UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended October 3, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-38257

National Vision Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-4841717**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6000 Avalon Boulevard **Suite 6240** **Alpharetta, Georgia** (Address of principal executive offices)	**30009** (Zip Code)

(770) 822-3600
(Registrant's telephone number, including area code)

2435 Commerce Ave Building 2200 Duluth, Georgia 30096
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	EYE	Nasdaq

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 30, 2026
Common stock, $0.01 par value	78,067,119

NATIONAL VISION HOLDINGS, INC. AND SUBSIDIARIES

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Form 10-Q") 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, as amended (the "Exchange Act"), which are subject to the "safe harbor" created by those sections. All statements, other than statements of historical facts included in this Form 10-Q, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, results of operations, financial position, business outlook, business trends and other information, may be forward-looking statements.

Words such as "believes," "expects," "may," "will," "should," "could," "seeks," "intends," "plans," "estimates," "anticipates," or variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts or guarantees of future performance and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and projections will result or be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Form 10-Q. Such risks, uncertainties and other important factors that could cause actual results to differ include, among others, the risks, uncertainties and factors set forth in Part I, Item 1A - "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended January 3, 2026 (the "2025 Annual Report on Form 10-K"), as filed with the Securities and Exchange Commission (the "SEC"), as such risk factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov, and also include, but are not limited to, market volatility, an overall decline in the health of the economy, global macroeconomic conditions and other factors that may affect consumer spending or behavior; our ability to successfully implement our strategic initiatives, or anticipate the impact of important strategic initiatives; our ability to recruit and retain vision care professionals for in-store roles or to provide remote care offerings; our ability to compete in the highly competitive optical retail industry; our ability to maintain, protect, and enhance the value of our owned brands; the success of our marketing, advertising and promotional efforts; our ability to open and operate new stores (including as a result of store conversions) in a timely and cost-effective manner or to successfully enter new markets; our ability to increase sales in existing stores and to successfully reinvest in existing stores; our ability to successfully implement our pricing strategies; changes in the cost of inputs, and factors such as wage rate increases, inflation, cost increases, tariffs and related measures, increases in the price of raw materials and energy prices; significant capital requirements to fund our expanding business including updating our Enterprise Resource Planning ("ERP") and Customer Relationship Management ("CRM"), and other technological, systems and capabilities; the potential for our growth strategies to strain our existing resources and cause the performance of our existing stores to suffer; risks associated with leasing substantial amounts of space, including future increases in occupancy costs; our ability to successfully manage the distinct risks faced by our e-commerce and omni-channel business; our ability to retain our existing senior management team, attract qualified new personnel or successfully implement our succession plans; seasonal fluctuations in our operating results and inventory levels; the potential impacts of catastrophic events, including changing climate and weather patterns leading to severe weather and natural disasters; the potential for certain technological advances, greater availability of, or increased consumer preferences for, vision correction alternatives to prescription eyeglasses or contact lenses, or future drug development for the correction of vision-related problems to reduce the demand for our products; our ability to successfully manage our inventory balances and inventory shrinkage; the potential for the loss of, or disruption in the operations of, one or more of our distribution centers or optical laboratories, which would impact our ability to process and fulfill customer orders and deliver our products in a timely manner, or at all, or result in quality issues; the performance of our Host brands and our ability to maintain or extend our operating relationships with our Host partners; sustainability issues, including those related to climate change; our ability to develop, maintain and extend relationships with managed vision care companies, vision insurance providers and other third-party payors; our reliance on third-party coverage and reimbursement, including government programs, for an increasing portion of our revenues; risks associated with vendors from whom our products and certain services are sourced and our dependence on a limited number of suppliers; changes in U.S. or international laws, including tariffs, affecting our ability to source merchandise and services internationally; the impact of any significant failure, inadequacy, interruption or security breach affecting our information technology systems, or those of our vendors; our ability to comply with state, local and federal vision care and healthcare laws and regulations, as well as managed vision care laws and regulations; liability stemming from rapidly changing and increasingly stringent laws, regulations, contractual obligations, and industry standards relating to privacy, data security and data protection; product liability, product recall or personal injury issues; our ability to comply with laws, regulations and enforcement activities or changes in statutory, regulatory, accounting and other legal requirements; the outcome of legal proceedings relating to our business operations; the protection and validity of our intellectual property; risks related to our indebtedness; changes in interest rates; restrictions in our credit agreement that limit our flexibility in operating our business; and risks related to owning our common stock.

We caution you that the risks, uncertainties and other factors referenced above may not contain all of the risks, uncertainties and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this Form 10-Q apply only as of the date of this Form 10-Q or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

All references to "we," "us," "our," or the "Company" in this Form 10-Q mean National Vision Holdings, Inc. and its subsidiaries, unless the context otherwise requires. References to "eye care practitioners" in this Form 10-Q mean optometrists and ophthalmologists and references to "vision care professionals" mean optometrists (including optometrists employed by us or by professional corporations owned by eye care practitioners with which we have arrangements) and opticians.

Website Disclosure

We use our website www.nationalvision.com as a channel of distribution of Company information. Financial and other important information regarding the Company is routinely accessible through and posted on our website. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive e-mail alerts and other information about National Vision Holdings, Inc. when you enroll your e-mail address by visiting the "Email Alerts" page of the Investor Resources section of our website at www.nationalvision.com/investors. The contents of our website are not, however, a part of this Form 10-Q.

PART I – FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited).

National Vision Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)

In thousands, except share data	As of October 3, 2026	As of January 3, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 59,963	$ 38,708
Accounts receivable, net	40,982	57,322
Inventories, net	123,783	89,318
Prepaid expenses and other current assets	31,507	40,374
Total current assets	256,235	225,722
Noncurrent assets:		
Property and equipment, net	327,412	344,619
Goodwill	700,976	700,642
Trademarks and trade names	240,547	240,547
Other intangible assets, net	7,047	7,554
Right of use assets	401,151	394,896
Other assets	70,208	69,698
Total noncurrent assets	1,747,341	1,757,956
Total assets	$ 2,003,576	$ 1,983,678
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 75,992	$ 78,999
Other payables and accrued expenses	110,108	109,674
Unearned revenue	45,783	52,279
Deferred revenue	64,270	64,560
Current maturities of long-term debt and finance lease obligations	16,276	16,583
Current operating lease obligations	93,276	90,313
Total current liabilities	405,705	412,408
Noncurrent liabilities:		
Long-term debt and finance lease obligations, less current portion and debt issuance costs	217,360	229,327
Noncurrent operating lease obligations	361,135	358,377
Deferred revenue	22,640	22,517
Other liabilities	8,734	8,944
Deferred income taxes, net	86,828	82,572
Total noncurrent liabilities	696,697	701,737
Commitments and contingencies (See Note 7)		
Stockholders' equity:		
Common stock, $0.01 par value; 200,000,000 shares authorized; 87,629,000 and 86,278,538 shares issued as of October 3, 2026 and January 3, 2026, respectively; 78,066,064 and 79,416,050 shares outstanding as of October 3, 2026 and January 3, 2026, respectively	876	862
Additional paid-in capital	854,320	834,000
Accumulated other comprehensive income (loss)	379	(121)
Retained earnings	318,502	255,717
Treasury stock, at cost; 9,562,936 and 6,862,488 shares as of October 3, 2026 and January 3, 2026, respectively	(272,903)	(220,925)
Total stockholders' equity	901,174	869,533
Total liabilities and stockholders' equity	$ 2,003,576	$ 1,983,678

The accompanying notes are an integral part of these condensed consolidated financial statements.

National Vision Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)

In thousands, except per share amounts	Three Months Ended		Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Revenue:				
Net product sales	$ 410,609	$ 393,483	$ 1,253,244	$ 1,200,837
Net sales of services and plans	99,924	93,847	299,974	283,240
Total net revenue	510,533	487,330	1,553,218	1,484,077
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products	116,858	114,615	362,249	346,215
Services and plans	93,204	88,584	275,321	262,545
Total costs applicable to revenue	210,062	203,199	637,570	608,760
Operating expenses:				
Selling, general and administrative expenses	247,134	252,339	746,658	755,038
Depreciation and amortization	22,646	22,185	69,309	67,684
Asset impairment	—	—	2,506	502
Other income, net	(301)	(1)	(358)	(101)
Total operating expenses	269,479	274,523	818,115	823,123
Income from operations	30,992	9,608	97,533	52,194
Interest expense, net	2,992	4,119	9,177	12,901
Earnings before income taxes	28,000	5,489	88,356	39,293
Income tax provision	8,812	2,117	25,571	13,010
Net income	$ 19,188	$ 3,372	$ 62,785	$ 26,283
Earnings per share:				
Basic	$ 0.24	$ 0.04	$ 0.79	$ 0.33
Diluted	$ 0.24	$ 0.04	$ 0.78	$ 0.33
Weighted average shares outstanding:				
Basic	78,698	79,223	79,300	79,053
Diluted	80,064	81,195	80,718	80,170
Comprehensive income:				
Net income	$ 19,188	$ 3,372	$ 62,785	$ 26,283
Unrealized gain on hedge instruments	74	—	667	—
Tax provision of unrealized gain on hedge instruments	18	—	167	—
Comprehensive income	$ 19,244	$ 3,372	$ 63,285	$ 26,283

The accompanying notes are an integral part of these condensed consolidated financial statements.

National Vision Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

	Three and Nine Months Ended October 3, 2026						
	Common Stock						
In thousands	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balances at January 3, 2026	79,416	$ 862	$ 834,000	$ (121)	$ 255,717	$ (220,925)	$ 869,533
Issuance of common stock [1]	1,088	11	490	—	—	—	501
Stock-based compensation	—	—	6,995	—	—	—	6,995
Purchase of treasury stock	(389)	—	—	—	—	(10,519)	(10,519)
Unrealized gain on hedge instruments, net of tax	—	—	—	315	—	—	315
Net income	—	—	—	—	31,181	—	31,181
Balances at April 4, 2026	80,115	$ 873	$ 841,485	$ 194	$ 286,898	$ (231,444)	$ 898,006
Issuance of common stock [1]	107	1	319	—	—	—	320
Stock-based compensation	—	—	6,343	—	—	—	6,343
Purchase of treasury stock	(1,164)	—	—	—	—	(20,218)	(20,218)
Unrealized gain on hedge instruments, net of tax		—	—	129	—	—	129
Net income	—	—	—	—	12,416	—	12,416
Balances at July 4, 2026	79,058	$ 874	$ 848,147	$ 323	$ 299,314	$ (251,662)	$ 896,996
Issuance of common stock [1]	146	2	287	—	—	—	289
Stock-based compensation	—	—	5,886	—	—	—	5,886
Purchase of treasury stock	(1,138)	—	—	—	—	(21,241)	(21,241)
Unrealized gain on hedge instruments, net of tax	—	—	—	56	—	—	56
Net income	—	—	—	—	19,188	—	19,188
Balances at October 3, 2026	78,066	$ 876	$ 854,320	$ 379	$ 318,502	$ (272,903)	$ 901,174

[1] Consists primarily of the vesting of shares issued under the Company's stock incentive plans and Associate Share Purchase Plan.

	Three and Nine Months Ended September 27, 2025						
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Stockholders' Equity
In thousands	Shares	Amount					
Balances at December 28, 2024	78,775	$ 854	$ 807,048	$ —	$ 226,117	$ (217,686)	$ 816,333
Issuance of common stock [1]	403	4	261	—	—	—	265
Stock-based compensation	—	—	7,000	—	—	—	7,000
Purchase of treasury stock	(128)	—	—	—	—	(1,624)	(1,624)
Unrealized gain on hedge instruments, net of tax	—	—	—	—	—	—	—
Net income	—	—	—	—	14,186	—	14,186
Balances at March 29, 2025	79,050	$ 858	$ 814,309	$ —	$ 240,303	$ (219,310)	$ 836,160
Issuance of common stock [1]	130	1	470	—	—	—	471
Stock-based compensation	—	—	5,280	—	—	—	5,280
Purchase of treasury stock	(5)	—	—	—	—	(55)	(55)
Unrealized gain on hedge instruments, net of tax	—	—	—	—	—	—	—
Net income	—	—	—	—	8,725	—	8,725
Balances at June 28, 2025	79,175	$ 859	$ 820,059	$ —	$ 249,028	$ (219,365)	$ 850,581
Issuance of common stock [1]	121	1	276	—	—	—	277
Stock based compensation	—	—	5,407	—	—	—	5,407
Purchase of treasury stock	(36)	—	—	—	—	(876)	(876)
Unrealized gain on hedge instruments, net of tax	—	—	—	—	—	—	—
Net income	—	—	—	—	3,372	—	3,372
Balances at September 27, 2025	79,260	$ 860	$ 825,742	$ —	$ 252,400	$ (220,241)	$ 858,761

[1] Consists primarily of the vesting of shares issued under the Company's stock incentive plans and Associate Share Purchase Plan.

The accompanying notes are an integral part of these condensed consolidated financial statements.

National Vision Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

In thousands	Nine Months Ended October 3, 2026	Nine Months Ended September 27, 2025
Cash flows from operating activities:		
Net income	$ 62,785	$ 26,283
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	69,309	67,684
Amortization of debt issuance costs	725	932
Amortization of cloud computing implementation costs	9,951	6,823
Asset impairment	2,506	502
Deferred income tax expense (benefit)	4,256	(879)
Stock-based compensation expense	19,301	17,836
Inventory adjustments	4,361	3,818
Other	489	(334)
Changes in operating assets and liabilities:		
Accounts receivable	16,248	2,974
Inventories	(38,826)	2,088
Operating lease right of use assets and lease liabilities	149	(2,249)
Other assets	(7,636)	(26,077)
Accounts payable	(3,007)	20,621
Deferred and unearned revenue	(6,663)	7,686
Other liabilities	925	5,426
Net cash provided by operating activities	134,873	133,134
Cash flows from investing activities:		
Purchase of property and equipment	(55,481)	(48,441)
Other	5,006	(3,848)
Net cash used for investing activities	(50,475)	(52,289)
Cash flows from financing activities:		
Repayments on long-term debt	(19,937)	(94,712)
Borrowings on long-term debt	10,000	—
Payments on finance lease obligations	(2,485)	(2,255)
Proceeds from issuance of common stock	1,110	1,013
Purchase of treasury stock	(51,998)	(2,555)
Net cash used for financing activities	(63,310)	(98,509)
Net change in cash, cash equivalents and restricted cash	21,088	(17,664)
Cash, cash equivalents and restricted cash, beginning of year	40,302	75,237
Cash, cash equivalents and restricted cash, end of period (See Note 2)	$ 61,390	$ 57,573
Supplemental cash flow disclosure information:		
Cash paid for interest	$ 11,053	$ 14,629
Cash paid for taxes	$ 5,099	$ 17,658
Capital expenditures accrued at the end of the period	$ 11,229	$ 6,764
Operating cash outflows - operating leases	$ 90,994	$ 88,688
Right of use assets acquired under operating leases	$ 76,697	$ 44,625

The accompanying notes are an integral part of these condensed consolidated financial statements.

National Vision Holdings, Inc. and Subsidiaries
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1. Description of Business and Basis of Presentation

Nature of Operations

National Vision Holdings, Inc. ("NVHI," the "Company," "we," "our," or "us") is a holding company whose operating subsidiaries include its indirect wholly-owned subsidiary, National Vision, Inc. ("NVI") and NVI's wholly-owned subsidiaries. We are a leading value retailer of eyeglasses and contact lenses in the United States (the "U.S."). We operated 1,285 and 1,250 retail optical locations in the U.S. and its territories as of October 3, 2026 and January 3, 2026, respectively, through our four store brands, including America's Best Contacts and Eyeglasses ("America's Best"), Eyeglass World ("EGW"), Vista Optical locations on select U.S. Army/Air Force military bases ("Military") and within select Fred Meyer stores. Additionally, we operate omni-channel websites for our America's Best, Eyeglass World and Military brands, as well as a dedicated e-commerce website.

We also operate a specialized health maintenance organization ("HMO") that is licensed as a single-service health plan under California law, FirstSight. The HMO issues individual vision plans in connection with our America's Best operations in California.

Basis of Presentation and Principles of Consolidation

We prepare our unaudited interim condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and, therefore, do not include all information and disclosures required by U.S. GAAP for complete consolidated financial statements. These condensed consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary to present fairly the Company's consolidated results of the interim period.

Certain information and disclosures normally included in our annual consolidated financial statements have been condensed or omitted; however, we believe that the disclosures included herein are sufficient for a fair presentation of the information presented. These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto for the fiscal year ended January 3, 2026 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 4, 2026 (the "2025 Annual Report on Form 10-K"). The Company's significant accounting policies are set forth in Note 1 within those consolidated financial statements. We use the same accounting policies in preparing interim condensed consolidated financial information and annual consolidated financial statements. There were no changes to our significant accounting policies during the nine months ended October 3, 2026.

The condensed consolidated financial statements include our accounts and those of our wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The Company has consolidated certain entities meeting the definition of a variable interest entity ("VIE") as the Company concluded that it is the primary beneficiary of the entities under the provisions of Accounting Standards Codification 810, Consolidation. As of October 3, 2026, the variable interest entities include 27 professional corporations. The total assets of the consolidated VIEs included in the accompanying Condensed Consolidated Balance Sheets as of October 3, 2026 and January 3, 2026, were $6.6 million and $4.6 million, respectively, and the total liabilities of the consolidated VIEs were $8.7 million and $6.9 million, respectively.

Fiscal Year

Our fiscal year consists of 52 or 53 weeks ending on the Saturday closest to December 31. Fiscal year 2026 contains 52 weeks and will end on January 2, 2027. Fiscal year 2025 contained 53 weeks and ended on January 3, 2026. All three and nine month periods presented herein contain 13 and 39 weeks. All references to years and quarters relate to fiscal periods rather than calendar periods.

Seasonality

The consolidated results of operations for the three and nine months ended October 3, 2026 and September 27, 2025, are not necessarily indicative of the results to be expected for the full fiscal year due to seasonality and uncertainty of general economic conditions that may impact our key markets. Historically, our business has realized a higher portion of net revenue, income from operations, and cash flows from operations in the first half of the year, and a lower portion of net revenue, income from operations, and cash flows from operations in the fourth fiscal quarter. The first half seasonality is attributable primarily to annual health insurance program start/reset periods. Seasonality related to fourth quarter holiday spending by retail customers generally does not impact our business. Our quarterly consolidated results generally may also be affected by the timing of new store openings, store closings, and certain holidays.

CARES Act

Accounts receivable, net on the Condensed Consolidated Balance Sheets as of January 3, 2026 includes a $9.0 million receivable under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. During the nine months ended October 3, 2026, the Company received the full payment of these CARES Act credits.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Severance Benefits

We recognized $2.2 million during the nine months ended October 3, 2026, and $0.8 million and $2.9 million during the three and nine months ended September 27, 2025, respectively, related to severance benefits for certain associates in the Corporate and other category within Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations and Comprehensive Income. These charges were recognized in accordance with FASB guidance on employers' accounting for postemployment benefits and guidance on accounting for costs associated with exit or disposal activities, as appropriate. Refer to Note 11. "Restructuring" for information on employee termination benefits related to the Eyeglass World lab optimization initiative.

Stock-Based Compensation

During the nine months ended October 3, 2026, we granted performance stock units to certain employees. The number of shares issued will be determined based on the level of achievement of predefined performance and market conditions, including adjusted operating income, return on invested capital, relative total shareholder return versus a peer group and an absolute total shareholder return feature, with a performance period of three years and a requisite service period of three to five years. We recognize compensation expense on performance stock units ratably over the requisite performance period of the award to the extent management views the performance goals as probable of attainment. We recognize compensation expense for the fair value of the relative total shareholder return versus the peer group component and the absolute total shareholder return component over the requisite service period of such awards using a Monte Carlo simulation.

Asset Impairment

We recognized $2.5 million of impairment charges during the nine months ended October 3, 2026 related to the Eyeglass World lab optimization initiative, compared to $0.5 million of impairment charges related to tangible long-lived store assets and Right of Use ("ROU") assets for the nine months ended September 27, 2025. The impairments were recognized in Corporate and other, and are reflected in Asset impairment in the Condensed Consolidated Statements of Operations and Comprehensive Income. Refer to Note 11. "Restructuring" for information on the Eyeglass World lab optimization initiative and to Note 3. "Fair Value Measurement" for additional information on impairment charges.

Impairments of tangible long-lived store assets and ROU assets during the nine months ended September 27, 2025 were primarily driven by lower than projected customer sales volume and profitability in certain stores and other entity-specific assumptions. We considered multiple factors including, but not limited to, forecasted scenarios related to store performance and the likelihood that these scenarios would be ultimately realized and the remaining useful lives of the assets.

Income Taxes

Our effective tax rate for the three months ended October 3, 2026 was 31.5%, reflecting our statutory federal and state rate of 25.1%, non-deductible compensation expense and the effects of other permanent items. Our effective tax rate for the nine months ended October 3, 2026 was 28.9%, reflecting our statutory federal and state rate of 25.1%, non-deductible compensation expense, partially offset by the discrete benefit of permanent adjustments related to equity compensation.

Our effective tax rate for the three months ended September 27, 2025 was 38.6%, reflecting our statutory federal and state rate of 25.2% and effects of permanent items. Our effective tax rate for the nine months ended September 27, 2025

was 33.1%, reflecting our statutory federal and state rate of 25.2%, discrete effects of permanent adjustments related to equity compensation and other effects of permanent items.

Share Repurchases

Effective March 2, 2026, the Board authorized the Company to repurchase up to $50 million aggregate amount of shares of the Company's common stock until December 28, 2030. During the nine months ended October 3, 2026, the Company repurchased approximately 2.2 million shares for $40.0 million. As of October 3, 2026, the authorization has remaining capacity of $10.0 million.

Subsequent to the end of the third quarter, effective November 9, 2026, the Board authorized the Company to repurchase up to $100 million aggregate amount of shares of the Company's common stock until December 28, 2030. The new share repurchase authorization replaces the share repurchase authorization approved effective March 2, 2026.

Investments

During fiscal years 2023 through 2025, the Company completed a series of investments in an entity specializing in applying artificial intelligence-powered screening and diagnostic tools to retinal imaging, including $3.3 million in the equity of the entity, which was valued at cost, and $2.5 million in a convertible promissory note, which was valued using the fair value option. The investments were recognized in Other assets in the Consolidated Balance Sheets and in Other within the investing section of the Consolidated Statements of Cash Flows.

In the fourth quarter of fiscal year 2025, the investee entered into an agreement and plan of merger pursuant to which it would be acquired by the Company's co-preferred investor in the entity. The transaction closed during the second quarter of fiscal year 2026. In connection with the sale, the Company received cash proceeds of $3.3 million related to its equity investment and $2.5 million related to its convertible promissory note. Because the proceeds received were equal to the carrying values of the respective investments immediately prior to closing, no gain or loss was recognized on the transaction. Following the closing of the transaction, the Company no longer holds an investment in the entity.

IEEPA Tariff Refunds

On February 20, 2026, the U.S. Supreme Court invalidated tariffs imposed under the International Emergency Economic Powers Act ("IEEPA"). The President immediately introduced new tariffs under different statutory authority, though the scope, duration, and the likelihood and outcome of further legal challenges to these tariffs remain uncertain. Beginning on June 16, 2026, the Company filed claims with U.S. Customs and Border Protection seeking refunds of $4.9 million of IEEPA tariffs previously paid by the Company. As of October 3, 2026, the Company has received refunds totaling $4.9 million and $0.2 million in interest. Of the tariff refunds received, $4.7 million were recorded as a reduction of cost of products during the period, while $0.2 million reduced the carrying value of inventory, with related interest recognized in interest expense, net. On November 2, 2026, the Company filed a claim with the U.S. Court of International Trade seeking refunds of IEEPA tariffs paid on finally liquidated entries, which were not eligible for refund through the CBP claim process. The Company has not recognized any amounts related to this claim. The Company continues to monitor developments related to the refund process, including future eligibility and claim procedures, and may pursue additional refund claims as opportunities become available.

Adoption of Current Accounting Pronouncements

Credit Losses for Accounts Receivable and Contract Assets. In July 2025, the FASB issued ASU 2025-05, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This update provides a practical expedient which allows an entity to assume that, for purposes of estimating expected credit losses related to an asset, current conditions as of a balance sheet date do not change for the remaining life of the asset. This guidance is effective for fiscal years beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company adopted this new guidance in the first quarter of 2026. The adoption of ASU 2025-05 did not have a material impact on the Company's allowance for credit losses or its consolidated financial statements.

Future Adoption of Accounting Pronouncements

Expense Disaggregation Disclosures. In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income (Topic 220-40): Expense Disaggregation Disclosures ("ASU 2024-03"). This update requires, among other things, more detailed disclosure about types of expenses in commonly presented expense captions such as cost of sales and Selling, general, and administrative ("SG&A"), and is intended to improve the disclosures about an entity's expenses including purchases of inventory, employee compensation, depreciation and amortization. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of the guidance on the consolidated financial statements and disclosures.

Derivatives and Hedging. In November 2025, the FASB issued ASU 2025-09, Derivatives and Hedging (Topic 815), to more closely align financial reporting with the economics of an entity's risk management activities. The effective date for this standard is for fiscal years beginning after December 15, 2026 and interim periods within those fiscal years. Early adoption is permitted. The amendments in this ASU should be applied prospectively with an option to adopt the amendments for hedging relationships existing as of the date of adoption. The Company is currently evaluating the impact of the guidance on the consolidated financial statements and disclosures.

Intangibles - Internal-Use Software. In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other Internal-Use Software (Subtopic 350-40), which updates the accounting guidance for internal-use software costs. The amendments remove references to software development project stages and align the guidance with current software development practices. The standard is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and disclosures.

Interim Reporting. In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements ("ASU 2025-11"). The update provides clarifications intended to improve the consistency and usability of interim disclosure requirements, including a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. The standard is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, and permits prospective or full retrospective adoption. The Company is currently evaluating the impact of the guidance on the consolidated financial statements and disclosures.

The FASB issued other accounting guidance during the period that is not currently applicable or expected to have a material impact on the Company's financial statements, and therefore, is not described above.

2. Details of Certain Balance Sheet Accounts

The following table provides a reconciliation of cash and cash equivalents reported within the Condensed Consolidated Balance Sheets to the total of Cash, cash equivalents and restricted cash shown in the Condensed Consolidated Statement of Cash Flows:

	Nine Months Ended	
In thousands	October 3, 2026	September 27, 2025
Cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 59,963	$ 56,030
Restricted cash included in Other assets (1)	1,427	1,543
	$ 61,390	$ 57,573

(1) Restricted cash relates to regulatory requirements associated with our FirstSight operations.

The following tables provide additional details of Inventories, net as of the dates shown below:

In thousands	As of October 3, 2026	As of January 3, 2026
Inventories, net:		
Raw materials and work in process (1)	$ 91,595	$ 65,775
Finished goods	32,188	23,543
	$ 123,783	$ 89,318

(1) Due to the immaterial amount of estimated work in process and the short lead times for the conversion of raw materials to finished goods, the Company does not separately present raw materials and work in process.

3. Fair Value Measurement

Recurring fair value measurements

Interest Rate Derivatives

Derivative assets and liabilities are recognized at fair value, which reflects the estimated amounts the Company would receive or pay to settle the interest rate derivatives prior to their contractual expiration dates. The fair value is based on information that is model-driven based on regression analysis and whose inputs were observable (Level 2 inputs) such as Term Secured Overnight Financing Rate ("Term SOFR") forward rates. See Note 5. "Interest Rate Derivatives" for further details.

Non-recurring fair value measurements

These non-recurring fair value measurements are classified as Level 3 measurements in the fair value hierarchy.

Long-lived Store and ROU Store Assets

The Company recognized $2.5 million of impairment charges during the nine months ended October 3, 2026, related to the Eyeglass World lab optimization initiative. Refer to Note 11. "Restructuring" for additional information. The fair value of the impaired equipment was determined using a market approach based on market information for comparable used equipment, adjusted as necessary to reflect the age, condition, functionality, and marketability of the specific assets. Significant judgment was required in estimating the recoverable values of the assets, and changes in market conditions or assumptions could result in different fair value measurement. The estimated remaining fair value of the assets impaired during the nine months ended October 3, 2026 was $0.7 million.

We recognized $0.5 million related to tangible long-lived store assets and ROU assets for the nine months ended September 27, 2025. The cash flows used in estimating fair value were discounted using a market rate of 10.5% during the nine months ended September 27, 2025. A decrease in the estimated cash flows would lead to a lower fair value measurement, as would an increase in the discount rate. The estimated remaining fair value of the store assets impaired during the nine months ended September 27, 2025 was $0.5 million. Substantially all of the remaining fair value of the impaired store assets represents the fair value of ROU assets.

Additional fair value information

Term Loan A and Revolving Loans

Since the borrowings under first lien term loan ("Term Loan A") and revolving credit loans (the "Revolving Loans") utilize variable interest rate setting mechanisms such as Term SOFR, the fair values of these borrowings are deemed to approximate the carrying values. We also considered the effect of our own credit risk on the fair values of Term Loan A and Revolving Loans. Refer to Note 4. "Debt" for more information on these borrowings.

4. Debt

Our debt consists of the following:

In thousands	As of October 3, 2026	As of January 3, 2026
Term Loan A, due June 13, 2028	$ 227,688	$ 237,625
Revolving Loans, due June 13, 2028 (aggregate principal amount $300 million)	—	—
Debt before unamortized issuance costs	227,688	237,625
Unamortized debt issuance costs - Term Loan A	(797)	(1,137)
Debt less debt issuance costs	226,891	236,488
Less current maturities	(13,250)	(13,250)
Long-term debt - noncurrent portion	213,641	223,238
Finance lease obligations	6,745	9,422
Less current maturities	(3,026)	(3,333)
Long-term debt and finance lease obligations, less current portion and debt issuance costs	$ 217,360	$ 229,327

Scheduled annual maturities of debt are as follows:

Fiscal Period	*In thousands*
2026 - remainder of fiscal year	$ 3,313
2027	13,250
2028	211,125
	$ 227,688

We were in compliance with all covenants related to our debt as of October 3, 2026.

2025 Notes

During fiscal year 2025, the Company fully repaid the 2.50% convertible senior notes due on May 15, 2025 ("2025 Notes").

We recognized the following in Interest expense, net in the Condensed Consolidated Statements of Operations and Comprehensive Income, related to the 2025 Notes:

	Nine Months Ended
In thousands	September 27, 2025
Contractual interest expense	$ 802
Amortization of issuance costs	$ 191

5. Interest Rate Derivatives

In December 2025, we entered into an interest rate swap agreement to help manage interest rate exposure by economically converting a portion of our variable-rate debt to fixed-rate debt. Under the interest rate swap agreement, we receive a floating interest rate of the one-month SOFR and pay a fixed interest rate of 3.43% on $100 million of notional amount. We designated the interest rate swap as the hedging instrument in an effective hedge accounting relationship.

We recognized gains on the change in fair value of the interest rate swap of $0.1 million and $0.9 million in Other comprehensive income (loss) during the three and nine months ended October 3, 2026, respectively. A net gain of $0.1 million and $0.2 million was reclassified from Accumulated other comprehensive income (loss) into Interest expense, net, during the three and nine months ended October 3, 2026, respectively.

As of October 3, 2026, the Company expects to reclassify $0.4 million of unrealized gains on the derivative, net of tax, from AOCI into earnings in the next 12 months. Cash flows related to derivatives are included in the operating section of the Condensed Consolidated Statements of Cash Flows. See Note 10. "Accumulated Other Comprehensive Income (Loss)" for further details.

Our cash flow hedge position related to derivatives designated as hedging instruments under ASC 815 is as follows:

In thousands	Balance Sheet Classification	As of October 3, 2026	As of January 3, 2026
Current portion	Prepaid expenses and other current assets	$ 506	$ —
Non-current portion	Other assets	—	—
Current portion	Other payables and accrued expenses	—	45
Non-current portion	Other liabilities	—	116
Total derivative liabilities or assets designated as hedging instruments		$ 506	$ 161

6. Revenue from Contracts with Customers

The majority of our revenues are recognized either at the point of sale or upon delivery and customer acceptance. We obtain consideration from our customers at the time of sale in cash, credit card, or on account with managed care payors having terms generally between 14 and 120 days, with most paying within 60 days. For sales of in-store non-prescription eyewear and related accessories, and paid eye exams, we recognize revenue at the point of sale. Our point in time

revenues include: 1) retail sales of prescription and non-prescription eyewear, contact lenses and related accessories to retail customers (including those covered by managed care); and 2) eye exams. Revenues recognized over time primarily include product protection plans (i.e., warranties) and eye care club memberships.

The following disaggregation of revenues depicts our revenue based on the timing of revenue recognition:

	Three Months Ended		Nine Months Ended	
In thousands	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Revenues recognized at a point in time	$ 478,219	$ 455,460	$ 1,456,092	$ 1,388,697
Revenues recognized over time	32,314	31,870	97,126	95,380
Total net revenue	$ 510,533	$ 487,330	$ 1,553,218	$ 1,484,077

Refer to Note 8. “Segment Reporting” for the Company’s disaggregation of net revenue. As our operating segments are aligned by similar economic factors, trends and customers, the reportable segment view best depicts how the nature, amount and uncertainty of revenue and cash flows are affected by economic factors.

We record reductions in revenue for estimated price concessions granted to managed care providers. The Company considers its revenue from managed care customers to include variable consideration, which is estimated based on history of concessions provided and cash receipts from managed care providers. We reduced our net revenue for variable consideration of $2.7 million and $2.6 million during the three months ended October 3, 2026 and September 27, 2025, respectively, and $5.8 million and $10.3 million during the nine months ended October 3, 2026 and September 27, 2025, respectively.

Unsatisfied Performance Obligations (Contract Liabilities)

During the three months ended October 3, 2026 and September 27, 2025, we recognized $23.6 million and $23.0 million, respectively, of deferred revenues outstanding at the beginning of each respective period. During the nine months ended October 3, 2026 and September 27, 2025, we recognized $55.6 million and $54.0 million, respectively, of deferred revenues outstanding at the beginning of each respective period.

Our deferred revenue balance as of October 3, 2026 and January 3, 2026 was $86.9 million and $87.1 million, respectively. Deferred revenue recorded as of October 3, 2026 is expected to be reflected in future operating results as follows:

Fiscal Year	*In thousands*
2026 - remainder of fiscal year	$ 23,505
2027	46,335
2028	13,995
2029	3,075
	$ 86,910

7. Commitments and Contingencies

Legal Proceedings

From time to time, the Company is involved in various legal proceedings incidental to its business. Because of the nature and inherent uncertainties of litigation, we cannot predict with certainty the ultimate resolution of these actions and, should the outcome of these actions be unfavorable, the Company’s business, financial position, results of operations or cash flows could be materially and adversely affected.

The Company reviews the status of its legal proceedings and records a provision for a liability when it is considered probable that a liability has been incurred and the amount of the loss can be reasonably estimated. This review is updated periodically as additional information becomes available. If either or both of the criteria are not met, we reassess whether there is at least a reasonable possibility that a loss, or additional losses, may be incurred. If there is a reasonable possibility that a loss may be incurred, we disclose the estimate of the amount of the loss or range of losses, or that an estimate of loss cannot be made. The Company expenses its legal fees as incurred.

We are currently and may in the future become subject to various claims and pending or threatened lawsuits in the ordinary course of our business.

On August 7, 2026, a putative class action complaint was filed against the Company in the U.S. District Court for the Eastern District of California on behalf of a purported class of all U.S. residents who accessed and navigated the AmericasBest.com website (the "Privacy Action"). The Privacy Action alleges that the website's advertising technology provided by Meta Platforms, Inc. and Google LLC collected and shared users' personally identifiable information and protected health information in violation of the Electronic Communications Privacy Act ("ECPA"), the California Invasion of Privacy Act ("CIPA"), the California Comprehensive Computer Data Access and Fraud Act ("CDAFA") and the California Constitution, and seeks statutory damages, injunctive relief and attorneys' fees. The Company disputes the allegations in the complaint and intends to defend the matter vigorously. Given the early stage of the litigation, the Company is unable to estimate the amount of any reasonably possible loss or range of losses.

8. Segment Reporting

The Company’s operating segments were determined on the same basis as used by the Chief Operating Decision Maker (“CODM”) to evaluate performance internally. Our CODM is our chief executive officer. Our operations consist primarily of one reportable segment: the Owned & Host segment. Our owned brands consist of our America’s Best and Eyeglass World operating segments. In America’s Best stores, vision care services are provided by optometrists employed either by us or by independent professional corporations. Eyeglass World locations have on-site laboratories and offer eye exams, provided by optometrists employed either by us or by independent professional corporations. Our Host operating segments consist of Military and Fred Meyer. These brands provide eye exams principally by independent optometrists in nearly all locations. We have aggregated our America’s Best, Eyeglass World, Military and Fred Meyer operating segments into a single reportable segment due to similar economic characteristics and similarity of the nature of products and services, production processes, class of customers, regulatory environment and distribution methods of those brands.

In addition to our single reportable segment, the results of our dedicated e-commerce website and FirstSight, which sells single-service health plans in connection with the operations of America’s Best operations in California, are presented in the “corporate and other” category. The Company concluded that our dedicated e-commerce website meets the criteria to be an operating segment but does not meet the quantitative thresholds for separate disclosure as a reportable segment. Further, in 2025, the Company concluded that FirstSight does not meet the criteria to be an operating segment. Its results are not separately provided to the CODM, and therefore, they are also included in the “corporate and other” category. Prior-period information has been recast to reflect the segment presentation.

The “corporate and other” category also includes corporate overhead support expenses as well certain non-cash charges, including asset impairment, stock-based compensation expense, and the impact of certain events, gains, or losses excluded from the assessment of segment performance.

Other adjustments to reportable segment results represent adjustments necessary for the presentation of consolidated financial results in accordance with U.S. GAAP, specifically effects of the change in unearned and deferred revenue during the period.

The operating segments identified above are the business activities of the Company for which discrete financial information is available and for which operating results are regularly provided to, and reviewed by, our CODM to allocate resources and assess performance. The Company considers each of our brands to be an operating segment and has further concluded that presenting the results of our reportable segment provides meaningful information consistent with the objectives of ASC 280, *Segment Reporting*.

The CODM uses segment EBITDA, calculated as net revenue, less costs applicable to revenue, less SG&A expenses, to evaluate the performance, and make decisions about the allocation of resources to segments predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a monthly and quarterly basis when making decisions about the allocation of resources to each segment. Consistent with what the CODM reviews, depreciation and amortization and interest expense, net are excluded from segment EBITDA.

There are no differences between the measurement of our reportable segment’s assets and consolidated assets. There have been no changes from prior periods in the measurement methods used to determine reportable segment profit or loss, and there have been no asymmetrical allocations to segments.

Reportable segment information is presented on the same basis as our consolidated financial statements, except for net revenue and associated costs applicable to revenue, which exclude the effects of unearned and deferred revenue, consistent with what the CODM regularly reviews. Asset information is not included in the following summary since the CODM does not regularly review such information for the reportable segment.

The following table is a summary of certain financial data for our Owned & Host reportable segment, and other categories, and includes a reconciliation to the Company’s consolidated earnings before income taxes.

	Three Months Ended		Nine Months Ended	
In thousands	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Owned & Host revenue:				
Net product sales	$ 411,615	$ 390,440	$ 1,231,986	$ 1,187,258
Net sales of services and plans	98,960	95,156	299,748	287,471
Total Owned & Host revenue	510,575	485,596	1,531,734	1,474,729
Less:				
Owned & Host costs applicable to revenue (exclusive of depreciation and amortization)				
Cost of products	114,005	109,981	347,605	331,728
Cost of services and plans	93,203	88,688	275,185	262,556
Owned & Host SG&A	185,100	186,400	553,092	555,444
Owned & Host segment EBITDA	118,267	100,527	355,852	325,001
Corporate and other	(60,663)	(65,501)	(193,825)	(198,448)
Effects of unearned and deferred revenue	(3,966)	(3,233)	4,815	(6,675)
Depreciation and amortization	(22,646)	(22,185)	(69,309)	(67,684)
Interest expense, net	(2,992)	(4,119)	(9,177)	(12,901)
Earnings before income taxes	$ 28,000	$ 5,489	$ 88,356	$ 39,293

The following table presents a reconciliation of revenue:

	Three Months Ended		Nine Months Ended	
In thousands	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Revenue				
Owned & Host	$ 510,575	$ 485,596	$ 1,531,734	$ 1,474,729
Corporate and other	5,354	5,343	14,572	16,696
Effects of unearned and deferred revenue	(5,396)	(3,609)	6,912	(7,348)
Total consolidated revenue	$ 510,533	$ 487,330	$ 1,553,218	$ 1,484,077

9. Earnings Per Share

A reconciliation of the numerators and denominators of the basic and diluted earnings per share ("EPS") calculations is as follows:

	Three Months Ended		Nine Months Ended	
In thousands, except per share amounts	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Numerator:				
Net income	$ 19,188	$ 3,372	$ 62,785	$ 26,283
Denominator:				
Weighted average shares outstanding, Basic	78,698	79,223	79,300	79,053
Dilutive effect of share-based awards (1)	1,366	1,972	1,418	1,117
Weighted average shares outstanding, Diluted	80,064	81,195	80,718	80,170
Earnings per share:				
Basic	$ 0.24	$ 0.04	$ 0.79	$ 0.33
Diluted	$ 0.24	$ 0.04	$ 0.78	$ 0.33
Anti-dilutive securities excluded from diluted weighted average common shares	897	312	751	845

(1) Represents the dilutive impact of RSUs, PSUs and stock options

10. Accumulated Other Comprehensive Income (Loss)

Changes in the fair value of the Company's cash flow hedge derivative instruments from their inception are recorded in Accumulated other comprehensive income (loss) if the instruments are deemed to be highly effective as cash flow hedges. The following table presents the changes in Accumulated other comprehensive income (loss), net of tax.

	Three Months Ended	Nine Months Ended
In thousands	October 3, 2026	October 3, 2026
Cash flow hedging activity:		
Balance at beginning of period	$ 323	$ (121)
Other comprehensive income (loss) before reclassification	141	853
Tax effect of other comprehensive income (loss) before reclassification	(35)	(214)
Amount reclassified from AOCI (AOCL) into interest expense	(67)	(186)
Tax effect of amount reclassified from AOCI (AOCL) into interest expense	17	47
Net current period other comprehensive income (loss), net of tax	56	500
Balance at end of period	$ 379	$ 379

See Note 5. "Interest Rate Derivatives" for a description of the Company's use of cash flow hedging derivatives.

11. Restructuring

Eyeglass World Lab Optimization Initiative

During the nine months ended October 3, 2026, the Company initiated an Eyeglass World lab optimization initiative designed to optimize certain in-store laboratory functions by transitioning in-store lab surfacing activities to the Company's central laboratory operations. As a result of this transition, the Company eliminated certain positions within the affected in-

store laboratories, impaired certain laboratory equipment and wrote off inventory that is no longer expected to be utilized in operations.

The Company expects substantially all activities under the plan to be completed within one year and does not expect to incur any material additional costs. Total costs associated with the plan are expected to be approximately $3.0 million to $4.0 million, consisting primarily of non-cash equipment impairment charges, inventory write-offs, and employee termination benefits. The Company will continue to evaluate the impact of the transition and may incur additional costs as the plan is executed.

The following table presents the charges recognized related to the plan and their classification within the Condensed Consolidated Statements of Operations and Comprehensive Income for the nine months ended October 3, 2026.

In thousands	Income Statement Classification	Nine Months Ended October 3, 2026
Employee termination benefits	Costs of services and plans	$ 131
Asset impairment	Asset impairment	2,506
Inventory write-off	Costs of products applicable to revenue	206
Other Costs	Selling, general, and administrative expenses	237
Total restructuring charges		$ 3,080

As of October 3, 2026, the Company has paid the full $0.1 million of restructuring-related employee termination benefits and no related liability remained outstanding. These charges were recognized in accordance with FASB guidance on accounting for costs associated with exit or disposal activities. All expenses were recognized in the Corporate and Other category.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following contains management's discussion and analysis of our financial condition and results of operations and should be read together with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Form 10-Q (this "Form 10-Q") and the audited consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 4, 2026 (the "2025 Annual Report on Form 10-K"). This discussion contains forward-looking statements that reflect our plans, estimates and beliefs as of the date hereof and we undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. These forward-looking statements involve numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of the 2025 Annual Report on Form 10-K, as such risk factors may be updated from time to time in our periodic filings with the SEC. Actual results may differ materially from those contained in any forward-looking statements. You should carefully read "Special Note Regarding Forward-Looking Statements" in this Form 10-Q.

Overview

We are one of the largest optical retailers in the U.S. and a leader in the value segment of the U.S. optical retail industry. We believe that vision is central to quality of life and that people deserve to see their best to live their best. Our mission is to make quality eye care and eyewear more affordable and accessible. We achieve this by providing eye exams, eyeglasses and contact lenses to consumers across the nation. Our range of quality product offerings at multiple price points makes us an attractive destination for consumers of all income levels. As of October 3, 2026, we reach our customers through a diverse portfolio of 1,285 retail stores across four brands, our associated omni-channel consumer websites and our dedicated e-commerce consumer website.

Brand and Segment Information

As of October 3, 2026, our operations consisted of one reportable segment.

- Owned & Host - As of October 3, 2026, our owned brands consisted of 1,074 America's Best Contacts and Eyeglasses ("America's Best") retail stores and 121 Eyeglass World retail stores. Our Host brands consisted of 72 Vista Optical locations on select military bases and 18 Vista Optical locations within select Fred Meyer stores as of October 3, 2026. All brands utilize our centralized laboratories. This segment also includes sales from our America's Best, Eyeglass World, and Military omni-channel websites.

Our consolidated results also include the following:

- Corporate and other — Our corporate and other category includes the results of our dedicated e-commerce website, which sells contact lenses and optical accessory products to retail customers, and recognizes revenue when products have been delivered to the customer, and our managed care business conducted by FirstSight, our wholly-owned subsidiary that is licensed as a single-service health plan under California law, which issues individual vision plans in connection with our America's Best operations in California. Our "corporate and other" category also includes unallocated corporate overhead expenses, which are a component of Selling, general and administrative expenses ("SG&A") and are comprised of various home office expenses such as payroll, occupancy costs and consulting and professional fees. Corporate overhead expenses also include field services for our four retail brands. Other expenses included in this category include certain non-cash charges, including asset impairment, stock-based compensation expense, and the impact of certain events, gains, or losses excluded from the assessment of segment performance.
- Effects of unearned and deferred revenue — Reportable segment information is presented on the same basis as our condensed consolidated financial statements, except reportable segment revenues and associated costs applicable to revenue which exclude the effects of unearned and deferred revenue, consistent with what our chief operating decision maker ("CODM") regularly reviews. We present the effects of unearned and deferred revenues separately from our reportable segment information. See Note 8. "Segment Reporting" in our condensed consolidated financial statements. Deferred revenue represents the timing difference between the point of sale and when services related to product protection plans and eye care club memberships are performed. Increases or decreases in deferred revenue during the reporting period represent cash collections in excess of, or below the recognition of, previous deferrals. Unearned revenue represents the timing difference between the point of sale transaction and delivery/customer acceptance, and includes sales of prescription eyewear during approximately the last two weeks of the reporting period.

Trends and Other Factors Affecting Our Business

We continue to focus on the rapid modernization of our business in the context of contemporary consumer needs and wants. Our strategy is focused around creating a more joyful consumer experience with refreshed merchandising, updated marketing and brand assets, new in-store technologies to support the customer journey, and an updated pricing architecture, all of which allow us to better serve our existing customers and expand our target consumer demographics. These consumer-facing strategies are paired with an increased focus on cost optimization and operating margin expansion, all of which are intended to drive the outcome of a stronger core business and improved operating results.

The overall economic environment continues to be uncertain and macroeconomic factors that may affect customer spending patterns, and thereby our results of operations, include tariffs and other trade restrictions; inflation; wages and employment levels; business conditions; changes in the housing market; the availability of credit; interest rates; tax rates and policies; fuel and energy prices; changes in government programs and policies, including those affecting healthcare coverage and reimbursement; and overall consumer confidence in future economic conditions, as well as geopolitical uncertainty and conflicts. The current macroeconomic environment continues to pressure consumer discretionary spending and has caused shifts in consumer behaviors and preferences, which we expect to continue. As a result, the predictability of recurring purchase behavior remains uncertain, primarily for the cash pay consumer.

The United States has made changes to U.S. trade policy, including increasing tariffs on imports, in some cases significantly, and potentially negotiating or terminating existing trade agreements. On February 20, 2026, the U.S. Supreme Court held that tariffs imposed under the International Emergency Economic Powers Act (“IEEPA”) were invalid. The Administration subsequently imposed tariffs under other statutory authorities, including tariffs of 10% to 12.5% under Section 301 of the Trade Act of 1974, as amended, effective July 24, 2026, and additional pending investigations under Section 301 and Section 232 of the Trade Expansion Act of 1962, as amended, may result in further tariffs. The U.S. government has appealed a Court of International Trade ("CIT") order requiring IEEPA refunds, challenging, among other matters, the scope of refund relief, refunds for importers that were not parties to the litigation and refunds for finally liquidated entries.

Beginning on June 16, 2026, the Company filed claims with U.S. Customs and Border Protection ("CBP") seeking refunds of IEEPA tariffs previously paid by the Company and, as of October 3, 2026, has received refunds totaling approximately $4.9 million and $0.2 million in interest. See Note 1. "Description of Business and Basis of Presentation" in our condensed consolidated financial statements for additional information. Subsequent to the end of the third quarter, on November 2, 2026, the Company filed a claim with the CIT seeking refunds of IEEPA tariffs paid on all finally liquidated entries, which were not eligible for refund through the CBP claim process. The timing and amount of any recovery are uncertain, including as a result of the U.S. government's pending appeal on this issue, and the Company has not recognized any amounts related to this claim.

These actions have created continued uncertainty in global markets. Less than 10% of our costs applicable to revenue are directly subject to tariffs on products from China. In Mexico, where our exposure relates to our outsourcing relationship with our third-party laboratory, we have mitigation plans in place, and we estimate that less than 1% of our costs applicable to revenue are subject to tariffs in Mexico; however, on July 1, 2026, the United States announced that it would not renew the United States-Mexico-Canada Agreement in its current form. We are continuing to evaluate these developments, including impacts on our supply chain, commodity costs, and consumer spending, and our ability to offset a portion of these costs to mitigate the impact on our business, consolidated results of operations, and financial condition.

Inflation has resulted in increased costs and greater profitability pressure. We have experienced wage rate pressure and increases in raw materials prices, which we expect to continue. These pressures, together with tariffs and energy prices, could impact our profitability, and we may attempt to offset such increases through various pricing actions. We have historically employed a simple low price/high value strategy seeking to balance our pricing and growth in a way that consistently delivers savings to our customers. We are continuing this commitment to value, while at the same time modernizing our pricing strategy to maximize that value across a broader range of consumers. We have taken and may continue to take pricing actions and introduce limited-time promotions or new offers designed to increase demand traffic, awareness and drive sales. In fiscal 2025, we implemented price increases to each of our America’s Best and Eyeglass World opening offers and continued to evolve our product mix to include a greater percentage of frames at price points over $99. We believe that these changes will enable us to continue to offer the best possible value and service to our customers at prices that allow us to maintain our brands’ strong value propositions in the marketplace. Several factors may impact the level of success of such actions and promotions, including consumer sentiment, macroeconomic conditions and marketing effectiveness, and as a result, if they do not meet our expectations, they could negatively impact our margins and profitability.

Additionally, our ability to continue to attract and retain qualified vision care professionals impacts exam capacity and our operations. We believe factors such as an increasingly challenging recruiting market (in particular for new graduates), preferences for adjusted work schedules, and the demand for optometrists exceeding supply in certain areas caused constraints in vision care professional availability, and therefore exam capacity in recent years, which may continue. As a result, recruiting and retaining optometrists has become more challenging and the costs to employ or retain optometrists

have increased and may increase further, potentially materially. Further, a limited number of professional corporations or similar entities provide for the vision care services at a number of our retail locations, exposing us to some concentration risk. A material change in our relationship with vision care professionals, whether resulting from constraints in exam capacity, a dispute with an eye care practitioner or a group of eye care practitioners controlling multiple practice locations, a government or regulatory authority challenging our operating structure or our relationship with vision care professionals, or other changes to applicable laws or regulations (or interpretations of the same), or the loss of these relationships, could impair our ability to provide services to our customers, cause our customers to go elsewhere for their optical needs, or result in legal sanctions against us. From time to time, we may elect to make strategic changes to our doctor model or otherwise make changes to our relationships with one or more of these practices, which could also lead to any of these risks. We believe remote medicine not only helps provide more access to eye care for patients, but also helps address constraints in exam capacity.

We anticipate continuing our investment in remote medicine, including adding hybrid doctors to our network, whereby an onsite optometrist in one store is able to see patients remotely in another store where feasible and advantageous to the business, dependent upon state-by-state regulatory requirements. The ability to offer a remote care patient journey continues to drive increased exam capacity, allowing us to meet the consumer when and where they need care.

Historically, our business has experienced seasonality in the first half of the year that we believe is primarily attributable to health insurance start/reset periods and predictable consumer propensity to seek eye care and eyewear.

In the beginning of the second quarter, we made an important strategic move to re-platform AmericasBest.com. This is a key step in our unified commerce journey to strengthen our digital foundation, improve the customer experience, and, over time, better connect our online and store experiences. A re-platforming of this scale resets parts of the digital storefront and traffic was disrupted as search and social optimization resets. We managed the transition anchored in data, clear operating focus, discipline and a healthy sense of urgency and saw sequential improvement in the second quarter. All websites were successfully migrated to the new platform within the second quarter and we have not experienced any additional impacts.

Refer to Part I, Item 1A. “Risk Factors” in the Company’s 2025 Annual Report on Form 10-K for a more complete discussion of the risks we face.

How We Assess the Performance of Our Business

We consider a variety of financial and operating measures in assessing the performance of our business. The key measures we use to determine how our consolidated business and operating segments are performing are net revenue, costs applicable to revenue, and selling, general, and administrative expenses. In addition, we also review store growth, Adjusted Comparable Store Sales Growth, Adjusted Operating Income, Adjusted Operating Margin, Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted Diluted EPS.

Net Revenue

We report as net revenue amounts generated in transactions with retail customers who are the end users of our products, services and plans. Comparable store sales growth and new store openings are key drivers of net revenue and are discussed below. Also, the timing of unearned revenue can affect revenue recognized in a particular period.

Costs Applicable to Revenue

Customer tastes and preferences, product mix, changes in technology, significant increases or slowdowns in production, and other factors impact costs applicable to revenue. The components of our costs applicable to revenue may not be comparable to other retailers.

Selling, General and Administrative

SG&A expenses generally fluctuate consistently with revenue due to the variable store, field office and corporate support costs; however, some fixed costs may decrease as a percentage of net revenue as our net revenues grow over time.

New Store Openings

The total number of new stores per year and the timing of store openings has had an impact, and we expect will continue to have an impact, on our results. As of October 3, 2026, we have opened 25 new stores, not inclusive of the addition of 20 Military stores in April 2026, and plan to open an additional five stores during the remainder of 2026 while continuing to invest capital in existing operations to enhance the overall store experience. We expect to open approximately 50-55 new stores in fiscal 2027, while we continue to monitor and determine our plans for future new store openings at a level appropriate for incremental free cash flow generation.

Adjusted Comparable Store Sales Growth

We measure Adjusted Comparable Store Sales Growth as the increase or decrease in sales recorded by the comparable store base in any reporting period, compared to sales recorded by the comparable store base in the prior reporting period, which we calculate as follows: (i) sales are recorded at the point of sale; (ii) sales are adjusted for managed care insurance collection estimates; (iii) stores are added to the calculation during the 13th full fiscal month following the store's opening; (iv) closed stores are removed from the calculation for time periods that are not comparable; (v) sales from partial months of operation are excluded when stores do not open or close on the first day of the month; (vi) when applicable, we adjust for the effect of the 53rd week; and (vii) in fiscal years following a 53-week fiscal year, there is a one week calendar shift to the comparable prior-year period. For the calculation of the adjusted comparable store sales growth for the three months ended October 3, 2026, we compared weeks 27 through 39 in fiscal 2026 against weeks 28 through 40 in fiscal 2025 and for the nine months ended October 3, 2026, we compared weeks 1 through 39 in fiscal year 2026 against weeks 2 through 40 in fiscal year 2025. Quarterly, year-to-date and annual adjusted comparable store sales are aggregated using only sales from all whole months of operation included in both the current reporting period and the prior reporting period. When a partial month is excluded from the calculation, the corresponding month in the subsequent period is also excluded from the calculation. There may be variations in the way in which some of our competitors and other retailers calculate comparable store sales. As a result, our adjusted comparable store sales may not be comparable to similar data made available by other retailers.

Adjusted Comparable Store Sales Growth is a non-GAAP financial measure, which we believe is useful because it provides timely and accurate information relating to the two core metrics of retail sales: number of transactions and value of transactions. We use Adjusted Comparable Store Sales Growth as the basis for key operating decisions, such as allocation of advertising to particular markets and implementation of special marketing programs. Accordingly, we believe that Adjusted Comparable Store Sales Growth provides timely and accurate information relating to the operational health and overall performance of each brand. We also believe that, for the same reasons, investors find our calculation of Adjusted Comparable Stores Sales Growth to be meaningful.

Adjusted Operating Income, Adjusted Operating Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Diluted EPS (collectively, the "Company Non-GAAP Measures")

The Company Non-GAAP Measures are key measures used by management to assess our financial performance. The Company Non-GAAP Measures are also frequently used by analysts, investors and other interested parties. We use the Company Non-GAAP Measures to supplement U.S. GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, to establish discretionary annual incentive compensation and to compare our performance against that of other peer companies using similar measures. See "Non-GAAP Financial Measures" below for definitions and reconciliations of the Company Non-GAAP Measures and for additional information.

Results of Operations

The following table summarizes key components of our results of operations for the periods indicated, both in dollars and as a percentage of our net revenue.

In thousands, except earnings per share, percentage and store data	Three Months Ended		Nine Months Ended	
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025
Revenue:				
Net product sales	$ 410,609	$ 393,483	$ 1,253,244	$ 1,200,837
Net sales of services and plans	99,924	93,847	299,974	283,240
Total net revenue	510,533	487,330	1,553,218	1,484,077
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products	116,858	114,615	362,249	346,215
Services and plans	93,204	88,584	275,321	262,545
Total costs applicable to revenue	210,062	203,199	637,570	608,760
Operating expenses:				
Selling, general and administrative expenses	247,134	252,339	746,658	755,038
Depreciation and amortization	22,646	22,185	69,309	67,684
Asset impairment	—	—	2,506	502
Other income, net	(301)	(1)	(358)	(101)
Total operating expenses	269,479	274,523	818,115	823,123
Income from operations	30,992	9,608	97,533	52,194
Interest expense, net	2,992	4,119	9,177	12,901
Earnings before income taxes	28,000	5,489	88,356	39,293
Income tax provision	8,812	2,117	25,571	13,010
Net income	$ 19,188	$ 3,372	$ 62,785	$ 26,283
Supplemental operating data:				
Number of stores open at end of period	1,285	1,242	1,285	1,242
New stores opened during the period	8	4	25	21
Adjusted Operating Income	$ 37,125	$ 19,807	$ 124,159	$ 84,883
Diluted EPS	$ 0.24	$ 0.04	$ 0.78	$ 0.33
Adjusted Diluted EPS	$ 0.30	$ 0.13	$ 1.01	$ 0.65
Adjusted EBITDA	$ 59,602	$ 41,823	$ 192,961	$ 152,060
Percentage of net revenue:				
Total costs applicable to revenue	41.1 %	41.7 %	41.0 %	41.0 %
Selling, general and administrative expenses	48.4 %	51.8 %	48.1 %	50.9 %
Total operating expenses	52.8 %	56.3 %	52.7 %	55.5 %
Net income	3.8 %	0.7 %	4.0 %	1.8 %
Adjusted Operating Income	7.3 %	4.1 %	8.0 %	5.7 %
Adjusted EBITDA	11.7 %	8.6 %	12.4 %	10.2 %

Three Months Ended October 3, 2026 compared to Three Months Ended September 27, 2025

Unless otherwise noted, the discussion below is based on results, substantially all of which are, attributable to our single reportable segment, Owned & Host.

Net revenue

The following presents, by segment and by brand, comparable store sales growth, stores open at the end of the period and net revenue for the three months ended October 3, 2026 compared to the three months ended September 27, 2025.

	Comparable store sales growth[1]		Stores open at end of period		Net revenue[1][2]			
In thousands, except percentage and store data	Three Months Ended October 3, 2026	Three Months Ended September 27, 2025	October 3, 2026	September 27, 2025	Three Months Ended October 3, 2026		Three Months Ended September 27, 2025	
Owned & Host segment								
America's Best	3.4 %	8.1 %	1,074	1,049	$ 453,138	88.8 %	$ 428,785	88.0 %
Eyeglass World	(2.5) %	5.2 %	121	122	47,604	9.3 %	48,754	10.0 %
Military	1.9 %	4.4 %	72	53	7,671	1.5 %	5,895	1.2 %
Fred Meyer	3.2 %	4.1 %	18	18	2,162	0.4 %	2,162	0.4 %
Owned & Host segment total			1,285	1,242	$ 510,575	100.0 %	$ 485,596	99.6 %
Corporate and Other	—	—	—	—	5,354	1.1 %	5,343	1.1 %
Effects of unearned and deferred revenue	—	—	—	—	(5,396)	(1.1)%	(3,609)	(0.7)%
Total	3.6 %	6.8 %	1,285	1,242	$ 510,533	100.0 %	$ 487,330	100.0 %
Effect of deferred and unearned revenue on comparable store sales	(0.8) %	0.9 %						
Adjusted Comparable Store Sales Growth	2.8 %	7.7 %						

(1) We calculate total comparable store sales based on consolidated net revenue excluding the impact of (i) Corporate and other 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 (v) if applicable, the impact of a 53rd week in a fiscal year, and (vi) in fiscal years following a 53-week fiscal year, there is a one week calendar shift to the comparable prior-year period. For the calculation of the adjusted comparable store sales growth in the third quarter of 2026, we compared weeks 27 through 39 in fiscal 2026 against weeks 28 through 40 in fiscal 2025. Brand-level comparable store sales growth is calculated based on point-of-sale revenues consistent with what the CODM reviews, and consistent with reportable segment revenues presented in Note 8. "Segment Reporting" in our unaudited condensed consolidated financial statements included in Part I. Item 1. of this Form 10-Q.

(2) Percentages reflect line items as a percentage of net revenue, adjusted for rounding.

	Three Months Ended			
(in thousands)	October 3, 2026	September 27, 2025	$ Change	% Change
Total net revenue	$ 510,533	$ 487,330	$ 23,203	4.8 %
Net product sales	$ 410,609	$ 393,483	$ 17,126	4.4 %
As a percentage of total net revenue	*80.4%*	*80.7%*		
Net sales of services and plans	$ 99,924	$ 93,847	$ 6,077	6.5 %
As a percentage of total net revenue	*19.6%*	*19.3%*		

Total net revenue of $510.5 million for the three months ended October 3, 2026 increased $23.2 million, or 4.8%, from $487.3 million for the three months ended September 27, 2025. The increase was primarily driven by Adjusted Comparable Store Sales Growth, new store sales, partially offset by closed stores and the timing of unearned revenue. Unearned and deferred revenue negatively impacted net revenue by $1.8 million during the three months ended October 3, 2026 compared to the three months ended September 27, 2025.

Net product sales increased $17.1 million, or 4.4%, in the three months ended October 3, 2026 compared to the three months ended September 27, 2025, primarily due to product mix and pricing initiatives in eyeglass sales of $15.2 million and contact lens sales of $1.7 million.

Net sales of services and plans for the three months ended October 3, 2026 increased $6.1 million, or 6.5%, compared to the three months ended September 27, 2025, driven primarily by higher eye exam revenues of $5.6 million, primarily reflecting the impact of pricing actions.

Comparable store sales growth and Adjusted Comparable Store Sales Growth for the three months ended October 3, 2026 were 3.6% and 2.8%, respectively, both reflecting a higher average ticket and continued strength in the managed care cohort, partially offset by lower customer traffic.

In the three months ended October 3, 2026, we opened eight America's Best stores and closed three America's Best and one Eyeglass World stores. Overall, store count grew 3.5% from September 27, 2025 to October 3, 2026.

Costs applicable to revenue

	Three Months Ended			
(in thousands)	October 3, 2026	September 27, 2025	$ Change	% Change
Total costs applicable to revenue	$ 210,062	$ 203,199	$ 6,863	3.4 %
As a percentage of total net revenue	*41.1 %*	*41.7 %*		
Total costs of products	$ 116,858	$ 114,615	$ 2,243	2.0 %
As a percentage of net product sales	*28.5 %*	*29.1 %*		
Total costs of services and plans	$ 93,204	$ 88,584	$ 4,620	5.2 %
As a percentage of net sales of services and plans	*93.3 %*	*94.4 %*		

Costs applicable to revenue increased $6.9 million, or 3.4% in the three months ended October 3, 2026, compared to the three months ended September 27, 2025. As a percentage of net revenue, costs applicable to revenue decreased 60 basis points and were primarily driven by a one-time benefit of IEEPA tariff refunds of 90 basis points and leverage of optometrist-related costs on higher exam revenue, partially offset by lower eyeglass margin rate resulting from a strategic mix shift toward higher-value product offerings of 70 basis points.

Costs of products as a percentage of net product sales decreased 60 basis points, primarily driven by a one-time benefit of IEEPA tariff refunds, partially offset by lower eyeglass margin rate resulting from a strategic mix shift toward higher-value product offerings.

Costs of services and plans as a percentage of net sales of services and plans decreased 110 basis points, primarily driven by leverage of optometrist-related costs on higher exam revenue.

Selling, general and administrative

	Three Months Ended			
(in thousands)	October 3, 2026	September 27, 2025	$ Change	% Change
SG&A	$ 247,134	$ 252,339	$ (5,205)	(2.1) %
As a percentage of total revenue	*48.4 %*	*51.8 %*		

SG&A of $247.1 million for the three months ended October 3, 2026 decreased $5.2 million, or 2.1%, compared to the three months ended September 27, 2025. As a percentage of net revenue, SG&A decreased 340 basis points primarily driven by 190 basis points from improved store labor efficiency, lower variable incentive compensation of 80 basis points, as well as 50 basis points from continued execution of cost optimization efforts.

Depreciation and amortization

Depreciation and amortization expense of $22.6 million for the three months ended October 3, 2026 increased $0.5 million, or 2.1%, from $22.2 million for the three months ended September 27, 2025, primarily driven by capital investments in our stores.

Asset impairment

We did not recognize any impairment charges during the three months ended October 3, 2026 and September 27, 2025.

Interest expense, net

Interest expense, net, of $3.0 million for the three months ended October 3, 2026 decreased $1.1 million from $4.1 million for the three months ended September 27, 2025, primarily as a result of lower interest expense of $0.7 million resulting from lower outstanding debt balance and higher interest income of $0.3 million.

Income tax provision

Our effective tax rates for the three months ended October 3, 2026 and September 27, 2025 were 31.5% and 38.6%, respectively. The change in effective tax rates was primarily driven by an increase in income before taxes in the three months ended October 3, 2026 compared to the three months ended September 27, 2025.

Nine Months Ended October 3, 2026 compared to Nine Months Ended September 27, 2025

Unless otherwise noted, the discussion below is based on results, substantially all of which are attributable to our single reportable segment, Owned & Host.

Net revenue

The following presents, by segment and by brand, comparable store sales growth, stores open at the end of the period and net revenue for the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025.

	Comparable store sales growth[1]		Stores open at end of period		Net revenue[1][2]			
In thousands, except percentage and store data	Nine Months Ended October 3, 2026	Nine Months Ended September 27, 2025	October 3, 2026	September 27, 2025	Nine Months Ended October 3, 2026		Nine Months Ended September 27, 2025	
Owned & Host segment								
America's Best	3.5 %	6.7 %	1,074	1,049	$ 1,353,319	87.1 %	$ 1,299,291	87.5 %
Eyeglass World	1.2 %	3.7 %	121	122	150,823	9.7 %	150,345	10.1 %
Military	0.5 %	3.4 %	72	53	21,115	1.4 %	17,905	1.2 %
Fred Meyer	0.1 %	4.1 %	18	18	6,477	0.4 %	7,188	0.5 %
Owned & Host segment total			1,285	1,242	$ 1,531,734	98.6 %	$ 1,474,729	99.4 %
Corporate and Other	—	—	—	—	14,572	1.0 %	16,696	1.0 %
Effects of unearned and deferred revenue	—	—	—	—	6,912	0.4 %	(7,348)	(0.4)%
Total	3.8 %	5.7 %	1,285	1,242	$ 1,553,218	100.0 %	$ 1,484,077	100.0 %
Effect of deferred and unearned revenue on comparable store sales	(0.6) %	0.7 %						
Adjusted Comparable Store Sales Growth	3.2 %	6.4 %						

(1) We calculate total comparable store sales based on consolidated net revenue excluding the impact of (i) Corporate and other 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 (v) if applicable, the impact of a 53rd week in a fiscal year and (vi) in fiscal years following a 53-week fiscal year, there is a one week calendar shift to the comparable prior-year period. For the calculation of the adjusted comparable store sales growth in the nine months ended October 3, 2026, we compared weeks 1 through 39 in fiscal 2026 against weeks 2 through 40 in fiscal 2025. Brand-level comparable store sales growth is calculated based on point-of-sale revenues consistent with what the CODM reviews, and consistent with reportable segment revenues presented in Note 8. "Segment Reporting" in our unaudited condensed consolidated financial statements included in Part I. Item 1. of this Form 10-Q.

(2) Percentages reflect line item as a percentage of net revenue, adjusted for rounding.

	Nine Months Ended			
(in thousands)	October 3, 2026	September 27, 2025	$ Change	% Change
Total net revenue	$ 1,553,218	$ 1,484,077	$ 69,141	4.7 %
Net product sales	$ 1,253,244	$ 1,200,837	$ 52,407	4.4 %
As a percentage of total net revenue	*80.7%*	*80.9%*		
Net sales of services and plans	$ 299,974	$ 283,240	$ 16,734	5.9 %
As a percentage of total net revenue	*19.3%*	*19.1%*		

Total net revenue of $1,553.2 million for the nine months ended October 3, 2026 increased $69.1 million, or 4.7%, from $1,484.1 million for the nine months ended September 27, 2025. The increase was primarily driven by Adjusted Comparable Store Sales Growth, new store sales and the timing of unearned revenue, partially offset by closed stores.

Unearned and deferred revenue positively impacted net revenue by $14.3 million during the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025.

Net product sales increased $52.4 million, or 4.4%, in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025, primarily due to product mix and pricing initiatives in eyeglass sales of $42.6 million and contact lens sales of $10.6 million.

Net sales of services and plans for the nine months ended October 3, 2026 increased $16.7 million, or 5.9%, compared to the nine months ended September 27, 2025, driven primarily by higher exam revenues of $15.0 million.

Comparable store sales growth and Adjusted Comparable Store Sales Growth for the nine months ended October 3, 2026 were 3.8% and 3.2%, respectively, both reflecting a higher average ticket and continued strength in the Company's managed care cohort, partially offset by lower customer traffic.

During fiscal 2025, the Company entered into an amendment to its agreement with Army and Air Force Exchange Service (AAFES), extending the term of the agreement through January 2036. Subsequently, in February 2026, the Company and AAFES entered into an additional amendment providing for the operation by the Company of an additional 20 military stores located on AAFES bases, expanding the Company's presence in two additional states. In the nine months ended October 3, 2026, and in connection with this expansion, the Company purchased from U.S. Vision Corp. certain assets used in connection with the operation of those 20 additional military stores. Additionally, we opened 25 new America's Best stores and closed eight America's Best stores, one Eyeglass World Store and one Military store. Overall, store count grew 3.5% from September 27, 2025 to October 3, 2026 (25 net new America's Best stores, 19 net new Military stores, and one net closure of Eyeglass World stores).

Costs applicable to revenue

	Nine Months Ended			
(in thousands)	October 3, 2026	September 27, 2025	$ Change	% Change
Total costs applicable to revenue	$ 637,570	$ 608,760	$ 28,810	4.7 %
As a percentage of total net revenue	*41.0 %*	*41.0 %*		
Total costs of products	$ 362,249	$ 346,215	$ 16,034	4.6 %
As a percentage of net product sales	*28.9 %*	*28.8 %*		
Total costs of services and plans	$ 275,321	$ 262,545	$ 12,776	4.9 %
As a percentage of net sales of services and plans	*91.8 %*	*92.7 %*		

Costs applicable to revenue increased $28.8 million, or 4.7%, in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025. As a percentage of net revenue, costs applicable to revenue remained flat at 41.0% and were primarily driven by a one-time benefit of IEEPA tariff refunds of 30 basis points and leverage of optometrist-related costs on higher exam revenue offset by lower eyeglass margin rate resulting from a strategic mix shift toward higher-value product offerings of 40 basis points.

Costs of products as a percentage of net product sales increased 10 basis points, primarily driven by lower eyeglass margin rate reflecting a strategic mix shift toward higher-value product offerings, partially offset by the one-time benefit of IEEPA tariff refunds.

Costs of services and plans as a percentage of net sales of services and plans decreased 90 basis points, primarily driven by leverage of optometrist-related costs on higher exam revenue.

Selling, general and administrative

	Nine Months Ended			
(in thousands)	October 3, 2026	September 27, 2025	$ Change	% Change
SG&A	$ 746,658	$ 755,038	$ (8,380)	(1.1) %
As a percentage of total revenue	*48.1 %*	*50.9 %*		

SG&A decreased $8.4 million, or 1.1%, in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025. SG&A as a percentage of net revenue decreased 280 basis points primarily driven by 170 basis points from improved store labor efficiency, lower variable incentive compensation of 60 basis points, and lower advertising and promotional spending of 40 basis points.

Depreciation and amortization

Depreciation and amortization expense of $69.3 million for the nine months ended October 3, 2026 increased $1.6 million, or 2.4%, from $67.7 million for the nine months ended September 27, 2025, primarily driven by capital investments in our stores and retail support centers.

Asset impairment

We recognized $2.5 million impairment charges during the nine months ended October 3, 2026, related to Eyeglass World lab optimization activity. The impairment charges recognized in the current period were related to the write-down of store lab assets in connection with our Eyeglass World lab optimization initiative, which is intended to improve operational efficiency by reducing in-store lab activity and utilizing alternative production capabilities. Refer to Note 11. “Restructuring” for information regarding this initiative, including expected future restructuring activities and related costs. We recognized $0.5 million of impairment charges during the nine months ended September 27, 2025, primarily for tangible long-lived assets and ROU assets associated with our retail stores. Asset impairment expenses were recognized in Corporate and other. See Note 1. “Description of Business and Basis of Presentation” and Note 3. “Fair Value Measurement” for further details.

Interest expense, net

Interest expense, net of $9.2 million for the nine months ended October 3, 2026, decreased $3.7 million from $12.9 million for the nine months ended September 27, 2025. The change was primarily a result of lower interest expense of $3.1 million resulting from lower outstanding debt balance and lower SOFR rates.

Income tax provision

Our effective tax rates for the nine months ended October 3, 2026 and September 27, 2025 were 28.9% and 33.1%, respectively. The change in effective tax rates is primarily driven by the discrete benefit of permanent adjustments related to stock-based compensation, partially offset by non-deductible compensation.

Non-GAAP Financial Measures

Adjusted Operating Income, Adjusted Operating Margin, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Diluted EPS

We define Adjusted Operating Income as net income (loss), plus interest expense (income), net and income tax provision (benefit), further adjusted to exclude stock-based compensation expense, (gain) loss on extinguishment of debt, asset impairment, litigation settlement, secondary offering expenses, management realignment expenses, long-term incentive plan expenses, amortization of acquisition intangibles, ERP and CRM implementation expenses, shareholder activism costs, severance and associate-related costs associated with organizational restructuring and certain other expenses.

We define Adjusted Operating Margin as Adjusted Operating Income as a percentage of net revenue.

We define EBITDA as net income (loss), plus interest expense (income), net, income tax provision (benefit) and depreciation and amortization.

We define Adjusted EBITDA as net income (loss), plus interest expense (income), net, income tax provision (benefit) and depreciation and amortization, further adjusted to exclude stock-based compensation expense, (gain) loss on extinguishment of debt, asset impairment, litigation settlement, secondary offering expenses, management realignment expenses, long-term incentive plan expenses, ERP and CRM implementation expenses, shareholder activism costs, severance and associate-related costs associated with organizational restructuring and certain other expenses.

We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of net revenue.

We define Adjusted Diluted EPS as diluted earnings (loss) per share, adjusted for the per share impact of stock-based compensation expense, (gain) loss on extinguishment of debt, asset impairment, litigation settlement, secondary offering expenses, management realignment expenses, long-term incentive plan expenses, amortization of debt discounts and deferred financing costs of our term loan borrowings, amortization of the conversion feature and deferred financing costs related to our 2.50% convertible senior notes due on May 15, 2025 (”2025 Notes”) when not required under U.S. GAAP to be added back for diluted earnings (loss) per share, derivative fair value adjustments, ERP and CRM implementation expenses, shareholder activism, severance and associate-related costs associated with restructuring, and certain other expenses, less the tax effect of these adjustments, including tax expense (benefit) from stock-based compensation.

EBITDA and the Company Non-GAAP Measures can vary substantially in size from one period to the next, and certain types of expenses are non-recurring in nature and consequently may not have been incurred in any of the periods presented below.

EBITDA and the Company Non-GAAP Measures have been presented as supplemental measures of financial performance that are not required by, or presented in accordance with U.S. GAAP, because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes EBITDA and the Company Non-GAAP Measures are useful to investors in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. We also use EBITDA and the Company Non-GAAP Measures to supplement U.S. GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, to establish discretionary annual incentive compensation and to compare our performance against that of other peer companies using similar measures. Management supplements U.S. GAAP results with Non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting the business than U.S. GAAP results alone. We continue to evaluate our use of the Company Non-GAAP measures in the context of the development of our business, and may introduce or discontinue certain measures in the future as we deem appropriate.

EBITDA and the Company Non-GAAP Measures are not recognized terms under U.S. GAAP and should not be considered as an alternative to net income or income from operations as a measure of financial performance or cash flows provided by operating activities as a measure of liquidity, or any other performance measure derived in accordance with U.S. GAAP. Additionally, these measures are not intended to be a measure of free cash flow available for management's discretionary use as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In evaluating EBITDA and the Company Non-GAAP Measures, we may incur expenses in the future that are the same as or similar to some of the adjustments in this presentation. Our presentation of EBITDA and the Company Non-GAAP Measures should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by primarily relying on our U.S. GAAP results in addition to using EBITDA and the Company Non-GAAP Measures.

The presentations of these measures have limitations as analytical tools and should not be considered in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- they do not reflect costs or cash outlays for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA, Adjusted EBITDA and Adjusted Operating Income do not reflect the interest expense (income), net, or the cash requirements necessary to service interest or principal payments, on our debt;
- EBITDA, Adjusted EBITDA and Adjusted Operating Income do not reflect period to period changes in taxes, income tax provision or the cash necessary to pay income taxes;
- they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect cash requirements for such replacements; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, EBITDA and the Company Non-GAAP Measures should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness.

The following table reconciles our Adjusted Operating Income, Adjusted Operating Margin, EBITDA, Adjusted EBITDA, and Adjusted EBITDA Margin to net income; and Adjusted Diluted EPS to diluted EPS for the periods presented:

	Three Months Ended				Nine Months Ended			
In thousands	October 3, 2026		September 27, 2025		October 3, 2026		September 27, 2025	
Net income	$ 19,188	3.8 %	$ 3,372	0.7 %	$ 62,785	4.0 %	$ 26,283	1.8 %
Interest expense, net	2,992	0.6 %	4,119	0.8 %	9,177	0.6 %	12,901	0.9 %
Income tax provision	8,812	1.7 %	2,117	0.4 %	25,571	1.6 %	13,010	0.9 %
Stock-based compensation expense [(a)]	5,913	1.2 %	5,501	1.1 %	19,301	1.2 %	17,836	1.2 %
Asset impairment [(b)]	—	— %	—	— %	2,506	0.2 %	502	— %
Litigation settlement [(c)]	—	— %	1,903	0.4 %	—	— %	1,903	0.1 %
Amortization of acquisition intangibles [(d)]	169	— %	169	— %	507	— %	507	— %
ERP and CRM implementation expenses [(f)]	336	0.1 %	1,368	0.3 %	1,262	0.1 %	5,529	0.4 %
Other [(g)]	(285)	(0.1)%	1,258	0.3 %	3,050	0.2 %	6,412	0.4 %
Adjusted Operating Income / Adjusted Operating Margin	$ 37,125	7.3 %	$ 19,807	4.1 %	$ 124,159	8.0 %	$ 84,883	5.7 %

Note: Percentages reflect line item as a percentage of net revenue, adjusted for rounding. Some of the percentage totals in the table above do not foot due to rounding differences.

	Three Months Ended				Nine Months Ended			
In thousands	October 3, 2026		September 27, 2025		October 3, 2026		September 27, 2025	
Net income	$ 19,188	3.8 %	$ 3,372	0.7 %	$ 62,785	4.0 %	$ 26,283	1.8 %
Interest expense, net	2,992	0.6 %	4,119	0.8 %	9,177	0.6 %	12,901	0.9 %
Income tax provision	8,812	1.7 %	2,117	0.4 %	25,571	1.6 %	13,010	0.9 %
Depreciation and amortization	22,646	4.4 %	22,185	4.6 %	69,309	4.5 %	67,684	4.6 %
EBITDA	53,638	10.5 %	31,793	6.5 %	166,842	10.7 %	119,878	8.1 %
Stock-based compensation expense [(a)]	5,913	1.2 %	5,501	1.1 %	19,301	1.2 %	17,836	1.2 %
Asset impairment [(b)]	—	— %	—	— %	2,506	0.2 %	502	— %
Litigation settlement [(c)]	—	— %	1,903	0.4 %	—	— %	1,903	0.1 %
ERP and CRM implementation expenses [(f)]	336	0.1 %	1,368	0.3 %	1,262	0.1 %	5,529	0.4 %
Other [(g)]	(285)	(0.1)%	1,258	0.3 %	3,050	0.2 %	6,412	0.4 %
Adjusted EBITDA / Adjusted EBITDA Margin	$ 59,602	11.7 %	$ 41,823	8.6 %	$ 192,961	12.4 %	$ 152,060	10.2 %

Note: Percentages reflect line item as a percentage of net revenue, adjusted for rounding. Some of the percentage totals in the table above may not foot due to rounding differences.

In thousands, except per share amounts	Three Months Ended October 3, 2026	Three Months Ended September 27, 2025	Nine Months Ended October 3, 2026	Nine Months Ended September 27, 2025
Diluted EPS	$ 0.24	$ 0.04	$ 0.78	$ 0.33
Stock-based compensation expense [a]	0.07	0.07	0.24	0.22
Asset impairment [b]	—	—	0.03	0.01
Litigation settlement [c]	—	0.02	—	0.02
Amortization of acquisition intangibles [d]	—	—	0.01	0.01
Amortization of deferred financing costs [e]	—	—	0.01	0.01
ERP and CRM implementation expenses [f]	—	0.02	0.02	0.07
Other [g]	—	0.02	0.04	0.07
Tax effects [h]	(0.01)	(0.04)	(0.12)	(0.09)
Adjusted Diluted EPS	$ 0.30	$ 0.13	$ 1.01	$ 0.65
Weighted average diluted shares outstanding	80,064	81,195	80,718	80,170

(a) Non-cash charges related to stock-based compensation programs, which may vary from period to period depending on the timing of awards and performance vesting conditions.
(b) Reflects write-off related to non-cash impairment charges of long-lived assets, primarily impairment of property and equipment related to the EGW lab optimization initiative for the nine months ended October 3, 2026 and impairment of property, equipment and lease-related assets on closed or underperforming stores for the nine months ended September 27, 2025. Refer to Note 11. "Restructuring" for more information on the EGW lab optimization initiative.
(c) Expenses associated with settlement of certain litigation.
(d) 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.
(e) Amortization of deferred financing costs and other non-cash charges related to our 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.
(f) Costs related to the Company's ERP and CRM 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 related to shareholder activism costs of $2.1 million for the nine months ended September 27, 2025, severance and associate-related costs associated with organizational restructuring of $2.2 million for the nine months ended October 3, 2026 and $0.8 million and $2.9 million for the three and nine months ended September 27, 2025, respectively, and restructuring costs related to EGW lab optimization initiative of $0.6 million for the nine months ended October 3, 2026 (see Note 11. "Restructuring", for additional information), and other expenses and adjustments.
(h) Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates, including tax expense (benefit) from stock-based compensation.

Liquidity and Capital Resources

Our primary cash needs are for inventory, payroll, store rent, advertising, capital expenditures associated with new stores and updating existing stores, as well as information and remote medicine technology and infrastructure, including our corporate office, distribution centers, and laboratories. When appropriate, the Company may utilize excess liquidity towards debt service requirements, including voluntary debt prepayments, or required interest and principal payments, if any, as well as repurchases of common stock or other securities, based on excess cash flows. The most significant components of our operating assets and liabilities are inventories, accounts receivable, prepaid expenses and other assets, accounts payable, deferred and unearned revenue and other payables and accrued expenses. We exercise prudence in our use of cash and closely monitor various items related to cash flow including, but not limited to, cash receipts, cash disbursements, payment terms and alternative sources of funding. We continue to be focused on these items in addition to other key measures we use to determine how our consolidated business and operating segments are performing. We believe that cash on hand, cash expected to be generated from operations and the availability of borrowings under our revolving credit loans in an aggregate principal amount of $300.0 million (the "Revolving Loans") will be sufficient to fund our working capital requirements, liquidity obligations, anticipated capital expenditures, and payments due under our existing debt for the next 12 months and thereafter for the foreseeable future. Depending on our liquidity levels, conditions in the capital markets and other factors, we may from time to time consider the prepayment, refinancing or issuance of debt, issuance of equity or other securities, the proceeds of which could provide additional liquidity for our operations, modifications to our $227.7 million outstanding principal first lien term loan ("Term Loan A") where possible, or entry into interest rate derivative agreements to moderate our exposure to fluctuations in interest rates underlying our variable rate debt.

Our ability to maintain sufficient liquidity may be affected by a number of factors, many of which are outside of our control. We primarily fund our working capital needs using cash provided by operations. Our working capital requirements for inventory will increase as we continue to open additional stores.

As of October 3, 2026, we had $60.0 million in cash and cash equivalents, and $293.3 million of remaining availability under our Revolving Loans, net of $6.7 million in outstanding letters of credit.

As of October 3, 2026, we had $227.7 million of Term Loan A outstanding under our credit agreement. We were in compliance with all covenants related to our debt as of October 3, 2026.

During the fourth quarter of 2025, we entered into an interest rate swap with a notional amount of $100.0 million to mitigate the variability of cash flows associated with these interest payments. See Note 5. “Interest Rate Derivatives” for additional information.

The following table summarizes cash flows provided by (used for) operating activities, investing activities and financing activities for the periods indicated:

	Nine Months Ended	
In thousands	October 3, 2026	September 27, 2025
Cash flows provided by (used for):		
Operating activities	$ 134,873	$ 133,134
Investing activities	(50,475)	(52,289)
Financing activities	(63,310)	(98,509)
Net change in cash, cash equivalents and restricted cash	$ 21,088	$ (17,664)

Net Cash Provided by Operating Activities

Cash flows provided by operating activities increased by $1.7 million in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025, primarily driven by an increase in net income of $36.5 million and an increase in non-cash adjustments of $14.5 million, partially offset by cash flow related to changes in working capital of $49.3 million, which were primarily impacted by increased inventory purchases driven by a shift toward a more premium product mix, partially offset by decreased investments in cloud hosted software.

Net Cash Used for Investing Activities

Net cash used for investing activities decreased by $1.8 million in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025. The year-over-year decrease was primarily driven by cash proceeds from the sale of an equity investment and a convertible promissory note investment, partially offset by investments in our retail support centers. Refer to Note 1. “Description of Business and Basis of Presentation” for additional information regarding these investments.

Net Cash Used for Financing Activities

Net cash used for financing activities decreased by $35.2 million in the nine months ended October 3, 2026 compared to the nine months ended September 27, 2025, primarily as a result of the repayment of the 2025 Notes in the second quarter of 2025 partially offset by share repurchases as well as increased purchases of treasury stock to cover employee tax withholdings associated with stock-based compensation in the nine months ended October 3, 2026.

There were no material changes outside the ordinary course of business in our material cash requirements and commercial commitments from those reported in the 2025 Annual Report on Form 10-K.

We follow U.S. GAAP in making the determination as to whether to record an asset or liability related to our arrangements with third parties. Consistent with current accounting guidance, we do not record an asset or liability associated with long-term purchase, marketing and promotional commitments, or commitments to philanthropic endeavors. We have disclosed the amount of future commitments associated with these items in the 2025 Annual Report on Form 10-K. We are not a party to any other material off-balance sheet arrangements.

Share Repurchase Authority

Effective March 2, 2026, the Board authorized the Company to repurchase up to $50 million aggregate amount of shares of the Company’s common stock until December 28, 2030. During the nine months ended October 3, 2026, the Company repurchased approximately 2.2 million shares for $40.0 million. As of October 3, 2026, the authorization has remaining capacity of $10.0 million. Subsequent to the end of the third quarter, effective November 9, 2026, the Board authorized the Company to repurchase up to $100 million aggregate amount of shares of the Company's common stock until December

28, 2030. The new share repurchase authorization replaces the share repurchase authorization approved effective March 2, 2026, which had remaining capacity of $10.0 million at the time of its replacement.

The authorization permits the Company to make purchases of its common stock from time to time in the open market or privately negotiated transactions, and pursuant to pre-set trading plans meeting the requirements of all applicable securities laws and regulations. The timing and amounts of any such repurchases will depend on a variety of factors, including the market price of the Company's shares, general market and economic conditions, legal requirements and tax implications. The Company expects to fund the share repurchases using cash on hand.

Critical Accounting Policies and Estimates

Management has evaluated the accounting policies used in the preparation of the Company's unaudited condensed consolidated financial statements and related notes and believes those policies to be reasonable and appropriate. Certain of these accounting policies require the application of significant judgment by management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on historical experience, trends in the industry, information provided by customers and information available from other outside sources, as appropriate. The most significant areas involving management judgments and estimates may be found in the 2025 Annual Report on Form 10-K, in the "Critical Accounting Policies and Estimates" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations." There have been no material changes to our critical accounting policies as compared to the critical accounting policies described in the 2025 Annual Report on Form 10-K.

Adoption of New Accounting Pronouncements

There have been no material changes due to recently issued or adopted accounting standards since those disclosed in our 2025 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A significant portion of our debt bears interest at variable rates. If market interest rates increase, the interest rate on our variable rate debt will increase and will create higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. In December 2025, we entered into an interest rate swap agreement to help manage interest rate exposure by economically converting a portion of our variable-rate debt to fixed-rate debt. Our interest rate swap is intended to mitigate some of the effects of increases in interest rates. See Note 5. "Interest Rate Derivatives" to our condensed consolidated financial statements for more information on our interest rate swap.

As of October 3, 2026, our total borrowing consisted of $227.7 million of term loan borrowings subject to variable interest rates with a weighted average borrowing rate of 5.8%. After inclusion of the notional amount of $100.0 million of interest rate swaps fixing a portion of the variable rate debt, $127.7 million is subject to variable rates. Assuming an increase to market rates of 1.0% as of October 3, 2026, we would incur an annual increase to interest expense of approximately $1.3 million related to debt subject to variable rates. For more information about quantitative and qualitative disclosures about market risk, please see Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" in Part II. of the 2025 Annual Report on Form 10-K.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

In accordance with Rule 13a-15(b) of the Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of its management, including its CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of October 3, 2026. Based on that evaluation, the CEO and the CFO have concluded that the Company's current disclosure controls and procedures are effective in ensuring that material information relating to the Company required to be disclosed in the Company's periodic filings with the SEC is made known to them in a timely manner.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the third quarter of fiscal year 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 7. “Commitments and Contingencies” in our condensed consolidated financial statements included in Part I. Item 1. of this Form 10-Q for information regarding certain legal proceedings in which we are involved, which discussion is incorporated herein by reference.

Item 1A. Risk Factors.

For information regarding factors that could affect the Company’s results of operations, financial condition and liquidity, see the risk factors discussed in Part I. Item 1A. “Risk Factors” in our 2025 Annual Report on Form 10-K. There have been no material changes to the risk factors described in our 2025 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table summarizes the repurchases of the Company’s common stock during the three months ended October 3, 2026.

In thousands, except per share amounts

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share [1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [1]
July 5, 2026 – August 1, 2026	—	—	—	$ 29,977
August 2, 2026 – September 5, 2026	1,083	$ 18.48	1,083	$ 9,955
September 6, 2026 – October 3, 2026	—	—	—	$ 9,955
Total	1,083	$ 18.48	1,083	$ 9,955

[1] Information regarding the Company's share repurchases can be found in Note 1, Description of Business and Basis of Presentation, in the condensed consolidated financial statements included in Part I. Item 1. of this Form 10-Q. Effective March 2, 2026, the Company's Board of Directors authorized the Company to repurchase up to $50 million aggregate amount of shares of the Company's common stock. The share repurchase authorization expires on December 28, 2030. Following repurchases in the third quarter of fiscal year 2026, as of October 3, 2026, $10.0 million remained available under the share repurchase authorization. Subsequent to the end of the third quarter, effective November 9, 2026, the Company's Board of Directors authorized the Company to repurchase up to $100 million aggregate amount of shares of the Company's common stock. The new share repurchase authorization expires on December 28, 2030 and replaces the share repurchase authorization approved effective March 2, 2026. The timing and amounts of any such repurchases will depend on a variety of factors, including the market price of the Company's shares and general market and economic conditions.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(c) Except as set forth below, during the three months ended October 3, 2026, none of the Company’s directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as such terms are defined in Item 408(a) of Regulation S-K).

On September 2, 2026, L. Reade Fahs, the Company's Executive Chairman, terminated a trading arrangement for the sale of the Company's common stock (a "Rule 10b5-1 Trading Plan") that was intended to satisfy the affirmative defense conditions of the Exchange Act Rule 10b5-1(c). Mr. Fahs' terminated Rule 10b5-1 Trading Plan was adopted on December 4, 2025, and provided for the sale of up to 352,000 shares of common stock pursuant to one or more limit orders from March 6, 2026, until December 31, 2026.

On September 4, 2026, Mr. Fahs adopted a Rule 10b5-1 Trading Plan that is intended to satisfy the affirmative defense conditions of the Exchange Act Rule 10b5-1(c). Mr. Fahs' Rule 10b5-1 Trading Plan provides for the sale of up to 524,071 shares of common stock pursuant to one or more limit orders from December 2, 2026, until December 3, 2027.

Item 6. Exhibits.

Exhibit Index

Exhibit No.	Exhibit Description
3.1	Third Amended and Restated Certificate of Incorporation of National Vision Holdings, Inc. - incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 10, 2021.
3.2	Fourth Amended and Restated Bylaws of National Vision Holdings, Inc. - incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 12, 2023.
31.1	Certification of Periodic Report by Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Periodic Report by Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page of the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 2026, formatted in Inline XBRL (included within the Exhibit 101 attachments).

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

National Vision Holdings, Inc.

Dated: November 12, 2026

By: /s/ Alex Wilkes
Alex Wilkes
Chief Executive Officer
(Principal Executive Officer)

Dated: November 12, 2026

By: /s/ Christopher Laden
Christopher Laden
Chief Financial Officer
(Principal Financial and Accounting Officer)