ACCELERATING INTO THE FUTURE



Valvoline

Forward-Looking Statements

Certain statements in this presentation, other than statements of historical fact, including estimates, projections, statements related to our business plans and operating results are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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. These forward-looking statements are based on Valvoline’s current expectations, estimates, projections and assumptions as of the date such statements are made, and are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements. Additional information regarding these risks and uncertainties are described in the Company’s filings with the Securities and Exchange Commission, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our most recently filed periodic reports on Forms 10-K and Form 10-Q, which are available on Valvoline’s website at http://investors.valvoline.com/sec-filings. Valvoline assumes no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

Regulation G: Adjusted Results

Information is presented herein regarding certain financial measures that do not conform to generally accepted accounting principles in the United States (U.S. GAAP). Such information 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, calculation and reconciliation of non-GAAP measures can be found in our most recently filed periodic reports on Forms 10-K and Form 10-Q, which are available on Valvoline’s website at http://investors.valvoline.com/sec-filings and in the tables attached to Valvoline’s most recent press release dated February 7, 2018, which is available at http://investors.valvoline.com/financial-reports/quarterly-reports. Additionally, a reconciliation of EBITDA and Adjusted EBITDA is included in the Appendix herein.

Agenda

- Who We Are
- Our Segments
- Evolving Technology
- Financials
- Wrap Up

Who We Are



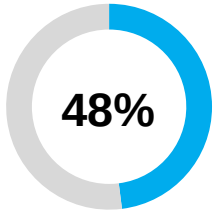
Our Brand is Driving a Growing Global Platform

~$2.1B
In Annual Sales

Top 3
Premium Motor Oil Brand(1)

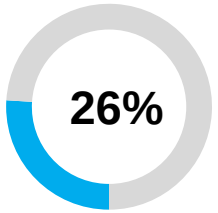
Over 140
Countries With Valvoline Sales

Our Sales Are Diversified Across 3 Segments



Core North America

- Do-It-Yourself (DIY)
  - O'Reilly Auto Parts
  - AutoZone
  - Advance Auto Parts
  - NAPA
  - Walmart
- Do-It-For-Me (DIFM)
  - Goodyear
  - Express Oil Change
  - TBC Retail Group
  - Monro Muffler/Brake & Service
- Commercial and Industrial (C&I)
  - Dayton Freight
  - Tyson
  - SA Recycling
  - Propetro
  - Oldcastle

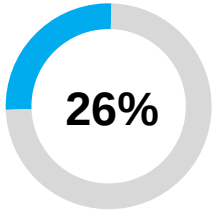


Quick Lubes

- VIOC
- Express Care







International

- Commercial and Industrial (C&I)
- JVs
- OEMs
  - GM
  - Mahindra
  - Tata Motors

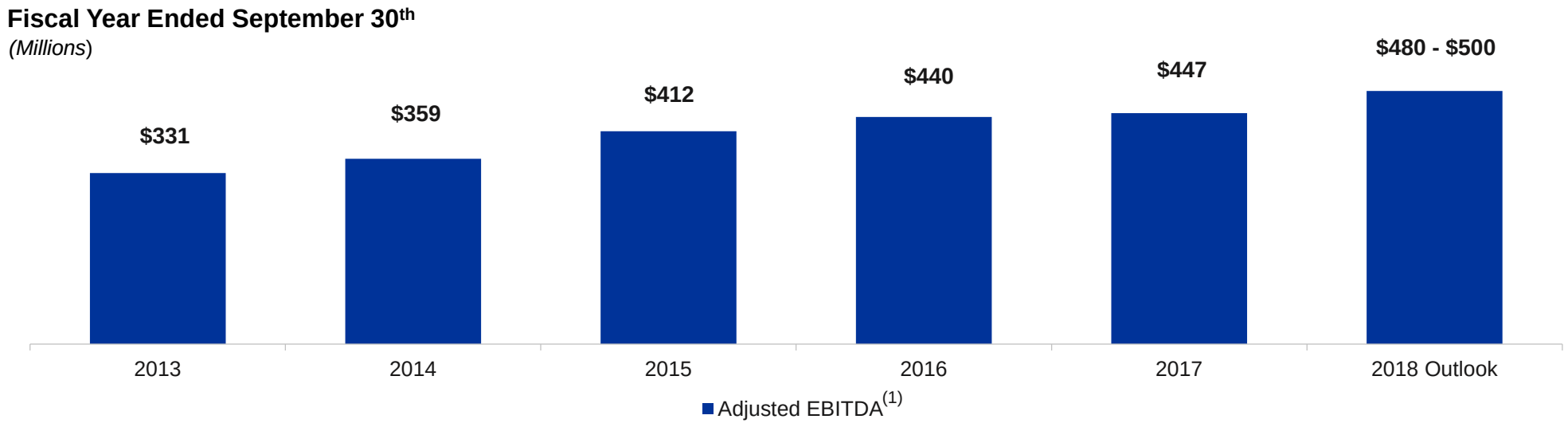






* Note all data are as of FY17 unless otherwise noted.
1. By volume in the U.S. DIY market in 2017.

A Proven Track Record of Earnings Growth



Mix Shift Toward Premium Products(2)

11 Consecutive Years of SSS Growth in VIOC(3)

Consistent Volume Growth in International

Product Pricing and Raw Material Cost Mgt.

1. For a reconciliation of historical Adjusted EBITDA to Net Income, see appendix to this presentation. 2018 Outlook for Adjusted EBITDA is a forward-looking financial measure that Valvoline is unable to reconcile without unreasonable effort as described in Valvoline's earnings release dated February 7, 2018, available on Valvoline's website at http://investors.valvoline.com.
2. Within branded lubricants.
3. System-wide same-store sales (SSS) growth. SSS growth determined on a fiscal year basis with new stores included after first full fiscal year of operation.

Large Market with Solid Fundamentals

6.4B Gallons, ~$50B

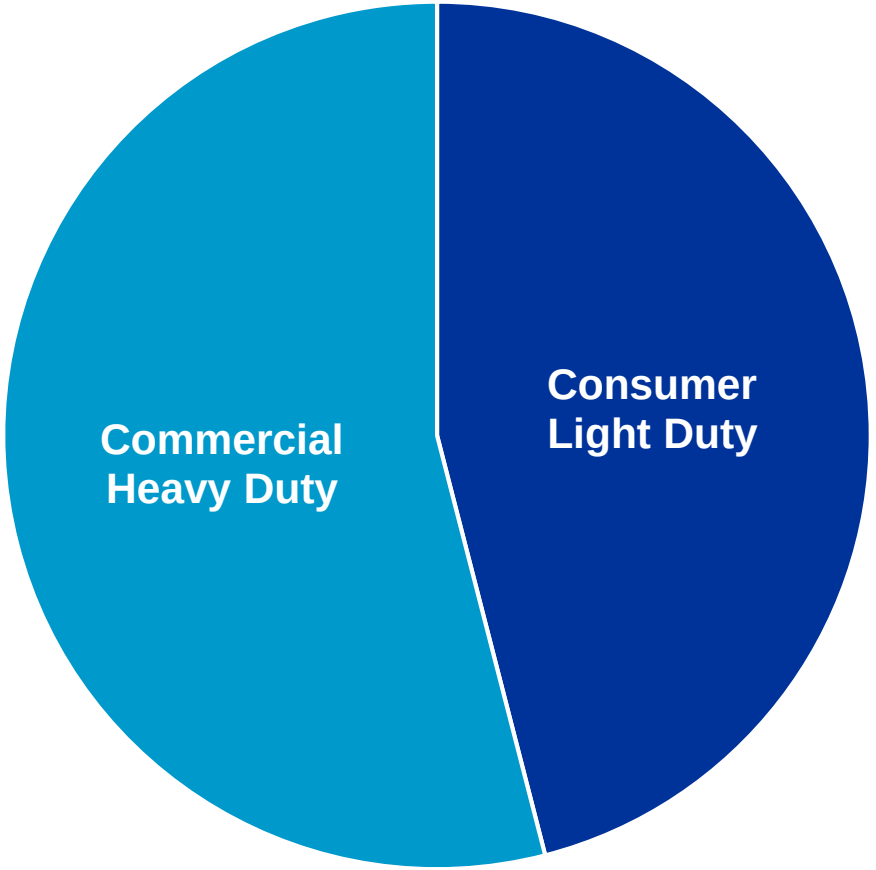
Global Transportation Lubricants Market[1]

Global volume[2] <1%

Premium[2] volume ~6%

Emerging Markets Driving Overall Volume Growth

Mature Markets Driving Strong Premium Growth



Need for Routine, Preventative Maintenance Creates Steady, Non-cyclical Dynamics

1. Source: Kline, IHS and internal estimates; excludes Industrial lubricants.
2. Combined passenger car and heavy duty 5-year CAGR through 2016, with Premium defined as a combination of semi- and full-synthetic lubricants.

Valvoline Is Well-positioned to Capture Market Opportunities

A Market Leader in North America with Solid and Growing Share Position in Premium

Significant Share-gain Opportunity Internationally; Shift to Premium Developing

Competitive Advantages

- Independent, Consumer-focused, Marketing-driven
- Focused on Routine Automotive, Engine Maintenance
- One Brand – Premium Products, Premium Services
- Diversified Routes to Market

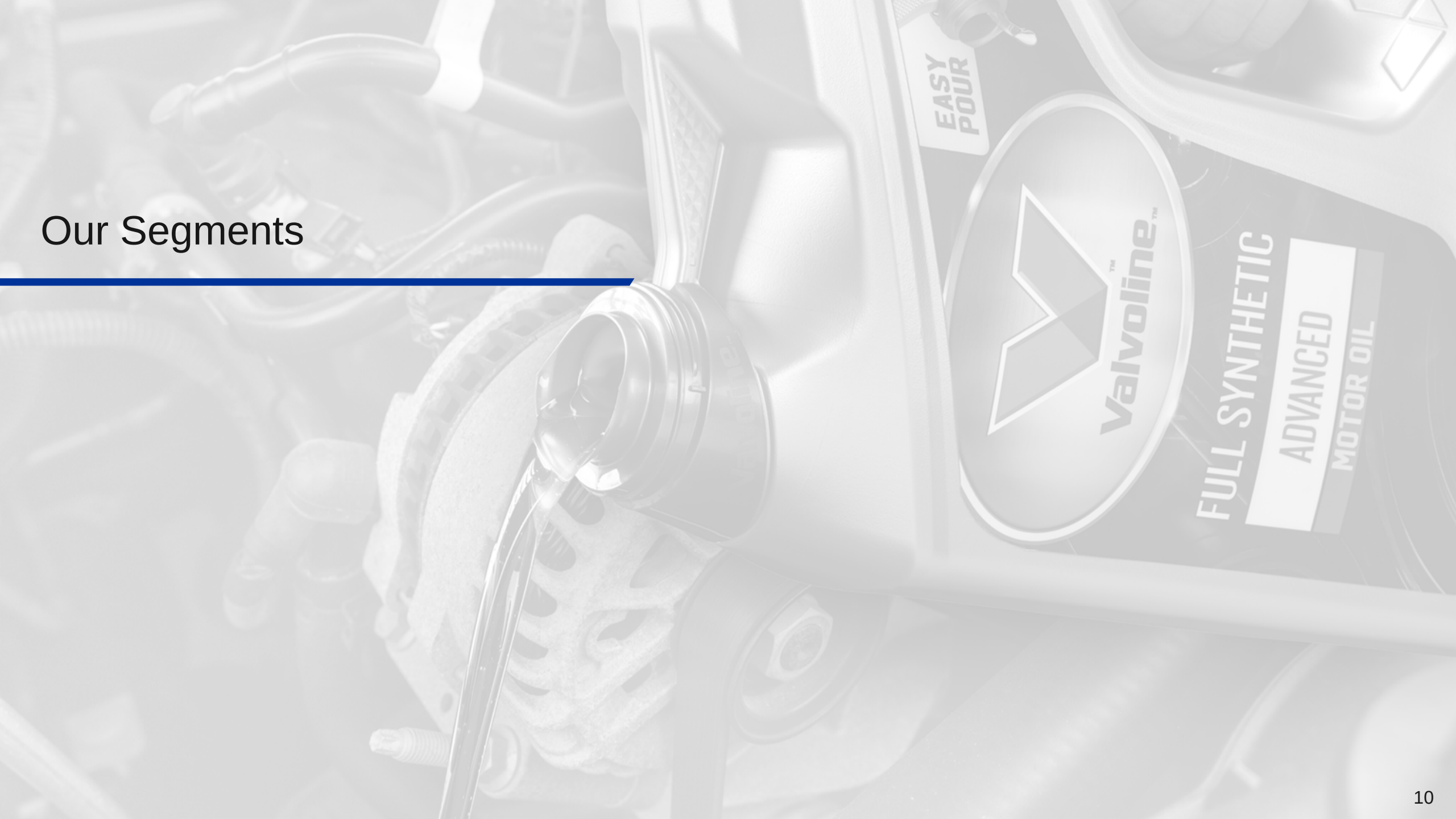
Our Strategy

Building Significant Competitive Advantage in Each Channel with Products, Services and Technology that Drive Customer Value

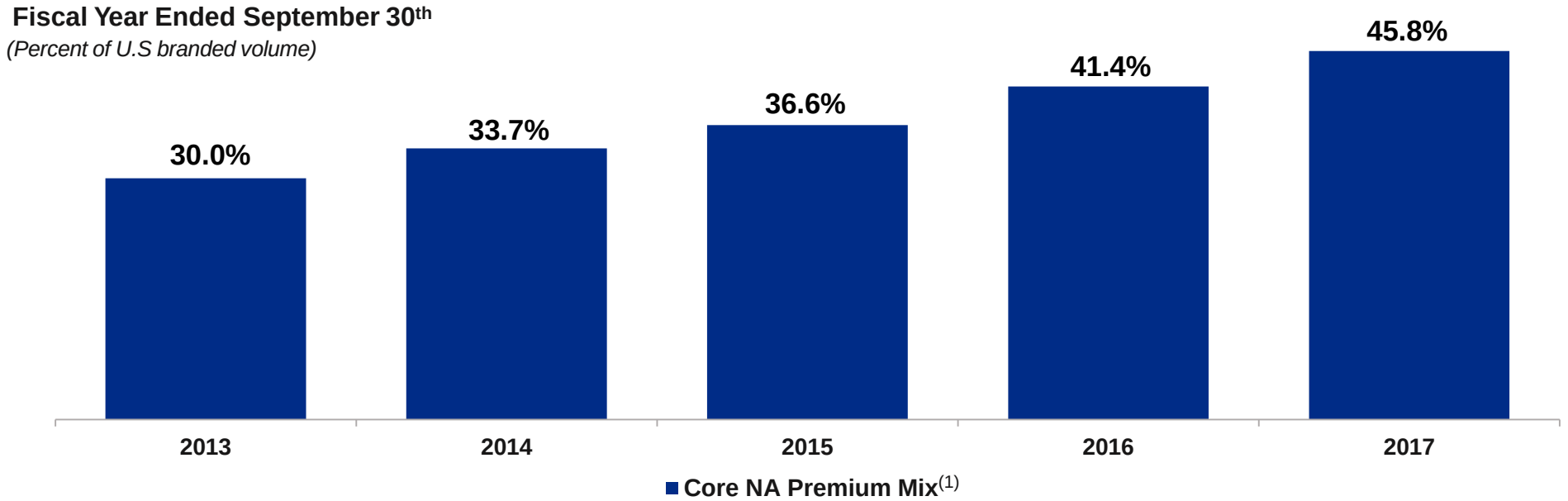


DIY RETAILERS	INSTALLERS	OEM	HEAVY DUTY	QUICK LUBES

Our Segments



Core North America Overview



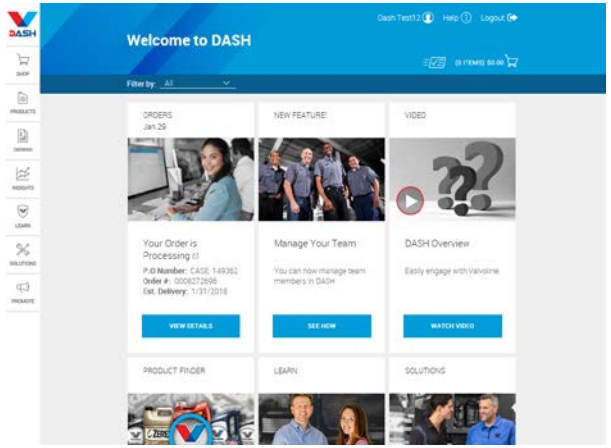
Targeted, Digital Marketing



Products & Packaging



Enhanced Services



1. As a percentage of branded U.S. volume.

Product and Packaging Innovation

New Easy Pour Bottle



Now available in 18k+ DIY locations

New Products for Today's Engines



EasyGDI™ product line for DIFM channels

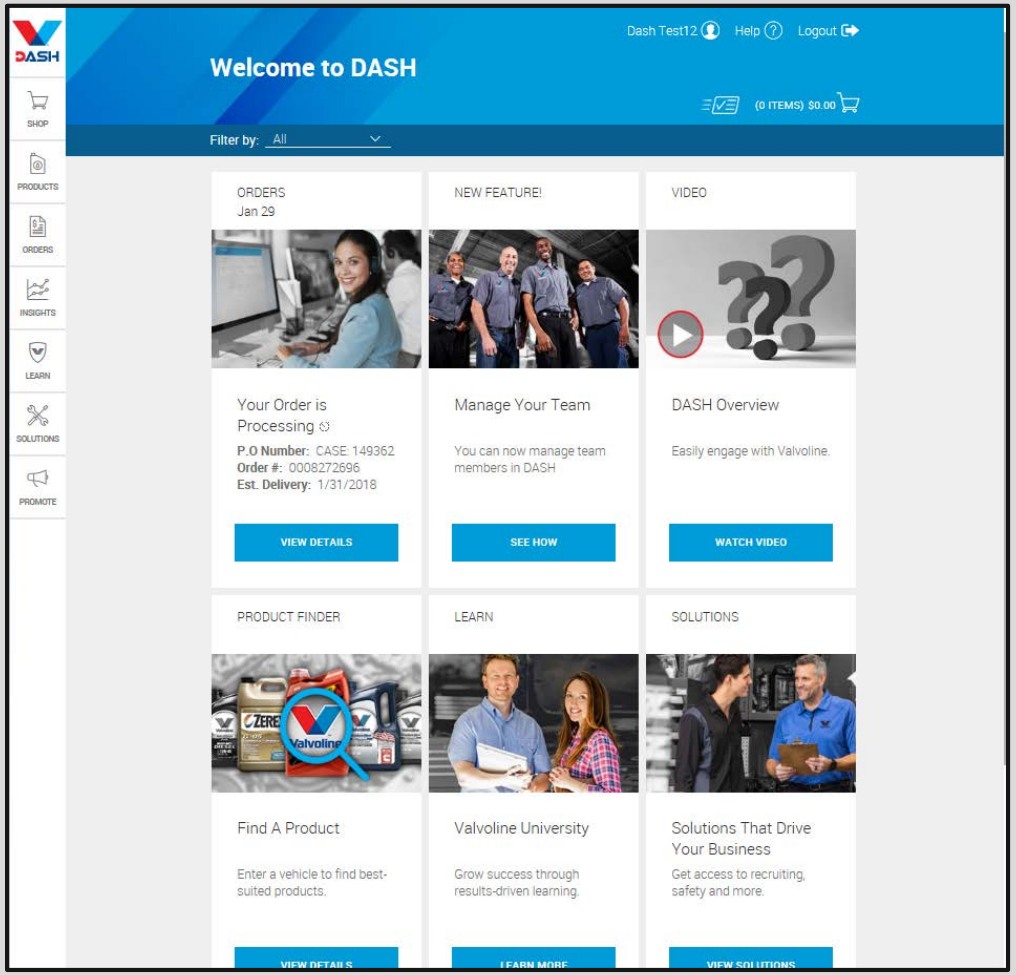


Modern Engine Full Synthetic motor oil for DIY

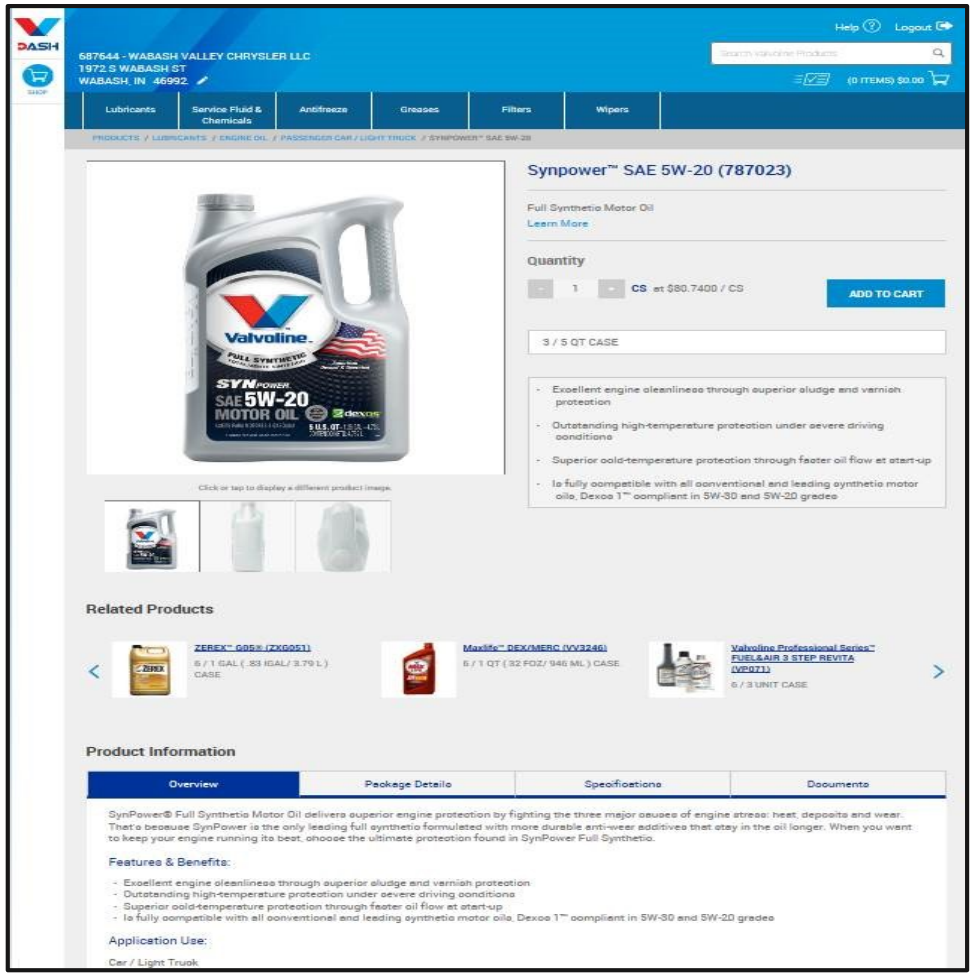
Designed to help fight carbon buildup in vehicles 2012 and newer

Enhanced Digital Services Simplify Installer Interactions

DASH Customer Portal



E-Commerce Platform



Quick Lubes Overview

Fiscal Year Ended September 30th
(000s)

11 Years of Same-store Sales Growth(1)

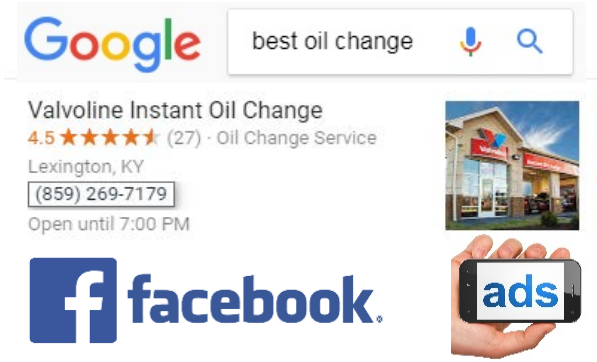


■ **Valvoline Instant Oil Change System-wide Average Sales per Store**

Customer Experience



Marketing Platforms



Store Growth



1. System-wide same-store sales growth determined on fiscal-year basis, with new stores included after first full fiscal year of operation.

Driving Sustainable Same-store Sales Growth



Our Quick Lube Models

Company-owned	Franchise	Express Care
		
Product Sales + Service Sales	Product Sales + Royalties	Product Sales

1. Total estimated additions by 2023 based on 2018 growth rates.
2. Acquisitions expected to supplement VIOC store growth.

Accelerating Store Growth

Company-owned	Franchise	Express Care
		

				Total Organic[2]
2018 Q1 Store Count	442	697	320	1459
2023 Total Estimated Additions[1]	150+	180+	180+	500+
2023 Potential Store Count	~600	~900	~500	~2000

1. Total estimated additions by 2023 based on 2018 growth rates.
2. Acquisitions expected to supplement VIOC store growth.

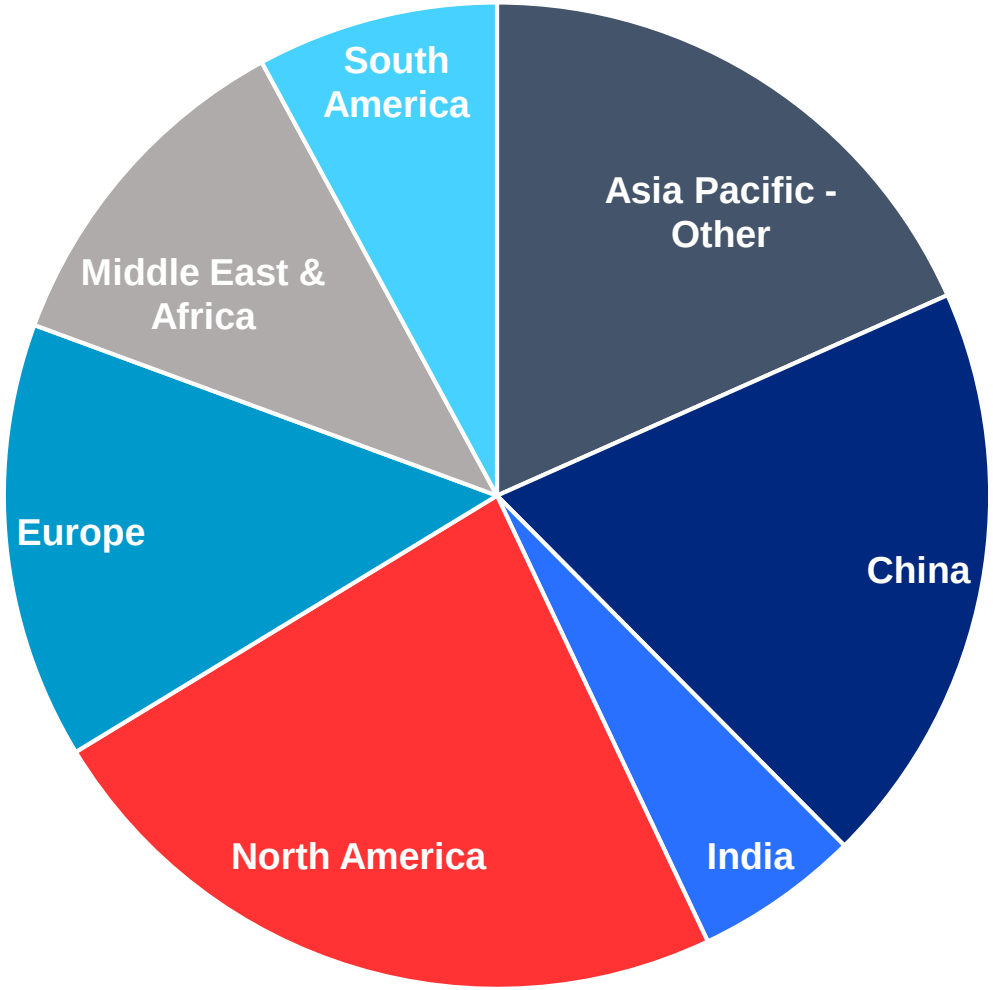
Large International Market Opportunity

6.4B Gallons, ~$50B

Global Transportation Lubricants Market(1)

North America most developed market - shares in low to mid-double digits in light duty

Single digit shares in most other regions



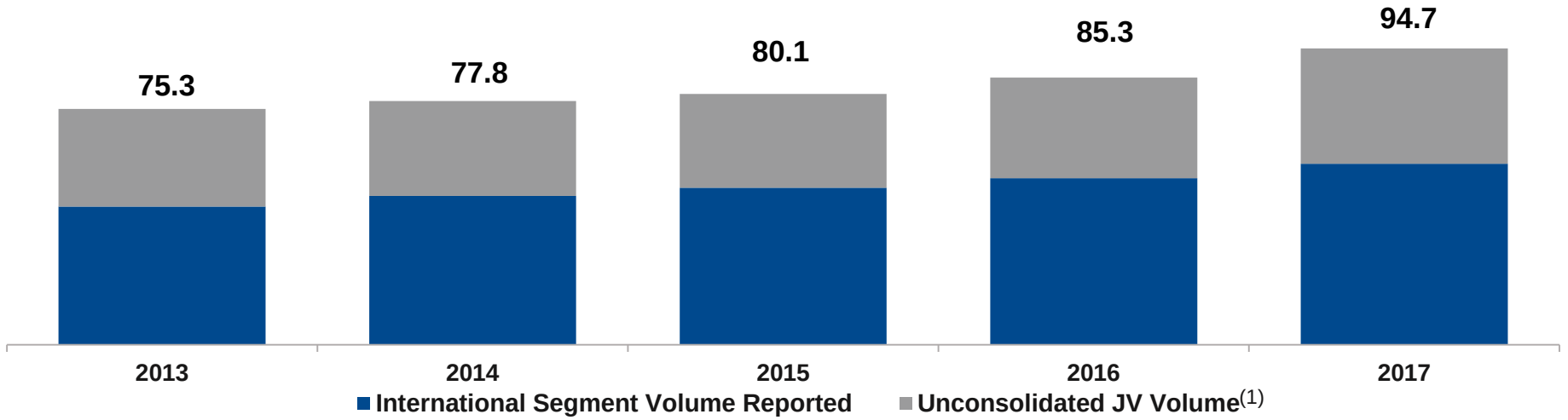
Transportation Lubricants Market by Region(1)

1. Source: Kline, IHS and internal estimates; excludes Industrial lubricants.

International Overview

Fiscal Year Ended September 30th

(Millions of lubricant gallons)



Channel Development



Brand Awareness



New Market Segments



1. Joint ventures are not consolidated into Valvoline's reported volume.

Building a Great Business in India – A Model for International Expansion

Top 3 and Fastest-growing Multinational Brand[1]

- Developed distribution network via Cummins heavy duty partnership
- Expanded cross-functional capabilities of our team
- Entered light-duty market
- Expanded investment in brand awareness



Virat Kohli, Valvoline Brand Ambassador

1. Source: PFC Energy

Leveraging Partnerships to Develop New Market Segments

Global R&D and Marketing Partnership

Differentiated Product

>2.5x increase in drain interval to lower TCO

Supply-chain Solution

End-to-end logistics

Marketing & Sales Support

Integrated campaigns; lead generation

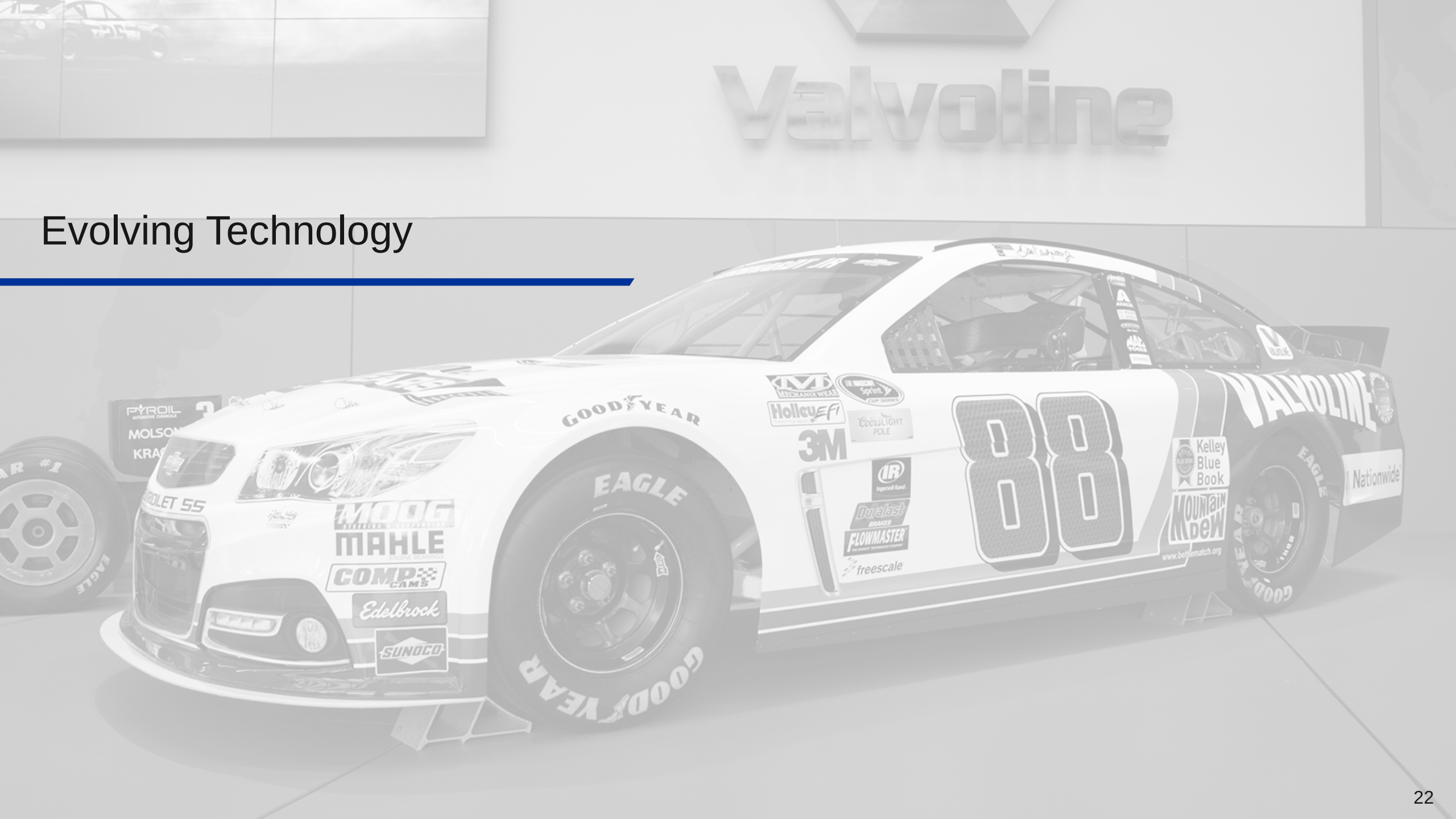
50+% Volume growth in China HD(1)



Commercial Truck Utilizing Differentiated Product

1. Heavy-duty fiscal 2017 year-over-year volume growth in China joint venture.

Evolving Technology



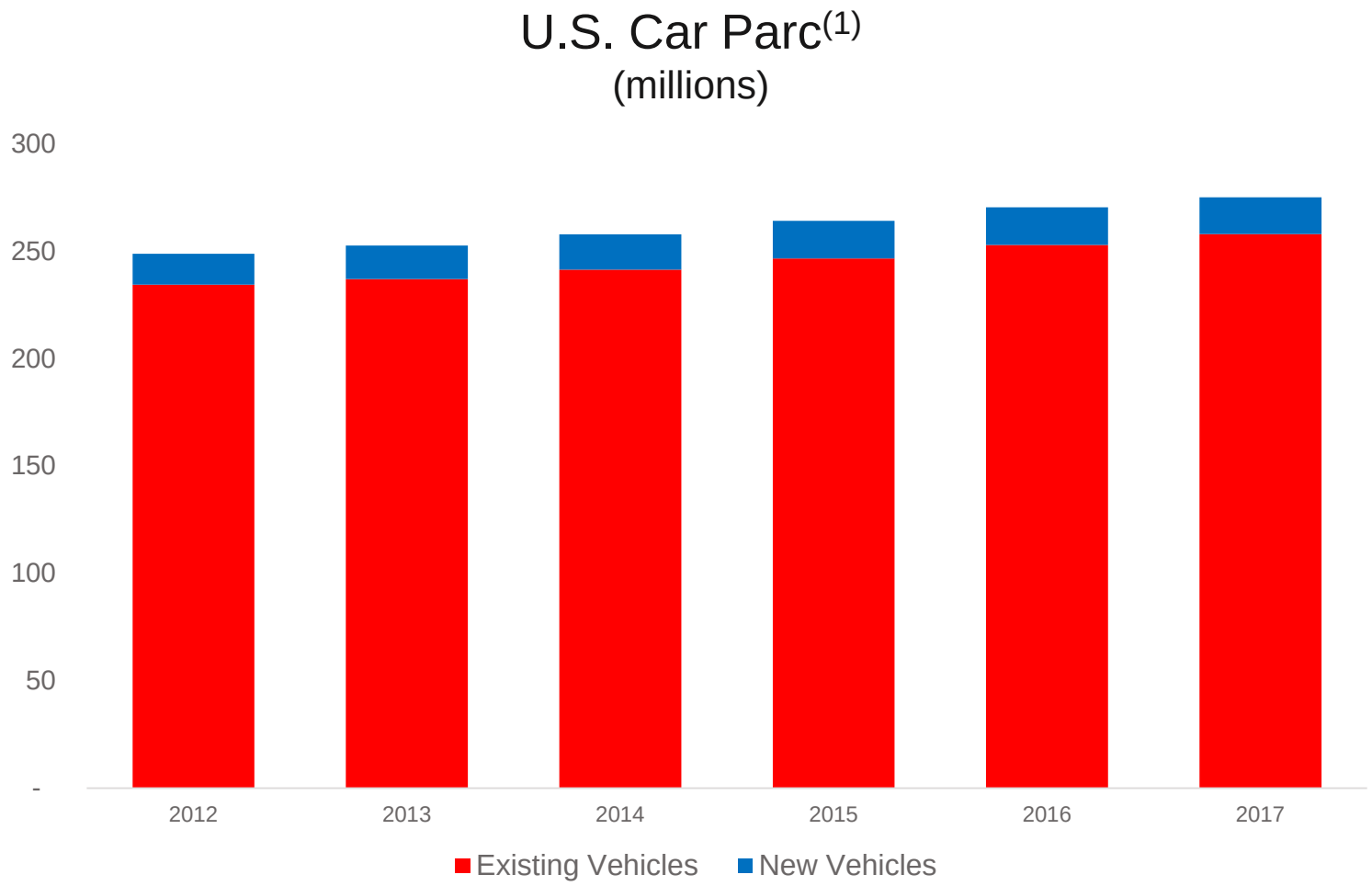
Car Parc Evolves Slowly and Continues to Grow

U.S. Car Parc is ~275MM vehicles

New vehicle sales are ~17MM annually

Average age is ~12 years

Valvoline has products designed for vehicles of all ages including Modern Engine and High Mileage



1. Source: IHS

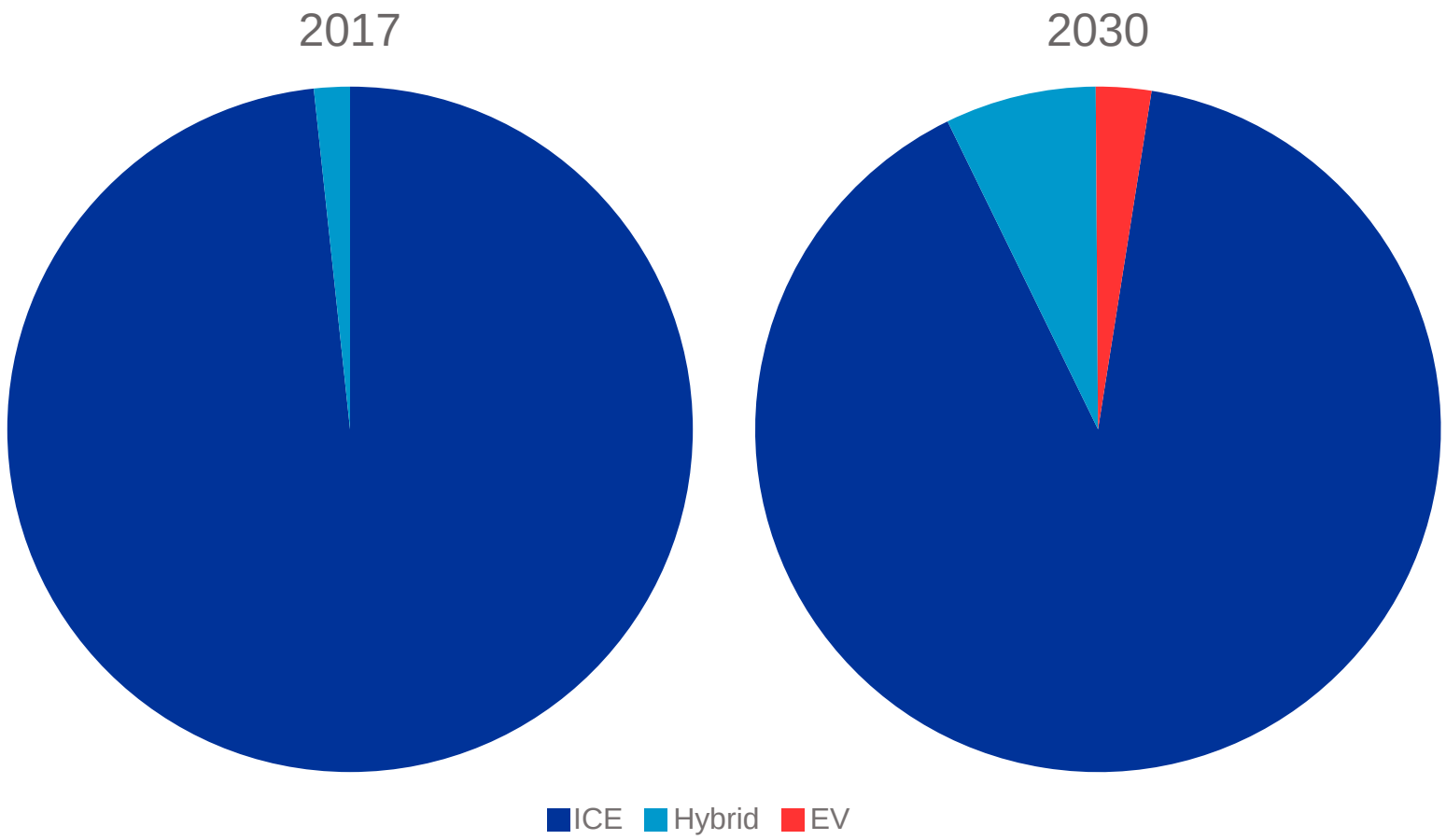
New Technology Is Beginning to Penetrate the Car Parc

Internal combustion engines anticipated to dominate for the foreseeable future.

Regulations to reduce emissions and electric vehicle incentives expected to drive hybrid growth in the medium term.

Full electric vehicles should eventually start to gain share.

U.S. Car Parc Mix(1)

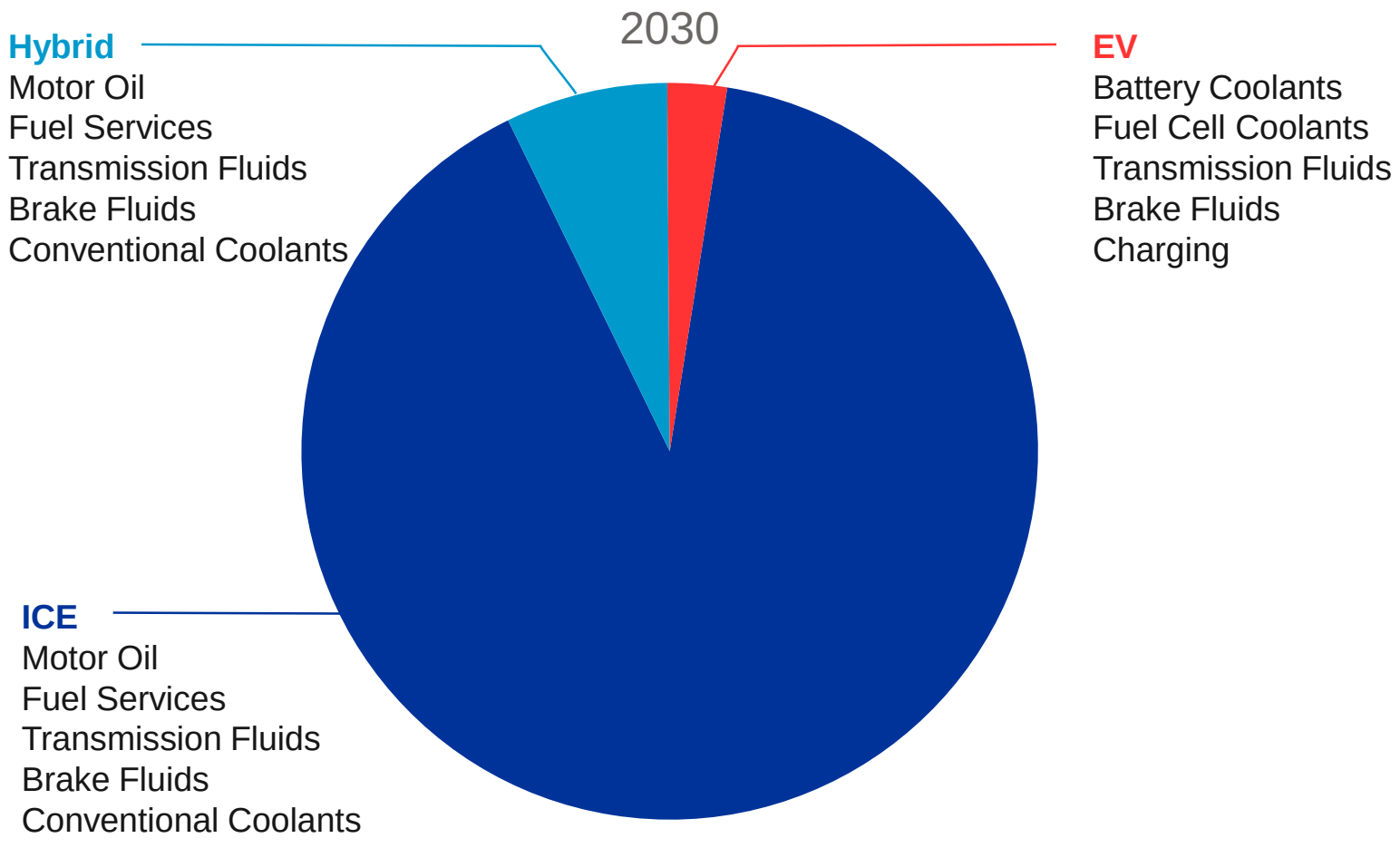


1. Source: IHS, Morgan Stanley and internal estimates.

Vehicle Needs Will Evolve with Technology

Hybrids generally require the same fluids as traditional internal combustion engines

Electric vehicles require new types of products and services to maintain batteries, electric and data systems and enable charging.



1. Source: IHS, Morgan Stanley and internal estimates.

Valvoline Well-Positioned to Continue Evolving with the Market



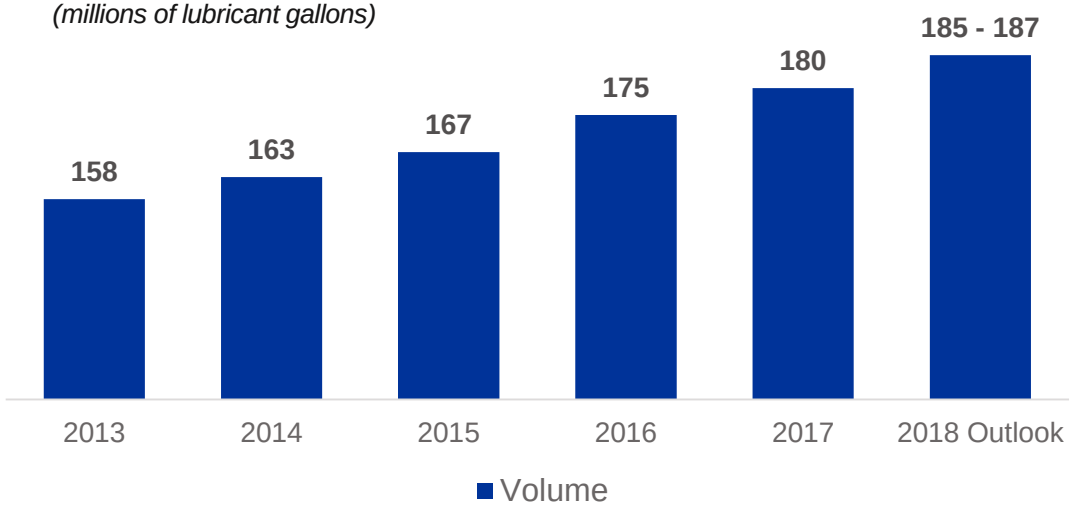
- Strong brand equity
- Leading in innovation
- Focused on preventative maintenance
- Growing retail network

Financials

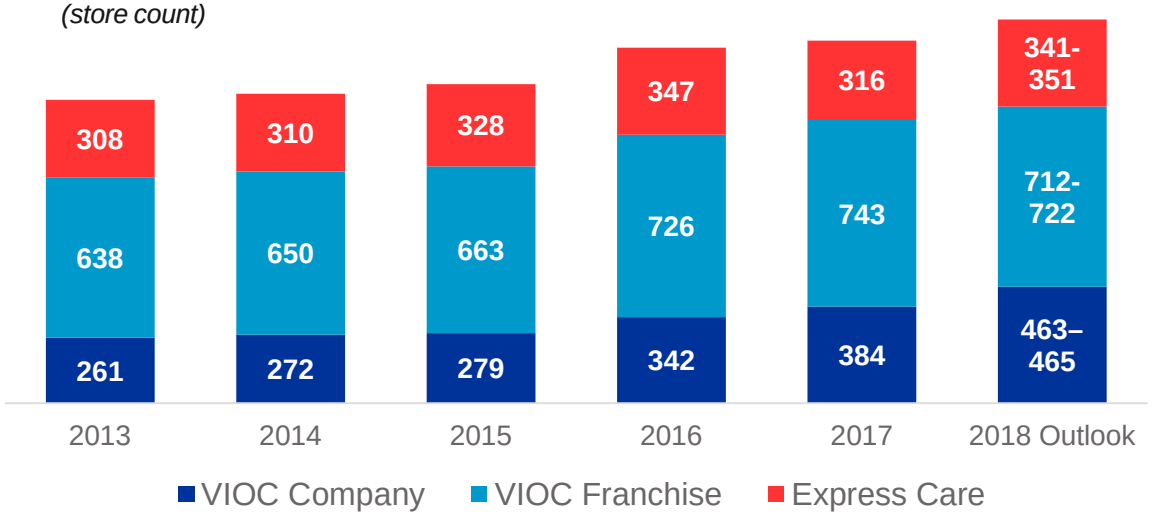


Recent Trends[1]

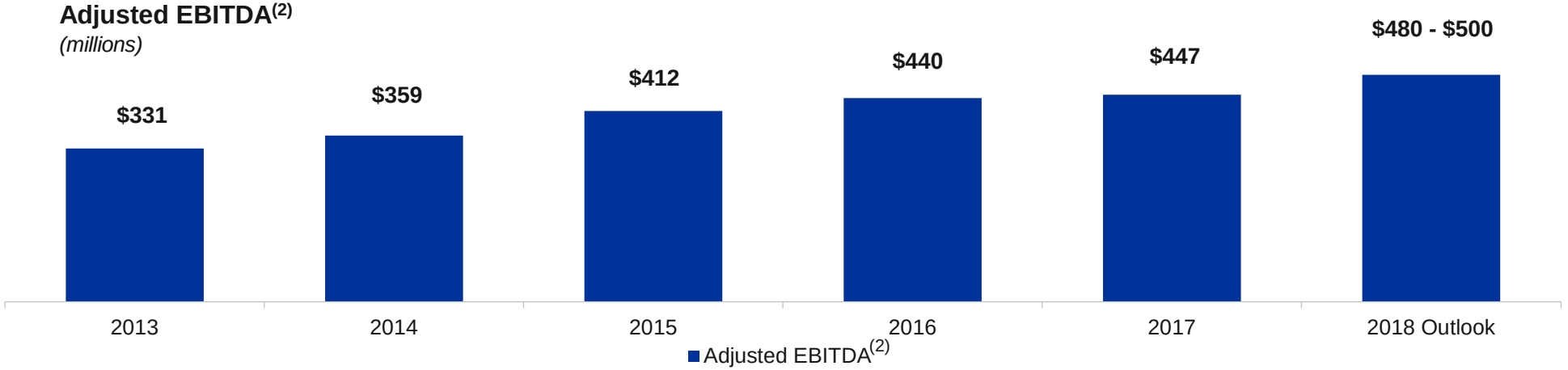
Volume
(millions of lubricant gallons)



Store Count
(store count)



Adjusted EBITDA[2]
(millions)



1. All data are as of fiscal years ended September 30th.
2. For a reconciliation of historical Adjusted EBITDA to Net Income, see appendix to this presentation. 2018 Outlook for Adjusted EBITDA is a forward-looking financial measure that Valvoline is unable to reconcile without unreasonable effort as described in Valvoline's earnings release dated February 7, 2018, available on Valvoline's website at http://investors.valvoline.com.

Q1 Earnings Overview

Reported Results, including one-time $75 million reduction to net income due to tax reform[1]

(in millions, except per-share data)	Q1
Operating Income	$88
Net Loss	$10
Reported loss per share	$0.05

Adjusted[2] Results

(in millions, except per-share data)	Q1
Adjusted[2] Operating Income	$97
Adjusted[2] EBITDA	$108
Adjusted[2] EPS	$0.29

Q1 was a good start to fiscal 2018

- Adjusted[2] EBITDA consistent with expectations
- Sequential unit margin improvements, premium mix and volume gains
- Excellent performance in Quick Lubes
- Returned capital to shareholders – raised dividend, repurchased shares
- Increased share repurchase authorization in January

1. The estimated net impact of tax reform may be refined in future periods as regulations and additional guidance become available.
2. For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated February 7, 2018, available on Valvoline's website at http://investors.valvoline.com.

Tax Reform

- 2-cent benefit to adjusted[2] EPS in Q1
- Lower cash taxes expected beginning in 2019

Valvoline is a net beneficiary[1] of tax reform

Lower effective tax rates

– Fiscal 2018 consolidated adjusted[2] effective tax rate of 27-28%

– Adjusted[2] effective tax rate of 25-26% assuming a full year of tax reform benefits, compared to pre-reform guidance of 34-35%

– Q1 effective tax rate of 111.9%; adjusted[2] effective tax rate of 28.9%

Cash tax benefits[1] driven by

– Lower rates

– 100% expensing of certain capital expenditures

EPS benefits[1] from lower tax rates

1 The estimated net impact of tax reform may be refined in future periods as regulations and additional guidance become available.

2 Adjusted effective tax rate is a forward-looking non-GAAP financial measure that Valvoline is unable to reconcile without unreasonable effort as described in Valvoline's earnings release dated February 7, 2018, available on Valvoline's website at http://investors.valvoline.com.

Capital Allocation Framework

Balanced approach to capital allocation – growth and shareholder returns

1. Organic growth
2. Inorganic growth, primarily bolt-on quick lube acquisitions
3. Dividend growth[(1)]
4. Share repurchases

New share repurchase authorization

- $300 million through fiscal 2020
- Begins after current $150 million authorization is complete

1. Future declarations of dividends are subject to Board of Director approval and may be adjusted as business needs or market conditions change.

Shareholder Value Proposition

Organic Earnings

- MSD Volume and Revenue Growth
- HSD EBITDA Growth
- HSD-LDD EPS Growth

Capital Allocation

- Continued Dividend Growth
- Share Repurchase and/or Acquisitions
- Target Payout(1) Ratio of 45-60% Over Time

Value Proposition

Compelling Total Shareholder Return

1. Payout ratio is defined as dividends plus share repurchases divided by cash from operations. Valvoline's ability to achieve this target will be based on its level of liquidity, general business and market conditions and other factors, including alternative investment opportunities.



Wrap Up

Accelerating into the Future – Growth Opportunities Across the Business

	Current Size(1)	Growth Rate
Core North America	~$1B	Low single-digit
Quick Lubes	~$0.5B	High single-digit
International	~$0.5B	High single-digit







1. Based on fiscal 2017 sales revenue.

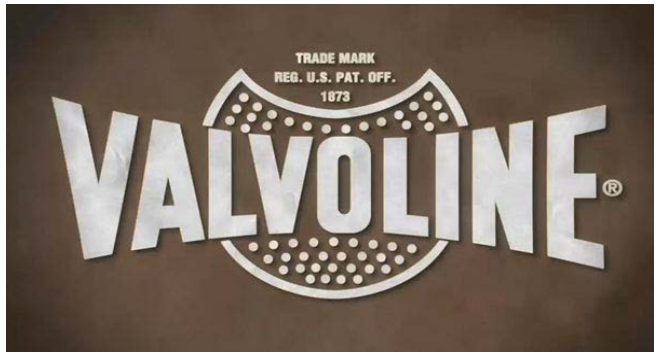
Investment Thesis

Recognized Brand with a History of Innovation that Fuels Competitive Advantage

Multi-channel Model with Significant Expected Growth Opportunities

Strong Cash Generation Expected to Fund Growth and Shareholder Returns

Bright Future Expected for Valvoline and Our Investors









Thank you!

Please join us for dinner tonight



Appendix

Historical Adjusted EBITDA Reconciliation

Fiscal Year Ended September 30th

($ in millions)	2013	2014	2015	2016	2017
Net income	$246	$173	$196	$273	$304
Income tax expense	135	91	101	148	186
Net Interest and other financing expense	-	-	-	9	42
Depreciation and amortization	36	37	38	38	42
EBITDA	$416	$301	$335	$468	$574
Adjustments					
Non-service pension and other postretirement plan income and re-measurements	(85)	52	37	(35)	(138)
Separation Costs + Adj. associated with Ashland Tax Indemnity	-	-	-	6	16 (1)
Net Loss on Divestiture / Acquisition Costs	-	-	26	1	-
Impairment on Equity Investment	-	-	14	-	-
Restructuring and other changes in estimates (2)	-	6	-	-	(5)
Adjusted EBITDA	$331	$359	$412	$440	$447

1. Separation costs ($ in millions) were $32 while the Ashland tax indemnity was ($16)
2. Includes change in estimate for insurance reserves

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