Q1 2020 Financial Results

May 7, 2020

NATIONAL VISION®

OUR MISSION

We help people by making quality eye care and eyewear more affordable and accessible.

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 the forward-looking statements. Such factors include, but are not limited to, the scale and scope of the novel coronavirus, or COVID-19, pandemic is unknown and, due to the temporary closure of our stores to the public and other factors, is adversely impacting, and is expected to continue to adversely impact, our business at least for the near term, including the impact of federal, state, and local governmental actions and customer behavior in response to the pandemic and such governmental actions and operational disruptions if a significant percentage of our workforce is unable to work or we experience labor shortages, including because of illness or travel or government restrictions in connection with the pandemic; our ability to selectively re-open stores as announced and to open and operate new stores in a timely and cost-effective manner, and to successfully enter new markets; our ability to recruit and retain vision care professionals for our stores; our ability to develop and maintain 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; 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 successfully compete in the highly competitive optical retail industry; any failure, inadequacy, interruption, security failure or breach of our information technology systems; our growth strategy straining our existing resources and causing the performance of our existing stores to suffer; the impact of wage rate increases, inflation, cost increases and increases in raw material prices and energy prices; our ability to successfully 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; overall decline in the health of the economy and consumer spending affecting consumer purchases; our ability to manage our inventory balances and inventory shrinkage; 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 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; risks of losses arising from our investments in technological innovators in the optical retail industry; our ability to adequately protect our intellectual property; our significant amount of indebtedness and our ability to generate sufficient cash flow to satisfy our significant debt service obligations; an increase 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; 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 Annual Report on Form 10-K, our Form 8-K filed on March 19, 2020, our Quarterly Report on Form 10-Q filed on May 7, 2020, and subsequent filings with the SEC, 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 first quarter of 2020, which is available at www.nationalvision.com/investors, together with this presentation.

Agenda

Topic	Presenter
CEO Perspective on COVID-19 First Quarter 2020 Highlights	Reade Fahs, CEO
First Quarter 2020 Financial Update	Patrick Moore, CFO
Moments of Mission	Reade Fahs, CEO
Q&A	


Reade Fahs
CEO


Patrick Moore
CFO

COVID-19 Response

Closed stores on March 19 to protect our Optometrists, store teams, patients, customers and communities

Stores remained staffed with doors locked

- Facilitating contact lens orders from stores and e-commerce websites
- Managing broken or lost glasses
- Connecting patients with emergency medical needs to an Optometrist

"Safe and Gradual" reopening of our stores to the public

- "Essential" business/retail/healthcare
- Considerations - CDC, CMS and other healthcare guidelines, state/local restrictions, state OD boards, state of the virus, markets, brands, safety
- Developed and implemented enhanced health and safety policies and procedures
    - Safety and cleaning protocols, social distancing, use of personal protective equipment, expanded health and training procedures
- Reopenings began on 4/27, with plan for all stores to be back open by early June

COVID-19 Response

Proactive Steps to Enhance Liquidity and Financial Flexibility

Robust Initiatives to Reduce Operating Expenses and CapEx

- Reduced base salary across senior management team members and compensation and work hours across the organization
- Furloughed a significant portion of employees
- Postponed a significant amount of capex, including pause in new store openings
- Reduced discretionary spend, including near-term marketing, travel, etc.
- Working with vendors/landlords to extend terms and modify contracts

Additional Actions to Improve Liquidity

- Borrowed the remaining available funds under revolving credit facility
- Implementing applicable tax-related benefits of the CARES Act
- Credit facility amendment to suspend certain financial covenants until Q2 2021

All Actions Consistent with Company Culture and Long-Term Orientation

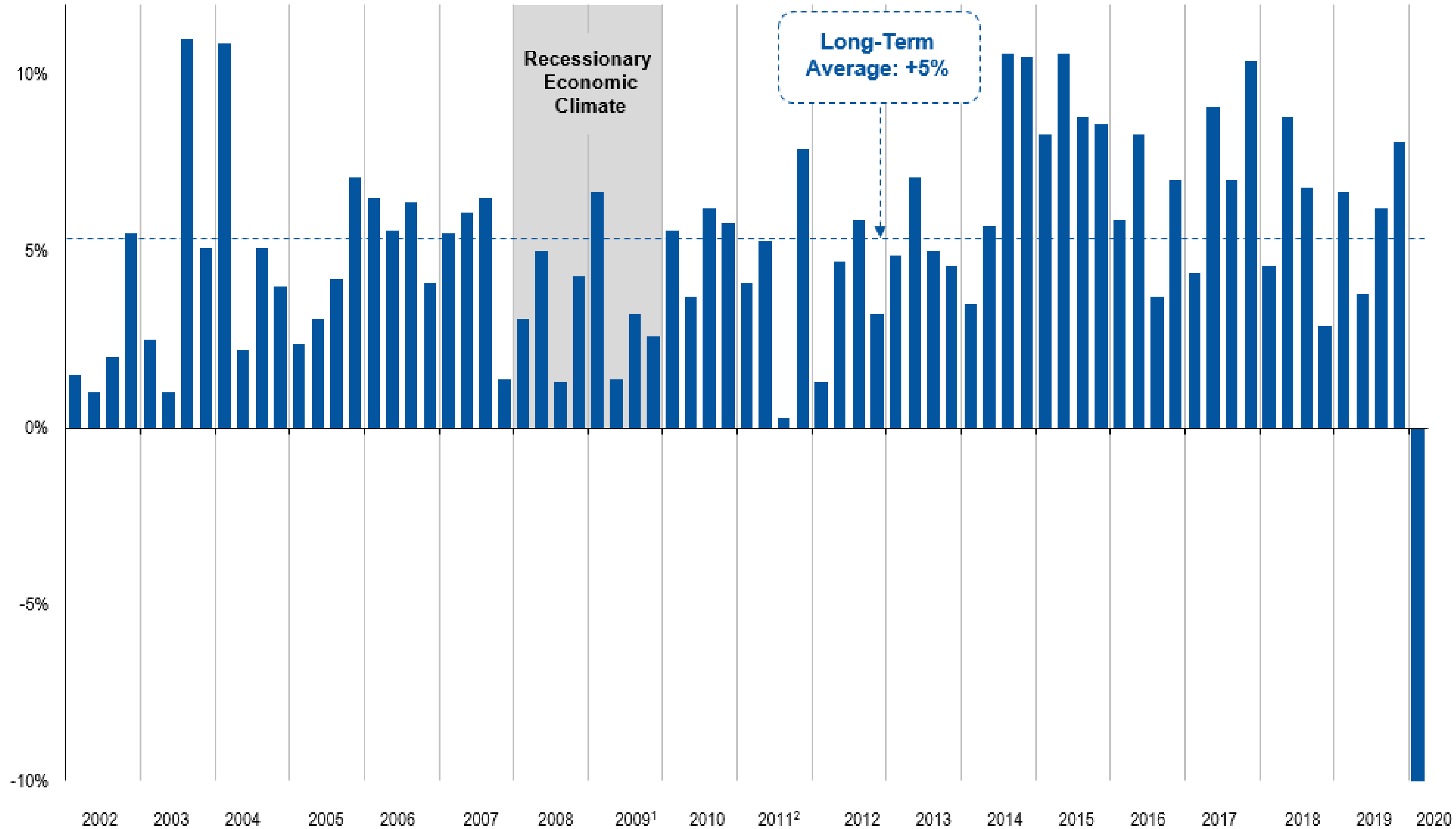
- Balancing constituencies/"shared sacrifice"
- Regular communication so all enrolled in "the cause"
- Optometrist-centered
- Focus to "Weather the Storm" with history of business recovery

Q1 Highlights

- Net Revenue: $469.7M, +1.8% over Q1 2019
- Opened 23 new stores
- Ended the quarter with 1,173 stores
- Adjusted Comparable Store Sales Growth[1] of -10.3% due to March store closings
  - January/February: +5.7%
  - March: -41.5%
- Adjusted Operating Income[1]: $38.1M, -10.8% below Q1 2019
- Adjusted Diluted EPS[1]: $0.28, -9.4% below Q1 2019
- Strong Q1 cash flow generation despite store closures
  - Ended Q1 with $263M in cash
- First of the five additional Walmart Vision Centers transitioned to NVI management (April 2020)

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

We Have A Long History of Consistent Comparable Store Sales Growth



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
2-Comparable store sales growth in the third quarter of fiscal year 2011 was impacted by the near U.S. federal government debt default/shutdown and the subsequent adverse impact on the consumer environment

- Consistent performance across strong and weak economic periods over 18 years
- Positive growth during 2008 and 2009 recessionary economic climate
- Industry shift toward chains and value segment

Multiple Drivers to Continue Our Growth Following COVID-19

Grow Store Base Across Our Owned Brands

Continue to Drive Comparable Store Sales Growth

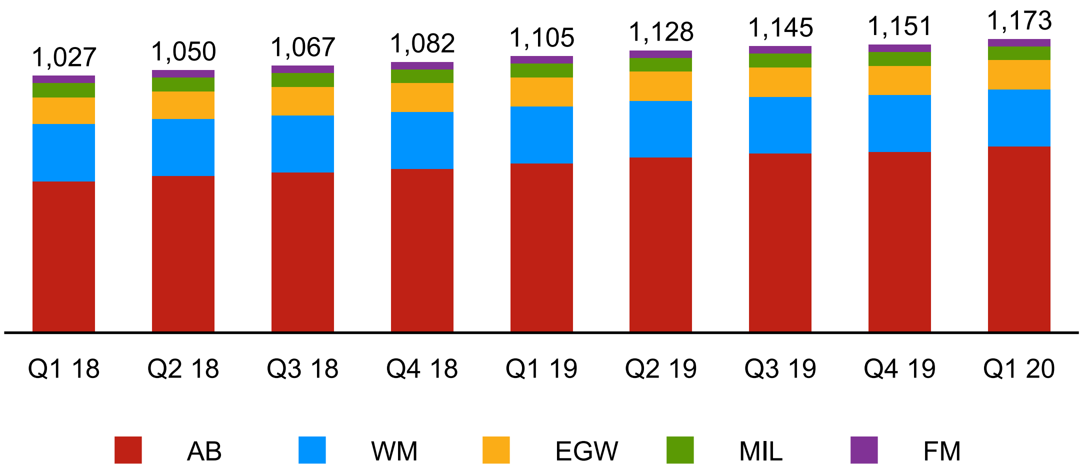
Improve Operating Productivity

Leverage Technology

First Quarter 2020 Financial Update

Revenue Drivers

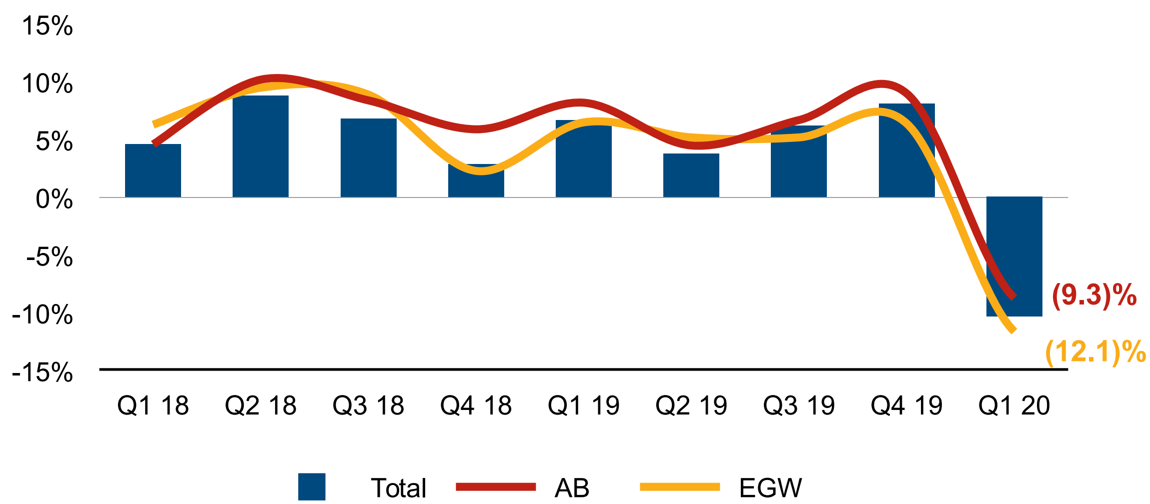
Total Store Count Growth



Commentary

- 22 net new stores in the quarter (23 new AB stores and 1 closed AB store)
- 68 net new stores in the last 12 months (72 new stores and 4 closed stores)
- Focused store growth on America's Best (70 in the last 12 months) and Eyeglass World (2 in the last 12 months)
- Paused store openings on 3/27

Adjusted Comparable Store Sales Growth[1]



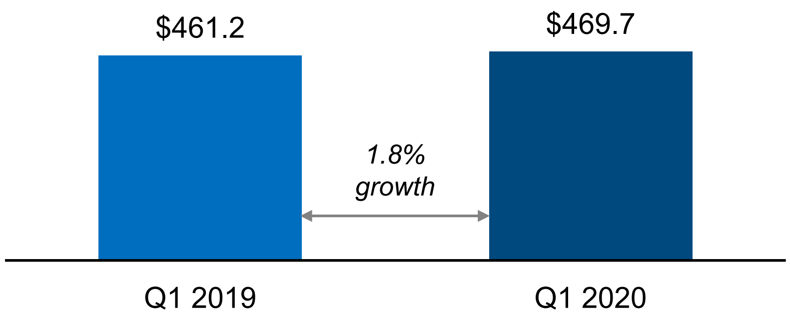
Commentary

- Negative comparable store sales growth for the quarter driven by temporary store closures on 3/19
  - Jan/Feb +5.7%
  - March -41.5%
- Adjusted Comparable Store Sales Growth[1] for Jan/Feb driven by increases in transactions
- By category, contact lens revenue growth exceeded eyeglasses revenue growth

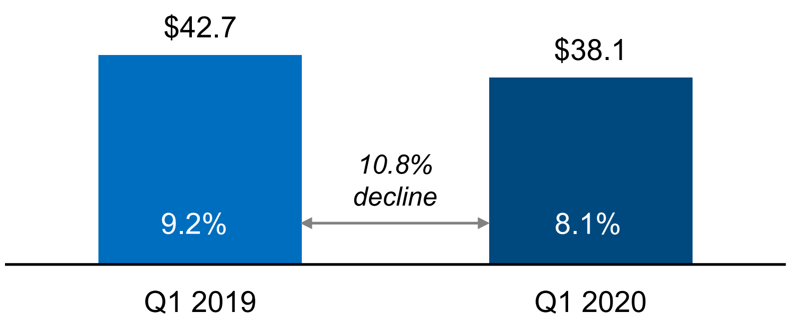
1-Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measure.

Q1 2020 Results

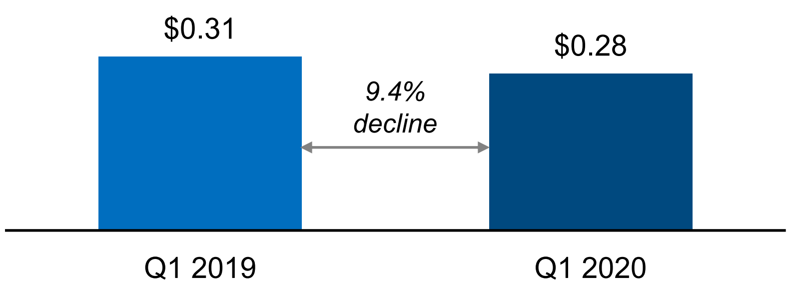
Net Revenue ($M)



Adjusted Operating Income[1] ($M)



Adjusted Diluted EPS[1]



Commentary

- Net revenue grew 1.8% year-over-year; Net revenue growth was impacted by:
  - COVID-19 related store closures
  - Timing of unearned revenue benefited revenue growth by 6%
- Costs applicable to revenue as a percentage of net revenue increased 50 bps year-over-year primarily due to:
  - Optometrist costs incurred during store closures and contact lens revenue growth, partially offset by higher eyeglass margin
- Adjusted SG&A Percent of Net Revenue[1] improved 30 bps year-over-year primarily due to:
  - Net change in margin on unearned revenue and lower performance-based incentive compensation, partially offset by deleveraging of store payroll due to the store closures
- Adjusted EBITDA[1] declined 0.3% year-over-year; Adjusted EBITDA Margin[1] declined 30 bps year-over-year due to factors noted above.
  - Margin on unearned revenue added 33.7% to growth
- Adjusted Operating Income[1] declined 10.8% year-over-year to $38.1M. Adjusted Operating Margin[1] declined by 110 bps year-over-year due to factors noted above and higher D&A growth.
  - Margin on unearned revenue added 48.3% to growth
- Diluted EPS decreased 44.6% to $0.12; Adjusted Diluted EPS[1] decreased 9.4% to $0.28
  - Margin on unearned revenue positively impacted Adjusted Diluted EPS[1] by $0.19

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

Capital Structure and Cash Flow

Q1 2020 Capital Structure ($M)

	Debt Amount	Less: Deferred Financing Costs	Amounts per Balance Sheet	% of Total	Coupon	Maturity
First Lien - Term Loan	$ 392.4	$ (3.8)	$ 388.6	54%	L + 150	7/18/2024
First Lien - Revolving credit facility[1]	294.3	—	294.3	41%	L + 150	7/18/2024
Other debt[2]	33.8	—	33.8	5%		
Total debt	$ 720.5	$ (3.8)	$ 716.8	100%		
Cash and cash equivalents			263.2			
Net debt			$ 453.6			

Commentary

- Net debt to TTM Adjusted EBITDA[3] 2.3x
- $146M draw down of remaining funds under revolving credit facility in March
- No debt maturities until 2024

Cash Flow ($M)

	Three Months Ended		
	March 28, 2020	March 30, 2019	Variance
Net cash provided by operating activities	$ 86.1	$ 83.0	3.1
Net cash used for investing activities	(12.9)	(25.8)	12.9
Net cash provided by (used for) financing activities	150.6	(1.4)	152.0
Net change in cash, cash equivalents and restricted cash	$ 223.8	$ 55.9	$ 168.0

Commentary

- $3.1M increase in operating cash flow despite temporary store closures
- $12.9M increase in net cash used for investing activities driven by reduced capital expenditures
- $152.0M increase in net cash used for financing activities driven by drawdown of revolving credit facility.

Note: Some of the totals in the table above do not foot due to rounding differences
1-$300.0M facility; $0.0M available
2-Finance lease debt
3-Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measure.

Positioning to Mitigate the COVID-19 Headwinds

Multiple initiatives to reduce expenses and CapEx

- Significantly reduced cash burn as store operations resume
- Continue to invest only in key Company initiatives

Safe reopening of stores

Additional actions to improve liquidity

- Borrowed the remaining available funds under revolving credit facility
- Implementing applicable tax-related benefits of the CARES Act
- Credit facility amendment to suspend certain financial covenants until Q2 2021

Withdrew fiscal 2020 outlook on 3/27, though some insights for consideration:

- Gradual store openings and recovery (with stores closed during April)
- Potential product category shift during recovery period
- Unearned revenue reversal in Q2
- Higher debt balances and higher interest expense
- Incremental store operating costs

Moments of Mission

"Better to light a single candle than to curse the darkness"

- Donated 40,000 protective face masks to the Georgia Emergency Management and Homeland Security Agency to support Georgia healthcare workers treating COVID-19 patients
- Associate Crisis Relief Fund contributions
- Numerous inspiring stories of patient and customer care

SVP Sharon Petitt and
SVP Debra Woyce donating masks

Team at Eyeglass World in Beaumont TX got Healthcare Worker the Rx Safety glasses he needed in just a few hours

Q&A

Appendix

New Non-GAAP Measures Framework in 2020

- Introduced new non-GAAP measures
    - Adjusted Operating Income
    - Adjusted Operating Margin
    - See Form 8-K filed on February 26, 2020 for supplemental tables that provide reconciliations from Adjusted EBITDA, Adjusted Operating Income and Adjusted Diluted EPS to Net Income for the quarterly and fiscal year 2018 and 2019 periods.
- Presented new definitions of certain non-GAAP measures with fewer adjustments
    - No longer adjusting for new store pre-opening expense and non-cash rent
    - The presentation of Adjusted EBITDA and Adjusted Diluted EPS for the three months ended March 30, 2019 has been recast to reflect these changes.
    - New store pre-opening expenses totaled $0.9 million for each of the three months ended March 28, 2020 and March 30, 2019; and non-cash rent totaled $0.6 million and $1.2 million for the three months ended March 28, 2020 and March 30, 2019, respectively.
- Continuing to provide Adjusted EBITDA measure

Q1 2020 Consolidated Financial Results (Unaudited)

Dollars and shares in thousands, except Earnings Per Share	**Three Months Ended March 28, 2020**	**Three Months Ended March 30, 2019**
Revenue:		
Net product sales	$ 392,841	$ 383,160
Net sales of services and plans	76,863	78,055
Total net revenue	469,704	461,215
Costs applicable to revenue (exclusive of depreciation and amortization):		
Products	156,370	154,004
Services and plans	62,184	57,965
Total costs applicable to revenue	218,554	211,969
Operating expenses:		
Selling, general and administrative expenses	193,741	193,876
Depreciation and amortization	24,810	20,415
Asset impairment	11,355	2,082
Litigation settlement	4,395	—
Other expense (income), net	(66)	473
Total operating expenses	234,235	216,846
Income from operations	16,915	32,400
Interest expense, net	7,455	9,061
Earnings before income taxes	9,460	23,339
Income tax provision (benefit)	(282)	5,910
Net income	$ 9,742	$ 17,429
Earnings per share - basic	$ 0.12	$ 0.22
Earnings per share - diluted	$ 0.12	$ 0.21
Weighted average shares outstanding - basic	80,129	78,205
Weighted average shares outstanding - diluted	82,242	81,466

Reconciliation of Adjusted Comparable Stores Sales Growth (Unaudited)

	Comparable store sales growth[a]	
	Three Months Ended March 28, 2020	**Three Months Ended March 30, 2019**
Owned & Host segment		
America's Best	(9.3)%	8.2%
Eyeglass World	(12.1)%	6.5%
Military	(12.1)%	(4.4)%
Fred Meyer	(16.0)%	(9.7)%
Legacy segment	(14.0)%	1.8%
Total comparable store sales growth	(2.9)%	6.2%
Adjusted Comparable Store Sales Growth[b]	(10.3)%	6.7%

Additional Comparable Store Sales Growth information for Q1 2020	***One Month Ended March 28, 2020***	***Two Months Ended February 29, 2020***
Total comparable store sales growth	(18.8)%	5.6%
Adjusted Comparable Store Sales Growth[b]	(41.5)%	5.7%

(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 March 28, 2020, with the exception of the Legacy segment, which is adjusted as noted in clause (b) (ii) below.

(b) The 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 a decrease of 7.5% and an increase of 0.8% from total comparable store sales growth based on consolidated net revenue for the three months ended March 28, 2020 and March 30, 2019, respectively, a decrease of 22.5% for the one month ended March 28, 2020 and a decrease of 0.2% for the two months ended February 29, 2020; and 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), resulting in an increase of 0.1% and a decrease of 0.3% from total comparable store sales growth based on consolidated net revenue for the three months ended March 28, 2020 and March 30, 2019, respectively, a decrease of 0.2% for the one month ended March 28, 2020, and an increase of 0.3% for the two months ended February 29, 2020.

Reconciliation of Adjusted Operating Income to Net Income (Unaudited)

In thousands	Three Months Ended March 28, 2020		Three Months Ended March 30, 2019	
Net income	$ 9,742	2.1 %	$ 17,429	3.8%
Interest expense	7,455	1.6 %	9,061	2.0%
Income tax provision (benefit)	(282)	(0.1)%	5,910	1.3%
Stock compensation expense [a]	2,093	0.4 %	2,976	0.6%
Asset impairment [c]	11,355	2.4 %	2,082	0.5%
Litigation settlement [d]	4,395	0.9 %	—	—%
Management realignment expenses [f]	—	— %	2,155	0.5%
Other [h]	1,454	0.3 %	1,192	0.3%
Amortization of acquisition intangibles [m]	1,851	0.4 %	1,851	0.4%
Adjusted Operating Income / Adjusted Operating Margin	$ 38,063	8.1 %	$ 42,656	9.2%

Note: Certain totals above do not foot due to rounding

Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

Dollars in thousands	Three Months Ended March 28, 2020		Three Months Ended March 30, 2019		Twelve Months Ended March 28, 2020
Net income	$ 9,742	2.1 %	$ 17,429	3.8%	$ 25,113
Interest expense	7,455	1.6 %	9,061	2.0%	31,694
Income tax provision (benefit)	(282)	(0.1)%	5,910	1.3%	(8,500)
Depreciation and amortization	24,810	5.3 %	20,415	4.4%	91,638
EBITDA	41,725	8.9 %	52,815	11.5%	139,945
Stock compensation expense [a]	2,093	0.4 %	2,976	0.6%	11,787
Loss on extinguishment of debt [b]	—	— %	—	—%	9,786
Asset impairment [c]	11,355	2.4 %	2,082	0.5%	18,167
Litigation settlement [d]	4,395	0.9 %	—	—%	4,395
Secondary offering expenses [e]	—	— %	—	—%	403
Management realignment expenses [f]	—	— %	2,155	0.5%	—
Long-term incentive plan expenses [g]	—	— %	—	—%	2,888
Other [h]	1,454	0.3 %	1,192	0.3%	6,574
Adjusted EBITDA / Adjusted EBITDA margin	$ 61,022	13.0 %	$ 61,220	13.3%	$ 193,945

Note: Percentages reflect line item as a percentage of net revenue; certain percentage totals do not foot due to rounding

Reconciliation of Adjusted Diluted EPS to Diluted EPS (Unaudited)

Shares in thousands	Three Months Ended March 28, 2020	Three Months Ended March 30, 2019
Diluted EPS	$ 0.12	$ 0.21
Stock compensation expense [(a)]	0.03	0.04
Asset impairment [(c)]	0.14	0.03
Litigation settlement [(d)]	0.05	—
Management realignment expenses [(f)]	—	0.03
Other [(h)]	0.02	0.01
Amortization of acquisition intangibles and deferred financing costs [(i)]	0.03	0.03
Tax benefit of stock option exercises [(j)]	(0.03)	—
Tax effect of total adjustments [(k)]	(0.07)	(0.04)
Adjusted Diluted EPS	$ 0.28	$ 0.31
Weighted average diluted shares outstanding	82,242	81,466

Note: Certain totals above do not foot due to rounding

Reconciliation of Adjusted SG&A to SG&A (Unaudited)

Dollars in thousands	**Three Months Ended March 28, 2020**		**Three Months Ended March 30, 2019**	
SG&A	$ 193,741	41.2%	$ 193,876	42.0%
Stock compensation expense [a]	2,093	0.4%	2,976	0.6%
Management realignment expenses [f]	—	—%	2,155	0.5%
Other [l]	1,454	0.3%	631	0.1%
Adjusted SG&A/ Adjusted SG&A Percent of Net Revenue	$ 190,194	40.5%	$ 188,114	40.8%

Note: Percentages reflect line item as a percentage of net revenue

Reconciliation of Non-GAAP to GAAP Financial Measures Footnotes

In the first quarter of 2020, we introduced Adjusted Operating Income and Adjusted Operating Margin as measures of performance we will use in connection with Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Diluted EPS. Further, consistent with our presentation of Adjusted Operating Income, we no longer exclude new store pre-opening expenses and non-cash rent from our presentation of Adjusted EBITDA and Adjusted Diluted EPS. See our Form 8-K filed with the SEC on February 26, 2020 for more information.

(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 extinguishment of debt.
(c) Reflects write-off of property, equipment and lease related assets on closed or underperforming stores.
(d) Expenses associated with settlement of litigation. See Note 9. “Commitments and Contingencies” in our consolidated financial statements for further details.
(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 employees who were not participants in the management equity plan. This plan was effective in 2014 following the acquisition of the Company by affiliates of KKR & Co. Inc. (the "KKR Acquisition").
(h) 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), including our share of losses on equity method investments of $0.6 million for the three months ended March 30, 2019 and $1.2 million for the twelve months ended March 28, 2020, respectively; the amortization impact of adjustments related to the March 2014 acquisition of the Company by affiliates of KKR & Co. Inc. (the "KKR Acquisition"), (e.g., fair value of leasehold interests) of $0.1 million for each of the three months ended March 28, 2020 and March 30, 2019 and $0.5 million for the twelve months ended March 28, 2020, respectively; costs of severance and relocation of $0.3 million and $0.2 million for the three months ended March 28, 2020 and March 30, 2019, $2.4 million for the twelve months ended March 28, 2020, respectively; excess payroll taxes related to stock option exercises of $0.3 million for the three months ended March 28, 2020, and $1.1 million for the twelve months ended March 28, 2020, respectively; $0.6 million of incremental costs directly related to adapting the Company’s operations during the COVID-19 pandemic for the three months ended March 28, 2020 and $0.6 million for the twelve months ended March 28, 2020, respectively; and other expenses and adjustments totaling $0.2 million and $0.3 million for the three months ended March 28, 2020 and March 30, 2019, and $0.7 million the twelve months ended March 28, 2020, respectively.
(i) Amortization of the increase in carrying values of finite-lived intangible assets resulting from the application of purchase accounting to the KKR Acquisition of $1.9 million for each of the three months ended March 28, 2020 and March 30, 2019. Amortization of deferred financing costs is associated with deferred financing fees and amortization of debt discounts related to term loan and revolving credit facility borrowings totaling $0.2 million and $0.4 million of additional expense for the three months ended March 28, 2020 and March 30, 2019.
(j) 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.
(k) Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates.
(l) Reflects other expenses in (h) above, except for our share of losses on equity method investments of $0.6 million for the three months ended March 30, 2019.
(m) Amortization of the increase in carrying values of finite-lived intangible assets resulting of purchase accounting to the KKR Acquisition.

Adjusted Comparable Store Sales Growth 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 26)
- 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 10 of last 13 quarters due to unearned revenue
- Total comparable store sales growth based on GAAP revenue was not calculated prior to 2017 IPO

Total comparable store sales growth versus Adjusted Comparable Store Sales Growth

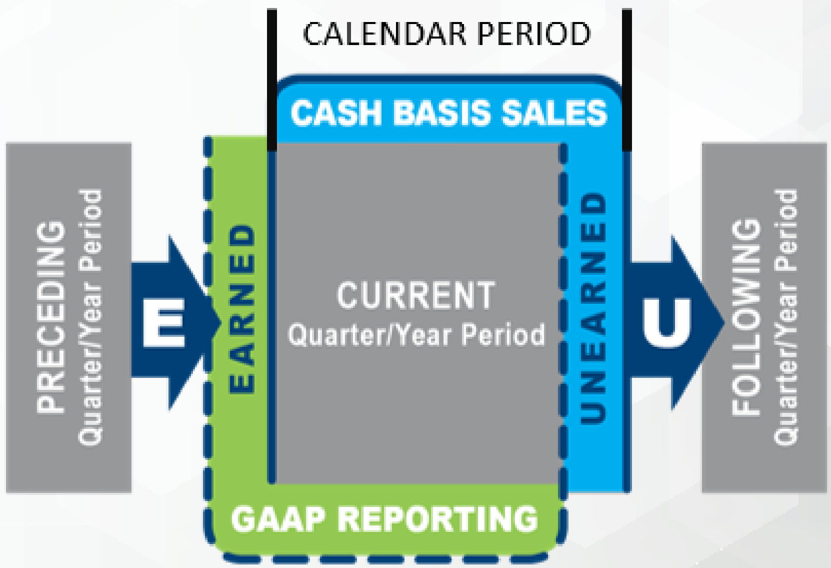
	2017				2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Total comparable store sales growth (GAAP)	5.7%	8.5%	8.3%	11.5%	4.6%	10.4%	7.0%	4.3%	6.2%	4.4%	5.7%	10.1%	(2.9)%
Adjusted Comparable Store Sales Growth* (non-GAAP)	4.4%	9.1%	7.0%	10.4%	4.6%	8.8%	6.8%	2.9%	6.7%	3.8%	6.2%	8.1%	(10.3)%

*See Appendix for reconciliation to GAAP measure

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"

Check out some of our latest commercials: National Vision Commercials