, Brian. I noticed that you don't wear socks enough, and I thought I'd present you with some of our company socks. We think we spend a lot of time on the top part of the body. So here, there you go. You can keep your feet warm there. So – good. All right.

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Brian Tanquilut Analyst, Jefferies LLC

I appreciate it. Thank you so much.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Well, I noticed that times are tough, and I noticed you're going without. So – and that's what we think about. We are a low-cost provider of a medical necessity. Our customers are low-income and budget-conscious Americans who have bad eyes and need to see, and we are the place they go to, to get that, to get their eyes examined, to get eyeglasses and contact lenses. We're – our largest brand is called America's Best Contacts & Eyeglasses. It's in a strip center next to Marshalls down the street from a dollar store, and we have an employee doctor there. And so we bundle the cost of the eyeglasses in with the eye exam and contact lenses in with the eye exam. So we can have our entry price at 2 pairs of glasses for $79, and we throw in the eye exam for free. And I'm betting no one around here have got that deal the last time they solved their vision issue.

Prior to COVID for about 19 years, we are extremely consistent and predictable business, 72 consecutive quarters of positive comparable store sales, averaging 5% across those years from 2005 to – until COVID, averaging 7% comps for the four years leading up to that. COVID was a very disruptive moment for us in a few different ways. One, it disrupted the purchase cycle because immediately after COVID, when our customer was richer than they've ever been, they went out and bought the nicest pair of glasses they ever bought. So they got the nice pair of glasses somewhere in early 2021. Then they got whacked by inflation, and now our customer is more strapped than they've ever been.

The other big COVID disruption was a shortage of optometrists. As you know, Brian, given your healthcare coverage, if you've got doctor before your name in America, there is a shortage of you, whether you're an optometrist, an ophthalmologist, a general physician. There's just a shortage of healthcare providers, and that hit us as well. We are transforming to adapt to the new realities in a variety of ways. A primary way that we're doing that is through remote exams, whereby the optometrist is sitting at home and the patient is sitting in our stores surrounded by expensive equipment. It is very easy to recruit optometrists to do the eye exam from their home. And that is now over 10% of the exams in the remote-enabled states where we are.

We are also attacking our cost structure in a variety of different ways in order to be more profitable amidst this more challenging time on the top line. We do continue to comp positively despite our strapped consumer base and the doctor shortage that is out there. Managed care insured business, which represented about 35% of our business at the last – at the end of last year, is comping very well. That's where it's not the consumers' money. It's the insurance companies' money, so that is comping very well. Our remote efforts are paying great dividends for us as well, and we have a variety of exciting product and promotion offerings for the balance of the year that we think is – are going to help us to continue to comp positively the rest of this year.

We are positioning ourselves to be – to emerge ever stronger as the purchase cycle normalizes. And given the biology of the human eye and the fact that our vision deteriorates with age, our purchase cycle will eventually normalize. It was extremely consistent and predictable for decades prior to COVID. It will be consistent and predictable again. And our innovation journey, which is very much up your alley there, Brian, involves – we believe we have amongst the largest employed network of optometrists in America, over 2,000 optometrists. We believe that we are doing amongst the most eye exams of anyone out there out of our 1,200 retail locations. And we sit there and say that due to the combination of various technologies, that I hope we'll get a chance to talk about in a little while, and AI and various partnerships that we think we can form, that we see ourselves longer term building revenue streams from participating more broadly in the healthcare of our patient base.

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Brian Tanquilut Analyst, Jefferies LLC

Reade, you're always thorough. You've answered all of my questions. Just kidding.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

No, I hope we get to delve down on some of them.

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Brian Tanquilut Analyst, Jefferies LLC

Melissa, maybe just going back to comp performance. As we touched on, on Q1, it was a little pressured across the brand. So how are you thinking about the outlook for same-store growth going forward and the factors that would affect your ability to drive positive comp growth in the near future?

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Melissa Rasmussen Chief Financial Officer, National Vision Holdings, Inc.

Yes. So when we spoke about – when we released earnings for the first quarter, we had talked about we had positive comps. The back half of the quarter had accelerated versus the beginning of the quarter, which was pressured by weather and overall macro. We had seen an acceleration towards the back half of the quarter. With that, we were trending at a positive, roughly about 2%, the low end of the guidance that we had put out. We have seen a slight deceleration in May, as we have – we've continued to see positive comps, but there has been a slight deceleration. And with that, we are expecting to still take some action with the ongoing things that we have prepared for the back half of the year. We had spoken about the remote deployment in Texas in addition to some of our marketing efforts that we're going to be changing, in addition to aligning some of the overall store hours with times that patients want to be seen and then opening on Sundays in some select stores. So with those initiatives in place, we are expecting to continue to make up some lost ground as it relates to the slow start to the year.

Brian Tanquilut Analyst, Jefferies LLC

That makes sense. And then maybe, Reade, as I think about comp performance, America's Best stores are performing better. So what do you attribute that outperformance versus say Eyeglass World stores and the other brands in the portfolio? And then how do you translate that to drive better performance into the other brands?

L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Right. So of our 1,200 stores, 1,000 of them are America's Best stores. We have about 120 Eyeglass World stores. Now Eyeglass World is a bigger box with a lab in the store, so it's a value super optical store. And it was – it did very well coming out of COVID. And there are a combination of factors that have led that to be underperforming, primarily things relating to optometric capacity here. I do get to be a bit of a broken record talking about optometrists and optometric capacity, but it's so core because our purchase experience starts with that eye exam. We have primarily one model of a doctor – of employed doctors in America's Best.

We have a variety of different models from employed to lease doctors to master lease doctors in Eyeglass World, and we are working hard to get those pieces together. So it's not as easy to address that as it has been for America's Best. It's not impossible to address that. It just takes a little bit more time when you have a variety of outside parties. In addition, we said that we don't think our operations were as crisp as they needed to be. We have changed leadership there, and we believe we will see a steady ongoing improvement in Eyeglass World over time with the changes that we've put in place.

Brian Tanquilut Analyst, Jefferies LLC

Reade, since you've mentioned the virtual eye exam, one of the things that I particularly like about your story is the rollout of virtual eye exams, which we demoed in Atlanta last year.

L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Right. You were one of the first to come see it. Yes.

Brian Tanquilut Analyst, Jefferies LLC

So – but listening to your last earnings call, to me, it's clear that there's still a lot of people who don't understand what virtual eye exam means and think that it's an iPad or iPhone consultation, right? So maybe if you don't mind explaining to the audience what your virtual strategy is and more importantly, why that matters.

L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Sure. And thank you for that because it is in this day and age where people would use the word virtual in so many different ways. It's important to clarify. So our process begins with an eye exam. There is a shortage of optometrists in America. It is easy to recruit doctors to be – to work from home and refrac from home. So we've designed a way for the patient to be in our store, in the exam room, surrounded by very expensive digital equipment. We do a variety of tests on them that is a pretest that is sent to the doctor. The doctor then comes live on screen in front of the patient in a synchronous interaction, has already assessed all the digital pretest, and takes them through the eye exam from their home.

So we all know the traditional, do you see number one better or number two better, and then the lenses change in front of your face. They ask that question, and then the doctor at home presses a button and the lenses change in front of the patient's eyes. So a doctor sitting anywhere in America, who has a license say in the state of New York, can be doing exams in any of our New York stores no matter where they're sitting at any time. And many of our remote doctors have realized they do better if they have multiple state licenses, so they go out and get a lot of licenses so they can be doing exams all over the country.

Not all states allow this. In our February earnings call, we shared that that one of the bigger states, Texas, did not allow it and that we look forward to a day when the state did allow it. But we didn't know when that would be, but we thought the trend for all states is ever more towards telemedicine. And who would have guessed? Just a few weeks later, Texas did allow it. We were sort of surprised by the speed of it also, but that was a very good and exciting day around our office. It is the state which has the most stores. It has a number of dark stores. It has a number of dim stores. And so we immediately shifted all of our plans to go and light up Texas with remote quickly, and we think that will be another reason that will be another tailwind for us in the back half of the year.

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Brian Tanquilut Analyst, Jefferies LLC

Maybe Melissa, just to stay on the topic, if we can dive a little into the numbers of what the virtual strategy can do to the business over time? And how much left is there on the implementation of the initiative?

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Melissa Rasmussen Chief Financial Officer, National Vision Holdings, Inc

Yes. So with the remote initiative, there is the runway for the states that we haven't deployed in. And as far as the overall benefit of the remote exam, each remote exam is an exam that we see as an incremental revenue driver. We wouldn't have otherwise been able to provide that exam, either by a doctor not being in the store or the patient coming in at a time when an exam wasn't available. And so that is an incremental benefit for us. That being said, there are some differences between in-lane and remote that we see benefit from. So with a remote doctor, you never have downtime in between patients. You don't have a no-show. So there are opportunities where the remote capabilities can become ever more beneficial to us as a company.

In addition to that, we've also been digitizing our stores to have store flow become more efficient. We're digitizing our back office with an ERP implementation that's focused on finance and merchandising and continuously looking for better, more efficient ways to do processes to leverage our cost structure more effectively.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

And can I just build on that for one second? So the big mantra around our office for the past year and a half has been champions adapt. And although I've got to admit that prior to COVID, we were probably a little bit more analog than you'd want to be, we are a traditional retailer, there was a lot of paper around and even in our offices, paper records and things like that, I am so proud of the fact that this traditional, probably too analog, company was able to sort of build the Uber for eye exams inside our company and have it be delivering over 10% of our exams in the states where it's enabled.

I still think though we are only in the middle innings on what remote can do for us. The doctors are now as productive as in-lane doctors, and we wouldn't be surprised in later innings if they get more productive. Some of our stores are just as productive as if they had a live doctor there. But once you've got some of the stores, ever more of them can accomplish that.

So I just think it's a great example of us being able to adapt to the new realities, even though the skill set to do this wasn't in our core competencies. But this is why we believe that we will be able to adapt to this new world in such a way that we can emerge stronger once the purchase cycle normalizes.

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Brian Tanquilut Analyst, Jefferies LLC

So maybe just to clarify, so is it right to think that over time, as the initiative matures, that it will be a driver of same-store growth in margins?

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Yes.

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Brian Tanquilut Analyst, Jefferies LLC

It should be, right?

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Yes.

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Brian Tanquilut Analyst, Jefferies LLC

Okay, got it. And then maybe Reade, shifting gears, in your comment earlier, you talked about how folks with vision insurance generally do better or are better patients for you guys because they are less sensitive to the macro environment.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Yes.

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Brian Tanquilut Analyst, Jefferies LLC

What are the initiatives, or how should we be thinking about the opportunity to drive share or drive more insured folks to come into your stores?

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Right. Well, it's been doing pretty darn well organically. As I said, if we happened to be 80% or 90% managed care versus 35% managed care, we'd be sitting around drinking champagne most of the day. It would be very good. There's marketing that you can communicate the number of plans that you take, and we have that as part of our marketing efforts.

But generally, all your work colleagues have the same vision insurance that you do. You show up in a new pair of glasses and there is a reference point there and say, oh, yes, and I got them at America's Best, which takes our insurance. So, there is that part too.

We are always looking for more ways to get that communication out there on that, but it's been growing very nicely for quite some time through this environment. And from a profitability standpoint, we're pretty agnostic as to which patient walks in the door. But the patients walking in the door now are those who are having their insurance company fund most of the purchase.

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Brian Tanquilut Analyst, Jefferies LLC

Got it, that makes sense. And then maybe, Melissa, another topic that, I think, has been on investors' minds and somewhat misunderstood is the impact of Walmart's decision to bring in-house the operation of the clinics that you previously ran and as well as the online contact lens business. Can we level set what that business was and what the impact would be on 2024 results? And how you feel or why you feel that despite the Walmart loss, once we anniversary that, you're actually in a better position, a better place?

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Melissa Rasmussen Chief Financial Officer, National Vision Holdings, Inc

Yes, so the Walmart business, when Reade originally started with the company decades ago, that was 95% of our revenue stream. As we have evolved, that has become a much smaller portion of the business. It was roughly 7% of the revenue stream when the contract was terminated with Walmart.

So as far as scale, it was a great opportunity to build our growth brands. We leveraged that opportunity, but it is a distracting business for us. And so the termination of the contract, while it was not expected, it does streamline our business and allow us to be able to focus on the more important growth aspects of our business. And it's only a small portion of the revenue.

With that, we were doing the contact lens distribution for Walmart in Sam's Club. That business will be exiting at the end of June. That was a high-revenue, low-profit business. And so the impact of both for 2024 is roughly $140 million for the year of 2024, that's what we expect to have in revenue through the first half, with profitability between both revenue streams of roughly $1 million. So razor-thin margins on that business. So that now that we're exiting that, we'll be able to focus entirely on our growth brands, which is where the profitability and the growth potential comes for National Vision as a whole.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

And I do think it's got to be frustrating for investors, the noise that the end of the Walmart stores relationship had in Q1 and the end of the distribution relationship in Q2, by Q3, it will all be behind us. We'll be streamlined and just focusing on our key growth brands there. But it does cause noise right now.

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Brian Tanquilut Analyst, Jefferies LLC

Yes. That makes sense. Reade, let's talk about health care and AI. We're at a health care conference.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Yes

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Brian Tanquilut Analyst, Jefferies LLC

No. So where do you see National Vision factoring in the health care world? And how are you strategizing around that? Maybe let's start there.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

So, again, one of the largest networks of optometrists in America, and I think aside from Walmart, we right now have more America's Best locations than any other brand out there with our 1,000th store opening last Friday. So a large number of optometrists, all employed and connected on the same EHR system. This does not exist since optometry tends to be more independently minded. And with advances in technology like AI, we can do a lot of things we couldn't do before.

So, every one of our stores has a retinal camera. So, this takes a picture of the back of your eye. The back of your eye is a treasure trove of medical information, not just vision information, all sorts of different information about the extent to which you might have diabetes or hypertension or cardiovascular issues or kidney issues, on and on and on, can be read from the retinal scan via AI.

And we believe that this is going to be in a world of shortages of doctors and in a world where consumers are even taking it upon themselves to self-monitor. I've been so surprised by the amount of, oh, you want to go get an MRI? $395 for this. So the number of consumer-driven pieces of that, part of that, we now have in a small number of stores. You can go in, get a picture taken of the back of your eye, and get an assessment of your biological age as opposed to your chronological age. And to the extent to which your biological age is more than five years off your chronological age, you probably should seek treatment from a doctor and change your lifestyle.

But we see that both through technologies like AI readings of retinal scans and through potential partnerships with various insurance companies or other retail health-related groups, we think we can leverage the infrastructure that was built through building a company that sells glasses and contacts, and participate more broadly in the health care of our patients, both with them paying and traditional insurance paying.

That is our innovation journey is going down that road and are in quite a variety of fascinating conversations on that. And we are the largest investor in AI reading group called Toku that will assess the level of your chronological – of your cardiovascular issue and your kidney issue. And they are right now going through a breakthrough designation process with the FDA, and we expect by next year that, that will be blessed by the FDA.

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Brian Tanquilut Analyst, Jefferies LLC

So maybe, Reade, just to follow-up on that. So Toku, you're the biggest investor. Once that is FDA approved, you'll roll that out into your stores and find a way to commercialize and get revenue out of it.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Yes, right, right. And there are direct-to-consumer aspects and there are also partnerships with insurance companies, with cardiologist groups and with other retail health that we're all exploring there. It's not going to affect the balance of this year, okay. It's not going to affect the balance this year. It's our longer-term innovation journey, but we clearly have a right to win there.

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Brian Tanquilut Analyst, Jefferies LLC

So we have a minute left. So maybe I'll throw it to Melissa. Let's talk about how you view the financial metrics for National Vision once things normalize, presumably in 2025, as it relates to like margins, same-store and EBITDA growth.

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Melissa Rasmussen Chief Financial Officer, National Vision Holdings, Inc

Yes. So once things normalize, we'll expect in the balance of 2024, so the back half of the year, we'll see some pretty significant margin expansion based on how low margin Walmart and AC Lens was. So we'll see about 200 basis points of margin expansion for the remainder of this year. We will see some SG&A deleverage as a percentage of revenue just because the revenue base will be changing with the Walmart and AC Lens exit. You will see that same phenomenon at the beginning of 2025. So for first half of 2025, you can expect to see the tailwind of the gross margin impact for the first half of the year in addition to the SG&A deleverage. The back half of 2025 will be our normalized go-forward business as it will be National Vision's growth brands from that point forward.

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Brian Tanquilut Analyst, Jefferies LLC

And sort of what kind of growth rate should we be thinking about from that point on?

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Melissa Rasmussen Chief Financial Officer, National Vision Holdings, Inc.

The growth rate in 2025, we have previously talked about getting to a mid-single-digit margin for 2025. That's predicated on 2024 being able to hit the midpoint of our range for 2024 in addition to getting to comps of mid-single digits as we enter 2025. So we would expect to get to a more normalized operating margins of mid-single digits in 2025.

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Brian Tanquilut Analyst, Jefferies LLC

Awesome. And then Reade, maybe just closing remarks. I mean, what should investors – what do you want to leave investors with as they think about National Vision opportunities that are in front of you?

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

In an ever-changing and rapidly changing world, the one thing that doesn't change is the biology of the human eye. As we age, our vision deteriorates. You need to solve it, and the way people solve it is through glasses and contact lenses. And people are always seeking value, and we are among the best values out there. As our consumer gets a little better, as the purchase cycle starts to normalize as it inevitably will, we will be emerging stronger and be ready to take advantage of that.

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Brian Tanquilut Analyst, Jefferies LLC

Awesome. Thank you so much. Thank you, everyone.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Thank you.

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Brian Tanquilut Analyst, Jefferies LLC

Thanks for the socks.

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L. Reade Fahs Chief Executive Officer and Director, National Vision Holdings, Inc.

Yes, yes.