

# William Blair 45th Annual Growth Stock Conference

INVESTOR PRESENTATION

FIRST QUARTER 2025



NASDAQ: EYE



# DISCLAIMER

## Forward-Looking Statements

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

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

## Non-GAAP Financial Measures

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

## Discontinued Operations

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



We provide **eye exams, eyeglasses and contact lenses** to a range of value-seeking consumers.

We deliver exceptional value and convenience to our customers, with attractive price points.

We help people **see their best to live their best.**  
National Vision's business has been  
driven by this belief for **over 30 years.**



# HIGHLY FRAGMENTED INDUSTRY PROVIDES A MEDICAL NECESSITY

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- Nearly \$70B U.S. optical industry with ~45K retail locations<sup>1</sup>
- Diminishing eyesight with increasing age
- A steady and consistent replacement cycle, particularly with insured customers
- Increased usage of computer and mobile screens
- Growing focus on health and wellness



<sup>1</sup> The Vision Council 2024 Market inSights

# COMPANY OVERVIEW

**\$1.8B<sup>1</sup> leading U.S. optical retailer** providing eye exams, eyeglasses and contact lenses to a range of value-seeking consumers

**Diverse portfolio** of over 1,200 retail stores across 38 states and Puerto Rico, four brands and multiple consumer websites

**14,000+ team members, including a network of more than 2,000 optometrists** - among the largest employed doctor networks in the country

**Highly efficient centralized laboratory network and distribution system** leveraged to minimize production and distribution costs

**Purchasing economies of scale** as the largest U.S. purchasers of eyeglass frames, lenses and contact lenses

**AMERICA'S BEST**  
EYECARE + EYEWEAR

**EYEGLOSS**  
**WORLD**<sup>®</sup>

**vista**  
**OPTICAL**

**DISCOUNT**  
**CONTACTS**  
COM

[americasbest.com](https://americasbest.com) | [eyeglossworld.com](https://eyeglossworld.com) | [findvistaoptical.com](https://findvistaoptical.com) | [discountcontacts.com](https://discountcontacts.com)

<sup>1</sup> Net Revenues as of year end 2024

# STRONG HISTORY POISED FOR NEXT CHAPTER OF GROWTH

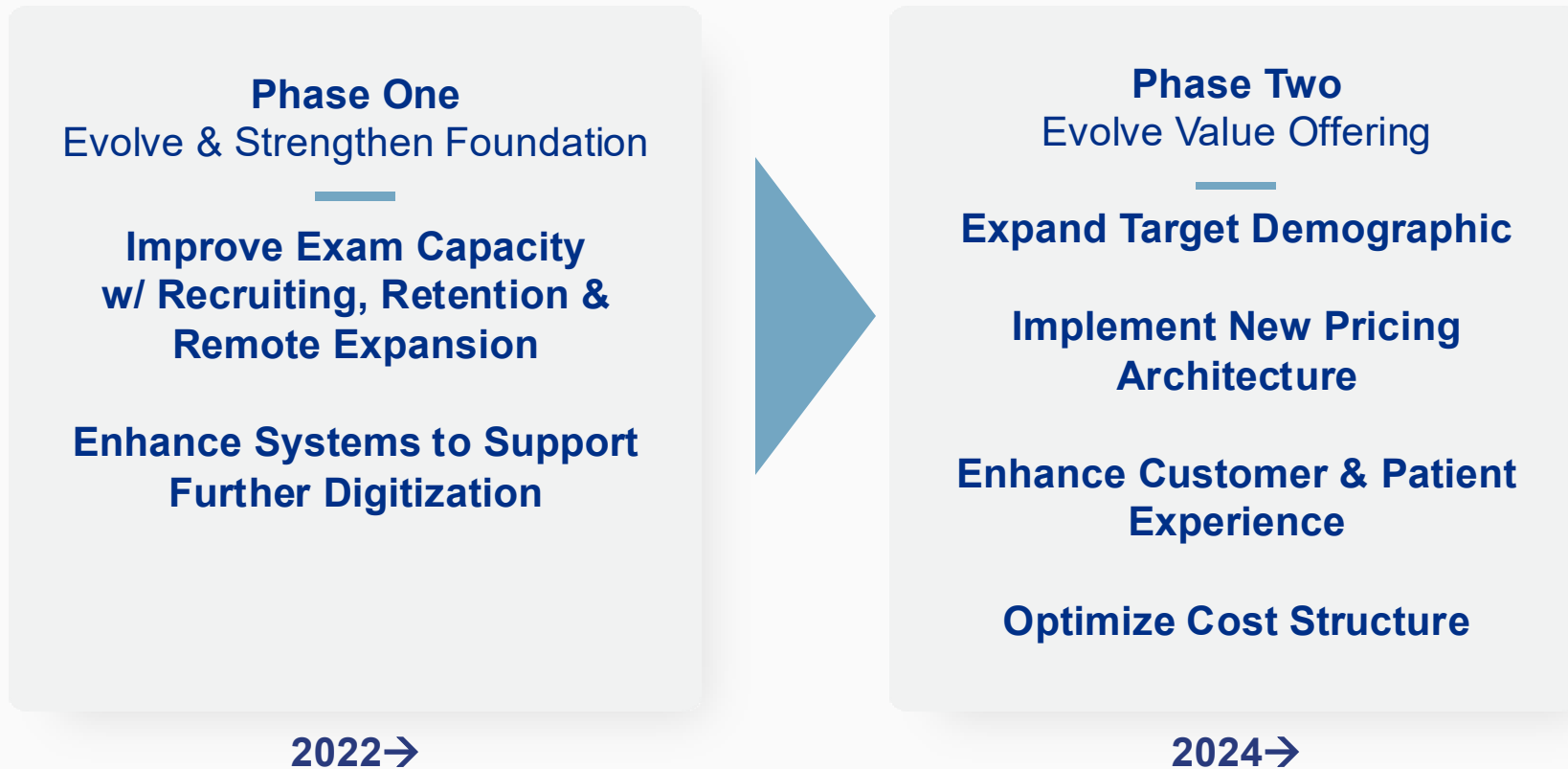
National Vision was founded in 1990 to operate a handful of locations under an existing retail brand. Fast forward 30 years, and we now stand at over 1,200 stores across four retail brands. And trust us, our future is even brighter.



# STABILIZE, STRENGTHEN & GROW

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National Vision Continues to Transform for Long-Term Success



# HIGHLY EXPERIENCED TEAM BRINGS FRESH PERSPECTIVES

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National Vision has a deep leadership bench comprised of optical and retail industry executives bringing a fresh perspective to drive the next chapter of growth.





## INVESTMENT HIGHLIGHTS

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- ✓ Capitalizing on leading position
- ✓ Value offering positions well in variety of environments
- ✓ Expanding addressable market with existing high value customers
- ✓ Significant opportunity to rapidly modernize product, pricing, marketing
- ✓ Investments phased with long runway of future benefits
- ✓ Opportunities to drive sales and EBIT expansion



# TRANSFORMATION PHASE TWO: EVOLVE VALUE OFFERING

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Focus on Demand Generation and Cost Efficiency

## Expand Target Demographic

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

## Implement New Pricing Architecture

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

## Enhance Customer & Patient Experience

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

## Optimize Cost Structure

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

## OUR CUSTOMER MIRRORS AMERICA

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We attract a wider audience than we have historically targeted, one that is more skewed to middle income households, similar to that of the U.S. population.



Value-seeking  
Middle income demographic  
Growing insured customer base

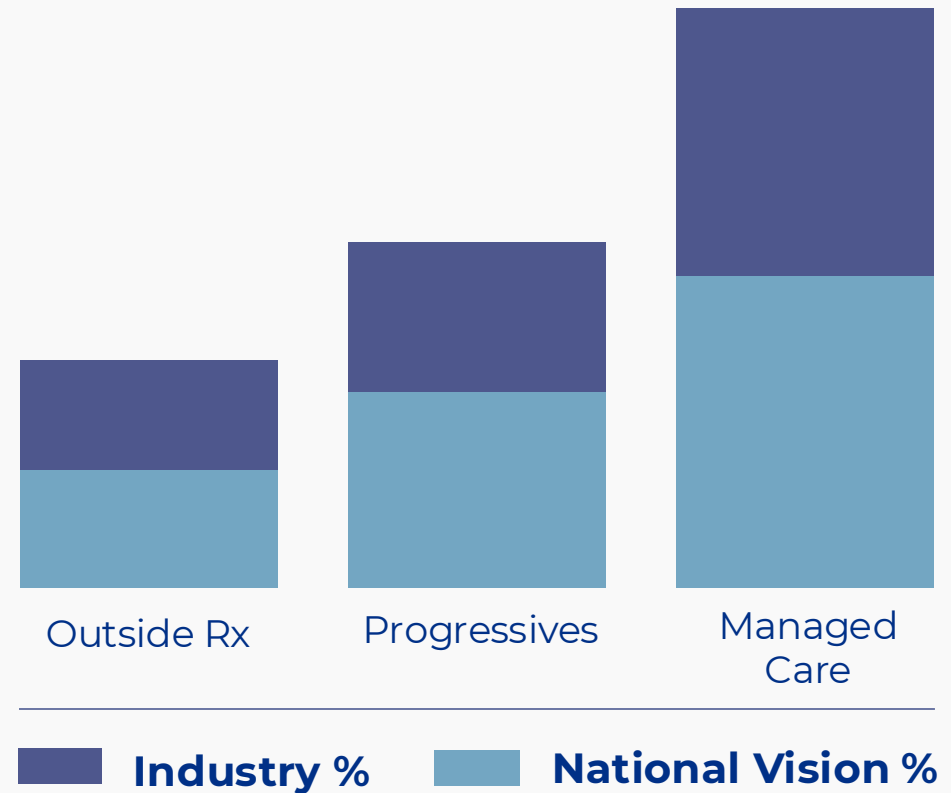


We are Expanding our Addressable Market by  
Targeting Existing Higher Income, Value-Seeking Customers

## EXPAND EXISTING TARGET DEMOGRAPHIC

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Under penetrated in valuable customer demographics presents meaningful opportunity while staying focused on value offering.



# HIGHLY EXPERIENCED TEAM DELIVERING RESULTS

		Years at National Vision	Prior Experience
Reade Fahs	Chief Executive Officer	23	 VisionExpress LENSCRAFTERS
Alex Wilkes	President	1	 CooperVision PEARLE OOVISION LENSCRAFTERS accenture
Chris Laden	Chief Financial Officer	<1	PEARLE OOVISION  GE Community Veterinary Partners
Ravi Acharya	Chief Technology Officer	5	Medtronic  MATTEL EQUIFAX
Mark Banner	President of America's Best	1	sleep  number. SIGNET JEWELERS
Megan Molony	Chief Merchandising and Managed Care Officer	8	EssilorLuxottica
Jared Brandman	Chief Legal and Strategy Officer	8	 Coca-Cola
Bill Clark	Chief People Officer	6	five BELOW DOLLAR GENERAL Walmart 
Priti Patel, O.D.	General Manager of Eyeglass World, Fred Meyer and Military	15	FIRST SIGHT VISION SERVICES, INC.  Walmart 
Joe VanDette	Chief Brand and Marketing Officer	3	TOYS R US Smart&Final

# ENHANCE THE CUSTOMER & PATIENT EXPERIENCE

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TED BAKER  
LONDON



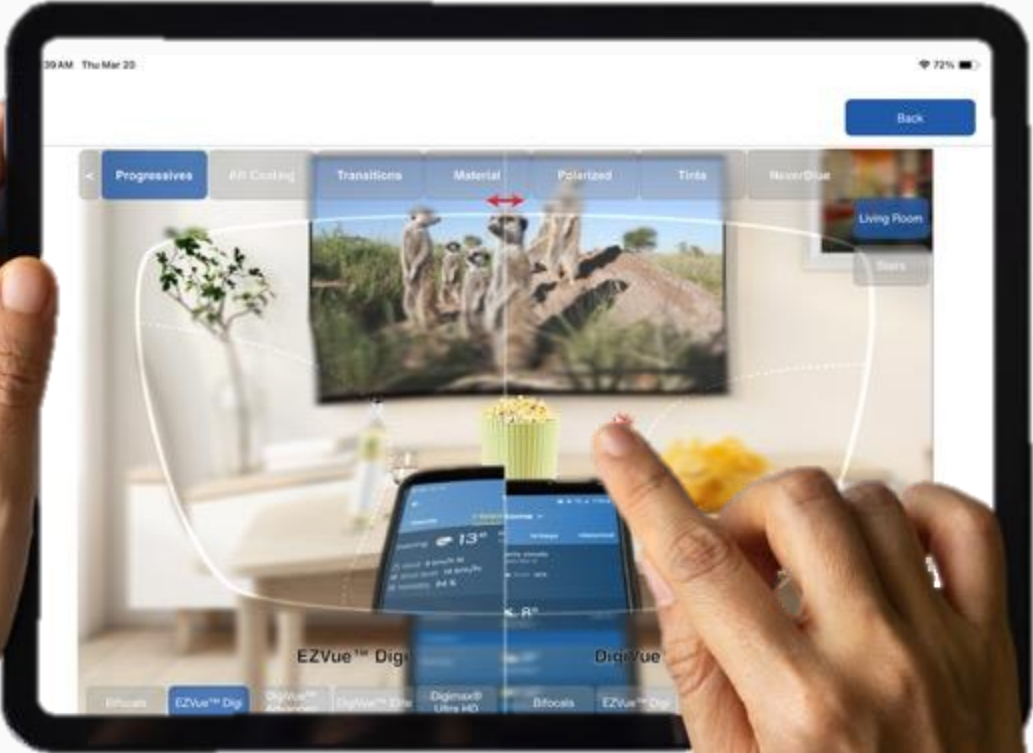
## RAPIDLY MODERNIZING TO ENHANCE THE PATIENT AND CUSTOMER EXPERIENCE



# DIGITAL TOOLS SIMPLIFY THE SELLING PROCESS

**LENS MEASUREMENTS**

**LENS ADVISOR**



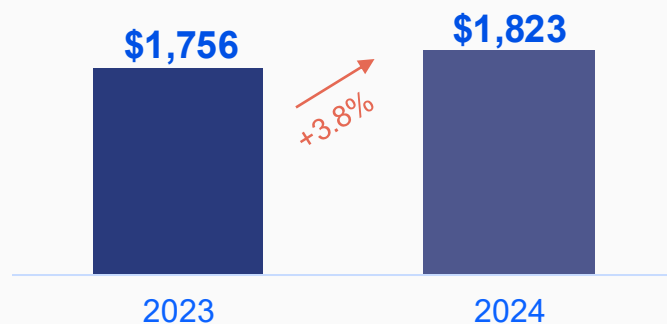
**LENS DEMONSTRATION**

**LENS PRICING TOOL**

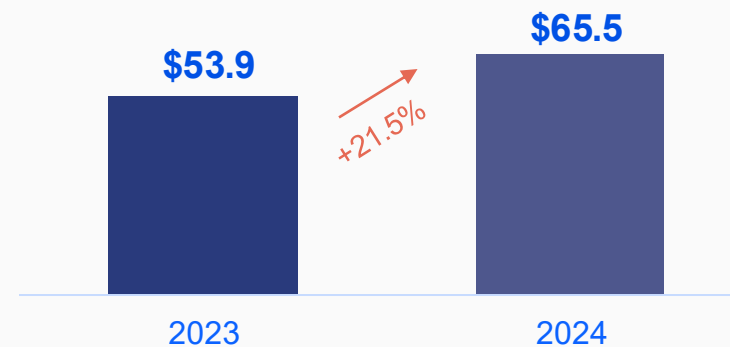


# NATIONAL VISION AT A GLANCE

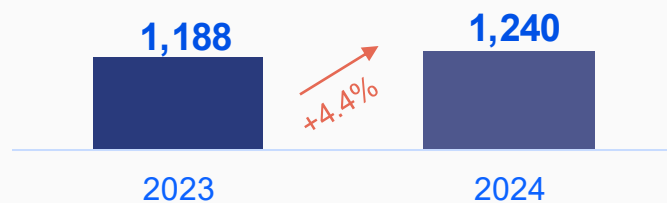
## NET REVENUE (\$M)



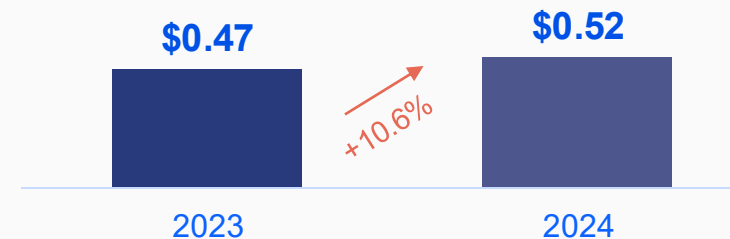
## ADJUSTED OPERATING INCOME (\$M)<sup>1</sup>



## RETAIL STORE COUNT



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



<sup>1</sup> – Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures

## Q1 2025 HIGHLIGHTS (CONTINUING OPERATIONS)

**\$510.3M**  
Net Revenues

**+5.7%**  
Net Revenue  
Growth

**5.5%**  
Adj. Comp. Store  
Sales Growth<sup>1</sup>

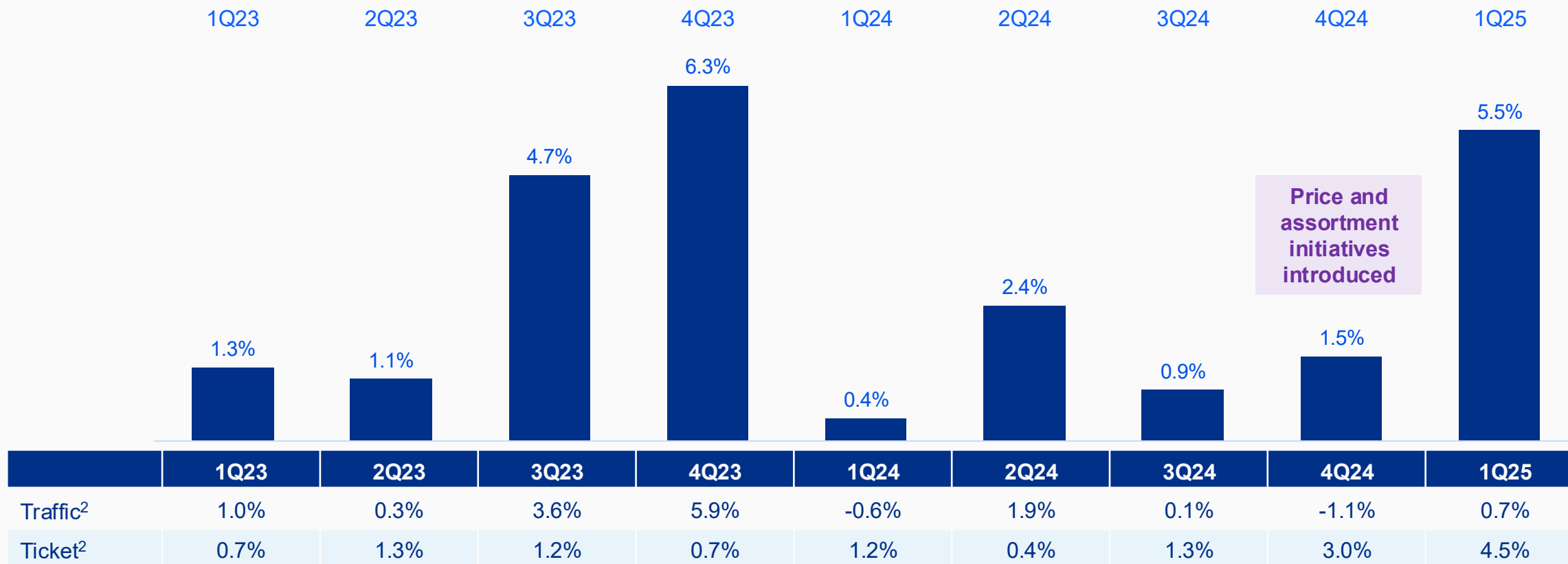
**\$41.3M**  
Adj. Operating  
Income<sup>1</sup>

**\$0.34**  
Adj. Diluted EPS<sup>1</sup>

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

# HISTORICAL ADJUSTED COMPARABLE STORE SALES GROWTH FROM CONTINUING OPERATIONS & DRIVERS (UNAUDITED)

ADJUSTED COMPARABLE STORE SALES GROWTH FROM CONTINUING OPERATIONS Y/Y (%)<sup>1</sup>



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

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

# OPTIMIZING COST STRUCTURE WHILE CONTINUING TO INVEST IN GROWTH

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## Cost savings actions

Actions taken in early 2025 expected to result in \$12 million of cost savings in 2025

Engaged Accenture to identify additional cost savings and efficiencies

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## Invest in growth

Capitalize on whitespace opportunity with measured approach in 2025

Drive enhancements in CRM and e-commerce to deliver personalized marketing initiatives



The Oracle logo, with the word 'ORACLE' in a red, sans-serif font inside a black rectangular box.



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

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## Capital Expenditures

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

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## Debt

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

No borrowings outstanding under our revolving credit facility as of Q1 2025<sup>2</sup>

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## Liquidity

**\$374 million**, including cash balance of \$80 million and revolving credit facility available capacity as of Q1 2025

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

2 – On May 15, 2025, the outstanding balance on the convertible notes was settled with cash on hand and borrowings under the revolving credit facility



## INVESTMENT HIGHLIGHTS

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- ✓ Value offering positions well in variety of environments
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- ✓ Opportunities to drive sales and EBIT expansion



A woman with shoulder-length hair is smiling warmly at the camera. The entire image is overlaid with a semi-transparent blue filter. In the background, several pairs of eyeglasses are hanging on a rack, and a close-up of a person's face is visible on the right side.

**THANK YOU**

[Investor.Relations@nationalvision.com](mailto:Investor.Relations@nationalvision.com)

# Appendix

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

	Three Months Ended		Fiscal Year	
	March 30, 2024	March 29, 2025	2023	2024
<i>In thousands</i>				
<b>Total net revenue from continuing operations</b>	\$482,794	\$ 510,324	\$1,759,371	\$1,823,320
<b>Net income (loss)</b>	11,685	\$ 14,186	(65,901)	(28,499)
Income (loss) from discontinued operations, net of tax	(68)	\$ —	(69,447)	(1,334)
<b>Income (loss) from continuing operations</b>	11,753	14,186	3,546	(27,165)
Interest expense, net	4,256	4,572	14,339	16,184
Income tax provision (benefit)	7,433	7,379	6,006	1,481
Stock-based compensation expense <sup>(a)</sup>	2,414	7,029	19,203	16,708
(Gain) loss on extinguishment of debt <sup>(b)</sup>	—	—	599	(859)
Asset impairment <sup>(c)</sup>	456	502	2,699	39,851
Litigation settlement <sup>(d)</sup>	4,450	—	—	4,450
Amortization of acquisition intangibles <sup>(e)</sup>	381	169	1,525	1,313
ERP and CRM Implementation expenses <sup>(h)</sup>	516	2,315	484	5,990
Other <sup>(i)</sup>	2,235	5,123	5,493	7,536
<b>Adjusted Operating Income from continuing operations</b>	<u>\$ 33,894</u>	<u>\$ 41,275</u>	<u>\$ 53,894</u>	<u>\$ 65,489</u>
<b>Income (loss) from continuing operations margin</b>	2.4 %	2.8 %	0.2 %	(1.5)%
<b>Adjusted Operating Margin from continuing operations</b>	7.0 %	8.1 %	3.1 %	3.6 %

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

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

	Three Months Ended		Fiscal Year	
	March 30, 2024	March 29, 2025	2023	2024
<i>In thousands, except per share amounts</i>				
<b>Diluted EPS</b>	\$ 0.15	\$ 0.18	\$ (0.84)	\$ (0.36)
Diluted EPS from discontinued operations	(0.00)	0.00	(0.88)	(0.02)
<b>Diluted EPS from continuing operations</b>	0.15	0.18	0.05	(0.35)
Stock-based compensation expense <sup>(a)</sup>	0.03	0.09	0.24	0.21
(Gain) loss on extinguishment of debt <sup>(b)</sup>	—	—	0.01	(0.01)
Asset impairment <sup>(c)</sup>	0.01	0.01	0.03	0.51
Litigation settlement <sup>(d)</sup>	0.06	—	—	0.06
Amortization of acquisition intangibles <sup>(e)</sup>	0.00	0.00	0.02	0.02
Amortization of debt discount and deferred financing costs <sup>(f)</sup>	0.01	0.00	0.04	0.03
Derivative fair value adjustments <sup>(g)</sup>	0.03	—	0.12	0.08
ERP and CRM implementation expenses <sup>(h)</sup>	0.01	0.03	0.01	0.08
Other <sup>(i)</sup>	0.02	0.06	0.07	0.08
Tax effects <sup>(i)</sup>	(0.03)	(0.03)	(0.12)	(0.19)
<b>Adjusted Diluted EPS from continuing operations</b>	\$ 0.29	\$ 0.34	\$ 0.47	\$ 0.52
<b>Weighted average diluted shares outstanding</b>	78,826	79,259	78,596	78,592

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

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

<i>Dollars in thousands</i>	<b>Twelve Months Ended March 29, 2025</b>
<b>Total net revenue from continuing operations</b>	\$ 1,850,850
<b>Net income (loss)</b>	\$ (25,998)
<b>Loss from discontinued operations, net of tax</b>	(1,266)
<b>Income (loss) from continuing operations</b>	(24,732)
Interest expense, net	16,500
Income tax provision	1,427
Depreciation and amortization	91,091
<b>EBITDA from continuing operations</b>	<b>84,286</b>
Stock-based compensation expense <sup>(a)</sup>	21,323
Gain on extinguishment of debt <sup>(b)</sup>	(859)
Asset impairment <sup>(c)</sup>	39,897
ERP and CRM implementation expenses <sup>(h)</sup>	7,789
Other <sup>(i)</sup>	10,424
<b>Adjusted EBITDA from continuing operations</b>	<b>\$ 162,860</b>
<b>Income (loss) from continuing operations margin</b>	<b>(1.3)%</b>
<b>Adjusted EBITDA Margin from continuing operations</b>	<b>8.8 %</b>
<b>Net debt/Income (loss) from continuing operations</b>	<b>-10.8x</b>
<b>Net debt/Adjusted EBITDA from continuing operations</b>	<b>1.6x</b>

# 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 the extinguishment (gain) loss related to the repurchase of the 2025 Notes of \$100.0 million and \$217.7 million during fiscal years 2023 and 2024, respectively.
- c. Reflects write-off related to non-cash impairment charges of long-lived assets, primarily impairment of property, equipment and lease-related assets on closed or underperforming stores, and impairment of Eyeglass World goodwill and Fred Meyer contracts and relationship asset during fiscal year 2024.
- d. Expenses associated with settlement of certain litigation.
- e. Amortization of the increase in carrying values of finite-lived intangible assets resulting from the application of purchase accounting following the acquisition of the Company by affiliates of KKR & Co. Inc.
- f. Amortization of deferred financing costs and other non-cash charges related to our debt. We adjust for amortization of deferred financing costs related to the 2025 Notes only when adjustment for these costs is not required in the calculation of diluted earnings per share under U.S. GAAP.
- g. The adjustments for the derivative fair value (gains) and losses have the effect of adjusting the (gain) or loss for changes in the fair value of derivative instruments and amortization of AOCL for derivatives not designated as accounting hedges. This results in reflecting derivative (gains) and losses within Adjusted Diluted EPS during the period the derivative is settled.
- h. Costs related to the Company's ERP and CRM implementation.
- i. Other adjustments include amounts that management believes are not representative of our operating performance (amounts in brackets represent reductions in Adjusted Operating Income, Adjusted Diluted EPS and Adjusted EBITDA), which are primarily related to shareholder activism costs of \$2.1 million and severance and employee-related costs associated with organizational restructuring of \$2.1 million for the three months ended March 29, 2025, costs associated with the digitization of paper-based records of \$3.9 million, \$1.8 million, \$5.8 million, and \$2.2 million for the trailing twelve months ended March 29, 2025, three months ended March 30, 2024, fiscal year 2024, and fiscal year 2023, respectively, costs related to an early lease termination of \$0.7 million for the twelve months ended December 28, 2024, respectively, and other expenses and adjustments. Adjusted Diluted EPS is also adjusted to include debt issuance costs.
- j. Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates, excluding a portion of Eyeglass World goodwill impairment charge, which was disallowed for income tax purposes, and including tax expense (benefit) from stock-based compensation.

# RECONCILIATION OF ADJUSTED COMPARABLE STORES SALES GROWTH FROM CONTINUING OPERATIONS (UNAUDITED)

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

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

# ADJUSTED COMPARABLE STORE SALES GROWTH PRIMER

## 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
- Used by management to assess business performance and is the basis for store-level business performance
- Consistently applied methodology

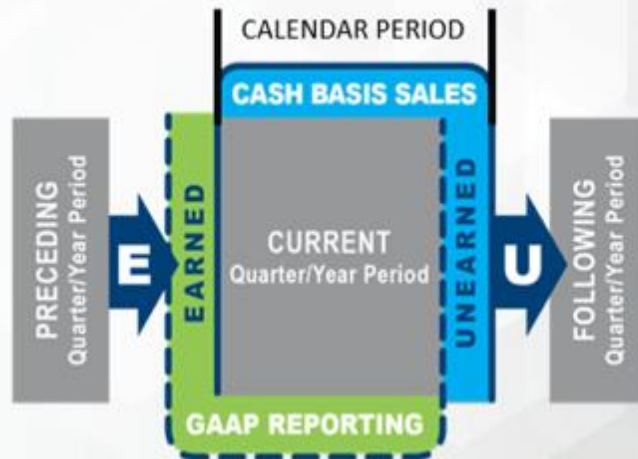
## Adjusted Comparable Store Sales Growth consistently lower than total comparable store sales growth

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

# UNEARNED REVENUE PRIMER



## UNEARNED REVENUE ACCOUNTING



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

**Illustrative Unearned Revenue Primer**

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

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

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

