Valvoline™

Second-Quarter Fiscal 2019 Earnings

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http://investors.valvoline.com

Forward-Looking Statements

Certain statements in this presentation, other than statements of historical fact, including estimates, projections, 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, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Valvoline's most recently filed periodic reports on Forms 10-K and Forms 10-Q, which are available on Valvoline's website at http://investors.valvoline.com/sec-filings or 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.

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 definition, calculation and reconciliation of non-GAAP measures can be found in the tables attached to Valvoline's most recent earnings press release dated May 1, 2019, which is available on Valvoline's website at http://investors.valvoline.com/financial-reports/quarterly-reports.

Second-Quarter Reported Results

(in millions, except per-share data)	Q2
Operating income	$96
Net income	$63
Reported income per share	$0.33
YTD cash flow from operating activities	$134

Notes on reporting and year-over-year (YoY) impacts

Revenue recognition

- Adopted new revenue recognition accounting standard for fiscal 2019
- Primarily a reclassification of certain items within the income statement
  - Unfavorable impact to Q2 earnings of $2 million after tax

Key items[1]

- Restructuring and related expenses: $7 million after-tax expense
- Non-service pension and OPEB impact: $2 million after-tax income
- Kentucky tax reform impact: $2 million tax benefit
- Business interruption costs: $1 million after-tax expense

1 For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated May 1, 2019, available on Valvoline's website at http://investors.valvoline.com.

Second-Quarter Adjusted[1] Results Overview

(in millions, except per-share data)	Q2
Adjusted[1] operating income	$108
Adjusted[1] EBITDA	$122
Adjusted[1] EPS	$0.35

- Sequential improvement in Core North America's results
- Very strong SSS growth and store additions in Quick Lubes
- FX negatively impacting profitability in International

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Segment Results Summary

Quick Lubes

(YoY change)	Q2
SSS (system-wide)	10.8%
Sales	27%
Net new stores (company, franchised)	26
EBITDA[1]	$53 million, up $7 million

Exceptional SSS growth

Strong store additions continue

Core North America

(YoY change)	Q2
Total volume	-9%
Sales	-6%
Premium mix	53.5%, up 380 bps
Adjusted EBITDA[1]	$45 million, down $5 million

Significant sequential improvement

Market challenges remain

International

(YoY change)	Q2
Volume	flat
Volume with JVs	1%
Sales	-3%
EBITDA[1]	$24 million, down $2 million

Volume softness in emerging markets

FX impacting sales and profitability

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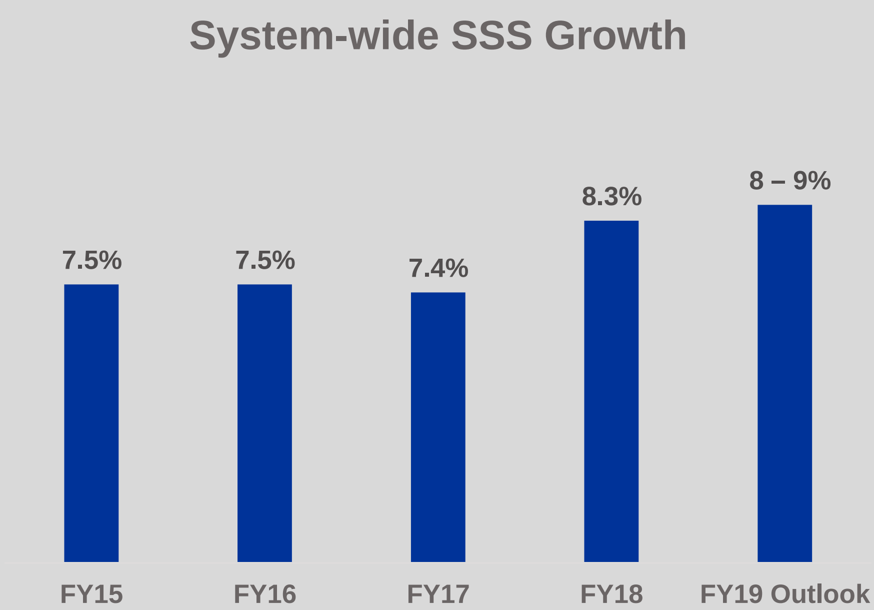
Quick Lubes

Strong performance continued



- Balanced contribution from transactions and average ticket

Unit expansion helps drive sales and segment EBITDA growth

- 186 stores added to the system YoY; 26 added in Q2 (total units)
  - 148 franchise stores added YoY; 14 in Q2
  - 38 company stores added YoY; 12 in Q2
- Completed previously announced acquisition of independent, 12-store system in Las Vegas in early April
- Announced Quick Lubes JV in China

Core North America

Sequential improvement in performance

- Driven by stronger branded DIY volume in the retail channel
- EBITDA up 29% sequentially

Volume softness YoY

- Overall YoY decline in segment volume driven by installer channel
  - Timing of sales to distributors
  - Transfer of Great Canadian Oil Change product sales to Quick Lubes[1]
  - Lower volume from key account in reorganization

1 Great Canadian Oil Change (GCOC), a Core North America customer, was acquired by Valvoline during Q4 of fiscal 2018. Following the acquisition, the Company began reporting product sales to GCOC in the Quick Lubes segment.

International

Volume flat versus prior year

- Volume up in EMEA
- Volume softness in certain Asia-Pacific and Latin America markets

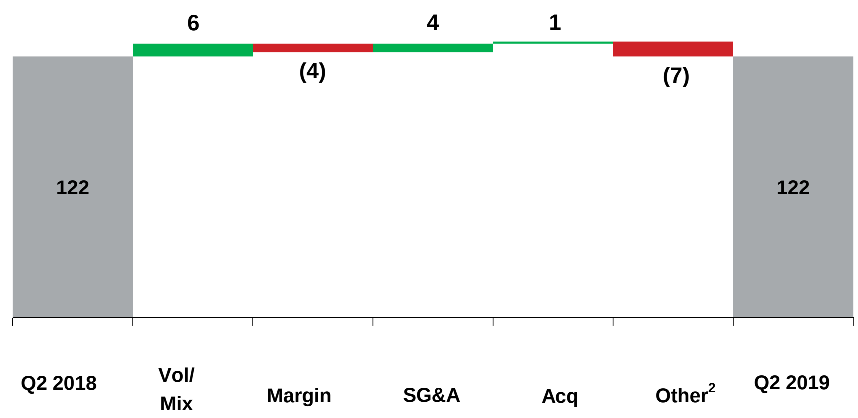
Sales and profitability impacted by FX

- Unfavorable FX headwinds continue

Second-Quarter Financials

($ in millions, except per-share data) Preliminary and unaudited	Fiscal Second Quarter Three months ended March 31,		
Adjusted[1] P&L Results and Ratios	2019	2018	Change
Lubricant gallons (in millions)	44.4	45.5	*(2) %*
Sales	$ 591	$ 569	*4 %*
Gross profit as a percent of sales[1]	34.5 %	36.4 %	*(190) bp*
SG&A[1]	105	111	*(5) %*
Equity and other income	9	12	*(25) %*
Operating income[1]	$ 108	$ 108	- %
Depreciation and amortization	14	14	- %
Adjusted[1] Earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 122	$ 122	- %
EBITDA[1] as a percent of sales	*20.6 %*	*21.4 %*	*(80) bp*
Adjusted[1] EPS	$ 0.35	$ 0.34	*3 %*

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



Q2 revenue recognition impacts

$9 million increase in sales; $13 million increase in cost of sales; $1 million decrease in SG&A

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2 Other includes revenue recognition and foreign exchange impacts as well as equity, royalty, and other income/expense.

Corporate Items

- Net interest and other financing expense of $19 million in Q2, up $3 million YoY
- Effective tax rate of 21.3% in Q2; adjusted[1] effective tax rate of 24.7%.
- YTD cash flow from operating activities of $134 million
- YTD capital expenditures of $48 million; free cash flow[1] generation of $86 million
- Total debt of ~$1.3 billion and net debt of ~$1.2 billion
- Dividends of $20 million in Q2
- Completed credit facilities amendment and extension

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Deer Park, Texas, Plant Temporarily Shut Down

- Shutdown began March 18 due to fire and related fuel and chemical releases at nearby third-party petrochemical terminal
- Plant has reopened and restarted operations
- Production quickly and effectively shifted to other locations, causing little to no impact to customers
- Estimated costs of $4 million-$6 million impacting reported results
  - $1 million in fiscal Q2
  - Remainder in fiscal Q3
- Expect insurance recovery for majority of our business interruption costs

Update on Restructuring and Cost-Savings Program

- Announced last quarter with objectives to:
  - Reduce costs
  - Simplify processes to create agility
  - Optimize organizational structure
  - Improve focus and clarity
- Annualized operating expense savings of $40 million-$50 million by end of fiscal 2020
  - Some re-investment in the business

Fiscal 2019 Guidance Update

- Raising SSS to 8-9%
- Lowering Adjusted EBITDA and EPS ranges due to rising raw material costs

	Updated Outlook	Prior Outlook
Operating Segments		
• Lubricant gallons growth	(1)-1%	1-2%
• Revenue growth	5-7%	6-8%
• New Quick Lube stores (excluding Valvoline acquired stores and franchise conversions)		
• Company-owned	No change	27-32
• Franchised	No change	60-70
• VIOC same-store sales growth	8-9%	7-8%
• Adjusted[1] EBITDA (excluding pension & OPEB income)	$460-$470 million	$470-$485 million
Corporate Items		
• Adjusted[1] effective tax rate	No change	25-26%
• Diluted adjusted[1] EPS	$1.27-$1.33	$1.31-$1.39
• Capital expenditures	No change	$115-$120 million
• Free cash flow[2]	$180-$200 million	$190-$210 million

1 Denotes a forward-looking non-GAAP financial measure that Valvoline is unable to reconcile without unreasonable effort as described in Valvoline's earnings release dated May 1, 2019 available on Valvoline's website at http://investors.valvoline.com.
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Summary

- Sequential improvement in Core North America, with continued focus on stabilizing business
- Making progress on our restructuring and cost savings program
- Quick Lubes continues to deliver best-in-class results
- Investor Day planned for May 16 in New York

Appendix

Key Items[1] Affecting Income

($ in millions, except per-share data) Preliminary and unaudited	Second-Quarter Impact			
		Total		
Fiscal 2019	Operating Income	Pre-tax	After-tax	Earnings per Share
Restructuring and related expenses	$ (8)	$ (8)	$ (7)	$ (0.04)
Business interruption expenses	$ (1)	(1)	(1)	-
Legacy and separation-related costs, net	$ (3)	(3)	-	-
Pension & OPEB income	$ -	3	2	0.01
KY tax reform	$ -	-	2	0.01
Total	$ (12)	$ (9)	$ (4)	$ (0.02)
Fiscal 2018				
Pension & OPEB income	$ -	$ 10	$ 7	$ 0.03
Legacy and separation-related costs, net	$ (8)	$ (8)	$ (6)	$ (0.03)
U.S. tax reform	$ -	$ -	$ (2)	$ (0.01)
Total	$ (8)	$ 2	$ (1)	$ (0.01)

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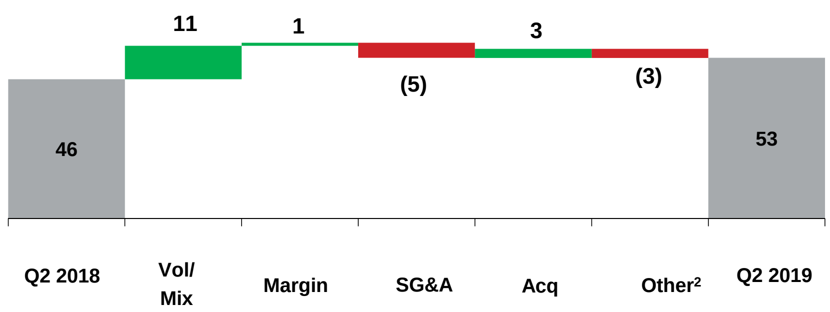
Quick Lubes

($ in millions) Preliminary and unaudited	Fiscal Second Quarter Three months ended March 31, 2019	2018	Change
Lubricant gallons (in millions)	7.0	5.9	*19 %*
Sales	$ 200	$ 158	*27 %*
Operating income	$ 44	$ 38	*16 %*
Depreciation and amortization	9	8	*13 %*
EBITDA[1]	$ 53	$ 46	*15 %*
EBITDA as a percent of sales	*26.5 %*	*29.1 %*	*(260) bp*

Factors affecting year-over-year EBITDA[1]



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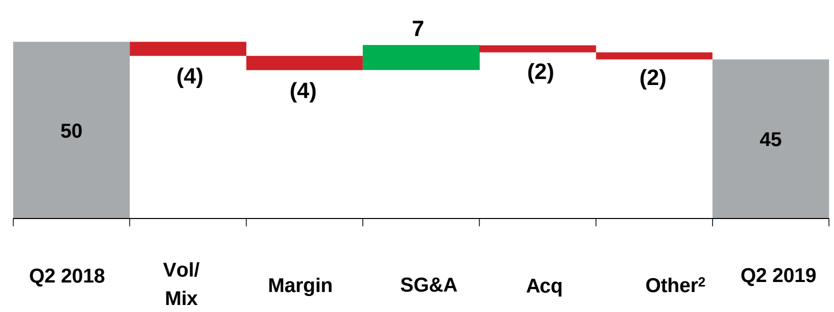
Core North America

($ in millions) Preliminary and unaudited	Fiscal Second Quarter Three months ended March 31, 2019	2018	Change
Lubricant gallons (in millions)	22.4	24.6	(9) %
Sales	$ 243	$ 258	(6) %
Adjusted Operating income[1]	$ 41	$ 46	(11) %
Depreciation and amortization	4	4	- %
Adjusted EBITDA[1]	$ 45	$ 50	(10) %
EBITDA as a percent of sales	*18.5 %*	*19.4 %*	*(90) bp*

Factors affecting year-over-year EBITDA[1]



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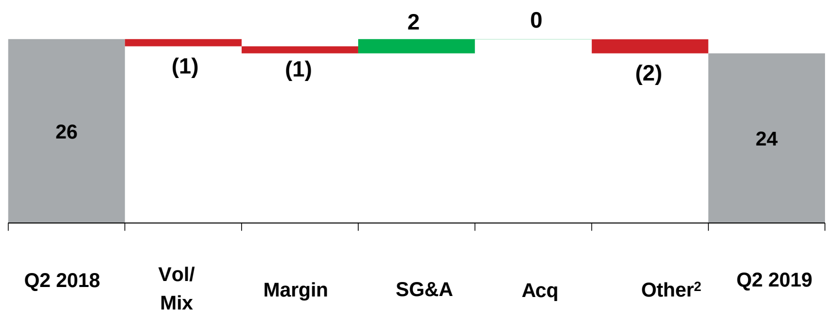
International

($ in millions) Preliminary and unaudited	Fiscal Second Quarter Three months ended March 31, 2019	2018	Change
Lubricant gallons (in millions)	15.0	15.0	- %
Sales	$ 148	$ 153	(3) %
Operating income	$ 23	$ 24	(4) %
Depreciation and amortization	1	2	(50) %
EBITDA[1]	$ 24	$ 26	(8) %
EBITDA as a percent of sales	*16.2 %*	*17.0 %*	*(80) bp*

Factors affecting year-over-year EBITDA[1]



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