



November 7, 2018

VITAMIN SHOPPE
Third Quarter and Nine Months 2018 GAAP Reconciliation
2018 Guidance 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 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 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

Continuing Operations	Gross Profit	SG&A	Goodwill, Tradename and Store Fixed-Assets Impairment Charges	Operating Income (Loss)	Net Income (Loss)	Diluted EPS
Three months ended September 29, 2018:						
As Reported	\$ 86.7	\$ 82.7	\$ 0.7	\$ 3.2	\$ 1.9	\$ 0.08
Tax Reform (1)	-	-	-	-	(1.3)	(0.06)
Management realignment charges (2)	-	(0.4)	-	0.4	0.3	0.01
Closing of distribution center (3)	-	(0.2)	-	0.2	0.2	0.01
As Adjusted	<u>\$ 86.7</u>	<u>\$ 82.1</u>	<u>\$ 0.7</u>	<u>\$ 3.9</u>	<u>\$ 1.0</u>	<u>\$ 0.04</u>
Three months ended September 30, 2017:						
As Reported	\$ 86.6	\$ 84.4	\$ 106.0	\$ (103.8)	\$ (83.4)	\$ (3.60)
Goodwill impairment (4)	-	-	(46.3)	46.3	46.3	2.00
Tradename impairment (5)	-	-	(59.4)	59.4	36.6	1.58
Closing of distribution center (3)	2.0	(0.3)	-	2.3	1.4	0.06
As Adjusted	<u>\$ 88.6</u>	<u>\$ 84.2</u>	<u>\$ 0.3</u>	<u>\$ 4.2</u>	<u>\$ 0.9</u>	<u>\$ 0.04</u>
Nine months ended September 29, 2018:						
As Reported	\$ 274.0	\$ 260.3	\$ 1.6	\$ 12.2	\$ 16.8	\$ 0.71
Gain on extinguishment of debt (6)	-	-	-	-	(11.7)	(0.49)
Tax Reform (1)	-	-	-	-	(1.3)	(0.06)
Inventory charge (7)	3.6	-	-	3.6	2.6	0.11
Closing of distribution center (3)	1.8	(1.1)	-	2.9	2.1	0.09
Management realignment charges (2)	-	(2.2)	-	2.2	1.6	0.07
Shareholder settlement (8)	-	(0.7)	-	0.7	0.5	0.02
As Adjusted	<u>\$ 279.4</u>	<u>\$ 256.2</u>	<u>\$ 1.6</u>	<u>\$ 21.7</u>	<u>\$ 10.6</u>	<u>\$ 0.45</u>
Nine months ended September 30, 2017:						
As Reported	\$ 282.9	\$ 246.2	\$ 274.1	\$ (237.3)	\$ (219.9)	\$ (9.53)
Goodwill impairment (4)	-	-	(210.6)	210.6	197.6	8.57
Tradename impairment (5)	-	-	(59.4)	59.4	36.6	1.59
Store impairment charges (9)	-	-	(3.8)	3.8	2.3	0.10
Closing of distribution center (3)	2.0	(0.3)	-	2.3	1.4	0.06
As Adjusted	<u>\$ 284.9</u>	<u>\$ 245.9</u>	<u>\$ 0.3</u>	<u>\$ 38.7</u>	<u>\$ 18.0</u>	<u>\$ 0.78</u>

(1) Represents the tax benefit associated with tax accounting method changes and their effect on the revalued deferred tax assets and liabilities under the Tax Cut and Jobs Act of 2017.

(2) Costs related to management turnover, including severance charges, recruitment costs and related professional fees.

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

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

(5) Impairment charge on the Vitamin Shoppe tradename.

(6) Gain recognized on the repurchases of a portion of Convertible Notes, net of tax.

(7) Inventory charge resulting from an evaluation to optimize the Company's product assortment.

(8) Professional fees incurred related to shareholder settlement.

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

TABLE 2
VITAMIN SHOPPE, INC. AND SUBSIDIARY
ADJUSTED 2018 GUIDANCE
(Unaudited)

Dollars in millions

Figures may not sum due to rounding

	Fiscal Year Ending December 29, 2018 (Projected)
Gross Margin Rate - GAAP basis	31.0% to 31.5%
Inventory charge	0.3%
Closing of distribution center	0.2%
Gross Margin Rate - Adjusted basis	<u>31.5% to 32.0%</u>
SG&A - GAAP basis	\$344 to \$349
Management realignment charges	(2)
Shareholder settlement	(1)
Closing of distribution center	(1)
SG&A - Adjusted basis	<u>\$340 to \$345</u>

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

Vitamin Shoppe is an omni-channel, specialty retailer 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 700 national brands, the Vitamin Shoppe also carries products under The Vitamin Shoppe[®], BodyTech[®], True Athlete[®], MyTriton[®], plnt[®], ProBioCare[®], and Next Step[®] 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, compliance with regulations, certifications and best practices with respect to the development, manufacture, sale 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, regulatory 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.