Valvoline

First Quarter Fiscal 2025 Earnings

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SAFE HARBOR

Forward-Looking Statements

Certain statements herein, 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, executing on the growth strategy to create shareholder value by driving the full potential in the Company's core business, accelerating network growth and innovating to meet the needs of customers and the evolving car parc; realizing the benefits from the refranchising transactions; and future opportunities for the stand-alone retail business; and any other statements regarding Valvoline's future operations, financial or operating results, capital allocation, debt leverage ratio, anticipated business levels, 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. 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 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://www.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.

1Q 2025 KEY HIGHLIGHTS[1]

$820M
System-wide Store Sales[2]
↑ 14%

8.0%
System-wide Same Store Sales[2] Growth

$414M
Net Sales
↑ 11%

35 Store Additions
14 Franchise; 21 Company
39 Refranchised

$103M
Adjusted EBITDA[3]
↑ 14%

2,045
System Locations[2]
↑ 8%

$0.32
Adjusted EPS[3]
↑ 10%

$39M
Returned via Share Repurchases

1. All comparisons are year over year unless otherwise noted.
2. Refer to the Appendix for further information regarding management's use of key business measures. Management revised its approach to determining SSS beginning in fiscal 2025 to define same stores as those that have been in operation within the system for at least 12 full months.
3. For a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.

STRATEGIC PRIORITIES

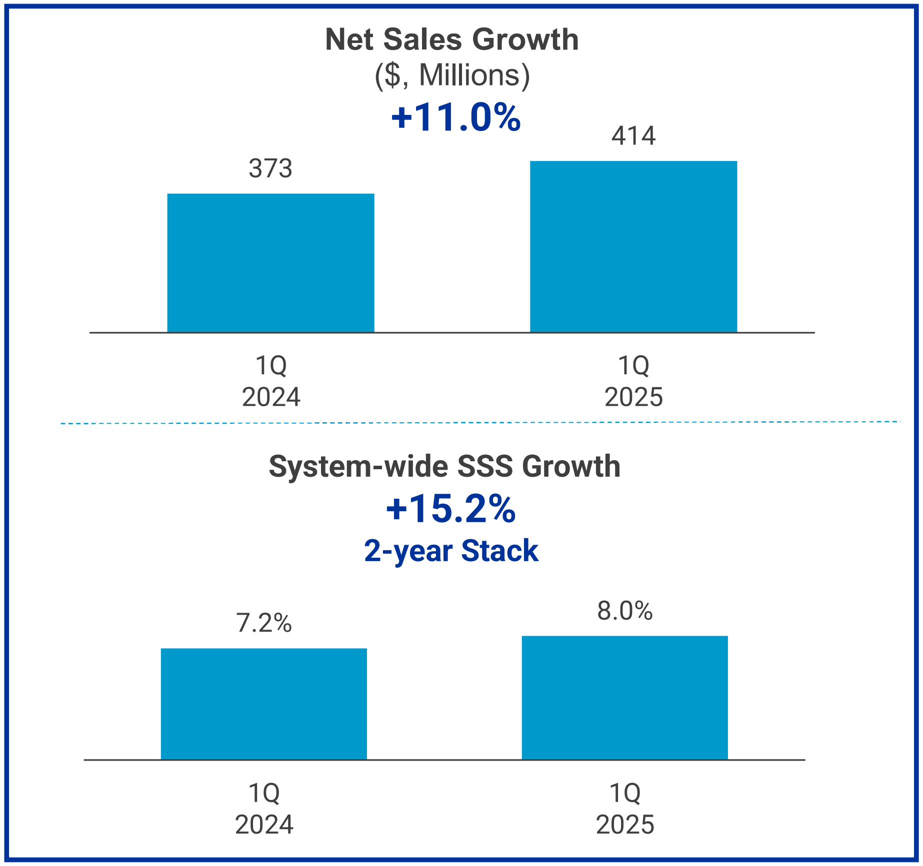
Long Runway For Delivering Shareholder Value

DRIVE FULL POTENTIAL FOR OUR CORE BUSINESS

ACCELERATE NETWORK GROWTH

TARGET CUSTOMER & SERVICE EXPANSION

1Q 2025 TOP-LINE PERFORMANCE[1]



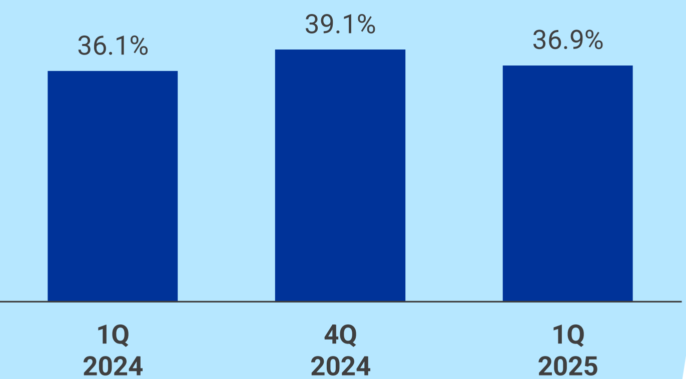
- 155 net new system-wide stores YoY
- Balanced contribution from ticket and transaction growth
- Improvement in NOCR largest driver of ticket

1. Refer to the Appendix for further information regarding management's use of key business measures. Management revised its approach to determining SSS beginning in fiscal 2025 to define same stores as those that have been in operation within the system for at least 12 full months.

1Q 2025 FINANCIAL DRIVERS[1]

Gross Margin
as a % of Net sales

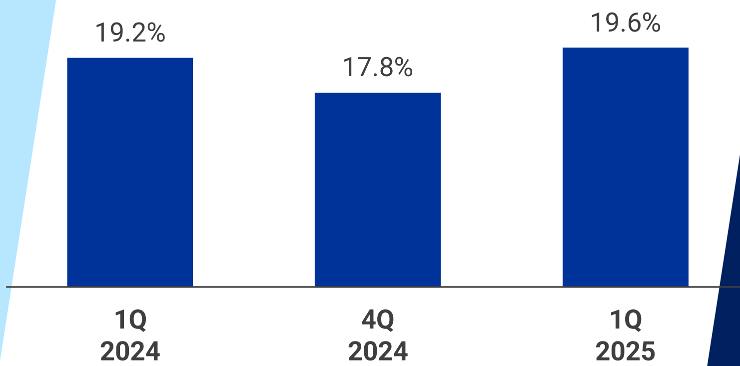
80 bps increase YoY



- Improved YoY operating efficiency, partially offset by new store depreciation

SG&A Expense
as a % of Net sales

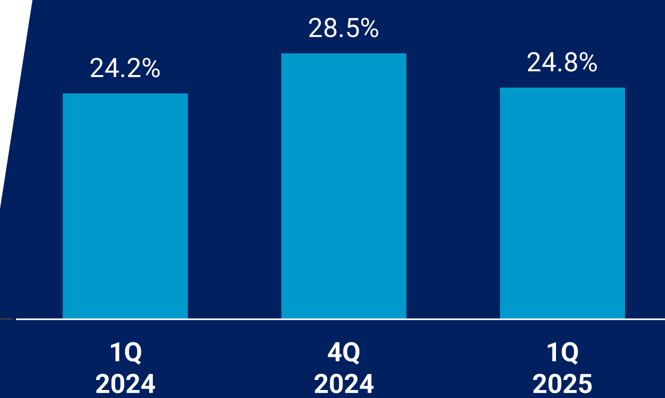
40 bps increase YoY



- YoY technology investments

Adjusted EBITDA
as a % of Net sales

60 bps increase YoY



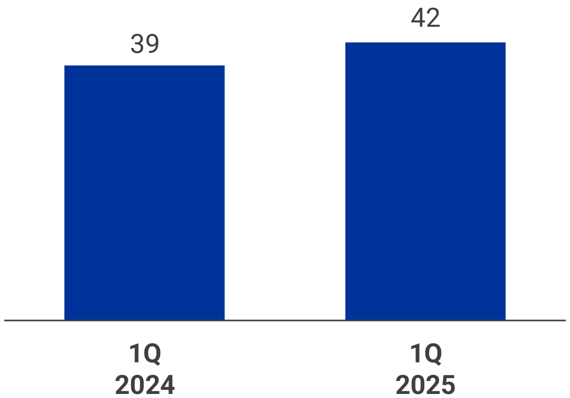
- YoY improvements in operating efficiency and scale
- Sequential performance driven by typical seasonality including timing of the annual meetings

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

1Q 2025 PROFITABILITY[1]

Adjusted Net Income
($, Millions)

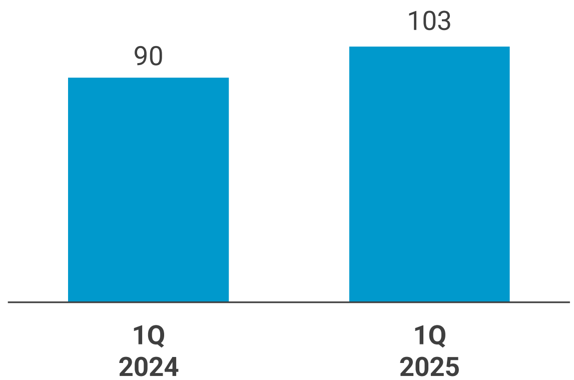
9% increase



- 14% operating profit growth partially offset by reduction in interest income

Adjusted EBITDA
($, Millions)

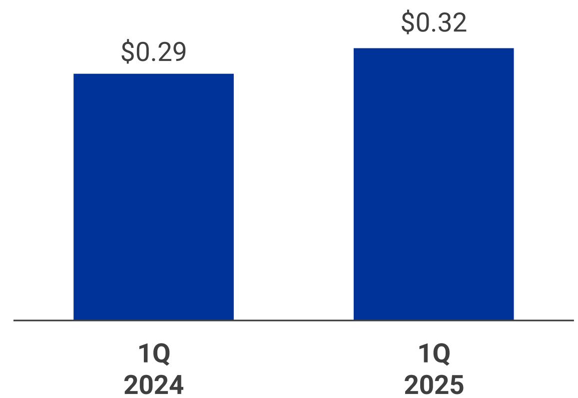
14% increase



- 11% topline growth combined with modest margin expansion through improved operating efficiency

Adjusted EPS

10% increase



- Strong net income growth with an average share count decline of 3.2 million

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

1Q 2025 REPORTING HIGHLIGHTS

Balance Sheet Highlights

(Millions)	1Q25
Cash & Cash Equivalents	$60.0
Total Debt	$1,033.1

- Debt reduction of $61M during the quarter
- Target leverage ratio of 2.5 – 3.5x on a rating agency adjusted basis; at ~3.3x as of end of the quarter

Cash Flow Highlights

(Millions)	1Q25
Cash Flows from Operating Activities	$41.4
Free Cash Flow[1]	$(12.2)

- Share repurchases of $39M for the quarter
- Free cash flow improved year over year driven primarily by improved cash flow from operations

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

1. Delivered Q1 financial results **in line with expectations**.

2. Added 35 net new stores; **closed transaction to refranchise** certain Texas markets.

3. Positioned to deliver **strong and durable growth** in fiscal year 2025 and beyond.

APPENDIX

FISCAL YEAR 2025 GUIDANCE

	FY25 Outlook
Same Store Sales[1] Growth %	5% – 7%
System-Wide Store Additions[1]	160 – 185
Net Revenues	$1.67B – $1.73B
Adjusted[3] EBITDA	$450M – $470M
Adjusted[3] EPS	$1.57 – $1.67
Capital Expenditures	$230M – $250M
Share Repurchases[2]	$40M – $70M

1. For a discussion of management's use of Key Business Measures, please refer to the Appendix. Management has revised its approach to determining SSS beginning in fiscal 2025 to define same stores as those that have been in operation within the system for at least 12 full months.
2. Subject to market conditions.
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.

RETAIL SERVICES – Q1 SYSTEM RESULTS
(Preliminary and unaudited)

	Three months ended December 31	
	2024	2023
Sales information		
System-wide store sales - in millions (a)	$ 820.3	$ 722.9
Year-over-year growth (a)	*13.5 %*	*12.3 %*
Same-store sales growth (b)		
Company-operated	8.2 %	6.2 %
Franchised (a)	7.8 %	8.0 %
System-wide (a)	8.0 %	7.2 %

	Number of stores at end of period				
	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024
Company-operated	932	950	937	919	895
Franchised [a]	1,113	1,060	1,024	1,009	995

	December 31	
	2024	2023
System-wide store count [a]	2,045	1,890
Year-over-year growth [a]	*8.2 %*	*8.2 %*

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

(b) Beginning in fiscal 2025, Valvoline determines SSS growth as sales by U.S. VIOC 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 12 full months in operation within the system. Previously, SSS was determined as sales by U.S. Quick Lubes service center stores, with new stores, including franchised conversions, excluded from the metric until the completion of their first full fiscal year in operation. Prior period measures have been revised to conform to the current basis of presentation.

RETAIL SERVICES – STORE INFORMATION
(Preliminary and unaudited)

	Company-operated				
	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024
Beginning of period	950	937	919	895	876
Opened	15	26	12	14	14
Acquired	6	10	6	10	5
Net conversions between company-operated and franchised	(39)	(23)	—	—	—
Closed	—	—	—	—	—
End of period	932	950	937	919	895

	Franchised [a]				
	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024
Beginning of period	1,060	1,024	1,009	995	976
Opened	14	13	15	15	19
Acquired (b)	—	—	—	—	—
Net conversions between company-operated and franchised	39	23	—	—	—
Closed	—	—	—	(1)	—
End of period	1,113	1,060	1,024	1,009	995
Total system-wide stores (a)	2,045	2,010	1,961	1,928	1,890

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

(b) Represents the acquisition of franchise stores that are new to the Valvoline retail store system by Valvoline Inc.

RECONCILIATION OF NON-GAAP DATA – INCOME FROM CONTINUING OPERATIONS & DILUTED EARNINGS PER SHARE

(Preliminary and unaudited)

(in millions, except per share amounts)	Three months ended December 31 2024	Three months ended December 31 2023
Reported income from continuing operations	$ 93.9	$ 33.9
Adjustments:		
Net pension and other postretirement plan (income) expenses [a]	(0.9)	3.4
Net legacy and separation-related expenses [b]	0.4	0.1
Information technology transition costs	1.5	2.7
Debt extinguishment and modification costs	—	—
Investment and divestiture-related income	(70.9)	—
Total adjustments, pre-tax	(69.9)	6.2
Income tax expense (benefit) of adjustments [b]	17.9	(1.6)
Total adjustments, after tax	(52.0)	4.6
Adjusted income from continuing operations [c] [d]	$ 41.9	$ 38.5
Reported diluted earnings per share from continuing operations	$ 0.73	$ 0.26
Adjusted diluted earnings per share from continuing operations [d] [e]	$ 0.32	$ 0.29
Weighted average diluted common shares outstanding	129.5	132.7

(a) Adjusted income from continuing operations is defined as income from continuing operations adjusted for the effects of key items.

(b) Represents a non-GAAP measure. Refer to “Use of Non-GAAP Measures” and the Appendix for additional details.

(c) Adjusted diluted earnings per share from continuing operations is defined as diluted earnings per share calculated using adjusted income from continuing operations.

RECONCILIATION OF NON-GAAP DATA – Q1 ADJUSTED EBITDA
(Preliminary and unaudited)

(in millions)	Three months ended December 31 2024	Three months ended December 31 2023
Reported net revenues [a]	$ 414.3	$ 373.4
Adjusted EBITDA - Continuing operations		
Income from continuing operations	$ 93.9	$ 33.9
Add:		
Income tax expense	33.3	11.9
Net interest and other financing expenses	17.5	13.6
Depreciation and amortization	28.0	24.6
EBITDA from continuing operations [b] [c]	172.7	84.0
Key items:		
Net pension and other postretirement plan (income) expenses	(0.9)	3.4
Net legacy and separation-related expenses	0.4	0.1
Information technology transition costs	1.5	2.7
Investment and divestiture-related income	(70.9)	—
Suspended operations	—	—
Key items - subtotal	(69.9)	6.2
Adjusted EBITDA from continuing operations [b] [c]	$ 102.8	$ 90.2
Net profit margin [d]	22.7 %	9.1 %
Adjusted EBITDA margin [b] [e]	24.8 %	24.2 %

(a) Net revenues do not have any key item adjustments in the periods presented herein; therefore, GAAP net revenues and Adjusted net revenues are the same.

(b) Represents a non-GAAP measure. Refer to “Use of Non-GAAP Measures” and the Appendix for additional details.

(c) EBITDA from continuing operations is defined as Income from continuing operations, plus Income tax expense (benefit), Net interest and other financing expenses, and Depreciation and amortization attributable to continuing operations. Adjusted EBITDA from continuing operations is EBITDA adjusted for key items attributable to continuing operations.

(d) Net profit margin is defined as reported income from continuing operations divided by reported net revenues.

(e) Adjusted EBITDA margin is defined as Adjusted EBITDA from continuing operations divided by adjusted net revenues.

RECONCILIATION OF NON-GAAP DATA – ADJUSTED SG&A & OPERATING INCOME

	Three months ended December 31			
	Selling, general and administrative expenses		Operating income	
In millions - preliminary and unaudited	2024	2023	2024	2023
As reported	$ 82.8	$ 74.5	$ 143.8	$ 62.8
Key items:				
Net legacy and separation-related expenses	—	—	0.4	0.1
Information technology transition costs	1.5	2.7	1.5	2.7
Suspended operations	—	—	—	—
Investment and divestiture-related income	0.3	—	(70.9)	—
As adjusted [(a)]	$ 81.0	$ 71.8	$ 74.8	$ 65.6
% of net revenues as reported [(b)]	*20.0 %*	*20.0 %*	*34.7 %*	*16.8 %*
% of net revenues as adjusted [(c)]	*19.6 %*	*19.2 %*	*18.1 %*	*17.6 %*

(a) Represents non-GAAP measure. Refer to “Use of Non-GAAP Measures” and this Appendix for additional details.

(b) Financial measures presented as the activity for the relevant period reported in accordance with US GAAP divided by net revenues for the relevant period as reported in accordance with US GAAP.

(c) Financial measures presented as the activity for the relevant period where the results reported in accordance with US GAAP are adjusted for key items divided by net revenues for the relevant period as reported in accordance with US GAAP adjusted for key items.

RECONCILIATION OF NON-GAAP DATA – FREE CASH FLOWS
(Preliminary and unaudited)

(In millions) Free cash flow [(a)]	Three months ended December 31 2024	 2023
Operating cash flows from continuing operations	$ 41.4	$ 21.9
Adjustments:		
Additions to property, plant and equipment from continuing operations	(53.6)	(42.3)
Free cash flow from continuing operations [(b)]	$ (12.2)	$ (20.4)

(a) Free cash flow is defined as operating cash flows less Additions to property, plant and equipment and certain other adjustments, as applicable.
(b) Represents a non-GAAP measure. Refer to “Use of Non-GAAP Measures” and the Appendix for additional details.
(c) Discretionary free cash flow is defined as operating cash flows less Maintenance additions to property, plant and equipment and certain other adjustments, as applicable.

CONSOLIDATED GAAP INCOME STATEMENT
(Preliminary and unaudited)

(In millions, except per share amounts)	Three months ended December 31 2024	2023
Net revenues	$ 414.3	$ 373.4
Cost of sales	261.4	238.6
Gross profit	152.9	134.8
Selling, general and administrative expenses	82.8	74.5
Net legacy and separation-related expenses	0.4	0.1
Other income, net	(74.1)	(2.6)
Operating income	143.8	62.8
Net pension and other postretirement plan (income) expenses	(0.9)	3.4
Net interest and other financing expenses	17.5	13.6
Income before income taxes	127.2	45.8
Income tax expense	33.3	11.9
Income from continuing operations	93.9	33.9
Loss from discontinued operations, net of tax	(2.3)	(2.0)
Net income	91.6	$ 31.9
Net earnings per share		
Basic earnings (loss) per share		
Continuing operations	$ 0.73	$ 0.26
Discontinued operations	(0.02)	(0.02)
Basic earnings per share	$ 0.71	$ 0.24
Diluted earnings (loss) per share		
Continuing operations	$ 0.73	$ 0.26
Discontinued operations	(0.02)	(0.02)
Diluted earnings per share	$ 0.71	$ 0.24
Weighted average common shares outstanding		
Basic	128.7	131.8
Diluted	129.5	132.7

USE OF NON-GAAP MEASURES

This presentation includes the following non-GAAP measures: Adjusted operating income; adjusted operating margin; adjusted selling, general, and administrative expenses; adjusted selling, general, and administrative margin; EBITDA, adjusted EBITDA, and adjusted EBITDA margin; adjusted net income and adjusted diluted earnings per share; and free cash flow and 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.

Non-GAAP measures include adjustments from results based on U.S. GAAP that management believes enables comparison of certain financial trends and results between periods and provides a useful supplemental presentation of Valvoline's operating performance that allows for transparency with respect to key metrics used by management in operating the business and measuring performance. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation from, 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 manner used to compute the non-GAAP information used by management may differ from the methods used by other companies and may not be comparable.

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, as well as income tax and interest costs related to Valvoline’s tax and capital structures, respectively. 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.

Adjusted profitability measures (i.e., adjusted net income, diluted earnings per share and EBITDA) enable the comparison of financial trends and results between periods where certain items may not be reflective of the Company’s underlying and ongoing operational performance or vary independent of business performance.The non-GAAP measures used by management 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, the former Global Products reportable segment, and associated impacts of related activity and indemnities; non-service pension and other postretirement plan activity; restructuring-related matters, including organizational restructuring plans, the separation of Valvoline’s businesses, significant acquisitions or divestitures, debt extinguishment and modification, and tax reform legislation; in addition to other matters that management considers non-operational, infrequent or unusual in nature.

USE OF NON-GAAP MEASURES, CONTINUED

Refer to the below for descriptions of the key items that comprise the adjustments which depart from the computations in accordance with U.S. GAAP:

Net pension and other postretirement plan (income) expenses: Includes several elements impacted by changes in plan assets and obligations that are primarily driven by the debt and equity markets, including remeasurement gains and losses, when applicable; and recurring non-service pension and other postretirement net periodic activity, which consists of interest cost, expected return on plan assets and amortization of prior service credits. Management considers these elements are more reflective of changes in current conditions in global markets (in particular, interest rates), outside the operational performance of the business, and are also legacy amounts that are not directly related to the underlying business and do not have an impact on the compensation and benefits provided to eligible employees for current service.

Net legacy and separation-related expenses: Activity associated with legacy businesses, including the separation from Valvoline's former parent company and its former Global Products reportable segment. This activity includes the recognition of and adjustments to indemnity obligations to its former parent company; certain legal, financial, professional advisory and consulting fees; and other expenses incurred by the continuing operations in connection with and directly related to these separation transactions and legacy matters. This incremental activity directly attributable to legacy matters and separation transactions is not considered reflective of the underlying operating performance of the Company's continuing operations.

Information technology transition costs: Consists of expenses incurred related to the Company's information technology transitions, primarily efforts related to implementing stand-alone enterprise resource planning and human resource information systems that generally began in fiscal 2023 following the sale of the former Global Products reportable segment. These expenses include data conversion, temporary support, training, and redundant expenses incurred from duplicative technology platforms, which are incremental costs directly associated with technology transitions and are not considered to be reflective of the ongoing expenses of operating the Company's technology platforms.

Investment and divestiture-related income: Consists of activity associated with significant acquisitions, investments and divestitures, including legal, advisory and consulting fees, such as diligence costs, in addition to gains or losses recognized upon disposition and expense recognized to reduce the carrying values of investments determined to be impaired. These costs are not considered to be reflective of the underlying performance of the Company's ongoing continuing operations.

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; SSS; system-wide store sales; system-wise transactions; and average ticket. 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 net revenues 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. For the periods presented herein, SSS is defined as net revenues of U.S. Valvoline Instant Oil Change^{SM} (VIOC^{SM}) 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 12 full months in operation within the system.

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 Condensed Consolidated Income, management believes system-wide and franchised SSS comparisons, store counts, total system-wide store sales, and system-wide transaction volume are useful to assess market position relative to competitors and overall store and operating performance.