



AUGUST 9, 2017

VITAMIN SHOPPE

Second Quarter and First Half 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 and Store Fixed-Asset Impairment Charges | Operating Income (Loss) | Net Income (Loss) | Diluted EPS |
|--|-----------------|-----------------|---|----------------------------|----------------------|----------------|
| <u>Three months ended July 1, 2017:</u> | | | | | | |
| As Reported | \$ 86.6 | \$ 86.8 | \$ 168.1 | \$ (168.3) | \$ (156.4) | \$ (6.73) |
| Goodwill impairment (1) | - | - | (164.3) | 164.3 | 151.3 | 6.51 |
| Nutri-Force turnaround costs (2) | 10.7 | (3.0) | - | 13.7 | 8.2 | 0.36 |
| Store impairment charges (3) | - | - | (3.8) | 3.8 | 2.3 | 0.10 |
| As Adjusted | <u>\$ 97.3</u> | <u>\$ 83.8</u> | <u>\$ -</u> | <u>\$ 13.5</u> | <u>\$ 5.4</u> | <u>\$ 0.23</u> |
| <u>Three months ended June 25, 2016:</u> | | | | | | |
| As Reported | \$ 107.8 | \$ 87.1 | \$ - | \$ 20.7 | \$ 10.4 | \$ 0.44 |
| Canada stores closing costs (4) | - | (1.9) | - | 1.9 | 1.9 | 0.08 |
| Cost reduction project (5) | - | (1.5) | - | 1.5 | 0.9 | 0.04 |
| As Adjusted | <u>\$ 107.8</u> | <u>\$ 83.7</u> | <u>\$ -</u> | <u>\$ 24.1</u> | <u>\$ 13.2</u> | <u>\$ 0.55</u> |
| <u>Six months ended July 1, 2017:</u> | | | | | | |
| As Reported | \$ 185.4 | \$ 170.0 | \$ 168.1 | \$ (152.6) | \$ (148.4) | \$ (6.44) |
| Goodwill impairment (1) | - | - | (164.3) | 164.3 | 151.3 | 6.57 |
| Nutri-Force turnaround costs (2) | 10.7 | (3.6) | - | 14.3 | 8.7 | 0.38 |
| Store impairment charges (3) | - | - | (3.8) | 3.8 | 2.3 | 0.10 |
| As Adjusted | <u>\$ 196.1</u> | <u>\$ 166.4</u> | <u>\$ -</u> | <u>\$ 29.8</u> | <u>\$ 13.8</u> | <u>\$ 0.60</u> |
| <u>Six months ended June 25, 2016:</u> | | | | | | |
| As Reported | \$ 224.1 | \$ 175.9 | \$ 0.2 | \$ 48.0 | \$ 25.2 | \$ 1.03 |
| Canada stores closing costs (4) | (0.2) | (3.0) | - | 2.8 | 2.8 | 0.11 |
| Cost reduction project (5) | - | (1.5) | - | 1.5 | 0.9 | 0.04 |
| Super Supplements conversion costs (6) | (0.2) | (1.3) | - | 1.0 | 0.6 | 0.03 |
| Reinvention strategy costs (7) | - | (0.5) | - | 0.5 | 0.3 | 0.01 |
| As Adjusted | <u>\$ 223.7</u> | <u>\$ 169.6</u> | <u>\$ 0.2</u> | <u>\$ 53.9</u> | <u>\$ 29.9</u> | <u>\$ 1.22</u> |

- (1) Impairment charge on the goodwill of the retail segment.
(2) The costs represent restructuring costs related to the turnaround of Nutri-Force.
(3) Impairment charges on the fixed assets of retail locations still in use in the Company's operations.
(4) Costs primarily include lease termination charges.
(5) Outside consulting costs relating to a project to identify and implement cost reduction opportunities.
(6) Costs primarily related to the closure of the Seattle distribution center.
(7) 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 | 30.2% to 30.7% |
| Nutri-Force turnaround costs | 0.9% |
| Closing of North Bergen facility | 0.3% |
| Gross Margin Rate - Adjusted basis | 31.3% to 31.8% |
| | |
| SG&A - GAAP basis | \$342 to \$347 |
| Nutri-Force turnaround costs | (7) |
| SG&A - Adjusted basis | \$335 to \$340 |

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®, MyTritition®, 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 and Section 21E of the Securities Exchange Act of 1934, including without limitation, statements under the caption "2017 Outlook", statements regarding future financial results and performance, share repurchases, future business prospects, revenue, new stores, product offerings, store growth, working capital, liquidity, capital expenditures, capital needs and interest costs, industry based factors, including the level of competition in the vitamin, mineral and supplement industry, continued demand from the primary markets the Company serves, consumer perception of the Company's products, the availability of raw materials as well as economic conditions generally and factors more specific to the Company such as compliance with manufacturing regulations, certifications and practices and restrictions imposed by the Company's revolving credit facility, including financial covenants and limitations on the Company's ability to incur additional indebtedness and the Company's future capital requirements, and other risks, uncertainties and factors set forth under Item 1A., entitled "Risk Factors", in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in the Company's other reports and documents filed with the SEC. These forward-looking statements can be identified by the use of 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 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, availability of suitable store locations at appropriate terms, the availability of raw material and other specific factors discussed herein and in other Company SEC filings (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 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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