



First Quarter Fiscal 2023 Earnings

February 7, 2023

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Forward-Looking Statements

Certain statements in this presentation, 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, statements about the proposed transaction, the expected timetable for completing the proposed transaction, the benefits and synergies of the proposed transaction, future opportunities for the standalone Retail Services company and any other statements regarding Valvoline's future operations, financial or operating results, capital allocation, debt ratio, anticipated business levels, future earnings, dividend policy, anticipated growth, market opportunities, strategies, competitions, and other expectations and targets for future periods. 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. Important factors that could cause Valvoline's actual results to differ materially from those in the forward-looking statements include: uncertainties as to the timing of the sale of Global Products and the risk that the transaction may not be completed in a timely manner or at all, the possibility that any or all of the conditions to the consummation of the sale of Global Products may not be satisfied or waived, the effect of the announcement or pendency of the transaction on Valvoline's ability to retain and hire key personnel and to maintain relationships with customers, supplier and other business partners, risks related to diverting management's attention from Valvoline's ongoing business operations, uncertainties as to Valvoline's ability and the amount of time necessary to realize the expected benefits of the transaction, changes in the economic and financial conditions of Valvoline's business and uncertainties and matters beyond the control of management and other factors 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://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

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

AGENDA

Update on Transaction



1Q Highlights



Operational Insight



Results/Guidance



Wrap Up/Q&A

UPDATE ON TRANSACTION



SALE OF GLOBAL PRODUCTS ON TRACK

Structure and Consideration

- Purchase price of \$2.65B in cash
- Aramco obtains global rights to Valvoline brand related to Global Products sales
- Valvoline Retail Services maintains global rights to Valvoline brand related to service sales¹
- Long term product agreement for Global Products to supply Valvoline Retail Services

Final Proceeds and Use

- Anticipated net proceeds of ~\$2.25B
- Return of capital to shareholders of ~\$1.6B expected over 18 months
- Repayment of 2030 bonds expected within 12 months of close, subject to market conditions

Timing and Closing

- Transaction expected to close early calendar 2023

1. Excluding China and certain countries in the Middle East and North Africa

SEPARATION UNLOCKS VALUE OF RETAIL SERVICES



New¹ Valvoline

Fast Growth, High Margin, High ROIC



Takeaways for Shareholders



Accelerated Growth



Sales CAGR¹ 14 - 16%
Adj. EBITDA CAGR^{1,2} 16 - 18%



Focused Capital Allocation



30+% Cash on Cash Returns³
55% Franchise Mix¹



Enhanced Capital Structure



Targeting 2.5x – 3.5x leverage
Adj. EPS CAGR^{1,2} 22 – 26%⁴

1) Reflects the company's projections for FY23 – FY27.

2) Denotes a forward-looking non-GAAP financial measure that Valvoline is unable to reconcile without unreasonable efforts, 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 results but would not impact non-GAAP adjusted results.

3) Unit economic returns based on mature stores that have been open more than 10 years for the trailing twelve months ended 12/31/22.

4) Excludes the impact of the expected return of capital related to the sale of Global Products.

1Q HIGHLIGHTS



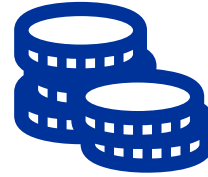
1Q23 KEY HIGHLIGHTS¹



\$644M

System-wide Store Sales

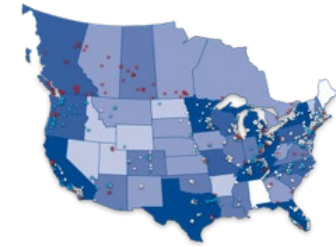
↑ **16.9%**



\$332.6M

Adjusted¹ Net Revenue

↑ **17.3%**



1,746

Company-operated and
Franchised locations

↑ **6.8%**

↑ **11.9%**

System-wide Same Store Sales²
Growth

13% Company SSS²

11% Franchise SSS²

\$73.3M

Adjusted¹ EBITDA

↑ **1%**

53%

Franchise operated

↑ **42 Franchise
Units³ vs PY**

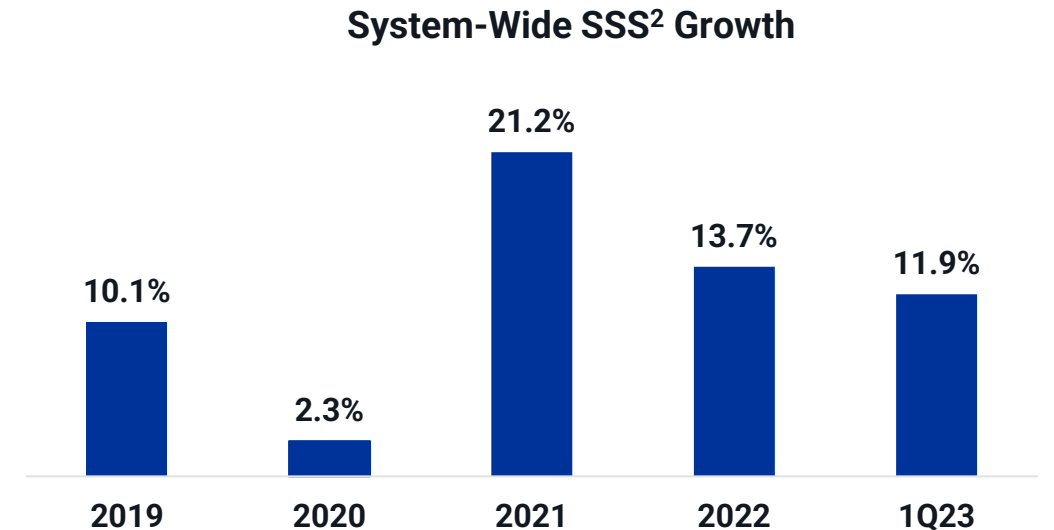
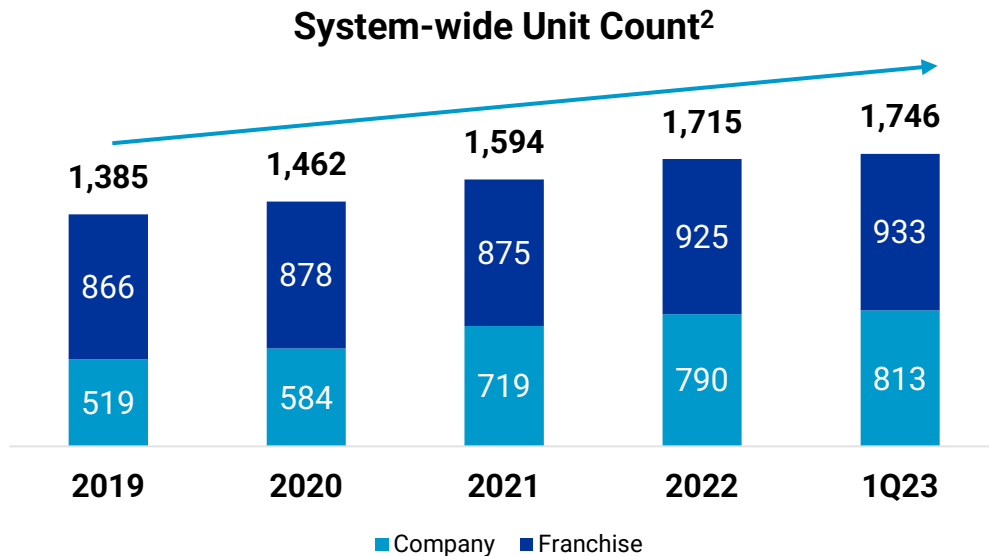
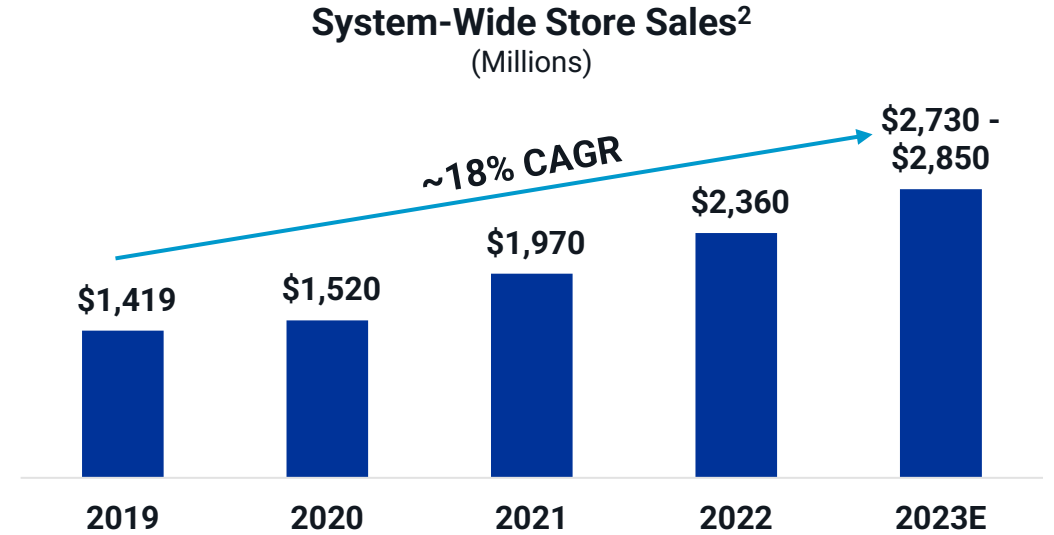
1. For a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix.

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

3. Excludes conversions.

CONFIDENCE IN DOUBLE-DIGIT TOPLINE GROWTH

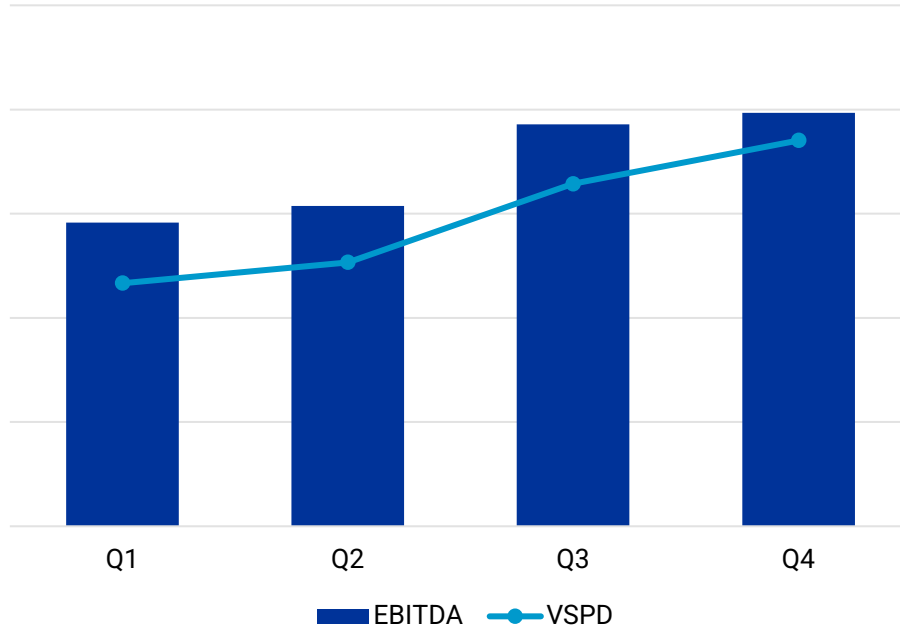
(Millions, except store count)	1Q23	YoY
Adjusted ¹ Net revenues	\$332.6	17.3%
System-wide Store Sales ²	\$644.0	16.9%
System-wide SSS ²	N/A	11.9%
Store Count ²	1,746	6.8%
Adjusted ¹ EBITDA	\$73.3	1.2%



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.

1Q SEASONALITY AS EXPECTED

2021 & 2022 Performance¹



- Retail Services performance tracks with seasonal driving patterns
- Anticipate stronger volume and profit in remaining quarters
- 1Q23 modestly lower than internal expectations

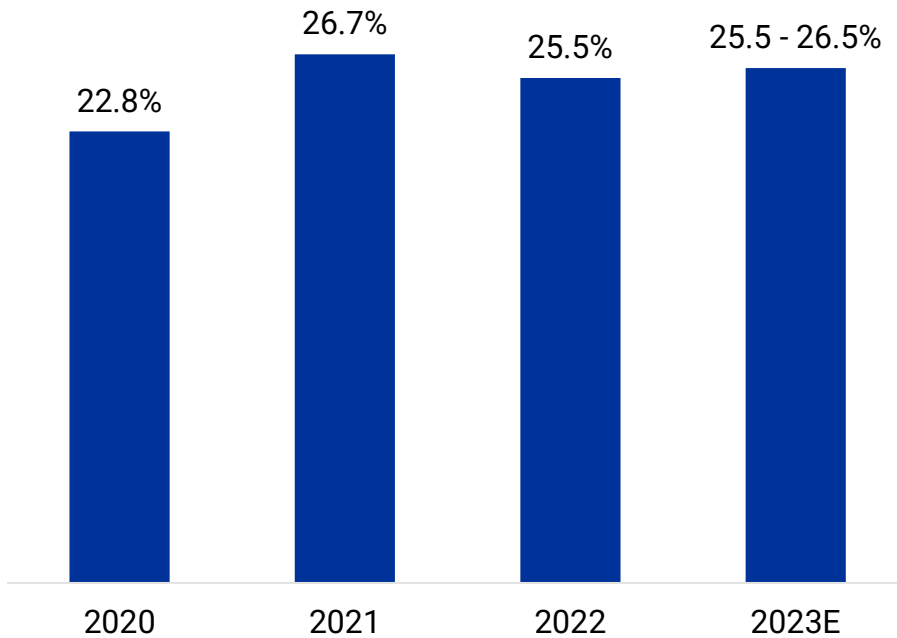
1. Amounts represent average of FY21 & FY22. VSPD represents vehicles serviced per day at US company-owned locations

OPERATIONAL HIGHLIGHTS



FULL-YEAR OUTLOOK AND 1Q23 MARGIN

EBITDA Margin¹



1Q Year-over-year

- 1Q23 EBITDA margins down 350 bps
 - Largely anticipated and driven by business mix and cost passthrough

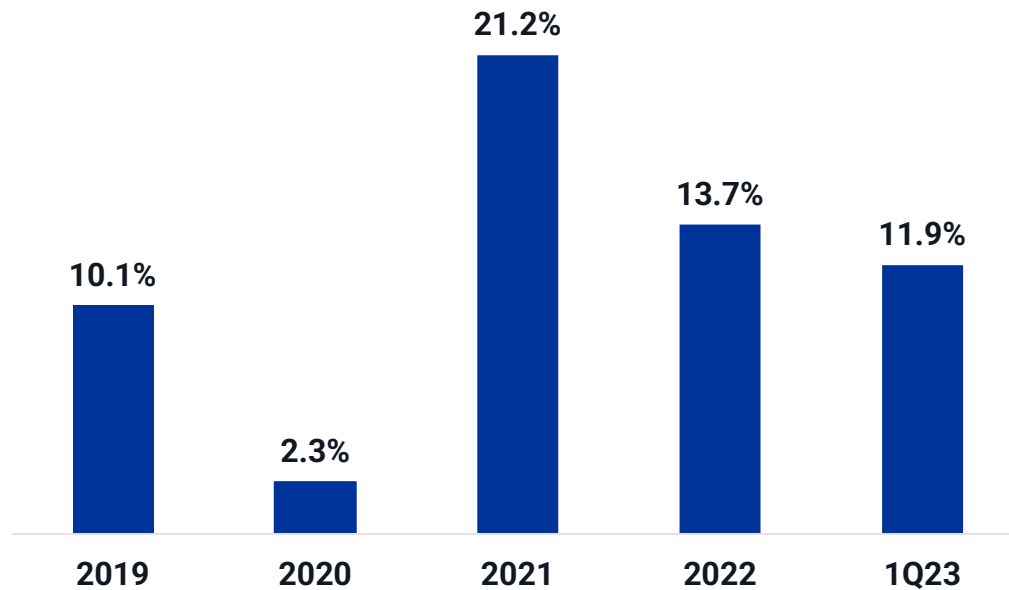
Year-to-go margins

- Seasonality drives margin improvements in back half of the year
- Higher operating efficiency and SG&A leverage

1) For a reconciliation of adjusted amounts to amounts reported under GAAP, please refer to the Appendix. Adjusted EBITDA Margin for FY23, denotes a forward-looking non-GAAP financial measure that Valvoline is unable to reconcile without unreasonable efforts, 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 results but would not impact non-GAAP adjusted results.

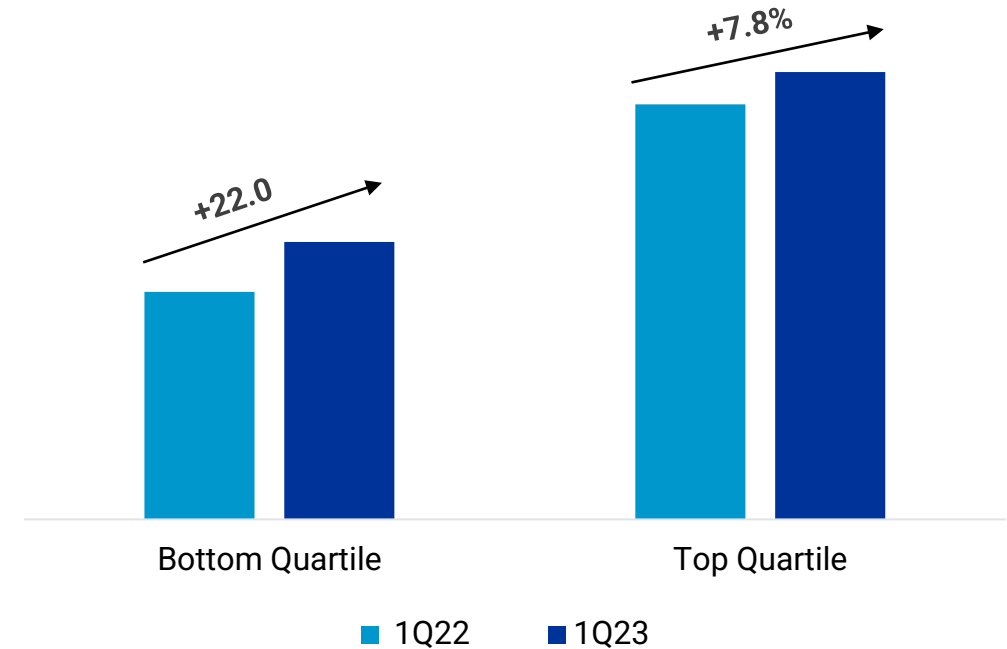
CONFIDENCE IN SAME STORE SALES GROWTH

System-wide Same Store Sales¹



- Strong performance in 1Q driven by pricing actions in prior year

NOCR Growth by Quartile



- Growth across performance quartiles with higher improvement in bottom quartile

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

CONFIDENCE IN PROJECTED 7-9% UNIT GROWTH



31 new units delivered in 1Q23

On track for 130-160 new units in FY23

1) Current pipeline as of 2/3/2023

1Q RESULTS & GUIDANCE

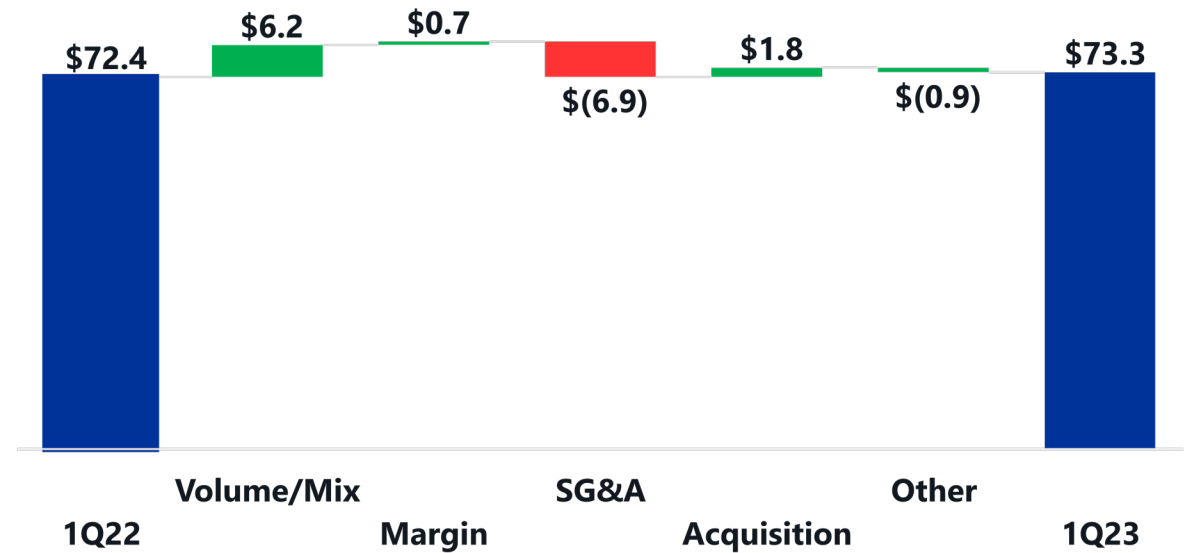


FIRST QUARTER RESULTS- ADJUSTED¹



(Millions)	1Q23	YoY
Net revenues	\$332.6	17.3%
Operating income	\$54.8	(1.3)%
Operating income margin	16.5%	(309 bps)
EBITDA	\$73.3	1.2%
EBITDA margin	22%	(350 bps)
Net income	28.4	(5.0)%

YoY Changes in Adjusted¹ EBITDA
(Millions)



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

REITERATING FY2023 GUIDANCE



	Continuing Operations ¹
Same Store Sales Growth %	8% – 12%
System-Wide Sales Growth	16% – 20%
System-Wide Unit Additions	130 – 160
<i>Company</i>	80 – 90
<i>Franchise</i>	50 – 70
Net Revenues	\$1.4B – \$1.5B
Net Revenues Growth	14% – 18%
Adjusted ² EBITDA	\$370M – \$390M
Capital Expenditures	\$170M – \$200M
Adjusted ² Effective Tax Rate	25.5% – 26.5%
Adjusted ² Net Income	\$160M – \$180M

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

2) Denotes a forward-looking non-GAAP financial measure that Valvoline is unable to reconcile without unreasonable efforts, 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 results but would not impact non-GAAP adjusted results.

LONG TERM VALUE DRIVERS INTACT



Customer trends are strong and FY2023 full year outlook remains on track



Transaction expected to close in early calendar 2023



Expect to return \$1.6B to shareholders within 18 months following close

APPENDIX



RETAIL SERVICES – Q1 SYSTEM RESULTS



	Three months ended December 31				
	2022	2021			
Sales information					
System-wide store sales - in millions ^(a)	\$ 644.0	\$ 550.9			
Year-over-year growth ^(a)	16.9 %	30.9 %			
Same-store sales growth ^(b)					
Company-operated	12.7 %	22.1 %			
Franchised ^(a)	11.2 %	26.8 %			
System-wide ^(a)	11.9 %	24.7 %			
	Number of stores at end of period				
	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022	First Quarter 2022
Company-operated	813	790	772	757	738
Franchised ^(a)	933	925	918	904	897
	December 31				
	2022	2021			
System-wide store count ^(a)	1,746	1,635			
Year-over-year growth	7 %	7 %			

- 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				
	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022	First Quarter 2022
Beginning of period	790	772	757	738	719
Opened	17	12	5	10	7
Acquired	5	3	9	9	12
Net conversions between company-operated and franchised	2	3	1	—	—
Closed	(1)	—	—	—	—
End of period	813	790	772	757	738

	Franchised ^(a)				
	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022	First Quarter 2022
Beginning of period	925	918	904	897	875
Opened	11	10	16	9	25
Acquired	—	—	—	—	—
Net conversions between company-operated and franchised	(2)	(3)	(1)	—	—
Closed	(1)	—	(1)	(2)	(3)
End of period	933	925	918	904	897
Total system-wide stores ^(a)	1,746	1,715	1,690	1,661	1,635

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 – NET REVENUES & OPERATING INCOME

(In millions - preliminary and unaudited)	Three months ended December 31			
	Net revenues		Operating income	
	2022	2021	2022	2021
As reported	\$ 332.8	\$ 287.3	\$ 29.3	\$ 52.0
<i>Adjustments:</i>				
Net legacy and separation-related expenses	—	—	25.4	2.8
Information technology transition costs	—	—	0.3	
Suspended operations	(0.2)	(3.7)		(0.3)
As adjusted	<u>\$ 332.6</u>	<u>\$ 283.6</u>	<u>\$ 54.8</u>	<u>\$ 55.5</u>

RECONCILIATION OF NON-GAAP DATA – NET INCOME

	Three months ended December 31	
	2022	2021
Reported income from continuing operations	\$ 27.0	\$ 34.2
<i>Adjustments:</i>		
Net pension and other postretirement plan expenses (income)	3.7	(9.3)
Net legacy and separation-related expenses ^(a)	25.4	2.8
Information technology transition costs	0.3	1.0
Suspended operations	(0.2)	(0.3)
Total adjustments, pre-tax	29.2	(5.8)
Income tax (benefit) expense of adjustments ^(a)	(27.8)	1.5
Total adjustments, after tax	1.4	(4.3)
Adjusted income from continuing operations ^(b)	\$ 28.4	\$ 29.9
Continuing operations diluted earnings per share	\$ 0.15	\$ 0.19
Continuing operations adjusted earnings per share ^(c)	\$ 0.16	\$ 0.16
Weighted average diluted common shares outstanding	176.3	182.0

a) The Company recognized \$24.4 million of expense within Net legacy and separation-related expenses in the Statement of Consolidated Income, in addition to an income tax benefit of \$26.5 million during the three months ended December 31, 2022 to reflect its increased estimated indemnity obligation and the release of valuation allowances, respectively, in connection with the amendment of the Tax Matters Agreement with Valvoline's former parent company in January 2023.

b) Adjusted income from continuing operations is defined as income from continuing operations adjusted for key items. Refer to "Use of Non-GAAP Measures" in this press release for management's definition of key items.

c) Adjusted 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 – Q1 ADJUSTED EBITDA



	Three months ended	
	December 31	
	2022	2021
Income from continuing operations	\$ 27.0	\$ 34.2
Add:		
Income tax (benefit) expense	(20.1)	10.1
Net interest and other financing expenses	18.7	17.0
Depreciation and amortization	18.5	16.9
EBITDA - Continuing operations ^(a)	44.1	78.2
Key items:		
Net pension and other postretirement plan expenses (income)	3.7	(9.3)
Net legacy and separation-related expenses	25.4	2.8
Information technology transition costs	0.3	1.0
Suspended operations	(0.2)	(0.3)
Key items - subtotal	29.2	(5.8)
Adjusted EBITDA from continuing operations ^(a)	\$ 73.3	\$ 72.4

a) EBITDA from continuing operations is defined as income from continuing operations, plus income tax (benefit) expense, 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, as described in "Use of Non-GAAP Measures" within this presentation.

RECONCILIATION OF NON-GAAP DATA - FREE CASH FLOW

Free cash flow ^(a)	Three months ended December 31	
	2022	2021
Total cash flows provided by operating activities from continuing operations	\$ 48.5	\$ 37.7
<i>Adjustments:</i>		
Additions to property, plant and equipment from continuing operations	(39.9)	(32.0)
Free cash flow from continuing operations	\$ 8.6	\$ 5.7

Discretionary free cash flow ^(b)	Three months ended December 31	
	2022	2021
Total cash flows provided by operating activities from continuing operations	\$ 48.5	\$ 37.7
<i>Adjustments:</i>		
Maintenance additions to property, plant and equipment from continuing operations	(4.3)	(4.2)
Discretionary free cash flow from continuing operations	\$ 44.2	\$ 33.5

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) 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 December 31	
	2022	2021
Net revenues	\$ 332.8	\$ 287.3
Cost of sales	214.0	175.1
GROSS PROFIT	118.8	112.2
Selling, general and administrative expenses	66.0	60.2
Net legacy and separation-related expenses	25.4	2.8
Other income, net	(1.9)	(2.8)
OPERATING INCOME	29.3	52.0
Net pension and other postretirement plan expense (income)	3.7	(9.3)
Net interest and other financing expenses	18.7	17.0
INCOME BEFORE INCOME TAXES	6.9	44.3
Income tax (benefit) expense	(20.1)	10.1
Income from continuing operations	27.0	34.2
Income from discontinued operations	54.9	52.8
NET INCOME	\$ 81.9	\$ 87.0
NET EARNINGS PER SHARE		
Basic earnings per share		
Continuing operations	\$ 0.16	\$ 0.19
Discontinued operations	0.31	0.29
Basic earnings per share	\$ 0.47	\$ 0.48
Diluted earnings per share		
Continuing operations	\$ 0.15	\$ 0.19
Discontinued operations	0.31	0.29
Diluted earnings per share	\$ 0.46	\$ 0.48
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
BASIC	175.2	180.5
DILUTED	176.3	182.0

USE OF NON-GAAP MEASURES



To supplement the financial measures prepared in accordance with U.S. GAAP, certain items within this presentation are presented on an adjusted basis. These non-GAAP measures, presented on both a consolidated and operating segment basis, have limitations as analytical tools and should not be considered in isolation from, or as 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 non-GAAP information used by management may not be comparable to similar measures disclosed by other companies, because of differing methods used in calculating such measures.

This presentation includes the following non-GAAP measures: segment adjusted operating income, consolidated EBITDA, consolidated and segment adjusted EBITDA, consolidated adjusted net income and earnings per share, consolidated free cash flow, and consolidated and segment 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.

Management believes the use of non-GAAP measures on a consolidated and operating segment basis provides a useful supplemental presentation of Valvoline's operating performance and allows for transparency with respect to key metrics used by management in operating the business and measuring performance. 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, and income tax and interest costs related to Valvoline's tax and capital structures, respectively.

Adjusted profitability measures enable comparison of financial trends and results between periods where certain items may vary independent of business performance. These adjusted measures 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 and associated impacts of related indemnities; the separation of Valvoline's businesses; significant acquisitions or divestitures; restructuring-related matters; tax reform legislation; debt extinguishment and modification costs; and other matters that are non-operational or unusual in nature, including the following:

- 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 and 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 may be more reflective of changes in current conditions in global financial markets (in particular, interest rates), 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 profitability measures include the costs of benefits provided to employees for current service, including pension and other postretirement service costs.
- Changes in the last-in, first out (LIFO) inventory reserve - charges or credits recognized in Cost of sales to value certain lubricant inventories at the lower of cost or market using the LIFO method. During inflationary or deflationary pricing environments, the application of LIFO can result in variability of the cost of sales recognized each period as the most recent costs are matched against current sales, while preceding costs are retained in inventories. LIFO adjustments are determined based on published prices, which are difficult to predict and largely dependent on future events. The application of LIFO can impact comparability and enhance the lag period effects between changes in inventory costs and related pricing adjustments.

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.

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; vehicles served, 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.