Valvoline
First Quarter Fiscal 2017
Earnings Presentation

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January 27, 2017

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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. In addition, Valvoline™ may, from time to time, make forward-looking statements in its annual report, quarterly reports and other filings with the Securities and Exchange Commission (“SEC”), news releases and other written and oral communications. These forward-looking statements are based on Valvoline’s current expectations and assumptions regarding, as of the date such statements are made, Valvoline’s future operating performance and financial condition, including Valvoline’s separation from Ashland (the “Separation”), the expected timetable for Ashland’s potential distribution of its remaining Valvoline common stock to Ashland shareholders (the “Stock Distribution”) and Valvoline’s future financial and operating performance, strategic and competitive advantages, leadership and future opportunities, as well as the economy and other future events or circumstances. Valvoline’s expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: demand for Valvoline’s products and services; sales growth in emerging markets; the prices and margins of Valvoline’s products and services; the strength of Valvoline’s reputation and brand; Valvoline’s ability to develop and successfully market new products and implement its digital platforms; Valvoline’s ability to retain its largest customers; potential product liability claims; achievement of the expected benefits of the Separation; Valvoline’s substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Valvoline’s future cash flows, results of operations, financial condition and Valvoline’s ability to repay debt) and other liabilities; operating as a stand-alone public company; Valvoline’s ongoing relationship with Ashland; failure, caused by Valvoline, of Ashland’s Stock Distribution of Valvoline common stock to Ashland shareholders to qualify for tax-free treatment, which may result in significant tax liabilities to Ashland for which Valvoline may be required to indemnify Ashland; and the impact of acquisitions and/or divestitures Valvoline has made or may make (including the possibility that Valvoline may not realize the anticipated benefits from such transactions). These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including, without limitation, risks and uncertainties affecting Valvoline that are described in its most recent Form 10-K (including in Item 1A Risk Factors and “Use of estimates, risks and uncertainties” in Note 2 of Notes to Consolidated Financial Statements) filed with the SEC, which is available on Valvoline’s website at http://investors.valvoline.com/sec-filings. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although Valvoline believes that the expectations reflected in these forward-looking statements are reasonable, Valvoline cannot guarantee that the expectations reflected herein will be achieved. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by Valvoline or any other person that Valvoline will achieve its objectives and plans in any specified time frame, or at all. These forward-looking statements speak only as of the date of this presentation. Except as required by law, Valvoline assumes no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

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Regulation G: Adjusted Results

The information presented herein regarding certain unaudited adjusted results does not conform to generally accepted accounting principles in the United States (U.S. GAAP) and 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. All non-GAAP information related to previous Valvoline filings with the SEC has been reconciled with reported U.S. GAAP results.

First Quarter Results

- Reported EPS of $0.35 up $0.03 YoY
- Operating income up 25% to $120 million
- Net income up 11% to $72 million
- Cash from operating activities of $88 million

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

Separation-related items

- New capital structure adds interest expense this year
- Transfer of pension plans drive increase in YoY pension income

Key items

- OPEB remeasurement based on January 1 plan changes
- Separation costs

EBITDA from operating segments[1]

- Segment operating income (Core North America, Quick Lubes, and International) plus depreciation and amortization
- Excludes certain corporate items, primarily pension income

[1] For reconciliation of adjusted amounts to amounts reported under GAAP, please refer to Valvoline's earnings release dated January 26, 2017, available on Valvoline's website at http://investor.valvoline.com.

Solid Results in Q1

- Adjusted[1] EPS of $0.35 up 9%
- Volume growth of 7%
- EBITDA from operating segments[1] increases 8%

Progress on Core Priorities

1) Drive business results in each segment; growing market share and unit margins
   - ✓ Volume growth across all three segments
   - ✓ System-wide VIOC same-store sales growth of 9%
   - ✓ Protecting margins

2) Grow retail presence, both organically and inorganically
   - ✓ Store counts in Quick Lubes segment increased
   - ✓ Adding 28 quick lube stores from Time-It Lube
   - ✓ On track to add more company-owned and franchised stores in 2018

3) Invest in digital marketing and infrastructure
   - ✓ Enabling greater customer reach and sales force efficiency

4) Establish a strong culture of creating value for shareholders
   - ✓ Returning capital to shareholders via dividend

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Time-It Lube Acquisition – Announced in January 2017

- ✓ Accelerates expansion of VIOC presence in Texas and Louisiana
- ✓ 28 locations will become VIOC company-owned stores
- ✓ Expected to close in fiscal Q2

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Operating Segment Highlights

- Volume increased in all segments
- EBITDA from operating segments[1] grows 8% to $109 million

Core North America

Volume up 2%; Premium Mix up 410 bps; EBITDA down 5%

– Continued volume growth, driven by share gains and promotions
– Managing raw material cost pass-through

Quick Lubes

SSS up 9%; EBITDA up 26%; Added 120 VIOC units YoY

– Strong same-store sales growth of 9% from increased transactions
– Former Oil Can Henry's stores contributed to unit and EBITDA growth

International

Volume up 12%; Emerging markets up 16%; EBITDA up 24%

– Strong volume growth across both mature and emerging markets driven by enhanced market penetration
– Equity and royalty income contributed to EBITDA due to improved JV results

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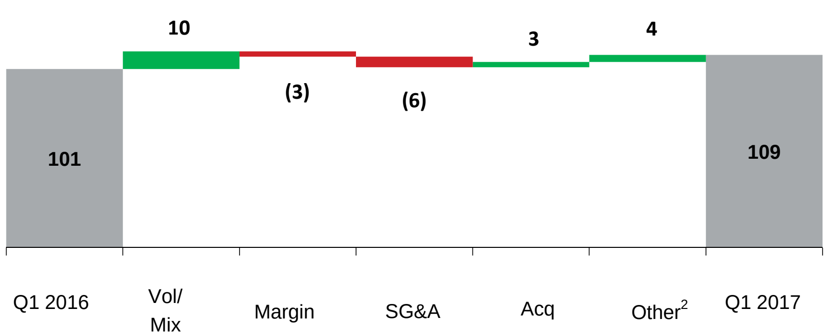
Adjusted[1] Results

($ in millions) Preliminary	Fiscal First Quarter Three months ended Dec. 31,		
Results from Operating Segments	2016	2015	Change
Lubricant gallons (in millions)	43.1	40.4	7 %
Sales	$ 489	$ 456	7 %
Gross profit	$ 185	$ 174	7 %
SG&A	$ 95	$ 87	9 %
Equity and other income	$ 10	$ 5	100 %
Operating income	$ 100	$ 92	9 %
Depreciation and amortization	$ 9	$ 9	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA) from Operating Segments[1]	$ 109	$ 101	8 %
EBITDA as a percent of sales	22.3 %	22.1 %	20 bp
Total Adjusted[1] Results			
Adjusted[1] EBITDA in Unallocated & Other	$ 18	$ 4	350 %
Total Adjusted[1] EBITDA	$ 127	$ 105	21 %

Factors affecting year-over-year EBITDA from Operating Segments[1]



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2 Other includes primarily equity, royalty and other income .

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Adjusted[1] EPS

	Three Months Ended December 31,		
	2016	2015	Change
EPS from Operating Segments	$ 0.32	$ 0.30	$ 0.02
Interest Expense	$ (0.03)	$ -	$ (0.03)
Pension & OPEB Income	$ 0.06	$ 0.02	$ 0.04
Adjusted[1] EPS	$ 0.35	$ 0.32	$ 0.03

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Fiscal 2017 Q1 Corporate Items

- Effective tax rate of 34.5%
- Capital expenditures totaled $9 million
- Free cash flow[1] generation of $79 million
  - YoY increase of $44 million
  - Ending cash balance of $236 million
- Total debt of $740 million
  - Including $75 million of short-term debt related to our new A/R securitization facility
- OPEB remeasurement led to a gain of $8 million
  - Net pension and OPEB obligations of ~$875 million
- Recorded $6 million of separation-related costs

1 Definition of free cash flow: operating cash less capital expenditures and other items Valvoline has deemed non-operational.

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Fiscal 2017 Outlook

Current Expectations

	Updated Outlook	Prior Outlook
Operating Segments		
• Lubricant gallons	3-5%	2-3%
• Revenues	4-7%	3-5%
• New stores		
• VIOC company-owned	31-33 28 acquired, 3-5 new builds	5-10 new builds
• VIOC franchised	no change	15-25
• VIOC same-store sales	5-7%	3-5%
• EBITDA from operating segments	$440-$455 million	$435 million at mid-point of previous range
Corporate Items		
• Pension income	$70 million	$66 million
• One-time separation-related expenses	no change	$25-$30 million
• Diluted adjusted earnings per share	$1.36-$1.43	$1.31-$1.41
• Capital expenditures	no change	$70-$80 million
• Free cash flow[1]	$130-$150 million	$90-$100 million

1 Definition of free cash flow: operating cash less capital expenditures and other items Valvoline has deemed non-operational.

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Q1 Fiscal 2017 Summary

- ✓ Great start to the fiscal year
- ✓ Progress on Core Priorities
- ✓ Confident in delivering updated 2017 outlook

Appendix

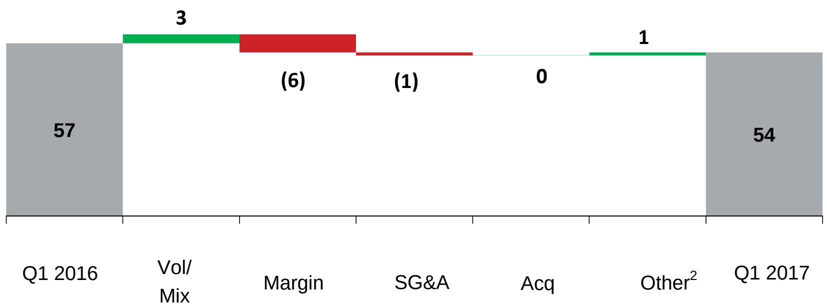
Key Items Affecting Income

($ in millions, except per share data) Preliminary	First Quarter Impact			
		Total		
2017	Operating Income	Pre-tax	After-tax	Earnings per Share
OPEB remeasurement	$ 8	$ 8	$ 5	$ 0.02
Separation Costs	$ (6)	(6)	(4)	(0.02)
Total	$ 2	$ 2	$ 1	$ 0.00
2016				
	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

Core North America

($ in millions) Preliminary	Fiscal First Quarter Three months ended Dec. 31, 2016	2015	Change
Lubricant gallons (in millions)	24.1	23.6	2 %
Sales	$ 237	$ 241	(2) %
Operating income	$ 51	$ 53	(4) %
Depreciation and amortization	$ 3	$ 4	(25) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)[1]	$ 54	$ 57	(5) %
EBITDA as a percent of sales	22.8 %	23.7 %	(90) bp

Factors affecting year-over-year EBITDA



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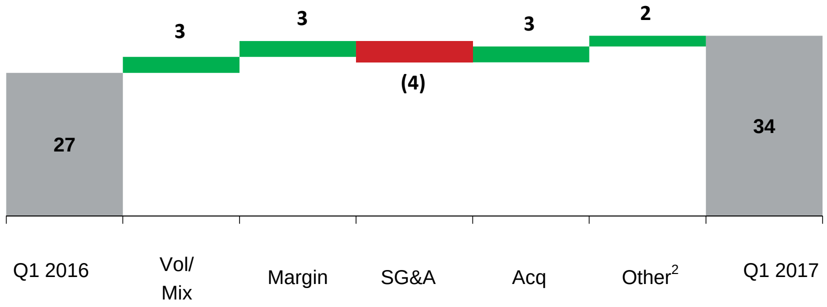
Quick Lubes

($ in millions) Preliminary	Fiscal First Quarter Three months ended Dec. 31, 2016	2015	Change
Lubricant gallons (in millions)	5.3	4.6	15 %
Sales	$ 127	$ 100	27 %
Operating income	$ 29	$ 23	26 %
Depreciation and amortization	$ 5	$ 4	25 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)[1]	$ 34	$ 27	26 %
EBITDA as a percent of sales	26.8 %	27.0 %	(20) bp

Factors affecting year-over-year EBITDA



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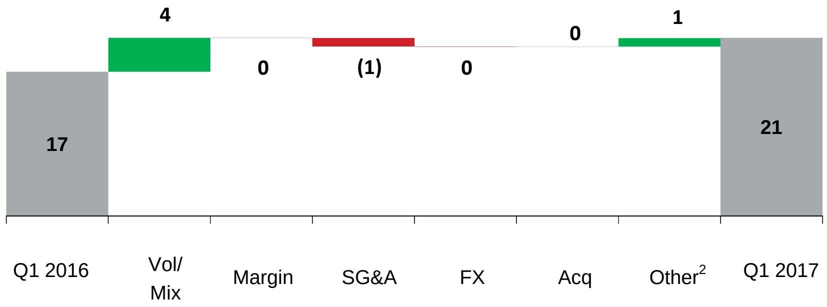
International

($ in millions) Preliminary	Fiscal First Quarter Three months ended Dec. 31, 2016	2015	Change
Lubricant gallons (in millions)	13.7	12.2	12 %
Sales	$ 125	$ 115	9 %
Operating income	$ 20	$ 16	25 %
Depreciation and amortization	$ 1	$ 1	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)[1]	$ 21	$ 17	24 %
EBITDA as a percent of sales	16.8 %	14.8 %	200 bp

Factors affecting year-over-year EBITDA



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