Q4 and Fiscal Year End 2022 Financial Results

March 1, 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, 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; market volatility and an overall decline in the health of the economy and other factors impacting consumer spending, including inflation; 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 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; 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; 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 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 2022, which is available at www.nationalvision.com/investors, together with this presentation.

Agenda

Topic	Presenter
2022 Highlights and Business Update	Reade Fahs, CEO
Fourth Quarter and Fiscal Year 2022 Financial Update and 2023 Outlook	Melissa Rasmussen, CFO
Q&A	

Reade Fahs
CEO

Melissa Rasmussen
CFO

Patrick Moore
COO

Q4 and FY Highlights

	Q4		FY 2022	
	Amount	Change vs Q4 2021	Amount	Change vs FY 2021
Net Revenue	$468.9 million	(1.9%)	$2.01 billion	(3.6)%
Adjusted Operating Income[1]	$(6.8) million	(140%)	$87.8 million	(57.1)%
Adjusted Diluted EPS[1]	$(0.08)	(162%)	$0.65	(56.2)%

- **Q4 and FY22 factors**
  - Macro headwinds - especially impacting core customers
  - Constraints to exam capacity
  - Adjusted Comparable Store Sales Growth[1]: (2.4)% in Q4 2022, (7.6)% in FY 2022
- **Continued to invest in strategic initiatives**
  - Opened 80 new stores (23 in Q4); ended the year with 1,354 stores
  - Remote medicine and electronic health records enabled in ~300 stores
- **Maintained strong financial position**
  - Significant liquidity of $523 million and Net debt to Adjusted EBITDA[1] <2x
  - Repurchased $80 million in common stock; $50 million remaining in share repurchase authorization

1-Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measures of net income (loss) of $(9.3) million in Q4 2022, $6.2 million in Q4 2021, $42.1 million in FY 2022, $128.2 million in FY 2021; and diluted EPS of $(0.12) in Q4 2022, $0.07 in Q4 2021, $0.52 in FY 2022 and $1.43 in FY 2021; total comparable store sales growth of (5.7)% in Q4 2022, 1.7% in Q4 2021, (7.5)% in FY 2022 and 22.4% in FY 2021

2023 Strategic Initiatives

Significantly Expand Exam Capacity

Further Digitization of Stores & Corporate Office

Leverage Omni-Channel Capabilities

Capitalize on Whitespace Opportunity

Significantly Expand Exam Capacity

Doctor Recruiting & Retention

- Gained momentum in 2022 with doctor retention & recruiting
- Investing further in 2023 with increased scheduling options and variable compensation programs

Remote Exam Capacities

- 2022 remote exam technology rollout of ~300 stores
- 2023 plan to expand in additional Americas Best stores
- Confidence strengthened by 2022 results

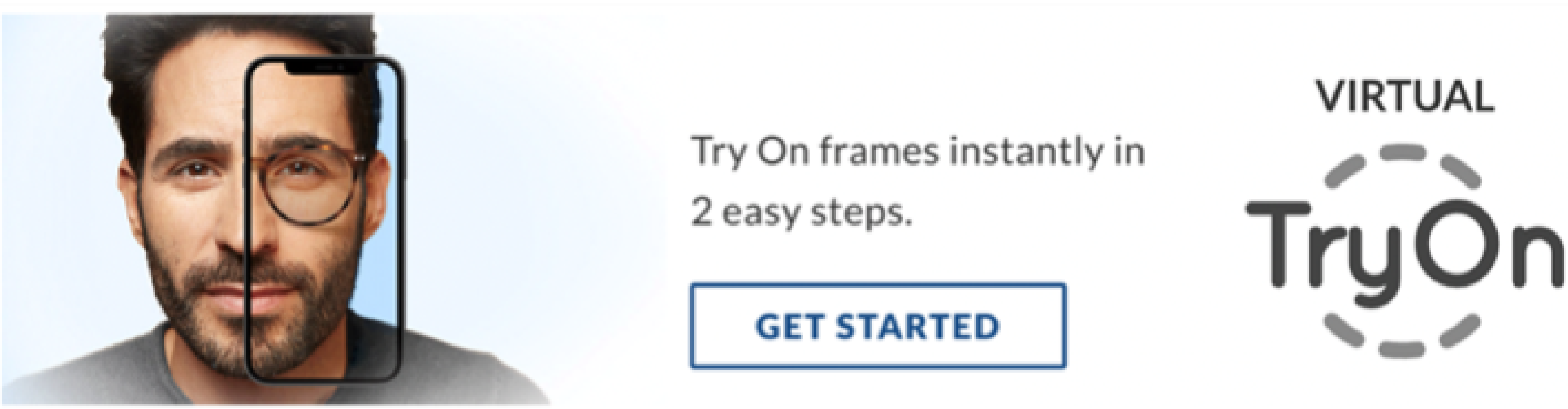
Digitization & Leverage Omni-Channel Capabilities

Further Digitization of Stores & Corporate Office

- **Digitization efforts include:**
  - Continued implementation of electronic health records in stores
  - Begin ERP implementation for select back-office functions (2H23)

Leverage Omni-Channel Capabilities

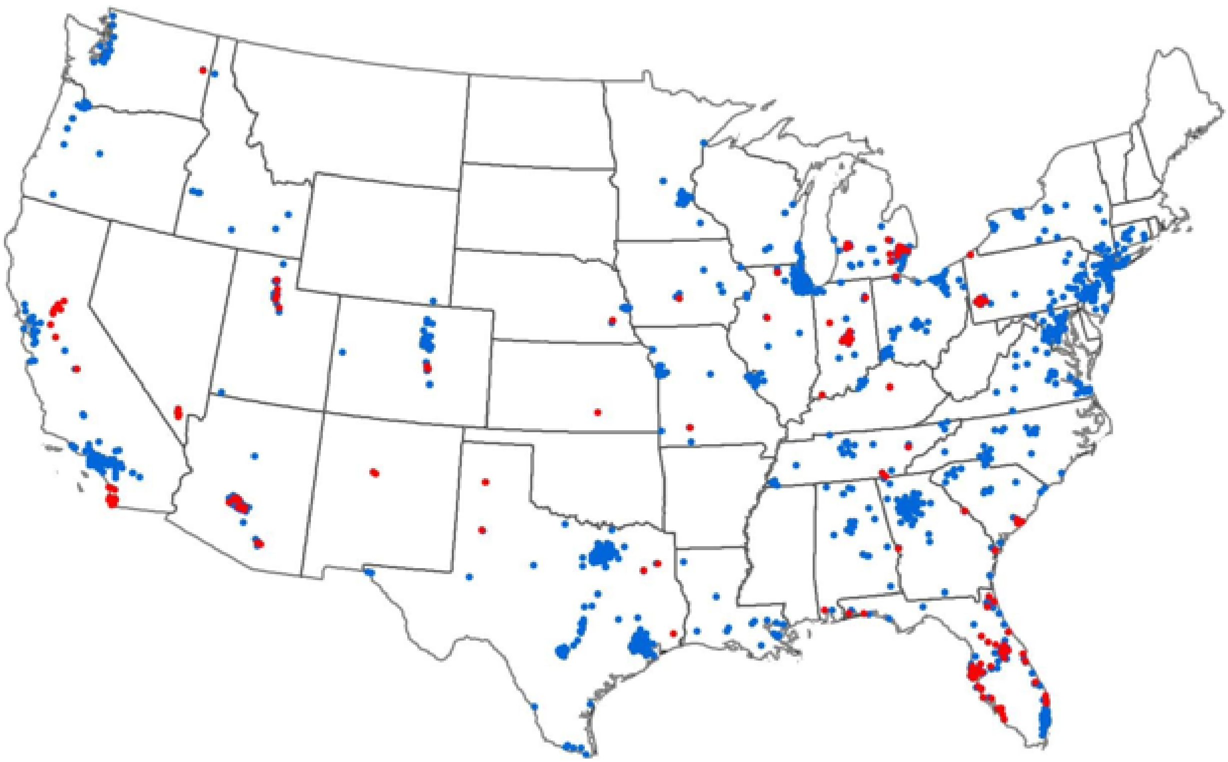
- **Enhance customer experience through leveraging omni-channel capabilities**
  - Easy auto-login and account management of in-store and online interactions
  - Virtual try on optionality, quick reorder links and personalized product recommendations



Capitalize on Whitespace Opportunity

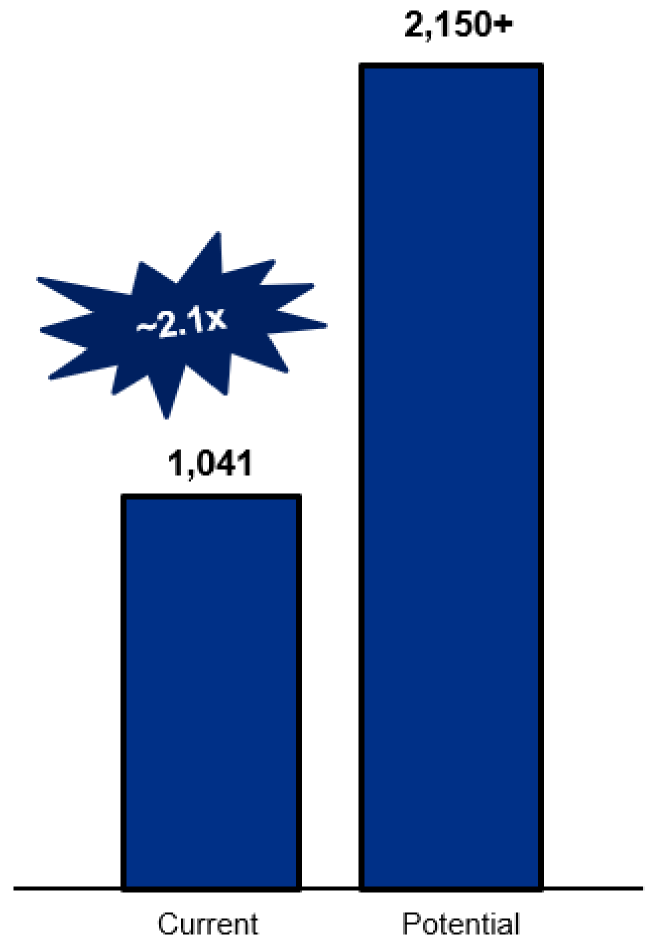
CURRENT STORE FOOTPRINT OF AMERICA'S BEST AND EYEGLASS WORLD...

Brand	# of Stores	# of States
America's Best	905	32
Eyeglass World	136	23



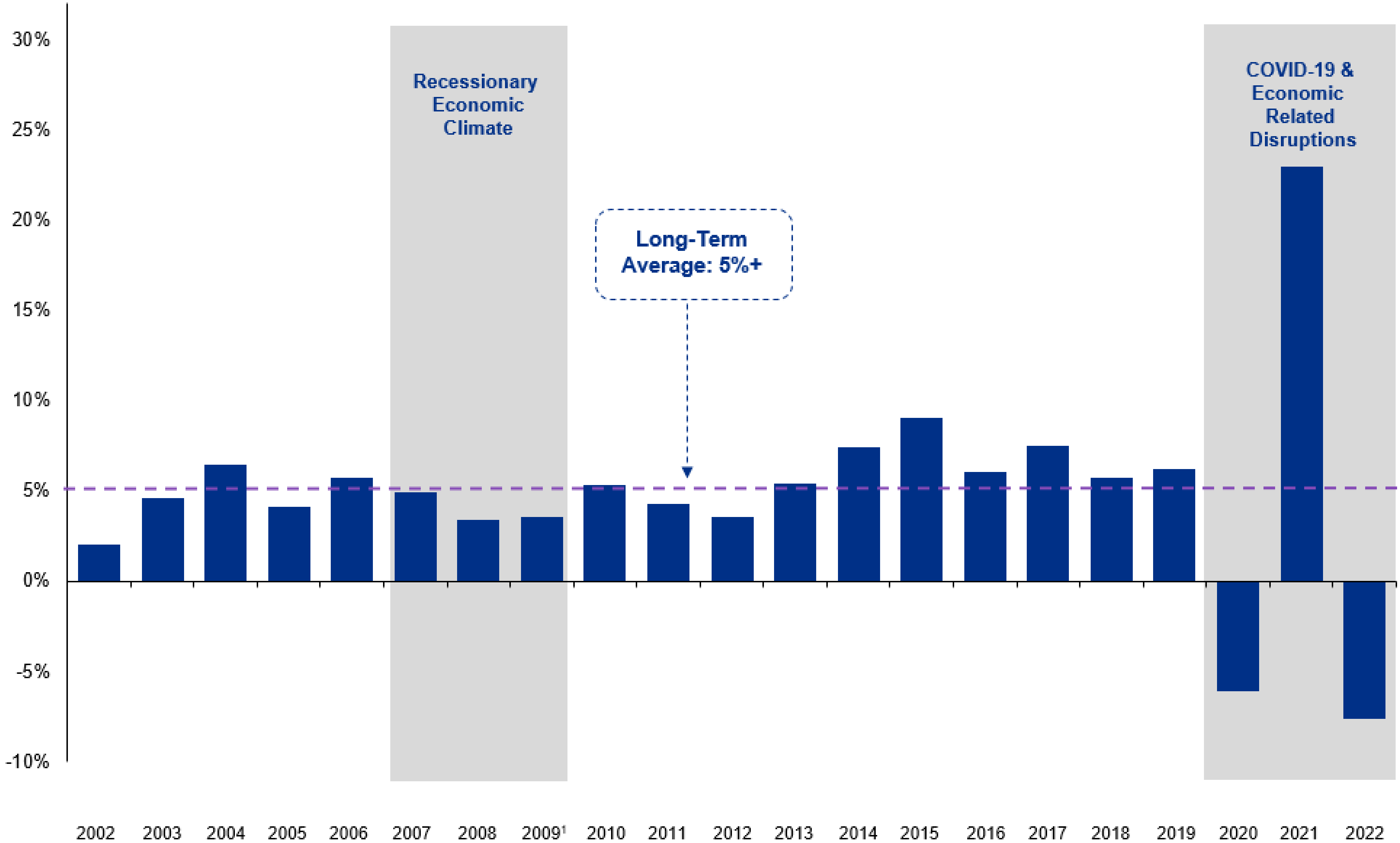
Note: Store count as of December 31, 2022

...SUPPORTED BY STRONG FUTURE STORE POTENTIAL



Significant whitespace opportunity

History of Comparable Store Sales Growth

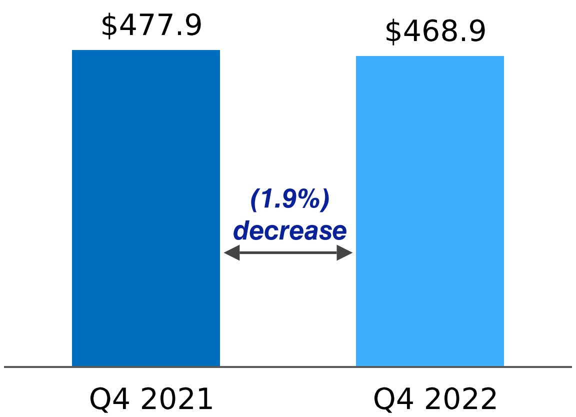


1-2009 comparable store sales exclude sales from the Eyeglass World stores for the first six month “transition” period following our acquisition of Eyeglass World.

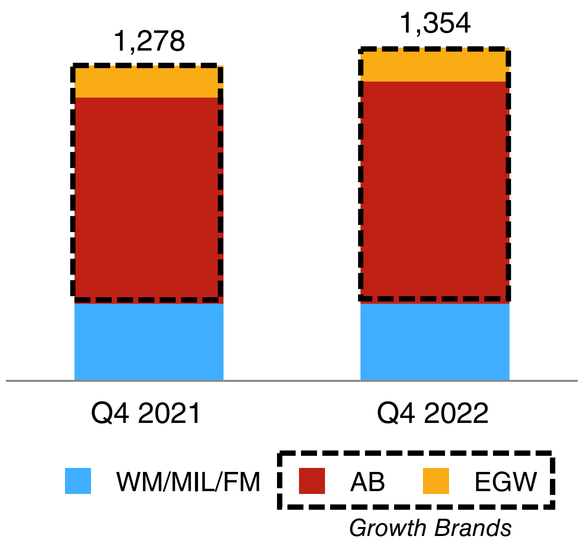
Fourth Quarter 2022 Financial Update

Revenue Drivers

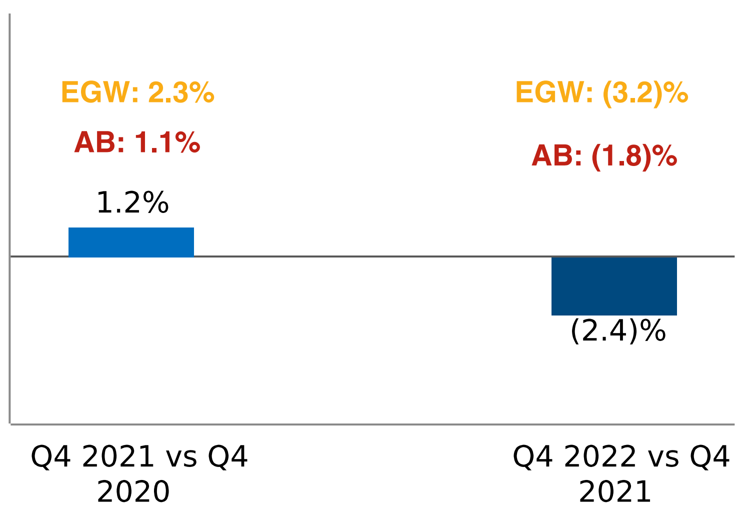
Net Revenue ($M)



Total Store Count



Adjusted Comparable Store Sales Growth[1]



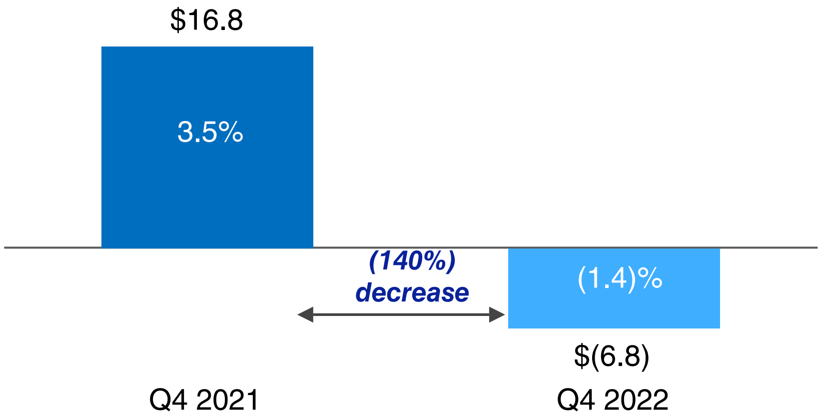
Commentary

- Net revenue decreased 1.9% over Q4 2021 primarily due to:
  - Impact from macro-economic headwinds and constraints to exam capacity
  - Net revenue was negatively impacted by timing of unearned revenue by 2.9%
- 5.9% increase in store count from 2021
  - Opened 23 AB stores in Q4
  - 1.7% increase in store count in Q4 2022
- Adjusted Comparable Store Sales Growth[1] of (2.4)% versus 1.2% in Q4 2021
  - Impact from macro-economic headwinds and constraints to exam capacity
- Comps driven by a decrease in transactions partially offset by an increase in average ticket

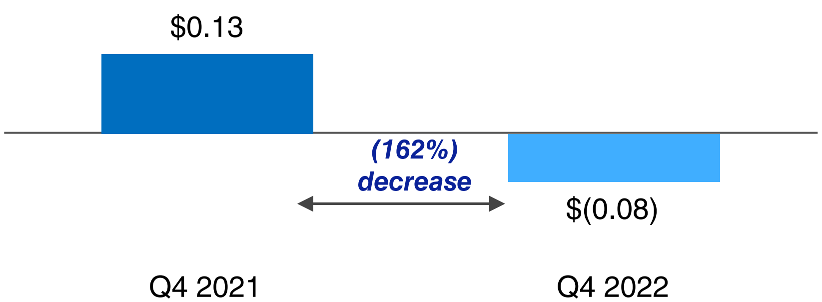
1-Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measure Q4 2022 total comparable store sales growth over 2021 of (5.7)%, Q4 2021 total comparable store sales growth over 2020 of 1.7%.

Q4 2022 Results

Adjusted Operating Income[1] ($M)



Adjusted Diluted EPS[1]



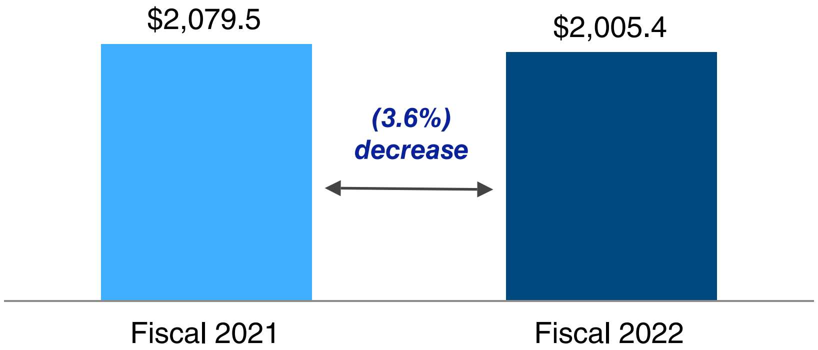
Commentary

- Costs applicable to revenue as a percentage of net revenue increased 180 basis points to 47.4% compared to the Q4 2021 primarily due to:
  - Deleverage of optometrist-related costs, reduced eyeglass mix, and lower eyeglass margin
- Adjusted SG&A Percent of Net Revenue[1] increased 300 basis points to 49.2% compared to Q4 2021 primarily due to:
  - Timing of unearned revenue, corporate overhead and occupancy expense, partially offset by lower advertising
- Adjusted Operating Income[1] decreased 140% to $(6.8) million compared to Q4 of 2021. Adjusted Operating Margin[1] decreased 490 basis points to (1.4)% compared to Q4 2021 due to the factors noted above
- Adjusted Diluted EPS[1] decreased 162% to $(0.08) compared to Q4 2021

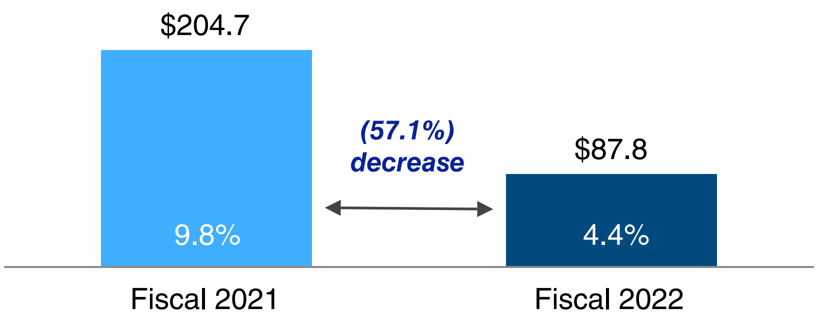
1-Non-GAAP financial measures; see Appendix for reconciliation to GAAP financial measures of SG&A percent of net revenue of 47.0% for Q4 2021 and 49.9% for Q4 2022, net income of $6.2 million for Q4 2021 and net loss of $9.3 million for Q4 2022, net income (loss) margin of 1.3% for Q4 2021 and (2.0)% for Q4 2022, and diluted EPS of $0.07 for Q4 2021 and $(0.12) for Q4 2022.

Fiscal Year 2022 Results

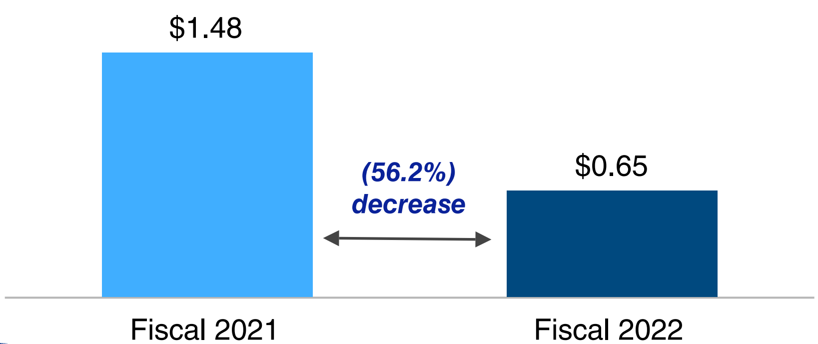
Net Revenue ($M)



Adjusted Operating Income[1] ($M)



Adjusted Diluted EPS[1]

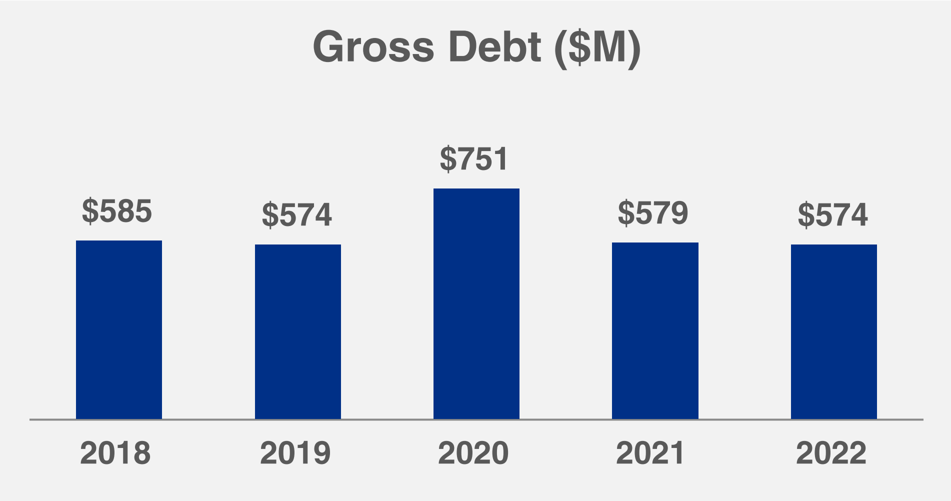


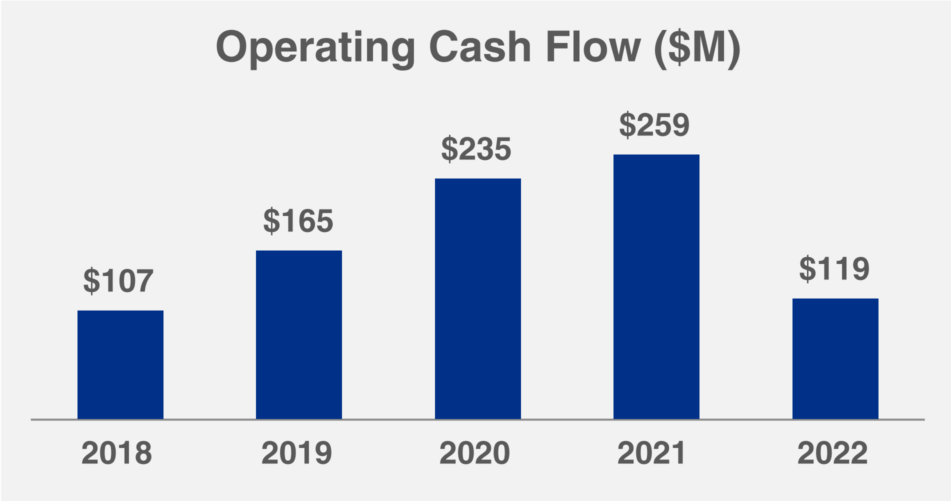
Commentary

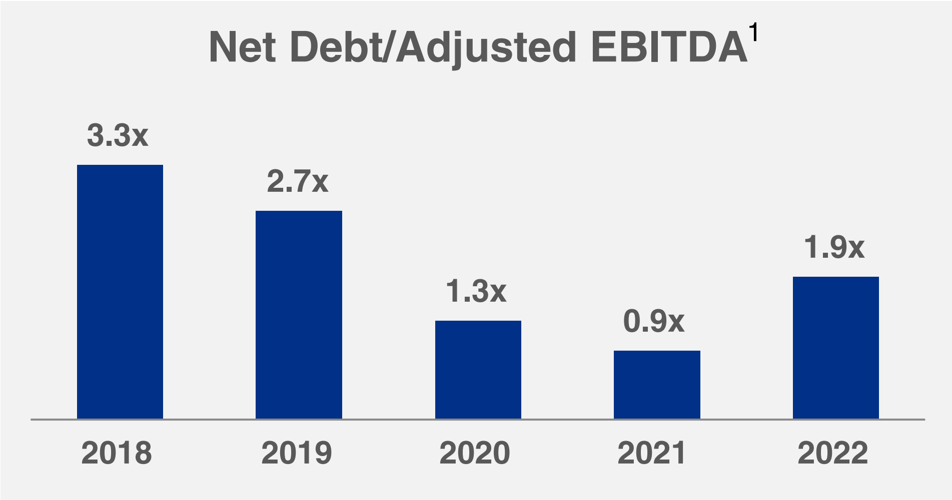
- Net revenue decreased 3.6% compared to fiscal 2021
  - Net revenue was negatively impacted by macroeconomic headwinds, constraints to exam capacity, and timing of unearned revenue of 0.7%
- Costs applicable to revenue as a percentage of net revenue increased 270 basis points to 46.2% compared to fiscal 2021 primarily due to:
  - Deleverage of optometrist-related costs, reduced eyeglass mix, and lower eyeglass margin
- Adjusted SG&A Percent of Net Revenue[1] increased 260 bps to 44.9% compared to fiscal 2021 primarily due to:
  - Deleverage of store payroll, corporate overhead and occupancy expense, partially offset by lower performance based incentive compensation and lower advertising expense
- Adjusted Operating Income[1] decreased 57.1% to $87.8 million compared to fiscal 2021. Adjusted Operating Margin[1] decreased 540 basis points to 4.4% compared to fiscal 2021 due to factors noted above and D&A growth
- Adjusted Diluted EPS[1] decreased 56.2% to $0.65 compared to fiscal year 2021

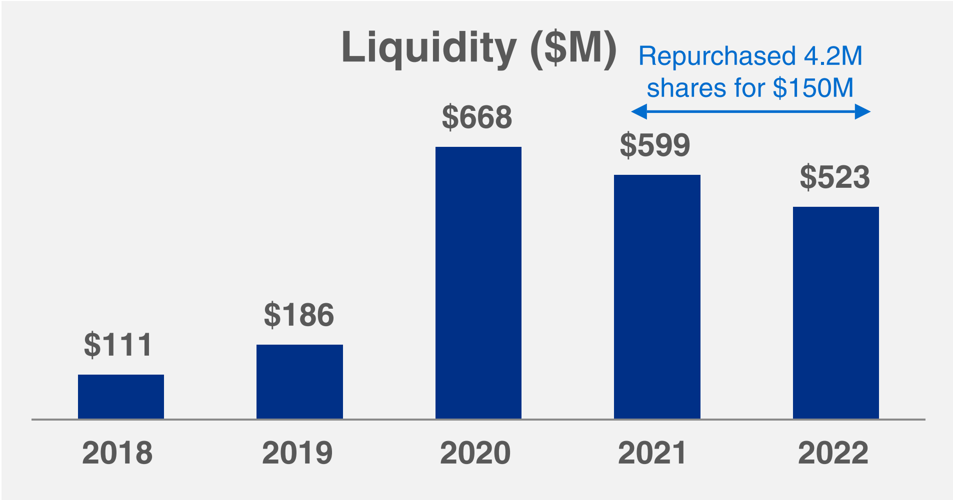
1-Non-GAAP financial measures; see Appendix for reconciliation to GAAP financial measures of SG&A percent of net revenue of 43.3% for fiscal year 2021 and 45.6% for fiscal year 2022, net income of $128.2 million for fiscal year 2021 and net income of $42.1 million for fiscal year 2022, net income margin of 6.2% for fiscal year 2021 and 2.1% for fiscal year 2022, and diluted EPS of $1.43 for fiscal year 2021 and $0.52 for fiscal year 2022.

Balance Sheet & Cash Flow









1-Non-GAAP financial measure; see Appendix for reconciliation to GAAP financial measure net income of $42.1 million in 2022, $128.2 million in 2021, $36.3 million in 2020, $32.8 million in 2019, and $23.7 million in 2018. See Appendix for additional Capital Structure and Cash Flow detail.

Capital Allocation

	2022	2023 & Beyond
Invest in Growth	Funded $114 million in Capital Expenditures primarily for New Store Openings and Customer-Facing Technology Investments	Expect Capital Expenditures of $115 million to $120 million for New Store Openings and Accelerated Technology Investments
Return Capital to Shareholders	Repurchased 2.7 million shares for $80 million; Cumulative share repurchase of 4.2 million shares for $150 million since 2021	$50 million Remaining Under Current Share Repurchase Authorization
Debt Structure	Term Loan A - $150 million Credit Facility Capacity - $294 million Convertible Notes - $402.5 million	No TLA Principal Payments Due Until Maturity July 2024 Convertible Notes – May 2025

Outlook

	2023 Outlook
New Stores	65 to 70
Adjusted Comparable Store Sales Growth	0% to 3%
Net Revenue	$2.075B to $2.135B
Adjusted Operating Income	$48M to $66M
Adjusted Diluted EPS[1]	$0.42 to $0.60
Depreciation and Amortization[2]	$104M to $106M
Interest[3]	~$3M
Tax Rate[4]	~26%
Capital Expenditures	$115M to $120M

(1) Assumes approximately 80.2 million shares, and does not include 12.9 million shares attributable to the 2025 Notes as they are anticipated to be anti-dilutive to earnings per share for fiscal year 2023
(2) Includes amortization of acquisition intangibles of approximately $7.5 million, which is excluded in the definition of Adjusted Operating Income
(3) 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
(4) Excluding the impact of stock option exercises

The fiscal 2023 outlook information provided above includes Adjusted Operating Income and Adjusted Diluted EPS 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 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".

Beyond 2023 - Adjusted Operating Margin Profile

Mid-Single Digit Comparable Store Sales Growth

- Normalization of purchase cycle
- Planned exam capacity improvement
- Omnichannel/Ecommerce growth

Store Growth

- Continued capitalization of whitespace opportunity

Leverage Expenses

- Expect higher product, wage and incentive compensation costs to leverage on expected mid-single digit comp
- Expect remote care and electronic healthcare record implementation substantially completed by mid- to late-2024 and fully productive in 2025

Mid-Single Digit Adjusted Operating Margin

- Further opportunity for future expansion through leveraging sales growth and driving productivity improvements across the organization

Q&A

Appendix

Q4 and FY 2022 Consolidated Financial Results

Dollars and shares in thousands, except Earnings per Share	**Three Months Ended December 31, 2022 (Unaudited)**	**Three Months Ended January 1, 2022 (Unaudited)**	**Three Months Ended December 28, 2019 (Unaudited)**	**Fiscal Year 2022**	**Fiscal Year 2021**	**Fiscal Year 2019**
Revenue:						
Net product sales	$ 382,761	$ 391,477	$ 329,654	$ 1,648,315	$ 1,718,344	$ 1,426,136
Net sales of services and plans	86,170	86,374	72,109	357,089	361,181	298,195
Total net revenue	468,931	477,851	401,763	2,005,404	2,079,525	1,724,331
Costs applicable to revenue (exclusive of depreciation and amortization):						
Products	148,099	148,026	130,175	636,324	633,116	574,351
Services and plans	74,084	69,659	57,367	289,263	271,663	232,168
Total costs applicable to revenue	222,183	217,685	187,542	925,587	904,779	806,519
Operating expenses:						
Selling, general and administrative expenses	233,944	224,756	178,044	915,355	900,798	744,488
Depreciation and amortization	24,708	24,450	23,674	99,956	97,089	87,244
Asset impairment	605	2,949	1,506	5,783	4,427	8,894
Other expense (income), net	(2,722)	62	2,636	(2,552)	(2,505)	3,611
Total operating expenses	256,535	252,217	205,860	1,018,542	999,809	844,237
Income (loss) from operations	(9,787)	7,949	8,361	61,275	174,937	73,575
Interest expense, net	2,620	3,351	7,397	462	25,612	33,300
Loss on extinguishment of debt	—	—	—	—	—	9,786
Earnings (loss) before income taxes	(12,407)	4,598	964	60,813	149,325	30,489
Income tax provision (benefit)	(3,146)	(1,621)	(2,956)	18,691	21,081	(2,309)
Net income (loss)	$ (9,261)	$ 6,219	$ 3,920	$ 42,122	$ 128,244	$ 32,798
Earnings (loss) per share - basic	$ (0.12)	$ 0.08	$ 0.05	$ 0.53	$ 1.57	$ 0.42
Earnings (loss) per share - diluted	$ (0.12)	$ 0.07	$ 0.05	$ 0.52	$ 1.43	$ 0.40
Weighted average shares outstanding - basic	78,948	82,109	79,271	79,831	81,820	78,608
Weighted average shares outstanding - diluted	78,948	83,064	81,785	80,298	96,134	81,683

Note: Diluted EPS for the fourth quarter of 2022 and 2021 and fiscal years 2022 and 2021 is calculated using the if-converted method for the 2025 Notes. For the forth quarter and fiscal year 2019, diluted EPS was calculated using the treasury stock method. We added back $9.5 million of interest expense (after tax) related to the 2025 Notes for fiscal year 2021, and assumed conversion of the 2025 Notes at the beginning of the period. The 2025 Notes were antidilutive for the fourth quarter of 2022 and 2021, and fiscal year 2022 and therefore, excluded from the computation of the weighted average shares for diluted EPS.

Capital Structure and Cash Flow

Q4 2022 Capital Structure ($M)	Debt Amount	Less: Deferred Financing Costs	Amounts per Balance Sheet	% of Total	Coupon	Maturity
First Lien - Term Loan	$ 150.0	$ (0.6)	$ 149.4	26 %	L + 125	7/18/2024
First Lien - Revolving Credit Facility[1]	—	—	—	— %	L + 125	7/18/2024
Convertible senior notes	402.5	(5.7)	396.8	70 %	2.50 %	5/15/2025
Other debt[2]	21.3	—	21.3	4 %		
Total debt	$ 573.8	$ (6.3)	$ 567.5	100 %		
Cash and cash equivalents			229.4			
Net debt			$ 338.1			

Cash Flow ($M)	Fiscal Year		
	2022	**2021**	**2019**
Net cash provided by operating activities	$ 119.2	$ 258.9	$ 235.0
Net cash used for investing activities	(110.9)	(92.9)	(76.4)
Net cash provided by (used for) financing activities	(84.6)	(234.3)	176.3
Net change in cash, cash equivalents and restricted cash	$ (76.3)	$ (68.3)	$ 334.9

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 Comparable Stores Sales Growth (Unaudited)

	Comparable store sales growth[a]				
	Three Months Ended December 31, 2022	Three Months Ended January 1, 2022	Fiscal Year 2022	Fiscal Year 2021	2023 Outlook[b]
Owned & Host segment					
America's Best	(1.8)%	1.1 %	(7.7)%	23.5 %	
Eyeglass World	(3.2)%	2.3 %	(6.7)%	25.2 %	
Military	0.2 %	(3.8)%	(4.3)%	15.8 %	
Fred Meyer	(4.0)%	(6.6)%	(5.1)%	13.4 %	
Legacy segment	(5.3)%	2.1 %	(8.4)%	19.3 %	
Total comparable store sales growth	(5.7)%	1.7 %	(7.5)%	22.4 %	0% - 3%
Adjusted Comparable Store Sales Growth[b]	(2.4)%	1.2 %	(7.6)%	23.0 %	0% - 3%

	2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total comparable store sales growth	18.2 %	99.1 %	3.4 %	1.7 %	(4.9)%	(11.0)%	(8.0)%	(5.7)%
Adjustments for effects of:[b]								
Unearned & deferred revenue	13.8 %	(21.6)%	(3.0)%	(0.6)%	(1.8)%	(1.2)%	— %	3.4 %
Retail sales to Legacy partner's customers	3.8 %	(0.8)%	(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)%

(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: an increase of 0.7% for fiscal 2021; 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 0.1% for fiscal 2022, and a decrease of 0.1% for fiscal 2021; (iii) with respect to the Company's 2023 Outlook, Adjusted Comparable Store Sales Growth includes an estimated 0.2% 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).

Reconciliation of Adjusted Operating Income to Net Income (Unaudited)

Dollars in thousands	Three Months Ended December 31, 2022	Three Months Ended January 1, 2022	Three Months Ended December 28, 2019	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2019
Net income (loss)	$ (9,261)	$ 6,219	$ 3,920	$ 42,122	$ 128,244	$ 32,798
Interest expense	2,620	3,351	7,397	462	25,612	33,300
Income tax provision (benefit)	(3,146)	(1,621)	(2,956)	18,691	21,081	(2,309)
Stock based compensation expense [a]	2,972	1,020	1,830	13,512	14,886	12,670
Loss on extinguishment of debt [b]	—	—	—	—	—	9,786
Asset impairment [c]	605	2,949	1,506	5,783	4,427	8,894
Litigation settlement [d]	—	1,500	—	—	1,500	—
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	7,488	7,405
Other [k]	(2,414)	1,474	1,999	(263)	1,511	6,370
Adjusted Operating Income	$ (6,752)	$ 16,764	$ 16,489	$ 87,795	$ 204,749	$ 114,300
Net income (loss) margin	(2.0)%	1.3 %	1.0 %	2.1 %	6.2 %	1.9 %
Adjusted Operating Margin	(1.4)%	3.5 %	4.1 %	4.4 %	9.8 %	6.6 %

Note: 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 December 31, 2022**	**Three Months Ended January 1, 2022**	**Three Months Ended December 28, 2019**	**Fiscal Year 2022**	**Fiscal Year 2021**	**Fiscal Year 2020**	**Fiscal Year 2019**	**Fiscal Year 2018**
Net income (loss)	$ (9,261)	$ 6,219	$ 3,920	$ 42,122	$ 128,244	$ 36,277	$ 32,798	$ 23,653
Interest expense	2,620	3,351	7,397	462	25,612	48,327	33,300	37,483
Income tax provision (benefit)	(3,146)	(1,621)	(2,956)	18,691	21,081	2,403	(2,309)	(18,785)
Depreciation and amortization	24,708	24,450	23,674	99,956	97,089	91,585	87,244	74,339
EBITDA	14,921	32,399	32,035	161,231	272,026	178,592	151,033	116,690
Stock based compensation expense [a]	2,972	1,020	1,830	13,512	14,886	10,740	12,670	20,939
Loss on extinguishment of debt [b]	—	—	—	—	—	—	9,786	—
Asset impairment [c]	605	2,949	1,506	5,783	4,427	22,004	8,894	17,630
Litigation settlement [d]	—	1,500	—	—	1,500	4,395	—	—
Secondary offering expenses [e]	—	—	—	—	—	—	401	2,451
Management realignment expenses [f]	—	—	—	—	—	—	2,155	—
Long-term incentive plan [g]	—	—	941	—	—	—	2,830	7,040
Other [k]	(2,414)	1,474	1,999	(263)	1,511	2,576	6,370	4,585
Adjusted EBITDA	$ 16,084	$ 39,342	$ 38,311	$ 180,263	$ 294,350	$ 218,307	$ 194,139	$ 169,335
Net income (loss) margin	(2.0)%	1.3 %	1.0 %	2.1 %	6.2 %	2.1 %	1.9 %	1.5 %
Adjusted EBITDA Margin	3.4 %	8.2 %	9.5 %	9.0 %	14.2 %	12.8 %	11.3 %	11.0 %
Net debt/Net income				8.0x	2.1x	7.8x	16.2x	23.7x
Net debt/Adjusted EBITDA				1.9x	0.9x	1.3x	2.7x	3.3x

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 December 31, 2022	Three Months Ended January 1, 2022	Three Months Ended December 28, 2019	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2019
Diluted EPS	$ (0.12)	$ 0.07	$ 0.05	$ 0.52	$ 1.43	$ 0.40
Stock based compensation expense [a]	0.04	0.01	0.02	0.17	0.15	0.16
Loss on extinguishment of debt [b]	—	—	—	—	—	0.12
Asset impairment [c]	0.01	0.04	0.02	0.07	0.05	0.11
Litigation settlement [d]	—	0.02	—	—	0.02	—
Secondary offering expenses [e]	—	—	—	—	—	0.00
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	0.09	0.08	0.09
Amortization of debt discounts and deferred financing costs [i]	0.01	0.01	0.00	0.04	0.02	0.02
Losses (gains) on change in fair value of derivatives [j]	0.00	(0.03)	—	(0.20)	(0.03)	—
Other [o]	(0.03)	0.02	0.02	(0.00)	(0.01)	0.08
Tax benefit of stock option exercises [l]	(0.00)	(0.01)	(0.03)	(0.00)	(0.15)	(0.12)
Tax effect of total adjustments [m]	(0.01)	(0.02)	(0.03)	(0.04)	(0.08)	(0.16)
Adjusted Diluted EPS	$ (0.08)	$ 0.13	$ 0.09	$ 0.65	$ 1.48	$ 0.75
Weighted average diluted shares outstanding	78,948	83,064	81,785	80,298	96,134	81,683

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 December 31, 2022**	**Three Months Ended January 1, 2022**	**Three Months Ended December 28, 2019**	**Fiscal Year 2022**	**Fiscal Year 2021**	**Fiscal Year 2019**
SG&A	$ 233,944	$ 224,756	$ 178,044	$ 915,355	$ 900,798	$ 744,488
Stock based compensation expense [a]	2,972	1,020	1,830	13,512	14,886	12,670
Litigation settlement [d]	—	1,500	—	—	1,500	—
Secondary offering expenses [e]	—	—	—	—	—	401
Management realignment expenses [f]	—	—	—	—	—	2,155
Long-term incentive plan [g]	—	—	941	—	—	2,830
Other [n]	294	1,476	1,432	2,190	3,867	4,565
Adjusted SG&A	$ 230,678	$ 220,760	$ 173,841	$ 899,653	$ 880,545	$ 721,867
SG&A Percent of Net Revenue	49.9 %	47.0 %	44.3 %	45.6 %	43.3 %	43.2 %
Adjusted SG&A Percent of Net Revenue	49.2 %	46.2 %	43.3 %	44.9 %	42.3 %	41.9 %

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 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 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. This plan was effective in 2014 following the acquisition of the Company by affiliates of KKR & Co. Inc. (the “KKR Acquisition”).
(h) Amortization of the increase in carrying values of finite-lived intangible assets resulting from the application of purchase accounting to the KKR Acquisition.
(i) 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.
(j) Reflects losses (gains) recognized in interest expense (income), net 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), which are primarily related to excess payroll taxes on stock option exercises, executive severance and relocation and other expenses and adjustments, including our share of (gains) losses on equity method investments of $(2.7) million and $0.6 million for the three months ended December 31, 2022 and December 28, 2019, respectively, and $(2.7) million, $(2.4) million, $1.8 million and $1.3 million for fiscal years 2022, 2021, 2019 and 2018, respectively, and losses on other investments of $0.3 million for fiscal year 2022.
(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 other expenses in (k) above, except for our share of (gains) losses on equity method investments of $(2.7) million and $0.6 million for the three months ended December 31, 2022 and December 28, 2019, respectively; and $(2.7) million, $(2.4) million and $1.8 million for fiscal years 2022, 2021 and 2019, respectively, and losses on other investments of $0.3 million for fiscal year 2022 and other immaterial adjustments.
(o) Reflects other expenses in (k) above, including the impact of stranded tax effect of $(2.1) million for fiscal year 2021 associated with our interest rate swaps that matured in 2021, and immaterial debt issuance costs for the three months ended January 2, 2021 and $0.1 million for fiscal year 2021.

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 29)
- Used by management to assess business performance and is the basis for store-level business performance
- Consistently applied methodology

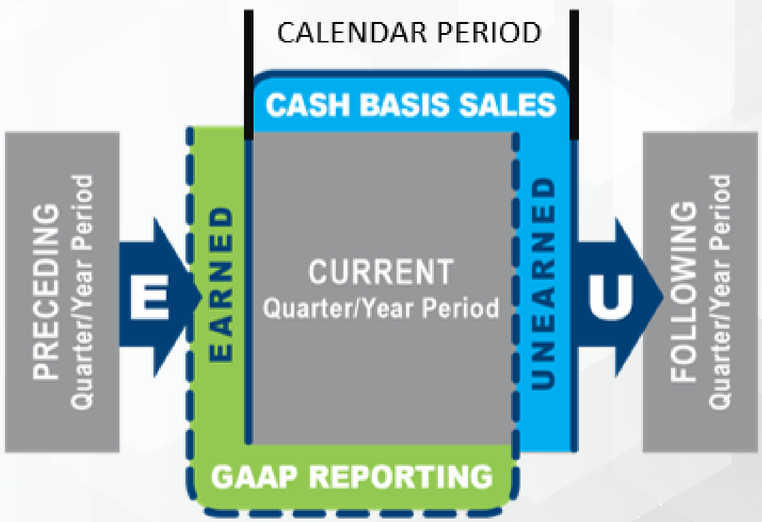
Adjusted Comparable Store Sales Growth consistently lower than total comparable store sales growth

- Company provides total comparable store sales growth measured on GAAP revenue
- Adjusted measure has been lower than or equal to GAAP measure in 16 of last 22 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