



February 28, 2018

VITAMIN SHOPPE Fourth Quarter and Full Year 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 Table 1.

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, Intangible Assets and Store Fixed-Assets Impairment Charges	Operating Income (Loss)	Net Income (Loss)	Diluted EPS
Three months ended December 30, 2017:						
As Reported	\$ 86.0	\$ 87.1	\$ 0.8	\$ (1.8)	\$ (17.6)	\$ (0.75)
Nutri-Force restructuring costs (1)	(3.3)	0.4	-	(3.7)	(2.2)	(0.10)
Distribution center closing costs (2)	0.8	(0.0)	-	0.8	0.5	0.02
Impact of Tax Reform Act (3)	-	-	-	-	15.3	0.66
As Adjusted	<u>\$ 83.5</u>	<u>\$ 87.4</u>	<u>\$ 0.8</u>	<u>\$ (4.7)</u>	<u>\$ (3.9)</u>	<u>\$ (0.17)</u>
Three months ended December 31, 2016:						
As Reported	\$ 100.2	\$ 83.2	\$ 39.6	\$ (22.7)	\$ (11.6)	\$ (0.50)
Impairment charges on goodwill and intangible asset (4)	-	-	(39.2)	39.2	23.2	0.99
Canada stores closing costs (5)	-	-	-	-	(3.0)	(0.13)
As Adjusted	<u>\$ 100.2</u>	<u>\$ 83.2</u>	<u>\$ 0.4</u>	<u>\$ 16.5</u>	<u>\$ 8.6</u>	<u>\$ 0.37</u>
Fiscal year ended December 30, 2017:						
As Reported	\$ 357.6	\$ 345.5	\$ 274.9	\$ (262.8)	\$ (252.2)	\$ (10.90)
Impairment charges on goodwill and intangible asset (6)	-	-	(270.0)	270.0	234.2	10.12
Nutri-Force restructuring costs (1)	7.2	(5.1)	-	12.3	7.5	0.32
Store impairment charges (7)	-	-	(3.8)	3.8	2.3	0.10
Distribution center closing costs (2)	2.8	(0.3)	-	3.1	1.9	0.08
Impact of Tax Reform Act (3)	-	-	-	-	15.3	0.66
As Adjusted	<u>\$ 367.6</u>	<u>\$ 340.1</u>	<u>\$ 1.1</u>	<u>\$ 26.4</u>	<u>\$ 9.1</u>	<u>\$ 0.39</u>
Fiscal year ended December 31, 2016:						
As Reported	\$ 426.4	\$ 340.8	\$ 40.0	\$ 45.6	\$ 25.0	\$ 1.04
Impairment charges on goodwill and intangible asset (4)	-	-	(39.2)	39.2	23.2	0.96
Cost reduction project (8)	-	(3.8)	-	3.8	2.3	0.10
Canada stores closing costs (5)	(0.2)	(2.1)	-	1.9	(1.1)	(0.05)
Super Supplements conversion costs (9)	(0.2)	(1.3)	-	1.0	0.6	0.03
Reinvention strategy costs (10)	-	(0.5)	-	0.5	0.3	0.01
As Adjusted	<u>\$ 426.0</u>	<u>\$ 333.1</u>	<u>\$ 0.8</u>	<u>\$ 92.0</u>	<u>\$ 50.3</u>	<u>\$ 2.09</u>

- (1) The costs represent restructuring costs related to the turnaround of Nutri-Force.
- (2) Costs related to the closing of the North Bergen, New Jersey distribution center.
- (3) Tax expense resulting from the change in valuation of deferred tax assets under the Tax Reform Act of 2017.
- (4) Impairment charge on the goodwill of Nutri-Force of \$32.6 million and the customer relationships intangible asset of Nutri-Force of \$6.6 million.
- (5) Charges primarily related to lease terminations and a \$3.0 million tax benefit in the fiscal quarter ended December 2016 resulting from the write-off of the Canada investment.
- (6) Impairment charges on the goodwill of the retail segment of \$210.6 million and the Vitamin Shoppe tradename of \$59.4 million.
- (7) Impairment charges on the fixed assets of retail locations.
- (8) Outside consulting costs relating to a project to identify and implement cost reduction opportunities.
- (9) Costs primarily related to the closure of the Seattle distribution center.
- (10) The costs represent outside consultants fees in connection with the Company's "reinvention strategy".

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 our control, including, among others, strength of the economy, changes in the overall level of consumer spending, the performance of the Company's products within the prevailing retail environment, implementation of our strategy, trade restrictions, availability of suitable store locations at appropriate terms, the availability of raw materials, compliance with regulations, certifications and best practices with respect to the development, manufacture, sales and marketing of the Company's products, management changes, maintaining appropriate levels of inventory, changes in tax policy, ecommerce relationships, disruptions of manufacturing, warehouse or distribution facilities or information systems, political environment and other specific factors discussed herein and in other Securities and Exchange Commission (the "SEC") filings by us (including our reports on Forms 10-K and 10-Q filed with the SEC). We believe that all forward-looking statements are based on reasonable assumptions when made; however, we caution 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 we undertake 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.

CONTACTS:

Analysts and Investors:

Kathleen Heaney

201-552-6430

ir@vitaminshoppe.com