UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended July 4, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-38257

National Vision Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**46-4841717**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6000 Avalon Boulevard	
Suite 6240	**30009**
Alpharetta, Georgia	(Zip Code)
(Address of principal executive offices)	

(770) 822-3600
(Registrant's telephone number, including area code)

2435 Commerce Ave Building 2200 Duluth, Georgia 30096
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	EYE	Nasdaq

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 31, 2026
Common stock, $0.01 par value	79,069,313

NATIONAL VISION HOLDINGS, INC. AND SUBSIDIARIES

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Form 10-Q”) 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, as amended (the “Exchange Act”), which are subject to the “safe harbor” created by those sections. All statements, other than statements of historical facts included in this Form 10-Q, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, results of operations, financial position, business outlook, business trends and other information, may be forward-looking statements.

Words such as “believes,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “intends,” “plans,” “estimates,” “anticipates,” or variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts or guarantees of future performance and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs and projections will result or be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-Q. Such risks, uncertainties and other important factors that could cause actual results to differ include, among others, the risks, uncertainties and factors set forth in Part I, Item 1A - “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended January 3, 2026 (the “2025 Annual Report on Form 10-K”), as filed with the Securities and Exchange Commission (the “SEC”), as such risk factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov, and also 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 strategic 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; our ability to maintain, protect, and enhance the value of our owned brands; the success of our marketing, advertising and promotional efforts; 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, tariffs and related measures, 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 strategies 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, attract qualified new personnel or successfully implement our succession plans; seasonal fluctuations in our operating results and inventory levels; 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; 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; our reliance on third-party coverage and reimbursement, including government programs, for an increasing portion of our revenues; risks associated with vendors from whom our products and certain services are sourced and our dependence on a limited number of suppliers; changes in U.S. or international laws, including tariffs, affecting our ability to source merchandise and services internationally; the impact of any significant failure, inadequacy, interruption or security breach affecting our information technology systems, or those of our vendors; 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.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this Form 10-Q apply only as of the date of this Form 10-Q or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

All references to "we," "us," "our," or the "Company" in this Form 10-Q mean National Vision Holdings, Inc. and its subsidiaries, unless the context otherwise requires. References to "eye care practitioners" in this Form 10-Q mean optometrists and ophthalmologists and references to "vision care professionals" mean optometrists (including optometrists employed by us or by professional corporations owned by eye care practitioners with which we have arrangements) and opticians.

Website Disclosure

We use our website www.nationalvision.com as a channel of distribution of Company information. Financial and other important information regarding the Company is routinely accessible through and posted on our website. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about National Vision Holdings, Inc. when you enroll your e-mail address by visiting the "Email Alerts" page of the Investor Resources section of our website at www.nationalvision.com/investors. The contents of our website are not, however, a part of this Form 10-Q.

PART I – FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited).

National Vision Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)

In thousands, except share data	As of July 4, 2026	As of January 3, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 35,998	$ 38,708
Accounts receivable, net	34,897	57,322
Inventories, net	122,592	89,318
Prepaid expenses and other current assets	33,398	40,374
Total current assets	226,885	225,722
Noncurrent assets:		
Property and equipment, net	336,832	344,619
Goodwill	700,976	700,642
Trademarks and trade names	240,547	240,547
Other intangible assets, net	7,216	7,554
Right of use assets	404,015	394,896
Other assets	67,022	69,698
Total noncurrent assets	1,756,608	1,757,956
Total assets	$ 1,983,493	$ 1,983,678
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 76,726	$ 78,999
Other payables and accrued expenses	91,119	109,674
Unearned revenue	39,408	52,279
Deferred revenue	65,176	64,560
Current maturities of long-term debt and finance lease obligations	16,447	16,583
Current operating lease obligations	94,150	90,313
Total current liabilities	383,026	412,408
Noncurrent liabilities:		
Long-term debt and finance lease obligations, less current portion and debt discount	221,292	229,327
Noncurrent operating lease obligations	365,121	358,377
Deferred revenue	22,639	22,517
Other liabilities	8,920	8,944
Deferred income taxes, net	85,499	82,572
Total noncurrent liabilities	703,471	701,737
Commitments and contingencies (See Note 7)		
Stockholders' equity:		
Common stock, $0.01 par value; 200,000,000 shares authorized; 87,474,699 and 86,278,538 shares issued as of July 4, 2026 and January 3, 2026, respectively; 79,058,038 and 79,416,050 shares outstanding as of July 4, 2026 and January 3, 2026, respectively	874	862
Additional paid-in capital	848,147	834,000
Accumulated other comprehensive income (loss)	323	(121)
Retained earnings	299,314	255,717
Treasury stock, at cost; 8,416,661 and 6,862,488 shares as of July 4, 2026 and January 3, 2026, respectively	(251,662)	(220,925)
Total stockholders' equity	896,996	869,533
Total liabilities and stockholders' equity	$ 1,983,493	$ 1,983,678

The accompanying notes are an integral part of these condensed consolidated financial statements.

National Vision Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)

	Three Months Ended		Six Months Ended	
In thousands, except per share amounts	July 4, 2026	June 28, 2025	July 4, 2026	June 28, 2025
Revenue:				
Net product sales	$ 403,135	$ 394,589	$ 842,635	$ 807,354
Net sales of services and plans	95,670	91,834	200,050	189,393
Total net revenue	498,805	486,423	1,042,685	996,747
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products	118,574	114,686	245,391	231,600
Services and plans	89,798	85,685	182,117	173,961
Total costs applicable to revenue	208,372	200,371	427,508	405,561
Operating expenses:				
Selling, general and administrative expenses	243,432	247,167	499,524	502,699
Depreciation and amortization	23,221	22,536	46,663	45,499
Asset impairment	2,506	—	2,506	502
Other income, net	(28)	(100)	(57)	(100)
Total operating expenses	269,131	269,603	548,636	548,600
Income from operations	21,302	16,449	66,541	42,586
Interest expense, net	3,337	4,210	6,185	8,782
Earnings before income taxes	17,965	12,239	60,356	33,804
Income tax provision	5,549	3,514	16,759	10,893
Net income	$ 12,416	$ 8,725	$ 43,597	$ 22,911
Earnings per share:				
Basic	$ 0.16	$ 0.11	$ 0.55	$ 0.29
Diluted	$ 0.15	$ 0.11	$ 0.54	$ 0.29
Weighted average shares outstanding:				
Basic	79,547	79,079	79,601	78,968
Diluted	80,597	80,057	81,045	79,658
Comprehensive income:				
Net income	$ 12,416	$ 8,725	$ 43,597	$ 22,911
Unrealized gain on hedge instruments	173	—	593	—
Tax provision of unrealized gain on hedge instruments	44	—	149	—
Comprehensive income	$ 12,545	$ 8,725	$ 44,041	$ 22,911

The accompanying notes are an integral part of these condensed consolidated financial statements.

National Vision Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

	Three and Six Months Ended July 4, 2026						
	Common Stock						
In thousands	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balances at January 3, 2026	79,416	$ 862	$ 834,000	$ (121)	$ 255,717	$ (220,925)	$ 869,533
Issuance of common stock [(1)]	1,088	11	490	—	—	—	501
Stock-based compensation	—	—	6,995	—	—	—	6,995
Purchase of treasury stock	(389)	—	—	—	—	(10,519)	(10,519)
Unrealized gain on hedge instruments, net of tax	—	—	—	315	—	—	315
Net income	—	—	—	—	31,181	—	31,181
Balances at April 4, 2026	80,115	$ 873	$ 841,485	$ 194	$ 286,898	$ (231,444)	$ 898,006
Issuance of common stock [(1)]	107	1	319	—	—	—	320
Stock-based compensation	—	—	6,343	—	—	—	6,343
Purchase of treasury stock	(1,164)	—	—	—	—	(20,218)	(20,218)
Unrealized gain on hedge instruments, net of tax		—	—	129	—	—	129
Net income	—	—	—	—	12,416	—	12,416
Balances at July 4, 2026	79,058	$ 874	$ 848,147	$ 323	$ 299,314	$ (251,662)	$ 896,996

[(1)] Consists primarily of the vesting of shares issued under the Company's stock incentive plans and Associate Share Purchase Plan.

	Three and Six Months Ended June 28, 2025						
	Common Stock						
In thousands	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balances at December 28, 2024	78,775	$ 854	$ 807,048	$ —	$ 226,117	$ (217,686)	$ 816,333
Issuance of common stock [(1)]	403	4	261	—	—	—	265
Stock-based compensation	—	—	7,000	—	—	—	7,000
Purchase of treasury stock	(128)	—	—	—	—	(1,624)	(1,624)
Unrealized gain on hedge instruments, net of tax	—	—	—	—	—	—	—
Net income	—	—	—	—	14,186	—	14,186
Balances at March 29, 2025	79,050	$ 858	$ 814,309	$ —	$ 240,303	$ (219,310)	$ 836,160
Issuance of common stock [(1)]	130	1	470	—	—	—	471
Stock-based compensation	—	—	5,280	—	—	—	5,280
Purchase of treasury stock	(5)	—	—	—	—	(55)	(55)
Unrealized gain on hedge instruments, net of tax	—	—	—	—	—	—	—
Net income	—	—	—	—	8,725	—	8,725
Balances at June 28, 2025	79,175	$ 859	$ 820,059	$ —	$ 249,028	$ (219,365)	$ 850,581

[(1)] Consists primarily of the vesting of shares issued under the Company's stock incentive plans and Associate Share Purchase Plan.

The accompanying notes are an integral part of these condensed consolidated financial statements.

National Vision Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended	
In thousands	July 4, 2026	June 28, 2025
Cash flows from operating activities:		
Net income	$ 43,597	$ 22,911
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46,663	45,499
Amortization of debt discount and deferred financing costs	483	674
Amortization of cloud computing implementation costs	6,193	4,636
Asset impairment	2,506	502
Deferred income tax expense (benefit)	2,926	(9,800)
Stock-based compensation expense	13,388	12,335
Inventory adjustments	2,932	1,801
Other	428	(149)
Changes in operating assets and liabilities:		
Accounts receivable	22,326	3,629
Inventories	(36,205)	2,469
Operating lease right of use assets and lease liabilities	2,021	(1,117)
Other assets	(2,636)	(26,815)
Accounts payable	(2,273)	11,456
Deferred and unearned revenue	(12,133)	3,609
Other liabilities	(20,401)	14,860
Net cash provided by operating activities	69,815	86,500
Cash flows from investing activities:		
Purchase of property and equipment	(39,765)	(32,075)
Other	5,006	(849)
Net cash used for investing activities	(34,759)	(32,924)
Cash flows from financing activities:		
Repayments on long-term debt	(16,625)	(91,399)
Borrowings on long-term debt	10,000	15,000
Payments on finance lease obligations	(1,645)	(1,483)
Proceeds from issuance of common stock	821	736
Purchase of treasury stock	(30,596)	(1,679)
Net cash used for financing activities	(38,045)	(78,825)
Net change in cash, cash equivalents and restricted cash	(2,989)	(25,249)
Cash, cash equivalents and restricted cash, beginning of year	40,302	75,237
Cash, cash equivalents and restricted cash, end of period (See Note 2)	$ 37,313	$ 49,988
Supplemental cash flow disclosure information:		
Cash paid for interest	$ 7,381	$ 10,151
Cash paid for taxes	$ 2,936	$ 16,964
Capital expenditures accrued at the end of the period	$ 13,701	$ 11,952
Operating cash outflows - operating leases	$ 60,527	$ 59,013
Right of use assets acquired under operating leases	$ 56,693	$ 27,036

The accompanying notes are an integral part of these condensed consolidated financial statements.

National Vision Holdings, Inc. and Subsidiaries
Index to Notes to Condensed Consolidated Financial Statements

1. Business and Significant Accounting Policies

Nature of Operations

National Vision Holdings, Inc. ("NVHI," the "Company," "we," "our," or "us") is a holding company whose operating subsidiaries include its indirect wholly-owned subsidiary, National Vision, Inc. ("NVI") and NVI's wholly-owned subsidiaries. We are a leading value retailer of eyeglasses and contact lenses in the United States (the "U.S."). We operated 1,281 and 1,250 retail optical locations in the U.S. and its territories as of July 4, 2026 and January 3, 2026, respectively, through our four store brands, including America's Best Contacts and Eyeglasses ("America's Best"), Eyeglass World ("EGW"), Vista Optical locations on select U.S. Army/Air Force military bases ("Military") and within select Fred Meyer stores. Additionally, we operate omni-channel websites for our America's Best, Eyeglass World and Military brands, as well as a dedicated e-commerce website.

We also operate a specialized health maintenance organization ("HMO") that is licensed as a single-service health plan under California law. The HMO issues individual vision plans in connection with our America's Best operations in California.

Basis of Presentation and Principles of Consolidation

We prepare our unaudited interim condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and, therefore, do not include all information and disclosures required by U.S. GAAP for complete consolidated financial statements. These condensed consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary to present fairly the Company's consolidated results of the interim period.

Certain information and disclosures normally included in our annual consolidated financial statements have been condensed or omitted; however, we believe that the disclosures included herein are sufficient for a fair presentation of the information presented. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto for the fiscal year ended January 3, 2026 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 4, 2026 (the "2025 Annual Report on Form 10-K"). The Company's significant accounting policies are set forth in Note 1 within those consolidated financial statements. We use the same accounting policies in preparing interim condensed consolidated financial information and annual consolidated financial statements. There were no changes to our significant accounting policies during the six months ended July 4, 2026.

The condensed consolidated financial statements include our accounts and those of our wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The Company has consolidated certain entities meeting the definition of a variable interest entity ("VIE") as the Company concluded that it is the primary beneficiary of the entities under the provisions of Accounting Standards Codification 810, Consolidation. As of July 4, 2026, the variable interest entities include 27 professional corporations. The total assets of the consolidated VIEs included in the accompanying Condensed Consolidated Balance Sheets as of July 4, 2026 and January 3, 2026, were $5.6 million and $4.6 million, respectively, and the total liabilities of the consolidated VIEs were $5.5 million and $6.9 million, respectively.

Fiscal Year

Our fiscal year consists of 52 or 53 weeks ending on the Saturday closest to December 31. Fiscal year 2026 contains 52 weeks and will end on January 2, 2027. Fiscal year 2025 contained 53 weeks and ended on January 3, 2026. All three and six month periods presented herein contain 13 and 26 weeks. All references to years and quarters relate to fiscal periods rather than calendar periods.

Seasonality

The consolidated results of operations for the three and six months ended July 4, 2026 and June 28, 2025, are not necessarily indicative of the results to be expected for the full fiscal year due to seasonality and uncertainty of general economic conditions that may impact our key markets. Historically, our business has realized a higher portion of net revenue, income from operations, and cash flows from operations in the first half of the year, and a lower portion of net revenue, income from operations, and cash flows from operations in the fourth fiscal quarter. The first half seasonality is attributable primarily to annual health insurance program start/reset periods. Seasonality related to fourth quarter holiday spending by retail customers generally does not impact our business. Our quarterly consolidated results generally may also be affected by the timing of new store openings, store closings, and certain holidays.

CARES Act

Accounts receivable, net on the Condensed Consolidated Balance Sheets as of January 3, 2026 includes a $9.0 million receivable under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. During the six months ended July 4, 2026, the Company received the full payment of these CARES Act credits.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Severance Benefits

We recognized $0.1 million and $2.2 million during the three and six months ended July 4, 2026, respectively, and $2.1 million during the six months ended June 28, 2025, related to severance benefits for certain associates in the Corporate and other category within Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations and Comprehensive Income. These charges were recognized in accordance with FASB guidance on employers' accounting for postemployment benefits and guidance on accounting for costs associated with exit or disposal activities, as appropriate. Refer to Note 11. "Restructuring" for information on employee termination benefits related to the Eyeglass World lab optimization initiative.

Stock-Based Compensation

During the six months ended July 4, 2026, we granted performance stock units to certain employees. The number of shares issued will be determined based on the level of achievement of predefined performance and market conditions, including adjusted operating income, return on invested capital, relative total shareholder return versus a peer group and an absolute total shareholder return feature, with a performance period of three years and a requisite service period of three to five years. We recognize compensation expense on performance stock units ratably over the requisite performance period of the award to the extent management views the performance goals as probable of attainment. We recognize compensation expense for the fair value of the relative total shareholder return versus the peer group component and the absolute total shareholder return component over the requisite service period of such awards using a Monte Carlo simulation.

Asset Impairment

We recognized $2.5 million of impairment charges during the three and six months ended July 4, 2026 related to the Eyeglass World lab optimization initiative, compared to $0.5 million of impairment charges related to tangible long-lived store assets and Right of Use ("ROU") assets for the six months ended June 28, 2025. The impairments were recognized in Corporate and other, and are reflected in Asset impairment in the Condensed Consolidated Statements of Operations and Comprehensive Income. Refer to Note 11. "Restructuring" for information on the Eyeglass World lab optimization initiative and to Note 3. "Fair Value Measurement" for additional information on impairment charges.

Impairments of tangible long-lived store assets and ROU assets during the six months ended June 28, 2025 were primarily driven by lower than projected customer sales volume and profitability in certain stores and other entity-specific assumptions. We considered multiple factors including, but not limited to, forecasted scenarios related to store performance and the likelihood that these scenarios would be ultimately realized and the remaining useful lives of the assets.

Income Taxes

Our effective tax rate for the three months ended July 4, 2026 was 30.9%, reflecting our statutory federal and state rate of 25.1%, non-deductible compensation expense and the effects of other permanent items. Our effective tax rate for the six months ended July 4, 2026 was 27.8%, reflecting our statutory federal and state rate of 25.1%, non-deductible compensation expense, partially offset by the discrete benefit of permanent adjustments related to equity compensation.

Our effective tax rate for the three months ended June 28, 2025 was 28.7%, reflecting our statutory federal and state rate of 25.2% and effects of permanent items. Our effective tax rate for the six months ended June 28, 2025 was 32.2%, reflecting our statutory federal and state rate of 25.2%, discrete effects of permanent adjustments related to equity compensation and other effects of permanent items.

Share Repurchases

Effective March 2, 2026, the Board authorized the Company to repurchase up to $50 million aggregate amount of shares of the Company’s common stock until December 28, 2030. During the three months ended July 4, 2026, the Company repurchased approximately 1.2 million shares for $20.0 million. As of July 4, 2026, the authorization has remaining capacity of $30.0 million.

Investments

During fiscal years 2023 through 2025, the Company completed a series of investments in an entity specializing in applying artificial intelligence-powered screening and diagnostic tools to retinal imaging, including $3.3 million in the equity of the entity, which was valued at cost, and $2.5 million in a convertible promissory note, which was valued using the fair value option. The investments were recognized in Other assets in the Consolidated Balance Sheets and in Other within the investing section of the Consolidated Statements of Cash Flows.

In the fourth quarter of fiscal year 2025, the investee entered into an agreement and plan of merger pursuant to which it would be acquired by the Company's co-preferred investor in the entity. The transaction closed during the second quarter of fiscal year 2026. In connection with the sale, the Company received cash proceeds of $3.3 million related to its equity investment and $2.5 million related to its convertible promissory note. Because the proceeds received were equal to the carrying values of the respective investments immediately prior to closing, no gain or loss was recognized on the transaction. Following the closing of the transaction, the Company no longer holds an investment in the entity.

IEEPA Tariff Refunds

On February 20, 2026, the U.S. Supreme Court invalidated tariffs imposed under the International Emergency Economic Powers Act ("IEEPA"). The President immediately introduced new tariffs under different statutory authority, though the scope, duration, and the likelihood and outcome of further legal challenges to these tariffs remain uncertain. On June 16, 2026, the Company filed a claim with U.S. Customs and Border Protection seeking refunds of approximately $4.8 million of IEEPA tariffs previously paid by the Company. As of July 4, 2026, the Company had not received any refunds related to the claim. Due to the uncertainty regarding the timing and amount of any refunds to be received, the Company has not recognized any potential IEEPA tariff refunds in its Condensed Consolidated Financial Statements as of July 4, 2026. Subsequent to July 4, 2026, the Company has received refunds totaling approximately $0.9 million. The Company continues to monitor developments related to the refund process and the potential impacts on its financial condition and results of operations.

Adoption of Current Accounting Pronouncements

Credit Losses for Accounts Receivable and Contract Assets. In July 2025, the FASB issued ASU 2025-05, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This update provides a practical expedient which allows an entity to assume that, for purposes of estimating expected credit losses related to an asset, current conditions as of a balance sheet date do not change for the remaining life of the asset. This guidance is effective for fiscal years beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company adopted this new guidance in the first quarter of 2026. The adoption of ASU 2025-05 did not have a material impact on the Company’s allowance for credit losses or its consolidated financial statements.

Future Adoption of Accounting Pronouncements

Expense Disaggregation Disclosures. In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income (Topic 220-40): Expense Disaggregation Disclosures (“ASU 2024-03”). This update requires, among other things, more detailed disclosure about types of expenses in commonly presented expense captions such as cost of sales and Selling, general, and administrative (“SG&A”), and is intended to improve the disclosures about an entity’s expenses including purchases of inventory, employee compensation, depreciation and amortization. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of the guidance on the consolidated financial statements and disclosures.

Derivatives and Hedging. In November 2025, the FASB issued ASU 2025-09, Derivatives and Hedging (Topic 815), to more closely align financial reporting with the economics of an entity’s risk management activities. The effective date for this standard is for fiscal years beginning after December 15, 2026 and interim periods within those fiscal years. Early adoption is permitted. The amendments in this ASU should be applied prospectively with an option to adopt the amendments for hedging relationships existing as of the date of adoption. The Company is currently evaluating the impact of the guidance on the consolidated financial statements and disclosures.

Intangibles - Internal-Use Software. In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other Internal-Use Software (Subtopic 350-40), which updates the accounting guidance for internal-use software costs. The amendments remove references to software development project stages and align the guidance with current software development practices. The standard is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and disclosures.

Interim Reporting. In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements ("ASU 2025-11"). The update provides clarifications intended to improve the consistency and usability of interim disclosure requirements, including a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. The standard is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, and permits prospective or full retrospective adoption. The Company is currently evaluating the impact of the guidance on the consolidated financial statements and disclosures.

The FASB issued other accounting guidance during the period that is not currently applicable or expected to have a material impact on the Company's financial statements, and therefore, is not described above.

2. Details of Certain Balance Sheet Accounts

The following table provides a reconciliation of cash and cash equivalents reported within the Condensed Consolidated Balance Sheets to the total of Cash, cash equivalents and restricted cash shown in the Condensed Consolidated Statement of Cash Flows:

	Six Months Ended	
In thousands	July 4, 2026	June 28, 2025
Cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 35,998	$ 48,471
Restricted cash included in Other assets [1]	1,315	1,517
	$ 37,313	$ 49,988

(1) Restricted cash relates to regulatory requirements associated with our FirstSight operations.

The following tables provide additional details of Inventories, net as of the dates shown below:

In thousands	As of July 4, 2026	As of January 3, 2026
Inventories, net:		
Raw materials and work in process [1]	$ 91,217	$ 65,775
Finished goods	31,375	23,543
	$ 122,592	$ 89,318

(1) Due to the immaterial amount of estimated work in process and the short lead times for the conversion of raw materials to finished goods, the Company does not separately present raw materials and work in process.

3. Fair Value Measurement

Recurring fair value measurements

Interest Rate Derivatives

Derivative assets and liabilities are recognized at fair value, which reflects the estimated amounts the Company would receive or pay to settle the interest rate derivatives prior to their contractual expiration dates. The fair value is based on information that is model-driven based on regression analysis and whose inputs were observable (Level 2 inputs) such as Term Secured Overnight Financing Rate ("Term SOFR") forward rates. See Note 5. "Interest Rate Derivatives" for further details.

Non-recurring fair value measurements

These non-recurring fair value measurements are classified as Level 3 measurements in the fair value hierarchy.

Long-lived Store and ROU Store Assets

The Company recognized $2.5 million of impairment charges during the three and six months ended July 4, 2026, related to the Eyeglass World lab optimization initiative. Refer to Note 11. “Restructuring” for additional information. The fair value of the impaired equipment was determined using a market approach based on market information for comparable used equipment, adjusted as necessary to reflect the age, condition, functionality, and marketability of the specific assets. Significant judgment was required in estimating the recoverable values of the assets, and changes in market conditions or assumptions could result in different fair value measurement. The estimated remaining fair value of the assets impaired during the six months ended July 4, 2026 was $0.7 million.

We recognized $0.5 million related to tangible long-lived store assets and ROU assets for the six months ended June 28, 2025. The cash flows used in estimating fair value were discounted using a market rate of 10.5% during the six months ended June 28, 2025. A decrease in the estimated cash flows would lead to a lower fair value measurement, as would an increase in the discount rate. The estimated remaining fair value of the store assets impaired during the six months ended June 28, 2025 was $0.5 million. Substantially all of the remaining fair value of the impaired store assets represents the fair value of ROU assets.

Additional fair value information

Term Loan A and Revolving Loans

Since the borrowings under first lien term loan (“Term Loan A”) and revolving credit loans (the “Revolving Loans”) utilize variable interest rate setting mechanisms such as Term SOFR, the fair values of these borrowings are deemed to approximate the carrying values. We also considered the effect of our own credit risk on the fair values of Term Loan A and Revolving Loans. Refer to Note 4. “Debt” for more information on these borrowings.

4. Debt

Our debt consists of the following:

In thousands	As of July 4, 2026	As of January 3, 2026
Term Loan A, due June 13, 2028	$ 231,000	$ 237,625
Revolving Loans, due June 13, 2028 (aggregate principal amount $300 million)	—	—
Debt before unamortized discount and issuance costs	231,000	237,625
Unamortized discount and issuance costs - Term Loan A	(910)	(1,137)
Debt less debt discount and issuance costs	230,090	236,488
Less current maturities	(13,250)	(13,250)
Long-term debt - noncurrent portion	216,840	223,238
Finance lease obligations	7,649	9,422
Less current maturities	(3,197)	(3,333)
Long-term debt and finance lease obligations, less current portion, discount, and issuance costs	$ 221,292	$ 229,327

Scheduled annual maturities of debt are as follows:

Fiscal Period	*In thousands*
2026 - remainder of fiscal year	$ 6,625
2027	13,250
2028	211,125
	$ 231,000

We were in compliance with all covenants related to our debt as of July 4, 2026.

2025 Notes

During fiscal year 2025, the Company fully repaid the 2.50% convertible senior notes due on May 15, 2025 (“2025` Notes”).

We recognized the following in Interest expense, net in the Condensed Consolidated Statements of Operations and Comprehensive Income, related to the 2025 Notes:

	Three Months Ended	Six Months Ended
In thousands	June 28, 2025	June 28, 2025
Contractual interest expense	$ 272	$ 802
Amortization of issuance costs	$ 66	$ 191

5. Interest Rate Derivatives

In December 2025, we entered into an interest rate swap agreement to help manage interest rate exposure by economically converting a portion of our variable-rate debt to fixed-rate debt. Under the interest rate swap agreement, we receive a floating interest rate of the one-month SOFR and pay a fixed interest rate of 3.43% on $100 million of notional amount. We designated the interest rate swap as the hedging instrument in an effective hedge accounting relationship.

We recognized gains on the change in fair value of the interest rate swap of $0.2 million and $0.7 million in Other comprehensive income (loss) during the three and six months ended July 4, 2026, respectively. A net gain of $0.1 million and $0.1 million was reclassified from Accumulated other comprehensive income (loss) into Interest expense, net, during the three and six months ended July 4, 2026, respectively.

As of July 4, 2026, the Company expects to reclassify $0.3 million of unrealized gains on the derivative, net of tax, from AOCI into earnings in the next 12 months. Cash flows related to derivatives are included in the operating section of the Condensed Consolidated Statements of Cash Flows. See Note 10. “Accumulated Other Comprehensive Income (Loss)” for further details.

Our cash flow hedge position related to derivatives designated as hedging instruments under ASC 815 is as follows:

In thousands	Balance Sheet Classification	As of July 4, 2026	As of January 3, 2026
Current portion	Prepaid Expenses and Other Current Assets	$ 431	$ —
Non-current portion	Other Assets	—	—
Current portion	Other Payables and Accrued Expenses	—	45
Non-current portion	Other Liabilities	—	116
Total derivative liabilities or assets designated as hedging instruments		$ 431	$ 161

6. Revenue from Contracts with Customers

The majority of our revenues are recognized either at the point of sale or upon delivery and customer acceptance. We obtain consideration from our customers at the time of sale in cash, credit card, or on account with managed care payors having terms generally between 14 and 120 days, with most paying within 60 days. For sales of in-store non-prescription eyewear and related accessories, and paid eye exams, we recognize revenue at the point of sale. Our point in time revenues include: 1) retail sales of prescription and non-prescription eyewear, contact lenses and related accessories to retail customers (including those covered by managed care); and 2) eye exams. Revenues recognized over time primarily include product protection plans (i.e., warranties) and eye care club memberships.

The following disaggregation of revenues depicts our revenue based on the timing of revenue recognition:

	Three Months Ended		Six Months Ended	
In thousands	July 4, 2026	June 28, 2025	July 4, 2026	June 28, 2025
Revenues recognized at a point in time	$ 466,527	$ 454,709	$ 977,873	$ 933,237
Revenues recognized over time	32,278	31,714	64,812	63,510
Total net revenue	$ 498,805	$ 486,423	$ 1,042,685	$ 996,747

Refer to Note 8. “Segment Reporting” for the Company’s disaggregation of net revenue. As our operating segments are aligned by similar economic factors, trends and customers, the reportable segment view best depicts how the nature, amount and uncertainty of revenue and cash flows are affected by economic factors.

We record reductions in revenue for estimated price concessions granted to managed care providers. The Company considers its revenue from managed care customers to include variable consideration and estimates such amounts associated with managed care customer revenues using the history of concessions provided and cash receipts from managed care providers. We reduced our net revenue for variable consideration of $2.7 million and $4.5 million during the three months ended July 4, 2026 and June 28, 2025, respectively, and $3.1 million and $7.7 million during the six months ended July 4, 2026 and June 28, 2025, respectively.

Unsatisfied Performance Obligations (Contract Liabilities)

During the three months ended July 4, 2026 and June 28, 2025, we recognized $23.7 million and $22.9 million, respectively, of deferred revenues outstanding at the beginning of each respective period. During the six months ended July 4, 2026 and June 28, 2025, we recognized $41.9 million and $40.7 million, respectively, of deferred revenues outstanding at the beginning of each respective period.

Our deferred revenue balance as of July 4, 2026 and January 3, 2026 was $87.8 million and $87.1 million, respectively. Deferred revenue recorded as of July 4, 2026 is expected to be reflected in future operating results as follows:

Fiscal Year		*In thousands*
2026 - remainder of fiscal year	$	42,483
2027		32,860
2028		11,072
2029		1,400
	$	87,815

7. Commitments and Contingencies

Legal Proceedings

From time to time, the Company is involved in various legal proceedings incidental to its business. Because of the nature and inherent uncertainties of litigation, we cannot predict with certainty the ultimate resolution of these actions and, should the outcome of these actions be unfavorable, the Company’s business, financial position, results of operations or cash flows could be materially and adversely affected.

The Company reviews the status of its legal proceedings and records a provision for a liability when it is considered probable that a liability has been incurred and the amount of the loss can be reasonably estimated. This review is updated periodically as additional information becomes available. If either or both of the criteria are not met, we reassess whether there is at least a reasonable possibility that a loss, or additional losses, may be incurred. If there is a reasonable possibility that a loss may be incurred, we disclose the estimate of the amount of the loss or range of losses, or that an estimate of loss cannot be made. The Company expenses its legal fees as incurred.

We are currently and may in the future become subject to various claims and pending or threatened lawsuits in the ordinary course of our business.

On May 23, 2024, a stockholder derivative complaint was filed by a stockholder in the Delaware Court of Chancery, purportedly on behalf of the Company (the “Derivative Action”). The Derivative Action alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 10b-5 thereunder, for materially false and misleading statements made between May 2021 and May 2022, and names certain of the Company’s officers, including our former Chief Executive Officer and former Chief Operating Officer, and the Company’s directors who were members of the Company’s Board of Directors during the relevant time period as defendants. The Derivative Action alleges claims for breach of fiduciary duty, unjust enrichment, and violations of the Exchange Act and seeks to recover damages on behalf of the Company. On July 24, 2024, the Company along with the named defendants, filed a motion to dismiss the complaint. On September 9, 2024, the plaintiff filed an amended complaint. Defendants filed a motion to dismiss the amended complaint on October 31, 2024. The plaintiff filed an opposition to the motion to dismiss on December 16, 2024, and the defendants filed a reply brief on January 15, 2025. Oral argument on the motion to dismiss was held on October 28, 2025. On February 11, 2026, the court granted the motion to dismiss. An appeal was not filed during the 30-day appeal period, which expired on March 13, 2026, and the matter is now closed.

8. Segment Reporting

The Company's operating segments were determined on the same basis as used by the Chief Operating Decision Maker ("CODM") to evaluate performance internally. Our CODM is our chief executive officer. Our operations consist primarily of one reportable segment: the Owned & Host segment. Our owned brands consist of our America's Best and Eyeglass World operating segments. In America's Best stores, vision care services are provided by optometrists employed either by us or by independent professional corporations. Eyeglass World locations have on-site laboratories and offer eye exams, provided by optometrists employed either by us or by independent professional corporations. Our Host operating segments consist of Military and Fred Meyer. These brands provide eye exams principally by independent optometrists in nearly all locations. We have aggregated our America's Best, Eyeglass World, Military and Fred Meyer operating segments into a single reportable segment due to similar economic characteristics and similarity of the nature of products and services, production processes, class of customers, regulatory environment and distribution methods of those brands.

In addition to our single reportable segment, the results of our dedicated e-commerce website and FirstSight, which sells single-service health plans in connection with the operations of America's Best operations in California, are presented in the "corporate and other" category. The Company concluded that our dedicated e-commerce website meets the criteria to be an operating segment but does not meet the quantitative thresholds for separate disclosure as a reportable segment. Further, in 2025, the Company concluded that FirstSight does not meet the criteria to be an operating segment. Its results are not separately provided to the CODM, and therefore, they are also included in the "corporate and other" category. Prior-period information has been recast to reflect the segment presentation.

The "corporate and other" category also includes corporate overhead support expenses as well certain non-cash charges, including asset impairment, stock-based compensation expense, and the impact of certain events, gains, or losses excluded from the assessment of segment performance.

Other adjustments to reportable segment results represent adjustments necessary for the presentation of consolidated financial results in accordance with U.S. GAAP, specifically effects of the change in unearned and deferred revenue during the period.

The operating segments identified above are the business activities of the Company for which discrete financial information is available and for which operating results are regularly provided to, and reviewed by, our CODM to allocate resources and assess performance. The Company considers each of our brands to be an operating segment and has further concluded that presenting the results of our reportable segment provides meaningful information consistent with the objectives of ASC 280, *Segment Reporting*.

The CODM uses segment EBITDA, calculated as net revenue, less costs applicable to revenue, less SG&A expenses, to evaluate the performance, and make decisions about the allocation of resources to segments predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a monthly and quarterly basis when making decisions about the allocation of resources to each segment. Consistent with what the CODM reviews, depreciation and amortization and interest expense, net are excluded from segment EBITDA.

There are no differences between the measurement of our reportable segment's assets and consolidated assets. There have been no changes from prior periods in the measurement methods used to determine reportable segment profit or loss, and there have been no asymmetrical allocations to segments.

Reportable segment information is presented on the same basis as our consolidated financial statements, except for net revenue and associated costs applicable to revenue, which exclude the effects of unearned and deferred revenue, consistent with what the CODM regularly reviews. Asset information is not included in the following summary since the CODM does not regularly review such information for the reportable segment.

The following table is a summary of certain financial data for our Owned & Host reportable segment, and other categories, and includes a reconciliation to the Company's consolidated earnings before income taxes.

In thousands	Three Months Ended July 4, 2026	Three Months Ended June 28, 2025	Six Months Ended July 4, 2026	Six Months Ended June 28, 2025
Owned & Host revenue:				
Net product sales	$ 387,487	$ 381,704	$ 820,371	$ 796,818
Net sales of services and plans	94,342	92,448	200,788	192,315
Total Owned & Host revenue	481,829	474,152	1,021,159	989,133
Less:				
Owned & Host costs applicable to revenue (exclusive of depreciation and amortization)				
Cost of products	111,560	107,887	233,600	221,747
Cost of services and plans	89,665	85,597	181,982	173,868
Owned & Host SG&A	180,048	180,873	367,992	369,044
Owned & Host segment EBITDA	100,556	99,795	237,585	224,474
Corporate and other	(65,677)	(65,606)	(133,162)	(132,947)
Effects of unearned and deferred revenue	9,644	4,796	8,781	(3,442)
Depreciation and amortization	(23,221)	(22,536)	(46,663)	(45,499)
Interest expense, net	(3,337)	(4,210)	(6,185)	(8,782)
Earnings before income taxes	$ 17,965	$ 12,239	$ 60,356	$ 33,804

The following table presents a reconciliation of revenue:

In thousands	Three Months Ended July 4, 2026	Three Months Ended June 28, 2025	Six Months Ended July 4, 2026	Six Months Ended June 28, 2025
Revenue				
Owned & Host	$ 481,829	$ 474,152	$ 1,021,159	$ 989,133
Corporate and other	4,748	5,719	9,217	11,353
Effects of unearned and deferred revenue	12,228	6,552	12,309	(3,739)
Total consolidated revenue	$ 498,805	$ 486,423	$ 1,042,685	$ 996,747

9. Earnings Per Share

A reconciliation of the numerators and denominators of the basic and diluted earnings per share (“EPS”) calculations is as follows:

In thousands, except per share amounts	Three Months Ended July 4, 2026	Three Months Ended June 28, 2025	Six Months Ended July 4, 2026	Six Months Ended June 28, 2025
Numerator:				
Net income	$ 12,416	$ 8,725	$ 43,597	$ 22,911
Denominator:				
Weighted average shares outstanding, Basic	79,547	79,079	79,601	78,968
Dilutive effect of share-based awards [(1)]	1,050	978	1,444	690
Weighted average shares outstanding, Diluted	80,597	80,057	81,045	79,658
Earnings per share:				
Basic	$ 0.16	$ 0.11	$ 0.55	$ 0.29
Diluted	$ 0.15	$ 0.11	$ 0.54	$ 0.29
Anti-dilutive securities excluded from diluted weighted average common shares	870	822	678	1,112

[(1)] *Represents the dilutive impact of RSUs, PSUs and stock options*

10. Accumulated Other Comprehensive Income (Loss)

Changes in the fair value of the Company’s cash flow hedge derivative instruments from their inception are recorded in Accumulated other comprehensive income (loss) if the instruments are deemed to be highly effective as cash flow hedges. The following table presents the changes in Accumulated other comprehensive income (loss), net of tax.

In thousands	Three Months Ended July 4, 2026	Six Months Ended July 4, 2026
Cash flow hedging activity:		
Balance at beginning of period	$ 194	$ (121)
Other comprehensive income (loss) before reclassification	228	712
Tax effect of other comprehensive income (loss) before reclassification	(58)	(179)
Amount reclassified from AOCI (AOCL) into interest expense	(55)	(119)
Tax effect of amount reclassified from AOCI (AOCL) into interest expense	14	30
Net current period other comprehensive income (loss), net of tax	129	444
Balance at end of period	$ 323	$ 323

See Note 5. “Interest Rate Derivatives” for a description of the Company’s use of cash flow hedging derivatives.

11. Restructuring

Eyeglass World Lab Optimization Initiative

During the three months ended July 4, 2026, the Company initiated an Eyeglass World lab optimization initiative designed to optimize certain in-store laboratory functions by transitioning in-store lab surfacing activities to the Company's central laboratory operations. As a result of this transition, the Company eliminated certain positions within the affected in-store laboratories, impaired certain laboratory equipment and wrote off inventory that is no longer expected to be utilized in operations.

The Company expects substantially all activities under the plan to be completed within one year and does not expect to incur any material additional costs. Total costs associated with the plan are expected to be approximately $3.0 million to

$4.0 million, consisting primarily of non-cash equipment impairment charges, inventory write-offs, and employee termination benefits. The Company will continue to evaluate the impact of the transition and may incur additional costs as the plan is executed.

The following table presents the charges recognized related to the plan and their classification within the Condensed Consolidated Statements of Operations and Comprehensive Income for the three and six months ended July 4, 2026.

In thousands	Income Statement Classification	Three and Six Months Ended July 4, 2026
Employee termination benefits	Costs of services and plans	$ 131
Asset impairment	Asset impairment	2,506
Inventory write-off	Costs of products applicable to revenue	206
Other Costs	Selling, general, and administrative expenses	233
Total restructuring charges		$ 3,076

As of July 4, 2026, the full amount of $0.1 million of the restructuring-related employee termination benefits had been accrued and is recorded in Other payables and accrued expenses within the Condensed Consolidated Balance Sheets. These charges were recognized in accordance with FASB guidance on accounting for costs associated with exit or disposal activities. All expenses were recognized in the Corporate and Other category.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following contains management's discussion and analysis of our financial condition and results of operations and should be read together with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Form 10-Q (this "Form 10-Q") and the audited consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 4, 2026 (the "2025 Annual Report on Form 10-K.") This discussion contains forward-looking statements that reflect our plans, estimates and beliefs as of the date hereof and we undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. These forward-looking statements involve numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of the 2025 Annual Report on Form 10-K, as such risk factors may be updated from time to time in our periodic filings with the SEC. Actual results may differ materially from those contained in any forward-looking statements. You should carefully read "Special Note Regarding Forward-Looking Statements" in this Form 10-Q.

Overview

We are one of the largest optical retailers in the U.S. and a leader in the value segment of the U.S. optical retail industry. We believe that vision is central to quality of life and that people deserve to see their best to live their best. Our mission is to make quality eye care and eyewear more affordable and accessible. We achieve this by providing eye exams, eyeglasses and contact lenses to consumers across the nation. Our range of quality product offerings at multiple price points makes us an attractive destination for consumers of all income levels. As of July 4, 2026, we reach our customers through a diverse portfolio of 1,281 retail stores across four brands, our associated omni-channel consumer websites and our dedicated e-commerce consumer website.

Brand and Segment Information

As of July 4, 2026, our operations consisted of one reportable segment.

- Owned & Host - As of July 4, 2026, our owned brands consisted of 1,069 America's Best Contacts and Eyeglasses ("America's Best") retail stores and 122 Eyeglass World retail stores. Our Host brands consisted of 72 Vista Optical locations on select military bases and 18 Vista Optical locations within select Fred Meyer stores as of July 4, 2026. All brands utilize our centralized laboratories. This segment also includes sales from our America's Best, Eyeglass World, and Military omni-channel websites.

Our consolidated results also include the following:

- Corporate and other — Our corporate and other category includes the results of our dedicated e-commerce website, which sells contact lenses and optical accessory products to retail customers, and recognizes revenue when products have been delivered to the customer, and our managed care business conducted by FirstSight, our wholly-owned subsidiary that is licensed as a single-service health plan under California law, which issues individual vision plans in connection with our America's Best operations in California. Our "corporate and other" category also includes unallocated corporate overhead expenses, which are a component of Selling, general and administrative expenses ("SG&A") and are comprised of various home office expenses such as payroll, occupancy costs and consulting and professional fees. Corporate overhead expenses also include field services for our four retail brands. Other expenses included in this category include certain non-cash charges, including asset impairment, stock-based compensation expense, and the impact of certain events, gains, or losses excluded from the assessment of segment performance.
- Effects of unearned and deferred revenue — Reportable segment information is presented on the same basis as our condensed consolidated financial statements, except reportable segment revenues and associated costs applicable to revenue which exclude the effects of unearned and deferred revenue, consistent with what our chief operating decision maker ("CODM") regularly reviews. We present the effects of unearned and deferred revenues separately from our reportable segment information. See Note 8. "Segment Reporting" in our condensed consolidated financial statements. Deferred revenue represents the timing difference between the point of sale and when services related to product protection plans and eye care club memberships are performed. Increases or decreases in deferred revenue during the reporting period represent cash collections in excess of, or below the recognition of, previous deferrals. Unearned revenue represents the timing difference between the point of sale transaction and delivery/customer acceptance, and includes sales of prescription eyewear during approximately the last two weeks of the reporting period.

Trends and Other Factors Affecting Our Business

We continue to focus on the rapid modernization of our business in the context of contemporary consumer needs and wants. Our strategy is focused around creating a more joyful consumer experience with refreshed merchandising, updated marketing and brand assets, new in-store technologies to support the customer journey, and an updated pricing architecture, all of which allow us to better serve our existing customers and expand our target consumer demographics. These consumer-facing strategies are paired with an increased focus on cost optimization and operating margin expansion, all of which are intended to drive the outcome of a stronger core business and improved operating results.

The overall economic environment continues to be uncertain and macroeconomic factors that may affect customer spending patterns, and thereby our results of operations, include trade restrictions such as sanctions, tariffs, reciprocal and retaliatory tariffs, and other tariff-related measures; inflation; employment rates; business conditions; changes in the housing market; the availability of credit; interest rates; tax rates and policies; fuel and energy costs; and overall consumer confidence in future economic conditions, as well as global political, socio-economic, cultural, and geopolitical uncertainty. The effects of the current macroeconomic environment and geopolitical uncertainty have resulted in reduced customer demand and have caused shifts in consumer behaviors and preferences, which impact the demand for our products and which are expected to continue. As a result, the predictability of recurring purchase behavior for the future remains uncertain, primarily for the cash pay consumer.

The United States has made changes to U.S. trade policy, including increasing tariffs on imports, in some cases significantly, and potentially negotiating or terminating existing trade agreements. For example, on April 2, 2025, the United States announced a new universal baseline tariff of 10%, plus an additional country-specific tariff for select trading partners, on all U.S. imports pursuant to the International Emergency Economic Powers Act (“IEEPA”). Additionally, on September 24, 2025, the U.S. Department of Commerce Bureau of Industry and Security announced the initiation of an investigation into the effects on U.S. national security of imports of personal protective equipment, medical consumables, and medical equipment, including devices, which could result in the imposition of tariffs or other import restrictions. On February 20, 2026, the U.S. Supreme Court declared that tariffs imposed under IEEPA on April 2, 2025 (and the subsequent modifications) were invalid as they exceeded the President’s authority. Subsequently, the Administration announced a 10% temporary tariff on U.S. imports pursuant to Section 122 of the Trade Act of 1974 (the “Act”), effective February 24, 2026. The Section 122 tariffs expired on July 24, 2026 under the statute and are being challenged in court. In March 2026, the Office of the United States Trade Representative (“USTR”) launched two sets of investigations under Section 301 of the Act, targeting forced labor compliance practices of 60 countries/regions and excess manufacturing capacity of 16 countries/regions. On July 23, 2026, USTR announced the imposition of 10% to 12.5% of Section 301 tariffs on numerous imports, with some carve outs, from the 60 economies subject to the forced labor related investigations, effective July 24, 2026. Multiple additional pending Section 301 and Section 232 investigations may result in additional tariffs being imposed on imports from various trading partners. On July 1, 2026, USTR announced that the United States would not renew the United States-Mexico-Canada Agreement in its current form, triggering annual reviews of and ongoing negotiations of the relevant terms for the next decade. On June 2, 2026, the U.S. government appealed the Court of International Trade’s (“CIT”) refund order to the U.S. Court of Appeals for the Federal Circuit, challenging, among other matters, the scope of the IEEPA refund relief and whether refunds may be required for importers that were not parties to the litigation or for certain finally liquidated entries. Subsequently, the CIT issued orders in various cases where importers filed for IEEPA refunds, directing U.S. Customs and Border Protection (“CBP”) to reliquidate the relevant entries and refund IEEPA tariffs. CBP has indicated that it is implementing a process to issue refunds on finally liquidated entries to importers who have obtained such orders from the CIT. On June 16, 2026, the Company filed claims with CBP seeking refunds of approximately $4.8 million of tariffs previously paid under IEEPA that the Company did not believe were subject to the most recent appeal process. These actions, and retaliatory tariffs imposed by other countries on U.S. exports, have led to significant volatility and uncertainty in global markets, which is continuing. Additionally, the U.S. government has announced and rescinded multiple tariffs on several foreign jurisdictions, which has increased uncertainty regarding the ultimate effect of the tariffs on economic conditions. Less than 10% of our costs applicable to revenue are directly subject to tariffs on products from China. In Mexico, where our exposure relates to our outsourcing relationship with our third-party laboratory, we have mitigation plans in place, and we estimate that less than 1% of our costs applicable to revenue are subject to tariffs in Mexico. We are continuing to evaluate these developments, including resulting impacts on our supply chain, commodity costs, and consumer spending, and our ability to offset a portion of these costs to mitigate the impact on our business, consolidated results of operations, and financial condition.

Inflation has resulted in increased costs and greater profitability pressure. We have experienced wage rate pressure and increases in raw materials prices, which we expect to continue. Inflationary pressures, including elevated wages, reduced consumer confidence and changing preferences, and increased raw material costs could impact our profitability and lead us to attempt to offset such increases through various pricing actions. We have historically employed a simple low price/high value strategy seeking to balance our pricing and growth in a way that consistently delivers savings to our customers. We are continuing this commitment to value, while at the same time modernizing our pricing strategy to maximize that value across a broader range of consumers. We have taken and may continue to take pricing actions and introduce limited-time promotions or new offers designed to increase demand traffic, awareness and drive sales. In fiscal 2025, we implemented price increases to each of our America’s Best and Eyeglass World opening offers and continued to evolve our product mix to include a greater percentage of frames at price points over $99. We believe that these changes will enable us to continue to offer the best possible value and service to our customers at prices that allow us to maintain our brands’ strong value propositions in the marketplace. Several factors may impact the level of success of such actions and promotions, including consumer sentiment, macroeconomic conditions and marketing effectiveness, and as a result, if they do not meet our expectations, they could negatively impact our margins and profitability.

Additionally, our ability to continue to attract and retain qualified vision care professionals impacts exam capacity and our operations. We believe factors such as an increasingly challenging recruiting market (in particular for new graduates), preferences for adjusted work schedules, and the demand for optometrists exceeding supply in certain areas caused constraints in vision care professional availability, and therefore exam capacity in recent years, which may continue. As a result, recruiting and retaining optometrists has become more challenging and the costs to employ or retain optometrists have increased and may increase further, potentially materially. Further, a limited number of professional corporations or similar entities provide for the vision care services at a number of our retail locations, exposing us to some concentration risk. A material change in our relationship with vision care professionals, whether resulting from constraints in exam capacity, a dispute with an eye care practitioner or a group of eye care practitioners controlling multiple practice locations, a government or regulatory authority challenging our operating structure or our relationship with vision care professionals, or other changes to applicable laws or regulations (or interpretations of the same), or the loss of these relationships, could impair our ability to provide services to our customers, cause our customers to go elsewhere for their optical needs, or result in legal sanctions against us. From time to time, we may elect to make strategic changes to our doctor model or otherwise make changes to our relationships with one or more of these practices, which could also lead to any of these risks. We believe remote medicine not only helps provide more access to eye care for patients, but also helps address constraints in exam capacity.

We anticipate continuing the investment in remote medicine, including hybrid remote, whereby optometrists in one store are able to see patients remotely in another store, adding select locations where feasible and advantageous and depending on the state-by-state regulatory environment. While the remote medicine has increased exam capacity, revenue and profitability, we have experienced higher costs applicable to revenue as a percentage of revenue, when compared with in-store exams.

Historically, our business has experienced seasonality in the first half of the year that we believe is primarily attributable to health insurance start/reset periods and predictable consumer propensity to seek eye care and eyewear.

In the beginning of the second quarter, we made an important strategic move to re-platform AmericasBest.com. This is a key step in our unified commerce journey to strengthen our digital foundation, improve the customer experience, and, over time, better connect our online and store experiences. A re-platforming of this scale resets parts of the digital storefront and traffic was disrupted as search and social optimization resets. We managed the transition anchored in data, clear operating focus, discipline and a healthy sense of urgency and saw sequential improvement in the second quarter. We believe the impact of the re-platform to traffic is behind us; however, if remediation measures take longer than anticipated to fully materialize, we could continue to experience impacts to traffic and, as a result, our financial performance. By the end of the second quarter, all of our brand websites were successfully migrated to the new platform without any material disruptions.

Refer to Part I, Item 1A. “Risk Factors” in the Company’s 2025 Annual Report on Form 10-K for a more complete discussion of the risks we face.

How We Assess the Performance of Our Business

We consider a variety of financial and operating measures in assessing the performance of our business. The key measures we use to determine how our consolidated business and operating segments are performing are net revenue, costs applicable to revenue, and selling, general, and administrative expenses. In addition, we also review store growth, Adjusted Comparable Store Sales Growth, Adjusted Operating Income, Adjusted Operating Margin, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Diluted EPS.

Net Revenue

We report as net revenue amounts generated in transactions with retail customers who are the end users of our products, services and plans. Comparable store sales growth and new store openings are key drivers of net revenue and are discussed below. Also, the timing of unearned revenue can affect revenue recognized in a particular period.

Costs Applicable to Revenue

Customer tastes and preferences, product mix, changes in technology, significant increases or slowdowns in production, and other factors impact costs applicable to revenue. The components of our costs applicable to revenue may not be comparable to other retailers.

Selling, General and Administrative

SG&A expenses generally fluctuate consistently with revenue due to the variable store, field office and corporate support costs; however, some fixed costs may decrease as a percentage of net revenue as our net revenues grow over time.

New Store Openings

The total number of new stores per year and the timing of store openings has had an impact, and we expect will continue to have an impact, on our results. We plan to open approximately 30 to 35 new stores in fiscal year 2026, primarily comprised of America's Best stores and not inclusive of the addition of 20 Military stores in April 2026, to allow us to invest capital in existing operations to enhance the overall store experience. We are continuing to monitor and determine our plans for future new store openings at a level appropriate for incremental free cash flow generation.

Adjusted Comparable Store Sales Growth

We measure Adjusted Comparable Store Sales Growth as the increase or decrease in sales recorded by the comparable store base in any reporting period, compared to sales recorded by the comparable store base in the prior reporting period, which we calculate as follows: (i) sales are recorded at the point of sale; (ii) sales are adjusted for managed care insurance collection estimates; (iii) stores are added to the calculation during the 13th full fiscal month following the store's opening; (iv) closed stores are removed from the calculation for time periods that are not comparable; (v) sales from partial months of operation are excluded when stores do not open or close on the first day of the month; (vi) when applicable, we adjust for the effect of the 53rd week; and (vii) in fiscal years following a 53-week fiscal year, there is a one week calendar shift to the comparable prior-year period. For the calculation of the adjusted comparable store sales growth for the three months ended July 4, 2026, we compared weeks 14 through 26 in fiscal 2026 against weeks 15 through 27 in fiscal 2025 and for the six months ended July 4, 2026, we compared weeks 1 through 26 in fiscal year 2026 against weeks 2 through 27 in fiscal year 2025. Quarterly, year-to-date and annual adjusted comparable store sales are aggregated using only sales from all whole months of operation included in both the current reporting period and the prior reporting period. When a partial month is excluded from the calculation, the corresponding month in the subsequent period is also excluded from the calculation. There may be variations in the way in which some of our competitors and other retailers calculate comparable store sales. As a result, our adjusted comparable store sales may not be comparable to similar data made available by other retailers.

Adjusted Comparable Store Sales Growth is a non-GAAP financial measure, which we believe is useful because it provides timely and accurate information relating to the two core metrics of retail sales: number of transactions and value of transactions. We use Adjusted Comparable Store Sales Growth as the basis for key operating decisions, such as allocation of advertising to particular markets and implementation of special marketing programs. Accordingly, we believe that Adjusted Comparable Store Sales Growth provides timely and accurate information relating to the operational health and overall performance of each brand. We also believe that, for the same reasons, investors find our calculation of Adjusted Comparable Stores Sales Growth to be meaningful.

Adjusted Operating Income, Adjusted Operating Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Diluted EPS (collectively, the "Company Non-GAAP Measures")

The Company Non-GAAP Measures are key measures used by management to assess our financial performance. The Company Non-GAAP Measures are also frequently used by analysts, investors and other interested parties. We use the Company Non-GAAP Measures to supplement U.S. GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, to establish discretionary annual incentive compensation and to compare our performance against that of other peer companies using similar measures. See "Non-GAAP Financial Measures" below for definitions and reconciliations of the Company Non-GAAP Measures and for additional information.

Results of Operations

The following table summarizes key components of our results of operations for the periods indicated, both in dollars and as a percentage of our net revenue.

In thousands, except earnings per share, percentage and store data	Three Months Ended July 4, 2026	Three Months Ended June 28, 2025	Six Months Ended July 4, 2026	Six Months Ended June 28, 2025
Revenue:				
Net product sales	$ 403,135	$ 394,589	$ 842,635	$ 807,354
Net sales of services and plans	95,670	91,834	200,050	189,393
Total net revenue	498,805	486,423	1,042,685	996,747
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products	118,574	114,686	245,391	231,600
Services and plans	89,798	85,685	182,117	173,961
Total costs applicable to revenue	208,372	200,371	427,508	405,561
Operating expenses:				
Selling, general and administrative expenses	243,432	247,167	499,524	502,699
Depreciation and amortization	23,221	22,536	46,663	45,499
Asset impairment	2,506	—	2,506	502
Other income, net	(28)	(100)	(57)	(100)
Total operating expenses	269,131	269,603	548,636	548,600
Income from operations	21,302	16,449	66,541	42,586
Interest expense, net	3,337	4,210	6,185	8,782
Earnings before income taxes	17,965	12,239	60,356	33,804
Income tax provision	5,549	3,514	16,759	10,893
Net income	$ 12,416	$ 8,725	$ 43,597	$ 22,911
Supplemental operating data:				
Number of stores open at end of period	1,281	1,240	1,281	1,240
New stores opened during the period	9	8	17	17
Adjusted Operating Income	$ 31,574	$ 23,801	$ 87,034	$ 65,076
Diluted EPS	$ 0.15	$ 0.11	$ 0.54	$ 0.29
Adjusted Diluted EPS	$ 0.25	$ 0.18	$ 0.71	$ 0.52
Adjusted EBITDA	$ 54,626	$ 46,168	$ 133,359	$ 110,237
Percentage of net revenue:				
Total costs applicable to revenue	41.8 %	41.2 %	41.0 %	40.7 %
Selling, general and administrative expenses	48.8 %	50.8 %	47.9 %	50.4 %
Total operating expenses	54.0 %	55.4 %	52.6 %	55.0 %
Net income	2.5 %	1.8 %	4.2 %	2.3 %
Adjusted Operating Income	6.3 %	4.9 %	8.3 %	6.5 %
Adjusted EBITDA	11.0 %	9.5 %	12.8 %	11.1 %

Three Months Ended July 4, 2026 compared to Three Months Ended June 28, 2025

Unless otherwise noted, the discussion below is based on results, substantially all of which are, attributable to our single reportable segment, Owned & Host.

Net revenue

The following presents, by segment and by brand, comparable store sales growth, stores open at the end of the period and net revenue for the three months ended July 4, 2026 compared to the three months ended June 28, 2025.

	Comparable store sales growth[1]		Stores open at end of period		Net revenue[1][2]			
In thousands, except percentage and store data	Three Months Ended July 4, 2026	Three Months Ended June 28, 2025	July 4, 2026	June 28, 2025	Three Months Ended July 4, 2026		Three Months Ended June 28, 2025	
Owned & Host segment								
America's Best	2.5 %	6.3 %	1,069	1,045	$ 424,288	85.1 %	$ 416,775	85.7 %
Eyeglass World	0.4 %	2.8 %	122	122	48,522	9.7 %	49,105	10.1 %
Military	(2.9)%	4.4 %	72	53	6,999	1.4 %	5,844	1.2 %
Fred Meyer	(7.4)%	6.9 %	18	20	2,020	0.4 %	2,428	0.5 %
Owned & Host segment total			1,281	1,240	$ 481,829	96.6 %	$ 474,152	97.5 %
Corporate and Other	—	—	—	—	4,748	0.9 %	5,719	1.2 %
Effects of unearned and deferred revenue	—	—	—	—	12,228	2.5 %	6,552	1.3 %
Total	3.4 %	6.5 %	1,281	1,240	$ 498,805	100.0 %	$ 486,423	100.0 %
Effect of deferred and unearned revenue on comparable store sales	(1.2)%	(0.6)%						
Adjusted Comparable Store Sales Growth	2.2 %	5.9 %						

(1) We calculate total comparable store sales based on consolidated net revenue excluding the impact of (i) Corporate and other 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 (v) if applicable, the impact of a 53rd week in a fiscal year, and (vi) in fiscal years following a 53-week fiscal year, there is a one week calendar shift to the comparable prior-year period. For the calculation of the adjusted comparable store sales growth in the second quarter of 2026, we compared weeks 14 through 26 in fiscal 2026 against weeks 15 through 27 in fiscal 2025. Brand-level comparable store sales growth is calculated based on point-of-sale revenues consistent with what the CODM reviews, and consistent with reportable segment revenues presented in Note 8. "Segment Reporting" in our unaudited condensed consolidated financial statements included in Part I. Item 1. of this Form 10-Q.

(2) Percentages reflect line item as a percentage of net revenue, adjusted for rounding.

	Three Months Ended			
(in thousands)	July 4, 2026	June 28, 2025	$ Change	% Change
Total net revenue	$ 498,805	$ 486,423	$ 12,382	2.5 %
Net product sales	$ 403,135	$ 394,589	$ 8,546	2.2 %
As a percentage of total net revenue	*80.8%*	*81.1%*		
Net sales of services and plans	$ 95,670	$ 91,834	$ 3,836	4.2 %
As a percentage of total net revenue	*19.2%*	*18.9%*		

Total net revenue of $498.8 million for the three months ended July 4, 2026 increased $12.4 million, or 2.5%, from $486.4 million for the three months ended June 28, 2025. The increase was primarily driven by new store sales, the timing of unearned revenue and Adjusted Comparable Store Sales Growth, partially offset by closed stores. Unearned and deferred revenue positively impacted net revenue by $5.7 million during the three months ended July 4, 2026 compared to the three months ended June 28, 2025.

Net product sales increased $8.5 million, or 2.2%, in the three months ended July 4, 2026 compared to the three months ended June 28, 2025, primarily due to pricing and product mix initiatives in eyeglass sales of $7.0 million and contact lens sales of $1.9 million.

Net sales of services and plans for the three months ended July 4, 2026 increased $3.8 million, or 4.2%, compared to the three months ended June 28, 2025, driven primarily by higher eye exam revenues of $3.8 million.

Comparable store sales growth and Adjusted Comparable Store Sales Growth for the three months ended July 4, 2026 were 3.4% and 2.2%, respectively, both reflecting a higher average ticket and continued strength in the managed care cohort, partially offset by lower customer traffic.

In the three months ended July 4, 2026, we opened nine America's Best stores, and closed two America's Best stores. Overall, store count grew 3.3% from June 28, 2025 to July 4, 2026.

Costs applicable to revenue

	Three Months Ended			
(in thousands)	July 4, 2026	June 28, 2025	$ Change	% Change
Total costs applicable to revenue	$ 208,372	$ 200,371	$ 8,001	4.0 %
As a percentage of total net revenue	*41.8 %*	*41.2 %*		
Total costs of products	$ 118,574	$ 114,686	$ 3,888	3.4 %
As a percentage of net product sales	*29.4 %*	*29.1 %*		
Total costs of services and plans	$ 89,798	$ 85,685	$ 4,113	4.8 %
As a percentage of net sales of services and plans	*93.9 %*	*93.3 %*		

Costs applicable to revenue increased $8.0 million, or 4.0% in the three months ended July 4, 2026, compared to the three months ended June 28, 2025. As a percentage of net revenue, costs applicable to revenue increased 60 basis points and were primarily driven by a 50 basis-point decrease in eyeglass margin, reflecting a strategic mix shift toward higher-value product offerings, deleverage of optometrist-related costs of 30 basis points, and other mix effects of 30 basis points, partially offset by higher exam revenues of 50 basis points.

Costs of products as a percentage of net product sales increased 30 basis points, primarily driven by lower eyeglass margin reflecting a strategic mix shift toward higher-value product offerings.

Costs of services and plans as a percentage of net sales of services and plans increased 60 basis points, primarily driven by deleverage of optometrist-related costs, partially offset by higher exam revenue.

Selling, general and administrative

	Three Months Ended			
(in thousands)	July 4, 2026	June 28, 2025	$ Change	% Change
SG&A	$ 243,432	$ 247,167	$ (3,735)	(1.5)%
As a percentage of total revenue	*48.8 %*	*50.8 %*		

SG&A of $243.4 million for the three months ended July 4, 2026 decreased $3.7 million, or 1.5%, compared to the three months ended June 28, 2025. As a percentage of net revenue, SG&A decreased 200 basis points primarily driven by lower associate-related expenses, including variable incentive compensation, of 180 basis points, and lower advertising expense of 50 basis points, partially offset by higher occupancy expense of 40 basis points, primarily driven by new and acquired locations.

Depreciation and amortization

Depreciation and amortization expense of $23.2 million for the three months ended July 4, 2026 increased $0.7 million, or 3.0%, from $22.5 million for the three months ended June 28, 2025, primarily related to assets in our existing stores and retail support centers, partially offset by lower depreciation associated with newer stores.

Asset Impairment

We recognized $2.5 million of impairment charges during the three months ended July 4, 2026. We did not recognize any impairment charges during the three months ended June 28, 2025. The impairment charges recognized in the current period were related to the write-down of store lab assets in connection with our Eyeglass World lab optimization initiative, which is intended to improve operational efficiency by reducing in-store lab activity and utilizing alternative production capabilities. Asset impairment expenses were recognized in Corporate and other. Refer to Note 11. “Restructuring” for information regarding this initiative, including expected future restructuring activities and related costs and Note 1. “Description of Business and Basis of Presentation” and Note 3. “Fair Value Measurement” for further details.

Interest expense, net

Interest expense, net, of $3.3 million for the three months ended July 4, 2026 decreased $0.9 million from $4.2 million for the three months ended June 28, 2025, primarily as a result of lower interest expense of $1.2 million resulting from lower outstanding debt balance, partially offset by lower interest income of $0.4 million.

Income tax provision

Our effective tax rates for the three months ended July 4, 2026 and June 28, 2025 were 30.9% and 28.7%, respectively. The change in effective tax rates was primarily driven by the tax impacts of non-deductible compensation and other effects of permanent items.

Six Months Ended July 4, 2026 compared to Six Months Ended June 28, 2025

Unless otherwise noted, the discussion below is based on results, substantially all of which are attributable to our single reportable segment, Owned & Host.

Net revenue

The following presents, by segment and by brand, comparable store sales growth, stores open at the end of the period and net revenue for the six months ended July 4, 2026 compared to the six months ended June 28, 2025.

	Comparable store sales growth[1]		Stores open at end of period		Net revenue[1][2]			
In thousands, except percentage and store data	Six Months Ended July 4, 2026	Six Months Ended June 28, 2025	July 4, 2026	June 28, 2025	Six Months Ended July 4, 2026		Six Months Ended June 28, 2025	
Owned & Host segment								
America's Best	3.5 %	6.1 %	1,069	1,045	$ 900,181	86.3 %	$ 870,506	87.3 %
Eyeglass World	2.9 %	2.9 %	122	122	103,219	9.9 %	101,591	10.2 %
Military	(0.3)%	3.0 %	72	53	13,444	1.3 %	12,010	1.2 %
Fred Meyer	(1.4)%	4.1 %	18	20	4,315	0.4 %	5,026	0.5 %
Owned & Host segment total			1,281	1,240	$ 1,021,159	97.9 %	$ 989,133	99.2 %
Corporate and Other	—	—	—	—	9,217	0.9 %	11,353	1.1 %
Effects of unearned and deferred revenue	—	—	—	—	12,309	1.2 %	(3,739)	(0.3)%
Total	3.9 %	5.2 %	1,281	1,240	$ 1,042,685	100.0 %	$ 996,747	100.0 %
Effect of deferred and unearned revenue on comparable store sales	(0.5)%	0.5 %						
Adjusted Comparable Store Sales Growth	3.4 %	5.7 %						

(1) We calculate total comparable store sales based on consolidated net revenue excluding the impact of (i) Corporate and other 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 (v) if applicable, the impact of a 53rd week in a fiscal year and (vi) in fiscal years following a 53-week fiscal year, there is a one week calendar shift to the comparable prior-year period. For the calculation of the adjusted comparable store sales growth in the six months ended July 4, 2026, we compared weeks 1 through 26 in fiscal 2026 against weeks 2 through 27 in fiscal 2025. Brand-level comparable store sales growth is calculated based on point-of-sale revenues consistent with what the CODM reviews, and consistent with reportable segment revenues presented in Note 8. "Segment Reporting" in our unaudited condensed consolidated financial statements included in Part I. Item 1. of this Form 10-Q.

(2) Percentages reflect line item as a percentage of net revenue, adjusted for rounding.

	Six Months Ended			
(in thousands)	July 4, 2026	June 28, 2025	$ Change	% Change
Total net revenue	$ 1,042,685	$ 996,747	$ 45,938	4.6 %
Net product sales	$ 842,635	$ 807,354	$ 35,281	4.4 %
As a percentage of total net revenue	*80.8%*	*81.0%*		
Net sales of services and plans	$ 200,050	$ 189,393	$ 10,657	5.6 %
As a percentage of total net revenue	*19.2%*	*19.0%*		

Total net revenue of $1,042.7 million for the six months ended July 4, 2026 increased $45.9 million, or 4.6%, from $996.7 million for the six months ended June 28, 2025. The increase was primarily driven by Adjusted Comparable Store Sales Growth, new store sales and the timing of unearned revenue, partially offset by closed stores. Unearned and deferred revenue positively impacted net revenue by $16.0 million during the six months ended July 4, 2026 compared to the six months ended June 28, 2025.

Net product sales increased $35.3 million, or 4.4%, in the six months ended July 4, 2026 compared to the six months ended June 28, 2025, primarily due to pricing and product mix initiatives in eyeglass sales of $27.3 million and contact lens sales of $8.8 million.

Net sales of services and plans for the six months ended July 4, 2026 increased $10.7 million, or 5.6%, compared to the six months ended June 28, 2025, driven primarily by higher exam revenues of $9.4 million.

Comparable store sales growth and Adjusted Comparable Store Sales Growth for the six months ended July 4, 2026 were 3.9% and 3.4%, respectively, both reflecting a higher average ticket and continued strength in the Company’s managed care cohort, partially offset by lower customer traffic.

During fiscal 2025, the Company entered into an amendment to its agreement with Army and Air Force Exchange Service (AAFES), extending the term of the agreement through January 2036. Subsequently, in February 2026, the Company and AAFES entered into an additional amendment providing for the operation by the Company of an additional 20 military stores located on AAFES bases, expanding the Company’s presence in two additional states. In the six months ended July 4, 2026, and in connection with this expansion, the Company purchased from U.S. Vision Corp. certain assets used in connection with the operation of those 20 additional military stores. Additionally, we opened 17 new America’s Best stores and closed five America’s Best stores and one Military store. Overall, store count grew 3.3% from June 28, 2025 to July 4, 2026 (24 net new America’s Best stores, 19 net new Military stores, and two net closures of Fred Meyer stores).

Costs applicable to revenue

	Six Months Ended			
(in thousands)	July 4, 2026	June 28, 2025	$ Change	% Change
Total costs applicable to revenue	$ 427,508	$ 405,561	$ 21,947	5.4 %
As a percentage of total net revenue	*41.0 %*	*40.7 %*		
Total costs of products	$ 245,391	$ 231,600	$ 13,791	6.0 %
As a percentage of net product sales	*29.1 %*	*28.7 %*		
Total costs of services and plans	$ 182,117	$ 173,961	$ 8,156	4.7 %
As a percentage of net sales of services and plans	*91.0 %*	*91.9 %*		

Costs applicable to revenue increased $21.9 million, or 5.4%, in the six months ended July 4, 2026 compared to the six months ended June 28, 2025. As a percentage of net revenue, costs applicable to revenue increased 30 basis points and were primarily driven by a 60 basis-point decrease in eyeglass margin reflecting a strategic mix shift toward higher-value product offerings, partially offset by higher exam revenues of 30 basis points.

Costs of products as a percentage of net product sales increased 40 basis points, primarily driven by lower eyeglass margin reflecting a strategic mix shift toward higher-value product offerings.

Costs of services and plans as a percentage of net sales of services and plans decreased 90 basis points, primarily driven by higher exam revenue.

Selling, general and administrative

	Six Months Ended			
(in thousands)	July 4, 2026	June 28, 2025	$ Change	% Change
SG&A	$ 499,524	$ 502,699	$ (3,175)	(0.6)%
As a percentage of total revenue	*47.9 %*	*50.4 %*		

SG&A decreased $3.2 million, or 0.6%, in the six months ended July 4, 2026 compared to the six months ended June 28, 2025. SG&A as a percentage of net revenue decreased 250 basis points primarily driven by lower associate-related expenses, including variable incentive compensation of 210 basis points and lower advertising expense of 60 basis points.

Depreciation and amortization

Depreciation and amortization expense of $46.7 million for the six months ended July 4, 2026 increased $1.2 million, or 2.6%, from $45.5 million for the six months ended June 28, 2025, primarily related to our existing stores and retail support centers, partially offset by lower depreciation associated with newer stores.

Asset impairment

We recognized $2.5 million impairment charges during the six months ended July 4, 2026, related to Eyeglass World lab optimization activity. The impairment charges recognized in the current period were related to the write-down of store lab assets in connection with our Eyeglass World lab optimization initiative, which is intended to improve operational efficiency by reducing in-store lab activity and utilizing alternative production capabilities. Refer to Note 11. “Restructuring” for information regarding this initiative, including expected future restructuring activities and related costs. We recognized $0.5 million of impairment charges during the six months ended June 28, 2025, primarily for tangible long-lived assets and ROU assets associated with our retail stores. Asset impairment expenses were recognized in Corporate and other. See Note 1. “Description of Business and Basis of Presentation” and Note 3. “Fair Value Measurement” for further details.

Interest expense, net

Interest expense, net of $6.2 million for the six months ended July 4, 2026, decreased $2.6 million from $8.8 million for the six months ended June 28, 2025. The change was primarily a result of lower interest expense of $2.4 million resulting from lower outstanding debt balance.

Income tax provision

Our effective tax rates for the six months ended July 4, 2026 and June 28, 2025 were 27.8% and 32.2%, respectively. The change in effective tax rates is primarily driven by the discrete benefit of permanent adjustments related to stock-based compensation, partially offset by non-deductible compensation.

Non-GAAP Financial Measures

Adjusted Operating Income, Adjusted Operating Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Diluted EPS

We define Adjusted Operating Income as net income (loss), plus interest expense (income), net and income tax provision (benefit), further adjusted to exclude stock-based compensation expense, (gain) loss on extinguishment of debt, asset impairment, litigation settlement, secondary offering expenses, management realignment expenses, long-term incentive plan expenses, amortization of acquisition intangibles, ERP and CRM implementation expenses, shareholder activism costs, severance and associate-related costs associated with organizational restructuring and certain other expenses.

We define Adjusted Operating Margin as Adjusted Operating Income as a percentage of net revenue.

We define EBITDA as net income (loss), plus interest expense (income), net, income tax provision (benefit) and depreciation and amortization.

We define Adjusted EBITDA as net income (loss), plus interest expense (income), net, income tax provision (benefit) and depreciation and amortization, further adjusted to exclude stock-based compensation expense, (gain) loss on extinguishment of debt, asset impairment, litigation settlement, secondary offering expenses, management realignment expenses, long-term incentive plan expenses, ERP and CRM implementation expenses, shareholder activism costs, severance and associate-related costs associated with organizational restructuring and certain other expenses.

We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of net revenue.

We define Adjusted Diluted EPS as diluted earnings (loss) per share, adjusted for the per share impact of stock-based compensation expense, (gain) loss on extinguishment of debt, asset impairment, litigation settlement, secondary offering expenses, management realignment expenses, long-term incentive plan expenses, amortization of debt discounts and deferred financing costs of our term loan borrowings, amortization of the conversion feature and deferred financing costs related to our 2.50% convertible senior notes due on May 15, 2025 (”2025 Notes”) when not required under U.S. GAAP to be added back for diluted earnings (loss) per share, derivative fair value adjustments, ERP and CRM implementation expenses, shareholder activism, severance and associate-related costs associated with restructuring, and certain other expenses, less the tax effect of these adjustments, including tax expense (benefit) from stock-based compensation.

EBITDA and the Company Non-GAAP Measures can vary substantially in size from one period to the next, and certain types of expenses are non-recurring in nature and consequently may not have been incurred in any of the periods presented below.

EBITDA and the Company Non-GAAP Measures have been presented as supplemental measures of financial performance that are not required by, or presented in accordance with U.S. GAAP, because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes EBITDA and the Company Non-GAAP Measures are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. We also use EBITDA and the Company Non-GAAP Measures to supplement U.S. GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish discretionary annual incentive compensation and to compare our performance against that of other peer companies using similar measures. Management supplements U.S. GAAP results with Non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than U.S. GAAP results alone. We continue to evaluate our use of the Company Non-GAAP measures in the context of the development of our business, and may introduce or discontinue certain measures in the future as we deem appropriate.

EBITDA and the Company Non-GAAP Measures are not recognized terms under U.S. GAAP and should not be considered as an alternative to net income or income from operations as a measure of financial performance or cash flows provided by operating activities as a measure of liquidity, or any other performance measure derived in accordance with U.S. GAAP. Additionally, these measures are not intended to be a measure of free cash flow available for management's discretionary use as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In evaluating EBITDA and the Company Non-GAAP Measures, we may incur expenses in the future that are the same as or similar to some of the adjustments in this presentation. Our presentation of EBITDA and the Company Non-GAAP Measures should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on our U.S. GAAP results in addition to using EBITDA and the Company Non-GAAP Measures.

The presentations of these measures have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- they do not reflect costs or cash outlays for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA, Adjusted EBITDA and Adjusted Operating Income do not reflect the interest expense (income), net, or the cash requirements necessary to service interest or principal payments, on our debt;
- EBITDA, Adjusted EBITDA and Adjusted Operating Income do not reflect period to period changes in taxes, income tax provision or the cash necessary to pay income taxes;
- they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect cash requirements for such replacements; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, EBITDA and the Company Non-GAAP Measures should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness.

The following table reconciles our Adjusted Operating Income, Adjusted Operating Margin, EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin to net income; and Adjusted Diluted EPS to diluted EPS for the periods presented:

	Three Months Ended				Six Months Ended			
In thousands	July 4, 2026		June 28, 2025		July 4, 2026		June 28, 2025	
Net income	$ 12,416	2.5 %	$ 8,725	1.8 %	$ 43,597	4.2 %	$ 22,911	2.3 %
Interest expense, net	3,337	0.7 %	4,210	0.9 %	6,185	0.6 %	8,782	0.9 %
Income tax provision	5,549	1.1 %	3,514	0.7 %	16,759	1.6 %	10,893	1.1 %
Stock-based compensation expense [(a)]	6,366	1.3 %	5,306	1.1 %	13,388	1.3 %	12,335	1.2 %
Asset impairment [(b)]	2,506	0.5 %	—	— %	2,506	0.2 %	502	0.1 %
Amortization of acquisition intangibles [(c)]	169	— %	169	— %	338	— %	338	— %
ERP and CRM implementation expenses [(e)]	554	0.1 %	1,846	0.4 %	926	0.1 %	4,161	0.4 %
Other [(f)]	677	0.1 %	31	— %	3,335	0.3 %	5,154	0.5 %
Adjusted Operating Income / Adjusted Operating Margin	$ 31,574	6.3 %	$ 23,801	4.9 %	$ 87,034	8.3 %	$ 65,076	6.5 %

Note: Percentages reflect line item as a percentage of net revenue, adjusted for rounding. Some of the percentage totals in the table above do not foot due to rounding differences.

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In thousands	Three Months Ended July 4, 2026		Three Months Ended June 28, 2025		Six Months Ended July 4, 2026		Six Months Ended June 28, 2025	
Net income	$ 12,416	2.5 %	$ 8,725	1.8 %	$ 43,597	4.2 %	$ 22,911	2.3 %
Interest expense, net	3,337	0.7 %	4,210	0.9 %	6,185	0.6 %	8,782	0.9 %
Income tax provision	5,549	1.1 %	3,514	0.7 %	16,759	1.6 %	10,893	1.1 %
Depreciation and amortization	23,221	4.7 %	22,536	4.6 %	46,663	4.5 %	45,499	4.6 %
EBITDA	44,523	8.9 %	38,985	8.0 %	113,204	10.9 %	88,085	8.8 %
Stock-based compensation expense (a)	6,366	1.3 %	5,306	1.1 %	13,388	1.3 %	12,335	1.2 %
Asset impairment (b)	2,506	0.5 %	—	— %	2,506	0.2 %	502	0.1 %
ERP and CRM implementation expenses (e)	554	0.1 %	1,846	0.4 %	926	0.1 %	4,161	0.4 %
Other (f)	677	0.1 %	31	0.0 %	3,335	0.3 %	5,154	0.5 %
Adjusted EBITDA / Adjusted EBITDA Margin	$ 54,626	11.0 %	$ 46,168	9.5 %	$ 133,359	12.8 %	$ 110,237	11.1 %

Note: Percentages reflect line item as a percentage of net revenue, adjusted for rounding. Some of the percentage totals in the table above may not foot due to rounding differences.

In thousands, except per share amounts	Three Months Ended July 4, 2026	Three Months Ended June 28, 2025	Six Months Ended July 4, 2026	Six Months Ended June 28, 2025
Diluted EPS	$ 0.15	$ 0.11	$ 0.54	$ 0.29
Stock-based compensation expense (a)	0.08	0.07	0.17	0.15
Asset impairment (b)	0.03	—	0.03	0.01
Amortization of debt discount and deferred financing costs (d)	—	—	0.01	0.01
ERP and CRM implementation expenses (e)	0.01	0.02	0.01	0.05
Other (f)	0.01	—	0.04	0.07
Tax effects (g)	(0.03)	(0.02)	(0.09)	(0.06)
Adjusted Diluted EPS	$ 0.25	$ 0.18	$ 0.71	$ 0.52
Weighted average diluted shares outstanding	80,597	80,057	81,045	79,658

(a) Non-cash charges related to stock-based compensation programs, which may vary from period to period depending on the timing of awards and performance vesting conditions.

(b) Reflects write-off related to non-cash impairment charges of long-lived assets, primarily impairment of property and equipment related to the EGW lab optimization initiative for the three and six months ended July 4, 2026 and impairment of property, equipment and lease-related assets on closed or underperforming stores for the six months ended June 28, 2025. Refer to Note 11. "Restructuring" for more information on the EGW lab optimization initiative.

(c) 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.

(d) 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.

(e) Costs related to the Company's ERP and CRM implementation.

(f) 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 for the six months ended June 28, 2025, severance and associate-related costs associated with organizational restructuring of $2.2 million and $2.1 million for the six months ended July 4, 2026 and June 28, 2025, respectively, and restructuring costs related to EGW lab optimization initiative of $0.6 million for the three and six months ended July 4, 2026 (see Note 11. "Restructuring", for additional information), and other expenses and adjustments.

(g) Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates, including tax expense (benefit) from stock-based compensation.

Liquidity and Capital Resources

Our primary cash needs are for inventory, payroll, store rent, advertising, capital expenditures associated with new stores and updating existing stores, as well as information and remote medicine technology and infrastructure, including our corporate office, distribution centers, and laboratories. When appropriate, the Company may utilize excess liquidity towards debt service requirements, including voluntary debt prepayments, or required interest and principal payments, if any, as well as repurchases of common stock or other securities, based on excess cash flows. The most significant components of our operating assets and liabilities are inventories, accounts receivable, prepaid expenses and other assets, accounts payable, deferred and unearned revenue and other payables and accrued expenses. We exercise prudence in our use of cash and closely monitor various items related to cash flow including, but not limited to, cash receipts, cash disbursements, payment terms and alternative sources of funding. We continue to be focused on these items in addition to other key measures we use to determine how our consolidated business and operating segments are performing. We believe that cash on hand, cash expected to be generated from operations and the availability of borrowings under our revolving credit loans in an aggregate principal amount of $300.0 million (the “Revolving Loans”) will be sufficient to fund our working capital requirements, liquidity obligations, anticipated capital expenditures, and payments due under our existing debt for the next 12 months and thereafter for the foreseeable future. Depending on our liquidity levels, conditions in the capital markets and other factors, we may from time to time consider the prepayment, refinancing or issuance of debt, issuance of equity or other securities, the proceeds of which could provide additional liquidity for our operations, modifications to our $231.0 million outstanding principal first lien term loan (“Term Loan A”) where possible, or entry into interest rate derivative agreements to moderate our exposure to fluctuations in interest rates underlying our variable rate debt.

Our ability to maintain sufficient liquidity may be affected by a number of factors, many of which are outside of our control. We primarily fund our working capital needs using cash provided by operations. Our working capital requirements for inventory will increase as we continue to open additional stores.

As of July 4, 2026, we had $36.0 million in cash and cash equivalents, and $293.3 million of remaining availability under our Revolving Loans, net of $6.7 million in outstanding letters of credit.

As of July 4, 2026, we had $231.0 million of Term Loan A outstanding under our credit agreement. We were in compliance with all covenants related to our debt as of July 4, 2026.

During the fourth quarter of 2025, we entered into an interest rate swap with a notional amount of $100.0 million to mitigate the variability of cash flows associated with these interest payments. See Note 5. “Interest Rate Derivatives” for additional information.

The following table summarizes cash flows provided by (used for) operating activities, investing activities and financing activities for the periods indicated:

	Six Months Ended	
In thousands	July 4, 2026	June 28, 2025
Cash flows provided by (used for):		
Operating activities	$ 69,815	$ 86,500
Investing activities	(34,759)	(32,924)
Financing activities	(38,045)	(78,825)
Net change in cash, cash equivalents and restricted cash	$ (2,989)	$ (25,249)

Net Cash Provided by Operating Activities

Cash flows provided by operating activities decreased by $16.7 million in the six months ended July 4, 2026 compared to the six months ended June 28, 2025, primarily driven by cash flow related to changes in working capital of $57.4 million, which were primarily impacted by increased inventory purchases driven by a shift toward a more premium product mix and incentive-based compensation payments, partially offset by decreased investments in cloud hosted software. These were partially offset by an increase in net income of $20.7 million and an increase in non-cash adjustments of $20.0 million.

Net Cash Used for Investing Activities

Net cash used for investing activities increased by $1.8 million in the six months ended July 4, 2026 compared to the six months ended June 28, 2025. The year-over-year increase was primarily driven by investments in our retail support centers, partially offset by cash proceeds from the sale of an equity investment and a convertible promissory note investment. Refer to Note 1. “Description of Business and Basis of Presentation” for additional information regarding these investments.

Net Cash Used for Financing Activities

Net cash used for financing activities decreased by $40.8 million in the six months ended July 4, 2026 compared to the six months ended June 28, 2025, primarily as a result of the repayment of the 2025 Notes in the second quarter of 2025 partially offset by share repurchases as well as increased purchases of treasury stock to cover employee tax withholdings associated with stock-based compensation in the six months ended July 4, 2026.

There were no material changes outside the ordinary course of business in our material cash requirements and commercial commitments from those reported in the 2025 Annual Report on Form 10-K.

We follow U.S. GAAP in making the determination as to whether to record an asset or liability related to our arrangements with third parties. Consistent with current accounting guidance, we do not record an asset or liability associated with long-term purchase, marketing and promotional commitments, or commitments to philanthropic endeavors. We have disclosed the amount of future commitments associated with these items in the 2025 Annual Report on Form 10-K. We are not a party to any other material off-balance sheet arrangements.

Share Repurchase Authority

Effective March 2, 2026, the Board authorized the Company to repurchase up to $50 million aggregate amount of shares of the Company's common stock until December 28, 2030. During the three months ended July 4, 2026, the Company repurchased approximately 1.2 million shares for $20.0 million. As of July 4, 2026, the authorization has remaining capacity of $30.0 million. The authorization permits the Company to make purchases of its common stock from time to time in the open market or privately negotiated transactions, and pursuant to pre-set trading plans meeting the requirements of all applicable securities laws and regulations. The timing and amounts of any such repurchases will depend on a variety of factors, including the market price of the Company's shares, general market and economic conditions, legal requirements and tax implications. The Company expects to fund the share repurchases using cash on hand.

Critical Accounting Policies and Estimates

Management has evaluated the accounting policies used in the preparation of the Company's unaudited condensed consolidated financial statements and related notes and believes those policies to be reasonable and appropriate. Certain of these accounting policies require the application of significant judgment by management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on historical experience, trends in the industry, information provided by customers and information available from other outside sources, as appropriate. The most significant areas involving management judgments and estimates may be found in the 2025 Annual Report on Form 10-K, in the "Critical Accounting Policies and Estimates" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations." There have been no material changes to our critical accounting policies as compared to the critical accounting policies described in the 2025 Annual Report on Form 10-K.

Adoption of New Accounting Pronouncements

There have been no material changes due to recently issued or adopted accounting standards since those disclosed in our 2025 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A significant portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. In December 2025, we entered into an interest rate swap agreement to help manage interest rate exposure by economically converting a portion of our variable-rate debt to fixed-rate debt. Our interest rate swap is intended to mitigate some of the effects of increases in interest rates. See Note 5. "Interest Rate Derivatives" to our condensed consolidated financial statements for more information on our interest rate swap.

As of July 4, 2026, our total borrowing consisted of $231.0 million of term loan borrowings subject to variable interest rates with a weighted average borrowing rate of 5.2%. After inclusion of the notional amount of $100.0 million of interest rate swaps fixing a portion of the variable rate debt, $131.0 million is subject to variable rates. Assuming an increase to market rates of 1.0% as of July 4, 2026, we would incur an annual increase to interest expense of approximately $1.3 million related to debt subject to variable rates. For more information about quantitative and qualitative disclosures about market risk, please see Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" in Part II. of the 2025 Annual Report on Form 10-K.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer

("CEO") and our Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

In accordance with Rule 13a-15(b) of the Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of its management, including its CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of July 4, 2026. Based on that evaluation, the CEO and the CFO have concluded that the Company's current disclosure controls and procedures are effective in ensuring that material information relating to the Company required to be disclosed in the Company's periodic filings with the SEC is made known to them in a timely manner.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the second quarter of fiscal year 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 7. "Commitments and Contingencies" in our condensed consolidated financial statements included in Part I. Item 1. of this Form 10-Q for information regarding certain legal proceedings in which we are involved, which discussion is incorporated herein by reference.

Item 1A. Risk Factors.

For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors discussed in Part I. Item 1A. "Risk Factors" in our 2025 Annual Report on Form 10-K. There have been no material changes to the risk factors described in our 2025 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table summarizes the repurchases of the Company's common stock during the three months ended July 4, 2026.

In thousands, except per share amounts

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share [1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [1]
April 5, 2026 – May 2, 2026	—	—	—	$ 50,000
May 3, 2026 – June 6, 2026	1,163	$ 17.21	1,163	$ 29,977
June 7, 2026 – July 4, 2026	—	—	—	$ 29,977
Total	1,163	$ 17.21	1,163	$ 29,977

[1] Information regarding the Company's share repurchases can be found in Note 1, Description of Business and Basis of Presentation, in the condensed consolidated financial statements included in Part I. Item 1. of this Form 10-Q. Effective March 2, 2026, the Company's Board of Directors authorized the Company to repurchase up to $50 million aggregate amount of shares of the Company's common stock. The share repurchase authorization expires on December 28, 2030. Following repurchases in the second quarter of fiscal year 2026, $30.0 million remains available under the share repurchase authorization. The timing and amounts of any such repurchases will depend on a variety of factors, including the market price of the Company's shares and general market and economic conditions.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(c) During the three months ended July 4, 2026, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits.

Exhibit Index

Exhibit No.	Exhibit Description
3.1	Third Amended and Restated Certificate of Incorporation of National Vision Holdings, Inc. - incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 10, 2021.
3.2	Fourth Amended and Restated Bylaws of National Vision Holdings, Inc. - incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 12, 2023.
31.1	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page of the Company's Quarterly Report on Form 10-Q for the quarter ended July 4, 2026, formatted in Inline XBRL (included within the Exhibit 101 attachments).

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	National Vision Holdings, Inc.
Dated: August 13, 2026	By: /s/ Alex Wilkes
	Alex Wilkes
	Chief Executive Officer
	(Principal Executive Officer)
Dated: August 13, 2026	By: /s/ Christopher Laden
	Christopher Laden
	Chief Financial Officer
	(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alex Wilkes, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended July 4, 2026 of National Vision Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

/s/ Alex Wilkes
Alex Wilkes
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher Laden, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended July 4, 2026 of National Vision Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 13, 2026

/s/ Christopher Laden
Christopher Laden
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of National Vision Holdings, Inc. (the “Company”) on Form 10-Q for the quarterly period ended July 4, 2026 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Alex Wilkes, Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

a. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 13, 2026

/s/ Alex Wilkes
Alex Wilkes
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of National Vision Holdings, Inc. (the “Company”) on Form 10-Q for the quarterly period ended July 4, 2026 filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Christopher Laden, Senior Vice President, Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

a. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 13, 2026

/s/ Christopher Laden
Christopher Laden
Chief Financial Officer
(Principal Financial and Accounting Officer)