

Valvoline

Third Quarter Fiscal 2017

Earnings Presentation

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Forward-Looking Statements

This presentation 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. All statements, other than statements of historical facts, contained in the news release, including statements regarding our industry, position, goals, strategy, operations, financial position, revenues, estimated costs, prospects, margins, profitability, capital expenditures, liquidity, capital resources, dividends, plans and objectives of management are forward-looking statements. Valvoline has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “may,” “will,” “should” and “intends” and the negative of these words or other comparable terminology. In addition, Valvoline™ may, from time to time, make forward-looking statements in its annual report, quarterly reports and other filings with the Securities and Exchange Commission (“SEC”), news releases and other written and oral communications. These forward-looking statements are based on Valvoline’s current expectations and assumptions regarding, as of the date such statements are made, Valvoline’s future operating performance and financial condition, including Valvoline’s future financial and operating performance, strategic and competitive advantages, leadership and future opportunities, as well as the economy and other future events or circumstances. Valvoline’s expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw material cost increases through price increases), and risks and uncertainties associated with the following: demand for Valvoline’s products and services; sales growth in emerging markets; the prices and margins of Valvoline’s products and services; the strength of Valvoline’s reputation and brand; Valvoline’s ability to develop and successfully market new products; Valvoline’s ability to retain its largest customers; achievement of the expected benefits of Valvoline’s separation from Ashland; Valvoline’s substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Valvoline’s future cash flows, results of operations, financial condition and Valvoline’s ability to repay debt) and other liabilities; operating as a stand-alone public company; failure, caused by Valvoline, of Ashland’s distribution of Valvoline common stock to Ashland shareholders to qualify for tax-free treatment, which may result in significant tax liabilities to Ashland for which Valvoline may be required to indemnify Ashland; and the impact of acquisitions and/or divestitures Valvoline has made or may make (including the possibility that Valvoline may not realize the anticipated benefits from such transactions or difficulties with integration). These forward-looking statements are also subject to the risks and uncertainties affecting Valvoline that are described in its most recent Form 10-K (including in Item 1A Risk Factors and “Use of estimates, risks and uncertainties” in Note 2 of Notes to Consolidated Financial Statements) filed with the SEC, which is available on Valvoline’s website at <http://investors.valvoline.com/sec-filings>. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this news release may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although Valvoline believes that the expectations reflected in these forward-looking statements are reasonable, Valvoline cannot guarantee that the expectations reflected herein will be achieved. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by Valvoline or any other person that Valvoline will achieve its objectives and plans in any specified time frame, or at all. These forward-looking statements speak only as of the date of this news release. Except as required by law, Valvoline assumes no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

All forward-looking statements attributable to Valvoline are expressly qualified in their entirety by these cautionary statements as well as others made in this presentation and hereafter in Valvoline’s other SEC filings and public communications. You should evaluate all forward-looking statements made by Valvoline in the context of these risks and uncertainties.

Regulation G: Adjusted Results

The information presented herein regarding certain financial measures that do not conform to generally accepted accounting principles in the United States (U.S. GAAP), including EBITDA, Adjusted EBITDA and free cash flow, should not be construed as an alternative to the reported results determined in accordance with U.S. GAAP. Valvoline has included this non-GAAP information to assist in understanding the operating performance of the company and its reportable segments. The non-GAAP information provided may not be consistent with the methodologies used by other companies. Information regarding Valvoline’s definition and calculations of non-GAAP measures is included in Valvoline’s most recent Form 10-K filed with the SEC, which is available on Valvoline’s website at <http://investors.valvoline.com/sec-filings>. Additionally, a reconciliation of EBITDA, Adjusted EBITDA, and free cash flow can be found in the tables attached to Valvoline’s most recent earnings release dated August 1, 2017.

Third Quarter Results

- Reported diluted EPS of \$0.27
- Operating income of \$104 million
- Net income of \$56 million
- YTD cash provided by operating activities of \$157 million

Notes on reporting and year-over-year (YoY) impacts

Separation-related items

- Interest expense of \$28 million year to date (YTD)
- Transfer of pension plans drives increase in YoY pension income

Key items

- Q3 Fiscal 2017
 - Separation costs – \$15 million pretax, \$13 million after-tax
 - Tax Matters Agreement activity – \$2 million pretax, \$0 million after-tax
- Q3 Fiscal 2016 – No key items

EBITDA from operating segments¹

- Segment operating income (Core North America, Quick Lubes and International) plus depreciation and amortization
- Excludes certain corporate items, primarily pension income

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2017, available on Valvoline's website at <http://investor.valvoline.com>.

Core North America

- Volume down 3%; branded volume up 1%
- Sales up 3%
- Branded premium mix up 350 bps
- EBITDA¹ down \$10 million primarily due to YoY price-cost lag

Core North America ongoing mix and share gains

Volume and mix dynamics

- Growing the mix of higher-margin premium branded volume
- Overall branded volume up YoY, indicating continued share gain in DIY
- Volume decline driven by decreased lower-margin non-branded business

Price-cost lag

- Majority of raw material cost increases impacting Q3 this year
- Pricing and other actions implemented to maintain unit margins
- Expect unit margin improvement in Q4, full benefit of actions by the start of FY18

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2017, available on Valvoline's website at <http://investor.valvoline.com>.

Quick Lubes

- SSS up 7.9%
- Sales up 17%
- EBITDA¹ up 11%
- Added 58 VIOC units YoY, 5 in Q3

Quick Lubes continues to drive strong SSS

Strength of SSS

- Retail model continues to improve, drive results
- Increased transactions drove SSS growth in Q3
- Strong store-level execution, ongoing marketing programs

New advertising campaign

- *Service you can see. Experts you can Trust.*TM
- Building brand awareness, drawing attention to our differentiated service offering, to drive new customer acquisition

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2017, available on Valvoline's website at <http://investor.valvoline.com>.

International

- Volume up 5%, up 7% including JVs
- Sales up 6%
- Emerging markets up 7%, including JVs
- EBITDA¹ down \$2 million

International continues volume growth

Broad-based volume growth, across emerging and mature markets

- Confident in our long-term volume growth expectations
- Volume growth of 10% YTD, growth of 11% including JVs

EBITDA¹ down YoY

- Price-cost lag impacting certain markets, particularly Asia
- Working to implement pricing actions
- Planned increases in SG&A

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2017, available on Valvoline's website at <http://investor.valvoline.com>.

Adjusted¹ Results for Q3

- EBITDA from operating segments¹ of \$112 million, above guidance
- Sales up 7%
- Volume up slightly
- Adjusted¹ diluted EPS of \$0.34

Operating Income from:

Core North America

Quick Lubes

International

Total operating income

Depreciation and amortization

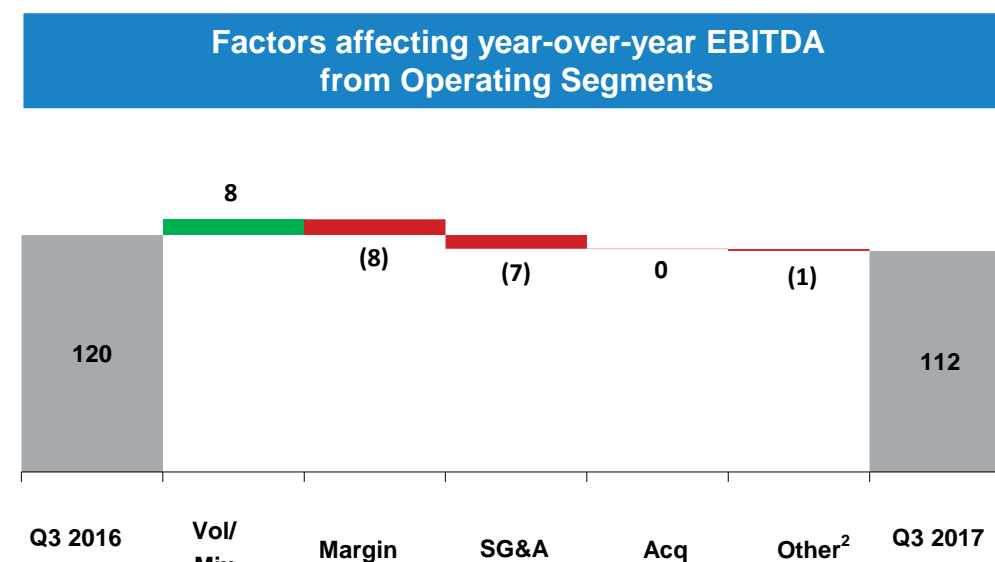
EBITDA from operating segments¹

Three Months Ended June 30,		
2017	2016	Change
\$ 48	\$ 58	\$ (10)
34	32	2
18	20	(2)
100	110	(10)
12	10	2
\$ 112	\$ 120	\$ (8)

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2017, available on Valvoline's website at <http://investor.valvoline.com>.

Adjusted¹ Results

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,		
	2017	2016	Change
Results from Operating Segments			
Lubricant gallons (in millions)	46.0	45.8	- %
Sales	\$ 534	\$ 499	7 %
Gross profit	197	199	(1) %
SG&A	102	94	9 %
Equity and other income	5	5	- %
Operating income	\$ 100	\$ 110	(9) %
Depreciation and amortization	12	10	20 %
Earnings before interest, taxes, depreciation and amortization (EBITDA) from Operating Segments ¹	\$ 112	\$ 120	(7) %
<i>EBITDA as a percent of sales</i>	<i>21.0 %</i>	<i>24.0 %</i>	<i>(300) bp</i>
Total Adjusted¹ Results			
Adjusted ¹ EBITDA in Unallocated & Other	\$ 17	\$ 3	467 %
Total Adjusted ¹ EBITDA	\$ 129	\$ 123	5 %
<i>Total Adjusted EBITDA as a percent of sales</i>	<i>24.2 %</i>	<i>24.6 %</i>	<i>(40) bp</i>



1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2017, available on Valvoline's website at <http://investor.valvoline.com>.

2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

Fiscal 2017 Q3 Corporate Items

- Effective tax rate of 40.4% for the quarter
 - Effective rate impacted by tax treatment of Key Items
 - Adjusted effective tax rate of 35.5%
- YTD capital expenditures totaled \$43 million
- YTD free cash flow¹ generation of \$114 million
- Share repurchases of \$50 million during the quarter
- Converted employee stock awards from ASH to VVV shares
- Total debt of \$733 million
 - Net debt of \$601 million
- Net pension and OPEB obligations of ~\$833 million

1 Definition of free cash flow: operating cash less capital expenditures and other items Valvoline has deemed non-operational.

Benefits of Pension Funding

- Reduces risk and volatility
- Reduces costs
- Net Present Value positive
- Leverage neutral

Strategic opportunity to reduce unfunded pension liability

- ✓ ~\$400 million voluntary contribution to U.S. pension plan
- ✓ Reduces Pension Benefit Guaranty Corporation premiums
- ✓ Part of Valvoline's long-term plan to reduce volatility
- ✓ Favorable interest-rate environment

FY17 Guidance

- Narrowing Adj. EPS and Segment EBITDA ranges
- Raising Free Cash Flow

	Updated Outlook	Prior Outlook
Operating Segments		
• Lubricant Gallons	No Change	3-5%
• Revenues	No Change	4-7%
• New Company Stores	30 29 acquired, 1 new build	31-33 28 acquired, 3-5 new builds
• New Franchised Stores	25-35	15-25
• VIOC same-store sales	No change	5-7%
• EBITDA from Operating Segments	\$444-\$450 million	\$440-\$455 million
Corporate Items		
• Pension Income	No change	\$70 million
• On-time separation related expenses	~\$30 million	\$25-30 million
• Diluted adjusted earnings per share	\$1.37-\$1.40	\$1.36-\$1.43
• Capital expenditures	No change	\$70-\$80 million
• Free cash flow	\$160-\$180 million	\$130-\$150 million

Q3 Fiscal 2017 Summary

- ✓ Performance in Q3 exceeded our expectations
- ✓ Making progress on our core priorities
- ✓ Building a strong foundation for future growth

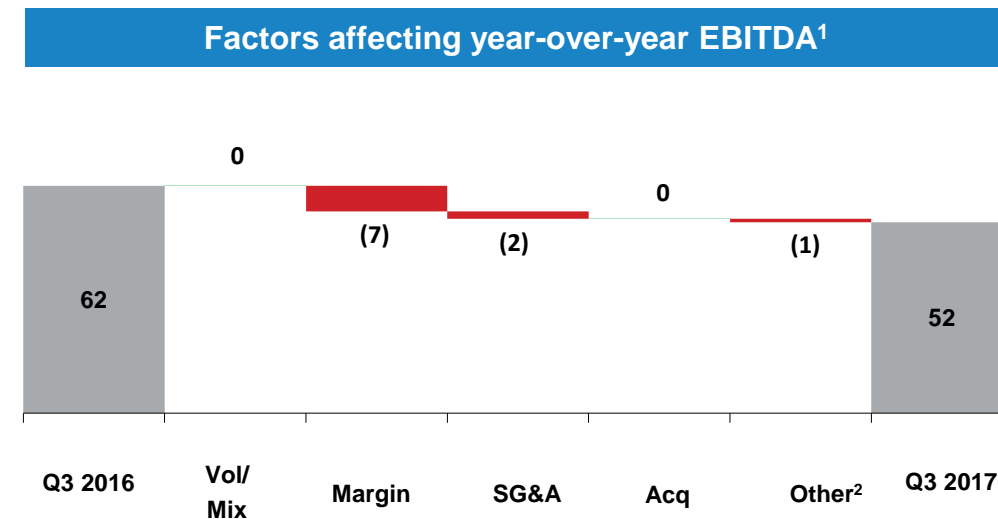
Appendix

Key Items Affecting Income

Third Quarter Impact				
(\$ in millions, except per share data) Preliminary		Total		
2017	Operating Income	Pre-tax	After-tax	Earnings per Share
Separation Costs	\$ (15)	(15)	(13)	(0.07)
Tax Matters Agreement activity	\$ 2	2	-	-
Total	\$ (13)	\$ (13)	\$ (13)	\$ (0.07)
2016				
	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

Core North America

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,		
	2017	2016	Change
Lubricant gallons (in millions)	25.8	26.7	(3) %
Sales	\$ 258	\$ 251	3 %
Operating income	\$ 48	\$ 58	(17) %
Depreciation and amortization	4	4	- %
EBITDA ¹	\$ 52	\$ 62	(16) %
<i>EBITDA as a percent of sales</i>	<i>20.2 %</i>	<i>24.7 %</i>	<i>(450) bp</i>

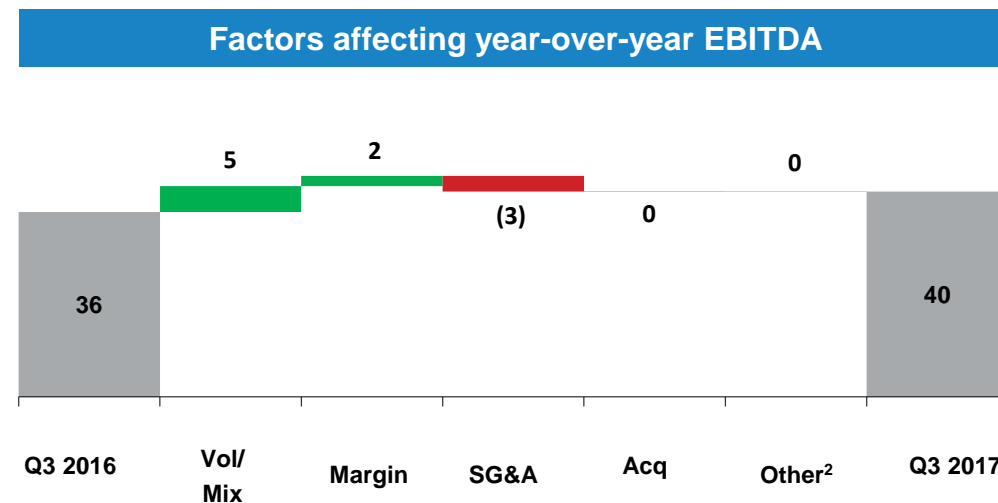


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² Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

Quick Lubes

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,		
	2017	2016	Change
Lubricant gallons (in millions)	5.6	5.2	8 %
Sales	\$ 139	\$ 119	17 %
Operating income	\$ 34	\$ 32	6 %
Depreciation and amortization	6	4	50 %
EBITDA ¹	\$ 40	\$ 36	11 %
EBITDA as a percent of sales	28.8 %	30.3 %	(150) bp

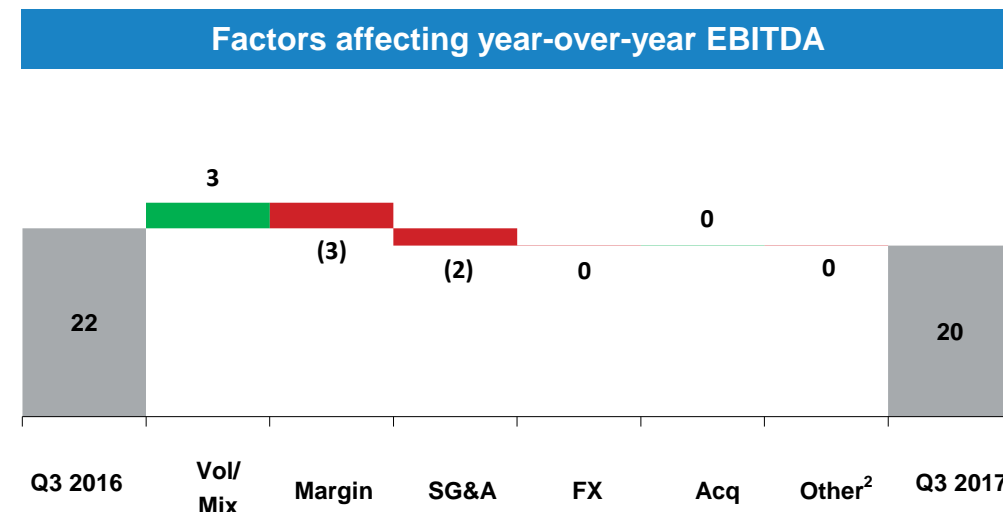


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² Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

International

(\$ in millions) Preliminary	Fiscal Third Quarter Three months ended June 30,		
	2017	2016	Change
Lubricant gallons (in millions)	14.6	13.9	5 %
Sales	\$ 137	\$ 129	6 %
Operating income	\$ 18	\$ 20	(10) %
Depreciation and amortization	2	2	- %
EBITDA ¹	\$ 20	\$ 22	(9) %
<i>EBITDA as a percent of sales</i>	14.6 %	17.1 %	(250) bps



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