

Goldman Sachs Global Retailing Conference

September 2019

Safe Harbor

Forward-Looking Statements

Certain statements in this presentation, other than statements of historical fact, including estimates, projections and 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," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures about Market Risk" 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, unless required by law.

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 July 31, 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
- Closing Remarks……Sam Mitchell, CEO
- *Q&A*


Sam Mitchell
Chief executive officer

Company Overview

~$2.3B
In Fiscal 2018 Sales

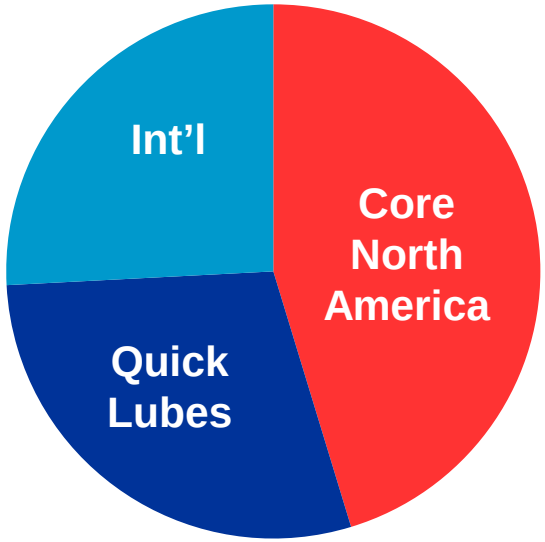
~20%
In Fiscal 2018 Adjusted EBITDA[1] Percent of Sales

Top 3
Premium Motor Oil Brand[2]

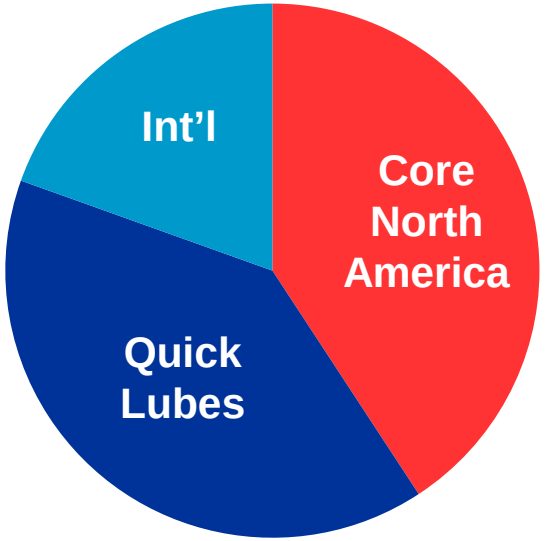
Over 140
Countries With Valvoline Sales

Fiscal 2018 Segment Mix

Sales



Adjusted[1] EBITDA



1 For reconciliation of adjusted historical amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 5, 2018, available on Valvoline's website at http://investors.valvoline.com.
2 By volume in the U.S. DIY market in 2018

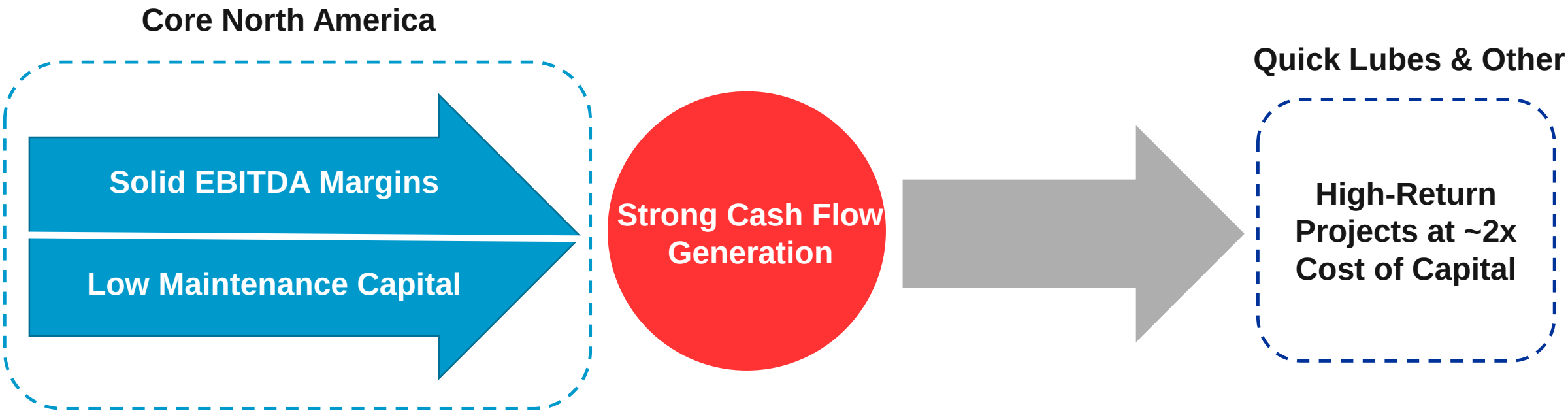
Roadmap to Drive Shareholder Value

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

See Valvoline's Investor Day Presentation[1]

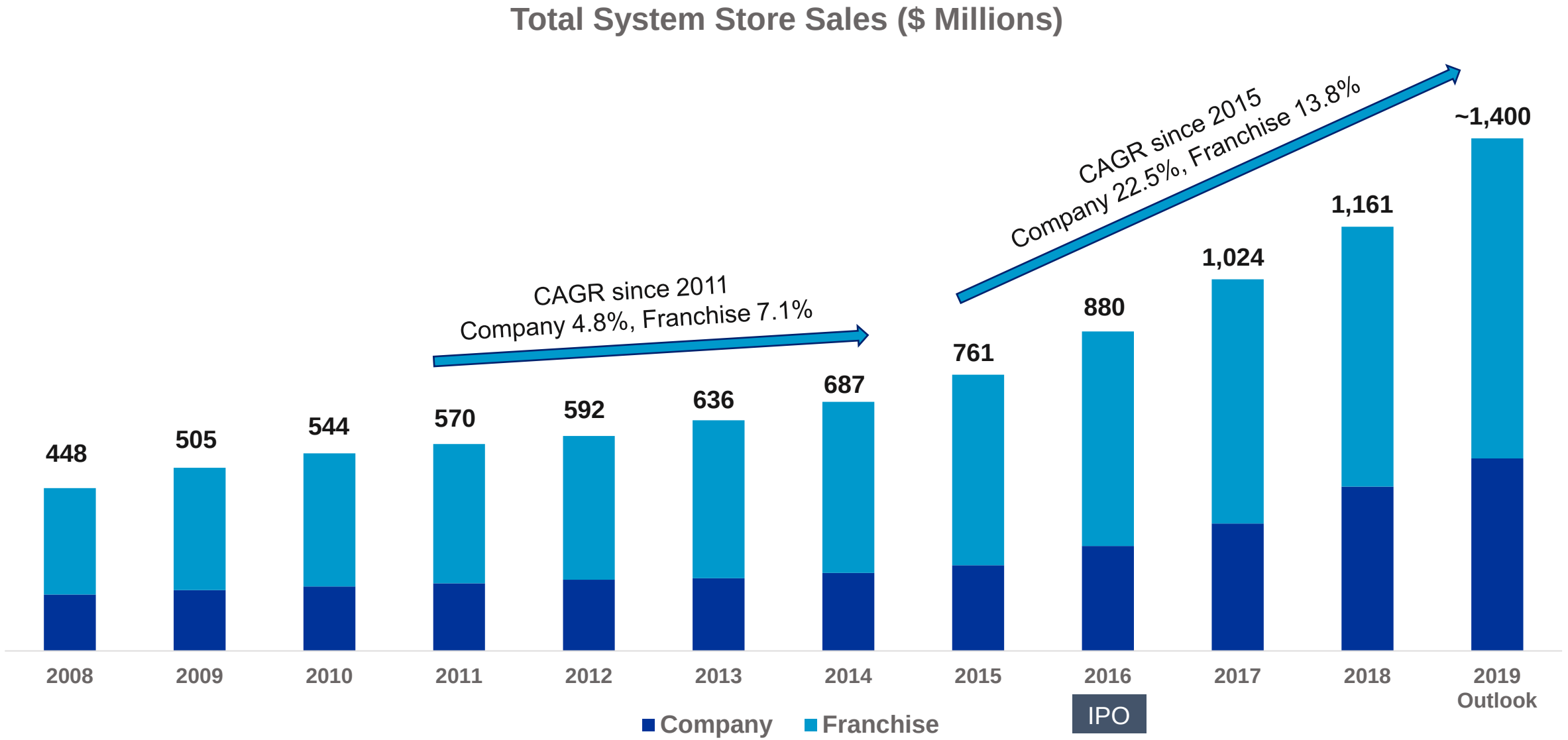
1 Available on Valvoline's website at http://investors.valvoline.com/files/doc_presentations/2019/05/VVV_2019_Investor-Day_FINAL.pdf

Opportunity to Deploy Cash Flows and Generate Attractive Returns



ROIC consistently above 20%

Industry-leading Retail Sales Growth is Accelerating



Focus on Growth in Retail Services Is the Right Move

1	**Clear Competitive Advantage**	• Best-in-class same-store-sales performance • Superior business model
2	**Significant Expansion Opportunity**	• Organic & inorganic unit growth • Share gains opportunity beyond quick lubes market
3	**Control the Value Chain**	• Vertical integration • End-to-end control
4	**Benefits Total Company**	• Improved margins, reduced raw material sensitivity • Platform for expanded services


Tony Puckett
Senior vice president,
and president,
Quick Lubes

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.

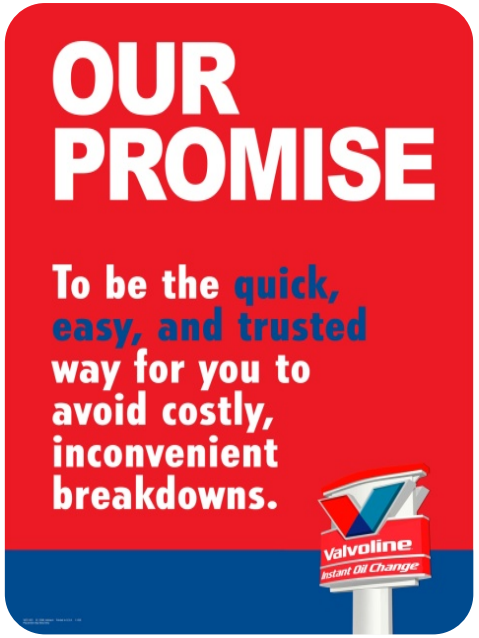
[1] Includes U.S and Canada
[2] Based on number of stores using industry data

Clear Competitive Advantages Driven by …

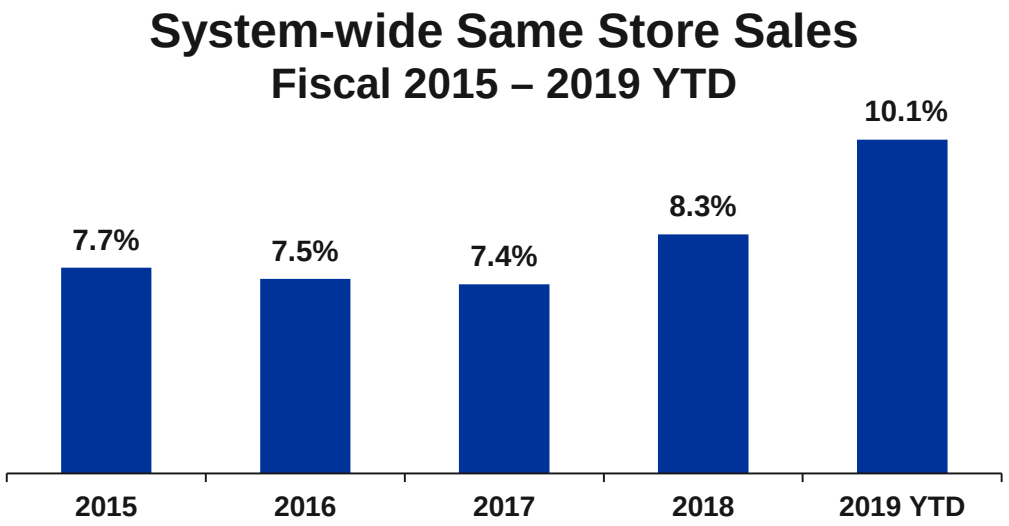
- **Strong Culture**
- **Superior Technology**
- **Best-in-class Marketing**



Operating Stores Strengthens Business Model

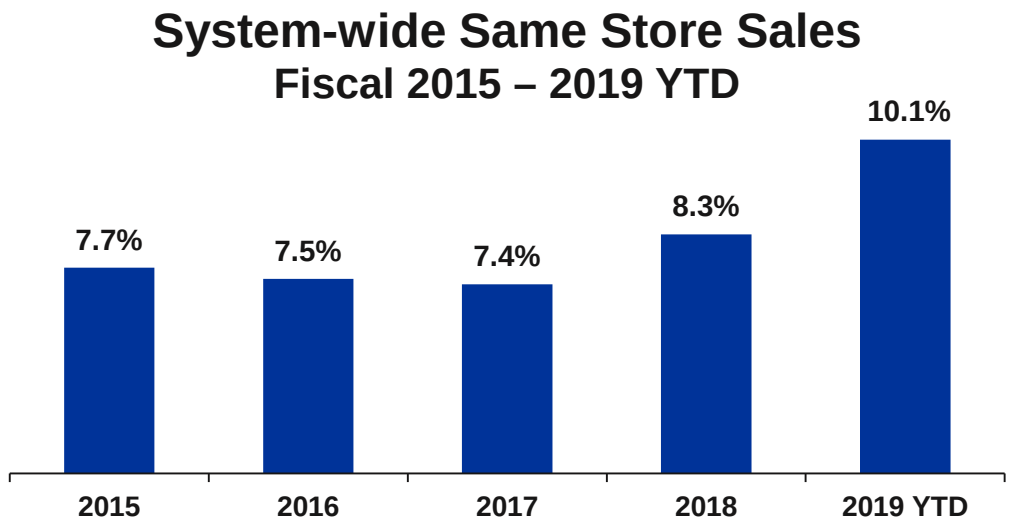


Growth Through Same Store Sales

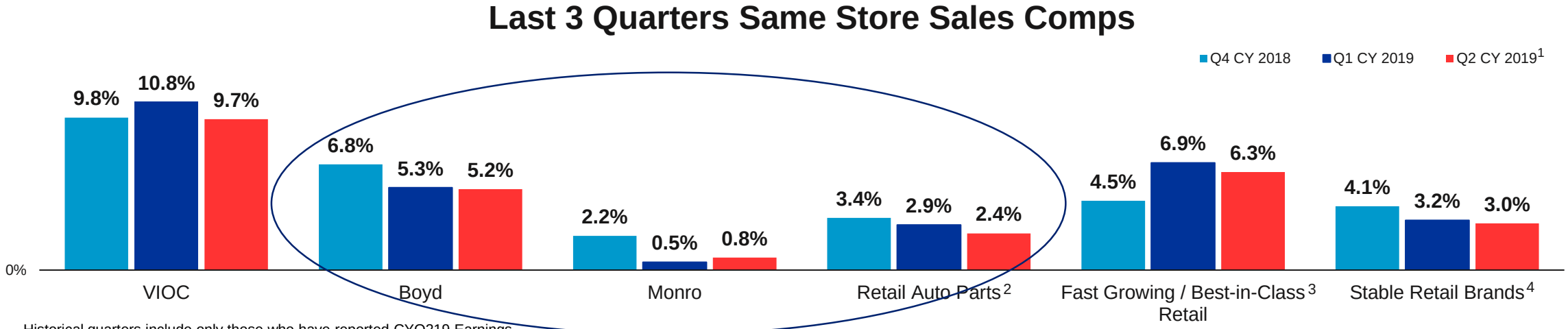


- On-track for 13th consecutive year of positive same store sales growth
- 2007 – 2019 YTD average annual same store sales growth of ~6%

Growth Through Same Store Sales

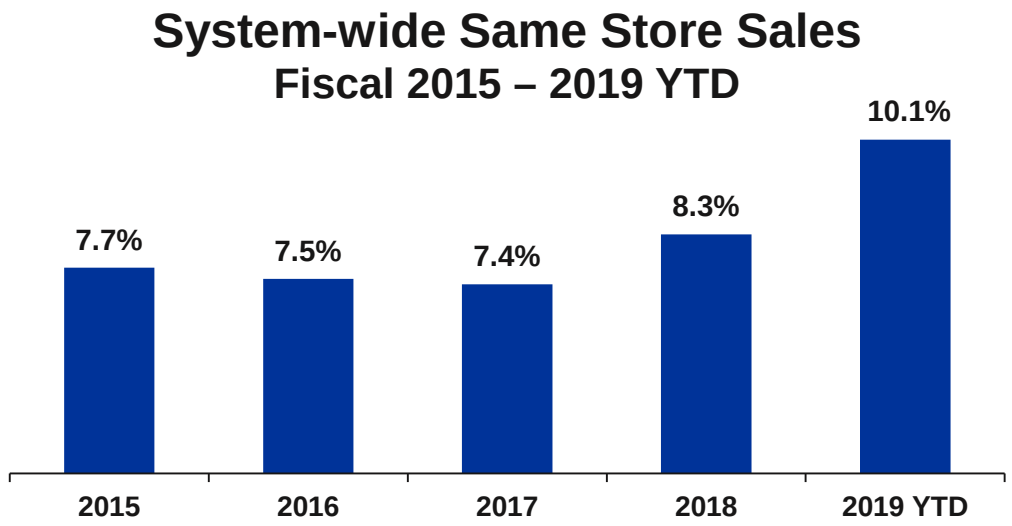


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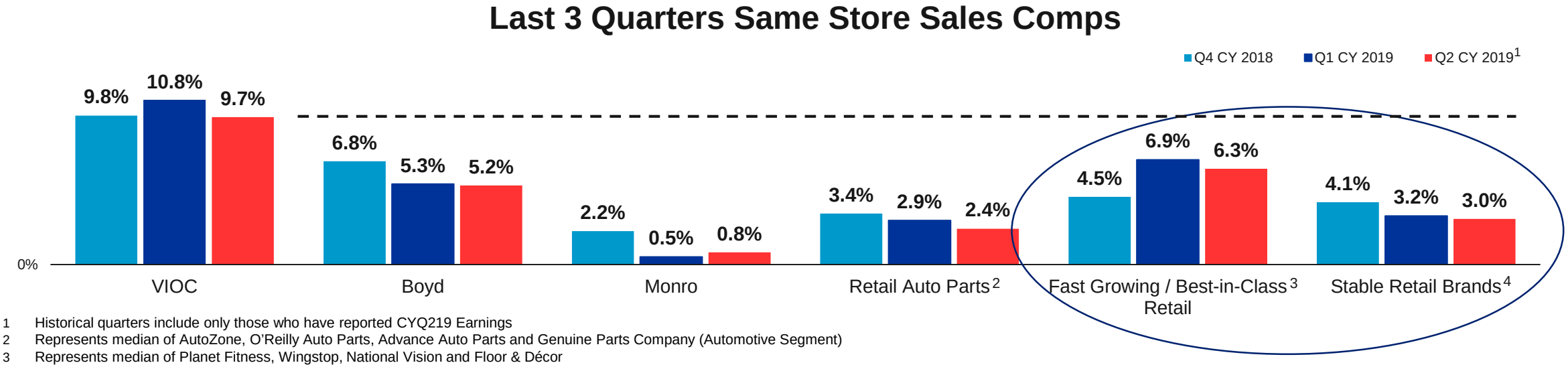


1 Historical quarters include only those who have reported CYQ219 Earnings
2 Represents median of AutoZone, O'Reilly Auto Parts, Advance Auto Parts and Genuine Parts Company (Automotive Segment)
3 Represents median of Planet Fitness, Wingstop, National Vision and Floor & Décor
4 Represents median of McDonald's, Starbucks, Walmart and Home Depot

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Strong Culture – 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

- Majority 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

Superior Technology – Proprietary Point-of-Service Technology

SERVICE INTERVAL

OEM Recommends: 1st Service after 100,000 miles

PRICING

Avg Dealer Price*	$147.82
Your Price	$99.99
Savings	$47.83 (32%)

Perform

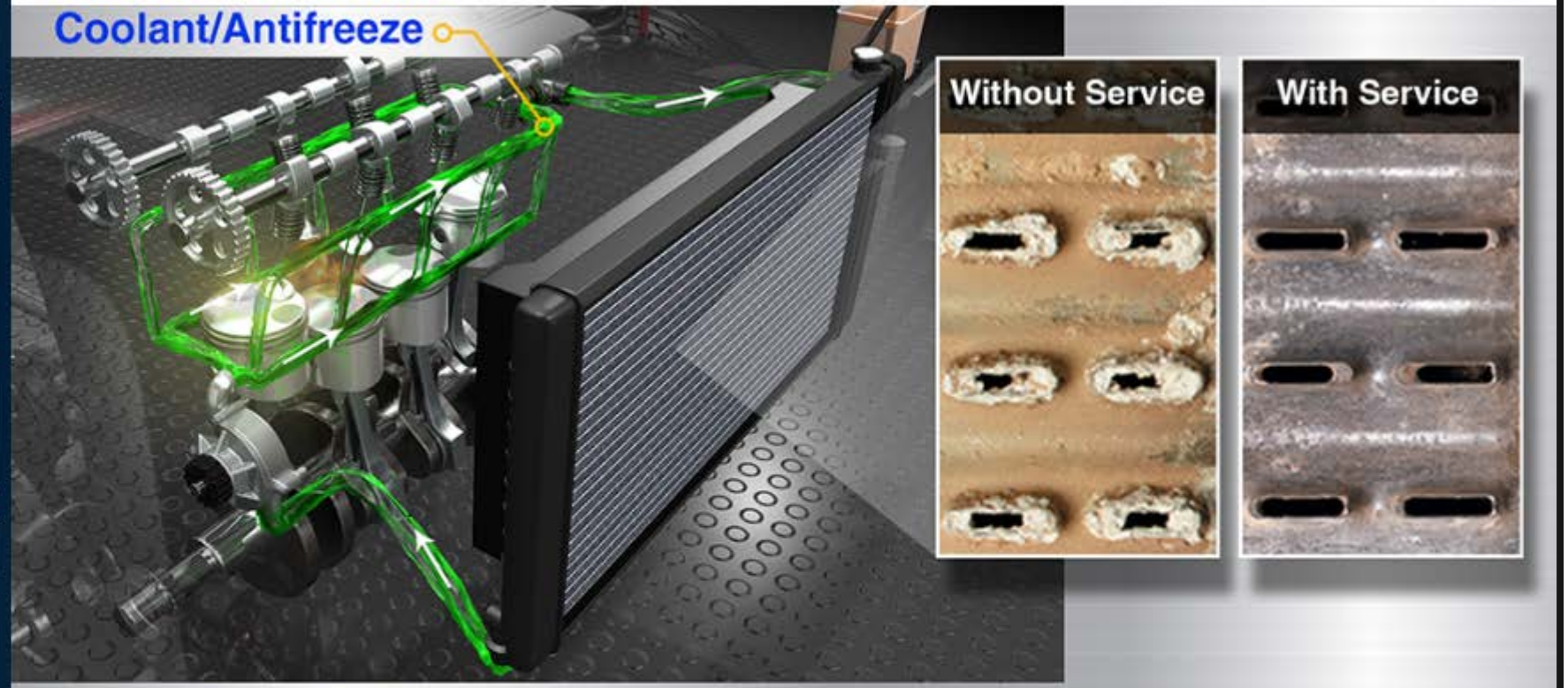
SERVICE INFORMATION

Last Serviced
No History Available

VO96 - VA440 - 30 ft-lb

*Average Dealer service pricing based on national independent research annually.

RADIATOR



What Can Go Wrong

Lines clog and block antifreeze flow which could lead to cooling system failure

How Service Helps

Replacing antifreeze protects engine from freezing and overheating

Helps prevent engine breakdowns from water pump and thermostat failure

Superior Technology – Industry Leader Addressing Key Dissatisfiers

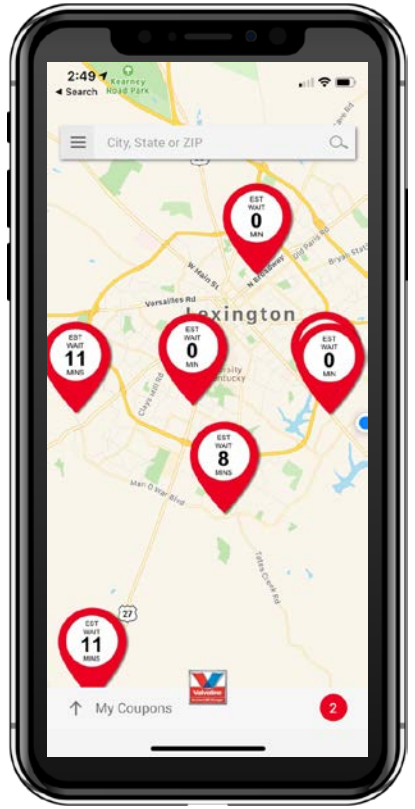


Industry Leading Technology Driving Transparency and Trust

And

Enabling Further Advances to Improve Customer Experience and Retention

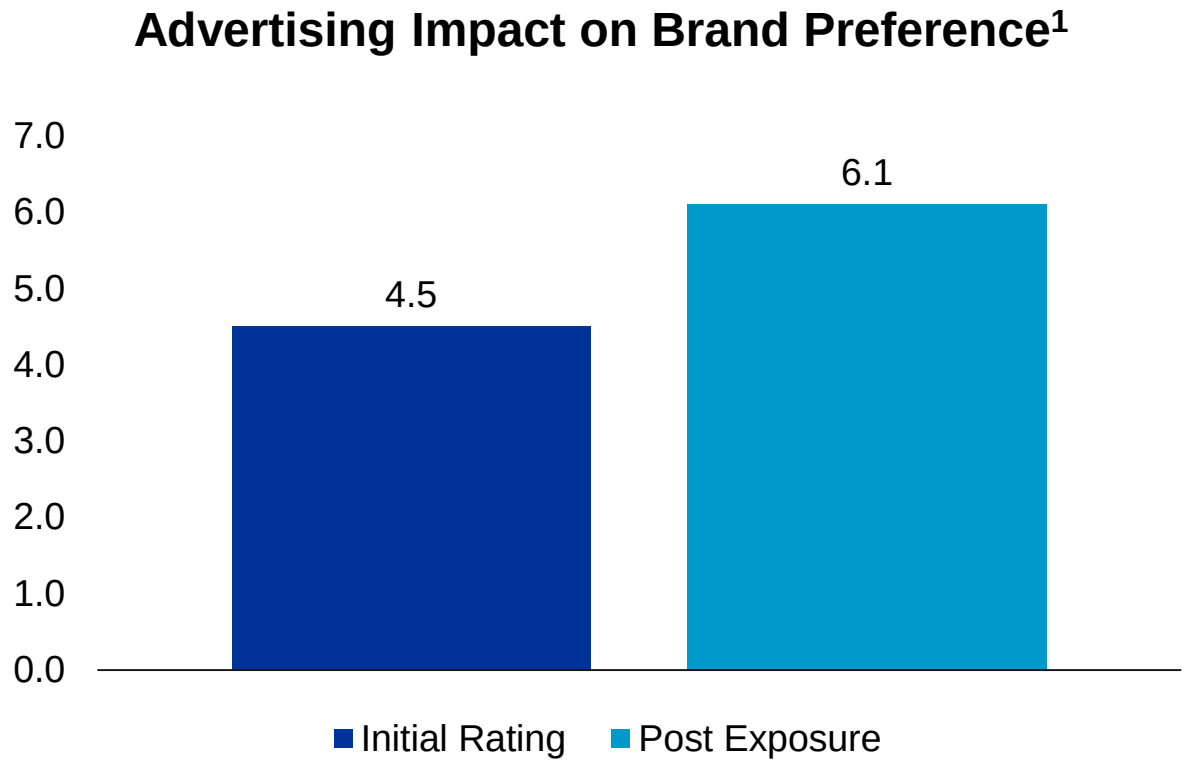
Consumer App



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

Significant Expansion Opportunity

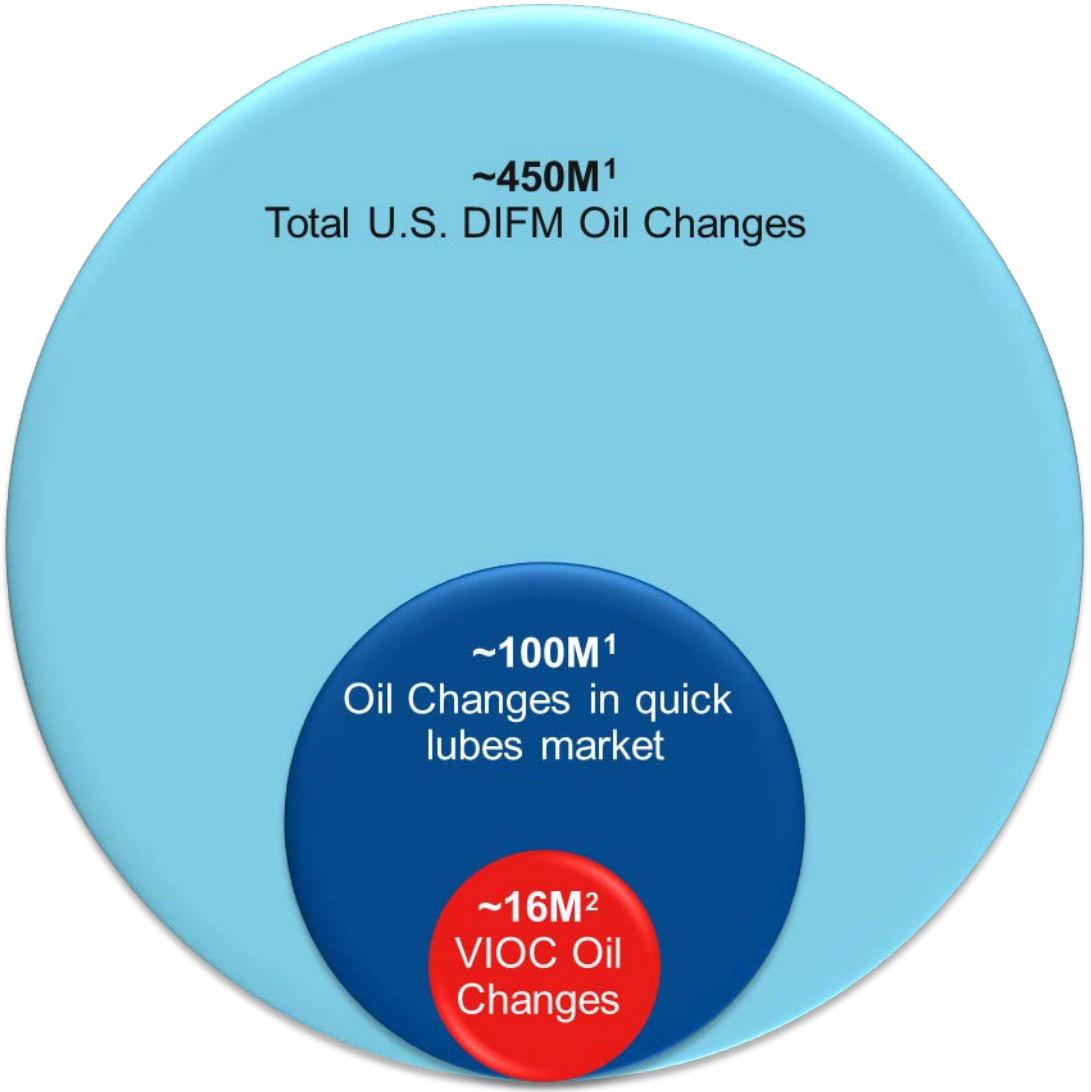


Share Gain Beyond Quick Lubes

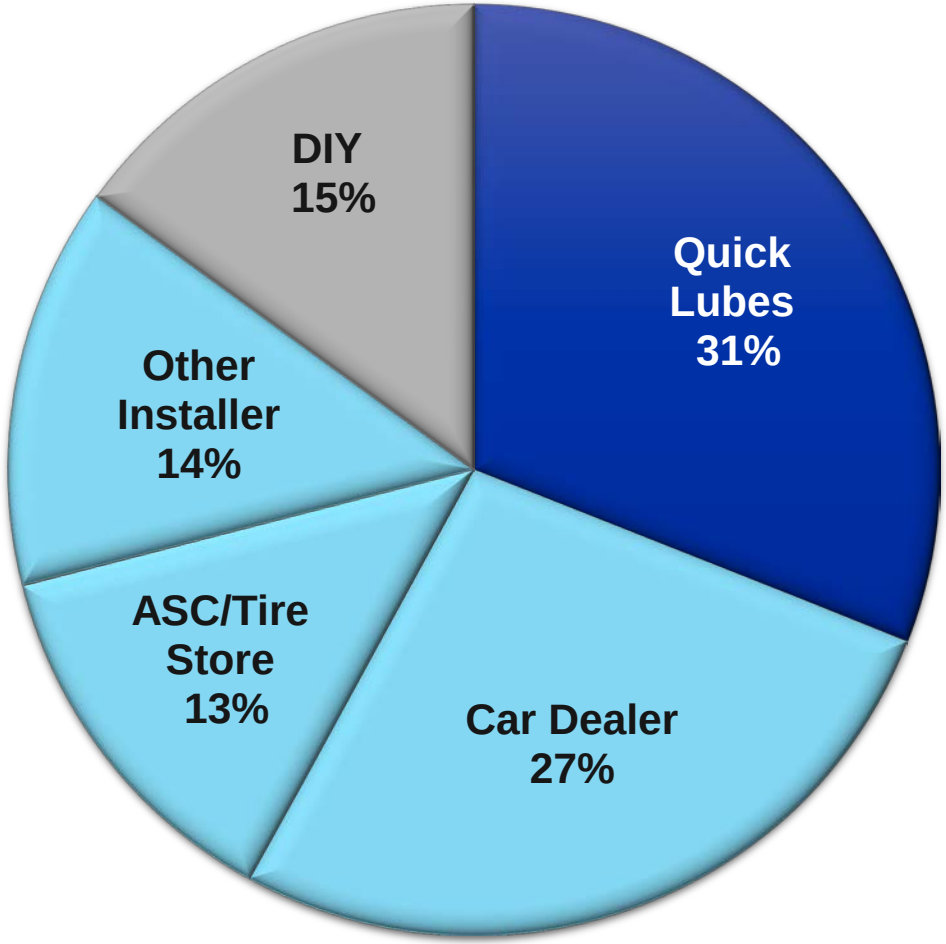
Committed to Unit Growth



Significant Share Growth Opportunity Beyond Quick Lubes

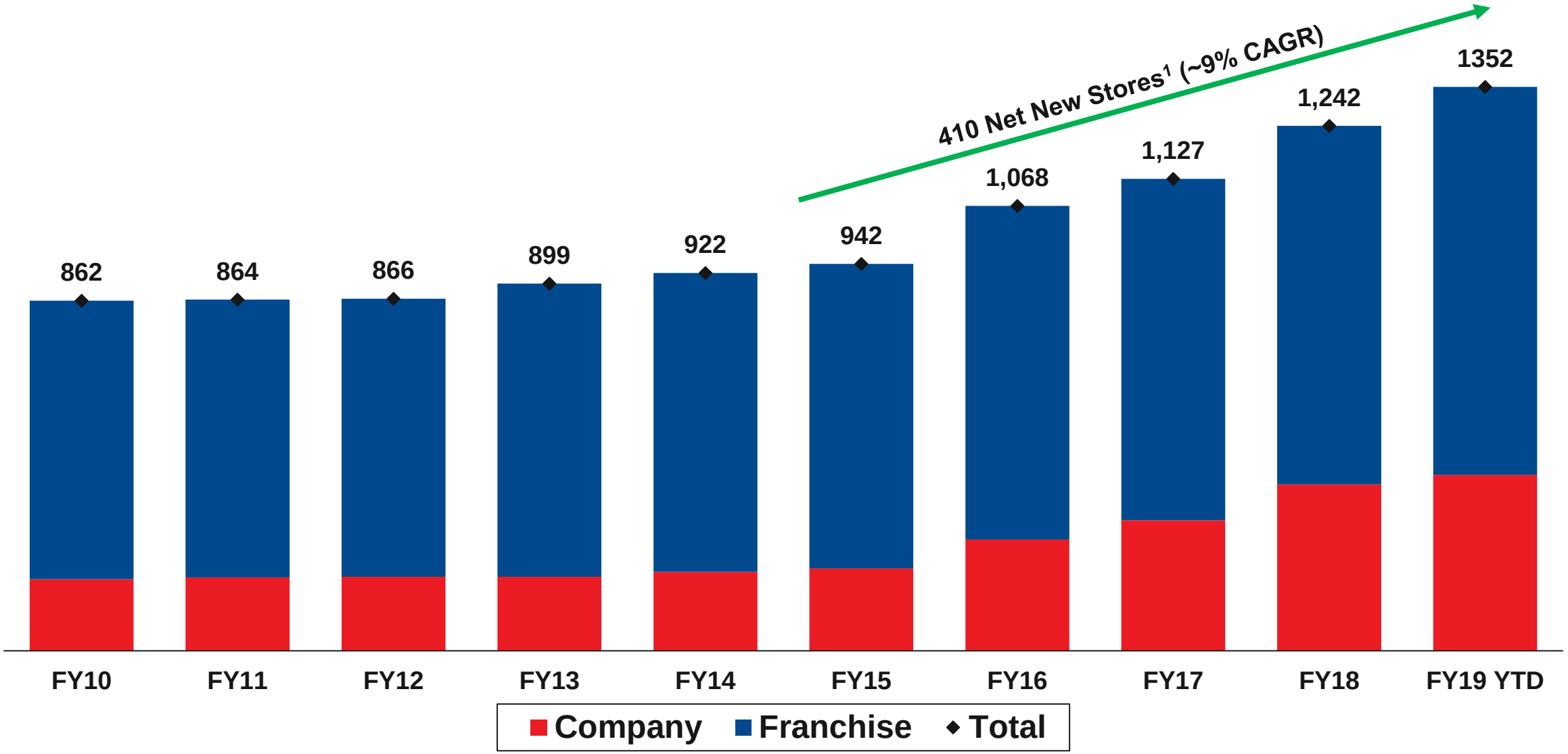


Source of New VIOC Customers[3]



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

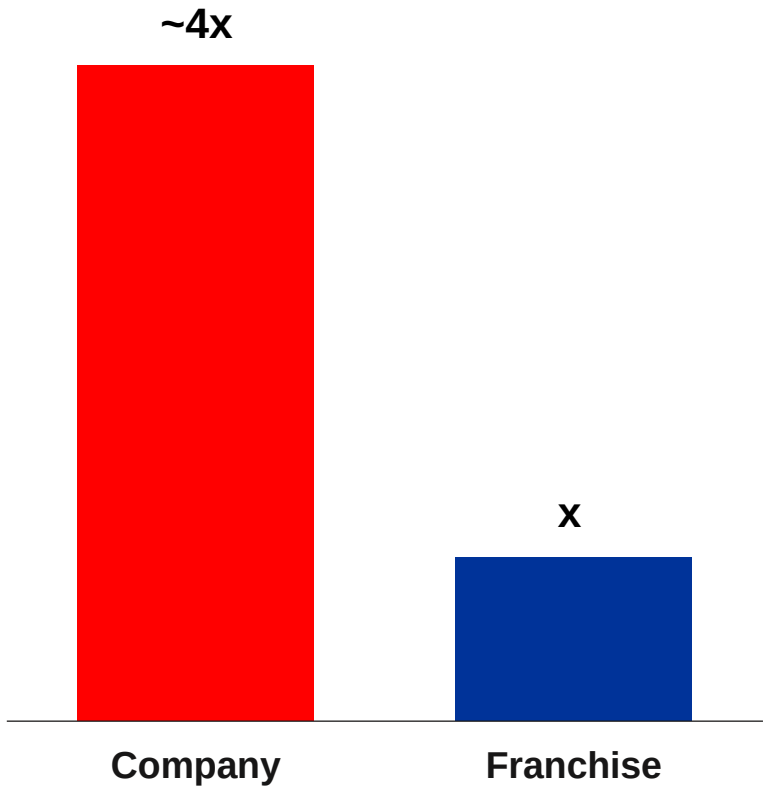
Growth Through Accelerating System Store Count



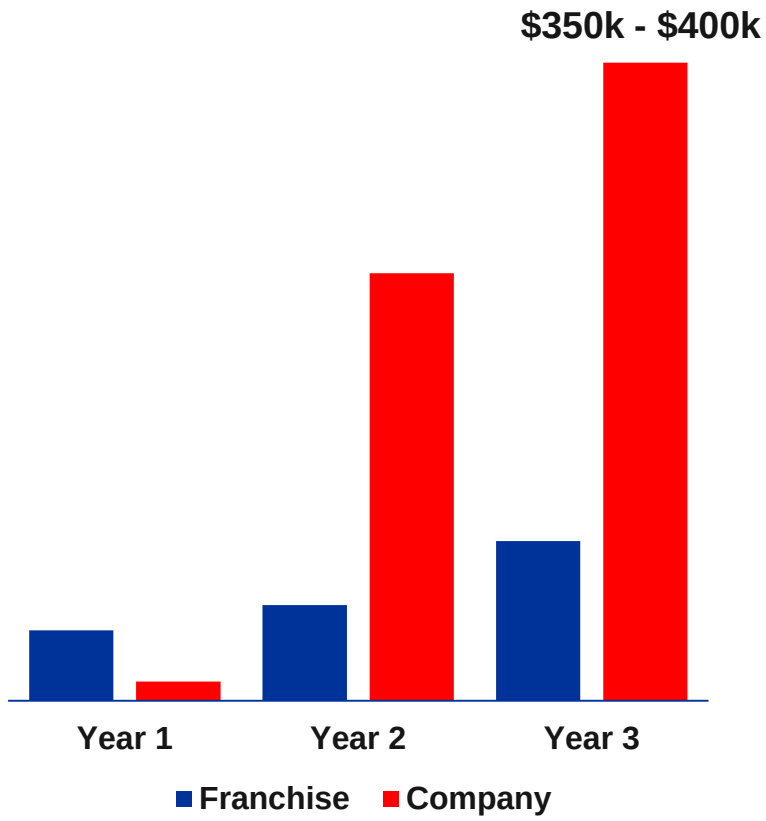
[1] Since Ashland announced separation September 22, 2015

Strong Unit Economics for New Stores

EBITDA Contribution Ranges[1]



EBITDA Ramp



[1] Based on internal estimates at maturity and assumes land is leased

Significant New Market Opportunities for Store Growth

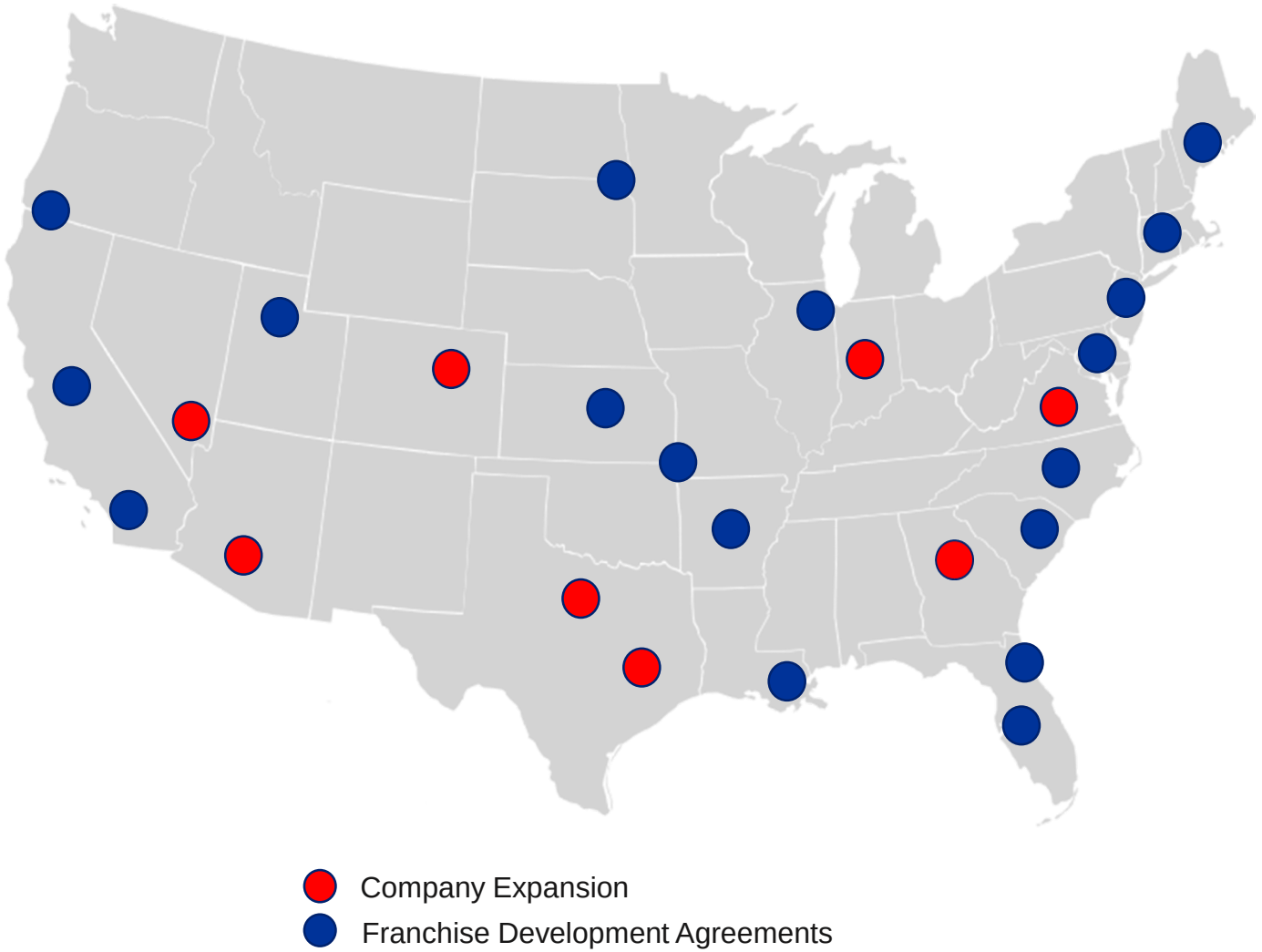
Organic Expansion

Opportunities in existing and new markets

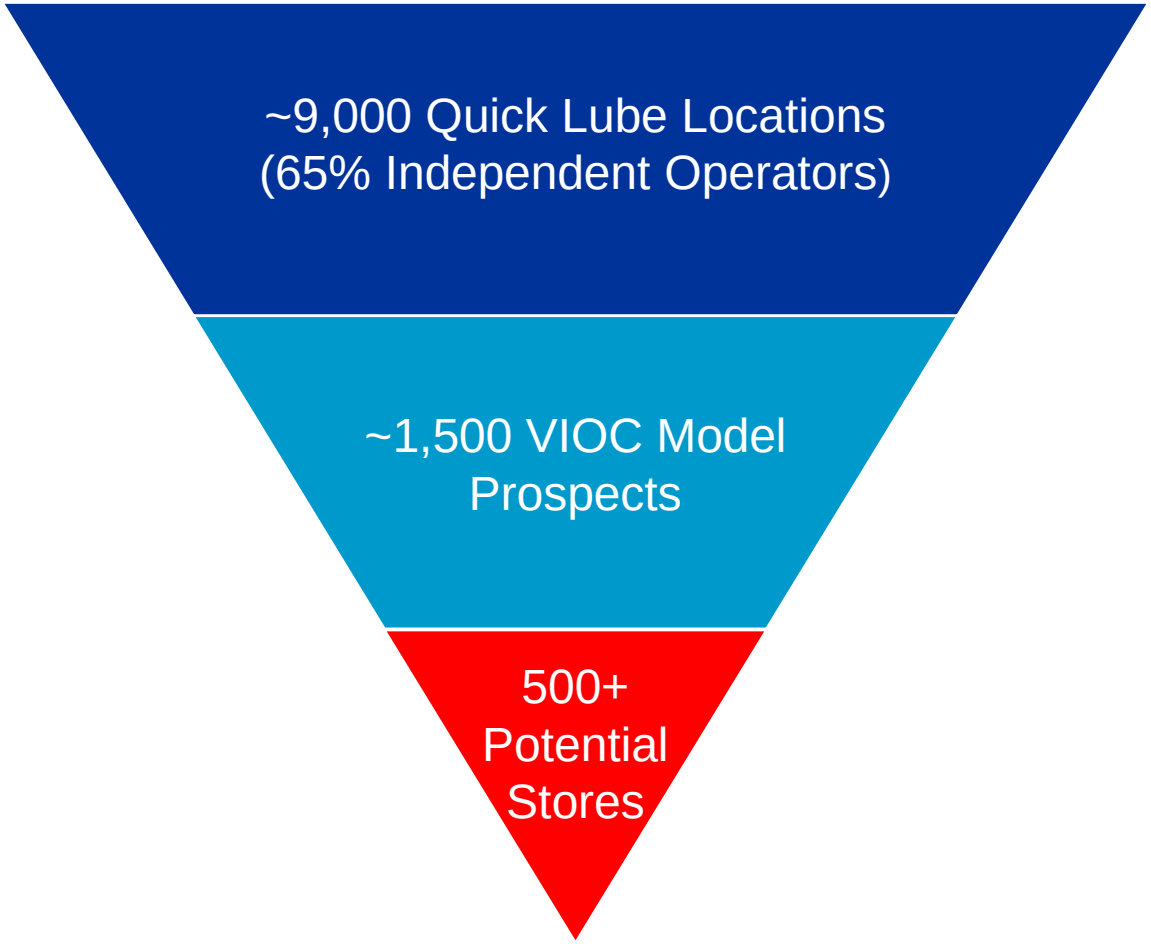
- Existing markets account for ~60% of U.S. households
- Expansion markets account for ~30% of U.S. households

Team in place to leverage opportunities for organic growth

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



Significant Acquisition Opportunities for Store Growth



Consolidation opportunity in fragmented market

- Company and Franchise are anticipated to accelerate growth with inorganic opportunities
- Approximately 1,500 potential stores are estimated to fit the VIOC business model
- Company acquisitions of Franchisees are expected to be opportunistic and targeted

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

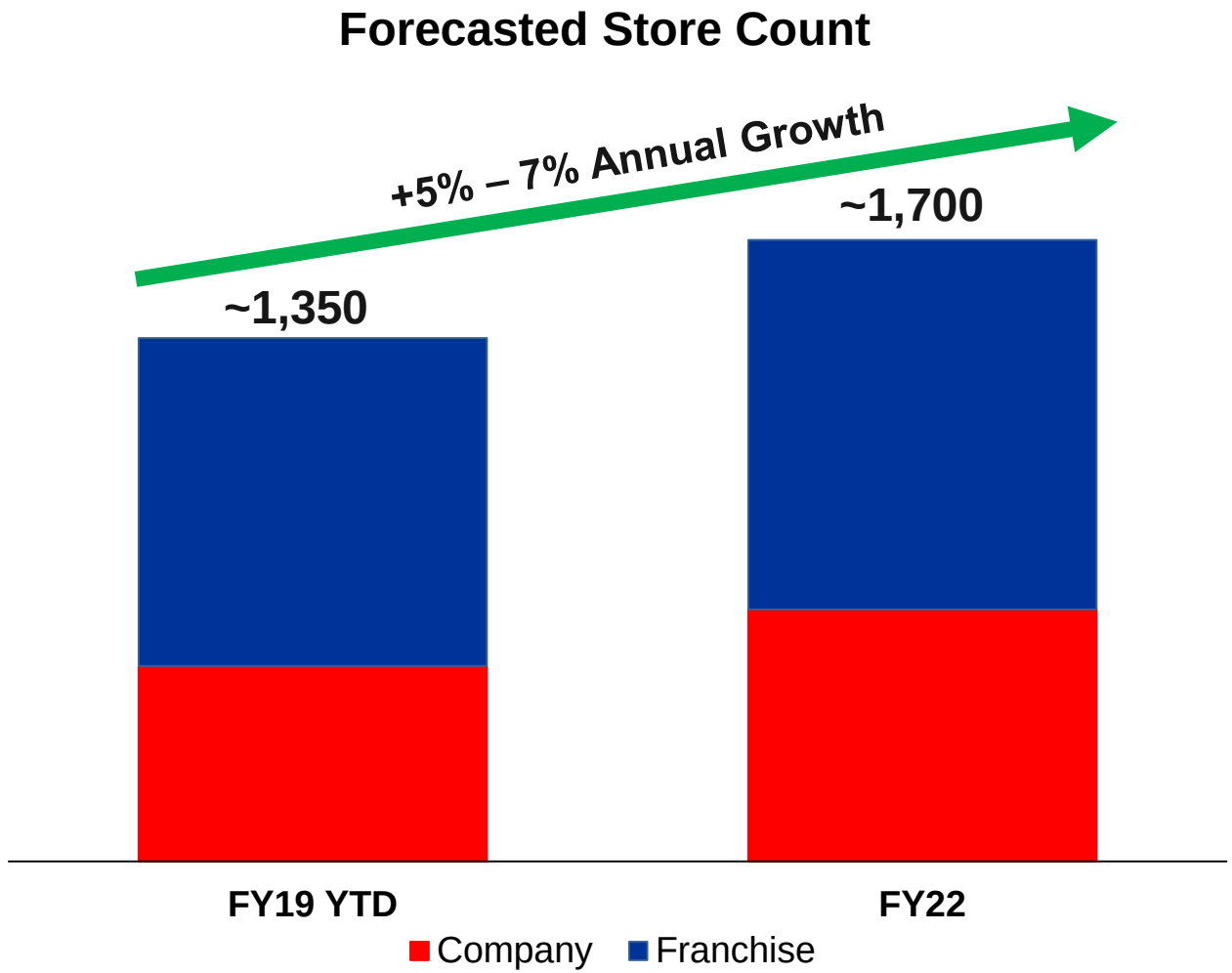
Targeted VIOC Store Growth ~100 VIOC Stores Per Year

Projected annual store growth mix

- Company: ~60, including acquisitions
- Franchise: ~40

Franchisees committed to an additional ~220 units by 2024, driven by top 8 operators

Larger acquisitions to provide potential 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 growth over the next three years
- ~100 new stores per year

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

We Have Built a World-class Retail Services Business

Operational Expertise

Vertical Integration

Faster Store Growth

Same Store Sale Growth

Products



Locations



Control the Value Chain

Superior growth, high margins, strong returns

Our Future – Driving Business Model Transformation

REFERRAL PLATFORMS

OEM Recall

Tires

Glass

Other



NEW SERVICE MARKETS

Heavy Duty Services

Regional Fleets

Canada

China

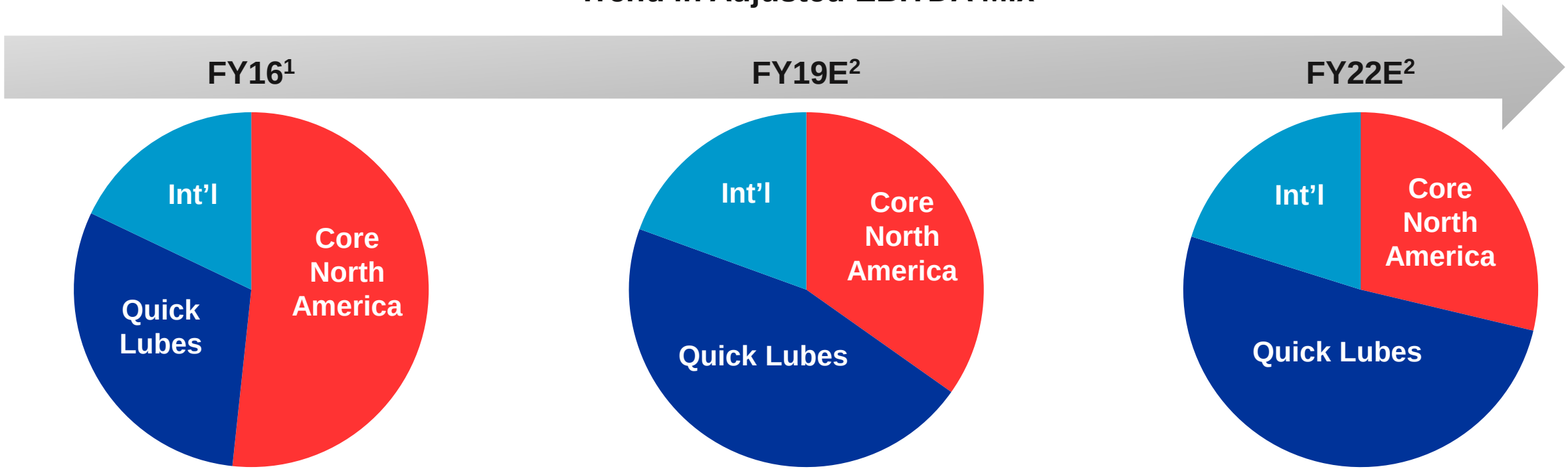
Growth through our service-driven model built on trusted customer relationships, convenient locations and fueled by products

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 July 31, 2019, available on Valvoline's website at http://investors.valvoline.com.

Q&A



Thank You!