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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): July 7, 2020

**VALVOLINE INC.**

(Exact name of registrant as specified in its charter)

Kentucky  
(State or other jurisdiction  
of incorporation)

001-37884  
(Commission  
File Number)

30-0939371  
(I.R.S. Employer  
Identification No.)

100 Valvoline Way  
Lexington, KY 40509  
(Address of Principal Executive Offices)

(859) 357-7777  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
Common stock, par value \$0.01 per share

Trading Symbol(s)  
VVV

Name of each exchange on which registered  
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 7.01. Regulation FD Disclosure.**

On July 7, 2020, Valvoline Inc. ("Valvoline" or the "Company") issued a press release providing a business update to provide continued visibility into the Company's performance during the COVID-19 crisis. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

On July 7, 2020, Valvoline made available on its website located at <http://investors.valvoline.com> supplemental materials in connection with its business update. The full text of the supplemental materials is attached hereto as Exhibit 99.2 and is incorporated by reference herein.

**Item 8.01. Other Events.**

On July 7, 2020, Valvoline provided a business update to give continued visibility into its performance during the COVID-19 crisis, including topline financial results for June 2020.

Preliminary June 2020 results include the following:

- Substantial sequential improvement versus May 2020
  - Sales increases of 33%
  - Lubricant volume increases of 32%
  - Sequential sales and volume improvements across all segments
- Quick Lubes' system-wide same-store sales (SSS) were positive for the month of June, with significant sequential improvement over May 2020
  - System-wide SSS growth of 7.2% for June compared to the prior-year period
  - SSS for company-owned stores grew 10.4% in June compared to the prior-year period
  - SSS for franchised stores grew 5.0% in June compared to the prior-year period
- Total liquidity of nearly \$1.3 billion as of June 30, 2020

Quick Lubes' system-wide SSS sequential improvement was driven by both transactions and ticket, as miles driven trends improved and new customer growth continued. Shipments in Core North America were ahead of pre-COVID-19 levels for each week in June driven by improved performance in both retail and installer volumes. In the International segment, volume including unconsolidated joint ventures continued to improve across all regions and approached pre-COVID-19 trends, with China remaining at pre-COVID-19 levels.

**Preliminary Results**

The estimates above represent the most current information available and do not present all information necessary for an understanding of the Company's financial condition as of and the results of operations for the month ended June 30, 2020. Valvoline has provided an estimate for the preliminary and unaudited results described above primarily because the Company's financial closing procedures for the month ended June 30, 2020 are not yet complete. As a result, there is a possibility that the Company's final results will vary materially from these preliminary estimates as a result of the completion of normal quarter-end accounting procedures and adjustments, including the execution of the Company's internal control over financial reporting, the completion of the preparation and review of the Company's financial statements for the three months ended June 30, 2020 and the subsequent occurrence or identification of events prior to the formal issuance of the Company's financial results for the three months ended June 30, 2020. Valvoline undertakes no obligation to update or supplement the information provided above until the Company releases its results of operations for the three months ended June 30, 2020.

**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.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	<a href="#">Press Release providing a June Business Update, dated July 7, 2020.</a>
99.2	<a href="#">June Business Update - Supplemental Materials, dated July 7, 2020.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

In connection with the disclosures set forth in Item 7.01, the information in this Form 8-K under Item 7.01, including Exhibits 99.1 and 99.2 attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in Item 7.01 in this Form 8-K, including Exhibits 99.1 and 99.2, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing. This Form 8-K will not be deemed an admission as to the materiality of any information in this Form 8-K that is required to be disclosed solely by Regulation FD.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**VALVOLINE INC.**

Date: July 7, 2020

By: /s/ Mary E. Meixelsperger  
Mary E. Meixelsperger  
Chief Financial Officer



## NEWS RELEASE

### Valvoline Provides Business Update

LEXINGTON, Ky., July 7, 2020 — Valvoline Inc. (NYSE: VVV), a leading worldwide supplier of premium branded lubricants and automotive services, today provided a business update to give continued visibility into its performance during the COVID-19 crisis, including topline financial results for June 2020.

Preliminary June 2020 results include the following:

- Substantial sequential improvement versus May 2020
  - Sales increases of 33%
  - Lubricant volume increases of 32%
  - Sequential sales and volume improvements across all segments
- Quick Lubes' system-wide same-store sales (SSS) were positive for the month of June, with significant sequential improvement over May 2020
  - System-wide SSS growth of 7.2% for June compared to the prior-year period
  - SSS for company-owned stores grew 10.4% in June compared to the prior-year period
  - SSS for franchised stores grew 5.0% in June compared to the prior-year period
- Total liquidity of nearly \$1.3 billion as of June 30, 2020

Quick Lubes' system-wide SSS sequential improvement was driven by both transactions and ticket, as miles driven trends improved and new customer growth continued. Shipments in Core North America were ahead of pre-COVID-19 levels for each week in June driven by improved performance in both retail and installer volumes. In the International segment, volume including unconsolidated joint ventures continued to improve across all regions and approached pre-COVID-19 trends, with China remaining at pre-COVID-19 levels.

"Preliminary June results continue to demonstrate the strength and resiliency of our business model with each segment again showing strong sequential improvement," said Sam Mitchell, CEO. "The nondiscretionary nature of our preventative maintenance products and services and strong customer-focused execution are powering our results as miles driven continues to improve. While we continue to closely monitor recent COVID-19 trends, I remain encouraged about the outlook for the balance of the fiscal year given the same-store sales performance in June and the planned increase in marketing spending beginning in July."

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## Supplemental Materials

Supplemental materials that contain additional information about the Company's financial results for June 2020 were furnished to the SEC on a Form 8-K and are available on the Company's investor relations website at <http://investors.valvoline.com>.

## Preliminary Results

The estimates above represent the most current information available and do not present all information necessary for an understanding of the Company's financial condition as of and the results of operations for the month ended June 30, 2020. Valvoline has provided an estimate for the preliminary and unaudited results described above primarily because the Company's financial closing procedures for the month ended June 30, 2020 are not yet complete. As a result, there is a possibility that the Company's final results will vary materially from these preliminary estimates as a result of the completion of normal quarter-end accounting procedures and adjustments, including the execution of the Company's internal control over financial reporting, the completion of the preparation and review of the Company's financial statements for the three months ended June 30, 2020 and the subsequent occurrence or identification of events prior to the formal issuance of the Company's financial results for the three months ended June 30, 2020. Valvoline undertakes no obligation to update or supplement the information provided above until the Company releases its results of operations for the three months ended June 30, 2020.

## Key Business Measures

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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

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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.

#### **About Valvoline™**

Valvoline Inc. (NYSE: VVV) is a leading worldwide marketer and supplier of premium branded lubricants and automotive services, with sales in more than 140 countries. Established in 1866, the company's heritage spans more than 150 years, during which time it has developed powerful brand recognition across multiple product and service channels. Valvoline ranks as the No. 3 passenger car motor oil brand in the DIY market by volume. It operates and franchises approximately 1,400 quick-lube locations, and it is the No. 2 chain by number of stores in the United States under the Valvoline Instant Oil Change<sup>SM</sup> brand and the No. 3 chain by number of stores in Canada under the Valvoline Great Canadian Oil Change brand. It also markets Valvoline lubricants and automotive chemicals, including the Valvoline High Mileage with MaxLife technology motor oil for engines over 75,000 miles; Valvoline Advanced Full Synthetic motor oil; Valvoline Premium Blue™ heavy-duty motor oil; Valvoline Multi-Vehicle Automatic Transmission Fluid; and Zerex™ antifreeze. To learn more, visit [www.valvoline.com](http://www.valvoline.com).

#### **Forward-Looking Statements**

Certain statements in this news release, 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.

™ Trademark, Valvoline or its subsidiaries, registered in various countries  
SM Service mark, Valvoline or its subsidiaries, registered in various countries

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**FOR FURTHER INFORMATION**

**Investor Relations**

Sean T. Cornett  
+1 (859) 357-2798  
[scornett@valvoline.com](mailto:scornett@valvoline.com)

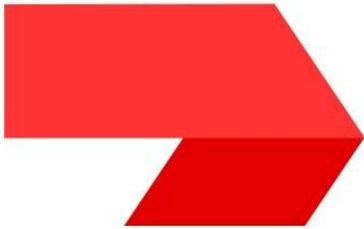
**Media Relations**

Michele Gaither Sparks  
+1 (859) 230-8079  
[michele.sparks@valvoline.com](mailto:michele.sparks@valvoline.com)

Exhibit 99.2

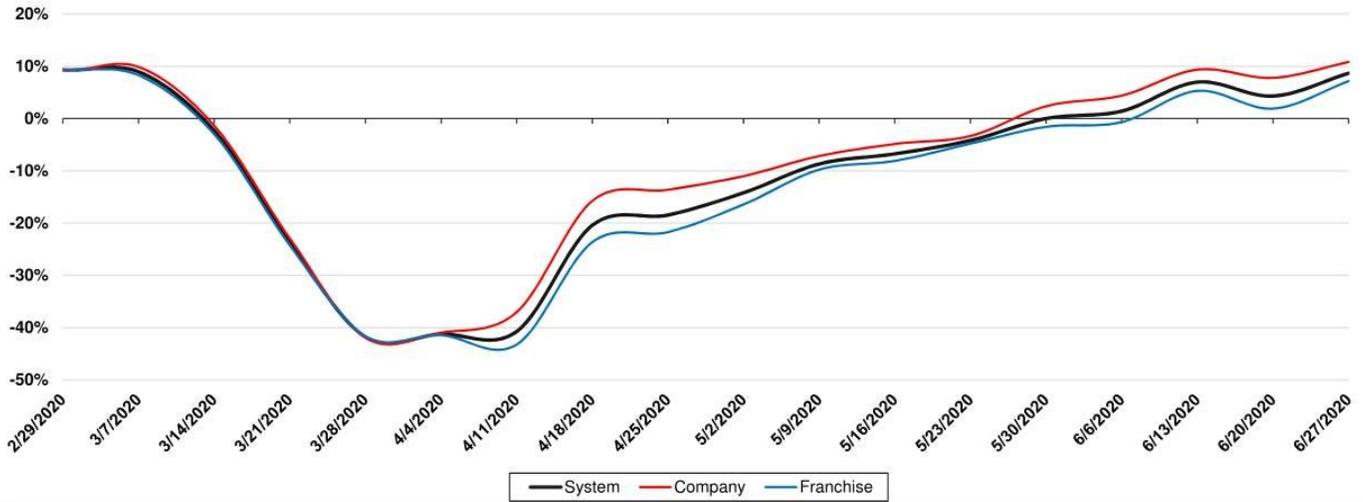
# June Business Update – Supplemental Materials

July 7, 2020



# Quick Lubes

Same Store Sales<sup>1</sup> Growth  
For Week Ending<sup>2</sup>

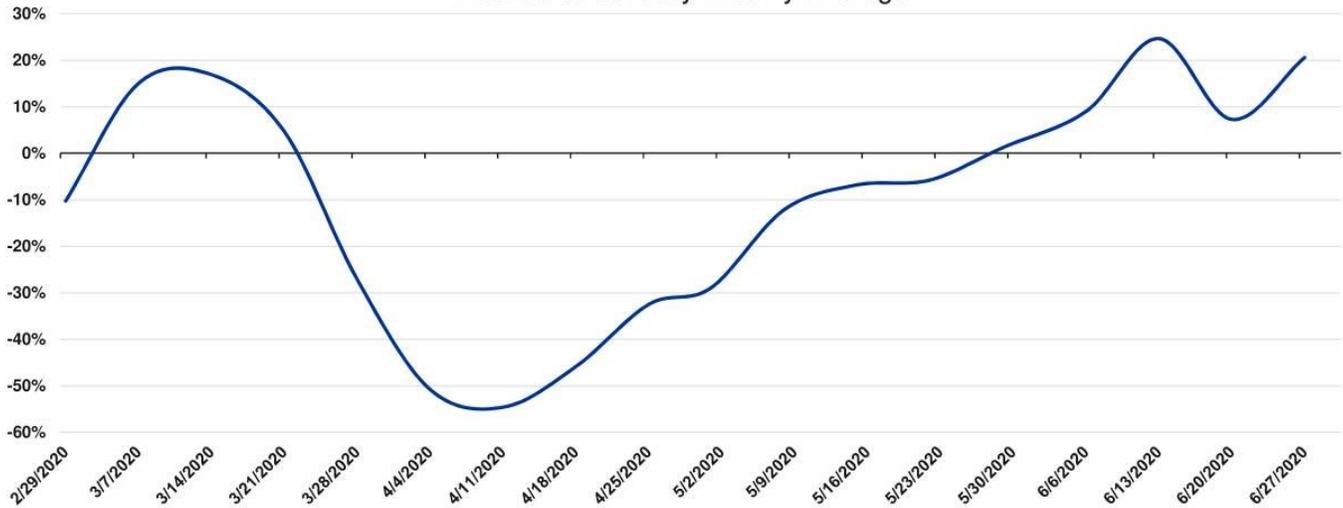


**Weekly system-wide SSS were positive for every week of June**

1. Please refer to the Appendix for management's discussion of the use of Key Business Measures.  
 2. Prior year weeks adjusted to match timing of the current year Easter and Father's Day Holidays.

## Core North America

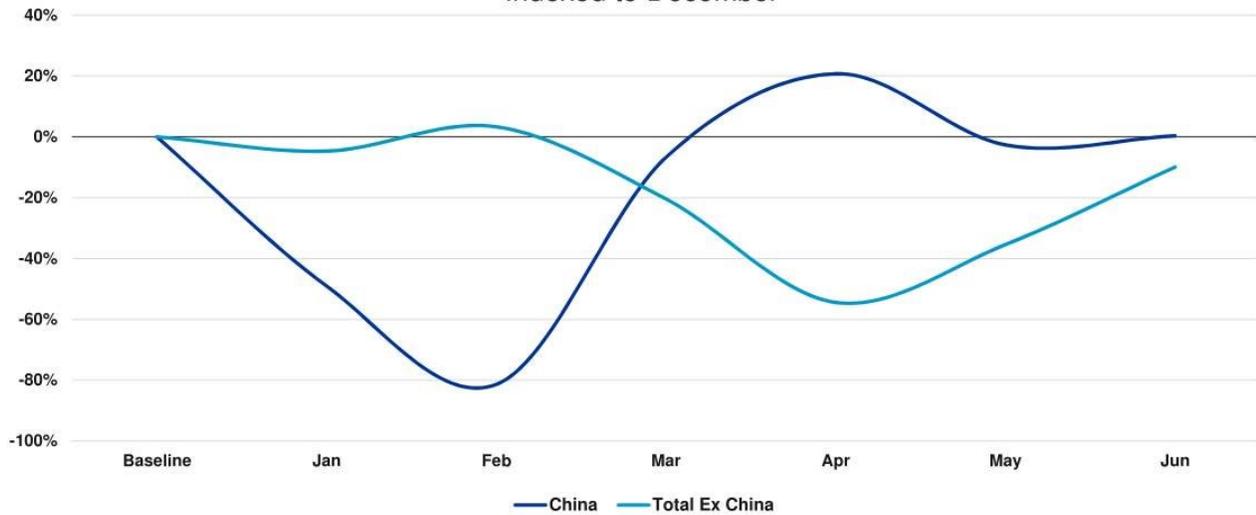
**Core North America Weekly Shipments**  
Indexed to January Weekly Average



**Weekly shipment trends were above pre-crisis levels throughout June**

## International

Lube Volume Including JVs<sup>1</sup>  
Indexed to December



**China volumes remain at pre-crisis levels; other regions approaching pre-COVID-19 trends**

<sup>1</sup> Please refer to the Appendix for management's discussion of the use of Key Business Measures.

# Liquidity

## Total Liquidity

~\$1.3B



June 30, 2020

■ Available credit, \$M<sup>1</sup> ■ Cash & cash equivalents, \$M

<sup>1</sup> 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 May 31, 2020.

## Appendix – Key Business Measures

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