Q3 2018 Financial Results

November 13, 2018

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 third 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 Jeff McAllister, COO
Third Quarter and Year-to-Date Financial Update Fiscal 2018 Outlook	Patrick Moore, CFO
Moments of Mission	Reade Fahs, CEO
Q&A	


Reade Fahs
CEO


Jeff McAllister
COO

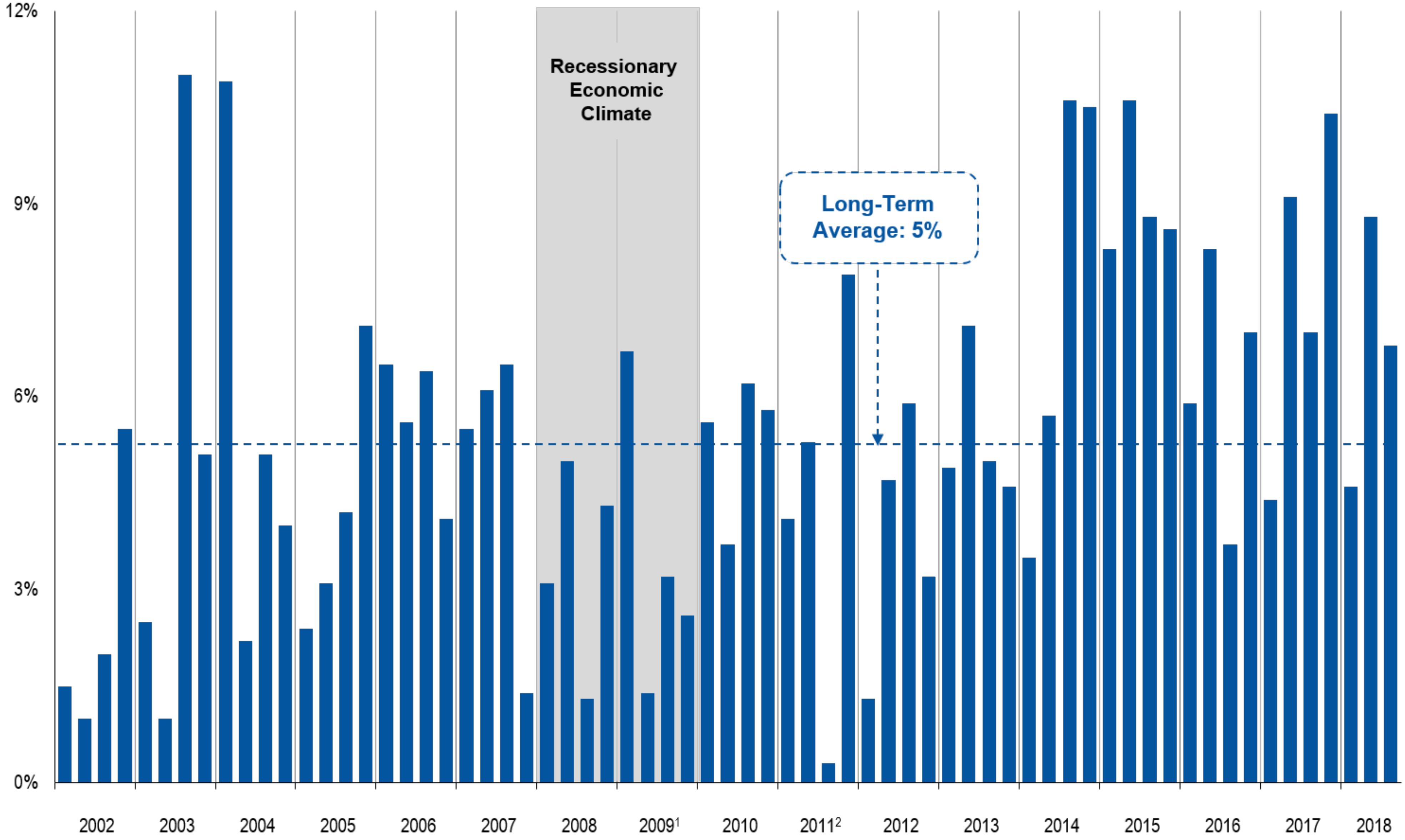

Patrick Moore
CFO

Highlights

- 67 consecutive quarters of positive comparable store sales growth
- Adjusted comparable store sales growth[1] of 6.8% for the quarter and 6.6% for the year-to-date driven primarily by increases in customer transactions
- Strong positive comparable store sales in our growth brands, both exceeding 8%
- NPS scores improved across all retail brands year-over-year
- Opened 18 new stores in Q3 and 58 new stores year-to-date; ended the quarter with 1,067 stores
- Q3 Net Revenue: $387.4M, 11.9% over Q3 2017
- Q3 Adjusted EBITDA[1]: $38.8M, 7.3% over Q3 2017
  - Impacted ~-280 bps from the net change in margin on unearned revenue
- Q3 Adjusted Net Income[1]: $9.2M, 57.7% over Q3 2017
- Expanded Walmart contact lens distribution relationship
- Balance sheet enhancements:
  - Refinanced $200M of existing debt at L+175 (October)
  - Moody's upgrade (Q3)
- New independent board member - Tom Taylor
- Signed new multi-year agreement with Essilor (November)

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

67 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

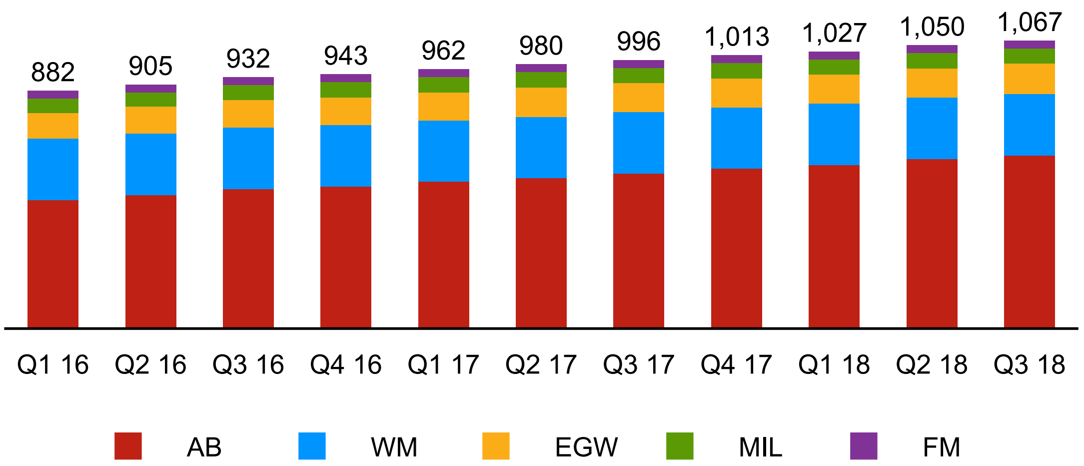
Improve Operating Productivity

Leverage Technology

Third Quarter and Year-to-Date Financial Update

Revenue Drivers

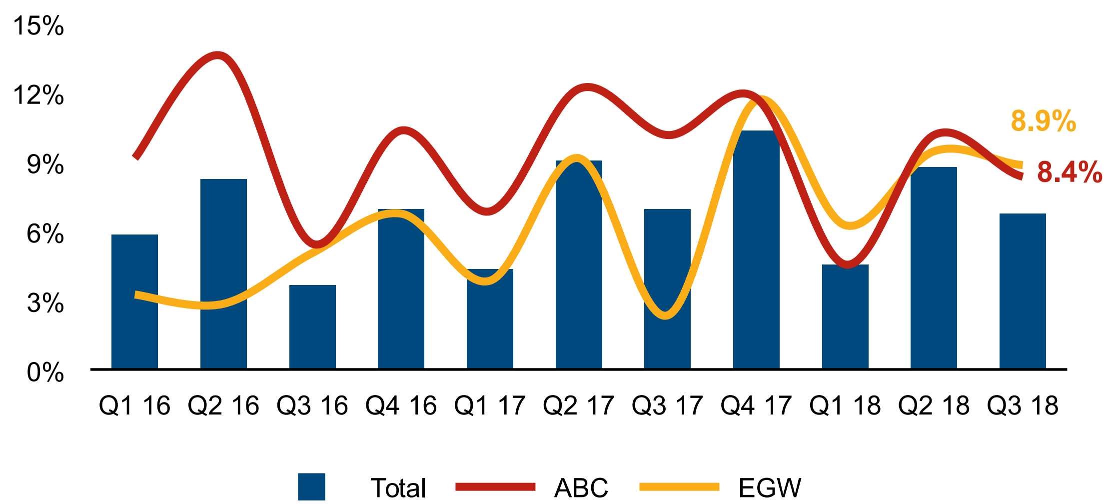
Total Store Count Growth



Commentary

- 17 net new stores in the quarter (18 new stores and 1 closed store)
- 71 net new stores in the last 12 months (75 new stores and 4 closed stores, 4 of which were closed in 2018 YTD)
- Focused store growth on America's Best (13 new stores in the quarter and 68 in the last 12 months) and Eyeglass World (5 new stores in the quarter and 7 in the last 12 months)

Adjusted Comparable Store Sales Growth[1]



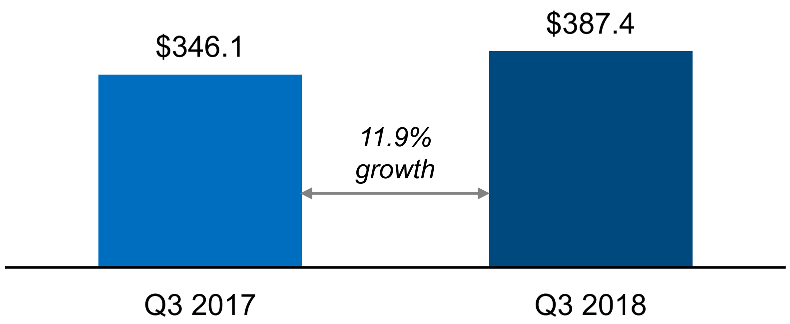
Commentary

- America's Best and Eyeglass World drove favorable comparable store sales growth results for the quarter
- Increases in customer transactions drove our adjusted comparable store sales growth

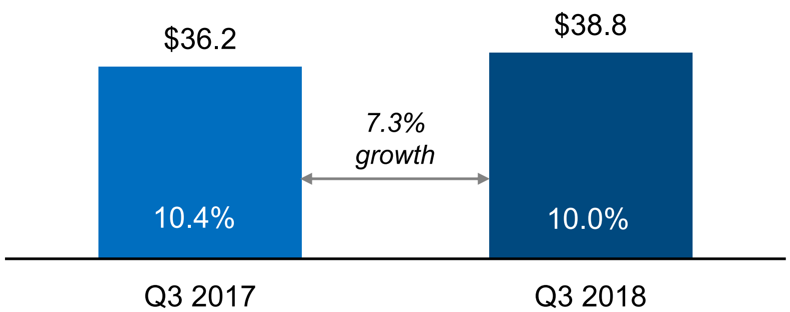
1-For reconciliation of total comparable store sales growth to adjusted comparable store sales growth, see Appendix

Q3 2018 Results

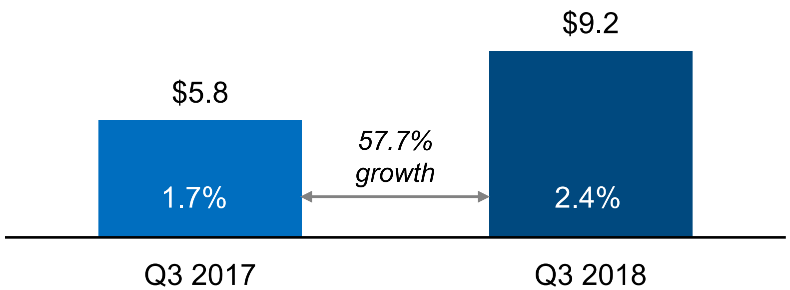
Net Revenue (in $MM)



Adjusted EBITDA[1] (in $MM)



Adjusted Net Income[1] (in $MM)



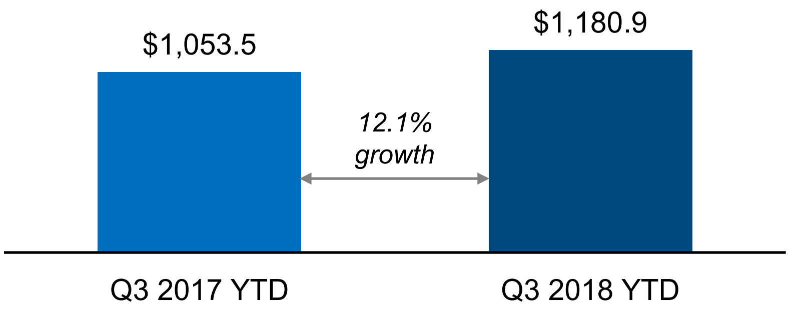
Commentary

- Net revenue grew 11.9% year-over-year; adjusted comparable store sales grew 6.8%. Net revenue growth impacted by:
  - Expanded Walmart contact lens distribution relationship +90 bps
  - Net weather impact +80 bps
  - FirstSight -50 bps
  - Unearned revenue -40 bps
- Adjusted EBITDA[1] grew 7.3% year-over-year and, as a percentage of net revenue, declined 40 bps year-over-year
  - Adjusted EBITDA growth reduced by ~280 bps from the net change in margin on unearned revenue
- Costs applicable to revenue as a percentage of net revenue increased from 46.9% in Q3 2017 to 47.1% in Q3 2018
- SG&A as a percentage of net revenue was 43.7% in Q3 2017 compared to 47.6% in Q3 2018
  - SG&A as a percentage of net revenue increased ~360 bps from stock compensation expense and long-term incentive plan expense in the quarter
  - Expanded Walmart contact lens distribution relationship +40 bps
  - Support of the citizens' initiative in Oklahoma
- Adjusted Net Income[1] grew 57.7% year-over-year to $9.2M
- Diluted EPS was $0.07; Adjusted Diluted EPS[1] was $0.12

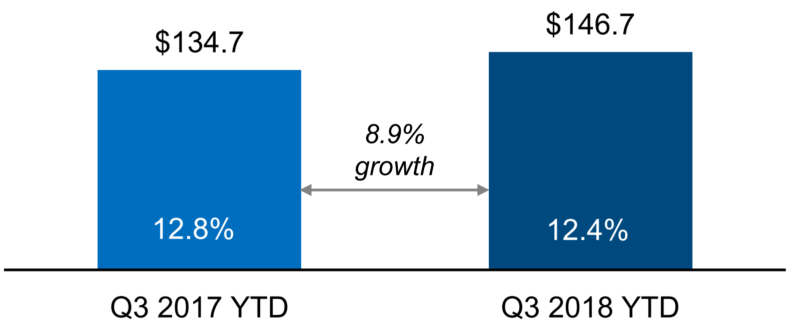
1-For reconciliation of Net Income to Adjusted EBITDA, Net Income to Adjusted Net Income and Diluted EPS to Adjusted Diluted EPS, see Appendix

Q3 2018 Year-to-Date Results

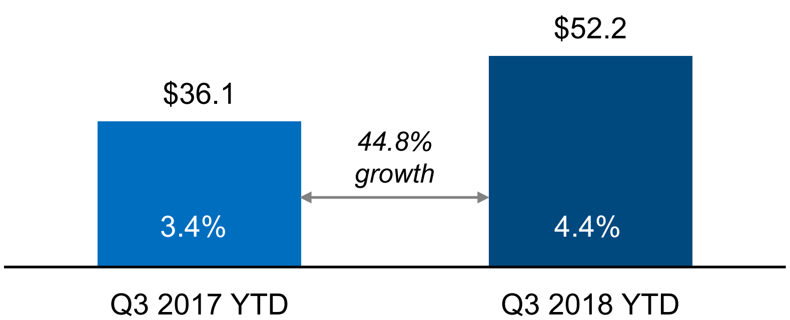
Net Revenue (in $MM)



Adjusted EBITDA[1] (in $MM)



Adjusted Net Income[1] (in $MM)



Commentary

- Net revenue 12.1% year-over-year; adjusted comparable store sales grew 6.6%. Net revenue growth impacted by:
  - Net weather impact +25 bps
  - FirstSight -50 bps
- Adjusted EBITDA[1] grew $12.0M year-over-year and, as a percentage of net revenue, declined 40 bps year-over-year
  - Decline in margin primarily driven by optometrist costs, advertising and public company costs
- Costs applicable to revenue as a percentage of net revenue decreased from 46.0% in Q3 2017 year-to-date to 45.7% in Q3 2018 year-to-date
- SG&A as a percentage of net revenue grew from 42.3% in Q3 2017 year-to-date to 44.0% in Q3 2018 year-to-date
  - SG&A as a percentage of net revenue increased ~130 bps from stock compensation expense and long-term incentive plan expense for the year-to-date
- Adjusted Net Income[1] grew 44.8% year-over-year to $52.2M
- Diluted EPS was $0.56 and Adjusted Diluted EPS[1] was $0.66

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

Q3 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	564.3	(6.3)	558.0	97 %	L + 250	11/20/2024
Other debt[2]	17.3	—	17.3	3 %		
Total debt	**$ 581.6**	**$ (6.8)**	**$ 574.8**	**100 %**		
Cash and cash equivalents			48.9			
Net debt			**$ 525.9**			

Commentary

- Net debt to TTM Adjusted EBITDA[3] 3.1x
- No borrowings outstanding under our Revolving Loan Facility ($5.5M in outstanding letters of credit)
- Q3 debt rating upgrade to Ba3 (stable) reduced interest on First Lien from L+275 to L+250
- In October, refinanced $200M of First Lien debt to L+175

Cash Flow

	Nine Months Ended		
(in $MM)	September 29, 2018	September 30, 2017	Var
Net cash provided by operating activities	$ 116.0	$ 96.3	$ 19.7
Net cash used for investing activities	(78.7)	(68.5)	(10.2)
Net cash provided by (used for) financing activities	7.6	(4.8)	12.4
Net change in cash, cash equivalents and restricted cash	$ 44.9	$ 23.0	$ 21.9

Commentary

- $19.7M increase in net cash provided by operating activities driven primarily by store growth and PY $7M litigation settlement
- $10.2M increase in cash used for investing activities driven primarily by increased capital expenditures year-over-year
- $12.4M increase in cash provided by financing activities driven primarily by proceeds from exercise of stock options and, to a lesser extent, lower debt principal payments

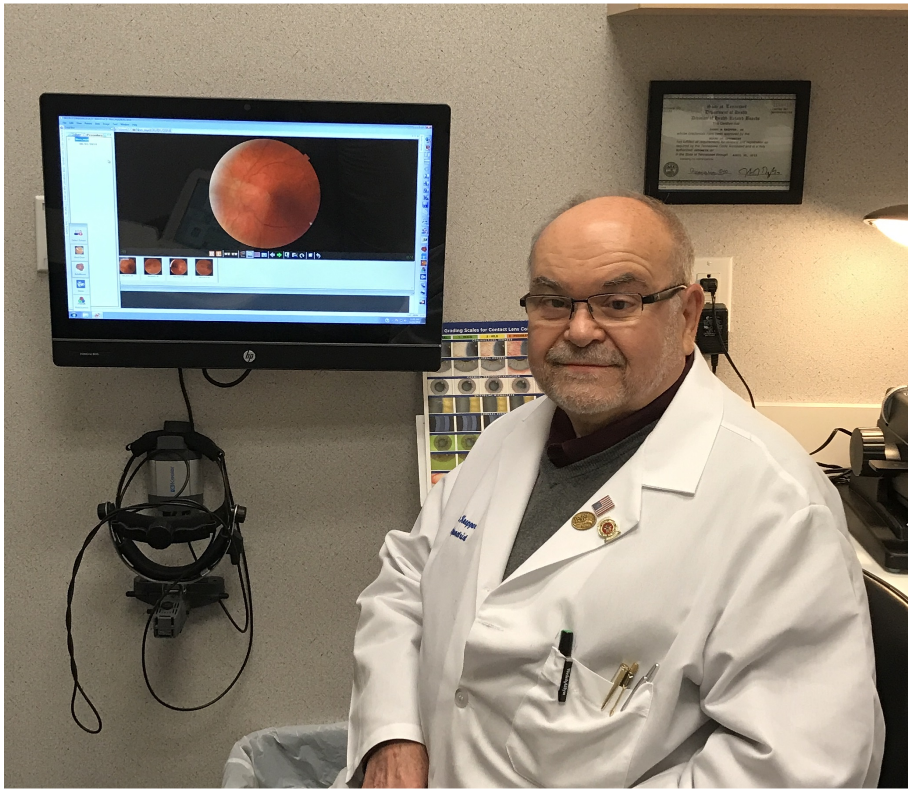
1-$100M facility; $94.5M available
2-Includes capitalized lease debt and original issue discount
3-For reconciliation of Net Income to Adjusted EBITDA, see Appendix

Fiscal 2018 Outlook

While we are not generally updating our previously provided 2018 Outlook, the Company is providing the following insights for the remainder of fiscal 2018:

- **Adjusted same store sales growth**: at or above the top end of the range
- **Net revenue**: above the range
    - AC Lens business generating higher net revenue, which includes expanded contact lens distribution relationship with Walmart estimated to add at least $10 million to 2018 net revenue with minimal contribution to profitability; no impact to adjusted same store sales growth
- **Adjusted EBITDA** and **Adjusted Net Income**: near lower end of the range
    - ~$4-5 million not contemplated in our original 2018 outlook, including:
        - Investments to support our managed care growth and the citizens' initiative in Oklahoma,
        - Higher public company costs (including cyber security upgrades)
- **Capital expenditures**: near high end of the range driven by growth investments

Moments of Mission



Dr. Dan Knepper - America's Best
Nashville, TN

Q&A

Appendix

Q3 2018 Consolidated Financial Results (Unaudited)

Dollars in thousands	Three Months Ended September 29, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 29, 2018	Nine Months Ended September 30, 2017
Revenue:				
Net product sales	$ 319,312	$ 283,648	$ 977,497	$ 867,192
Net sales of services and plans	68,113	62,441	203,435	186,297
Total net revenue	387,425	346,089	1,180,932	1,053,489
Costs applicable to revenue (exclusive of depreciation and amortization):				
Products	130,951	115,752	389,560	349,099
Services and plans	51,637	46,606	150,541	135,474
Total costs applicable to revenue	182,588	162,358	540,101	484,573
Operating expenses:				
Selling, general and administrative expenses	184,424	151,251	519,564	445,714
Depreciation and amortization	19,080	15,352	54,080	44,404
Asset impairment	2,137	—	2,137	1,000
Litigation settlement	—	—	—	7,000
Other expense, net	411	568	829	744
Total operating expenses	206,052	167,171	576,610	498,862
(Loss) income from operations	(1,215)	16,560	64,221	70,054
Interest expense, net	9,407	14,851	28,144	40,965
Debt issuance costs	—	—	—	2,702
(Loss) earnings before income taxes	(10,622)	1,709	36,077	26,387
Income tax (benefit) provision	(16,438)	163	(7,863)	9,267
Net income	$ 5,816	$ 1,546	$ 43,940	$ 17,120

Reconciliation of Adjusted Comparable Store Sales Growth

	Comparable store sales growth[a]			
	Three Months Ended September 29, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 29, 2018	Nine Months Ended September 30, 2017
Owned & host segment				
America's Best	8.4%	10.2%	7.6%	9.6%
Eyeglass World	8.9%	2.4%	8.2%	5.0%
Military	(2.4)%	(12.3)%	(1.5)%	(8.9)%
Fred Meyer	(5.7)%	(0.1)%	1.9%	(2.3)%
Legacy segment	0.0%	1.3%	2.5%	(0.3)%
Total comparable store sales growth	7.0%	8.3%	7.4%	7.4%
Adjusted comparable store sales growth[b]	6.8%	7.0%	6.6%	6.7%

(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 the "Segment Reporting" footnote 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 0.1% and 1.3% from total comparable store sales growth based consolidated net revenue for the three months ended September 29, 2018 and September 30, 2017, respectively, and a decrease of 0.7% and 0.5% from total comparable store sales growth based on consolidated net revenue for thenine months ended September 29, 2018 and September 30, 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 & services agreement), resulting in a decrease of 0.1% from total comparable store sales growth based on consolidated net revenue for the three months ended September 29, 2018, and a decrease of 0.1% and 0.2% from total comparable store sales growth based on consolidated net revenue for the nine months ended September 29, 2018 and September 30, 2017, respectively.

Reconciliation of Adjusted EBITDA

Dollars in thousands	Three Months Ended September 29, 2018			Three Months Ended September 30, 2017			Nine Months Ended September 29, 2018			Nine Months Ended September 30, 2017			Twelve Months Ended September 29, 2018	
Net income	$	5,816	1.5 %	$	1,546	0.4%	$	43,940	3.7 %	$	17,120	1.6%	$	72,640
Interest expense		9,407	2.4 %		14,851	4.3%		28,144	2.4 %		40,965	3.9%		42,715
Income tax (benefit) provision		(16,438)	(4.2)%		163	—%		(7,863)	(0.7)%		9,267	0.9%		(55,777)
Depreciation and amortization		19,080	4.9 %		15,352	4.4%		54,080	4.6 %		44,404	4.2%		70,791
EBITDA		17,865	4.6 %		31,912	9.2%		118,301	10.0 %		111,756	10.6%		130,369
Stock compensation expense [a]		10,629	2.7 %		1,151	0.3%		13,749	1.2 %		3,140	0.3%		15,760
Debt issuance costs [b]		—	— %		—	—%		—	— %		2,702	0.3%		1,825
Asset impairment [c]		2,137	0.6 %		—	—%		2,137	0.2 %		1,000	0.1%		5,254
Non-cash inventory write-offs [d]		—	— %		—	—%		—	— %		2,271	0.2%		—
Management fees [e]		—	— %		271	0.1%		—	— %		845	0.1%		4,418
New store pre-opening expenses [f]		512	0.1 %		618	0.2%		1,742	0.1 %		1,896	0.2%		2,376
Non-cash rent [g]		420	0.1 %		381	0.1%		1,228	0.1 %		1,035	0.1%		1,305
Litigation settlement [h]		—	— %		—	—%		—	— %		7,000	0.7%		—
Secondary offering expenses [i]		702	0.2 %		—	—%		1,842	0.2 %		—	0.7%		1,842
Long-term incentive plan[j]		4,611	1.2 %		—	—%		4,611	0.4 %		—	—%		4,611
Other [k]		1,927	0.5 %		1,828	0.5%		3,112	0.3 %		3,041	0.3%		3,996
Adjusted EBITDA / Adjusted EBITDA margin	$	38,803	10.0 %	$	36,161	10.4%	$	146,722	12.4 %	$	134,686	12.8%	$	171,756

See footnotes

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

Reconciliation of Adjusted Net Income

Dollars in thousands	Three Months Ended September 29, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 29, 2018	Nine Months Ended September 30, 2017
Net income	$ 5,816	$ 1,546	$ 43,940	$ 17,120
Stock compensation expense [a]	10,629	1,151	13,749	3,140
Debt issuance costs [b]	—	—	—	2,702
Asset impairment [c]	2,137	—	2,137	1,000
Non-cash inventory write-offs [d]	—	—	—	2,271
Management fees [e]	—	271	—	845
New store pre-opening expenses [f]	512	618	1,742	1,896
Non-cash rent [g]	420	381	1,228	1,035
Litigation settlement [h]	—	—	—	7,000
Secondary offering expenses [i]	702	—	1,842	—
Long-term incentive plan[j]	4,611	—	4,611	—
Other [k]	1,927	1,828	3,112	3,041
Amortization of acquisition intangibles and deferred financing costs [l]	2,279	2,884	6,840	8,628
Tax benefit of stock option exercises [m]	(13,900)	—	(17,964)	—
Tax effect of total adjustments [n]	(5,943)	(2,853)	(9,027)	(12,623)
Adjusted Net Income	$ 9,190	$ 5,826	$ 52,210	$ 36,055

See footnotes

Reconciliation of Adjusted Diluted EPS

Shares in thousands		Three Months Ended September 29, 2018		Three Months Ended September 30, 2017		Nine Months Ended September 29, 2018		Nine Months Ended September 30, 2017
Diluted EPS	$	0.07	$	0.03	$	0.56	$	0.29
Stock compensation expense [(a)]		0.13		0.02		0.17		0.05
Debt issuance costs [(b)]		—		—		—		0.05
Asset impairment [(c)]		0.03		—		0.03		0.02
Non-cash inventory write-offs [(d)]		—		—		—		0.04
Management fees [(e)]		—		—		—		0.01
New store pre-opening expenses [(f)]		0.01		0.01		0.02		0.03
Non-cash rent [(g)]		0.01		0.01		0.02		0.02
Litigation settlement [(h)]		—		—		—		0.12
Secondary offering expenses [(i)]		0.01		—		0.02		—
Long-term incentive plan[(j)]		0.06		—		0.06		—
Other [(k)]		0.02		0.03		0.04		0.05
Amortization of acquisition intangibles and deferred financing costs [(l)]		0.03		0.05		0.09		0.15
Tax benefit of stock option exercises [(m)]		(0.17)		—		(0.23)		—
Tax effect of total adjustments [(n)]		(0.07)		(0.05)		(0.11)		(0.22)
Adjusted Diluted EPS	$	0.12	$	0.10	$	0.66	$	0.62
Weighted average diluted shares outstanding		79,710		58,459		78,571		58,281

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) Fees associated with the borrowing of $175.0 million in additional principal under our first lien credit agreement during the first fiscal quarter of 2017.
(c) Reflects write-off of capitalized software and property and equipment for the three and nine months ended September 29, 2018. Reflects the complete write-off of a cost basis investment for the nine months ended September 30, 2017.
(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 KKR Sponsor and 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 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. Pre-opening costs are permitted exclusions in our calculation of Adjusted EBITDA pursuant to the terms of our first lien credit agreement.
(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.
(i) Expenses related to our secondary public offerings for the three and nine months ended September 29, 2018.
(j) Cash expenses pursuant to a long-term incentive plan for non-executive employees who were not participants in the management equity plan for the three and nine months ended September 29, 2018. This plan was effective in 2014 following the acquisition of the Company by KKR, and this payout was triggered as a result of the secondary offering of common stock by KKR and other selling shareholders completed in the third quarter of 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 $0.4 million and $0.4 million for the three months ended September 29, 2018 and September 30, 2017 and $1.0 million and $0.7 million for the nine months ended September 29, 2018 and September 30, 2017, respectively; the amortization impact of the KKR Acquisition-related adjustments (e.g., fair value of leasehold interests) of $0.2 million and $(0.1) million for the three months ended September 29, 2018 and September 30, 2017 and $0.3 million, and $(0.2) million for the nine months ended September 29, 2018 and September 30, 2017, 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 $0.6 million and $1.8 million for the three and nine months ended September 30, 2017, respectively; 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 September 29, 2018 and September 30, 2017 and $(0.8) million for each of the nine months ended September 29, 2018 and September 30, 2017, respectively; costs of severance and relocation of $0.3 million and $0.7 million for the three months ended September 29, 2018 and September 30, 2017 and, $0.9 million and $1.0 million for the nine months ended September 29, 2018 and September 30, 2017 respectively; excess payroll taxes related to stock option exercises of $0.9 million and $1.2 million for the three and nine months ended September 29, 2018, respectively; and other expenses and adjustments totaling $0.4 million for the three months ended September 29, 2018 and September 30, 2017 and $0.5 million for the nine months ended September 29, 2018 and September 30, 2017, respectively.
(l) 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 September 29, 2018 and September 30, 2017 and $5.6 million for each of the nine months ended September 29, 2018 and September 30, 2017. 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, $1.3 million and $3.1 million for the three months ended September 29, 2018 and September 30, 2017 and nine months ended September 29, 2018 and September 30, 2017, respectively.
(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) Represents the tax effect of the total adjustments at our combined statutory federal and state income tax rates.

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