



Investor Presentation

August 2022



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 related to our current beliefs and expectations regarding the performance of our industry, the Company’s strategic direction, market position, prospects 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 COVID-19 pandemic and its resurgence and variants, and the impact of evolving federal, state, and local governmental actions in response thereto, including risks stemming from vaccination and testing programs and mandates; customer behavior in response to the continuing pandemic and its more recent outbreaks of variants, including the impact of such behavior on in-store traffic and sales; overall decline in the health of the economy and other factors impacting consumer spending, including inflation, rising interest rates, and geopolitical instability; our ability to open and operate new stores in a timely and cost-effective manner, or keep stores safely open in light of the continuing COVID-19 pandemic, and to successfully enter new markets; our ability to recruit and retain vision care professionals for our stores in general and in light of the pandemic; our ability to develop, maintain and extend relationships with managed vision care companies, vision insurance providers and other third-party payors; our ability to maintain the performance of our Host and Legacy brands and our current operating relationships with our Host and Legacy partners; our ability to adhere to extensive state, local and federal vision care and healthcare laws and regulations; our compliance with managed vision care laws and regulations; our ability to maintain sufficient levels of cash flow from our operations to execute or sustain our growth strategy or obtain additional financing at satisfactory terms or at all; the loss of, or disruption in the operations of, one or more of our distribution centers and/or optical laboratories, resulting in the inability to fulfill customer orders and deliver our products in a timely manner; risks associated with vendors from whom our products are sourced, including our dependence on a limited number of suppliers; our ability to compete successfully; our ability to effectively operate our information technology systems and prevent interruption or security breach; the impact of wage rate increases, inflation, cost increases and increases in raw material prices and energy prices; our growth strategy straining our existing resources and causing the performance of our existing stores to suffer; our ability to successfully and efficiently implement our marketing, advertising and promotional efforts; risks associated with leasing substantial amounts of space, including future increases in occupancy costs; the impact of certain technological advances, and the greater availability of, or increased consumer preferences for, vision correction alternatives to prescription eyeglasses or contact lenses, and future drug development for the correction of vision-related problems; our ability to retain our existing senior management team and attract qualified new personnel; our ability to manage our inventory; seasonal fluctuations in our operating results and inventory levels; our reliance on third-party coverage and reimbursement, including government programs, for an increasing portion of our revenues; risks associated with our e-commerce and omni-channel business; product liability, product recall or personal injury issues; our failure to comply with, or changes in, laws, regulations, enforcement activities and other requirements; the impact of any adverse litigation judgments or settlements resulting from legal proceedings relating to our business operations; risk of losses arising from our investments in technological innovators in the optical retail industry; our ability to adequately protect our intellectual property; risks associated with environmental, social and governance issues, including climate change; our significant amount of indebtedness and our ability to generate sufficient cash flow to satisfy our debt obligations; a change in interest rates as well as changes in benchmark rates and uncertainty related to the foregoing; restrictions in our credit agreement that limits our flexibility in operating our business; potential dilution to existing stockholders upon the conversion of our convertible notes; 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, our Quarterly Report on Form 10-Q filed on August 11, 2022, and subsequently filed reports, 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 for the second quarter of 2022, which is available at www.nationalvision.com/investors, together with this presentation.

Our Mission



Helping people by
making quality eye care
and eyewear more
affordable and
accessible



Investment Highlights

1

Compelling Industry with Favorable Growth Trends and Barriers to Entry

2

Differentiated and Disruptive Value Proposition Gaining Market Share

3

Multiple Growth Drivers and Significant Whitespace Opportunity

4

Attractive Store-Level Economics Coupled with Consistent Predictability

5

Deeply Experienced Management Team of Optical Experts with Proven Track Record of Success

6

Culture of Philanthropy that Influences Optometrists, Associates and Customers





Company Overview

Diverse Portfolio of Complementary Brands

- NVI is the second largest U.S. optical retail company with a diverse portfolio of 1,314 retail stores across five brands and **17** consumer websites
 - Offer eye exams, eyeglasses, and contact lenses to value seeking / lower income consumers
 - Ability to offer consumers a significant value proposition through bundled eyeglass, eye exam packages facilitated by employed optometrists
 - Low-cost provider of a “**medical necessity**”
- LTM Q2 2022 net revenue of **\$2.0BN** and Adjusted EBITDA¹ of **\$237M**
- Stable “Legacy/Host” brands that generate significant cash to reinvest in growth

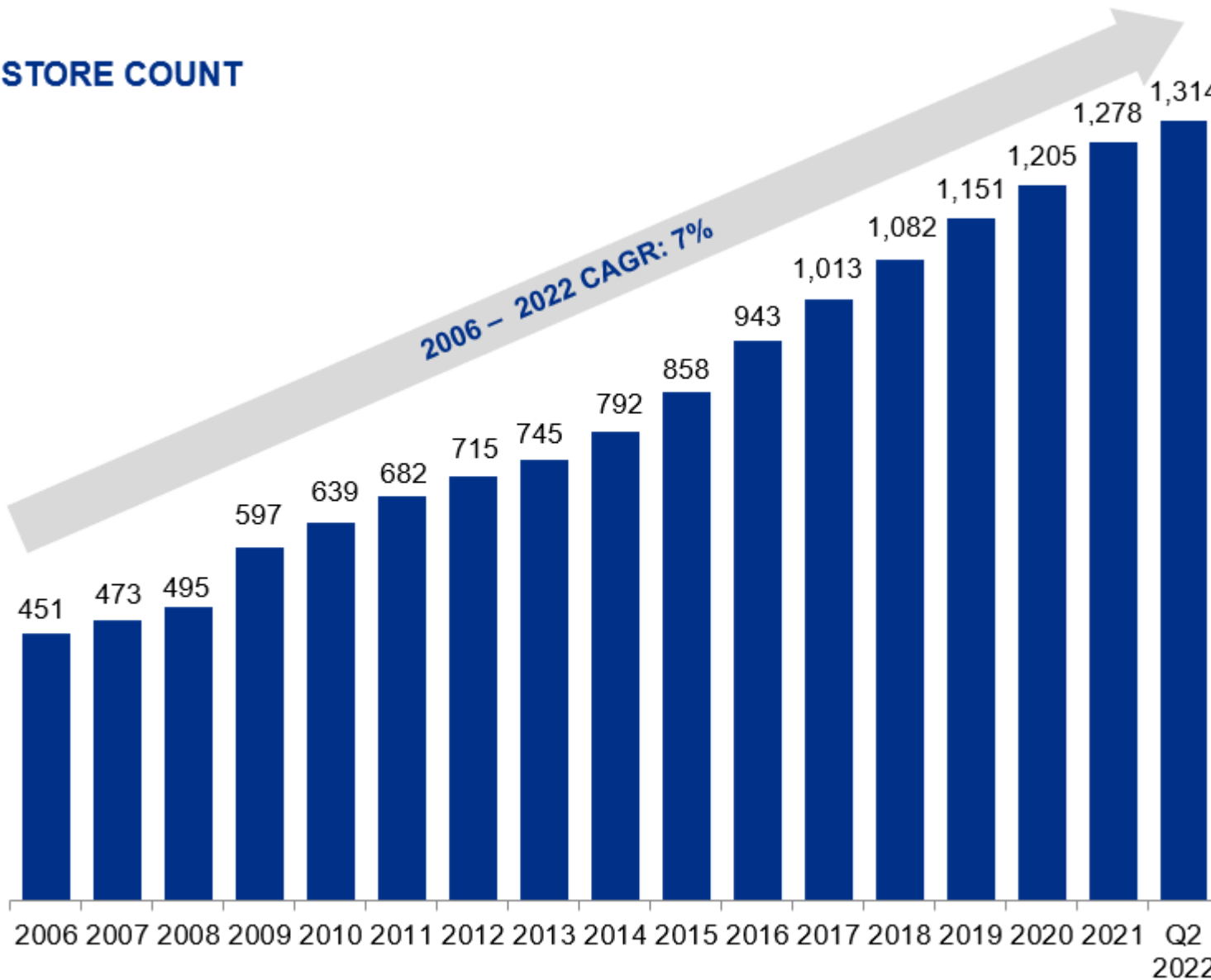
Growth				
Legacy/ Host				
E-Comm				

Note: Store and website count as of July 2, 2022

1- Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measure of LTM Q2 2022 net income of \$87 million.

We Have a Long History of Consistent Unit Expansion

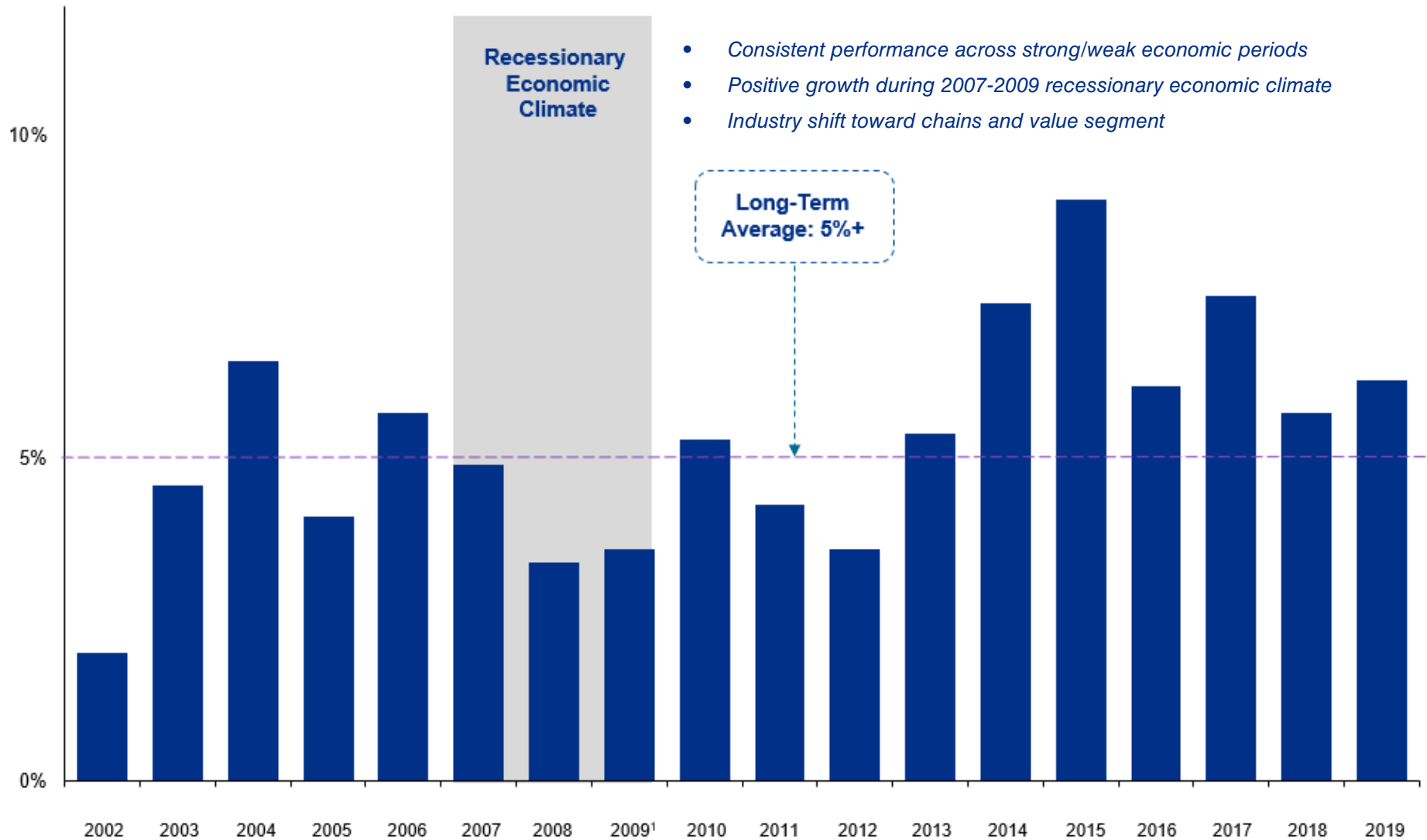
STORE COUNT



- Opened over **850 new stores** since 2006
- 5 year rolling average **new store success rate of +97%**¹
- **Steadily grown net revenue from \$245MM** in 2002 (when new management team formed) **to \$2.0BN** (LTM Q2 2022)

1- Defined as the percentage of stores opened in the last five years that are still open as of July 2, 2022.

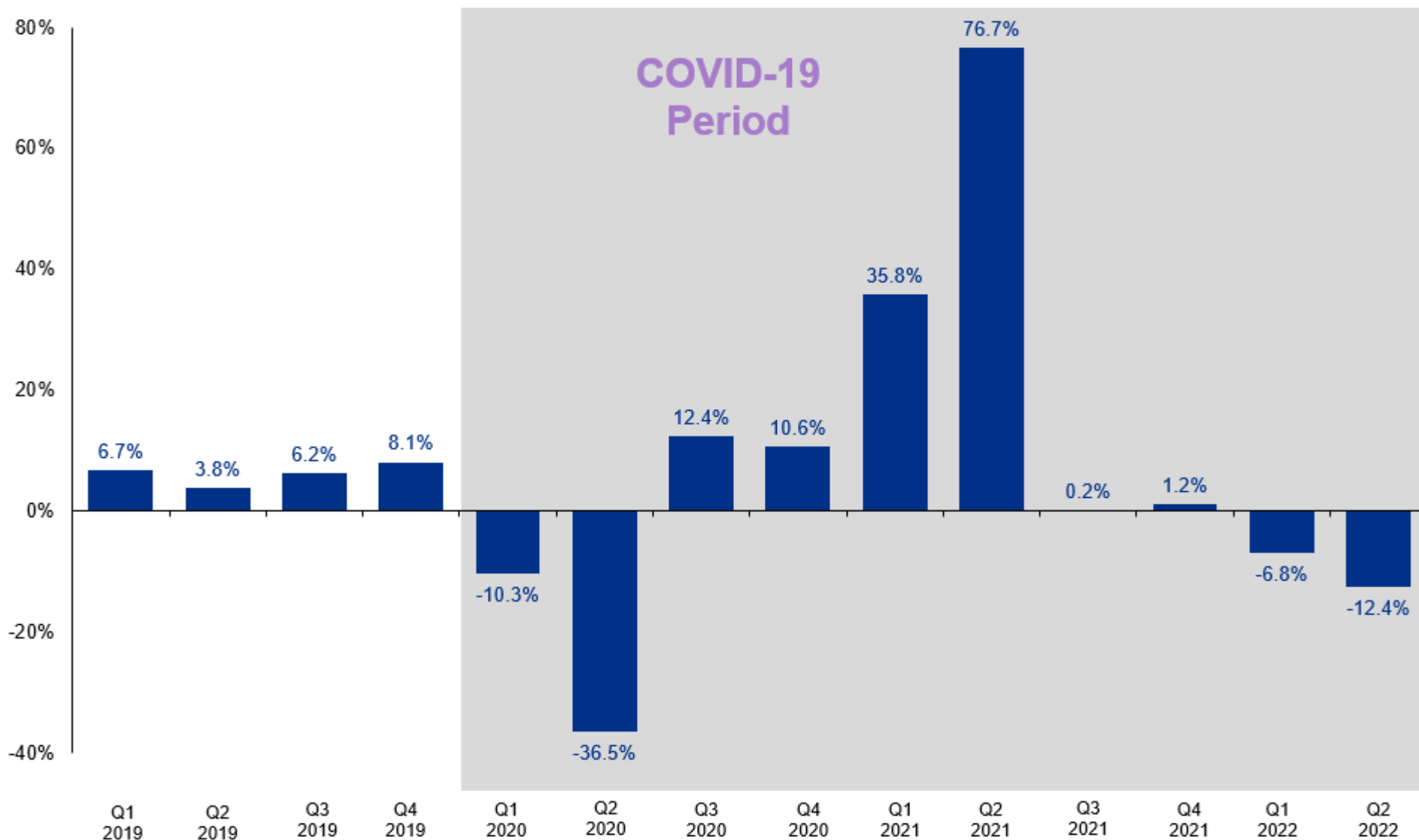
Long History of Consistent Comparable Store Sales Growth ('02 - '19)



1-2009 comparable store sales exclude sales from the Eyeglass World stores for the first six month "transition" period following our acquisition of Eyeglass World.

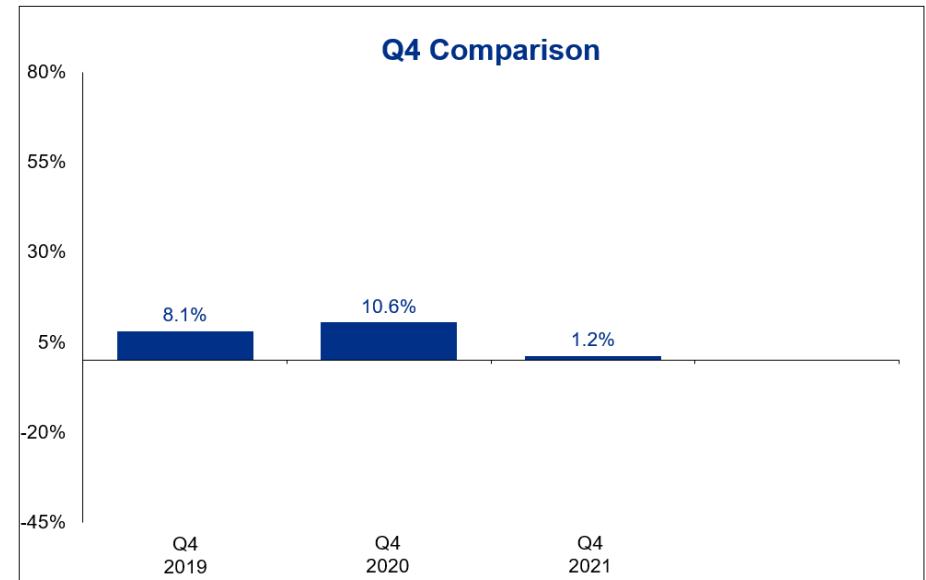
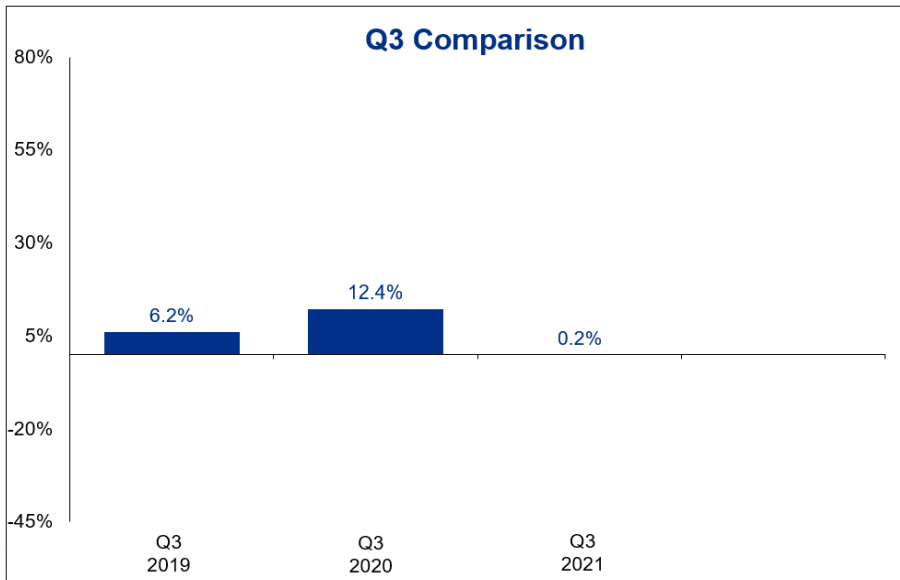
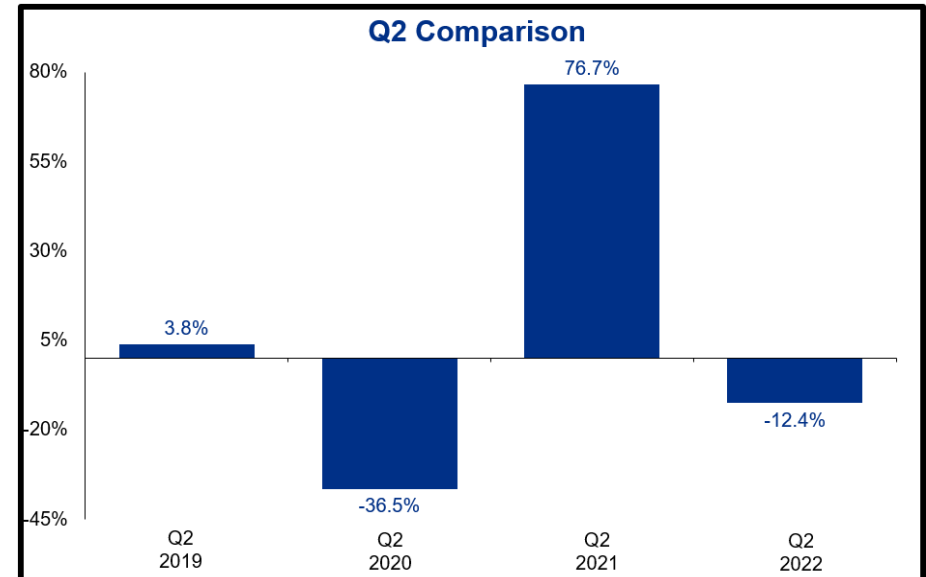
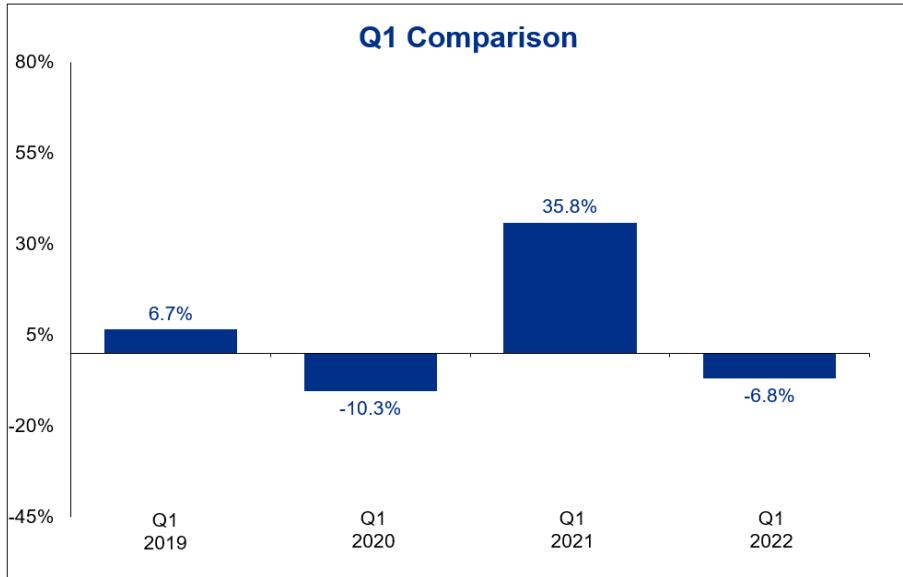
COVID Disrupted the Optical Purchase Cycle...

Adjusted Comparable Store Sales Growth¹



1 - Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measure of total comparable store sales growth of 6.2% for Q1 2019, 4.4% for Q2 2019, 5.7% for Q3 2019, 10.1% for Q4 2019, (2.9)% for Q1 2020, (44.7)% for Q2 2020, 11.6% for Q3 2020, 14.3% for Q4 2020, 18.2% for Q1 2021, 99.1% for Q2 2021, 3.4% for Q3 2021, 1.7% for Q4 2021, (4.9)% for Q1 2022 and (11.0)% for Q2 2022.

...Adding Volatility to Quarterly Adjusted Comparable Store Sales Growth¹



1 - Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measure of total comparable store sales growth of 6.2% for Q1 2019, 4.4% for Q2 2019, 5.7% for Q3 2019, 10.1% for Q4 2019, (2.9)% for Q1 2020, (44.7)% for Q2 2020, 11.6% for Q3 2020, 14.3% for Q4 2020, 18.2% for Q1 2021, 99.1% for Q2 2021, 3.4% for Q3 2021, 1.7% for Q4 2021, (4.9)% for Q1 2022 and (11.0)% for Q2 2022.

How We are Breaking the Mold in an Industry Ripe for Disruption

WHY ARE EYE EXAMS AND EYE CARE SO EXPENSIVE?



730-year old technology

Dominican Cardinal
Hugh of Saint-Cher - 1306 AD, Pisa, Italy

- Protectionist laws / quirky legislation
- Economic inefficiency of “independents”
- Growth of “brands” and fashionability

Social / Healthcare Implications

- Eyes are the window to hundreds of health concerns, including diabetes and hypertension
- Compounding impact of not catching vision issues early
- Road safety

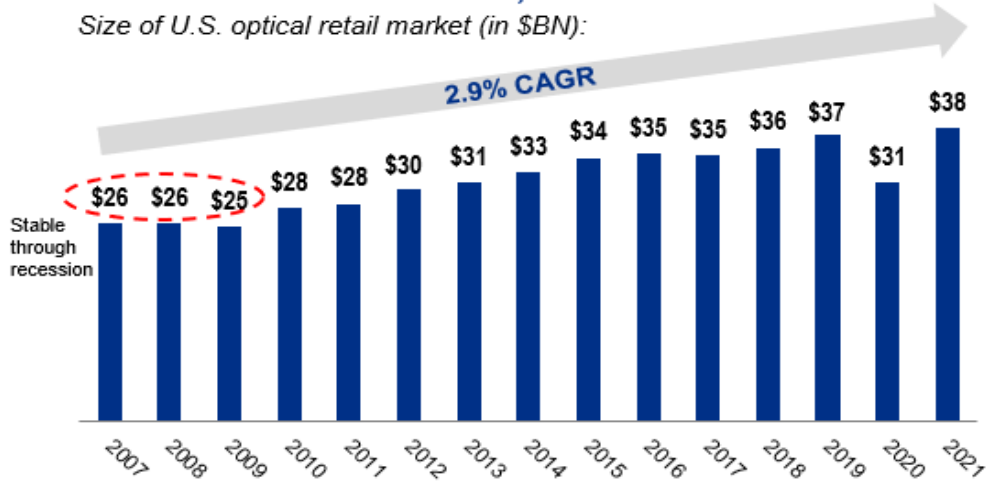
HOW NATIONAL VISION IS BREAKING THE MOLD

- Employed optometrist model and value bundles (eyeglass / eye exam bundles)
- Low cost operating model and locations in strip centers (not high mall rents)
- Highly-efficient centralized laboratory network / custom manufacturing capabilities
- Economies of scale / negotiating leverage
- Private label frames and contact lenses
- “Sticky” customer base

“A Rising Tide in a Rising Tide in a Rising Tide”

HISTORICALLY RESILIENT AND GROWING INDUSTRY, ACROSS MARKET CYCLES; COVID IMPACT IN 2020

Size of U.S. optical retail market (in \$BN):



Source: Vision Monday

TOP OPTICAL RETAILERS

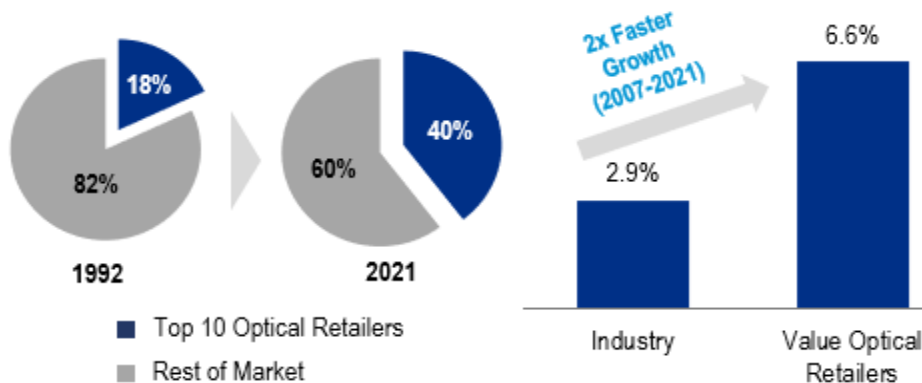
(2021 sales dollars in \$MM):

1. EssilorLuxottica ⁽¹⁾	\$5,234
2. National Vision	\$2,080
3. Walmart	\$1,748
4. EyeCare Partners LLC	\$1,566
5. Costco Optical	\$1,403
8. Warby Parker	\$534

(1) EssilorLuxottica represents a combination of Luxottica Retail (LensCrafters, Pearle Vision, and Target), Vision Source, Vision Associates and Grandvision USA Retail (For Eyes)

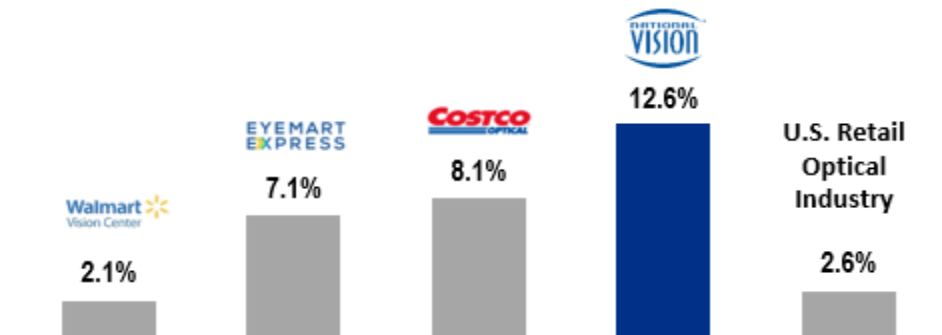
Source: Vision Monday

LARGEST RETAILERS GAINING SHARE FROM INDEPENDENTS, VALUE SEGMENT GROWING FASTEST



Source: 20/20 Magazine (April 1993), Vision Monday




NVI IS THE FASTEST GROWING U.S. VALUE OPTICAL CHAIN (2012-2021 sales CAGR)



Source: Vision Monday, Management Team

Our Two Differentiated Growth Brands Catering to the Value Segment



<p>Value Proposition</p>	<ul style="list-style-type: none"> • Extreme value • Free eye exams • Private label 	<ul style="list-style-type: none"> • Value • Broad selection / designer brands • Convenience / same-day service
<p>The Model</p>	<ul style="list-style-type: none"> • Employed optometrists enable key signature bundled offerings (eye exam + glasses / contacts) • High margin private label eyeglasses and contact lenses • Latest eye exam technology 	<ul style="list-style-type: none"> • Eyeglass superstore • Broader assortment of designer frames • Mostly independent optometrists
<p>Cost Structure</p>	<ul style="list-style-type: none"> • High-traffic strip centers • Highly efficient centralized labs (no labs in stores) 	<ul style="list-style-type: none"> • “At the corner of main-and-main” near major shopping hubs • In-store labs that provide quick turnaround times
<p>'21 Net Revenue Contribution</p>		

National Vision is Well-Positioned for Success in the Retail Environment of the Future

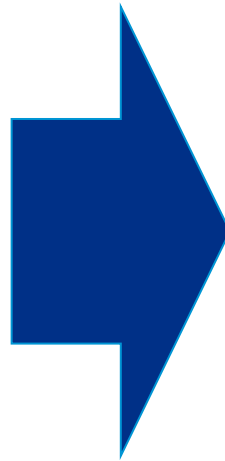
“RETAIL 1.0”

Retailing of Products

“Bar-code” Distributors

Disintermediated by Online /
Disruptors

High Prices and Moderate
Margins
Susceptible to disruption



“RETAIL 2.0”



Retailing of Services

*Eye exams; frame and lens selection and fitting;
mass custom manufacturing*

Experiential

In-store and online browsing and try-on

**Proactively Integrating Online
Disruption Into Our Model**

*Need for eye exams and precise measurements /
near-perfect fit for proper function*

Low Prices and Strong Margins

Greater Meaning

***National Vision has established a scaled services platform
not easily disintermediated by the internet***

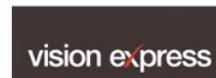


Experienced Team of Optical Experts

BEST IN CLASS MANAGEMENT TEAM

- Deeply experienced management team of optical experts
- Cohesive team averaging 9 years at National Vision
- Experienced management team averaging 20 years¹ of optical or retail experience
- Management team evolution progressing well
- Insights into customers and industry from prior experience
- Extensive optical network and reference points throughout the world

Extensive Optical and Specialty Retail Experience



1- Includes years with predecessor entities prior to NVI's acquisition thereof.

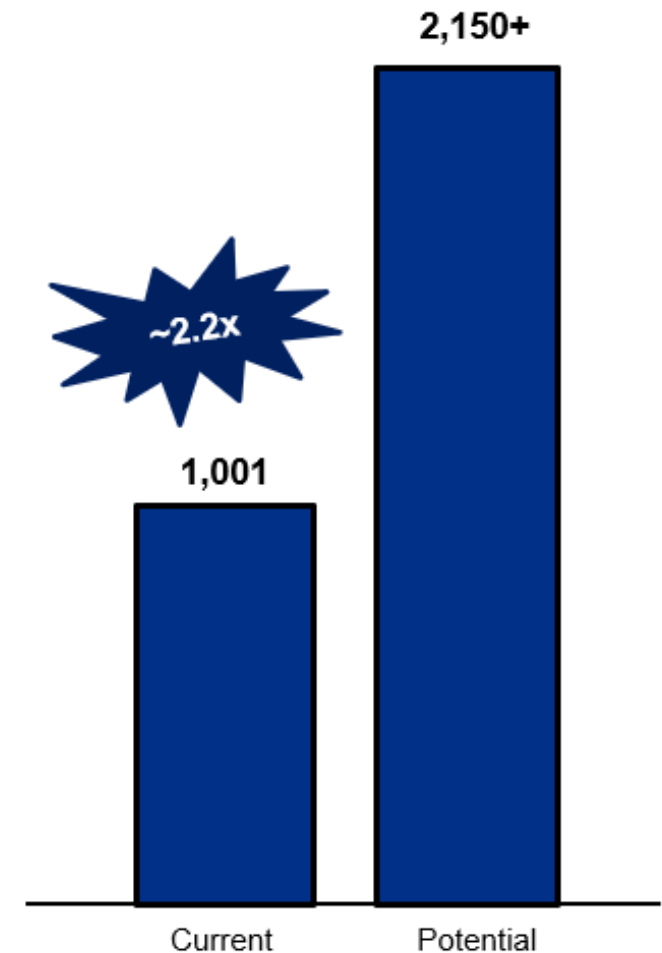


Already at Scale, with Runway for Continued Growth

CURRENT STORE FOOTPRINT OF AMERICA'S BEST AND EYEGLOSS WORLD...

...SUPPORTED BY STRONG FUTURE STORE POTENTIAL

Brand	# of Stores	# of States
America's Best	872	32
Eyeglass World	129	23



Note: Store count as of July 2, 2022

**Significant
whitespace opportunity**



Growth Strategies

We Have Multiple Drivers to Continue Our Growth



Grow Store Base Across Our Owned Brands



Continue to Drive Comparable Store Sales Growth



Improve Operating Productivity



Leverage Technology

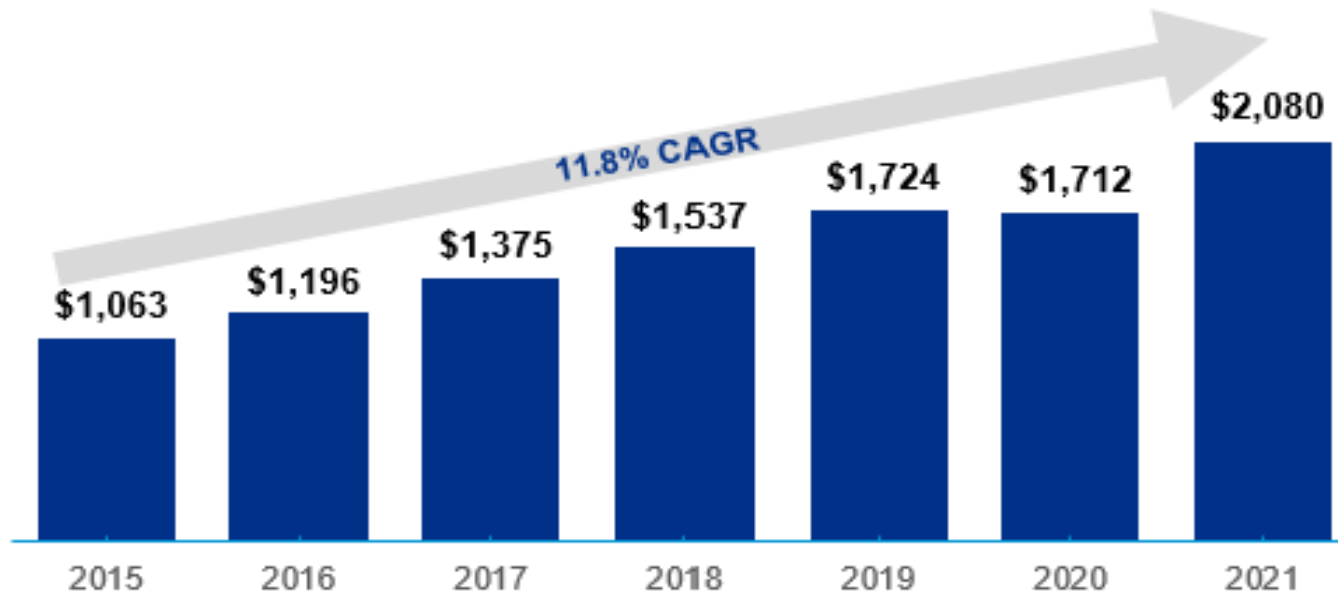


Financial Review

Proven Track Record to Deliver Consistent Financial Performance

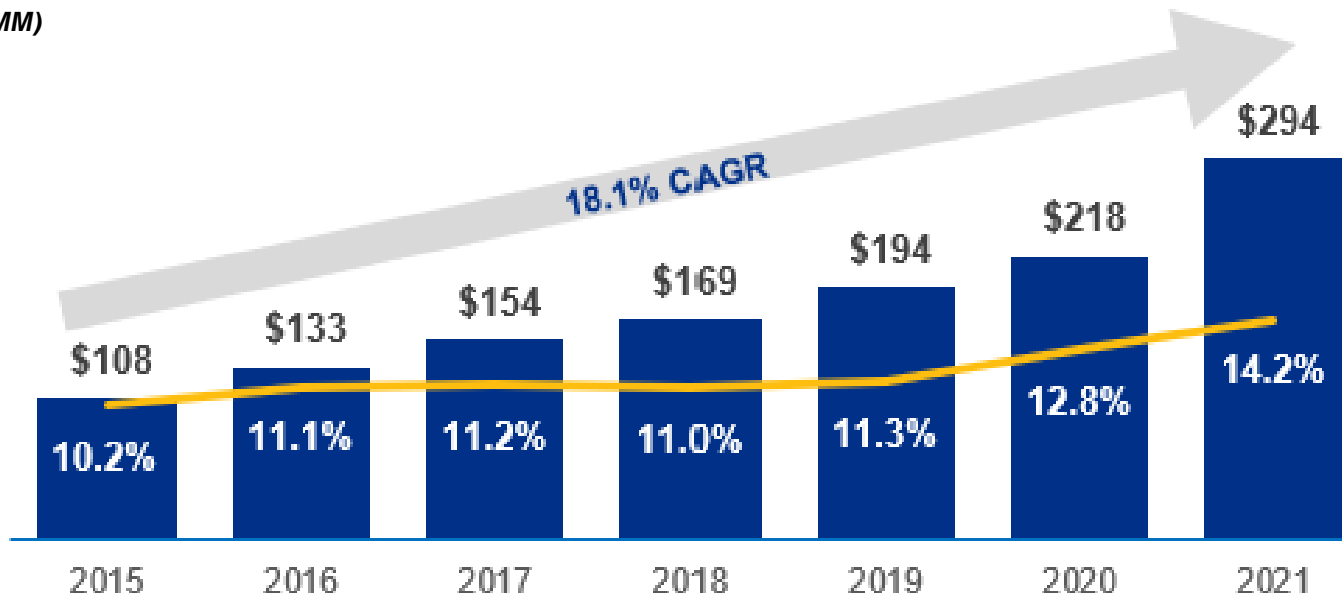
NET REVENUE

(Net Revenue in \$MM)



ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN⁽¹⁾

(Adjusted EBITDA in \$MM)

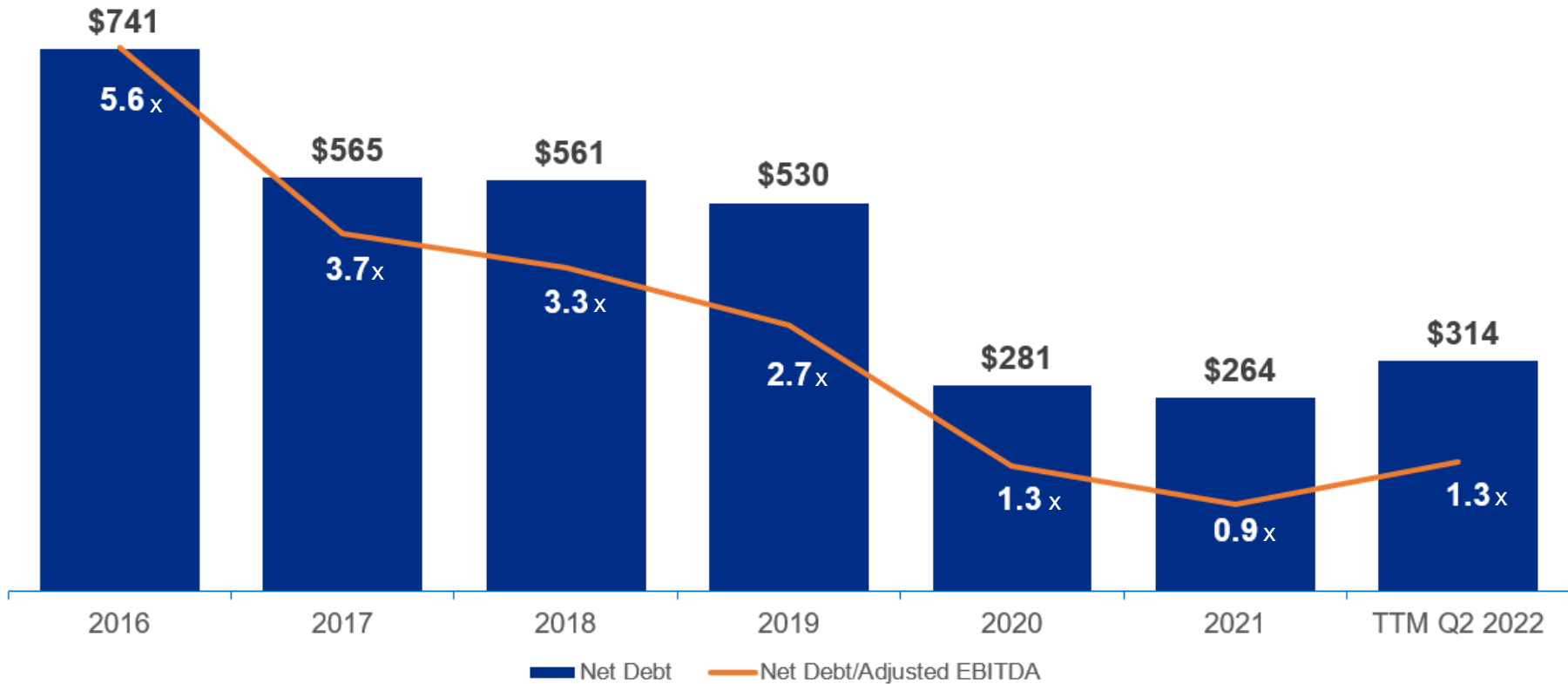


1-Non-GAAP financial measures; see Appendix for reconciliation to GAAP financial measures of net income for 2015-2021.



Balance Sheet and Leverage Metric Improvements

NET DEBT⁽¹⁾ AND NET DEBT/ADJUSTED EBITDA⁽²⁾ (Net Debt in \$MM)



- Repurchased \$150 million in common stock since November 2021
 - Repurchased 2.6 million shares for \$73 million during Q2 2022
 - \$50 million remaining in share repurchase authorization

1-Net debt consists of long-term debt and finance lease obligations, including current maturities, less cash and cash equivalents.
 2-Non-GAAP financial measures; see Appendix for reconciliation to GAAP financial measures of net income for 2016-2021.



Q2 2022 Highlights

	Amount	Change vs Q2 2021	Change vs Q2 2019
Net Revenue	\$509.6 million	(7.3)%	+ 18.7%
Adjusted Operating Income¹	\$27.8 million	(57.6)%	(4.5)%
Adjusted Diluted EPS¹	\$0.21	(57.0)%	+ 13.0%

- Adjusted Comparable Store Sales Growth¹: (12.4)% (compared to record +76.7% in Q2 21)
- Q2 challenges:
 - Macro headwinds, constraints to exam capacity, and record comp comparison
- Opened 22 new stores and ended the quarter with 1,314 stores
 - Opened 1,300th store; Operate over 1,000 stores in growth brands
- Cash balance of \$254 million
- Signed amendment that extends current lens supply agreement with EssilorLuxottica for three years (July)

¹-Non-GAAP financial measures; see Appendix for reconciliation to GAAP financial measures of net income of \$9.7 million in 2022, \$37.6 million in 2021 and \$10.3 million in 2019; diluted EPS of \$0.12 in 2022, \$0.42 in 2021 and \$0.13 in 2019; and total comparable store sales growth of (11.0)% in 2022 and 99.1% in 2021.

Moment of Mission

- Patient complained of blurry vision
- Thought she simply needed new glasses
- Remote exam at her local America's Best was affordable and quickly available (when an exam with in-store OD was not available)
- Dr. John Jett saw a medical condition on the retinal image
- Recommended an immediate trip to the ER



Dr. John Jett performing a remote exam at an America's Best

Within two hours, the patient was air-lifted for emergency brain surgery, where surgeons removed a 2.5" tumor. She is currently recovering.



Appendix

Q2 2022 Consolidated Financial Results (Unaudited)

Dollars and shares in thousands, except Earnings Per Share	Three Months Ended			Six Months Ended		
	July 2, 2022	July 3, 2021	June 29, 2019	July 2, 2022	July 3, 2021	June 29, 2019
Revenue:						
Net product sales	\$ 421,600	\$ 458,206	\$ 357,533	\$ 854,853	\$ 901,273	\$ 740,693
Net sales of services and plans	87,955	91,283	71,918	182,413	182,396	149,973
Total net revenue	509,555	549,489	429,451	1,037,266	1,083,669	890,666
Costs applicable to revenue (exclusive of depreciation and amortization):						
Products	163,361	167,028	145,654	327,580	326,719	299,658
Services and plans	71,206	68,918	56,852	143,024	133,917	114,817
Total costs applicable to revenue	234,567	235,946	202,506	470,604	460,636	414,475
Operating expenses:						
Selling, general and administrative expenses	227,829	234,235	182,278	456,383	457,828	376,154
Depreciation and amortization	25,245	24,025	20,819	50,396	47,580	41,234
Asset impairment	3,509	519	1,790	3,915	1,478	3,872
Other expense (income), net	34	(65)	356	265	(130)	829
Total operating expenses	256,617	258,714	205,243	510,959	506,756	422,089
Income from operations	18,371	54,829	21,702	55,703	116,277	54,102
Interest expense (income), net	3,963	10,188	8,968	(181)	16,518	18,029
Earnings before income taxes	14,408	44,641	12,734	55,884	99,759	36,073
Income tax provision	4,674	7,040	2,477	16,003	18,726	8,387
Net income	\$ 9,734	\$ 37,601	\$ 10,257	\$ 39,881	\$ 81,033	\$ 27,686
Earnings per share - basic	\$ 0.12	\$ 0.46	\$ 0.13	\$ 0.49	\$ 0.99	\$ 0.35
Earnings per share - diluted	\$ 0.12	\$ 0.42	\$ 0.13	\$ 0.47	\$ 0.89	\$ 0.34
Weighted average shares outstanding - basic	80,061	81,601	78,318	80,744	81,457	78,262
Weighted average shares outstanding - diluted	80,403	96,082	81,424	94,109	96,044	81,437

The 2025 Notes were antidilutive for the three months ended July 2, 2022 and, therefore, excluded from the computation of the weighted average shares for diluted EPS.

Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

<i>Dollars in thousands</i>	2015	2016	2017	2018	2019	2020	2021
Net revenue	\$ 1,062,528	\$ 1,196,195	\$ 1,375,308	\$ 1,536,854	\$ 1,724,331	\$ 1,711,760	\$ 2,079,525
Net income	2,871	13,343	43,138	23,653	32,798	36,277	128,244
Interest expense	39,292	39,092	60,063	37,483	33,300	48,327	25,612
Income tax provision (benefit)	1,300	11,634	(38,910)	(18,785)	(2,309)	2,403	21,081
Depreciation and amortization	44,349	52,677	61,974	74,339	87,244	91,585	97,089
EBITDA	87,812	116,746	126,265	116,690	151,033	178,592	272,026
Stock compensation expense ^(a)	6,635	4,293	5,152	20,939	12,670	10,740	14,886
Loss on extinguishment of debt ^(b)	—	—	—	—	9,786	—	—
Asset impairment ^(c)	7,716	7,132	4,117	17,630	8,894	22,004	4,427
Litigation settlement ^(d)	—	—	7,000	—	—	4,395	1,500
Secondary offering expenses ^(e)	—	—	—	2,451	401	—	—
Management realignment expenses ^(f)	—	—	—	—	2,155	—	—
Long-term incentive plan ^(g)	—	—	—	7,040	2,830	—	—
Non-cash inventory write-offs ⁽ⁿ⁾	—	—	2,271	—	—	—	—
Management fees ^(o)	1,649	1,126	5,263	—	—	—	—
Other ^(k)	4,644	3,520	3,924	4,585	6,370	2,576	1,511
Adjusted EBITDA	<u>\$ 108,456</u>	<u>\$ 132,817</u>	<u>\$ 153,992</u>	<u>\$ 169,335</u>	<u>\$ 194,139</u>	<u>\$ 218,307</u>	<u>\$ 294,350</u>
Net income margin	0.3 %	1.1 %	3.1 %	1.5 %	1.9 %	2.1 %	6.2 %
Adjusted EBITDA Margin	10.2 %	11.1 %	11.2 %	11.0 %	11.3 %	12.8 %	14.2 %
Net debt/Net income		55.5x	13.1x	23.7x	16.2x	7.8x	2.1x
Net debt/Adjusted EBITDA		5.6x	3.7x	3.3x	2.7x	1.3x	0.9x

Note: Fiscal year 2020 includes 53 weeks. Fiscal years 2015 - 2019 and 2021 include 52 weeks. Percentages reflect line item as a percentage of net revenue, adjusted for rounding.

Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

	Three Months Ended			Six Months Ended			Twelve Months Ended July 2, 2022
	July 2, 2022	July 3, 2021	June 29, 2019	July 2, 2022	July 3, 2021	June 29, 2019	
<i>Dollars in thousands</i>							
Net income	\$ 9,734	\$ 37,601	\$ 10,257	\$ 39,881	\$ 81,033	\$ 27,686	\$ 87,092
Interest expense (income)	3,963	10,188	8,968	(181)	16,518	18,029	8,913
Income tax provision	4,674	7,040	2,477	16,003	18,726	8,387	18,358
Depreciation and amortization	25,245	24,025	20,819	50,396	47,580	41,234	99,905
EBITDA	43,616	78,854	42,521	106,099	163,857	95,336	214,268
Stock compensation expense ^(a)	3,638	7,213	1,741	7,372	10,201	4,717	12,057
Asset impairment ^(c)	3,509	519	1,790	3,915	1,478	3,872	6,864
Litigation settlement ^(d)	—	—	—	—	—	—	1,500
Management realignment expenses ^(f)	—	—	—	—	—	2,155	—
Long-term incentive plan ^(g)	—	—	781	—	—	722	—
Other ^(k)	390	1,149	1,223	2,350	1,549	2,467	2,312
Adjusted EBITDA	\$ 51,153	\$ 87,735	\$ 48,056	\$ 119,736	\$ 177,085	\$ 109,269	\$ 237,001
Net income margin	1.9 %	6.8 %	2.4 %	3.8 %	7.5 %	3.1 %	
Adjusted EBITDA Margin	10.0 %	16.0 %	11.2 %	11.5 %	16.3 %	12.3 %	
Net debt/Net income							3.6x
Net debt/Adjusted EBITDA							1.3x

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

Reconciliation of Adjusted Operating Income to Net Income (Unaudited)

<i>Dollars in thousands</i>	Three Months Ended			Six Months Ended		
	July 2, 2022	July 3, 2021	June 29, 2019	July 2, 2022	July 3, 2021	June 29, 2019
Net income	\$ 9,734	\$ 37,601	\$ 10,257	\$ 39,881	\$ 81,033	\$ 27,686
Interest expense (income)	3,963	10,188	8,968	(181)	16,518	18,029
Income tax provision	4,674	7,040	2,477	16,003	18,726	8,387
Stock compensation expense ^(a)	3,638	7,213	1,741	7,372	10,201	4,717
Asset impairment ^(c)	3,509	519	1,790	3,915	1,478	3,872
Management realignment expenses ^(f)	—	—	—	—	—	2,155
Long-term incentive plan ^(g)	—	—	781	—	—	722
Amortization of acquisition intangibles ^(h)	1,872	1,871	1,851	3,744	3,744	3,702
Other ^(k)	390	1,149	1,223	2,350	1,549	2,467
Adjusted Operating Income	\$ 27,780	\$ 65,581	\$ 29,088	\$ 73,084	\$ 133,249	\$ 71,737
Net income margin	1.9 %	6.8 %	2.4 %	3.8 %	7.5 %	3.1 %
Adjusted Operating Margin	5.5 %	11.9 %	6.8 %	7.0 %	12.3 %	8.1 %

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

Reconciliation of Adjusted Diluted EPS to Diluted EPS (Unaudited)

Shares in thousands	Three Months Ended			Six Months Ended		
	July 2, 2022	July 3, 2021	June 29, 2019	July 2, 2022	July 3, 2021	June 29, 2019
Diluted EPS	\$ 0.12	\$ 0.42	\$ 0.13	\$ 0.47	\$ 0.89	\$ 0.34
Stock compensation expense ^(a)	0.05	0.08	0.02	0.08	0.11	0.06
Asset impairment ^(c)	0.04	0.01	0.02	0.04	0.02	0.05
Management realignment expenses ^(f)	—	—	—	—	—	0.03
Long-term incentive plan ^(g)	—	—	0.01	—	—	0.01
Amortization of acquisition intangibles ^(h)	0.02	0.02	0.02	0.04	0.04	0.05
Amortization of debt discount and deferred financing costs ⁽ⁱ⁾	0.01	0.01	0.01	0.01	0.01	0.01
Losses (gains) on change in fair value of derivatives ^(j)	(0.01)	0.02	—	(0.11)	0.00	—
Other ^(k)	0.00	0.01	0.02	0.02	(0.01)	0.03
Tax benefit of stock option exercises ^(l)	0.00	(0.04)	(0.01)	0.00	(0.05)	(0.02)
Tax effect of total adjustments ^(m)	(0.03)	(0.04)	(0.02)	(0.02)	(0.05)	(0.06)
Adjusted Diluted EPS	<u>\$ 0.21</u>	<u>\$ 0.48</u>	<u>\$ 0.18</u>	<u>\$ 0.53</u>	<u>\$ 0.97</u>	<u>\$ 0.49</u>
Weighted average diluted shares outstanding	80,403	96,082	81,424	94,109	96,044	81,437

Note: Some of the totals in the table above do not foot due to rounding differences.

Reconciliation of Non-GAAP to GAAP Financial Measures Footnotes

- (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 write-off of deferred financing fees related to the extinguishment of debt.
- (c) Reflects write-off of primarily property, equipment and lease related assets on closed or underperforming stores.
- (d) Expenses associated with settlement of certain litigation.
- (e) Expenses related to our secondary public offerings.
- (f) Expenses related to a non-recurring management realignment described in the Current Report on Form 8-K filed with the SEC on January 10, 2019.
- (g) Expenses pursuant to a long-term incentive plan for non-executive associates who were not participants in the management equity plan.
- (h) 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.
- (i) Amortization of deferred financing costs and other non-cash charges related to our long-term debt, including amortization of the conversion feature related to the 2025 Notes. 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.
- (j) Reflects losses (gains) recognized in interest expense (income), net on change in fair value of de-designated hedges.
- (k) 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 and Adjusted EBITDA), which are primarily related to excess payroll taxes on stock option exercises, executive severance and relocation and other expenses and adjustments, including our share of losses (gains) on equity method investments and other investments. For Adjusted Diluted EPS, adjustment also includes the impact of stranded tax effect associated with our interest rate swaps that matured in 2021.
- (l) Tax benefit associated with accounting guidance requiring excess tax benefits related to stock option exercises to be recorded in earnings as discrete items in the reporting period in which they occur.
- (m) Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates.
- (n) Reflects write-offs of inventory relating to the expiration of a specific type of contact lenses that could not be sold and required disposal.
- (o) Management fees paid to Sponsors in accordance with our monitoring agreement and terminated upon consummation of the IPO in October 2017.

Reconciliation of Adjusted Comparable Stores Sales Growth (Unaudited)

	Comparable store sales growth ^(a)			
	Three Months Ended July 2, 2022	Three Months Ended July 3, 2021	Six Months Ended July 2, 2022	Six Months Ended July 3, 2021
Owned & Host segment				
America's Best	(13.0)%	81.8 %	(10.1)%	54.9 %
Eyeglass World	(9.1)%	67.6 %	(7.6)%	57.1 %
Military	(6.1)%	65.0 %	(5.1)%	38.1 %
Fred Meyer	(9.8)%	61.1 %	(4.3)%	36.1 %
Legacy segment	(12.9)%	58.2 %	(8.6)%	42.6 %
Total comparable store sales growth	(11.0)%	99.1 %	(8.0)%	48.9 %
Adjusted Comparable Store Sales Growth ^(b)	(12.4)%	76.7 %	(9.6)%	53.3 %

	2019				2020				2021				2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Total comparable store sales growth	6.2 %	4.4 %	5.7 %	10.1 %	(2.9)%	(44.7)%	11.6 %	14.3 %	18.2 %	99.1 %	3.4 %	1.7 %	(4.9)%	(11.0)%
Adjustments for effects of: ^(b)														
Unearned & deferred revenue	0.8 %	(0.4)%	0.6 %	(1.9)%	(7.5)%	8.1 %	0.9 %	(3.3)%	13.8 %	(21.6)%	(3.0)%	(0.6)%	(1.8)%	(1.2)%
Retail sales to Legacy partner's customers	(0.3)%	(0.2)%	(0.1)%	(0.1)%	0.1 %	0.1 %	(0.1)%	(0.4)%	3.8 %	(0.8)%	(0.2)%	0.1 %	(0.1)%	(0.2)%
Adjusted Comparable Store Sales Growth	6.7 %	3.8 %	6.2 %	8.1 %	(10.3)%	(36.5)%	12.4 %	10.6 %	35.8 %	76.7 %	0.2 %	1.2 %	(6.8)%	(12.4)%

Note: Q4 2021 and Q4 2019 include 13 weeks. Q4 2020 includes 14 weeks.

- (a) Total comparable store sales is calculated based on consolidated net revenue excluding the impact of (i) Corporate/Other segment net 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 Chief Operating Decision Maker reviews, and consistent with reportable segment revenues presented in Note 10. "Segment Reporting" in our unaudited condensed consolidated financial statements included in Part I. Item 1. in our Quarterly Report on Form 10-Q for the period ended July 2, 2022, with the exception of the Legacy segment, which is adjusted as noted in clause (b) (ii) below.
- (b) There are two differences between total comparable store sales growth based on consolidated net revenue and Adjusted Comparable Store Sales Growth: (i) Adjusted Comparable Store Sales Growth 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 based on consolidated net revenue as shown in the table above; and a decrease of 1.4% and an increase of 4.4% for the six months ended July 2, 2022 and July 3, 2021, respectively; and (ii) Adjusted Comparable Store Sales Growth includes retail sales to the Legacy partner's customers (rather than the revenues recognized consistent with the management & services agreement with the Legacy partner), resulting in the changes from total comparable store sales growth based on consolidated net revenue as shown in the table above, and a decrease of 0.2% for the six months ended July 2, 2022.

Adjusted Comparable Store Sales Primer

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 33)
- 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

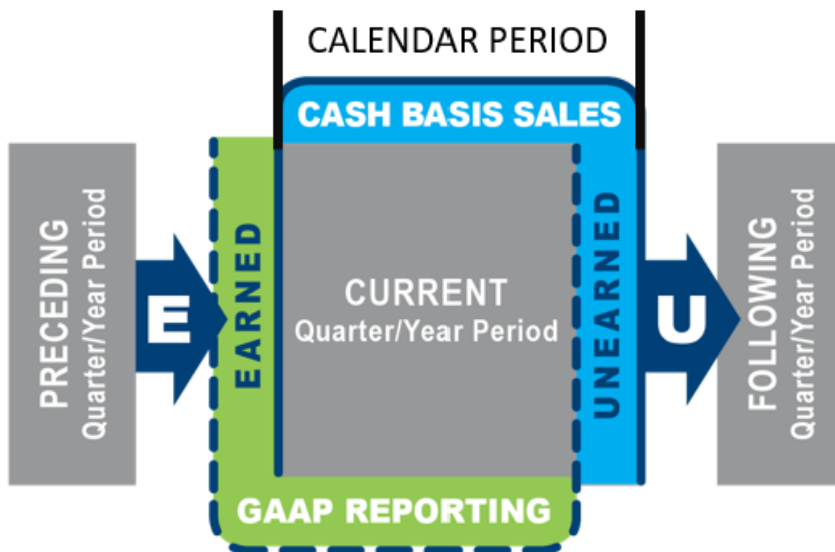
- Company provides total comparable store sales growth measured on GAAP revenue
- Adjusted measure has been lower than or equal to GAAP measure in 15 of last 20 quarters due to unearned revenue
- Total comparable store sales growth based on GAAP revenue was not calculated prior to 2017 IPO

Unearned Revenue Primer

PURCHASE JOURNEY



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.
- Typical seasonal impact on income statement:

Q1 negative (E<U)	Q2 positive (E>U)
Q3 pos./neg. (E><U)	Q4 negative (E<U)
- 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”



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