

ACCELERATING INTO THE FUTURE



Fourth-Quarter Fiscal 2018 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 November 5, 2018, which is available on Valvoline's website at <http://investors.valvoline.com/financial-reports/quarterly-reports>.

Fourth-Quarter & FY18 Reported Results

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

Pension-related items

- Non-service pension and OPEB income reclassified as non-operating; excluded from adjusted¹ results as a Key Item
 - Prior periods revised to conform

Key items¹

Q4 Fiscal 2018

- Net pension and OPEB mark-to-market remeasurements and non-service income: \$20 million after-tax expense

FY Fiscal 2018

- Kentucky and U.S. tax reform²: \$78 million after-tax expense
- Legacy and separation-related: \$8 million after-tax expense
- Acquisition and divestiture-related: \$2 million after-tax expense

(in millions, except per-share data)	Q4	FY18
Operating income	\$105	\$395
Net income	\$45	\$166
EPS	\$0.23	\$0.84

Full-year cash flow from operating activities of \$320 million

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 5, 2018, available on Valvoline's website at <http://investors.valvoline.com>.
² The estimated net impact of Tax Cuts and Jobs Act of 2017 (TCJA) may be refined in future periods as regulations and additional guidance become available.

Fourth-Quarter & FY18 Adjusted¹ Results Overview

(in millions, except per-share data)	Q4	FY18
Adjusted ¹ operating income	\$106	\$412
Adjusted ¹ EBITDA	\$121	\$466
Adjusted ¹ EPS	\$0.34	\$1.29

Full-year free cash flow¹ of \$227 million

- ✓ Adjusted¹ EBITDA growth of 9% in Q4
- ✓ Full-year adjusted¹ EBITDA growth of 4%, to a record \$466 million

- ✓ Adjusted¹ EPS growth of 21% in Q4
- ✓ Full-year adjusted¹ EPS growth of 9%

- ✓ Returned \$114 million of cash to shareholders through dividends and share repurchases in Q4
- ✓ Full-year returned \$383 million to shareholders

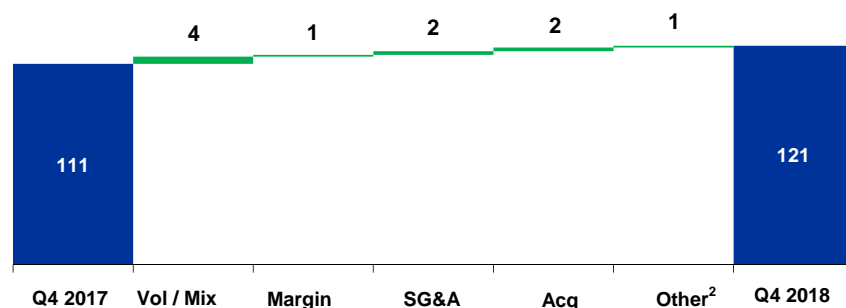
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Fourth-Quarter & FY18 Financials

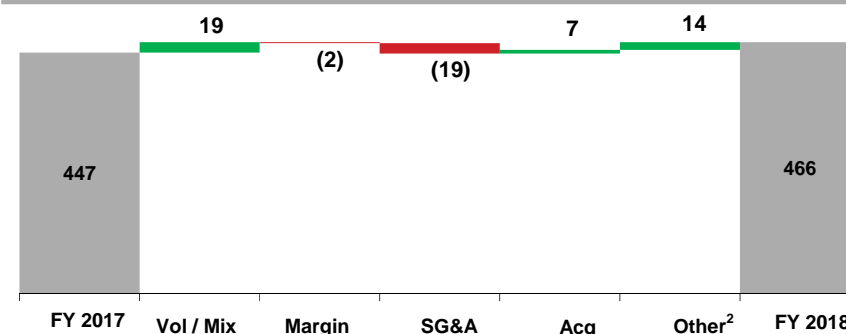
(\$ in millions, except per-share data) Preliminary and unaudited		Fiscal Fourth Quarter Three months ended Sept. 30,		
P&L Results and Ratios		2018	2017	Change
Lubricant gallons (in millions)		46.6	45.6	2 %
Sales		\$ 594	\$ 547	9 %
Gross profit as a percent of sales		34.2 %	35.8 %	(160) bp
Adjusted ¹ SG&A		102	102	- %
Adjusted ¹ Equity and other income		5	5	- %
Adjusted ¹ operating income		\$ 106	\$ 99	7 %
Depreciation and amortization		15	12	25 %
Adjusted ¹ Earnings before interest, taxes, depreciation and amortization (EBITDA)		\$ 121	\$ 111	9 %
EBITDA as a percent of sales		20.4 %	20.3 %	10 bp
Adjusted ¹ EPS		\$ 0.34	\$ 0.28	21 %

Fiscal Year Twelve months ended Sept. 30,		2018	2017	Change
Lubricant gallons (in millions)		181.9	179.7	1 %
Sales		\$ 2,285	\$ 2,084	10 %
Gross profit as a percent of sales		35.3 %	37.2 %	(190) bp
Adjusted SG&A		428	396	8 %
Adjusted Equity and other income		34	25	36 %
Adjusted operating income		\$ 412	\$ 405	2 %
Depreciation and amortization		54	42	29 %
Adjusted Earnings before interest, taxes, depreciation and amortization (EBITDA)		\$ 466	\$ 447	4 %
EBITDA as a percent of sales		20.4 %	21.4 %	(100) bp
Adjusted EPS		\$ 1.29	\$ 1.18	9 %

Factors affecting year-over-year adjusted EBITDA¹



Factors affecting year-over-year adjusted EBITDA¹



¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 5, 2018, available on Valvoline's website at <http://investors.valvoline.com>.
² Other includes foreign exchange impacts, equity and royalty income, and other income/expense.

Corporate Items

- Net interest and other financing expense of \$18 million in Q4, up \$4 million YoY
- Full-year net interest and other financing expense of \$63 million, up \$21 million YoY
- Effective tax rate of 21.1% in Q4, adjusted¹ effective tax rate of 26.1%
- Full-year effective tax rate of 50.0%, adjusted¹ effective tax rate of 27.2%
- Full-year cash flow from operating activities of \$320 million
- Full-year Capital expenditures totaled \$93 million; full-year Free cash flow¹ generation of \$227 million
- Total debt of ~\$1.3 billion and net debt of ~\$1.2 billion

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 5, 2018, available on Valvoline's website at <http://investors.valvoline.com>.

Fiscal 2019 Guidance

Highlights

- SSS growth expected to continue
- Adjusted¹ EBITDA anticipated to grow low-single to mid-single digits
- Adjusted¹ EPS expected to grow mid-single to low-double digits
- Projected free cash flow² impacted by higher YoY capital expenditures
- Forecasted sales growth includes ~200 bps impact due to adoption of new revenue recognition accounting guidance

	<u>2019 Outlook</u>
Operating Segments	
• Lubricant Gallons	2.5-3.5%
• Revenues	7-9%
• New Quick Lube stores (excluding acquired stores)	
• Company-owned (excluding franchise conversions)	27-32
• Franchised (excluding franchise conversions)	30-40
• VIOC same-store sales	6-7%
• Adjusted ¹ EBITDA	\$480-\$495 million
Corporate Items	
• Adjusted ¹ effective tax rate	25-26%
• Diluted adjusted ¹ EPS	\$1.35-\$1.43
• Capital expenditures	\$115-\$120 million
• Free cash flow ²	\$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 November 5, available on Valvoline's website at <http://investors.valvoline.com>.

² For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 5, 2018.

Segment Results Summary

Core North America

(YoY change)	Q4	FY18
Total Volume	flat	-1%
Sales	+2%	+3%
Premium mix	49.5%, up 180 bps	49.2%, up 340 bps
EBITDA ¹	\$47 million, down 2%	\$190 million, down 11%

Challenging competitive landscape

Significant raw material inflation

Quick Lubes

(YoY change)	Q4	FY18
SSS (system-wide)	7.6%	8.3%
Sales	+23%	+22%
Net new stores (company, franchised)	88	115
Adjusted ¹ EBITDA	\$51 million, up 21%	\$185 million, up 22%

Performance exceeding expectations

Organic and inorganic growth

International

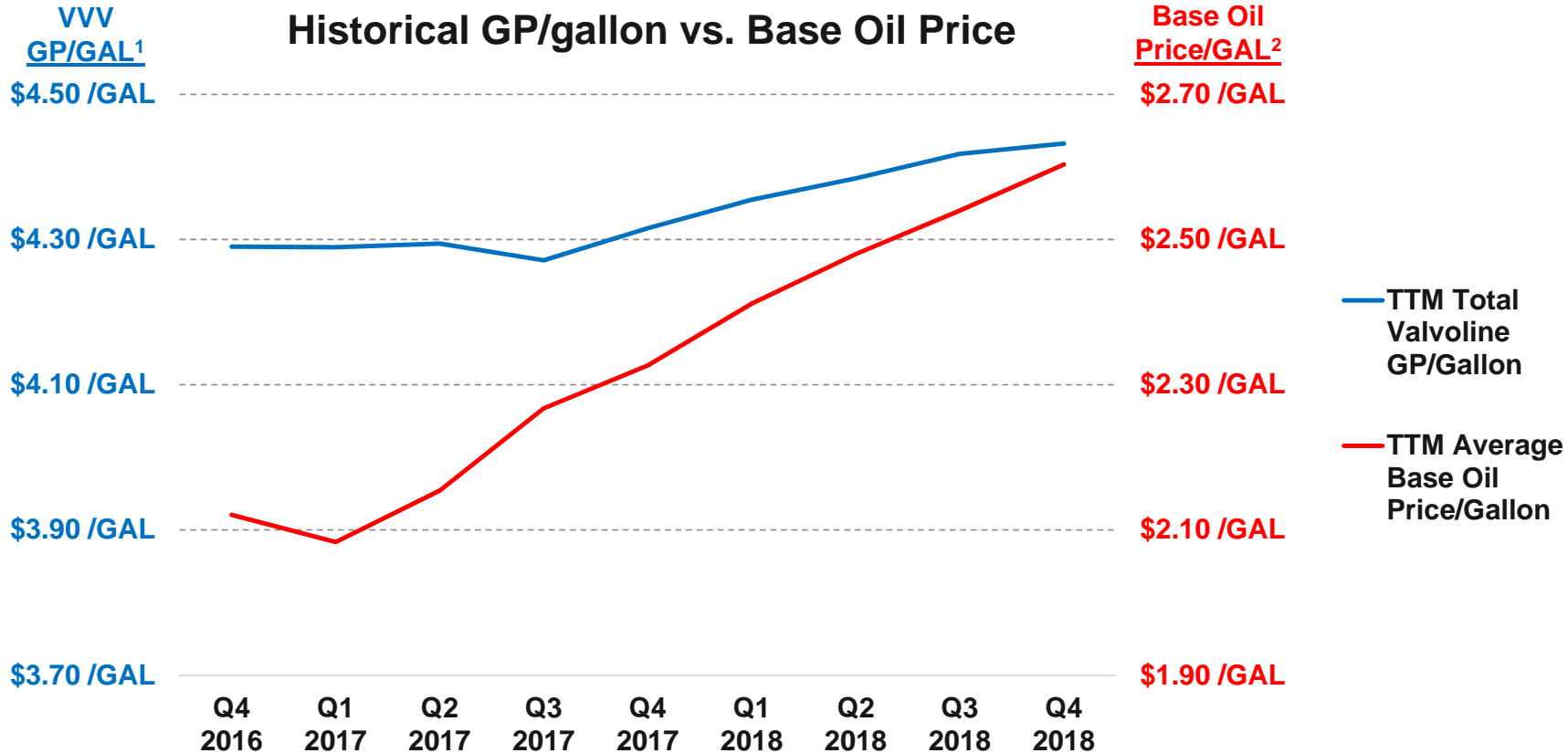
(YoY change)	Q4	FY18
Volume	+3%	+2%
Volume with JVs	+4%	+4%
Sales	+5%	+9%
Adjusted ¹ EBITDA	\$23 million, up 10%	\$91 million, up 12%

Modest volume growth

Solid EBITDA growth

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 5, 2018, available on Valvoline's website at <http://investors.valvoline.com>.

Resilient Business Model



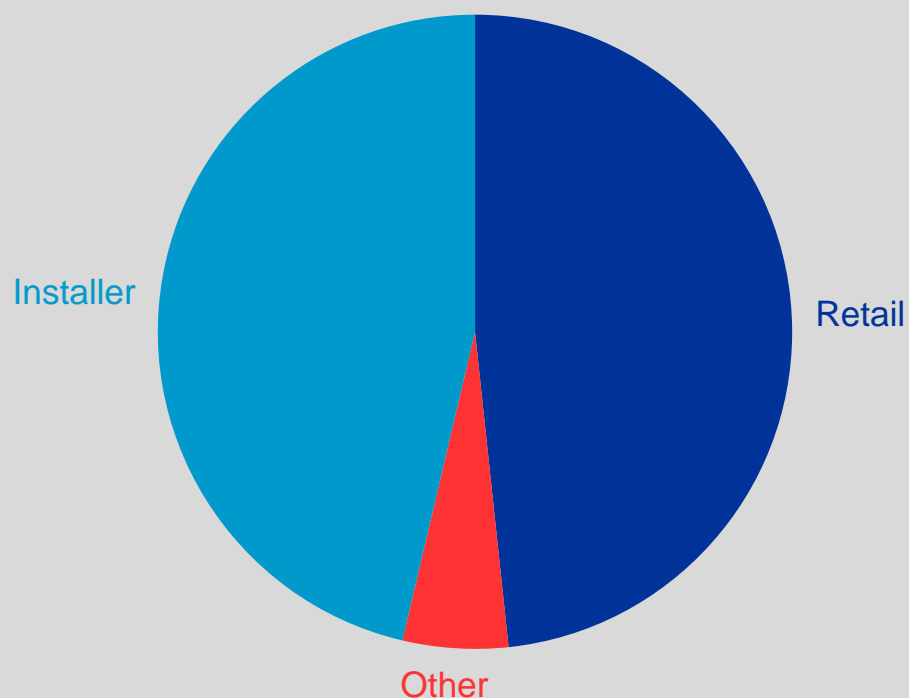
Strong business model delivers solid results even in periods of significant inflation

1 Valvoline's total company gross profit per lubricant gallon on a trailing twelve-month basis based on each quarter-end's results.
 2 Based on Motiva's posted prices for its Group II Star 4 base oil product on a trailing twelve-month basis at each quarter end.



Core North America - Performance

FY18 Volume by Channel



Retail: DIY (auto parts & mass merchandise) and warehouse-distributor accounts
Installer: DIFM outlets and heavy-duty fleet accounts
Other: OEM accounts and specialty

FY18 – Results below expectations

- Retail – DIY volume impacted by increased competitive promotional activity
- Installer – unfavorable account mix and competitive pricing

Lower unit margin outlook, ~\$3.60 - \$3.70/gallon

Key factors:

1. Accounting and business model changes: revenue recognition; Great Canadian Oil Change
2. Mix – softer DIY branded volume, growing HD volume
3. Installer – account mix and pricing competition

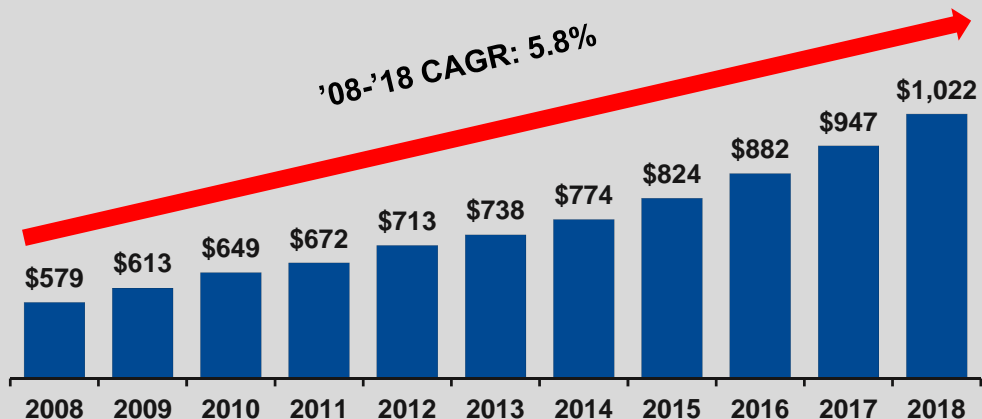
Core North America – Outlook

FY19 – Taking actions

1. Adjusting marketing tactics in DIY
2. Driving value-added services, penetration of broader product portfolio in Installer channel
3. Pursuing share gain opportunity with low investment needed in Heavy Duty
4. Focusing on cost efficiencies

Quick Lubes - Outlook

Average System-wide SSS¹ per Store (\$k)



FY18 results exceeded expectations

- 12 straight years of SSS growth; system-wide strength
- Digital marketing programs & store-level execution
- Added 115 stores, including first international expansion with Great Canadian Oil Change acquisition

FY19 momentum expected to continue

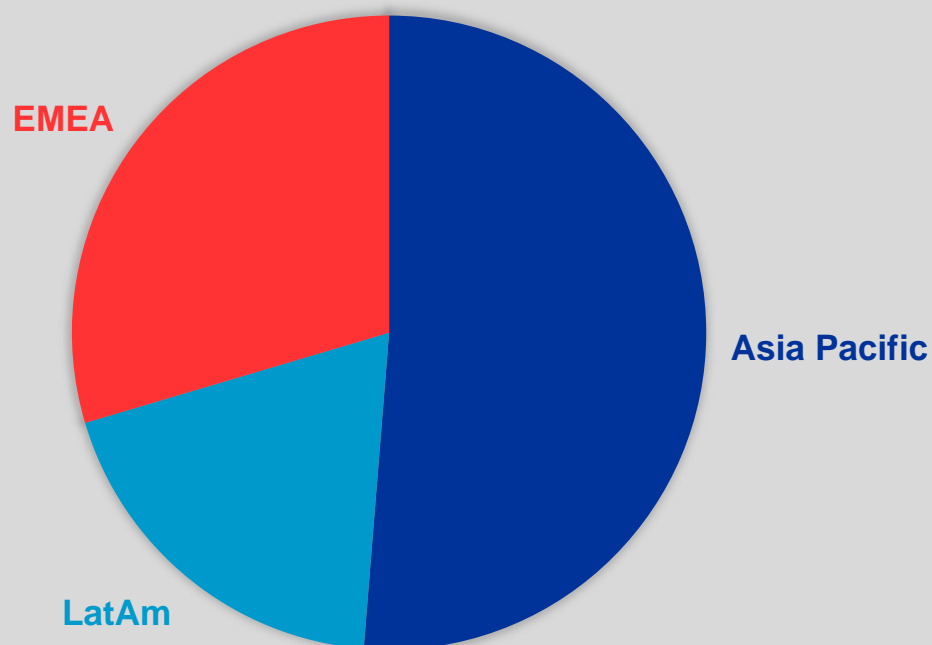
- SSS growth of 6-7%
- New unit growth:
 - 27-32 company-stores²
 - 30-40 franchise stores
 - Continue to pursue M&A opportunities
- Focus on talent development and retention

¹ System-wide SSS determined on a fiscal-year basis, with new stores included after first full fiscal year of operation.

² Includes six stores from FY18 that were delayed due to hurricane-related impacts.

International - Outlook

FY18 Sales by Region



FY18 Adjusted¹ EBITDA growth of 12%

- Adjusted¹ EBITDA up 9% at constant currency
- Softer volume growth
- Emerging markets volume up 7% including unconsolidated JVs

FY19 improving volume trend expected

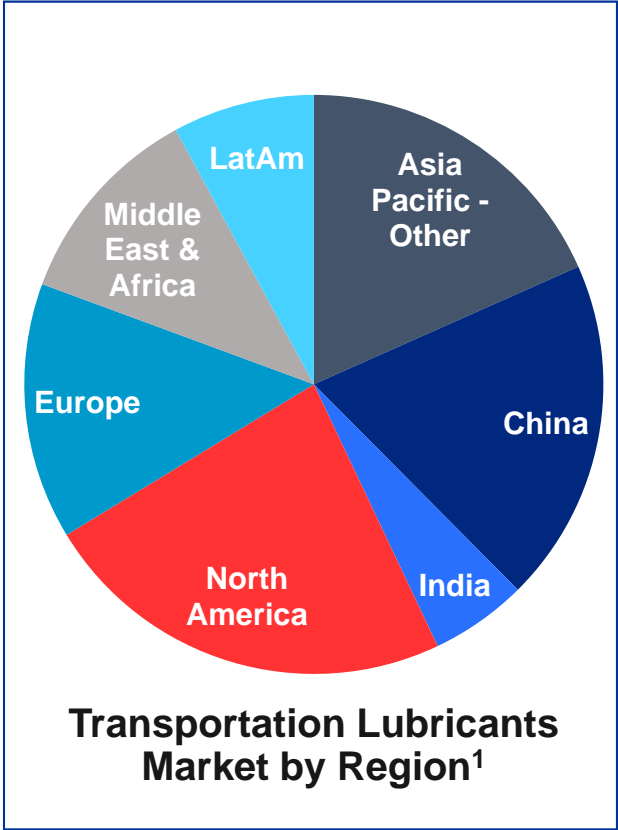
- High-single digit volume growth; share gain opportunities in all regions
- Investing in sales & marketing to drive future growth
- FX expected to be a headwind

Sales exclude unconsolidated joint ventures

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International - Opportunity

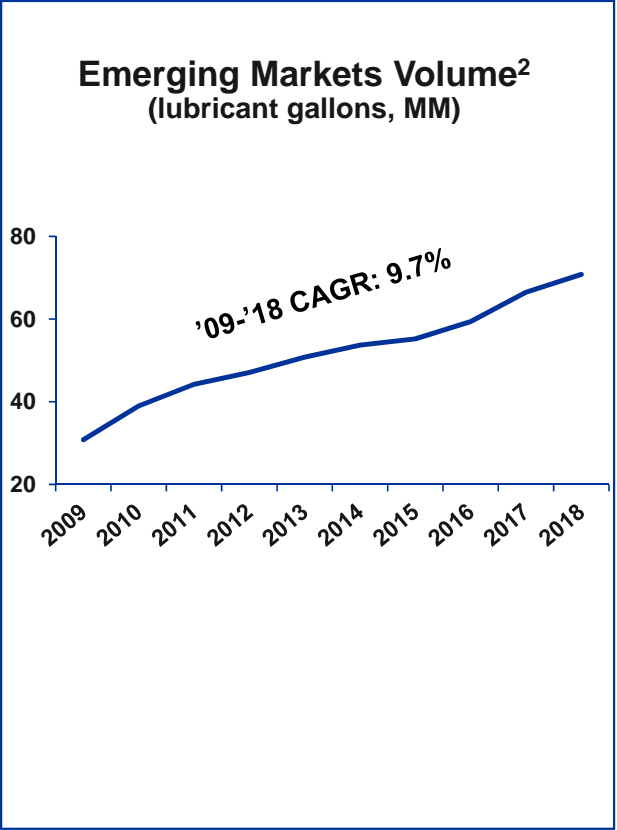
Large Markets



Share Gains

- Formula for Success**
- ✓ Channel development
 - ✓ Superior products and brand building
 - ✓ OEM partnerships

Volume Growth

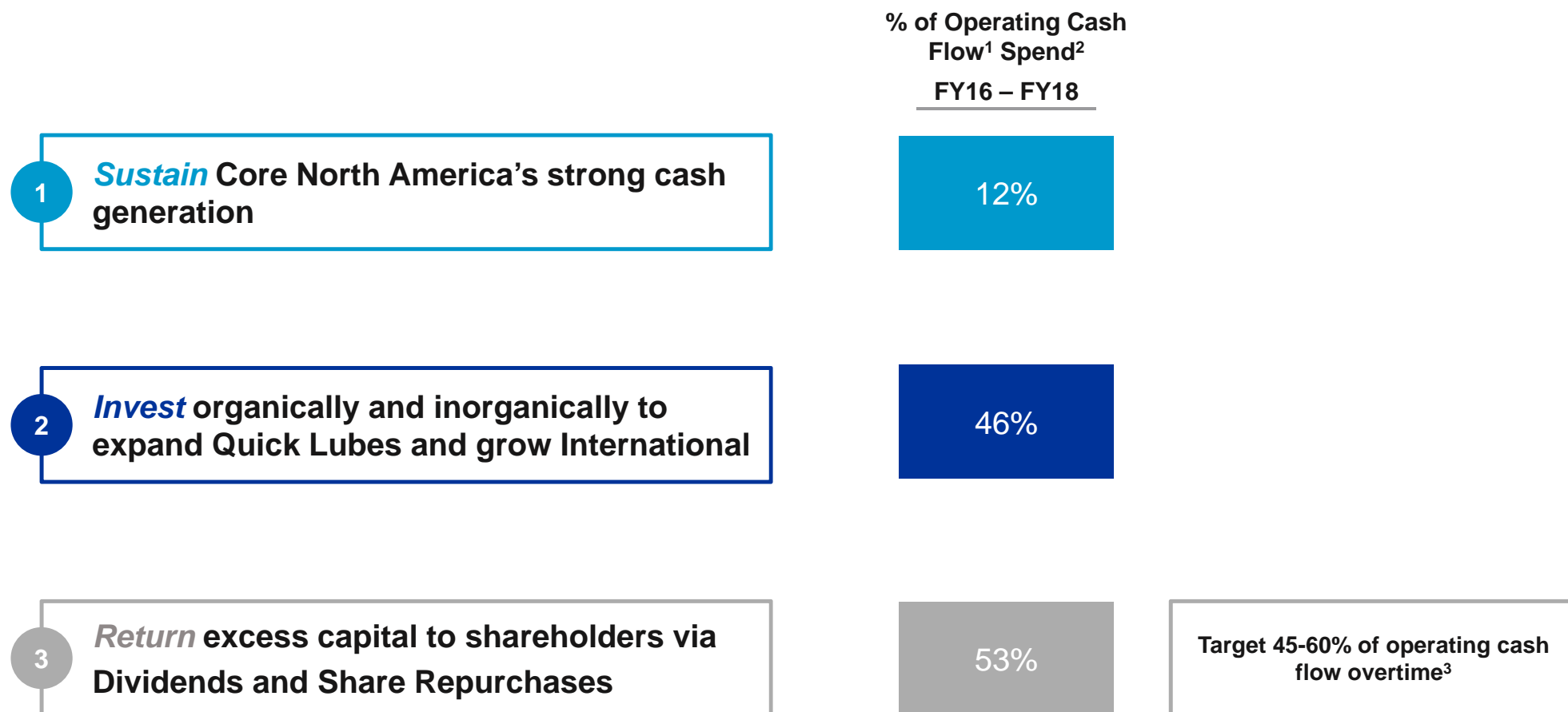


¹ Sources – Kline, IHS and internal estimates; excludes industrial lubricants.
² Includes unconsolidated joint ventures

Driving Shareholder Value



Capital Allocation Priorities

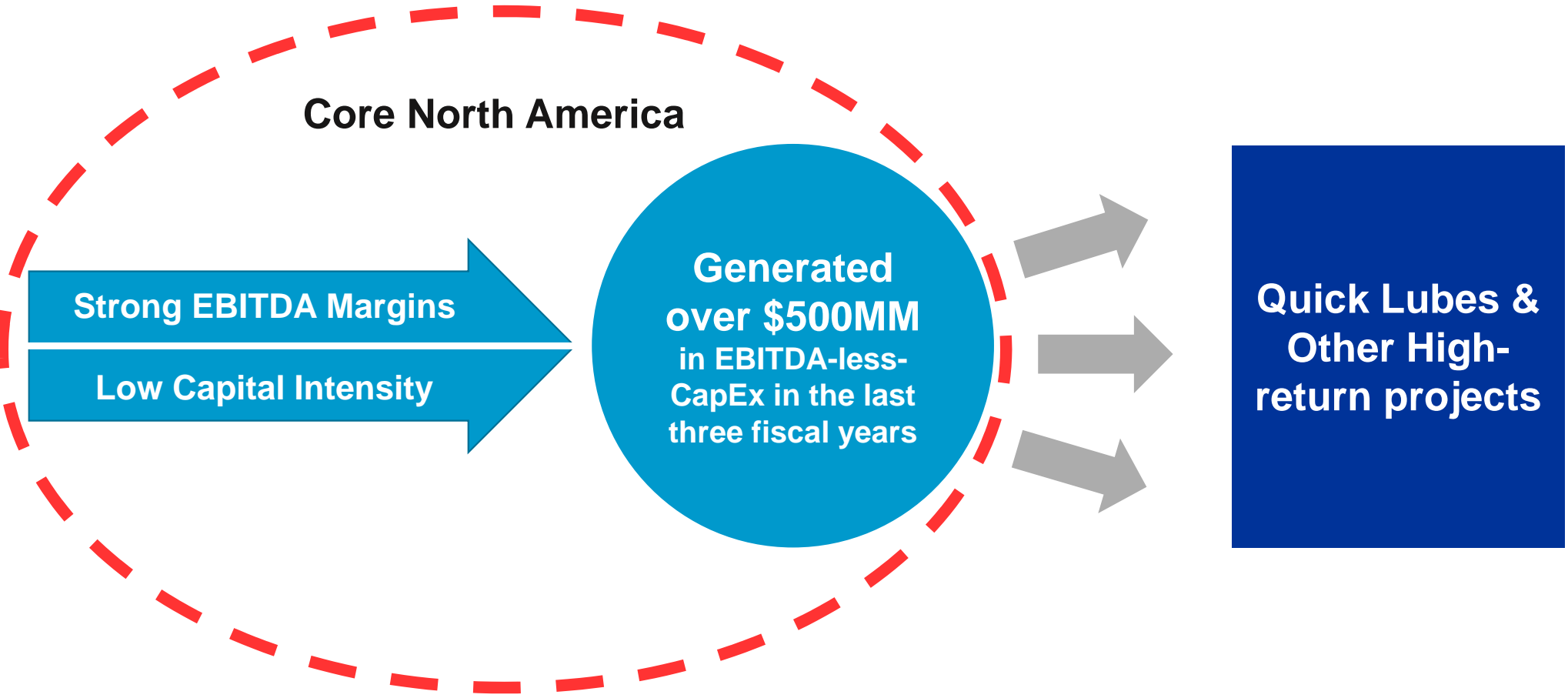


¹ FY16 and FY18 operating cash flow as reported; FY17 operating cash flow adjusted to exclude ~\$400 million voluntary pension contribution.

² Includes capital expenditures, acquisitions, cash dividends share repurchases, inclusive of borrowings; FY18 share repurchases impacted in part by cash tax benefit of voluntary pension contribution in FY17.

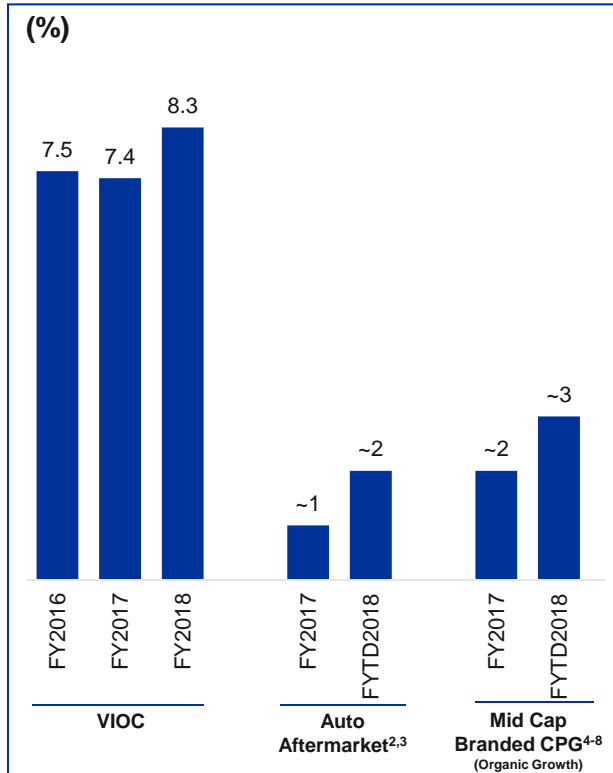
³ Valvoline's ability to achieve this target will be based on its level of liquidity, general business and market conditions and other factors, including alternative investment opportunities.

Core North America Funds Growth Opportunities

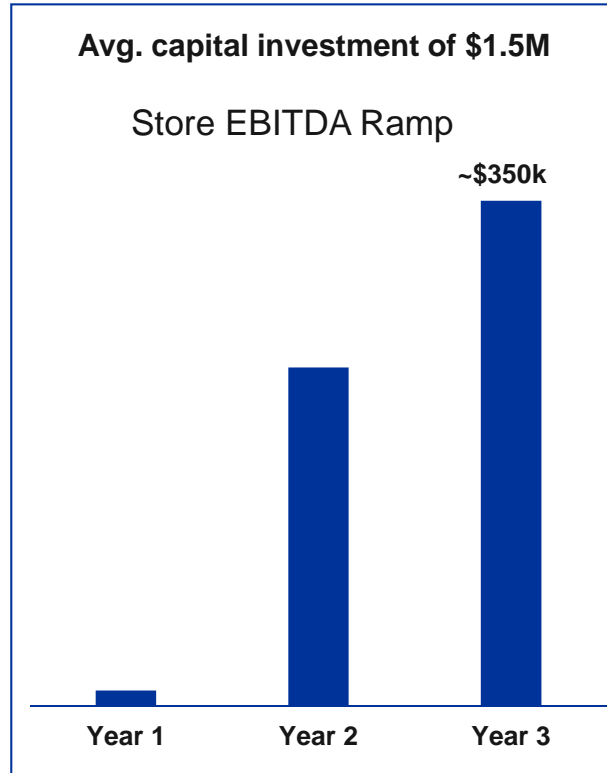


Capital Allocation in Action – Quick Lubes

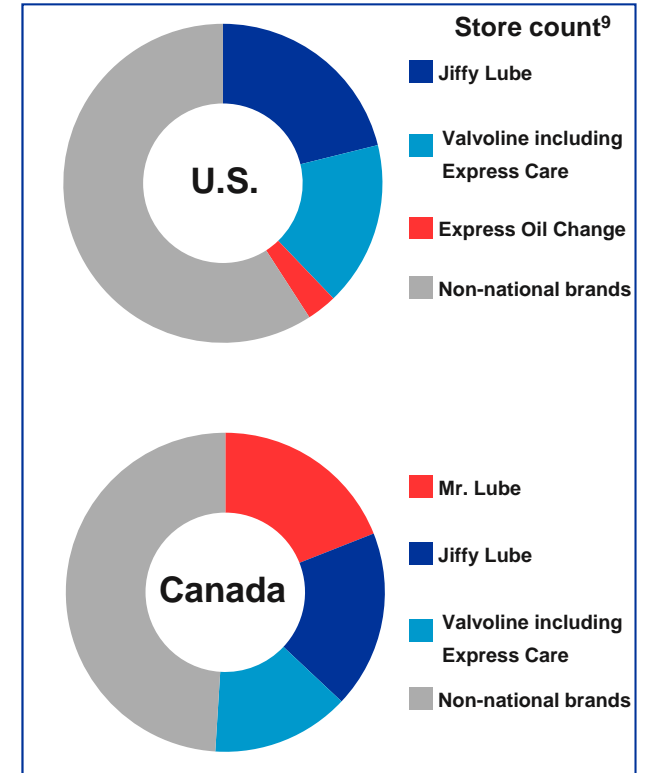
Same Store Sales Growth¹



New Unit Economics



Quick Lube Market Opportunity



¹ Fiscal years and fiscal quarters aligned with Valvoline fiscal periods; peer fiscal year data is the average of the fiscal quarters during that period, FYTD2018 represents the three fiscal quarters so far reported by all peers

² Auto Aftermarket includes Advance Auto Parts, AutoZone, Boyd, Monro and O'Reilly's; quarterly value is median of the peer group

³ Advance Auto Parts, AutoZone and Monro quarterly SSS data placed in most analogous calendar quarter

⁴ Mid Cap Branded CPG Peers include Church & Dwight, Central Garden and Pet, Edgewell Personal Care, Energizer, Sherwin Williams and Spectrum Brands; quarterly value is median of the peer group

⁵ Central Garden and Pet organic growth number is as reported for the period, and excludes the impact of portfolio changes where determined by the company

⁶ Energizer quarter ending 3/31 excludes the impact of the divestiture of ASIA

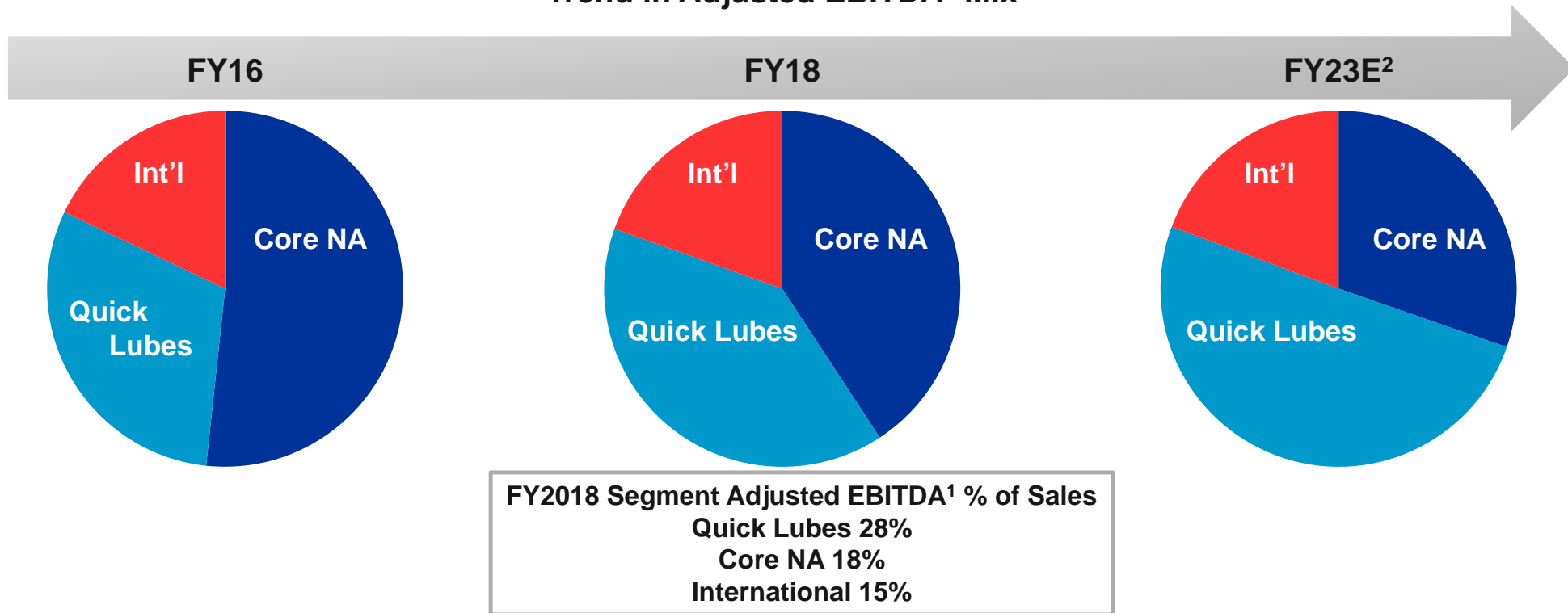
⁷ Sherwin Williams SSS represents the US, Canada, and the Caribbean, from Valvoline FQ2 onward, prior to that it represented the US and Canada

⁸ Sherwin Williams SSS in Valvoline's FQ4 2016, excludes change in revenue classification per company press release

⁹ Store count data based on internal company estimates

Creating Value by Driving Quick Lube Growth

Trend in Adjusted EBITDA¹ Mix



Our most profitable business is the fastest growing

¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 5, 2018, available on Valvoline's website at <http://investors.valvoline.com>.
² Expected adjusted EBITDA mix based on internal growth assumptions; 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 November 5, 2018, available on Valvoline's website at <http://investors.valvoline.com>.

Appendix



Key Items¹ Affecting Income

(\$ in millions, except per-share data) Preliminary and unaudited		Fourth Quarter Impact		
		Operating Income	Total	
2018	Pre-tax		After-tax	
Net pension & OPEB expense	\$ -	\$ (30)	\$ (20)	\$ (0.11)
Legacy and separation-related costs, net	\$ -	\$ -	\$ 3	\$ 0.02
Acquisition and divestiture-related losses	\$ (1)	\$ (1)	\$ (1)	\$ (0.01)
Income tax adjustments ²	\$ -	\$ -	\$ (2)	\$ (0.01)
Total	\$ (1)	\$ (31)	\$ (20)	\$ (0.11)
2017				
Net pension & OPEB expense	\$ -	\$ 78	\$ 48	\$ 0.23
Legacy and separation-related costs, net	\$ 14	\$ 14	\$ 3	\$ 0.02
Income tax adjustments ²	\$ -	\$ -	\$ (3)	\$ (0.01)
Total	\$ 14	\$ 92	\$ 48	\$ 0.24

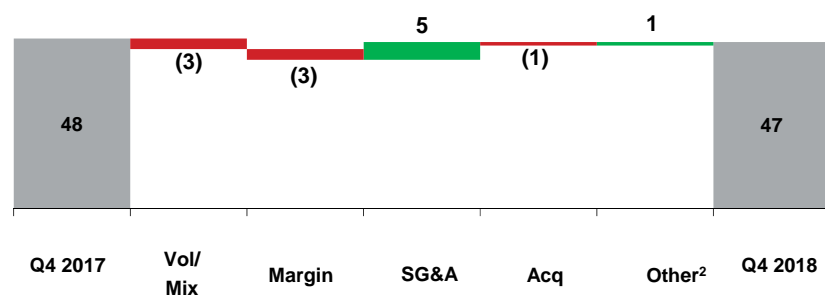
¹ For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated November 5, 2018, available on Valvoline's website at <http://investors.valvoline.com>.
² Income tax adjustments in 2018 primarily related to U.S. and Kentucky tax reform, and income tax adjustments in 2017 related to the partial loss of certain tax deductions as a result of the voluntary pension funding.

Core North America

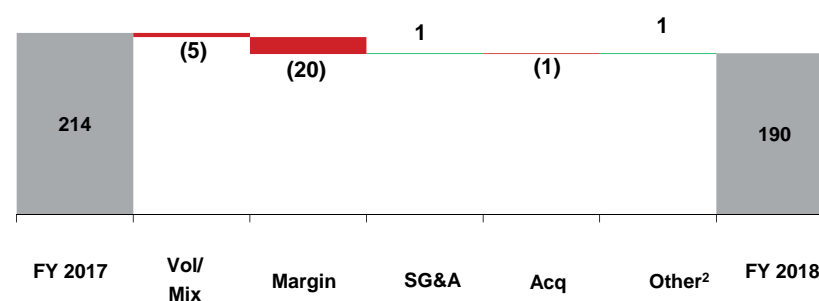
(\$ in millions) Preliminary and unaudited	Fiscal Fourth Quarter Three months ended Sept. 30,		
	2018	2017	Change
Lubricant gallons (in millions)	24.9	24.9	- %
Sales	\$ 262	\$ 256	2 %
Operating income	\$ 42	\$ 43	(2) %
Depreciation and amortization	5	5	- %
EBITDA ¹	\$ 47	\$ 48	(2) %
<i>EBITDA as a percent of sales</i>	<i>17.9 %</i>	<i>18.8 %</i>	<i>(90) bp</i>

Fiscal Year Twelve months ended Sept. 30,		
2018	2017	Change
98.8	99.4	(1) %
\$ 1,035	\$ 1,004	3 %
\$ 172	\$ 199	(14) %
18	15	20 %
\$ 190	\$ 214	(11) %
18.4 %	21.3 %	(290) bp

Factors affecting year-over-year EBITDA¹



Factors affecting year-over-year EBITDA¹



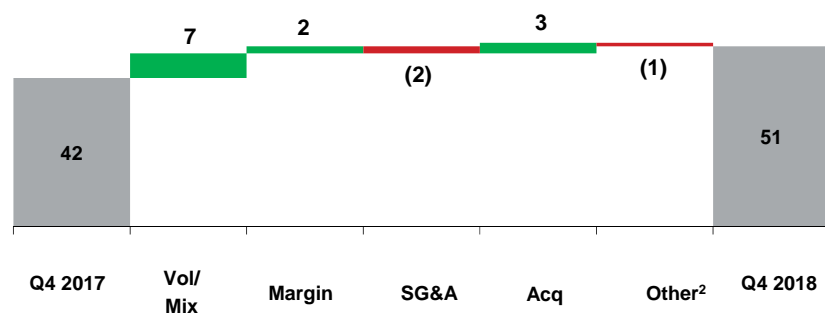
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² Other includes foreign exchange impacts as well as equity, royalty, and other income/expense.

Quick Lubes

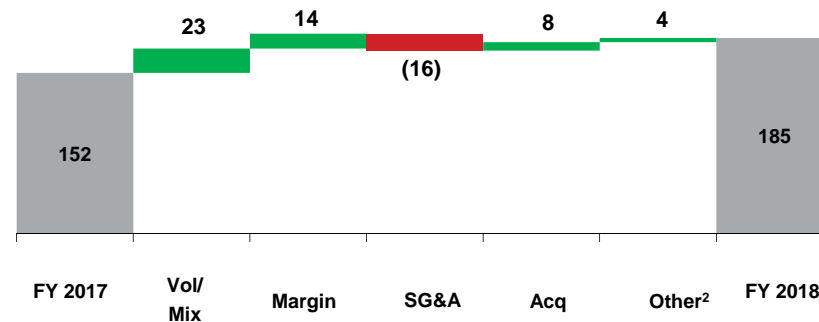
(\$ in millions) Preliminary and unaudited	Fiscal Fourth Quarter Three months ended Sept. 30,		
	2018	2017	Change
Lubricant gallons (in millions)	6.6	6.1	8 %
Sales	\$ 181	\$ 147	23 %
Adjusted ¹ Operating income	\$ 42	\$ 36	17 %
Depreciation and amortization	9	6	50 %
Adjusted ¹ EBITDA	\$ 51	\$ 42	21 %
Adjusted EBITDA as a percent of sale	28.2 %	28.6 %	(40) bp

	Fiscal Year Twelve months ended Sept. 30,		
	2018	2017	Change
Lubricant gallons (in millions)	24.4	22.5	8 %
Sales	\$ 660	\$ 541	22 %
Adjusted ¹ Operating income	\$ 155	\$ 130	19 %
Depreciation and amortization	30	22	36 %
Adjusted ¹ EBITDA	\$ 185	\$ 152	22 %
Adjusted EBITDA as a percent of sale	28.0 %	28.1 %	(10) bp

Factors affecting year-over-year Adjusted¹ EBITDA



Factors affecting year-over-year Adjusted¹ EBITDA



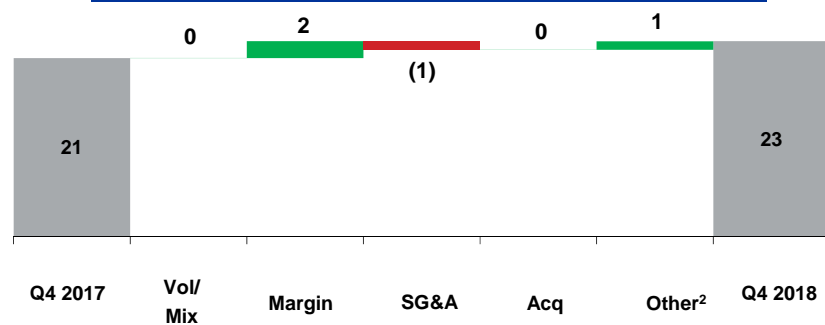
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International

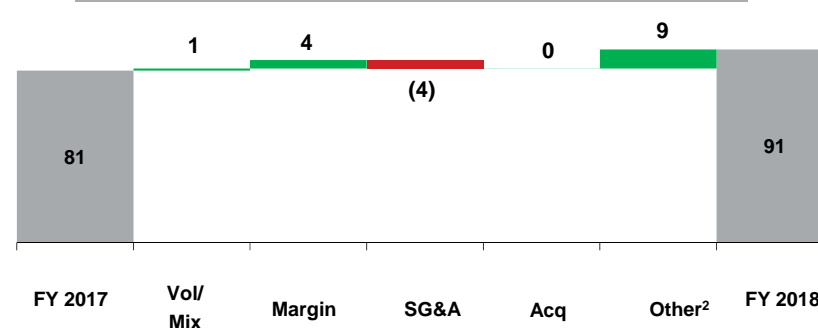
(\$ in millions) Preliminary and unaudited	Fiscal Fourth Quarter Three months ended Sept. 30,		
	2018	2017	Change
Lubricant gallons (in millions)	15.1	14.6	3 %
Sales	\$ 151	\$ 144	5 %
Adjusted ¹ Operating income	\$ 22	\$ 20	10 %
Depreciation and amortization	1	1	- %
Adjusted ¹ EBITDA	\$ 23	\$ 21	10 %
Adjusted EBITDA as a percent of sale	15.2 %	14.6 %	60 bp

	Fiscal Year Twelve months ended Sept. 30,		
	2018	2017	Change
Lubricant gallons (in millions)	58.7	57.8	2 %
Sales	\$ 590	\$ 539	9 %
Adjusted ¹ Operating income	\$ 85	\$ 76	12 %
Depreciation and amortization	6	5	20 %
Adjusted ¹ EBITDA	\$ 91	\$ 81	12 %
Adjusted EBITDA as a percent of sale	15.4 %	15.0 %	40 bp

Factors affecting year-over-year Adjusted¹ EBITDA



Factors affecting year-over-year Adjusted¹ EBITDA



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