



November 8, 2017

VITAMIN SHOPPE

Third Quarter and Nine Months 2017 GAAP Reconciliation

Non-GAAP Financial Measures

Adjusted information is non-GAAP financial information. These supplemental non-GAAP measures should not be considered superior to, or a substitute for, and should be considered in conjunction with the GAAP financial measures presented. The Company believes such non-GAAP financial information facilitates analysis and comparisons of our ongoing business operations because it excludes items that may not be indicative of, or are unrelated to the Company's and our business segments' core operating performance, and may assist investors with comparisons to prior periods and assessing trends in our underlying businesses. These adjustments are consistent with how management views our businesses. Management uses such non-GAAP financial information in making financial, operating and planning decisions and evaluating the Company's and each business segment's ongoing performance. A reconciliation of adjusted financial information to the most directly comparable financial measures calculated and presented in accordance with GAAP is shown in Tables 1 and 2.

TABLE 1
VITAMIN SHOPPE, INC. AND SUBSIDIARY
SUPPLEMENTAL OPERATING DATA
(Unaudited)

Amounts in millions except per share data
Figures may not sum due to rounding

	Gross Profit	SG&A	Goodwill, Tradename and Store Fixed-Asset Impairment Charges	Operating Income (Loss)	Net Income (Loss)	Diluted EPS
<u>Three months ended September 30, 2017:</u>						
As Reported	\$ 86.1	\$ 88.5	\$ 106.0	\$ (108.3)	\$ (86.2)	\$ (3.72)
Goodwill impairment (1)	-	-	(46.3)	46.3	46.3	2.00
Tradename impairment (2)	-	-	(59.4)	59.4	36.6	1.58
Distribution center closing costs (3)	2.0	(0.3)	-	2.3	1.4	0.06
Nutri-Force turnaround costs (4)	(0.2)	(1.8)	-	1.7	1.0	0.04
As Adjusted	<u>\$ 88.0</u>	<u>\$ 86.4</u>	<u>\$ 0.3</u>	<u>\$ 1.3</u>	<u>\$ (0.8)</u>	<u>\$ (0.03)</u>
<u>Three months ended September 24, 2016:</u>						
As Reported	\$ 102.1	\$ 81.7	\$ 0.2	\$ 20.3	\$ 11.4	\$ 0.48
Cost reduction project (5)	-	(2.3)	-	2.3	1.4	0.06
Canada store closing costs (6)	-	0.9	-	(0.9)	(0.9)	(0.04)
As Adjusted	<u>\$ 102.1</u>	<u>\$ 80.3</u>	<u>\$ 0.2</u>	<u>\$ 21.6</u>	<u>\$ 11.8</u>	<u>\$ 0.50</u>
<u>Nine months ended September 30, 2017:</u>						
As Reported	\$ 271.6	\$ 258.4	\$ 274.1	\$ (261.0)	\$ (234.6)	\$ (10.17)
Goodwill impairment (1)	-	-	(210.6)	210.6	197.6	8.57
Tradename impairment (2)	-	-	(59.4)	59.4	36.6	1.59
Nutri-Force turnaround costs (4)	10.5	(5.5)	-	16.0	9.7	0.42
Store impairment charges (7)	-	-	(3.8)	3.8	2.3	0.10
Distribution center closing costs (3)	2.0	(0.3)	-	2.3	1.4	0.06
As Adjusted	<u>\$ 284.1</u>	<u>\$ 252.7</u>	<u>\$ 0.3</u>	<u>\$ 31.1</u>	<u>\$ 13.0</u>	<u>\$ 0.56</u>
<u>Nine months ended September 24, 2016:</u>						
As Reported	\$ 326.2	\$ 257.5	\$ 0.4	\$ 68.3	\$ 36.6	\$ 1.51
Cost reduction project (5)	-	(3.8)	-	3.8	2.3	0.10
Canada stores closing costs (6)	(0.2)	(2.1)	-	1.9	1.9	0.08
Super Supplements conversion costs (8)	(0.2)	(1.3)	-	1.0	0.6	0.03
Reinvention strategy costs (9)	-	(0.5)	-	0.5	0.3	0.01
As Adjusted	<u>\$ 325.8</u>	<u>\$ 249.9</u>	<u>\$ 0.4</u>	<u>\$ 75.5</u>	<u>\$ 41.7</u>	<u>\$ 1.72</u>

(1) Impairment charges on the goodwill of the retail segment.

(2) Impairment charge on the Vitamin Shoppe tradename.

(3) Costs related to the closing of the North Bergen, New Jersey distribution center.

(4) The costs represent restructuring costs related to the turnaround of Nutri-Force.

(5) Outside consulting costs relating to a project to identify and implement cost reduction opportunities.

(6) Costs primarily include lease termination charges. The credit during the three months ended September 24, 2016 relates to a reversal of lease liabilities previously accrued.

(7) Impairment charges on the fixed assets of retail locations still in use in the Company's operations.

(8) Costs primarily related to the closure of the Seattle distribution center.

(9) The costs represent outside consultants fees in connection with the Company's "reinvention strategy".

TABLE 2
VITAMIN SHOPPE, INC. AND SUBSIDIARY
ADJUSTED 2017 GUIDANCE
(Unaudited)

Dollars in millions

Figures may not sum due to rounding

	Fiscal Year Ending December 30, 2017 (Projected)
Gross Margin Rate - GAAP basis	29.5% to 29.8%
Nutri-Force turnaround costs	0.8%
Closing of North Bergen facility	0.3%
Gross Margin Rate - Adjusted basis	30.6% to 30.9%
SG&A - GAAP basis	\$344 to \$346
Nutri-Force turnaround costs	(7)
SG&A - Adjusted basis	\$337 to \$339

About the Vitamin Shoppe, Inc. (NYSE:VSI)

Vitamin Shoppe is an omni-channel, specialty retailer and contract manufacturer of nutritional products based in Secaucus, New Jersey. In its stores and on its website, the Company carries a comprehensive retail assortment including: vitamins, minerals, specialty supplements, herbs, sports nutrition, homeopathic remedies, green living products, and beauty aids. In addition to offering products from approximately 900 national brands, the Vitamin Shoppe also carries products under The Vitamin Shoppe®, BodyTech®, True Athlete®, MyTriton®, plnt®, ProBioCare®, Next Step® and Betancourt Nutrition® brands. The Vitamin Shoppe conducts business through more than 775 company-operated retail stores under The Vitamin Shoppe and Super Supplements retail banners, and through its website, www.vitaminshoppe.com. Follow the Vitamin Shoppe on Facebook at <http://www.facebook.com/THEVITAMINSHOPPE> and on Twitter at <http://twitter.com/VitaminShoppe>.

Forward Looking Statements

This press release contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, without limitation, those that contain words such as “outlook”, “believes”, “expects”, “potential”, “continues”, “may”, “will”, “should”, “seeks”, “predicts”, “intends”, “plans”, “estimates”, “anticipates”, “target”, “could” or the negative version of these words or other comparable words. These statements are subject to various risks and uncertainties, many of which are outside the Company’s control, including, among others, product liability claims and recalls, the availability of insurance, the strength of the economy, changes in the overall level of consumer spending, the performance of the Company's products within the prevailing retail environment, trade restrictions, changes in tax policy, regulatory restrictions, political environment, availability of suitable store locations at appropriate terms, ecommerce relationships, disruptions of manufacturing, warehouse or distribution facilities or information systems, and other specific factors discussed herein and in SEC filings by the Company (including reports on Forms 10-K and 10-Q filed with the SEC). The Company believes that all forward-looking statements are based on reasonable assumptions when made; however, it cautions that it is impossible to predict actual results or outcomes or the effects of risks, uncertainties or other factors on anticipated results or outcomes with certainty and that, accordingly, one should not place undue reliance on these statements. Forward looking statements speak only as of the date when made and the Company undertakes no obligation to update these statements in light of subsequent events or developments. Actual results may differ materially from anticipated results or outcomes discussed in any forward-looking statement.

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