Q1 2018 Financial Results

May 15, 2018

NATIONAL VISION®

OUR MISSION

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

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Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements related to our expectations regarding the performance of our industry, growth strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. You can identify these forward-looking statements by the use of words such as "outlook," "guidance," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties, including our ability to open and operate new stores in a timely and cost-effective manner and to successfully enter new markets; our ability to maintain sufficient levels of cash flow from our operations to grow; our ability to recruit and retain vision care professionals for our stores; state, local and federal vision care and healthcare laws and regulations; our relationships with managed vision care companies, vision insurance providers and other third-party payors; our operating relationships with our host and legacy partners; the risk of loss or disruption in our distribution centers and optical laboratories; risks associated with vendors from whom our products are sourced; competition in the optical retail industry; our dependence on a limited number of suppliers; risks associated with information technology systems and the security of personal information and payment card data collected by us and our vendors; macroeconomic factors and other factors impacting consumer spending beyond the Company's control; our growth strategy's impact on our existing resources and performance of our existing stores; our ability to retain senior management and attract new personnel; our ability to manage costs; the success of our marketing, advertising and promotional efforts; risks associated with leasing substantial amounts of space; product liability, product recall or personal injury issues; our compliance with managed vision care laws and regulations; our reliance on third-party reimbursements; our ability to manage our inventory balances and inventory shrinkage; risks associated with our e-commerce business; seasonal fluctuations in our operating results and inventory levels; technological advances that may reduce the demand for our products, and future vision correction alternatives and drug development for the correction of vision-related problems; risks of losses arising from our investments in technological innovators in the optical retail industry; our failure to comply with, or changes in, laws, regulations, enforcement activities and other requirements; impact of any adverse judgments or settlements resulting from legal proceedings; our ability to adequately protect our intellectual property; our leverage; restrictions in our credit agreement that limits our flexibility in operating our business; our ability to generate sufficient cash flow to satisfy our debt service obligations; our dependence on our subsidiaries to fund all of our operations and expenses; risks associated with maintaining the requirements of being a public company; our ability to comply with requirements to design, implement and maintain effective internal controls; and risks related to being a "controlled company." Additional factors that could cause National Vision's results to differ materially from those described in the forward-looking statements can be found under the heading entitled Part I, Item 1A - "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 30, 2017 (the "2017 Annual Report"), as filed with the Securities and Exchange Commission ("SEC"), as such 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. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in our filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to supplement, and not substitute, the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. Additional information about these measures and a reconciliation to the nearest GAAP financial measures is provided in the appendix to this presentation and detailed in National Vision's press release for the first quarter of 2018, which is available at www.nationalvision.com/investors, together with this presentation.

Agenda

Topic	Presenter
Highlights and Company Overview	Reade Fahs, CEO
First Quarter Financial Update Fiscal 2018 Outlook	Patrick Moore, CFO
Q&A	Reade Fahs, CEO Patrick Moore, CFO Jeff McAllister, COO
Appendix	

Reade Fahs
CEO

Patrick Moore
CFO

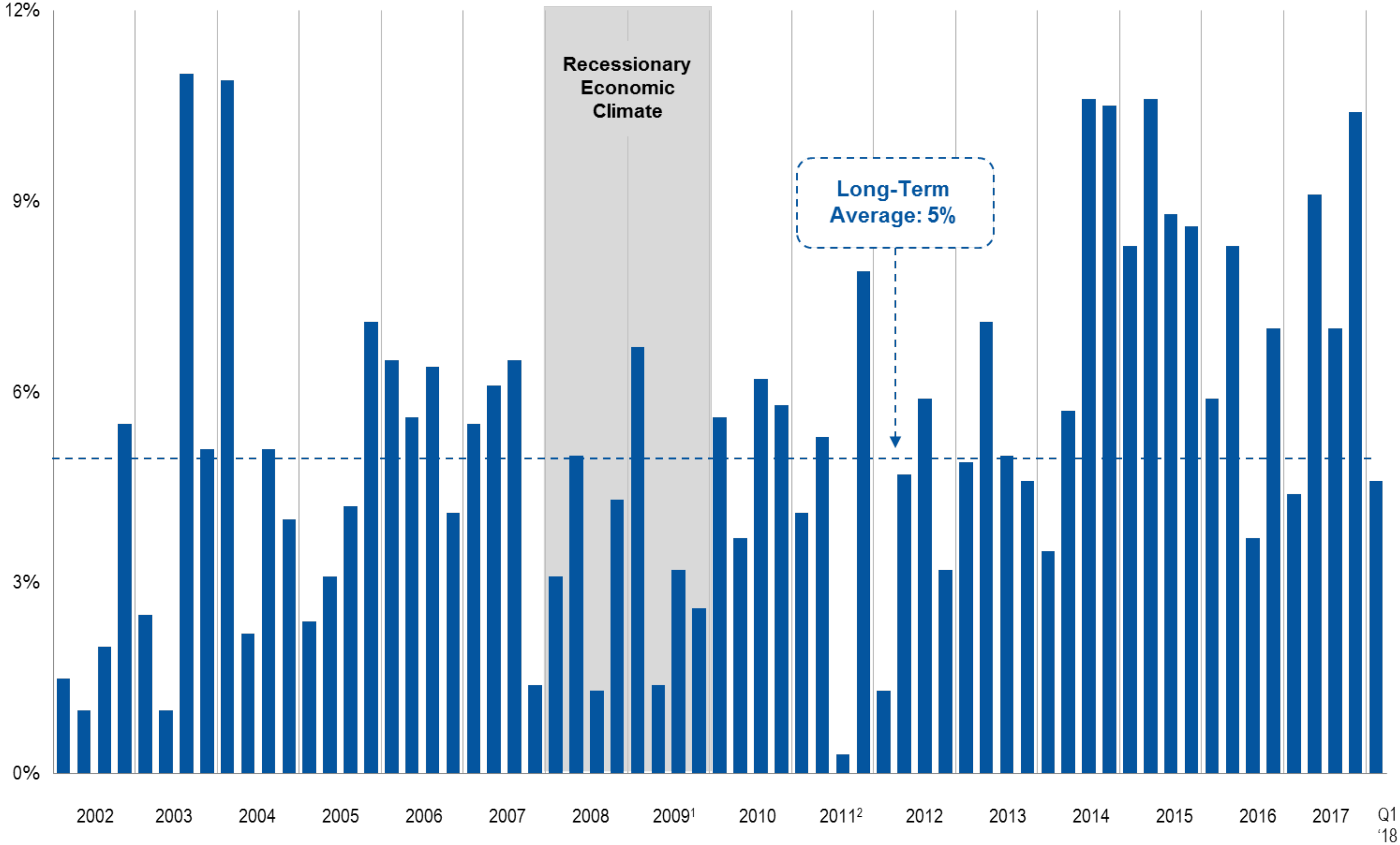
Jeff McAllister
COO

Q1 Highlights

- 65 consecutive quarters of positive comparable store sales growth
- All retail brands posted positive comparable store sales for the (second consecutive) quarter
- Adjusted comparable store sales growth[1] of 4.6%
- Successful launch of Eyeglass World's "Mr. World" advertising campaign and continued success of America's Best national "Owl" campaign
- Our overall NPS scores improved year-over-year, led by America's Best
- Opened 15 new America's Best stores in Q1 and ended the quarter with 1,027 stores
- Q1 Net Revenue: $408.0M
  - 10.3% over Q1 2017
- Q1 Adjusted EBITDA[1]: $61.1M
  - 3.7% over Q1 2017
  - Impacted ~$3M (500 bps) from net change in margin on unearned revenue, new public company related expenses and higher performance-based incentive compensation
- Q1 Adjusted Net Income[1]: $26.9M
  - 15.5% over Q1 2017

1-For reconciliation of total comparable store sales growth to adjusted comparable store sales growth, reconciliation of Net Income to Adjusted EBITDA and Net Income to Adjusted Net Income, see Appendix

65 Consecutive Quarters of Positive Comparable Store Sales Growth



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

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

We Have Multiple Drivers to Continue Our Growth

Grow Store Base Across Our Owned Brands

Continue to Drive Comparable Store Sales Growth

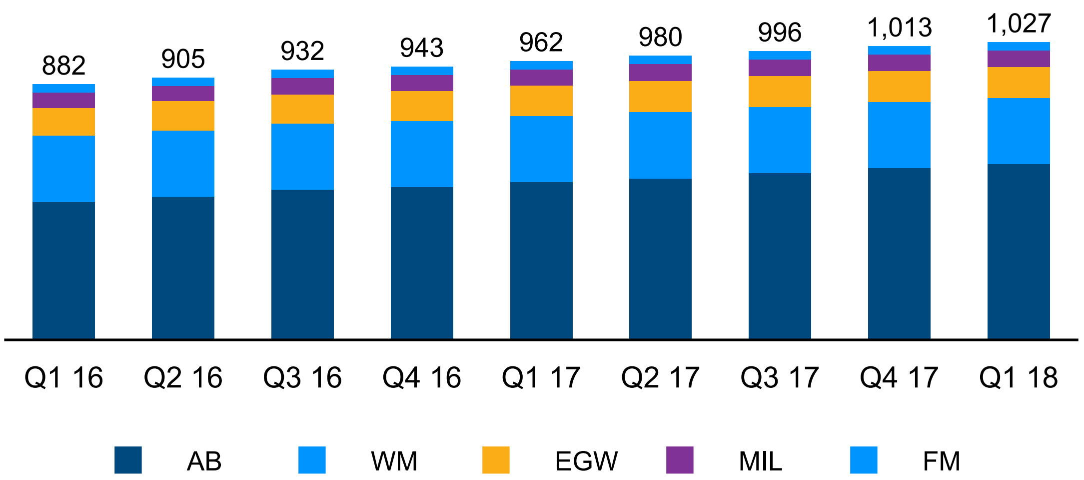
Improve Operating Productivity

Leverage Technology

First Quarter Financial Update

Revenue Drivers

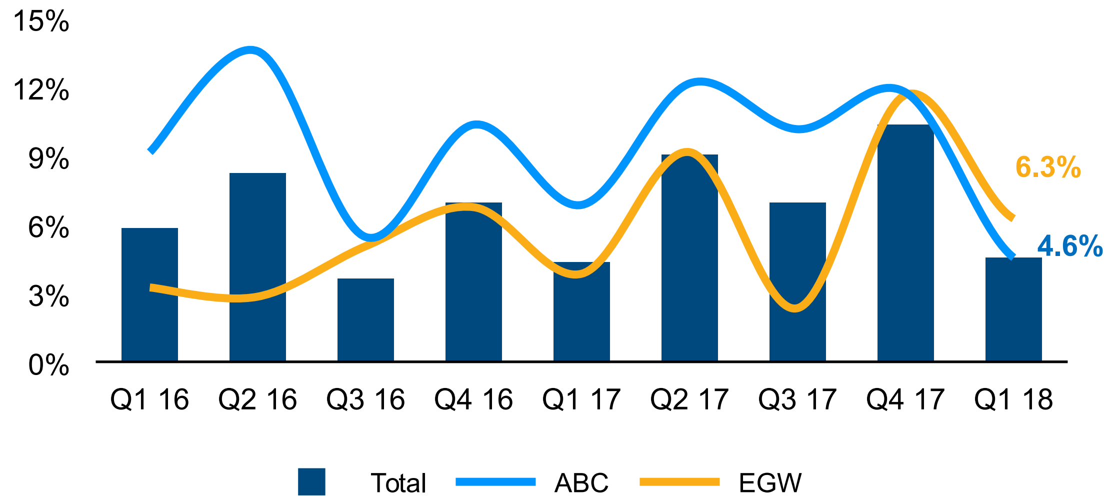
Total Store Count Growth



Commentary

- 14 net new stores in the quarter (15 new stores and 1 closed store)
- 65 net new stores in the last 12 months (70 new stores and 5 closed stores)
- Focused store growth on America's Best (15 new stores in the quarter and 64 in the last 12 months) and Eyeglass World (5 in the last 12 months)

Adjusted Comparable Store Sales Growth[1]



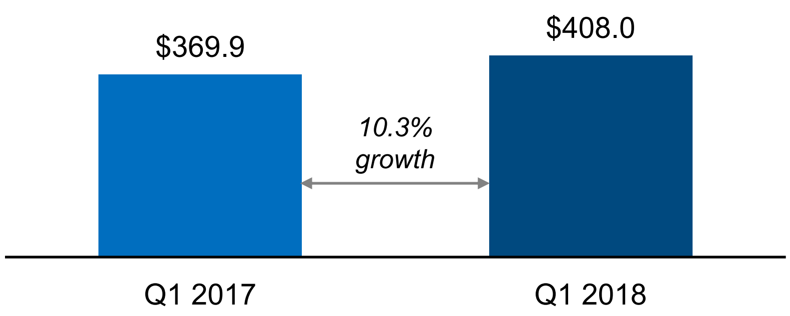
Commentary

- Eyeglass World and America's Best drove favorable comp results for the quarter
- Increases in both customer transactions and average ticket drove our adjusted comparable store sales growth

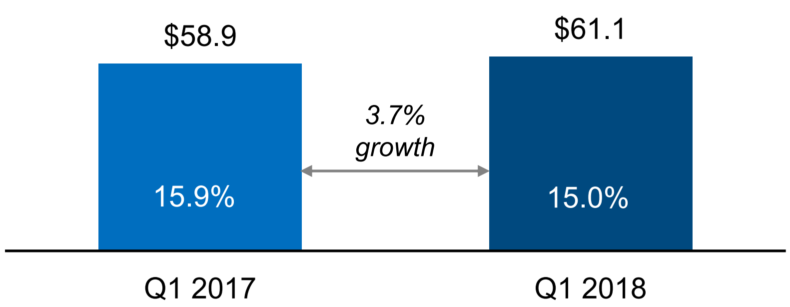
1-For reconciliation of total comparable store sales growth to adjusted comparable store sales growth, see Appendix

Q1 2018 Results

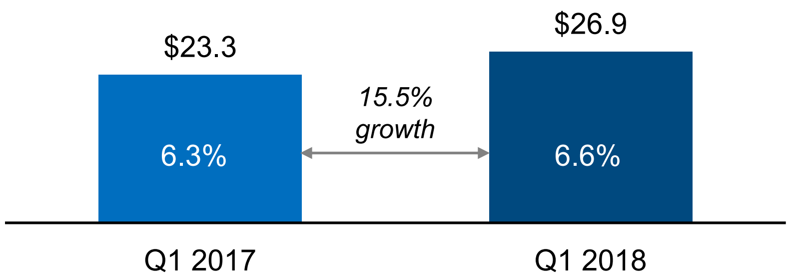
Net Revenue (in $MM)



Adjusted EBITDA[1] (in $MM)



Adjusted Net Income[1] (in $MM)



Commentary

- Net revenue of $408.0M grew 10.3% year-over-year; adjusted comparable store sales grew 4.6%
    - FirstSight -50 bps impact on revenue growth
- Adjusted EBITDA[1] of $61.1M grew $2.2M year-over-year and, as a percentage of net revenue, declined 90 bps year-over-year to 15.0%
    - Net revenue and Adjusted EBITDA[1] results above do not include the Q1 2018 $4.3M net increase in deferred revenue
    - Versus Q1 2017, Q1 2018 Adjusted EBITDA was negatively impacted ~$3M, or 500 bps in year-over-year growth, by the net change in margin on unearned revenue, public company costs and performance-based incentive compensation
- Costs applicable to revenue as a percentage of net revenue decreased from 44.8% in Q1 2017 to 44.2% in Q1 2018
- SG&A as a percentage of net revenue grew from 40.5% in Q1 2017 to 41.7% in Q1 2018
- Adjusted Net Income[1] was $26.9M compared to $23.3M in the prior year
- Diluted EPS was $0.32 and Adjusted Diluted EPS[1] was $0.35

1-For reconciliation of Net Income to Adjusted EBITDA, Net Income to Adjusted Net Income and Diluted EPS to Adjusted Diluted EPS, see Appendix

Capital Structure and Cash Flow

Q1 2018 Capital Structure

(in $MM)	Debt Amount	Less: Deferred Financing Costs	Amounts per Balance Sheet	% of Total	Coupon	Maturity
Revolving Loan Facility[1]	$ —	$ (0.6)	$ (0.6)	— %	L + 250	10/15/2022
Consolidated First Lien Secured Debt	567.2	(6.9)	560.3	98 %	L + 275	11/20/2024
Other debt[2]	9.6	—	9.6	2 %		
Total debt	**$ 576.8**	**$ (7.5)**	**$ 569.3**	**100 %**		
Cash and cash equivalents			58.4			
Net debt			**$ 510.9**			

Commentary

- No borrowings outstanding under our Revolving Loan Facility ($5.5M in outstanding letters of credit)

Cash Flow

	Year-to-Date Ended		
(in $MM)	**March 31, 2018**	**April 1, 2017**	**Var**
Net cash provided by operating activities	$ 77.8	$ 46.5	$ 31.3
Net cash used for investing activities	(22.7)	(20.7)	(2.0)
Net cash used for financing activities	(0.3)	(0.4)	0.1
Net change in cash, cash equivalents and restricted cash	$ 54.8	$ 25.4	$ 29.4

Commentary

- $31.3M increase in net cash provided by operating activities driven primarily by changes in timing of payments to accounts payable vendors

1-$100M facility; $94.5M available
2-Includes capitalized lease debt and original issue discount

Reaffirming our Fiscal 2018 Outlook

	Fiscal 2018 Outlook
New Stores	~75 New Stores
Adjusted Comparable Store Sales Growth	3 - 5%
Net Revenue	$1.485 - $1.515 billion
Adjusted EBITDA	$172 - $177 million
Adjusted Net Income	$52 - $56 million
Depreciation and Amortization	$72 - $73 million
Interest	$37 - $38 million
Tax Rate[1]	~26.0%
Capital Expenditures	$100 - $105 million

[1] Excluding the impact of stock option exercises

The fiscal 2018 outlook information provided above includes Adjusted EBITDA and Adjusted Net Income guidance, which are non-GAAP financial measures management uses in measuring performance. The Company is not able to reconcile these forward-looking non-GAAP measures to GAAP without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact of certain items and unanticipated events, including taxes and non-recurring items, which would be included in GAAP results. The impact of such items and unanticipated events could be potentially significant.

The fiscal 2018 outlook is forward-looking, subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and based upon assumptions with respect to future decisions, which are subject to change. Actual results may vary and those variations may be material. As such, the Company's results may not fall within the ranges contained in its fiscal 2018 outlook. The Company uses these forward looking metrics internally to assess and benchmark its results and strategic plans.

Vision Center

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The New York Times

Sunday, May 6, 2018 Front Cover

Q&A

Appendix

Q1 2018 Consolidated Financial Results (Unaudited)

In thousands		Three Months Ended March 31, 2018		Three Months Ended April 1, 2017
Revenue:				
Net product sales	$	338,777	$	306,584
Net sales of services and plans		69,198		63,275
Total net revenue		407,975		369,859
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products		130,878		121,033
Services and plans		49,576		44,775
Total costs applicable to revenue		180,454		165,808
Operating expenses:				
Selling, general and administrative expenses		170,102		149,804
Depreciation and amortization		17,654		14,423
Other expense, net		122		102
Total operating expenses		187,878		164,329
Income from operations		39,643		39,722
Interest expense, net		9,313		11,492
Debt issuance costs		—		2,702
Earnings before income taxes		30,330		25,528
Income tax provision		5,283		8,458
Net income	$	25,047	$	17,070

Reconciliation of Adjusted Comparable Store Sales Growth

	Comparable store sales growth[a]		
	Three Months Ended March 31, 2018	Three Months Ended April 1, 2017	2018 Outlook
Owned & host segment			
America's Best	4.6%	6.9%	
Eyeglass World	6.3%	3.9%	
Military	2.8%	(8.3)%	
Fred Meyer	6.0%	(4.5)%	
Legacy segment	3.3%	(2.8)%	
Total comparable store sales growth	4.6%	5.7%	3.5 - 5.5%
Adjusted comparable store sales growth[b]	4.6%	4.4%	3 - 5%

(a) We calculate total comparable store sales based on consolidated net revenue excluding the impact of (i) Corporate/Other segment net revenue, (ii) sales from stores opened less than 12 months, (iii) stores closed in the periods presented, (iv) sales from partial months of operation when stores do not open or close on the first day of the month, and (v) if applicable, the impact of a 53rd week in a fiscal year. Brand-level comparable store sales growth is calculated based on cash basis revenues consistent with what the Chief Operating Decision Maker reviews, and consistent with reportable segment revenues presented in Note 8. "Segment Reporting" in our condensed consolidated financial statements, with the exception of the legacy segment, which is adjusted as noted in clause (ii) of footnote (b) below.

(b) There are two differences between total comparable store sales growth based on consolidated net revenue and adjusted comparable store sales growth: (i) adjusted comparable store sales growth includes the effect of deferred and unearned revenue as if such revenues were earned at the point of sale, resulting in a decrease of 0.1% and 0.8% from total comparable store sales growth based on consolidated net revenue for the three months ended March 31, 2018 and April 1, 2017, respectively, (ii) adjusted comparable store sales growth includes retail sales to the legacy partner's customers (rather than the revenues recognized consistent with the management and services agreement), resulting in an increase of 0.1% and a decrease of 0.5% from total comparable store sales growth based on consolidated net revenue for the three months ended March 31, 2018 and April 1, 2017, respectively, and (iii) with respect to the Company's 2018 Outlook, adjusted comparable store sales growth includes an estimated 0.5% impact for the effect of deferred and unearned income as if such revenues were earned at the point of sale and retail sales to the legacy partner's customers (rather than the revenues recognized consistent with the management and services agreement).

Reconciliation of Adjusted EBITDA

In thousands	Three Months Ended March 31, 2018			Three Months Ended April 1, 2017		
Net income	$	25,047	6.1%	$	17,070	4.6%
Interest expense		9,313	2.3%		11,492	3.1%
Income tax provision		5,283	1.3%		8,458	2.3%
Depreciation and amortization		17,654	4.3%		14,423	3.9%
EBITDA		57,297	14.0%		51,443	13.9%
Stock compensation expense [a]		1,596	0.4%		1,104	0.3%
Debt issuance costs [b]		—	—%		2,702	0.7%
Non-cash inventory write-offs [c]		—	—%		2,015	0.5%
New store pre-opening expenses [d]		474	0.1%		618	0.2%
Non-cash rent [e]		300	0.1%		358	0.1%
Secondary offering expenses [f]		1,191	0.3%		—	—%
Other [g]		231	0.1%		666	0.2%
Adjusted EBITDA / Adjusted EBITDA margin	$	61,089	15.0%	$	58,906	15.9%

See footnotes

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

Reconciliation of Adjusted Net Income

In thousands	Three Months Ended March 31, 2018	Three Months Ended April 1, 2017
Net income	$ 25,047	$ 17,070
Stock compensation expense [(a)]	1,596	1,104
Debt issuance costs [(b)]	—	2,702
Non-cash inventory write-offs [(c)]	—	2,015
New store pre-opening expenses [(d)]	474	618
Non-cash rent [(e)]	300	358
Secondary offering expenses [(f)]	1,191	—
Other [(g)]	231	666
Amortization of acquisition intangibles and deferred financing costs [(h)]	2,281	2,859
Tax benefit of stock option exercises [(i)]	(2,695)	—
Tax effect of total adjustments [(j)]	(1,555)	(4,129)
Adjusted Net Income	$ 26,870	$ 23,263

See footnotes

Reconciliation of Adjusted Diluted EPS

Shares in thousands	Three Months Ended March 31, 2018	Three Months Ended April 1, 2017
Diluted EPS	$ 0.32	$ 0.29
Stock compensation expense [a]	0.02	0.02
Debt issuance costs [b]	—	0.05
Non-cash inventory write-offs [c]	—	0.03
New store pre-opening expenses [d]	0.01	0.01
Non-cash rent [e]	—	0.01
Secondary offering expenses [f]	0.02	—
Other [g]	—	0.01
Amortization of acquisition intangibles and deferred financing costs [h]	0.03	0.05
Tax benefit of stock option exercises [i]	(0.03)	—
Tax effect of total adjustments [j]	(0.02)	(0.07)
Adjusted Diluted EPS	$ 0.35	$ 0.40
Weighted average diluted shares outstanding	77,837	57,934

See footnotes

Reconciliation of Adjusted EBITDA and Adjusted Net Income Footnotes

(a) Non-cash charges related to stock-based compensation programs, which vary from period to period depending on the timing of awards.
(b) Fees associated with the borrowing of $175.0 million in additional principal under our first lien credit agreement during the first fiscal quarter of 2017.
(c) Reflects write-offs of inventory relating to the expiration of a specific type of contact lenses that could not be sold and required disposal.
(d) Pre-opening expenses, which include marketing and advertising, labor and occupancy expenses incurred prior to opening a new store, are generally higher than comparable expenses incurred once such store is open and generating revenue. We believe that such higher pre-opening expenses are specific in nature and amount to opening a new store and as such, are not indicative of ongoing core operating performance. We adjust for these costs to facilitate comparisons of store operating performance from period to period. Pre-opening costs are permitted exclusions in our calculation of Adjusted EBITDA pursuant to the terms of our existing credit agreements.
(e) Consists of the non-cash portion of rent expense, which reflects the extent to which our straight-line rent expense recognized under GAAP exceeds or is less than our cash rent payments. The adjustment can vary depending on the average age of our lease portfolio, which has been impacted by our significant growth in recent years. For newer leases, our rent expense recognized typically exceeds our cash rent payments, while for more mature leases, rent expense recognized under GAAP is typically less than our cash rent payments.
(f) Expenses related to our secondary public offering for the three months ended March 31, 2018.
(g) Other adjustments include amounts that management believes are not representative of our operating performance, including our share of losses on equity method investments of $0.2 million and $0.1 million for the three months ended March 31, 2018 and April 1, 2017, respectively; management fees of $0.3 million paid to Kohlberg Kravis Roberts & Co. L.P. (“KKR”) and Berkshire Partners LLC (“Berkshire”) in accordance with our monitoring agreement for the three months ended April 1, 2017 that was terminated automatically in accordance with its terms upon the consummation of the initial public offering (the “IPO”) in October 2017; the amortization impact of adjustments related to the acquisition of the Company by affiliates of KKR in March 2014 (“the KKR Acquisition”)(e.g., fair value of leasehold interests) of $17 thousand and $(0.1) million for the three months ended March 31, 2018 and April 1, 2017, respectively, related to prior acquisitions; expenses related to preparation for being an SEC registrant that were not directly attributable to the IPO and therefore not charged to equity of $0.5 million for the three months ended April 1, 2017; differences between the timing of expense versus cash payments related to contributions to charitable organizations of $(0.3) million during each of the three months ended March 31, 2018 and April 1, 2017; costs of severance and relocation of $0.2 million and $16 thousand for the three months ended March 31, 2018 and April 1, 2017, respectively; and other expenses and adjustments totaling $0.1 million and $0.1 million for the three months ended March 31, 2018 and April 1, 2017, respectively.
(h) Amortization of acquisition intangibles related to the additional expense incurred due to the increase in the carrying values of amortizing intangible assets as a result of the KKR Acquisition of $1.9 million for each of the three months ended March 31, 2018 and April 1, 2017. Amortization of deferred financing costs is primarily associated with the March 2014 term loan borrowings in connection with the KKR Acquisition and, to a lesser extent, amortization of deferred loan discount costs associated with the May 2015 and February 2017 incremental first lien term loans and the November 2017 first lien term loan refinancing, aggregating to $0.4 million and $1.0 million for the three months ended March 31, 2018 and April 1, 2017, respectively.
(i) Tax benefit associated with accounting guidance adopted at the beginning of fiscal year 2017 (Accounting Standards Update 2016-09, *Compensation - Stock Compensation*), requiring excess tax benefits to be recorded in earnings as discrete items in the reporting period in which they occur.
(j) Represents the tax effect of the total adjustments at our estimated annual normalized effective tax rate.

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