Valvoline®

CAGNY Lunch Presentation

September 2017



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 presentation, including statements regarding our industry, position, goals, strategy, future operations, future financial position, future 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 financial condition 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 and implement its digital platforms; Valvoline’s ability to retain its largest customers; potential product liability claims; achievement of the expected benefits of Valvoline’s separation from Ashland (the “Separation”); 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; Valvoline’s relationship with Ashland; failure, caused by Valvoline, of the Stock Distribution 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 subject to a number of known and unknown risks, uncertainties and assumptions, including, without limitation, risks and uncertainties affecting Valvoline that are described in Item 1A Risk Factors in Valvoline’s quarterly report for the quarter ended June 30, 2017 and 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 presentation 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 future results, level of activity, performance or achievements. In addition, neither Valvoline nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. 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 are as of the date of this presentation. 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: Non-GAAP Financial Information

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, EBITDA from Operating Segments 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 Valvoline 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 and Adjusted EBITDA is included in the Appendix herein.

Valvoline®

Overview: Who We Are



Our Mission Statement

We are building the world's leading engine and automotive maintenance business by bringing "Hands on Expertise" for the benefit of customers every day.

Iconic Brand With History of Innovation

1873 | 1930 | 1940 | 1950 | 1960 | 1970 | 1980 | 1990 | 2000

- 1873: The first trademarked American lubricant brand



- 1920: The Model T is filled with Valvoline and Ford explicitly recommends Valvoline

- 1939: Introduces a single grade oil, X-18, eliminating the need for 18 other specific lubricants



- 1954: Introduces all-climate oil, eliminates switching oils seasonally



- 1965: Introduces racing oil (now VR1)



- 1985: Enters the quick-lube business, launching Valvoline Instant Oil Change in 1987



- 2000: Introduces MaxLife, to restore lost horsepower in cars w/ more than 75,000 miles



- 2007: VIOC opens its 500th location

- 2017: Separation from Ashland
  - VIOC opens its 1000th location
  - Launches Advanced Bay Box and Easy Pour Bottle

Our Brand Sells Across Uniquely Diverse Routes to Market

Core North America
- Do-It-Yourself (DIY)
- Do-It-For-Me (DIFM)
- Commercial and Industrial (C&I)

Quick Lubes
- VIOC
- Express Care

International
- Commercial and Industrial (C&I)
- JVs
- OEMs

LTM 3Q17 Financial Information *(Millions)*

	Core North America	Quick Lubes	International
Sales	$987	$519	$525
EBITDA[(1)]	$212	$148	$81
EBITDA Margin[(1)(2)]	21.5%	28.5%	15.4%

Key Customer Contact Points

- 30,000+ Retail Outlets
- 12,000+ Installers

- "DIFM" Consumers
- 383 VIOC company-owned stores and 730 franchised stores
- 316 Express Care stores

- Positioned as a high performance premium brand
- Sold in approximately 140 countries outside of the United States and Canada









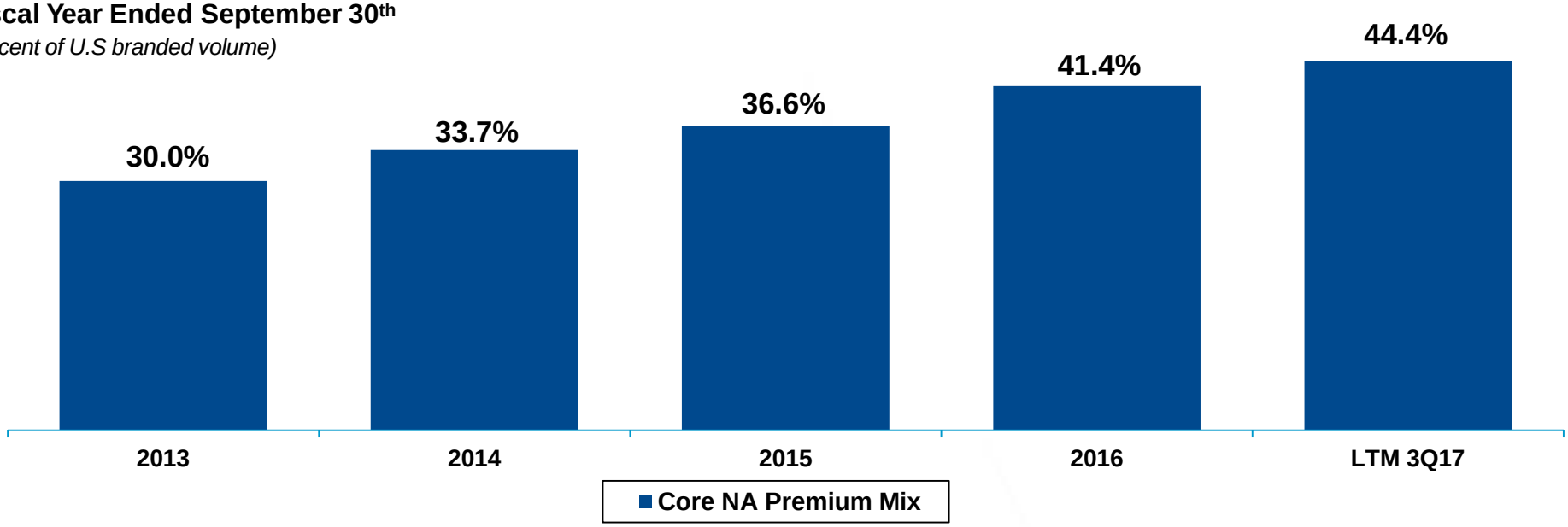
Note: Sum of segment level EBITDA does not include any Unallocated and Other income or expenses.

1. EBITDA is a non-GAAP metric. For a reconciliation of EBITDA to Operating Income for each segment, see the Appendix to this presentation.
2. EBITDA Margin = EBITDA / Sales.

Core North America Overview

Fiscal Year Ended September 30th

(Percent of U.S branded volume)

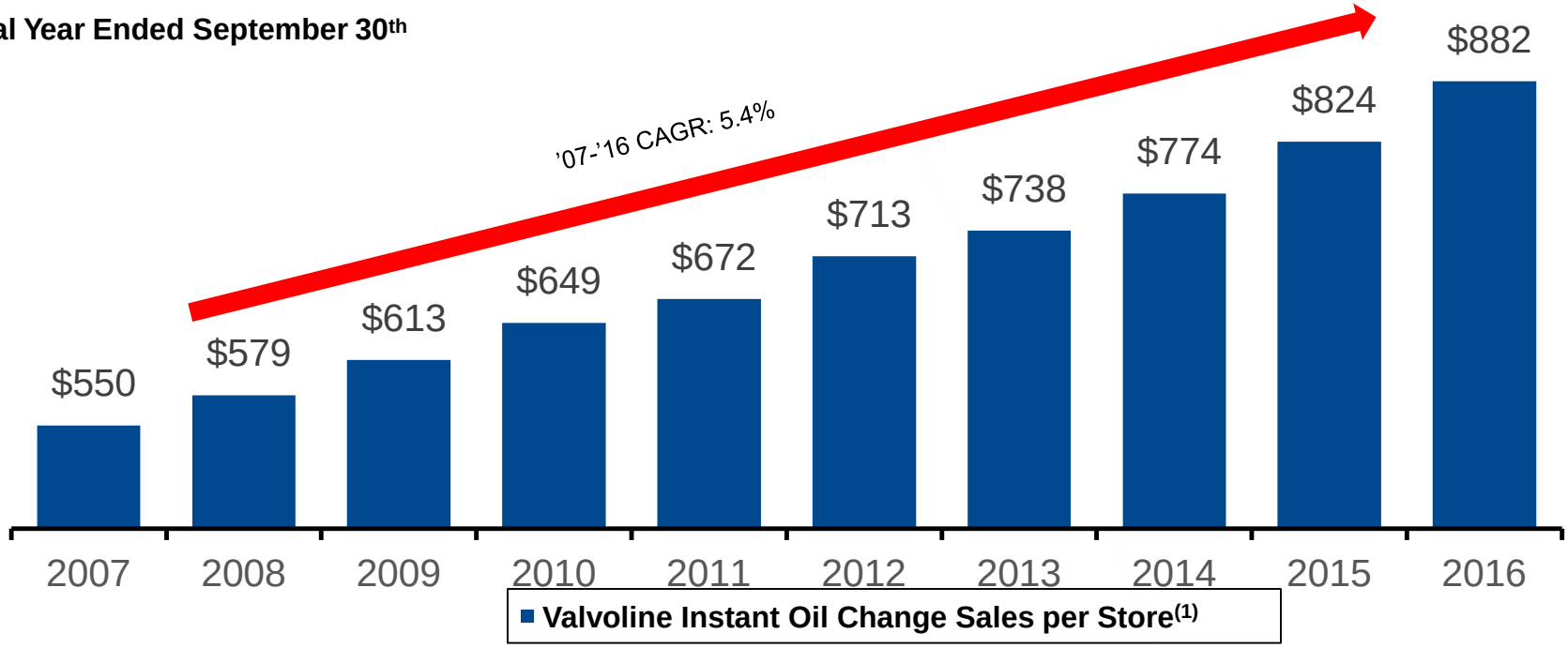


Core NA Strategic Pillars

- Innovate in Products & Packaging
- Drive Digital, Targeted Marketing
- Deliver Enhanced Services

Quick Lubes Overview

Fiscal Year Ended September 30th
(000s)



LTM 3Q17
$916

10 Year Average of System-Wide SSS(2)
4.9%

Quick Lubes Growth Strategy

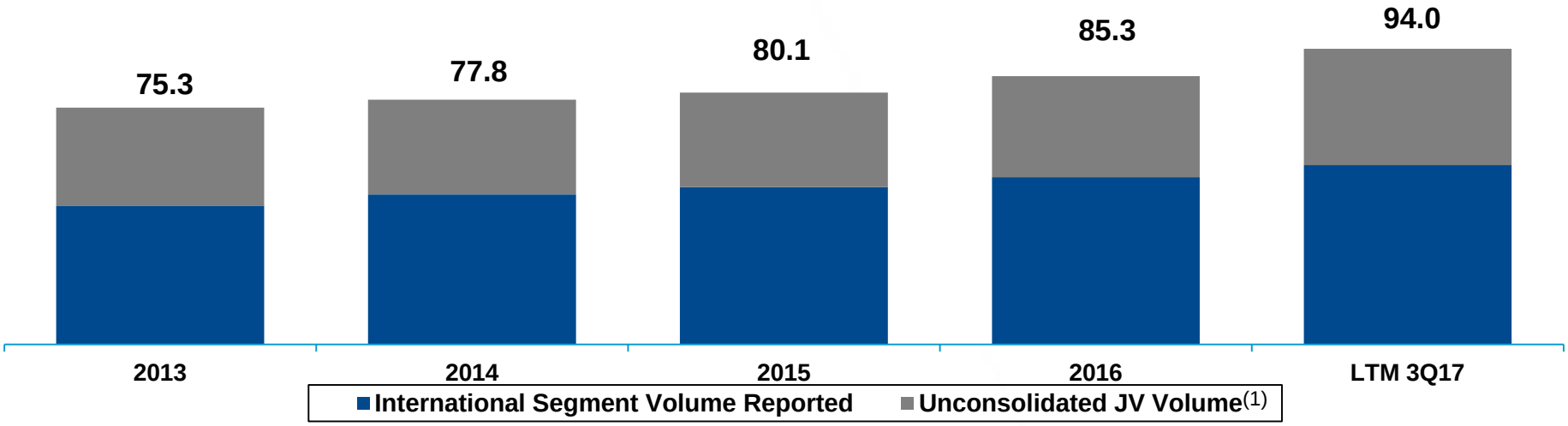
- Continue Same-Store Sales Growth
- Accelerate Company Store Growth
- Accelerate Franchisee and Express Care Growth

1. System-wide (i.e. company and franchised) average Sales per store.
2. SSS growth determined on a fiscal year basis with new stores included after first full fiscal year of operation.

International Overview

Fiscal Year Ended September 30th

(Millions of lubricant gallons)



International Growth Strategy

- Continue Channel Development
- Build Brand Awareness
- Develop New Markets

1. Joint ventures are not consolidated into Valvoline volume for reporting purposes.

A Proven Track Record of Earnings Growth

Drivers of Strong Profit

- Mix shift towards premium products: ~44% in LTM 3Q 2017 from 30% in 2013[1]
- 10 consecutive years of system-wide SSS growth in VIOC stores[2]
- Consistent volume and profit growth in international markets
- Proactive product pricing and raw material cost management

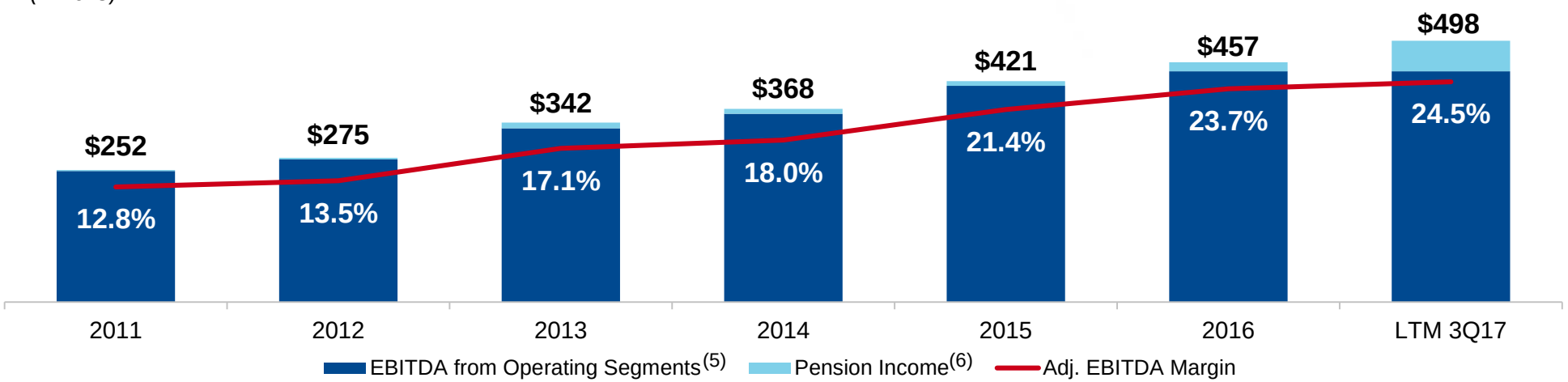
2017 Fiscal Q3 YTD System-wide SSS

6.9%

Growth in Adj. EBITDA and Adj. EBITDA Margins[3][4]

Fiscal Year Ended September 30th

(Millions)



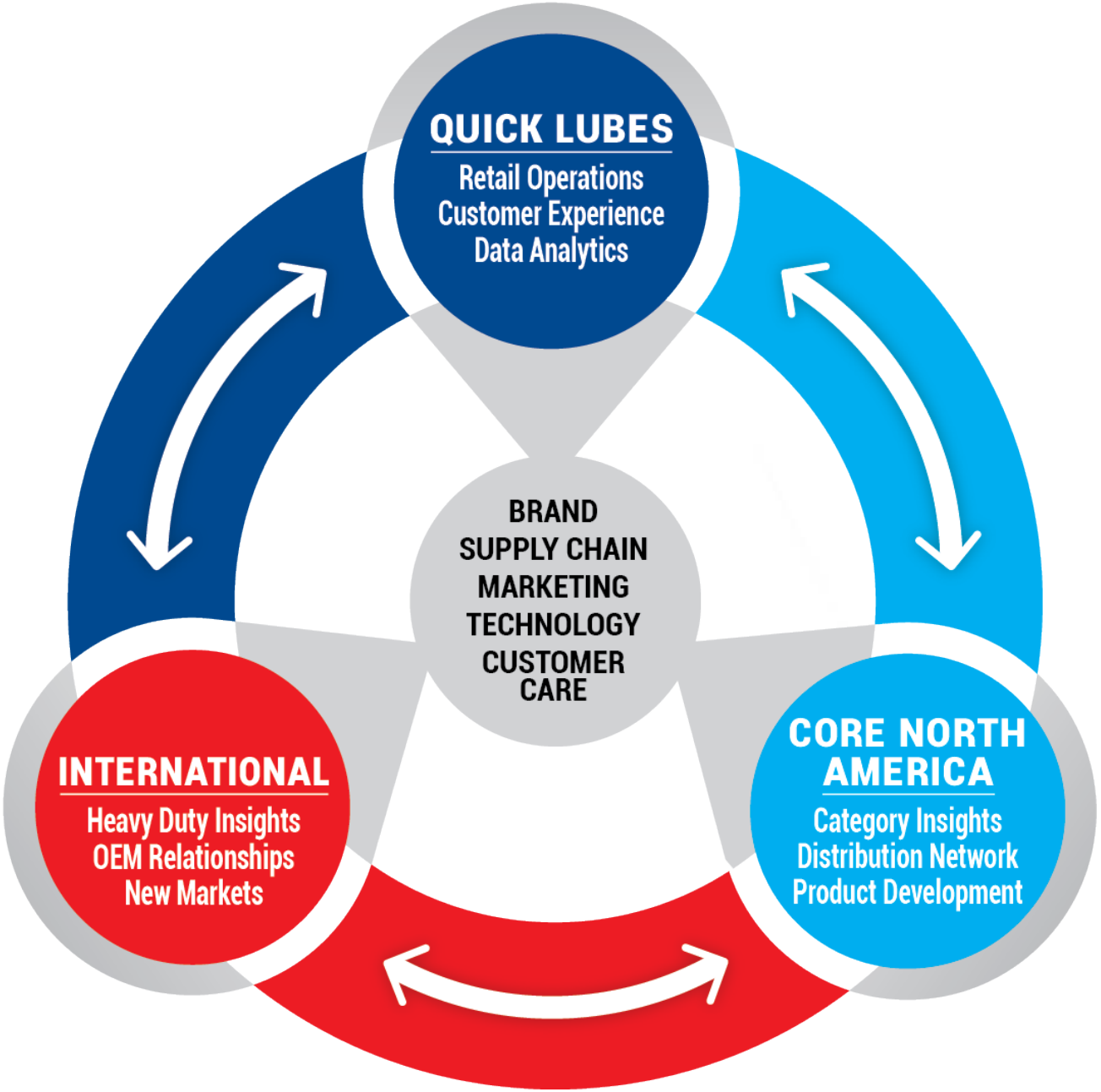
1. Percent of U.S. branded volume.
2. System-wide SSS growth. SSS growth determined on a fiscal year basis with new stores included after first full fiscal year of operation.
3. For a reconciliation of Adj. EBITDA to Net Income, see the Appendix to this presentation.
4. All full-year data as of fiscal year-end 9/30 unless otherwise noted.
5. EBITDA from Operating Segments is the contribution to Adj. EBITDA from our three operating segments of Core North America, Quick Lubes and International.
6. Represents portion of Adj. EBITDA from pension and OPEB income, which was $9 million, $17 million and $58 million in fiscal 2015, 2016 and LTM 3Q2017, respectively.

Valvoline®

Overview: Segments



Leveraging Capabilities Across Segments



Strategy in Core North America

Innovative Products & Packaging

- Leading brand in a key category that drives traffic for retailers
- Continuous innovation around next-generation, fast growing, higher margin synthetics
- Packaging innovation that delivers both consumer and customer value





Targeted Marketing

- Targeted digital marketing to high potential consumers and influencers
- Team Valvoline loyalty platform delivering relevant content and building brand engagement
- Customized programs for key accounts, driving stronger partnerships
- Online to offline linkage increases effectiveness and reach



Enhanced Services

- Best in class retail category management capabilities to grow customers' businesses
- Service representative training to help drive profitable consumer engagement at the store level
- Customer portal and e-commerce improve customers' overall experience, drive incremental sales

GOODYEAR

EXPRESS OIL CHANGE

TD TireDiscounters

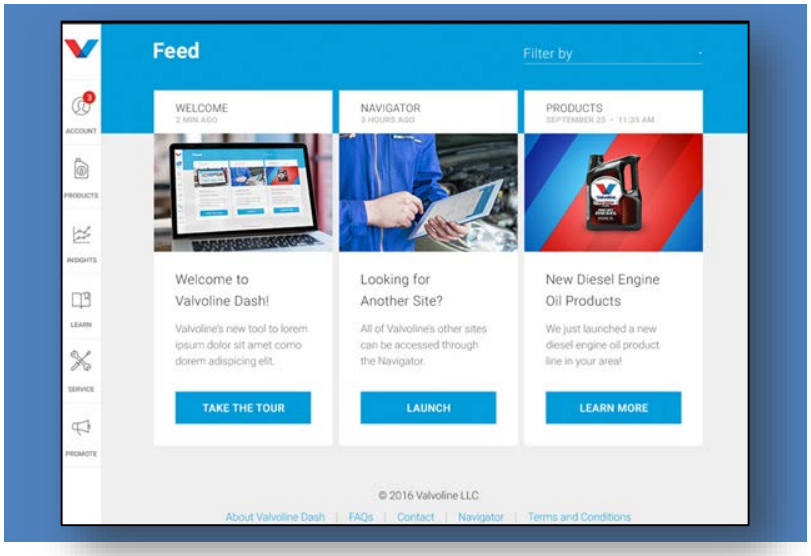
Strategic Pillars are Sources of Differentiation for Valvoline, Driving Competitive Advantage

Valvoline.

Investing in Digital Capabilities to Improve the Customer Experience & Grow Sales

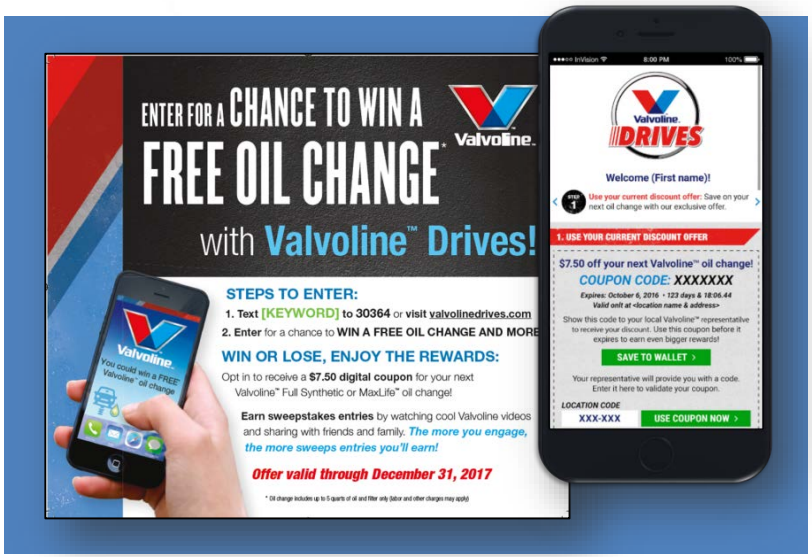
Technology Facilitates Business With Valvoline

- Making a significant, multi-year investment in technology infrastructure to enable enhanced capabilities
- CRM tool and customer portal launching in second half of fiscal 2017 will offer more efficient management and customer communication
- eCommerce site launching 2018 will improve efficiency of ordering and increase purchase value



Expertise Allows Customers to Build Their Own Businesses

- Valvoline leverages digital marketing to help both DIY and Installer customers market more effectively
- Provides custom content to retailers in the DIY and Installer spaces for use in their own loyalty programs
- Launches Valvoline Drives in 2017 in order to drive both customer acquisition and retention for installer customers

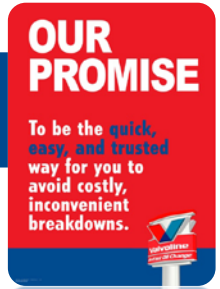


By Providing a Better Customer Experience, Technology Drives Growth Through Customer Acquisition & Retention

Strong and Growing Quick Lube Channel



Operating Stores Strengthens Business Model Performance



Superior Talent

- Improved Safety Total Recordable Rate over 50%
- Reduced turnover by over 50%, store growth creates career path
- Entry level technicians go through 270+ hours of training

Digital Marketing Platforms

- Digital platforms driving growth in number of cars
- Core programs generate ~6 month payback
- Customer database enabled

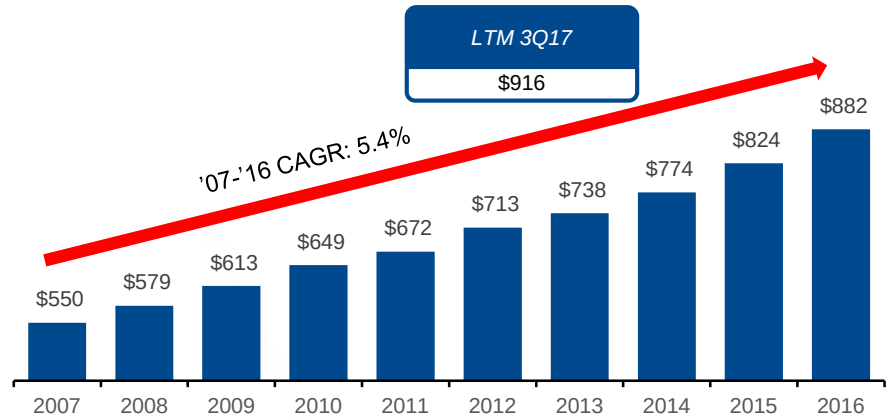
Preferred Customer Experience

- Quick, Easy, Trusted
- Overall customer satisfaction 4.6 of 5 stars
- Customer retention over 70%

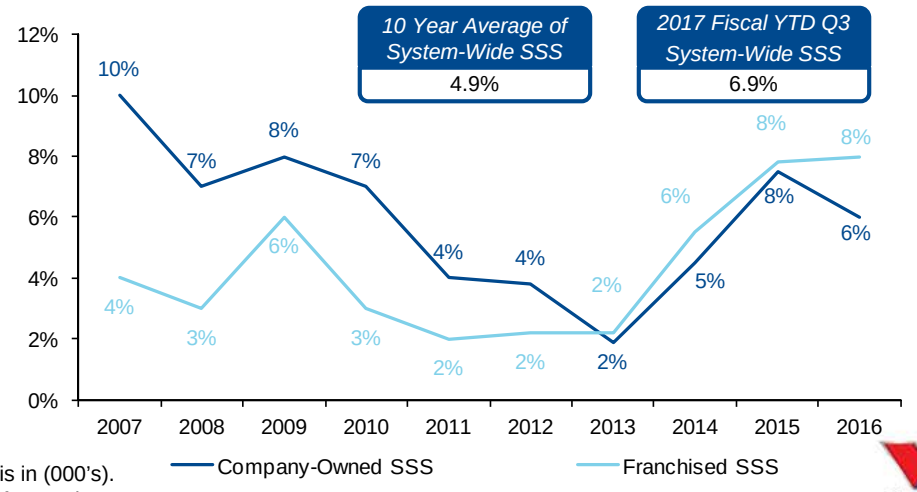
Proprietary Tools

- Point of Sale System
- SuperPro Management System
- Labor and Inventory Management

Our Sales Per Store Has Grown Steadily...(1)



...Driving 10 Years of Same-Store Sales Growth(2)



1. System-wide (i.e., company-owned and franchised) average Sales per store on a fiscal year basis in (000's).
2. SSS growth determined on a fiscal year basis with new stores included after first full fiscal year of operation.

Significant Opportunities for Growth

Substantial Opportunity For Organic Expansion

Mapped to Local Market Level for New Stores

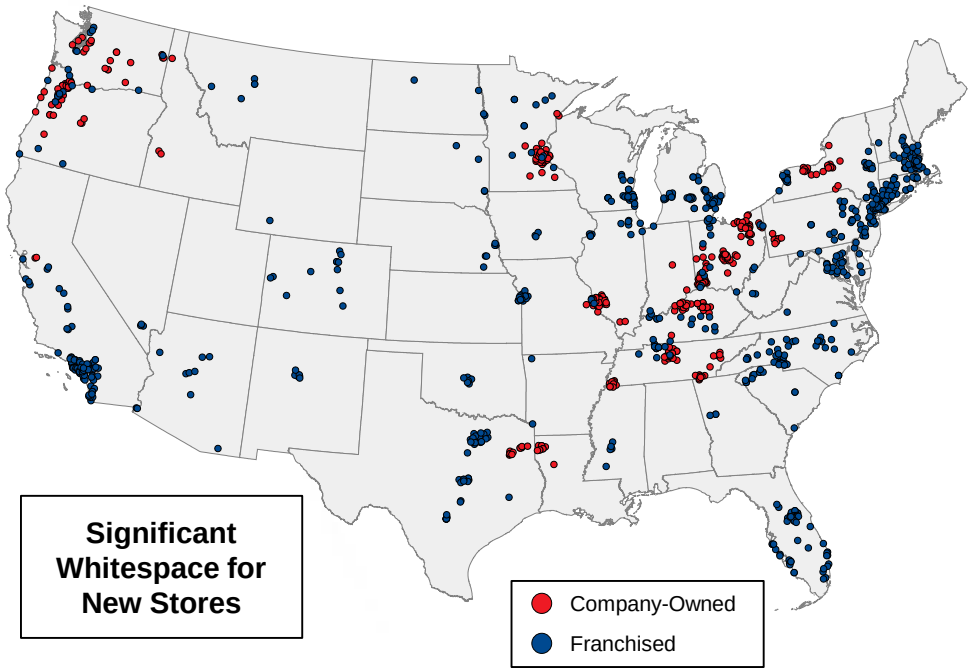
- Data driven, highly analytical approach
- Company-Owned and Franchised

Consolidation Opportunity in Fragmented Market

Identifying Acquisition Targets

- High quality regional acquisitions
- Multiple small acquisitions

Broad VIOC Geographic Footprint (1)



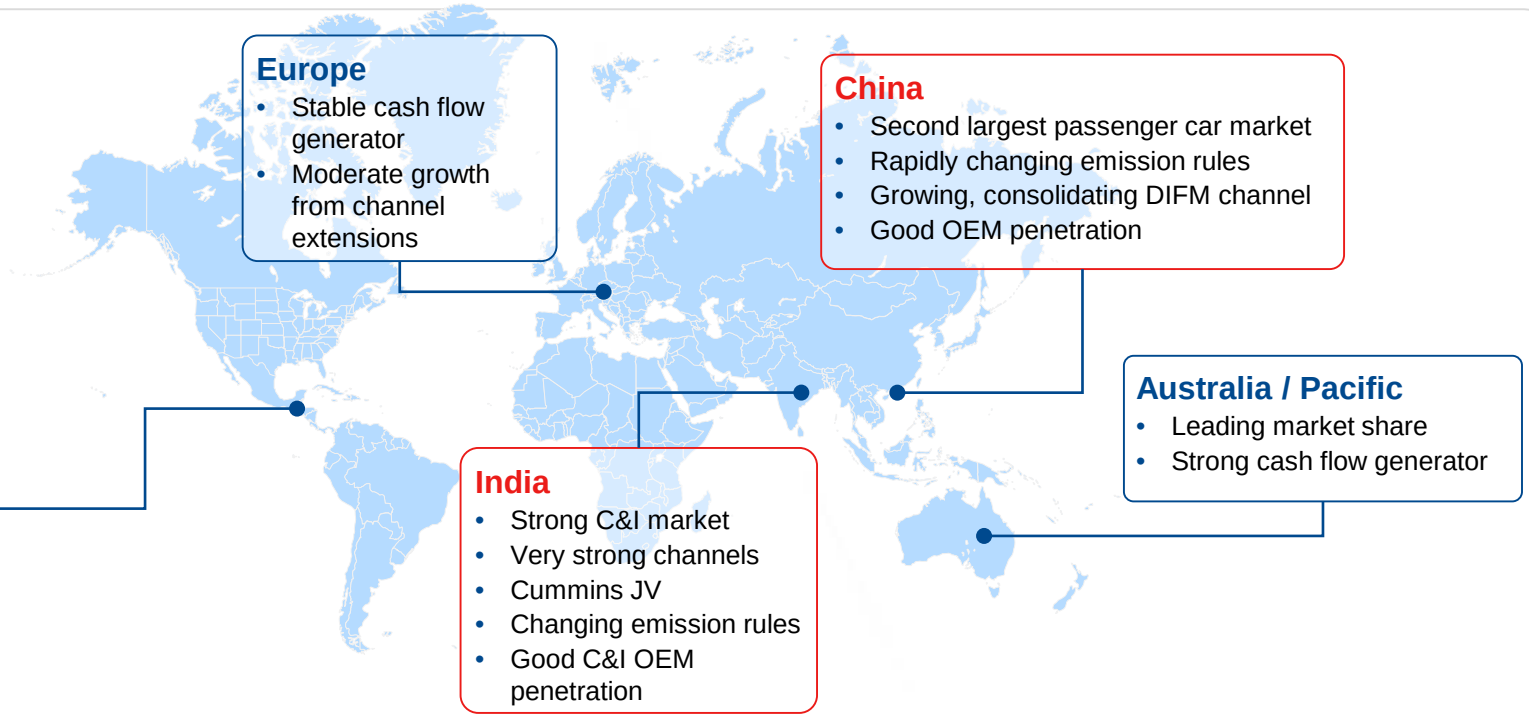
New Construction is an ~18 Month Process

1–3 Months	6 Months	6 Months	4 Months
1 Market Planning	2 Site Selection	3 Permitting	4 Construction



1. Includes 383 company-owned stores and 730 franchised locations as of fiscal 2017 quarter ended 6/30. Does not include Express Care operators.

International Growth



Europe
- Stable cash flow generator
- Moderate growth from channel extensions

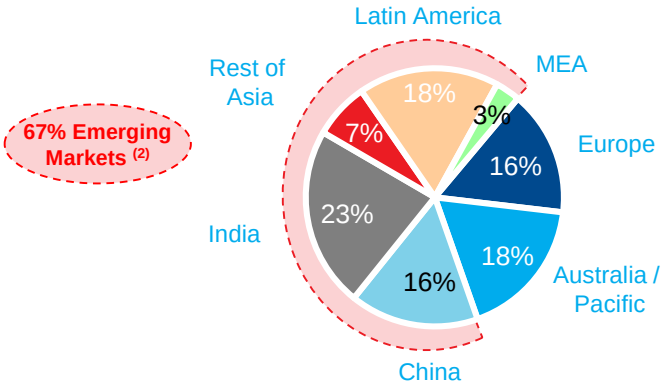
China
- Second largest passenger car market
- Rapidly changing emission rules
- Growing, consolidating DIFM channel
- Good OEM penetration

Latin America
- Recent rapid growth
- Aggressive new channel development
- Expanding beyond passenger car products

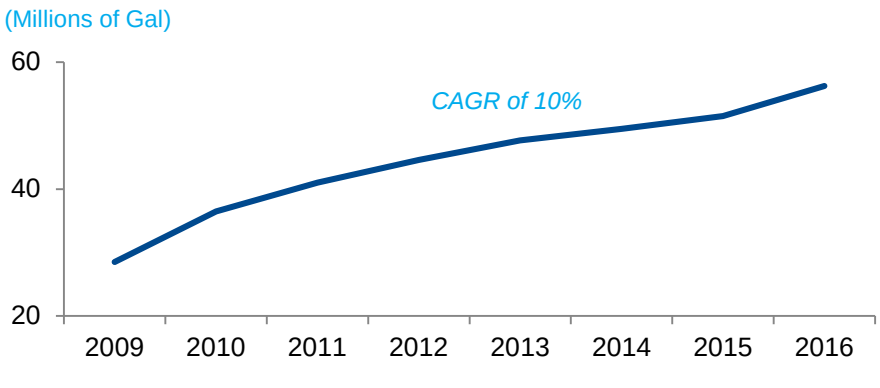
Australia / Pacific
- Leading market share
- Strong cash flow generator

India
- Strong C&I market
- Very strong channels
- Cummins JV
- Changing emission rules
- Good C&I OEM penetration

FY 2016 Sales Breakdown (1)



Valvoline Emerging Markets Sales Volume (1) (2)



1. Includes unconsolidated JVs.
2. Emerging Markets consist of all countries outside of the U.S., Canada, Australia and Europe.

Model For Leveraging OEM Relationship

Leveraging the Cummins Relationship…

- Global marketing partnership
- Fragmented markets provide significant opportunities to expand share
- Joint ventures in India & China
- Technology partnership to develop products tailored to today's modern engines
- Leveraging co-branded products



…To Provide Ongoing Value

- Strong growth rates in China and India
- Use of Cummins' channels to market accelerates growth
- Further potential as Cummins grows its services business
- Opportunistic expansion into other markets
  - Mining
  - Power generation
- Leverage Cummins' link to other OEMs

Cummins

Mahindra Kubota TATA TATA MOTORS

Valvoline.

Valvoline®

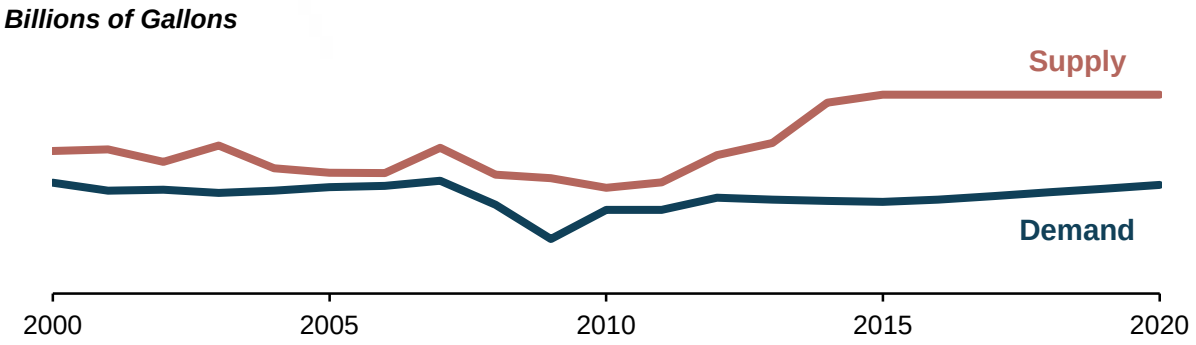
Key Questions and Financials



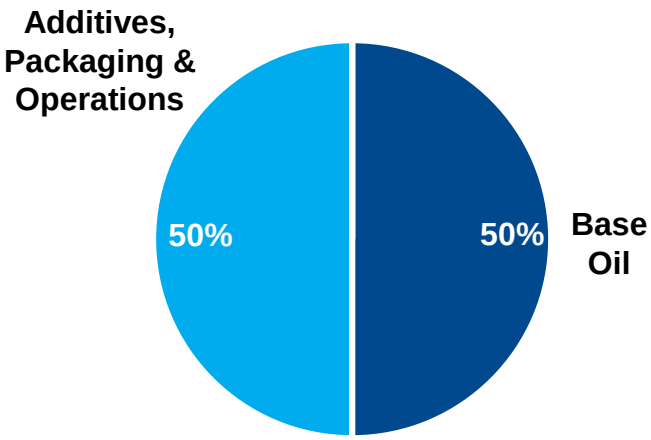
Fundamentals of Base Oil Markets and our Pricing Strategy

- Group II and Group III base oils are key components of higher quality lubricants
- From 2011 – 2016 Group II and Group III global capacity has increased 66% and 129%
- At the same time Group I capacity has dropped by 21%
- Base oil inflation since Summer 2016
  - Rising crude
  - Temporary supply tightness

Long Base Oil Market Expected to Continue Through 2020 and Provide Base Oil Pricing Stability



U.S. Finished Lubricant Cost Components (1)



Pricing

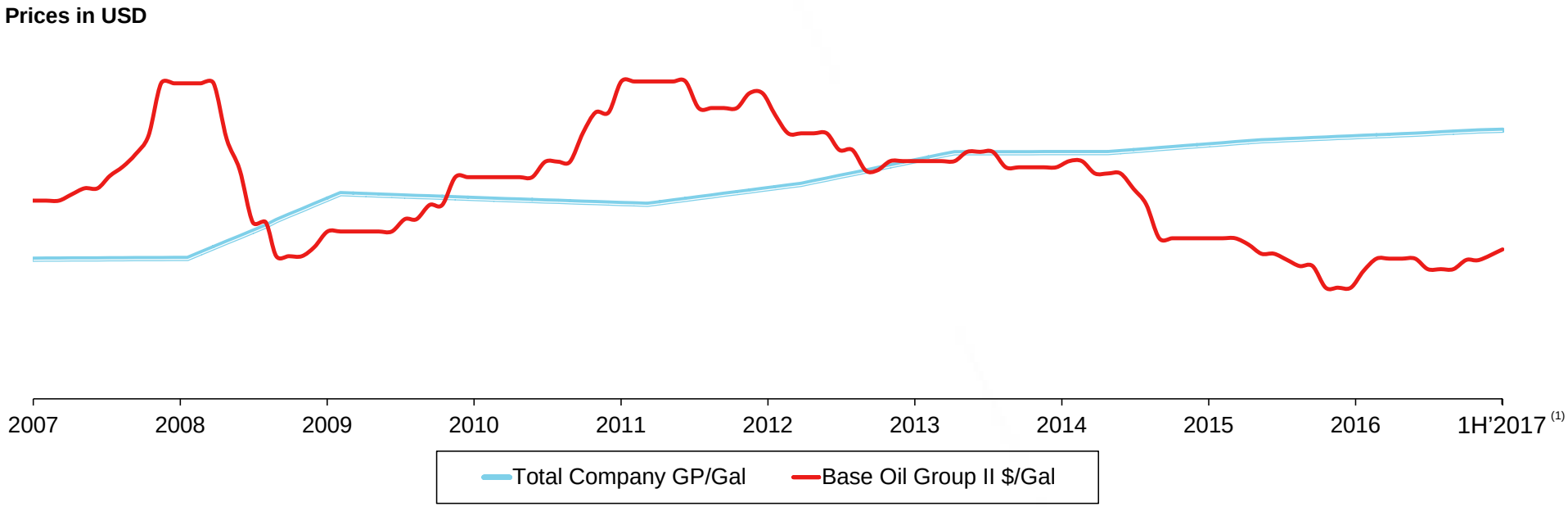
	Channels	Price Change Drivers	Average Lag
Market Based	DIY / Installer	Major base oil changes, competitive changes, retail pricing, Valvoline brand strength	60 - 120 days
Index Based	Installer (national / regional accounts), VIOC Franchisees	Posted base oil indices	45 days
Private Label / Other	DIY / Warehouse Distributor, OEM, Other	Major base oil changes	30 - 60 days

Source: Polk and Experian data, IHS Chemical Report and internal estimates.

1. Based on raw material pricing for six months ended 3/31/17.

Disciplined Margin Management

Valvoline Unit Margins Improving Despite Changes in Base Oil Pricing



1 ***Improved Unit Margins Through Business and Product Mix***

2 ***Long Base Oil Market Has Enabled Us to Improve Our Purchasing Terms***

3 ***Protected Unit Margins in Rising Cost Environment***

Note: Historical gross profit / gallon based on Valvoline financials as a subsidiary of Ashland. All full-year data as of fiscal year-end 9/30 unless otherwise noted.

1. Figures are for six months ended 3/31/17.

Benefits of Pension Funding

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

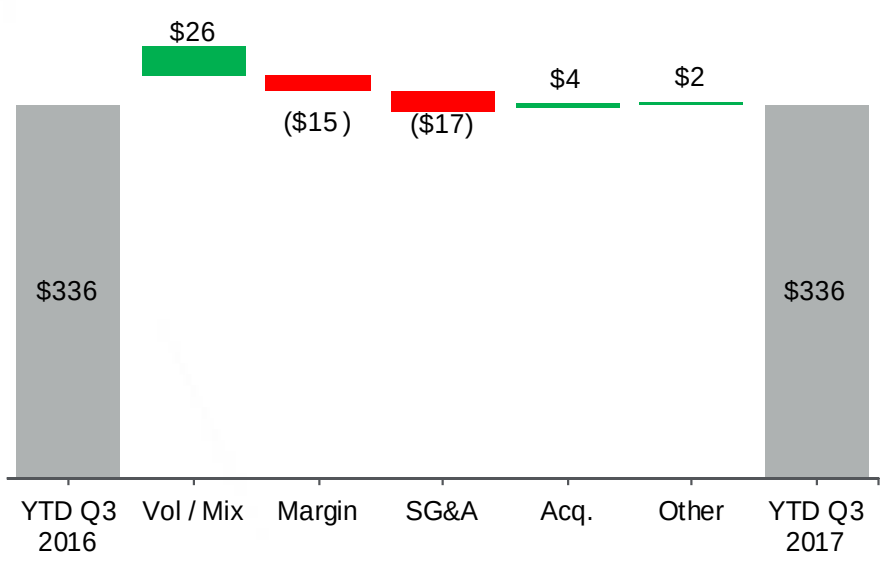
Strategic opportunity to reduce unfunded pension liability

- ✓ **~$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**

Nine Months Ended June 30th, 2017
Consolidated Adjusted Results

($ in millions) Preliminary and Unaudited	Nine Months Ended June 30, 2017	2016	Change
Lubricant Gallons	**134.1**	**130.0**	***3.2%***
Sales	**$1,537**	**$1,435**	***7.1%***
Net Income	**$199**	**$208**	***(4.3)%***
Income Tax Expense	114	104	
Net Interest and Other Financing Expense	28	–	
Depreciation and Amortization	30	29	
EBITDA	**$371**	**$341**	***8.8%***
Separation Costs	27	–	
(Gain) loss on pension and other postretirement plan remeasurements	(8)	5	
Net loss on acquisition	–	1	
Adjustment Associated with Ashland Tax Indemnity	(2)	–	
Adjusted EBITDA	**$388**	**$347**	***11.8%***
Adj. EBITDA Margin	*25.2%*	*24.2%*	*100 bp*
Results from Operating Segments			
Operating Income	**$306**	**$307**	***(0.3)%***
Depreciation and Amortization	30	29	*3.4%*
EBITDA from Operating Segments	**$336**	**$336**	***0.0%***
Adj. EBITDA Margin	*21.9%*	*23.4%*	*(150) bp*

Factors Affecting Y-o-Y EBITDA



Nine Months Ended June 30th, 2017 Segment Results(1)

Core North America

($ in millions)	Nine Months Ended June 30,		
Preliminary and Unaudited	2017	2016	Change
Lubricant Gallons (in millions)	**74.5**	**76.1**	**(2.1%)**
Sales	**$748**	**$740**	**1.1%**
Operating income	**$156**	**$170**	**(8.2%)**
Depreciation and amortization	10	12	(16.7%)
EBITDA[1]	**$166**	**$182**	**(8.8%)**
EBITDA Margin	*22.2%*	*24.6%*	*(240)bp*

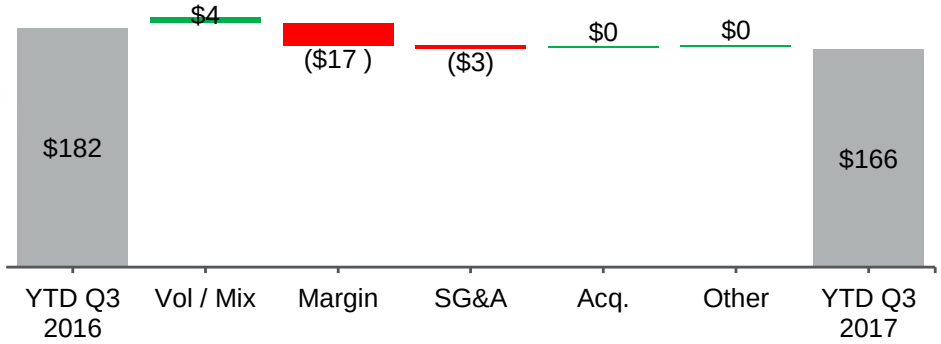
Quick Lubes

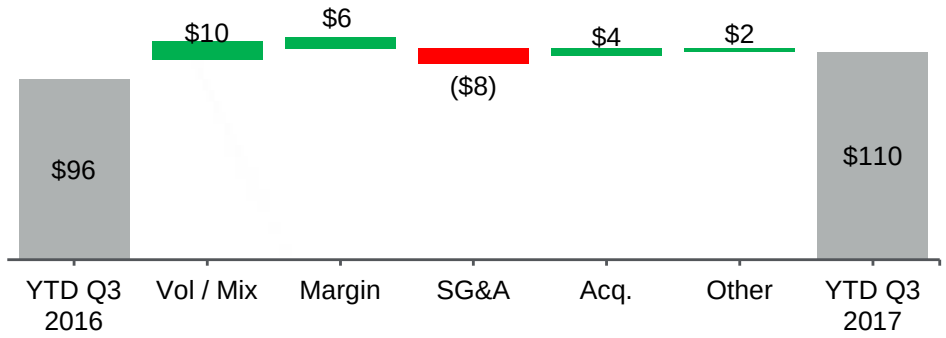
Lubricant Gallons (in millions)	**16.4**	**14.6**	**12.3%**
Sales	**$394**	**$332**	**18.7%**
Operating income	**$94**	**$84**	**11.9%**
Depreciation and amortization	16	12	33.3%
EBITDA[1]	**$110**	**$96**	**14.6%**
EBITDA Margin	*27.9%*	*28.9%*	*(100)bp*

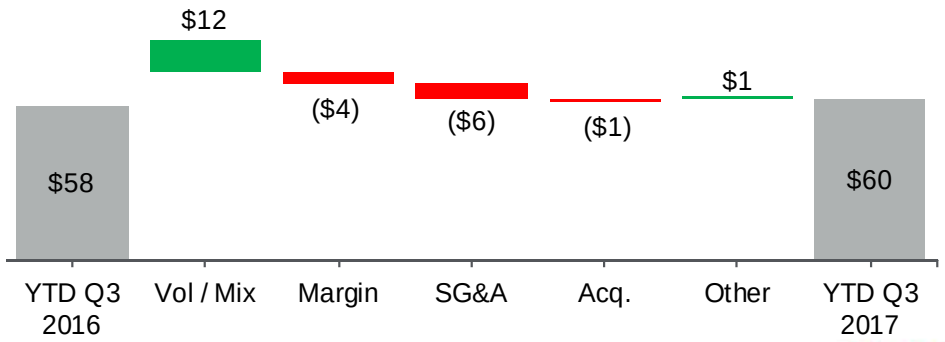
International

Lubricant Gallons (in millions)	**43.2**	**39.3**	**9.9%**
Sales	**$395**	**$363**	**8.8%**
Operating income	**$56**	**$53**	**5.7%**
Depreciation and amortization	4	5	(20.0%)
EBITDA[1]	**$60**	**$58**	**3.4%**
EBITDA Margin	*15.2%*	*16.0%*	*(80)bp*

Factors Affecting Y-o-Y EBITDA







1. For a reconciliation of EBITDA to Net Income, see pg. 24

Valvoline®

Appendix



Historical EBITDA and Adj. EBITDA Reconciliation

	FY Ended September 30,						9M Ended June 30,		LTM 3Q
($ in Millions)	2011	2012	2013	2014	2015	2016	2016	2017	2017
Net income	$110	$114	$246	$173	$196	$273	$208	$199	$264
Income tax expense	52	58	135	91	101	148	104	114	158
Net interest and other financing expense	--	--	--	--	--	9	--	28	37
Depreciation and amortization	38	35	35	37	38	38	29	30	39
EBITDA	$200	$207	$416	$301	$335	$468	$341	$371	$498
Adjustments									
Losses (gains) on pension and other postretirement plans re-measurement	52	68	(74)	61	46	(18)	5	(8)	(31)
Separation costs	--	--	--	--	--	6	--	27	33
Net Loss on Divestiture	--	--	--	--	26	1	1	--	--
Impairment on Equity Investment	--	--	--	--	14	--	--	--	--
Restructuring	--	--	--	6	--	--	--	--	--
Tax Matter Agreement Activity	--	--	--	--	--	--	--	(2)	(2)
Adjusted EBITDA	$252	$275	$342	$368	$421	$457	$347	$388	$498

LTM 3Q17 EBITDA Reconciliation – Segments

*($ in **Millions**)*	FY Ended September 30,	9M Ended June 30,		LTM 3Q
	2016	2016	2017	2017
Core North America				
Sales	$979	$740	$748	$987
Operating income	212	170	156	198
Depreciation and amortization	16	12	10	14
EBITDA	**$228**	**$182**	**$166**	**$212**
Quick Lubes				
Sales	$457	$332	$394	$519
Operating Income	117	84	94	127
Depreciation and amortization	17	12	16	21
EBITDA	**$134**	**$96**	**$110**	**$148**
International				
Sales	$493	$363	$395	$525
Operating Income	74	53	56	77
Depreciation and amortization	5	5	4	4
EBITDA	**$79**	**$58**	**$60**	**$81**