Second Quarter Fiscal 2023 Earnings

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05.10.23

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, benefits and synergies of the sale of Global Products; future opportunities for the remaining 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. Other forward-looking statements used herein include statements about the expected tender offer, including the value of shares expected to be offered to purchase in the tender offer and whether the tender offer is actually commenced and consummated as planned or at all. 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.

Additional Information and Where to Find It

This presentation is for informational purposes only, is not a recommendation to buy or sell the Company's common stock and does not constitute an offer to buy or the solicitation to sell the Company's common stock. The tender offer described in this presentation has not yet commenced, and there can be no assurances that the Company will commence the tender offer on the terms described in this presentation or at all. The tender offer will be made only pursuant to the Offer to Purchase, the Letter of Transmittal and other related materials that the Company expects to file with the SEC upon commencement of the tender offer. SHAREHOLDERS ARE URGED TO CAREFULLY READ THE OFFER TO PURCHASE, LETTER OF TRANSMITTAL AND RELATED MATERIALS (AND ANY AMENDMENT OR SUPPLEMENT THERETO) IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION, INCLUDING THE VARIOUS TERMS OF, AND CONDITIONS TO, THE TENDER OFFER, THAT SHAREHOLDERS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES. If and when the tender offer is commenced, shareholders will be able to obtain a free copy of the tender offer materials (including the Offer to Purchase, the Letter of Transmittal and other related materials) that the Company expects to file with the SEC at the SEC's website at http://www.sec.gov. In addition, if and when the tender offer is commenced, the Company will provide contact information for shareholders if they should have any questions or require assistance.

Regulation G: Adjusted Results

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

AGENDA

- Sale of Global Products Complete
- Update on Return of Proceeds
- 2Q Highlights & Operational Insights
- Results/Guidance
- Wrap Up/Q&A

SALE OF GLOBAL PRODUCTS COMPLETE

SHIFT TO THE NEW VALVOLINE

Takeaways for Shareholders

Completed Sale of Global Products Business	Pure-play automotive services company
Return Proceeds to Shareholders	$1.6B Share Repurchase Authorization; Expect $1B tender
Ready for Long-term Growth	Growth of Core Business + Unit Additions + Service Expansion

New Valvoline is….

Fast Growth, High Margin, High ROIC, Retail Services Platform

LONG RUNWAY FOR DELIVERING VALUE

Drive Full Potential in Existing Business

Accelerate Network Growth

Target Customer and Service Expansion

OUR PROVEN FORMULA FOR GROWTH

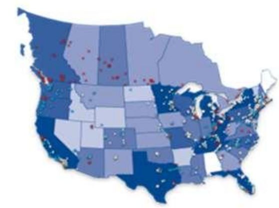
Same Store Sales + High ROIC Units + Service Expansion = Long-term Value

2Q HIGHLIGHTS

2Q23 KEY HIGHLIGHTS[1]

$659.9M
System-wide Store Sales
↑ **18.5%**

$344.5M
Adjusted[1] Net Revenue
↑ **19.0%**



1,781
Company-operated and Franchised locations
↑ **7.2%**

↑ **13.5%**
System-wide Same Store Sales[2] Growth

14.2% Company SSS[2]
12.9% Franchise SSS[2]

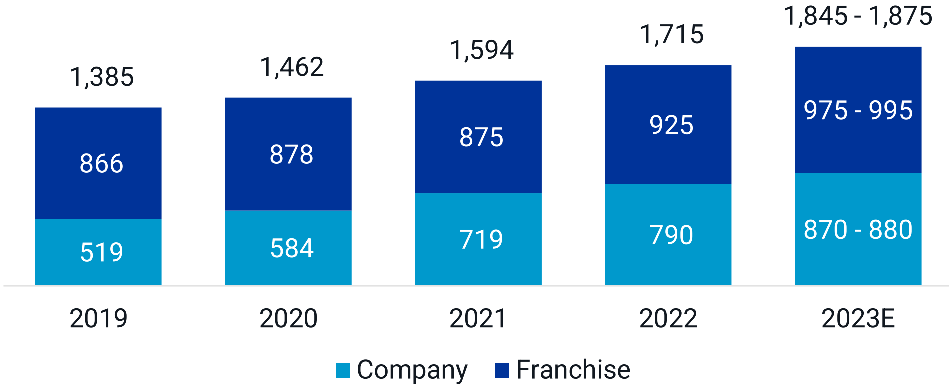
$87.1M
Adjusted[1,2] EBITDA
↑ **25.5%**

53%
Franchise operated
↑ **51 Franchise Units[3] vs PY**

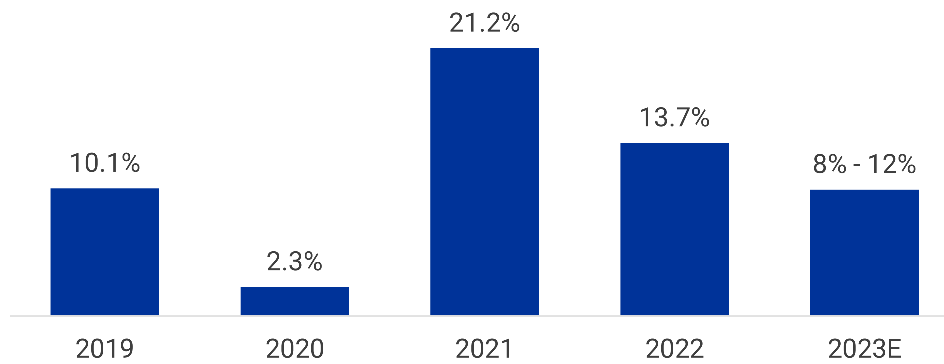
1. For a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.
2. Refer to the Appendix for further information regarding management's use of key business measures.
3. Excludes conversions.

CONFIDENCE IN CONTINUED GROWTH

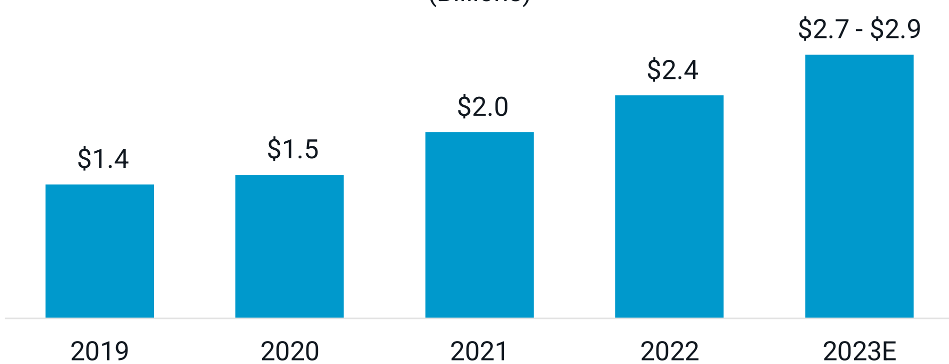
System-wide Unit Count[1]



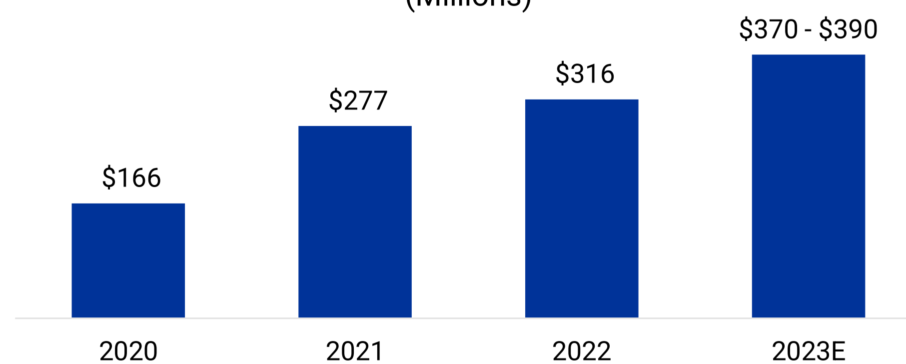
System-wide SSS[1] **Growth**



System-wide Store Sales[1]
(Billions)



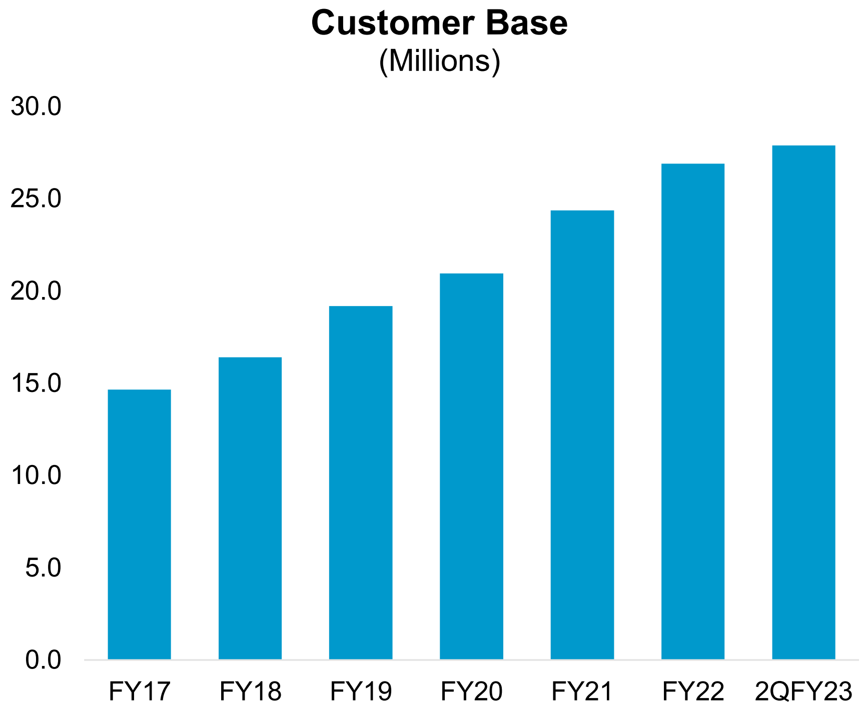
Adjusted[2] **EBITDA**
(Millions)

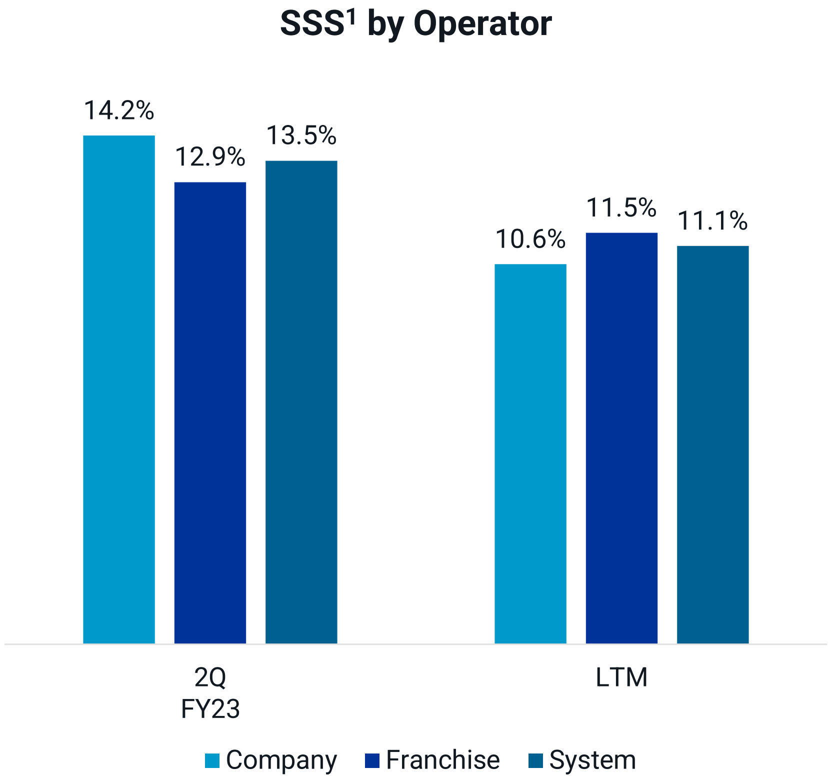


1. Refer to the Appendix for further information regarding management's use of key business measures.
2. For a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.

OPERATIONAL HIGHLIGHTS

CUSTOMER BASE GROWTH CONTRIBUTING TO SSS

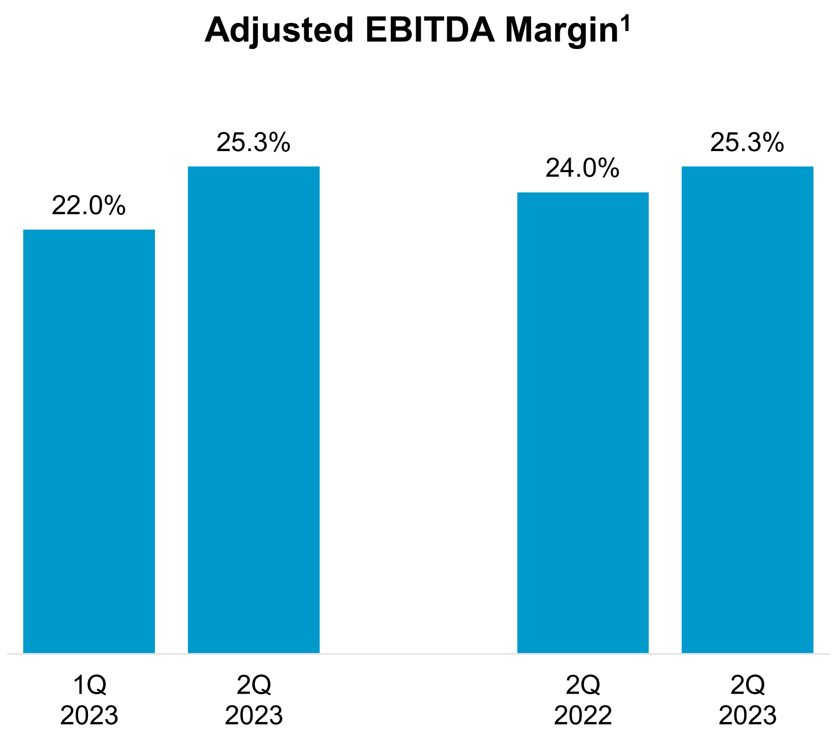




Ongoing increases in consumer demand coupled with strong ticket performance driving SSS growth.

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

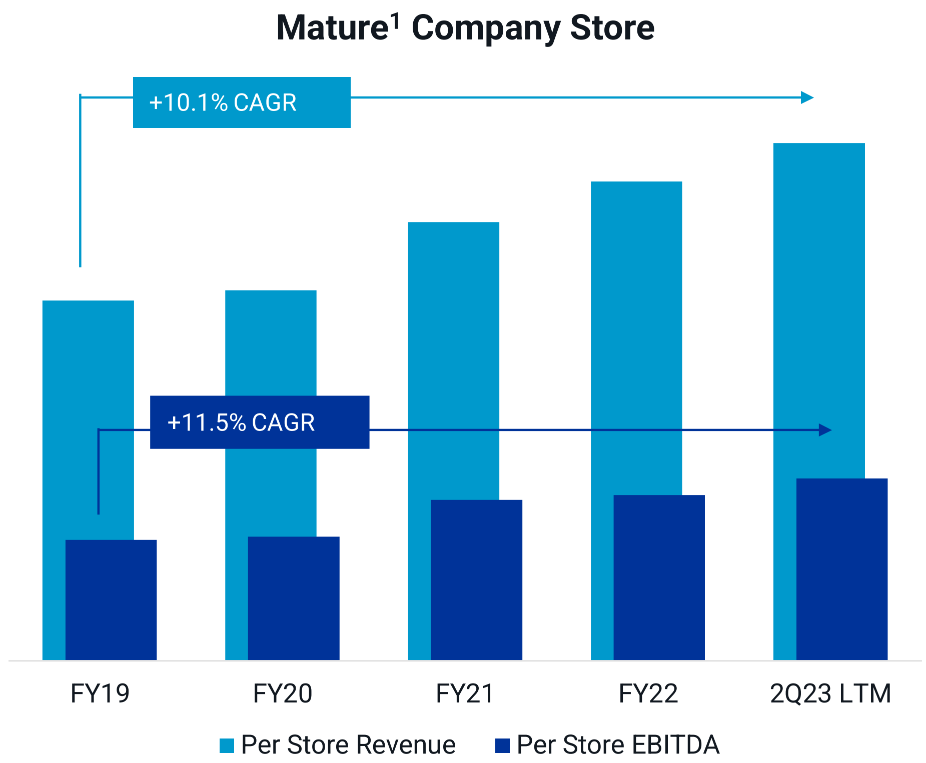
2Q23 MARGIN IMPROVEMENT



- Sequential and YoY Margin improvement in line with expectations
  - +330bps vs 1Q23 and +130bps vs PY
- Gross margins recovered from high inflation
- YoY leverage with 25.5% growth in EBITDA and 19.0% adjusted[1] topline growth

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

MATURE STORE PROFITABILITY CONTINUES TO IMPROVE

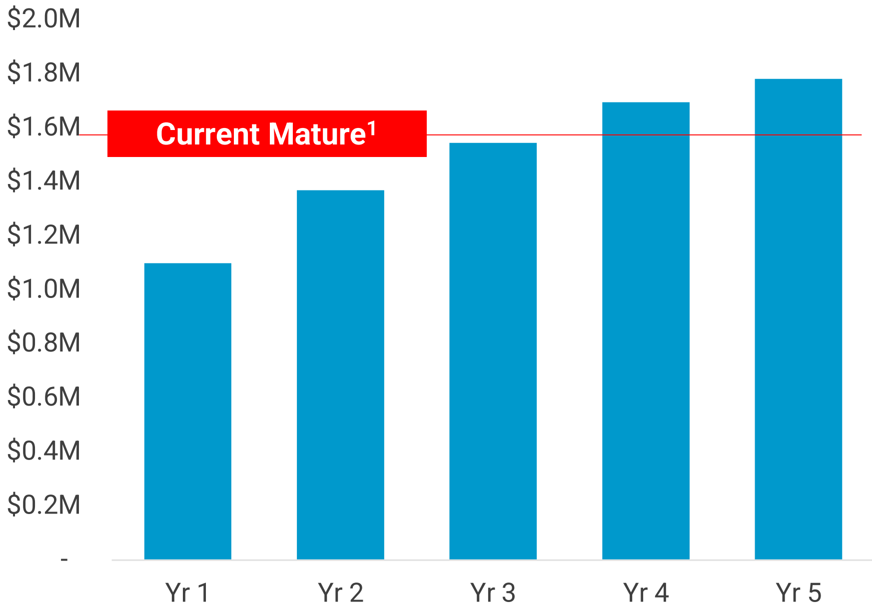


- Topline growth consistently driving leverage in unit profitability
- Since FY19, mature store EBITDA has grown 11.5% on revenue growth of 10.1%
- Mature stores continue to grow transactions, improving AUV for Company and Franchise

1. Represents 466 Company Stores open as of 10/1/18 LTM Net Revenue and EBITDA as of 3/31/23

NEW UNITS DELIVERING STRONG PERFORMANCE

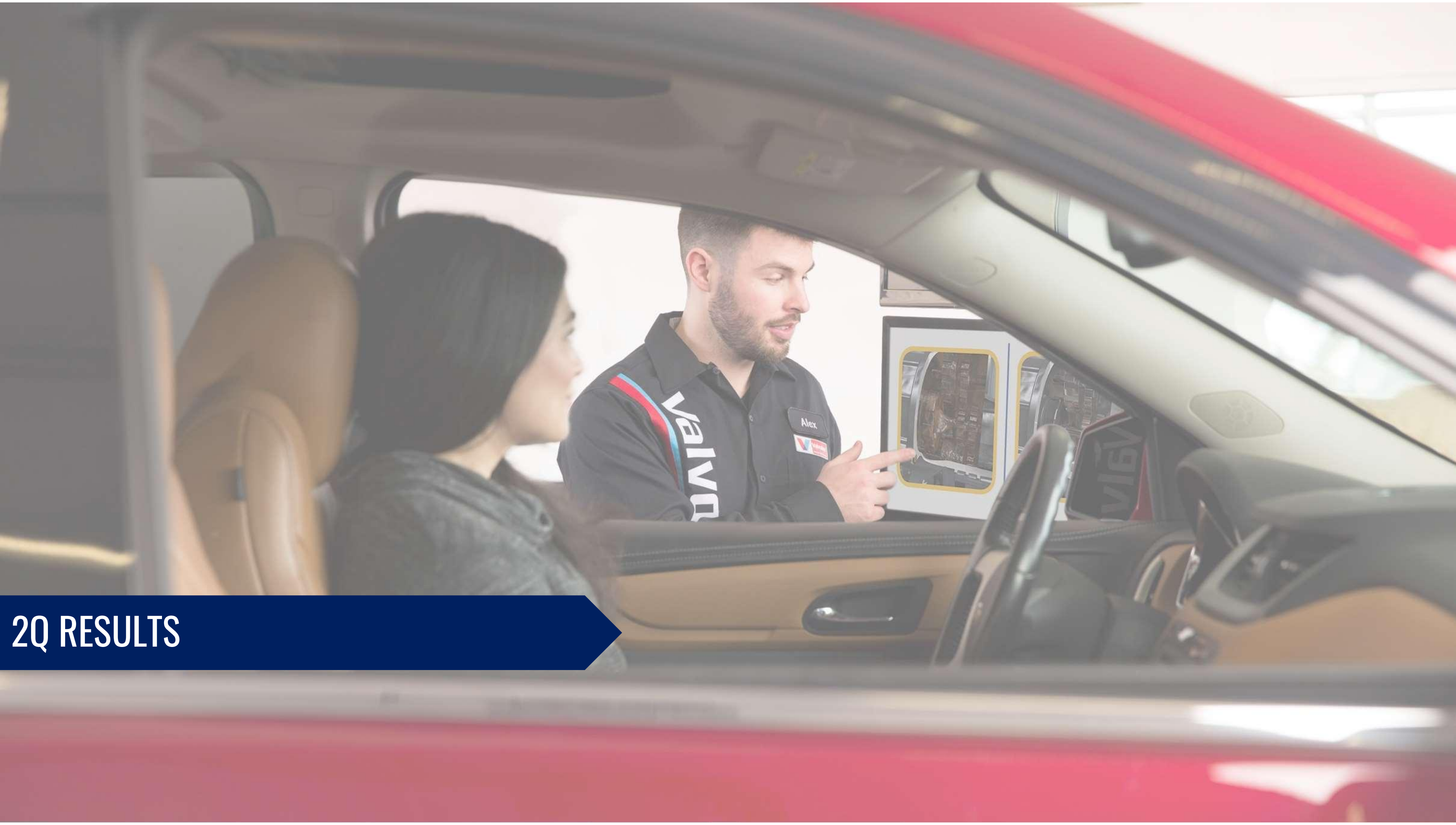
New Build Net Revenue Ramp Expectations
Company & Franchise



- New build store ramp and performance at maturity have outperformed early expectations
- Stores typically ramp to mature store revenue performance in years 3 - 5
- Confident in delivering high ROIC units

Existing immature stores at maturity represent ~$70M of incremental EBITDA

1. Represents 466 Company Stores open as of 10/1/18 LTM Net Revenue as of 3/31/23



2Q RESULTS

2Q23 REPORTING HIGHLIGHTS

Updated GICS: Automotive Retail

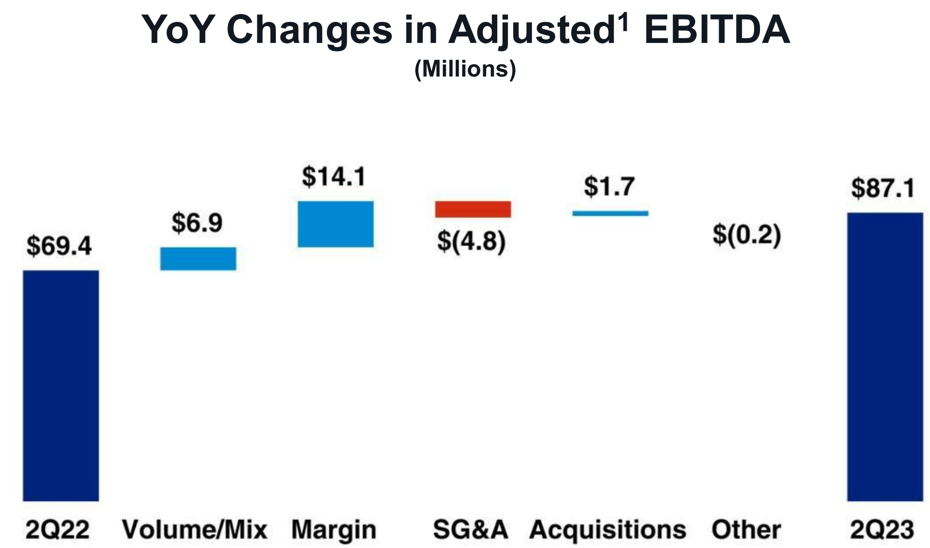
- Valvoline Inc has completed its transition to a retail services company
- GICS review concluded that the new business would be classified in Automotive Retail

Transaction Related Financial Impacts

- Valvoline reported an after-tax gain of $1.2B on the sale of Global Products
- Investment of the proceeds have generated $8.3M of interest income through 2Q23

SECOND QUARTER RESULTS - ADJUSTED[1]

(Millions)	2Q23	YoY
Net revenues	$344.5	19.0%
Operating income	$66.5	28.4%
Operating income margin	19.3%	140 bps
Income from continuing operations	$40.2	54.6%
EBITDA	$87.1	25.5%
EBITDA margin	25.3%	130 bps



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

THE NEW VALVOLINE IS HERE

Strong Q2 results with 26% EBITDA growth and margin improvement as expected.

Sale of Global Products business complete.

Continuing return of proceeds to shareholders; Plan to initiate tender offer for up to $1B.

APPENDIX

RETAIL SERVICES – Q2 SYSTEM RESULTS

	Three months ended March 31		Six months ended March 31	
	2023	2022	2023	2022
Sales information				
System-wide store sales - in millions (a)	$ 659.9	$ 557.0	$ 1,303.9	$ 1,107.9
Year-over-year growth (a)	*18.5 %*	*19.0 %*	*17.7 %*	*24.7 %*
Same-store sales growth (b)				
Company-operated	14.2 %	10.0 %	13.5 %	15.7 %
Franchised (a)	12.9 %	15.5 %	12.0 %	20.9 %
System-wide (a)	13.5 %	13.1 %	12.7 %	18.6 %

	Number of stores at end of period				
	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022
Company-operated	832	813	790	772	757
Franchised [a]	949	933	925	918	904

	March 31	
	2023	2022
System-wide store count [a]	1,781	1,661
Year-over-year growth [a]	*7.2 %*	*7.3 %*

(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				
	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022
Beginning of period	813	790	772	757	738
Opened	13	17	12	5	10
Acquired	6	5	3	9	9
Net conversions between company-operated and franchised	—	2	3	1	—
Closed	—	(1)	—	—	—
End of period	832	813	790	772	757

	Franchised [a]				
	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022
Beginning of period	933	925	918	904	897
Opened	16	11	10	16	9
Acquired	—	—	—	—	—
Net conversions between company-operated and franchised	—	(2)	(3)	(1)	—
Closed	—	(1)	—	(1)	(2)
End of period	949	933	925	918	904
Total system-wide stores (a)	1,781	1,746	1,715	1,690	1,661

(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 – INCOME FROM CONTINUING OPERATIONS & DILUTED EARNINGS PER SHARE

	Three months ended March 31		Six months ended March 31	
	2023	2022	2023	2022
Reported income from continuing operations	$ 32.9	$ 23.0	$ 59.9	$ 57.2
Adjustments:				
Net pension and other postretirement plan expenses (income)	3.6	(9.2)	7.3	(18.5)
Net legacy and separation-related expenses	3.8	6.2	29.2	9.0
Information technology transition costs	0.4	1.6	0.7	2.6
Suspended operations	0.1	4.0	(0.1)	3.7
Investment-related costs	1.0	—	1.0	—
Debt modification costs	0.9	—	0.9	—
Total adjustments, pre-tax	9.8	2.6	39.0	(3.2)
Income tax (benefit) expense of adjustments	(2.5)	0.4	(30.3)	1.9
Total adjustments, after tax	7.3	3.0	8.7	(1.3)
Adjusted income from continuing operations (a) (b)	$ 40.2	$ 26.0	$ 68.6	$ 55.9
Reported diluted earnings per share from continuing operations	$ 0.19	$ 0.13	$ 0.34	$ 0.32
Adjusted diluted earnings per share from continuing operations (b) (c)	$ 0.23	$ 0.14	$ 0.39	$ 0.31
Weighted average diluted common shares outstanding	172.7	181.0	174.5	181.5

(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 – Q2 ADJUSTED NET REVENUES AND EBITDA

	Three months ended March 31		Six months ended March 31	
	2023	2022	2023	2022
Reported net revenues	$ 344.5	$ 296.0	$ 677.3	$ 583.3
Adjustments:				
Suspended operations	—	(6.5)	(0.2)	(10.2)
Adjusted net revenues (a) (b)	$ 344.5	$ 289.5	$ 677.1	$ 573.1
Income from continuing operations	$ 32.9	$ 23.0	$ 59.9	$ 57.2
Add:				
Income tax expense (benefit)	11.4	9.3	(8.7)	19.4
Net interest and other financing expenses	13.3	16.9	32.0	33.9
Depreciation and amortization	20.6	17.6	39.1	34.5
EBITDA from continuing operations (b) (c)	78.2	66.8	122.3	145.0
Key items:				
Net pension and other postretirement plan expenses (income)	3.6	(9.2)	7.3	(18.5)
Net legacy and separation-related expenses	3.8	6.2	29.2	9.0
Information technology transition costs	0.4	1.6	0.7	2.6
Suspended operations	0.1	4.0	(0.1)	3.7
Investment-related costs	1.0	—	1.0	—
Key items - subtotal	8.9	2.6	38.1	(3.2)
Adjusted EBITDA from continuing operations (b) (c)	$ 87.1	$ 69.4	$ 160.4	$ 141.8
Net profit margin (d)	9.6 %	7.8 %	8.8 %	9.8 %
Adjusted EBITDA margin (b) (e)	25.3 %	24.0 %	23.7 %	24.7 %

(a) Adjusted net revenues are reported net revenues adjusted for key items.

(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 NET REVENUES & OPERATING INCOME

(In millions - preliminary and unaudited)	Three months ended March 31			
	Net revenues		Operating income	
	2023	2022	2023	2022
As reported	$ 344.5	$ 296.0	$ 61.2	$ 40.0
Adjustments:				
Net legacy and separation-related expenses	—	—	3.8	6.2
Information technology transition costs	—	—	0.4	1.6
Suspended operations	—	(6.5)	0.1	4.0
Investment and divestiture-related costs	—	—	1.0	—
As adjusted [(a)]	$ 344.5	$ 289.5	$ 66.5	$ 51.8
Operating margin - as reported [(b)]			*17.8 %*	*13.5 %*
Adjusted operating margin [(b)]			*19.3 %*	*17.9 %*

(In millions - preliminary and unaudited)	Six months ended March 31			
	Net revenues		Operating income	
	2023	2022	2023	2022
As reported	$ 677.3	$ 583.3	$ 90.5	$ 92.0
Adjustments:				
Net legacy and separation-related expenses	—	—	29.2	9.0
Information technology transition costs	—	—	0.7	2.6
Suspended operations	(0.2)	(10.2)	(0.1)	3.7
Investment and divestiture-related costs	—	—	1.0	—
As adjusted [(a)]	$ 677.1	$ 573.1	$ 121.3	$ 107.3
Operating margin - as reported [(b)]			*13.4 %*	*15.8 %*
Adjusted operating margin [(b)]			*17.9 %*	*18.7 %*

(a) Adjusted net revenues, operating income and adjusted operating margin represent non-GAAP measures. Refer to “Use of Non-GAAP Measures” and the Appendix for additional details.

(b) Operating margin is defined as operating income divided by net revenues. Adjusted operating margin is defined as operating income adjusted for key items divided by net revenues adjusted for key items.

RECONCILIATION OF NON-GAAP DATA – FREE CASH FLOWS

Free cash flow [a]	Six months ended March 31 2023	Six months ended March 31 2022
Total cash flows provided by operating activities from continuing operations	$ 173.5	$ 46.8
Adjustments:		
Additions to property, plant and equipment from continuing operations	(79.4)	(57.7)
Free cash flow from continuing operations [b]	$ 94.1	$ (10.9)

Discretionary free cash flow [c]	Six months ended March 31 2023	Six months ended March 31 2022
Total cash flows provided by operating activities from continuing operations	$ 173.5	$ 46.8
Adjustments:		
Maintenance additions to property, plant and equipment from continuing operations	(9.7)	(8.3)
Discretionary free cash flow from continuing operations [b]	$ 163.8	$ 38.5

(a) Free cash flow from continuing operations is defined as operating cash flows from continuing operations less capital expenditures of the continuing operations and certain other adjustments attributable to continuing operations, 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 from continuing operations is defined as operating cash flows from continuing operations less maintenance capital expenditures of the continuing operations and certain other adjustments attributable to continuing operations, as applicable.

GAAP RESULTS – TOTAL COMPANY

	Three months ended March 31		Six months ended March 31	
	2023	2022	2023	2022
Net revenues	$ 344.5	$ 296.0	$ 677.3	$ 583.3
Cost of sales	217.8	188.7	431.8	363.8
GROSS PROFIT	126.7	107.3	245.5	219.5
Selling, general and administrative expenses	62.6	63.2	128.6	123.4
Net legacy and separation-related expenses	3.8	6.2	29.2	9.0
Other income, net	(0.9)	(2.1)	(2.8)	(4.9)
OPERATING INCOME	61.2	40.0	90.5	92.0
Net pension and other postretirement plan expense (income)	3.6	(9.2)	7.3	(18.5)
Net interest and other financing expenses	13.3	16.9	32.0	33.9
INCOME BEFORE INCOME TAXES	44.3	32.3	51.2	76.6
Income tax expense (benefit)	11.4	9.3	(8.7)	19.4
Income from continuing operations	32.9	23.0	59.9	57.2
Income from discontinued operations	1,194.4	58.4	1,249.3	111.2
NET INCOME	1,227.3	$ 81.4	1,309.2	$ 168.4
NET EARNINGS PER SHARE				
Basic earnings per share				
Continuing operations	$ 0.19	$ 0.13	$ 0.35	$ 0.32
Discontinued operations	6.96	0.32	7.20	0.61
Basic earnings per share	$ 7.15	$ 0.45	$ 7.55	$ 0.93
Diluted earnings per share				
Continuing operations	$ 0.19	$ 0.13	$ 0.34	$ 0.32
Discontinued operations	6.92	0.32	7.16	0.61
Diluted earnings per share	$ 7.11	$ 0.45	$ 7.50	$ 0.93
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
BASIC	171.7	179.8	173.5	180.1
DILUTED	172.7	181.0	174.5	181.5

USE OF NON-GAAP MEASURES

This presentation includes the following non-GAAP measures: Adjusted operating income and adjusted operating margin; Adjusted net revenues; 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 net revenue and 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 expenses (income): 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 that 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 and 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. Of specific note, the Company recognized $24.4 million of pre-tax expense during the six months ended March 31, 2023 to reflect its increased estimated indemnity obligation, which also resulted in an income tax benefit of $26.5 million to reflect the release of valuation allowances in connection with the amendment of the Tax Matters Agreement with Valvoline's former parent company.

Information technology transition costs: Consist of redundant expenses incurred from duplicative technology platforms required while implementing the Company's stand-alone enterprise resource planning software system during fiscal 2023 and transitioning its data centers during fiscal 2022. These expenses are reflective of 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.

Suspended operations: Represents the results of a former Global Products business where operations were suspended during fiscal 2022 that were not included in the sale. These results are not indicative of the operating performance of the Company's ongoing continuing operations.

Investment-related costs: Expense recognized to reduce the carrying value of an investment interest determined to be impaired. This cost is not considered to be reflective of the underlying performance of the Company's ongoing continuing operations.

Debt modification costs: Relates to the modification of the Senior Credit Agreement and includes the accelerated amortization of previously capitalized debt issuance costs, as well as third-party fees expensed in connection with the execution of the amended Senior Credit Agreement. These expenses are not considered to be indicative of the future servicing costs of the Company's ongoing debt facilities.

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; 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.