Third-Quarter Fiscal 2020 Earnings

August 4, 2020

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Safe Harbor

Forward-Looking Statements

Certain statements in this presentation, other than statements of historical fact, including estimates, projections and statements related to Valvoline's business plans and operating results, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Valvoline has identified some of these forward-looking statements with words such as "anticipates," "believes," "expects," "estimates," "is likely," "predicts," "projects," "forecasts," "may," "will," "should" and "intends" and the negative of these words or other comparable terminology. These forward-looking statements are based on Valvoline's current expectations, estimates, projections and assumptions as of the date such statements are made and are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements. Additional information regarding these risks and uncertainties are described in the company's filings with the Securities and Exchange Commission (the "SEC"), including in the "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures about Market Risk" sections of Valvoline's most recently filed periodic reports on Forms 10-K and Forms 10-Q, all of 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

The information presented herein, regarding certain financial measures that do not conform to generally accepted accounting principles in the United States (U.S. GAAP), should not be construed as an alternative to the reported results determined in accordance with U.S. GAAP. Valvoline has included this non-GAAP information to assist in understanding the operating performance of the company and its reportable segments. The non-GAAP information provided may not be consistent with the methodologies used by other companies. Information regarding Valvoline's definitions, calculations and reconciliation of non-GAAP measures can be found in the Appendix.

Key Business Measures

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

Third-Quarter Results

Reported Results

(in millions, except per-share data)	Q3
Operating income	$88
Net income	$59
Reported earning per share (EPS)	$0.32
YTD Cash flow from operating activities	$271

Adjusted[1] Results

(in millions, except per-share data)	Q3
Adjusted[1] operating income	$89
Adjusted[1] EBITDA	$106
Adjusted[1] EPS	$0.28
YTD Free cash flow[1]	$177

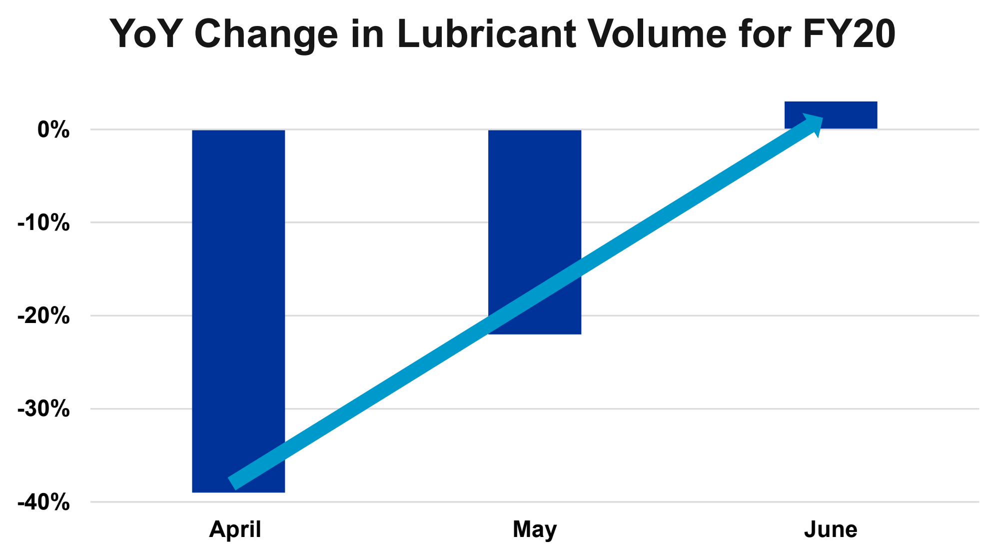
Key items[1]

- Non-service Pension and OPEB impact; $7M after-tax income
- Legacy and separation related impact; $1M after-tax expense

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

Third-Quarter Overview

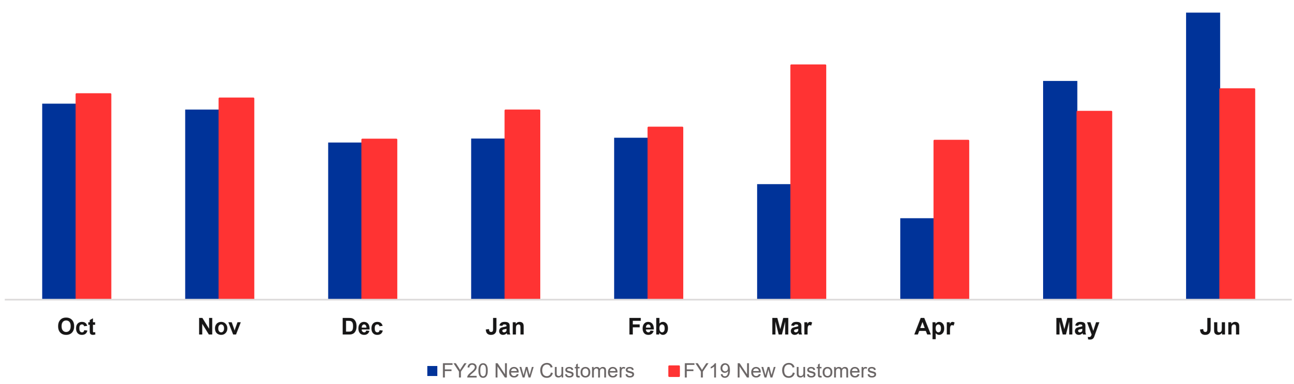
- Rapid recovery across the business during the quarter
  - Quick Lubes: led by new customer acquisition
  - Core NA: strength of DIY category, lower costs
  - Sequential improvements in May and June
- Underlying business remains healthy, resilient
- $117 million in cash flow from operating activities in Q3, up $37 million YoY
  - $80 million in free cash flow, up $25 million



Quick Lubes – Recovery Driven by New Customer Acquisition

- YoY new customer growth of 8.5% in Q3 for U.S. company-owned same stores
- Stores remained ~98% open during COVID-19
  - Strong operational and marketing alignment with franchisees
- Competitive Advantages:
  - "Stay-in-your-car" model
  - Health-focused enhancements to in-store experience

New Customers Contribution by Month
U.S. Same Stores - FY20 v. FY19

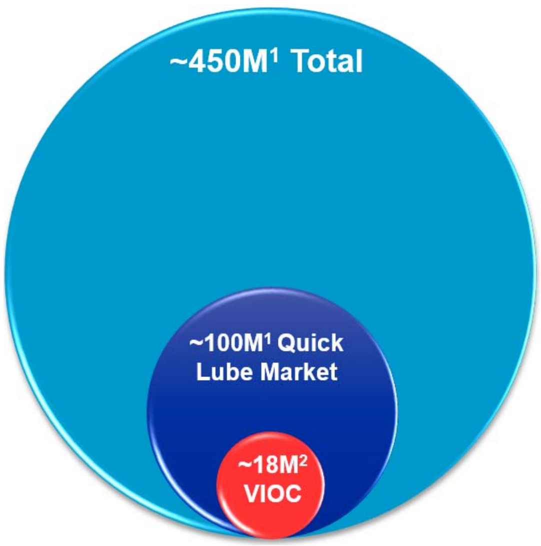


*"Pulled right up to the bay and was greeted by smiling eyes. I really liked that everyone was so friendly and wearing cool Valvoline masks! It's nice to know that Valvoline still cares about not only **my safety** but their employees' safety as well. … I will never go anywhere else!"*

\- Customer quote, San Antonio, TX

Quick Lubes - New Customer Acquisition

Estimated U.S Annual DIFM Oil Changes



Large addressable market

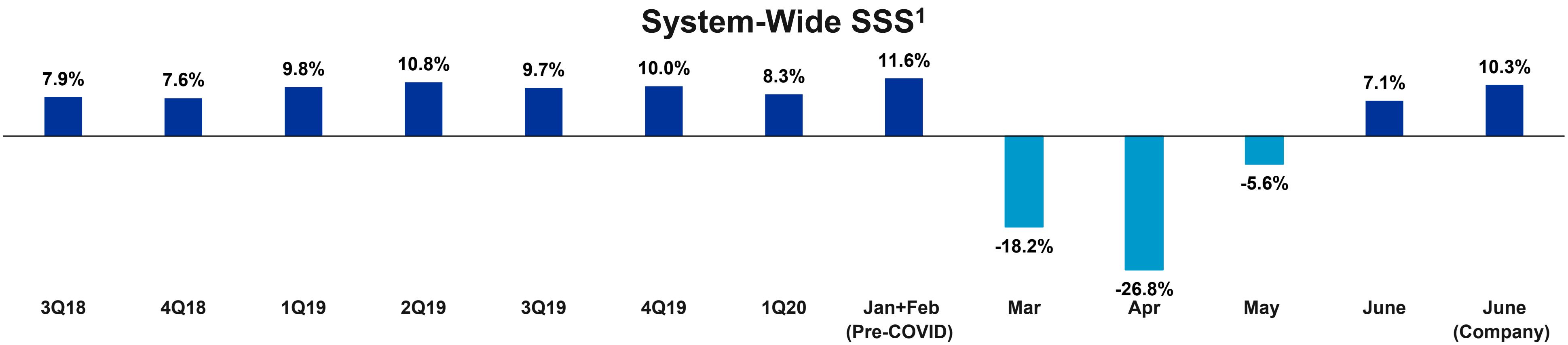
Source of New Customers Q3[3]

Sourcing new customers from broader DIFM category

New media campaign highlighting competitive advantages

1. Company estimates based on industry data for total DIFM in U.S. (Passenger Car & Light Truck).
2. VIOC U.S. oil changes estimate for fiscal year 2020, prior to COVID-19 impacts.
3. Service Management Group post-visit survey data provided by VIOC Company-owned location customers April 1 – June 30, 2020.

Quick Lubes - SSS Progression and Store Additions



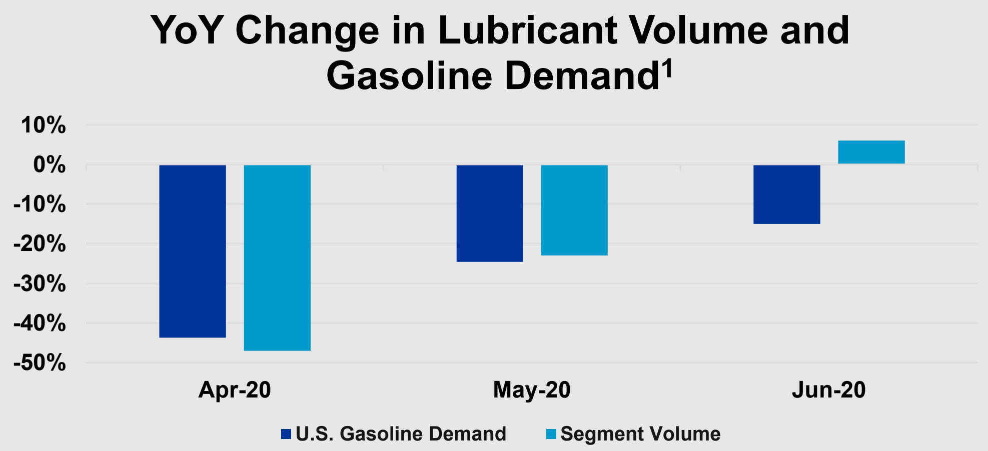
June system-wide SSS nearly back to pre-COVID-19 growth rates
Ticket remained healthy throughout Q3 peak COVID-19 impacts

Store Network Expansion Continues

- Expect strong Q4 store additions
  - ~40 stores – new company builds represent more than half
  - ~90 stores added in FY20
- Pipeline for FY21 indicates ~100 store additions, 7% unit growth

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

Core North America



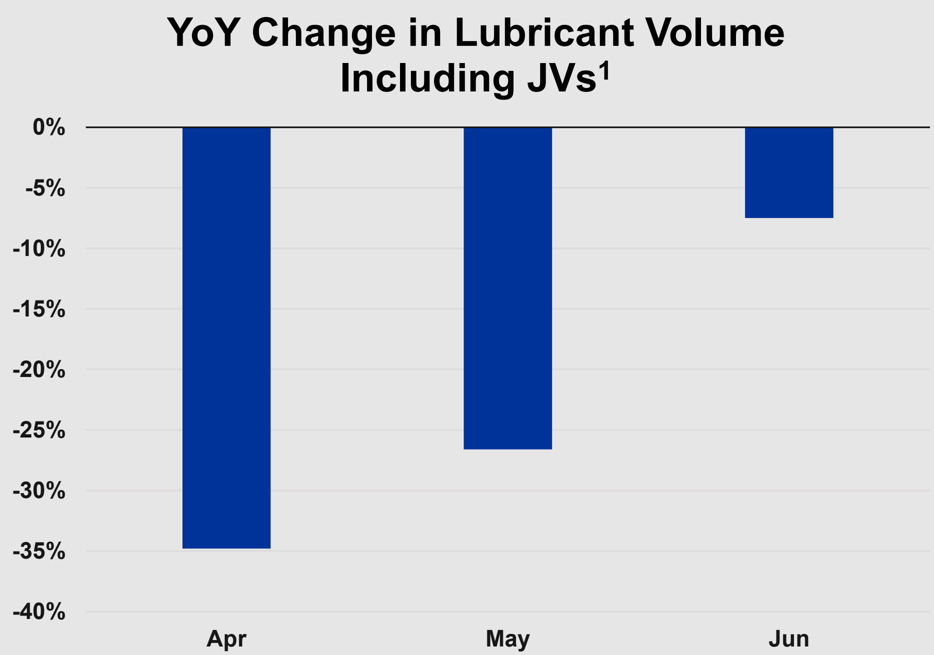
- Volume recovery in Q3
  - Retail Channel – timing of promotions, rapid recovery in the DIY category
  - Installer Channel – partial restocking from April lows; recovery expected to lag Retail

- Margin improvement
  - Favorable channel mix – expected to normalize
  - Operating expense savings initiative
  - Price cost lag benefit in Q3 – expected headwind moving forward

Margin improvement drives strong cash generation

1. Data sourced from the U.S. Energy Information Administration; weekly gasoline demand aggregated to months.

International



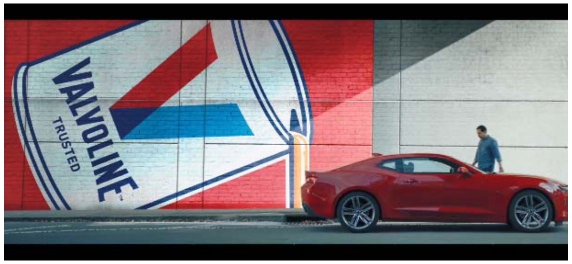
- Volume recovery in Q3
  - India large-city reopenings in late May
  - Country-level reopenings Europe and Latin America
  - Steady performance in China
- Uneven near-term regional recovery
  - Latin America, India recoveries lag other regions
  - Asia-Pacific, Europe expected to be steady
- Long-term outlook unchanged
  - Market growth in key areas; China, India, Latin America, South East Asia, Central/ Eastern Europe
  - Continuing to invest in channel development, brand building, technology to capture market share

Near-term recovery continues; long-term opportunities remain in focus

[1] Please refer to the Appendix for management's discussion of the use of Key Business Measures.

The Original Motor Oil: Global Marketing Campaign

- New global campaign celebrates Valvoline's history of innovation as America's first branded motor oil

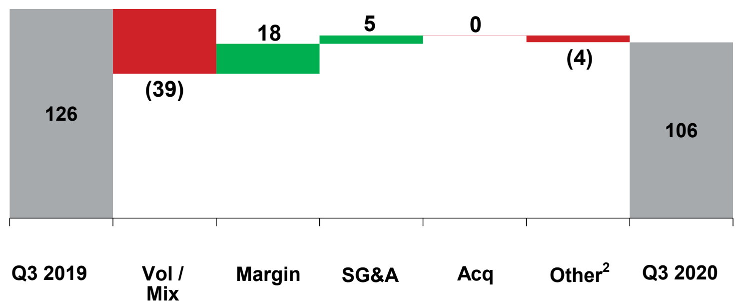


Key tactics: *Digital TV, Digital Video & Display, Digital Audio, Social, Out of Home, Radio, Truck Wraps, MotorTrend partnership*

Third-Quarter Financials

($ in millions, except per-share data) Preliminary and unaudited	Fiscal Third Quarter Three months ended Jun. 30,		
Adjusted[1] P&L Results and Ratios	2020	2019	Change
Lubricant gallons (in millions)	36.7	45.6	*(20) %*
Sales	$ 516	$ 613	*(16) %*
Gross profit as a percent of sales[1]	36.2 %	34.6 %	*160 bp*
SG&A[1]	106	112	*(5) %*
Equity and other income	(8)	(11)	*(27) %*
Adjusted[1] Operating income	$ 89	$ 111	*(20) %*
Depreciation and amortization	17	15	*13 %*
Adjusted[1] Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 106	$ 126	*(16) %*
Adjusted EBITDA [1] as a percent of sales	*20.5 %*	*20.6 %*	*(10) bp*
Adjusted[1] EPS	$ 0.28	$ 0.37	*(24) %*

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



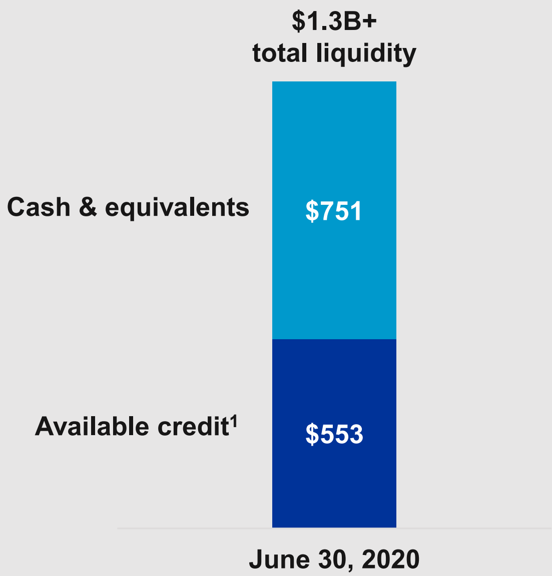
Estimated YTD EBITDA reduction of $30 - $35M from COVID-19

1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.
2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

Strong cash flow from operations

Balance Sheet and liquidity

- Total liquidity of $1.3B+
- $751M of cash and cash equivalents
- Net debt remained constant at $1.2B



Cash Generation

- Cash flow from operations increased $37M YoY
  - Active, disciplined cash management

($ millions)	Q3 FY20	Q3 FY19
Cash flow from operating activities	117	80
Less CapEx	(37)	(25)
Free Cash Flow	80	55

[1] Available credit includes capacity under Valvoline's Revolving Credit Facility and Accounts Receivables Securitization Facility. Capacity under the Accounts Receivable Securitization Facility is based on eligible receivables as of June 30, 2020.

Outlook

- Expect ongoing challenges from COVID-19
- Good start to Q4
- Key expectations[1]
  - Q4 system-wide SSS[2] growth in high-single digit range
  - FY20 adjusted[3] EBITDA between $475 - $485 million, in line with prior year

1 The guidance provided in presentation is based on current data and expectations, and could be significantly impacted by future external events related to COVID-19, such as additional state, regional or country lockdown measures or significant changes in driving trends.
2 For a discussion of management's use of Key Business Measures, please refer to the Appendix.
3 Denotes a forward-looking non-GAAP financial measure that Valvoline is unable to reconcile without unreasonable effort, 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 net income in fiscal 2020 but would not impact non-GAAP adjusted EBITDA.

Resilient Business Model

Market drivers

- Preventive maintenance is non-discretionary
- Demand for transportation lubricants correlated to miles driven

Performance across cycles: ‘08-’09 recession

- Mid-single digit volume decline in FY09, concentrated in H1
- Positive SSS comps in Quick Lubes in every quarter

COVID-19 implications

- Durable business model and diverse segment portfolio led to rapid recovery for VVV
- Significant share gain opportunity in Quick Lubes

Stable, non-cyclical dynamics

Summary

- Rapid rebound in Q3
- Financial flexibility and liquidity are strong
- Remain focused on our long-term shift to a service-driven business model

Appendix

Corporate Items

- Net interest and other financing expense of $19 million in Q3, stable YoY
- Effective tax rate of 24.4% in Q3; adjusted[1] effective tax rate of 24.3%
- YTD cash flow from operating activities of $271 million
- Capital expenditures totaled $94 million; free cash flow[1] generation of $177 million
- Gross debt of ~$2.0 billion and net debt[1] of ~$1.2 billion
  - Net debt flat sequentially and YoY

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

Segment Results Summary

Quick Lubes

(YoY change)	Q3
SSS[1] (system-wide)	-8.0%
Sales	-6%
Net new stores[2] (company + franchised)	13
Adjusted[1] EBITDA	$47 million, down $10 million

Core North America

(YoY change)	Q3
Total Volume	-21%
Sales	-20%
Premium mix	59.7%, up 660 bps
Adjusted[1] EBITDA	$55 million, up $9 million

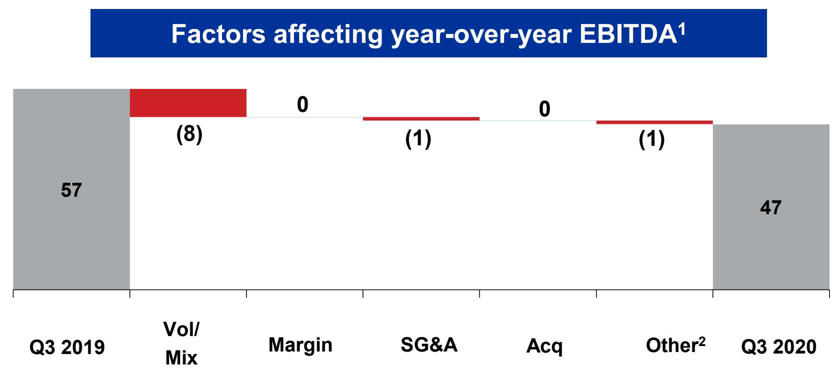
International

(YoY change)	Q3
Volume	-20%
Volume with JVs[1]	-23%
Sales	-23%
Adjusted[1] EBITDA	$14 million, down $9 million

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

Quick Lubes

($ in millions) Preliminary and unaudited	Fiscal Third Quarter Three months ended Jun. 30, 2020	2019	Change
Lubricant gallons (in millions)	6.2	7.2	(14) %
Sales	$ 199	$ 211	(6) %
Operating income	$ 36	$ 48	(25) %
Depreciation and amortization	11	9	22 %
Adjusted EBITDA[1]	$ 47	$ 57	(18) %
EBITDA as a percent of sales	*23.6 %*	*27.0 %*	*(340) bp*



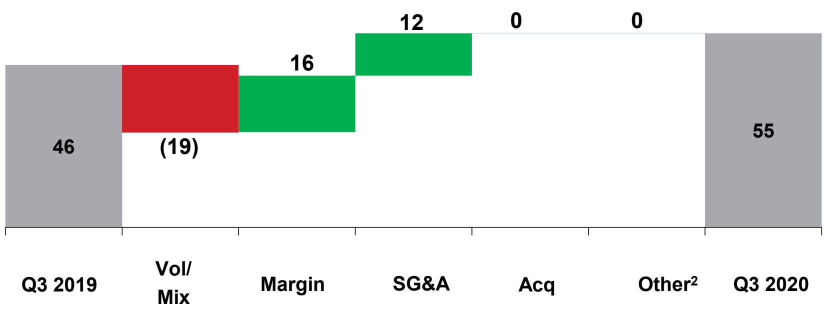
1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to this Appendix.
2 Other includes foreign exchange impacts as well as equity and other income/expense.

Valvoline

Core North America

($ in millions) Preliminary and unaudited	Fiscal Third Quarter Three months ended Jun. 30, 2020	2019	Change
Lubricant gallons (in millions)	19.0	24.1	*(21) %*
Sales	$ 207	$ 260	*(20) %*
Operating income	$ 51	$ 38	*34 %*
Key Items		3	-
Depreciation and amortization	4	5	*(20) %*
Adjusted EBITDA[1]	$ 55	$ 46	*20 %*
EBITDA as a percent of sales	*26.6 %*	*17.7 %*	*890 bp*

Factors affecting year-over-year EBITDA[1]

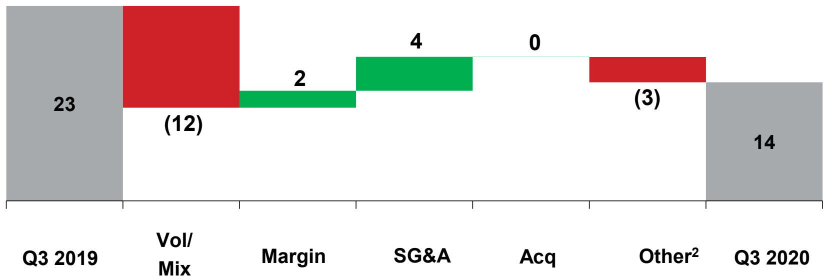


1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to this Appendix.
2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

International

($ in millions) Preliminary and unaudited	Fiscal Third Quarter Three months ended Jun. 30,		
	2020	2019	Change
Lubricant gallons (in millions)	11.5	14.3	*(20) %*
Sales	$ 110	$ 142	*(23) %*
Operating income	$ 12	$ 20	*(40) %*
Key Items		2	-
Depreciation and amortization	2	1	*100 %*
Adjusted[1] EBITDA	$ 14	$ 23	*(39) %*
EBITDA as a percent of sales	*12.7 %*	*16.2 %*	*(350) bp*

Factors affecting year-over-year EBITDA[1]



1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to this Appendix.
2 Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

Key Items[1] Affecting Income

($ in millions, except per-share data) Preliminary and unaudited	Third-Quarter Impact			
		Total		
Fiscal 2020	Operating Income	Pre-tax	After-tax	Earnings per Share
Pension & OPEB income	$ -	$ 9	$ 7	$ 0.04
Legacy and separation-related cost, net	$ (1)	$ (1)	$ (1)	$ -
Total	$ (1)	$ 8	$ 6	$ 0.04
Fiscal 2019				
Pension & OPEB income	$ -	$ 2	$ 2	$ 0.01
Restructuring and Related Expenses	$ (4)	$ (4)	$ (3)	$ (0.02)
Business Interruption Expenses	$ (5)	$ (5)	$ (4)	$ (0.02)
Total	$ (9)	$ (7)	$ (5)	$ (0.03)

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

Reconciliation of Non-GAAP Data – Net Income and EPS

	Three months ended June 30	
	2020	2019
Reported net income	$ 59	$ 65
Adjustments:		
Net pension and other postretirement plan income	(9)	(2)
Net legacy and separation-related expenses	1	—
Debt extinguishment and modification costs	—	—
Acquisition and divestiture-related costs [(a)]	—	—
Restructuring and related expenses [(a)]	—	4
Business interruption expenses [(b)]	—	5
Total adjustments, pre-tax	(8)	7
Income tax expense (benefit) of adjustments	2	(2)
Income tax adjustments [(c)]	—	—
Total adjustments, after tax	(6)	5
Adjusted net income	$ 53	$ 70
Reported diluted earnings per share	$ 0.32	$ 0.34
Adjusted diluted earnings per share	$ 0.28	$ 0.37
Weighted average diluted common shares outstanding	186	189

(a) Pre-tax adjustments associated with acquisition-related costs and restructuring and related expenses were recorded in Selling, general and administrative expenses as reported within the Statements of Consolidated Income. Adjusted Selling, general and administrative expenses for the nine months ended June 30, 2020 were $317 million and $112 million and $322 million for the three and nine months ended June 30, 2019, respectively. In addition, divestiture-related costs were recorded in Equity and other income, net, as reported within the Statements of Consolidated Income. Adjusted Equity and other income, net, was $24 million for the nine months ended June 30, 2020, respectively. Pre-tax adjustments associated with business interruption expenses were recorded in Cost of sales as reported within the Statements of Consolidated Income in the three and six months ended March 31, 2019. Adjusted Cost of sales for the three and six months ended March 31, 2019 were $387 million and $761 million, respectively.

(b) Pre-tax adjustments associated with business interruption expenses were recorded in Cost of sales as reported within the Statements of Consolidated Income in the three and nine months ended June 30, 2019. Adjusted Cost of sales for the three and nine months ended June 30, 2019 were $401 million and $1,162 million, respectively.

(c) Income tax adjustments in fiscal 2020 and 2019 relate to tax reform in India and Kentucky, respectively

Reconciliation of Non-GAAP Data - Adjusted EBITDA

	Three months ended June 30	
	2020	2019
Adjusted EBITDA - Valvoline		
Net income	$ 59	$ 65
Add:		
Income tax expense	19	20
Net interest and other financing expenses	19	19
Depreciation and amortization	17	15
EBITDA	114	119
Key items: [(a)]		
Net pension and other postretirement plan income	(9)	(2)
Net legacy and separation-related expenses	1	—
Acquisition and divestiture-related costs	—	—
Restructuring and related expenses	—	4
Business interruption expenses	—	5
Adjusted EBITDA	$ 106	$ 126

	Three months ended June 30	
	2020	2019
Adjusted EBITDA - Quick Lubes		
Operating income	$ 36	$ 48
Add:		
Depreciation and amortization	11	9
EBITDA	$ 47	$ 57
Key item: [(a)]		
Business interruption expenses	—	—
Adjusted EBITDA	$ 47	$ 57

	Three months ended June 30	
	2020	2019
Adjusted EBITDA - Core North America		
Operating income	$ 51	$ 38
Add:		
Depreciation and amortization	4	5
EBITDA	55	43
Key item: [(a)]		
Business interruption expenses	—	3
Adjusted EBITDA	$ 55	$ 46

	Three months ended June 30	
	2020	2019
Adjusted EBITDA - International		
Operating income	$ 12	$ 20
Add:		
Depreciation and amortization	2	1
EBITDA	14	21
Key item: [(a)]		
Business interruption expenses	—	2
Adjusted EBITDA	$ 14	$ 23

	Three months ended June 30	
	2020	2019
Adjusted EBITDA - Unallocated and other		
Operating (loss) income	$ (11)	$ (4)
Add:		
Depreciation and amortization	—	—
Net pension and other postretirement plan income	9	2
EBITDA	(2)	(2)
Key items: [(a)]		
Net pension and other postretirement plan income	(9)	(2)
Net legacy and separation-related expenses	1	—
Acquisition and divestiture-related costs	—	—
Restructuring and related expenses	—	4
Adjusted EBITDA	$ (10)	$ —

(a) Key items were recorded in Core North America, International and Unallocated and other. The tables above reconcile Core North America, International and Unallocated and other operating income (loss) and relevant other items reported below operating income (loss), as applicable, to EBITDA and Adjusted EBITDA.

Reconciliation of Non-GAAP Data – Free Cash Flow

	Nine months ended June 30	
Free cash flow [(a)]	2020	2019
Total cash flows provided by operating activities	$ 271	$ 214
Adjustments:		
Additions to property, plant and equipment	(94)	(73)
Free cash flow	$ 177	$ 141

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

Liquidity and Net Debt

Liquidity		At June 30, 2020
Cash	$	751
Available revolver and A/R facility capacity		553
Liquidity	$	1,304

Debt	Expiration	Interest Rate		At June 30, 2020
4.25% senior notes, par $600 million	02/2030	4.25%	$	600
Term Loan A[1]	04/2024	L+150		475
Revolver drawn[2]	04/2024	L+150		-
4.375% senior notes, par $800 million	08/2025	4.375%		800
A/R facility drawn[3]	11/2021	Various		90
Other debt		Various		8
Total debt			$	1,973
Cash			$	751
Net debt (cash)			$	1,222

1. The Term Loan has an amortizing principal starting in 2022, with complete repayment in 2024.
2. $475 million facility, including ~$7 million for letters of credit.
3. AR securitization facility with maximum borrowing capacity of $175 million; remaining capacity of $85 million.

Use of Non-GAAP Measures

To aid in the understanding of Valvoline's ongoing business performance, certain items within this presentation are presented on an adjusted, non-GAAP basis. These non-GAAP measures are not defined within accounting principles generally accepted in the United States of America ("U.S. GAAP") and do not purport to be alternatives to net income/loss or cash flows from operating activities as measures of operating performance or cash flows. The following are the non-GAAP measures management has included and how management defines them:

- EBITDA, which management defines as net income/loss, plus income tax expense/benefit, net interest and other financing expenses, and depreciation and amortization;
- Adjusted EBITDA, which management defines as EBITDA adjusted for key items, as further described below, and net pension and other postretirement plan expense/income; and
- Free cash flow, which management defines as operating cash flows less capital expenditures and certain other adjustments as applicable.

These measures are not prepared in accordance with U.S. GAAP and management believes the use of non-GAAP measures assists investors in understanding the ongoing operating performance of Valvoline's business by presenting comparable financial results between periods. The non-GAAP information provided is used by Valvoline's management and may not be comparable to similar measures disclosed by other companies, because of differing methods used by other companies in calculating EBITDA, Adjusted EBITDA and free cash flow. EBITDA, Adjusted EBITDA, and free cash flow provide a supplemental presentation of Valvoline's operating performance. For a reconciliation of non-GAAP measures, refer to the Appendix.

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

Management believes Adjusted EBITDA provides investors with a meaningful supplemental presentation of Valvoline's operating performance. Adjusted EBITDA excludes the impact of the following:

- Key items - Key items consist of income or expenses associated with certain unusual, infrequent or non-operational income or expenses not directly attributable to the underlying business, which management believes impacts the comparability of operational results between periods. Key items may consist of adjustments related to: the impairment of an equity investment; legacy businesses, including the separation from Ashland and associated impacts of related indemnities; significant acquisitions or divestitures; restructuring-related matters; and other matters that are non-operational or unusual in nature. Key items are considered by management to be outside the comparable operational performance of the business and are also often related to legacy matters or market-driven events that are not directly related to the underlying business and do not have an immediate, corresponding impact on the Company's ongoing performance.
- Net pension and other postretirement plan expense/income - 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, current employees with frozen benefits). These elements include (i) interest cost, (ii) expected return on plan assets, (iii) actuarial gains/losses, and (iv) amortization of prior service cost/credit. Significant factors that can contribute to changes in these elements include changes in discount rates used to remeasure pension and other postretirement obligations on an annual basis or upon a qualifying remeasurement, differences between actual and expected returns on plan assets, and other changes in actuarial assumptions, such as the life expectancy of plan participants. Accordingly, management considers that these elements are more reflective of changes in current conditions in global financial markets (in particular, interest rates) and are outside the operational performance of the business and are also primarily legacy amounts that are not directly related to the underlying business and do not have an immediate, corresponding impact on the compensation and benefits provided to eligible employees for current service. Adjusted EBITDA will continue to include pension and other postretirement service costs related to current employee service as well as the costs of other benefits provided to employees for current service.

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

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

Key Business Measures

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

Sales in the Quick Lubes reportable segment are influenced by the number of service center stores and the business performance of those stores. Stores are considered open upon acquisition or opening for business. Temporary store closings remain in the respective store counts with only permanent store closures reflected in the end of period store counts and activity. SSS is defined as sales by U.S. Quick Lubes service center stores (company-owned, franchised and the combination of these for system-wide SSS), with new stores 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. Differences in SSS are calculated to determine the percentage change between comparative periods. Quick Lubes revenue is limited to sales at company-owned stores, sales of lubricants and other products to independent franchisees and Express Care operators and royalties and other fees from franchised stores. Although Valvoline does not recognize store-level sales from franchised or Express Care stores as revenue in its Statements of Consolidated Income, management believes system-wide and franchised SSS comparisons and store counts, in addition to Express Care store counts, are useful to assess the operating performance of the Quick Lubes reportable segment and the operating performance of an average Quick Lubes store.

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

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

Valvoline™