ACCELERATING INTO THE FUTURE



Third-Quarter Fiscal 2018 Earnings

Sam Mitchell, CEO

Mary Meixelsperger, CFO

Sean Cornett, Director of Investor Relations

August 2, 2018

http://investors.valvoline.com

Valvoline.

Forward-Looking Statements

Certain statements in this presentation, other than statements of historical fact, including estimates, projections, statements related to Valvoline's 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 Valvoline's most recently filed periodic reports on Forms 10-K and Forms 10-Q, which are available on Valvoline's website at http://investors.valvoline.com/sec-filings or the SEC's website at http://sec.gov. 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

The information presented herein, regarding certain financial measures that do not conform to generally accepted accounting principles in the United States (U.S. GAAP), 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 the tables attached to Valvoline's most recent earnings press release dated August 1, 2018, which is available on Valvoline's website at http://investors.valvoline.com/financial-reports/quarterly-reports.

Third-Quarter Reported Results

(in millions, except per-share data)	Q3
Operating income	$102
Net income	$64
Reported income per share	$0.33
YTD cash flow from operating activities	$181

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

Pension-related items

- Non-service pension and OPEB income reclassified as non-operating; excluded from adjusted[1] results as a Key Item
  - Prior periods revised to conform

Key items[1]

- Non-service pension and OPEB impact: $7 million after-tax income
- Mark-to-market foreign currency adjustment: $2 million after-tax expense
- Kentucky and U.S. tax reform[2]: $3 million after-tax expense

1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.
2 The estimated net impact of Tax Cuts and Jobs Act of 2017 (TCJA) may be refined in future periods as regulations and additional guidance become available.

Third-Quarter Adjusted[1] Results Overview

(in millions, except per-share data)	Q3
Adjusted[1] operating income	$101
Adjusted[1] EBITDA	$115
Adjusted[1] EPS	$0.32

- ✓ Adjusted[1] EBITDA growth of 3% YoY; adjusted[1] EPS growth of 10%
- ✓ Continued strong performance in Quick Lubes
- ✓ Modest International volume growth, including unconsolidated joint ventures (JVs), with strong growth in targeted markets of China and India
- ✓ Weaker performance in Core North America
  - ✓ Do-It-Yourself (DIY) volume growth offset by soft volumes in Do-It-For-Me (DIFM) installer channels
  - ✓ Impacted by raw material inflation
- ✓ Returned $113 million of cash to shareholders through dividends and share repurchases

[1] For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.

Core North America

(YoY Change)	Q3
Total Volume	-1%
Sales	+2%
Premium mix	49.7%, up 470 bps
EBITDA[1]	$46 million, down $6 million

Volume and Mix

- Volume growth of 2% in DIY but below our expectations
- Soft DIFM installer volumes
- Continued strong premium mix improvement

EBITDA

- Lower overall volume
- Price-cost lag impacts
- Expect year-over-year EBITDA growth in Q4

[1] For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.

Quick Lubes

(YoY Change)	Q3
SSS (system-wide)	+7.9%
Sales	+20%
Adjusted EBITDA[1]	$47 million, up $7 million
VIOC Units (net added in period)	13

SSS Strength

- Combination of growth in transactions and average ticket
- Transactions driven by customer acquisition and retention programs
- Average ticket improvements from pricing and premium mix

Store growth

- Year-to-date, added 27 net new stores to VIOC
- Expect strong Q4, anticipating 17 new company stores and 12 new franchise locations

Sales and EBITDA

- Overall Sales and EBITDA benefitted from both SSS and store growth

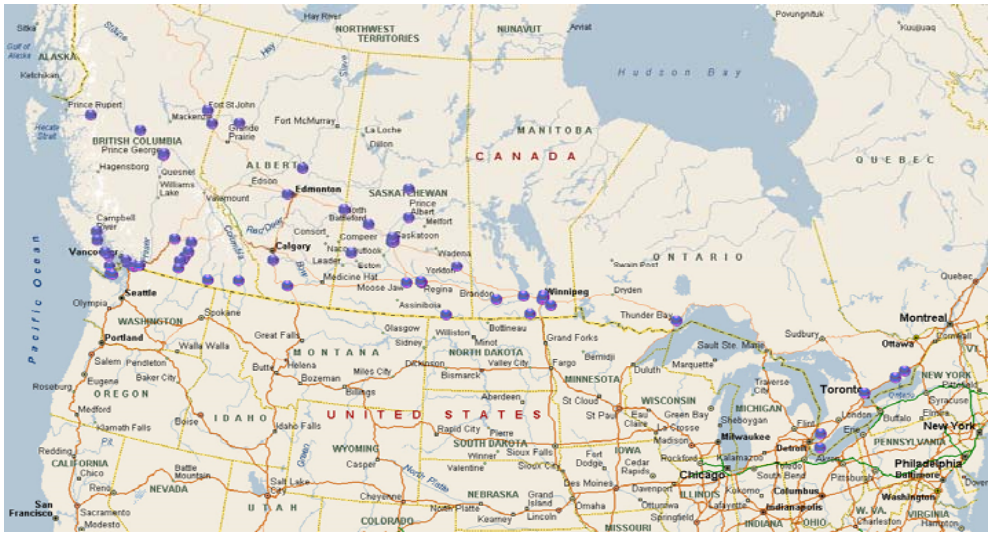
[1] For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.

Great Canadian Oil Change

Company Overview

- Founded in Saskatoon, Saskatchewan in 1978
- 73 franchised locations
- Third largest quick lube system in Canada
- Long-time customer of Valvoline





Strategic Rationale

- Immediate scale for entry into Canada
- Creates opportunity for company store expansion into Canada
- Opens door to other acquisition opportunities

International

(YoY Change)	Q3
Volume	-2%
Volume with JVs	+1%
Sales	+7%
EBITDA[1]	$22 million, up $2 million

Volume

- Solid volume gains in fast-growing markets of China and India
  - Combined, including unconsolidated JVs, volume growth of 9%
- Volume in other regions impacted by transitory items

EBITDA

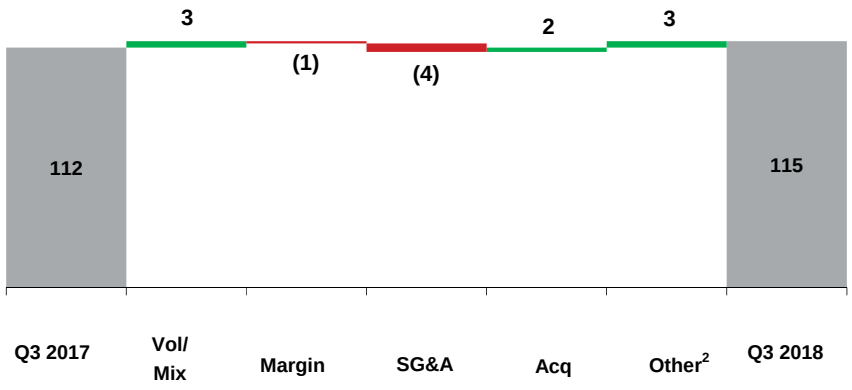
- Favorable margins and JV performance driving EBITDA growth
- FX benefits contributing

[1] For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.

Third-Quarter Financials

($ in millions, except per-share data) Preliminary and unaudited	Fiscal Third Quarter Three months ended June 30,		
P&L Results and Ratios	2018	2017	Change
Lubricant gallons (in millions)	46.0	46.0	- %
Sales	$ 577	$ 534	8 %
Gross profit as a percent of sales	34.8 %	36.9 %	(210) bp
Adjusted[1] SG&A	108	102	6 %
Equity and other income	8	5	60 %
Adjusted[1] operating income	$ 101	$ 100	1 %
Depreciation and amortization	14	12	17 %
Adjusted[1] Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 115	$ 112	3 %
EBITDA as a percent of sales	*19.9 %*	*21.0 %*	*(110) bp*
Adjusted[1] EPS	$ 0.32	$ 0.29	10 %

Factors affecting year-over-year adjusted EBITDA[1]



1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.
2 Other includes foreign exchange impacts, equity and royalty income, gains/losses on sales of assets, and other income/expense.

Corporate Items

- Net interest and other financing expense of $15 million in Q3, up $5 million YoY
  - YoY increase due primarily to pension funding transaction
- Effective tax rate of 34.0% in Q3; adjusted[1] effective tax rate of 27.9%.
- YTD cash flow from operating activities of $181 million
  - YoY increase due primarily to lower cash taxes
- YTD Capital expenditures totaled $51 million; YTD Free cash flow[2] generation of $130 million
- Total debt of ~$1.3 billion and net debt of ~$1.2 billion
- YTD share repurchases of $224 million and YTD dividends of $45 million

1 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 August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.

2 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.

Fiscal 2018 Guidance

Updating guidance

- Raising SSS to 7.0-7.5%
- Adjusted[1] EBITDA to $465-$470 million
- Adjusted[1] EPS range to $1.26-$1.31
- Free cash flow[1] updated to reflect adjusted[1] EBITDA range

	Updated Outlook	Prior Outlook
Operating Segments		
• Lubricant Gallons	1-2%	3-4%
• Revenues	9-11%	10-12%
• VIOC Company Stores (excluding franchise conversions)	No change	23-25
• VIOC Franchised Stores (excluding franchise conversions)	30-35	25-35
• VIOC same-store sales	7.0-7.5%	6.5-7.5%
• Adjusted EBITDA[1] (excluding pension & OPEB income)	$465-$470 million	$480-$490 million
Corporate Items		
• Pension & OPEB Income	No change	$40 million
• Adjusted effective tax rate	No change	27-28%
• Diluted adjusted EPS[1] (excluding pension & OPEB income)	$1.26-$1.31	$1.31-$1.38
• Capital expenditures	$85-$90 million	$85-95 million
• Free cash flow[1]	$245-$255 million	$260-$280 million

1 For reconciliation of adjusted amounts to amounts reported under GAAP and a discussion of forward-looking non-GAAP financial measures that Valvoline is unable to reconcile without unreasonable effort, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.

Summary and Outlook

- ✓ Q3 performance below expectations
- ✓ Taking actions expected to protect unit margins in Core North America
- ✓ Anticipate continued momentum in Quick Lubes and targeted gains in International
- ✓ Strong, cash-generative business enabling balanced approach to creating value
- ✓ Expect solid EBITDA[1] growth in Q4

1 For reconciliation of adjusted amounts to amounts reported under GAAP and a discussion of forward-looking non-GAAP financial measures that Valvoline is unable to reconcile without unreasonable effort, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.

Appendix



Key Items[1] Affecting Income

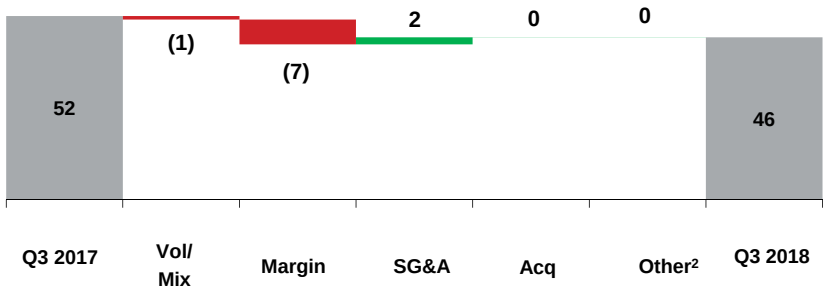
($ in millions, except per-share data) Preliminary and unaudited	Third Quarter Impact			
		Total		
2018	Operating Income	Pre-tax	After-tax	Earnings per Share
Pension & OPEB income	$ -	10	7	0.04
Legacy and separation-related costs[2]	$ 3	3	(3)	(0.02)
Acquisition-related foreign currency exchange loss[3]	$ (2)	(2)	(2)	(0.01)
Total	$ 1	$ 11	$ 2	$ 0.01
2017				
Pension & OPEB income & remeasurements	$ -	$ 17	$ 10	$ 0.05
Legacy and separation-related costs	$ (13)	$ (13)	$ (13)	$ (0.07)
Total	$ (13)	$ 4	$ (3)	$ (0.02)

1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.
2 Primarily related to Kentucky and U.S. tax reform.
3 Recorded in SG&A.

Core North America

($ in millions) Preliminary an unaudited	Fiscal Third Quarter Three months ended June 30,		
	2018	2017	Change
Lubricant gallons (in millions)	25.5	25.8	*(1) %*
Sales	$ 264	$ 258	*2 %*
Operating income	$ 41	$ 48	*(15) %*
Depreciation and amortization	5	4	*25 %*
EBITDA[1]	$ 46	$ 52	*(12) %*
EBITDA as a percent of sales	*17.4 %*	*20.2 %*	*(280) bp*

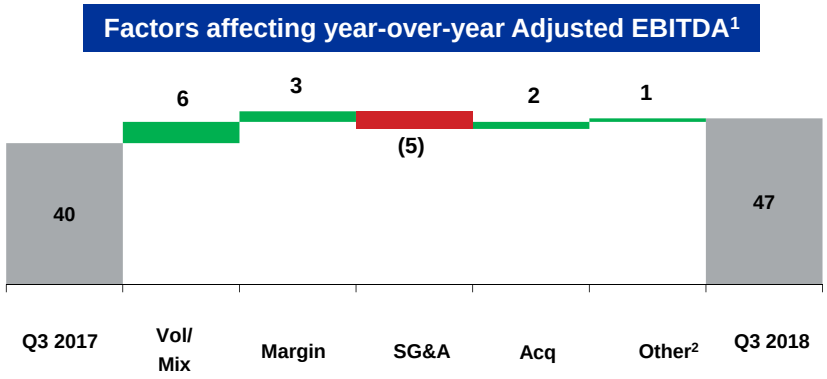
Factors affecting year-over-year EBITDA[1]



1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.
2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

Quick Lubes

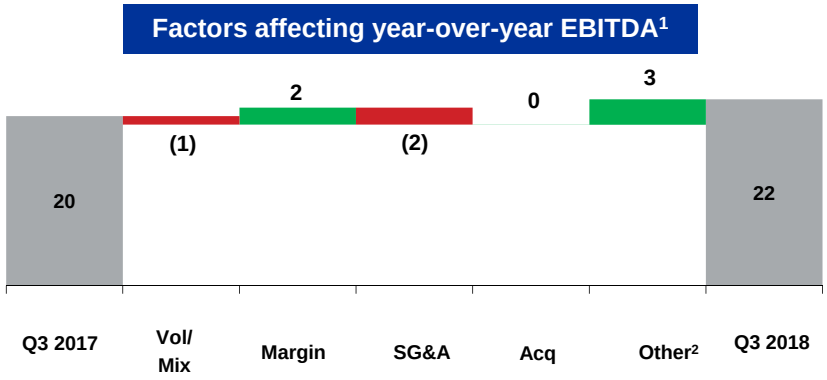
($ in millions) Preliminary and unaudited	Fiscal Third Quarter Three months ended June 30,					
	2018		2017		Change	
Lubricant gallons (in millions)	6.2		5.6		*11*	*%*
Sales	$ 167		$ 139		*20*	*%*
Operating income	$ 38		$ 34		*12*	*%*
Depreciation and amortization	7		6		*17*	*%*
Adjusted EBITDA[1]	$ 47		$ 40		*18*	*%*
Adjusted EBITDA as a percent of sales	*28.1*	*%*	*28.8*	*%*	*(70)*	*bp*



1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.
2 Other includes foreign exchange impacts, equity and royalty income, and other income/expense.

International

($ in millions) Preliminary and unaudited	Fiscal Third Quarter Three months ended June 30,					
	2018		2017		Change	
Lubricant gallons (in millions)	14.3		14.6		*(2)*	*%*
Sales	$ 146		$ 137		*7*	*%*
Operating income	$ 20		$ 18		*11*	*%*
Depreciation and amortization	2		2		-	*%*
EBITDA[1]	$ 22		$ 20		*10*	*%*
EBITDA as a percent of sales	*15.1*	*%*	*14.6*	*%*	*50*	*bp*



1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated August 1, 2018, available on Valvoline's website at http://investors.valvoline.com.
2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

ACCELERATING INTO THE FUTURE



Valvoline