
Valvoline
INVESTOR DAY
May 2019

Safe Harbor

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 May 1, 2019, which is available on Valvoline's website at http://investors.valvoline.com/financial-reports/quarterly-reports.

Agenda

- Roadmap to Drive Shareholder Value……...Sam Mitchell, CEO
- Quick Lubes Review……..Tony Puckett, SVP & Rob Stravitz, VP Marketing
- Core North America Review…….....……....Tom Gerrald, SVP & Tim Ferrell, VP Marketing
- International Review…….....Jamal Muashsher, SVP
- *Break*
- Financial Review……Mary Meixelsperger, CFO
- Driving Transformation & Closing Remarks……..……Sam Mitchell, CEO
- *Q&A*


Sam Mitchell
Chief executive officer

Accomplishments Since IPO

Accelerated Quick Lubes Growth	• 385 net new stores since 2015 through acquisition, greenfield and franchise expansion • 1,327 total locations as of Q2 19 with target of 100 new locations a year through a mix of greenfield, franchise expansion and acquisitions
Strengthened Foundation for Future Growth	• Strengthened products and services innovation pipeline, expanded Cummins partnership and enhanced digital infrastructure and capabilities • Drove ~16% total volume growth in International, including JVs
Reduced Balance Sheet Risk	• Underfunded pension liability reduced from $904M to $346M, significantly reducing interest rate volatility
Disciplined Capital Management	• Investing in growth while returning cash to shareholders • Established and will have doubled dividend since inception by the end of fiscal 2019[1]

[1] Future quarterly dividend declarations are subject to approval by Valvoline's' Board of Directors and may be adjusted as business needs or market conditions change.

Performance Versus IPO Expectations

Quick Lubes

Outperform

Consumer shift to convenience accelerating

Systemwide store growth increasing

Core North America

Underperform

Evolving DIY category dynamics

Raw material cost inflation

International

In Line

Varying results by region

Raw material cost inflation

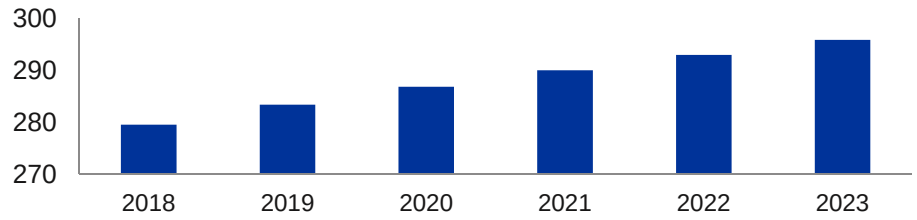
Trends Behind our Strategy

Consumer Demand for Convenience



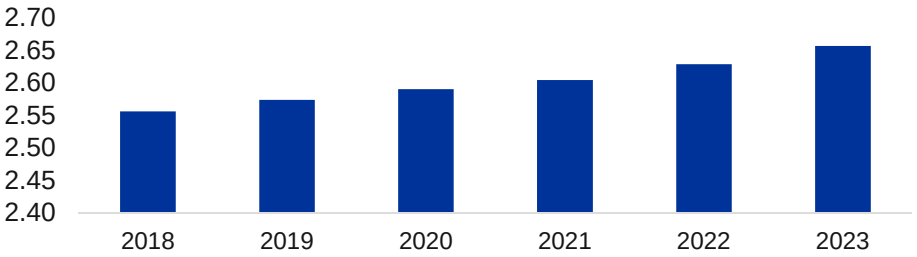
More Vehicles on the Road

U.S. Light Vehicles in Operations[1] (M)



Global Heavy-duty Growth

Lubricant Volume[2] (B gallons)



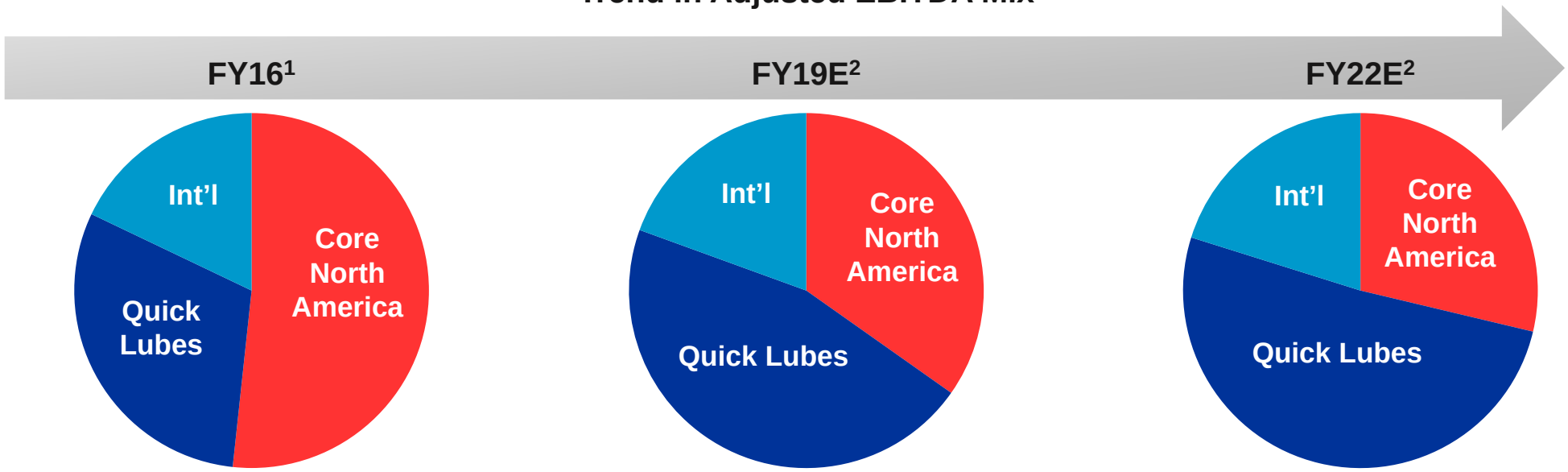
1 Source: Business Monitor Intelligence
2 Source: IHS Markit

Valvoline 2022: Service-driven Company with Captive Distribution

Benefits

- **Higher margins with attractive tailwinds**
- **Increased stability through expanded captive distribution of product portfolio with end-to-end control and lower sensitivity to raw material inflation**
- **Platform for expanded service offerings**

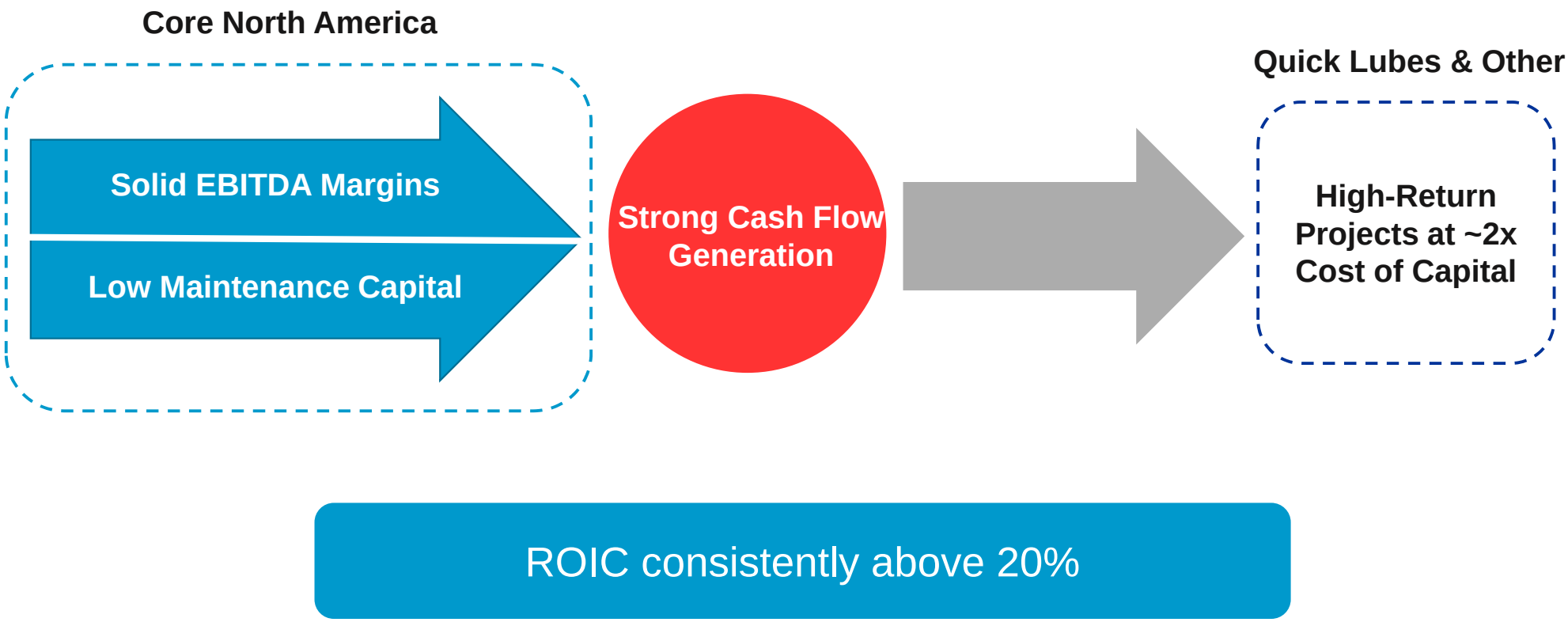
Trend in Adjusted EBITDA Mix



1 For reconciliation of adjusted historical amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 8, 2016, available on Valvoline's website at http://investors.valvoline.com.

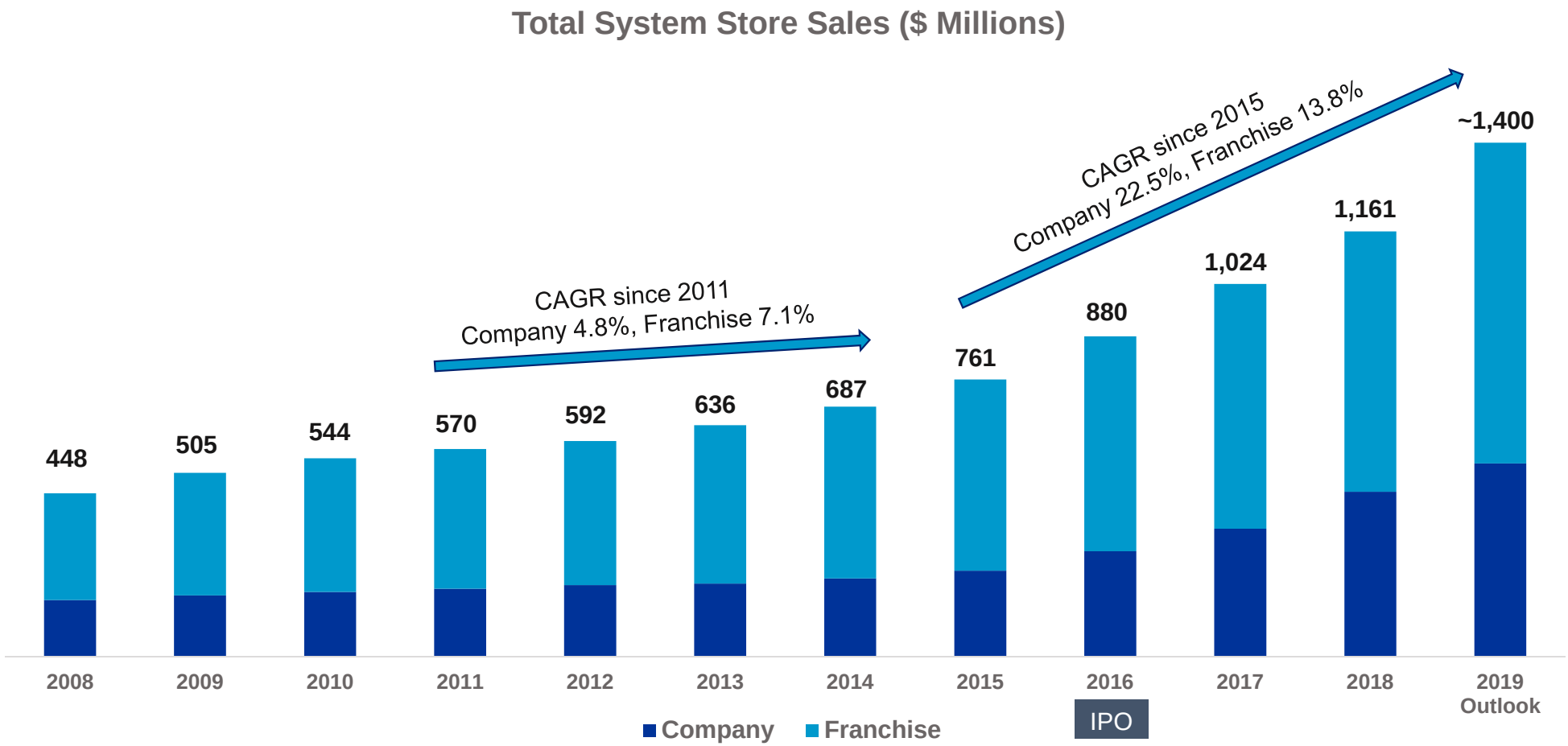
2 Expected adjusted EBITDA mix based on internal growth assumptions; denotes a forward-looking non-GAAP financial measure that Valvoline is unable to reconcile without unreasonable effort as described in Valvoline's earnings release dated May 1, 2019, available on Valvoline's website at http://investors.valvoline.com.

Opportunity to Deploy Cash Flows and Generate Attractive Returns



ROIC consistently above 20%

Industry-leading Retail Sales Growth is Accelerating



Roadmap to Drive Shareholder Value

1	2	3
Grow	**Maintain**	**Develop**
Quick Lubes	*Core North America*	*International*
Win in Retail Services	Strengthen foundation and drive efficiency	Capture market share
EBITDA Growth Target: Low to Mid Double Digit	**EBITDA Growth Target: Flat to Modest Decline**	**EBITDA Growth Target: Mid to High Single Digit**

Shareholder Value Proposition

Organic Earnings

- MSD Revenue Growth
- 6% – 8% EBITDA Growth
- HSD EPS Growth

Capital Allocation

- ~2% Target Dividend[1] Yield
- Share Repurchase and/or Acquisitions

Value Proposition

Compelling Total Shareholder Return

[1] Future quarterly dividend declarations are subject to approval by Valvoline's' Board of Directors and may be adjusted as business needs or market conditions change.


Tony Puckett
Senior vice president,
and president,
Quick Lubes


Rob Stravitz
Vice president,
Quick Lubes
marketing

Valvoline Instant Oil Change (VIOC)

- Entered Quick Lubes business in 1985
- Preventive maintenance model
  - "Replace Fluids and Parts, No Repair"
- Stay in Your Car *Drive Thru* Service
- No appointment needed
- Serving ~18M customer visits[1] per year
- #2 in US, #3 in Canada[2]
  - VIOC and Great Canadian Oil Change



Quick. Easy. Trusted.

[1] Includes U.S and Canada
[2] Based on number of stores using industry data

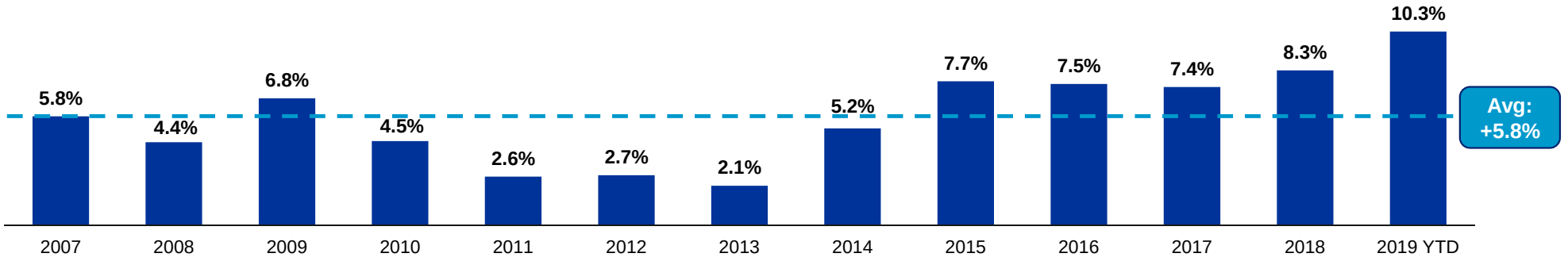
Most Asked Questions About Quick Lubes Business

Can VIOC continue strong same store sales growth trends?

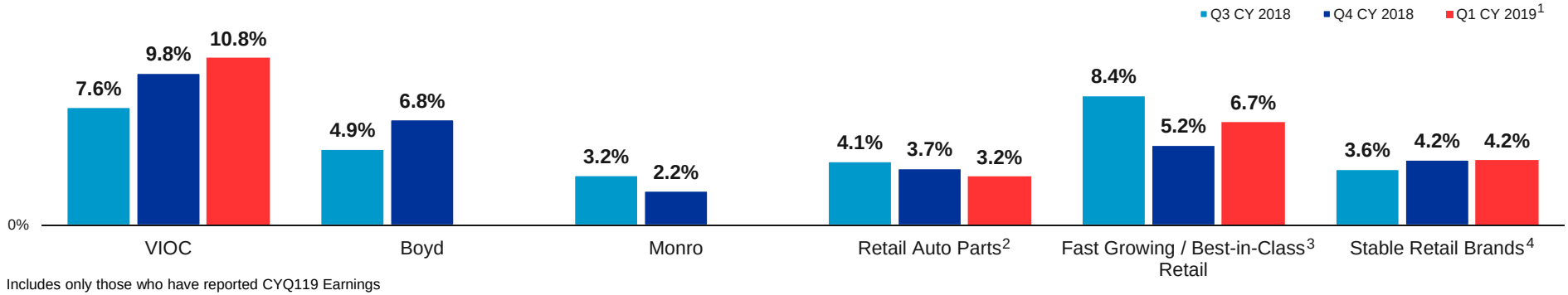
How fast can VIOC grow store count?

Growth Through Same Store Sales

System-wide Same Store Sales
2007 – 2019 YTD

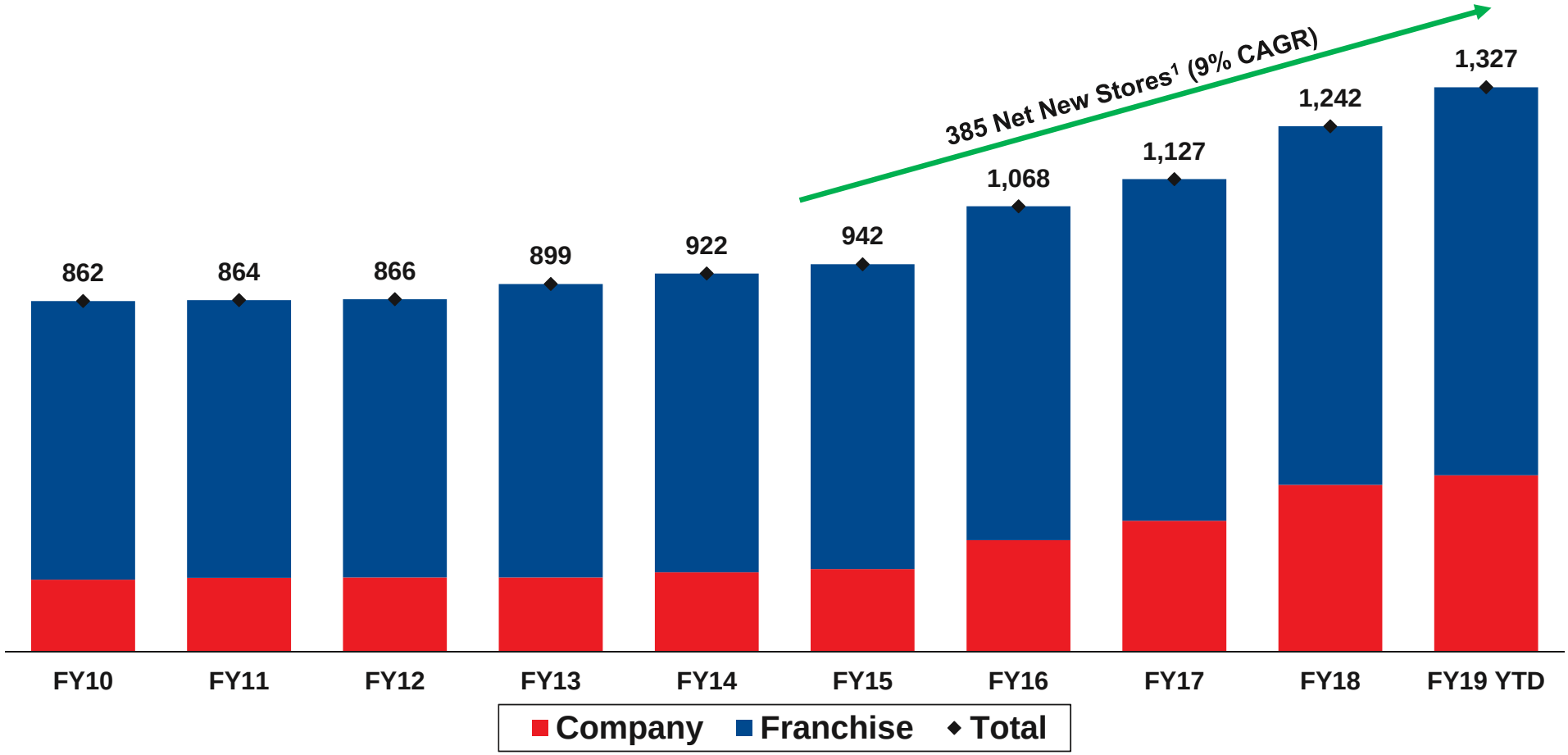


Last 3 Quarters Same Store Sales Comps



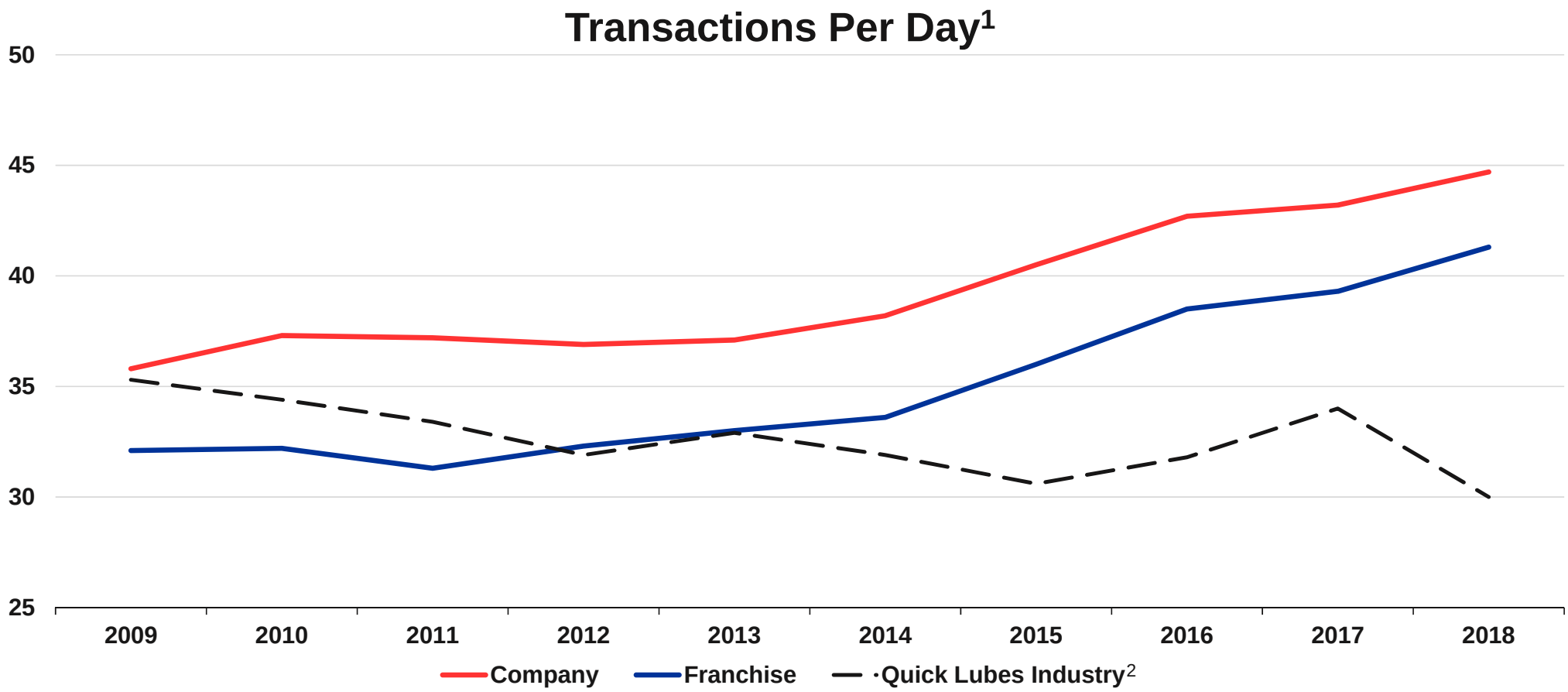
[1] Includes only those who have reported CYQ119 Earnings
[2] Represents median of Genuine Parts Company and O'Reilly Auto Parts
[3] Represents median of Planet Fitness, Wingstop, National Vision and Floor Décor
[4] Represents median of McDonald's and Starbucks

Growth Through Accelerating System Store Count



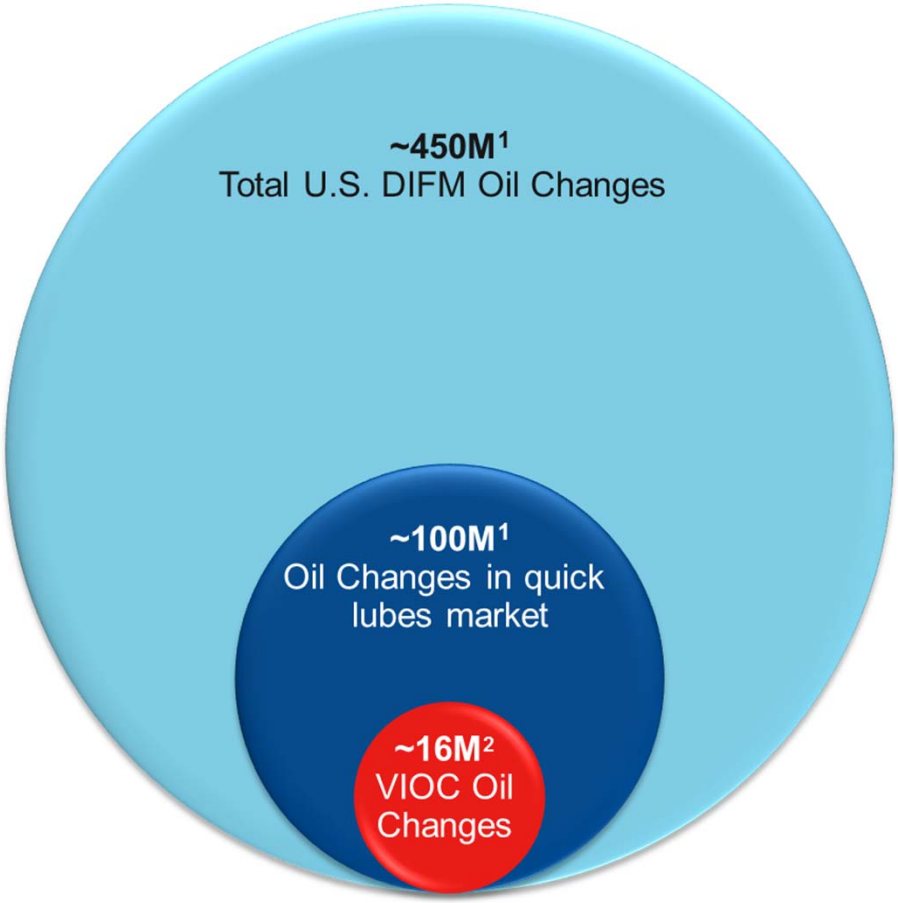
[1] Since Ashland announced separation September 22, 2015

VIOC is Taking Share Within the Quick Lube Industry



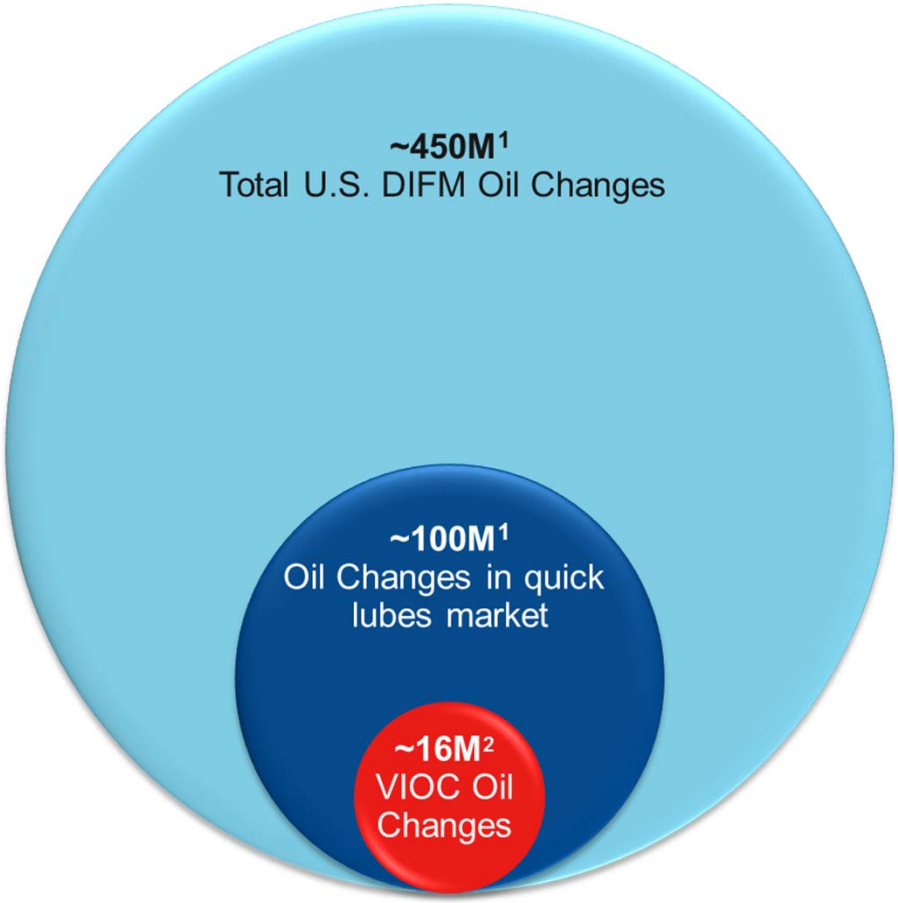
1 Transactions represent oil changes
2 Sourced from National Oil and Lube News (NOLN) industry data excluding VIOC

Significant Share Growth Opportunity Beyond Quick Lubes

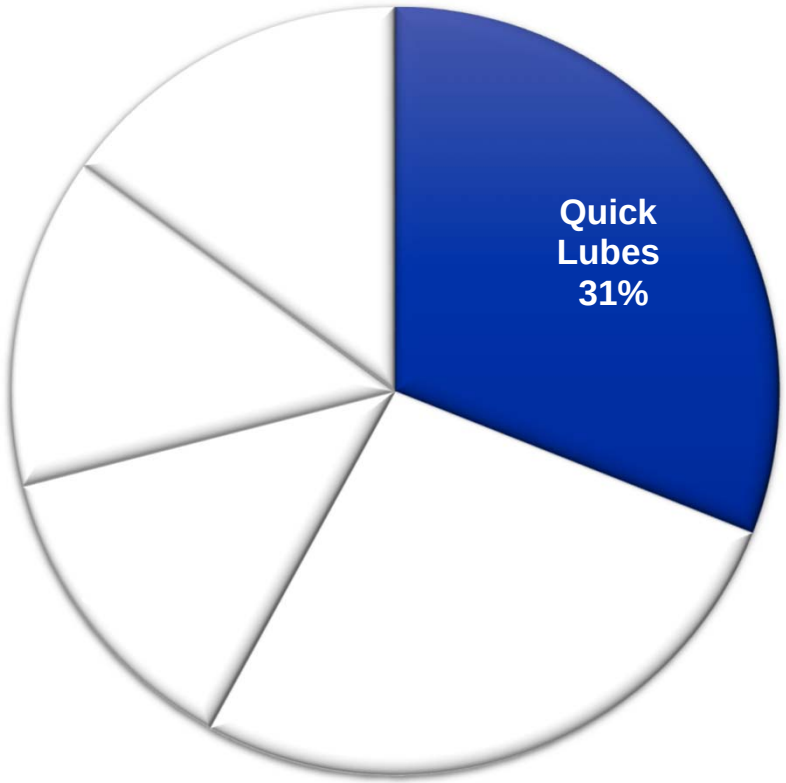


[1] Company estimates based on industry data for total DIFM in U.S. (Passenger Car & Light Truck)
[2] VIOC U.S. oil changes estimate for fiscal year 2019

Significant Share Growth Opportunity Beyond Quick Lubes

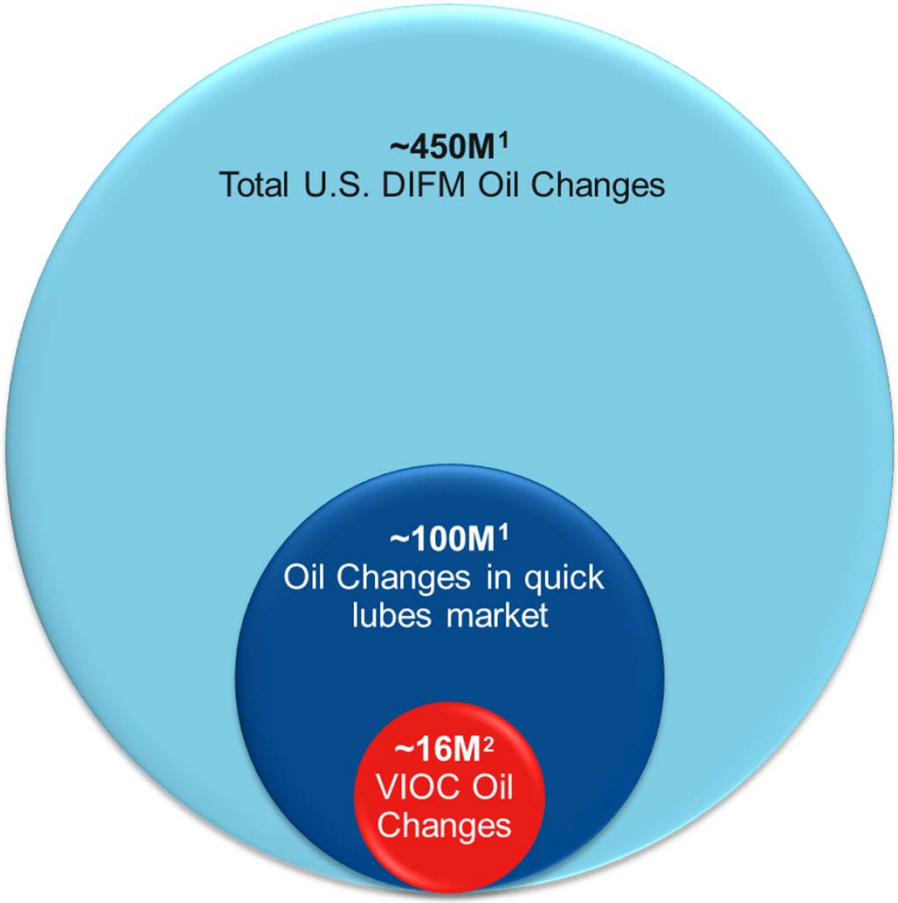


Source of New Customers TTM[3]

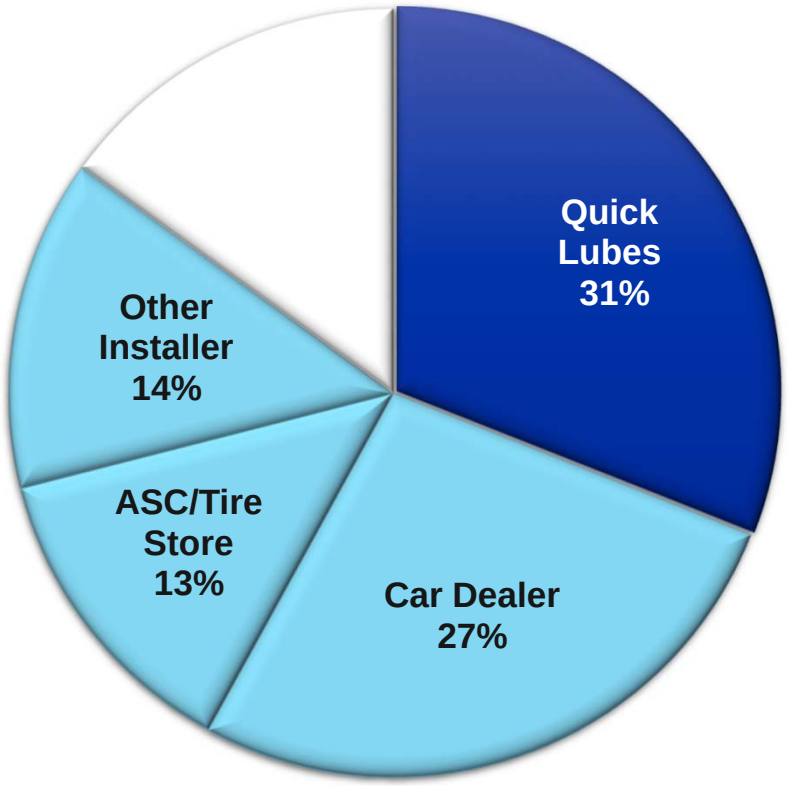


[1] Company estimates based on industry data for total DIFM in U.S. (Passenger Car & Light Truck)
[2] VIOC U.S. oil changes estimate for fiscal year 2019
[3] Survey data provided by VIOC customers over the trailing twelve months as of Q2 FY 2019

Significant Share Growth Opportunity Beyond Quick Lubes

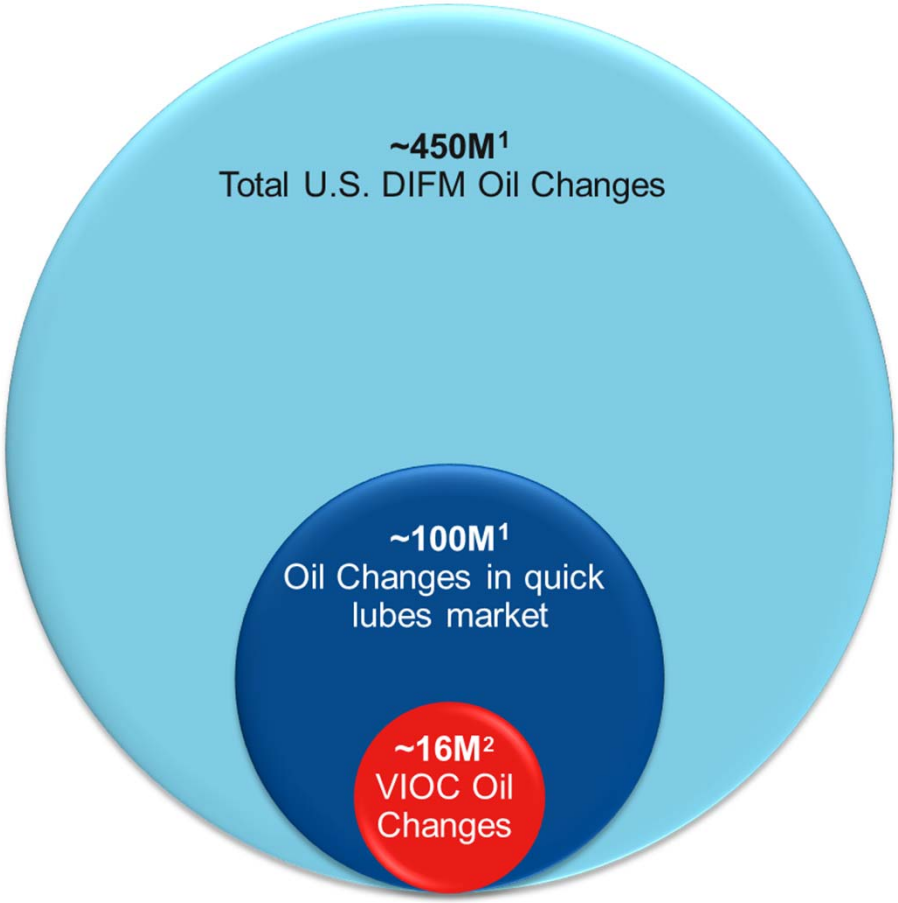


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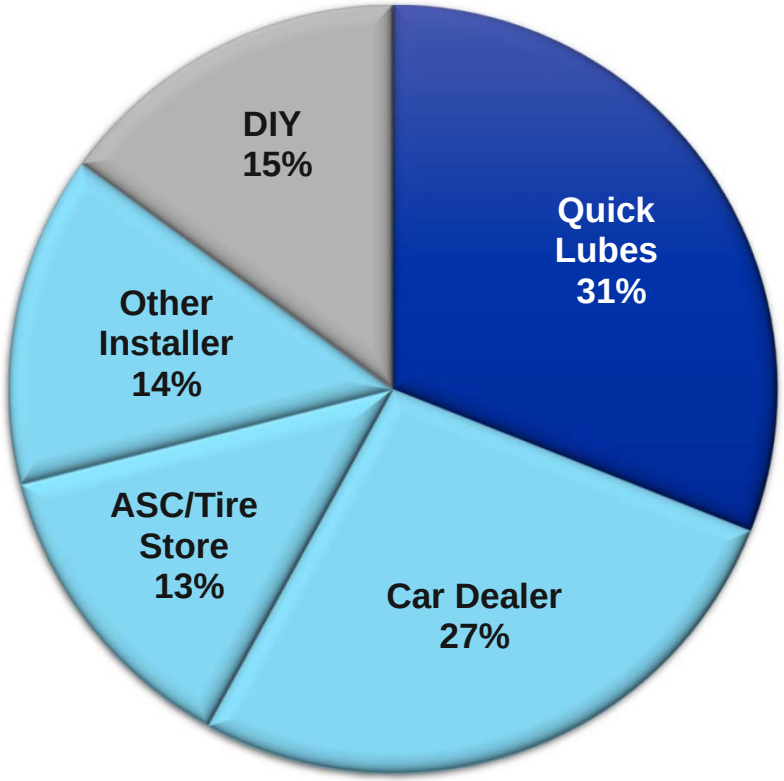


[1] Company estimates based on industry data for total DIFM in U.S. (Passenger Car & Light Truck)
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Significant Share Growth Opportunity Beyond Quick Lubes



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[1] Company estimates based on industry data for total DIFM in U.S. (Passenger Car & Light Truck)
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VIOC Business Model is Winning With…



- **Employees**
- **Customers**
- **Franchisees**

Operating Stores Strengthens Business Model



Winning With Employees

2017 BEST AWARD WINNER

Association for Talent Development
Ranked #2 Training Platform

Talent + Culture =
Engagement & Execution

VALVOLINE makes the oil...
Our PEOPLE make the difference!



Winning With Employees

1) Attract

- Highly selective talent acquisition
- Less than 10% of 60,000+ candidates

2) Develop

- +200 hours of training on average per employee annually
- Service Center Managers ~650 hours of training

3) Protect

- Injuries reduced 55% over last 5 years
- Recognized as one of America's SAFEST Companies[1]

4) Retain

- 97% of current management promoted through in-house development

VIOC Role	Internal Hire
VP Operations	100%
Director Operations	100%
Market Manager	100%
Area Manager	88%
Associate Area Manager	88%
Service Center Manager	87%

[1] Source: EHS Today's America's Safest Companies 2017

Winning With Employees

2018 Oilympics Champions



Winning With Customers



Quick. Easy. Trusted.

Preferred Customer Experience
Drives
Same Store Sales Growth

MAKE A DIFFERENCE WITH V CLASS

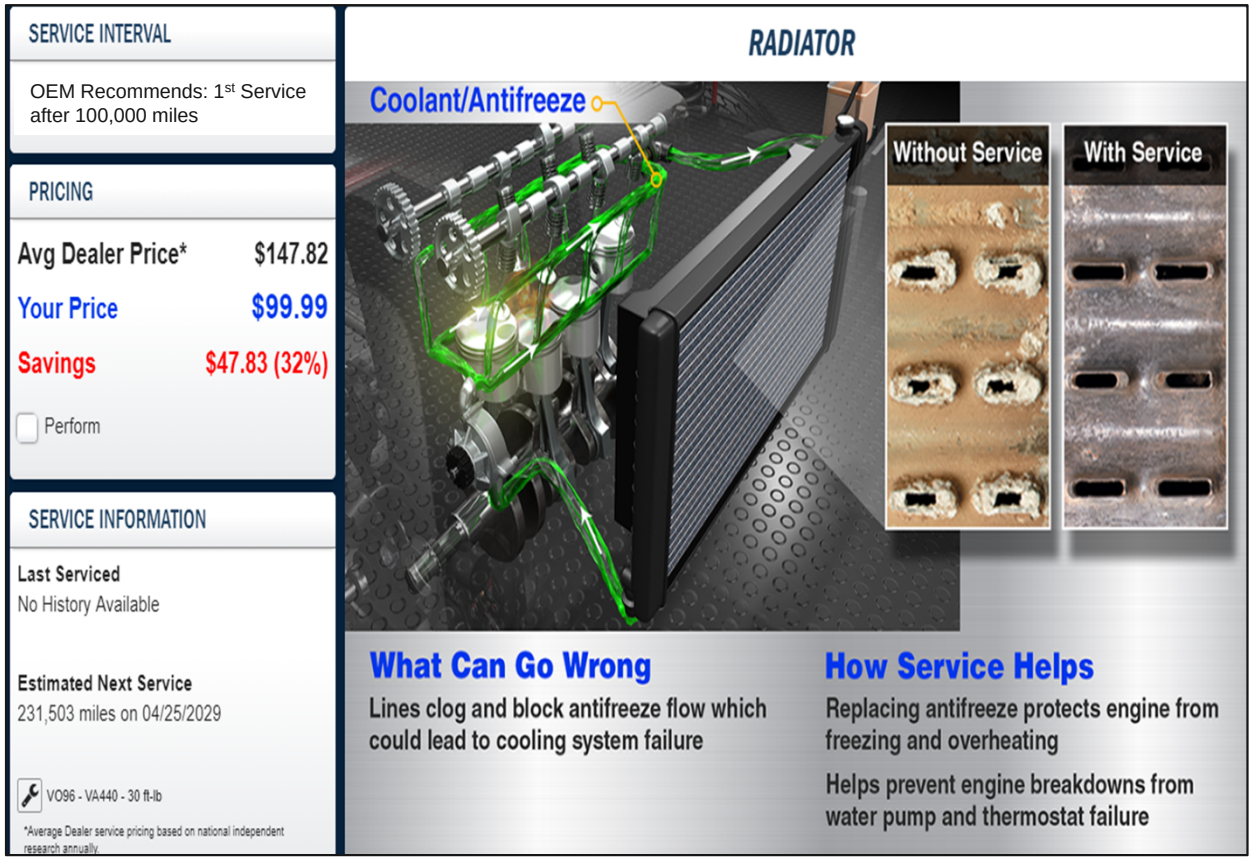
H2H

EVERY GUEST. EVERY TIME.

Winning With Customers

Proprietary POS

- Directly linked to Super-Pro Management Process
- Enables consistent customer experience
- Seek to educate customers versus upsell
- Captures customer data and service preferences



Actual POS customer presentation screen

Winning With Customers

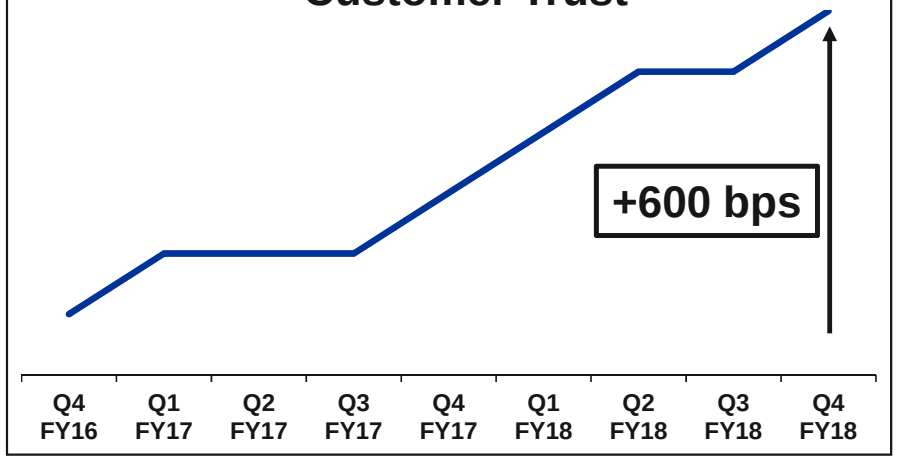


Industry Leading Technology to Drive Transparency and Trust

Winning With Customers

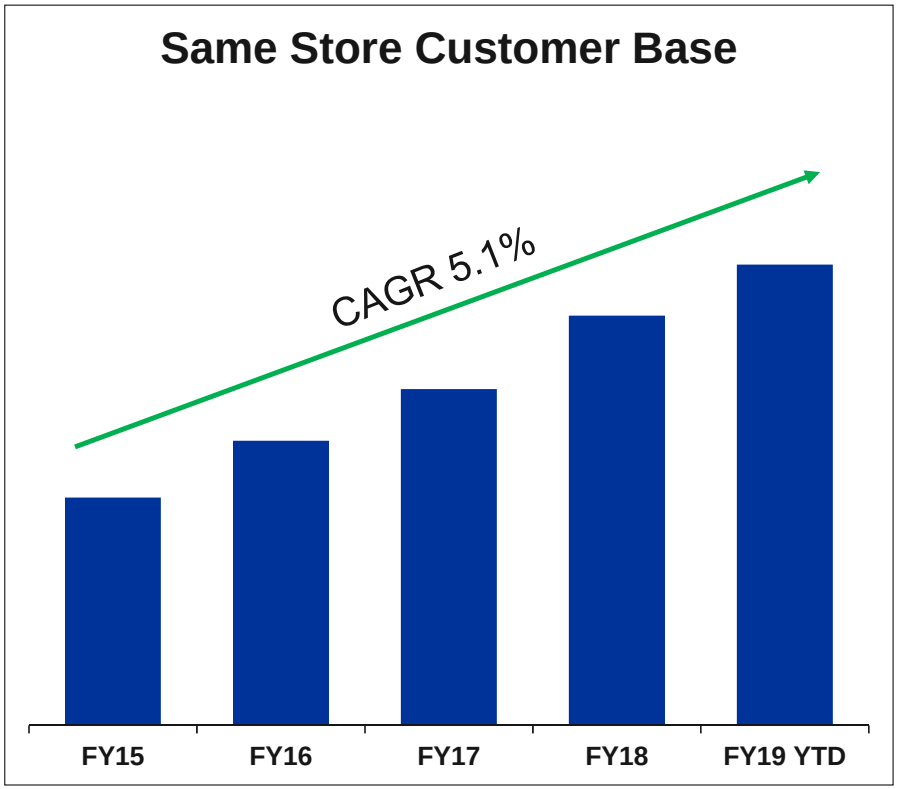
Transparency brand positioning is driving customer trust

Customer Trust[1]





Same Store Customer Base

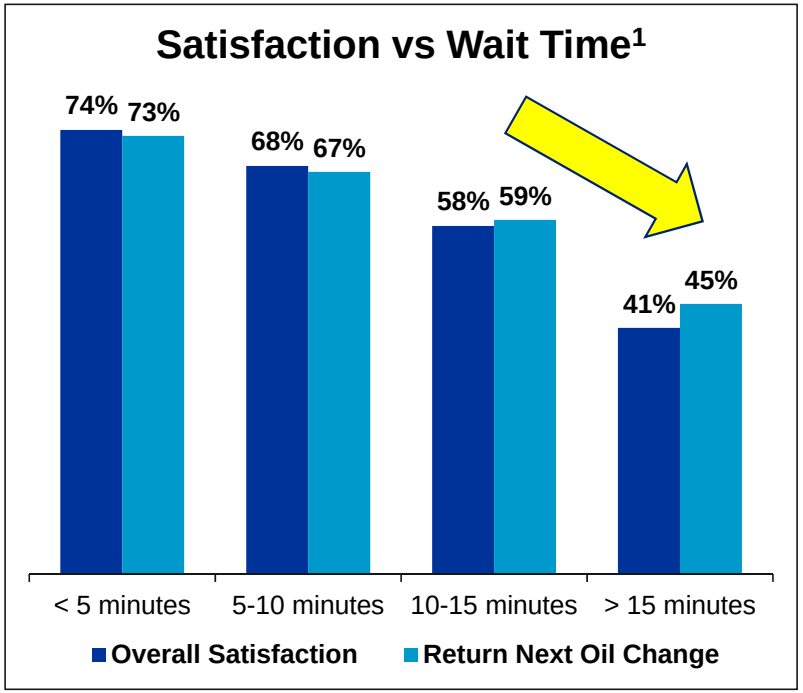


[1] Based on Service Management Group post visit consumer survey, Q: "Trust VIOC More Based on this visit"

Winning With Customers

Leveraging Bay Tracker technology to address key dissatisfiers…





Bay Tracker Impact

Service Time: ↓14%

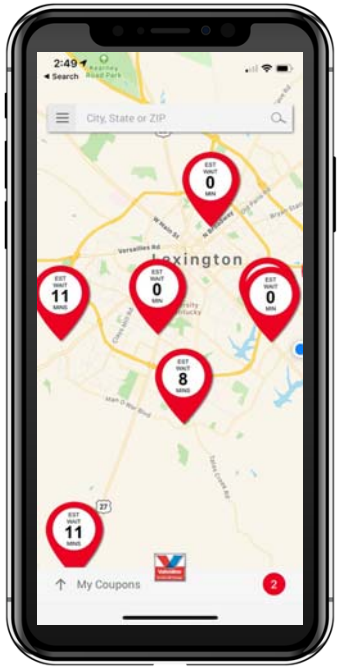
Wait Time: ↓15%

[1] Based on Service Management Group post visit consumer survey for the satisfaction/likelihood to return

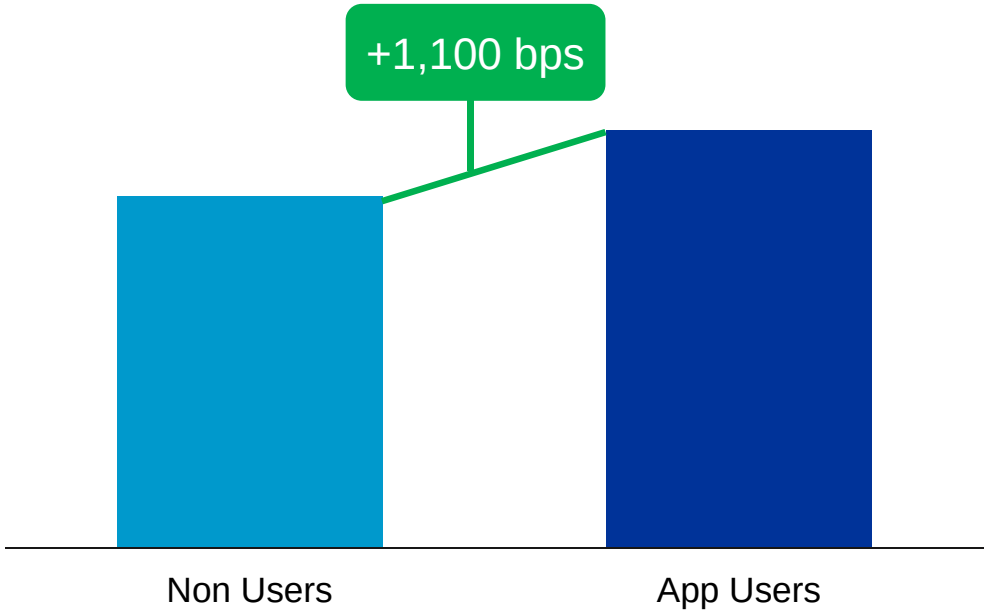
Winning With Customers

…And drive increased customer retention

Consumer App



App & Customer Retention[1]



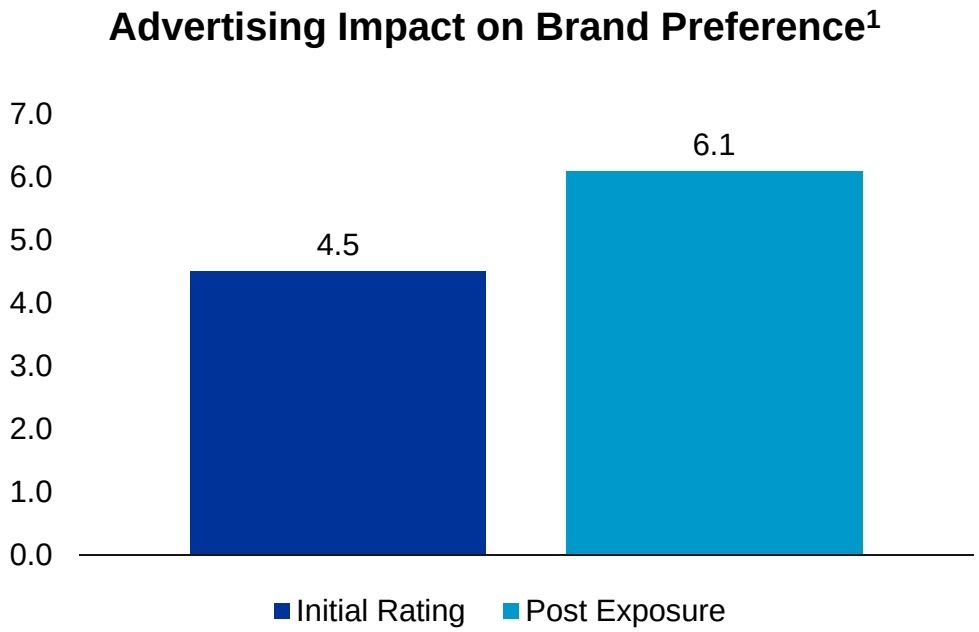
[1] VIOC 2019 Company Store App Pilot

Winning With Customers

Best in Class Marketing

- Data enables analytics that drive return on marketing investment
- Differentiated customer experience and technology enable effective advertising





[1] VIOC 2018 Advertising Research Study

Winning With Customers



"Transparency" Brand Positioning

Winning With Franchisees

Entrepreneur FRANCHISE 500 RANKED #1 IN CATEGORY 2018

VIOC Ranked #34 Overall

Committed to Business Model

Consistent Customer Experience



Winning With Franchisees

Franchise System Overview

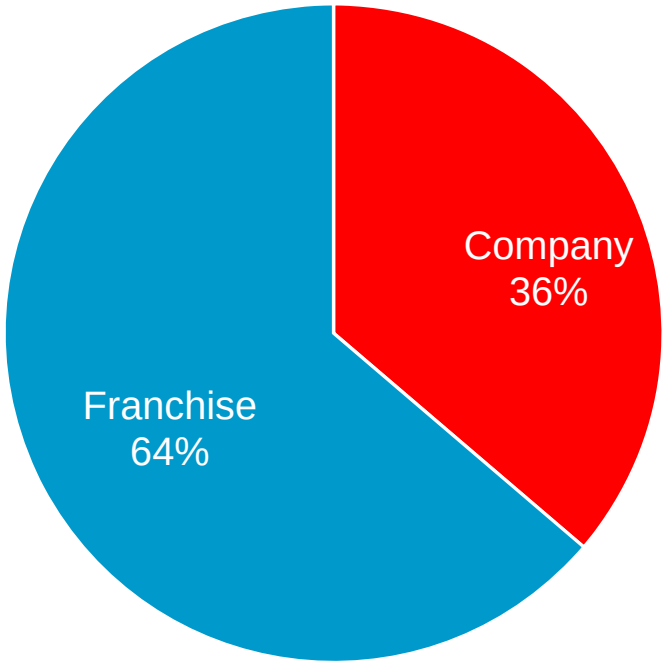
743 stores and 66 operators in U.S.
- Recently added 103 franchise stores in Canada

Represents 64% of total system[1]

Top 8 operators have 136 years combined VIOC experience

Top 8 operators represent ~70% of stores and ~100% of committed future growth

VIOC Store System [1]
FY19 YTD



[1] Includes U.S. and Canada

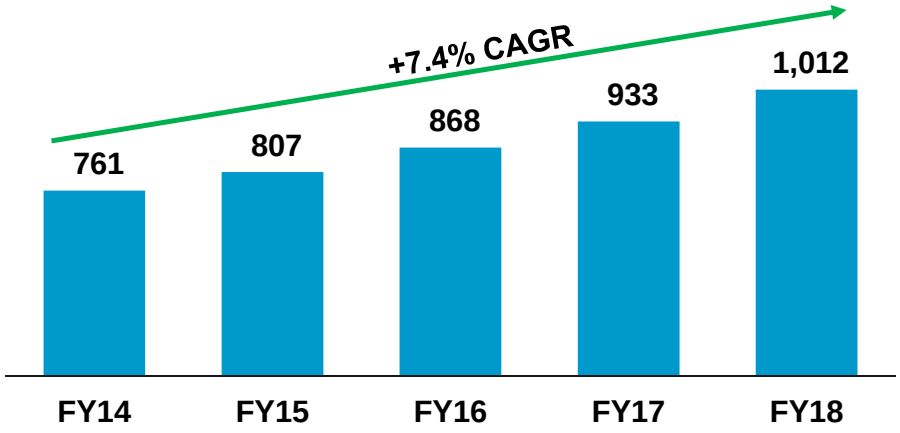
Winning With Franchisees

Company stores provide proven platforms for franchisees

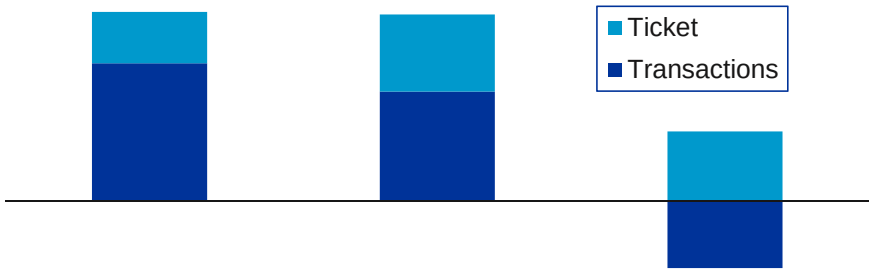
Established SSS growth platforms creating sustainable performance

Ticket and transactions driving performance far in excess of the industry

Average Net Sales Per Store
Franchise Same Stores ($ 000s)



Same Store Sales Contribution
FY2017 – FY2018 Average



[1] Sourced from NOLN industry data excluding VIOC

Strength of Business Model Driving Store Growth Investment



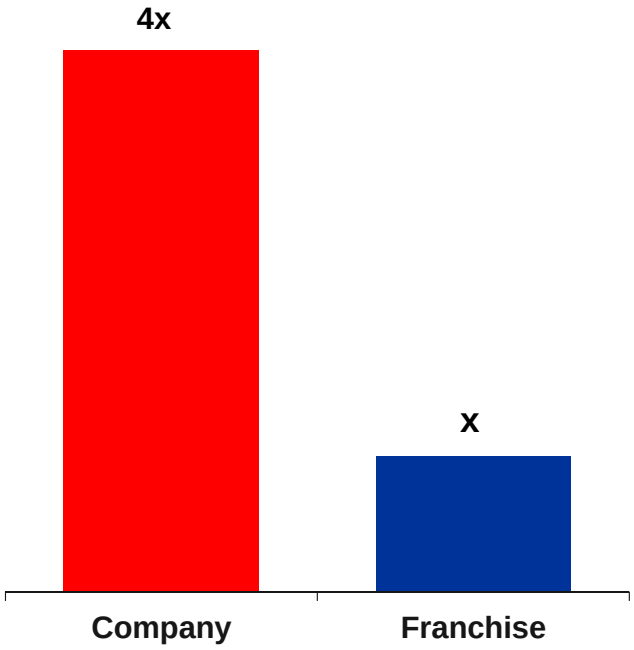
Strong Store Unit Economics

Committed to Unit Growth



Quick Lube Platforms Driving Results and Primed for Growth

EBITDA Contribution Ranges[1]



Platform	Cash Investment ($ 000s)	Cash IRR (%)
VIOC Company	~1,500[1]	Mid to High Teens
VIOC Franchising	130-160	30%+

Strong return expected in both platforms

[1] Assumes land is leased

Significant New Market Opportunities for Store Growth

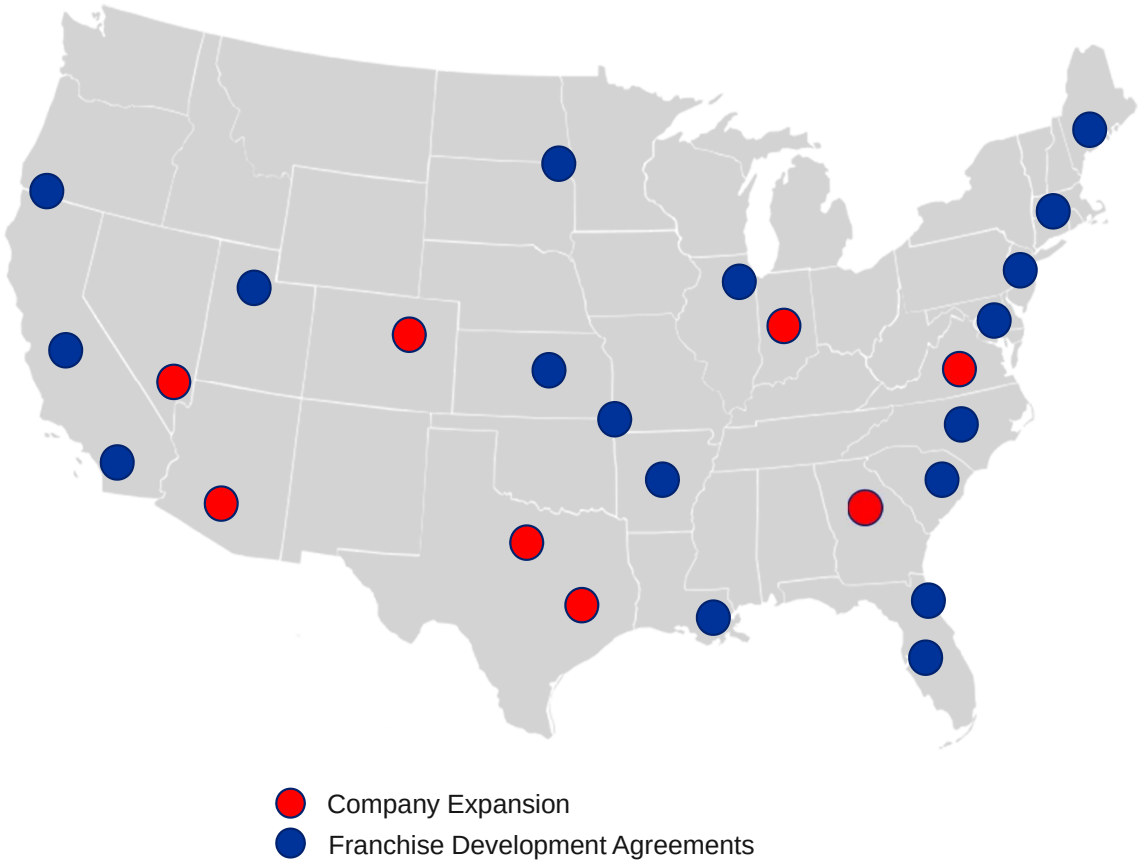
Organic Expansion

Opportunities in existing and new markets

- Existing markets accounting for ~60% of U.S. households
- Expansion markets accounting for ~30% of U.S. households

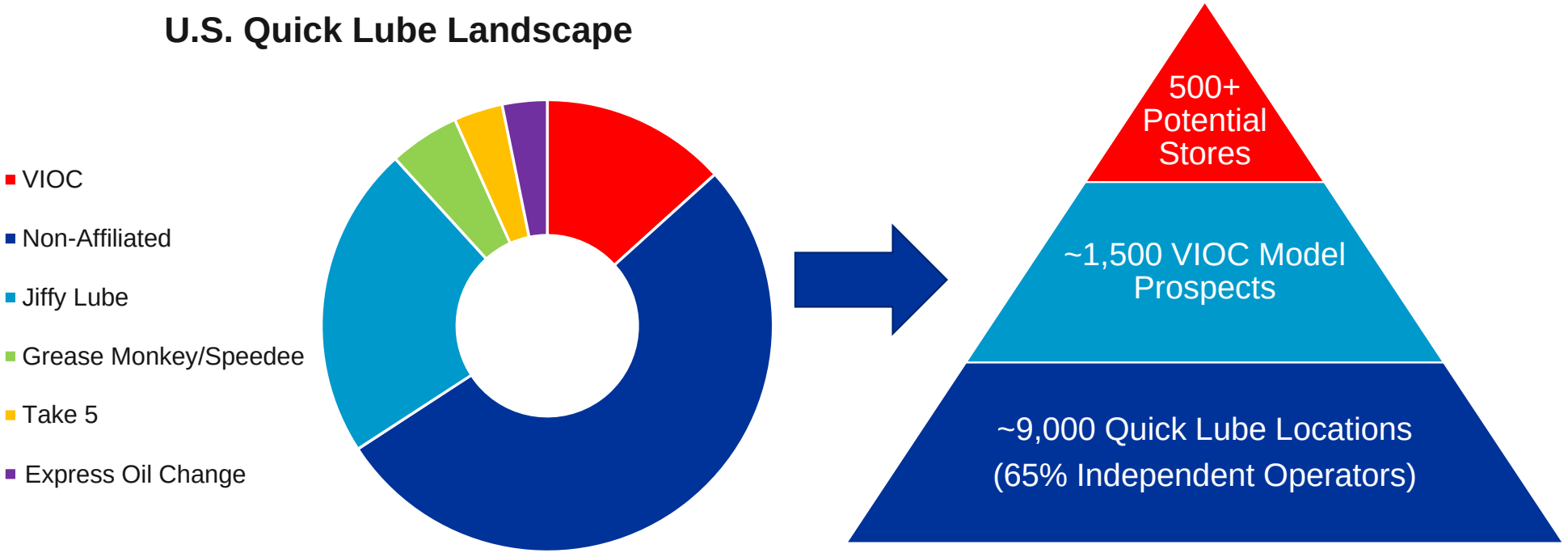
Team in place to leverage opportunities for organic growth

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



Significant Acquisition Opportunities for Store Growth

U.S. Quick Lube Landscape



Consolidation opportunity in fragmented market

Note: Store opportunity does not include Canada which represents a projected ~10% upside beyond numbers above

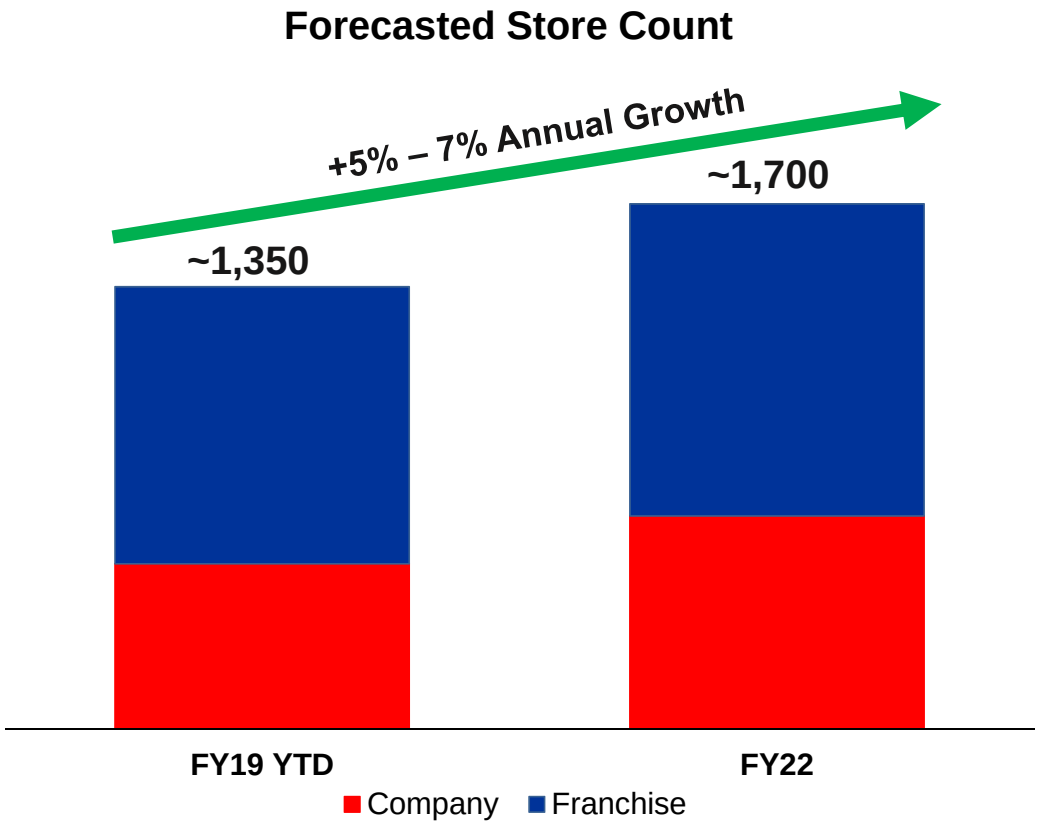
Targeted VIOC Store Growth ~100 VIOC Stores Per Year

Future annual store growth mix

- Company: ~60
- Franchise: ~40

Franchisees committed to an additional ~220 units by 2024

Larger acquisitions to provide upside to planned VIOC store unit growth



Key Takeaways – Quick Lubes

Industry Leading Retail Service Model

Proprietary Talent, Tools & Technology Platforms Drive Execution & Same Store Sales

Company & Franchise Systems Positioned for Accelerated Store Growth

Quick, easy and trusted customer experience expected to fuel:

- 6% - 8% same store sales
- ~100 new stores per year


Tom Gerrald
Senior vice president,
Core North America

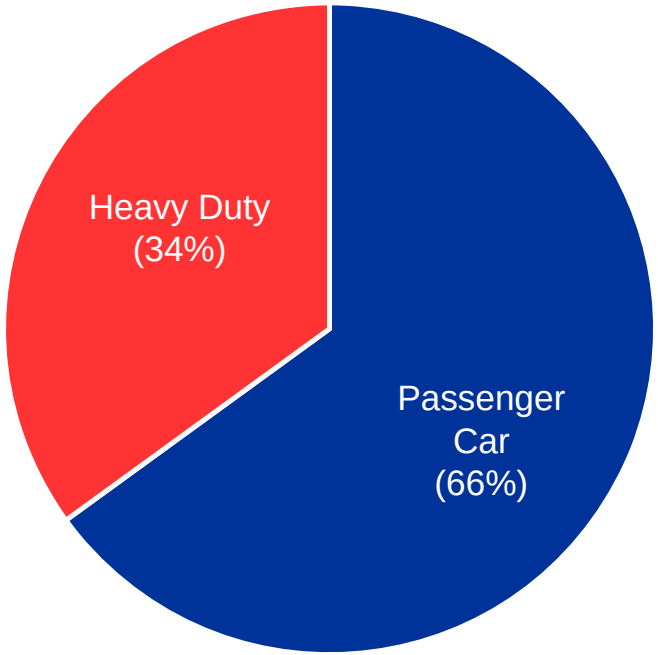

Tim Ferrell
Vice president,
brand equity and
consumer marketing

Core North America – U.S. Market Overview

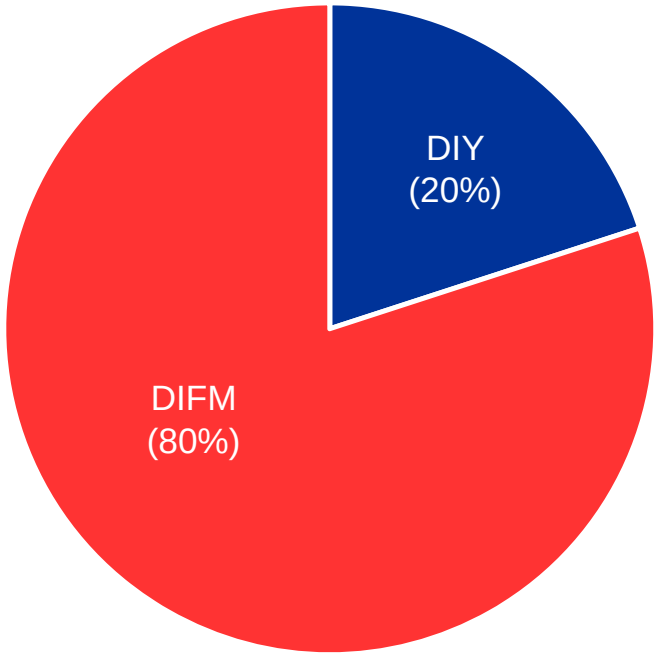
2

Maintain

U.S. Transportation Lubricant Volume
(~1B gallons)



U.S. Passenger Car Oil Changes
(~600M)



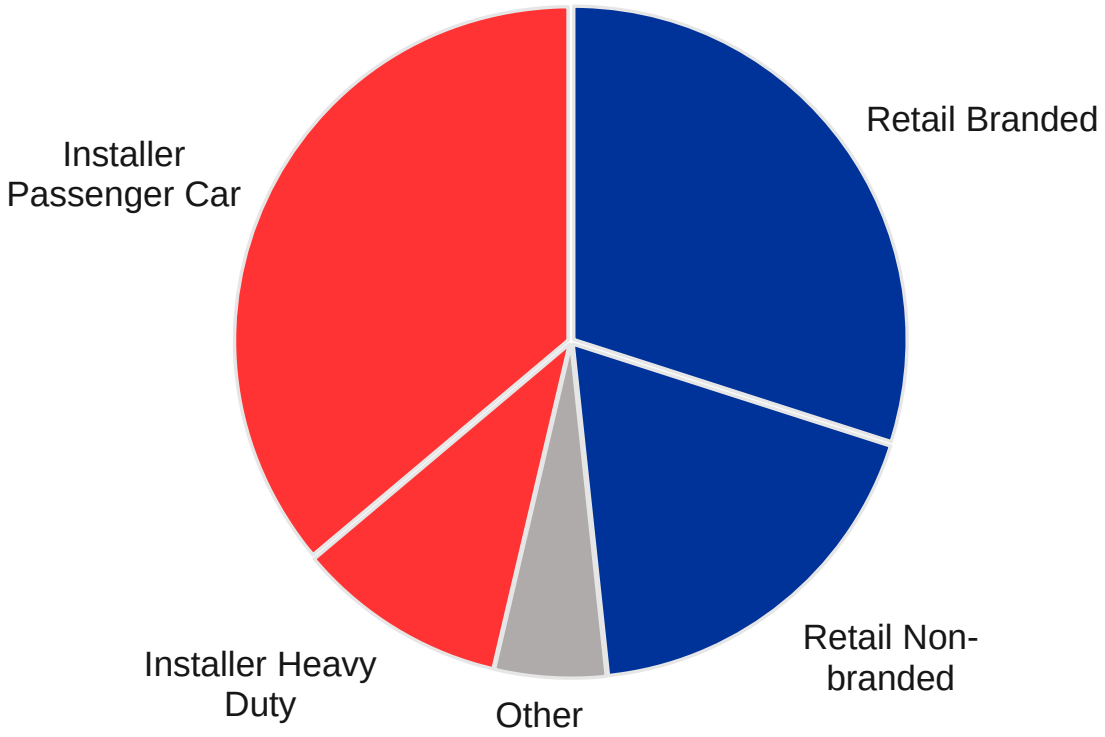
Source: IHS Markit 2018 and internal company estimates

Core North America – Balanced Split Between Installer and Retail

2

Maintain

FY18 Volume by Channel



Retail: DIY (auto parts & mass merchandise) and warehouse-distributor accounts
Installer: DIFM outlets and heavy-duty fleet accounts
Other: OEM accounts and specialty

DIY Market Dynamics Impacting Valvoline Performance

2

Maintain

Category Decline



Growth of Private Label



Growth of Synthetic Category



Increased Promotional Intensity



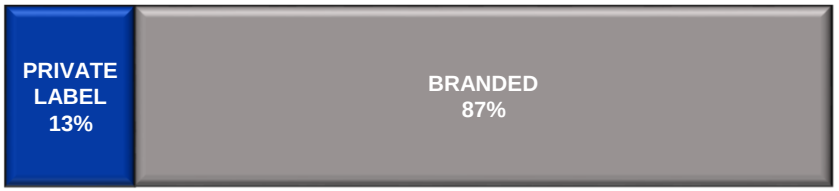
Growth of Private Label on the Shelf

2

Maintain

Private Label vs. Branded

2015 Shelf



2018 Shelf



Growth of Brand vs. Private Label Price Gaps



Price gap to value offering increased as mid-tier brands lost distribution

Source: Share of Shelf, 2015-2018 and IHS Markit, 2018 VIO

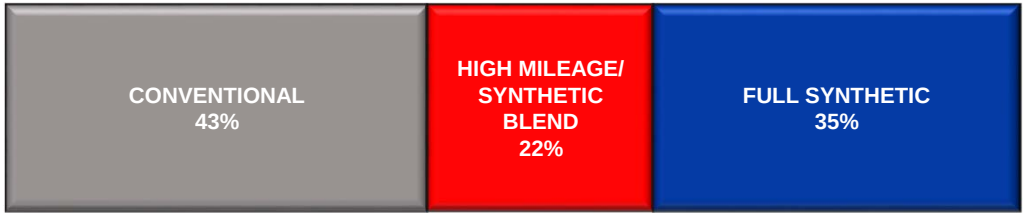
DIY Shelf Mix Expansion in Synthetics

2

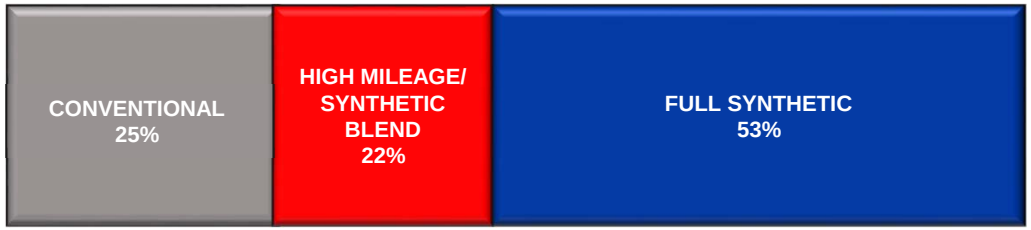
Maintain

Synthetic vs. Conventional

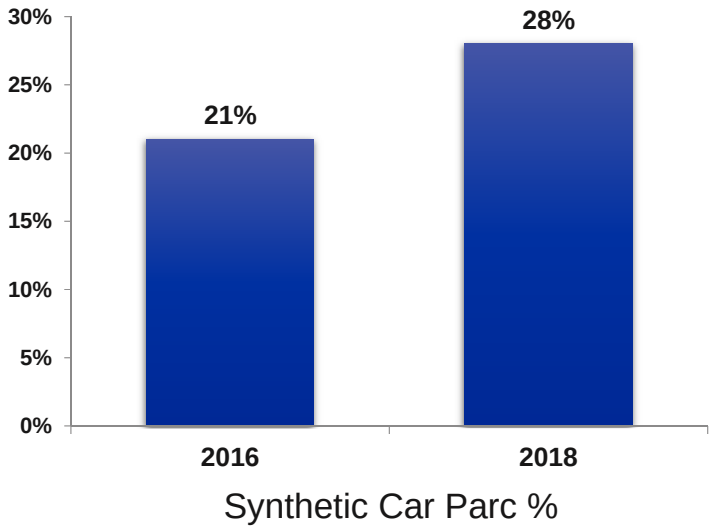
2015 Shelf



2018 Shelf



Car Parc Requiring Synthetics



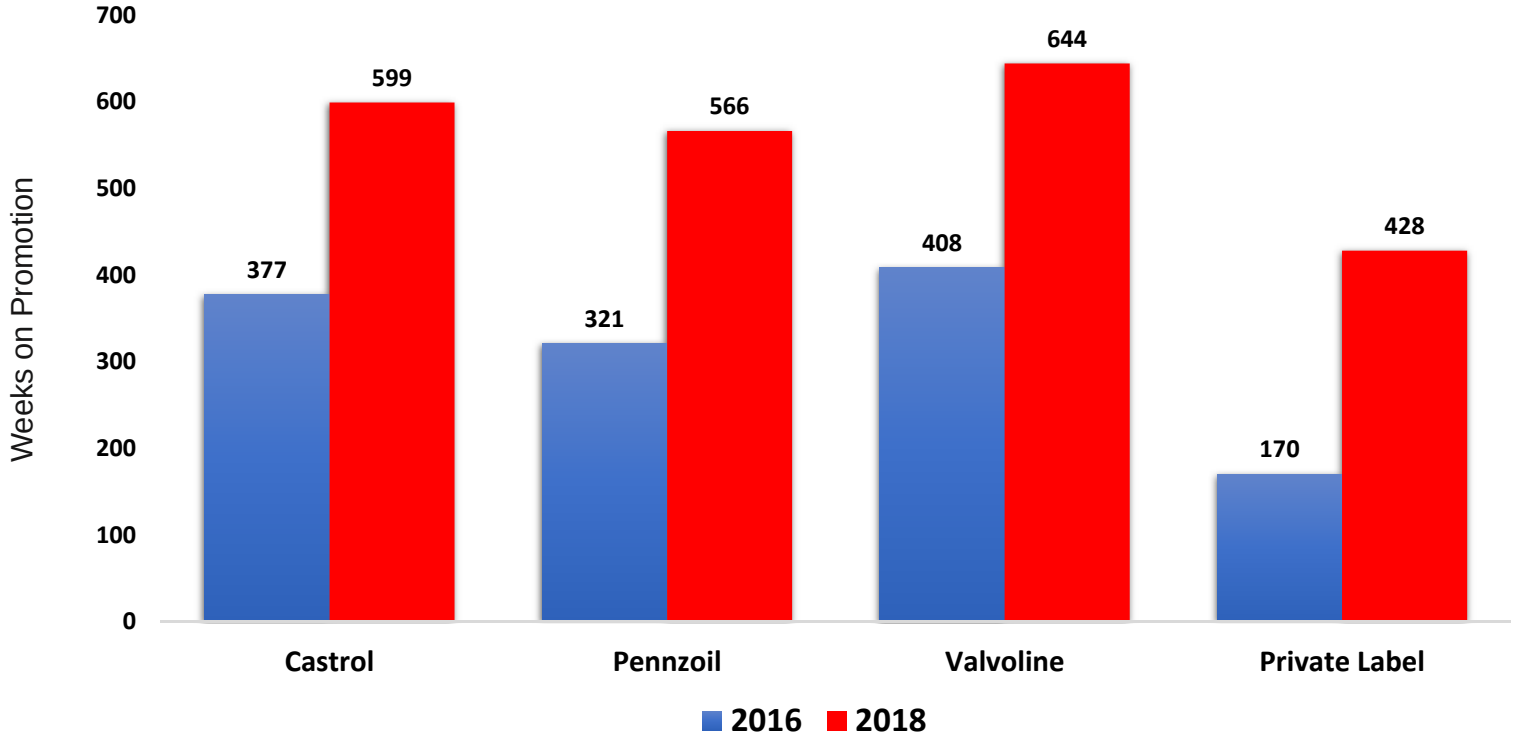
DIY category over-indexes in synthetics

Source: Share of Shelf, 2015-2018 and IHS Markit, 2018 VIO

Total Weeks on Promotion at Big 3 Retail Auto Parts Increased

2

Maintain



Increased intensity has led to less promotional lift in volume

Actions Designed to Address Shifting DIY Market Dynamics

2

Maintain

#1 Optimize Position vs Value Offers

#2 Win in Synthetics

#3 Strengthen Consumer Messaging

Action #1: Optimize Position vs Value Offers

2

Maintain



Reduced promoted price points

- Narrowed price gaps
- Moved below critical price point

Retail promotion improvements drove 15% stronger sales in last 2 months vs higher price points in Q3 2018 - Q1 2019

Action #1: You Saved What? Quality of Valvoline vs Private Label

2

Maintain



Action #2: Win in Synthetics with our Retailer Customers

2

Maintain

- Consumers want choices in the growing synthetic category
- Drive sales $ and traffic to store
- Larger market basket than private label
- Deliver product innovation and education
  - Retail employees and consumers



Valvoline has consistently grown synthetic market share over each of the past 4 years

Action #2: Win in Synthetics with Innovation

2

Maintain







Valvoline continues to innovate in the rapidly growing synthetic category

Action #3: Strengthen Messaging to Targeted Consumers

Confident Aficionados



- **Value quality** over price
- Brand loyal / high rejection of private label and gas label brands

Validation Seekers



- Inexperienced **info seekers** who want to be seen as knowledgeable
- Brand loyal, but open to new brands

Acculturated Hispanics



- Nearly 4x more likely to be DIYers
- Prefer brands seen as **high quality** and that value their culture

Valvoline's targeted consumers value brand and quality

Action #3: Strengthen Consumer Messaging – Focus on Quality and Trust

TESTED. PROVEN. TRUSTED.



Spot filmed at the **Valvoline Engine Lab**

Campaign launched in **April 2019**

The Value of Quality

- More than 70% cite **product quality** as primary reason for purchase of motor oil
- **Trusted brands** are perceived as higher quality

The Value of Trust

- More than 90% are likely to **purchase** more, be **loyal** and **recommend** brands they trust

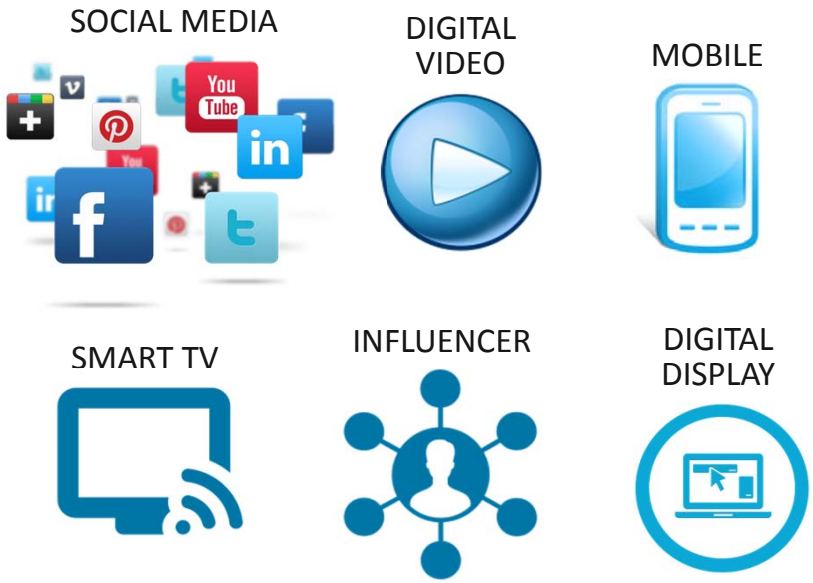
Source:Trends in Customer Trust, Salesforce – May, 2018

Action #3: Strengthen Consumer Messaging – Tested. Proven. Trusted.



Action #3: Strengthen Consumer Messaging – Digital First Approach

- Reach more consumers
- Precisely target
- Expand mix opportunities
- Sequence messages
- Increase optimization velocity



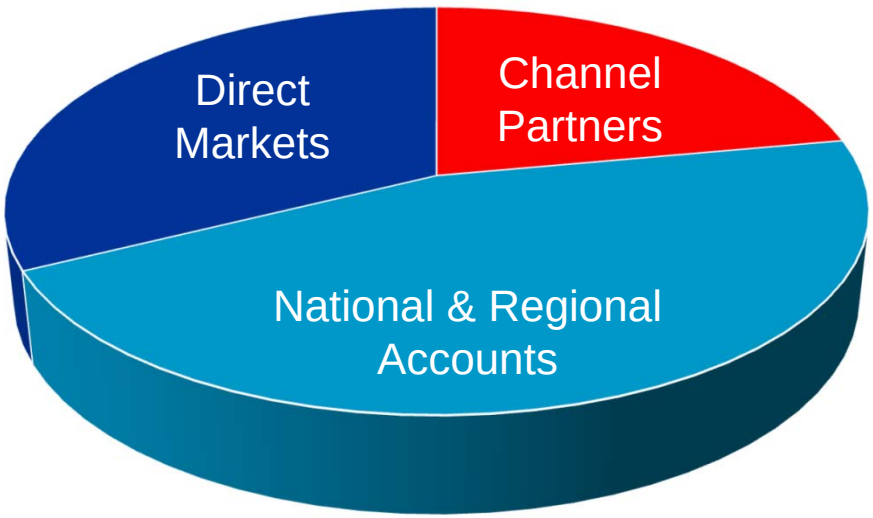
The result: owners of new cars receive synthetic or Modern Engine; owners of older cars receive High Mileage

Valvoline Installer Channel Landscape

2

Maintain

Valvoline's Installer Channel is composed of multiple channels spread across light-duty and heavy-duty markets



- Automotive Service Centers
- Car Dealerships
- Quick Lubes
- Heavy Duty

Actions Designed to Capture Installer Opportunities

2

Maintain

#1 Win Customers With Stronger Value Proposition

#2 Expand Value at Existing Accounts

#3 Grow Share in Heavy Duty

Changing the Way We Go to Market

2

Maintain

Our differentiated value proposition creates competitive advantage

"We will save you money"



"We will make you money"

Action #1: Win Customers – Guaranteeing Results

2

Maintain

Annual Gallons 25,000	Potential Gross Profit
Valvoline Brand	
Valvoline Brand Impact	$ 11,408
Valvoline Account Incentive Programs	
Valvoline PFP Program	$ 29,308
Valvoline Incentive Program (BDF/IIF)	$ 7,032
Valvoline Promotions	
Valvoline Drives	$ 33,750
VPS Lifetime Guarantee	$ 23,400
VPS Stickerbucks	$ 26,700
Valvoline Capabilities	
Safety Program	$ 14,813
National Training Program	$ 7,355
Recruiting	$ 13,850
Virtual Call Control (For 5 or More Stores)	$ 29,925
Valvoline Partner Solutions Total	**$ 197,541**



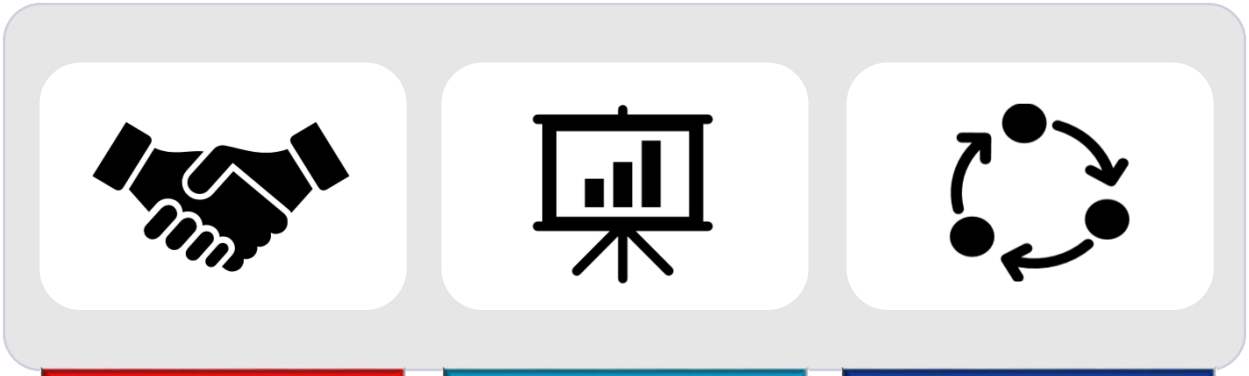
Since launch in January 2019, 63% of customers presented with the guarantee switched to Valvoline

Action #1: Win Customers – Driving Results

2

Maintain

Regional Accounts



49% growth of new accounts[1]

1 – FY 18 & 19 vs FY 16 & 17

Projected ~$3M new Gross Profit in FY 19

YTD FY 19 customer retention rate up 10pts over FY 18

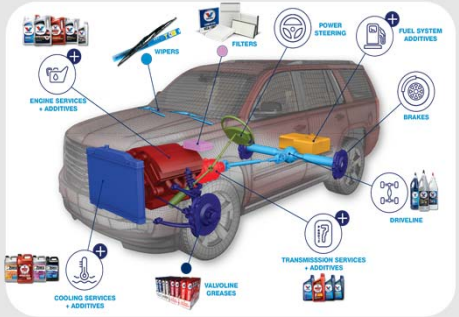
Action #2: Expand Value at Existing Accounts – The Power of More

2

Maintain



DASH



Operational Support

2000+ store level visits in FY 19

Enhanced Process Efficiency & Automation

+35% of orders now placed in new portal

Product Diversification

17% of Net Sales from non-lubricants

Action #3: Grow Share in Heavy Duty

2

Maintain



Valvoline | HEAVY DUTY

Cummins

Goal: Increase speed of growth in on highway market

Size of Prize: 11.5M trucks / ~300M gallons (Valvoline has ~3% share)

Strategy: Leverage Cummins partnerships and relationship with fleets

Pilot Results: Over 100 new accounts added

Key Takeaways – Core North America

2

Maintain

Retail – Taking Action to Adjust to Changing DIY Dynamics

Installer – New Value-added Customer Tools in Place

Restructuring & Cost Savings Program to Add Flexibility

Working to stabilize the business for consistent cash flow generation


Jamal Muashsher
Senior vice president,
International

International Transport Lubricants Represent a Significant Growth Opportunity

North America



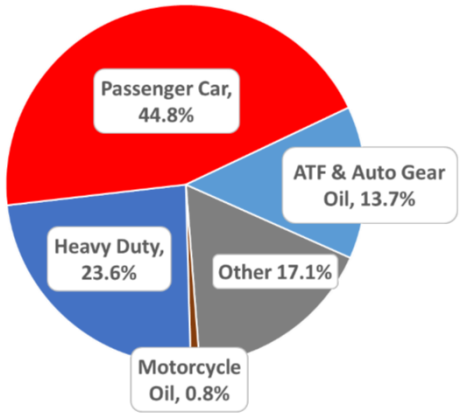
Rest of World



International Transport Lubricants Market:

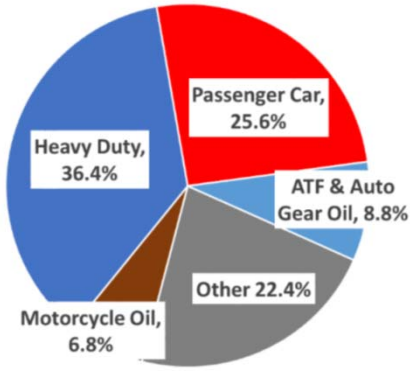
- **~3.5X** North America
- **~4.7B** Gallons
- **+1.1%** Projected 5-Year Market CAGR

North America



~45% Passenger Car Motor Oil (PCMO)

Rest of World



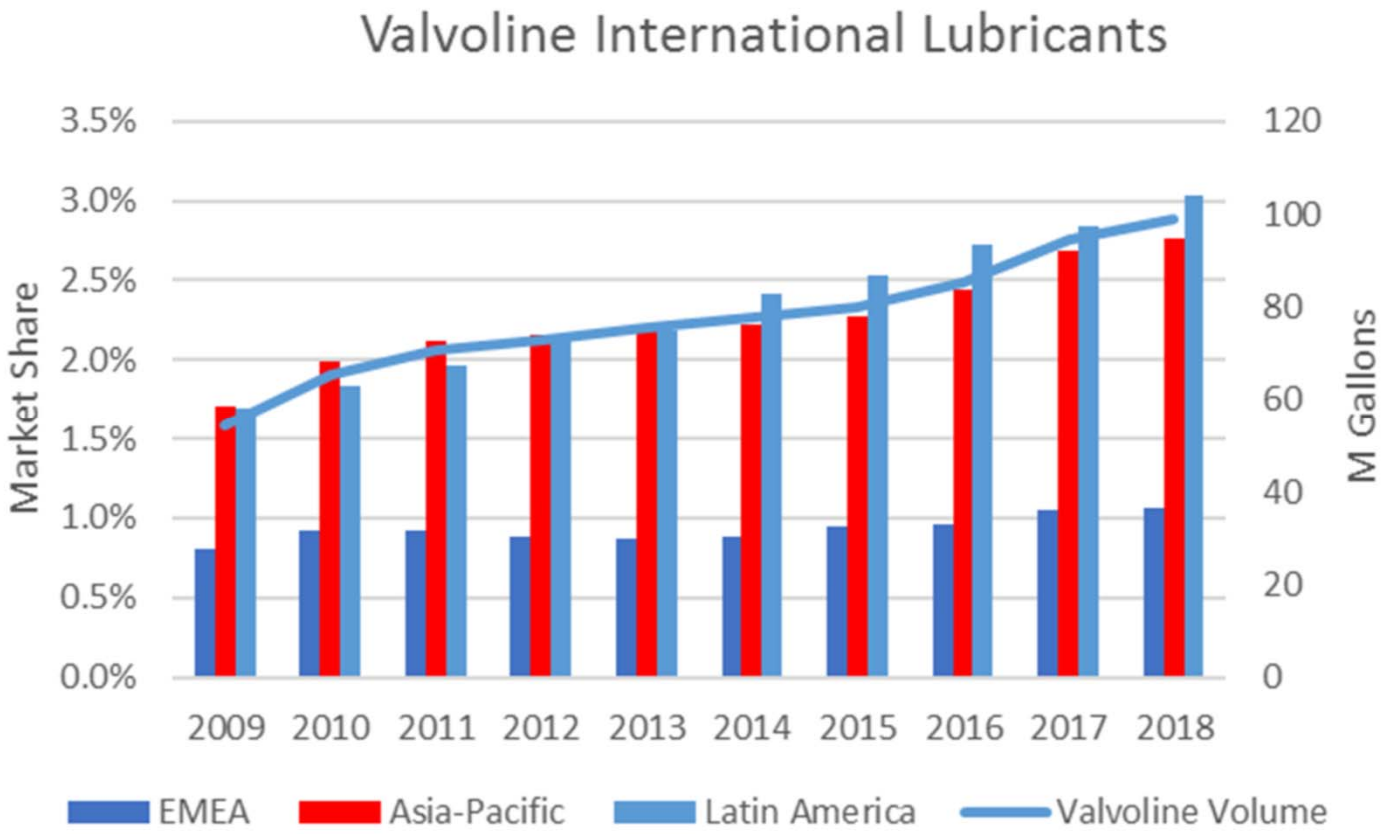
~43% Heavy Duty (HD) and Motorcycle Oil

Source: IHS Markit; Lubricant Demand Model; Transport Lubricants Mix of Gallons

Consistently Growing Share Across Markets

3

Develop



Valvoline market share and volume includes unconsolidated joint ventures
Source: IHS Markit; Lubricant Demand Model; Transport Lubricants (excluding Aviation, Railroad, Marine and Tractor oils)

Focused on Winning in High Value Markets and Categories

3

Develop

China



Total Transport Market: 1.1B Gal

5-Year Market CAGR: 2.1%

Valvoline Market Share: 1.6%

Opportunities for Growth:

- **22M** Passenger Cars Added Annually
- Evolving Heavy Duty Specification Landscape

Latin America



Total Transport Market: 590M Gal

5-Year Market CAGR: 0.9%

Valvoline Market Share: 3.2%

Opportunities for Growth:

- Major Retailer Partnership Expanding Across Mexico
- Channel Development in South America

India



Total Transport Market: 307M Gal

5-Year Market CAGR: 2.7%

Valvoline Market Share: 8.6%

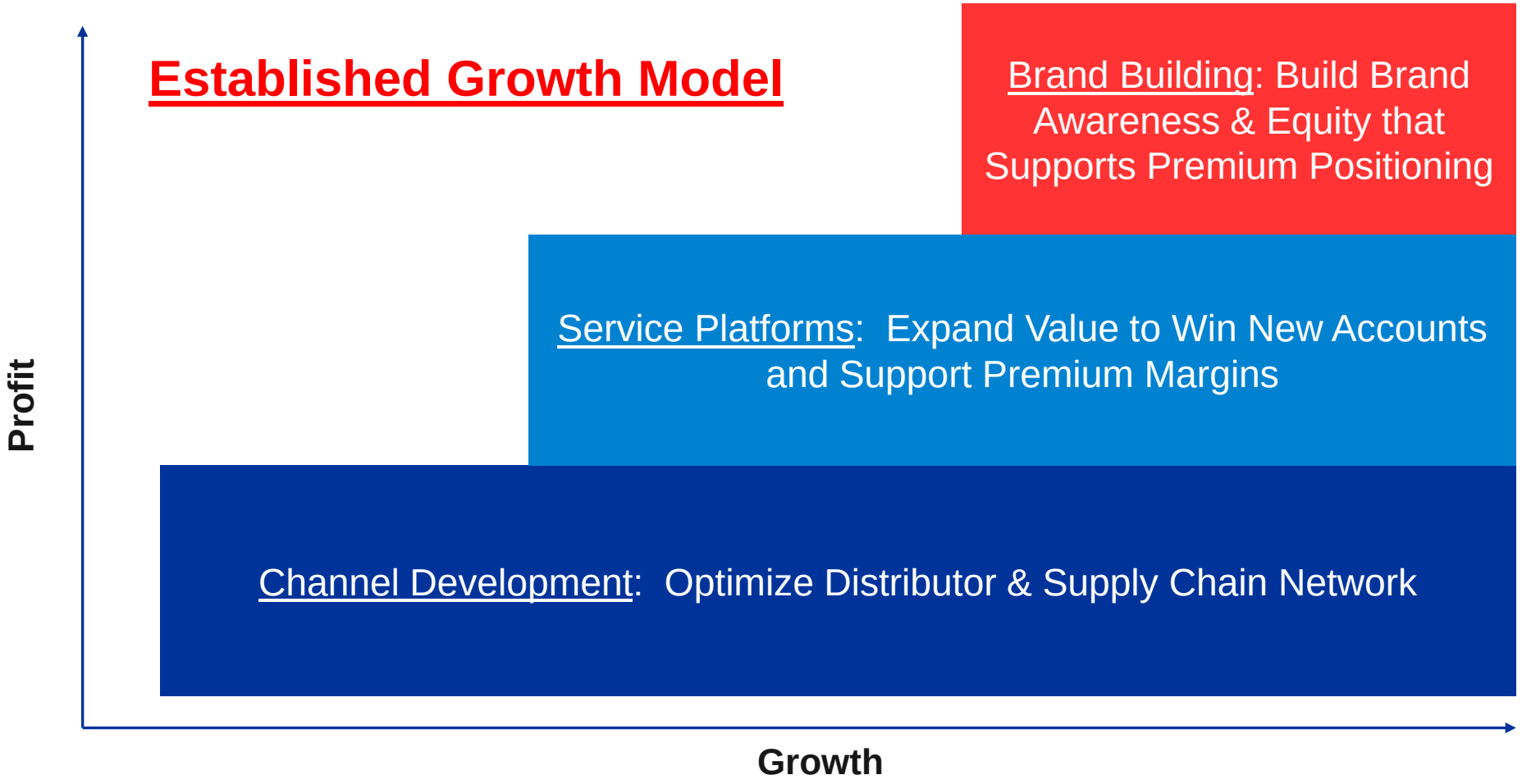
Opportunities for Growth:

- **4.7%** 5-Year Passenger Car Market CAGR
- Evolving Heavy Duty Specification Landscape

Source: IHS Markit; Lubricant Demand Model; Transport Lubricants Mix of Gallons
Source: China Passenger Car Association (CPCA)

3 Core Strategies to Deliver Long-Term, Profitable Share Growth

3
Develop



1. Optimize Distributor and Supply Chain Network

3

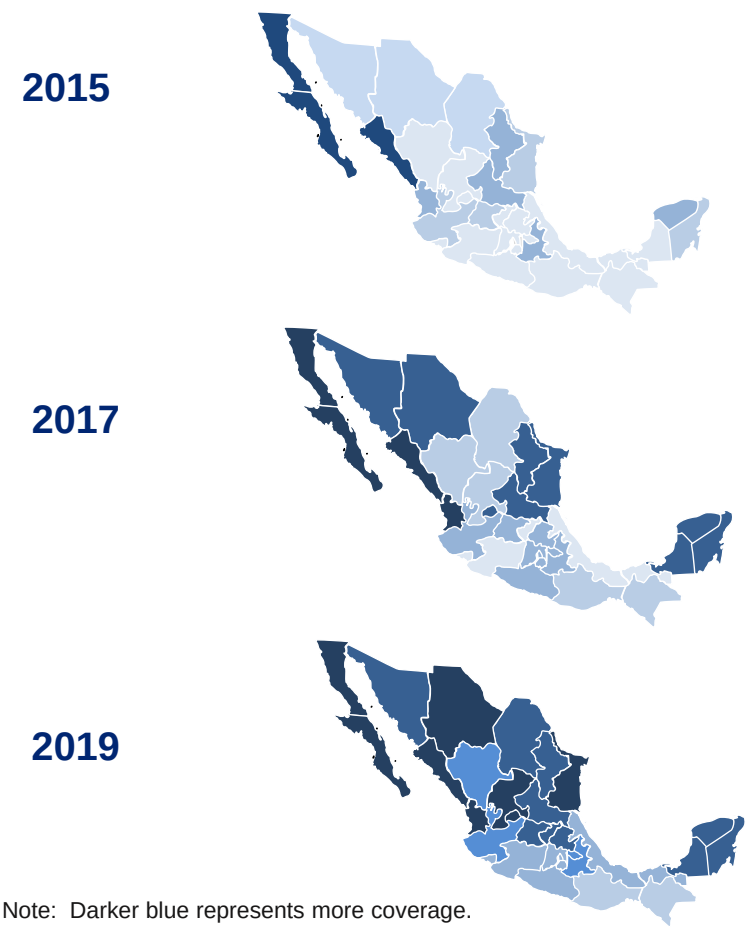
Develop

Developed distribution network in PCMO / Heavy Duty Leveraging Cummins

Optimize Distributors and Product Offerings

Enter New Channels and Categories

Mexico Distributor Coverage



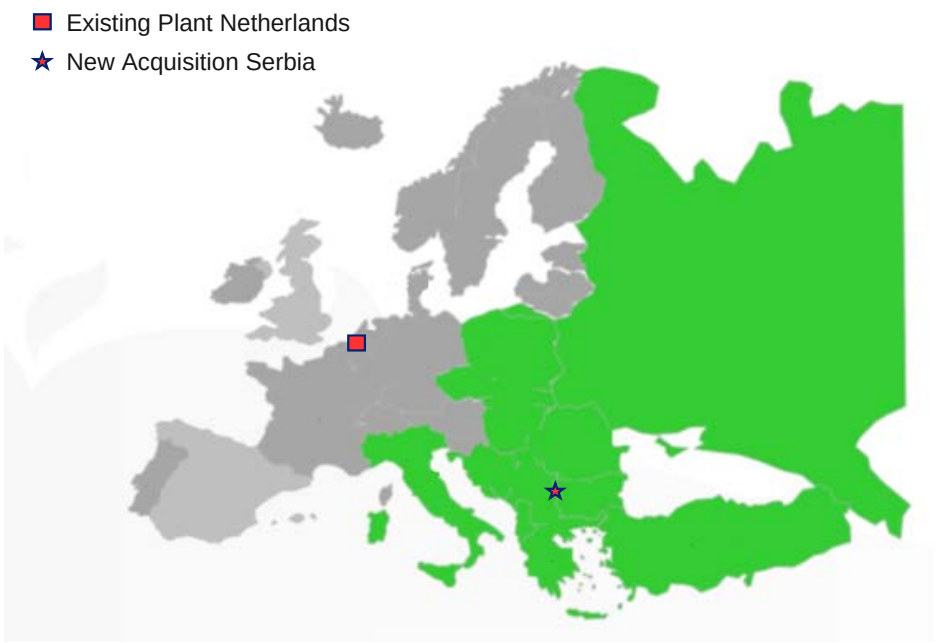
	PC	HD
2015	48%	29%
2017	68%	43%
2019	80%	65%

Note: Darker blue represents more coverage.

1. Optimize Distributor & Supply Chain Network

3

Develop



- Announced acquisition of Fabrika Maziva A.D. in Serbia
- Expected to close in early fiscal Q4



- New Plant in Zhangjiagang, China
- Projected to be complete in early fiscal 2021

2. Expand Value to Win New Accounts and Support Premium Margins

3

Develop

75M Gallon Market Opportunity



Emissions standards are changing the landscape in China and India

Evolving China Heavy Duty Market Supports Higher Share & Margins



Addressable market increasing **~4X** from 2012 to 2022

Low Quality Specifications include: CF4, CG4 CE and Below
Higher Quality Specifications include: CH4, CI4, CJ4 & Above

2. Expand Value to Win New Accounts and Support Premium Margins

3

Develop

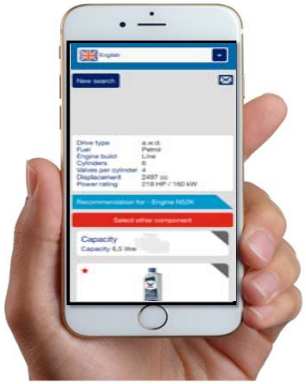
Mechanic & Distributor Training & Development

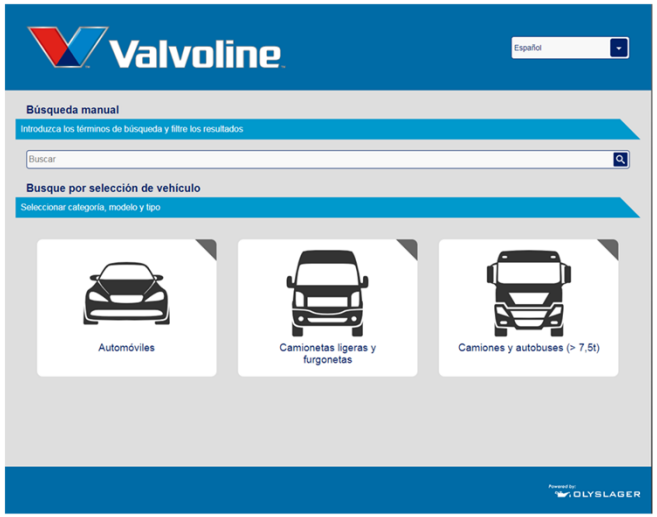






Services that Support Premium Up-Sell and Cross-Sell





3. Build Brand Awareness & Equity that Supports Premium Positioning

3

Develop

Cummins & Valvoline: Global Partnership

3. Build Brand Awareness & Equity that Supports Premium Positioning

3

Develop





Key Takeaways – International

3

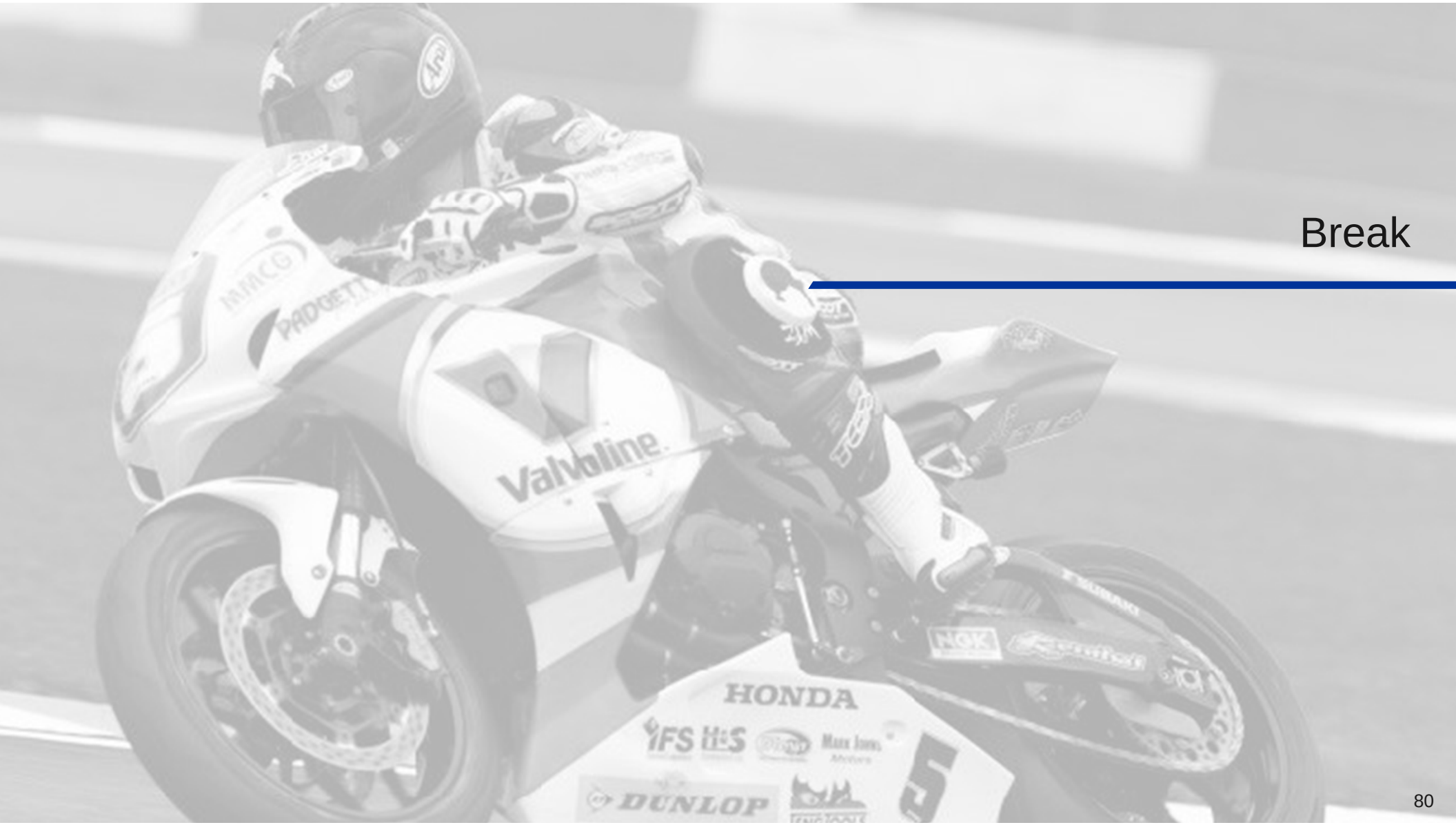
Develop

Channel Development Drives Volume Growth

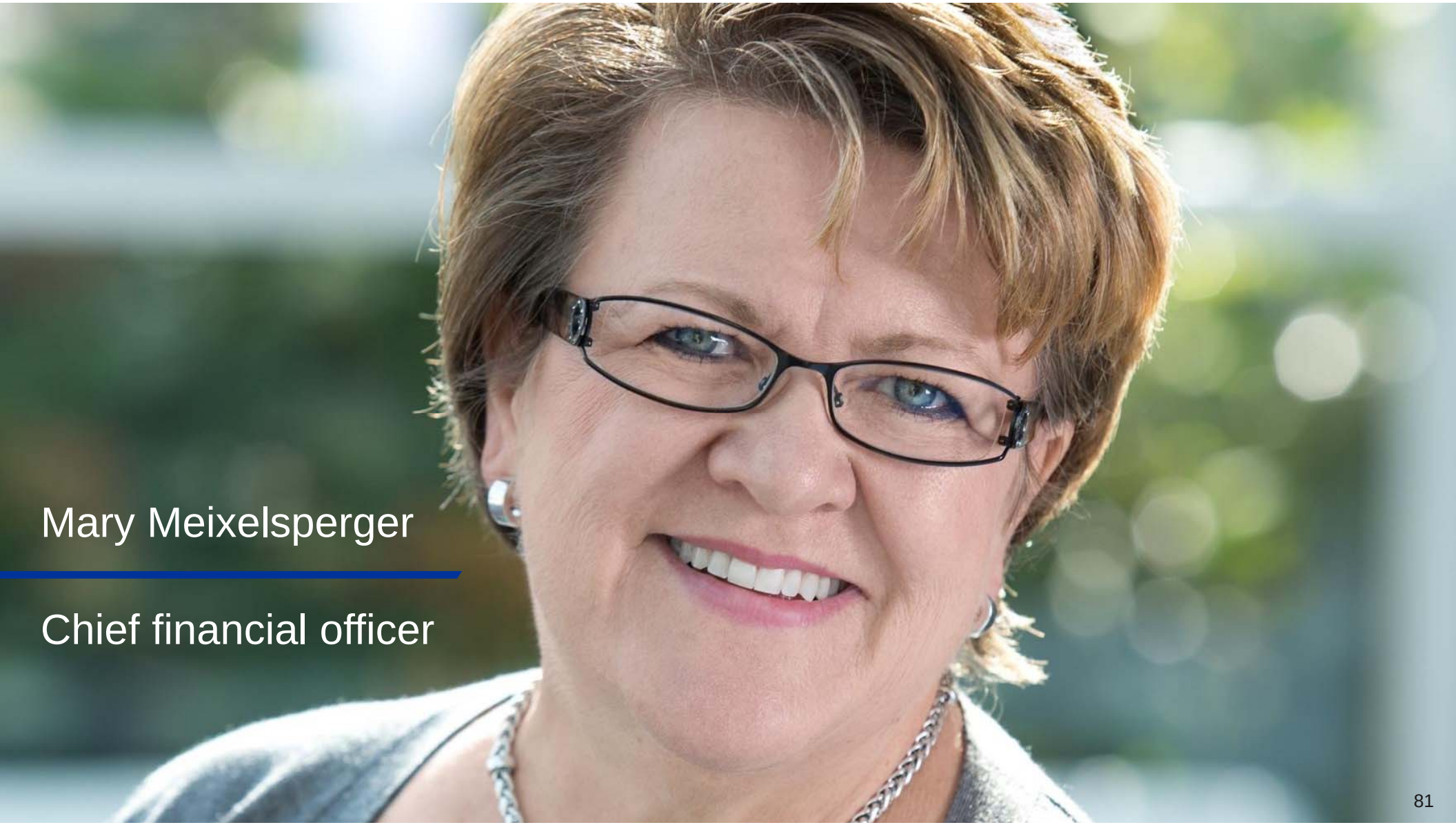
Service Platforms Enable Higher Margins

Brand Building Accelerates Share Growth

Established market development model fuels consistent, profitable share growth



Break


Mary Meixelsperger
Chief financial officer

Valvoline Targeted EBITDA Growth Rates

Combined Annual EBITDA Growth of 6 – 8%, with Quick Lubes Generating >50% of EBITDA by 2022

Grow:
Win in Retail Services

Quick Lubes

- Targeted SSS Growth
- New Store Builds & Acquisitions
- Operating Margin Expansion

EBITDA Growth Target: Low to Mid Double Digit

Maintain:
Work to Stabilize

Core North America

- Volume Growth in Installer Channel and HD Offset by Challenging Dynamics in Retail
- Non-lubricant Sales Growth

EBITDA Growth Target: Flat to Modest Decline

Develop:
Expand Int'l Market Share

International

- Volume Growth Across All Regions
- Capitalize on Supply Chain Investments
- Stable Margins

EBITDA Growth Target: Mid to High Single Digit

Grow – Win in Retail Services

Key Assumptions

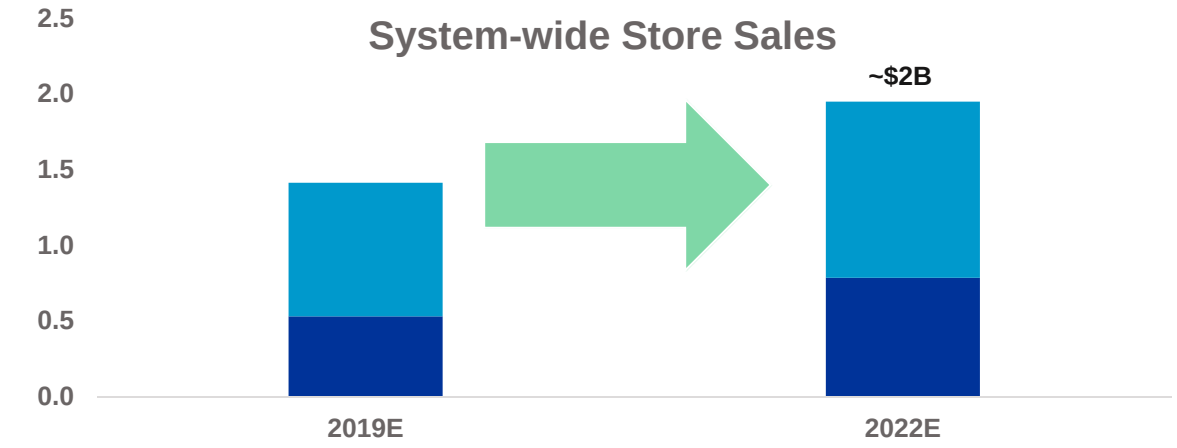
Annual SSS growth: 6% – 8%

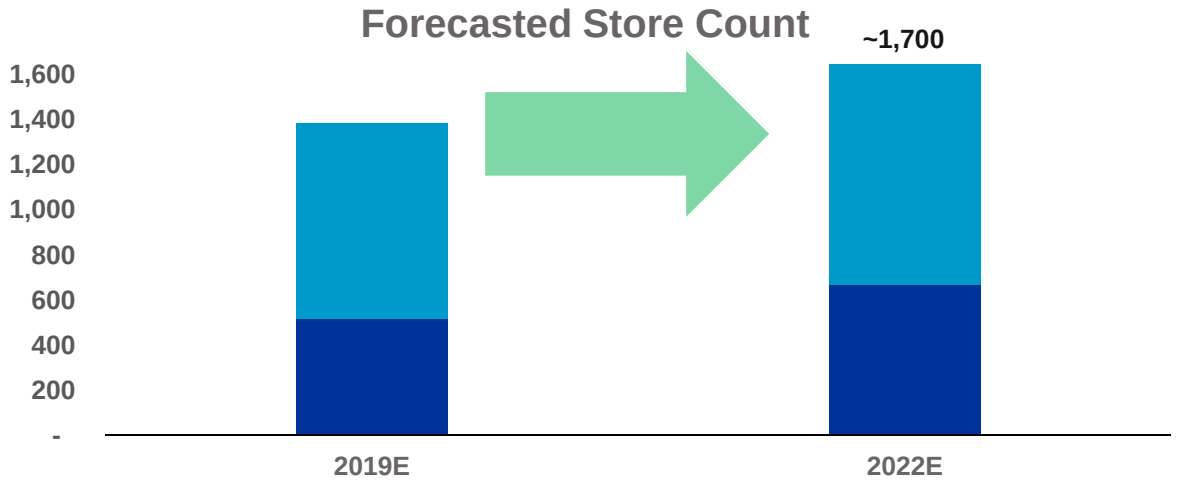
New Stores: ~100

- Company 35 – 45
- Franchise 35 – 45
- Acquisitions 15 – 20

EBITDA margin expansion: ~100 bps

EBITDA Growth Target:
Low to Mid Double Digit





Maintain – Core North America

2
Maintain

Key Assumptions

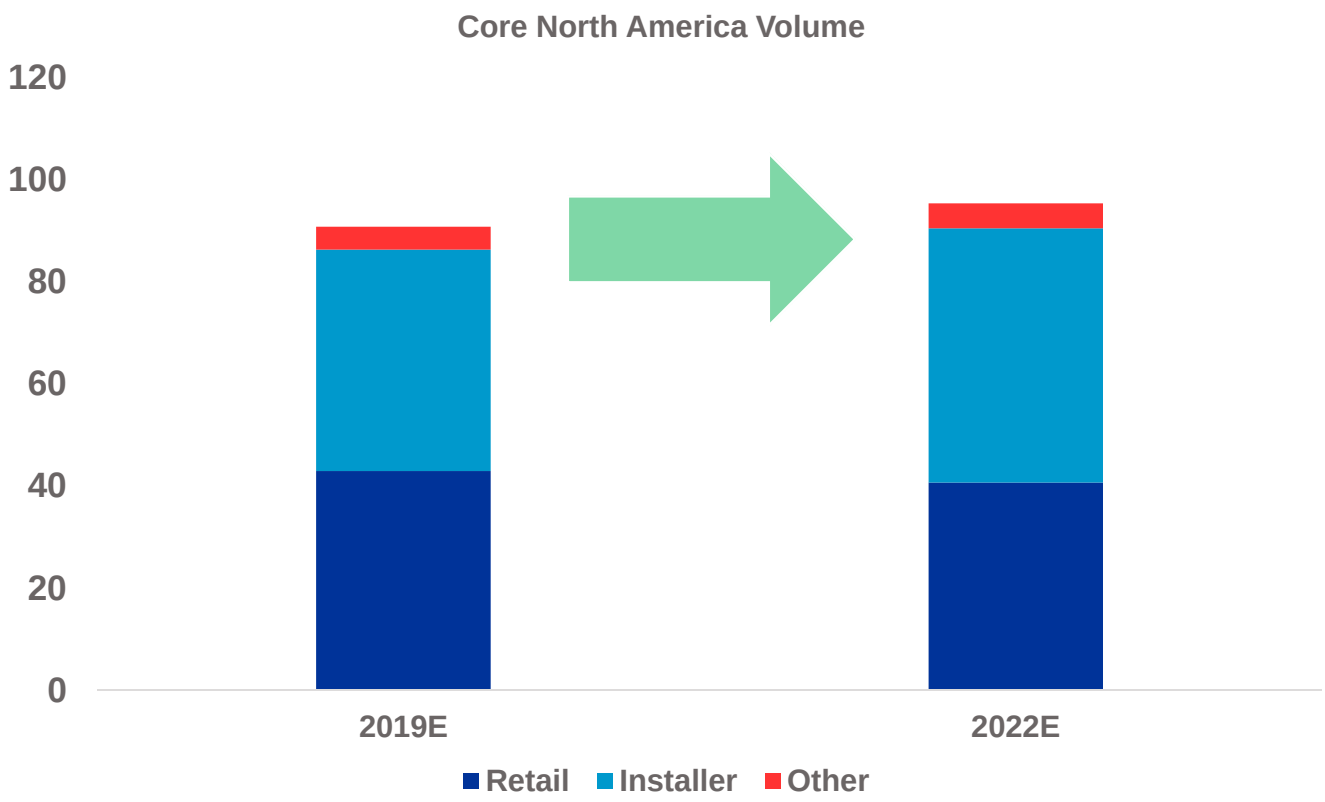
Annual volume growth: ~Flat
- **DIY category decline 2 – 4%**
- **Installer growth 2 – 3%**

Modest premium mix growth

Ongoing risk of changing market dynamics in DIY category

Restructuring & cost savings program gives flexibility to address challenges

EBITDA Growth Target: Flat to Modest Decline



Develop – Expand International Market Share

Key Assumptions

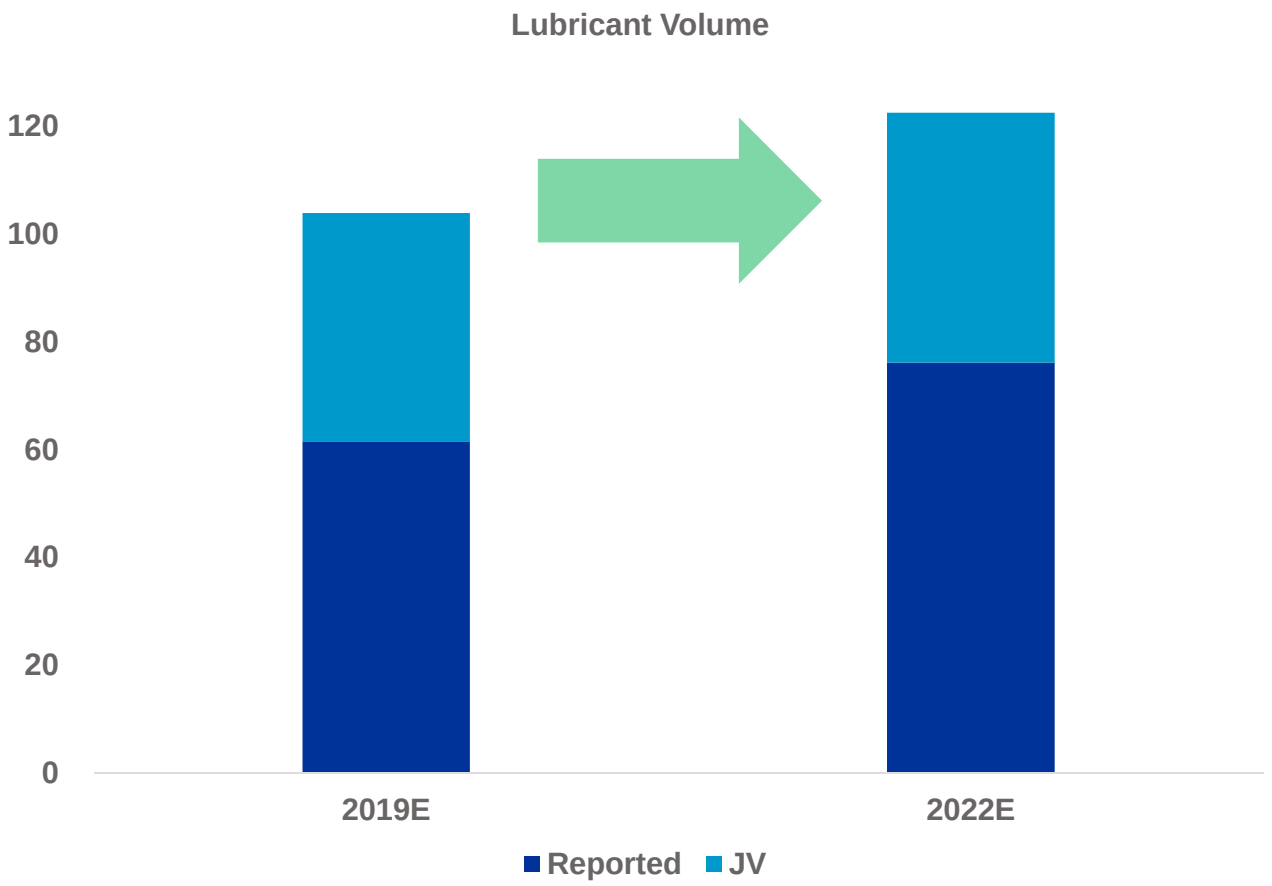
Annual volume growth: 6% – 8%

Enhanced premium mix

Supply chain investments in China and Eastern Europe

Stable margins

EBITDA Growth Target:
Mid to High Single Digit

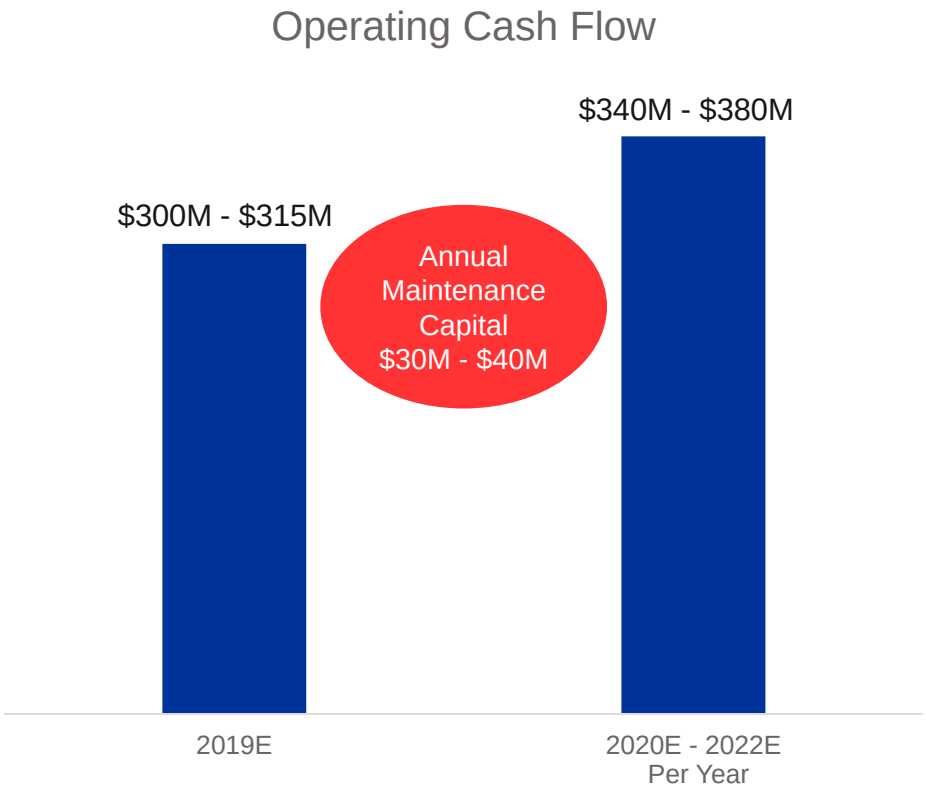


Disciplined Capital Allocation: Growth Balanced with Shareholder Return

Capital Allocation Priorities		
1	Organic Growth	• Increase company greenfield store additions • Supply chain investments in China and Serbia
2	Inorganic Growth	• Aggressively add quick lube stores via acquisition • Smaller complementary bolt-on product portfolio acquisitions
3	Dividend Growth[1]	• Expect to grow in line with earnings
4	Share Repurchases	• Return excess cash at targeted leverage ratio to shareholders

[1] Future declarations of dividends are subject to approval by Valvoline's Board of Directors and may be adjusted as business needs or market conditions change.

Capital Allocation Strategy Will Be Funded by Strong Cash Flow



- Cash flow after maintenance capex $300M+
- Excess cash available for
  - Growth investments
  - M&A
  - Dividends
  - Share repurchases
- Target to maintain strong BB credit rating

Strong EBITDA margins and low maintenance capital enable significant investment opportunity

Shareholder Value Proposition

Organic Earnings

- MSD Revenue Growth
- 6% – 8% EBITDA Growth
- HSD EPS Growth

Capital Allocation

- ~2% Target Dividend[1] Yield
- Share Repurchase and/or Acquisitions

Value Proposition

Compelling Total Shareholder Return

[1] Future quarterly dividend declarations are subject to approval by Valvoline's' Board of Directors and may be adjusted as business needs or market conditions change.


Sam Mitchell
Chief executive officer

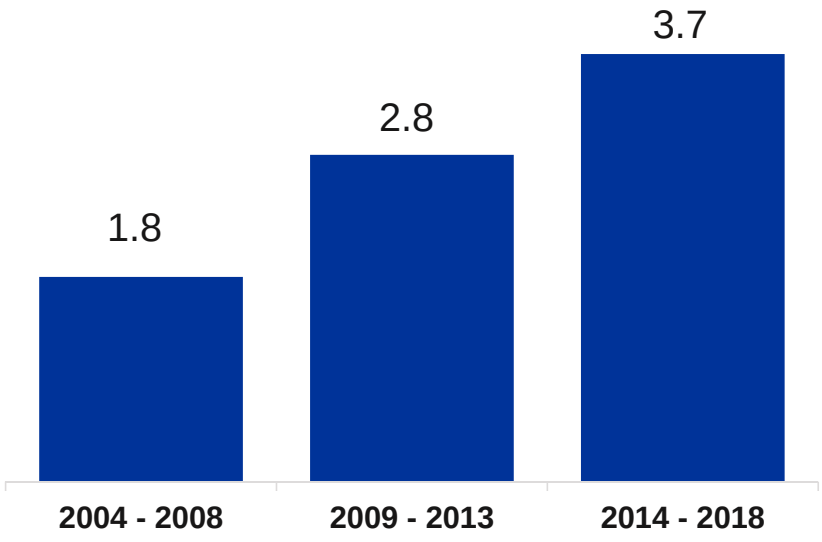
Valvoline Has Built a Strong and Profitable Business

The Big V Stands for
Great Products *AND* Great Service

Technology Investments Gaining Traction

Total Gross Profit

5-year periods ($B)



We Have Also Built a World-class Retail Services Business

Operational Expertise

Vertical Integration

Faster Store Growth

Same Store Sale Growth

Products



Locations



Superior growth, high margins, strong returns

Trends Driving Our Longer-term Strategy

Consumer demand for convenience



More vehicles on the road



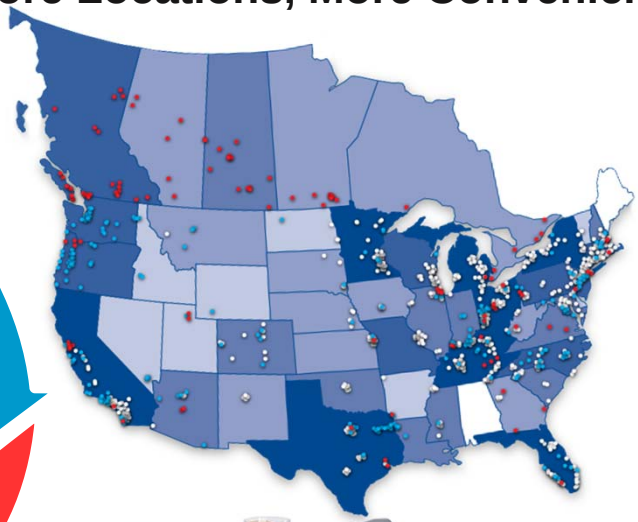
Valvoline is uniquely positioned to benefit from broad industry and consumer trends

Our Future – Driving Transformation of Our Business Model

Trusted Customer Relationships



More Locations, More Convenience





Solutions Enabled by Technology

Premium, Innovative Products



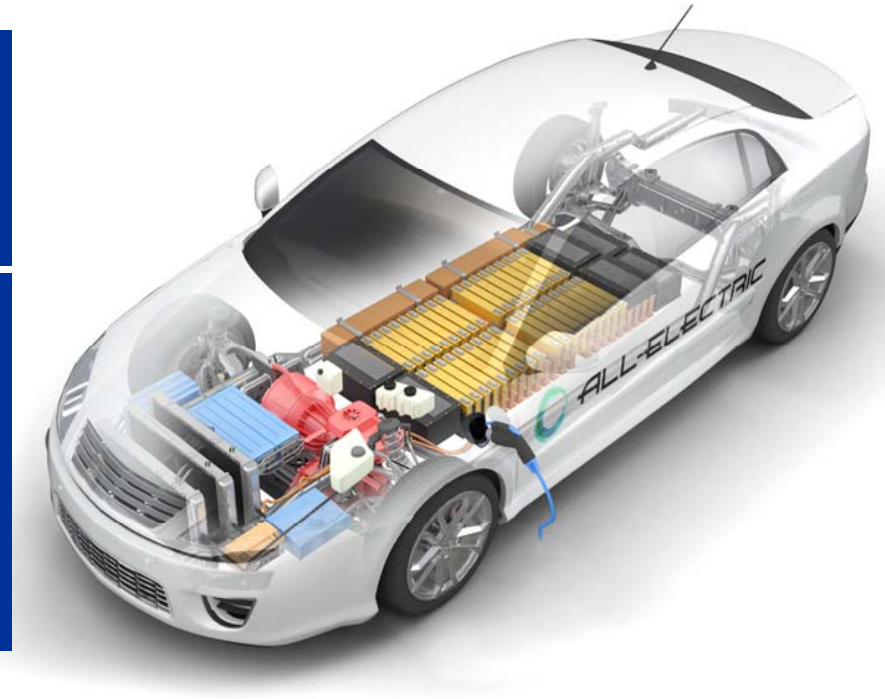
Our Future – Evolving Powertrain

PRODUCTS

Drive System Fluids
Heat Transfer Fluids
Hydraulic Fluids
Brake Fluid

UNDER DEVELOPMENT
EV Greases
- Bearings
- E-Motor
- Contact Greases

Compressor Oil



SERVICES

Lights
Cabin Air Filters
Cabin AC / Battery AC
Wipers
Tire Rotation / Tread Depths

UNDER DEVELOPMENT
Sensor Testing / Alignment
Battery Replacement / Testing
Battery Thermal Control
- Filters & Fans
- Fluid & Pump
- Inverter Fluid / Replacement

We are investing in products & service development for vehicles of the future

Image source: AFDDC (https://afdc.energy.gov/vehicles/how-do-all-electric-cars-work)

Our Future – Driving Business Model Transformation



Our Future – Driving Business Model Transformation

REFERRAL PLATFORMS

OEM Recall

Tires

Glass

Other



Our Future – Driving Business Model Transformation

REFERRAL PLATFORMS

- OEM Recall
- Tires
- Glass
- Other



NEW SERVICE MARKETS

- Heavy Duty Services
- Regional Fleets
- Canada
- China

Our Future – Driving Business Model Transformation

REFERRAL PLATFORMS

- OEM Recall
- Tires
- Glass
- Other



NEW SERVICE MARKETS

- Heavy Duty Services
- Regional Fleets
- Canada
- China

Growth through our service-driven model built on trusted customer relationships, convenient locations and fueled by products

Roadmap to Drive Shareholder Value

1	2	3
Grow	**Maintain**	**Develop**
Quick Lubes	*Core North America*	*International*
Win in Retail Services	Strengthen foundation and drive efficiency	Capture market share

Powering the shift to services

Q&A





Thank You!