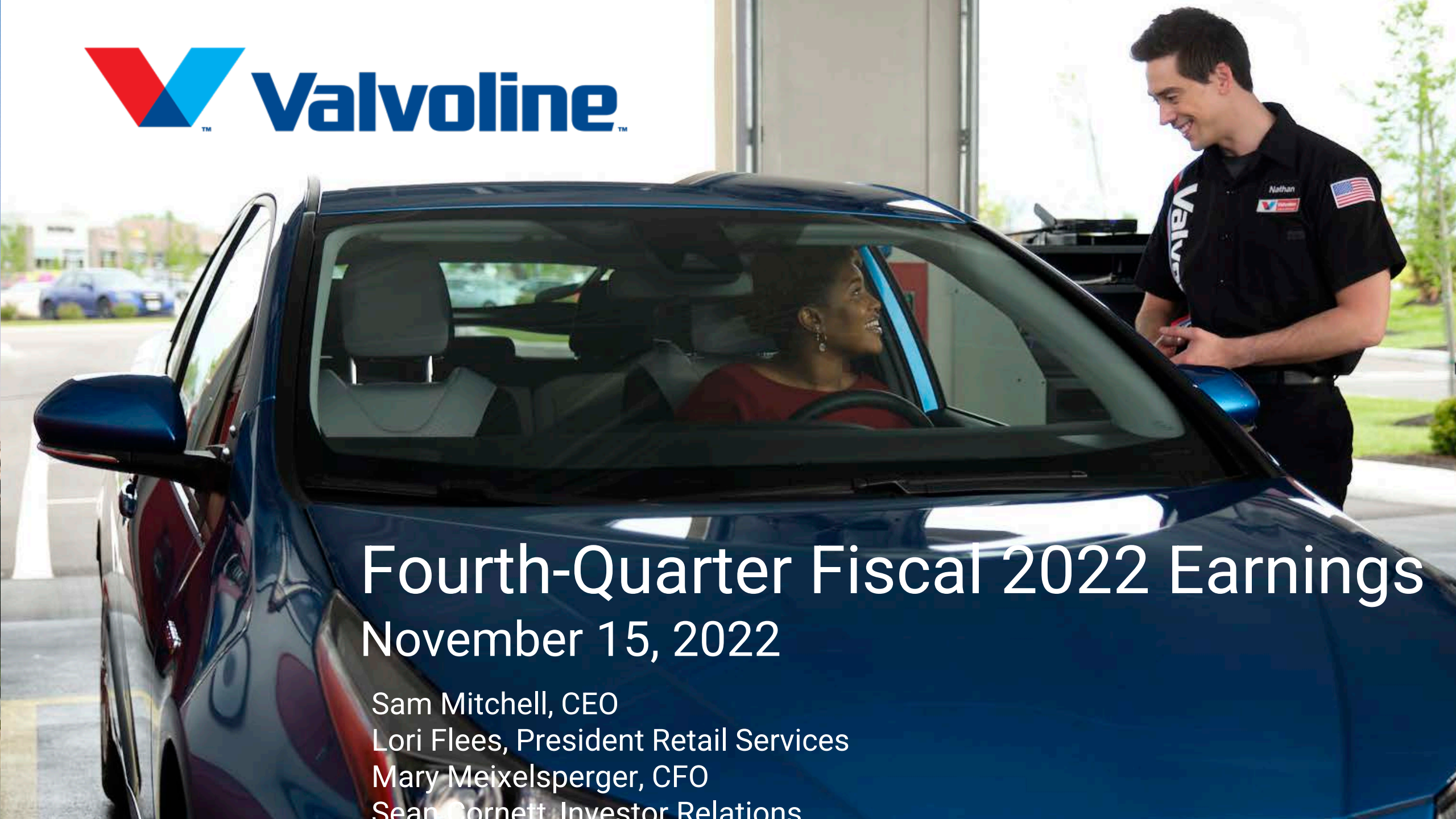


Fourth-Quarter Fiscal 2022 Earnings

November 15, 2022

Sam Mitchell, CEO
Lori Flees, President Retail Services
Mary Meixelsperger, CFO
Sean Cornett, Investor Relations

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, debt ratio, anticipated business levels, future earnings, dividend policy, anticipated growth, market opportunities, strategies, competitions, 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.

AGENDA

- Update on Transaction
- Introducing the New Valvoline
- Growing into the Future
- Results/Guidance
- Wrap Up/Q&A

SEPARATION TO UNLOCK VALUE OF RETAIL SERVICES

Transaction to sell Global Products expected to close during early calendar 2023

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

INTRODUCING THE NEW VALVOLINE



WHO WE ARE TODAY

~$2.4bn
2022 System-Wide Store Sales

1,715
Locations

54%
Franchised Service Center Stores



16 Years
Consecutive Same-Store Sales Growth

100%
Services Driven

150+ Years
Brand History

	"OLD" Valvoline Based on FY17-FY21 Total Company[1] (including Global Products)	"NEW" Valvoline Forward Looking[2] (excluding Global Products)
Sales CAGR	9%	14% - 16%
Unit Growth [Company / Franchise]	9% [17% / 4%]	7% - 10% [6% - 9% / 8% - 11%]
SSS[3]	10%	6% - 9%
Adj[4]. EBITDA CAGR	9%	16% - 18%
Adj.[4] EBITDA Margin	21%	26% - 29%
Adj.[4] EPS Growth	13%	22% - 26%[5]



Going forward New Valvoline will be a high growth, high-margin, retail services platform

1) Adjusted EPS CAGR calculated using FY 2017 Adjusted EPS as reported prior to changes related to re-segmentation in fiscal 2021. All other periods were revised to conform with the re-segmented basis of reporting.
2) Reflects the company's projections for FY23 – FY27.
3) Refer to the Appendix for further information regarding management's use of key business measures.
4) For a reconciliation of adjusted amounts to reported under GAAP, please refer to the Appendix. For "New" Valvoline, 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.
5) Excludes the impact of the return of capital related to the sale of Global Products.

A HIGHLY COMPELLING INVESTMENT OPPORTUNITY

Leading Brand Awareness	***Trusted brand*** *for over 150+ years*
Scaled Platform	***One of the largest auto services companies*** *in U.S. and Canada with 1,715 locations*
Track Record of High Growth	***Proven track record of revenue and EBITDA growth*** *through new stores, same store sales growth and accretive M&A*
Strong Margins & Cash Flow Generation	*Highly franchised model generates* ***attractive margins and significant cash flows***
Significant Whitespace	*<5% market share of a growing, highly fragmented industry with* ***potential for 3,500+ stores***
Unlocking Value	***Accelerate franchise growth and lower net capital requirements over time***

Double-Digit System-Wide Sales Growth

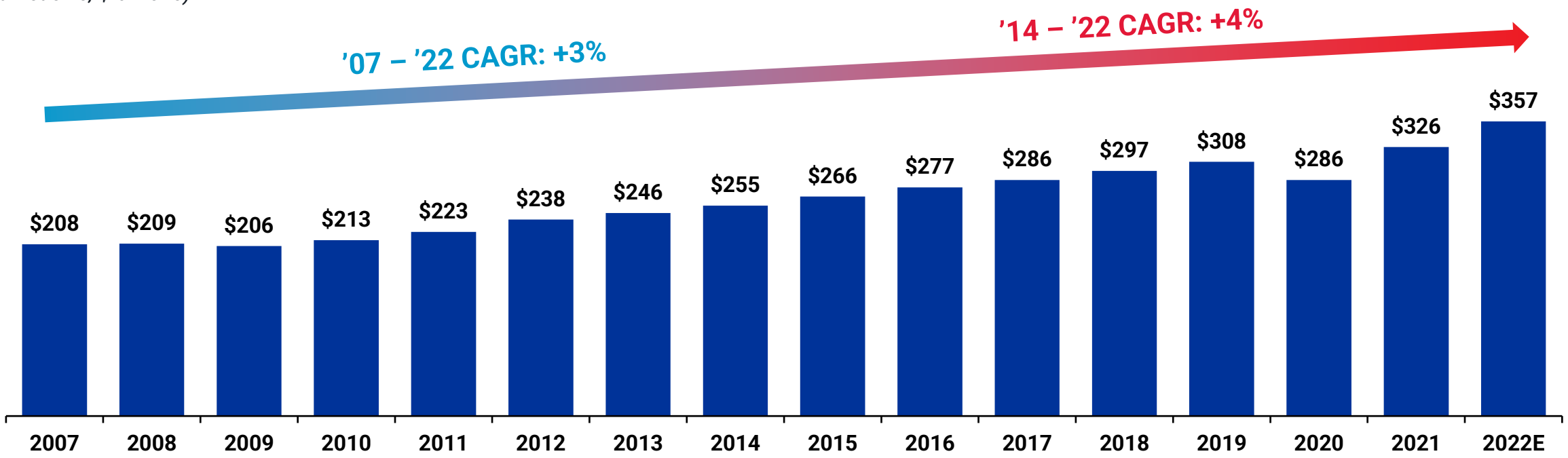
Mid-Teens Adj. EBITDA Growth

Significant Cash Generation

LARGE, GROWING, RECESSION-RESISTANT U.S. AUTO CARE INDUSTRY

US Auto Care Industry- Market Overview

(Market size; $ billions)

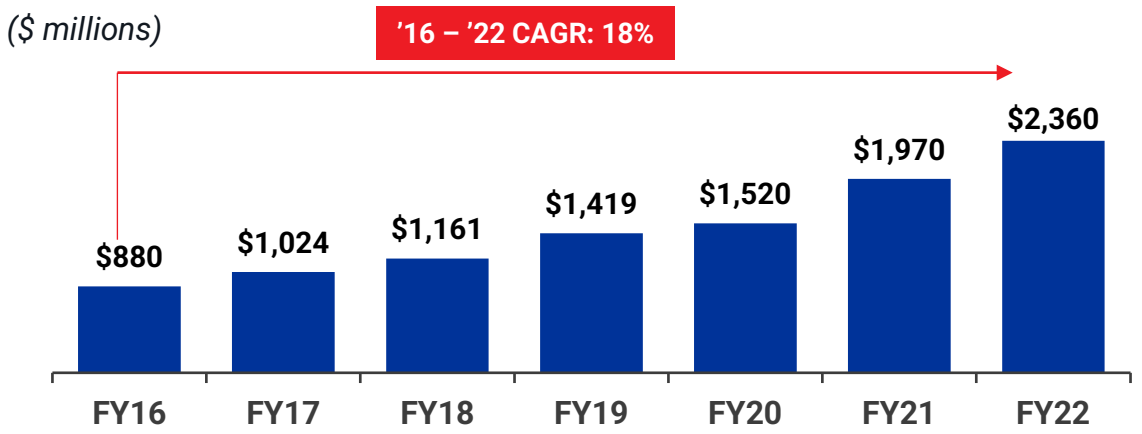


- Growing and aging car parc of 275+ million vehicles drives increasing service spend
- Increasing vehicle complexity results in reliance on professional services and higher tickets
- Essential services required in any economic environment, for any car type

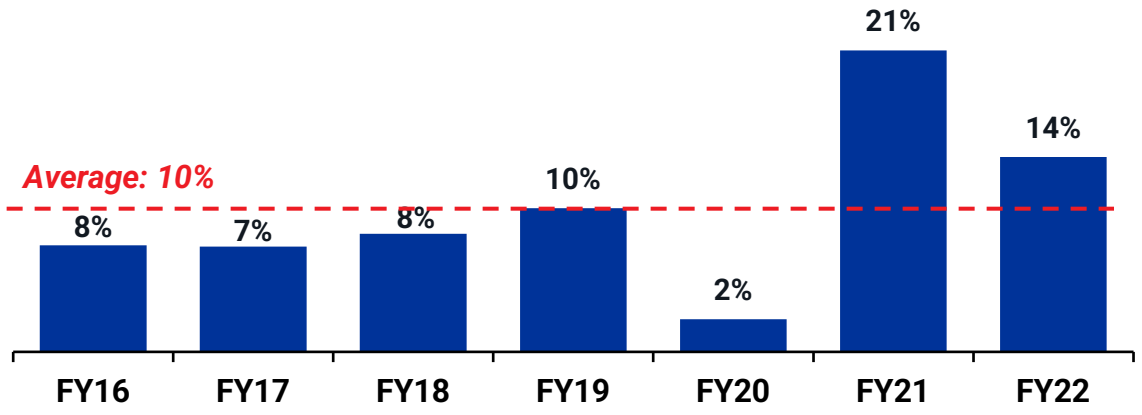
Source: Auto Care Association, BofA Global Research

CONSISTENT TRACK RECORD OF FINANCIAL PERFORMANCE

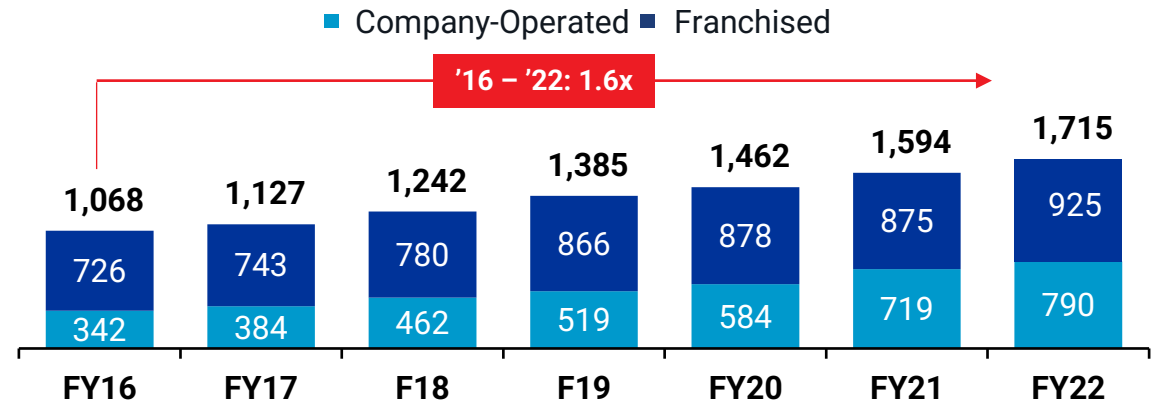
System-Wide Sales[1]



System-Wide Same Store Sales[1] Growth



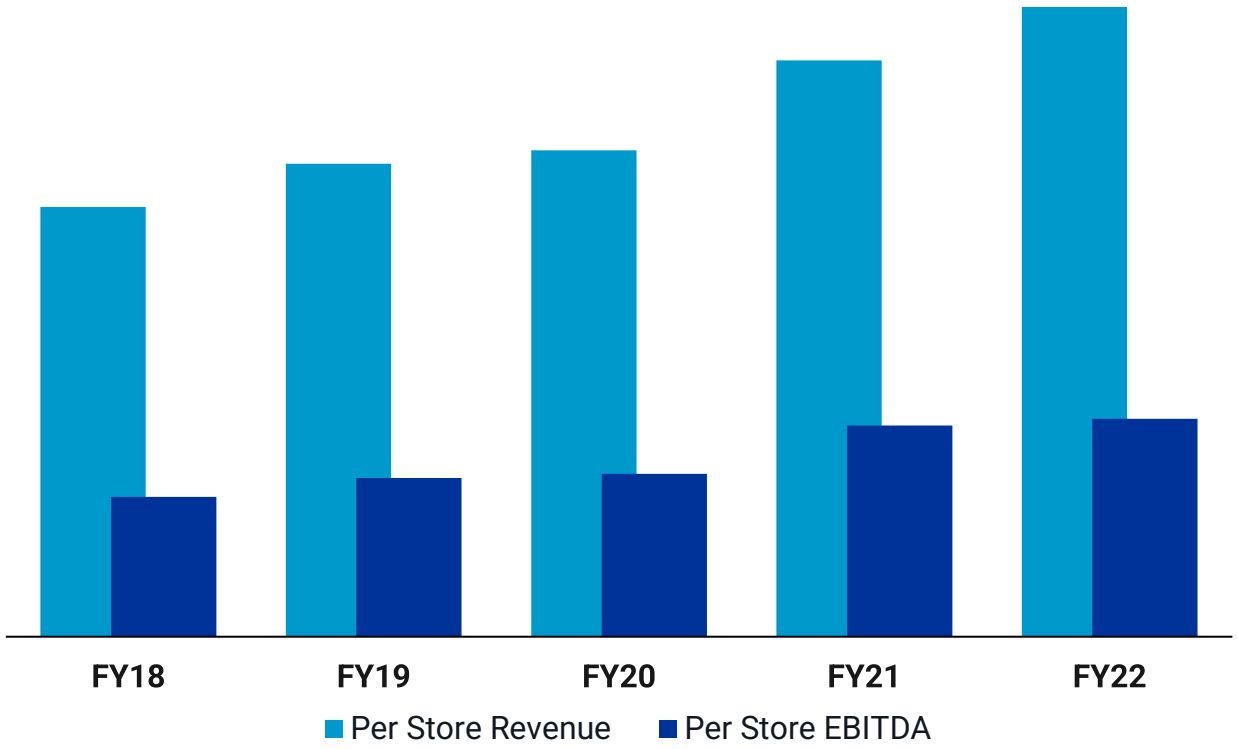
Units[1]



1) Refer to the Appendix for further information regarding management's use of key business measures.

DRIVE FULL POTENTIAL IN EXISTING BUSINESS - MATURE STORE MARGIN

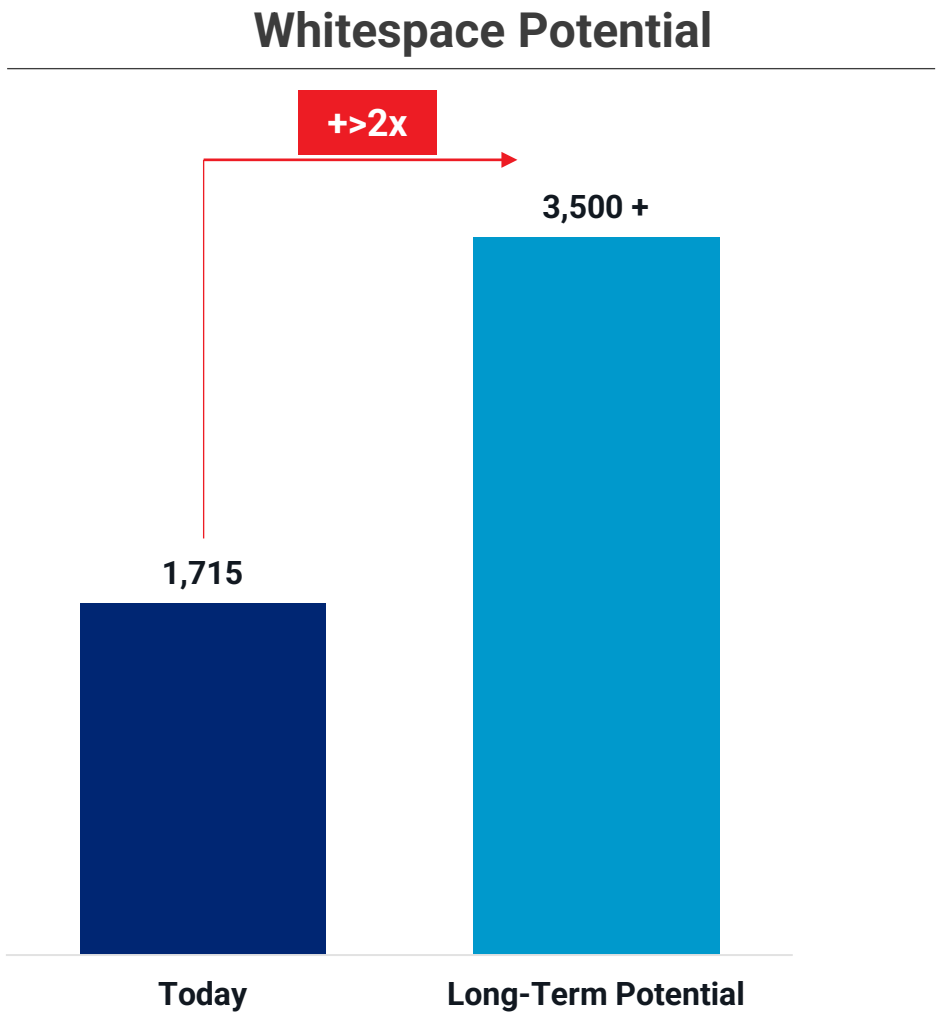
Mature Company Store[1] Revenue & EBITDA Per Store



- Mature company stores are growing consistently:
  - EBITDA: 12% CAGR
  - Revenue: 10% CAGR
- From FY2018 – FY2022, experienced substantial growth:
  - EBITDA: 1.6x
  - Revenue: 1.5x
- In FY2022 ~60% of company stores are considered mature
  - The timeline for stores to mature is ~4 years.
  - Significant opportunity for continued growth as more stores perform at mature levels
  - Anticipate more than $50M additional EBITDA as current non-mature stores become mature

1) Mature stores include stores opened as of October 1, 2018.

LARGE WHITESPACE OPPORTUNITY AND LONG RUNWAY FOR GROWTH



- Multiple levers to fuel new center growth, including:
  - Partnering with existing franchisees
  - New franchise partner
  - Opportunistic M&A
  - Company-operated stores in priority markets
- Grow density in key markets driving network effects
- Accelerate growth by partnering with multi-unit developers

GROWING INTO THE FUTURE










OUR PROVEN FORMULA FOR GROWTH

SSS
Transaction
Ticket

+

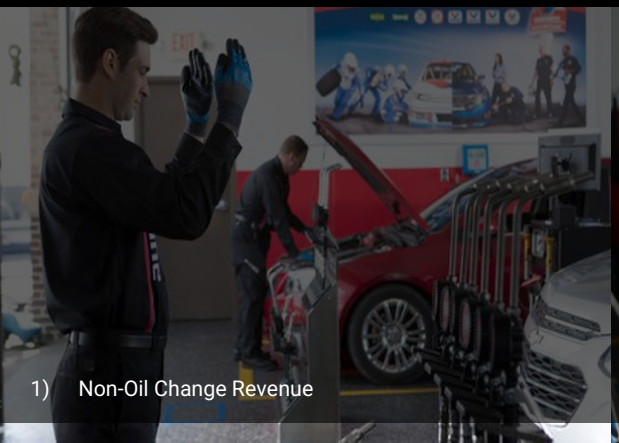
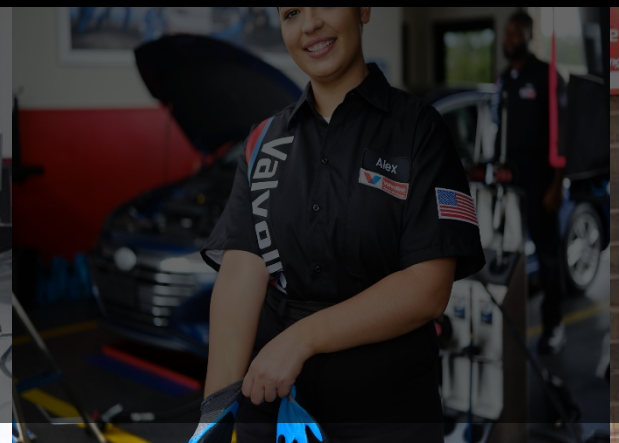
Unit Count
Franchise
Company & M&A

+

Incremental Growth
NOCR[1]
Service Expansion

=

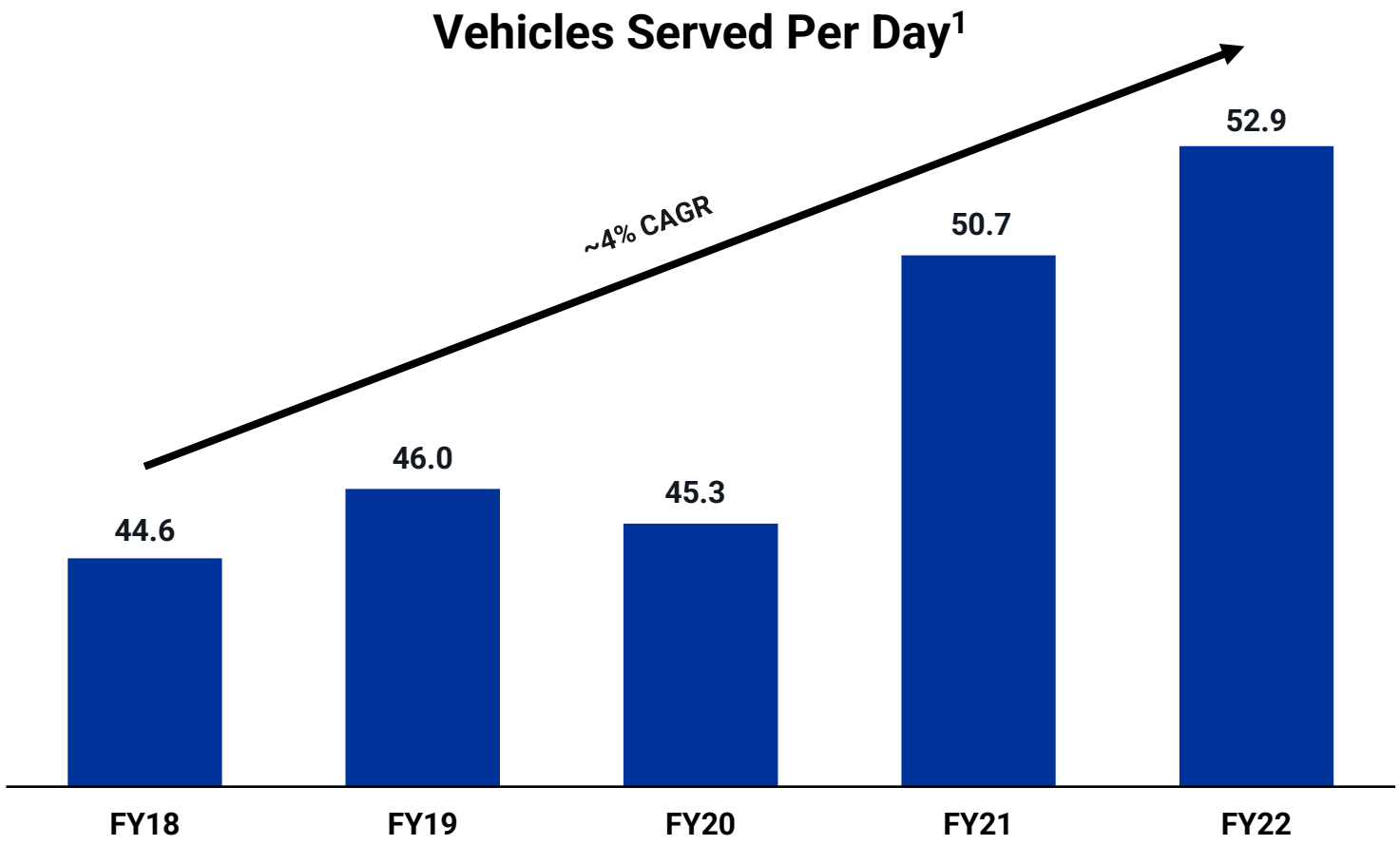
Long-term $$$



1) Non-Oil Change Revenue

CONFIDENT IN CONTINUED TRANSACTION GROWTH…

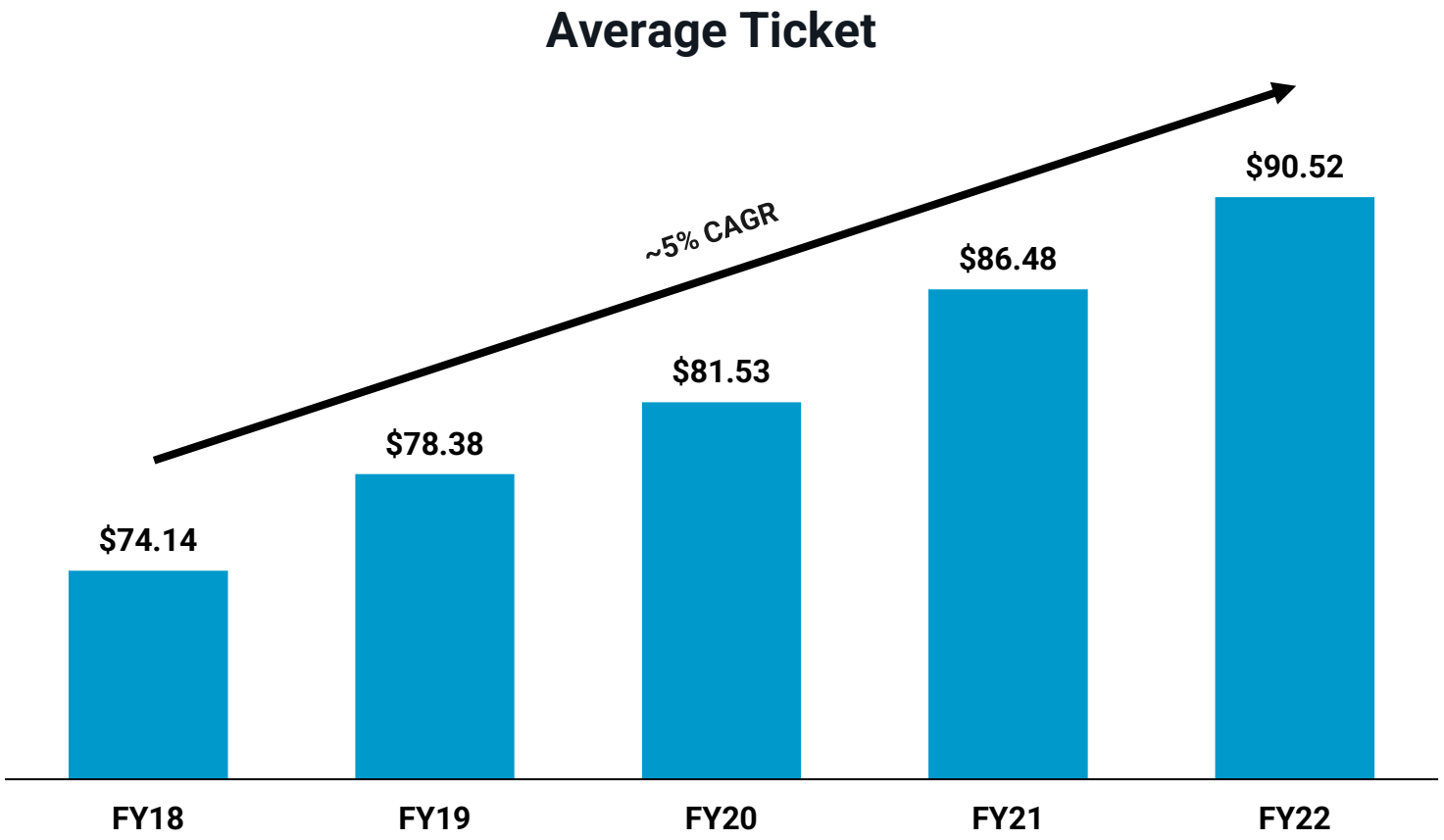


- Customers prefer our quick, easy, trusted service
- Continue to take market share from broader DIFM market
- Significant capacity available in existing stores
- Anticipate continued transaction growth
  - Currently see no barriers to attaining **60 VSPD**

Expect transaction growth to contribute half of the long-term 6-9% SSS

1) Vehicles Served Per Day is defined as oil changes per day. Above data is for mature company stores only.

… AS WELL AS CONTINUED TICKET GROWTH



Ticket price growth driven by:

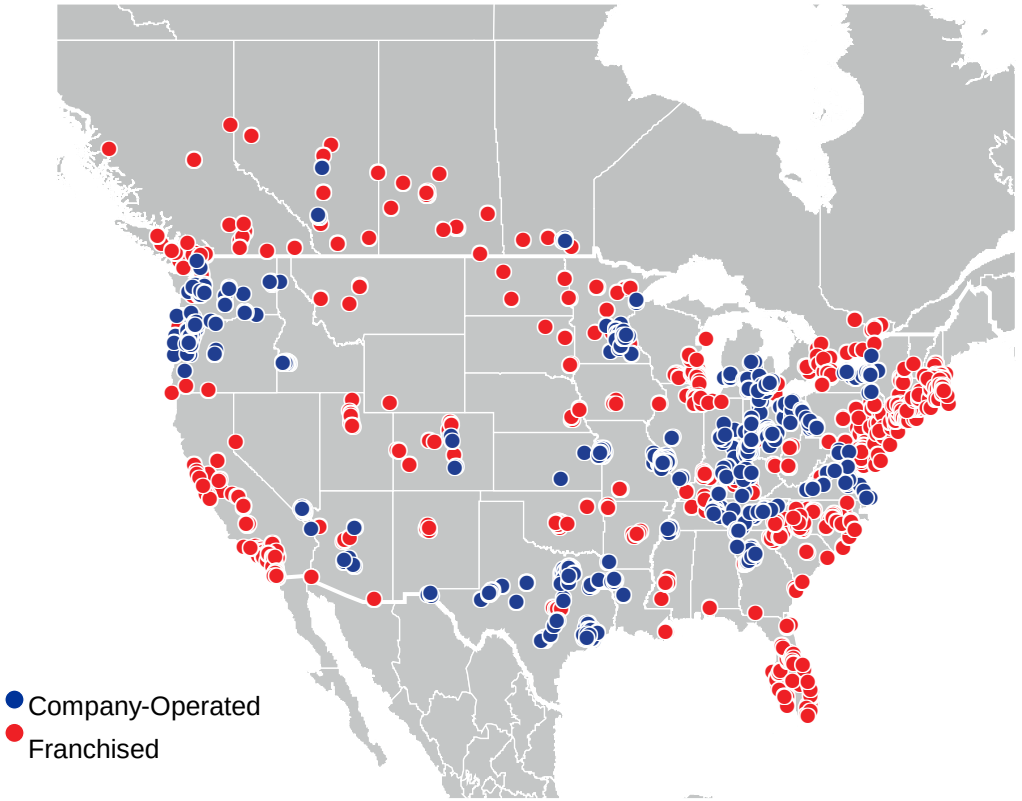
- Shift to synthetic
- NOCR growth
- Pricing improvements

Expect ticket growth to contribute half of the long-term 6-9% SSS

1) Mature company stores only

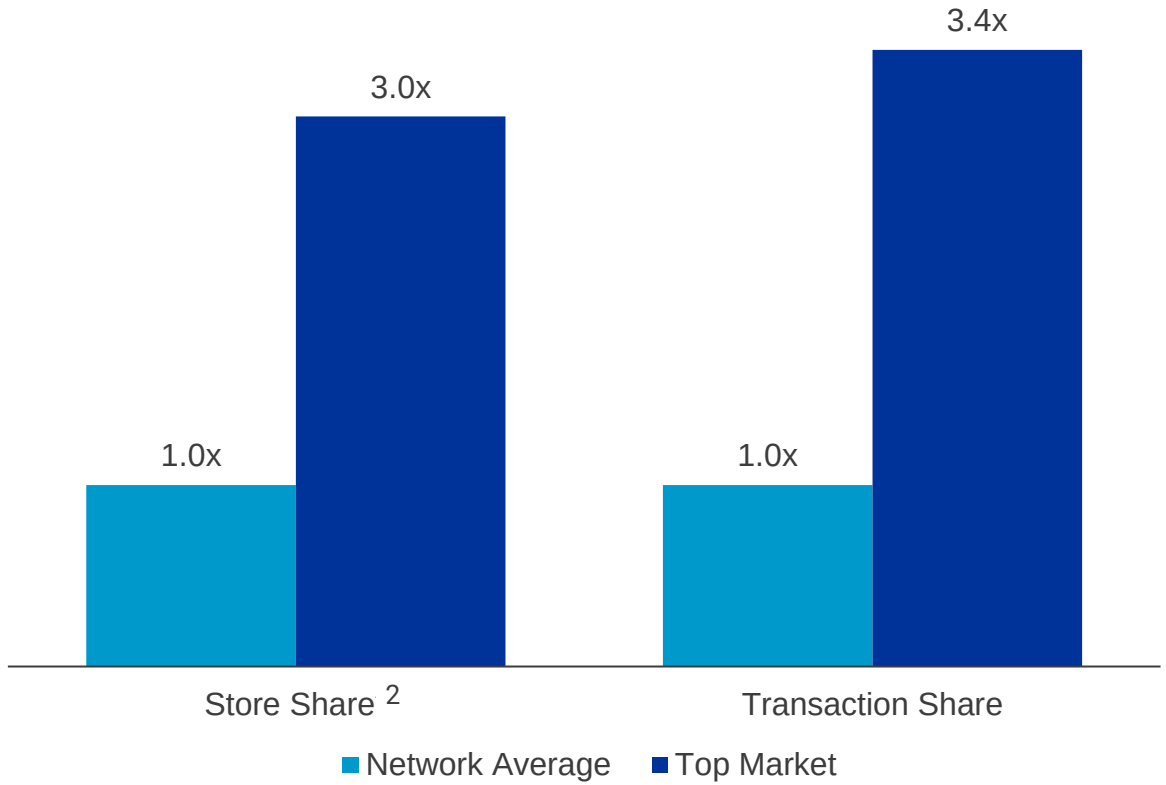
SIGNIFICANT WHITE SPACE TO GROW TO 3,500+ UNITS

Geographic Coverage[1]



~35% of Car parc within 10 minutes of a VIOC

Store Density Opportunity



Long-term guidance is 6-9% unit growth with 250+ store additions annually by 2027

1) Stores as of September 30, 2022
2) Represents share of Quick Lube locations.

INCREASE FOCUS ON ACCELERATING FRANCHISE GROWTH

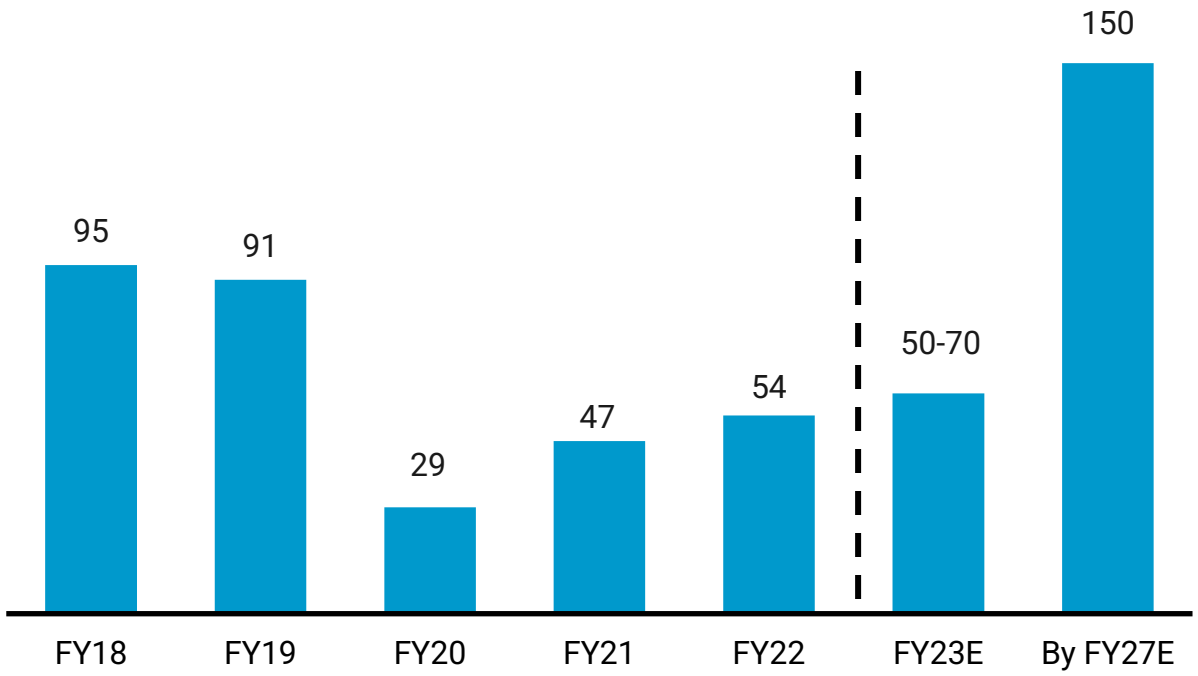
Renewed focus on franchise growth

- Franchise stores deliver ~1/3 of EBITDA of company owned stores, but with 40%+ ROIC due to minimal capital investment

Will explore all methods to drive franchise growth

- New franchise partners
- Enhanced commitment from current franchisees
- Identify specific geographies to transition to franchise territories

Annual Franchise Unit Additions[1]



Goal is to ramp to 150 new franchise units/year by 2027

1) Amounts do not include conversions.

WHILE MAINTAINING STEADY GROWTH IN COMPANY UNITS

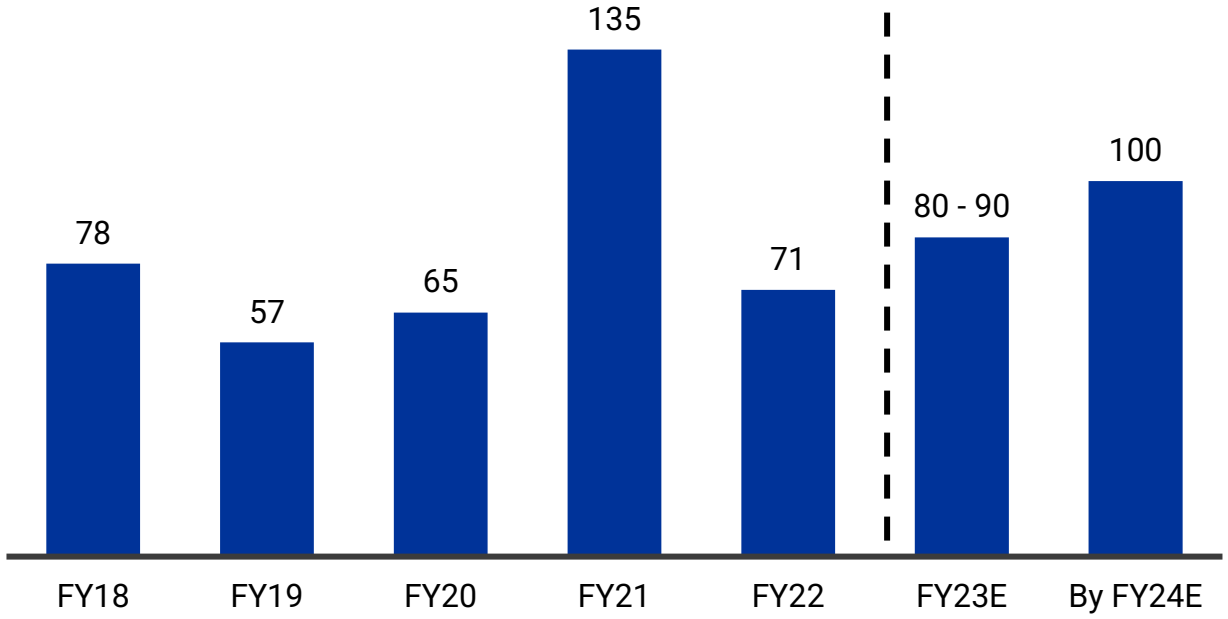
Company units provide ~3x EBITDA/store vs. franchise

- Returns on invested capital of ~15%+
- More control in company stores offers more flexibility to pilot new service offerings

Capital allocation will be focused on maximizing shareholder returns

- Key market infill opportunities to drive store density with advertising and G&A leverage
- M&A efforts more focused on small unit opportunities to provide optimal return profile and maximize synergies

Annual Company Unit Additions[1]



Goal is to ramp to max 100 new company units/year by 2024

1) Amounts do not include conversions.

OPPORTUNITY TO EXPAND WITHIN PREVENTIVE MAINTENANCE

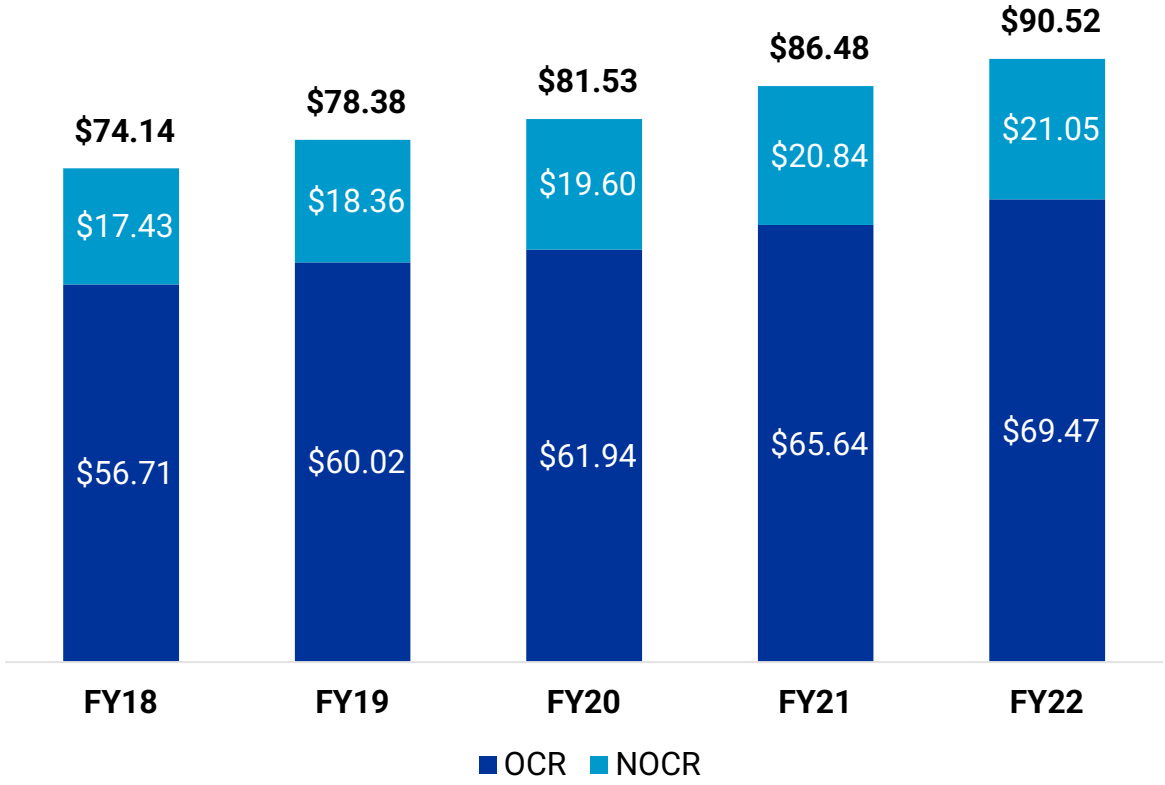
Non-Oil Change Revenue today includes:

- **Parts Replacement**: 12V Battery, Filters, Wiper Blades, Belts
- **Safety**: Tire inflation, Tire rotation, Safety Check, Bulbs
- **Fluid Exchange**: Transmission fluid, Differential fluid, Coolant

Expanding sales team to drive growth with light and medium duty fleet customers

Expanded pilot for EV services to Indianapolis and Atlanta markets

Non-oil Change Revenue[1]
(based on average ticket)



Expansion of NOCR provides growth opportunities today and as the car parc evolves.

1) Mature stores only

TARGET CUSTOMER & SERVICE EXPANSION- CAR PARC EVOLUTION

Valvoline

Now to 2035

Primarily ICE/HEV

- Drive full potential in existing business & leverage brand for incremental services
- Focus on franchisee growth & reduce capital intensity
- Develop & pilot HEV & EV services (evolve with market)

2035 to 2050

ICE Declines and BEV Grows

- Leverage existing store format to provide preventative maintenance across ICE/HEV/EV vehicle types
- Execute incremental service expansion

RESULTS & GUIDANCE



KEY REPORTING UPDATES



Continuing and Discontinued Operations

Retail Services Business = Continuing Operations

Global Products Business = Discontinued Operations

Indirect SG&A has been reassigned to reflect the go forward business and the unallocated SG&A in “Corporate” has been fully attributed to both businesses.



Agency Accounting

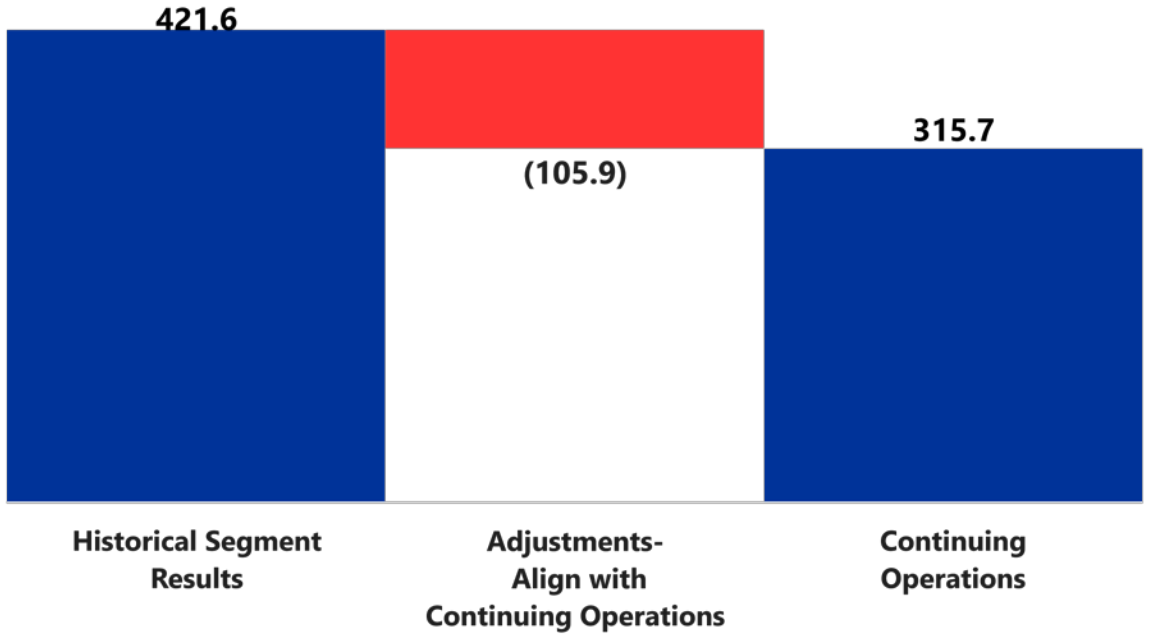
Valvoline is the agent in arranging product supply for its independent operators (franchisees and Express Care) and is no longer recognizing the gross sales of these products but rather is recognizing revenue on a net basis for the fees charged for this service.



Supply Agreement

Valvoline will be entering into a long-term, arms-length supply agreement with Global Products to provide substantially all lubricant and certain ancillary products for its stores following the sale of Global Products.

FY2022 BRIDGE SEGMENT TO CONTINUING OPERATIONS - ADJ.[1] EBITDA



Historical Segment Results: $421.6M

- In line with prior guidance of $415M – $425M

Continuing Operations: FY2022: $315.7M

- In line with prior guidance of $300M – $330M

- **Results of continuing operations are comparable to those previously discussed on a pro forma basis at the time of the Global Products sale announcement.**
- Adjustments to align with Continuing Operations: supply agreement markup and corporate cost realignment.

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

4Q22 & FY22 RESULTS - CONTINUING OPERATIONS[1]

4Q22 RESULTS

(Millions)	4Q22	YoY
Net revenues	$335.2	15.5%
Operating income	$68.2	10.7%
Operating income margin	20.3%	(100 bps)
Adjusted EBITDA	$87.5	11.0%
Adjusted EBITDA margin	26.1%	(110 bps)

- Sales increase of $45 million year over year
- Adjusted EBITDA increased by 11% year over year
- Adjusted EBITDA margin of 26.1%

FY22 RESULTS

(Millions)	FY22	YoY
Net revenues	$1,224.5	19.8%
Operating income	$244.3	13.7%
Operating income margin	20.0%	(100 bps)
Adjusted EBITDA	$315.7	14.0%
Adjusted EBITDA margin	25.8%	(130 bps)

- Sales increase of $202 million year over year
- Adjusted EBITDA increased by 14% year over year
- Adjusted EBITDA margin of 25.8%, reflects deleverage from rapid labor and product cost inflation.

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

4Q22 & FY22 – CONSOLIDATED & CORPORATE MATTERS

GAAP RESULTS

(Millions)	4Q22	FY22
Net revenues	$335.4	$1,236.1
Gross Profit	$129.1	$476.4
Operating Income	$67.2	$220.3
Income from continuing operations	$12.4	$109.4
Net Income	$157.7	$424.3

Significant matters in Q4 and FY22:

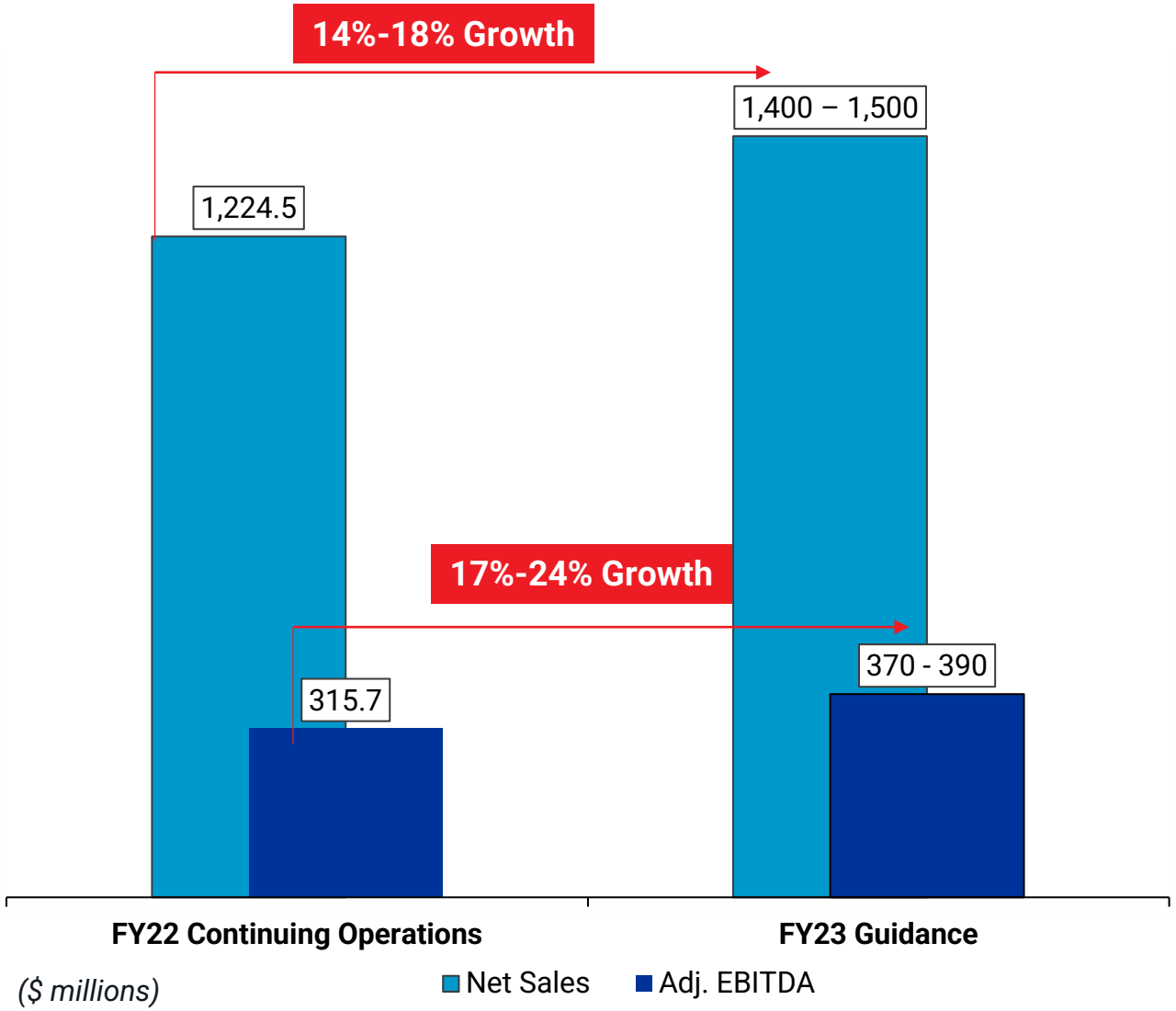
- Legacy and separation related activity
- Pension & OPEB plans: Year-end remeasurement
- Discontinued operations: Basis difference recognition benefitting tax provision

FY2023 GUIDANCE

	FY2023 Guidance- Continuing Operations[1]
Same Store Sales Growth %	8% - 12%
System Wide Sales Growth	16% - 20%
System Wide Unit Additions	130 – 160
Company	*80 – 90*
Franchise	*50 – 70*
Net Revenues	$1.4B – $1.5B
Net Revenues Growth	14% - 18%
Adjusted[2] EBITDA	$370M – $390M
Capital Expenditures	$170M – $200M
Adjusted[2] Effective Tax Rate	25.5% – 26.5%
Adjusted[2] Net Income	$160M -- $180M

1) For a discussion of management's use of Key Business Measures, please refer to the Appendix.
2) 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.

CONTINUING OPERATIONS BASELINE & FY2023 GROWTH[1]



FY2022 Results- Continuing Operations:

- Sales: $1,224.5
- EBITDA[1]: $315.7

FY2023 Guidance- Continuing Operations:

- Sales: $1,400M - $1,500M
- EBITDA[2]: $370M - $390M

Growth Drivers

- Continue SSS Growth
- Increased Unit Count
- Margin leverage

We have a strong outlook heading into FY2023

1) For a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.
2) 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.

CAPITAL UPDATE

Approved a $1.6B authorization for share repurchase

- Expected to be executed over 18 months following the closing of the Global Products sale
- Timing and amount of repurchases subject to business & market conditions, including closing the Global Products sale

Expect to eliminate dividend

Pro forma net leverage targeted at 2.5x – 3.5x

SUMMARY

FY2022 performance was strong despite a challenging macro-economic backdrop

Actions taken in FY2022 drive strong momentum into FY2023 and beyond

Transaction on track and expected to close in early calendar 2023



Appendix

RETAIL SERVICES - Q4 AND FY SYSTEM RESULTS

	Three months ended September 30		Year ended September 30	
	2022	2021	2022	2021
Sales information				
System-wide store sales - in millions [a]	$ 641.9	$ 554.7	$2,360.2	$1,969.8
Year-over-year growth [a]	*16 %*	*29 %*	*20 %*	*30 %*
Same-store sales growth [b]				
Company-operated	8.5 %	17.3 %	11.4 %	19.6 %
Franchised [a]	9.8 %	22.1 %	15.5 %	22.4 %
System-wide [a]	9.2 %	20.1 %	13.7 %	21.2 %

	Number of stores at end of period				
	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022	First Quarter 2022	Fourth Quarter 2021
Company-operated	790	772	757	738	719
Franchised [a]	925	918	904	897	875

	September 30	
	2022	2021
System-wide store count [a]	1,715	1,594
Year-over-year growth	*8 %*	*9 %*

a) Measures include Valvoline franchisees, which are independent legal entities. Valvoline does not consolidate the results of operations of its franchisees.
b) Valvoline determines SSS growth as sales by U.S. stores, with new stores, including franchised conversions, excluded from the metric until the completion of their first full fiscal year in operation.

RETAIL SERVICES- STORE INFORMATION

	Company-operated				
	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022	First Quarter 2022	Fourth Quarter 2021
Beginning of period	772	757	738	719	698
Opened	12	5	10	7	9
Acquired	3	9	9	12	7
Net conversions between company-operated and franchised	3	1	—	—	6
Closed	—	—	—	—	(1)
End of period	790	772	757	738	719

	Franchised [a]				
	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022	First Quarter 2022	Fourth Quarter 2021
Beginning of period	918	904	897	875	871
Opened	10	16	9	25	12
Acquired	—	—	—	—	—
Net conversions between company-operated and franchised	(3)	(1)	—	—	(6)
Closed	—	(1)	(2)	(3)	(2)
End of period	925	918	904	897	875
Total stores [a]	1,715	1,690	1,661	1,635	1,594

a) Measures include Valvoline franchisees, which are independent legal entities. Valvoline does not consolidate the results of operations of its franchisees.

RECONCILIATION OF NON-GAAP DATA – NET REVENUES AND OPERATING INCOME

(In millions - preliminary and unaudited)	Three months ended September 30			
	Net revenues		Operating income	
	2022	2021	2022	2021
As reported	$ 335.4	$ 295.2	$ 67.2	$ 87.7
Adjustments:				
Net legacy and separation-related expenses (income)	—	—	1.6	(25.3)
Suspended operations	(0.2)	(5.1)	(0.6)	(0.7)
As adjusted	$ 335.2	$ 290.1	$ 68.2	$ 61.7

(In millions - preliminary and unaudited)	Year ended September 30			
	Net revenues		Operating income	
	2022	2021	2022	2021
As reported	$ 1,236.1	$ 1,037.2	$ 220.3	$ 240.1
Adjustments:				
Net legacy and separation-related expenses (income)	—	—	20.5	(23.6)
Information technology transition costs	—	—	2.6	—
Suspended operations	(11.6)	(14.9)	0.9	(1.5)
As adjusted	$ 1,224.5	$ 1,022.3	$ 244.3	$ 214.9

RECONCILIATION OF NON-GAAP DATA – Q4 ADJUSTED EBITDA

Adjusted EBITDA - Valvoline	Three months ended September 30, 2022			Three months ended September 30, 2021		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Net income	$ 12.4	$ 145.3	$ 157.7	$ 124.7	$ 44.2	$ 168.9
Add:						
Income tax expense (benefit)	2.1	(84.4)	(82.3)	33.5	6.2	39.7
Net interest and other financing expenses	18.1	1.9	20.0	17.3	0.7	18.0
Depreciation and amortization	19.3	2.8	22.1	17.1	7.6	24.7
EBITDA [a]	51.9	65.6	117.5	192.6	58.7	251.3
Key items:						
Net pension and other postretirement plan expenses (income)	34.6	(3.5)	31.1	(87.8)	2.3	(85.5)
Legacy and separation-related expenses (income)	1.6	6.5	8.1	(25.3)	—	(25.3)
LIFO charge	—	25.5	25.5	—	14.6	14.6
Suspended operations	(0.6)	—	(0.6)	(0.7)	—	(0.7)
Key items - subtotal	35.6	28.5	64.1	(113.8)	16.9	(96.9)
Adjusted EBITDA [a]	$ 87.5	$ 94.1	$ 181.6	$ 78.8	$ 75.6	$ 154.4

a) 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 presentation.

RECONCILIATION OF NON-GAAP DATA – FISCAL YEAR ADJUSTED EBITDA

	Year ended September 30, 2022			Year ended September 30, 2021		
Adjusted EBITDA - Valvoline	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Net income	$ 109.4	314.9	$ 424.3	$ 200.1	$ 220.2	$ 420.3
Add:						
Income tax expense (benefit)	34.7	(33.4)	1.3	59.9	62.7	122.6
Net interest and other financing expenses	69.3	4.6	73.9	108.3	2.6	110.9
Depreciation and amortization	71.4	25.9	97.3	62.1	30.1	92.2
EBITDA [a]	284.8	312.0	596.8	430.4	315.6	746.0
Key items:						
Net pension and other postretirement plan expenses (income)	6.9	(3.4)	3.5	(128.2)	1.9	(126.3)
Legacy and separation-related expenses (income)	20.5	7.0	27.5	(23.6)	—	(23.6)
LIFO charge	—	43.3	43.3	—	40.5	40.5
Suspended operations	0.9	—	0.9	(1.5)	—	(1.5)
Information technology transition costs	2.6	—	2.6	—	—	—
Business interruption recovery	—	—	—	—	(2.7)	(2.7)
Restructuring-related adjustments	—	—	—	(0.1)	—	(0.1)
Key items - subtotal	30.9	46.9	77.8	(153.4)	39.7	(113.7)
Adjusted EBITDA [a]	$ 315.7	$ 358.9	$ 674.6	$ 277.0	$ 355.3	$ 632.3

a) 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 presentation.

RECONCILIATION OF NON-GAAP DATA - NET INCOME AND DILUTED EARNINGS PER SHARE

	Three months ended September 30		Year ended September 30	
	2022	2021	2022	2021
Reported income from continuing operations	$ 12.4	$ 124.7	$ 109.4	$ 200.1
Adjustments:				
Net pension and other postretirement plan expenses (income)	34.6	(87.8)	6.9	(128.2)
Net legacy and separation-related expenses (income)	1.6	(25.3)	20.5	(23.6)
Suspended operations	(0.6)	(0.7)	0.9	(1.5)
Information technology transition costs	—	—	2.6	—
Debt extinguishment and modification costs	—	—	—	36.4
Restructuring-related adjustments	—	—	—	(0.1)
Total adjustments, pre-tax	35.6	(113.8)	30.9	(117.0)
Income tax (benefit) expense of adjustments	(10.3)	22.3	(8.5)	23.2
Total adjustments, after tax	25.3	(91.5)	22.4	(93.8)
Adjusted income from continuing operations [a]	37.7	33.2	131.8	106.3
Reported income from discontinued operations	$ 145.3	$ 44.2	$ 314.9	$ 220.2
Adjustments:				
Net pension and other postretirement plan expenses (income)	(3.5)	2.3	(3.4)	1.9
Net legacy and separation-related expenses (income)	6.5	—	7.0	—
LIFO charge	25.5	14.6	43.3	40.5
Business interruption recoveries	—	—	—	(2.7)
Total adjustments, pre-tax	28.5	16.9	46.9	39.7
Income tax benefit of adjustments	(7.9)	(4.2)	(12.5)	(9.9)
Income tax adjustments [a]	(99.1)	—	(99.3)	—
Adjusted net income from discontinued operations [a]	66.8	56.9	250.0	250.0
Adjusted net income [a]	$ 104.5	$ 90.1	$ 381.8	$ 356.3
Reported diluted earnings per share				
Continuing operations	$ 0.07	$ 0.68	$ 0.61	$ 1.09
Discontinued operations	$ 0.81	$ 0.24	$ 1.74	$ 1.20
Total reported diluted earnings per share	$ 0.88	$ 0.92	$ 2.35	$ 2.29
Adjusted diluted earnings per share [b]				
Continuing operations	$ 0.21	$ 0.18	$ 0.73	$ 0.58
Discontinued operations	$ 0.38	$ 0.31	$ 1.39	$ 1.36
Total adjusted diluted earnings per share	$ 0.59	$ 0.49	$ 2.12	$ 1.94
Weighted average diluted common shares outstanding	178.6	182.6	180.4	183.5

a) Adjusted income from continuing operations is defined as income from continuing operations adjusted for key items. Adjusted income from discontinued operations is defined as income from discontinued operations adjusted for key items. Refer to "Use of Non-GAAP Measures" in this press release for management's definition of key items.

b) Adjusted diluted earnings per share is defined as diluted earnings per share calculated using adjusted net income.

RECONCILIATION OF NON-GAAP DATA - FREE CASH FLOW

Free cash flow [a]	Year ended September 30 2022	2021
Total cash flows provided by operating activities from continuing operations	$ 134.4	$ 182.2
Adjustments:		
Additions to property, plant and equipment from continuing operations	(132.0)	(103.1)
Free cash flow from continuing operations	$ 2.4	$ 79.1
Total cash flows provided by operating activities from discontinued operations	$ 149.8	$ 221.7
Adjustments:		
Additions to property, plant and equipment from continuing operations	(26.9)	(41.3)
Free cash flow from discontinued operations	$ 122.9	$ 180.4
Consolidated free cash flow	$ 125.3	$ 259.5

Discretionary free cash flow [b]	Year ended September 30 2022	2021
Total cash flows provided by operating activities from continuing operations	$ 134.4	$ 182.2
Adjustments:		
Maintenance additions to property, plant and equipment from continuing operations	(19.3)	(17.6)
Discretionary free cash flow from continuing operations	$ 115.1	$ 164.6
Total cash flows provided by operating activities from discontinued operations	$ 149.8	$ 221.7
Adjustments:		
Maintenance additions to property, plant and equipment from continuing operations	(24.5)	(18.8)
Discretionary free cash flow from discontinued operations	$ 125.3	$ 202.9
Consolidated discretionary free cash flow	$ 240.4	$ 367.5

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

Q4 & FISCAL YEAR- GAAP RESULTS - TOTAL COMPANY

	Three months ended September 30		Year ended September 30	
	2022	2021	2022	2021
Net revenues	$ 335.4	$ 295.2	$ 1,236.1	$ 1,037.2
Cost of sales	206.3	175.8	759.7	604.9
GROSS PROFIT	129.1	119.4	476.4	432.3
Selling, general and administrative expenses	62.1	58.8	244.7	223.9
Net legacy and separation-related expenses (income)	1.6	(25.3)	20.5	(23.6)
Other income, net	(1.8)	(1.8)	(9.1)	(8.1)
OPERATING INCOME	67.2	87.7	220.3	240.1
Net pension and other postretirement plan expenses (income)	34.6	(87.8)	6.9	(128.2)
Net interest and other financing expenses	18.1	17.3	69.3	108.3
INCOME BEFORE INCOME TAXES	14.5	158.2	144.1	260.0
Income tax expense	2.1	33.5	34.7	59.9
Income from continuing operations	12.4	124.7	109.4	200.1
Income from discontinued operations, net of tax	145.3	44.2	314.9	220.2
NET INCOME	$ 157.7	$ 168.9	$ 424.3	$ 420.3

RETAIL SERVICES- HISTORICAL SEGMENT

	Three months ended September 30		Year ended September 30	
	2022	2021	2022	2021
Sales information				
Retail Services segment sales	$ 410.8	$ 351.2	$ 1,490.9	$ 1,220.8
Profitability information				
Operating income [a]	$ 95.5	$ 88.3	$ 349.2	$ 320.7
Key items	—	—	—	—
Adjusted operating income [a]	95.5	88.3	349.2	320.7
Depreciation and amortization	19.6	16.6	72.4	60.6
Adjusted EBITDA [a]	$ 115.1	$ 104.9	$ 421.6	$ 381.3

a) Historical segment adjusted operating income is historical segment operating income adjusted for key items impacting the comparability. Historical segment adjusted operating income is further adjusted for depreciation and amortization to determine historical segment adjusted EBITDA. Historically, Valvoline did not generally allocate activity below operating income to its historical operating segments; therefore, the table above reconciles operating income to Adjusted EBITDA.

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, presented on both a consolidated and operating segment basis, 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 operating income, consolidated EBITDA, consolidated and segment adjusted EBITDA, consolidated adjusted net income and earnings per share, consolidated free cash flow, and consolidated and segment discretionary free cash flow. Refer to this Appendix for management's definition of each non-GAAP measure and reconciliation to the most comparable U.S. GAAP measure.

Management believes the use of non-GAAP measures on a consolidated and operating segment basis 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.

Management uses free cash flow and discretionary free cash flow as additional non-GAAP metrics 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. Free cash flow includes the impact of capital expenditures, providing a supplemental view of cash generation. Discretionary free cash flow includes maintenance capital expenditures, which are routine uses of cash that are necessary to maintain the Company's operations and provides a supplemental view of cash flow generation to maintain operations before discretionary investments in growth. Free cash flow and discretionary free cash flow have certain limitations, including that they do not reflect adjustments for certain non-discretionary cash flows, such as mandatory debt repayments.

KEY BUSINESS MEASURES

Valvoline tracks its operating performance and manages its business using certain key measures, including system-wide, company-operated and franchised store counts and SSS; vehicles served, 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.

Net revenues 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 net revenues by U.S. 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.

Net revenues are limited to sales at company-operated stores, in addition to royalties and other fees from independent franchised and Express Care stores. Although Valvoline does not recognize store-level sales from franchised stores as net revenues 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 operating performance.