

Goldman Sachs Global Retailing Conference

September 7, 2022

SAFE HARBOR

Forward-Looking Statements

Certain statements in this presentation, other than statements of historical fact, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements about the proposed transaction, the expected timetable for completing the proposed transaction, the benefits and synergies of the proposed transaction, future opportunities for the standalone Retail Services company and any other statements regarding Valvoline's future operations, financial or operating results, capital allocation, leverage ratio, anticipated business levels, future earnings, dividend policy, anticipated growth, market opportunities, strategies, competition, and other expectations and targets for future periods. 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. Important factors that could cause Valvoline's actual results to differ materially from those in the forward-looking statements include: uncertainties as to the timing of the sale of Global Products and the risk that the transaction may not be completed in a timely manner or at all, the possibility that any or all of the conditions to the consummation of the sale of Global Products may not be satisfied or waived, the effect of the announcement or pendency of the transaction on Valvoline's ability to retain and hire key personnel and to maintain relationships with customers, supplier and other business partners, risks related to diverting management's attention from Valvoline's ongoing business operations, uncertainties as to Valvoline's ability and the amount of time necessary to realize the expected benefits of the transaction, changes in the economic and financial conditions of Valvoline's business and uncertainties and matters beyond the control of management and other factors 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 reports on Forms 10-K and 10-Q, which are 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

Information regarding Valvoline's definitions, calculations and reconciliation of non-GAAP measures can be found in the Appendix.

Sale of Global Products



SEPARATION DRIVES INCREASED FOCUS

Agreement to sell Global Products for $2.65 Billion

Retail Services

Fast Growth, High Margin, High ROIC



Global Products

Strong FCF, High ROIC, Low Cap Intensity



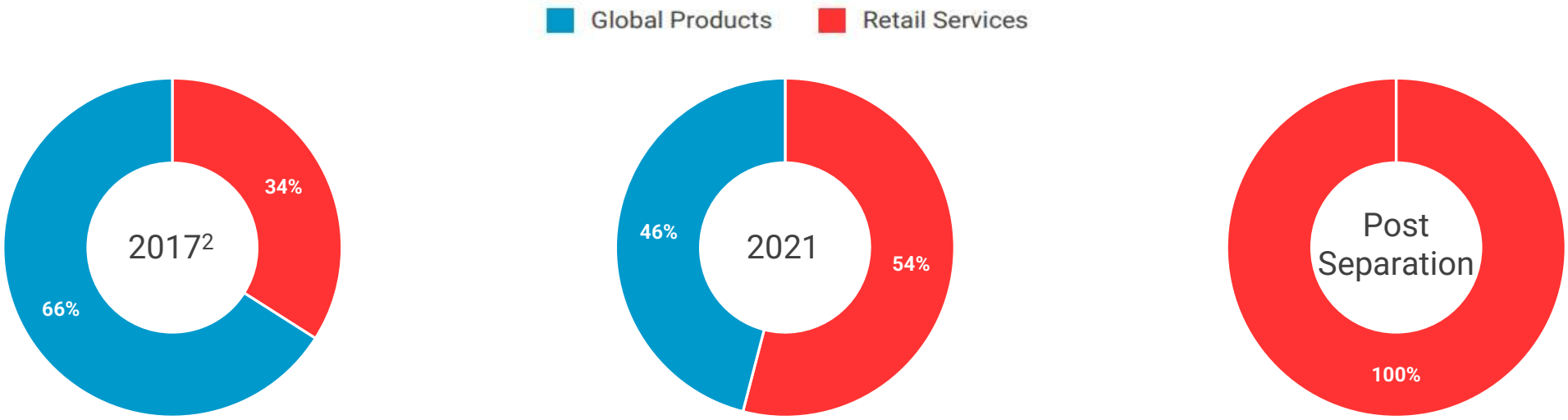
Takeaways for Shareholders

- Accelerated Growth
- Focused Capital Allocation
- Enhanced Capital Structure

TRANSITION TO SERVICE DRIVES NEXT LEVEL OF PERFORMANCE

Products Driven → Services Driven

EBITDA[1] CONTRIBUTION



- Reduced margin volatility
- Reduced raw material exposure
- Owning the customer
- Shift to service

1. EBITDA contribution as a percentage of total business segment Adjusted EBITDA. For a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.
2. Based on total business segment Adjusted EBITDA as previously reported prior to segment realignment in fiscal 2021.

SALE OF GLOBAL PRODUCTS – TRANSACTION SUMMARY

Structure and Consideration	• Purchase price of $2.65B in cash • Expected use of proceeds: majority for shareholder returns, remainder for debt reduction, including 2030 bonds, and reinvestment • Aramco obtains global rights to Valvoline brand related to Global Products sales • Valvoline Retail Services maintains global rights to Valvoline brand related to service sales[1] • Long term product agreement for Global Products to supply Valvoline Retail Services
Expected Financial Impact	• Estimated taxes of and other expenses resulting in anticipated net proceeds of ~$2.25B • Pro forma leverage targeted at 2.5x – 3.5x vs. current leverage of ~2.5x • Long-term pro forma EBITDA margins[2] in the mid-20% range • Long-term pro forma, annual EPS growth CAGR of 20%+
Timing and Closing	• Expect transaction to close in late calendar year 2022 or early 2023, subject to customary closing conditions and regulatory review

1. Excluding China and certain countries in the Middle East and North Africa.
2. EBITDA margins are defined as Adjusted EBITDA divided by sales and denote 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.

USE OF PROCEEDS TO DRIVE SHAREHOLDER VALUE

- **Retail Services expected to receive ~$2.25B of net proceeds from the sale of Global Products**
- **Expect to return majority of net proceeds to shareholders via share repurchases to right-size capital structure**
- **Expect to repay certain debt including 2030 Senior Notes and AR securitization facility**

Use of proceeds expected to minimize earnings dilution while targeting a 2.5x – 3.5x net leverage ratio

COMPELLING STRATEGIC TRANSACTION

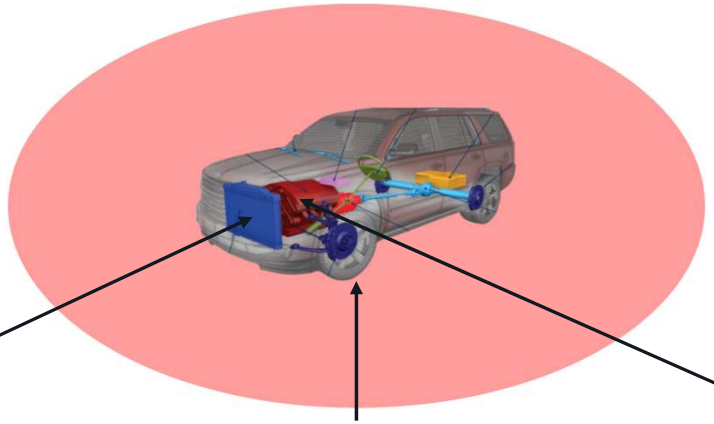
1	Monetizes Global Products at attractive valuation that will facilitate a substantial capital return to shareholders
2	Creates a pure-play retail auto service provider with expected low-teens topline growth and 20%+ EPS growth
3	Long runway for reinvestment opportunities at 30%+ cash-on-cash[1] returns
4	Accelerates Retail Services evolution as hybrid and EV population grows

1. Returns based on mature-store (open more than 10 years) unit economics as of Dec. 31, 2020.



Retail Services Overview

OUR BUSINESS: PREVENTIVE MAINTENANCE



Fluid Exchange

- Motor oil
- Transmission fluid
- Differential fluid
- Coolant

Safety

- Tire inflation
- Tire rotation
- Safety check
- Bulbs

Parts Replacement

- 12V Battery
- Filters (oil, cabin air, etc.)
- Wiper blades
- Belts

~90+% of revenues[1] from individual vehicle owners, nearly 10% from fleet customers

1. Based on estimated FY22 system-wide store sales.

TRENDS SUPPORTING PREVENTIVE MAINTENANCE GROWTH

12+ yrs.



Vehicle Complexity and Longevity ↑



Demand for Convenience ↑

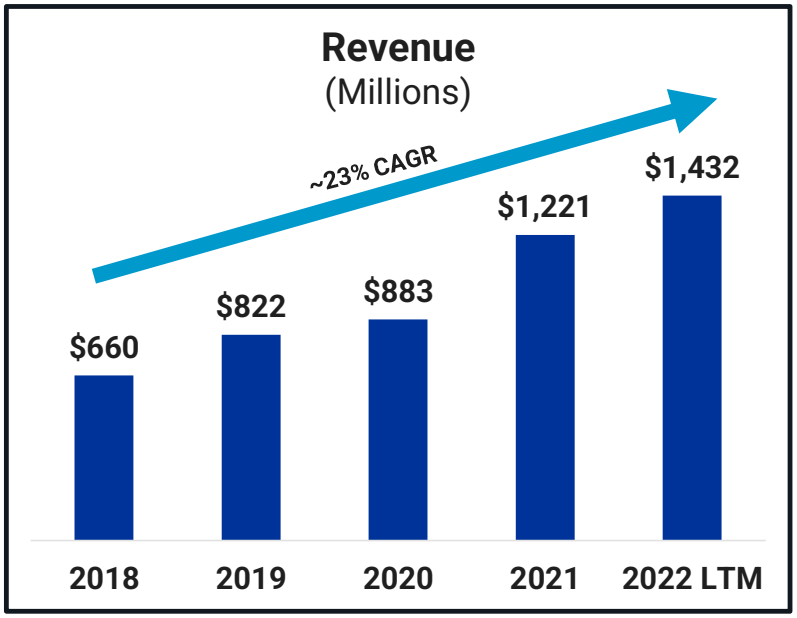


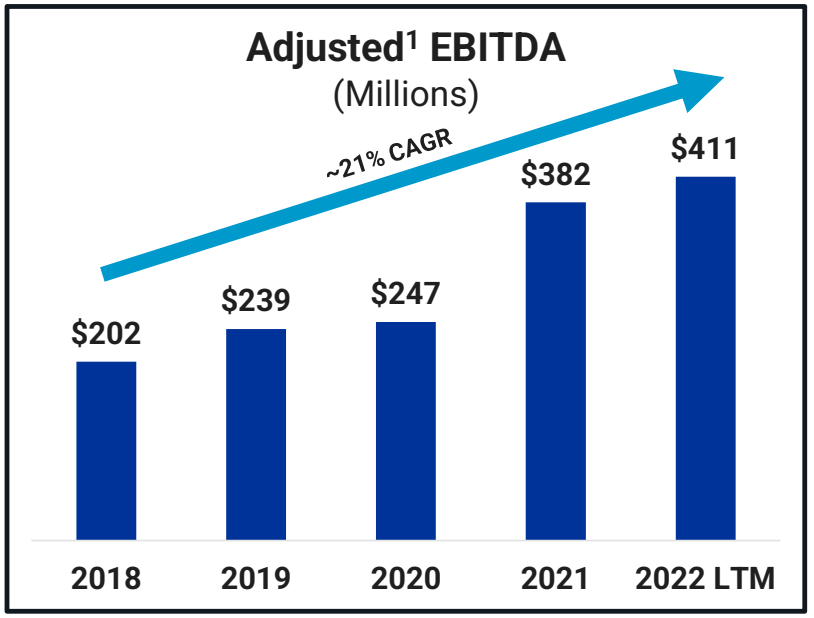
Mechanic Shortage ↑

Tremendous Growth Opportunity for Valvoline

TRACK RECORD OF GROWTH AND STRONG OUTLOOK

Retail Services Historical Results



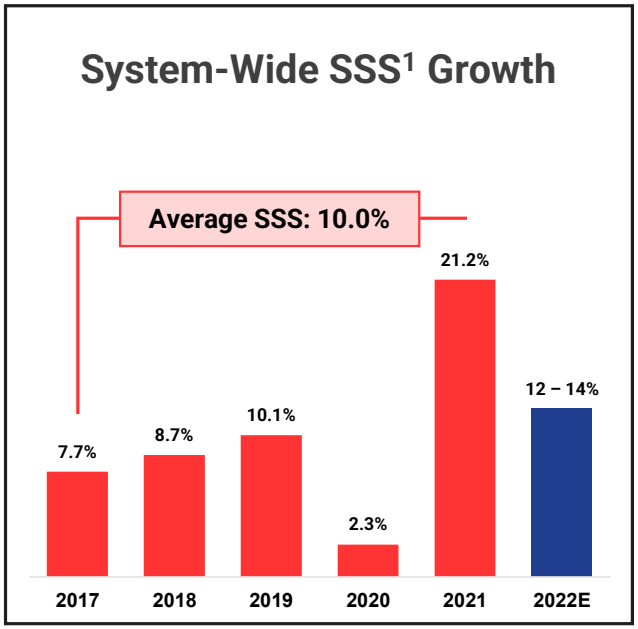


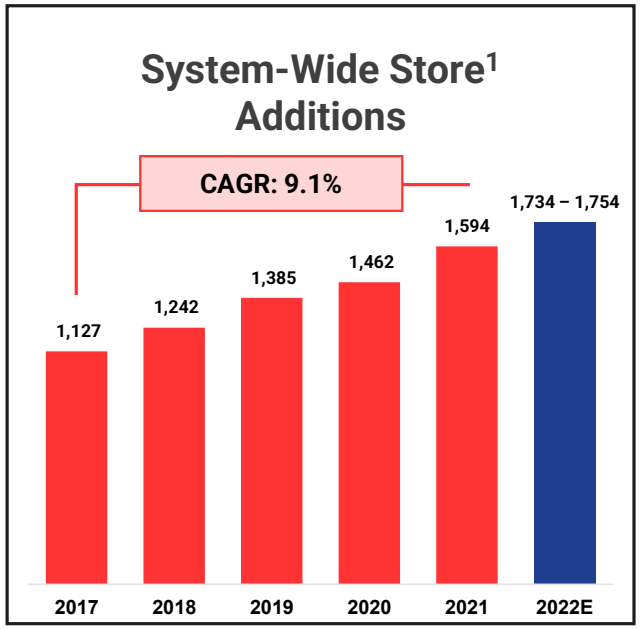
Demonstrated track record of industry-leading financial and operational performance

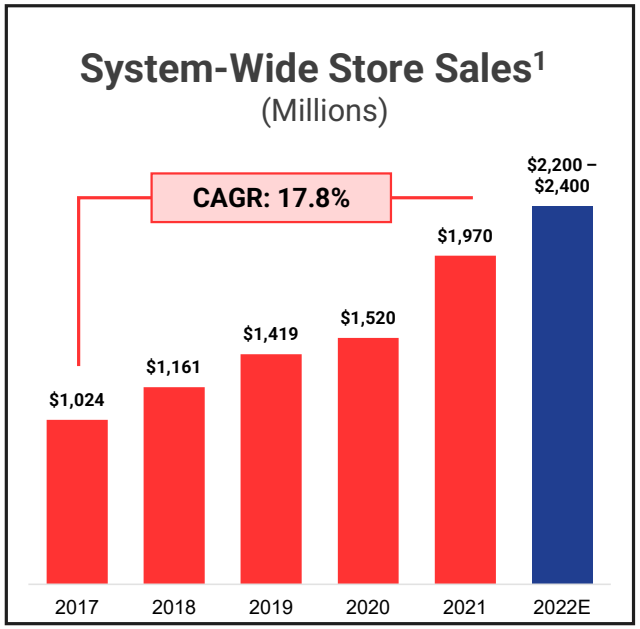
Note: 2022 LTM as of 30 June 2022

1. For a reconciliation of non-GAAP metrics, see the Appendix

GROWTH ALGORITHM







1. For a discussion of management's use of key business measures, please refer to the Appendix.

VALVOLINE'S RETAIL COMPETITIVE ADVANTAGES

VALVOLINE'S DIFFERENTIATION	BENEFITS
Trusted brand of 150+ years	Efficient customer acquisition & success in growing non-oil change revenue
1,690 retail locations[1]	Increase household penetration[2] from current reach of less than 15%
Strong franchisee partnerships	Access to growth with more moderate capital intensity
Proprietary technology & operating model	Deliver consistent in-store experience that drives customer loyalty
Strong culture and team	Drive strong, consistent growth and financial performance

1. System-wide store count as of June 30, 2022
2. Households (HHs) are based upon HHs within a 5-minute drive of store location; penetration based upon HHs within 5 minutes divided by estimated total US and Canadian HHs.

SUPERIOR CUSTOMER EXPERIENCE

Convenient store locations

Strong talent & Culture

Super-Pro™ Process



270+ hours of training

Technology & data

North American footprint

Quick, Easy, Trusted approach drives high overall customer satisfaction score of 4.6 out of 5 stars*

* Based on Service Management Group post-visit consumer surveys from Oct. 1, 2021 – June 30, 2022.

The New Valvoline



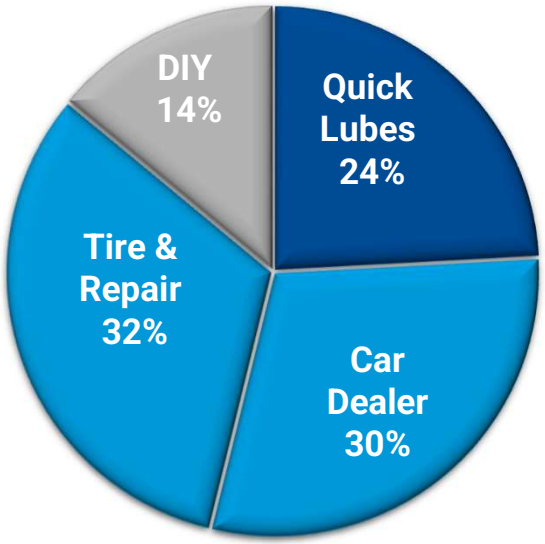
BUSINESS OBJECTIVE AND STRATEGY

1. Drive continued high levels of **market share gains** and **non-oil change revenue** growth in existing stores
2. Expand our **retail footprint** as a growth-oriented, retail company with increased emphasis on franchisee growth
3. Continue to invest in capabilities for fleets and EVs to capture new customer and service opportunities

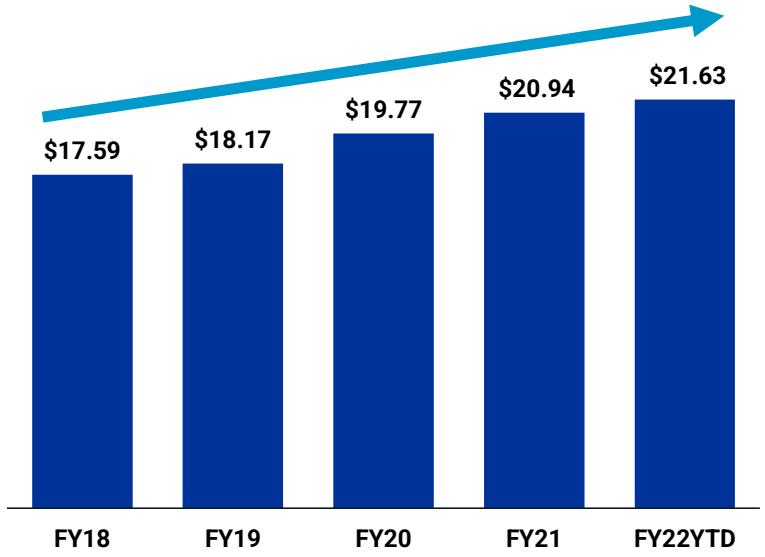
Objective: Industry leader in auto aftermarket services, making vehicle care easy for our customers

STRATEGY 1: DRIVE MARKET SHARE GAINS AND NOCR

Sources of New Customers[1]
(Year-to-date FY22)



Non-oil Change Revenue[2]
(based on average ticket)

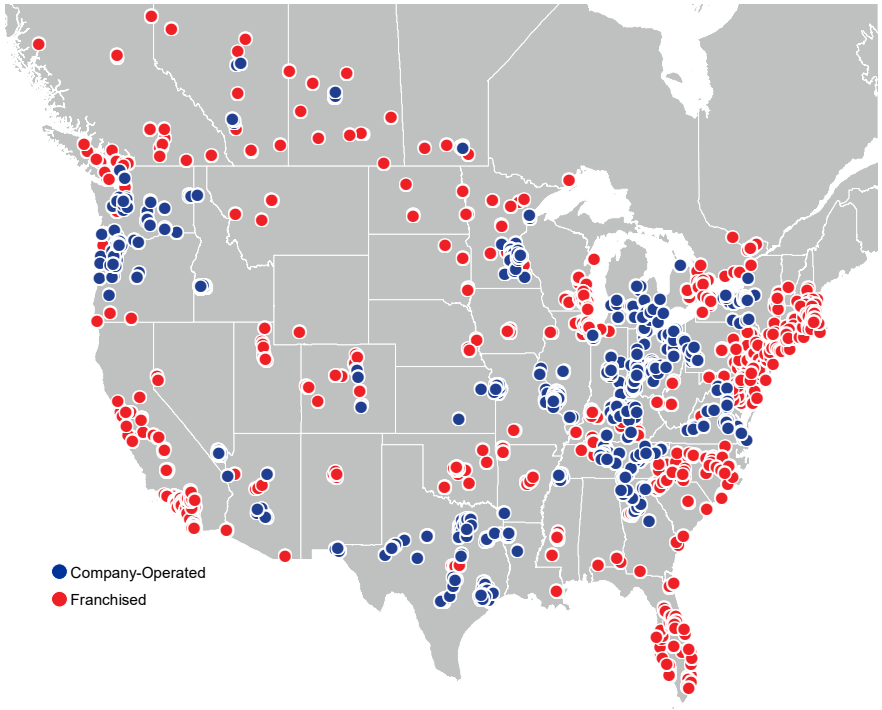


Superior in-store experience and digital marketing driving customer and NOCR growth

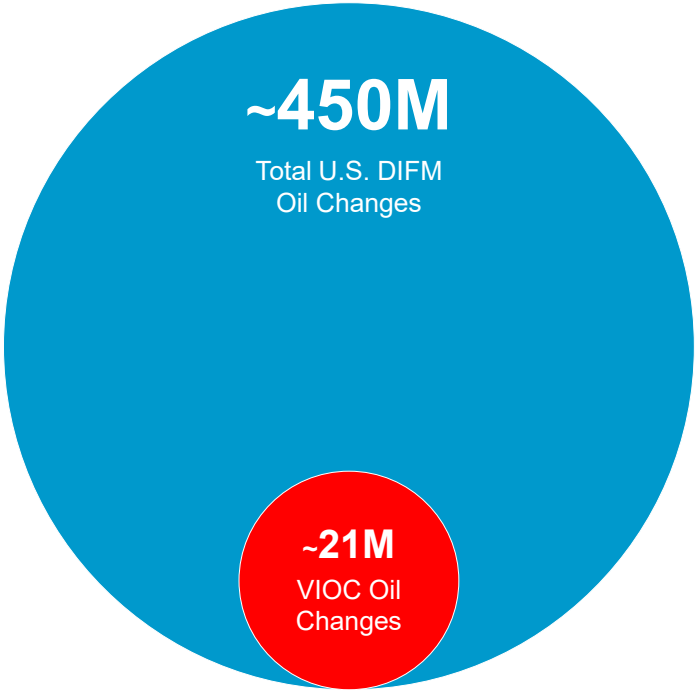
1. Service Management Group system-wide post-visit survey data provided by customers Oct. 1, 2021 – June 30, 2022.
2. Represents all system stores opened before 10/1/15 -- ~900 stores total. YTD is through June 30, 2022.

STRATEGY 2: EXPAND OUR RETAIL FOOTPRINT

Strong Base of Stores[1]



Large Addressable Market[2]

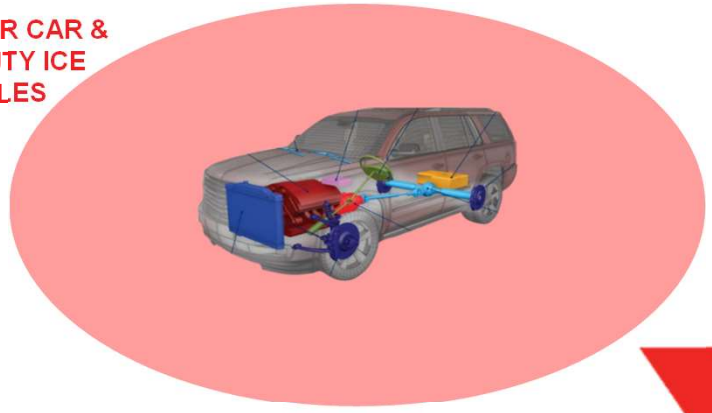


Company ground-ups, franchisee store additions and acquisitions expected to drive unit growth

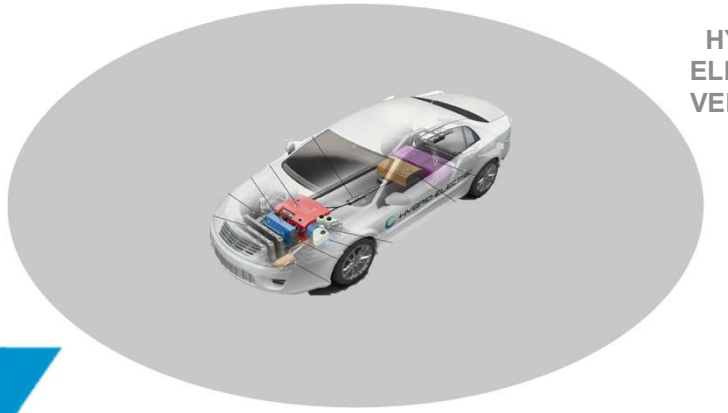
1. Stores as of June 30, 2022
2. Based on industry data and company estimates.

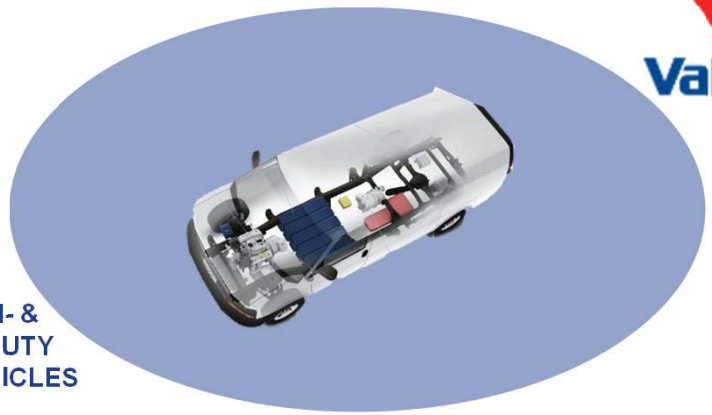
STRATEGY 3: INVEST IN CAPABILITIES AND SERVICES

PASSENGER CAR & LIGHT-DUTY ICE VEHICLES

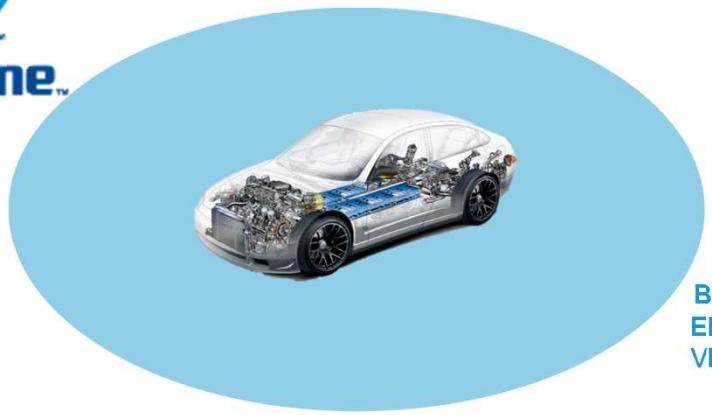


HYBRID ELECTRIC VEHICLES





MEDIUM- & HEAVY-DUTY FLEET VEHICLES



BATTERY ELECTRIC VEHICLES

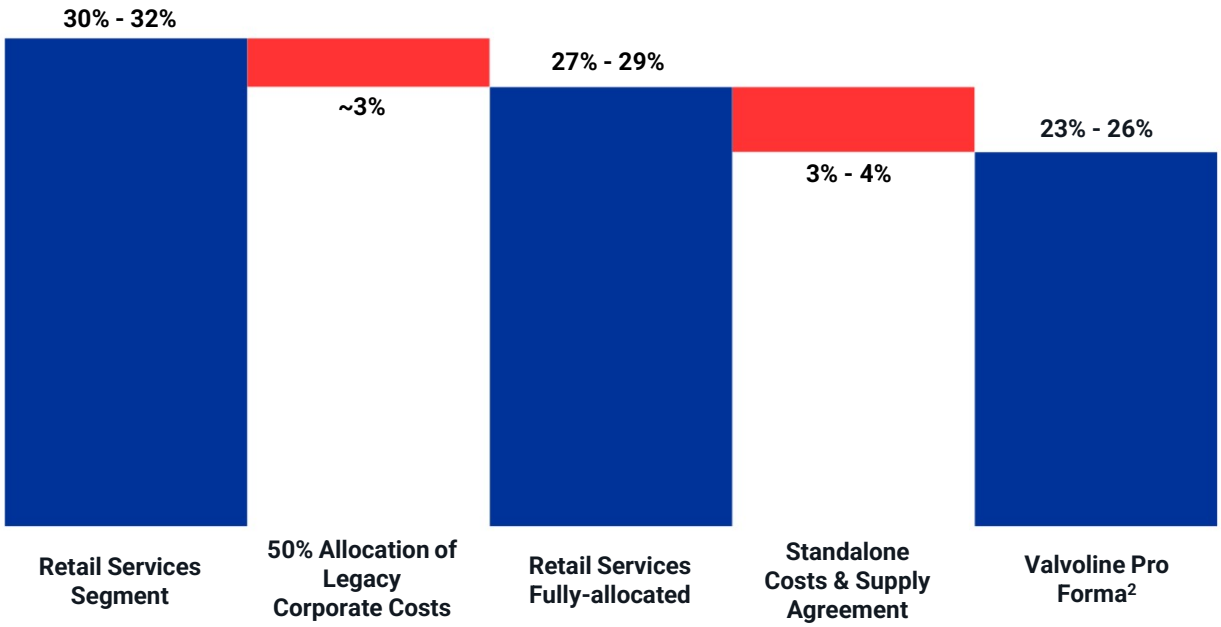
Non-oil change revenue growth in ICE vehicle consumer base	Higher penetration rate of hybrid electric vehicles across stores	Expanding fleet business in medium duty, piloting heavy-duty capabilities	Piloting battery electric vehicle services in select markets



Financial Overview

LONG-TERM TARGETS

Long-term Adjusted EBITDA[1] Margin Targets



Long-term Targets

Sales Growth	12 – 14%
EBITDA[1] Margin	23 – 26%
Tax Rate	25 – 27%
Leverage Ratio	2.5 – 3.5x
EPS Growth[3]	~20%+

1. 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.
2. Pro forma reflects certain transactions and activity that will be effective upon the close of the sale of Global Products.
3. Assumes an estimated amount of share repurchases dependent on Board approval.

SERVICES, BRAND-ORIENTED PUBLIC COMPARABLES

High-growth Retail Peers	Sales CAGR ('21 – '24)	2022 EBITDA Margin	2022 EV/EBITDA Multiple
Wingstop	~20%	29%	40.4x
Floor & Decor	~21%	13%	18.3x
lululemon	~18%	26%	20.1x
Planet Fitness	~27%	39%	21.0x
Peer Average	~22%	27%	25.0x

Auto Aftermarket Service Peers	Sales CAGR ('21 – '24)	2022 EBITDA Margins	2022 EV/EBITDA Multiple
Driven Brands	~19%	25%	16.7x
Mister	~12%	31%	18.1x
Monro Auto Service and Tire Centers	~2%	13%	12.6x
The Boyd Group	~18%	11%	14.1x
Peer Average	~13%	20%	15.4x

Note: Fiscal year 2022 multiples, stock price and market data as of Sept. 2, 2022

ROADMAP TO UNLOCK VALUE

Invest in Growth

Financial flexibility to drive growth via organic capex, unit additions, M&A and service expansion

Drive Focus

Optimize talent and resource allocation and align incentives with growth and strong returns



Expand Retail Network

Add stores in key markets with increased emphasis on franchisee growth

Shareholder Returns

Driven by accelerated earnings growth, strong ROIC and share repurchases

Capital Structure

Target 2.5x - 3.5x net debt to LTM EBITDA

Maximize Potential of Core Business

Capture share and maximize non-oil change services revenue

Appendix



RECONCILIATION OF HISTORICAL ADJUSTED EBITDA

In millions - preliminary and unaudited	For the year ended September 30 2017 [a]
Adjusted EBITDA - Valvoline	
Net income	$ 304
Add:	
Income tax expense	186
Net interest and other financing expenses	42
Depreciation and amortization	42
EBITDA [b]	574
Key items:	
Net pension and other postretirement plan income	(138)
Net legacy and separation-related expenses	11
Key items - subtotal	(127)
Adjusted EBITDA [b]	$ 447
Segment Adjusted EBITDA	
Retail Services	$ 152
Global Products	295
Segment Adjusted EBITDA [c]	447
Corporate	—
Total Adjusted EBITDA [b]	447
Net interest and other financing expenses	(42)
Depreciation and amortization	(42)
Key items	127
Income before income taxes	$ 490

In millions - preliminary and unaudited	For the year ended September 30 2021
Adjusted EBITDA - Valvoline	
Net income	$ 420
Add:	
Income tax expense	123
Net interest and other financing expenses	111
Depreciation and amortization	92
EBITDA [b]	746
Key items:	
Net pension and other postretirement plan income	(126)
Net legacy and separation-related income	(24)
LIFO charge	41
Business interruption recoveries	(3)
Key items - subtotal	(112)
Adjusted EBITDA [b]	$ 634
Segment Adjusted EBITDA	
Retail Services	$ 382
Global Products	327
Segment Adjusted EBITDA [c]	709
Corporate	(75)
Total Adjusted EBITDA [b]	634
Net interest and other financing expenses	(111)
Depreciation and amortization	(92)
Key items	112
Income before income taxes	$ 543

(a) As reported prior to segment realignment and related changes in fiscal 2021.
(b) EBITDA is defined as net income, plus income tax expense, net interest and other financing expenses, and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for key items, as described in "Use of Non-GAAP Measures" within this Appendix.
(c) Segment adjusted EBITDA represents the operations of the Company's two operating segments, including expenses associated with each segment's utilization of indirect resources. The costs of corporate functions, in addition to corporate and non-operational matters, or key items, are not included in segment adjusted EBITDA. The table above reconciles segment adjusted EBITDA to consolidated pre-tax income.

RECONCILIATION OF HISTORICAL RETAIL SERVICES ADJUSTED EBITDA

	Years ended September 30				LTM [c] June 30
	2018	2019	2020	2021	2022
Operating income	$ 172	$ 205	$ 208	$ 321	$ 342
Key items: [a]					
Acquisition-related costs	2	—	—	—	—
Adjusted operating income [b]	174	205	208	321	342
Depreciation and amortization	28	34	39	61	69
Adjusted EBITDA [b]	$ 202	$ 239	$ 247	$ 382	$ 411

a) Refer to Use of Non-GAAP measures in this Appendix for management's definition of key items.
b) Segment adjusted operating income is segment operating income adjusted for key items impacting comparability. Segment adjusted operating income is further adjusted for depreciation and amortization to determine segment adjusted EBITDA. Valvoline does not generally allocate activity below operating income to its operating segments; therefore, the table above reconciles operating income to Adjusted EBITDA.
c) Last twelve months ended June 30, 2022.

USE OF NON-GAAP MEASURES

To supplement the financial measures prepared in accordance with U.S. GAAP, certain items within this presentation are presented on an adjusted basis. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, or more meaningful than, the financial results presented in accordance with U.S. GAAP. The financial results presented in accordance with U.S. GAAP and the reconciliations of non-GAAP measures should be carefully evaluated. The non-GAAP information used by management may not be comparable to similar measures disclosed by other companies, because of differing methods used in calculating such measures.

This presentation includes the following non-GAAP measures: segment adjusted EBITDA. Refer to this Appendix for management's definition of this non-GAAP measure and reconciliation to the most comparable U.S. GAAP measure.

Management believes the use of non-GAAP measures provides a useful supplemental presentation of Valvoline's operating performance and allows for transparency with respect to key metrics used by management in operating the business and measuring performance. Management believes EBITDA measures provide a meaningful supplemental presentation of Valvoline's operating performance between periods on a comparable basis due to the depreciable assets associated with the nature of the Company's operations, and income tax and interest costs related to Valvoline's tax and capital structures, respectively.

Adjusted profitability measures enable comparison of financial trends and results between periods where certain items may vary independent of business performance. These adjusted measures exclude the impact of certain unusual, infrequent or non-operational activity not directly attributable to the underlying business, which management believes impacts the comparability of operational results between periods ("key items"). Key items are often related to legacy matters or market-driven events considered by management to not be reflective of the ongoing operating performance. Key items may consist of adjustments related to: legacy businesses, including the separation from Valvoline's former parent company and associated impacts of related indemnities; the separation of Valvoline's businesses; significant acquisitions or divestitures; restructuring-related matters; tax reform legislation; debt extinguishment and modification costs; and other matters that are non-operational or unusual in nature, including the following:

- Net pension and other postretirement plan expense/income - 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 and 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 may be more reflective of changes in current conditions in global financial markets (in particular, interest rates), 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. Adjusted profitability measures include the costs of benefits provided to employees for current service, including pension and other postretirement service costs.
- Changes in the last-in, first out (LIFO) inventory reserve - charges or credits recognized in Cost of sales to value certain lubricant inventories at the lower of cost or market using the LIFO method. During inflationary or deflationary pricing environments, the application of LIFO can result in variability of the cost of sales recognized each period as the most recent costs are matched against current sales, while preceding costs are retained in inventories. LIFO adjustments are determined based on published prices, which are difficult to predict and largely dependent on future events. The application of LIFO can impact comparability and enhance the lag period effects between changes in inventory costs and related pricing adjustments.

KEY BUSINESS MEASURES

Valvoline tracks its operating performance and manages its business using certain key measures, including system-wide store counts, same-store sales (SSS), and system-wide store sales. 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 Retail Services 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. Retail Services stores (company-operated, 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.

Retail Services sales are limited to sales at company-operated 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 stores as sales in its Statements of Consolidated Income, management believes system-wide and franchised SSS comparisons, store counts, and total system-wide store sales are useful to assess market position relative to competitors and overall store and segment operating performance.


Valvoline
Instant Oil Change