Q2 2018 Financial Results

August 14, 2018

NATIONAL VISION®

OUR MISSION

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

Disclaimer

Forward-Looking Statements

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

Non-GAAP Financial Measures

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

Agenda

Topic	Presenter
Highlights and Business Update	Reade Fahs, CEO
Second Quarter and Year-to-Date Financial Update Fiscal 2018 Outlook	Patrick Moore, CFO
Moments of Mission	Reade Fahs, CEO
Q&A	Reade Fahs, CEO Patrick Moore, CFO Jeff McAllister, COO

Reade Fahs
CEO

Patrick Moore
CFO

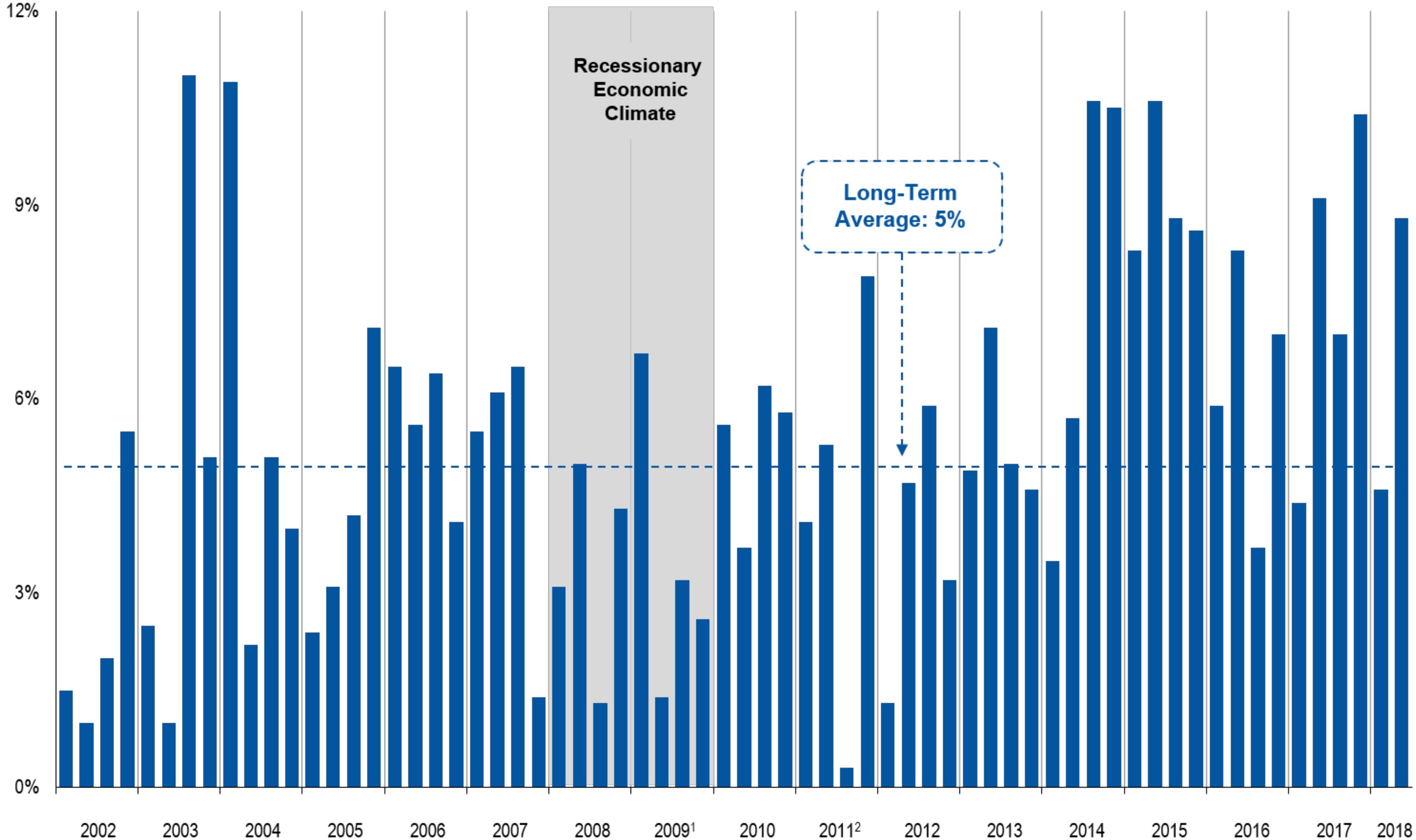
Jeff McAllister
COO

Highlights

- 66 consecutive quarters of positive comparable store sales growth
- All retail brands posted positive comparable store sales for the quarter, excluding Military
- Adjusted comparable store sales growth[1] of 8.8% for the quarter and 6.5% for the year-to-date driven primarily by increases in customer transactions and, to a lesser extent, average ticket
- Our overall NPS scores improved year-over-year, led by America's Best
- Opened 25 new stores in Q2 and 40 new stores year-to-date; ended the quarter with 1,050 stores
- Q2 Net Revenue: $385.5M
    - 14.2% over Q2 2017
- Q2 Adjusted EBITDA[1]: $46.8M
    - 18.2% over Q2 2017
    - Benefited ~630 bps from the net change in margin on unearned revenue
- Q2 Adjusted Net Income[1]: $16.2M
    - 131.8% over Q2 2017

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

66 Consecutive Quarters of Positive Comparable Store Sales Growth



1-2009 comparable store sales exclude sales from the Eyeglass World stores for the first six month "transition" period following our acquisition of Eyeglass World
2-Comparable store sales growth in the third quarter of fiscal year 2011 was impacted by the near U.S. federal government shutdown and subsequent adverse impact on the consumer environment

We Have Multiple Drivers to Continue Our Growth

Grow Store Base Across Our Owned Brands

Continue to Drive Comparable Store Sales Growth

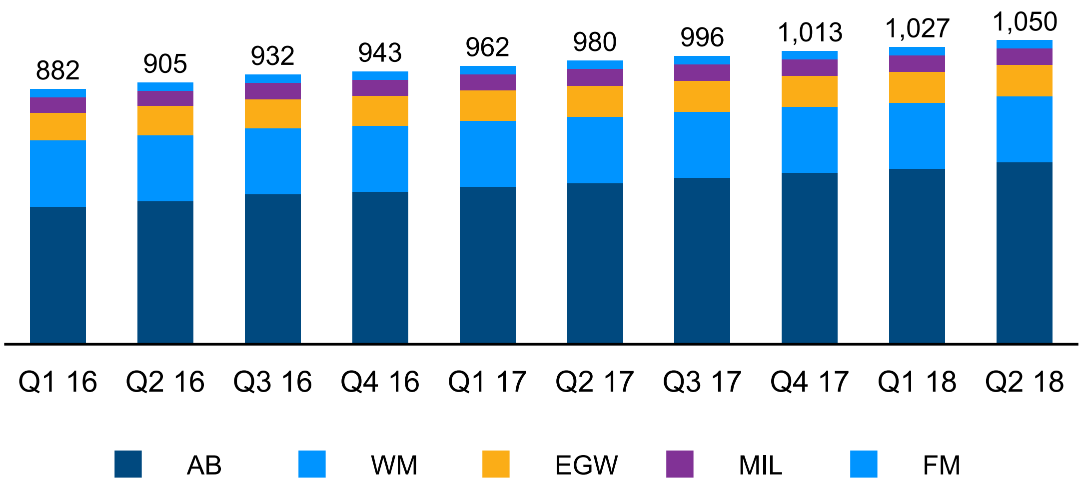
Improve Operating Productivity

Leverage Technology

Second Quarter and Year-to-Date Financial Update

Revenue Drivers

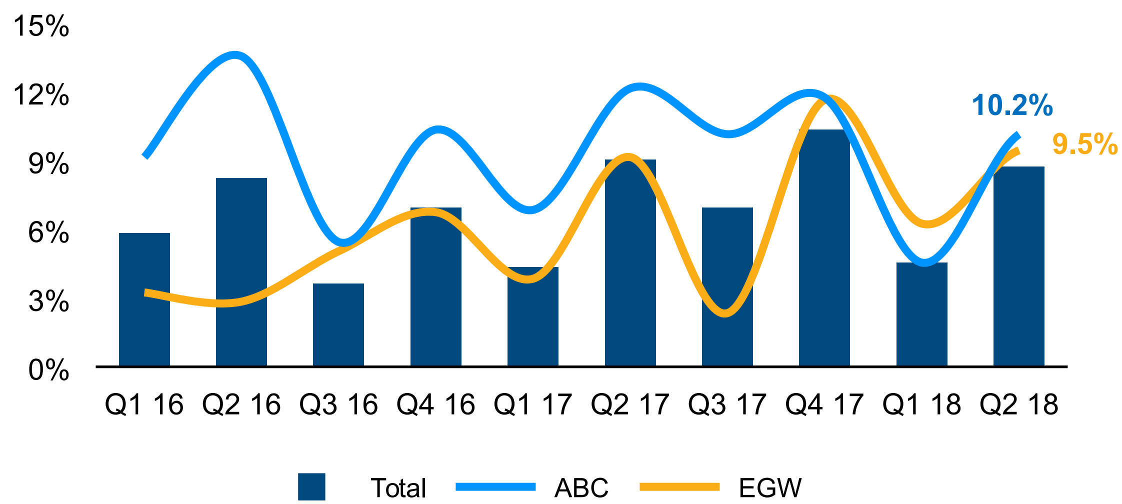
Total Store Count Growth



Commentary

- 23 net new stores in the quarter (25 new stores and 2 closed stores)
- 70 net new stores in the last 12 months (76 new stores and 6 closed stores, 3 of which were closed in 2018 YTD)
- Focused store growth on America's Best (23 new stores in the quarter and 73 in the last 12 months) and Eyeglass World (2 new stores in the quarter and 3 in the last 12 months)

Adjusted Comparable Store Sales Growth[1]



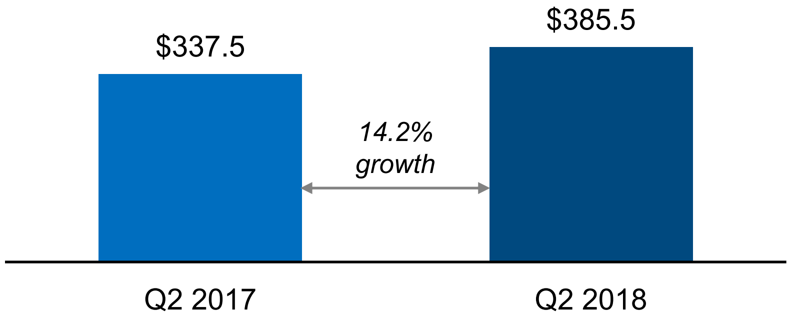
Commentary

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

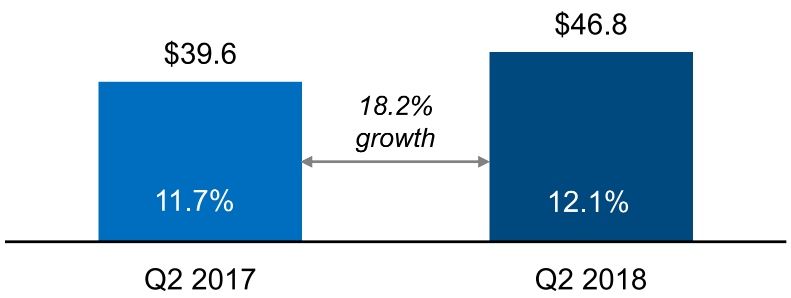
1-For reconciliation of total comparable store sales growth to adjusted comparable store sales growth, see Appendix

Q2 2018 Results

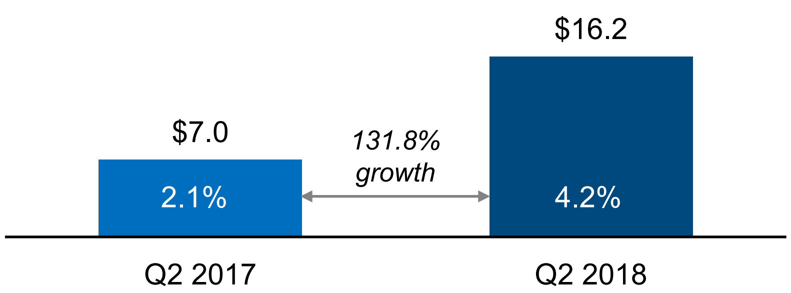
Net Revenue (in $MM)



Adjusted EBITDA[1] (in $MM)



Adjusted Net Income[1] (in $MM)



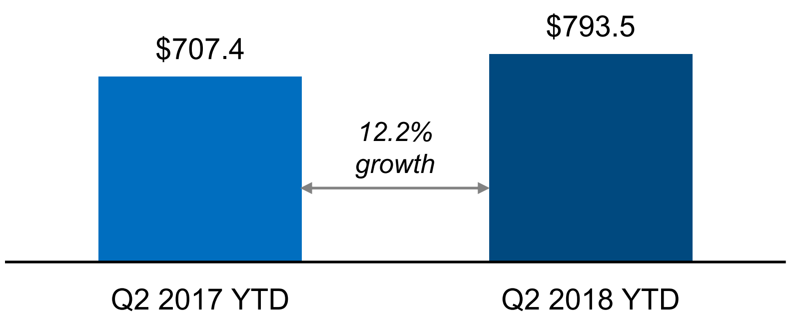
Commentary

- Net revenue of $385.5M grew 14.2% year-over-year; adjusted comparable store sales grew 8.8%
  - Net revenue growth was positively impacted 100 bps by timing of unearned revenue
  - FirstSight -50 bps impact on revenue growth
- Adjusted EBITDA[1] of $46.8M grew 18.2% year-over-year and, as a percentage of net revenue, grew 40 bps year-over-year to 12.1%
  - Adjusted EBITDA growth benefited 630 bps from the net change in margin on unearned revenue
- Costs applicable to revenue as a percentage of net revenue decreased from 46.3% in Q2 2017 to 45.9% in Q2 2018
- SG&A as a percentage of net revenue was 42.9% in Q2 2017 compared to 42.8% in Q2 2018
- Adjusted Net Income[1] was $16.2M compared to $7.0M in the prior year
- Diluted EPS was $0.17 and Adjusted Diluted EPS[1] was $0.21

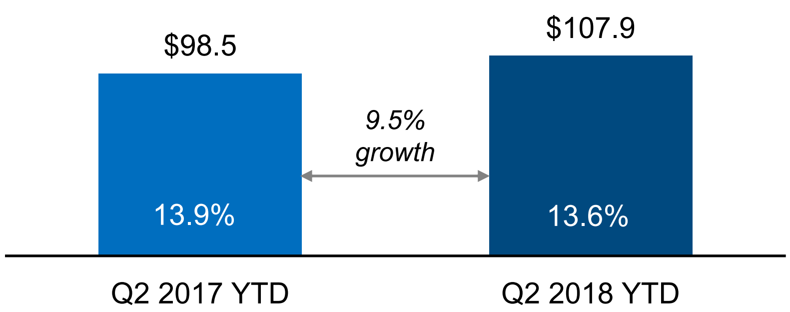
1-For reconciliation of Net Income to Adjusted EBITDA, Net Income to Adjusted Net Income and Diluted EPS to Adjusted Diluted EPS, see Appendix

Q2 2018 Year-to-Date Results

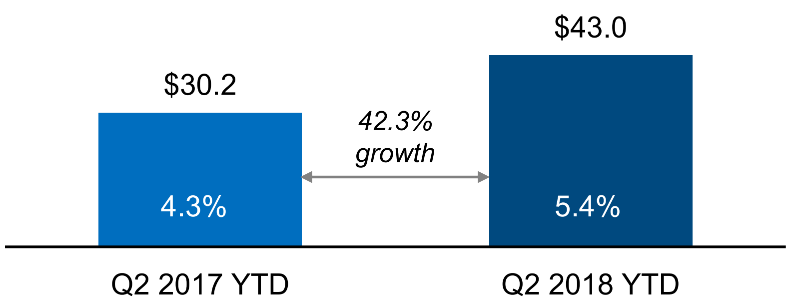
Net Revenue (in $MM)



Adjusted EBITDA[1] (in $MM)



Adjusted Net Income[1] (in $MM)



Commentary

- Net revenue of $793.5M grew 12.2% year-over-year; adjusted comparable store sales grew 6.5%
  - FirstSight -50 bps impact on revenue growth
- Adjusted EBITDA[1] of $107.9M grew $9.4M year-over-year and, as a percentage of net revenue, declined 30 bps year-over-year to 13.6%
  - Adjusted EBITDA grew at a slower rate than net revenue primarily due to higher optometrist costs, advertising and public company expenses, partially offset by the net change in margin on unearned revenue
- Costs applicable to revenue as a percentage of net revenue decreased from 45.5% in Q2 2017 year-to-date to 45.1% in Q2 2018 year-to-date
- SG&A as a percentage of net revenue grew from 41.6% in Q2 2017 year-to-date to 42.2% in Q2 2018 year-to-date
- Adjusted Net Income[1] was $43.0M compared to $30.2M in the prior year
- Diluted EPS was $0.49 and Adjusted Diluted EPS[1] was $0.55

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

Capital Structure and Cash Flow

Q2 2018 Capital Structure

(in $MM)	Debt Amount	Less: Deferred Financing Costs	Amounts per Balance Sheet	% of Total	Coupon	Maturity
Revolving Loan Facility[1]	$ —	$ (0.5)	$ (0.5)	— %	L + 250	10/15/2022
Consolidated First Lien Secured Debt	565.7	(6.6)	559.1	97 %	L + 275	11/20/2024
Other debt[2]	15.7	—	15.7	3 %		
Total debt	**$ 581.4**	**$ (7.1)**	**$ 574.3**	**100 %**		
Cash and cash equivalents			34.6			
Net debt			**$ 539.7**			

Commentary

- Net debt to TTM Adjusted EBITDA[3] 3.2x
- No borrowings outstanding under our Revolving Loan Facility ($5.5M in outstanding letters of credit)

Cash Flow

	Six Months Ended		
(in $MM)	**June 30, 2018**	**July 1, 2017**	**Var**
Net cash provided by operating activities	$ 80.1	$ 67.9	$ 12.2
Net cash used for investing activities	(48.6)	(44.1)	(4.5)
Net cash used for financing activities	(0.9)	(3.5)	2.6
Net change in cash, cash equivalents and restricted cash	$ 30.6	$ 20.3	$ 10.3

Commentary

- $12.2M increase in net cash provided by operating activities driven primarily by $7M litigation settlement in 2017
- $4.5M increase in cash used for investing activities driven primarily by increased capital expenditures year-over-year
- $2.6M decrease in cash used for financing activities driven primarily by proceeds from exercise of stock options and lower principal payments on long-term debt

1-$100M facility; $94.5M available
2-Includes capitalized lease debt and original issue discount
3-For reconciliation of Net Income to Adjusted EBITDA, see Appendix

Reaffirming our Fiscal 2018 Outlook

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

1-Excluding the impact of stock option exercises

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

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

National Vision Celebrates the Importance of Eye Exams and Helping Kids Prepare for Back-to-School

August:
- National Eye Exam Month
- Children's Eye Health and Safety Month
- Children's Vision and Learning Month

Q&A

Appendix

Q2 2018 Consolidated Financial Results (Unaudited)

In thousands	Three Months Ended June 30, 2018	Three Months Ended July 1, 2017	Six Months Ended June 30, 2018	Six Months Ended July 1, 2017
Revenue:				
Net product sales	$ 319,408	$ 276,960	$ 658,185	$ 583,544
Net sales of services and plans	66,124	60,581	135,322	123,856
Total net revenue	385,532	337,541	793,507	707,400
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products	127,731	112,314	258,609	233,347
Services and plans	49,328	44,094	98,904	88,869
Total costs applicable to revenue	177,059	156,408	357,513	322,216
Operating expenses:				
Selling, general and administrative expenses	165,038	144,655	335,140	294,459
Depreciation and amortization	17,346	14,629	35,000	29,052
Asset impairment	—	1,000	—	1,000
Litigation settlement	—	7,000	—	7,000
Other expense, net	296	77	418	179
Total operating expenses	182,680	167,361	370,558	331,690
Income from operations	25,793	13,772	65,436	53,494
Interest expense, net	9,424	14,622	18,737	26,114
Debt issuance costs	—	—	—	2,702
Earnings (loss) before income taxes	16,369	(850)	46,699	24,678
Income tax provision	3,292	646	8,575	9,104
Net income (loss)	$ 13,077	$ (1,496)	$ 38,124	$ 15,574

Reconciliation of Adjusted Comparable Store Sales Growth

	Comparable store sales growth[a]				
	Three Months Ended June 30, 2018	Three Months Ended July 1, 2017	Six Months Ended June 30, 2018	Six Months Ended July 1, 2017	2018 Outlook
Owned & host segment					
America's Best	10.2%	12.2%	7.2%	9.3%	
Eyeglass World	9.5%	9.2%	7.8%	6.3%	
Military	(5.2)%	(5.9)%	(1.1)%	(7.1)%	
Fred Meyer	5.2%	(2.2)%	5.6%	(3.4)%	
Legacy segment	4.4%	0.9%	3.8%	(1.1)%	
Total comparable store sales growth	10.4%	8.5%	7.5%	7.0%	3.5 - 5.5%
Adjusted comparable store sales growth[b]	8.8%	9.1%	6.5%	6.5%	3 - 5%

(a) Total comparable store sales calculated based on consolidated net revenue excluding the impact of (i) corporate/other segment net revenue, (ii) sales from stores opened less than 12 months, (iii) stores closed in the periods presented, (iv) sales from partial months of operation when stores do not open or close on the first day of the month, and (v) if applicable, the impact of a 53rd week in a fiscal year. Comparable store sales growth for America's Best, Eyeglass World, Military, and Fred Meyer is calculated based on cash basis revenues consistent with what the Chief Operating Decision Maker reviews, and consistent with reportable segment revenues presented in Note 8. "Segment Reporting" in our condensed consolidated financial statements included in Part I. Item 1. of our quarterly report on Form 10-Q, with the exception of the legacy segment, which is adjusted as noted in (b) (ii) below.

(b) There are two differences between total comparable store sales growth based on consolidated net revenue and adjusted comparable store sales growth: (i) adjusted comparable store sales growth includes the effect of deferred and unearned revenue as if such revenues were earned at the point of sale, resulting in a decrease of 1.5% and an increase of 0.8% from total comparable store sales growth based on consolidated net revenue for the three months ended June 30, 2018 and July 1, 2017, respectively, and a decrease of 1.0% and 0.1% from total comparable store sales growth based on consolidated net revenue for the six months ended June 30, 2018 and July 1, 2017, respectively, and (ii) adjusted comparable store sales growth includes retail sales to the legacy partner's customers (rather than the revenues recognized consistent with the management and services agreement), resulting in a decrease of 0.1% and 0.2% from total comparable store sales growth based on consolidated net revenue for the three months ended June 30, 2018 and July 1, 2017, respectively, and a decrease of 0.4% from total comparable store sales growth based on consolidated net revenue for the six months ended and July 1, 2017.

Reconciliation of Adjusted EBITDA

In thousands	Three Months Ended June 30, 2018			Three Months Ended July 1, 2017			Six Months Ended June 30, 2018			Six Months Ended July 1, 2017			Twelve Months Ended June 30, 2018	
Net income (loss)	$	13,077	3.4%	$	(1,496)	(0.4)%	$	38,124	4.8%	$	15,574	2.2%	$	68,370
Interest expense		9,424	2.4%		14,622	4.3 %		18,737	2.4%		26,114	3.7%		48,159
Income tax provision		3,292	0.9%		646	0.2 %		8,575	1.1%		9,104	1.3%		(39,176)
Depreciation and amortization		17,346	4.5%		14,629	4.3 %		35,000	4.4%		29,052	4.1%		67,063
EBITDA		43,139	11.2%		28,401	8.4 %		100,436	12.7%		79,844	11.3%		144,416
Stock compensation expense [a]		1,524	0.4%		885	0.3 %		3,120	0.4%		1,989	0.3%		6,283
Debt issuance costs [b]		—	—%		—	— %		—	—%		2,702	0.4%		1,825
Asset impairment [c]		—	—%		1,000	0.3 %		—	—%		1,000	0.1%		3,117
Non-cash inventory write-offs [d]		—	—%		256	0.1 %		—	—%		2,271	0.3%		—
Management fees [e]		—	—%		290	0.1 %		—	—%		574	0.1%		4,689
New store pre-opening expenses [f]		756	0.2%		660	0.2 %		1,230	0.2%		1,278	0.2%		2,483
Non-cash rent [g]		508	0.1%		296	0.1 %		808	0.1%		654	0.1%		1,266
Litigation settlement [h]		—	—%		7,000	2.1 %		—	—%		7,000	1.0%		—
Secondary offering expenses [i]		177	—%		—	— %		1,140	0.1%		—	1.0%		1,140
Other [j]		726	0.2%		831	0.2 %		1,185	0.1%		1,213	0.2%		3,896
Adjusted EBITDA / Adjusted EBITDA margin	$	46,830	12.1%	$	39,619	11.7 %	$	107,919	13.6%	$	98,525	13.9%	$	169,115

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

Reconciliation of Adjusted Net Income

In thousands	Three Months Ended June 30, 2018	Three Months Ended July 1, 2017	Six Months Ended June 30, 2018	Six Months Ended July 1, 2017
Net income (loss)	$ 13,077	$ (1,496)	$ 38,124	$ 15,574
Stock compensation expense (a)	1,524	885	3,120	1,989
Debt issuance costs (b)	—	—	—	2,702
Asset impairment (c)	—	1,000	—	1,000
Non-cash inventory write-offs (d)	—	256	—	2,271
Management fees (e)	—	290	—	574
New store pre-opening expenses (f)	756	660	1,230	1,278
Non-cash rent (g)	508	296	808	654
Litigation settlement (h)	—	7,000	—	7,000
Secondary offering expenses (i)	177	—	1,140	—
Other (j)	726	831	1,185	1,213
Amortization of acquisition intangibles and deferred financing costs (k)	2,281	2,885	4,562	5,744
Tax benefit of stock option exercises (l)	(1,371)	—	(4,066)	—
Tax effect of total adjustments (m)	(1,528)	(5,641)	(3,083)	(9,770)
Adjusted Net Income	$ 16,150	$ 6,966	$ 43,020	$ 30,229

See footnotes

Reconciliation of Adjusted Diluted EPS

Shares in thousands	Three Months Ended June 30, 2018	Three Months Ended July 1, 2017	Six Months Ended June 30, 2018	Six Months Ended July 1, 2017
Diluted EPS	$ 0.17	$ (0.03)	$ 0.49	$ 0.27
Stock compensation expense [a]	0.02	0.02	0.04	0.03
Debt issuance costs [b]	—	—	—	0.05
Asset impairment [c]	—	0.02	—	0.02
Non-cash inventory write-offs [d]	—	—	—	0.04
Management fees [e]	—	0.01	—	0.01
New store pre-opening expenses [f]	0.01	0.01	0.02	0.02
Non-cash rent [g]	0.01	0.01	0.01	0.01
Litigation settlement [h]	—	0.12	—	0.12
Secondary offering expenses [i]	—	—	0.01	—
Other [j]	0.01	0.01	0.02	0.02
Amortization of acquisition intangibles and deferred financing costs [k]	0.03	0.05	0.06	0.10
Tax benefit of stock option exercises [l]	(0.02)	—	(0.05)	—
Tax effect of total adjustments [m]	(0.02)	(0.10)	(0.04)	(0.17)
Adjusted Diluted EPS	$ 0.21	$ 0.12	$ 0.55	$ 0.52
Weighted average diluted shares outstanding	77,858	56,414	77,879	58,339

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

Reconciliation of Adjusted EBITDA and Adjusted Net Income Footnotes

(a) Non-cash charges related to stock-based compensation programs, which vary from period to period depending on the timing of awards.
(b) For the six months ended July 1, 2017, includes fees associated with the borrowing of $175.0 million in additional principal under our first lien credit agreement during the first quarter of 2017. For the twelve months ended June 30, 2018, includes fees associated with the refinancing of our first lien credit agreement.
(c) Non-cash charges related to impairment of long-lived assets. For the six months ended July 1, 2017, primarily related to the complete write-off of a cost based investment. For the twelve months ended June 30, 2018, primarily related to the write-off of capitalized software and property and equipment.
(d) Reflects write-offs of inventory relating to the expiration of a specific type of contact lenses that could not be sold and required disposal.
(e) Reflects management fees paid to Kohlberg Kravis Roberts & Co. L.P. ("KKR") and Berkshire Partners LLC ("Berkshire") in accordance with our monitoring agreement with them. The monitoring agreement was terminated automatically in accordance with its terms upon the consummation of the initial public offering (the "IPO") in October 2017 and we paid termination fees of approximately $3.6 million and $0.8 million to KKR and Berkshire, respectively.
(f) Pre-opening expenses, which include marketing and advertising, labor and occupancy expenses incurred prior to opening a new store, are generally higher than comparable expenses incurred once such store is open and generating revenue. We believe that such higher pre-opening expenses are specific in nature and amount to opening a new store and as such, are not indicative of ongoing core operating performance. We adjust for these costs to facilitate comparisons of store operating performance from period to period. Pre-opening costs are permitted exclusions in our calculation of Adjusted EBITDA pursuant to the terms of our existing credit agreements.
(g) Consists of the non-cash portion of rent expense, which reflects the extent to which our straight-line rent expense recognized under GAAP exceeds or is less than our cash rent payments.
(h) Amounts accrued related to settlement of litigation. See Note 7. “Commitments and Contingencies “ in our unaudited condensed consolidated financial statements included in Part I. Item 1. of our quarterly report on Form 10-Q.
(i) Expenses related to our secondary public offerings for the three, six and twelve months ended June 30, 2018.
(j) Other adjustments include amounts that management believes are not representative of our operating performance, including our share of losses on equity method investments of $0.4 million, $0.2 million, $0.6 million, $0.3 million and $1.2 million for the three months ended June 30, 2018 and July 1, 2017, the six months ended June 30, 2018 and July 1, 2017 and the twelve months ended June 30, 2018, respectively; the amortization impact of adjustments related to the acquisition of the Company by affiliates of KKR in March 2014 (the "KKR Acquisition") (e.g., fair value of leasehold interests) of $52,000, $(72,000), $69,000, $(0.2) million and $(39,000) for the three months ended June 30, 2018 and July 1, 2017, the six months ended June 30, 2018 and July 1, 2017 and the twelve months ended June 30, 2018, respectively; expenses related to preparation for being an SEC registrant that were not directly attributable to the IPO and therefore not charged to equity of $0.7 million, $1.2 million and $0.6 million for the three and six months ended July 1, 2017 and the twelve months ended June 30, 2018; differences between the timing of expense versus cash payments related to contributions to charitable organizations of $(0.3) million for each of the three months ended June 30, 2018 and July 1, 2017, $(0.5) million for each of the six months ended June 30, 2018 and July 1, 2017 and $(1.0) million for the twelve months ended June 30, 2018, respectively; costs of severance and relocation of $0.3 million for each of the three months ended June 30, 2018 and July 1, 2017, $0.5 million, $0.3 million and $1.7 million for the six months ended June 30, 2018 and July 1, 2017 and the twelve months ended June 30, 2018, respectively; and other expenses and adjustments totaling $0.2 million for the three months ended June 30, 2018, $0.5 million, $71,000 and $1.4 million for the six months ended June 30, 2018 and July 1, 2017 and the twelve months ended June 30, 2018, respectively.
(k) Amortization of acquisition intangibles related to the increase in the carrying values of intangible assets as a result of the KKR Acquisition of $1.9 million for each of the three months ended June 30, 2018 and July 1, 2017, $3.7 million for each of the six months ended June 30, 2018 and July 1, 2017 and $14.5 million for the twelve months ended June 30, 2018. Amortization of deferred financing costs is primarily associated with the March 2014 term loan borrowings in connection with the KKR Acquisition and, to a lesser extent, amortization of deferred loan discount costs associated with the May 2015 and February 2017 incremental first lien term loans and the November 2017 first lien term loan refinancing, aggregating to $0.4 million, $1.0 million, $0.8 million, $2.0 million and $5.9 million for the three months ended June 30, 2018 and July 1, 2017, six months ended June 30, 2018 and July 1, 2017 and twelve months ended June 30, 2018, respectively.
(l) Tax benefit associated with accounting guidance adopted at the beginning of fiscal year 2017 (Accounting Standards Update 2016-09, *Compensation - Stock Compensation*), requiring excess tax benefits to be recorded in earnings as discrete items in the reporting period in which they occur.
(m) Represents the tax effect of the total adjustments at our estimated annual effective tax rate.

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