# Investor Presentation

March 2022

# Disclaimer

**Forward-Looking Statements**

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements contained under “Fiscal 2022 Outlook” as well as other statements related to our current beliefs and expectations regarding the performance of our industry, the Company’s strategic direction, market position, prospects and future results. You can identify these forward-looking statements by the use of words such as “outlook,” “guidance,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “projects,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Caution should be taken not to place undue reliance on any forward-looking statement as such statements speak only as of the date when made. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Forward-looking statements are not guarantees and are subject to various risks and uncertainties, which may cause actual results to differ materially from those implied in forward-looking statements. Such factors include, but are not limited to, the COVID-19 pandemic and its resurgence and variants, and the impact of evolving federal, state, and local governmental actions in response thereto, including risks stemming from vaccination and testing programs and mandates; customer behavior in response to the continuing pandemic and its more recent outbreaks of variants, including the impact of such behavior on in-store traffic and sales; overall decline in the health of the economy and other factors impacting consumer spending, including inflation; our ability to keep our reopened stores open in a safe and cost-effective manner, or at all, in light of the continuing COVID-19 pandemic and its resurgence and variants; our ability to recruit and retain vision care professionals for our stores in general and in light of the pandemic; our ability to develop, maintain and extend relationships with managed vision care companies, vision insurance providers and other third-party payors; our ability to maintain the performance of our Host and Legacy brands and our current operating relationships with our Host and Legacy partners; our ability to adhere to extensive state, local and federal vision care and healthcare laws and regulations; our compliance with managed vision care laws and regulations; our ability to maintain sufficient levels of cash flow from our operations to execute or sustain our growth strategy or obtain additional financing at satisfactory terms or at all; the loss of, or disruption in the operations of, one or more of our distribution centers and/or optical laboratories, resulting in the inability to fulfill customer orders and deliver our products in a timely manner; risks associated with vendors from whom our products are sourced, including our dependence on a limited number of suppliers; our ability to compete successfully; our ability to effectively operate our information technology systems and prevent interruption or security breach; the impact of wage rate increases, inflation, cost increases and increases in raw material prices and energy prices; our growth strategy straining our existing resources and causing the performance of our existing stores to suffer; our ability to successfully and efficiently implement our marketing, advertising and promotional efforts; risks associated with leasing substantial amounts of space, including future increases in occupancy costs; the impact of certain technological advances, and the greater availability of, or increased consumer preferences for, vision correction alternatives to prescription eyeglasses or contact lenses, and future drug development for the correction of vision-related problems; our ability to retain our existing senior management team and attract qualified new personnel; our ability to manage our inventory; seasonal fluctuations in our operating results and inventory levels; our reliance on third-party coverage and reimbursement, including government programs, for an increasing portion of our revenues; risks associated with our e-commerce and omni-channel business; product liability, product recall or personal injury issues; our failure to comply with, or changes in, laws, regulations, enforcement activities and other requirements; the impact of any adverse litigation judgments or settlements resulting from legal proceedings relating to our business operations; risk of losses arising from our investments in technological innovators in the optical retail industry; our ability to adequately protect our intellectual property; risks associated with environmental, social and governance issues, including climate change; our significant amount of indebtedness and our ability to generate sufficient cash flow to satisfy our debt obligations; a change in interest rates as well as changes in benchmark rates and uncertainty related to the foregoing; restrictions in our credit agreement that limits our flexibility in operating our business; potential dilution to existing stockholders upon the conversion of our convertible notes; and risks related to owning our common stock, including our ability to comply with requirements to design and implement and maintain effective internal controls. Additional information about these and other factors that could cause National Vision’s results to differ materially from those described in the forward-looking statements can be found in filings by National Vision with the Securities and Exchange Commission (“SEC”), including our latest Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, which are accessible on the SEC’s website at *www.sec.gov*. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in our filings with the SEC.

**Non-GAAP Financial Measures**

Included in this presentation are certain non-GAAP financial measures designed to supplement, and not substitute, the financial information presented in accordance with generally accepted accounting principles in the United States of America (“GAAP”) because management believes such measures are useful to investors. Additional information about these measures and a reconciliation to the nearest GAAP financial measures is provided in the appendix to this presentation and detailed in National Vision’s press release for the fourth quarter of 2021, which is available at www.nationalvision.com/investors, together with this presentation.

# Our Mission

Helping people by making quality eye care and eyewear more affordable and accessible

# Investment Highlights

1. Compelling Industry with Favorable Growth Trends and Barriers to Entry
2. Differentiated and Disruptive Value Proposition Gaining Market Share
3. Multiple Growth Drivers and Significant Whitespace Opportunity
4. Attractive Store-Level Economics Coupled with Consistent Predictability
5. Deeply Experienced Management Team of Optical Experts with Proven Track Record of Success
6. Culture of Philanthropy that Influences Optometrists, Associates and Customers

# Company Overview

# Diverse Portfolio of Complementary Brands

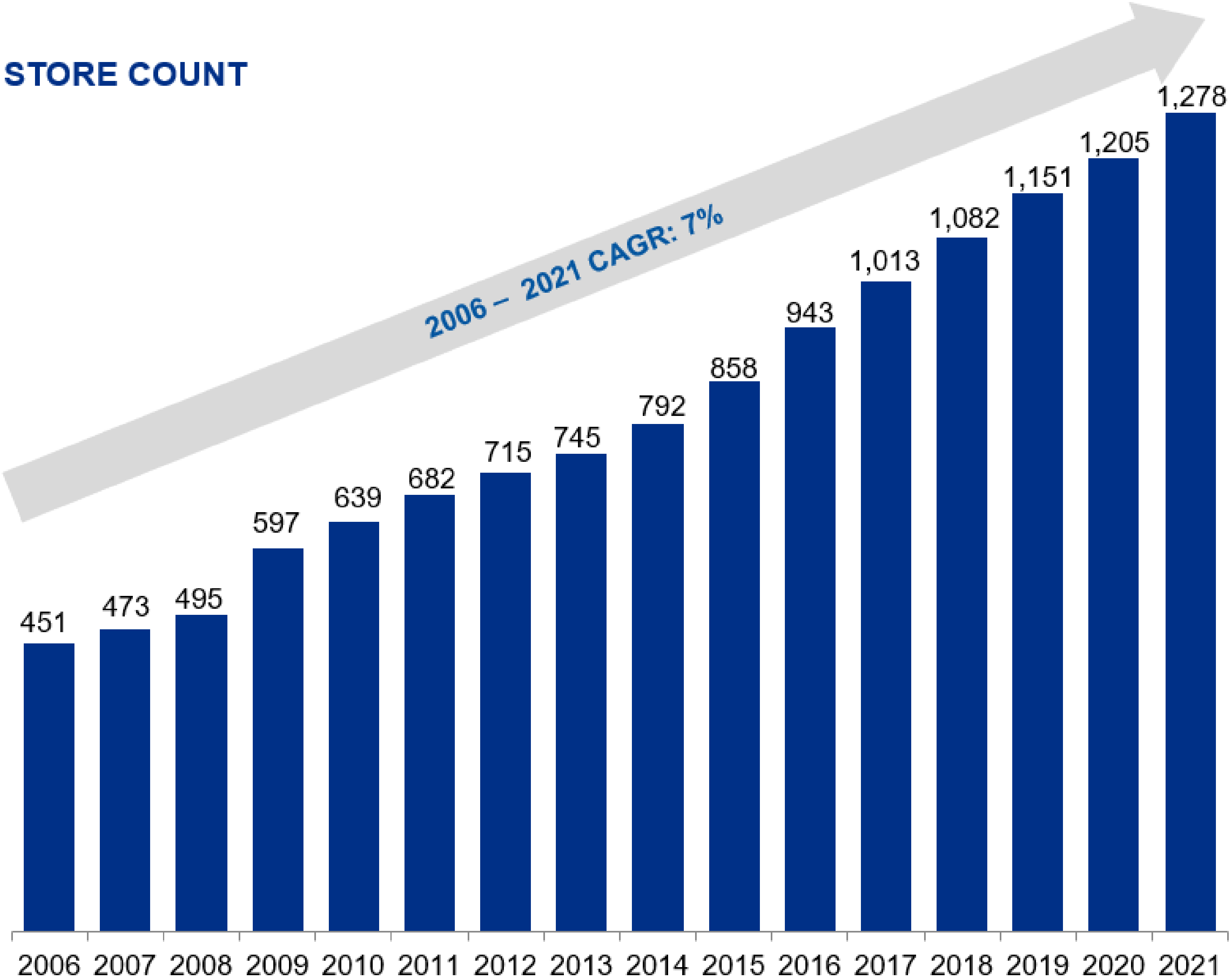
- NVI is the second largest U.S. optical retail company with a diverse portfolio of 1278 retail stores across five brands and **18** consumer websites
  - Offer eye exams, eyeglasses, and contact lenses to value seeking / lower income consumers
  - Ability to offer consumers a significant value proposition through bundled eyeglass, eye exam packages facilitated by employed optometrists
  - Low-cost provider of a **“medical necessity”**
- 2021 Net revenue of **$2.1BN** and Adjusted EBITDA[1] of **$294M**
- Stable “Legacy/Host” brands that generate significant cash to reinvest in growth

| | | | |
|---|---|---|---|
| **Growth** | America's Best Contacts & Eyeglasses | Eyeglass World | |
| **Legacy/ Host** | Vision Center Brought to you by Walmart | Vista Optical In Selected FredMeyer Stores | Vista Optical In Select Military Exchanges |
| **E-Comm** | BestPrice Contacts; DiscountContactLenses.com | Contacts by Arlington Lens Supply \| Walmart | DiscountGlasses.com |

Note: Store and website count as of January 1, 2022

1- Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measure of fiscal year end 2021 net income of $128.2 million

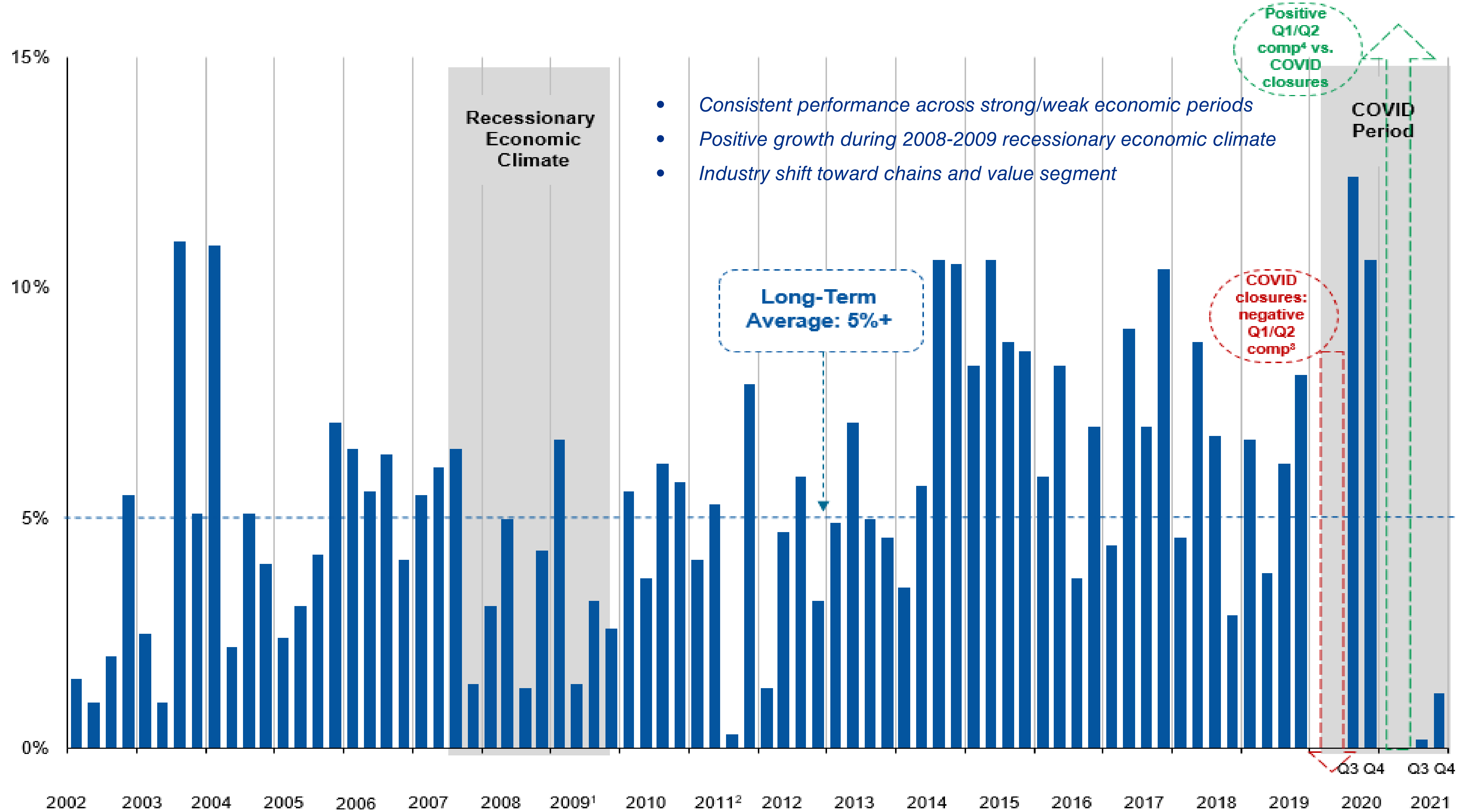
# We Have a Long History of Consistent Unit Expansion




- Opened over 800 **new stores** since 2006
- 5 year rolling average **new store success rate of +97%**[1]
- **Steadily grown net revenue from $245MM** in 2002 (when new management team formed) **to $2.1BN** in 2021

1- Defined as the percentage of stores opened in the last five years that are still open as of January 1, 2022

# Long History of Consistent Comparable Store Sales Growth ('02 - '21)




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

1-2009 comparable store sales exclude sales from the Eyeglass World stores for the first six month "transition" period following our acquisition of Eyeglass World
2-Comparable store sales growth in the third quarter of fiscal year 2011 was impacted by the near U.S. federal government debt default/shutdown and the subsequent adverse impact on the consumer environment
3-Adjusted Comparable Store Sales Growth for Q1 and Q2 2020 was (10.3%) and (36.5%), respectively, due to COVID-19 related store closures; see Appendix for reconciliation of specific Q1 and Q2 2020 non-GAAP financial measures to GAAP financial measures Q1 and Q2 2020 total comparable store sales growth of (2.9)% and (44.7)%, respectively
4-Adjusted Comparable Store Sales Growth for Q1 and Q2 2021 was 35.8% and 76.7%, respectively; see Appendix for reconciliation to GAAP financial measure Q1 and Q2 2021 total comparable store sales growth of 18.2% and 99.1%, respectively

# How We are Breaking the Mold in an Industry Ripe for Disruption

### WHY ARE EYE EXAMS AND EYE CARE SO EXPENSIVE?

**730-year old technology**

Dominican Cardinal
Hugh of Saint-Cher - 1306 AD, Pisa, Italy

- Protectionist laws / quirky legislation
- Economic inefficiency of "independents"
- Growth of "brands" and fashionability

### Social / Healthcare Implications

- Eyes are the window to hundreds of health concerns, including diabetes and hypertension
- Compounding impact of not catching vision issues early
- Road safety

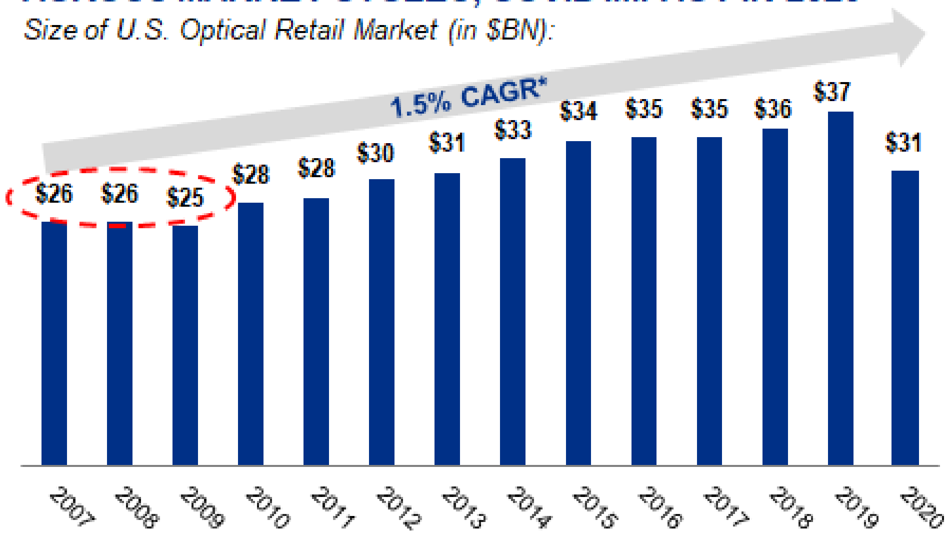
## HOW NATIONAL VISION IS BREAKING THE MOLD

- Employed optometrist model and value bundles (eyeglass / eye exam bundles)
- Low cost operating model and locations in strip centers (not high mall rents)
- Highly-efficient centralized laboratory network / custom manufacturing capabilities
- Economies of scale / negotiating leverage
- Private label frames and contact lenses
- "Sticky" customer base

# "A Rising Tide in a Rising Tide in a Rising Tide"

## HISTORICALLY RESILIENT AND GROWING INDUSTRY, ACROSS MARKET CYCLES; COVID IMPACT IN 2020

*Size of U.S. Optical Retail Market (in $BN):*




Source: Vision Monday

**3.2% CAGR from 2007 through 2019*

## TOP OPTICAL RETAILERS

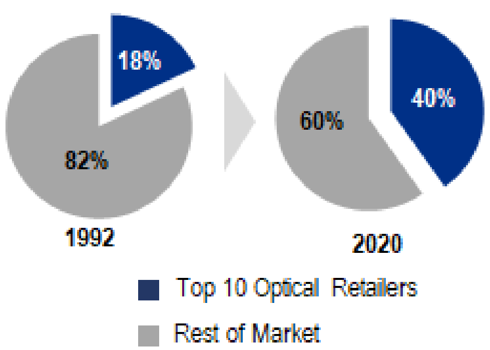
*(2020 sales dollars in $MM):*

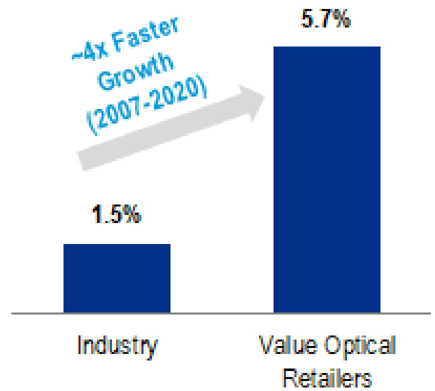
| | |
|---|---|
| 1. EssilorLuxottica [1] | $4,588 |
| **2. National Vision** | **$1,712** |
| 3. Walmart | $1,595 |
| 4. Costco Optical | $1,107 |
| 5. MyEyeDr./Capital Vision Services, LP | $975 |
| 8. Warby Parker | $515 |

(1) EssilorLuxottica represents a combination of the two entities and is comprised of LensCrafters, Pearle Vision, Target, Sears and Vision Source

Source: Vision Monday

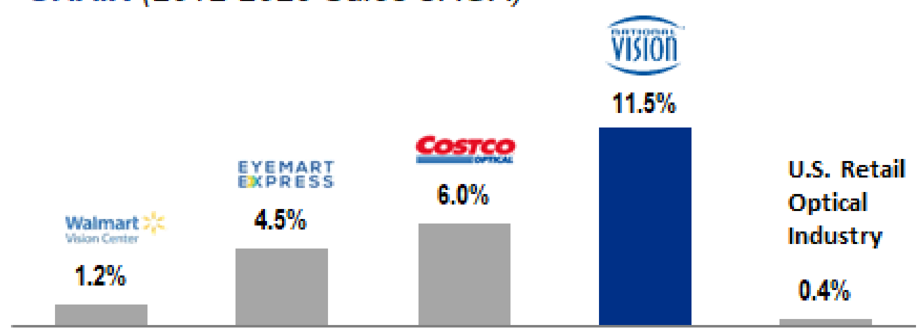
## LARGEST RETAILERS GAINING SHARE FROM INDEPENDENTS, VALUE SEGMENT GROWING FASTEST




Source: 20/20 Magazine (April 1993), Vision Monday

## NVI IS THE FASTEST GROWING U.S. VALUE OPTICAL CHAIN *(2012-2020 Sales CAGR)*




Source: Vision Monday, Management Team

# Our Two Differentiated Growth Brands Catering to the Value Segment

| | America's Best Contacts & Eyeglasses | Eyeglass World |
|---|---|---|
| **Value Proposition** | • Extreme value<br>• Free eye exams<br>• Private label<br><br> | • Value<br>• Broad selection / designer brands<br>• Convenience / same-day service |
| **The Model** | • Employed optometrists enable key signature bundled offerings (eye exam + glasses / contacts)<br>• High margin private label eyeglasses and contact lenses<br>• Latest eye exam technology | • Eyeglass superstore<br>• Broader assortment of designer frames<br>• Mostly independent optometrists |
| **Cost Structure** | • High-traffic strip centers<br>• Highly efficient centralized labs (no labs in stores) | • "At the corner of main-and-main" near major shopping hubs<br>• In-store labs that provide quick turnaround times |
| **'21 Net Revenue Contribution** | **68% of total** | **11% of total** |

# National Vision is Well-Positioned for Success in the Retail Environment of the Future

## "RETAIL 1.0"

**Retailing of Products**

**"Bar-code" Distributors**

**Disintermediated by Online / Disruptors**

**High Prices and Moderate Margins**
*Susceptible to disruption*

## "RETAIL 2.0"

**Retailing of Services**
*Eye exams; frame and lens selection and fitting; mass custom manufacturing*

**Experiential**
*In-store and online browsing and try-on*

**Proactively Integrating Online Disruption Into Our Model**
*Need for eye exams and precise measurements / near-perfect fit for proper function*

**Low Prices and Strong Margins**

**Greater Meaning**

***National Vision has established a scaled services platform not easily disintermediated by the internet***

# Experienced Team of Optical Experts

## BEST IN CLASS MANAGEMENT TEAM

- Deeply experienced management team of optical experts
- Cohesive team averaging 8 years[1] at National Vision
- Experienced management team averaging 21 years[1] of optical or retail experience
- Management team evolution progressing well
- Insights into customers and industry from prior experience
- Extensive optical network and reference points throughout the world

***Extensive Optical and Specialty Retail Experience***

LensCrafters VisionCare Specialists · Walmart · essilor · vision express · Pearle Vision · Optical · CVS Health

1- Includes years with predecessor entities prior to NVI's acquisition thereof.

# Growth Strategies

# We Have Multiple Drivers to Continue Our Growth


**Grow Store Base Across Our Owned Brands**

**Continue to Drive Comparable Store Sales Growth**

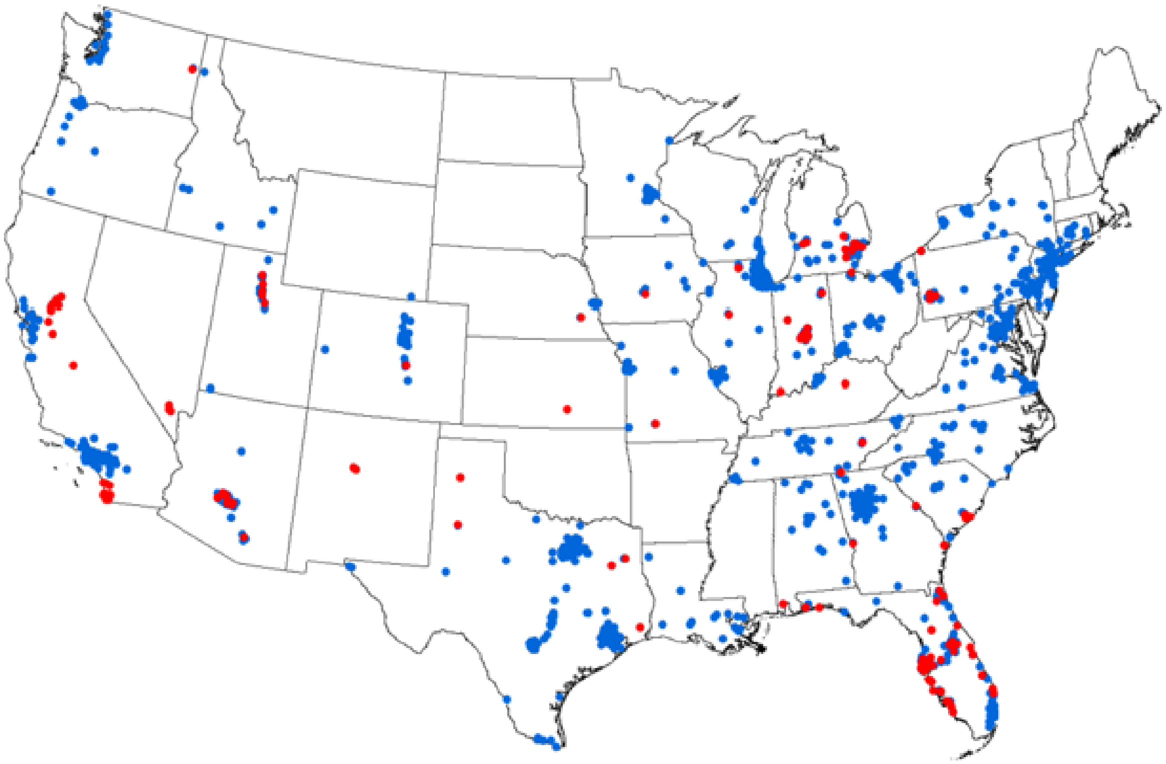
**Improve Operating Productivity**

**Leverage Technology**

# Significant Whitespace Opportunity for Continued Growth

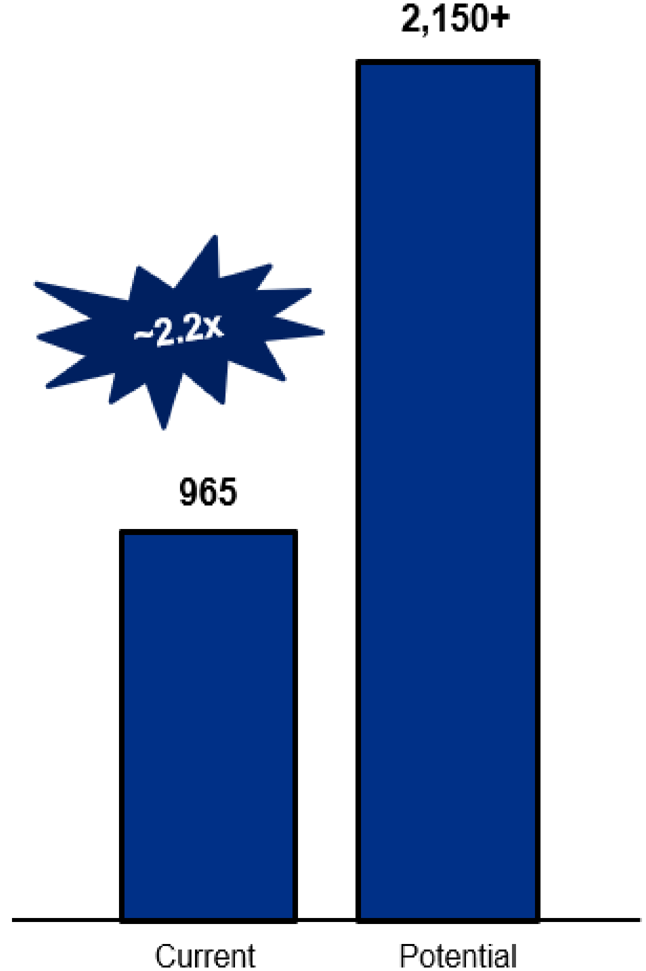
## CURRENT STORE FOOTPRINT OF AMERICA'S BEST AND EYEGLASS WORLD…

| Brand | # of Stores | # of States |
|---|---|---|
| America's Best | 840 | 32 |
| Eyeglass World | 125 | 23 |



Note: Store count as of January 1, 2022

## …SUPPORTED BY STRONG FUTURE STORE POTENTIAL

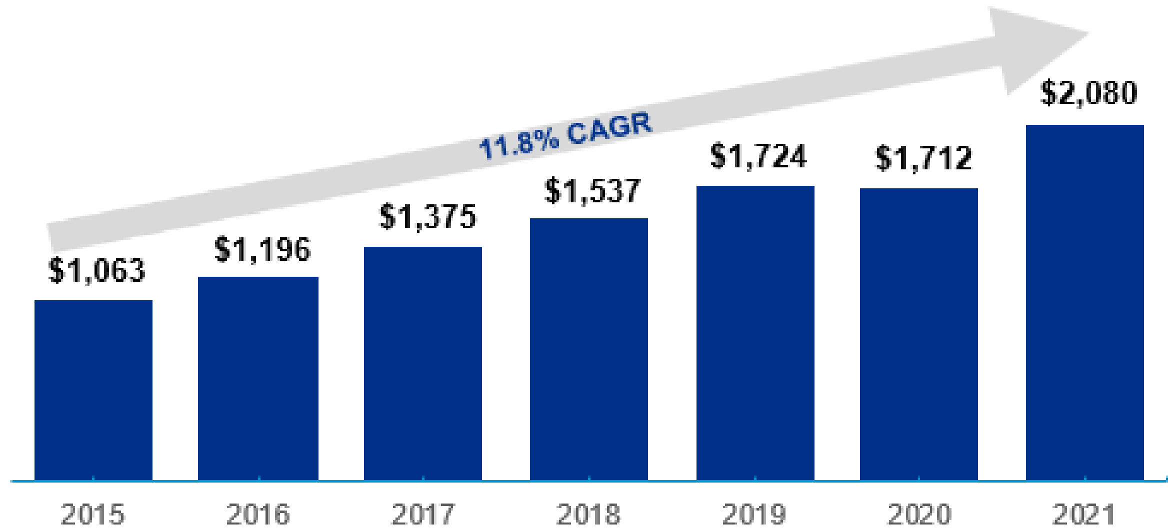



*Significant whitespace opportunity*

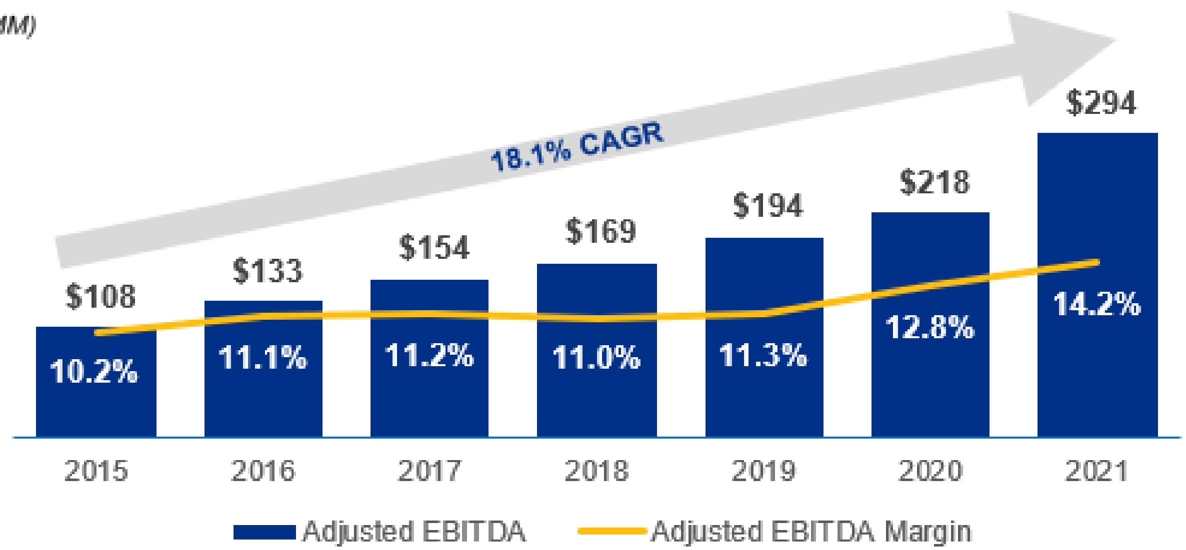
# Financial Review

# Proven Track Record to Deliver Consistent Financial Performance

**NET REVENUE**
*(Net Revenue in $MM)*




**ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN[1]**
*(Adjusted EBITDA in $MM)*




1-Non-GAAP financial measures; see Appendix for reconciliation to GAAP financial measures of net income for 2015-2021

# Q4 Highlights

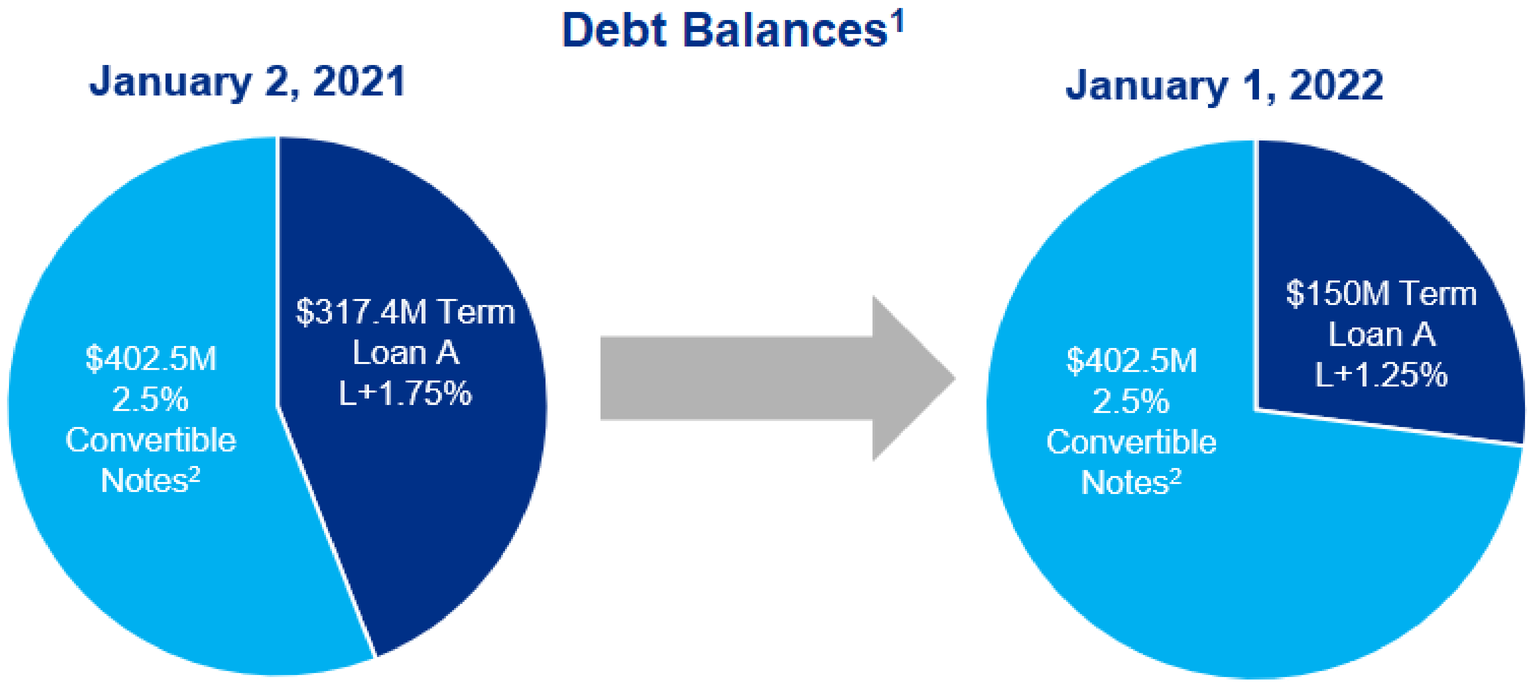
| | Amount | Change vs. Q4 2019 | Change vs Q4 2020 |
|---|---|---|---|
| **Net Revenue** | $477.9 million | + 18.9% | (3.8%)* |
| **Adjusted Comparable Store Sales Growth**[1] | N/A | + 11.5% | + 1.2% |
| **Adjusted Operating Income**[1] | $16.8 million | + 1.7% | (73.3%) |
| **Adjusted Diluted EPS**[1] | $0.13 | + 35.4% | (71.3%) |

*On a comparable 13-week basis, net revenue increased 2.9%

- Opened 16 new stores and ended the year with 1,278 stores
- Cash balance of $306 million
- Repurchased approximately $70 million in common stock
    - Expanded share repurchase program by $100 million (Feb 2022)
- $50 million term loan prepayment

1-Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures of total comparable store sales growth over 2019 and 2020 of 13.8% and 1.7%, respectively; net income of $6.2 million in 2021, $35.1 million in 2020 and $3.9 million in 2019; and diluted EPS of $0.07 in 2021, $0.42 in 2020 and $0.05 in 2019.

# $100 Million Commitment to Debt Reduction and Share Repurchase




## 2021 Developments

- June 2021 credit agreement amendment improved pricing and relaxed restrictions
- Voluntary prepayments of $167.4 million of term loan
- $100 million share repurchase authorization from Board, approximately $70 million of shares repurchased during the year
  - Board authorized $100 million of additional repurchases in Feb 2022, leaving $130 million available through 12/30/23
- Moody's review resulted in a ratings improvement to Ba2

1- Excluding debt discounts and deferred financing costs
2- Gross amount, net proceeds of $390.9 million

# Doing Our Part to Build a World Worth Seeing

Our Environmental, Social and Governance (ESG) journey is a natural extension of our mission. Beginning from our core values, we are mapping a strategy to do our best work for our people, our world, and our business.

## In 2021,

**National Vision made philanthropic investments towards**


**2020**
- Conducted ESG Materiality Assessment
- Developed "SEE + G" framework

**2021**
- Released first Corporate Responsibility Report
- Completed first Greenhouse Gas Inventory

**2022**
- ESG scores/ratings have improved, reflecting reduced perceived governance risk and increased transparency
  - ISS QualityScore
  - Refinitiv

# Appendix

# Q4 and FY 2021 Consolidated Financial Results

| *Dollars and shares in thousands, except Earnings per Share* | Three Months Ended January 1, 2022 (Unaudited) | Three Months Ended January 2, 2021 (Unaudited) | Three Months Ended December 28, 2019 (Unaudited) | Fiscal Year 2021 | Fiscal Year 2020 | Fiscal Year 2019 |
|---|---|---|---|---|---|---|
| **Revenue:** | | | | | | |
| Net product sales | $ 391,477 | $ 412,399 | $ 329,654 | $ 1,718,344 | $ 1,418,283 | $ 1,426,136 |
| Net sales of services and plans | 86,374 | 84,297 | 72,109 | 361,181 | 293,477 | 298,195 |
| Total net revenue | 477,851 | 496,696 | 401,763 | 2,079,525 | 1,711,760 | 1,724,331 |
| **Costs applicable to revenue (exclusive of depreciation and amortization):** | | | | | | |
| Products | 148,026 | 149,504 | 130,175 | 633,116 | 551,783 | 574,351 |
| Services and plans | 69,659 | 66,977 | 57,367 | 271,663 | 234,841 | 232,168 |
| Total costs applicable to revenue | 217,685 | 216,481 | 187,542 | 904,779 | 786,624 | 806,519 |
| **Operating expenses:** | | | | | | |
| Selling, general and administrative expenses | 224,756 | 199,750 | 178,044 | 900,798 | 724,985 | 744,488 |
| Depreciation and amortization | 24,450 | 22,614 | 23,674 | 97,089 | 91,585 | 87,244 |
| Asset impairment | 2,949 | 1,089 | 1,506 | 4,427 | 22,004 | 8,894 |
| Other expense (income), net | 62 | (133) | 2,636 | (2,505) | (445) | 3,611 |
| Total operating expenses | 252,217 | 223,320 | 205,860 | 999,809 | 838,129 | 844,237 |
| Income from operations | 7,949 | 56,895 | 8,361 | 174,937 | 87,007 | 73,575 |
| Interest expense, net | 3,351 | 12,759 | 7,397 | 25,612 | 48,327 | 33,300 |
| Loss on extinguishment of debt | — | — | — | — | — | 9,786 |
| Earnings before income taxes | 4,598 | 44,136 | 964 | 149,325 | 38,680 | 30,489 |
| Income tax provision (benefit) | (1,621) | 9,058 | (2,956) | 21,081 | 2,403 | (2,309) |
| Net income | $ 6,219 | $ 35,078 | $ 3,920 | $ 128,244 | $ 36,277 | $ 32,798 |
| Earnings per share - basic | $ 0.08 | $ 0.43 | $ 0.05 | $ 1.57 | $ 0.45 | $ 0.42 |
| Earnings per share - diluted | $ 0.07 | $ 0.42 | $ 0.05 | $ 1.43 | $ 0.44 | $ 0.40 |
| Weighted average shares outstanding - basic | 82,109 | 81,126 | 79,271 | 81,820 | 80,565 | 78,608 |
| Weighted average shares outstanding - diluted | 83,064 | 95,925 | 81,785 | 96,134 | 82,793 | 81,683 |

*Note: Fiscal years 2021 and 2019 include 52 weeks. Fiscal year 2020 includes 53 weeks.*
*Three months ended January 1, 2022 and December 28, 2019 include 13 weeks. Three months ended January 2, 2021 includes 14 weeks.*
*Diluted EPS for the fourth quarter of 2021 and 2020 and fiscal year 2021 is calculated using the if-converted method for the 2025 Notes. We added back $9.5 million and $5.3 million of interest expense (after tax) related to the 2025 Notes for fiscal year 2021 and the forth quarter 2020, respectively, and assumed conversion of the 2025 Notes at the beginning of each period respective period. The 2025 Notes were antidilutive for the forth quarter of 2021 and fiscal year 2020 and, therefore, excluded from the computation of the weighted average shares for diluted EPS. Fourth quarter and fiscal year 2019 diluted EPS was calculated using the treasury stock method.*

# Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

| *Dollars in thousands* | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|
| **Net revenue** | $ 1,062,528 | $ 1,196,195 | $ 1,375,308 | $ 1,536,854 | $ 1,724,331 | $ 1,711,760 | $ 2,079,525 |
| **Net income** | 2,871 | 13,343 | 43,138 | 23,653 | 32,798 | 36,277 | 128,244 |
| Interest expense | 39,292 | 39,092 | 60,063 | 37,483 | 33,300 | 48,327 | 25,612 |
| Income tax provision (benefit) | 1,300 | 11,634 | (38,910) | (18,785) | (2,309) | 2,403 | 21,081 |
| Depreciation and amortization | 44,349 | 52,677 | 61,974 | 74,339 | 87,244 | 91,585 | 97,089 |
| **EBITDA** | 87,812 | 116,746 | 126,265 | 116,690 | 151,033 | 178,592 | 272,026 |
| | | | | | | | |
| Stock compensation expense [a] | 6,635 | 4,293 | 5,152 | 20,939 | 12,670 | 10,740 | 14,886 |
| Loss on extinguishment of debt [b] | — | — | — | — | 9,786 | — | — |
| Asset impairment [c] | 7,716 | 7,132 | 4,117 | 17,630 | 8,894 | 22,004 | 4,427 |
| Litigation settlement [d] | — | — | 7,000 | — | — | 4,395 | 1,500 |
| Secondary offering expenses [e] | — | — | — | 2,451 | 401 | — | — |
| Management realignment expenses [f] | — | — | — | — | 2,155 | — | — |
| Long-term incentive plan [g] | — | — | — | 7,040 | 2,830 | — | — |
| Non-cash inventory write-offs [n] | — | — | 2,271 | — | — | — | — |
| Management fees [o] | 1,649 | 1,126 | 5,263 | — | — | — | — |
| Other [k] | 4,644 | 3,520 | 3,924 | 4,585 | 6,370 | 2,576 | 1,511 |
| **Adjusted EBITDA** | $ 108,456 | $ 132,817 | $ 153,992 | $ 169,335 | $ 194,139 | $ 218,307 | $ 294,350 |
| | | | | | | | |
| **Net income margin** | 0.3% | 1.1% | 3.1% | 1.5% | 1.9% | 2.1% | 6.2% |
| **Adjusted EBITDA Margin** | 10.2% | 11.1% | 11.2% | 11.0% | 11.3% | 12.8% | 14.2% |

Note: Fiscal year 2020 includes 53 weeks. Fiscal years 2015 - 2019 and 2021 include 52 weeks.
Percentages reflect line item as a percentage of net revenue, adjusted for rounding.

# Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

| *Dollars in thousands* | Three Months Ended January 1, 2022 | Three Months Ended January 2, 2021 | Three Months Ended December 28, 2019 | Fiscal Year 2021 | Fiscal Year 2020 | Fiscal Year 2019 |
|---|---|---|---|---|---|---|
| **Net income** | $ 6,219 | $ 35,078 | $ 3,920 | $ 128,244 | $ 36,277 | $ 32,798 |
| Interest expense | 3,351 | 12,759 | 7,397 | 25,612 | 48,327 | 33,300 |
| Income tax provision (benefit) | (1,621) | 9,058 | (2,956) | 21,081 | 2,403 | (2,309) |
| Depreciation and amortization | 24,450 | 22,614 | 23,674 | 97,089 | 91,585 | 87,244 |
| **EBITDA** | 32,399 | 79,509 | 32,035 | 272,026 | 178,592 | 151,033 |
| Stock compensation expense [a] | 1,020 | 2,405 | 1,830 | 14,886 | 10,740 | 12,670 |
| Loss on extinguishment of debt [b] | — | — | — | — | — | 9,786 |
| Asset impairment [c] | 2,949 | 1,088 | 1,506 | 4,427 | 22,004 | 8,894 |
| Litigation settlement [d] | 1,500 | — | — | 1,500 | 4,395 | — |
| Secondary offering expenses [e] | — | — | — | — | — | 401 |
| Management realignment expenses [f] | — | — | — | — | — | 2,155 |
| Long-term incentive plan [g] | — | — | 941 | — | — | 2,830 |
| Other [k] | 1,474 | 506 | 1,999 | 1,511 | 2,576 | 6,370 |
| **Adjusted EBITDA** | $ 39,342 | $ 83,508 | $ 38,311 | $ 294,350 | $ 218,307 | $ 194,139 |
| **Net income margin** | 1.3 % | 7.1 % | 1.0 % | 6.2 % | 2.1 % | 1.9 % |
| **Adjusted EBITDA Margin** | 8.2 % | 16.8 % | 9.5 % | 14.2 % | 12.8 % | 11.3 % |

*Note: Fiscal years 2021 and 2019 include 52 weeks. Fiscal year 2020 includes 53 weeks.*
*Three months ended January 1, 2022 and December 28, 2019 include 13 weeks. Three months ended January 2, 2021 includes 14 weeks.*
*Percentages reflect line item as a percentage of net revenue, adjusted for rounding.*

# Reconciliation of Adjusted Operating Income to Net Income (Unaudited)

| *Dollars in thousands* | Three Months Ended January 1, 2022 | Three Months Ended January 2, 2021 | Three Months Ended December 28, 2019 | Fiscal Year 2021 | Fiscal Year 2020 | Fiscal Year 2019 |
|---|---|---|---|---|---|---|
| **Net income** | $ 6,219 | $ 35,078 | $ 3,920 | $ 128,244 | $ 36,277 | $ 32,798 |
| Interest expense | 3,351 | 12,759 | 7,397 | 25,612 | 48,327 | 33,300 |
| Income tax provision (benefit) | (1,621) | 9,058 | (2,956) | 21,081 | 2,403 | (2,309) |
| Stock compensation expense (a) | 1,020 | 2,405 | 1,830 | 14,886 | 10,740 | 12,670 |
| Loss on extinguishment of debt (b) | — | — | — | — | — | 9,786 |
| Asset impairment (c) | 2,949 | 1,088 | 1,506 | 4,427 | 22,004 | 8,894 |
| Litigation settlement (d) | 1,500 | — | — | 1,500 | 4,395 | — |
| Secondary offering expenses (e) | — | — | — | — | — | 401 |
| Management realignment expenses (f) | — | — | — | — | — | 2,155 |
| Long-term incentive plan (g) | — | — | 941 | — | — | 2,830 |
| Amortization of acquisition intangibles (h) | 1,872 | 1,872 | 1,852 | 7,488 | 7,426 | 7,405 |
| Other (k) | 1,474 | 506 | 1,999 | 1,511 | 2,576 | 6,370 |
| **Adjusted Operating Income** | $ 16,764 | $ 62,766 | $ 16,489 | $ 204,749 | $ 134,148 | $ 114,300 |
| **Net income margin** | 1.3 % | 7.1 % | 1.0 % | 6.2 % | 2.1 % | 1.9 % |
| **Adjusted Operating Margin** | 3.5 % | 12.6 % | 4.1 % | 9.8 % | 7.8 % | 6.6 % |

*Note: Fiscal years 2021 and 2019 include 52 weeks. Fiscal year 2020 includes 53 weeks.*
*Three months ended January 1, 2022 and December 28, 2019 include 13 weeks. Three months ended January 2, 2021 includes 14 weeks.*
*Percentages reflect line item as a percentage of net revenue, adjusted for rounding.*

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

| *Shares in thousands* | Three Months Ended January 1, 2022 | Three Months Ended January 2, 2021 | Three Months Ended December 28, 2019 | Fiscal Year 2021 | Fiscal Year 2020 | Fiscal Year 2019 |
|---|---|---|---|---|---|---|
| **Diluted EPS** | $ 0.07 | $ 0.42 | $ 0.05 | $ 1.43 | $ 0.44 | $ 0.40 |
| Stock compensation expense [a] | 0.01 | 0.03 | 0.02 | 0.15 | 0.13 | 0.16 |
| Loss on extinguishment of debt [b] | — | — | — | — | — | 0.12 |
| Asset impairment [c] | 0.04 | 0.01 | 0.02 | 0.05 | 0.27 | 0.11 |
| Litigation settlement [d] | 0.02 | — | — | 0.02 | 0.05 | — |
| Secondary offering expenses [e] | — | — | — | — | — | — |
| Management realignment expenses [f] | — | — | — | — | — | 0.03 |
| Long-term incentive plan [g] | — | — | 0.01 | — | — | 0.03 |
| Amortization of acquisition intangibles [h] | 0.02 | 0.02 | 0.02 | 0.08 | 0.09 | 0.09 |
| Amortization of debt discounts and deferred financing costs [i] | 0.01 | — | — | 0.02 | 0.14 | 0.02 |
| Losses (gains) on change in fair value of derivatives [j] | (0.03) | (0.01) | — | (0.03) | 0.05 | — |
| Other [k] | 0.02 | 0.01 | 0.02 | (0.01) | 0.03 | 0.08 |
| Tax benefit of stock option exercises [l] | (0.01) | (0.02) | (0.03) | (0.15) | (0.10) | (0.12) |
| Tax effect of total adjustments [m] | (0.02) | (0.01) | (0.03) | (0.08) | (0.19) | (0.16) |
| **Adjusted Diluted EPS** | $ 0.13 | $ 0.45 | $ 0.09 | $ 1.48 | $ 0.91 | $ 0.75 |
| **Weighted average diluted shares outstanding** | 83,064 | 95,925 | 81,785 | 96,134 | 82,793 | 81,683 |

*Note: Fiscal years 2021 and 2019 include 52 weeks. Fiscal year 2020 includes 53 weeks.*
*Three months ended January 1, 2022 and December 28, 2019 include 13 weeks. Three months ended December 28, 2019 includes 13 weeks.*
*Some of the totals in the table above do not foot due to rounding differences.*

# Reconciliation of Non-GAAP to GAAP Financial Measures Footnotes

(a) Non-cash charges related to stock-based compensation programs, which vary from period to period depending on the timing of awards and performance vesting conditions.
(b) Reflects write-off of deferred financing fees related to the extinguishment of debt.
(c) Reflects write-off of primarily property, equipment and lease related assets on closed or underperforming stores.
(d) Expenses associated with settlement of certain litigation.
(e) Expenses related to our secondary public offerings.
(f) Expenses related to a non-recurring management realignment described on the Form 8-K filed with the SEC on January 10, 2019.
(g) Expenses pursuant to a long-term incentive plan for non-executive associates who were not participants in the management equity plan.
(h) Amortization of the increase in carrying values of finite-lived intangible assets resulting from the application of purchase accounting following the acquisition of the Company by affiliates of KKR & Co. Inc.
(i) Amortization of deferred financing costs and other non-cash charges related to our long-term debt, including amortization of the conversion feature related to the 2025 Notes. We adjust for amortization of deferred financing costs related to the 2025 Notes only when adjusting these costs is not required in the calculation of diluted earnings per share in accordance with the if-converted method under to U.S. GAAP.
(j) Reflects losses (gains) recognized in interest expense on change in fair value of de-designated hedges.
(k) Other adjustments include amounts that management believes are not representative of our operating performance (amounts in brackets represent reductions in Adjusted Operating Income, Adjusted Diluted EPS and Adjusted EBITDA) including our share of (gains) losses on equity method investments, and other expenses and adjustments which are primarily related to excess payroll taxes on stock option exercises, executive severance and relocation. For Adjusted Diluted EPS, adjustment also includes the impact of stranded tax effect associated with our interest rate swaps that matured in 2021.
(l) Tax benefit associated with accounting guidance requiring excess tax benefits related to stock option exercises to be recorded in earnings as discrete items in the reporting period in which they occur.
(m) Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates.
(n) Reflects write-offs of inventory relating to the expiration of a specific type of contact lenses that could not be sold and required disposal.
(o) Management fees paid to Sponsors in accordance with our monitoring agreement and terminated upon consummation of the IPO in October 2017.

# Reconciliation of Adjusted Comparable Stores Sales Growth (Unaudited)

| | Comparable store sales growth [a] | | | |
|---|---|---|---|---|
| | Fourth Quarter | | Year to Date | |
| | 2021 vs. 2019 | 2021 vs. 2020 | 2021 vs. 2019 | 2021 vs. 2020 |
| **Owned & Host segment** | | | | |
| America's Best | 12.6% | 1.1% | 16.0% | 23.5% |
| Eyeglass World | 21.0% | 2.3% | 21.8% | 25.2% |
| Military | (3.2)% | (3.8)% | (2.5)% | 15.8% |
| Fred Meyer | (17.2)% | (6.6)% | (11.5)% | 13.4% |
| **Legacy segment** | 1.0% | 2.1% | 4.4% | 19.3% |
| Total comparable store sales growth | 13.8% | 1.7% | 15.1% | 22.4% |
| Adjusted Comparable Store Sales Growth [b] | 11.5% | 1.2% | 14.7% | 23.0% |
| ***Additional comparable store sales growth information for 2020 and 2021 (compared to the prior year period)*** | **Three Months Ended April 3, 2021** | **Three Months Ended March 28, 2020** | **Three Months Ended July 3, 2021** | **Three Months Ended June 27, 2020** |
| Total comparable store sales growth | 18.2% | (2.9)% | 99.1% | (44.7)% |
| Adjusted Comparable Store Sales Growth [b] | 35.8% | (10.3)% | 76.7% | (36.5)% |

*Note: Fiscal years 2021 and 2019 include 52 weeks. Fiscal year 2020 includes 53 weeks.*
*Three months ended January 1, 2022 and December 28, 2019 include 13 weeks. Three months ended January 2, 2021 includes 14 weeks.*

(a) Total comparable store sales is calculated based on consolidated net revenue excluding the impact of (i) Corporate/Other segment net revenue, (ii) sales from stores opened less than 13 months, (iii) stores closed in the periods presented, (iv) sales from partial months of operation when stores do not open or close on the first day of the month, and (v) if applicable, the impact of a 53rd week in a fiscal year. Brand-level comparable store sales growth is calculated based on cash basis revenues consistent with what the CODM reviews, and consistent with reportable segment revenues presented in Note 14. "Segment Reporting" in our consolidated financial statements, with the exception of the Legacy segment, which is adjusted as noted in (b) (ii) 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 the following changes from total comparable store sales growth based on consolidated net revenue: a decrease of 1.9% for fourth quarter 2021 vs. 2019, a decrease of 0.6% for fourth quarter 2021 vs. 2020, a decrease of 0.3% for fiscal 2021 vs. 2019, and an increase of 0.7% for fiscal 2021 vs. 2020; an increase of 17.3% and a decrease of 7.5% for the three months ended April 3, 2021 and March 28, 2020, respectively; and a decrease of 21.6% and an increase of 8.1% for the three months ended July 3, 2021 and June 27, 2020, respectively; and (ii) Adjusted Comparable Store Sales Growth includes retail sales to the Legacy partner's customers (rather than the revenues recognized consistent with the management & services agreement with the Legacy partner), resulting in the following changes from total comparable store sales growth based on consolidated net revenue: a decrease of 0.4% for fourth quarter 2021 vs. 2019, an increase of 0.1% for fourth quarter 2021 vs. 2020, a decrease of 0.1% for fiscal 2021 vs. 2019, and a decrease of 0.1% for fiscal 2021 vs. 2020, an increase of 0.3% and an increase of 0.1% for the three months ended April 3, 2021 and March 28, 2020, respectively; and a decrease of 0.8% and increase of 0.1% for the three months ended July 3, 2021 and June 27, 2020, respectively; and (iii) with respect to the Company's 2022 Outlook, Adjusted Comparable Store Sales Growth includes an estimated 0.5% benefit 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 & services agreement).

# Adjusted Comparable Store Sales Primer

**What is Adjusted Comparable Store Sales Growth?**

- Calculated using net revenue **on a cash-basis**
- Excludes the impact of unearned and deferred revenue

**Why use Adjusted Comparable Store Sales Growth?**

- Provides a clear view of the Company's current operating performance
- Shifts in unearned revenue are difficult to predict and related to short-term customer behavior (see slide 31)
- Used by management to assess business performance and is the basis for store-level business performance
- Consistently applied methodology

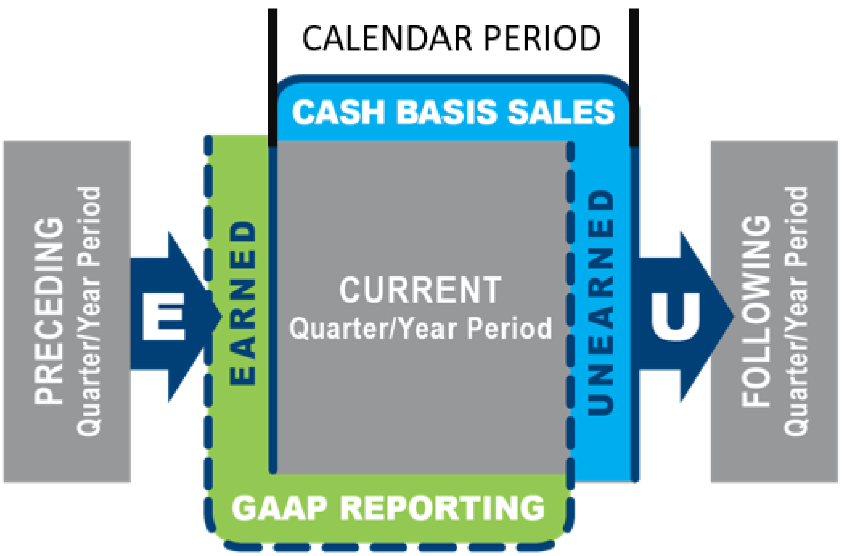
**Adjusted Comparable Store Sales Growth consistently lower than total comparable store sales growth**

- Company provides total comparable store sales growth measured on GAAP revenue
- Adjusted measure has been lower than or equal to GAAP measure in 13 of last 18 quarters due to unearned revenue
- Total comparable store sales growth based on GAAP revenue was not calculated prior to 2017 IPO

# Unearned Revenue Primer

## PURCHASE JOURNEY


## UNEARNED REVENUE ACCOUNTING




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

| | |
|---|---|
| **Q1** negative (E<U) | **Q2** positive (E>U) |
| **Q3** pos./neg. (E><U) | **Q4** negative (E<U) |

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

***"It's a short-term timing difference between quarters"***

Check out some of our latest commercials: National Vision Commercials