Q4 and Fiscal Year 2018 Financial Results

February 27, 2019

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 contained under "Fiscal 2019 Outlook" as well as other 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 recruit and retain vision care professionals for our stores; our relationships with managed vision care companies, vision insurance providers and other third-party payors; our operating relationships with our host and legacy partners; state, local and federal vision care and healthcare laws and regulations; our ability to maintain sufficient levels of cash flow from our operations to grow; the risk of loss or disruption in our distribution centers and optical laboratories; risks associated with vendors and suppliers from whom our products are sourced; macroeconomic factors and other factors impacting consumer spending beyond the Company's control; competition in the optical retail industry; risks associated with information technology systems and the security of personal information and payment card data collected by us and our vendors; 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; technological advances that may reduce demand for our products; product liability, product recall or personal injury issues; risks associated with managed vision care laws and regulations; our increasing reliance on third-party coverage and reimbursement; issues regarding inventory management; risks related to our e-commerce business; seasonal fluctuations in our business; we may incur losses arising from our investments in technological innovators in the optical retail industry; legal regulatory risks, including adverse judgments or settlements from legal proceedings; our ability to protect our intellectual property; the impact our leverage has on our ability to raise additional capital to fund our operations; risks related to our debt agreements, including restrictions that may limit our flexibility in operating our business; and risks related to our common stock, including our ability to comply with requirements to design and implement and maintain effective internal controls. Additional information about these and other factors that could cause National Vision's results to differ materially from those described in the forward-looking statements can be found in filings by National Vision with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, which are accessible on the SEC's website at *www.sec.gov*. 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 fourth quarter of 2018, which is available at www.nationalvision.com/investors, together with this presentation.

Revision of Prior Period Financial Statements

Certain prior period amounts in this presentation have been revised to correct the effect of immaterial errors related to lease accounting. Please refer to our 2018 Annual Report on Form 10-K and press release for the fourth quarter of 2018, which are available at www.nationalvision.com/investors for additional information.

Agenda

Topic	Presenter
Highlights and Business Update	Reade Fahs, CEO
Fourth Quarter and Fiscal Year 2018 Financial Update Fiscal 2019 Outlook	Patrick Moore, CFO
Moments of Mission	Reade Fahs, CEO
Q&A	

Reade Fahs
CEO

Patrick Moore
CFO

Highlights

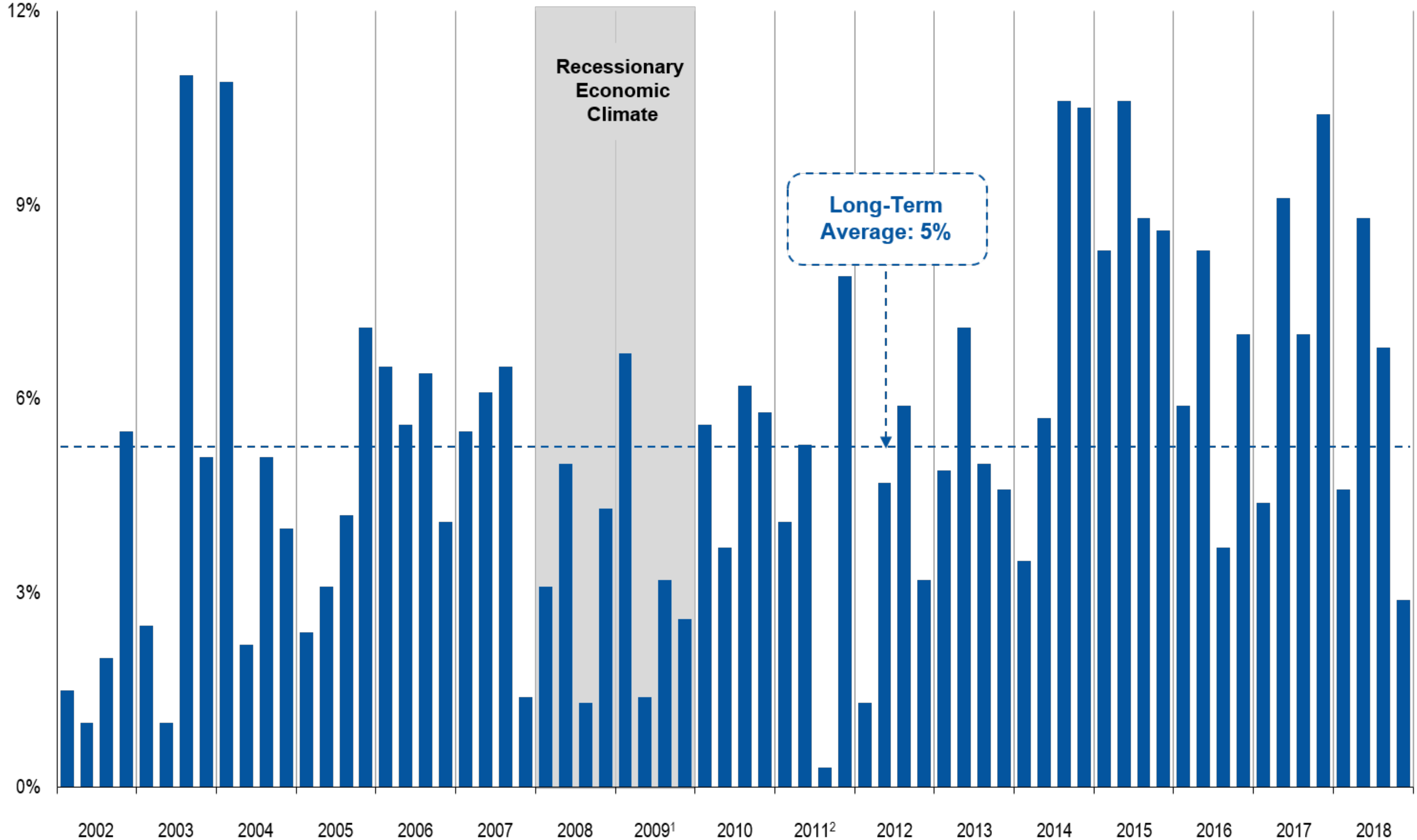
- Q4 revenue: $355.9M, 10.6% over Q4 2017
- Opened 16 new stores in Q4 and 74 new stores in the fiscal year; ended the year with 1,082 stores
- 68 consecutive quarters of positive comparable store sales growth
- Q4 adjusted comparable store sales growth[1] of 2.9% driven by an increase in average ticket
- Our growth brands posted positive adjusted comparable store sales growth (America's Best 5.9%, Eyeglass World 2.3%)
- Q4 Adjusted EBITDA[1]: $28.7M, 16.3% over Q4 2017
- Q4 Adjusted Net Income[1]: $1.0M, $4.4M above Q4 2017
- NPS scores improved across all retail brands year-over-year to record levels
- New centralized lab opened in Plano, Texas (January 2019)
- S&P upgrade to BB- (January 2019)

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

2018 Reflections

- Signed new multi-year agreement with Essilor
- Expanded Walmart contact lens distribution relationship
- America's Best celebrated 40th anniversary
- Successful launch of Eyeglass World "Mr. World" advertising campaign and continued success of America's Best national "Owl" campaign
- Oakley added to America's Best product assortment
- Eyeglass World recognized for "America's Best Customer Service in 2019" in a Newsweek consumer survey
- Balance sheet improvements:
  - Refinanced $200M of existing debt at L+175
  - Moody's upgrade
- Added two new independent board members (Virginia Hepner and Tom Taylor)
- Advanced America's Best partnership with Boys & Girls Clubs of America and successful pilot of new Eyeglass World philanthropic program

68 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

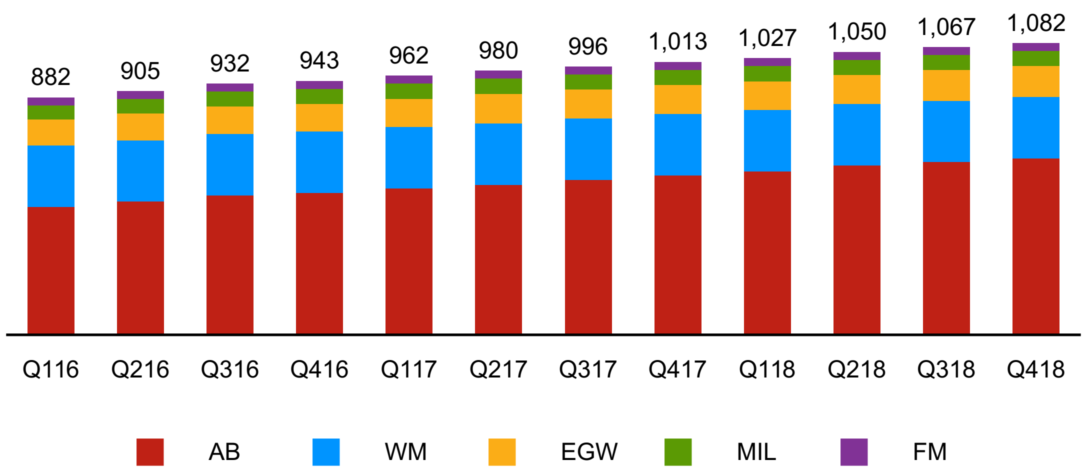
Improve Operating Productivity

Leverage Technology

Fourth Quarter and Fiscal Year 2018 Financial Update

Revenue Drivers

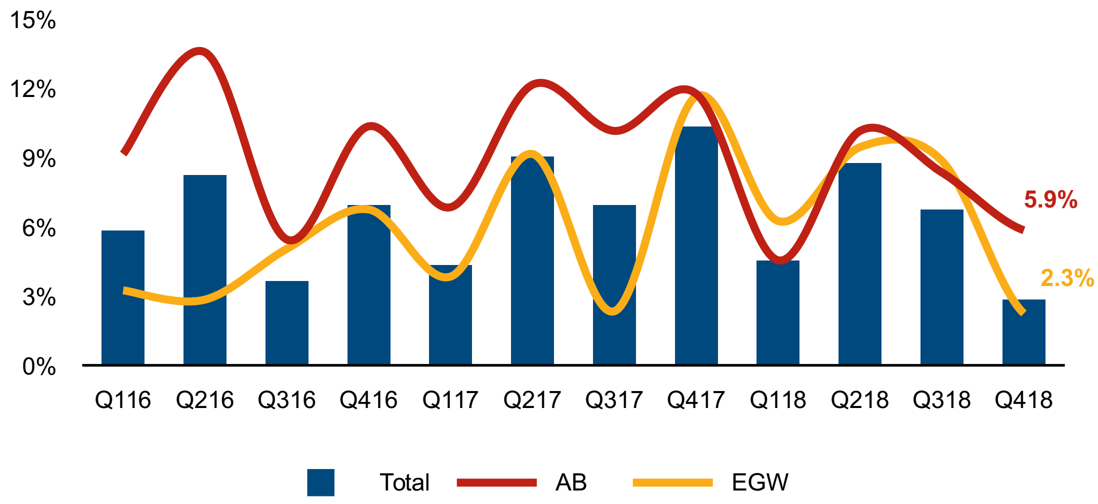
Total Store Count Growth



Commentary

- 15 net new stores in Q4 (16 new stores and one closed store)
- 69 net new stores in FY 2018 (74 new stores and five closings)
- Focused store growth on America's Best (14 new stores in the quarter and 65 in FY 2018) and Eyeglass World (two new stores in the quarter and nine in FY 2018)

Adjusted Comparable Store Sales Growth[1]



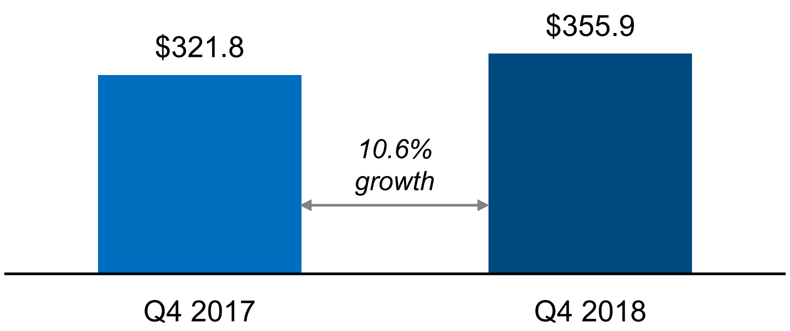
Commentary

- America's Best and Eyeglass World drove favorable comparable store sales growth results for the quarter
- Eyeglass World comparable store sales growth in Q4 2018 impacted by strong Q4 2017 comparable store sales growth from Hurricane Irma impact
- Increase in average ticket drove our adjusted comparable store sales growth
- Transactions also increased
  - Negatively impacted by one less selling day in the last week of FY 2018
  - Five stores closed most of Q4 2018 due to severe weather

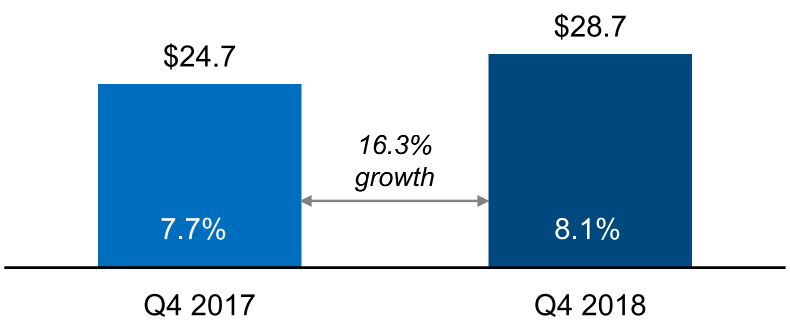
1-For reconciliation of total comparable store sales growth to adjusted comparable store sales growth, see Appendix

Q4 2018 Results

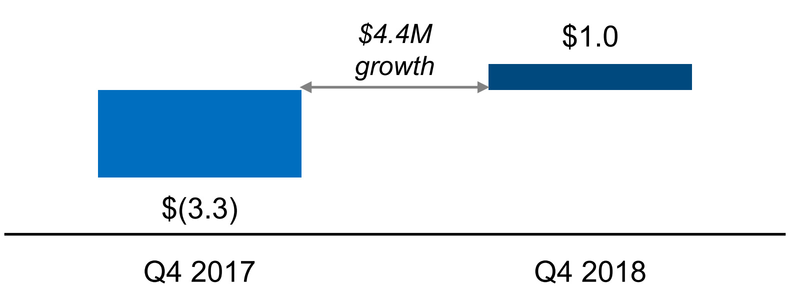
Net Revenue ($MM)



Adjusted EBITDA[1] ($MM)



Adjusted Net Income (Loss)[1] ($MM)



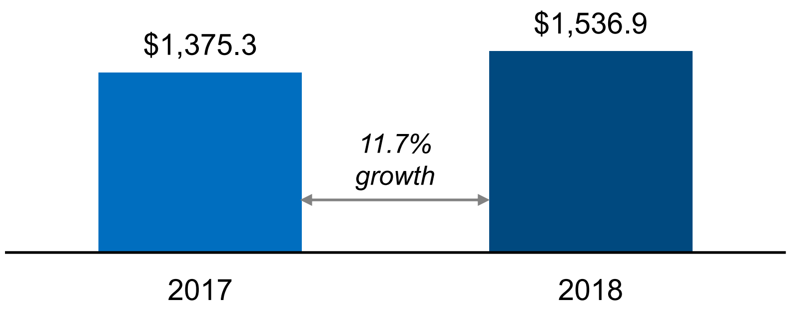
Commentary

- Net revenue grew 10.6% year-over-year; adjusted comparable store sales grew 2.9%. Net revenue growth impacted by:
  - Walmart contact lens distribution business growth +290 bps
  - Unearned revenue +70 bps
- Adjusted EBITDA[1] grew 16.3% year-over-year and, as a percentage of net revenue, grew 40 bps year-over-year
  - Margin on unearned revenue of $1.6M, or +660 bps, benefit to Adjusted EBITDA growth
- Costs applicable to revenue as a percentage of net revenue grew from 47.4% in Q4 2017 to 48.7% in Q4 2018
  - Walmart contact lens distribution business growth -140 bps
- SG&A as a percentage of net revenue decreased from 47.5% in Q4 2017 to 46.7% in Q4 2018
  - SG&A as a percentage of net revenue decreased ~120 bps due to our expanded Walmart contact lens distribution relationship
  - Also contributing to the year-over-year change were a reduction in monitoring agreement termination fee paid in completion of the Company's IPO in Q4 2017 and lower managed care write-offs, partially offset by higher stock compensation expense, long-term incentive plan expense and support of the citizens' initiative in Oklahoma
- Adjusted Net Income[1] grew $4.4M year-over-year to $1.0M
- Adjusted Diluted EPS[1] was $0.01 in Q4 2018 compared to $(0.05) in Q4 2017

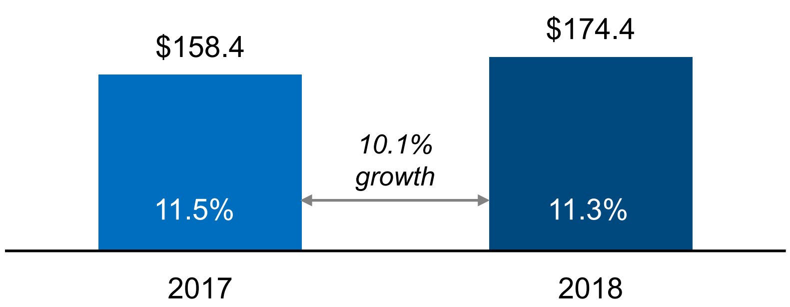
1-For reconciliation of Net Income (Loss) to Adjusted EBITDA and Net Income (Loss) to Adjusted Net Income (Loss), and Diluted EPS to Adjusted Diluted EPS, see Appendix

Fiscal Year 2018 Results

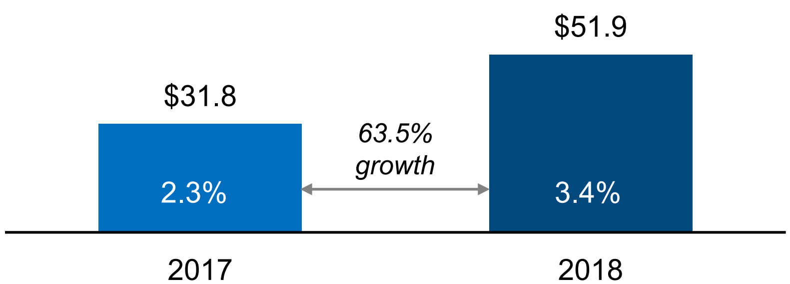
Net Revenue ($MM)



Adjusted EBITDA[1] ($MM)



Adjusted Net Income[1] ($MM)



Commentary

- Net revenue grew 11.7% year-over-year; adjusted comparable store sales grew 5.7%. Net revenue growth impacted by:
  - Walmart contact lens distribution business growth +90 bps
  - Deferred revenue +20 bps
  - Unearned revenue +20 bps
  - FirstSight -40 bps
- Adjusted EBITDA[1] grew 10.1% year-over-year and, as a percentage of net revenue, declined 20 bps year-over-year
  - Impacted by Walmart contact lens distribution business growth and incremental public company costs, partially offset by the benefit of margin on unearned revenue
- Costs applicable to revenue as a percentage of net revenue increased from 46.3% in FY 2017 to 46.4% in FY 2018
  - Walmart contact lens distribution business growth -40 bps
- SG&A as a percentage of net revenue increased from 43.6% in FY 2017 to 44.7% in FY 2018
  - SG&A as a percentage of net revenue increased ~110 bps year-over-year primarily driven by higher stock compensation expense, long-term incentive plan expense, advertising and public company costs, partially offset by the monitoring termination agreement fee paid in FY 2017
- Adjusted Net Income[1] grew 63.5% year-over-year to $51.9M
- Adjusted Diluted EPS[1] was $0.66 in FY 2018 compared to $0.51 in FY 2017

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

Capital Structure and Cash Flow

Year-end 2018 Capital Structure

(in $MM)	Debt Amount	Less: Deferred Financing Costs	Amounts per Balance Sheet	% of Total	Coupon	Maturity
First lien revolving credit facility[1]	$ —	$ (0.5)	$ (0.5)	— %	L + 250	10/15/2022
First Lien - Term Loan A	200.0	—	200.0	35 %	L + 175	10/9/2023
First Lien - Term Loan B	364.3	(6.0)	358.3	62 %	L + 250	11/20/2024
Other debt[2]	20.3	—	20.3	4 %		
Total debt	**$ 584.6**	**$ (6.5)**	**$ 578.1**	**100 %**		
Cash and cash equivalents			17.1			
Net debt			**$ 561.0**			

Commentary

- Net debt to TTM Adjusted EBITDA[3] 3.2x
- No borrowings outstanding under our first lien revolving credit facility ($5.5M in outstanding letters of credit)
- In October, refinanced $200M of first lien term loans to L+175 (Term Loan A)
- In January 2019, S&P upgraded our debt rating to BB-

Cash Flow

	Fiscal Year		
(in $MM)	2018	2017	Var
Net cash provided by operating activities	$ 106.6	$ 90.3	$ 16.3
Net cash used for investing activities	(104.2)	(94.6)	(9.6)
Net cash provided by financing activities	10.4	3.8	6.6
Net change in cash, cash equivalents and restricted cash	$ 12.8	$ (0.5)	$ 13.3

Commentary

- Increase in operating cash flow primarily due to FY 2017 one-time items (litigation settlement and monitoring agreement termination fee)
- $9.6M decrease in net cash used for investing activities driven by capital expenditures
- $6.6M increase in net cash provided by financing activities driven primarily by proceeds from the exercise of stock options and stock purchase plan

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

Fiscal 2019 Outlook

	Fiscal 2019 Outlook
New Stores	~75 New Stores
Adjusted Comparable Store Sales Growth	3 - 5%
Net Revenue (1)	$1.675 - $1.705 billion
Adjusted EBITDA	$186 - $191 million
Adjusted Net Income	$53.5 - $56.5 million
Depreciation and Amortization	$88 - $90 million
Interest	$36 - $37 million
Tax Rate (2)	~26.0%
Capital Expenditures	$100 - $105 million

(1) Includes an estimated $20-25 million in incremental net revenue from the expanded contact lens distribution relationship with Walmart
(2) Excluding the impact of stock option exercises

The fiscal 2019 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 2019 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 2019 outlook. The Company uses these forward looking metrics internally to assess and benchmark its results and strategic plans.

Moments of Mission - "Clear Vision Collective" Bangladesh

Collective Members:

National Vision	RestoringVision
VisionSpring	Orbis
OneSight	Sightsavers
Essilor	BRAC

Q&A

Appendix

Q4 and FY 2018 Consolidated Financial Results

In thousands	Three Months Ended December 29, 2018 (Unaudited)	Three Months Ended December 30, 2017 (Unaudited)	Fiscal Year 2018	Fiscal Year 2017
Revenue:				
Net product sales	$ 292,115	$ 262,121	$ 1,269,612	$ 1,129,313
Net sales of services and plans	63,807	59,698	267,242	245,995
Total net revenue	355,922	321,819	1,536,854	1,375,308
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products	121,846	106,979	511,406	456,078
Services and plans	51,624	45,414	202,165	180,888
Total costs applicable to revenue	173,470	152,393	713,571	636,966
Operating expenses:				
Selling, general and administrative expenses	166,132	152,756	687,476	600,010
Depreciation and amortization	19,556	16,953	74,339	61,974
Asset impairment	15,493	3,117	17,630	4,117
Litigation settlement	—	—	—	7,000
Other expense, net	658	206	1,487	950
Total operating expenses	201,839	173,032	780,932	674,051
Income (loss) from operations	(19,387)	(3,606)	42,351	64,291
Interest expense, net	9,139	14,571	37,283	55,536
Debt issuance costs	200	1,825	200	4,527
Earnings (loss) before income taxes	(28,726)	(20,002)	4,868	4,228
Income tax benefit	(10,286)	(47,343)	(18,785)	(38,910)
Net income (loss)	$ (18,440)	$ 27,341	$ 23,653	$ 43,138

Reconciliation of Adjusted Comparable Store Sales Growth (Unaudited)

	Comparable store sales growth[a]				
	Three Months Ended December 29, 2018	Three Months Ended December 30, 2017	Fiscal Year 2018	Fiscal Year 2017	2019 Outlook
Owned & host segment					
America's Best	5.9%	11.8%	7.2%	10.1%	
Eyeglass World	2.3%	11.7%	6.8%	6.5%	
Military	(19.4)%	2.6%	(5.7)%	(6.4)%	
Fred Meyer	(13.5)%	10.0%	(2.2)%	0.6%	
Legacy segment	(5.6)%	5.5%	0.6%	1.0%	
Total comparable store sales growth	4.3%	11.5%	6.7%	8.4%	3.5 - 5.5%
Adjusted comparable store sales growth[b]	2.9%	10.4%	5.7%	7.5%	3 - 5%

(a) Total comparable store sales is calculated based on consolidated net revenue excluding the impact of (i) Corporate/Other segment net revenue, (ii) sales from stores opened less than 13 months, (iii) stores closed in the periods presented, (iv) sales from partial months of operation when stores do not open or close on the first day of the month, and (v) if applicable, the impact of a 53rd week in a fiscal year. Brand-level comparable store sales growth is calculated based on cash basis revenues consistent with what the Chief Operating Decision Maker reviews, and consistent with reportable segment revenues presented in Note 15. "Segment Reporting" in our consolidated financial statements, with the exception of the legacy segment, which is adjusted as noted in (b) (ii) below.

(b) There are two differences between total comparable store sales growth based on consolidated net revenue and adjusted comparable store sales growth: (i) adjusted comparable store sales growth includes the effect of deferred and unearned revenue as if such revenues were earned at the point of sale, resulting in a decrease of 1.1% and 1.0% from total comparable store sales growth based on consolidated net revenue for the three months ended December 29, 2018 and December 30, 2017, respectively, and a decrease of 0.8% and 0.7% from total comparable store sales growth based on consolidated net revenue for fiscal year 2018 and fiscal year 2017, respectively, (ii) adjusted comparable store sales growth includes retail sales to the legacy partner's customers (rather than the revenues recognized consistent with the management & services agreement), resulting in a decrease of 0.3% and 0.1% from total comparable store sales growth based on consolidated net revenue for the three months ended December 29, 2018 and December 30, 2017, respectively, and a decrease of 0.2% from total comparable store sales growth based on consolidated net revenue for each of the fiscal years 2018 and 2017, and (iii) with respect to the Company's 2019 Outlook, adjusted comparable store sales growth includes an estimated 0.5% impact for the effect of deferred and unearned income as if such revenues were earned at the point of sale and retail sales to the legacy partner's customers (rather than the revenues recognized consistent with the management & services agreement).

Reconciliation of Adjusted EBITDA (Unaudited)

In thousands	Three Months Ended December 29, 2018		Three Months Ended December 30, 2017		Fiscal Year 2018		Fiscal Year 2017	
Net income (loss)	$ (18,440)	(5.2)%	$ 27,341	8.5 %	$ 23,653	1.5 %	$ 43,138	3.1 %
Interest expense	9,139	2.6 %	14,571	4.5 %	37,283	2.4 %	55,536	4.0 %
Income tax benefit	(10,286)	(2.9)%	(47,343)	(14.7)%	(18,785)	(1.2)%	(38,910)	(2.8)%
Depreciation and amortization	19,556	5.5 %	16,953	5.3 %	74,339	4.8 %	61,974	4.5 %
EBITDA	(31)	0.0 %	11,522	3.6 %	116,490	7.6 %	121,738	8.9 %
Stock compensation expense [a]	7,190	2.0 %	2,012	0.6 %	20,939	1.4 %	5,152	0.4 %
Debt issuance costs [b]	200	0.1 %	1,825	0.6 %	200	0.0 %	4,527	0.3 %
Asset impairment [c]	15,493	4.4 %	3,117	1.0 %	17,630	1.1 %	4,117	0.3 %
Non-cash inventory write-offs [d]	—	— %	—	— %	—	— %	2,271	0.2 %
Management fees [e]	—	— %	4,418	1.4 %	—	— %	5,263	0.4 %
New store pre-opening expenses [f]	487	0.1 %	635	0.2 %	2,229	0.1 %	2,531	0.2 %
Non-cash rent [g]	867	0.2 %	289	0.1 %	2,801	0.2 %	1,919	0.1 %
Litigation settlement [h]	—	— %	—	— %	—	— %	7,000	0.5 %
Secondary offering expenses [i]	609	0.2 %	—	— %	2,451	0.2 %	—	— %
Long-term incentive plan[j]	2,429	0.7 %	—	— %	7,040	0.5 %	—	— %
Other [k]	1,473	0.4 %	883	0.3 %	4,585	0.3 %	3,924	0.3 %
Adjusted EBITDA / Adjusted EBITDA margin	$ 28,717	8.1 %	$ 24,701	7.7 %	$ 174,365	11.3 %	$158,442	11.5 %

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

Reconciliation of Adjusted Net Income (Loss) (Unaudited)

In thousands	Three Months Ended December 29, 2018	Three Months Ended December 30, 2017	Fiscal Year 2018	Fiscal Year 2017
Net income (loss)	$ (18,440)	$ 27,341	$ 23,653	$ 43,138
Stock compensation expense [a]	7,190	2,012	20,939	5,152
Debt issuance costs [b]	200	1,825	200	4,527
Asset impairment [c]	15,493	3,117	17,630	4,117
Non-cash inventory write-offs [d]	—	—	—	2,271
Management fees [e]	—	4,418	—	5,263
New store pre-opening expenses [f]	487	635	2,229	2,531
Non-cash rent [g]	867	289	2,801	1,919
Litigation settlement [h]	—	—	—	7,000
Secondary offering expenses [i]	609	—	2,451	—
Long-term incentive plan[j]	2,429	—	7,040	—
Other [k]	1,473	883	4,585	3,924
Amortization of acquisition intangibles and deferred financing costs [l]	2,413	5,853	9,253	14,481
Tax benefit of stock option exercises[m]	(7,580)	—	(25,544)	—
Tax legislation adjustment [n]	—	(42,089)	—	(42,089)
Tax effect of total adjustments [o]	(4,102)	(7,613)	(13,309)	(20,475)
Adjusted Net Income (Loss)	$ 1,039	$ (3,329)	$ 51,928	$ 31,759

See footnotes

Reconciliation of Adjusted Diluted EPS (Unaudited)

Shares in thousands	Three Months Ended December 29, 2018	Three Months Ended December 30, 2017	Fiscal Year 2018	Fiscal Year 2017
Diluted EPS	$ (0.24)	$ 0.37	$ 0.30	$ 0.70
Stock compensation expense [(a)]	0.09	0.03	0.26	0.08
Debt issuance costs [(b)]	0.00	0.02	0.00	0.07
Asset impairment [(c)]	0.20	0.04	0.22	0.07
Non-cash inventory write-offs [(d)]	—	—	—	0.04
Management fees [(e)]	—	0.06	—	0.08
New store pre-opening expenses [(f)]	0.01	0.01	0.03	0.04
Non-cash rent [(g)]	0.01	0.00	0.04	0.03
Litigation settlement [(h)]	—	—	—	0.11
Secondary offering expenses [(i)]	0.01	—	0.03	—
Long-term incentive plan[(j)]	0.03	—	0.09	—
Other [(k)]	0.02	0.01	0.06	0.06
Amortization of acquisition intangibles and deferred financing costs [(l)]	0.03	0.08	0.12	0.23
Tax benefit of stock option exercises[(m)]	(0.10)	—	(0.32)	—
Tax legislation adjustment [(n)]	—	(0.57)	—	(0.68)
Tax effect of total adjustments [(o)]	(0.05)	(0.10)	(0.17)	(0.33)
Adjusted Diluted EPS	$ 0.01	$ (0.05)	$ 0.66	$ 0.51
Weighted average diluted shares outstanding	$ 77,526	$ 73,256	$ 79,041	$ 62,035

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 (Loss) Footnotes

(a) Non-cash charges related to stock-based compensation programs, which vary from period to period depending on the timing of awards and performance vesting conditions.

(b) For fiscal year 2018, fees associated with the issuance of new term loans during the fourth quarter of fiscal year 2018. For fiscal year 2017, includes $2.7 million of fees associated with the borrowing of $175.0 million in additional principal under our first lien credit agreement and $1.8 million of fees associated with the refinancing of our first lien credit agreement.

(c) Non-cash charges related to impairment of long-lived assets, primarily goodwill in our Military and Fred Meyer brands during three months ended December 29, 2018 and fiscal year 2018. Non-cash write-downs of capitalized software and property and equipment for the three months ended December 30, 2017 and non-cash charges related to a complete write-off of a cost-based investment and impairment of capitalized software and property and equipment for during fiscal year 2017.

(d) Reflects write-offs of inventory relating to the expiration of a specific type of contact lens that could not be sold and required disposal.

(e) Reflects management fees paid to Kohlberg Kravis Roberts & Co. L.P. (“KKR Sponsor”) and Berkshire Partners (“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.

(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.

(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) Expenses associated with settlement of litigation. See Part I. Item 3. “Legal Proceedings” and Note 12. “Commitments and Contingencies” in our consolidated financial statements included in Part II. Item 8. of our annual report on form 10-K for further details.

(i) Expenses related to our secondary public offerings during fiscal year 2018.

(j) Expenses pursuant to a long-term incentive plan for non-executive employees who were not participants in the management equity plan for fiscal year 2018. This plan was effective in 2014 following the acquisition of the Company by KKR Sponsor, during fiscal year 2018, a $4.6 million payout was triggered as a result of the second secondary offering of common stock by KKR Sponsor and other selling stockholders completed in the third quarter of 2018. The remaining $2.4 million relates to the third secondary offering and is accrued but not paid as of fiscal year end 2018.

(k) Other adjustments include amounts that management believes are not representative of our operating performance, including our share of losses on equity method investments of $0.3 million, for the three months ended December 29, 2018 and December 30, 2017, and $1.3 million and $1.0 million for fiscal years 2018 and 2017, respectively; the amortization impact of adjustments related to the acquisition of the Company by affiliates of KKR Sponsor in March 2014 (the "KKR Acquisition") (e.g., fair value of leasehold interests) of $0.1 million, $(0.1) million, $0.4 million and $(0.3) million for the three months ended December 29, 2018 and December 30, 2017 and fiscal years 2018 and 2017, respectively, related to prior acquisitions; expenses related to preparation for being an SEC registrant that were not directly attributable to the IPO and therefore not charged to equity of $1.8 million for fiscal year 2017; differences between the timing of expense versus cash payments related to contributions to charitable organizations of $(0.2) million and $(0.3) million for three months ended December 29, 2018 and December 30, 2017, respectively, and $(1.0) million during fiscal years 2018 and 2017; costs of severance and relocation of $0.1 million, $0.4 million, $1.0 million, and $1.4 million for the three months ended December 29, 2018 and December 30, 2017 and fiscal years 2018 and 2017 respectively; excess payroll taxes related to stock option exercises of $0.6 million and $1.8 million for the three months ended December 29, 2018 and fiscal year 2018, respectively; and other expenses and adjustments totaling $0.6 million and $0.5 million for the three months ended December 29, 2018 and December 30, 2017, respectively, and $1.1 million and $1.0 million for fiscal years 2018 and 2017, respectively.

(l) Amortization of the increase in carrying values of definite-lived intangible assets resulting from the application of purchase accounting to the KKR Acquisition of $1.9 million for the three months ended December 29, 2018 and December 30, 2017, and $7.4 million for fiscal years 2018 and 2017; and 2) Amortization of debt discounts associated with the March 2014 term loan borrowings in connection with the KKR Acquisition and, to a lesser extent, amortization of debt discounts associated with the May 2015 and February 2017 incremental First Lien - Term Loan B and the November 2017 First Lien - Term Loan B loan refinancing, aggregating to $0.5 million, $4.0 million, $1.9 million and $7.1 million for the three months ended December 29, 2018 and December 30, 2017, and fiscal years 2018 and 2017, respectively. The $7.1 million additional expense for fiscal year 2017 includes a $3.3 million write-off of debt discounts associated with the repayment of the entire $125.0 million second lien term loan balance.

(m) 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.

(n) The adjustment represents re-measuring and reassessing the net realizability of our deferred tax assets and liabilities during fiscal year 2017. See Note 6. “Income Taxes” in our consolidated financial statements included in Part II. Item 8. of our annual report on form 10-K for additional information regarding the Tax Legislation.

(o) Represents the income tax effect of the total adjustments at our combined statutory federal and state income tax rates.

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