First-Quarter Fiscal 2021 Earnings

February 4, 2021

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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 (the "SEC"), 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 report on Form 10-K, which is available on Valvoline's website at http://investors.valvoline.com/sec-filings or on 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 definitions, calculations and reconciliation of non-GAAP measures can be found in the Appendix.

Key Business Measures

Valvoline tracks its operating performance and manages its business using certain key business measures, which management believes are important to understanding Valvoline's operating performance. Information regarding Valvoline's definitions of key business measures and management's use of such measures are included in the Appendix.

First-Quarter Results

Reported Results

(in millions, except per-share data)	Q1
Operating income	$124
Net income	$87
Reported earnings per diluted share (EPS)	$0.47
YTD Cash flow from operating activities	$79

Adjusted[1] Results

(in millions, except per-share data)	Q1
Adjusted[1] operating income	$124
Adjusted[1] EBITDA	$145
Adjusted[1] EPS	$0.41
YTD Free cash flow[1]	$44

Key items[1]

- Non-service Pension and OPEB impact; $10M after-tax income

YoY Performance

- Sales increased 8%
- Reported net income and EPS, up 19% and 21%, respectively
- Adjusted[1] EBITDA up 21% and adjusted[1] EPS up 17%

[1] For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.

First-Quarter Overview

- Great start to fiscal 2021
  - Q1 results continue to demonstrate resiliency of business model
- Strong top- and bottom-line growth
  - Sales up 8%; adjusted[1] EBITDA up 21%
- Returned $81 million in cash to shareholders
  - Raised dividend by 11%; repurchased 2.5M shares

[1] For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.

Segment Results Summary

Quick Lubes

(YoY change)	Q1
Sales	17%
SSS[1] (system-wide)	6.0%
Store additions, net[1,2] (company + franchised)	71
Adjusted[1] EBITDA	$58 million, up $10 million

Core North America

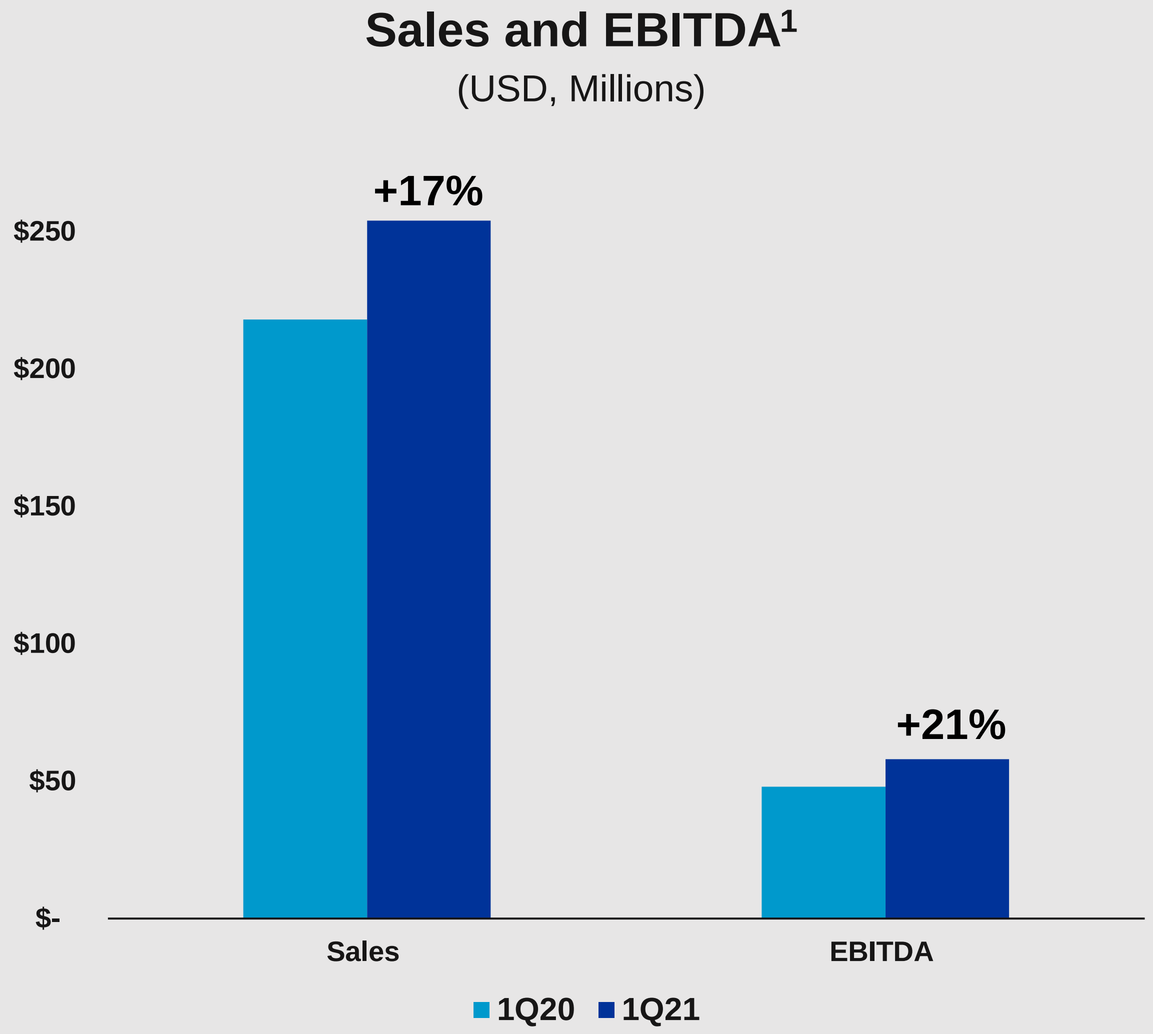
(YoY change)	Q1
Sales	-5%
Volume[1]	-1%
Premium mix[1]	59.7%, up 370 bps
Adjusted[1] EBITDA	$51 million, up $1 million

International

(YoY change)	Q1
Sales	16%
Volume[1]	14%
Volume with JVs[1]	19%
Adjusted[1] EBITDA	$36 million, up $14 million

1 For a discussion of management's use of Key Business Measures and a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.
2 Stores added in the current quarter.

Quick Lubes

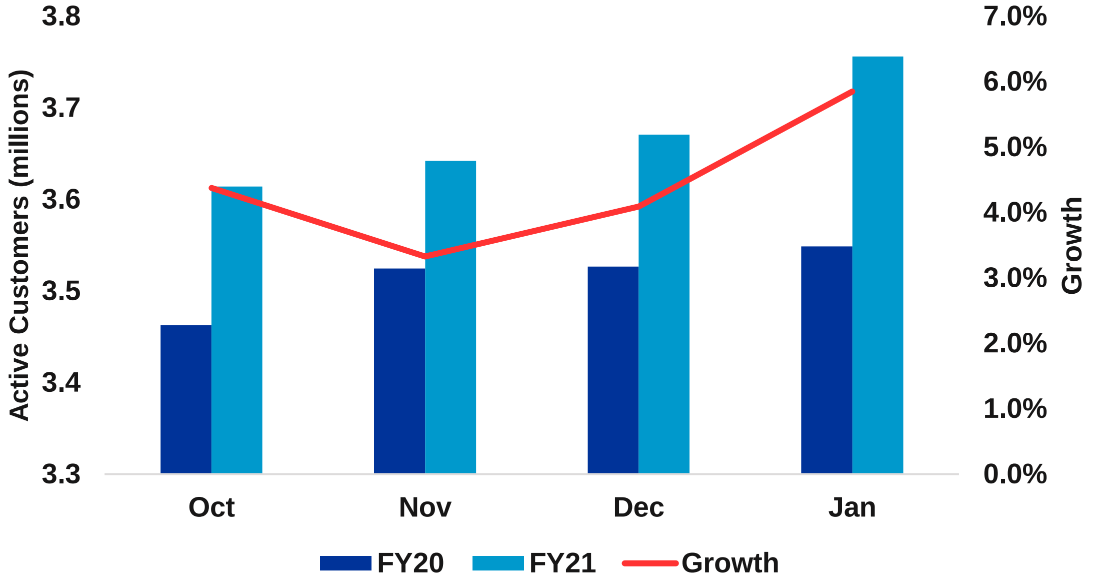


- Strong sales and EBITDA[1] growth
  - YoY sales up 17%, EBITDA up 21%
- Solid Q1 SSS[1] performance
  - 6.0% growth system-wide
- 126 net new store units[1] added since 1Q20, up 9% YoY
  - Recent acquisitions expected to make strong contribution for FY21 and beyond

1 For a discussion of management's use of Key Business Measures and a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.

Quick Lubes – Data-Driven Approach

VIOC Company Same Store
Active Customer Base[1] and YoY Growth



Growing customer base

- Stronger retention of new customers acquired during early-COVID period
- Continued share growth via customer acquisition

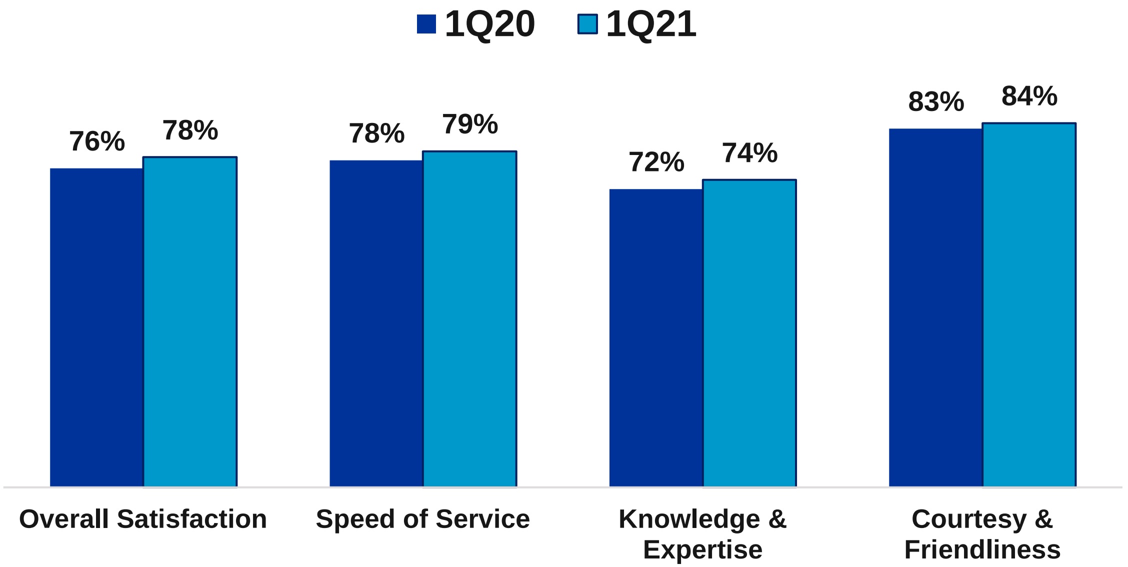
Analytical approach drives
- Improved response with a focus on frequency – right message at the right time
- Continued investment in channels where consumers are indicating propensity for service
- Modeling active customer base to target prospects

Data-driven marketing drives customer base expansion

1 Customers within Valvoline Instant Oil Change, company-owned same stores who have returned for services within an 8-month period.

Quick Lubes – People, Process and Culture

Key Drivers of Customer Satisfaction[1]



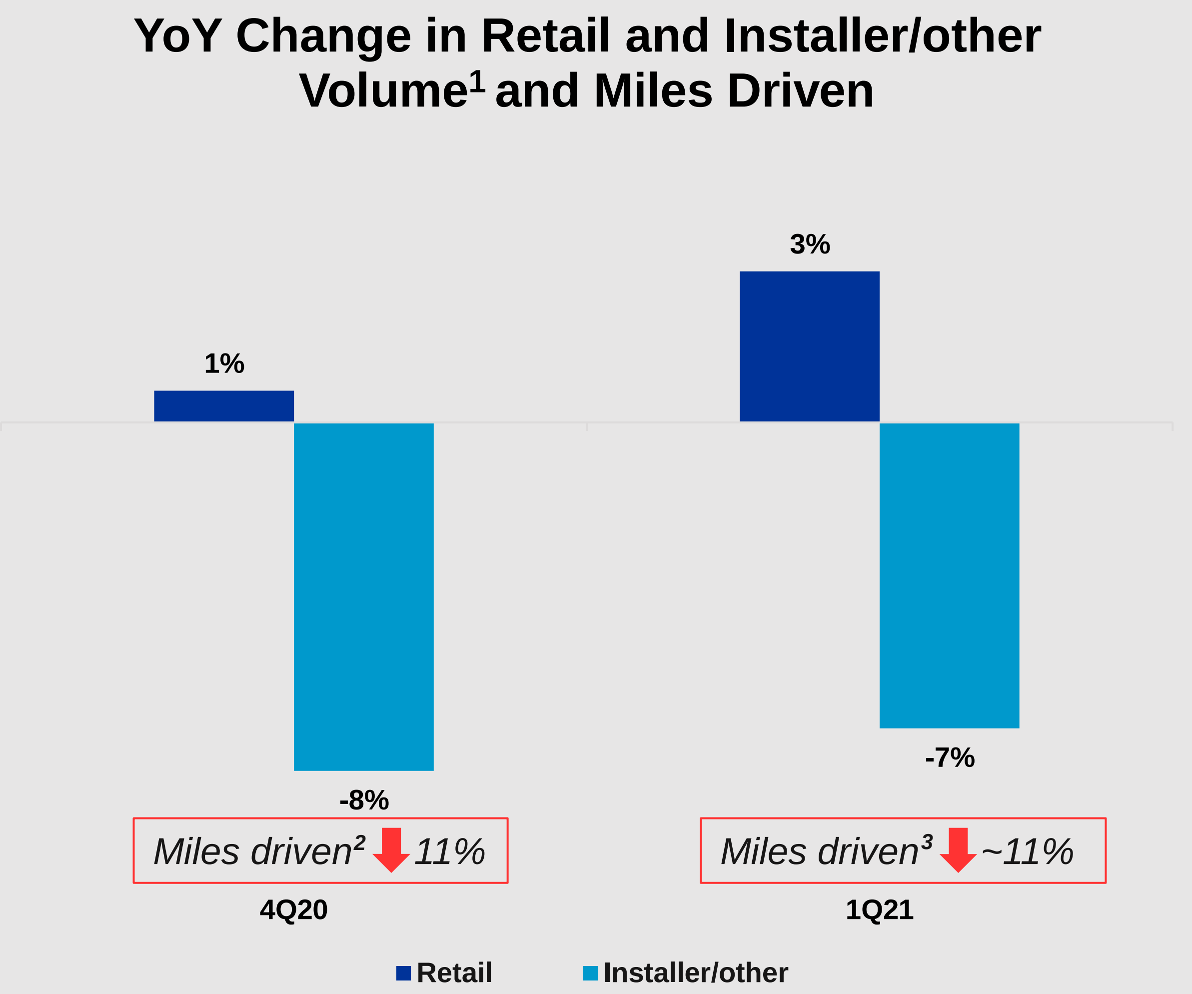
Competitive advantages driving best-in-class in-store experience

- Superior talent is foundational
  - Selective hiring protocols
  - Strong customer-service culture
- Proprietary processes, technology and marketing platforms
  - SuperPro™ operating process
  - Proprietary point-of-sale system
  - Highly targeted digital & database marketing
  - World-class customer call center

Superior customer service drives loyalty

1 Based on Service Management Group post-visit consumer survey.

Core North America



Retail Channel

- Continued progress in Q1
  - Optimized promotions
  - Effective marketing support
  - Consistent DIY share

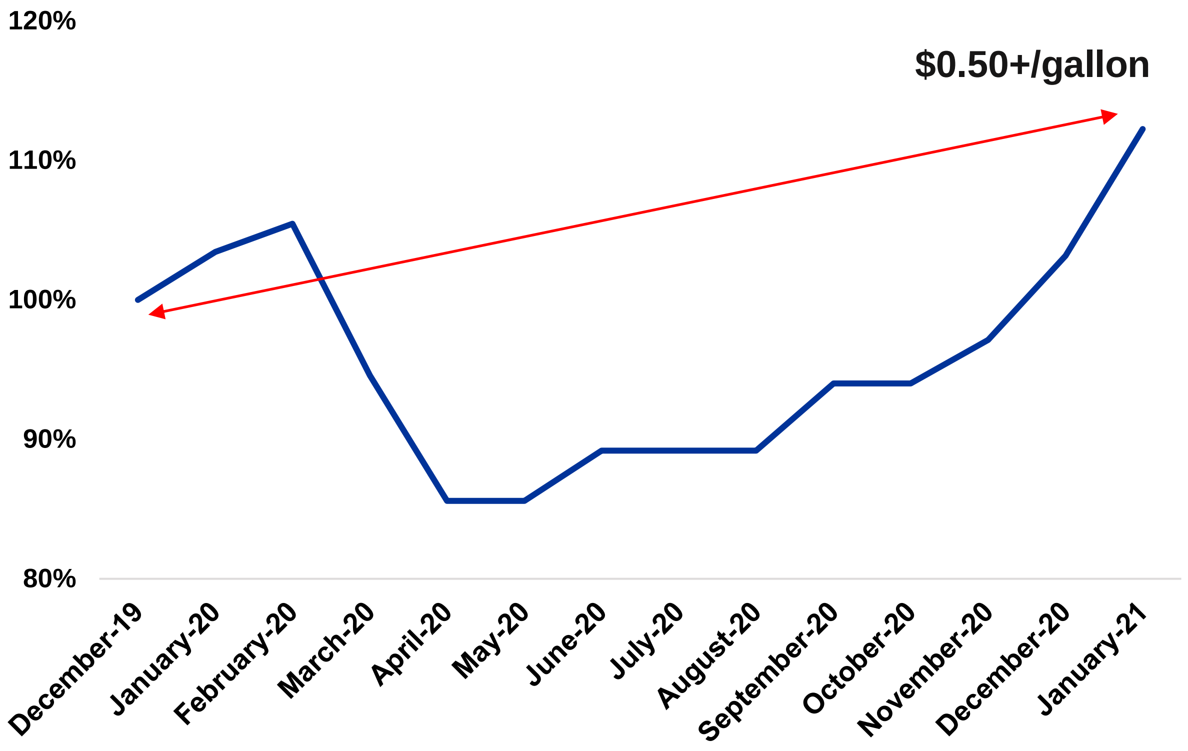
Installer Channel

- Ongoing COVID-19 impacts in Q1
  - Partially offset by new account wins

1 For a discussion of management's use of Key Business Measures, please refer to the Appendix..
2 Miles driven for 4Q20 (July – Sept. 2020) sourced from the U.S. Department of Transportation (DOT)
3 Miles driven for 1Q21 estimated using DOT for Oct. and Nov. and using U.S. Energy Information Administration weekly gasoline demand for Dec. 2020.

Core North America – Taking Decisive Action on Pricing

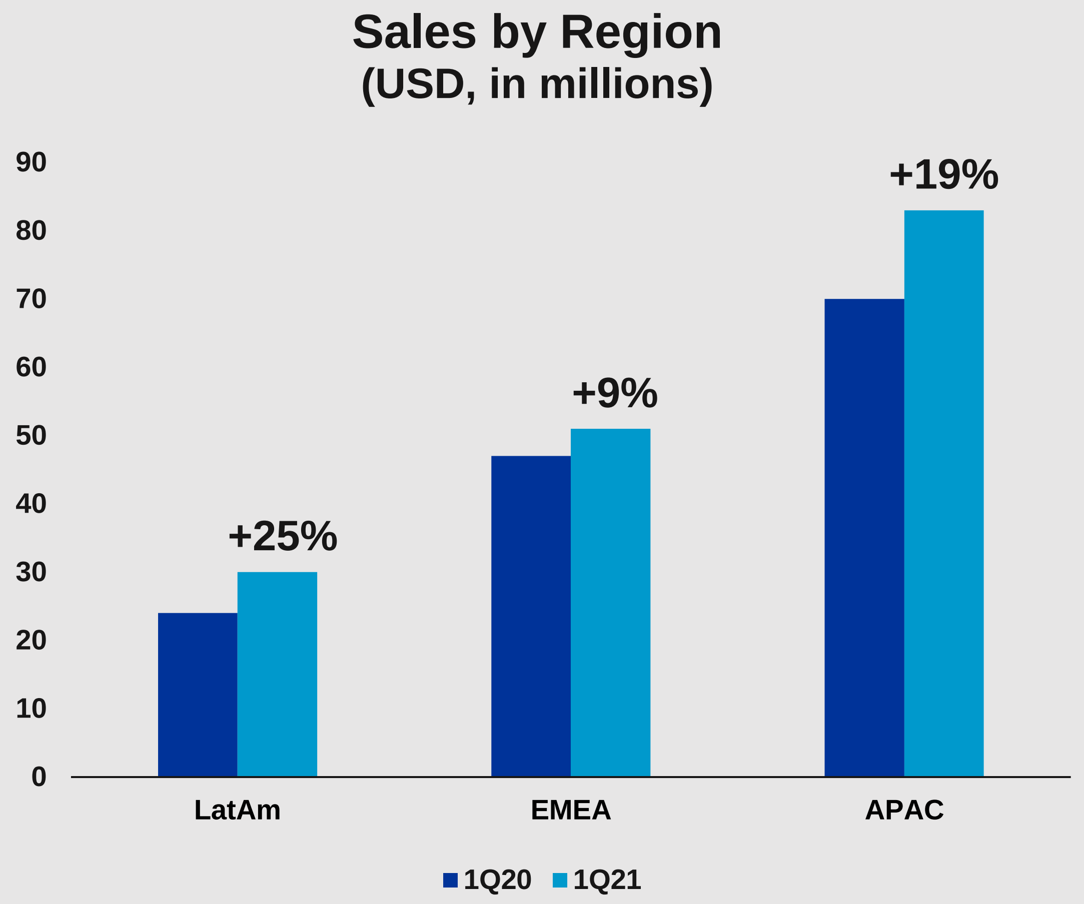
Blend of Base Oil Posted Prices[1]
Indexed to Dec. 2019



- Experienced favorable price/cost lag in fiscal 2020
- Expect unfavorable price/cost lag in fiscal 2021
- Implementing pricing actions, consistent with broader market
- Expect to recover costs – unit margins back to near $4 level in Q4

1 Blend of Group II and Group III base oil posted prices that is representative of Core North America's finished product lubricant volume.

International



Volume[1]

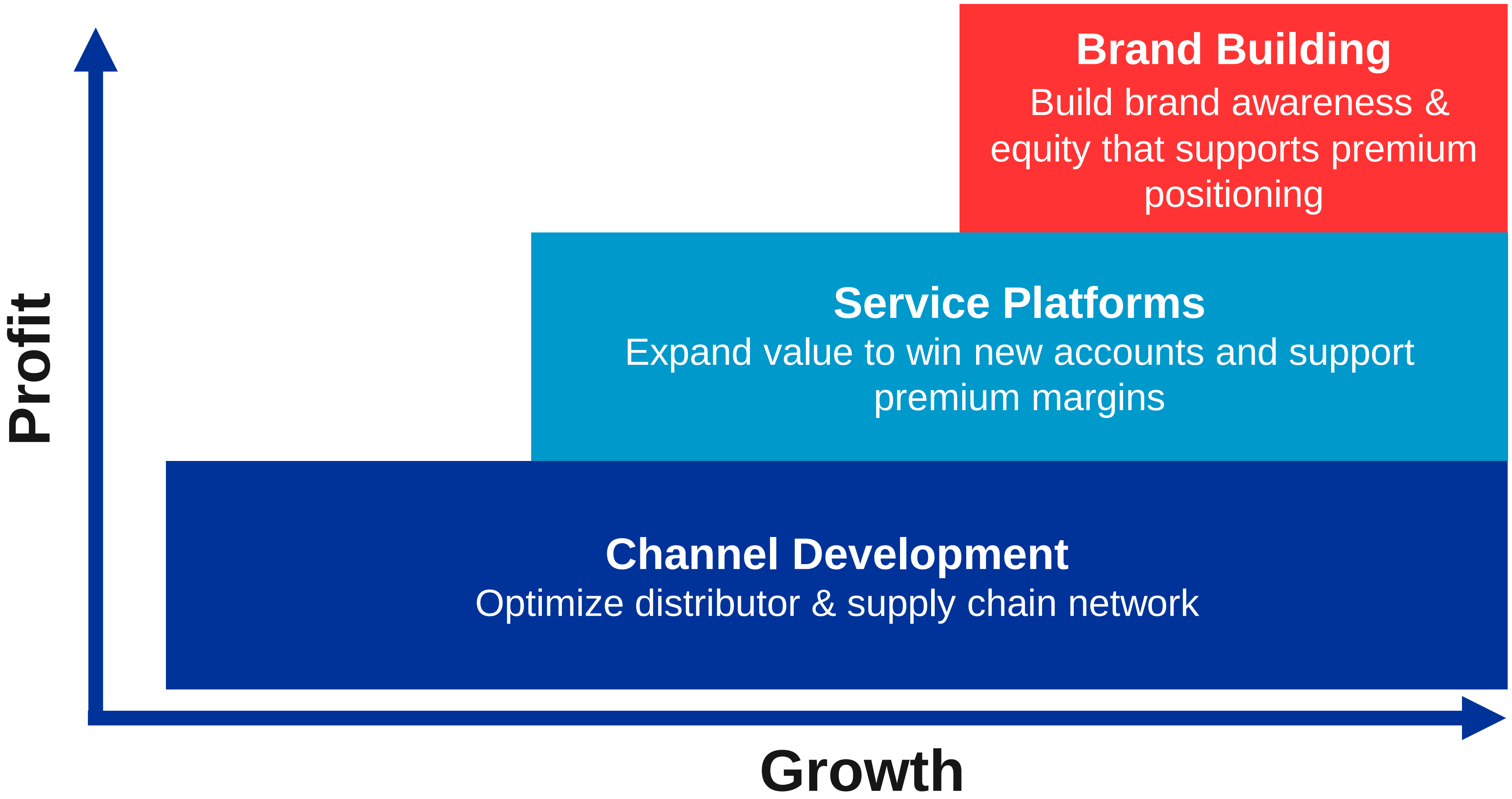
- YOY growth across all regions led by APAC
  - Continued organic growth in China
- Robust recovery in India JV and LATAM
  - Driven by restocking and increased demand

Adjusted[1] EBITDA

- Improved margins
- Increased contribution from JVs, up 40%

1 For a discussion of management's use of Key Business Measures and a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.

International – Growth Strategies

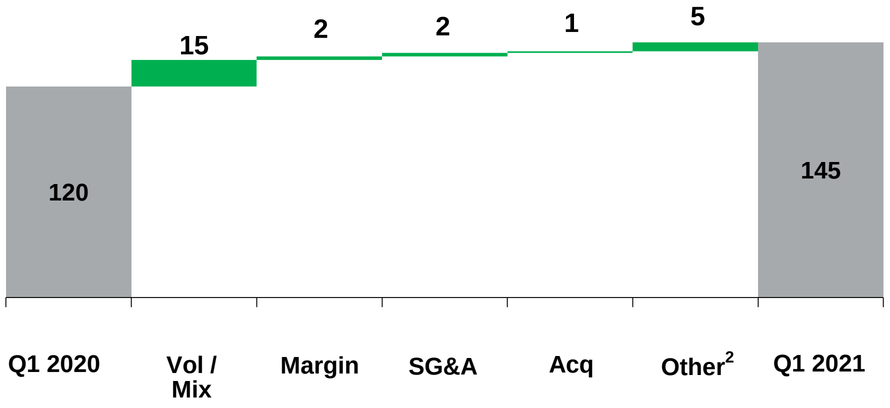


Established model driving growth in International

First-Quarter Financials

($ in millions, except per-share data) Preliminary and unaudited	Fiscal First Quarter Three months ended Dec. 31,		
Adjusted[1] P&L Results and Ratios	**2020**	**2019**	**Change**
Lubricant gallons (in millions)[1]	**45.7**	**43.4**	***5 %***
Sales	**$ 653**	**$ 607**	***8 %***
Gross profit as a percent of sales	34.9 %	34.8 %	*10 bp*
SG&A[1]	117	116	*1 %*
Equity and other income[1]	(13)	(9)	*44 %*
Adjusted[1] Operating income	**$ 124**	**$ 104**	***19 %***
Depreciation and amortization	21	16	*31 %*
Adjusted[1] Earnings before interest, taxes, depreciation and amortization (EBITDA)	**$ 145**	**$ 120**	***21 %***
Adjusted EBITDA[1] as a percent of sales	***22.2 %***	***19.8 %***	***240 bp***
Adjusted[1] EPS	**$ 0.41**	**$ 0.35**	***17 %***

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



1 For a discussion of management's use of Key Business Measures and a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix
2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

Balance Sheet and Cash Flow

- Effective tax rate of 25.6% in Q1; adjusted[1] effective tax rate of 26.0%
- Cash flow from operating activities of $79 million
- Capital expenditures totaled $35 million; free cash flow[1] generation of $44 million
- Net interest and other financing expense of $20 million in Q1, up 25% YoY
- Returned $81 million in cash to shareholders
- Gross debt of ~$1.7 billion and net debt of ~$1.5 billion as of Jan. 31

Bond transactions lowers cost of capital

[1] For reconciliation of adjusted amounts to amounts reported under GAAP and additional details, please refer to the Appendix.

Outlook

On track for full-year expectations – Reaffirming guidance

	2021 Outlook
Operating Segments	
• Sales growth	14 – 16%
• New Quick Lube stores[1] (includes company-owned, franchise and acquisitions)	140 – 160
• Quick Lubes system-wide SSS[1] growth	12 – 14%
• Normalized[2] system-wide SSS growth	6 – 8%
• Adjusted[3] EBITDA	$560 – $580 million
Corporate Items	
• Adjusted[3] effective tax rate	25 – 26%
• Diluted adjusted[3] EPS	$1.57 – $1.67
• Capital expenditures	$160 – $170 million
• Free cash flow[4]	$200 – $220 million

1 For a discussion of management's use of Key Business Measures, please refer to the Appendix.
2 Same-store sales growth excluding estimated COVID-19 impacts in March - May 2020 period; based on average two-year same-store sales growth between fiscal 2020 and 2021 outlook.
3 Denotes a forward-looking non-GAAP financial measure that Valvoline is unable to reconcile without unreasonable efforts, as the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP results but would not impact non-GAAP adjusted results.
4 For reconciliation of adjusted outlook amounts expected to be reported under GAAP and additional details, please refer to the appendix.

Summary

Outstanding start to the Fiscal Year

Continued strong growth in Quick Lubes; renewed momentum in International

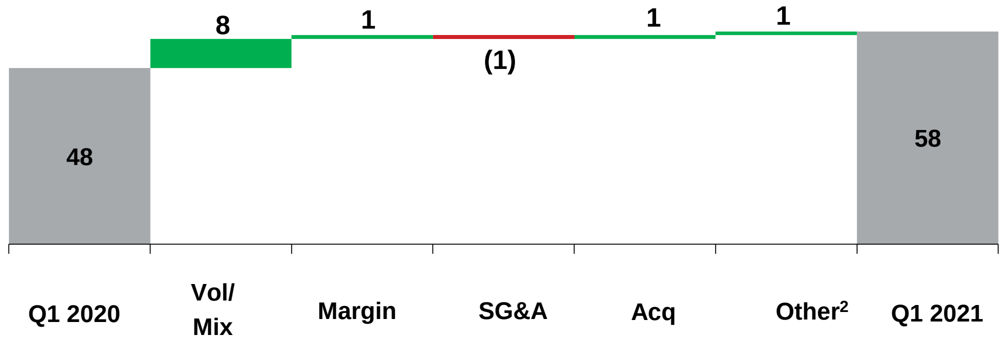
Accelerated shift to a service-driven business

Appendix

Quick Lubes

($ in millions) Preliminary and unaudited	Fiscal First Quarter Three months ended Dec. 31,		
	2020	2019	Change
Lubricant gallons[1] (in millions)	7.7	7.3	5 %
Sales	$ 254	$ 218	17 %
Operating income	$ 43	$ 38	13 %
Depreciation and amortization	15	10	50 %
Adjusted EBITDA[1]	$ 58	$ 48	21 %
EBITDA as a percent of sales	22.8 %	22.0 %	80 bp

Factors affecting year-over-year EBITDA[1]

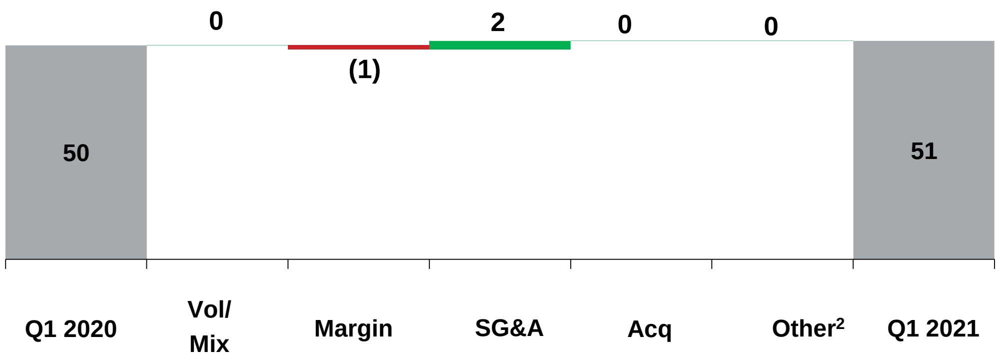


1 For a discussion of management's use of Key Business Measures and a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to this Appendix.
2 Other includes foreign exchange impacts as well as equity and other income/expense.

Core North America

($ in millions) Preliminary and unaudited	Fiscal First Quarter Three months ended Dec. 31, 2020	2019	Change
Lubricant gallons[1] (in millions)	**21.2**	**21.4**	***(1) %***
Sales	**$ 235**	**$ 248**	***(5) %***
Operating income	**$ 47**	**$ 46**	***2 %***
Depreciation and amortization	4	4	- %
Adjusted EBITDA[1]	**$ 51**	**$ 50**	***2 %***
EBITDA as a percent of sales	*21.7 %*	*20.2 %*	*150 bp*

Factors affecting year-over-year EBITDA[1]

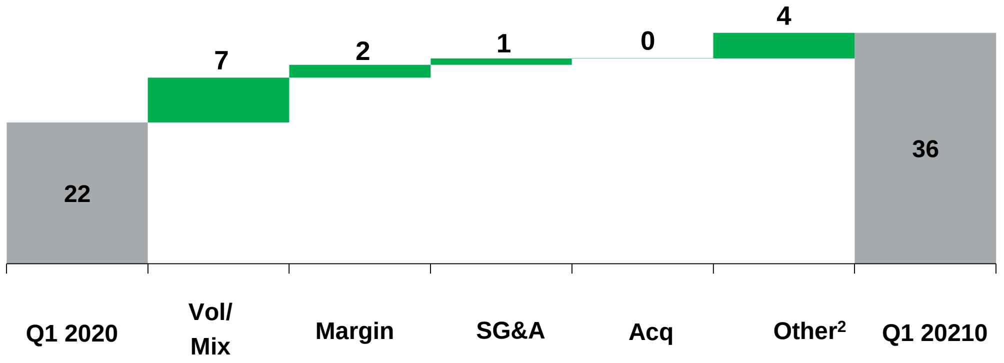


1 For a discussion of management's use of Key Business Measures and a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to this Appendix.
2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

International

($ in millions) Preliminary and unaudited	Fiscal First Quarter Three months ended Dec. 31,		
	2020	2019	Change
Lubricant gallons[1] (in millions)	**16.8**	**14.7**	***14 %***
Sales	**$ 164**	**$ 141**	***16 %***
Operating income	**$ 34**	**$ 20**	***70 %***
Depreciation and amortization	2	2	- %
Adjusted[1] EBITDA	**$ 36**	**$ 22**	***64 %***
EBITDA as a percent of sales	*22.0 %*	*15.6 %*	*640 bp*

Factors affecting year-over-year EBITDA[1]



1 For a discussion of management's use of Key Business Measures and a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to this Appendix.
2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

Key Items[1] Affecting Income

($ in millions, except per-share data) Preliminary and unaudited Fiscal 2021	First-Quarter Impact Operating Income	Total Pre-tax	After-tax	Earnings per Share
Pension & OPEB income	$ -	$ 13	$ 10	$ 0.05
Net legacy and separation-related expenses	$ (1)	$ (1)	$ (1)	$ -
Business interruption recovery	$ 1	$ 1	$ 1	$ 0.01
Total	$ -	$ 13	$ 10	$ 0.06
Fiscal 2020				
Pension & OPEB income	$ -	$ 9	$ 7	$ 0.04
Net legacy and separation-related income	$ 1	$ 1	$ 1	$ -
Restructuring and related expenses	$ (1)	$ (1)	$ (1)	$ -
Total	$ -	$ 9	$ 7	$ 0.04

1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to this Appendix.

Reconciliation of Non-GAAP Data – Net Earnings and P&L

	Three months ended December 31	
	2020	2019
Reported net income	$ 87	$ 73
Adjustments:		
Net pension and other postretirement plan income	(13)	(9)
Net legacy and separation-related expenses (income)	1	(1)
Business interruption recovery	(1)	—
Restructuring and related expenses	—	1
Total adjustments, pre-tax	(13)	(9)
Income tax expense of adjustments	3	2
Total adjustments, after tax	(10)	(7)
Adjusted net income	$ 77	$ 66
Reported diluted earnings per share	$ 0.47	$ 0.39
Adjusted diluted earnings per share	$ 0.41	$ 0.35
Weighted average diluted common shares outstanding	186	189

	Operating income		Selling, general and administrative expenses		Equity and other income, net	
	Three months ended December 31		Three months ended December 31		Three months ended December 31	
	2020	2019	2020	2019	2020	2019
As reported	$ 124	$ 104	$ 117	$ 117	$ (14)	$ (9)
Adjustments:						
Net legacy and separation-related expense (income)	1	(1)	—	—	—	—
Restructuring and related expenses	—	1	—	(1)	—	—
Business interruption recovery	(1)	—	—	—	1	—
As adjusted	$ 124	$ 104	$ 117	$ 116	$ (13)	$ (9)

Valvoline

Reconciliation of Non-GAAP Data - Adjusted EBITDA

	Three months ended December 31 2020	Three months ended December 31 2019
Adjusted EBITDA - Valvoline		
Net income	$ 87	$ 73
Add:		
Income tax expense	30	24
Net interest and other financing expenses	20	16
Depreciation and amortization	21	16
EBITDA	158	129
Key items: [a]		
Net pension and other postretirement plan income	(13)	(9)
Net legacy and separation-related expenses (income)	1	(1)
Business interruption recovery	(1)	—
Restructuring and related expenses	—	1
Adjusted EBITDA	$ 145	$ 120
Adjusted EBITDA - Quick Lubes		
Operating income	$ 43	$ 38
Key items: [a]		
N/A	—	—
Adjusted operating income	43	38
Add:		
Depreciation and amortization	15	10
Adjusted EBITDA	$ 58	$ 48
Adjusted EBITDA - Core North America		
Operating income	$ 47	$ 46
Key items: [a]		
N/A	—	—
Adjusted operating income	47	46
Add:		
Depreciation and amortization	4	4
Adjusted EBITDA	$ 51	$ 50

	Three months ended December 31 2020	Three months ended December 31 2019
Adjusted EBITDA - International		
Operating income	$ 34	$ 20
Key items: [a]		
N/A	—	—
Adjusted operating income	34	20
Add:		
Depreciation and amortization	2	2
Adjusted EBITDA	$ 36	$ 22
Adjusted EBITDA - Unallocated and other		
Operating income	$ —	$ —
Add:		
Depreciation and amortization	—	—
Net pension and other postretirement plan income	13	9
EBITDA	13	9
Key items: [a]		
Net pension and other postretirement plan income	(13)	(9)
Net legacy and separation-related expenses (income)	1	(1)
Business interruption recovery	(1)	—
Restructuring and related expenses	—	1
Adjusted EBITDA	$ —	$ —

(a) Key items were recorded in Unallocated and other and none were recognized in operating segment results. The table above reconciles Unallocated and other operating income and relevant other items reported below operating income to EBITDA and Adjusted EBITDA.

Valvoline

Reconciliation of Non-GAAP Data – Free Cash Flow

Free cash flow [(a)]	Three months ended December 31 2020	2019
Total cash flows provided by operating activities	$ 79	$ 59
Adjustments:		
Additions to property, plant and equipment	(35)	(28)
Free cash flow	$ 44	$ 31

Free cash flow [(a)]	Fiscal year 2021 Outlook
Total cash flows provided by operating activities	$370 - $380
Adjustments:	
Additions to property, plant and equipment	(160 - 170)
Free cash flow	$200 - $220

(a) Free cash flow is defined as cash flows from operating activities less capital expenditures and certain other adjustments as applicable.

Liquidity and Net Debt – January 31, 2021

Liquidity		At January 31, 2021
Cash	$	205
Available revolver [1] and A/R facility capacity [2]		506
Liquidity	$	711

Debt	Expiration	Interest Rate		At January 31, 2021
3.625% senior notes, par $535 million	06/2031	3.625%	$	535
4.25% senior notes, par $600 million	02/2030	4.250%		600
Term Loan A	04/2024	L+1.50%		475
Revolver drawn [1]	04/2024	L+1.50%		-
A/R facility drawn [2]	11/2021	Various		88
Other debt [3]		Various		20
Total debt			$	1,718
Cash			$	205
Net debt			$	1,513

1. $475 million facility, including ~$5 million for letters of credit.
2. AR securitization facility with borrowing capacity of $175 million; remaining capacity of $36 million based on December 31 receivables.
3. Other debt comprised of the China Credit Facility and debt issuance costs and discounts.

Use of Non-GAAP Measures

To aid in the understanding of Valvoline's ongoing business performance, certain items within this presentation are presented on an adjusted basis. These non-GAAP measures, presented on both a consolidated and operating segment basis, which are not defined within U.S. GAAP and do not purport to be alternatives to net or operating income/loss, earnings/loss per share or cash flows from operating activities as a measure of operating performance or cash flows. For a reconciliation of non-GAAP measures, refer to the tables in this Appendix.

The following are the non-GAAP measures management has included and how management defines them:

- EBITDA, which management defines as net income/loss, plus income tax expense/benefit, net interest and other financing expenses, and depreciation and amortization;
- Adjusted EBITDA, which management defines as EBITDA adjusted for certain non-operational items, including net pension and other postretirement plan expense/income; impairment of equity investment; and other items (which can include costs related to the separation from Ashland, impact of significant acquisitions or divestitures, restructuring costs, or other non-operational activity not directly attributable to the underlying business);
- Adjusted operating income, which management defines as operating income adjusted for certain key items impacting comparability as noted in the definition of Adjusted EBITDA above;
- Free cash flow, which management defines as operating cash flows less capital expenditures and certain other adjustments, as applicable;
- Adjusted net income, which management defines as net income/loss adjusted for certain key items impacting comparability as noted in the definition of Adjusted EBITDA above, as well as the estimated net impact of the enactment of tax reform legislation and debt extinguishment and modification costs that are not reflective of the Company's ongoing operational performance or liquidity; and
- Adjusted EPS, which management defines as earnings per diluted share calculated using adjusted net income.

These measures are not prepared in accordance with U.S. GAAP and contain management's best estimates of cost allocations and shared resource costs. Management believes the use of non-GAAP measures on a consolidated and operating segment basis assists investors in understanding the ongoing operating performance of Valvoline's business by presenting comparable financial results between periods. The non-GAAP information provided is used by Valvoline's management and may not be comparable to similar measures disclosed by other companies, because of differing methods used by other companies in calculating EBITDA, Adjusted EBITDA, free cash flow, Adjusted net and operating income, and Adjusted EPS. These non-GAAP measures provide a supplemental presentation of Valvoline's operating performance.

Due to depreciable assets associated with the nature of the Company's operations and interest costs related to Valvoline's capital structure, management believes EBITDA is an important supplemental measure to evaluate the Company's operating results between periods on a comparable basis.

Adjusted EBITDA, Adjusted net and operating income, and Adjusted EPS generally include adjustments for unusual, non-operational or restructuring-related activities, which impact the comparability of results between periods. Management believes these non-GAAP measures provide investors with a meaningful supplemental presentation of Valvoline's operating performance. These measures include adjustments for net pension and other postretirement plan expense/income, which includes several elements impacted by changes in plan assets and obligations that are primarily driven by changes in the debt and equity markets, as well as those that are predominantly legacy in nature and related to prior service to the Company from employees (e.g., retirees, former employees, current employees with frozen benefits). These elements include (i) interest cost, (ii) expected return on plan assets, (iii) actuarial gains/losses, and (iv) amortization of prior service cost/credit. Significant factors that can contribute to changes in these elements include changes in discount rates used to remeasure pension and other postretirement obligations on an annual basis or upon a qualifying remeasurement, differences between actual and expected returns on plan assets, and other changes in actuarial assumptions, such as the life expectancy of plan participants. Accordingly, management considers that these elements are more reflective of changes in current conditions in global financial markets (in particular, interest rates) and are outside the operational performance of the business and are also primarily legacy amounts that are not directly related to the underlying business and do not have an immediate, corresponding impact on the compensation and benefits provided to eligible employees for current service. These measures include pension and other postretirement service costs related to current employee service as well as the costs of other benefits provided to employees for current service.

Management uses free cash flow as an additional non-GAAP metric of cash flow generation. By including capital expenditures and certain other adjustments, as applicable, management is able to provide an indication of the ongoing cash being generated that is ultimately available for both debt and equity holders as well as other investment opportunities. Unlike cash flow from operating activities, free cash flow includes the impact of capital expenditures, providing a supplemental view of cash generation. Free cash flow has certain limitations, including that it does not reflect adjustments for certain non-discretionary cash flows, such as mandatory debt repayments. The amount of mandatory versus discretionary expenditures can vary significantly between periods.

Valvoline's results of operations are presented based on Valvoline's management structure and internal accounting practices. The structure and practices are specific to Valvoline; therefore, Valvoline's financial results, EBITDA, Adjusted EBITDA, free cash flow, Adjusted net and operating income and Adjusted EPS are not necessarily comparable with similar information for other comparable companies. EBITDA, Adjusted EBITDA, free cash flow, Adjusted net and operating income and Adjusted EPS each have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, or more meaningful than, net and operating income and cash flows from operating activities as determined in accordance with U.S. GAAP. Because of these limitations, one should rely primarily on net and operating income and cash flows provided from operating activities as determined in accordance with U.S. GAAP and use EBITDA, Adjusted EBITDA, free cash flow, Adjusted net and operating income and Adjusted EPS only as supplements. In evaluating EBITDA, Adjusted EBITDA, free cash flow, Adjusted net and operating income and Adjusted EPS, one should be aware that in the future Valvoline may incur expenses/income similar to those for which adjustments are made in calculating EBITDA, Adjusted EBITDA, free cash flow, Adjusted net and operating income and Adjusted EPS. Valvoline's presentation of EBITDA, Adjusted EBITDA, free cash flow, Adjusted net and operating income and Adjusted EPS should not be construed as a basis to infer that Valvoline's future results will be unaffected by unusual or nonrecurring items.

Key Business Measures

Valvoline tracks its operating performance and manages its business using certain key measures, including system-wide, company-owned and franchised store counts and same-store sales; Express Care store counts; lubricant volumes sold by unconsolidated joint ventures and total lubricant volumes sold; and percentage of premium lubricants sold. Management believes these measures are useful to evaluating and understanding Valvoline's operating performance and should be considered as supplements to, not substitutes for, Valvoline's sales and operating income, as determined in accordance with U.S. GAAP.

Sales in the Quick Lubes reportable segment are influenced by the number of service center stores and the business performance of those stores. Stores are considered open upon acquisition or opening for business. Temporary store closings remain in the respective store counts with only permanent store closures reflected in the activity and end of period store counts. SSS is defined as sales by U.S. Quick Lubes service center stores (company-owned, franchised and the combination of these for system-wide SSS), with new stores, including franchised conversions, excluded from the metric until the completion of their first full fiscal year in operation as this period is generally required for new store sales levels to begin to normalize. Quick Lubes revenue is limited to sales at company-owned stores, sales of lubricants and other products to independent franchisees and Express Care operators and royalties and other fees from franchised stores. Although Valvoline does not recognize store-level sales from franchised or Express Care stores as revenue in its Statements of Consolidated Income, management believes system-wide and franchised SSS comparisons and store counts, in addition to Express Care store counts, are useful to assess the operating performance of the Quick Lubes reportable segment and the operating performance of an average Quick Lubes store.

Lubricant volumes sold by unconsolidated joint ventures are used to measure the operating performance of the International operating segment. Valvoline does not record lubricant sales from unconsolidated joint ventures as International reportable segment revenue. International revenue is limited to sales by Valvoline's consolidated affiliates. Although Valvoline does not record sales by unconsolidated joint ventures as revenue in its Statements of Consolidated Income, management believes lubricant volumes including and sold by unconsolidated joint ventures is useful to assess the operating performance of its investments in joint ventures.

Management also evaluates lubricant volumes sold in gallons by each of its reportable segments and premium lubricant percentage, defined as premium lubricant gallons sold as a percentage of segment U.S branded lubricant volumes for Quick Lubes and Core North America and as a percentage of total segment lubricant volume for the International segment. Premium lubricant products generally provide a higher contribution to segment profitability and the percentage of premium volumes is useful to evaluating and understanding Valvoline's operating performance.

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