Q3 2023 Financial Results

November 9, 2023

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 2023 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 including remote medicine and optometrist recruiting and retention initiatives, and future results. You can identify these forward-looking statements by the use of words such as "outlook," "guidance," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or 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, market volatility and an overall decline in the health of the economy and other factors impacting consumer spending, including inflation and uncertainty in financial markets (including as a result of recent events affecting financial institutions); our ability to recruit and retain vision care professionals for our stores and remote medicine offerings in general and in light of the pandemic; our ability to compete successfully; our ability to successfully open new stores and enter new markets; our ability to expand our remote medicine offerings and electronic health records capabilities; 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 successfully navigate the termination of our Walmart partnership, including the transition period; 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 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; the COVID-19 pandemic and future resurgences, and related impacts including federal, state, and local governmental actions in response thereto; customer behavior in response to the pandemic, including the impact of such behavior on in-store traffic and sales; 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; risks associated with our e-commerce and omni-channel business; 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; risk of losses arising from our investments in technological innovators in the optical retail industry including artificial intelligence; risks associated with environmental, social and governance issues, including climate change; risks associated with vendors from whom our products are sourced, including our dependence on a limited number of suppliers; our ability to develop, maintain and extend relationships with managed vision care companies, vision insurance providers and other third-party payors; our ability to effectively operate our information technology systems and prevent interruption or security breach; our reliance on third-party coverage and reimbursement, including government programs, for an increasing portion of our revenues; 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 adhere to changing state, local and federal privacy, data security and data protection laws and regulations; 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; our ability to adequately protect our intellectual property; 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 the timing, manner and volume of repurchases of common stock pursuant to our share repurchase program), 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 regarding financial results for the third quarter of 2023, which is available at www.nationalvision.com/investors, together with this presentation.

Today's Presenters

Q3 2023
Highlights

Reade Fahs
Chief Executive Officer

Q3 2023 Financial Review
and 2023 Outlook

Melissa Rasmussen
Chief Financial Officer

Q3 2023 Highlights

	Amount	Change vs Q3 2022
Net Revenue	$532.4 million	6.6%
Adjusted Operating Income[1]	$15.7 million	(26.8)%
Adjusted Diluted EPS[1]	$0.15	—%

- Adjusted Comparable Store Sales Growth[1]: 4.3% vs. (8.1)% in Q3 2022
  - Driven by an increase in customer transactions and higher average ticket
- Results reflect ongoing strength in managed care business and supported by continued progress in expanding exam capacity, particularly within America's Best
- Opened 21 new stores and ended Q3 2023 with 1,402 stores; on track to open ~ 65 to 70 new stores in 2023
- Continued execution of strategic initiatives underscores our confidence in ability to adapt business to thrive in new and evolving environment
  - Key focus on expanding exam capacity through recruitment and retention efforts and deployment of remote medicine capabilities and electronic health record technology

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

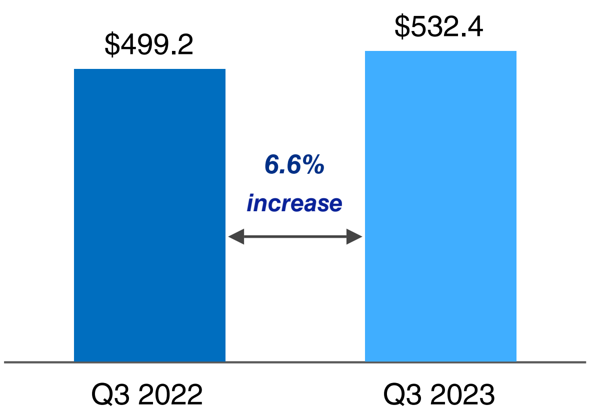
Advancing Strategic Initiatives

Significantly Expand Exam Capacity	• **Recruiting & Retention**: On track for continued improvement in retention and record recruiting year • **Remote**: Deployed Remote capabilities in more than half of America's Best locations as of September 30, 2023; remain on track to achieve target in 2023
Further Digitization to Improve Efficiency and Productivity	• **Stores**: On track with continued roll out of EHR and plans to have EHR installed in all America's Best locations by the end of 2024 • **Corporate Office**: Have begun the implementation of the first phase of the back-office ERP project focused on finance system upgrades
Leverage Omni-Channel Capabilities	• Continue to **test marketing programs** including those that attract consumers via a variety of **omni-channel offerings**
Capitalize on Whitespace Opportunity	• Opened 17 new America's Best and 4 new Eyeglass World stores in Q3 2023 • **On track to open 65 to 70 new stores in 2023**

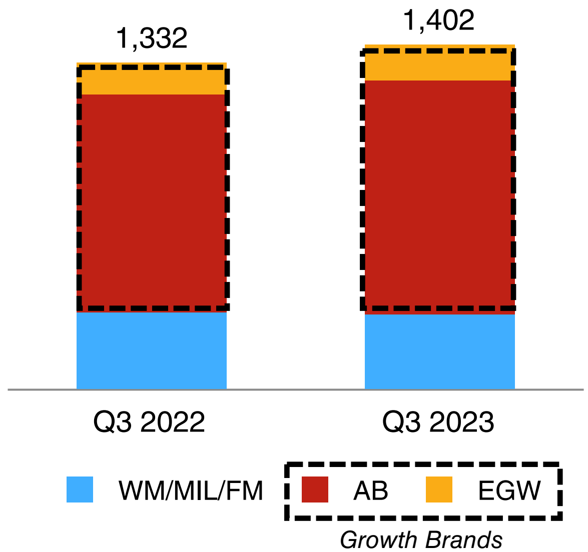
Q3 2023 Financial Update

Q3 2023 Revenue Drivers

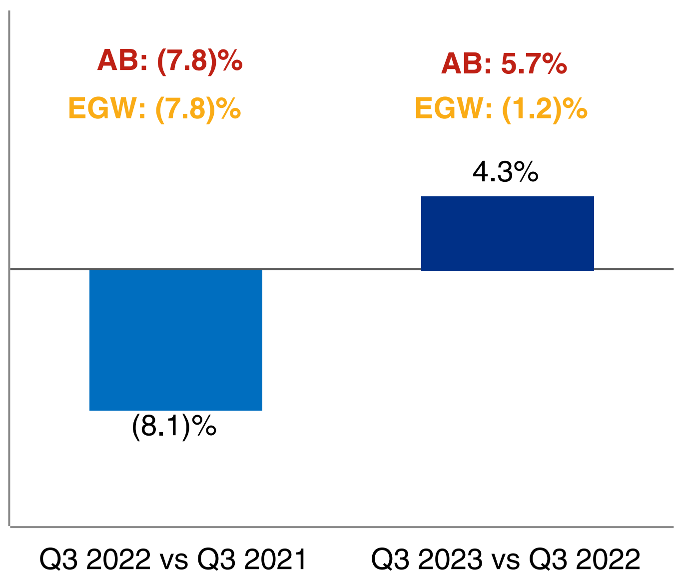
Net Revenue ($M)



Total Store Count



Adjusted Comparable Store Sales Growth[1]



❖ **Net revenue increased 6.6% vs. Q3 2022 primarily due to:**

- Increase in Adjusted Comparable Store Sales Growth[1] of 4.3% above Q3 2022 and growth from new store sales
- Negatively impacted by timing of unearned revenue by 0.3%

❖ **5.3% increase in store count vs. Q3 2022**

- Opened 17 AB and 4 EGW stores
- 7.0% increase in store count at growth brands over Q3 2022

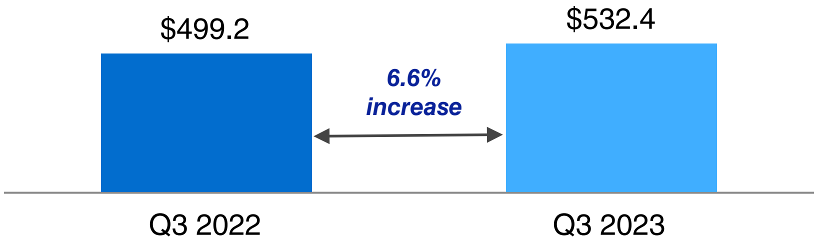
❖ **Adjusted Comparable Store Sales Growth[1] of 4.3% vs. Q3 2022**

- Comps driven by an increase in customer transactions and higher average ticket

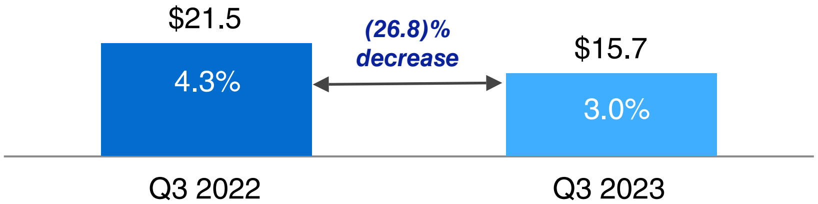
1-Non-GAAP financial measures; see Appendix for reconciliation to GAAP financial measures.

Q3 2023 Results

Net Revenue ($M)



Adjusted Operating Income[1] ($M)



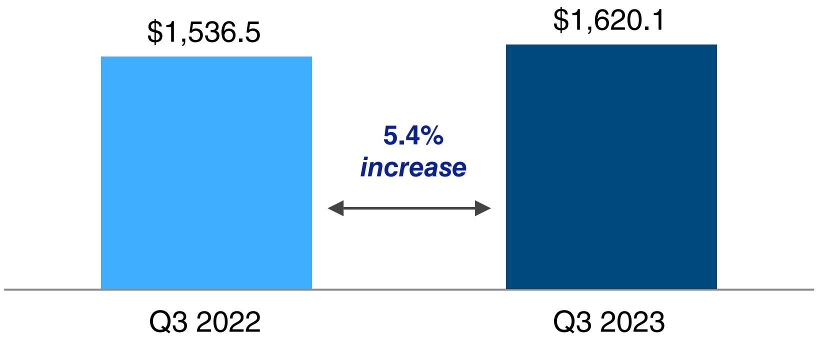
Adjusted Diluted EPS[1]

- **Net revenue increased 6.6% vs. Q3 2022 primarily due to:**
  - Increase in Adjusted Comparable Store Sales Growth[1] of 4.3% over prior year and growth from new store sales;
  - Net revenue negatively impacted by timing of unearned revenue by 0.3%.
- **Costs applicable to revenue as a percentage of net revenue increased 70 bps to 47.3% vs. Q3 2022 primarily due to:**
  - 150 basis point increase in optometrist-related costs, partially offset by a 100 basis point increase in exam revenue;
  - 50 basis point increase from the reduction in other components of service revenue, including decreased warranty plan revenue; and
  - 30 basis point decrease from product costs primarily driven by higher eyeglass margin and decreased freight expense.
- **Adjusted SG&A Percent of Net Revenue[1] increased 90 basis points to 45.4% vs. Q3 2022 primarily due to:**
  - 80 basis point increase in performance-based incentive compensation, a 40 basis point increase in payroll, partially offset by 20 basis points from advertising leverage.
- **Adjusted Operating Income[1] decreased 26.8% to $15.7 million vs. Q3 2022.**
  - Adjusted Operating Margin[1] decreased 130 basis points to 3.0% compared to Q3 2022 due to factors noted above.
- **Adjusted Diluted EPS[1] was $0.15 vs. $0.15 in Q3 2022**

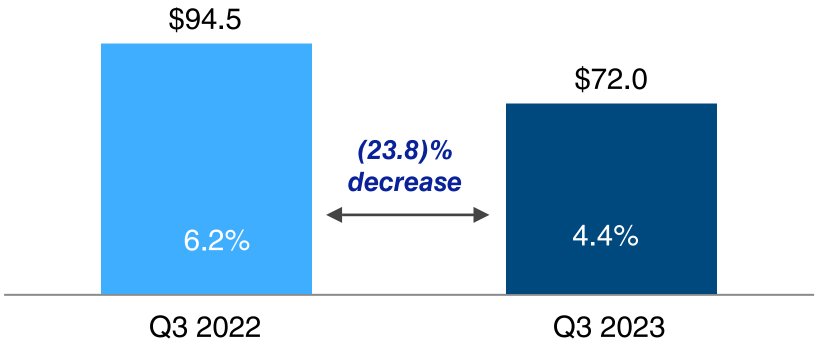
1-Non-GAAP financial measures; see Appendix for reconciliation to GAAP financial measures.

Q3 2023 Year-to-Date Results

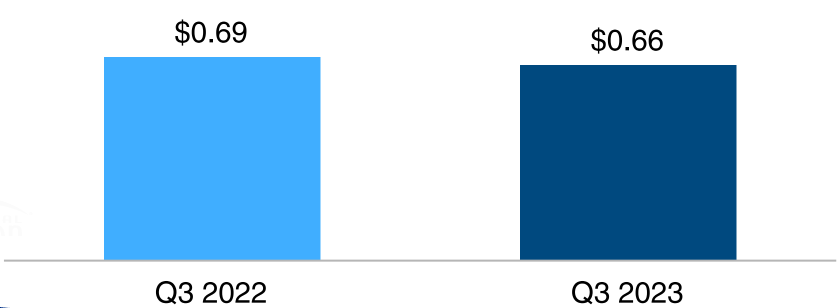
Net Revenue ($M)



Adjusted Operating Income[1] ($M)



Adjusted Diluted EPS[1]



- **Net revenue increased 5.4% vs. Q3 2022 primarily due to:**
  - Growth from new store sales, Adjusted Comparable Store Sales Growth[1] of 2.0% above prior year, and higher revenue from AC Lens business. Net revenue was positively impacted by timing of unearned revenue by 0.3%.
- **Costs applicable to revenue as percentage of net revenue increased 70 bps to 46.5% vs. Q3 2022 primarily due to**:
  - 130 basis point increase in optometrist-related costs partially offset by 80 basis points in higher exam revenue;
  - 60 basis point increase due to the reduction in other components of service revenue, including warranty plan revenue and other product mix and margin effects; and
  - 40 basis points of favorability from increased eyeglass mix and higher eyeglass margin.
- **Adjusted SG&A Percent of Net Revenue[1] increased 130 bps to 44.8% vs. Q3 2022 primarily due to:**
  - 80 basis point increase in performance-based incentive compensation, a 60 basis point increase in payroll, and a 20 basis point increase in occupancy expense, partially offset by 30 basis points in advertising leverage.
- **Adjusted Operating Income[1] decreased 23.8% to $72.0 million vs. Q3 2022:**
  - Adjusted Operating Margin[1] decreased 180 basis points to 4.4% vs. Q3 2022 due to factors noted above.
- **Adjusted Diluted EPS[1] was $0.66 vs. $0.69 in Q3 2022**

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

Capital Structure and Cash Flow Highlights

Healthy balance sheet enables robust and disciplined capital plan designed for continued growth and balanced with opportunistically returning capital to shareholders

❖ **Strong liquidity position**

- $559M of liquidity at end of Q3, including a cash balance of $266M
- Net debt to TTM Adjusted EBITDA[1]: 1.9x
- No borrowings outstanding under our revolving credit facility

❖ **Share repurchase program**

- Repurchased 1.1M shares of common stock for $25M YTD
- $25M remaining in share repurchase authorization

❖ **Capital expenditures**

- $82.0M YTD primarily focused on new store openings and investments in labs, distribution center as well as remote medicine technology

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

Fiscal 2023 Outlook

	Current Fiscal 2023 Outlook	Prior Fiscal 2023 Outlook (as of August 10, 2023)
New Stores	65 to 70	65 to 70
Adjusted Comparable Store Sales Growth[1]	~2%	0% to 3%
Net Revenue	$2.115 billion to $2.125 billion	$2.075 billion to $2.135 billion
Adjusted Operating Income	$60 million to $65 million	$48 million to $66 million
Adjusted Diluted EPS[2]	$0.53 to $0.58	$0.42 to $0.60
Depreciation and Amortization[3]	$99 million to $101 million	$99 million to $101 million
Interest[4]	~$3 million	~$3 million
Tax Rate[5]	26% to 28%	26% to 28%
Capital Expenditures	$115 million to $120 million	$115 million to $120 million

[1] Refer to the Reconciliation of Adjusted Comparable Stores Sales Growth to Total Comparable Store Sales Growth within the Appendix.
[2] Assumes approximately 78 million shares and does not include 12.9 million shares attributable to the 2025 Notes and shares from stock-based compensation awards as the Company anticipates them to be anti-dilutive to earnings per share for fiscal year 2023.
[3] Includes amortization of acquisition intangibles of approximately $5.3 million, which is excluded in the definition of Adjusted Operating Income and reflects the anticipated impact of the intangible asset impairment in connection with the termination of the Walmart agreements.
[4] Before the impact of gains or losses on change in fair value of derivatives and charges related to amortization of debt discounts and deferred financing costs.
[5] Excluding the impact of vesting of restricted stock units and stock option exercises.

The fiscal 2023 outlook information provided in the table above includes Adjusted Operating Income and Adjusted Diluted EPS guidance, which are non-GAAP financial measures that management uses in measuring performance. The Company is not able to reconcile these forward-looking non-GAAP measures to GAAP measures 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 2023 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 2023 outlook. The Company uses these forward-looking measures internally to assess and benchmark its results and strategic plans. See "Forward-Looking Statements."

National Vision's fiscal 2023 outlook reflects current expected or estimated impacts related to macro-economic factors, including inflation, geopolitical instability and risks of recession, as well as constraints on exam capacity; however, the ultimate impact of these factors on the Company's financial outlook remains uncertain with dynamic market conditions and the outlook shown above assumes no material deterioration to the Company's current business operations as a result of such factors or as a result of the termination of the Walmart partnership.

Driving Enhanced Profitability

Impact of Walmart Termination

Plan to wind down Walmart operations and full AC Lens business in 2024 corresponding with contract termination dates

- Walmart store operations and AC Lens business expected to generate revenue of ~$400M with total costs of ~$385M yielding Earnings Before Income Taxes of ~$15M for FY23
- Plan to wind down all of AC Lens operations including the closing of the Ohio Distribution Center
- All costs associated with Walmart and AC Lens business to be wound down in conjunction with contract termination dates in February and June 2024, respectively

2024 Plan of Action

Address $15M profit gap from Walmart and AC Lens businesses & enhanced focus on driving top line performance in growth brands

- Implementing expense reduction program targeting annualized savings of $10M - $12M in 2024 & taking additional non-headline pricing actions
- Non-headline pricing actions and expense reduction program expected to more than offset profitability gap created by the termination of Walmart partnership
- Focused on progressing strategic initiatives including capitalizing on whitespace and expanding exam capacity to further drive revenue performance in growth brands

2025 & Beyond

Operate more streamlined business and deliver +MSD Adjusted Operating Margin Target

- Benefit from healthier Gross Margin profile, leveraging costs and completion of initial implementation phase of Remote and EHR capabilities
- Opportunity to further expand margins through productivity efficiencies and sales leverage

Appendix

Q3 2023 Consolidated Financial Results (Unaudited)

Dollars and shares in thousands, except Earnings Per Share	Three Months Ended September 30, 2023	Three Months Ended October 1, 2022	Nine Months Ended September 30, 2023	Nine Months Ended October 1, 2022
Revenue:				
Net product sales	$ 435,556	$ 410,701	$ 1,333,242	$ 1,265,554
Net sales of services and plans	96,800	88,506	286,823	270,919
Total net revenue	532,356	499,207	1,620,065	1,536,473
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products	167,407	160,645	508,023	488,225
Services and plans	84,619	72,155	245,894	215,179
Total costs applicable to revenue	252,026	232,800	753,917	703,404
Operating expenses:				
Selling, general and administrative expenses	249,705	225,028	743,598	681,411
Depreciation and amortization	24,407	24,852	74,149	75,248
Asset impairment	80,834	1,263	82,114	5,178
Other expense (income), net	(19)	(95)	(153)	170
Total operating expenses	354,927	251,048	899,708	762,007
Income (loss) from operations	(74,597)	15,359	(33,560)	71,062
Interest expense (income), net	3,722	(1,977)	10,425	(2,158)
Earnings (loss) before income taxes	(78,319)	17,336	(43,985)	73,220
Income tax provision (benefit)	(4,521)	5,834	5,929	21,837
Net income (loss)	$ (73,798)	$ 11,502	$ (49,914)	$ 51,383
Earnings (loss) per share - basic	$ (0.94)	$ 0.15	$ (0.64)	$ 0.64
Earnings (loss) per share - diluted	$ (0.94)	$ 0.15	$ (0.64)	$ 0.63
Weighted average shares outstanding - basic	78,163	78,910	78,328	80,133
Weighted average shares outstanding - diluted	78,163	79,304	78,328	93,477

Note: Diluted EPS related to the 2025 Notes is calculated using the if-converted method. We added back $7.1 million of interest expense (after tax) for the nine months ended October 1, 2022, and assumed conversion of the 2025 Notes at the beginning of the period.

Reconciliation of Adjusted Operating Income to Net Income (Unaudited)

Dollars in thousands	Three Months Ended September 30, 2023	Three Months Ended October 1, 2022	Nine Months Ended September 30, 2023	Nine Months Ended October 1, 2022
Net income (loss)	$ (73,798)	$ 11,502	$ (49,914)	$ 51,383
Interest expense (income), net	3,722	(1,977)	10,425	(2,158)
Income tax provision (benefit)	(4,521)	5,834	5,929	21,837
Stock-based compensation expense [(a)]	5,252	3,168	15,040	10,540
Asset impairment [(b)]	80,834	1,263	82,114	5,178
Amortization of acquisition intangibles [(c)]	977	1,872	4,721	5,616
ERP Implementation expenses [(f)]	173	—	173	—
Other [(g)]	3,068	(199)	3,540	2,151
Adjusted Operating Income	$ 15,707	$ 21,463	$ 72,028	$ 94,547
Net income (loss) margin	(13.9)%	2.3 %	(3.1)%	3.3 %
Adjusted Operating Margin	3.0 %	4.3 %	4.4 %	6.2 %

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

Reconciliation of Adjusted Comparable Stores Sales Growth (Unaudited)

	Comparable store sales growth [a]				
	Three Months Ended September 30, 2023	Three Months Ended October 1, 2022	Nine Months Ended September 30, 2023	Nine Months Ended October 1, 2022	2023 Outlook [b]
Owned & Host segment					
America's Best	5.7 %	(7.8)%	3.0 %	(9.4)%	
Eyeglass World	(1.2)%	(7.8)%	(1.7)%	(7.7)%	
Military	3.8 %	(6.3)%	2.3 %	(5.5)%	
Fred Meyer	(3.7)%	(7.6)%	(5.9)%	(5.4)%	
Legacy segment	1.0 %	(10.7)%	(0.7)%	(9.3)%	
Total comparable store sales growth	3.8 %	(8.0)%	2.3 %	(8.0)%	~2%
Adjusted Comparable Store Sales Growth [b]	4.3 %	(8.1)%	2.0 %	(9.1)%	~2%

	2021				2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total comparable store sales growth	18.2 %	99.1 %	3.4 %	1.7 %	(4.9)%	(11.0)%	(8.0)%	(5.7)%	3.0 %	(0.1)%	3.8 %
Adjustments for effects of: [b]											
Unearned & deferred revenue	13.8 %	(21.6)%	(3.0)%	(0.6)%	(1.8)%	(1.2)%	— %	3.4 %	(2.0)%	1.2 %	0.4 %
Retail sales to Legacy partner's customers	3.8 %	(0.8)%	(0.2)%	0.1 %	(0.1)%	(0.2)%	(0.1)%	(0.1)%	(0.2)%	(0.1)%	0.1 %
Adjusted Comparable Store Sales Growth	35.8 %	76.7 %	0.2 %	1.2 %	(6.8)%	(12.4)%	(8.1)%	(2.4)%	0.8 %	1.0 %	4.3 %

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 11. "Segment Reporting" in our unaudited condensed consolidated financial statements included in Part I. Item 1. in our Quarterly Report on Form 10-Q for the period ended September 30, 2023, 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 changes from total comparable store sales growth based on consolidated net revenue as shown in the table above; a decrease of 0.2% and a decrease of 1.0% for the nine months ended September 30, 2023 and October 1, 2022, 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 changes from total comparable store sales growth based on consolidated net revenue as shown in the table above, and a decrease of 0.1% and a decrease of 0.1% for the nine months ended September 30, 2023 and October 1, 2022, respectively; (iii) with respect to the Company's 2023 Outlook, Adjusted Comparable Store Sales Growth includes an estimated 0.5% decrease for the effect of deferred and unearned revenue as if such revenues were earned at the point of sale and retail sales to the Legacy partner's customers (rather than the revenues recognized consistent with the management & services agreement).

Capital Structure and Cash Flow

Q3 2023 Capital Structure ($M)	Debt Amount	Less: Deferred Financing Costs	Amounts per Balance Sheet	% of Total	Coupon	Maturity
First Lien - Term A Loans	$ 148.1	$ (1.1)	$ 147.0	26 %	Term SOFR + 1.75%	6/13/2028
First Lien - Revolving Loans[1]	—	—	—	— %	Term SOFR + 1.75%	6/13/2028
Convertible senior notes	402.5	(4.0)	398.5	71 %	2.50%	5/15/2025
Other debt[2]	17.3	—	17.3	3 %		
Total debt	$ 567.9	$ (5.1)	$ 562.8	100 %		
Cash and cash equivalents			265.8			
Net debt			$ 297.0			

Cash Flow ($M)	Nine Months Ended	
	September 30, 2023	October 1, 2022
Net cash provided by operating activities	$ 153.3	$ 121.3
Net cash used for investing activities	(82.6)	(86.1)
Net cash used for financing activities	(34.2)	(84.6)
Net change in cash, cash equivalents and restricted cash	$ 36.5	$ (49.4)

Note: Some of the totals in the table above do not foot due to rounding differences
1- $300.0M facility; $293.6M available
2- Finance lease obligations

Reconciliation of Adjusted EBITDA to Net Income (Unaudited)

Dollars in thousands	Three Months Ended September 30, 2023	Three Months Ended October 1, 2022	Nine Months Ended September 30, 2023	Nine Months Ended October 1, 2022	Twelve Months Ended September 30, 2023
Net income (loss)	$ (73,798)	$ 11,502	$ (49,914)	$ 51,383	$ (59,175)
Interest expense (income), net	3,722	(1,977)	10,425	(2,158)	13,045
Income tax provision (benefit)	(4,521)	5,834	5,929	21,837	2,783
Depreciation and amortization	24,407	24,852	74,149	75,248	98,857
EBITDA	(50,190)	40,211	40,589	146,310	55,510
Stock-based compensation expense [a]	5,252	3,168	15,040	10,540	18,012
Asset impairment [b]	80,834	1,263	82,114	5,178	82,719
ERP implementation expenses [f]	173	—	173	—	173
Other [g]	3,068	(199)	3,540	2,151	1,126
Adjusted EBITDA	$ 39,137	$ 44,443	$ 141,456	$ 164,179	$ 157,540
Net income (loss) margin	(13.9)%	2.3 %	(3.1)%	3.3 %	
Adjusted EBITDA Margin	7.4 %	8.9 %	8.7 %	10.7 %	
Net debt/Net income (loss)					(5.0)x
Net debt/Adjusted EBITDA					1.9x

Note: 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 September 30, 2023	Three Months Ended October 1, 2022	Nine Months Ended September 30, 2023	Nine Months Ended October 1, 2022
Diluted EPS	$ (0.94)	$ 0.15	$ (0.64)	$ 0.63
Stock-based compensation expense [(a)]	0.07	0.04	0.19	0.11
Asset impairment [(b)]	1.03	0.02	1.05	0.06
Amortization of acquisition intangibles [(c)]	0.01	0.02	0.06	0.06
Amortization of debt discount and deferred financing costs [(d)]	0.01	0.01	0.03	0.01
Losses (gains) on change in fair value of derivatives [(e)]	0.03	(0.08)	0.08	(0.18)
ERP implementation expenses [(f)]	0.00	—	0.00	—
Other [(j)]	0.04	(0.00)	0.05	0.02
Tax expense (benefit) from stock-based compensation [(h)]	0.00	(0.00)	0.01	0.00
Tax effect of total adjustments [(i)]	(0.11)	(0.00)	(0.17)	(0.02)
Adjusted Diluted EPS	$ 0.15	$ 0.15	$ 0.66	$ 0.69
Weighted average diluted shares outstanding	78,163	79,304	78,328	93,477

Note: Some of the totals in the table above do not foot due to rounding differences.

Reconciliation of Adjusted SG&A to SG&A (Unaudited)

Dollars in thousands	Three Months Ended September 30, 2023	Three Months Ended October 1, 2022	Nine Months Ended September 30, 2023	Nine Months Ended October 1, 2022
SG&A	$ 249,705	$ 225,028	$ 743,598	$ 681,411
Stock-based compensation expense [a]	5,252	3,168	15,040	10,540
ERP implementation expenses [f]	173	—	173	—
Other [k]	2,802	(199)	3,278	1,896
Adjusted SG&A	$ 241,478	$ 222,059	$ 725,107	$ 668,975
SG&A Percent of Net Revenue	46.9 %	45.1 %	45.9 %	44.3 %
Adjusted SG&A Percent of Net Revenue	45.4 %	44.5 %	44.8 %	43.5 %

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

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 related to impairment of long-lived assets, primarily goodwill of the Legacy Segment, Walmart contracts and relationship asset, property and equipment at Walmart stores and associated with our AC Lens business, and impairment of property, equipment and lease-related assets on closed or underperforming stores.

c. Amortization of the increase in carrying values of finite-lived intangible assets resulting from the application of purchase accounting following the acquisition of the Company by affiliates of KKR & Co. Inc.

d. Amortization of deferred financing costs and other non-cash charges related to our long-term debt. We adjust for amortization of deferred financing costs related to the 2025 Notes only when adjustment for these costs is not required in the calculation of diluted earnings per share under U.S. GAAP.

e. Reflects losses (gains) recognized in interest expense (income), net on change in fair value of de-designated hedges.

f. Costs related to the Company's ERP implementation.

g. Other adjustments include amounts that management believes are not representative of our operating performance (amounts in brackets represent reductions in Adjusted Operating Income, Adjusted Diluted EPS and Adjusted EBITDA), which are primarily costs related to the termination of the Walmart partnership of $2.1 million for the three and nine months ended September 30, 2023, excess payroll taxes on vesting of restricted stock units and exercises of stock options, executive severance and relocation and other expenses and adjustments, including our share of (gains) losses on equity method investments of $(2.7) million for the twelve months ended September 30, 2023, and losses on other investments of $0.3 million for the nine months ended October 1, 2022.

h. Tax expense (benefit) associated with accounting guidance requiring excess tax expense (benefit) related to vesting of restricted stock units and exercises of stock options to be recorded in earnings as discrete items in the reporting period in which they occur.

i. Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates, excluding Walmart goodwill impairment charges of $60.1 million for the three and nine months ended September 30, 2023.

j. Reflects other expenses in (g) above, including debt issuance costs of $0.2 million for the nine months ended September 30, 2023.

k. Reflects other expenses in (g) above, except for immaterial amounts for the three and nine months ended September 30, 2023, losses on other investments of $0.3 million for the nine months ended October 1, 2022, and optometrist-related employee retention bonuses of $0.3 million for the three and nine months ended September 30, 2023.

Adjusted Comparable Store Sales Growth Primer

What is Adjusted Comparable Store Sales Growth?

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

Why use Adjusted Comparable Store Sales Growth?

- Provides a clear view of the Company's current operating performance
- Shifts in unearned revenue are difficult to predict and related to short-term customer behavior (see slide 23)
- Used by management to assess business performance and is the basis for store-level business performance
- Consistently applied methodology

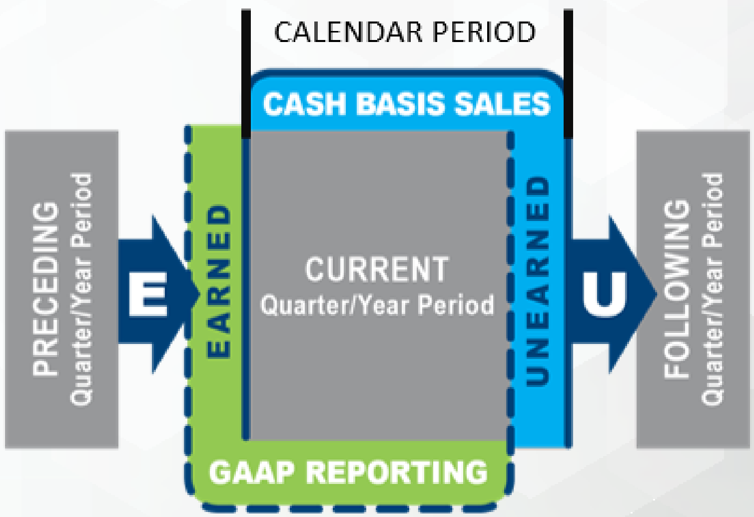
Adjusted Comparable Store Sales Growth consistently lower than total comparable store sales growth

- Company provides total comparable store sales growth measured on GAAP revenue
- Adjusted measure has been lower than or equal to GAAP measure in 17 of last 25 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]

Check out our video demonstrating a remote exam: [Remote Care with National Vision]