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National Vision Holdings, Inc. (EYE)

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PRESENTATION

Tamara Gonzalez, Group Vice President, Investor Relations & Communications, National Vision Holdings, Inc.

Thank you and good morning, everyone. Welcome to National Vision's third quarter 2026 earnings call. Joining me on the call today are Alex Wilkes, CEO; and Chris Laden, CFO. Our earnings release issued this morning and the presentation accompanying our call are both available in the Investors Section of our website, ir.nationalvision.com. A replay of the audio webcast will be archived in the Investors Section after the call. Before we begin, let me remind you that our earnings materials and today's presentation include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties that could cause actual results to differ materially from our expectations and projections. These risks and uncertainties include but are not limited to the factors identified in the release and our filings with the Securities and Exchange Commission.

The release and today's presentation also includes certain non-GAAP measures. Reconciliation of these measures is included in our release and the supplemental presentation. We would like to draw your attention to slide 2 in today's presentation for additional information about forward-looking statements and non-GAAP measures. As a reminder, National Vision provides investor presentations and supplemental materials for investor reference in the Investors Section of our website.

And with that, I'll now turn the call over to Alex. Alex?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Thanks, Tamara, and good morning, everyone. Thank you for joining us today for our third quarter earnings call. Our third quarter results demonstrate that we are building a more profitable business, while investing in the capabilities that will support our next phase of growth while navigating a challenging and dynamic environment. Disciplined operational execution drove 320 basis points of adjusted operating margin expansion and adjusted earnings per share more than doubled versus last year. We continue to see strong growth in managed care with high single-digit comps and positive traffic alongside stronger premium product attachment.

Ticket growth of nearly 9%, supported by mix improvements, is helping translate sales growth into stronger earnings. At Investor Day last November, we outlined a clear profitability algorithm, expand operating margins and grow earnings while improving our commercial model to gain share. Our leadership and field teams are executing against the strategy. These actions are creating a stronger operating model, improving profitability, funding strategic priorities that all enable us to accelerate growth earlier than initially planned. In 2027, we are now planning to increase new store growth to approximately 50 to 55 openings. That's a year ahead of our original plan and reflects our confidence in the stronger foundation we're building. This positions us to continue to gain share even as a dynamic consumer backdrop contributes to longer purchase cycles, particularly for lower value transactions. Now on to third quarter results.

For the quarter, net revenue increased 4.8% to $511 million, and adjusted comp store sales increased 2.8%. Ticket increased nearly 9%, while traffic declined 5.6%. As we shared, our strategy is to drive high-quality traffic and we're continuing to deliver on that priority. We successfully launched store segmentation and NikonEyes lenses, both of which are yielding positive early results. Our approach to marketing and customer acquisition is also contributing to our ability to attract higher value customers. As a result, we're seeing stronger value transactions supporting a more profitable sales mix. In fact, the top 25% of our transactions drove positive ticket and traffic growth, meaningfully contributing to our profitability increase. This is an acceleration of the expected shift in customer mix and is representative of our longer-term strategic margin expansion ambition.

As we look at the quarter in more detail, there are three important things to understand about the traffic dynamic. First, based on our industry checks, the category is experiencing some overall softness, particularly among cash pay consumers. Second, consistent with this, we saw a deceleration in the purchase cycle from Q2. And third, this deceleration continues to be concentrated in lower-value transactions. Taking a closer look at traffic by transaction value provides additional detail for the quarter and further supports our strategy. Traffic loss was concentrated in transactions below the average ticket amount. To provide additional context, the bottom 25% of transactions by ticket value, which includes our entry bundle offer, represents only a high single-digit percentage of total sales and an even lower percentage of our total gross profit. Simply put, these transactions represent a very small portion of our overall enterprise profit. Against this backdrop, greater operating discipline gave us flexibility to invest across the business and yielded stronger than expected bottom line results.

Adjusted operating income for the quarter was $37 million and adjusted operating margin was 7.3%, an increase of 320 basis points versus the prior year quarter. This led to adjusted EPS of $0.30 per share, more than double the prior year period. We're building a more profitable business and that puts us in a stronger position to grow. Let me expand on the growth opportunities we've shared. Reaching more higher value customers, building on our ticket gains, and accelerating new store openings, then I'll share how we're bringing stores, clinical care and digital capabilities together to make things easier for customers and earn their next purchase.

At our Investor Day, we identified customer groups and product categories where National Vision has a smaller presence than the broader optical market. Closing those gaps is a clear opportunity to grow. Those

opportunities connect two parts of our strategy, reaching more customers whose needs we can serve and increasing attachment of products that meet those needs. A year later, we are making meaningful strides against these opportunities. In addition to growing with higher value customers, we're increasing penetration in anti-reflective coatings, transitions and advanced lens materials. We are broadening the relevance of our brands with a trusted clinical experience and an assortment of frames and lenses that serves more of our customers' vision health and lifestyle needs. We're also extending that approach to smart eyewear, where our strategy is to build on an existing foundation. Meta Smart Glasses are already available across our entire store network, giving us a platform to be a leader in the category. We see a clear opportunity to lead in smart eyewear by combining our national store footprint, clinical capabilities and prescription expertise with a broader curated assortment.

Our strategy is to be a destination where customers can experience and compare smart eyewear across brands with trusted guidance to find the right fit. As the category evolves, we plan to expand our offering across styles, features and price points, bringing innovation to more customers, while meeting their vision and lifestyle needs. Beginning in Q4, we're launching a merchandising partnership with Meta to build our presence in this emerging category. Together, we'll bring co-branded advertising to Meta apps supported by in-store signage, field support and product education to help our teams introduce customers to smart eyewear. The partnership also gives customers another way to find us. All of our stores that carry Meta eyewear will now appear in the prescription locator on meta.com with referrals and direct links to our store pages. We look forward to sharing more about our progress in the coming quarters.

Alongside these product opportunities, we're growing with customer groups that represent substantial value creation potential for our business. Managed care demonstrates that opportunity. Comp store sales in this group are growing high single digits, supported by both strong mix-driven ticket growth and positive comp store traffic. Growth in these higher value customer groups is driving stronger ticket and product attachment, improving the economics of our business. To reach more of these customers, we're expanding the scale and scope of our targeted marketing.

During the quarter, we expanded our targeted marketing at America's Best to reach more managed care members, progressive lens wearers and online shoppers with messages relevant to each group's needs. That same focus is shaping how we go to market with connected television, search, social, Fox College Football Saturdays and more targeted creatives. This new college football support delivered over 30 million linear TV impressions with reach across our targeted cohorts. If you follow us on social media, you've likely seen these new ads and if you watched a Big Ten football game this fall, or better yet went in person, you likely saw our America's Best tailgate and event marketing in action. Ticket growth remains one of the clearest proof points that our strategy is working. The majority of our ticket growth in Q3 came from mix rather than like-for-like price, which is why the source of our ticket growth matters. It reflects the improving quality of our sales. We are making progress in three areas that can support ticket growth over time, increasing product attachment, improving customer mix and helping customers understand which product options best meet their needs. And you'll see each of these elements come together in our new America's Best store format. We continue to have meaningful runway in premium categories as we remain under-penetrated relative to the broader optical market. The gains in attachment I mentioned show that we are making progress closing those gaps. That progress reflects more than changes to our assortment. It's also about how we sell. Our customized Optikam digital selling tool supports a more consultative approach helping associates explain advanced lenses, materials and frame choices to customers.

In traditional retail, changing the assortment may provide a limited period of benefit. In optical, we can build those gains over time, and that is an important difference in optical retail. Our employee-driven, consultative selling model gives us the opportunity to build on those gains. As associates gain experience, they can help customers better understand their options. As we continue to improve how we sell and increase product attachment, we see a long runway for ticket growth. That is what gives us confidence that ticket is a durable growth lever, and we remain in the early innings of this opportunity.

Moving on to our brands, America's Best delivered comparable store sales growth of 3.4% during the quarter, contributing to our positive consolidated comp performance. At America's Best, we're seeing the benefits of the strategies we implemented as ticket is strengthening through improved product attachment and customer mix. The work to improve the customer experience is translating into performance that reinforces our ability to gain share, while improving the economics of the business. Three areas of work underpin that performance, sharper segmentation, more relevant assortments, and stronger customer engagement in-store and online. We completed the rollout of our store segmentation initiative at America's Best. Across five store segments from value to more premium assortments, we are matching products to local demands, lifestyle needs and price points. By putting the right brands, product and price points in the right stores, segmentation makes our offering more relevant to the customers each location it serves. With the rollout complete, we're still in early innings of realizing the benefits of segmentation and our expanded product offering.

Across the business ticket growth accelerated from 7.1% in Q2 to nearly 9% in Q3, with the majority of Q3 ticket growth coming from mix. At Eyeglass World, comparable store sales declined 2.5%. We now have several strategic initiatives in market that we believe will position Eyeglass World for stronger, higher quality growth over time, including the rebrand, store segmentation, premium assortment and lab model evolution. These are foundational steps to sharpen what Eyeglass World stands for with customers as we reset the business for long-term success. This starts with making the brand more clear, more distinctive and more relevant to the customers we want to serve. Our new Eyeglass World branding went live in September with the "Change Your Glasses. Change Your World." campaign. We want customers to see Eyeglass World as a distinct destination for style and choice, while retaining the accessibility and service they expect from the brand. Alongside the new branding, we reinvented the e-commerce experience.

Together, those changes are an important part of making Eyeglass World a more modern, competitive brand, both in stores and online. We've also rolled out store segmentation, expanded the premium frame and lens assortment, and evolved our lab operating model. Customers now have access to more advanced progressive lens designs and coatings at scale because we moved progressive lens manufacturing to our centralized labs. But we continue to offer same-day single vision service for those customers who need it. There's more work to do, but we're building the foundation for the next chapter of Eyeglass World and are excited about what's ahead.

Strengthening our brands is also about building a better model for growth. At America's Best, our new store format is designed to deliver a better experience for customers and better economics for the business. Nearly two years ago, we made a deliberate decision to slow new store growth so we can strengthen the model, modernize the brand experience, and build a store format designed for better unit economics. We are ahead of our transformation roadmap and building the foundational capabilities that matter most, brand clarity, segmentation, assortment, merchandising, pricing architecture and store design. Stores opened this year have materially higher average ticket than prior year openings, thanks to the product mix improvements and sales training we've implemented. Alongside higher ticket, a more flexible operating model at lower volume stores strengthens the model, we are preparing to scale as we accelerate openings. With the stronger operating foundation, our new store format brings the customer experience to life.

Just last week, we celebrated the grand opening of the new America's Best flagship store at Avalon in Alpharetta, Georgia, right across from our new office. This new store brings to life our vision for a more connected, customer-centric, optical experience. It also brings retail, clinical care and digital shopping together in one omnichannel experience designed around how customers choose to shop. We focused on the moments that matter most, from discovering frames and understanding eye health to receiving new eyewear with personalized guidance and trusted care at each step. Our goal is to make it easier for customers to move between online and in-store experiences, and this format is a deliberate step toward a more connected omnichannel future. The store is also built to evolve with our rapidly changing industry with the flexibility to support an expanded selection of smart eyewear and advances in clinical technology. The store is the tangible and physical manifestation of the experience we are building. It also provides a scalable blueprint that we can adapt across value to premium segments, store sizes and locations. And this

store design is even more critical as we move into unified commerce. Our stores need to be more than a destination. They need to be connected to the customer's journey wherever that journey begins. And that is what unified commerce is about, connecting the customer's experience across stores and online from the doctor and eye exam to the prescription, managed care benefit, product selection and ultimately purchase.

We believe National Vision is uniquely positioned to build this model at scale, with more than 1,200 points of physical distribution, approximately 2,000 employed optometrists, centralized labs and millions of annual patient and customer interactions. Our advanced e-commerce capabilities help connect both physical and clinical assets to the digital experience we are building. For customers, the benefit is simple the convenience of shopping online backed by expert care and support in our stores. We want customers to know we've got their back. We want them to move easily between digital shopping and our stores, knowing expert help is available when they need an exam, an adjustment or support from an optician. More personalized digital guidance combined with the confidence of knowing expert care is close by, this is how our technology investment begins to change the optical experience for customers.

Those investments include Adobe CRM and our new website platform. Our aim is to earn the customer's next purchase and build a lasting relationship by connecting the entire optical experience, not just helping them find great quality frames. Every interaction online or in-store should feel like part of one conversation. We're excited to share more about our unified commerce vision at our analyst meeting in December, which we'll host at our new home office and webcast live. We'll show how we're connecting our stores, clinical and digital capabilities around the consumer.

As we look ahead, we are focused on sustaining the momentum in profitability, continuing to gain share in our strongest banners and investing behind the capabilities that will support durable growth. The third quarter demonstrated the earnings power of the business. Positive comp store sales, higher ticket, better mix and operating discipline helped drive EPS to more than double last year, while we continued investing for the future. And importantly, stronger earnings support the next phase of growth, building our managed care product attachment, while preparing to reaccelerate store growth. We cannot control the external environment, but we can control our execution, and our execution is producing results. We are improving the profitability of the business, growing in higher value customer cohorts, and positioning America's Best and Eyeglass World to capture share over time. We are building a more profitable and more connected and more valuable National Vision. Our exceptional team is executing a significant transformation, while delivering stronger earnings that gives me great confidence in the path ahead. I want to thank all of our teams for their ongoing dedication and commitment to delivering results day in and day out.

With that, I'll turn the call over to Chris to walk through our third quarter financial results and outlook in more detail. Chris?

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

Thank you, Alex, and good morning, everyone. Before I review our results, as a reminder, my remarks will include certain non-GAAP metrics and I refer you to today's press release for reconciliations of all non-GAAP financial measures to their most comparable GAAP financial measures. I'll start by saying that I'm proud of the performance of our business in the third quarter. We delivered significant year-over-year adjusted operating margin expansion and earnings growth, driven primarily by SG&A leverage. This outcome reflects strong execution of our deliberate shift toward a higher value customer mix with greater attachment of premium frames and lenses, strong progress on our cost savings plan and disciplined operating efficiencies in our stores.

We achieved a sequential increase in our average ticket through the launch of store segmentation and NikonEyes lenses, which was partially offset by continued traffic pressure from an extension of the purchase cycle, which remains concentrated in lower value transactions.

Now turning to our results in more detail. For the third quarter, net revenue increased 4.8% with adjusted comparable store sales growth of 2.8% and a negative 0.8% impact from the timing of unearned revenue. By brand, America's Best delivered adjusted comparable store sales growth of 3.4%, while Eyeglass World declined 2.5%. As Alex shared, Eyeglass World's rebrand and store segmentation came together at the end of the quarter, and we believe this will position Eyeglass World for stronger, higher quality growth over time. We ended Q3 with a total of 1,285 stores reflecting 8 America's Best openings, 3 America's Best closures, and 1 Eyeglass World closure during the period. Adjusted comparable store sales growth was driven by an increase in average ticket of 8.9%, partially offset by a 5.6% decline in customer traffic. As Alex shared, growth in higher value transactions supported a more profitable sales mix, while traffic pressure was concentrated in transactions with below average transaction values.

These lower value transactions, including our entry level bundle offer, contributed a lower proportion of our total gross profit. Average ticket accelerated to 8.9% from 7.1% in the second quarter, in line with the 100 basis points to 200 basis points of second half contribution we expected from the implementation of our store segmentation strategy and the introduction of NikonEyes lenses. The majority of our Q3 ticket growth came from mix rather than like-for-like pricing reflecting improvements in customer mix and product attachment. Ticket growth accelerated in both our managed care and cash pay cohorts. And we saw positive comp traffic within our managed care cohort as well. Turning now to profitability.

Costs applicable to revenue increased approximately 3.4% compared to the prior year and gross profit increased 5.8% or $16.3 million, driven by the strength in our average ticket and the recovery of our IEEPA tariff refunds. Excluding this one-time $4.7 million benefit from the tariff refunds, gross profit increased approximately 4%, and our gross margin rate declined approximately 40 basis points, with both reflecting the mix shift to a higher value product offerings, partially offset by leverage of optometrist-related costs on higher exam revenues. As we've said before, gross margin rate dilution is an expected outcome of our strategy as we deliver higher gross margin dollars and leverage SG&A. Adjusted SG&A was $241.2 million in the third quarter and as a percentage of revenue, leveraged 250 basis points. This performance reflects efficiencies in our store labor operating model, lower variable incentive compensation and continued execution of our cost optimization efforts.

To expand on our store labor efficiencies, we are implementing more sophisticated scheduling processes to better match labor hours to consumer demand. Beginning in Q2 and moving into Q3, our focus has been on improving productivity in our lower volume stores. We're still early and are continuing to refine our approach to ensure we are optimizing the right balance of store labor with traffic, while most importantly ensuring that we continue to deliver a great customer experience through our commercial transformation.

As we discussed last quarter, we plan to increase marketing in the back half, including reinvesting our tariff refunds in customer acquisition and brand awareness. About half of that investment was reflected in the third quarter and we expect the remainder to impact the fourth quarter as we support the Eyeglass World relaunch and our holiday and benefits season campaigns. Adjusted operating income increased to $37.1 million compared to $19.8 million in the prior year period. Adjusted operating margin increased 320 basis points to 7.3% for the quarter. This expansion was driven primarily by the SG&A leverage we just unpacked, as well as by the one-time benefit of tariff recovery and was achieved despite a $2.9 million headwind from the net change in margin on unearned revenue.

Excluding the impact of tariff refunds, adjusted operating margin expanded 230 basis points in the quarter. Net interest expense was $3 million compared to $4.1 million in the prior year. This year-over-year decrease was primarily driven by a year-over-year reduction in average debt balances and SOFR rates. Adjusted earnings per share was $0.30 in the third quarter, up from $0.13 per share last year. For the nine months of fiscal 2026, we delivered adjusted comparable store sales growth of 3.2%, adjusted operating income margin expansion of 230 basis points and nearly 55.4% growth in adjusted earnings per share compared to last year.

Turning to our balance sheet, we ended the third quarter with a cash balance of $60 million and total liquidity of $353.3 million, including available capacity from our revolving credit facility. During Q3 2026, we repaid $3.3 million in long-term debt, bringing our total debt outstanding net of unamortized discounts to $233.6 million at the end of the quarter. For the trailing 12 months, our net debt to adjusted EBITDA was approximately 0.7.

Year-to-date, we generated operating cash flows of $134.9 million and invested $55.5 million in capital expenditures, primarily driven by investments in new and existing stores and information technology. During the third quarter, we repurchased approximately 1.1 million shares for $20 million, which was an opportunistic deployment of capital given the underlying performance of the business. We are also pleased to announce that our Board recently authorized a new $100 million share repurchase program through December 2030, replacing our previous authorization, which had $10 million remaining capacity at the time of its replacement. This provides us with additional flexibility to drive shareholder returns as part of our long-term capital allocation plans.

Now, moving to our outlook. The execution of our strategy is strengthening the earnings power of the business with higher value customer growth, improvements in product mix and disciplined cost management driving greater profitability in line with our long-term algorithm. That progress allows us to expand margins while continuing to invest in the capabilities that support our next phase of growth. Against that backdrop, our updated outlook for 2026 includes revising our top line expectations to reflect continued traffic pressure among lower value transactions in the current consumer environment.

For the full year, we now expect net revenue between $2.02 billion and $2.04 billion, supported by adjusted comparable store sales growth of approximately 2% to 3%. Our outlook reflects the continued mix shift to higher value transactions, including managed care, which supports more profitable sales growth. Our fiscal 2026 outlook reflects our Q4 quarter-to-date trends, as well as the expectation that improvements in customer mix and our merchandising initiatives continue to drive strong and consistent ticket expansion. Our operating execution is enabling margin expansion at a lower rate of comparable store sales growth, underscoring the earnings power of our evolving business model this year.

Turning to profitability for 2026. We now expect adjusted operating income between $119 million and $131 million, which includes a range for depreciation and amortization of $92 million to $93 million. At the midpoint, we expect adjusted operating margin expansion of approximately 110 basis points for fiscal 2026 relative to 2025, excluding the 53rd week, driven primarily by SG&A leverage. For the fourth quarter, we expect a deceleration in our adjusted operating margin rate as we enter our lower seasonal sales period and continue to invest back in the business, including the reinvestment of our Q3 tariff refund benefit into incremental marketing to support brand awareness and growth.

As a reminder, the profitability algorithm that we shared at our Investor Day last year was to expand operating margin approximately 50 basis points to 150 basis points on average each year with mid-single digit comps and the assumption of no deterioration in the macroeconomic environment. We are pleased that the midpoint of our guidance lands us at the higher end of that profitability algorithm for the second straight year, especially in the context of the current pressured environment.

Unpacking our full year guidance further, we remain on track to realize approximately $10 million in annualized savings from our multiyear cost savings plan. Interest expense is expected to be between $11 million and $13 million. We expect our effective tax rate to be approximately 30%, excluding the impact of vesting on restricted stock units and stock option exercises.

Bringing this all together, we continue to expect adjusted diluted earnings per share to be between $0.95 and $1.03 per share, which assumes approximately 81 million weighted average diluted shares outstanding. We expect CapEx to be between $72 million and $74 million for fiscal 2026, which includes investments to open approximately 30 new America's Best and Eyeglass World stores this year and excludes the

expansion of our Military locations completed at the end of the first quarter. As a reminder, our openings are heavily weighted toward America's Best branded stores. After taking into account closures, we expect net growth of 17 stores this year, excluding the 20 Military locations added in the first quarter.

Looking to 2027, as Alex mentioned, we plan to accelerate new store openings to approximately 50 to 55 stores about one year ahead of our timeline that we shared at our Investor Day. The key elements of our commercial transformation store format and operating model are now all in place, and that gives us confidence in increasing investments in this area. We'll share more details on 2027 openings, closures and capital when we provide our 2027 outlook.

In closing, I'm proud of how our teams executed this quarter. We are building a more profitable business and a stronger foundation for growth. In a challenging consumer environment, we were able to expand operating margin, further strengthen our balance sheet and meaningfully invest in store growth, technology and share repurchases. Most importantly, we provided customers and patients with best-in-class eye care and eyewear at a value offering that remains second to none.

And with that, operator, we're now ready for questions.

QUESTION & ANSWER SECTION

Simeon Ari Gutman, Morgan Stanley & Co. LLC

Good morning, everyone. Hey, team. Hi, Alex. My first question is, if you can step back and assess how this move, I don't know if it's upmarket, if you would call that a fair phrase, how that move is working relative to your expectations. You've gotten good ticket growth, transactions have been under pressure, and you cited a few reasons why. So, how can you distinguish this trade-off that this – that a sign that the strategy needs adjusting and what would you need to see to feel confident, it's driving sustainable growth?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Hey, good morning, Simeon. Thanks so much for the question. Yeah, I mean, one of the dynamics that we saw in Q3 is actually traffic acceleration above the average transaction value. So, those more valuable customers, we actually did see positive traffic with them, which is really an indication to us that the more premium products we're introducing are certainly resonating with them. And again, it's certainly a component of our profitability expansion as well. So, that being said, we still have the entry level bundle, and we still have a really broad selection of entry level price points and entry level frames for the consumer that we're serving below that average transaction value. So, I think, we're leaning into the customers and patients that are showing the highest degree of activity in the category and we've certainly won with them in Q3.

Simeon Ari Gutman, Morgan Stanley & Co. LLC

Okay, and then my follow-up, I don't know if you've mentioned this in prepared remarks, but what – how should we think about CapEx in 2027? And can you help us weigh the decision to accelerate the openings with the business, or I guess more so comps, like not performing, and I don't know what the target level of comp per se is, but it seems like it's performing a little bit below, yet you're accelerating store openings. So, how to think about that?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Yeah, let me talk a little bit about our strategy relating to accelerated store openings, and then turn it to Chris for CapEx. What we've seen in 2026, as we've opened new stores, even with our old store format, we've seen an acceleration from the historical norm of ticket. We've seen our more agile operating model related to labor kind of yield better results as well. So, all of those components, even on our old store design, gave us confidence that we now have a better recipe to accelerate our store openings. Couple that with the investments that we're making in e-commerce and CRM, all of that fuels the flywheel for an in-store experience. So, that's part of it. Then add some of the details that we're seeing from the recent weeks. So, we're opening new flagship store here in Alpharetta. We've opened a handful of other stores with the new store format, and we're seeing really strong early positive reception from consumers beyond our expectations. So, you kind of put those pieces together, along with the strong cash generation of the business, to us that's the recipe for adding more stores more quickly than we originally anticipated.

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

Yeah, and from a capital allocation perspective, we'll unpack this more when we issue formal guidance for next year, but we're really excited about the opportunity to open up and accelerate our new store openings for next year. In terms of our long-term algorithm, we shared at our Investor Day of investing about 4% to 5% of revenue into CapEx each year. I'd still point towards that as kind of our overall target on average for any given year over the five-year period. But just to echo sentiment that Alex said, right, as we've seen performance, particularly, on the top line of our more recent openings and things like average ticket and capture of higher-value customers increase, we want to make sure that we're continuing to grow and we believe we've got a strong right to win, what we believe to be the temporary extension of the purchase cycle for low-value customers, we want to make sure that we've got the right footprint there to capture them when they come back in the market.

Jack Slevin, Jefferies LLC

Hey, good morning. Thanks for taking the question. I wanted to go a little deeper on the implied 4Q guidance. I think, 3Q looked strong candidly and maybe not the best traffic number, but a lot of other KPIs sort of tracking the right way. And 4Q sort of then seems to imply a step down. I'm looking at something like down 150 bps at the low end on comps and revenues down year-over-year. I guess, I just want to unpack a little bit of what's happening there. And if you see sort of the implication for 4Q as something that has temporary elements to it beyond that tariff investment that you talked about or the tariff reinvestment, excuse me, we'd just love to understand sort of, is that reflective of currently how the business is tracking, or are there more one-time items we should be thinking about?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Hey, Jack. Good morning. I'll take some of the top line components of that and then turn it to Chris for a little bit more flavor and color on the bottom line. So, I think, it's important to talk a little bit about the shape of Q3. We actually had a – I'd say, a decent July, a good August, and then we saw some deceleration in September, which unfortunately continued into October, so into Q4. The last few weeks in November, we've seen a bit of re-acceleration from October, and I don't think the October challenge was isolated to us. Our perspective is that that was really a category-wide challenge given the macro. All that being said, right, we're taking a pragmatic outlook towards Q4 on the top line, while at the same time saying, look, there's a lot there we're doing to set the business up for 2027. So, we're not taking our foot off the accelerator from the investments that we need to make to set us up for next year. So, really think about this in terms of we're being pragmatic on the top line, and we're continuing to invest in the things we need to, to set us up for long-term growth and for a good 2027.

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

Yeah, just echoing Alex's sentiment, right? We're really focused on managing the business for the year, for the next five years. So, we're not going to make decisions to invest or invest lower in certain periods or certain quarters, while we're still on track for our long-term growth algorithm. We're actually accelerating certain investments, as we talked about, both from a CapEx perspective for new stores, as well as some additional technology investments, really helping to thread our CRM, our ERP, and our new unified commerce capabilities together, which will really help us set up for long-term success.

Jack Slevin, Jefferies LLC

Okay, got it. That's helpful. And then maybe just on the Eyeglass World number and the Eyeglass World rebrand, I guess any early takeaways on how that rebrand is affecting things? And I know the comp was a bit hard in 3Q, but just additional color on, sort of, what you're seeing across that brand would be helpful.

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

You're right, Jack. I mean, on a multi-year stack to comp, an Eyeglass World was a tougher comp to comp against. But that being said, I think, a little bit of perspective vis-a-vis America's Best. The work that we did on America's Best has been, call it in the genre of fine-tuning an operating model. The Eyeglass World actually required a bit of a harder reset, and frankly, we're just living through some of that right now. We needed to reset the brand. We needed to reset the lab operating model because it was not going to be sustainable for our long-term perspective and vision for the business. We needed to reset our approach to marketing, given that Eyeglass World is a very regionally based chain versus America's Best, and that same marketing playbook didn't necessarily apply and wasn't going to be sustainable for the long term. So, think about Eyeglass World as more of a brand reset, and we're excited to share, and we have shared what we've done from a new store design, new store elements coming in, the ecommerce re-platforming, and for those who are attending our Analyst Day in December, I think, you're going to see some more exciting things about Eyeglass World to come in the future. But certainly I think, it's fair to think of Eyeglass World as more of a harder reset. We're living through some of that right now, but we're super excited about what's to come longer term.

Robert F. Ohmes, BofA Securities, Inc.

Oh, hey, guys. Thanks for taking my question. I know, it's early on the commentary on Meta, but I was hoping you could talk a little bit more about, specifically in the fourth quarter, what incremental things you're doing in smart eyewear. You obviously mentioned Meta and more to come on that, But I think, you also implied other smart eyewear things you might be doing. Can you give us any more color beyond what you've said so far?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Yeah, you got it, Robbie. I mean, again, we're super excited about the co-marketing that we're doing with Meta in the fourth quarter. We're also really excited about some of the in-store activations that we're putting in place. In coming quarters, we're actually going to have live demos where you can not just see kind of the dummy product and the storytelling around that product, but actually the product and all of the use cases really in real lifetime applications. So, what that means is we're deploying iPads and iPhones to stores, so we can actually demonstrate all the power of Meta eyewear when we're face-to-face with the consumer. So, we're really excited about that, the ability to bring it to life in a way that, frankly, we haven't done yet. So, we're really, really happy with the progress and rate of sale. We're happy with the partnership that we're starting to expand with Meta and joint marketing, and we think this is just such an exciting category.

To your question on other smart eyewear providers, we believe that we will be the obvious destination for more smart eyewear companies to partner with. Our new store design is actually bringing in elements of flexible space dedicated to the smart eyewear category. So, we're super happy that we are currently, and today, one of the leading distributors of smart eyewear in the world. And we think that actually gives us the right to win and the right to be a partner to anyone else who comes into the category.

Robert F. Ohmes, BofA Securities, Inc.

That sounds great. And just a quick follow-up, the higher exam revenue in the third quarter, remind me, was that an improvement? And, what does exam revenue look like for the fourth quarter, and I think, you leveraged exam revenue, what's – how is exam revenue doing versus your expectations?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Yeah, it's a great question. So, an interesting dynamic of, as we see this consumer shift toward higher value transactions with less of our kind of customer mix participating in the entry-level bundle, those transactions effectively give the exam away for free. So, we're still – we're seeing growth in exam revenue as we shift towards more managed care consumers and higher value consumers that are not opting in for our entry-level pricing. So, it's part of the long-term strategy of the business as we try and reproportion our customer mix towards higher value transactions and more managed care. And that's certainly something we think over a multi-year period is sustainable.

Kate McShane, Goldman Sachs & Co. LLC

Hi. Good morning. Thanks for taking our question. I know, it's an ongoing question and it really isn't as big of a portion of your business as what it was, but why do you think this cash pay consumer is not really returning to the category? Alex, I know, you flagged some macro in October that may have slowed comp store sales at that time, but could you maybe talk through that dynamic a little bit more? And also, do you think there was any kind of change in that higher value consumer from what you saw in October?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Yeah, Kate, it's a great question. On the lower value consumer, and again, I'll unpack the purchase cycle dynamic a little bit more, right? In Q2, we said that we saw the purchase cycle among repeat customers around kind of extend by around two weeks. We saw that deteriorate to around three weeks in the third quarter. And it's particularly apparent and concentrated with the value-seeking cash pay consumer, where again the very vast majority of our traffic loss was concentrated. So, it's not that we're losing share with that consumer. Again, it's that they're just a little bit slower in the purchase cycle. And you can almost see that, kind of correlate almost perfectly to where kind of energy prices and inflationary pressure is kind of pointing to, so it's no real great leap to understand that that consumer is more impacted by some of the macro conditions. So, that's also why we expect when conditions get better, we'll see that purchase cycle kind of recontract and normalize. Again, we don't think that consumer is engaging anywhere else. We think they're just currently delaying the purchase.

That being said, we are still pleased that the higher end consumer is growing. It certainly grew in Q3, and we have no reason to believe that in Q4 we're seeing any difference in trend. Again, I think that's such a wonderful proof point of the strategy that we're leaning into, better product mix, better assortment that is certainly resonating with that consumer. It's also, Kate, I recall, when you and I first met, we talked about the shift to a managed care consumer, why that is so important for this business, because it creates that resiliency in times like this where there is a macro pressure, that managed care consumer is just more predictable because they have a benefit they want to deploy.

So, again, I'm just very, very pleased with how that's playing out. Kate, one last point I think that we didn't touch on in our prepared comments. We are leaning into that consumer a bit more. Just in the beginning of November, we rolled out a new commercial offer that's going side-by-side with our $95 bundle offer, which is a $195 complete pair designer frame offer. That's a really easy offer for that consumer to engage in. They have a selection of designer frames, and we're including a premium poly lens with that frame choice. So, we have been winning with that higher-value consumer. Because we're winning, we're leaning in further, and we've created a new commercial offer targeted specifically at that consumer that's in market today. And again, I've been pleased that November has seen some acceleration from what was a tougher October.

Kate McShane, Goldman Sachs & Co. LLC

Thank you. My follow-up question is, the longer-term algo is for mid-single-digit comps, and it looks like this year might under-punch that a little bit. So, what is the assumption, again, with regards maybe to what you need to see from the managed care customer and what needs to change with that cash pay customer to support that more middle – I'm sorry, mid-single-digit comp versus what we're seeing this year?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Yeah, our algo was really based on the belief and the notion of having a stable macro, which is, unfortunately not what we experienced through 2026. And again, I think, from a managed care and higher value customer perspective, we really are hitting the mark on our – on all of our strategic initiatives. And where we're seeing the traffic deceleration and where we're seeing the pressure to comp is with those lower value transactions below the average transaction value. And for that, we really need to see the macro conditions change. We need to see that purchase cycle increase. We need to see that cash pay, lower value-seeking consumer have the confidence to kind of re-engage with the category. So, again, I don't think there's anything off with our algorithm. When we shared our algorithm, it was in context of a stable macro. And from our perspective, the macro headwind is essentially exactly the gap between our performance and where we are, where we're netting.

Adrienne Yih, Barclays Capital, Inc.

Great. Thank you very much. Three questions here. Alex, I guess, can we start with, I guess, earlier in the year we had attributed some of the customer acquisition weakness to the digital and CRM transition and that, kind of, the loss of that historical marketing information. So, where are we today in rebuilding that customer data and that targeting capability? Is that fully behind us and how much would you, if any of it attribute to the traffic deterioration from sort of that negative 4.9 in Q2 to where we are today?

Number two, just a quick question, sort of more detailed. Is traffic, should we assume that that is also on parity with an indication of transactions and is there anything you can do within store to drive conversion while traffic is weak? And then my third question for Chris, on the inventory ending the quarter, I know you have much higher value inventory and we've been seeing that QTD or year-to-date, sort of, this past three quarters. How should we think about that framed against, sort of, the decelerating sales, and should we worry at all about potential margin pressure, or anything like that? Thank you.

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Hey, Adrienne. Thanks, as always, for the thoughtful questions. On the first, the impact and the re-platform to our website, we do believe that that is rearview – we put that in the rearview mirror at the end of Q2. All of our kind of marketing signals between website and our search capabilities have been re-established. We're seeing our cost for acquisitions kind of normalize in Q3. So, we don't have any outstanding concerns in our – again, I think, I've shared this in the past, I'm just so happy with how the team fought through what

was that unfortunate self-inflicted wound in Q2. But we have that behind us now. Our acquisition engine is doing what we expect it to do.

The traffic and conversion point, it's a really interesting one. What I can tell you from an industry perspective and having had the seats that I've had in the past, we actually convert our footsteps into purchases at the higher range of anyone currently in the category. So, there's really not a – we can always provide a greater experience, we can always convert a little bit better, but again, to set expectations. We're already really best-in-class in terms of our traffic and exam to purchase conversions. So, there's probably not that much opportunity to go there. Again, always striving to create a better experience, but it's not the most significant opportunity that we're seeking. So, and then, I guess, I'll give it to you for the third question.

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

Yeah, to answer your question on traffic and transactions. We think of those in very similar terms. On inventory, I've put that in context as a broader working capital strategy that we've launched over the last two years. So, we've effectively made space in our working capital budget by improving our AR balances, our accounts payable, renegotiating with vendors as part of our procurement project that we launched last year. Having a higher sustained inventory balance than we saw, let's say, in 2024 or 2025 is going to be part of the go forward model. As we think about the traffic decline, What I'm actually really excited about our store segmentation strategy is, as we shift product between the segments, rather than something, a piece of inventory being binary where it's either part of the assortment or not, we can push inventory towards other segments and continue to sell through it over time versus having to write it off and destroy it. So, while there's a higher overall balance, it actually does create some efficiencies in our ability to kind of sustain and sell through product before we introduce a new product. So, through the rest of the year, I think we'd see moderate changes in our inventory balance, and I don't think we're going to see any significant changes, either positive, nor negative. I think, over time, as we continue to turn the knobs on our segmentation strategy, right, this year was our first launch of that. I do expect that we'll get more efficient, but nothing to a degree of high materiality.

David Lantz, Wells Fargo Securities LLC

Hey. Good morning, guys. This is David Lantz on for Zach. Thanks for taking our questions. I guess first one from me, you called out that the purchase cycle extended two weeks in Q2 and then to three weeks in Q3, so I'm curious what's embedded in terms of the purchase cycle for the Q4 outlook, and then how did your 5.6% transaction decline in Q3 compare to the broader industry?

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

Yeah, so in terms of our Q4 outlook, we're assuming that there's a further small extension, particularly on the lower value transactions, which are largely self-pay. As we look at the overall category metrics, the data points we have to go off of are through Q2, the Vision Council data that we look at would certainly indicate that we are taking the share. Even in Q3, we look at those who publish comp metrics, right? Our positive comp in America's Best is amongst the best of anything we've seen reported. So, again, we still feel good about our relative positioning in the category. We've done industry checks with partners, both on the wholesale and retail side, and from what indications we have there, the traffic deceleration we saw is, while painful, not inconsistent, and if anything, a little bit better than those from what we've heard from others.

David Lantz, Wells Fargo Securities LLC

Got it. That's helpful. And then you're reinvesting a portion of the tariff refunds in Q4, but curious if you

can give us a few more details around the puts and takes, and how you're thinking about gross margin and SG&A for the quarter?

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

Yeah, from a gross margin perspective, I think, we'll – with the benefit of the tariff refunds being out of the P&L, we'll see a, call it, cleaner view of gross margin overall, which again we do expect to dilute a bit given the premiumization strategy on frames and lenses. We'll invest approximately $2.5 million to $3 million more in Q4 than our original guide, and that's really just kind of reinvestment of about half of the tariff refunds with the first half being invested in Q3. And then just from an overall puts and takes perspective, like we're continuing to invest in, I'd say, longer-term growth strategies. You heard us talk a bit earlier in the call about some of our labor optimization opportunity and some of the technology enhancements we're making there. Our investments in unified commerce and really some investments about threading our CRM, our ERP, and our unified commerce platforms together. To be clear, those investments are not one-quarter investments. Those are investments that are multiple years in the making, but we want to make sure we're investing in those at the right time and the performance of the business year-to-date and kind of where we're guiding in Q – in 2026 in total, we feel good about making those investments in Q4.

Anthony Chinonye Chukumba, Loop Capital Markets LLC

Good morning, and thank you so much for taking my question. So, I want to kind of take things back a little bit, kind of higher level, right? As I think about your business, right, you're making this shift, where the product is premium frames, it's premium lenses. You're doing a better job of maximizing your managed care benefits, and you're making a lot more money, right? Now, I guess, some of that we can have a debate in terms of whether the increase in ticket is sustainable. First, I think it is, but we can have that debate. But at the end of the day, I mean, it's price to earnings, not price to traffic. I mean, I guess, my question to some extent is like, how can you, sort of, change the narrative? Like, what are you doing in terms of changing the narrative? Because it would seem to me that the most important thing, once again, assuming sustainable, is how much you're earning. So, how can you get investors to focus more on that and less so on let's get traffic?

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Anthony, thanks for that. And I really appreciate the question and the thought, and frankly, outlines our hypothesis and our thesis for the company almost to a T. Let me give you a couple data points and a little bit more context on some of the things we even shared today. Historically, we have not necessarily talked about revenue and profit contribution at a quartile or decile level, right? Today, we shared that our traffic loss is concentrated among the least valuable transactions, the least valuable transactions that make up a high single-digit percentage of our gross profit and an even lower amount, sorry, a high single-digit contribution of our gross revenue, and an even lower portion of our gross profit. Hopefully that provides some color and context to why we are running the playbook that we are. We are seeking more valuable customers because frankly, some of the lower value transactions just aren't as accretive to this business, especially given the context of the business today. So, I think, you can expect more of those types of insights from us to give confidence in our strategy and a little bit more transparency behind the curtain of why we are doing the things we are to ultimately, to use your words, put more money in the bank. So, I think that's part of the narrative.

And then, I think, doing what this team has done so well over the last year and a half, which is execute. Again, our execution from the corporate office level to the field to what the team is doing in the stores has just been exceptional. So, our perspective is continue to execute at a very, very high level, share more than we have historically with the market in terms of why we are doing the things we are and the profit

contribution of different customers and different cohorts. And then at the end of the day, when more money drops into the bank, that folks get hip to our story.

Matt Koranda, ROTH Capital Partners LLC

Hey, guys. Thanks. Sorry to turn back to the traffic question, but I guess, it's just important for the narrative of the stock, seemingly. But I guess with the sustained growth in managed care traffic that you guys are seeing, is there a point in the next several quarters where managed care traffic and maybe the higher value cash pay customer could just overwhelm that softness in the low-end cash pay customer that you're referring to? I guess, can you get back to positive traffic without recovery from that kind of low-end cash pay customer? Do we need that still for next year?

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

Look, I think, the primary driver of our traffic decline is really just the pressure from the macro and the extension of the purchase cycle. So, as Alex said earlier, we still have a category-leading value offering for those who are looking to spend, an overall lower dollar amount for eye care and eyewear in the category. So, if they step back into the category, we're certainly going to be here to serve them. So, I think, what must be true for traffic to turn positive in aggregate? I think, you've got to see the purchase cycle for those lower value transactions compress again, which we'll see. Hard to predict when that will happen. I think, what is important though is that we are growing in traffic in the areas that we're pointing our assets. So, our managed care consumer cohort is growing in traffic. Our higher value transactions are growing in traffic. To your point, that's not growing in aggregate for the business in terms of the kind of weighted average being positive. But from a profit contribution perspective, that's okay. The other thing that will possibly impact our kind of aggregate traffic number is just as we reaccelerate store growth. So, as we get the positive ramp from 50 to 55 new stores and that becomes our new operating model, they'll contribute more meaningfully to the overall aggregate traffic growth as we continue to take share. But I think, what you're hearing from us today is that, as long as we're growing in the right traffic categories that we're pointing our resources at and influencing things we control, then we feel great about the profitability outcome of the business.

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

And Matt, I want to double down on a comment Chris made earlier. If you triangulate around the publicly available data points, both what's been reported at the category level and with those who report publicly, our traffic count is in line or better from a comp perspective than what the category is experiencing. And we believe that to be true, even in a challenged Q3.

Matt Koranda, ROTH Capital Partners LLC

Okay, very fair. Maybe just on the store expansion that you're accelerating, wanted to hear if you could maybe talk a little bit more about the way to think about new store maturity ramps and sort of how that 27 cohort may contribute to sort of a comp tailwind over the coming years.

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

So, as you – just to restate for those who don't read all the super small fine prints in our reporting, our stores comp in their 13th month, so we start to count them against our comp traffic as they enter their 13th month. We're really excited about the top line performance of our more recent store openings, not just because of the new store design, we've only had a couple of those stores opened, but really focused on that and a combination of our new merchandising strategy and store layout design areas that we've been able to implement thus far. Look, we think that we should be able to get up the ramp from a revenue perspective,

at least as well as we did previously, if not better. It's a little bit too early to tell, but certainly what we're seeing is a higher average transaction value, meaningfully higher in new stores that are opening with the new operating model, new merchandising and store associates who are trained from day one on how to sell in our new operating model. So, I think, those are all really great reasons to believe that we'll see strong performance for our new stores, strong contribution to our overall traffic and comp, as well as, reasons to believe that our payback period should be as good if not better than what we've seen previously.

Michael Lasser, UBS Securities LLC

Good morning. Thank you so much for taking my question. If you look back over the last few quarters. In the first quarter, you had the re-platforming of the website issue. Second quarter, you started to see the issue with the macro and the extension of the purchase cycle that continued and intensified in the third quarter. Yet, this is all happening at a time where you are making a strategic pivot to change the merchandising, the branding, and other tweaks to the formula. So, should we simply assume that as a result of this pivot, National Vision's same-store sale growth is going to become a little bit more volatile than it might have been in the past when at times that the consumer was pressured, it would have experienced a trade-down benefit that would have created a bit of a shock absorber for some of the other elements of the business. Thank you.

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Yeah, Michael, I'll tell you, to hear you kind of play that back, and I think about what we have been able to do during this time period. We have made a lot of changes, strategic changes, strategic investments in the business, and we've faced macro headwinds, and we've comped positively, and we've thrown up several hundred basis points of profit expansion in the third quarter, and we're at the higher end of our long-term algorithm from a profitability perspective. I think that's where you're hearing from us just the complete bullishness in the business. To the point on historically being a bit of a shock absorber when the macro might've been a headwind to the consumer, again, we still think we are that. See my earlier statement that even in a challenging third quarter, our belief is from a comp perspective, we are performing at the higher end of the optical category. So, I wouldn't necessarily expect volatility in the comp as we go through this transformation or as a – or I should say as a cause of the transformation. Matter of fact, I think, what we're doing from a ticket perspective and what we have been doing from the – over the last two years is providing a greater degree of stability and predictability because we can use the ticket lever as a more balancing force to deliver against our internal expectations. Chris, do you have anything to add?

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

No, Michael, it's a great question. I think, all else equal, if we had not implemented the strategy, a year and a half to two years ago, to be more focused on better serving managed care consumers and consumers who are just seeking higher value products, I actually think the business would be in a significantly worse position than we are today. If our customer mix was more heavily concentrated in these lower value transactions and these consumers are just opting out of the category with their purchase cycle extending for a period of time, I think you'd end up seeing, frankly, worse comp performance and significantly worse P&L flow through.

Michael Lasser, UBS Securities LLC

Understood. Thank you very much for that. And my follow-up question is, can you help us calibrate our expectations and models for 2027? Understood you're not going to provide formal guidance, but there will be moving pieces if we assume that the recent run rate of same-store sales growth persists into next year. That's going to be below the formula. Your formula calls for 50 basis points to 150 basis points of annual margin expansion, will have potentially a drag to your profitability from accelerating your store growth,

but on the other hand, you'll have some of the cost savings that you've outlined previously flow into the P&L. So, if again, we assume that this slower pace of same store sales growth persists into next year, would that – would you still be able to achieve the low end of your 50 basis points to 150 basis points of annual operating margin expansion? Thank you.

Christopher Laden, Chief Financial Officer, National Vision Holdings, Inc.

I think, you outlined that question beautifully. I mean, I think, you've – the key variables that we've disclosed, you've nailed head on. Look, I think, this management team is committed to remaining within the constraints of our long-term algorithm. Again, when we put that algorithm out at our Investor Day, it did assume stability in the macro environment. But I think, what we've shown over the last couple of years is we've outperformed on the profitability element of that algorithm, including this year where we are below our mid-single-digit comp long-term expectation for any given year, and we've bent the cost curve successfully to drive 230 basis points of operating margin expansion year-to-date and guiding for around 110 basis points at the midpoint of operating margin expansion for the year. So, we'll certainly provide more color around 2027 as we get a little bit closer, but I think, what you're hearing is a management team that's committed to continue to drive positive profitability for the business, and a management team who's going to invest for the long term and make sure we do that in a balanced way to set us up for long-term growth.

Alex Wilkes, Chief Executive Officer & Director, National Vision Holdings, Inc.

Great, thanks so much. Thanks everyone for joining us today. Thanks for your interest. Thanks for the great questions. We can always count on this group for asking really hard, really insightful questions, so I appreciate that guys. Most importantly though, I want to thank our team. I want to thank our associates, our doctors, our home office employees for just having an incredible focus and strong execution in the third quarter. As I stated, we've made great progress on our transformation strategy. We have been able to drive positive comps, increase profitability, and make substantial investments in the future of this company. So, again, we couldn't be more pleased with being able to do all those three in a year where there has been a bit of a challenging macro backdrop. Hopefully, we will see all of our analyst community at our December analyst meeting in our home office, where we're going to share a lot more about the exciting future of National Vision. So, with that, thank you, everyone, and have a great day.