2017 Overview

February 27, 2018
Forward Looking Statement

This presentation contains forward-looking statements that are subject to risks and uncertainties. Statements in this presentation that do not constitute historical facts, including, without limitation, statements regarding introduction of new product offerings, expense savings, store growth, revenue and other statements that are predictive in nature or depend upon or refer to events or conditions or that include words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “believes,” “estimates,” “targets” or “could,” are “forward-looking” statements made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. 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.
Health & Wellness Company - Well-Positioned for Growth

1. Leading Omni-Channel Retailer Supported by Unique Assets, a Broad Product Offering and Unmatched Customer Service

2. Attractive Positioning in the Growing Health & Wellness Industry with an Ability to Leverage Core VMS Success to Other Adjacent Categories

3. Differentiated Customer Experience Driven by CRM, Digital Capabilities, Loyalty and Auto Delivery

4. Addressing Short-Term Recovery with Recent Launch of Specific Initiatives to Drive Top-Line Growth and Profitability
Fourth Quarter 2017 and Full Year 2017 Highlights

Fourth Quarter 2017

- Comp sales of -3.2%, excludes holiday impact, sequential improvement noted
- Digital commerce up 15.3%
- Reported loss per share $0.75, adjusted loss per share of $0.17
- Customer acquisition turns positive
- Private brand penetration up 95 basis points
- Opened 3 stores

Full Year 2017

- Comp sales of -6.5%
- Reported loss per share $10.90, adjusted earnings per share of $0.39
- Launches Spark Auto Delivery and Shop with Confidence
- Opens 15 stores, remodels 80+ “Brand Defining Stores” & “Elements”
- Opens Arizona distribution center
Update on Omni-Channel Evolution

2017 Initiatives

- Beginning in mid-2017, accelerated Omni-channel focus to take advantage of the evolving customer decision journey in the retail wellness market
- Introduced specific targeted initiatives to expedite this evolution, including:
  - “Shop with confidence” program to improve price / value perception
  - Greater investments in digital strategy to increase customer acquisition
  - Launch of SPARK Auto Delivery to enhance customer retention

Key Future Omni-Channel Initiatives

- In 2018, continue digital commerce transformation with additional launches
  - Launch new mobile app with strong digital conversion capabilities
  - Launch “Easy-Reorder” and greater digital personalization for email, responsive website
  - Revamp of loyalty program

Digital Commerce as Percent of Total Sales

- 1Q17: 9%
- 2Q17: 11%
- 3Q17: 13%
- 4Q17: 15%

Digital Commerce
Background/Basis for New Base Plan

- More competitive conditions within the health and wellness market

- Position The Vitamin Shoppe as the expert and authority in the health and wellness and the nutritional supplementation industry allows the Company to build greater loyalty as well as increase overall share of customer wallet

- Plan focuses on the key elements of the customer decision journey and the operating model that underlies it

- Transformation to a more omni-channel focused model, with resources deployed to enhance
  
  ✓ Customer Acquisition,
  ✓ Customer Conversion and Retention,
  ✓ Customer Experience,
  ✓ Innovative Assortment and Product Solutions
  ✓ Operational Excellence

- Shift capital expenditures to more digital based investments while at the same time reducing overall spend
New Base Plan
To be known as THE Wellness Authority

OUR PURPOSE: to Inspire and Nourish our customers, so they can Thrive Every Day™

Customer Journey

Awareness
- New Customer Acquisition
  Increase new customer acquisition through:
  - Ramped-up spending in paid search and paid social
  - Integrated grassroots programs
  - Channel, offer and customer target fundamentals

Consideration & Evaluation
- Integrated Customer Experience
  Improve omni-channel customer experience through:
  - Optimized digital path to purchase
  - Easy replenishment
  - Needs based personalization
  - Integrated in-store tactics

Purchase

Post-Purchase Experience
- Relevant And Inspiring Assortment
  Enhance value proposition through:
  - Optimized price and promotion
  - Integrated planning
  - Vendor partnerships and investment
  - Private Brand expansion
  - Innovation

Loyalty & Advocacy
- Customer Loyalty And Retention
  Increase customer value through:
  - Healthy Awards program redesign
  - Personalization
  - Integrated eventing
  - CRM fundamentals
  - SPARK AutoDelivery™

Operational Excellence
- Improve operational effectiveness through:
  - Core business process optimization
  - Supply chain efficiencies
  - Cost management
  - Strategic sourcing
Increased Advertising Spend and Grass Roots Events

Increase Marketing Spend to Accelerate Grass Roots

- Quarterly Healthy Awards sign-up contests
- Programmed community outreach
- Local and national partners to amplify Company voice

Accelerate Grass Roots Marketing

- Leverage loyalty program
- Provide targeted and personalized content
- Supports grass roots via social media platform

Accelerate Content and Social

- Accelerate investment in 2018
- Build a “hub” position in local communities for wellness practitioners

Leverage the Local Community

Integrating New Victory Is Yours Campaign Across the Customer Decision Journey Through All Channels

- Optimizing channel mix, offer and messaging for relevancy and efficiency
- Continue to scale: search / shopping engines, social, mobile, insert program and affiliates

Scaling Paid Media to Capitalize on 2017 Success
Customer Experience – Enhanced Focus on Personalization Via Stronger Service and Wellness Authority

We Are Creating a Differentiated Experience That Establishes Vitamin Shoppe as a “Wellness Authority”

- Leverage the omni-experience to amplify Vitamin Shoppe’s untapped position of authority and expertise in the area of health and wellness
- Competitive differentiation via in-store Health Enthusiasts
- Using digital to scale personalization & drive Digital Commerce
  - Supports customer acquisition
  - Drives improved retention and share of wallet
  - Promotes a stronger sense of community among Vitamin Shoppe loyal customers
- Utilize an omni-channel design approach to allow the customer to choose how they want to interact (online, via the VSI app, or in-store)
Increase focus on innovation and new category expansion

Grow Private Brands – Significant Differentiator

- Currently a $250+ million business
  - Private brands take best shelf placement
  - Health Enthusiasts incentivized
- Portfolio includes “Value” & “Premium” brands
- New brands innovation planned across several major platforms in 2018

Focus on Vendor-Partner Innovation to Drive Incremental Sales and Profitability

- Continue emphasis on incubation of emerging brands
- Elevate positioning of innovation in store and throughout marketing
- Negotiate greater level of Vitamin Shoppe product exclusives in 2018 & Beyond
- Continue to pioneer new category expansion
  - Kombucha On-Tap, Protein Pantry, Aromatherapy

“Differentiated” Brands

- Premium brands
- Signals innovation
- Double-digit growth in FY’16

“Challenger” Brands

- Category breadth and depth
- Competitively priced
- Good value for customers
Customer Retention: SPARK Auto Delivery and Healthy Rewards

SPARK Auto Delivery

- Strong Performance Since August 2017 Launch
- 75% of Vitamin Shoppe revenue tied to customer replenishment
- Easily enabling customers to maintain their regimen results in an opportunity for both Vitamin Shoppe and its customers
- Early results have been positive:
  - Positive customer feedback
  - Currently exceeding targets for daily enrollment, number of subscriptions per customer and program retention
  - Initial results suggest an increase in customer lifetime value in the first 12 months of over $100

Redesigned Loyalty Program

- Redesigned loyalty program will offer broader proposition and a tiered design to encourage movement upward into Elite Customer status position
- Three distinct loyalty tiers based on shopping frequency and spend: Bronze, Silver, Gold
- Ultimately, positioning loyalty to be more personalized and opportunistic with respect to key purchase moments

Proposition broadened to:
Value + Privilege + Community = Relationship
# Operational Excellence

## Store Network Optimization
- Slow new store growth
- Increase pace of store closures

## NutriForce
- Review strategic alternatives – including possible new ownership

## Leverage New Distribution Center
- East and West Coast Facilities provide faster service levels

## Inventory Reduction - Assortment
- Reduce unproductive SKUs

## Capital Expenditures
- Overall lower spending in future years
- Increased spending related to digital commerce
2018 Guidance

- Comparable sales of low to mid negative single digits, improving sequentially

- Full year gross margin rate flat with 2017 benefitting from higher product margins and improvement at Nutri-Force, partially offset by fixed cost deleverage

- Increase in SG&A expenses of 2.0% - 2.5% over 2017. This excludes expenses associated with CEO change.

- Combined Federal, State and Local tax rate of 28%. This excludes taxes associated with permanent book to tax difference of approximately $0.5 MN to $1.0MN

- Full year capital expenditures of approximately $30 million, includes the opening of 2 new stores
## 4Q17 & 2017 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Fiscal Year Ended</th>
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</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$ 268,770</td>
<td>$ 304,865</td>
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<tr>
<td>Cost of goods sold</td>
<td>182,766</td>
<td>204,705</td>
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<tr>
<td>Gross profit</td>
<td>86,004</td>
<td>100,160</td>
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<tr>
<td>Selling, general and administrative expenses</td>
<td>87,051</td>
<td>83,230</td>
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<tr>
<td>Goodwill, intangible assets and store fixed-assets impairment charges</td>
<td>786</td>
<td>39,612</td>
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<tr>
<td>Income (loss) from operations</td>
<td>(1,833)</td>
<td>(22,682)</td>
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<tr>
<td>Interest expense, net</td>
<td>2,489</td>
<td>2,546</td>
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<tr>
<td>Income (loss) before provision (benefit) for income taxes</td>
<td>(4,322)</td>
<td>(25,228)</td>
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<tr>
<td>Provision (benefit) for income taxes</td>
<td>13,256</td>
<td>(13,614)</td>
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<tr>
<td>Net income (loss)</td>
<td>$ (17,578)</td>
<td>$ (11,614)</td>
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</table>

**Weighted average common shares outstanding**

- Basic: 23,339,565, 23,357,556, 23,137,977, 23,875,540
- Diluted: 23,339,565, 23,357,556, 23,137,977, 24,067,686

**Net income (loss) per common share**

- Basic: $ (0.75), $ (0.50), $ (10.90), $ 1.05
- Diluted: $ (0.75), $ (0.50), $ (10.90), $ 1.04
### 4Q17 & 4Q17 GAAP Reconciliation
($ in MN, except EPS. Figures might not sum due to rounding)

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Three months ended December 30, 2017:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As Reported</td>
<td>$ 86.0</td>
<td>$ 87.1</td>
<td>$ 0.8</td>
<td>$ (1.8)</td>
<td>$ (17.6)</td>
<td>$ (0.75)</td>
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<tr>
<td>Nutri-Force restructuring costs (1)</td>
<td>(3.3)</td>
<td>0.4</td>
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<td>(3.7)</td>
<td>(2.2)</td>
<td>(0.10)</td>
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<td>Distribution center closing costs (2)</td>
<td>0.8</td>
<td>(0.0)</td>
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<td>0.8</td>
<td>0.5</td>
<td>0.02</td>
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<td>Impact of Tax Reform Act (3)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>As Adjusted</td>
<td>$ 83.5</td>
<td>$ 87.4</td>
<td>$ 0.8</td>
<td>$ (4.7)</td>
<td>$ (3.9)</td>
<td>$ (0.17)</td>
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<tr>
<td><strong>Three months ended December 31, 2016:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>As Reported</td>
<td>$ 100.2</td>
<td>$ 83.2</td>
<td>$ 39.6</td>
<td>$ (22.7)</td>
<td>$ (11.6)</td>
<td>$ (0.50)</td>
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<td>Impairment charges on goodwill and intangible asset (4)</td>
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<td></td>
<td></td>
<td>(39.2)</td>
<td>39.2</td>
<td>23.2</td>
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<td>Canada stores closing costs (5)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>As Adjusted</td>
<td>$ 100.2</td>
<td>$ 83.2</td>
<td>$ 0.4</td>
<td>$ 16.5</td>
<td>$ 8.6</td>
<td>$ 0.37</td>
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# 2017 & 2016 GAAP Reconciliation

**Fiscal year ended December 30, 2017:**

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<thead>
<tr>
<th>Item</th>
<th>As Reported</th>
<th>$ 357.6</th>
<th>$ 345.5</th>
<th>$ 274.9</th>
<th>$ (262.8)</th>
<th>$ (252.2)</th>
<th>$ (10.90)</th>
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<tr>
<td>Impairment charges on goodwill and intangible asset (6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(270.0)</td>
<td>270.0</td>
<td>234.2</td>
<td>10.12</td>
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<tr>
<td>Nutri-Force restructuring costs (1)</td>
<td>7.2</td>
<td>(5.1)</td>
<td>-</td>
<td>12.3</td>
<td>7.5</td>
<td>0.32</td>
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<tr>
<td>Store impairment charges (7)</td>
<td>-</td>
<td>-</td>
<td>(3.8)</td>
<td>3.8</td>
<td>2.3</td>
<td>0.10</td>
<td></td>
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<tr>
<td>Distribution center closing costs (2)</td>
<td>2.8</td>
<td>(0.3)</td>
<td>-</td>
<td>3.1</td>
<td>1.9</td>
<td>0.08</td>
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<tr>
<td>Impact of Tax Reform Act (3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15.3</td>
<td>0.66</td>
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<tr>
<td><strong>As Adjusted</strong></td>
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<td>$ 367.6</td>
<td>$ 340.1</td>
<td>$ 1.1</td>
<td>$ 26.4</td>
<td>$ 9.1</td>
<td>$ 0.39</td>
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**Fiscal year ended December 31, 2016:**

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<thead>
<tr>
<th>Item</th>
<th>As Reported</th>
<th>$ 426.4</th>
<th>$ 340.8</th>
<th>$ 40.0</th>
<th>$ 45.6</th>
<th>$ 25.0</th>
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<tr>
<td>Impairment charges on goodwill and intangible asset (4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(39.2)</td>
<td>39.2</td>
<td>23.2</td>
<td>0.96</td>
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<tr>
<td>Cost reduction project (8)</td>
<td>-</td>
<td>(3.8)</td>
<td>-</td>
<td>3.8</td>
<td>2.3</td>
<td>0.10</td>
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<tr>
<td>Canada stores closing costs (5)</td>
<td>(0.2)</td>
<td>(2.1)</td>
<td>-</td>
<td>1.9</td>
<td>(1.1)</td>
<td>(0.05)</td>
<td></td>
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<tr>
<td>Super Supplements conversion costs (9)</td>
<td>(0.2)</td>
<td>(1.3)</td>
<td>-</td>
<td>1.0</td>
<td>0.6</td>
<td>0.03</td>
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<tr>
<td>Reinvention strategy costs (10)</td>
<td>-</td>
<td>(0.5)</td>
<td>-</td>
<td>0.5</td>
<td>0.3</td>
<td>0.01</td>
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<tr>
<td><strong>As Adjusted</strong></td>
<td></td>
<td>$ 426.0</td>
<td>$ 333.1</td>
<td>$ 0.8</td>
<td>$ 92.0</td>
<td>$ 50.3</td>
<td>$ 2.09</td>
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</tbody>
</table>
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.
GAAP Reconciliation Notes, Cont’d.

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”.
INSPIRE & NOURISH

THRIVE EVERY DAY™